



› Presentation of third quarter 2021 and strategy update

OKEA ASA

28 October 2021

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.

OKEA third quarter 2021 results

Highlights

Third quarter 2021 highlights

Operations

- Production 16 315 boepd
- High production reliability, no planned maintenance shutdowns
- Yme New Development project completed - Yme first oil on 25 October

Financials

- Operating income NOK 1 026 million
- EBITDA NOK 797 million
- Net profit NOK 97 million
- Cash position increased to NOK 1 504 million

Well-positioned for value-accretive growth

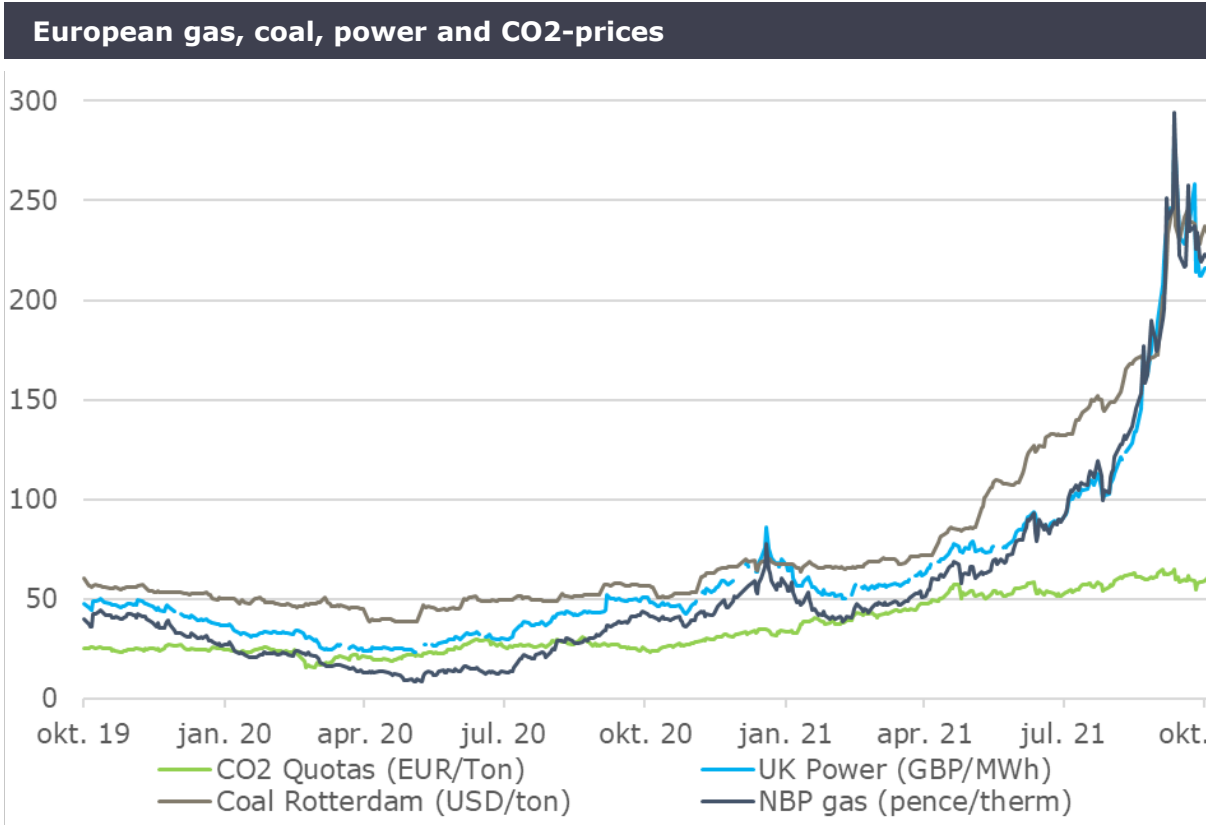
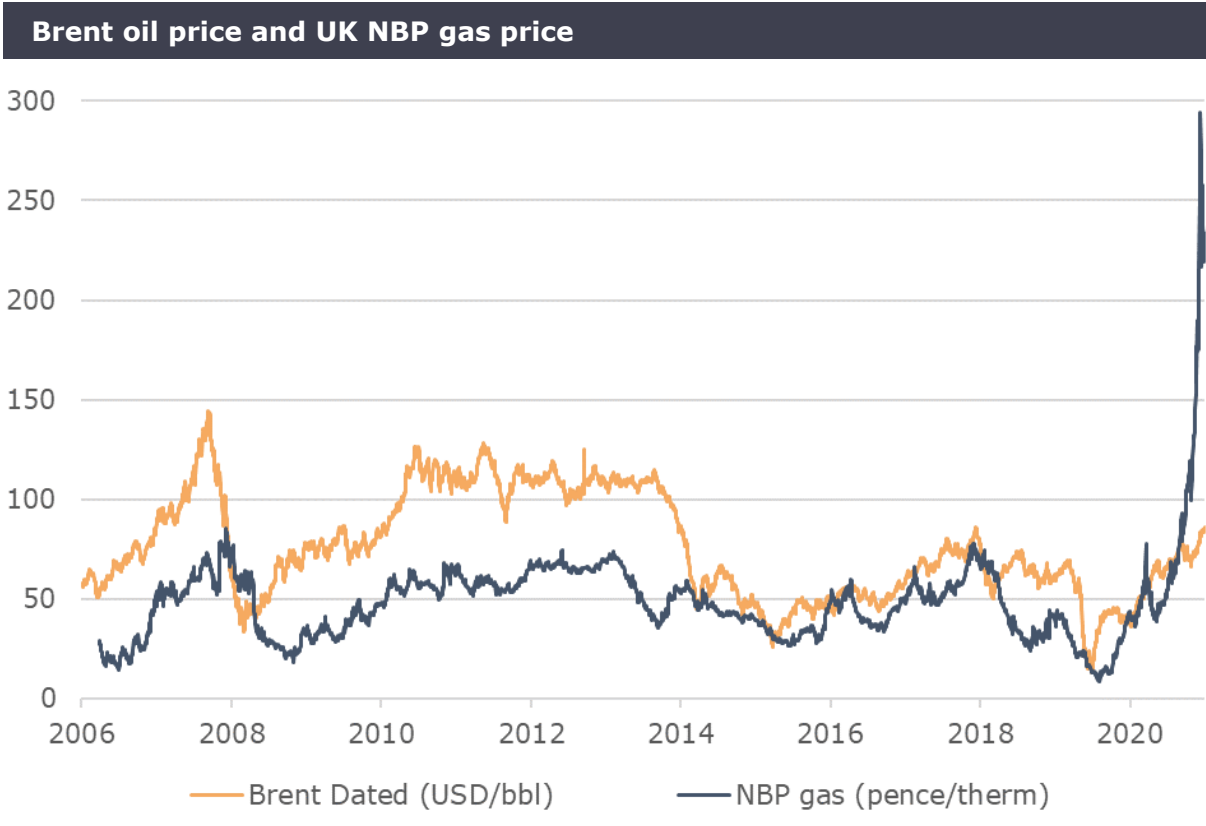
- Yme production start - adds net 5 600 boepd avg. next 12 months
- Decision to halt further development of Vette discovery
- Progressing Hasselmus towards first gas in Q4 2023
- Ginny exploration well operated by Equinor to spud by end of year
- Strong cash position - flexibility to pursue M&A and shareholder distribution

Mærsk Inspirer installed at the Yme field



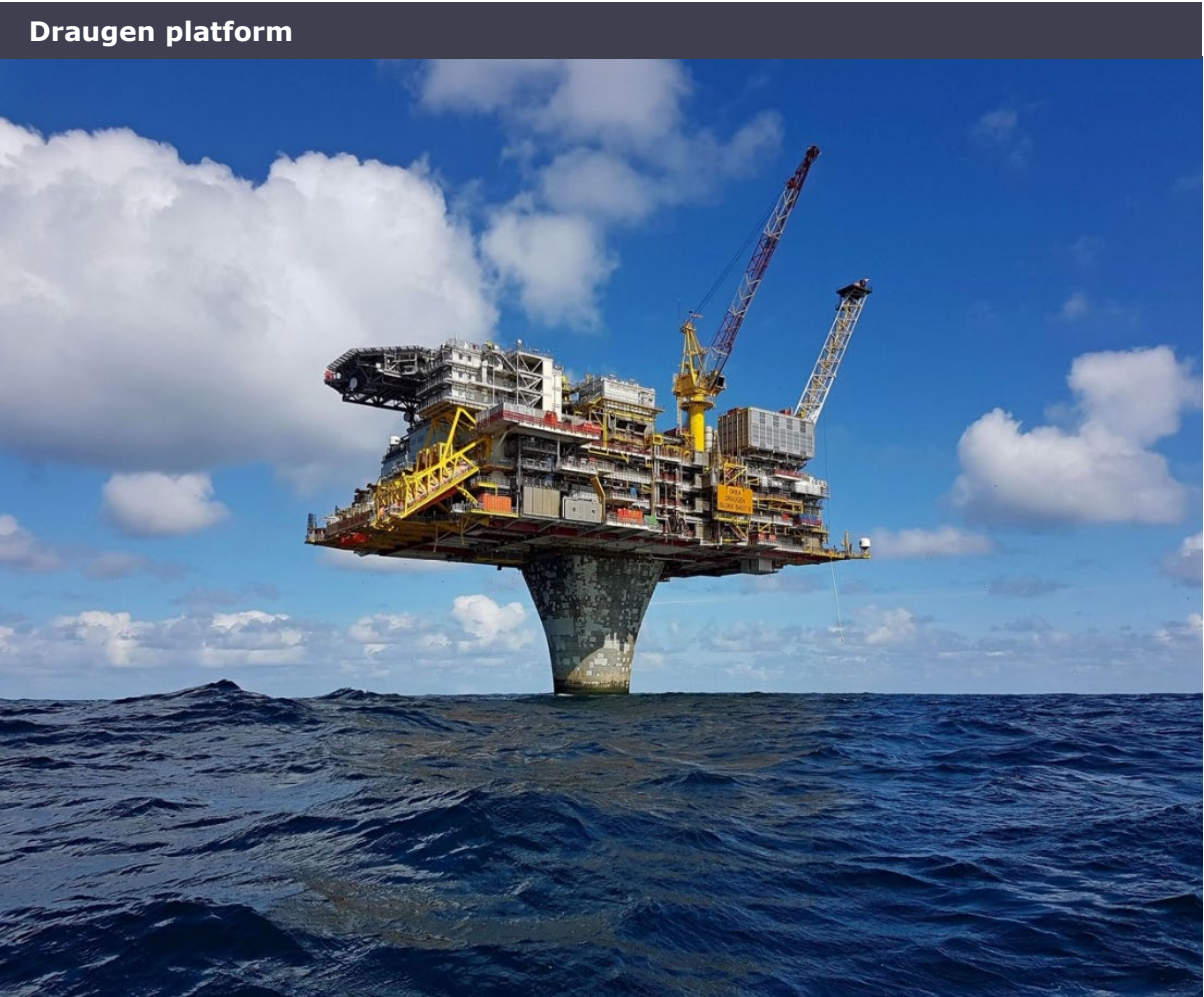
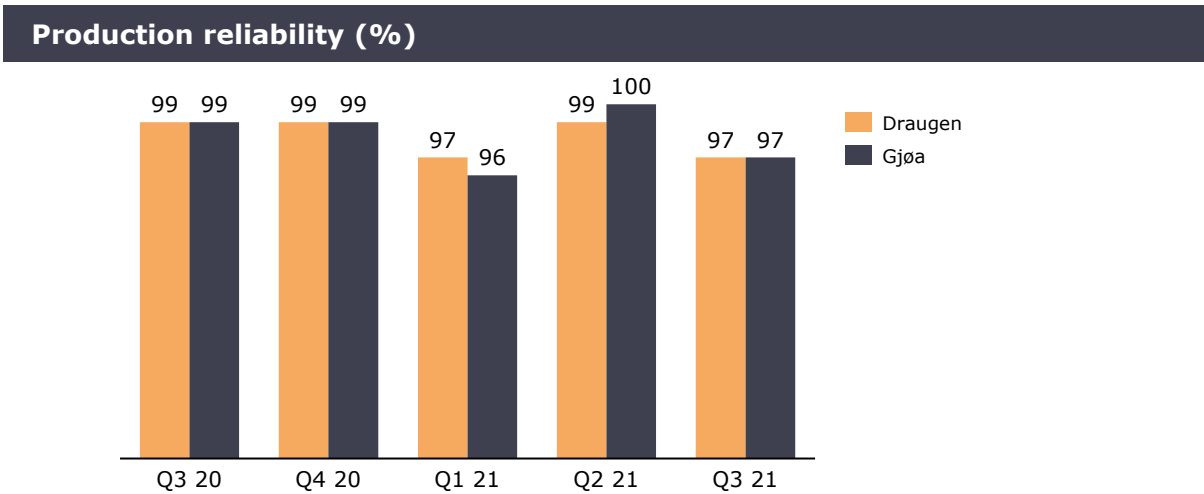
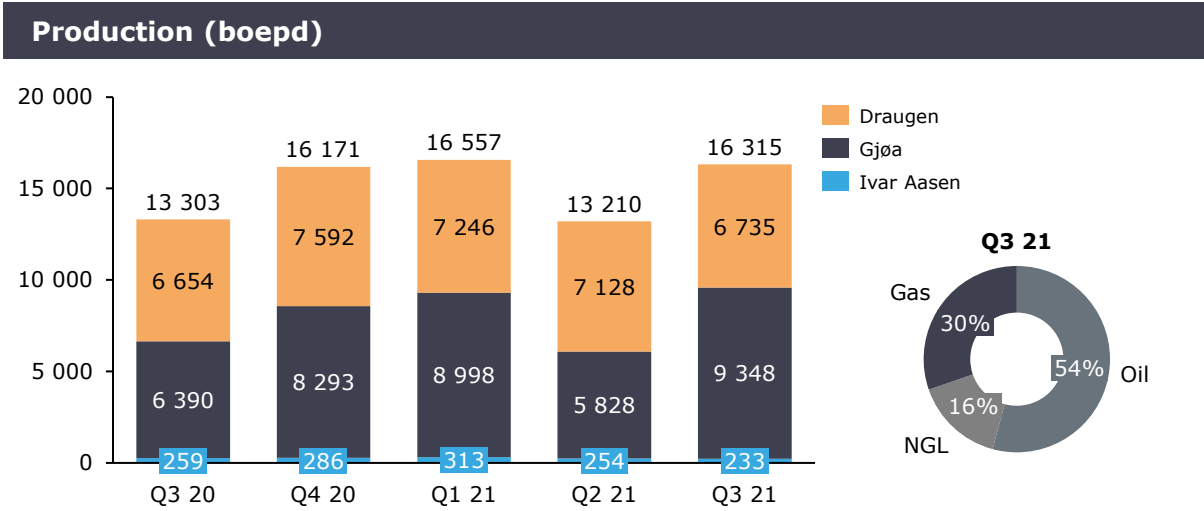
Oil and gas markets significantly strengthened

Brent oil prices above USD 85/bbl and European gas prices at record high levels



Production volumes and reliability

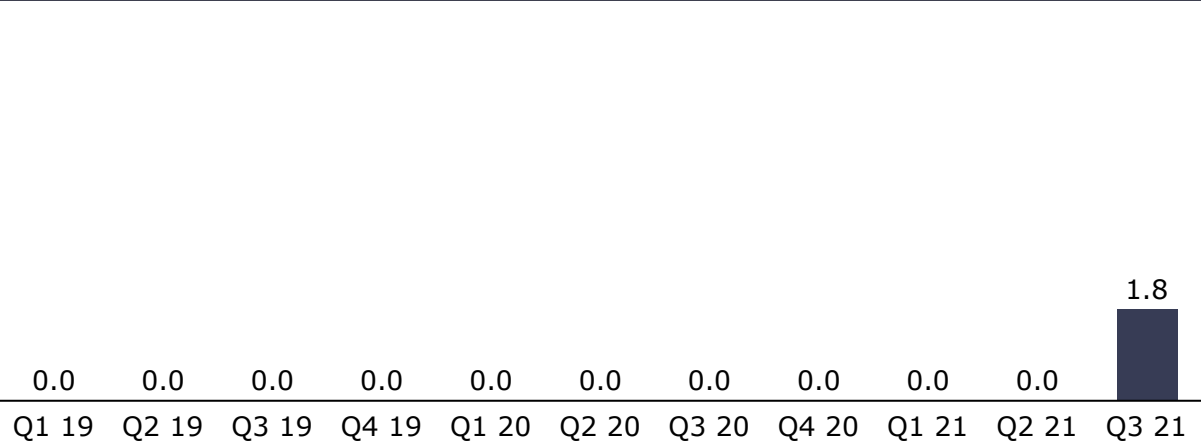
No planned maintenance shutdowns in the current quarter; continued high reliability



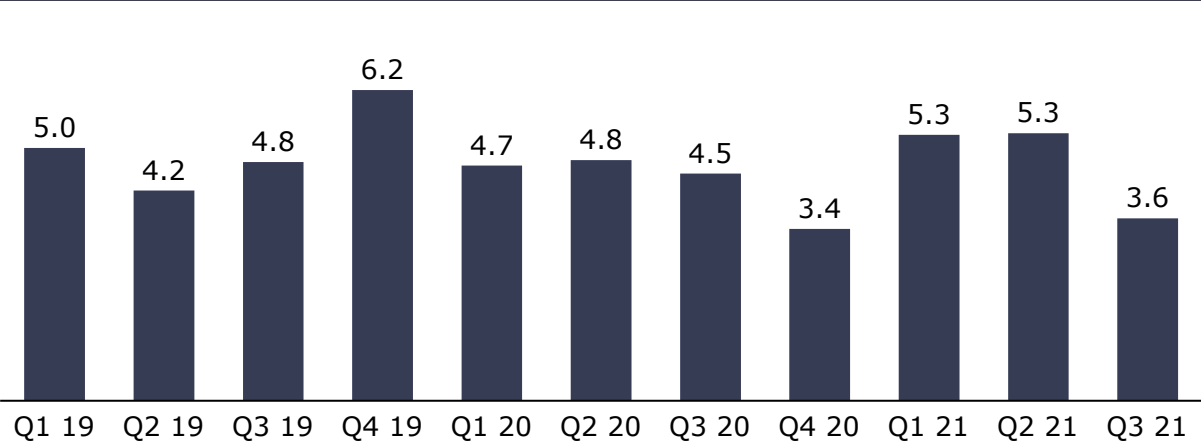
Safety and emissions

No personnel injuries – serious potential incident on Draugen with outer railing loosened

Serious incident frequency – per million work-hours



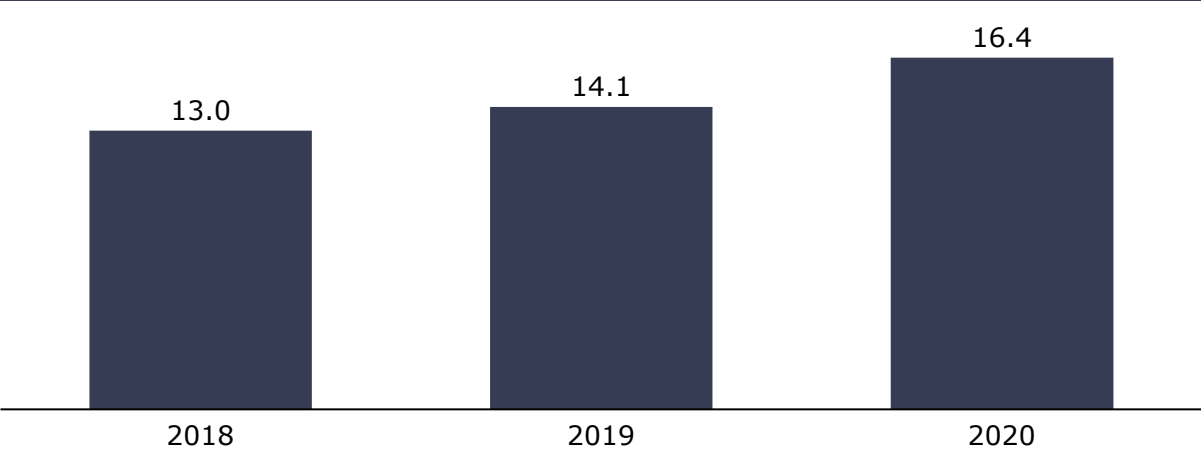
Total recordable incident frequency – per million work-hours



Number of hydrocarbon leaks > 0.1 kg/second

Zero hydrocarbon leaks > 0.1 kg/second last 2.5 years

CO_{2e}-intensity - kg per boe produced*



Draugen – WI 44.56%



Production
6 735 boepd

Production
reliability 97%

- 2035+ ambition to increase remaining reserves by 50%
 - Increase recovery rate to > 70%
- Hasselmus first gas Q4 23 adds > 4 mmboe net to OKEA
 - Plateau production of 2 000 boepd net
 - Enables restart of NGL exports
- DG 2 Electrification of Draugen/Njord licenses – OKEA operator
 - Plans to reduce CO2-emissions by 95%



Planning for 95% reduction in CO₂-emissions from Draugen by 2025

Electrification – Draugen and Njord

- Joint project with Draugen and Njord licences - OKEA operator
- A 135 km subsea cable from Straum in Trøndelag to the platforms
- Will reduce annual CO₂ emissions from Draugen alone by 200 000 tonnes per year
- DG2 passed in Draugen and Njord licences by October 21
- FID (DG3) planned in 2022 – operation start in 2025



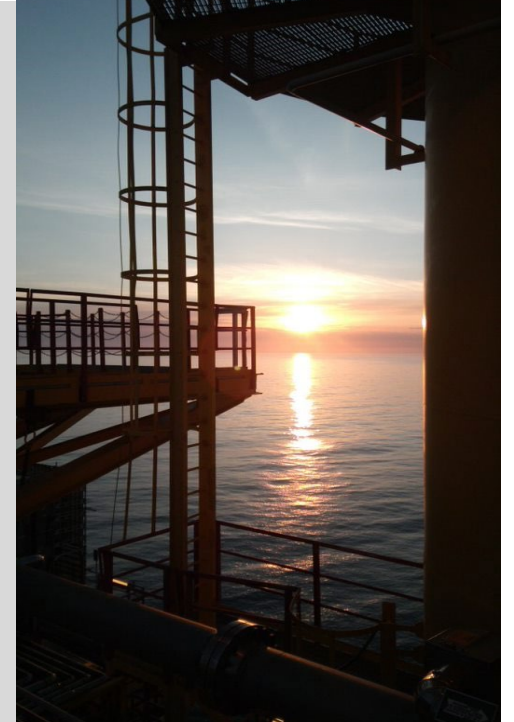
Other initiatives to reduce emissions

Operational improvements:

- Installation of battery package for hybrid energy generation on Siem Pride multipurpose vessel for the Draugen operations

Participating in joint projects to develop environmentally friendly solutions:

- Joint technical study on offshore wind with Odfjell Oceanwind and TrønderEnergi on potential longer-term power supply and utilisation of Draugen infrastructure
- Joint technical study on carbon capture and storage (CCS) with Ocean GeoLoop



Gjøa – WI 12%



Production
9 348 boepd

Production
reliability 97%

- Two additional wells brought onstream in P1 segment in 2021
- Duva tie-in to Gjøa started production in August
 - OKEA compensated in H2-21 for deferred volumes from Duva tie-in work and production in addition to ordinary tie-in tariffs
 - Additional compensation volumes when Nova comes onstream in 2022
- Potential tie-in of the OKEA-operated Aurora discovery - possible appraisal well in 2022



Yme New Development – WI 15%



Plateau
production
8 400 boepd

Reserves
9.4 mmboe*

- Yme New Development completed – Yme first oil 25 October
- Production 8 400 boepd net to OKEA at plateau - 5 600 boepd net to OKEA for the first 12 months of operation
- Significant cost reductions and additional cash flow benefits from reorganising operations and ownership of Mærsk Inspirer
 - Transaction closed and transfer of ownership completed in October
 - Positive cash flow effect of around NOK 300 million over next 9 months



Q4 21 deliveries



Start-up of Yme – net average 5 600 boepd next 12 months



Development of Vette discovery halted



Ginny exploration well operated by Equinor



Operationalising new strategic direction



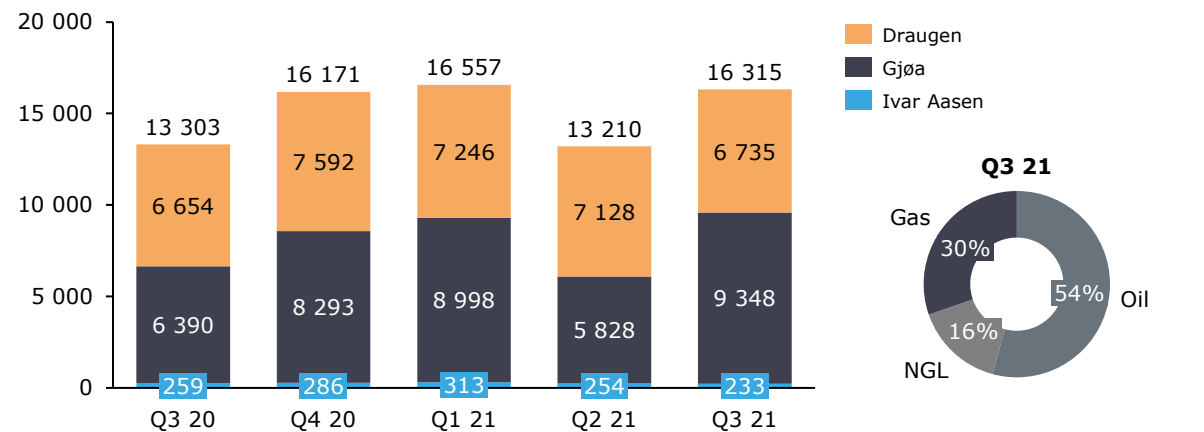
Progressing ongoing projects incl. Hasselmus towards first gas Q4 23 and PfS to reduce CO₂-emissions by 95% on Draugen



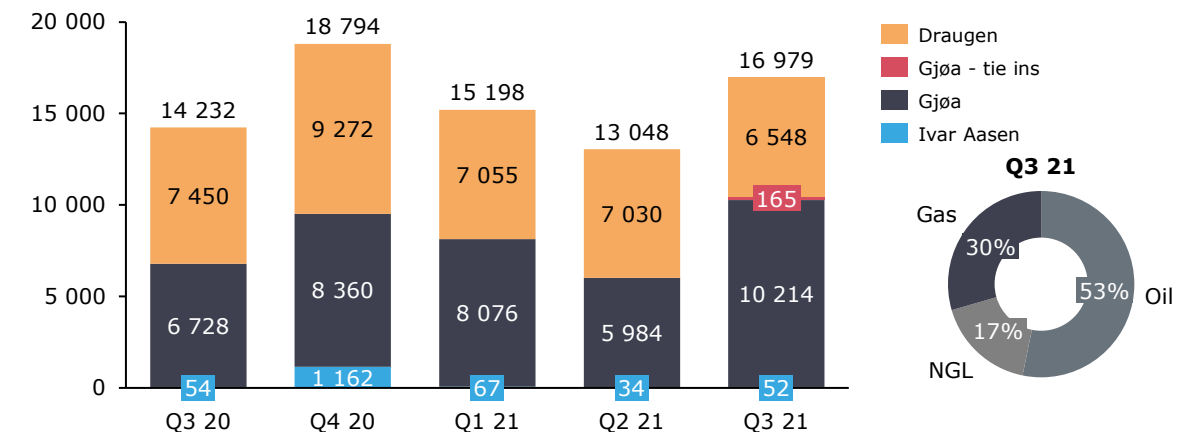
Financials

Oil and gas production, sales and revenues - per asset

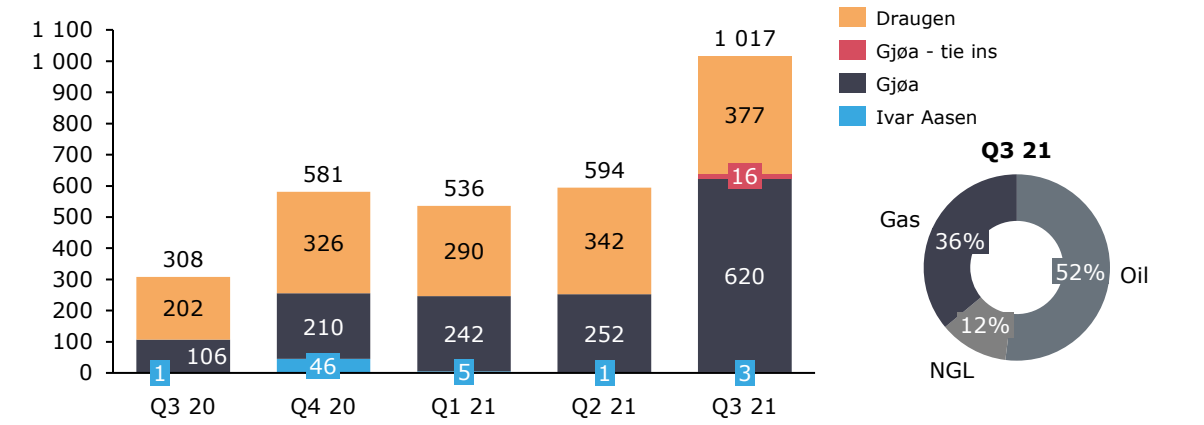
Production (boepd)



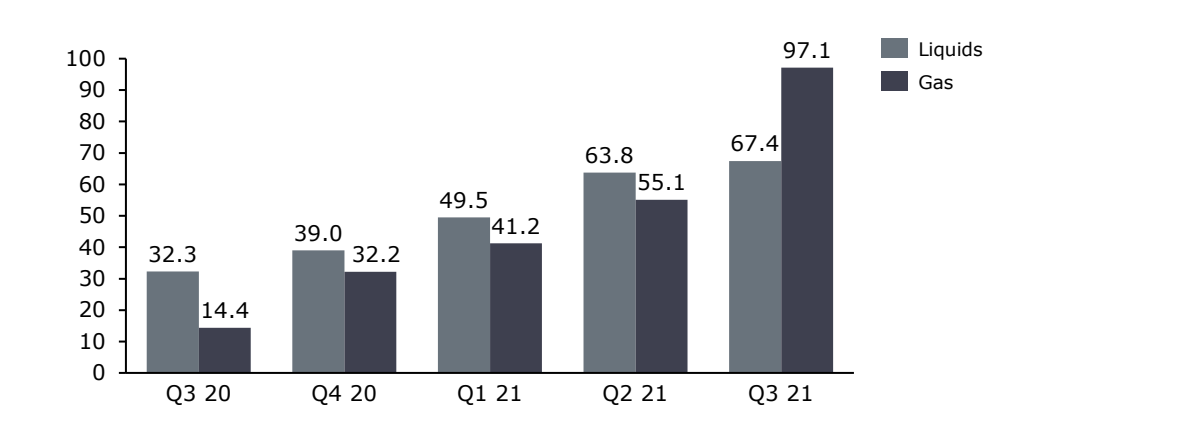
Sold volumes (boepd)



Revenue (NOK million)

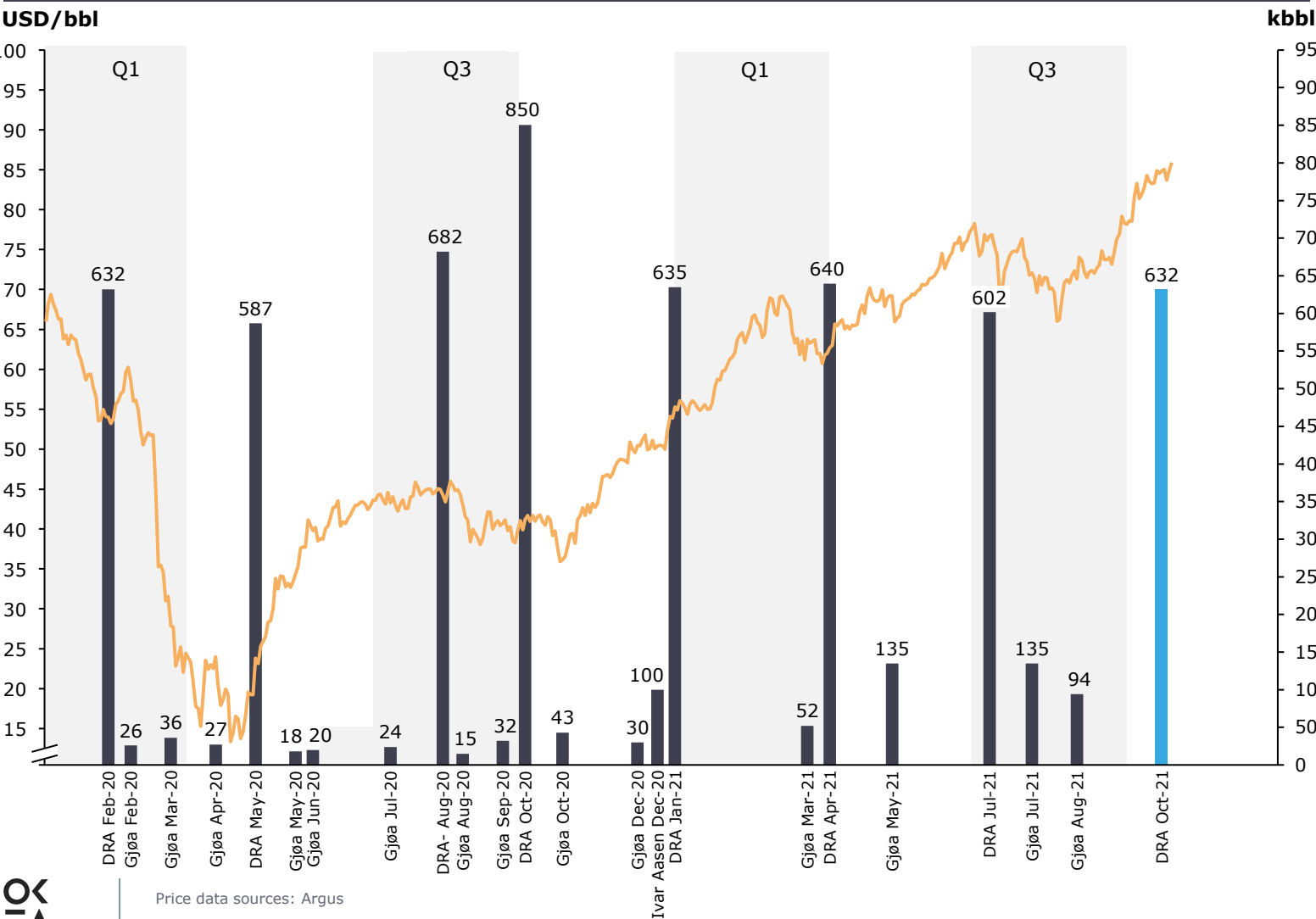


Realised price (liquids and gas USD per boe)

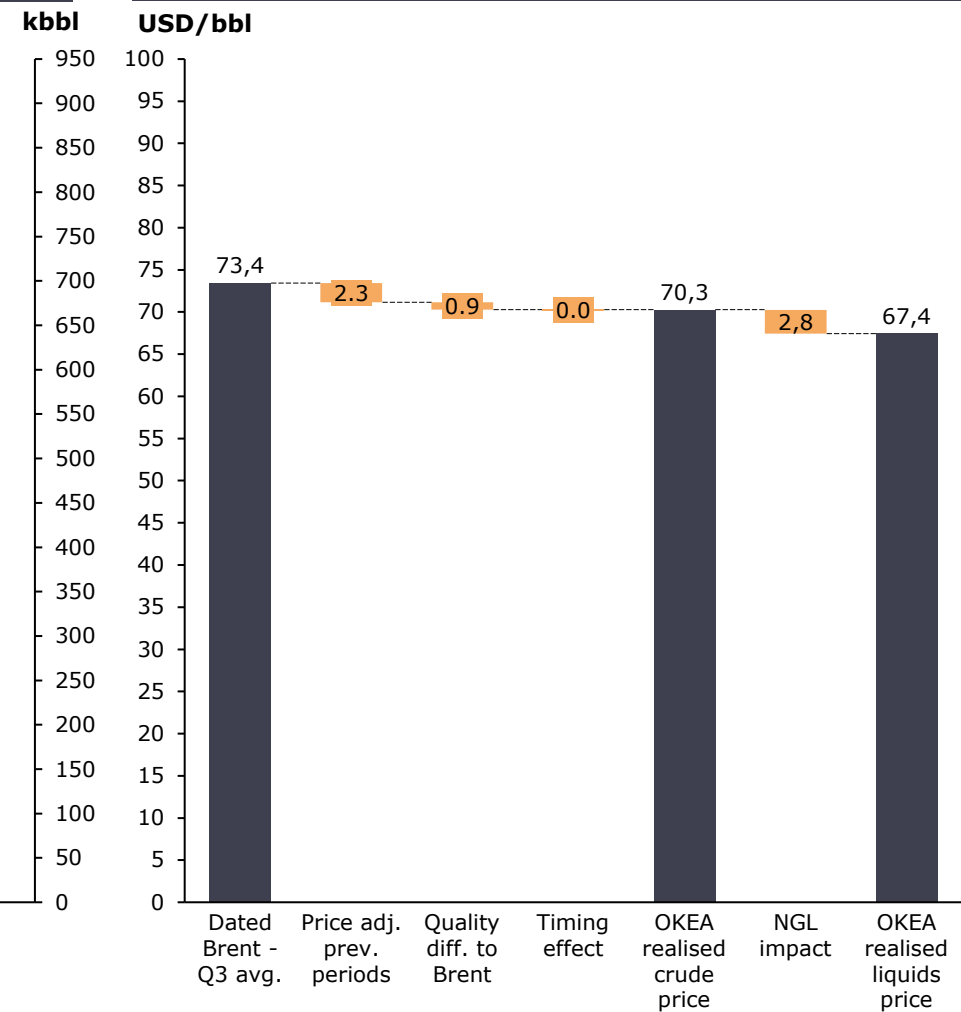


Higher realised liquids prices in third quarter

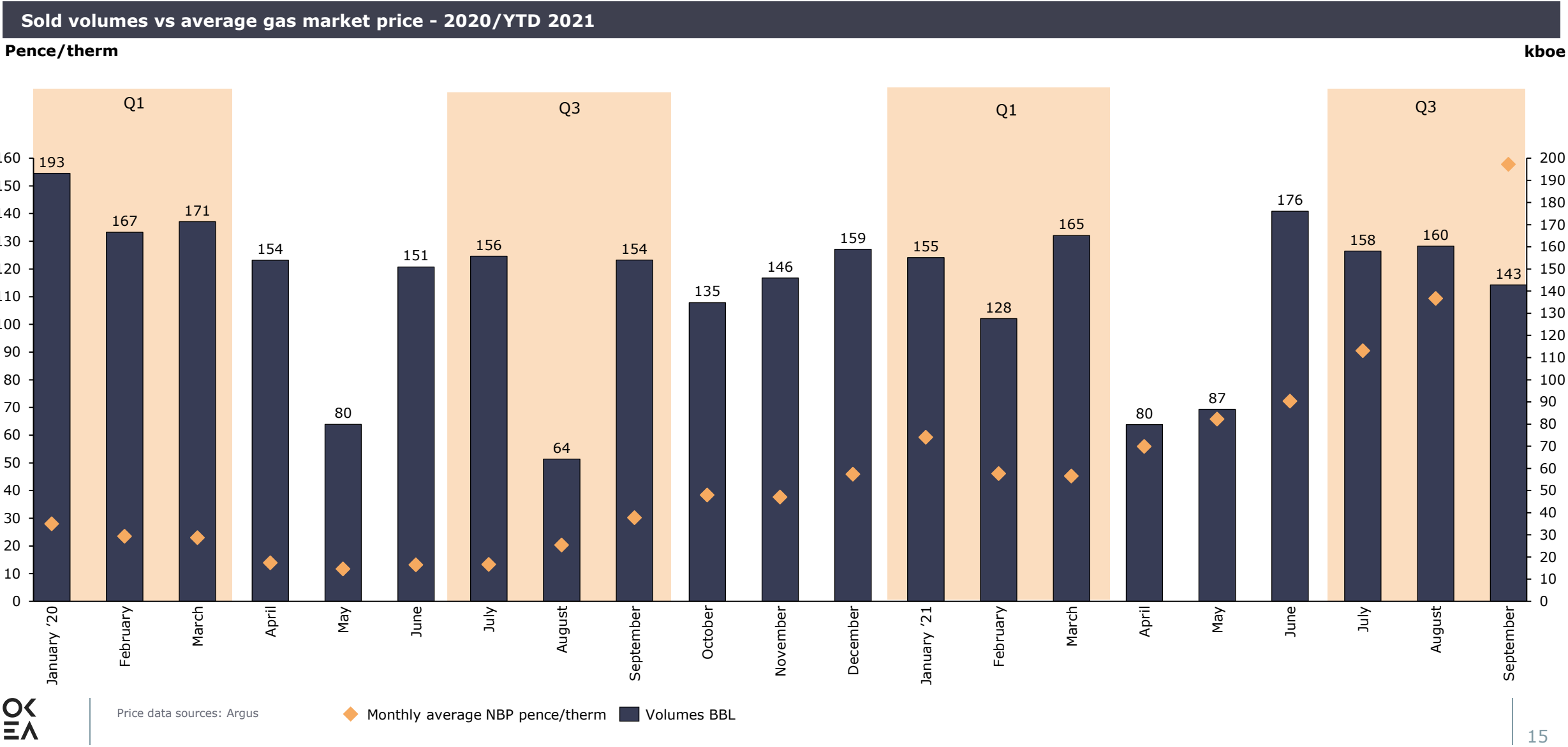
Lifted volumes vs Dated Brent - 2020/YTD 2021



Realised liquids prices vs Dated Brent – Q3 21



Higher gas production and record gas prices in third quarter



Income statement

Figures in NOK million	Q3 21	Q2 21	Q3 20	YTD 2021	YTD 2020
Total operating income	1 026	607	321	2 157	1 146
Production expenses	-181	-213	-154	-570	-507
Changes in over/underlift positions and inventory	9	38	-31	64	91
Depreciation	-179	-144	-147	-495	-521
Impairment (-) /reversal of impairment	0	730	-572	730	-1 504
Exploration, general and adm. expenses	-57	-121	-20	-303	-92
Profit / loss (-) from operating activities	618	898	-603	1 583	-1 386
Net financial items	-91	-34	76	-131	-255
Profit / loss (-) before income tax	526	863	-527	1 452	-1 641
Income taxes	-429	-663	508	-1 132	855
Net profit / loss (-)	97	200	-19	320	-785
EBITDA	797	311	116	1 348	639

Q3 21 comments

Operating income:

- Increase in sold volumes and higher realised prices

Production expenses:

- NOK/boe of 108 compared to 159 in Q2 21
 - Production expenses lower due to the well intervention campaign at Draugen in May
 - Increase in volumes mainly due to the planned maintenance work at Gjøa in April/May

Impairment:

- No impairments

Exploration, general and administrative expenses:

- NOK 36 million in exploration expense relating to APA 2021 and various field evaluation activities
- NOK 21 million in SG&A expense, partly related to ongoing strategy work

Net financial items:

- Somewhat weakened NOK relative to USD resulting in net FX loss of NOK 68 million
- Other financial expenses of NOK 21 million mainly related to expensed interest

Income taxes:

- Effective tax rate of 82%; deviation from 78% due to financial items, partly offset by uplift

Statement of financial position

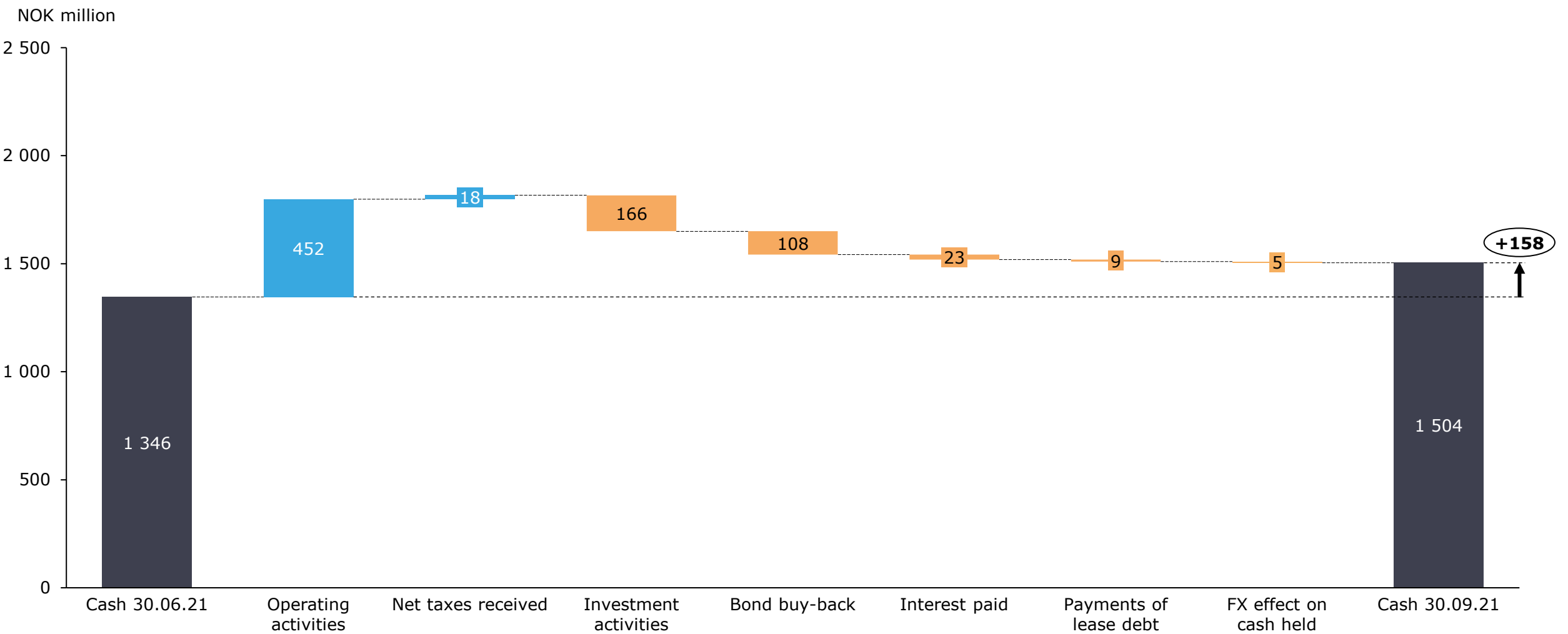
Figures in NOK million

Assets	30.09.2021	30.06.2021	31.12.2020	30.09.2020
Goodwill	769	769	769	769
Oil and gas properties	4 585	4 558	3 758	3 509
Other non-current assets	3 088	3 069	3 029	3 031
Trade and other receivables	714	534	514	452
Tax refund, current	9	9	296	573
Cash and cash equivalents	1 504	1 346	871	883
Other assets	501	515	540	518
Total assets	11 171	10 800	9 776	9 735
Total equity	1 411	1 313	1 083	900
Liabilities				
Asset retirement obligations	4 253	4 232	4 200	4 089
Deferred tax liabilities	1 686	1 628	941	742
Interest-bearing loans and borrowings	2 379	2 416	2 400	2 688
Trade and other payables	804	948	890	988
Income tax payable	418	28	14	146
Other liabilities	222	235	248	181
Total liabilities	9 761	9 487	8 694	8 834
Total equity and liabilities	11 171	10 800	9 776	9 735

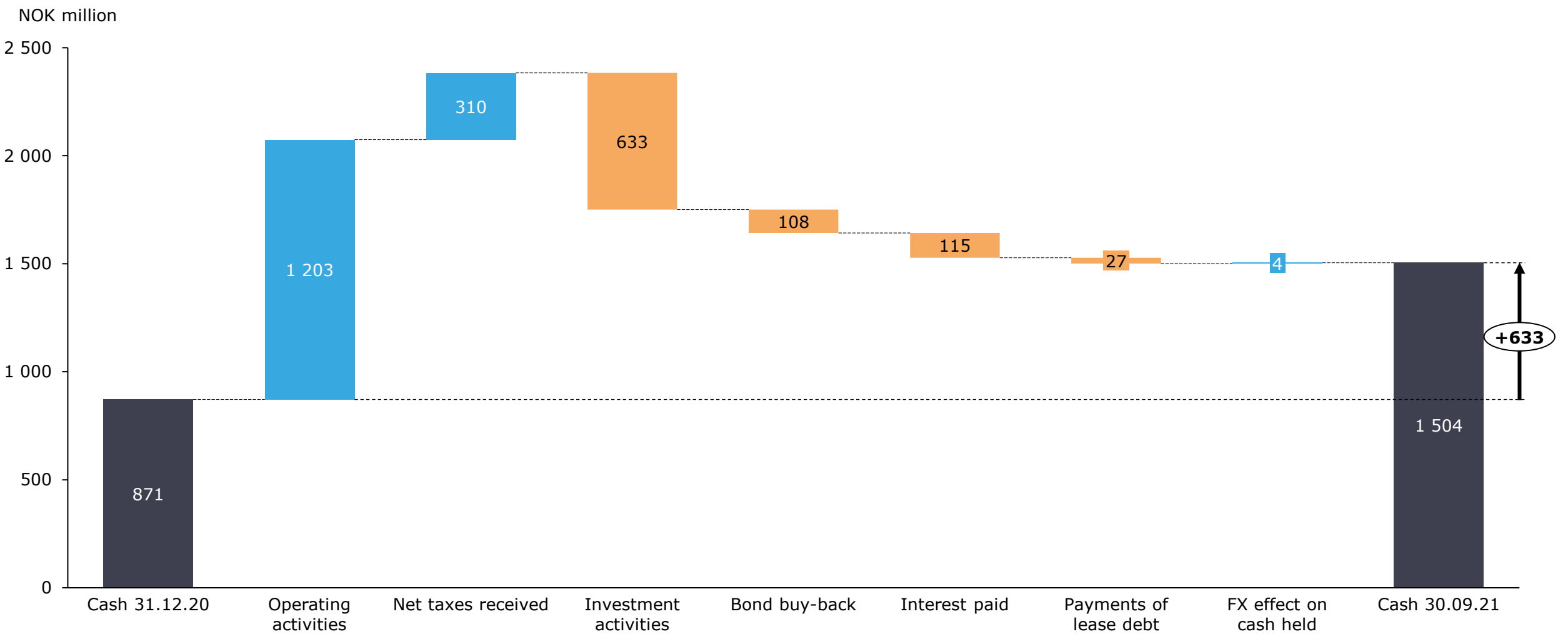
Q3 21 comments

- Cash and cash equivalents NOK 1 504 million
 - Net working capital (ex. tax) reduced by NOK 329 million
- Current tax refund NOK 9 million
- Tax payable NOK 418 million
 - The transfer of ownership of Inspirer will significantly reduce tax payable when effectuated
- Interest-bearing debt of NOK 2 379 million
 - Reduction relates to buy-back of OKEA02, partly offset by FX effect
- Asset retirement obligation offset by non-current asset receivable from Shell

Cash development Q3 21

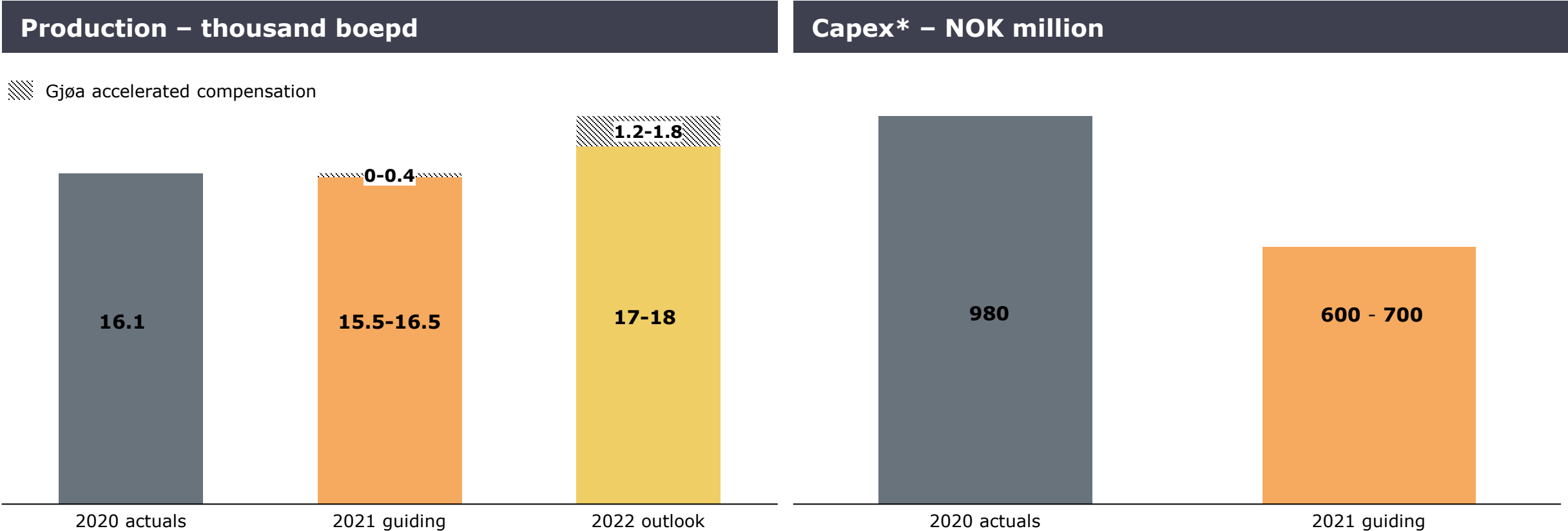


Cash development YTD 21



No change in guiding on production & capex

Commencement of Yme production on 25 October supports guiding on volumes





Strategy update

Solid platform for further growth



First class track-record as operator of Draugen



Strong balance sheet and robust cash flow



Yme start-up in October – adding production and cash flow



Financial flexibility to support M&A strategy



ESG central to all operational activities

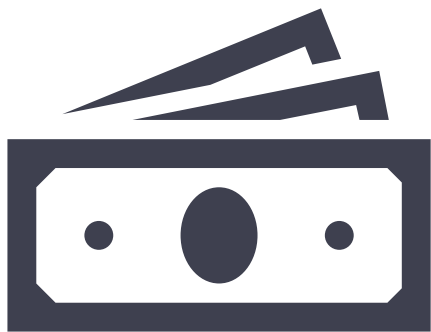
Strategic direction based on three pillars



Growth

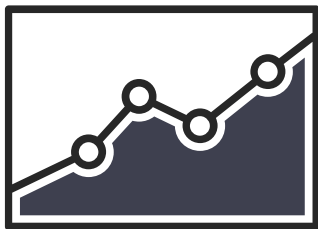


Value creation



Capital discipline

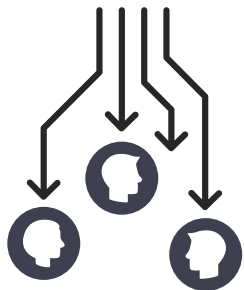
Market fundamentals and opportunities are in place



Attractive energy
market



M&A
opportunities



Edge in mid to late-life
operatorships



Three growth levers to deliver continued shareholder value



Current portfolio

Actively pursue further value creation in current portfolio



Inorganic path

Mergers and acquisitions to add new portfolio legs



Organic path

Organic projects as complementary growth lever



Current asset base represents a fundamental part of OKEA's growth story

- Draugen extension and improvement, extending life of field to beyond 2035
- IOR and ILX-focused exploration projects to identify upsides
- Play an active role in non-operated licenses to further unlock value potential

Capitalise on OKEA's capabilities in executing complex transactions, enabling rapid production growth

- Leverage OKEA's edge in transitioning operated assets and unlocking upside through acquisitions of mid to late-life operatorships
- Pursue non-operatorship acquisitions to provide volume and cashflow

Organically matured projects form a key lever to replenish current portfolio and develop optionality

- Focus on organic projects adjacent to existing hubs
- Consider new hub exploration and development if financial headroom and attractive risk-reward

ESG embedded in the business and all operational activities

Environment

Minimising our impact on the natural environment

- Actively working to reduce emissions through cost-effective measures across energy efficiency and technology
- Pursuing life-time extension of fields and maximise use of existing infrastructure
- Striving for best-in-class discharge management to protect nature



Social

Ensuring safe and responsible operations while generating value for the Norwegian society

- Providing safe working environment for employees and contractors through robust HSEQ culture
- Promoting diverse and engaged workforce and respecting human rights
- Focusing on positive local impact by actively recruiting workforce and using relevant contractors from regions where we operate



Governance

Maintaining the highest standards of corporate governance and business ethics

- Established policies, guidelines and training to ensure compliance throughout organisation and supply chain
- ESG contractor screening includes sustainability assessment in all procurement processes
- ESG anchored at board of directors' level through sustainability and technical risk committee

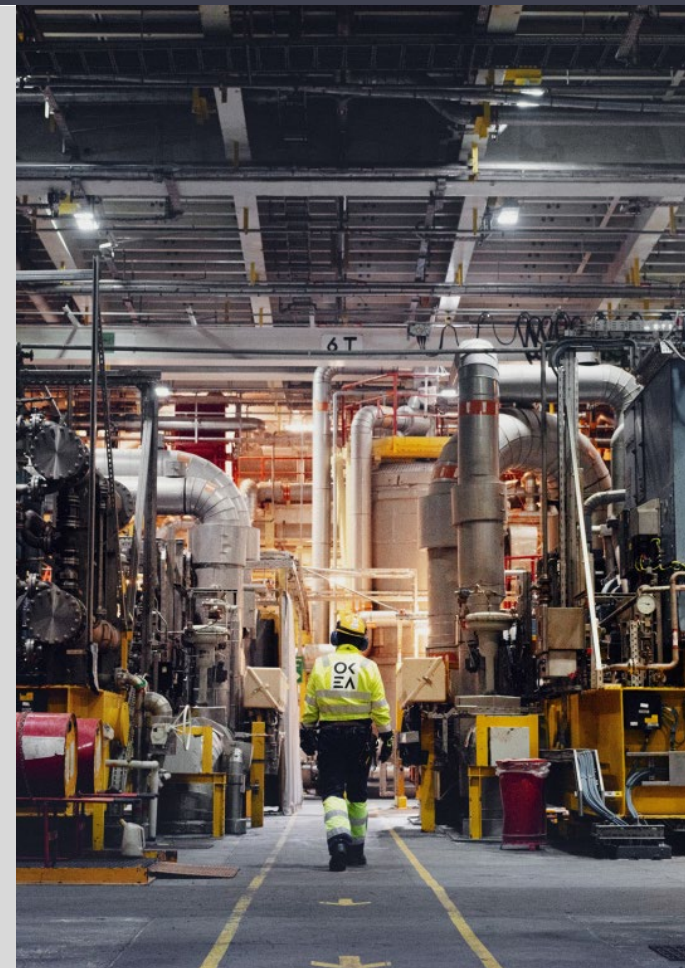


Ambition to initiate dividend plan in 2022

Dividends – a key strategic priority



- Current bond loan terms allow for distributions to shareholders from 2022 subject to customary restrictions
- Clear aim to deliver competitive shareholder return through capital discipline
- Dividend plan to be balanced by investments in value-accretive growth



Creating value where others divest



2015 | Marginal field specialist

Key learnings

Marginal field specialisation required OKEA to build **unique set of key competencies** also relevant in late-life context

- A cost-conscious approach to development a key success factor for making marginal assets viable
- Experience in ILX, IOR, and tie-ins/mods
- Operating model built on effective supplier partnerships coupled with inhouse competencies
- Disciplined capital spend culture



2021 | Mid to late-life champion

OKEA opportunity

Becoming a leading mid- to late-life operator on the NCS, with **key capabilities to unlock upsides**

- ILX, IOR, and tie-ins/mods key to unlocking upside in mid-to-late-life assets
- Cost-efficient solutions critical for extending life-of-field profitably
- Short path to competent and flexible decommissioning organisation through partnering
- Capital spend discipline critical for optimising investments, particularly in ultra-late-life context



OKEA - The leading mid to late-life operator on the NCS



Summary and outlook

Summary and outlook

Growth, value creation and capital discipline



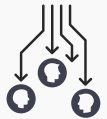
Market conductive for growth

- Attractive market fundamentals support value creation on the NCS for the next decade, driven by an energy demand surplus that the NCS is competitively positioned to meet



Attractive deal opportunities

- We expect increased consolidation opportunities in the mid to late-life assets segment as the NCS matures and majors streamline portfolios



Mid to late-life operatorships

- OKEA has proven capabilities of acquiring, transitioning and realising upside in mid to late-life operatorships from Draugen
- Continue to take an active approach to management of non-operated assets



Dividend capacity

- Significant cash flow from operations provides financial flexibility
- Ambition to initiate dividend plan in 2022



ESG embedded in the business

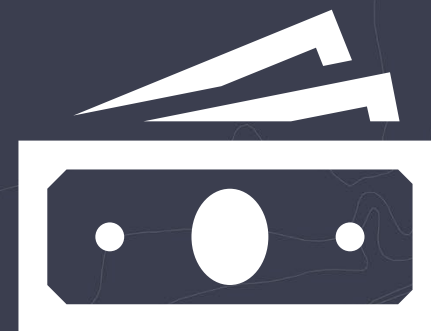
- OKEA will actively work to reduce net carbon footprint and other emissions of assets
- Always putting safety first and upholding highest governance standards



Growth



Value creation



Capital discipline

