



› Presentation of first quarter 2022

OKEA ASA

5 May 2022

# Cautionary statement

- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analysis
- Actual experience may differ, and those differences may be material
- Forward looking information is subject to significant uncertainties and risks as they relate to events and/or circumstances in the future
- This presentation must be read in conjunction with the first quarter report and the disclosures therein
- A full disclaimer is included at the end of this presentation

# OKEA first quarter 2022 results

## Highlights

### Operations

- Production 14,908 boepd
- Gjøa - planned shut-down at Gjøa for tie-ins/maintenance
- Yme production - commissioning and start-up of new wells; production shut in during Easter with plan to resume this week

### Financials

- Operating income of NOK 1,513 million
- EBITDA of NOK 1,143 million
- Net profit of NOK 213 million
- Cash increase of NOK 431 million + bond buyback of NOK 289 million

### Well-positioned for value-accretive growth

- Strong cash position provides solid basis for pursuit of growth strategy
- 2022 production guiding of 18,500 – 20,000 boepd
- Ivar Aasen - acquisition of 2.223% from Neptune Energy completed
- Discovery in the Hamlet exploration well
- Hasselmus gas project – progressing as planned



Hasselmus - subsea rock installation by Nordnes

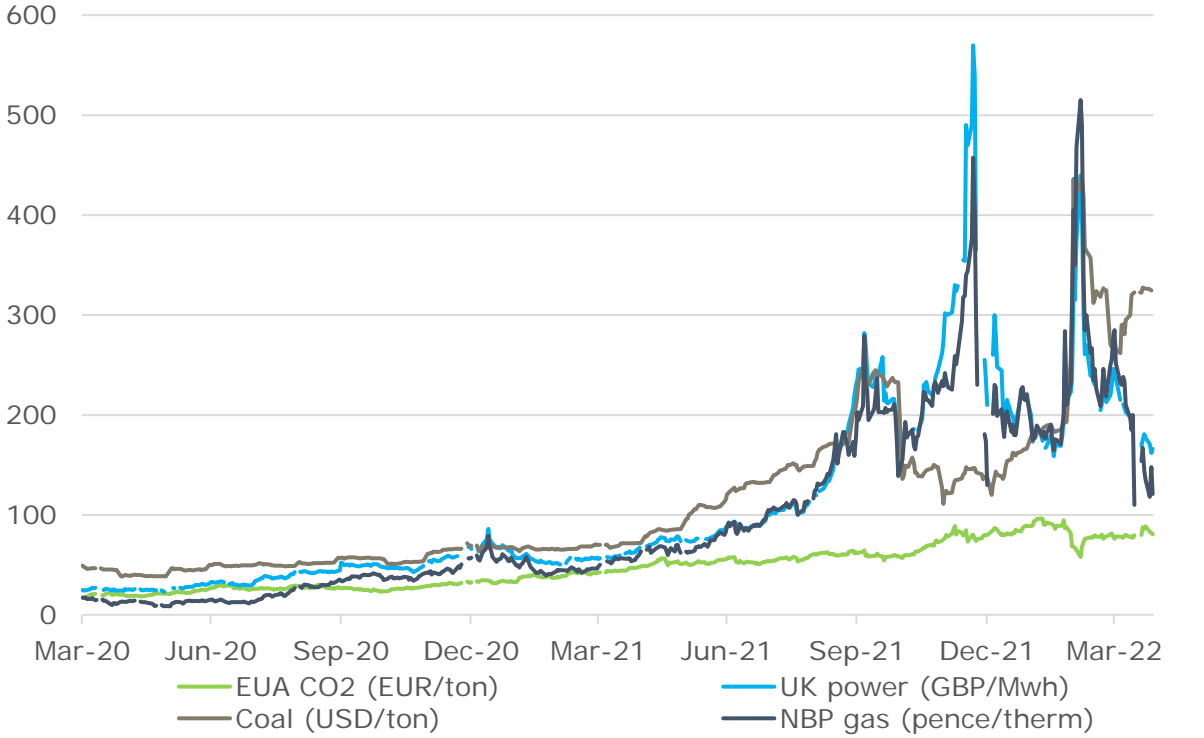
# Oil and gas markets – still at high levels

Volatile prices at high levels

**Brent oil price**

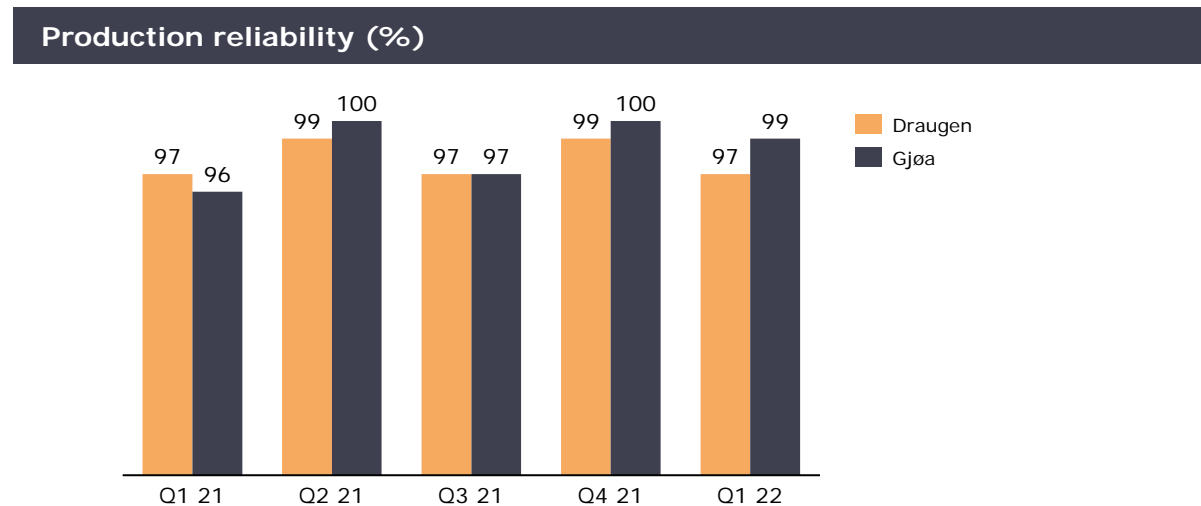
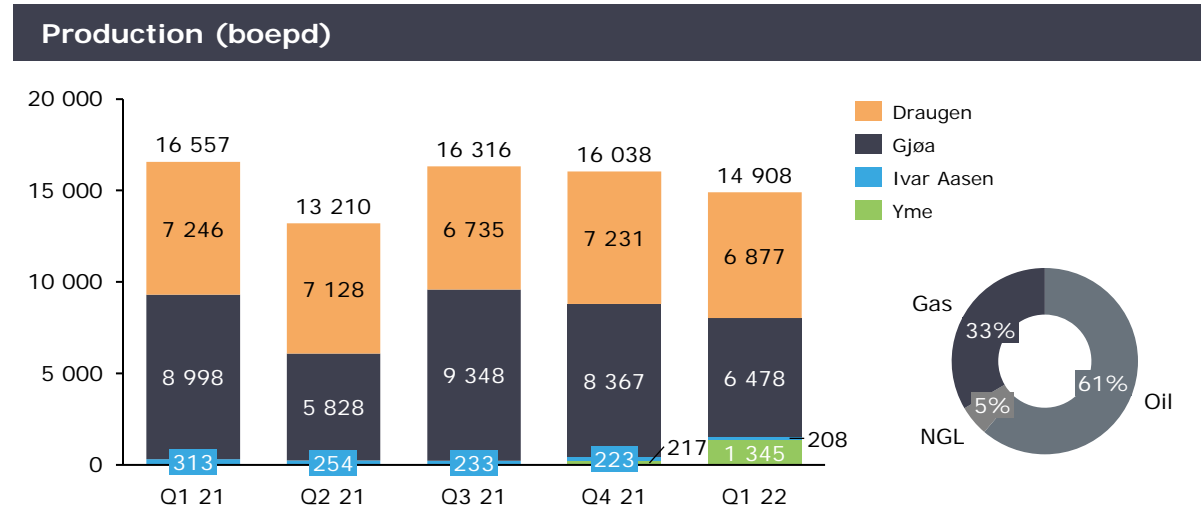


**European gas, coal, power and CO<sub>2</sub>-prices**



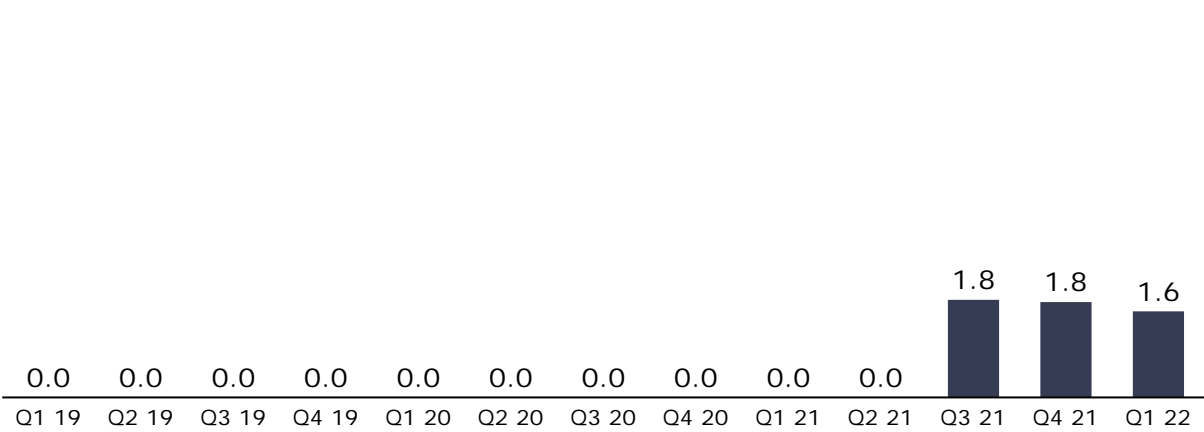
# Production volumes and reliability

13 days of planned maintenance at Gjøa in the quarter; continued high reliability

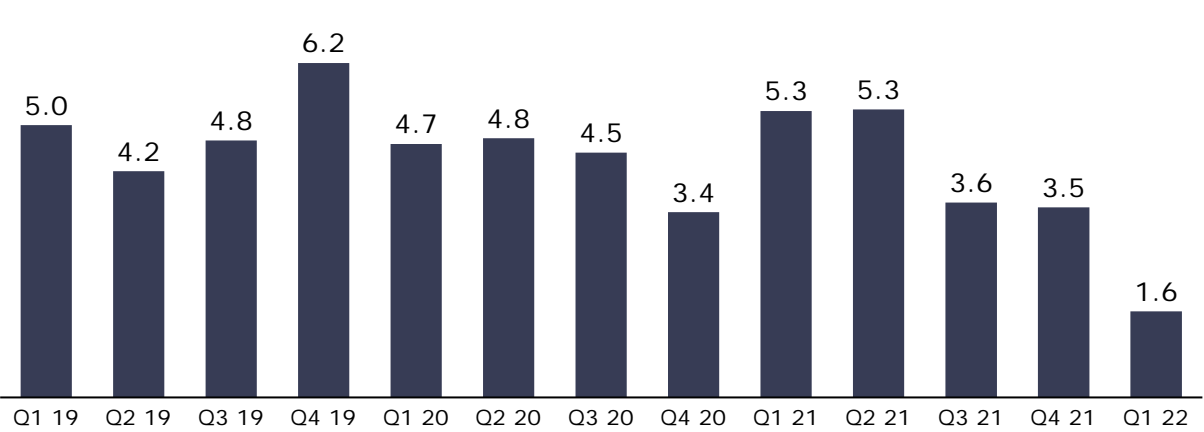


# Safety and emissions

Serious incident frequency (SIF) – per million work-hours\*

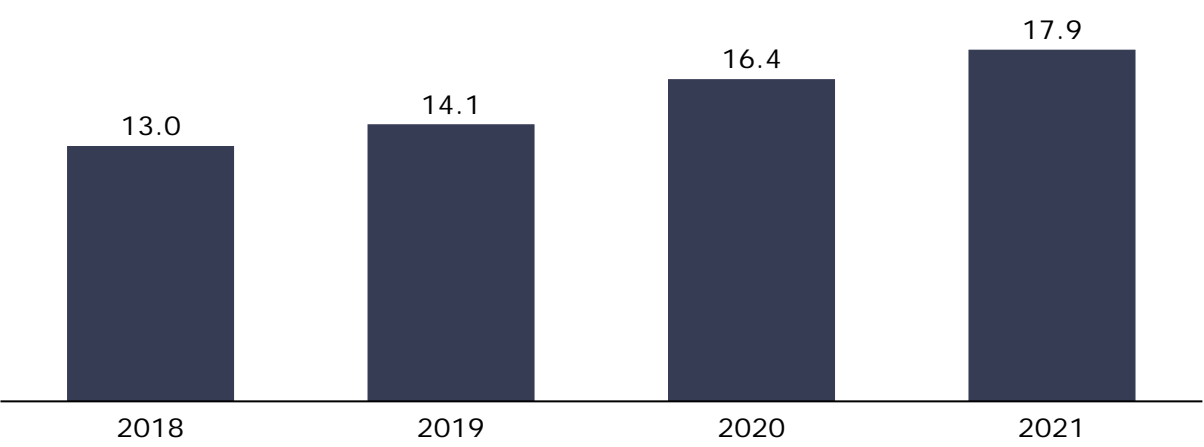


Total recordable injury frequency (TRIF) – per million work-hours



Number of hydrocarbon leaks > 0.1 kg/second

CO<sub>2</sub>-emissions - kg per boe produced\*\*



**Zero hydrocarbon leaks > 0.1 kg/second last 3 years**



12-months average. \* Serious potential incident on Draugen in Q3 21 with outer railing loosened \*\* Draugen, Gjøa, Ivar Aasen. From 2021 Yme has been included after production start

# Draugen – WI 44.56%



Production  
6,877 boepd

Reserves\*  
27.9 mmboe

- Net production 6,877 boepd and production reliability 97%; trip of power turbines resulted in lower production in March
- Scale squeeze campaign on platform wells successfully executed
- Hasselmus project progressing according to plan
  - Subsea rock installation to support new gas pipeline
  - Drilling of well summer 22
  - Topside pre-fabrication to commence in Q2 22
  - Production start is planned for Q4 23 with gross plateau gas production of more than 4 400 boepd
- Power from shore concept – Draugen and Njord
  - Offshore area preparations at Draugen topside
  - Siem Pride used for geotechnical cable survey



# Gjøa – WI 12%



Production  
6,478 boepd

Reserves\*  
7.5 mmboe

- Net production 6,478 boepd and production reliability 99%; lower production in due to planned shutdown
- Planned shut-down executed 18 March to 8 April mainly relating to tie-in work for Nova, Duva and Vega for which Gjøa will be compensated for the deferred production
- Discovery confirmed in the Hamlet exploration well; studies to evaluate commerciality initiated





# Yme New Development – WI 15%



Production  
1,345 boepd

Reserves\*  
10.7 mmboe

- Net production 1,345 boepd
- Stable production from two/three wells
- Production interruptions due to commissioning
- Re-completion and start-up of new wells ongoing
- Minor oil leak led to production shut in during Easter holidays; plan to resume production this week
- Gamma and Beta North drilling campaigns planned to commence in Q2 22



Photo: Repsol

# Ivar Aasen – WI 2.777%



Production  
208 boepd

(for 0.554% WI)

Reserves\*  
2.1 mmboe

- Net production for 0.554% working interest of 208 boepd and production availability of 96%
- Acquisition of 2.223% working interest in the Ivar Aasen field from Neptune Energy Norge AS completed on 31 March 2022
- Shut down on 21 March due to power supply disruption from Edvard Grieg
  - In production at reduced rates from 20 April
  - Expected to be in full production from mid-May



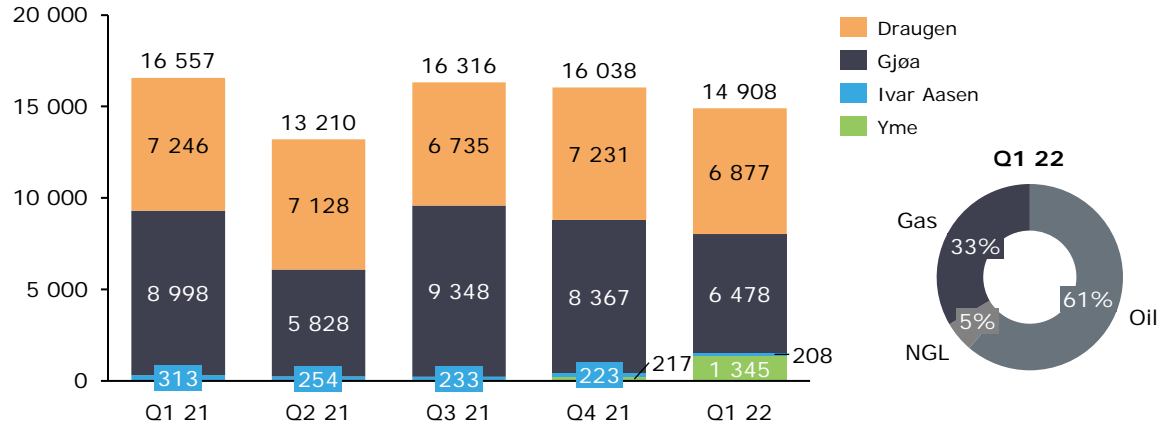
Photo: Aker BP



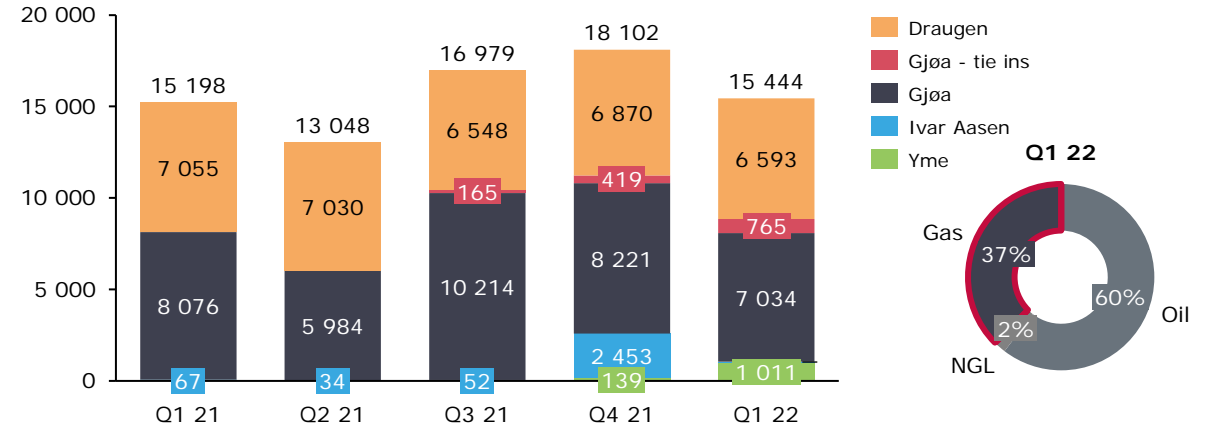
## Financials

# Oil and gas production, sales and revenues - per asset

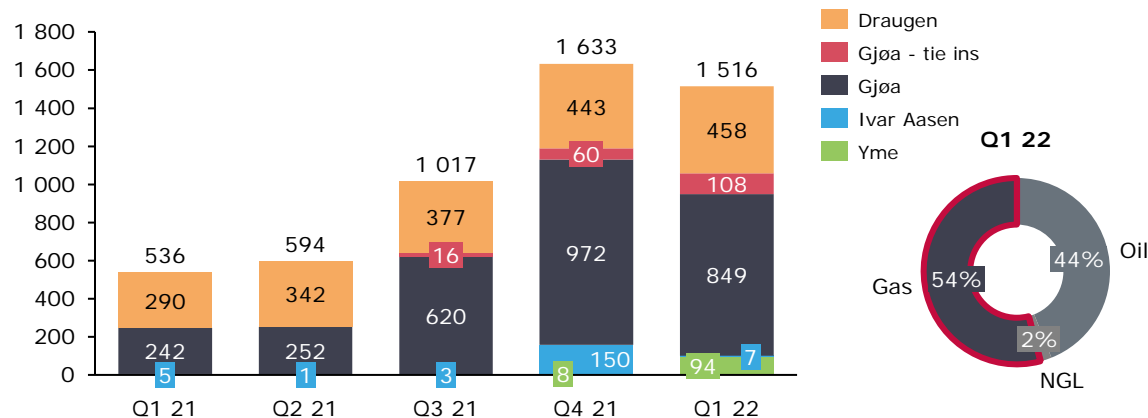
Production (boepd)



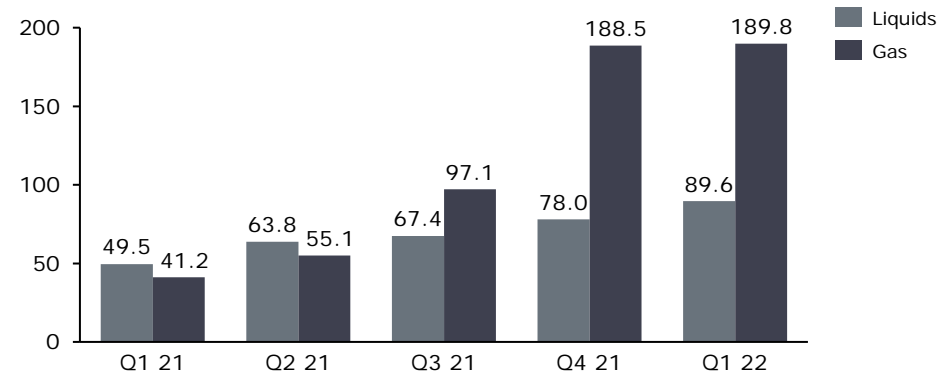
Sold volumes (boepd)



Revenue (NOK million)



Realised price (liquids and gas USD per boe)

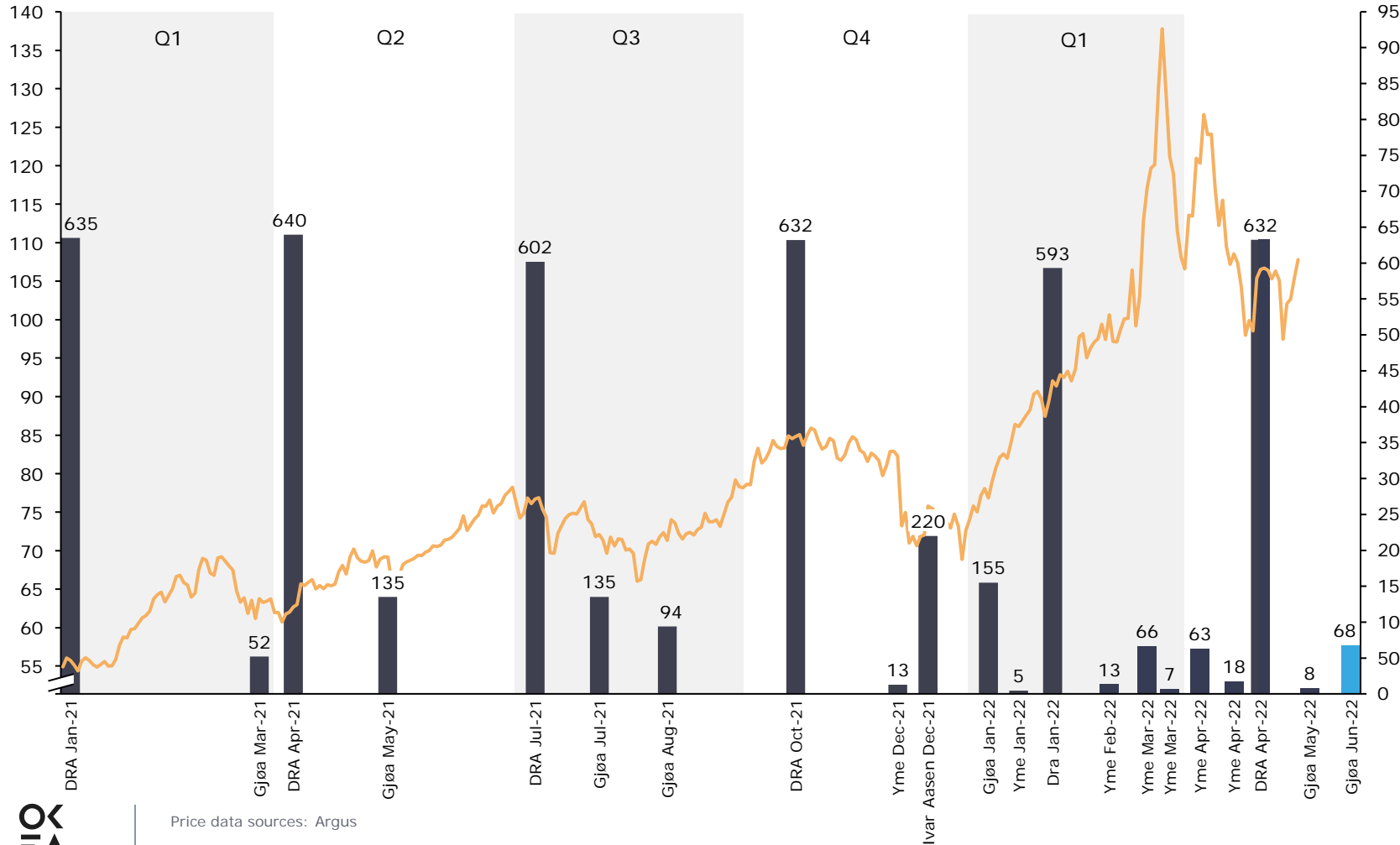


# Realised liquids prices

## Volatile liquids prices at high levels

Lifted volumes vs Dated Brent - 2021/2022e

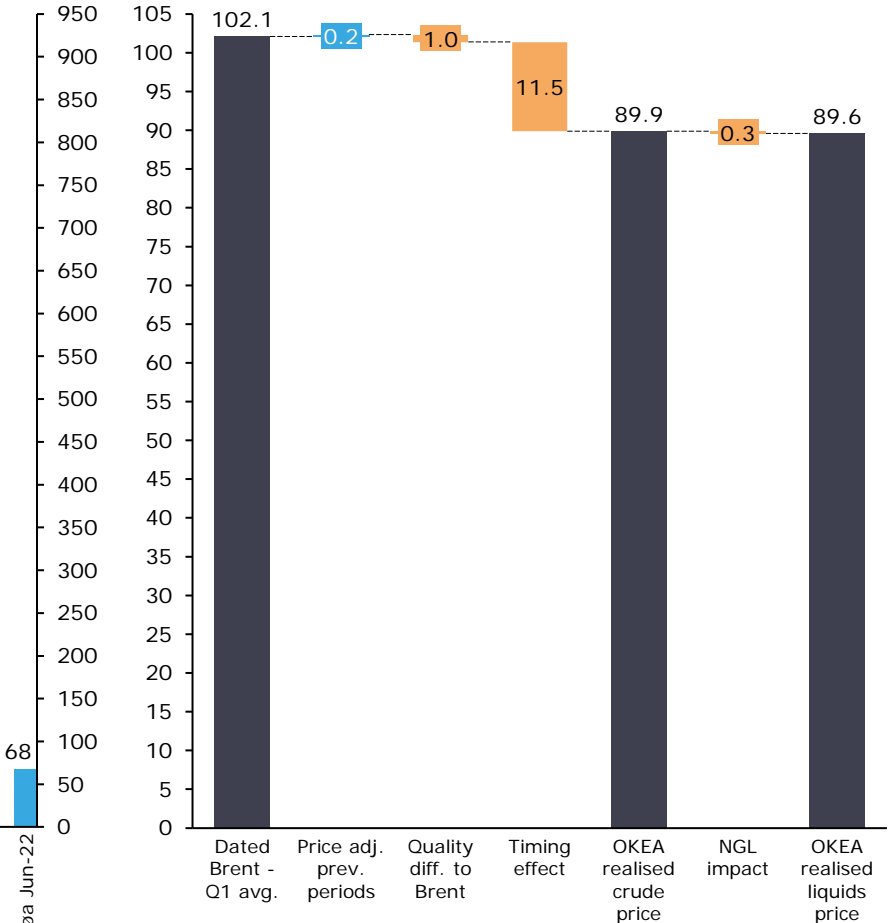
USD/bbl



Realised liquids prices vs Dated Brent – Q1 22

kbbbl

USD/bbl

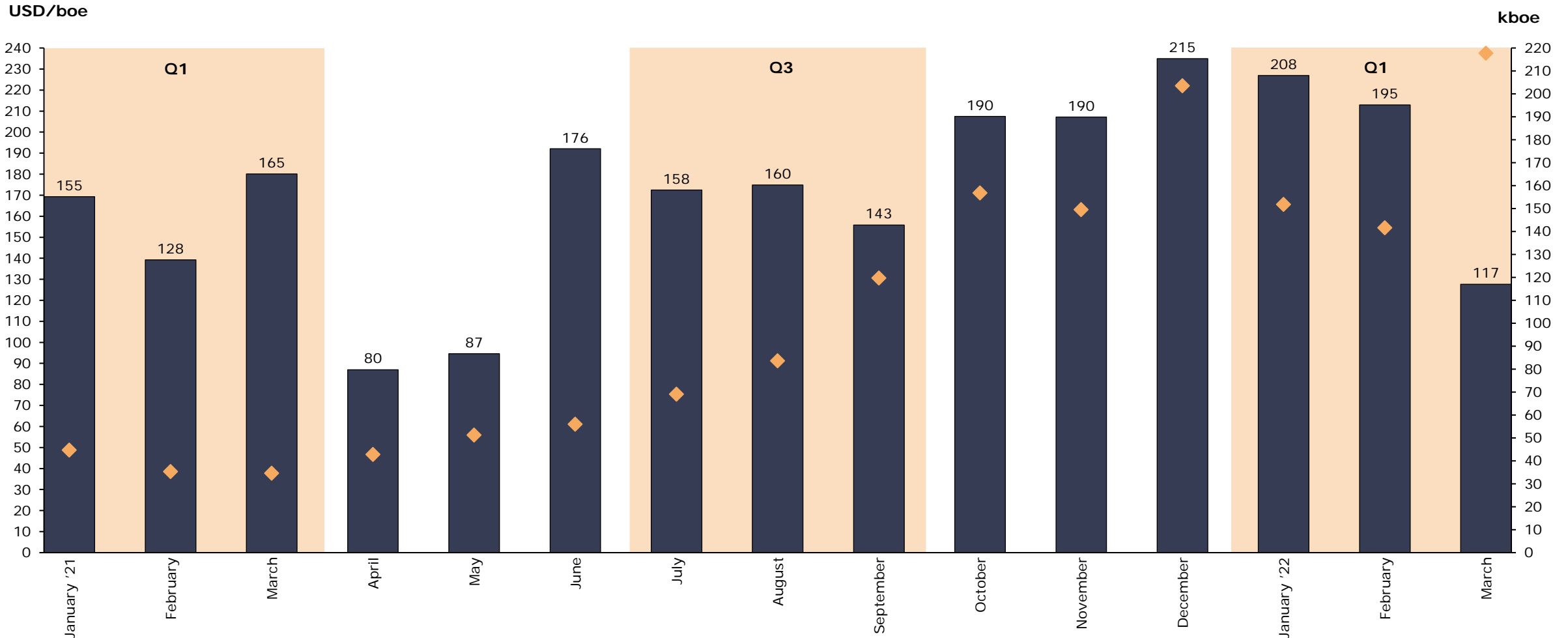


Price data sources: Argus

# Realised gas prices and volumes

## Gas prices at all-time high

Sold volumes vs average gas market price – Q1 21 to Q1 22



Price data sources: Argus

◆ Monthly average USD/boe ■ Volumes kboe

# Income statement

Figures in NOK million	Q1 22	Q4 21	Q1 21	2021
<b>Total operating income</b>	1 513	1 725	524	3 882
Production expenses	-287	-291	-176	-860
Changes in over/underlift positions and inventory	33	-41	17	23
Depreciation	-158	-177	-172	-672
Impairment (-) /reversal of impairment	363	-367	0	364
Exploration, general and adm. expenses	-115	-135	-125	-438
<b>Profit / loss (-) from operating activities</b>	<b>1 348</b>	<b>715</b>	<b>68</b>	<b>2 298</b>
Net financial items	-61	-61	-5	-192
<b>Profit / loss (-) before income tax</b>	<b>1 287</b>	<b>654</b>	<b>63</b>	<b>2 106</b>
Income taxes	-1 074	-370	-40	-1 503
<b>Net profit / loss (-)</b>	<b>213</b>	<b>283</b>	<b>23</b>	<b>603</b>
<b>EBITDA</b>	<b>1 143</b>	<b>1 258</b>	<b>240</b>	<b>2 607</b>

## Q1 22 comments

### Operating income:

- Lower sold volumes partly offset by higher realised prices

### Production expenses:

- NOK/boe of 192 compared to 171 in Q4 21
  - First quarter with three month production expenses on Yme
  - Higher cost per boe du to lower production at Gjøløa following planned downtime and from Yme due to production still in start-up phase

### Reversal of impairment:

- NOK 363 million reversal of previous asset impairment at Yme mainly due to significantly improved forward prices for oil

### Exploration, general and administrative expenses:

- NOK 93 million exploration expense mainly relating to expensing of cost related to Ginny dry exploration well of NOK 66 million
- NOK 23 million SG&A expenses

### Net financial items:

- Net cost of NOK 61 million mainly relating to expensed interest

### Income taxes:

- Effective tax rate of 83%

# Statement of financial position

Figures in NOK million

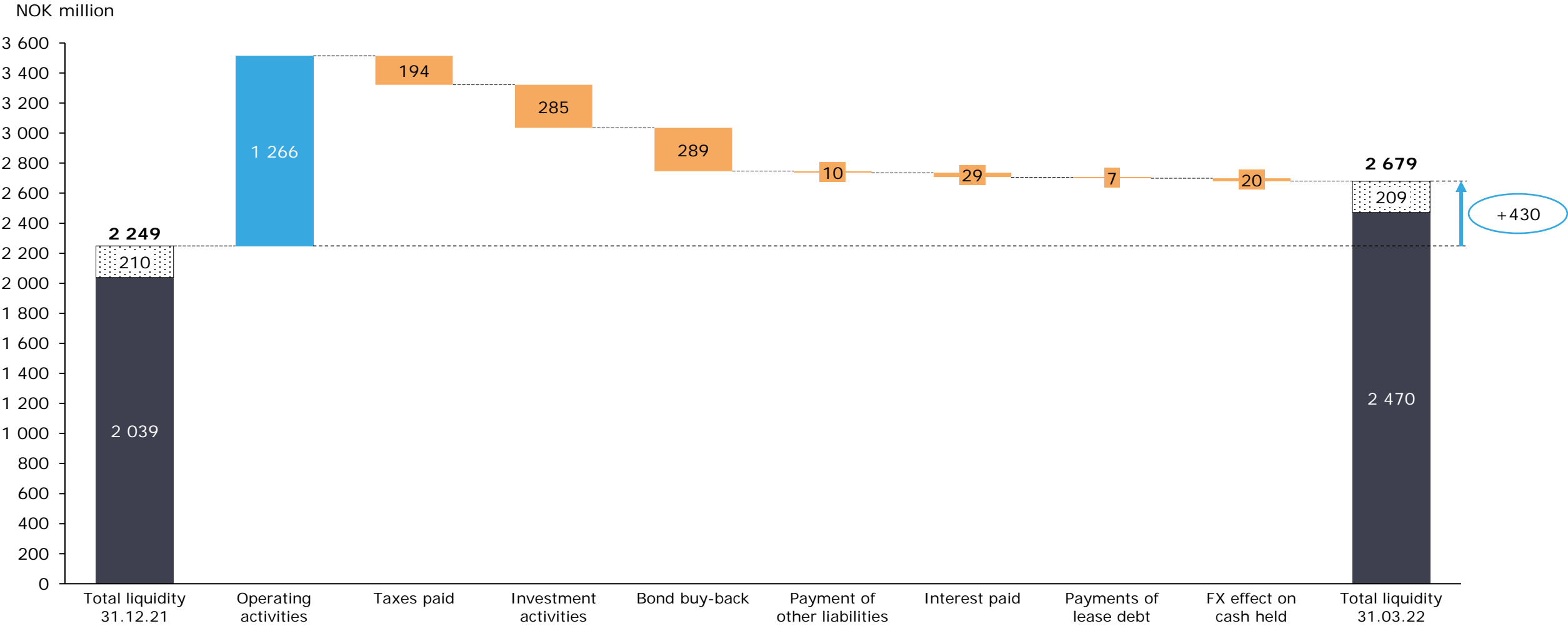
	31.03.2022	31.12.2021	31.03.2021
<b>Assets</b>			
Goodwill	805	769	769
Oil and gas properties	5 191	4 685	3 807
Asset retirement reimbursement right	2 833	3 108	3 049
Trade and other receivables	996	1 053	523
Financial investments	209	210	0
Tax refund, current	0	0	211
Cash and cash equivalents	2 470	2 039	978
Other assets	554	509	541
<b>Total assets</b>	<b>13 057</b>	<b>12 373</b>	<b>9 878</b>
<b>Total equity</b>	<b>1 922</b>	<b>1 709</b>	<b>1 113</b>
<b>Liabilities</b>			
Asset retirement obligations	4 039	4 237	4 221
Deferred tax liabilities	2 091	1 736	999
Interest bearing loan, bonds	2 001	2 295	2 402
Other interest bearing liabilities	480	493	0
Trade and other payables	834	787	898
Income tax payable	1 364	773	14
Other liabilities	326	343	231
<b>Total liabilities</b>	<b>11 135</b>	<b>10 664</b>	<b>8 765</b>
<b>Total equity and liabilities</b>	<b>13 057</b>	<b>12 373</b>	<b>9 878</b>

## Q1 22 comments

- Goodwill of NOK 805 million
  - Increase of NOK 36 million due completion of acquisition of 2.223% in Ivar Aasen field
- Total liquidity of NOK 2 679 million
  - NOK 2 470 million in cash and cash equivalents
  - NOK 209 million in financial investments
- Tax payable NOK 1 364 million which relates to remaining tax payable for 2021 and accrued tax payable for Q1 22
- Interest-bearing bond loans of NOK 2 001 million consisting of remaining outstanding on OKEA02 and OKEA03
- Other interest-bearing liabilities of NOK 480 million relating to NPV of future lease obligations for the Inspirer rig at Yme
- Asset retirement obligation of NOK 4 039 million is partly offset by asset retirement reimbursement right of NOK 2 833 million



# Cash development Q1 22

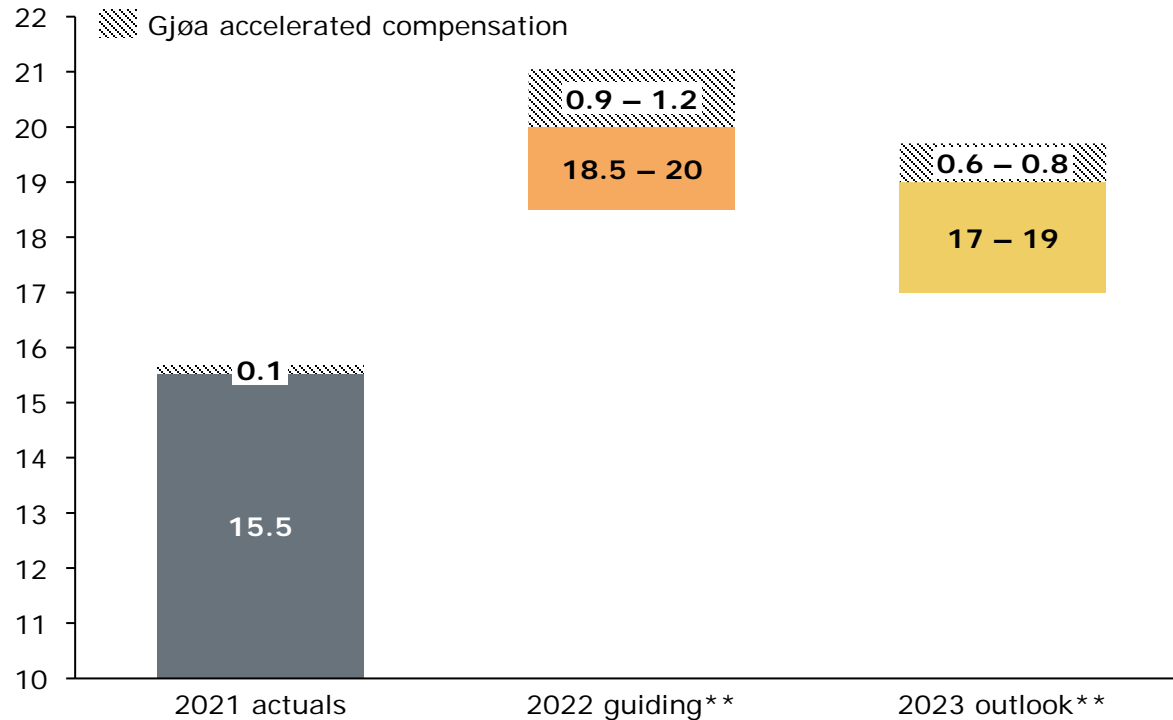


Total liquidity = cash and cash equivalents + financial investments

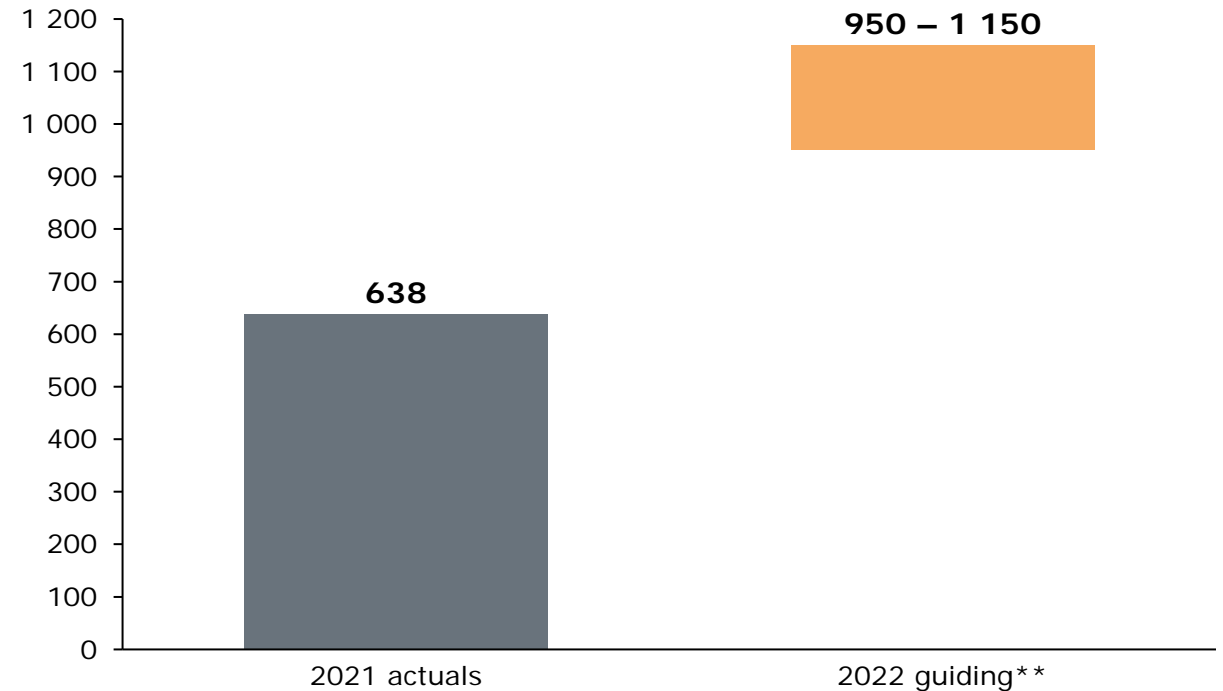
■ Cash and cash equivalents    □ Financial investments

# 2022 production guiding 18,500-20,000 boepd

## Production – thousand boepd



## Capex\* – NOK million

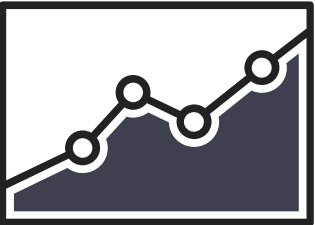


- Duva deferrals compensated by 8% p.a. interest element including short period after Duva production start
- Nova - accelerated compensation volumes from tie-in to Gjøa include 8% interest p.a.; deferred volumes (excl. interest) to be redelivered to Nova over remaining production period at Gjøa



› Summary and outlook

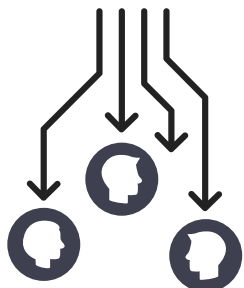
# Summary and outlook



Growing production and reserves in strong oil and gas markets



Solid cash position



High-quality deliveries in operations and projects

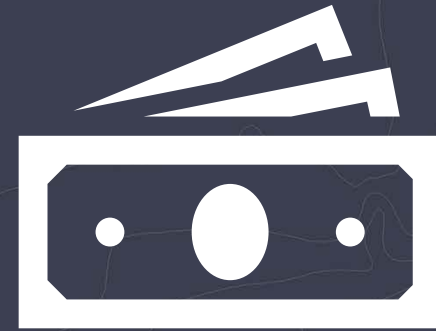




Growth



Value creation



Capital discipline



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