



OKEA first quarter 2022 trading and operational update

(Trondheim, 20 April 2022) OKEA ASA (OSE: OKEA) OKEA will publish its financial report for the first quarter of 2022 on Thursday 5 May. This trading update is provided to summarise production and sales volumes and related topics for the quarter including information regarding a temporary shutdown of production at the Yme field.

(Amounts in parentheses refer to previous quarter)

First quarter 2022 production, sales and highlights

OKEA produced 14,908 (16,038) boepd in the quarter. In line with plan, production at GjØa was shut down from 18 March to 8 April to carry out activities for maintenance and tie-ins. Production from the Yme field was impacted by production interruptions from the ongoing commissioning work and start-up of additional wells.

Sold volumes in the quarter amounted to 15,444 (18,102) boepd. There were no liftings from Ivar Aasen in the quarter compared to a lifting equivalent to 2,453 boepd in the previous quarter. Net sold volumes from GjØa were 841 boepd lower than the previous quarter due to the planned shutdown.

Market prices were volatile at high levels also in the first quarter of 2022. The average realised liquids price was USD 89.6 (78.0) per boe* which was lower than the average market price for the month largely due to the timing of the lifting at Draugen in January. The average realised price for gas was USD 1.12 (1.11) per scm**.

Other operating income amounted to NOK -3 (92) million and comprise GjØa tariff income of NOK 24 (24) million, income from joint utilisation of Draugen logistical resources of NOK 6 (13) million and net gain/loss(-) from gas forward contracts of NOK -33 (54) million.

Due to significantly improved forward prices for oil as per the end of the quarter, OKEA expects to recognise a reversal of previous impairments of the Yme asset in the first quarter.

	Unit	Q1 2022	Q4 2021
Total operating income	MNOK	1,513	1,725
Realised liquids price	USD/boe*	89.6	78.0
Realised gas price	USD/scm**	1.12	1.11
Net production	Boepd	14,908	16,038
Net production – liquids	Boepd	9,925	10,580
Net production – gas	Boepd	4,983	5,458
Third-party volumes available for sale	Boepd	765	419
Over/underlift/inventory adjustments	Boepd	-229	1,645
Net sold volume***	Boepd	15,444	18,102
Net sold volumes – liquids	Boepd	9,664	11,629
Net sold volumes – gas***	Boepd	5,780	6,473

	Unit	Q1 2022	Q4 2021
Cash and cash equivalents end of quarter	MNOK	2,470	2,039
Financial investments	MNOK	209	210
Net interest-bearing debt end of quarter	MNOK	11	750

* boe – barrels of oil equivalents

** scm– standard cubic metres

*** includes compensation volumes from Duva received (tie-in to GjØa)

Financial position

At the end of the quarter, cash and cash equivalents and financial investments amounted to NOK 2,679 (2,249) million. Net interest-bearing debt amounted to NOK 11 (750) million, which does not include the financial investments of NOK 209 (210) million but includes the value of OKEA's share of the lease contract with Havila for the Inspirer rig of NOK 480 million.

In the quarter, OKEA bought back additional OKEA02 bonds for a nominal amount of USD 31.5 million. At the end of the quarter, OKEA had bought back OKEA02 bonds for a nominal value of USD 69.2 million at an average price of 99.2 to par, of which USD 6.3 million has been cancelled.

Financial risk management

OKEA uses derivative financial instruments to manage exposures to fluctuations in commodity prices. At the end of the quarter, OKEA had sold forward 30% of the net after tax exposure for natural gas for Q2-22 at an average price of 278 GBp/th, 30% for Q3-22 at an average price of 275 GBp/th and 10% for Q4-22 at an average price of 408 GBp/th.

Temporary shutdown of the Yme field

Repsol Norge AS, as operator at the Yme field, has informed the Yme license partnership that production at the Yme field was shut in during the Easter holidays due to technical issues. The operator is working to resolve the issues, but it is too early to determine when production will be resumed. The duration of the shutdown period will determine if OKEA's guiding on produced volumes for 2022 will require revision. OKEA will continue to keep the market updated on the developments at the Yme field.

Disclaimer

The information contained in this statement is based on a preliminary assessment of the company's first quarter 2022 financial and operational results and may be subject to change.

First quarter 2022 financial report to be published on 5 May

OKEA ASA will release its first quarter 2022 results on Thursday 5 May at 06:00 CEST. A presentation of the results will be held on the same day through a webcast and audioconference starting 08:00 CEST. The presentation will be held by Svein J. Liknes (CEO) and Birte Norheim (CFO).

For further information, please contact:

CEO Svein J. Liknes, +47 917 67 704

CFO Birte Norheim, +47 952 93 321

About OKEA

OKEA ASA is a leading mid- to late-life operator on the Norwegian continental shelf (NCS) with a current target production of 18,500 – 20,000 boe per day in 2022. OKEA finds value where others divest and has an ambitious strategy built on growth, value creation and capital discipline.

OKEA is listed on the Oslo Stock Exchange (OSE:OKEA).

More information at okea.no