



OKEA ASA

Presentation of first quarter 2023

4 May 2023

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 published financial reports of the company and the disclosures therein
- A full disclaimer is included at the end of this presentation

Statfjord 28% - transformational deal in world-class assets

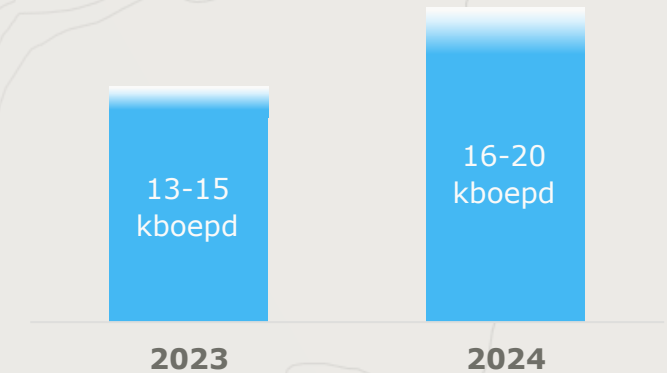
Advancing to league of producers with more than 40,000 barrels per day in 2024



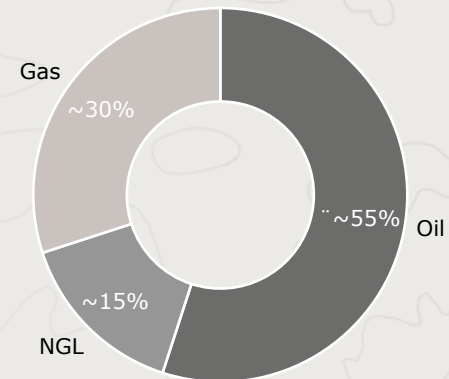
Statfjord B

- **28% WI in PL037 (Statfjord Area)**, world-class assets in 4 producing fields and a strong track record for IOR; enhancing OKEA's **robustness** and **operational diversification**
- **Material increase in production volumes, reserves and resources** with **significant upside potential**
 - 41/8 mmboe 2P/2C volumes from current projects
 - 14+ mmboe further upside potential identified by OKEA
- Further **diversification of product mix** as gas resource portion increases from 18% to 25%
- **Initiation of cooperation** between the two dedicated late-life operators on the NCS
- The transaction **enhances OKEA's financial flexibility** and requires no new financing

Net production*



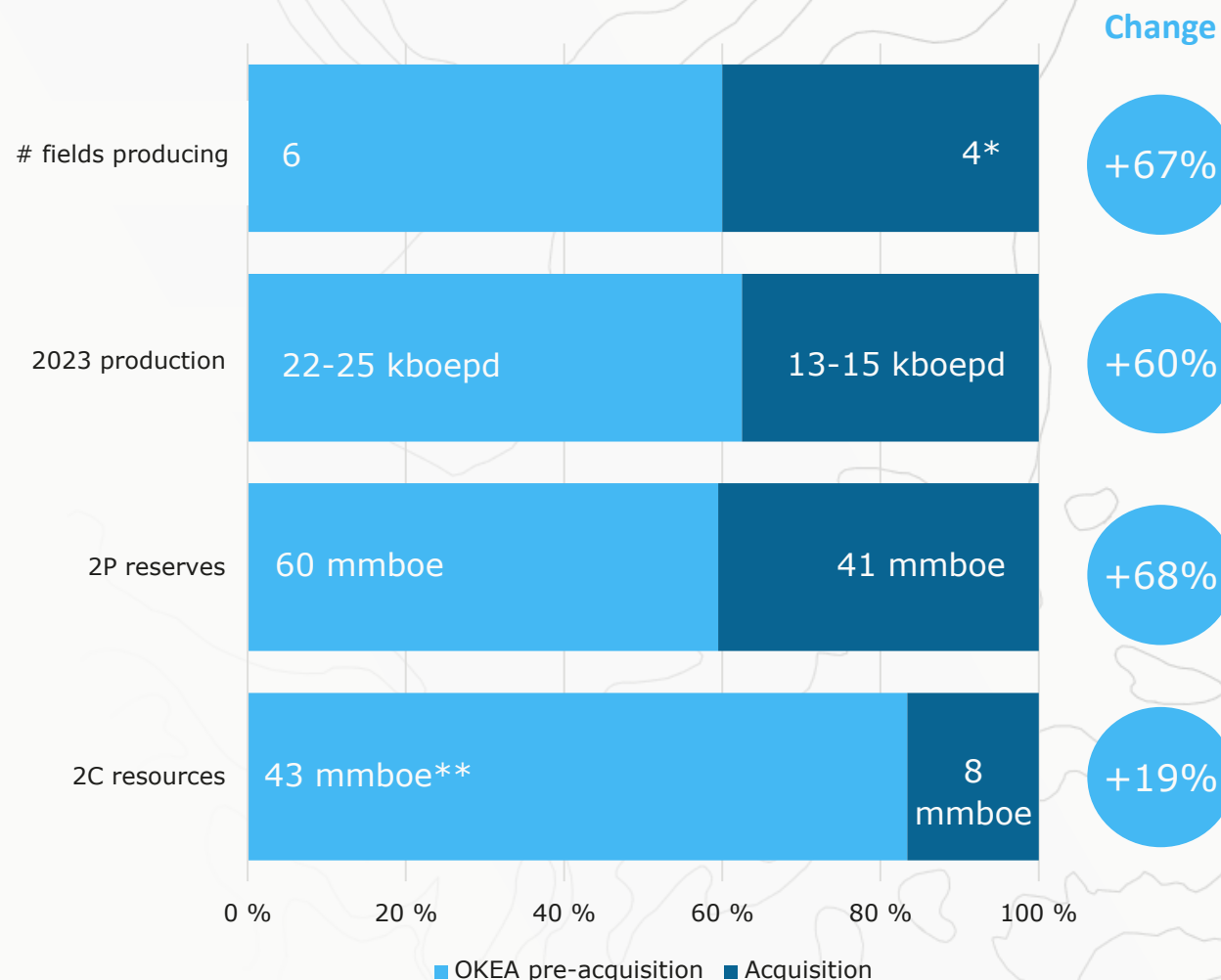
Production mix 2023-2024*



Scale and diversification

Step change in asset base, production and reserves with significant upside

- Step change in production growth and diversification
 - Increasing 2023 production by 60%
 - Increasing 2P reserves by 68%
 - 4 new producing fields in portfolio
- Additional 14+ mmboe upside potential on top of 2P and 2C identified by OKEA based on drilling beyond 2028 and cost reduction initiatives
- Improved product diversification with resources mix from assets acquired comprising ~50% crude oil, ~34% gas, and ~16% NGL

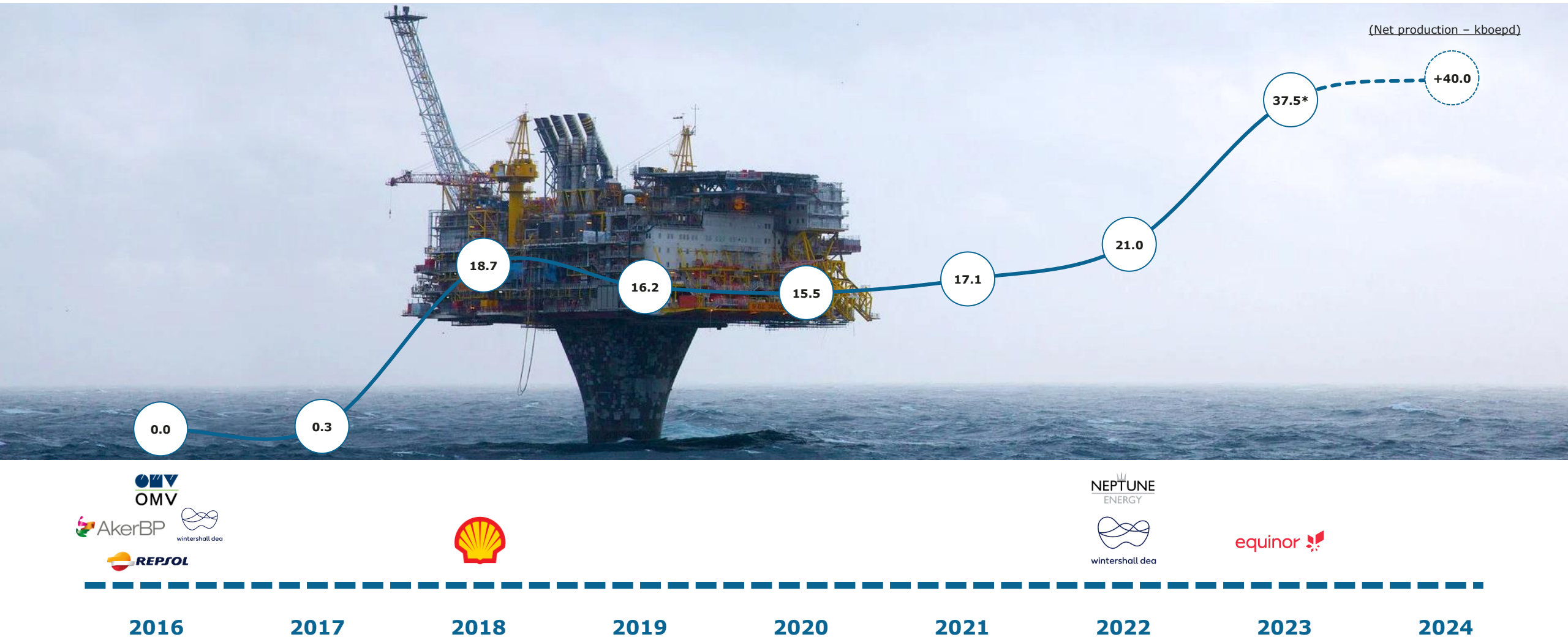


* The acquired assets comprise four producing fields (Statfjord Unit, Statfjord Nord, Statfjord Øst Unit and Sygna Unit)

** 2C resources updated by additional 3 mmboe in the ASR report compared to the 4Q 2022 report. The ASR will be published in full together with the Annual Report 2022

Finding value where others divest

Delivering in line with strategy – more than double production volumes in 2024 compared to strategy launch in 2021



*2023 based on midpoint of guided production range. Figures include full-year production of acquired assets.

OKEA first quarter 2023 results

Highlights

- **Operation**

- Production of 22.2 kboepd
- Continued strong performance from Draugen, Ivar Aasen and Gjøa; production at Yme increasing following Beta Nord campaign
- Brage and Nova still producing below initial plan; mitigating actions partly completed

- **Portfolio**

- Acquisition of 28% WI in PL037 (Statfjord Area) from Equinor
- Hasselmus – progressing according to schedule and production start expected in Q4 2023
- Four exploration licences (two operated) awarded in APA 2022

- **Financials**

- Record high operating income of NOK 2,954 million
- Yme impairment of NOK 94 million due to somewhat reduced reserves
- Cash and cash equivalents of NOK 1,634 million; remaining bond debt of NOK 1,255 million
- Dividend payment in March of 1 NOK/share; 1 NOK/share to be paid in June



Source: Subsea7

Quarterly key figures

(Previous quarter in brackets)

Serious incidents frequency

per million work hours

2.7
(1.5)

CO₂ emissions intensity

kg per boe produced

22*

Production

kboepd

22.2
(19.9**)

Production expense

NOK/boe

242
(258)

Net CF from operations

NOK million

1,318
(390)

Dividends paid

NOK million

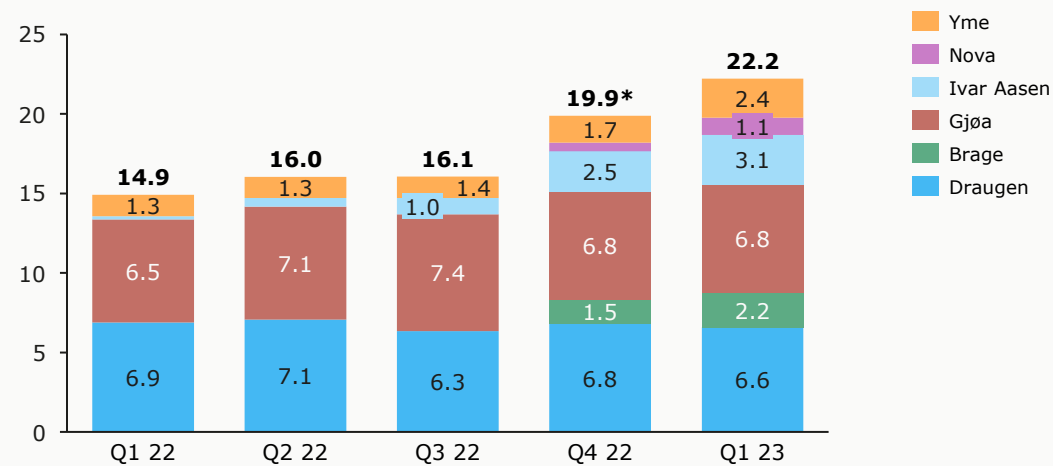
104
(104)

* Equity CO₂ emissions stated on annualised basis

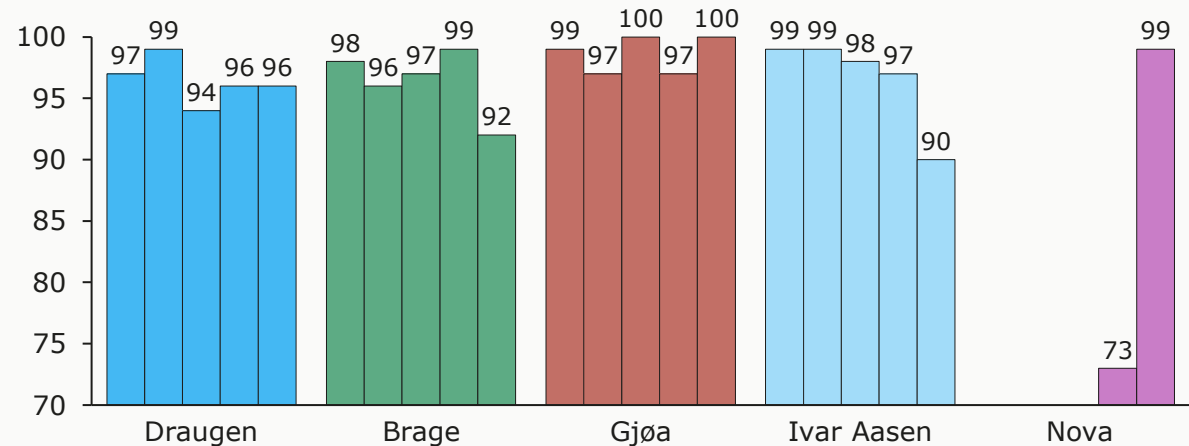
** Daily production from assets acquired from Wintershall Dea in Q4 2022 was based on November and December production divided by 92 days; actual daily production was 21.5 kboepd

Production volume and reliability

Production (kboepd)



Production reliability (%) – last 5 quarters



* Daily production from assets acquired from Wintershall Dea in Q4 2022 was based on November and December production divided by 92 days; actual daily production was 21.5 kboepd

Operational update



Draugen (op. WI 44.56%)

- Topside installation for the Hasselmus tie-back progressing according to plan; start up expected in Q4 2023 with plateau production at 4.4 kboepd
- Lifetime extension application for Draugen from 2024 to 2040 submitted



Brage (op. WI 35.2%)

- Production impacted by reduced gas production from one well following turnaround in Q3 2022; continuous production optimisation has improved performance towards planned levels
- Brasse – assessments for a potential tie-back to Brage ongoing



GjØa (WI 12%)

- Steady production and 100% reliability in the quarter
- Hamlet discovery – potential tie-back assessments ongoing; Aurora discovery – appraisal options under review



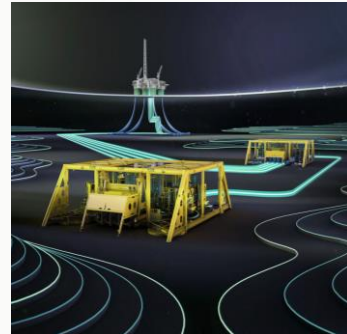
Ivar Aasen (WI 9.2385%)

- Intervention campaign planned for Q2 2023
- Planned turnaround executed in the quarter with downtime of six days



Yme (WI 15%)

- Beta Nord drilling campaign finalised in January; drilling at Gamma commenced in Q2 2023
- High-water cut in wells resulting in impairment; plateau production of ~5 kboepd net OKEA expected in mid-2023



Nova (WI 6%)

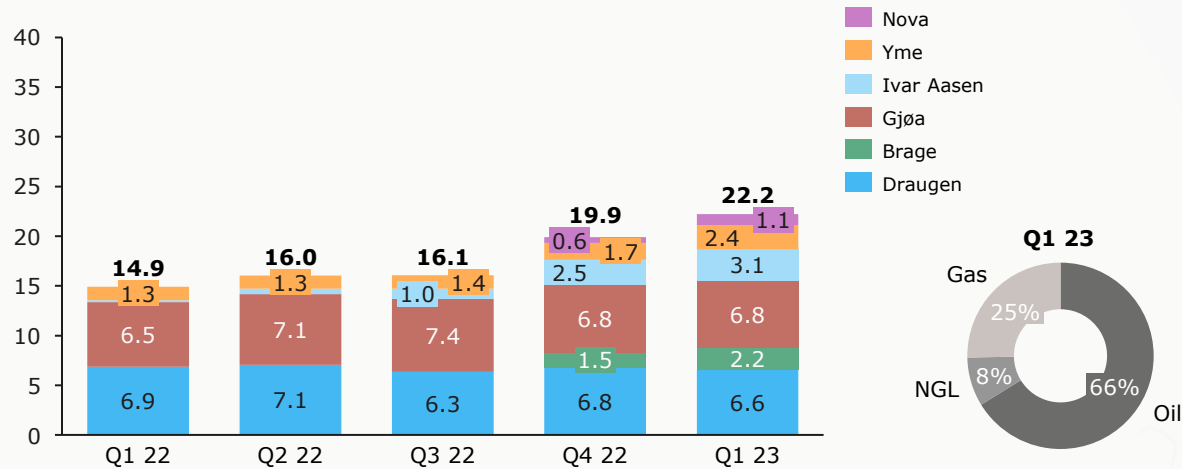
- Production impacted by continuing challenges with water injectors; side track drilling in Q2 2023 expected to increase production
- New water injector to be drilled in 2024



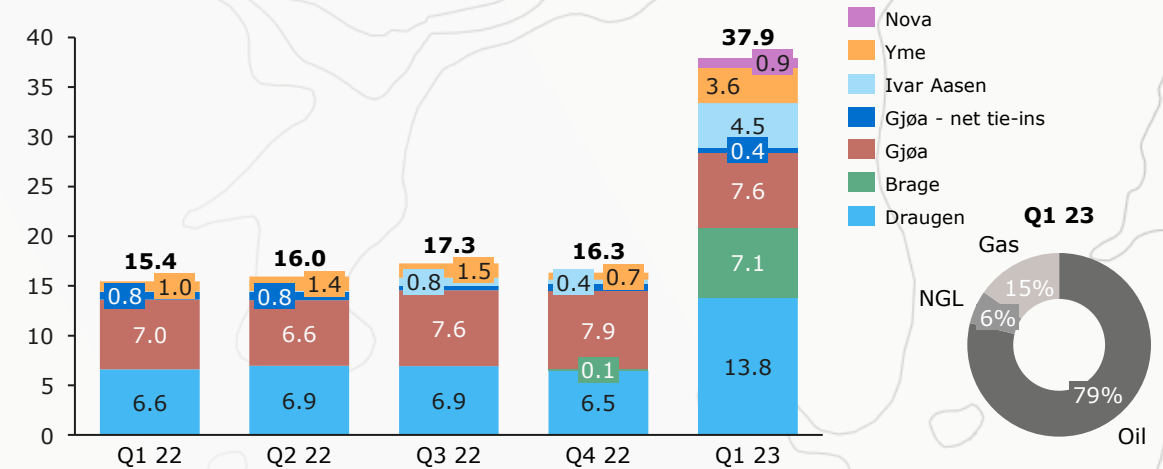
Financials

Oil and gas production, sales and revenues - per asset

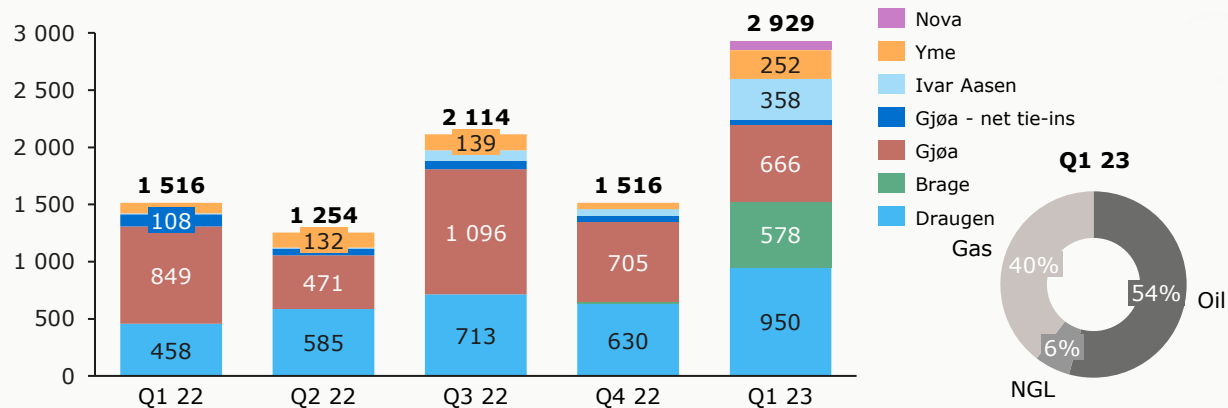
Production (kboepd)



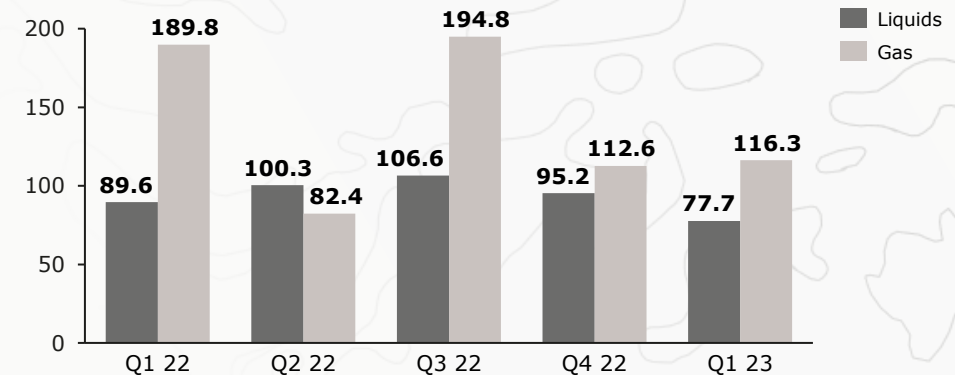
Sold volumes (kboepd)



Revenue (NOK million)

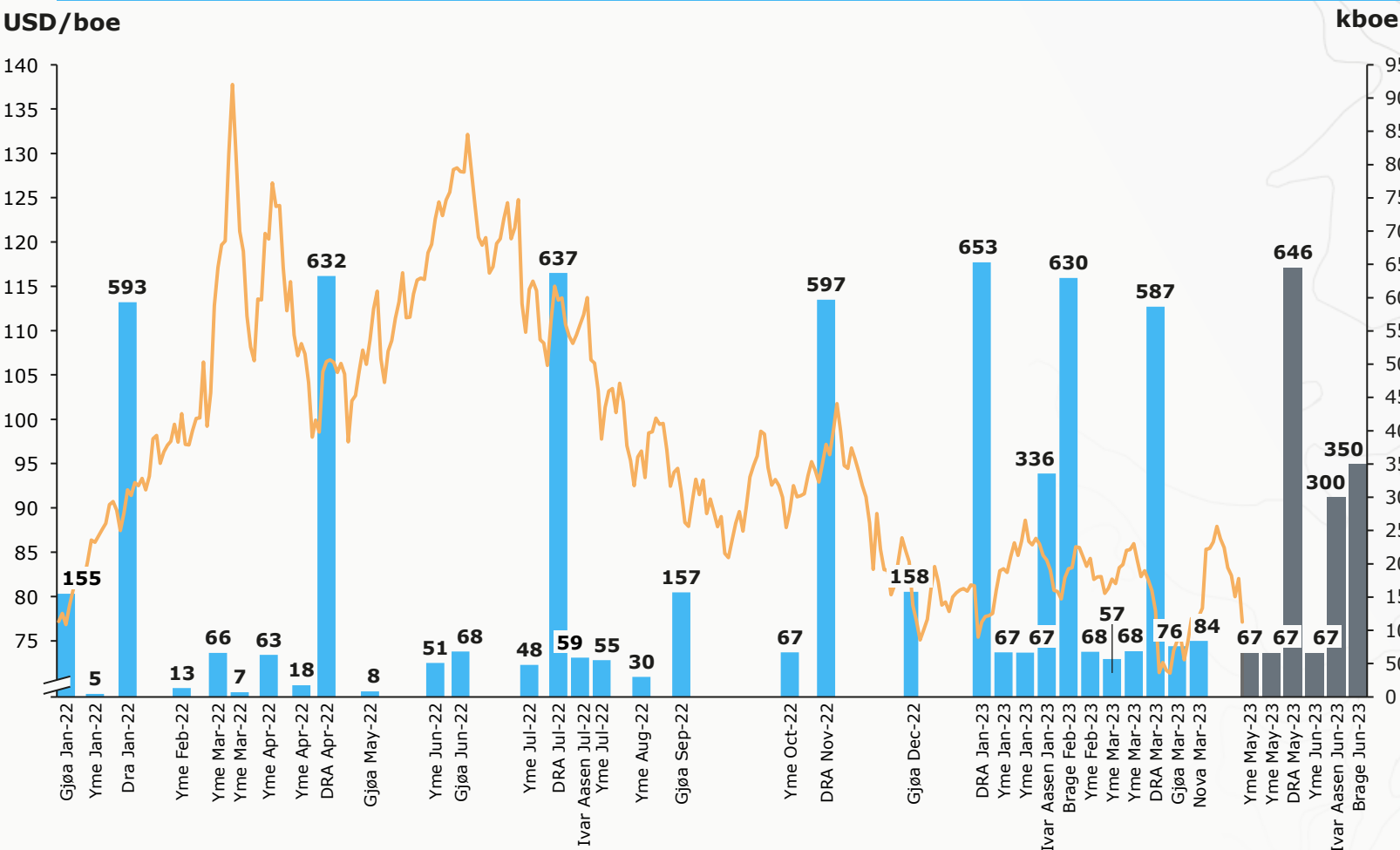


Realised price (USD per boe)

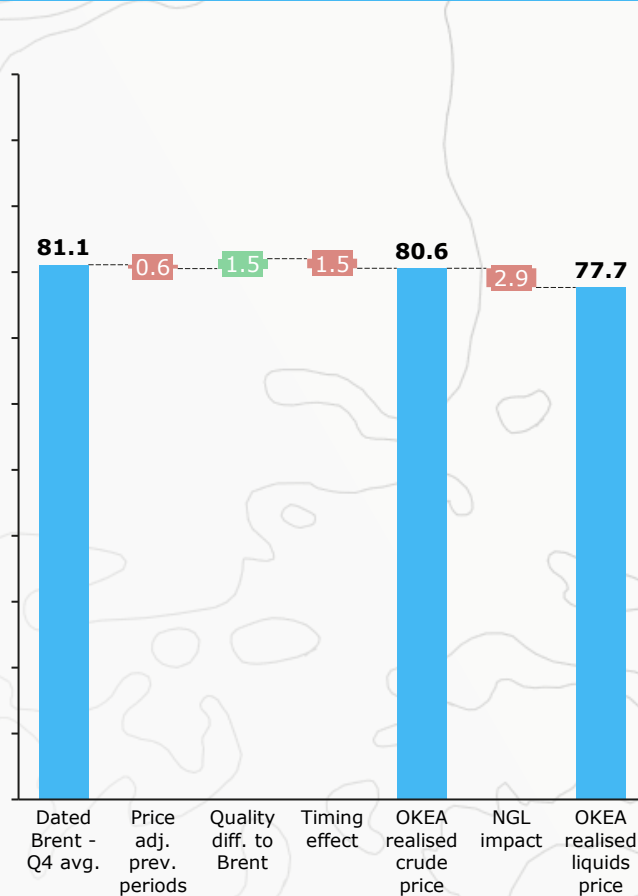


Realised liquids prices

Lifted volumes vs Dated Brent – Q1 2022/2023e



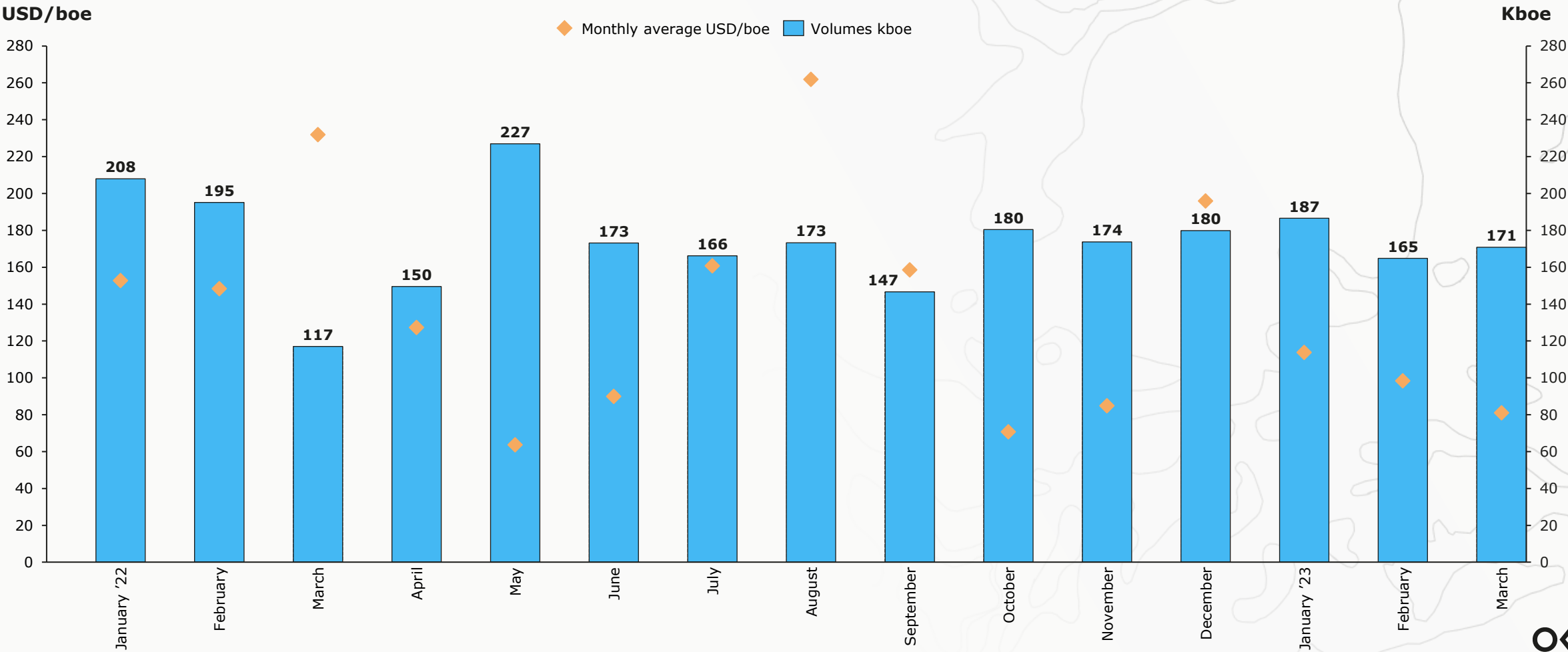
Lifted volumes vs Dated Brent



Gas market prices and sold volumes

Realised gas price exceeds market prices due to gains on fixed price contracts

Sold volumes vs average NBP/Heren gas market prices



Income statement

Figures in NOK million	Q1 23	Q4 22	Q1 22	2022
Total operating income	2 954	1 664	1 513	6 653
Production expenses	-518	-522	-287	-1 616
Changes in over/underlift positions and inventory	-793	222	33	297
Depreciation	-327	-270	-158	-769
Impairment (-) /reversal of impairment	-94	-251	363	-498
Exploration, general and adm. expenses	-51	-277	-115	-540
Profit / loss (-) from operating activities	1 170	565	1 348	3 526
Net financial items	-49	94	-61	-311
Profit / loss (-) before income tax	1 121	659	1 287	3 215
Income taxes	-894	-335	-1 074	-2 545
Net profit / loss (-)	226	324	213	670
EBITDA	1 592	1 086	1 143	4 793

Q1 23 comments

Operating income

- Revenue from sales of petroleum products of NOK 2 929 million; includes net gain on forward gas contracts of NOK 117 million
- Other income amounted to NOK 25 million

Production expenses

- NOK 518 million, corresponds to 242 NOK/boe

Changes in over/underlift and inventory

- Two oil liftings at Draugen
- Volumes of oil lifted from Brage recognised at fair value

Impairment

- NOK 94 million impairment at Yme due to somewhat reduced reserves

Exploration, general and administrative expenses

- NOK 24 million in exploration expenses
- NOK 27 million in SG&A expenses

Net financial items

- Net currency loss of NOK 30 million
- Net expensed interest of NOK 21 million

Income taxes

- NOK 894 million; effective tax rate of 80%

Statement of financial position

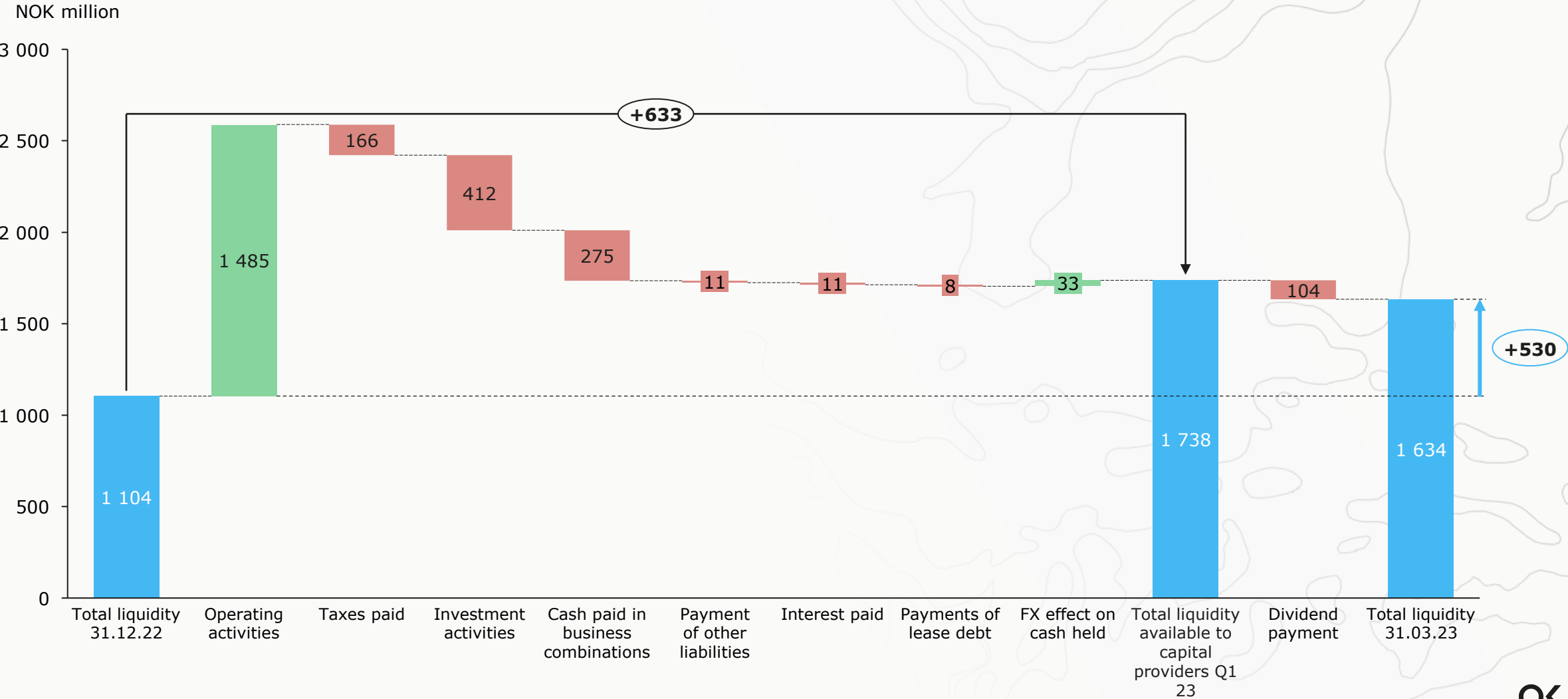
Figures in NOK million

	31.03.2023	31.12.2022	31.03.2022
Assets			
Goodwill	1 292	1 297	805
Oil and gas properties	6 496	6 556	5 191
Asset retirement reimbursement right	3 760	3 662	2 833
Trade and other receivables	1 793	1 744	996
Financial investments	0	0	209
Cash and cash equivalents	1 634	1 104	2 470
Other assets	935	1 258	554
Total assets	15 911	15 621	13 057
Total equity	2 200	2 078	1 922
Liabilities			
Asset retirement obligations	5 958	5 915	4 039
Deferred tax liabilities	2 594	2 835	2 091
Interest bearing bond loans	1 255	1 179	2 001
Other interest bearing liabilities	528	508	480
Trade and other payables	1 548	2 220	834
Income tax payable	1 429	477	1 364
Other liabilities	398	410	326
Total liabilities	13 710	13 543	11 135
Total equity and liabilities	15 911	15 621	13 057

Q1 23 comments

- Goodwill of NOK 1 292 million
- Cash and cash equivalents of NOK 1 634 million
- Tax payable NOK 1 429 million
- Interest-bearing bond loans of NOK 1 255 million
- Other interest-bearing liabilities of NOK 528 million related to financial lease of the Inspirer rig at Yme
- Asset retirement obligation of NOK 5 958 million - partly offset by asset retirement reimbursement right of 3 760 million

Cash development Q1 2023



Dividends according to plan

Dividend of NOK 1.00 per share to be paid in June

Capital allocation principles

1

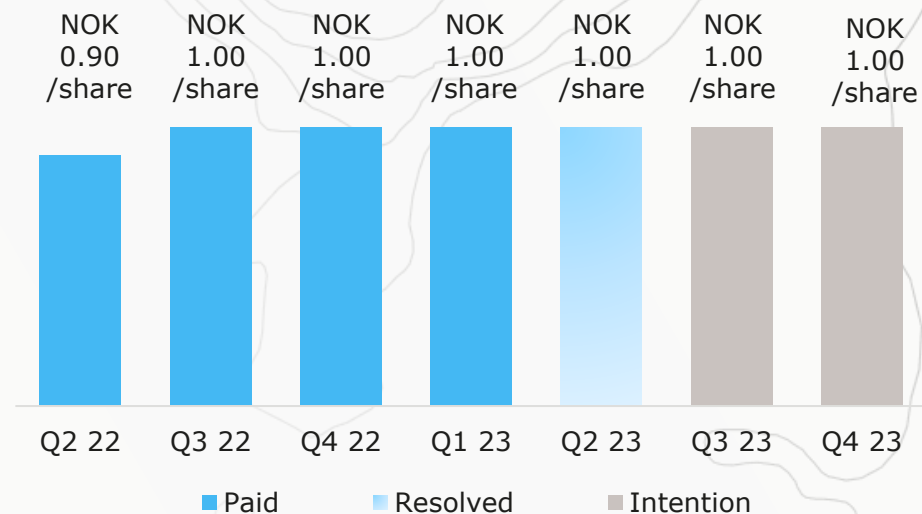
Maintain
financial flexibility

2

Ensure
robust portfolio

3

Healthy balance between
growth and dividends



The OKEA board has resolved to distribute NOK 1.00 per share in June

The OKEA board also reaffirms its intention to distribute NOK 1.00 per share in the two remaining quarters of 2023; in total NOK 4.00 per share intended distributed in 2023

Future dividend payments in 2023 are subject to an authorisation from the general meeting and may be revised due to changes in the market environment, company situation and/or value accretive opportunities available

Outlook

No changes in guidance

Production

Production guidance of 22–25 kboepd in 2023

- Ivar Aasen turnaround of 6 days completed in Q1
- Planned turnaround at Draugen with expected downtime of 21 days scheduled for Q2
- *The guiding does not include production volumes from the acquisition of 28% in PL037 (Statfjord Area) from Equinor; expected production volumes net to OKEA for 2023 are indicatively 13-15 kboepd*

Capex

Capex guidance of NOK 1,700–2,100 million in 2023

- Excludes capitalised interest and exploration capex
- Comprises completion of the Hasselmus project, Draugen power from shore, Brage infill drilling and other activities
- *Capex guiding does not include capex related to the acquisition of 28% in PL037 (Statfjord Area) from Equinor*



Summary

Summary



Continuing to deliver on growth strategy; entered into SPA for acquisition of 28% WI in PL037 (Statfjord Area) with Equinor

Transformational Statfjord transaction; increasing production in 2023 by 60% and increasing reserves by 68%

Continued strong performance at Draugen, Ivar Aasen and Gjølå; production challenges at Yme, Brage and Nova – mitigating actions in place or progressing

Projects progressing well; Hasselmus planned production start in Q4; lifetime extension application for Draugen from 2024 to 2040 submitted

Record high operating income, solid cash position, and delivering on dividend plan

Q&A



Growth



Value creation



Capital discipline