



## › How a small-cap E&P plays the big league gas game

**Svein J. Liknes, CEO OKEA ASA**

**SpareBank 1 Markets Gas Market Webinar September 8th 2021**

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## OKEA – in a nutshell

- **Established in 2015** with capital from the founders Ola Borten Moe, Knut Evensen, Erik Haugane, Anton Tronstad and Seacrest Capital Group
- **Acquired 15% in Yme in 2016**
- **Acquired Shell's share in Draugen and Gjøa** for NOK 4.5 billion in 2018 and became operator for the Draugen field
- **Listed on OSE in June 2019**
- **Svein J. Liknes new CEO from 1 June 2021**

**210 employees**

Operations office in Kristiansund  
and head office in Trondheim

**NOK 1.55 billion  
market capitalisation\***



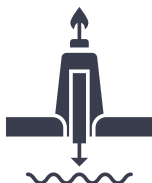
# OKEA Portfolio



## 32 licences

All on the Norwegian Continental Shelf

2P Reserves 46 mmboe – 27% gas



## 3 producing fields

**16 147 boepd** average production 2020 – 31% gas

- Draugen (44.56%) (operator)
- Gjøa (12%)
- Ivar Aasen (0.554%)



## Field development

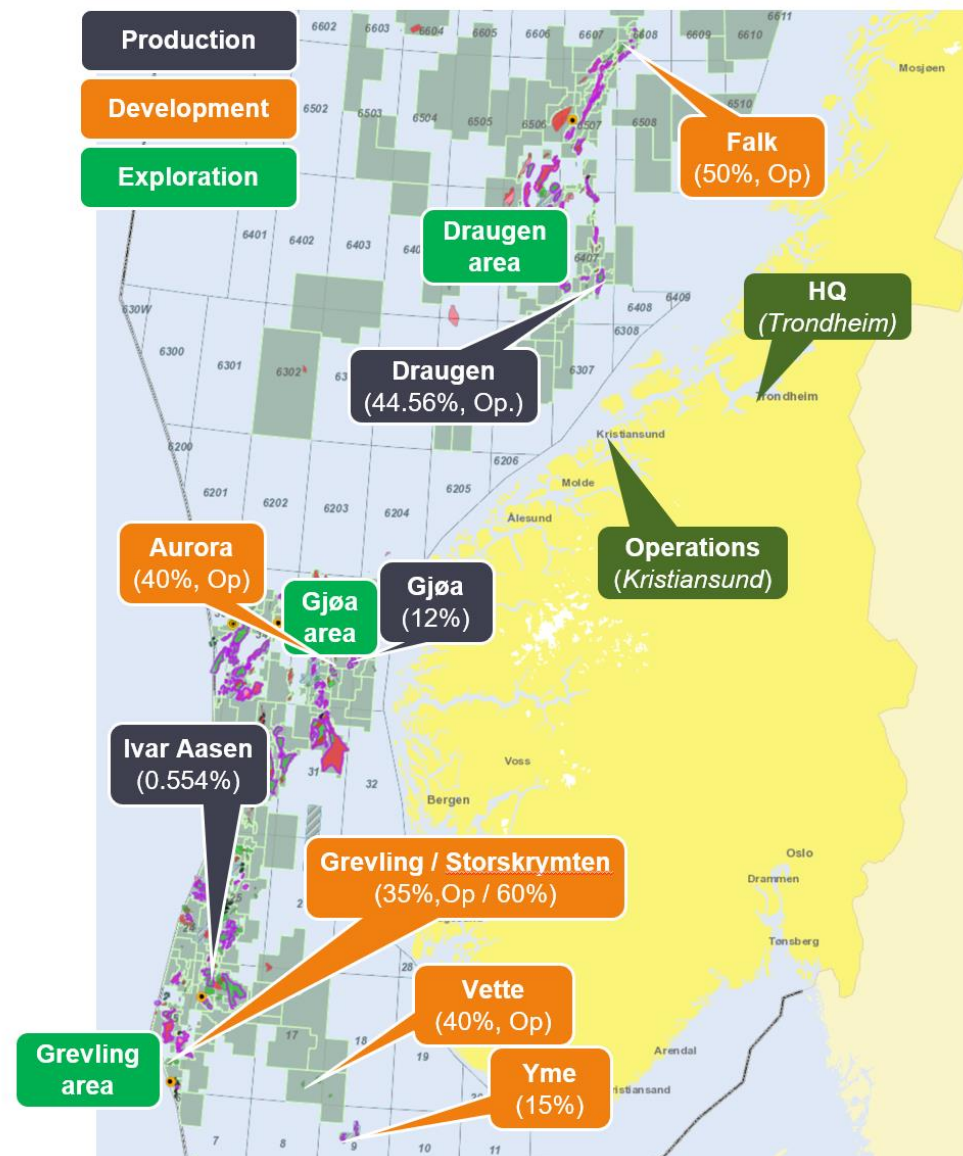
Yme New Development expected production start H2-21

Hasselmus tie-back to Draugen – first gas Q4-23



## In assessment for development

Grevling, Vette and Aurora discoveries

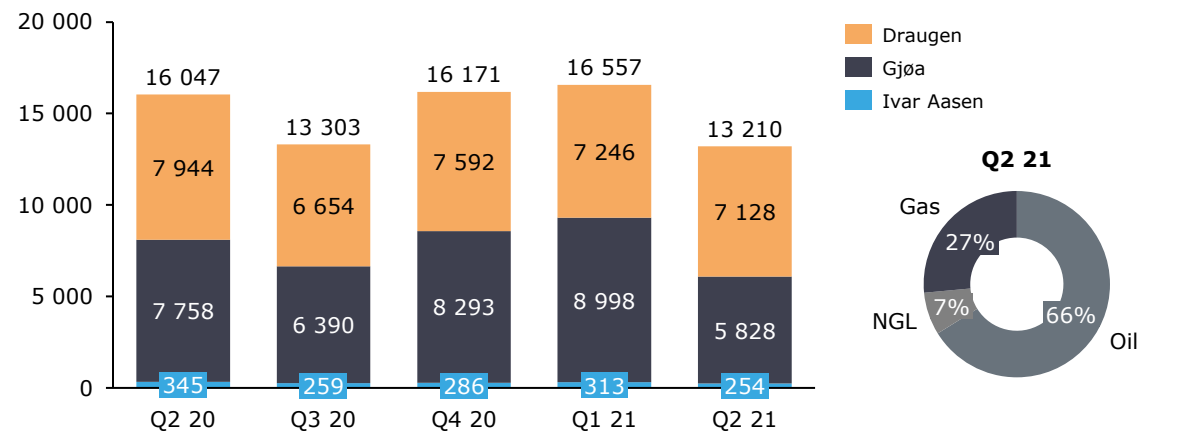




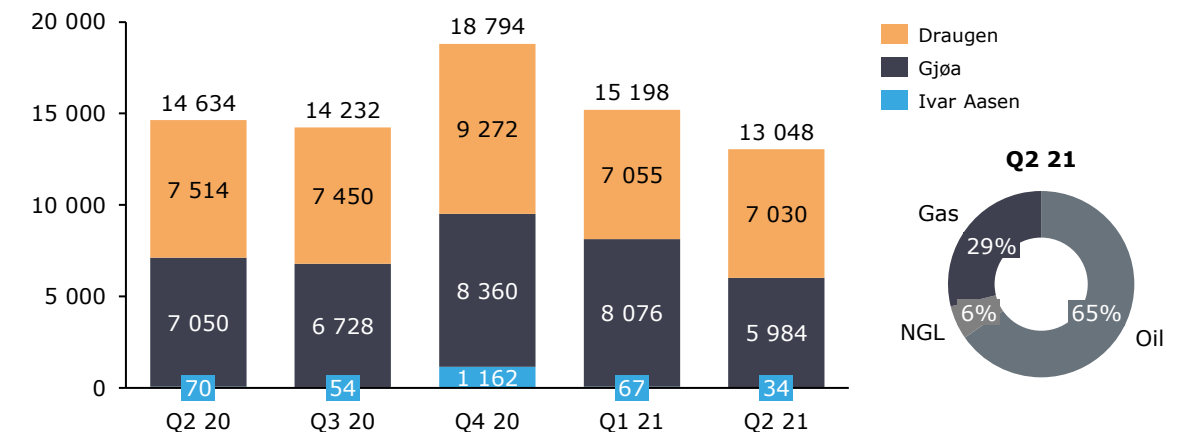
# Oil and gas production, sales and revenues per asset

31-day planned shut-down on Gjølå in Q2-21, partly due to tie-in work Duva and Nova

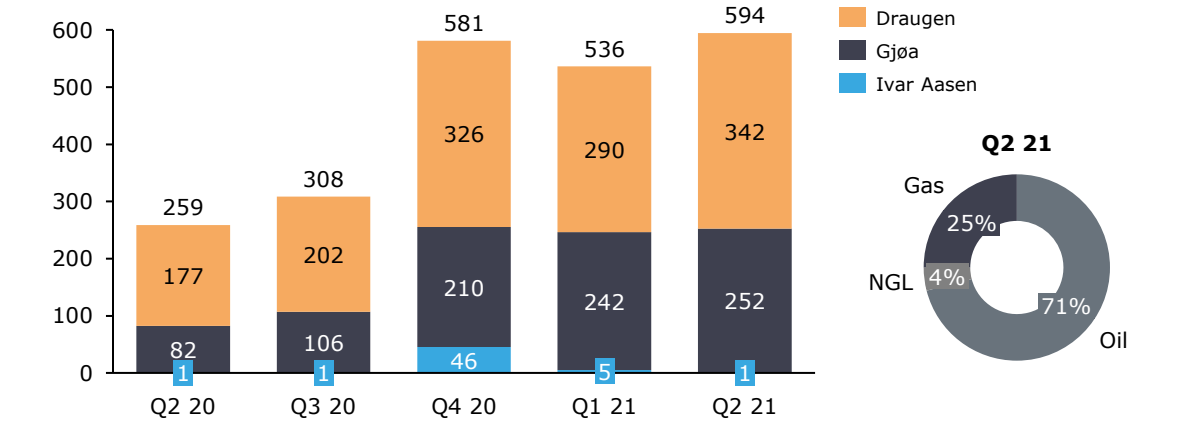
Production (boepd)



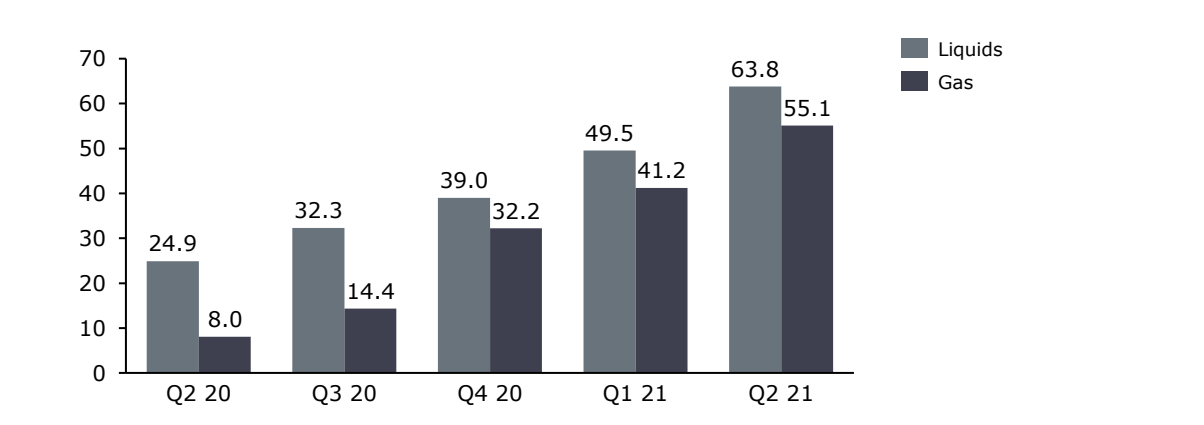
Sold volumes (boepd)



Revenue (NOK million)

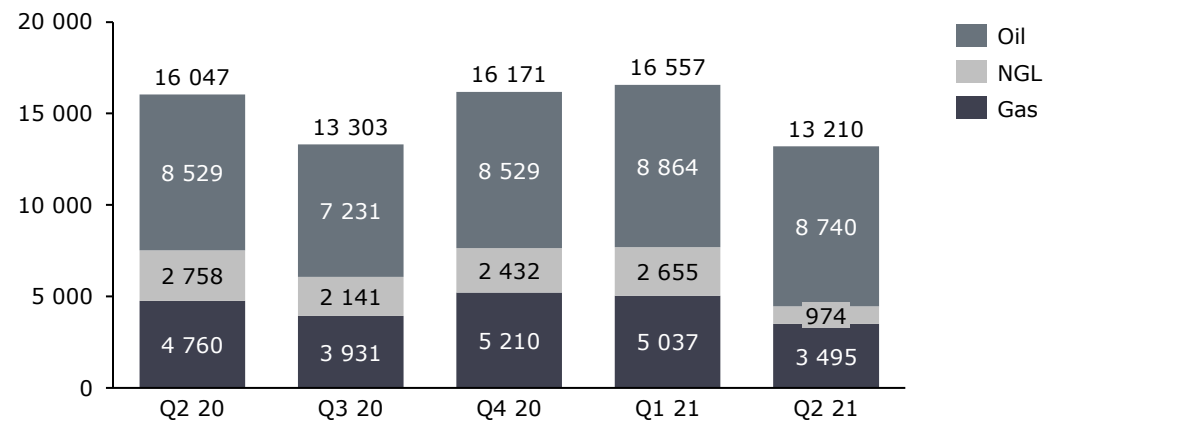


Realised price (liquids and gas USD per boe)

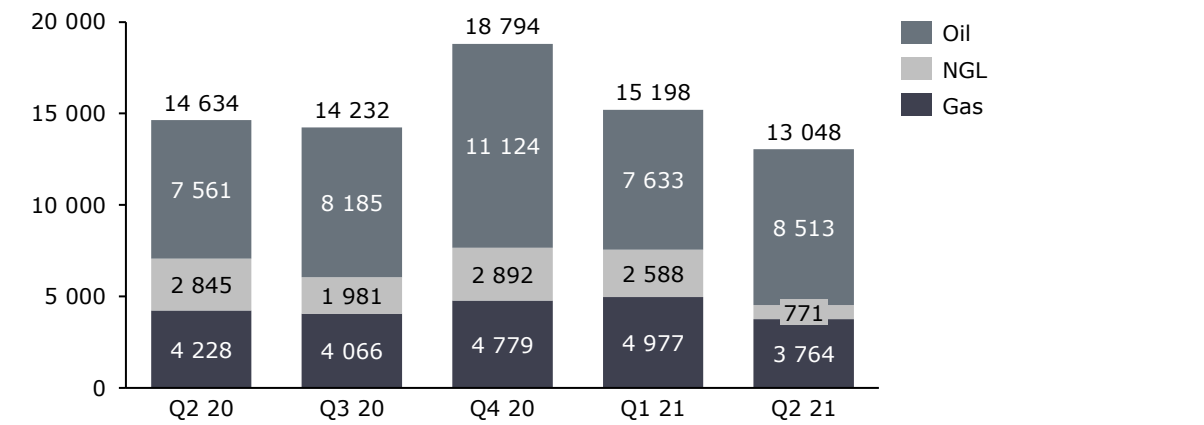


# Oil and gas production, sales and revenues per product

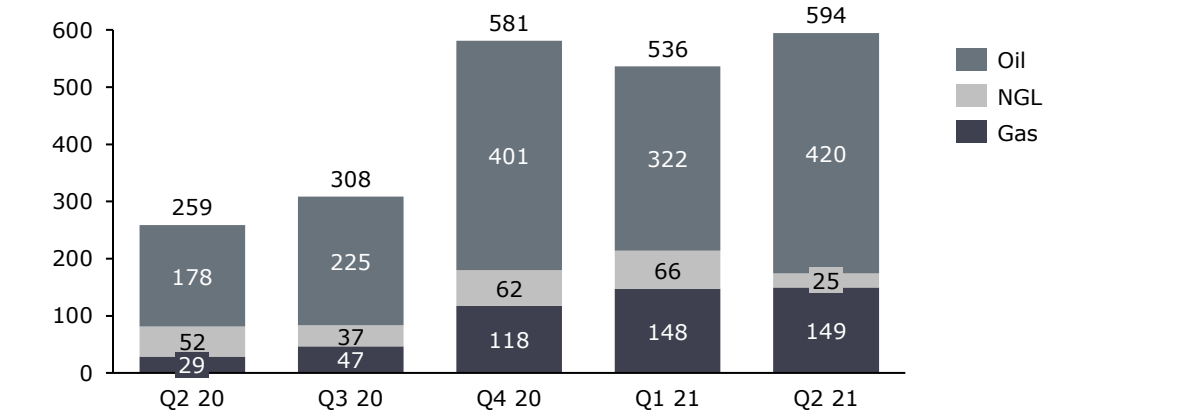
Production (boepd)



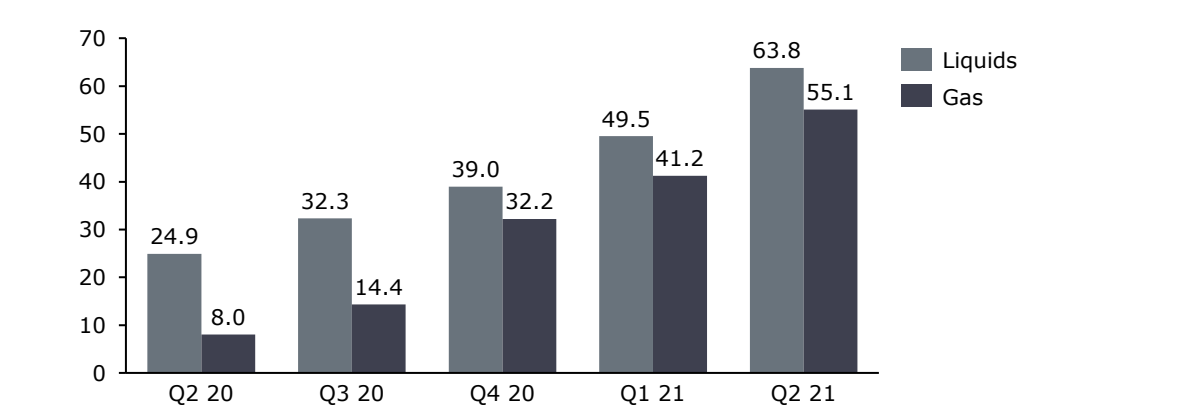
Sold volumes (boepd)



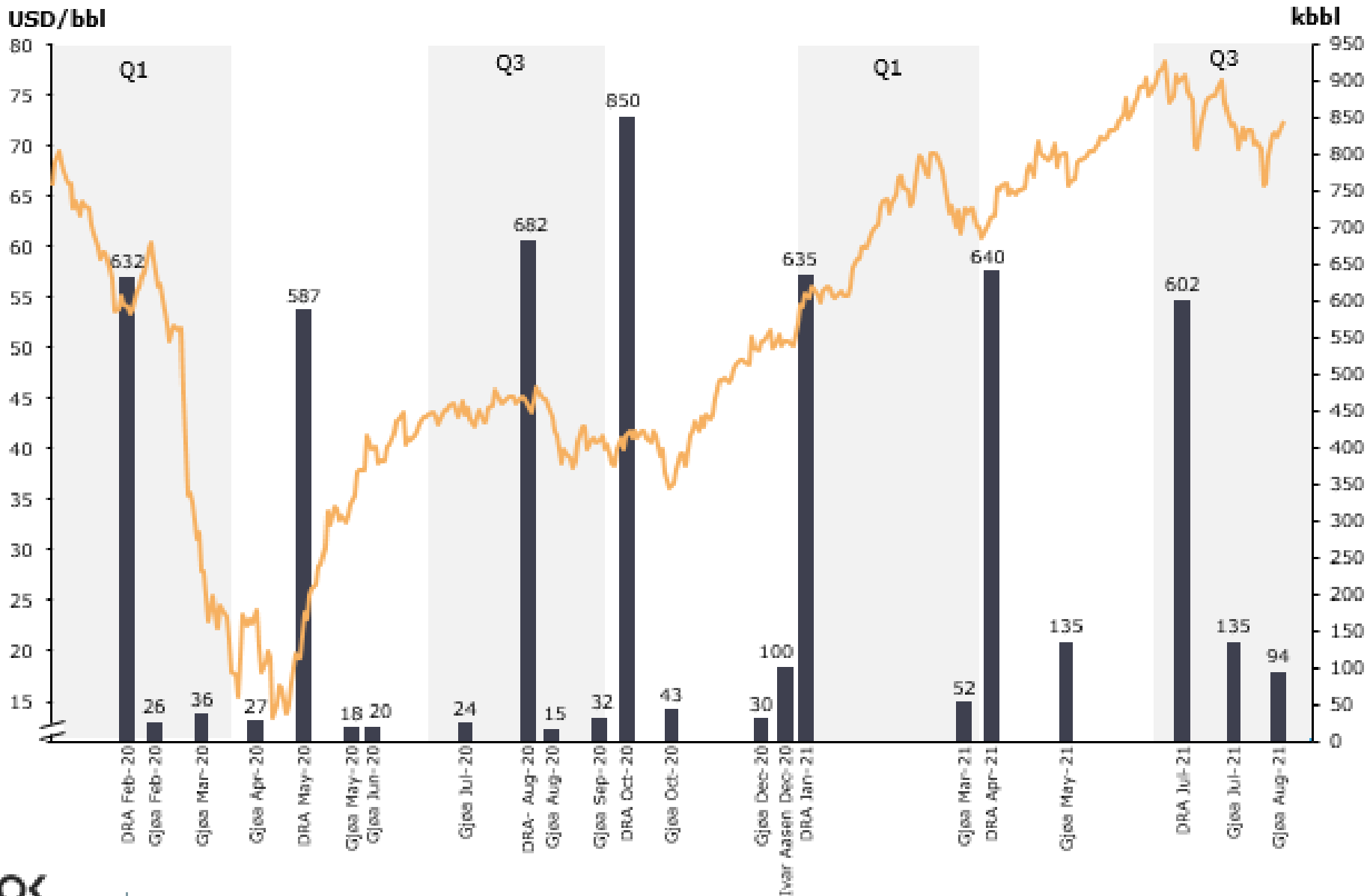
Revenue (NOK million)



Realised price (liquids and gas USD per boe)

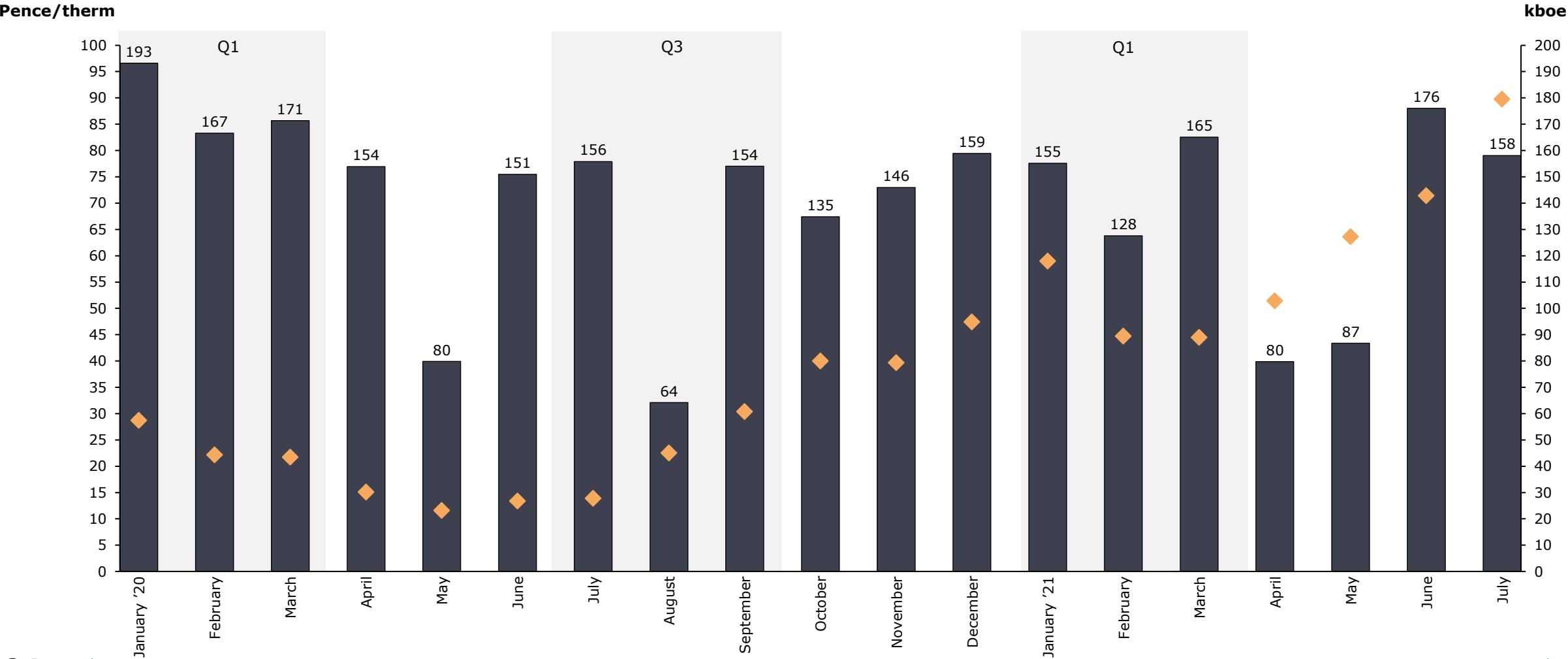


# Lifted volumes and realised liquids prices versus Dated Brent – 2020/YTD-21



# Sold volumes and average gas market price – 2020/YTD-21

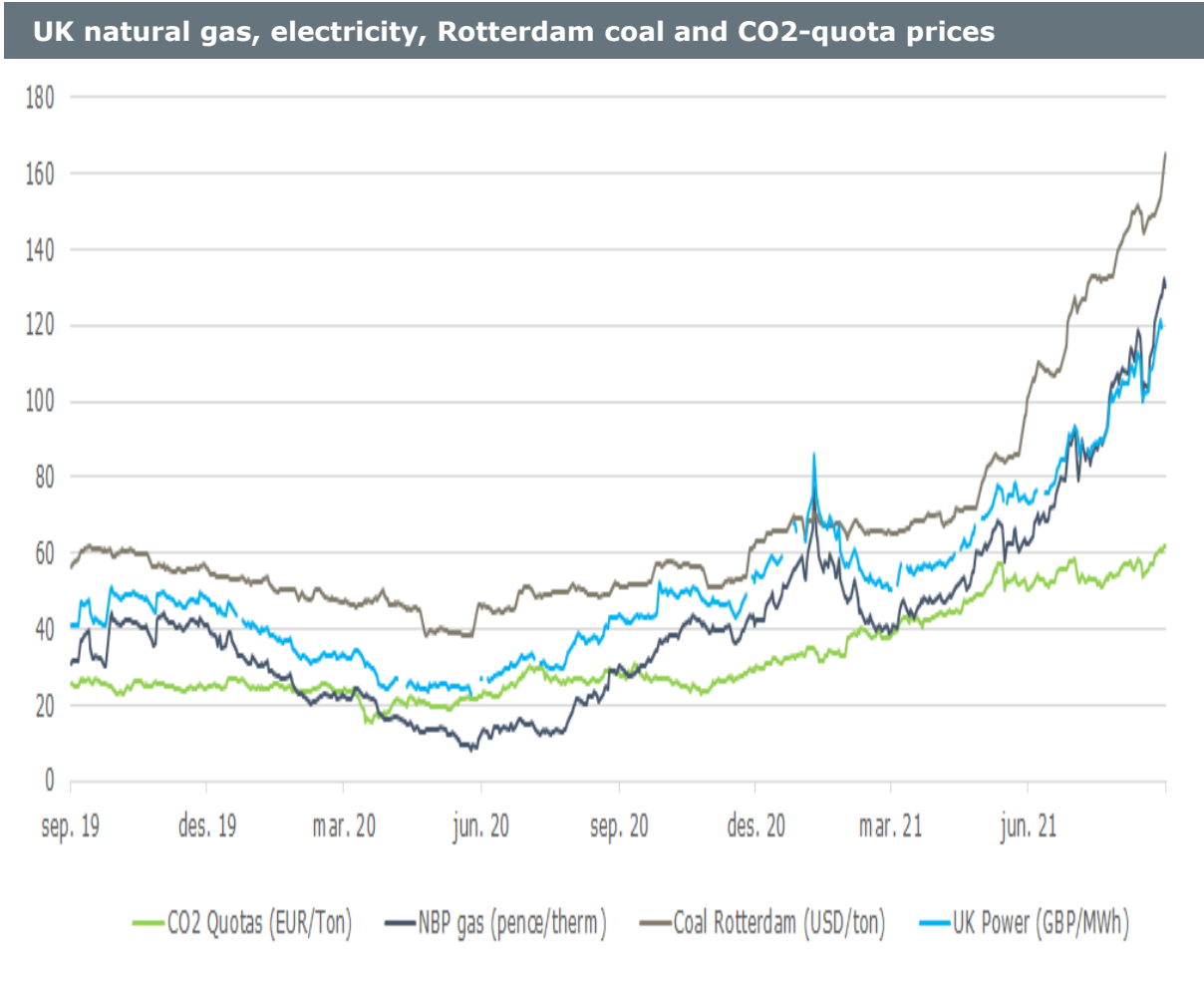
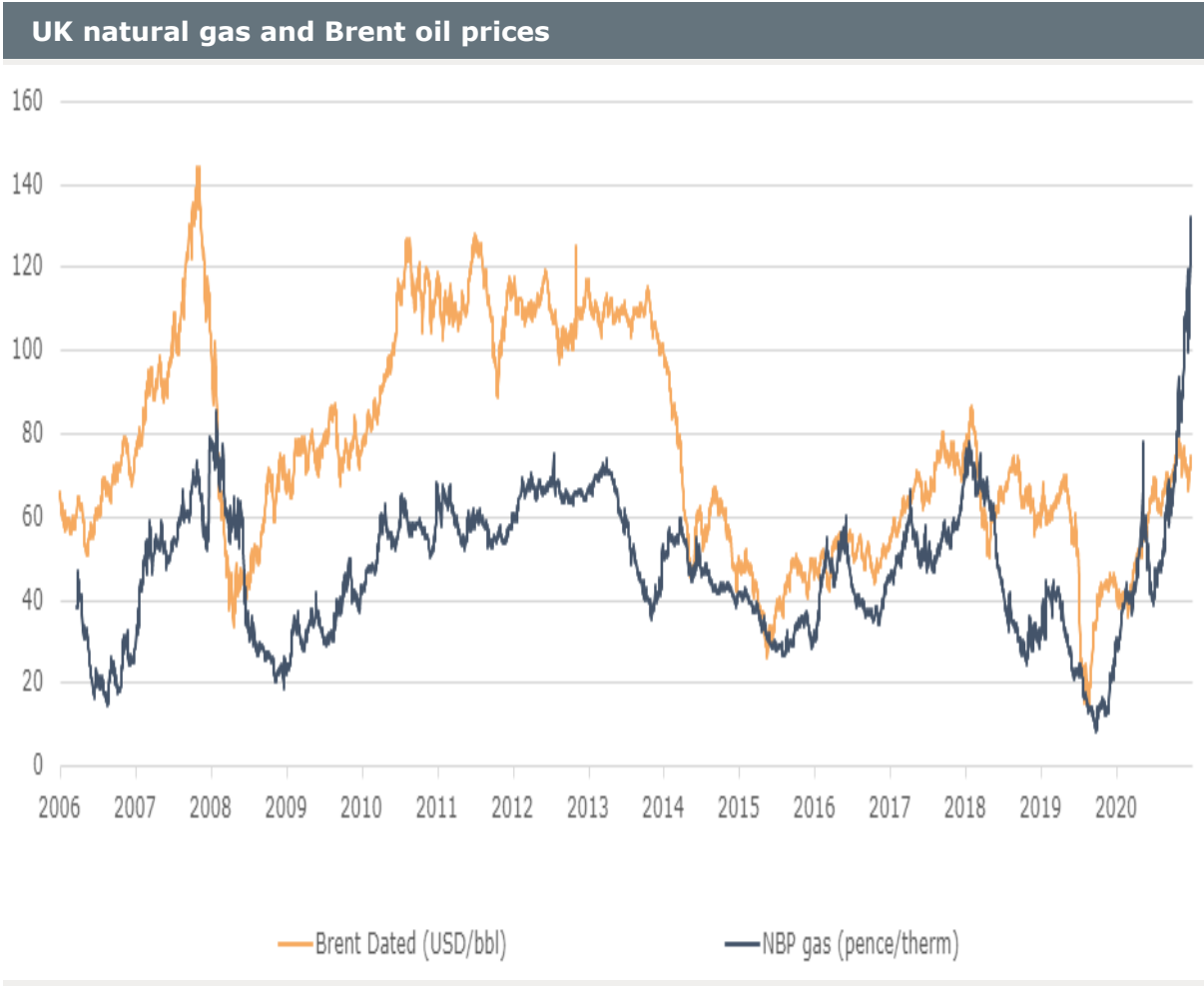
Record high seasonal European gas prices



Price data sources: Argus

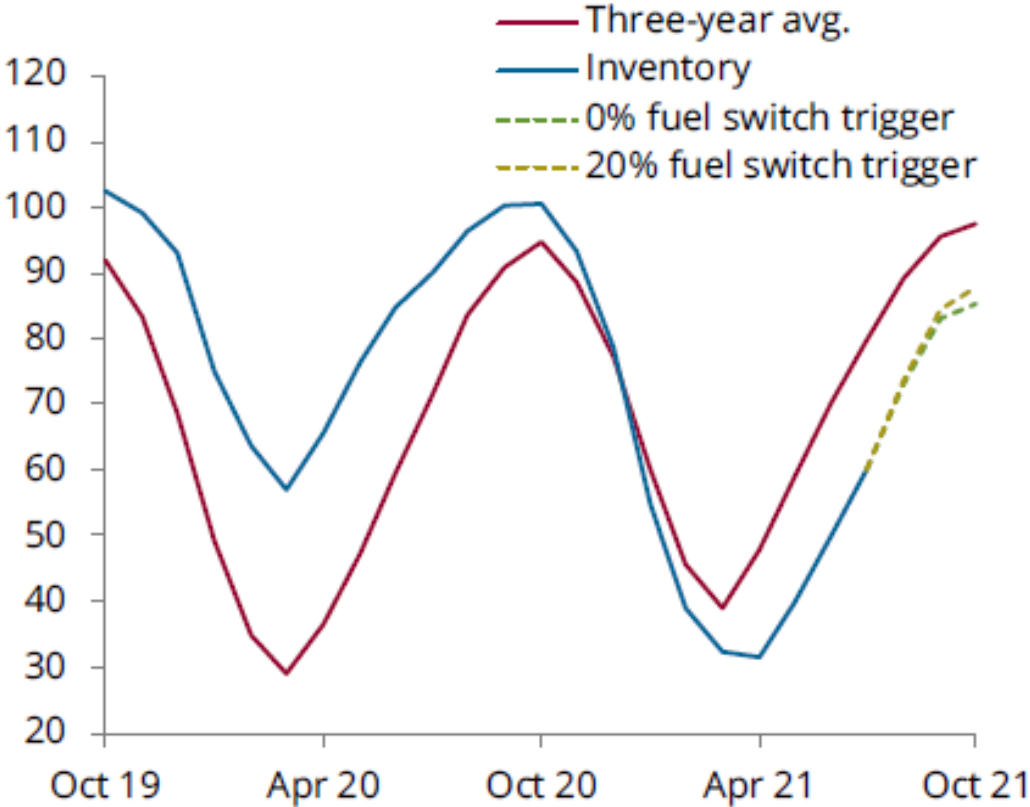


# European gas prices to record levels

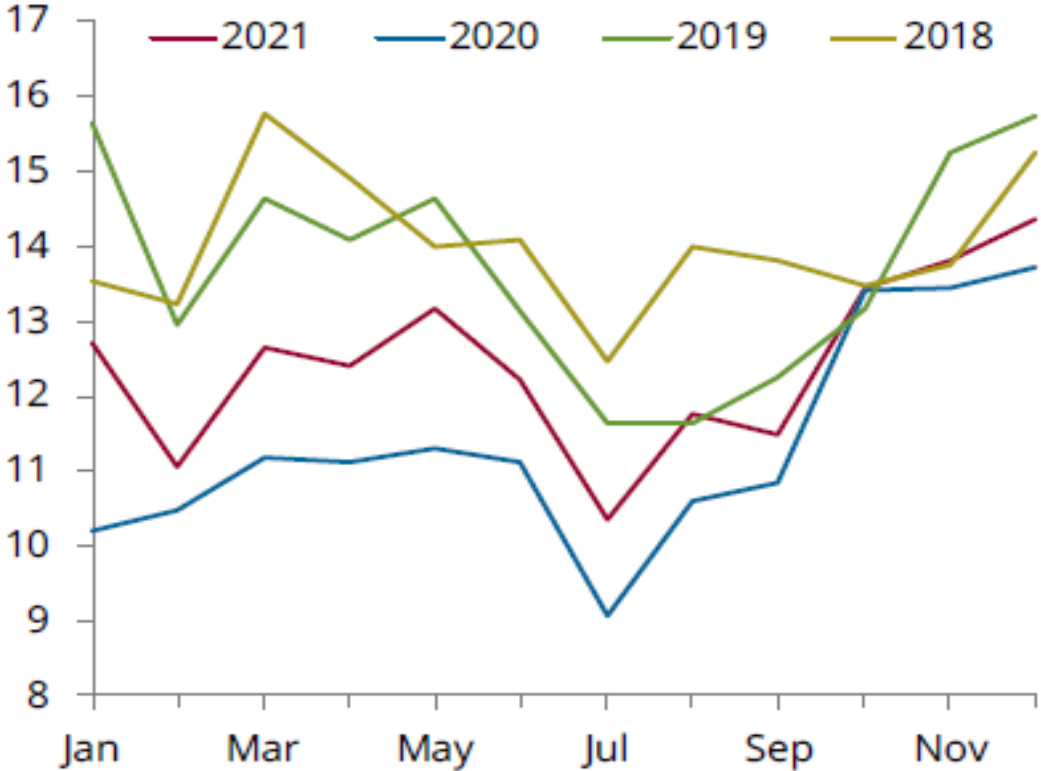


# Record low European inventories – Nord Stream 2 start-up late 2021

European inventories - bcm



Net Russian deliveries to Europe - bcm



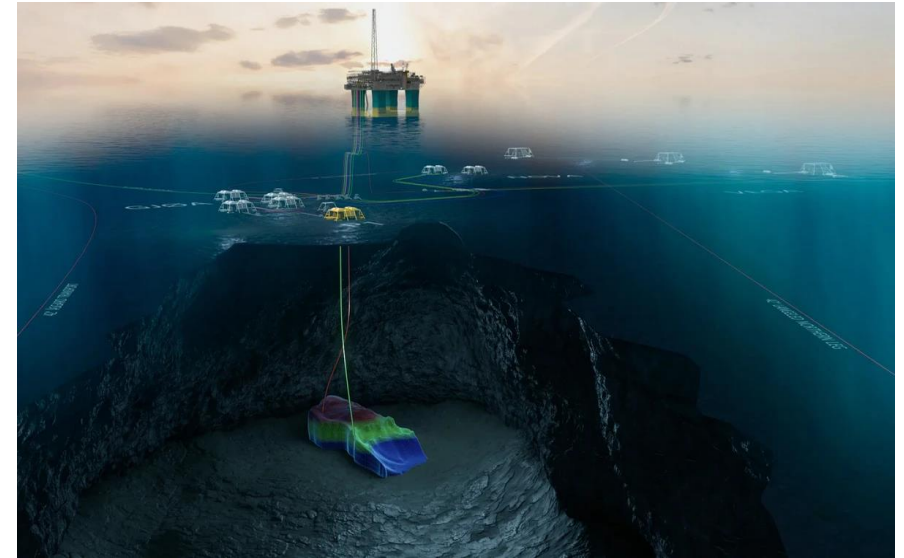
# Gjøa WI 12% – P1 and Duva/Nova tie-ins



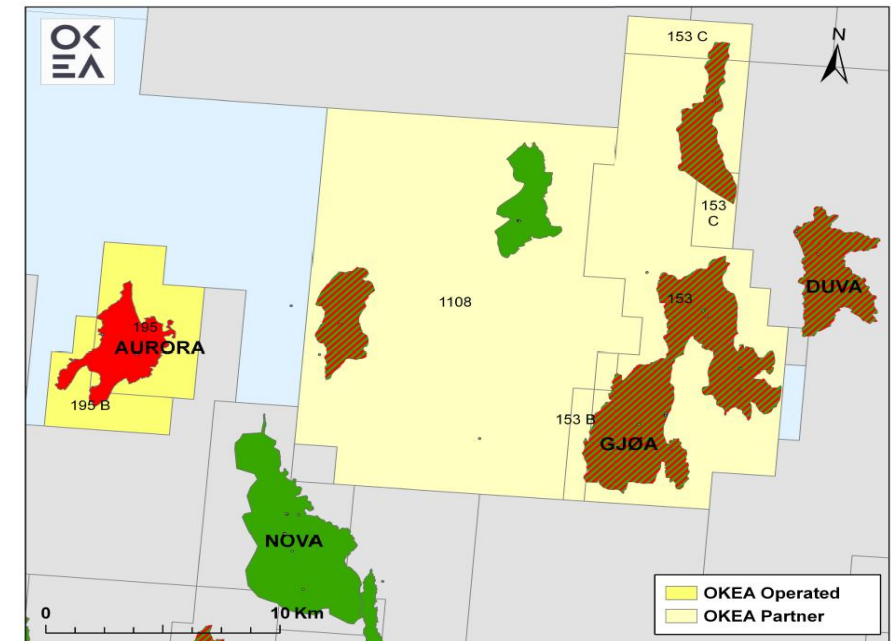
Q2 production  
5 828 boepd  
59% gas



Net reserves  
gas 5.5 mmboe  
oil/NGL  
3.1 mmboe\*



- Two new wells in the P1 segment onstream in Q1-21
- 31 days shut down in Q2 including tie-in of Duva and Nova
  - OKEA to be compensated for deferred production from Nova and Duva production in addition to ordinary tie-in tariffs
  - Duva started production August 23rd
- Dry gas sold to Shell at prices linked to UK NBP\* prices



# Hasselmus first gas Q4 23 - WI 44.56% (Draugen)



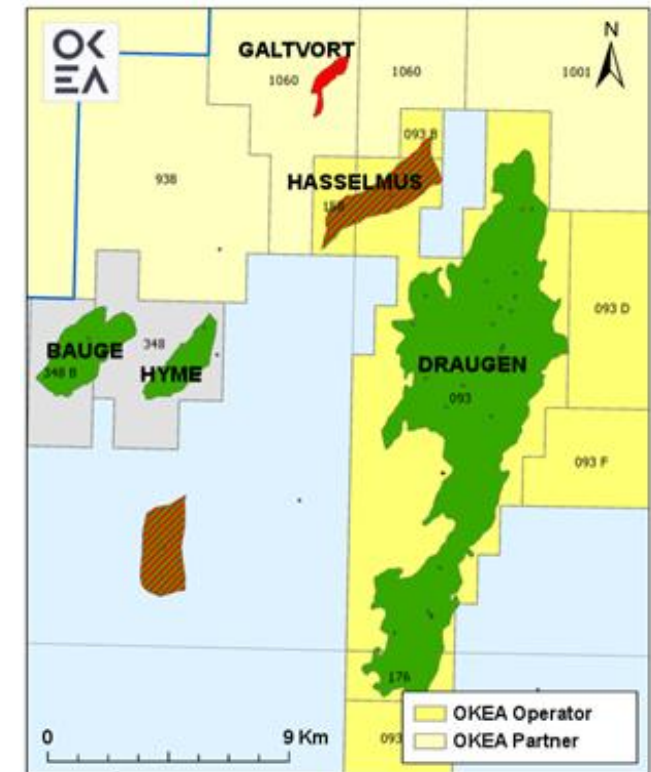
Plateau production  
2,000 boepd net  
100% gas



Net reserves  
4.8 mmboe\*  
100% gas



- FID on Hasselmus in Q2 21 - a subsea tie-back to Draugen – first OKEA operated field development project
- Adds 4.8 mmboe natural gas reserves net to OKEA
- First gas Q4 23 – 2,000 boepd net production plateau rate
- Net capex estimated at NOK 1.1 billion – break-even USD 28/boe
- Will allow restart of NGL exports from Draugen





# Yme WI 15% production start H2-21



Plateau production  
7 500 boepd net  
100% oil

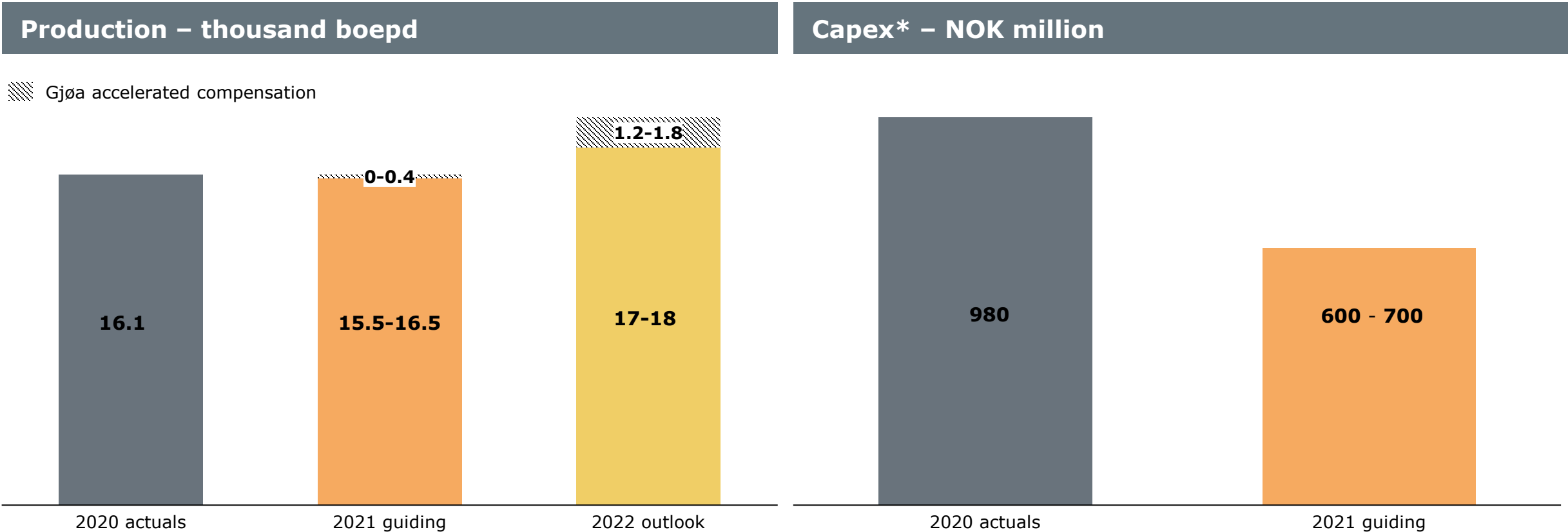
Net reserves  
oil 9.4 mmboe\*  
100% oil

- The jack-up Maersk Inspirer installed at location in Q4-20
- Project in final hook-up and commissioning phase progressing as planned
- Production start expected in H2-21
- Production 7 500 boepd net to OKEA at plateau - the first-year average 5 600 boepd net to OKEA
- Significant cost reductions and cash flow benefits from reorganisation operations and ownership of Maersk Inspirer



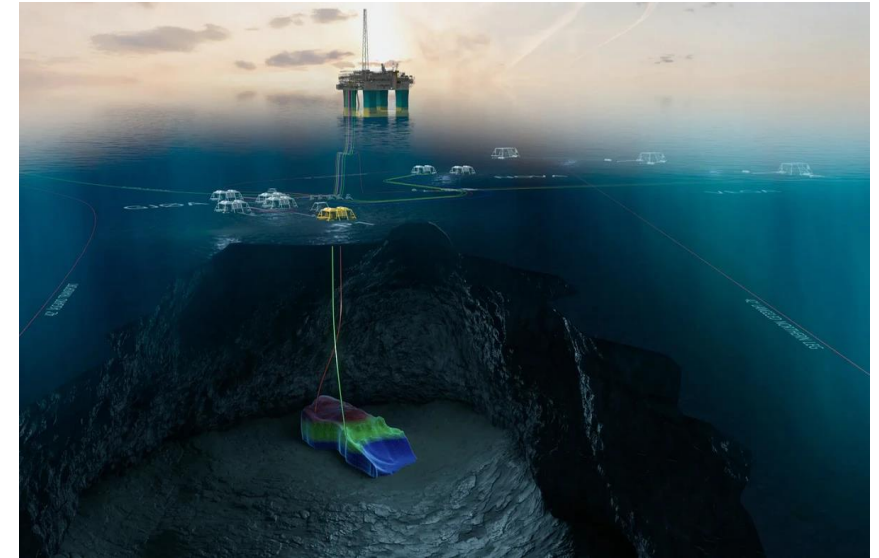
# OKEA guiding on production & capex

OKEA to receive compensation for deferred volumes on GjØa for shut-downs related to Duva/Nova tie-ins



# How a small-cap E&P plays the big league gas game - summary

- Strong and balanced production portfolio with >30% gas production
- High quality assets with reliable production performance
- Start-up of production from P1 segment on Gjøa in February
- Duva field tied in to Gjøa with production start August 23rd – OKEA will receive compensation volumes from previous shut-downs in addition to tariffs
- Hasselmus gas tie-in project to Draugen first OKEA operated project adds 4.7 mmboe net gas reserves and 2 000 boepd net plateau production and allows restart of Draugen NGL exports
- Gas more than 50% of estimated resources in OKEA exploration prospects
- Record high European natural gas prices strengthen OKEA's near-term financial results and cash flow significantly
- Strategic review to position OKEA for next growth phase ongoing – gas vs oil a key consideration in evaluating inorganic opportunities







OK  
EVA

