



› Presentation of fourth quarter 2019

OKEA ASA

13 February 2019

General and disclaimer

This presentation is prepared solely for information purposes, and does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities. Investors and prospective investors in securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such company and the nature of the securities. The contents of this presentation have not been independently verified, and no reliance should be placed for any purposes on the information contained in this presentation or on its completeness, accuracy or fairness.

The presentation speaks as of the date sets out on its cover, and the information herein remains subject to change.

Certain statements and information included in this presentation constitutes "forward-looking information" and relates to future events, including the Company's future performance, business prospects or opportunities. Forward-looking information is generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions and could include, but is not limited to, statements with respect to estimates of reserves and/or resources, future production levels, future capital expenditures and their allocation to exploration, development and production activities. Forward-looking information involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Such risks include but are not limited to operational risks (including exploration and development risks), productions costs, availability of equipment, reliance on key personnel, reserve estimates, health, safety and environmental issues, legal risks and regulatory changes, competition, geopolitical risk, and financial risks. Neither the Company or any officers or employees of the Company provides any warranty or other assurance that the assumptions underlying such forward-looking information are free from errors, nor does any of them accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecasted developments and activities. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable law.

This presentation contains non-IFRS measures and ratios that are not required by, or presented in accordance with IFRS. These non-IFRS measures and ratios may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to operating profit or profit from continuing operations or any other performance measures derived in accordance with IFRS or as alternatives to cash flow from operating, investing or financing activities.

The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and are offered and sold only outside the United States in accordance with an exemption from registration provided by Regulation S of the US Securities Act.

The presentation is subject to Norwegian law.

Highlights of 2019

Safe and responsible operations
(Serious incidents)

0

Net production to OKEA
(Barrels o.e. per day)

18 663

Cash flow from operating activities
(NOK million)

2 111



Highlights 4th quarter 2019

Operations

- No serious incidents
- Production 17 020 boepd
- Completed first operated drilling campaign

Financial

- Refinancing of USD 120 million bond
- Revenues from oil and gas NOK 534 million
- Profit from operating activities NOK 55 million
- Cash flow from operations NOK 238 million

New opportunities

- Awarded five licences in APA 2019



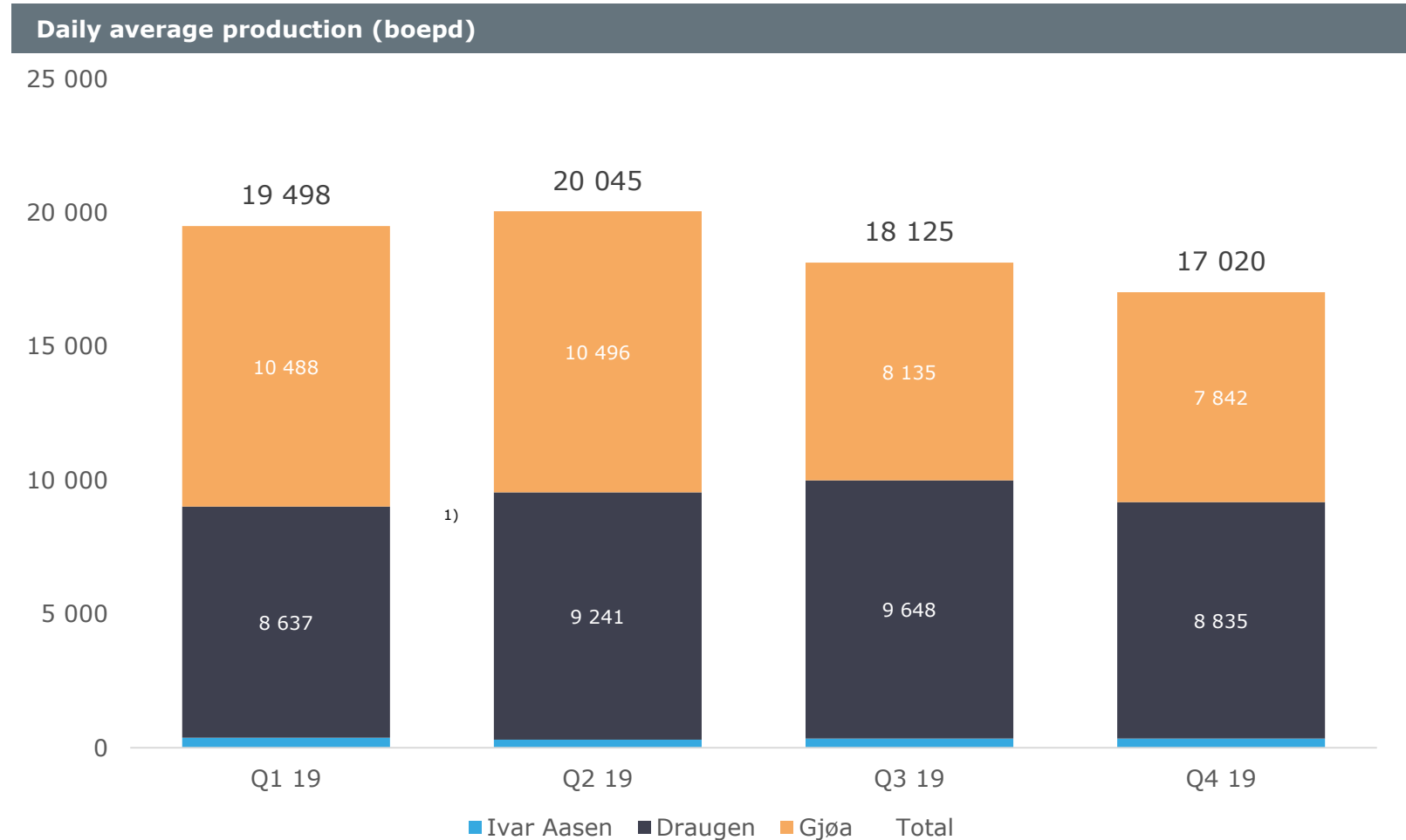


Operations

Tor Bjerkestrand, SVP Operations

Production volumes Q4

Lower production due to maintenance and well shut-in

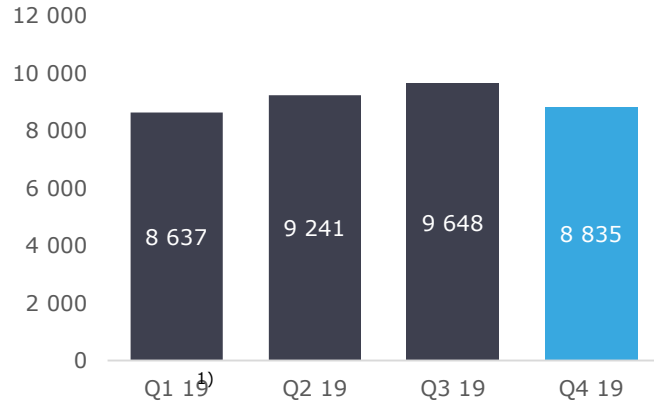


- 5% production decrease from Q3 2019 to Q4 2019
- Lower Draugen production mainly due to shut-in of well
- Gjøa production impacted by unplanned shut-down and SEGAL capacity

Draugen operations

Safe operations with production impacted by well shut-in

Net production (boepd)



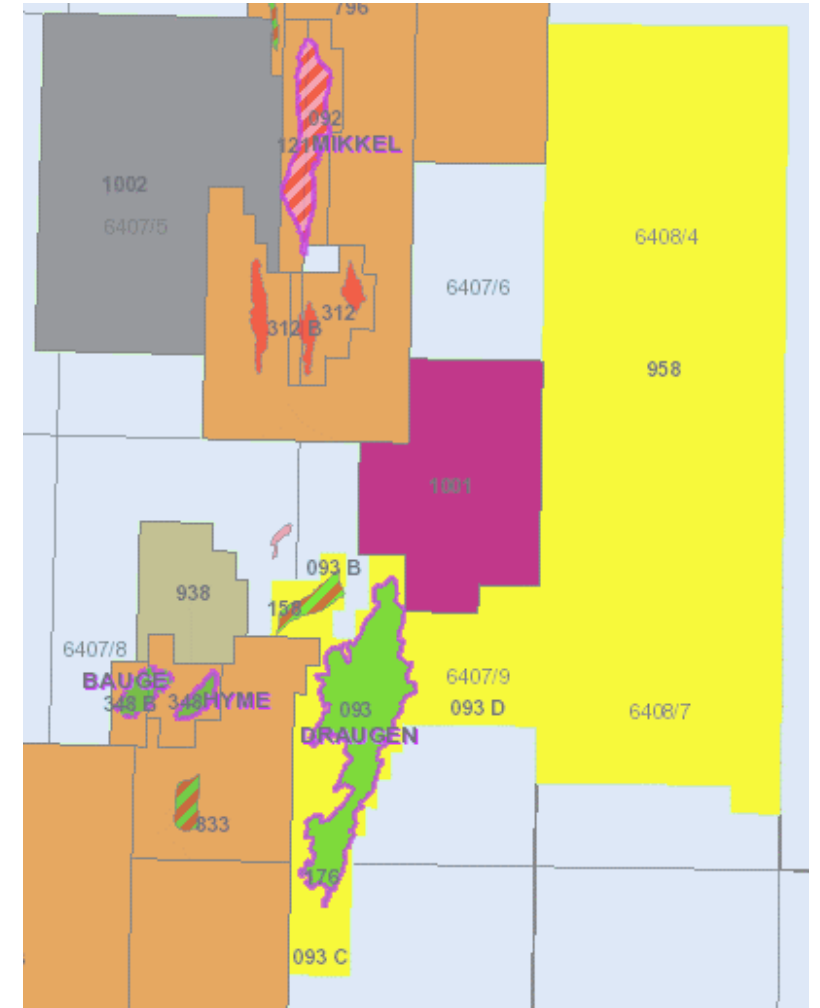
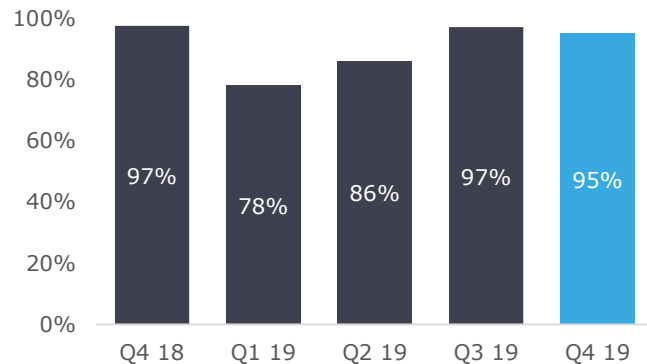
Q4 operations

- 95% availability
- Shut-down of D2 well
- Skumnisse and Infill Ø plugged and completed

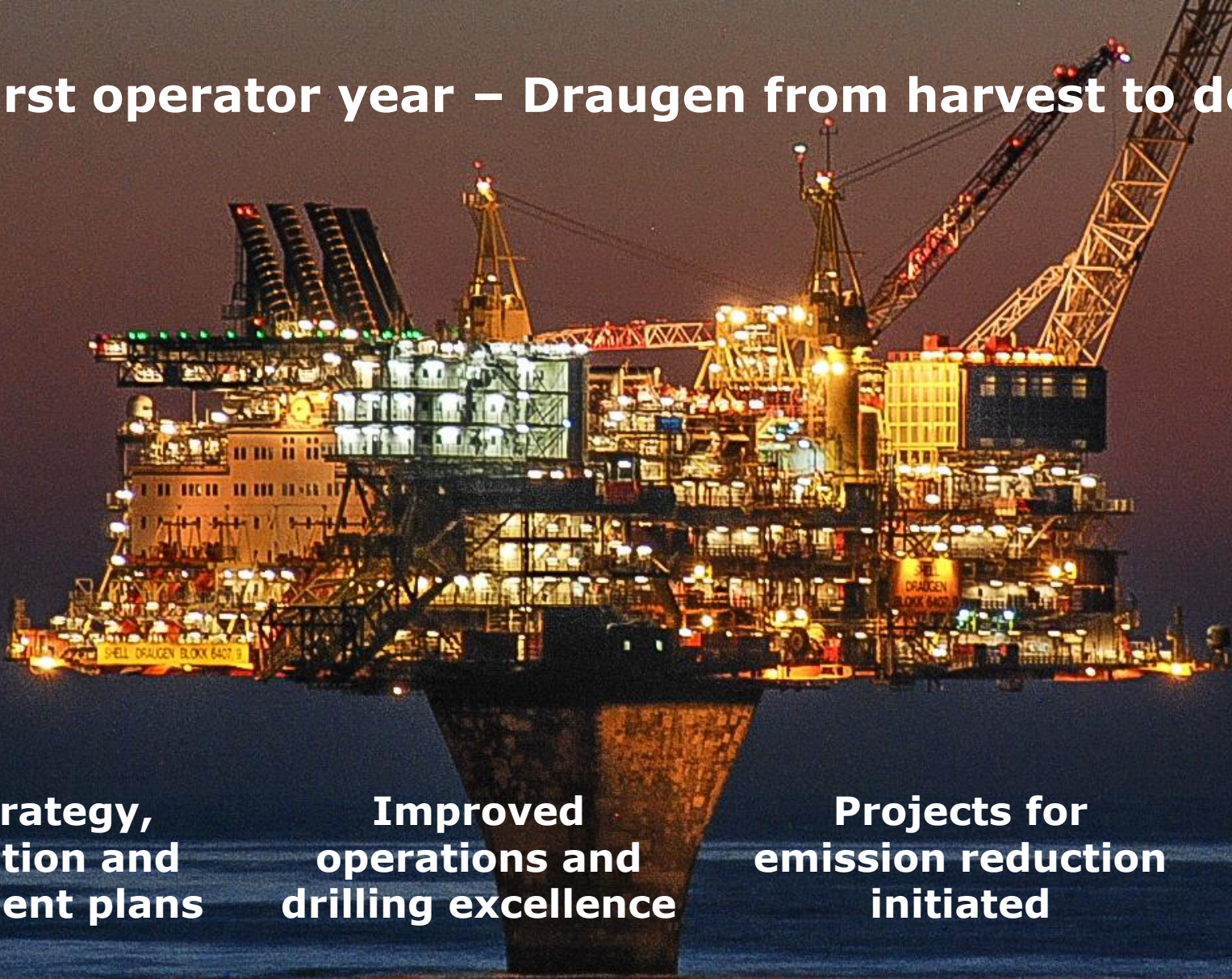
Next steps

- D2 well intervention to restore production
- Mature Hasselmus discovery
- Target further improvement while having safe, stable and efficient operations

Production availability



OKEA's first operator year – Draugen from harvest to development mode



**Field strategy,
organisation and
development plans**

**Improved
operations and
drilling excellence**

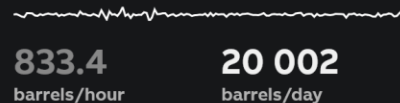
**Projects for
emission reduction
initiated**

**OKEA & ABB digital
collaboration**

Production last seven days (24hr periods)



Production now

**54** USD/barrelSource: U.S. Energy Information Administration.
Last updated on 2020-02-03.**522 800** USD

Estimated production value today based on a 54 USD/barrel price.

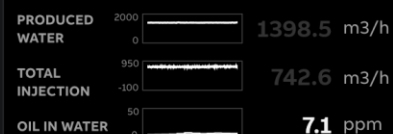
**3** °CPRESSURE **1016.3** hPaRAIN **0** mmWIND **7.5** m/s

ESE

Weather forecast from Yr, delivered by the Norwegian Meteorological Institute and NRK.



WATER INJECTION

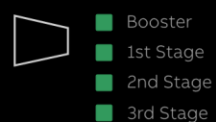


FLARE TODAY

HP **916.2** Sm3

LP **2459.8** Sm3

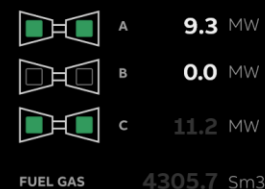
COMPRESSORS



COND. PUMPS

☒ A ☐ B

POWER TURBINES

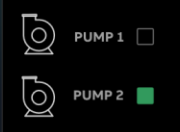


CRUDE LOADING

PUMPS A ☐ B ☐

0 m3/h

SUBSEA PUMPS



WELLHEADS

A1	<input checked="" type="checkbox"/> 100	E1	<input checked="" type="checkbox"/> 45	G1	<input checked="" type="checkbox"/> 100	D1	<input type="checkbox"/> -
A2	<input checked="" type="checkbox"/> 99	E2	<input type="checkbox"/> -	G2	<input checked="" type="checkbox"/> 18	D2	<input type="checkbox"/> -
A3	<input checked="" type="checkbox"/> 100	E3	<input checked="" type="checkbox"/> 63	G3	<input type="checkbox"/> -	D3	<input checked="" type="checkbox"/> 100
A4	<input checked="" type="checkbox"/> 99	E4	<input checked="" type="checkbox"/> 44	G5	<input checked="" type="checkbox"/> 100		
A6	<input checked="" type="checkbox"/> 100						

% open

DIESEL STORAGE

TODAY **686.2** m3

STORAGE AT MIDNIGHT **704.4** m3

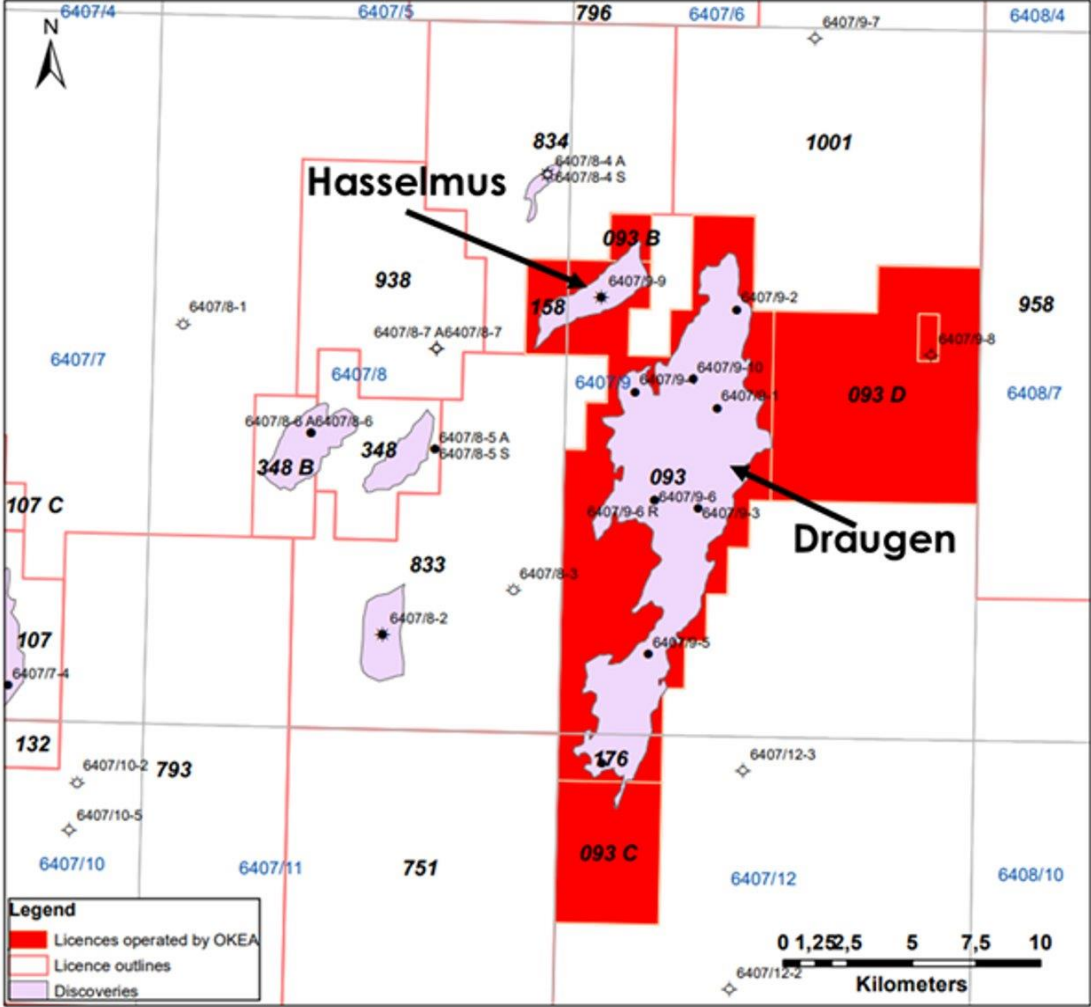
250 m

Draugen Long Range Plan 2019 – Vision and strategic priorities

Vision: Draugen 2040+

Value drives	Ambition
Safe production	<ul style="list-style-type: none">No harm no leaks
Environment	<ul style="list-style-type: none">Prudent operator
Well and reservoir potential	<ul style="list-style-type: none">Ultimate Recovery 70%Near-field explorationDevelop Draugen as hub
Plant regularity/ quality/ efficiency	<ul style="list-style-type: none">Availability 91%Reliability 95%Production optimisation 6%
Cash flow	<ul style="list-style-type: none">Always cash positiveRobust at 40 dollar/barrel
Maximise field life	<ul style="list-style-type: none">End of field life 2040+

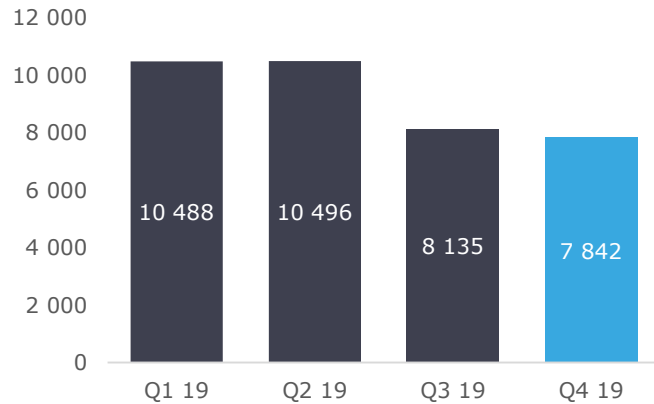
Hasselmus – 1st tieback to Draugen



Gjøa operations

Lower production due to unplanned maintenance

Net production (1 000 boepd)



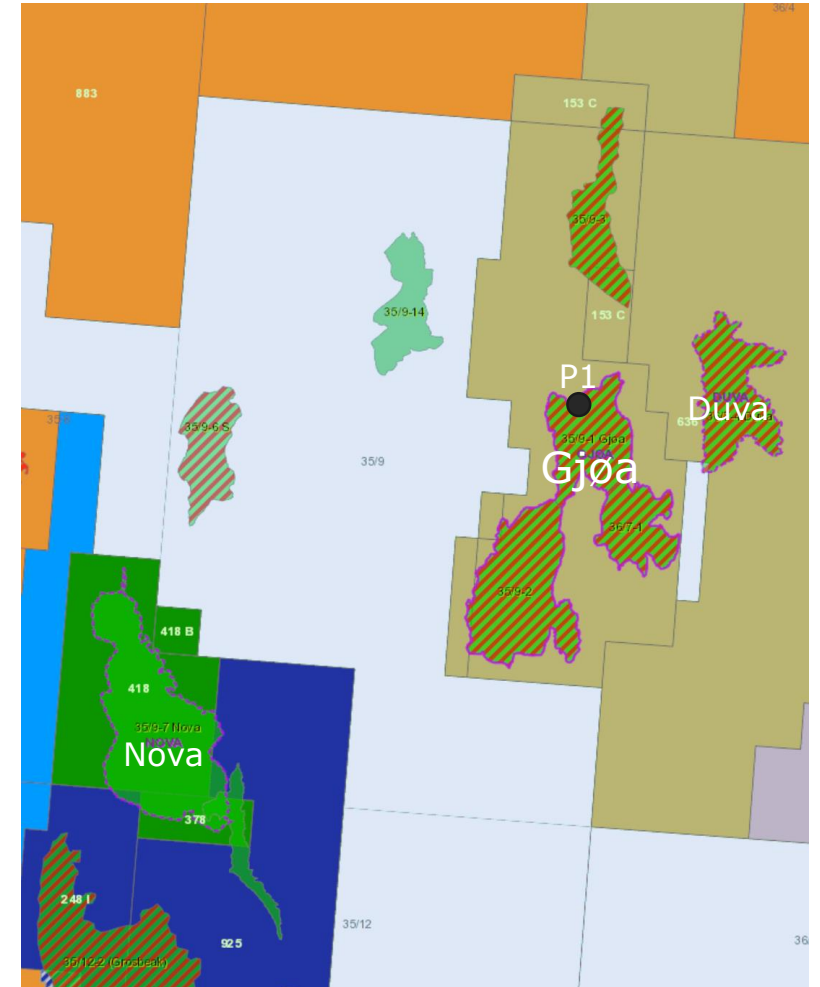
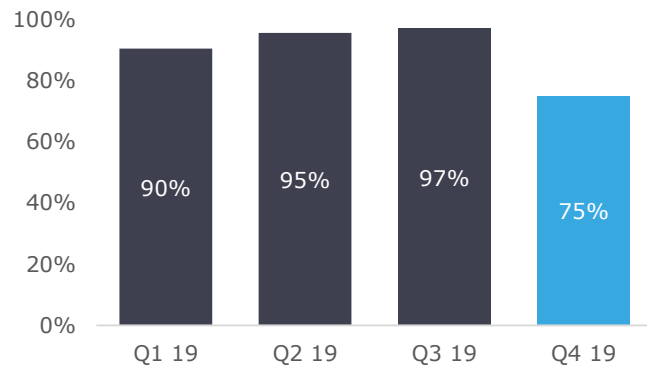
Q4 Operations

- Lower production mainly due to unplanned turbine replacement
- Lower SEGAL capacity restraining gas export
- Gas export restrictions ended 23 December

Next steps

- Hamlet appraisal drilling
- Develop Galler prospect
- Planned downtime on Gjøa in 2020 due to three ongoing tieback projects
- Complete the P1 development by year end

Production regularity



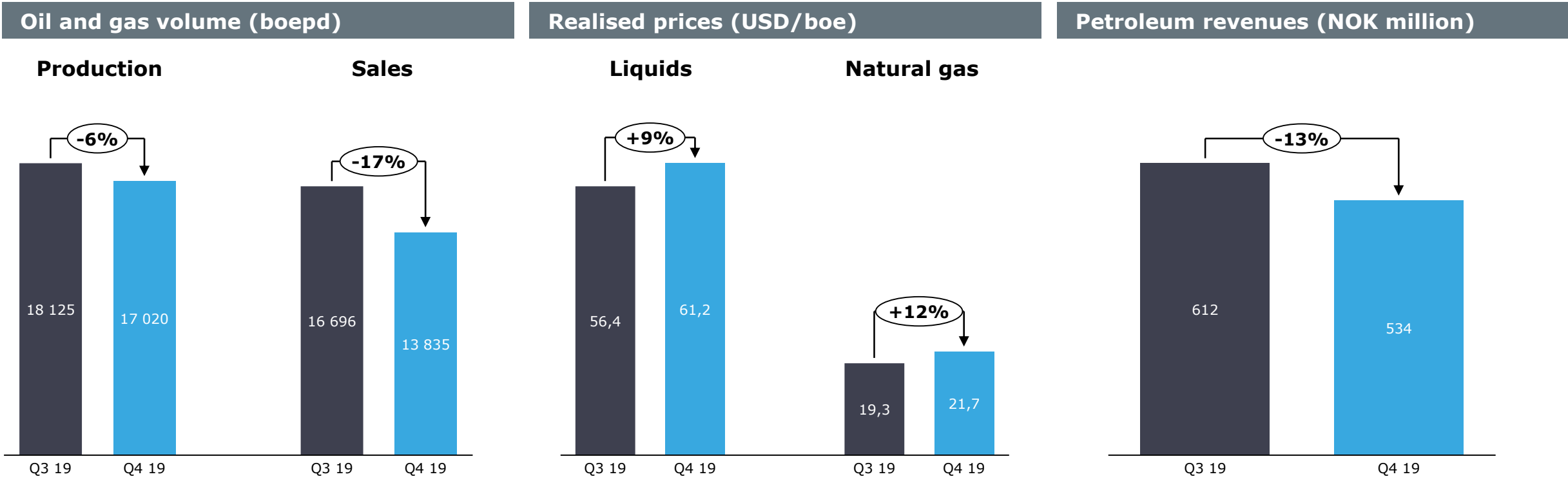


Financials

Kjersti Hovdal, SVP Accounting and Controlling

Oil and gas production, sales and revenues

Revenue decrease mainly due lower produced and sold volumes, offset by increased prices



Income statement

Decrease in operating income due to lower volumes lifted

	4th quarter		3rd quarter		Full year	
Figures in NOK million	2019	2018	2019	2018	2019	2018
Total operating income	564	181	622	97	3 020	309
Production expenses	-205	-90	-144	-2	-709	-97
Changes in over/underlift positions and inventory	42	130	41	-3	-272	133
Depreciation and impairment	-171	-82	-177	-6	-809	-100
Exploration and operating expenses	-176	-89	-115	-51	-402	-197
Profit / loss (-) from operating activities	55	51	227	36	827	49
Net financial items	-90	-241	-225	-66	-408	-349
Profit / loss (-) before income tax	-35	-190	1	-30	419	-300
Income taxes	33	131	-79	-34	-491	144
Net profit / loss (-)	-2	-59	-77	-64	-71	-156
EBITDA	226	133	404	42	1 636	149

Q4 Comments

- **Income:** One lifting on Draugen, lower production and lifting on Gjølå vs. Q3
- **Production expenses:** Higher than average mainly due to well maintenance work on wells on Draugen
- **Exploration expenses:** Dry well Skumnisse, Infill Ø now capitalised, dry well PL910 Kathryn (Yme area). Seismic costs and field evaluation
- **Financials:** favourable USD/NOK, offset by some costs related to refinancing expensed in Q4
- **Taxes:** deviation from 78% mainly due to impairment, financial items and uplift

Strong cash generation in 2019





Outlook & concluding remarks

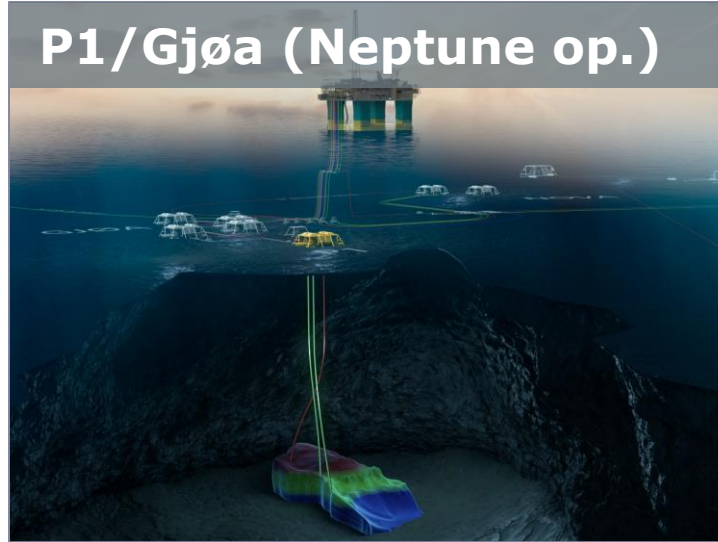
Development projects

Yme (Repsol operated)



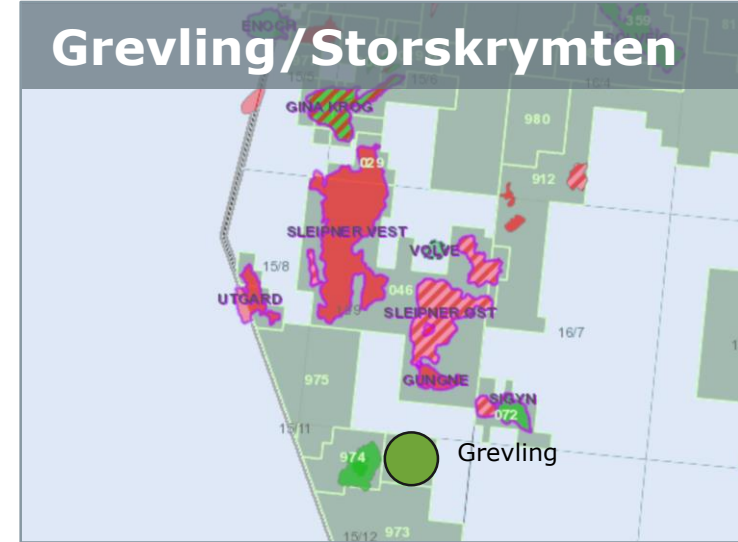
- Ongoing rig campaign, commenced in October
- Progressing towards hook-up
- Aker Solution to complete onshore modification in Q2
- Planned production start summer 2020

P1/Gjøa (Neptune op.)



- Good progress on the project, with appraisal well ongoing
- Two production wells to be drilled later in 2020
- Production start early Q1 2021

Grevling/Storskrymten

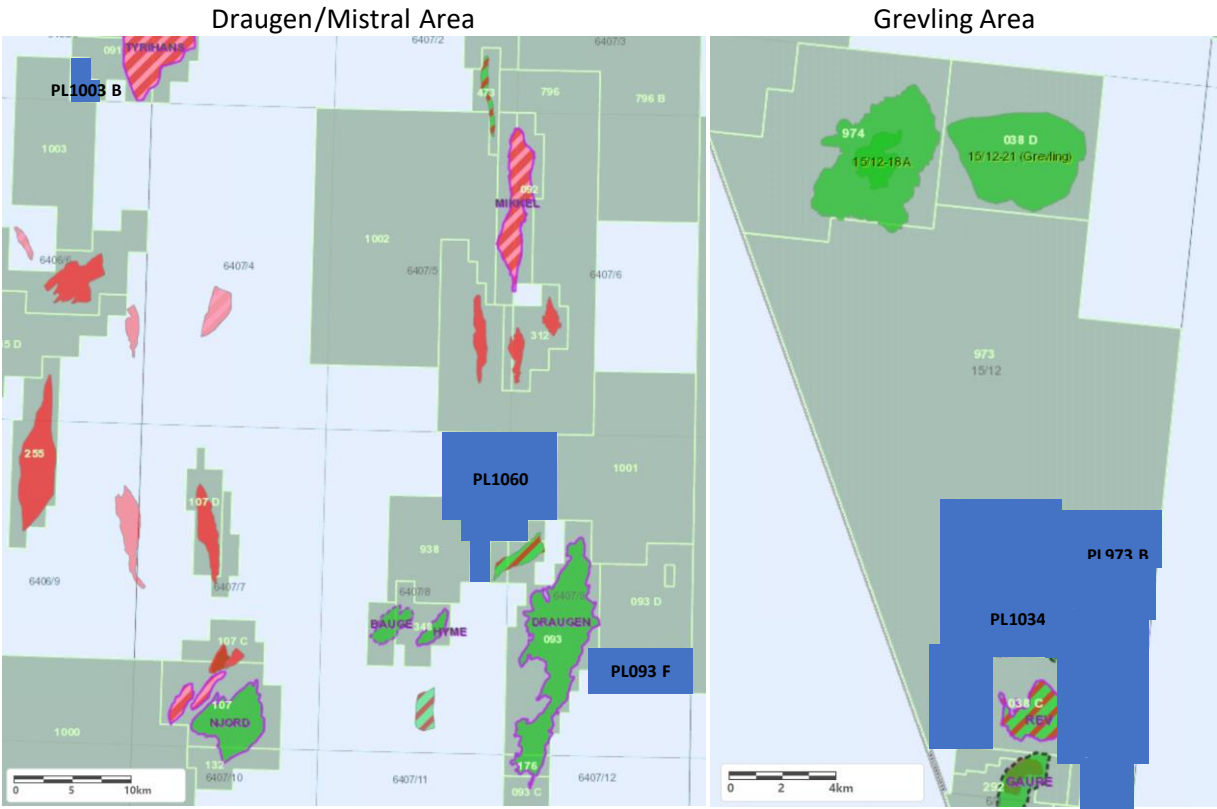


- Maturing Grevling/Storskrymten towards concept selection
- Two wildcats to be drilled in PL 973, south of Grevling in 2H 2020

Successfully awarded five licenses in APA 2019

- Located in Draugen and Grevling areas
- Two new licences, three area extensions
- Potential support of Draugen lifetime
- Adding Grevling area exploration upside

License	Block(s)	Operator	OKEA share
PL1060	6407/8,9	Equinor Energy AS	40%
PL1034	15/12	Chrysaor Norge AS	40%
PL973 B	15/12	Chrysaor Norge AS	30%
PL093 F	6407/9	OKEA ASA	44.56%
PL1003 B	6406/3,6	OKEA ASA	60%



Outlook

- Further realise Draugen potential
 - Increase recovery and continuous optimisation
 - Valuable information from the latest wells
- Guiding 2020
 - Production: 15 500 – 16 500 boepd¹⁾
 - Total capex: NOK 850-900 million
- Financial flexibility
 - Strong cash flow
 - OKEA03 bond provides RBL flexibility
- Exploration drilling 2020
 - Two wells south of Grevling
 - One well at GjØa
- Selective on M&A opportunities
 - OKEA, one of few NCS oil companies with production operating capabilities





OK
EVA

