



OKEA ASA

Presentation of second quarter 2023

13 July 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

OKEA second quarter 2023 results

Highlights

- **Operation**

- Production of 22.3 kboepd
- Strong production performance from Brage, Ivar Aasen and Gjølå; Draugen production impacted by planned turnaround
- Yme and Nova performance improving; further mitigating actions at Nova planned executed in Q3 2023 and into 2024

- **Portfolio**

- Production from Talisker East started in May; production at Brage up by 60%
- Hasselmus progressing according to plan and budget, production start expected in Q4 2023

- **Financials**

- Strong cash generation in the quarter of NOK 805 million
- Yme impairment of NOK 300 million due to adverse developments in expected realised prices
- Dividend payment in June of 1 NOK/share; 1 NOK/share to be paid in September



Quarterly key figures

(Previous quarter in brackets)

Serious incidents frequency

per million work hours

2.5
(2.7)

CO₂ emissions intensity

kg per boe produced

23*

Production

kboepd

22.3
(22.2)

Production expense

NOK/boe

223
(242)

Net CF from ops.

NOK million

1,401
(1,318)

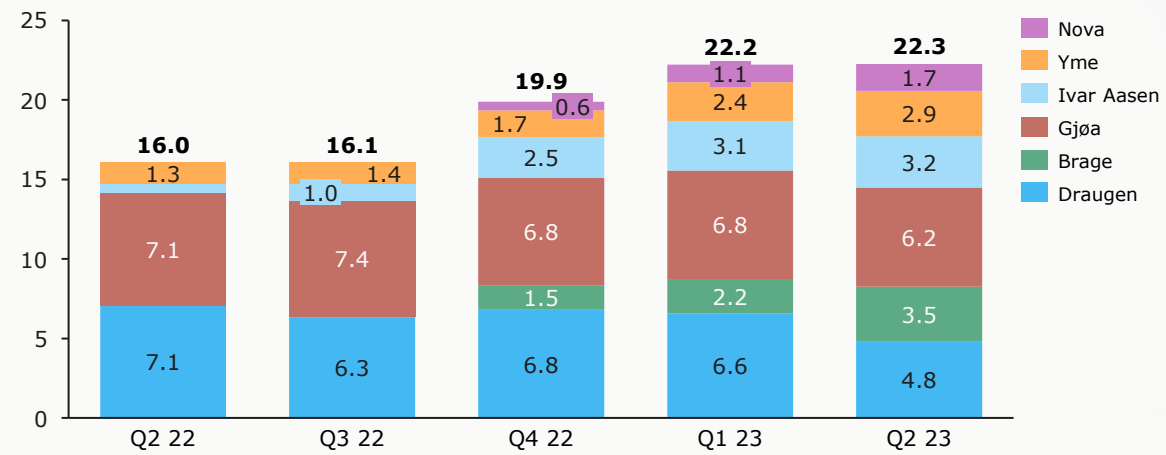
Dividends paid

NOK million

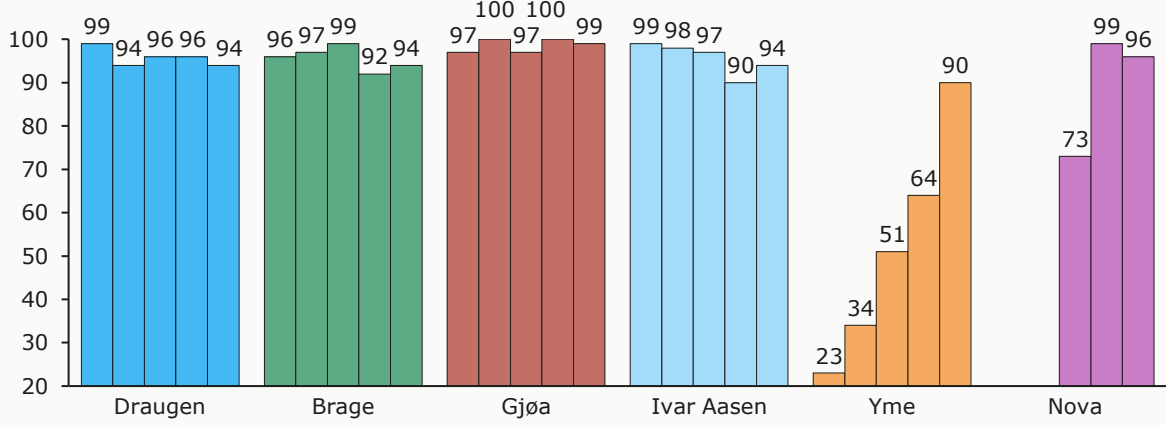
104
(104)

Production volume and reliability

Production* (kboepd)



Production reliability (%) – last 5 quarters



* Daily production from assets acquired from Wintershall Dea in Q4 2022 with effective date 1 January 2022 is included in the graph based on November and December production divided by 92 days; actual daily production was 21.5 kboepd. Production from these assets is not included in Q2-Q3 2022; actual daily production was 20.3 kboepd in Q2 2022 and 21.1 kboepd in Q3 2022.

Operational update



Draugen (op. WI 44.56%)

- Hasselmus tie-back project progressing according to plan; start up expected in Q4 2023 with plateau production at 4.4 kboepd
- Planned turnaround completed in May
- Drilling of two observation wells in Q3 2023



Brage (op. WI 35.2%)

- Production at Talisker East started in May; boosting production at Brage
- Additional wells to come onstream later this year; expected plateau of ~6 kboepd
- Brasse progressing towards concept select (DG2)



Gjøa (WI 12%)

- Lower production in the quarter due to natural decline
- Hamlet discovery – potential tie-back assessments ongoing; other IOR targets evaluated



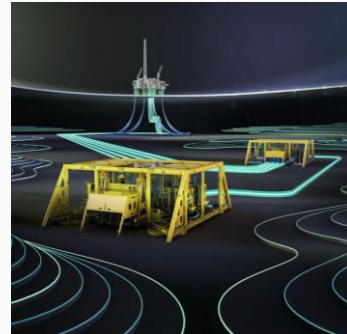
Ivar Aasen (WI 9.2385%)

- Good production performance in the quarter
- IOR 2024 campaign progressing towards a concept select



Yme (WI 15%)

- Production availability improving
- One producer well drilled in the Gamma campaign; expected to come on stream during July
- Two more producers and one injector to be drilled in end of 2023



Nova (WI 6%)

- Production improving; mitigating actions to compensate for reduced water injection in process
- Side track drilling completed with injection start-up in Q3 2023; rig secured to drill a fourth water injector in H1 2024

Statfjord 28% - progressing towards closing in Q4 2023

In line with growth strategy; increasing production to > 40,000 barrels per day in 2024

- In March, OKEA entered into an agreement with Equinor to acquire 28% WI in PL037 (Statfjord Area) with effective date 1 January 2023
- The transaction significantly enhances OKEA's production and reserves and further increases robustness and diversification
 - 4 producing fields and a strong track record for IOR
 - 41/8 mmboe 2P/2C volumes from current projects; 14+ mmboe further upside potential identified by OKEA
 - Further diversification of product mix; gas resource portion increasing from 18% to 25%
- Due to reduced production efficiency and unforeseen events, i.a. prolonged turn-around at Statfjord C and unplanned shutdown at Statfjord A, production forecast for 2023 adjusted to 11–13 from 13–15 kboepd net to OKEA
 - The operator is strengthening focus and procedures to increase production efficiency
 - Production forecast for 2024 remains unchanged at 16 – 20 kboepd
 - Estimated reserves remain unchanged



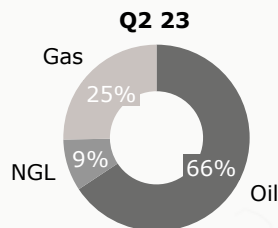
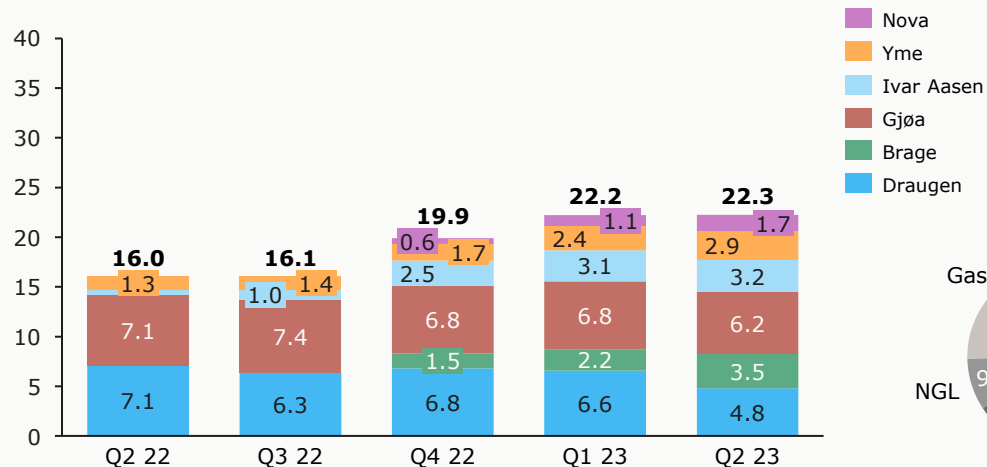
Statfjord B
Photo credit: Norwegian Petroleum Museum



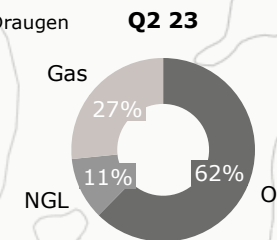
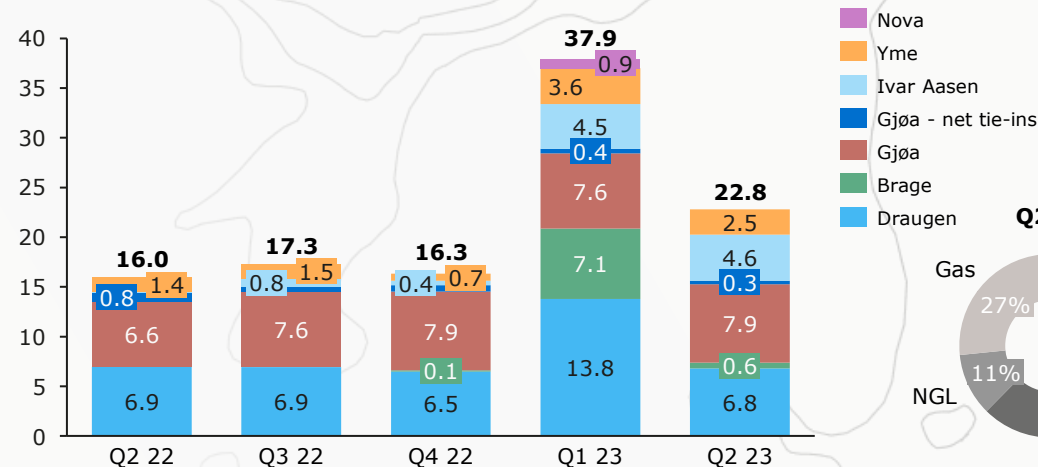
Financials

Oil and gas production, sales and revenues - per asset

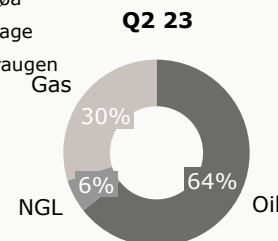
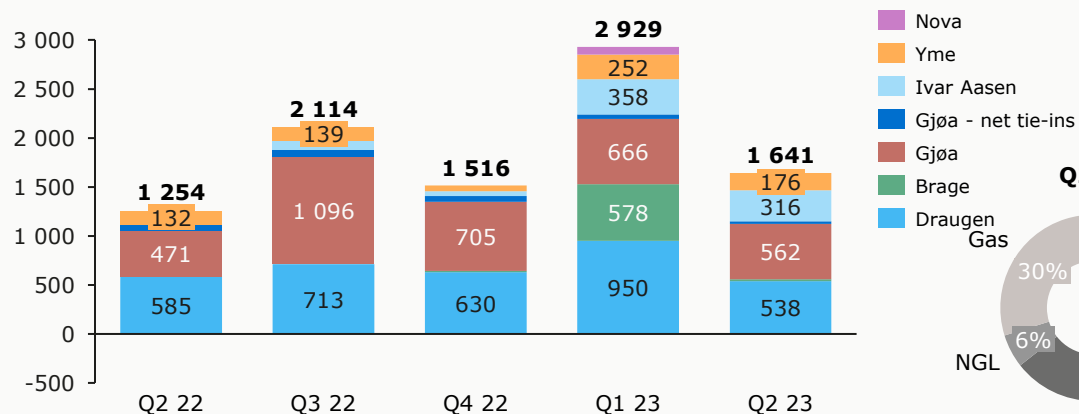
Production* (kboepd)



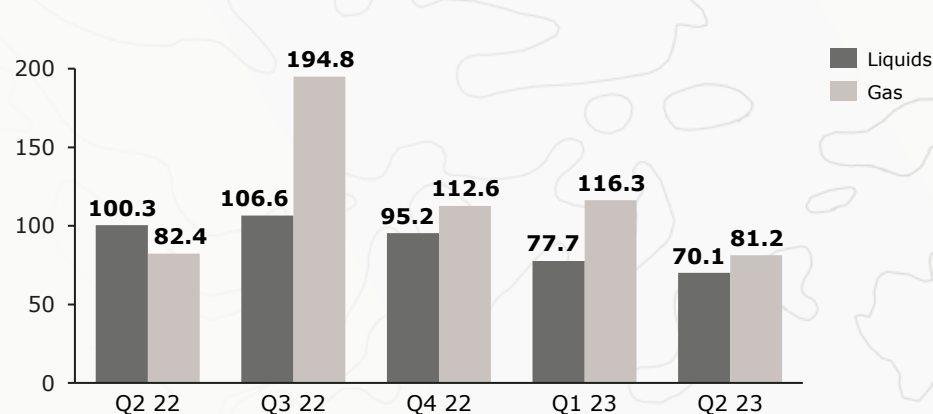
Sold volumes (kboepd)



Revenue (NOK million)

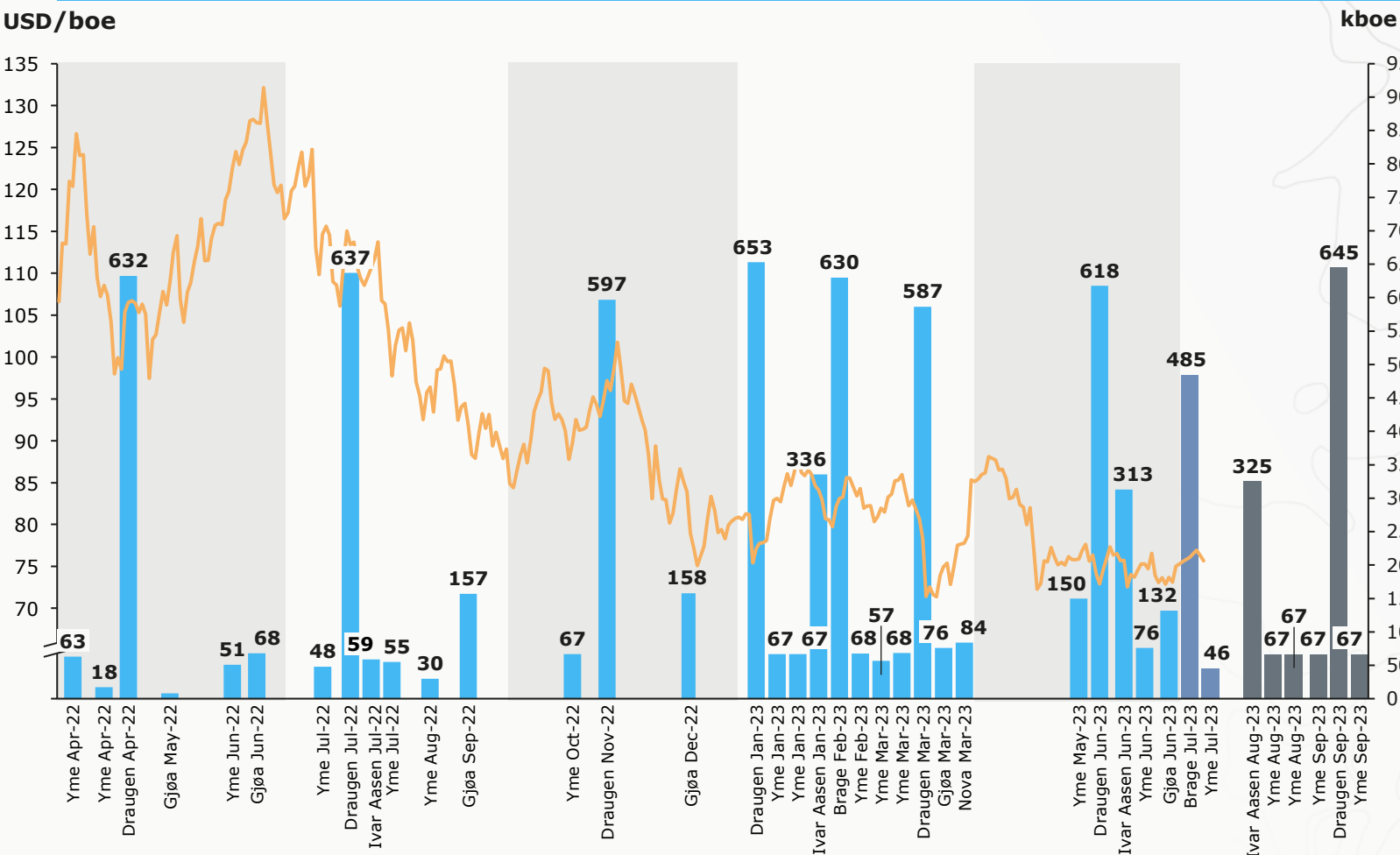


Realised prices (USD per boe)

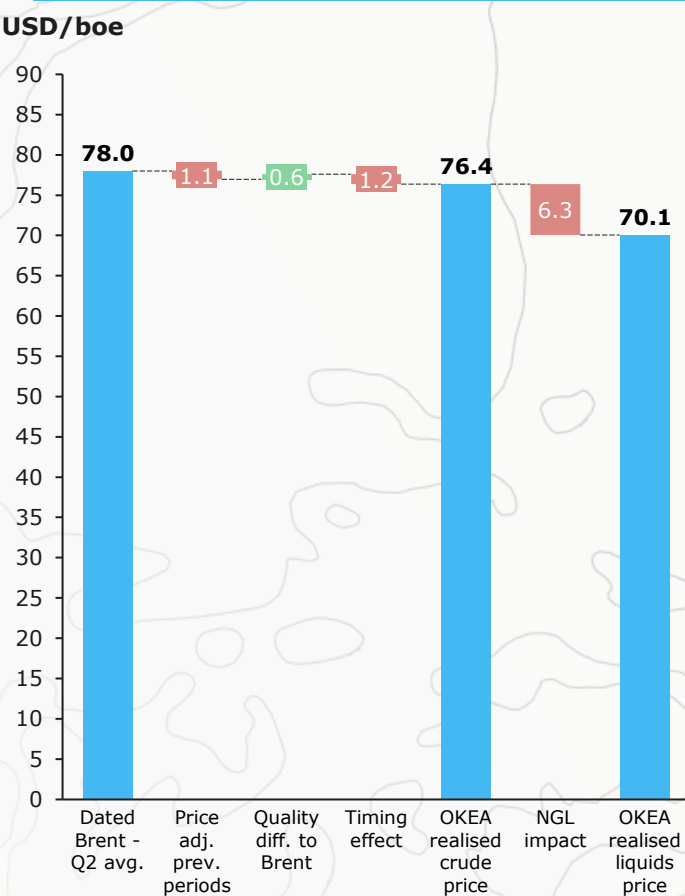


Realised liquids prices

Lifted volumes vs Dated Brent – Q2 2022/2023e



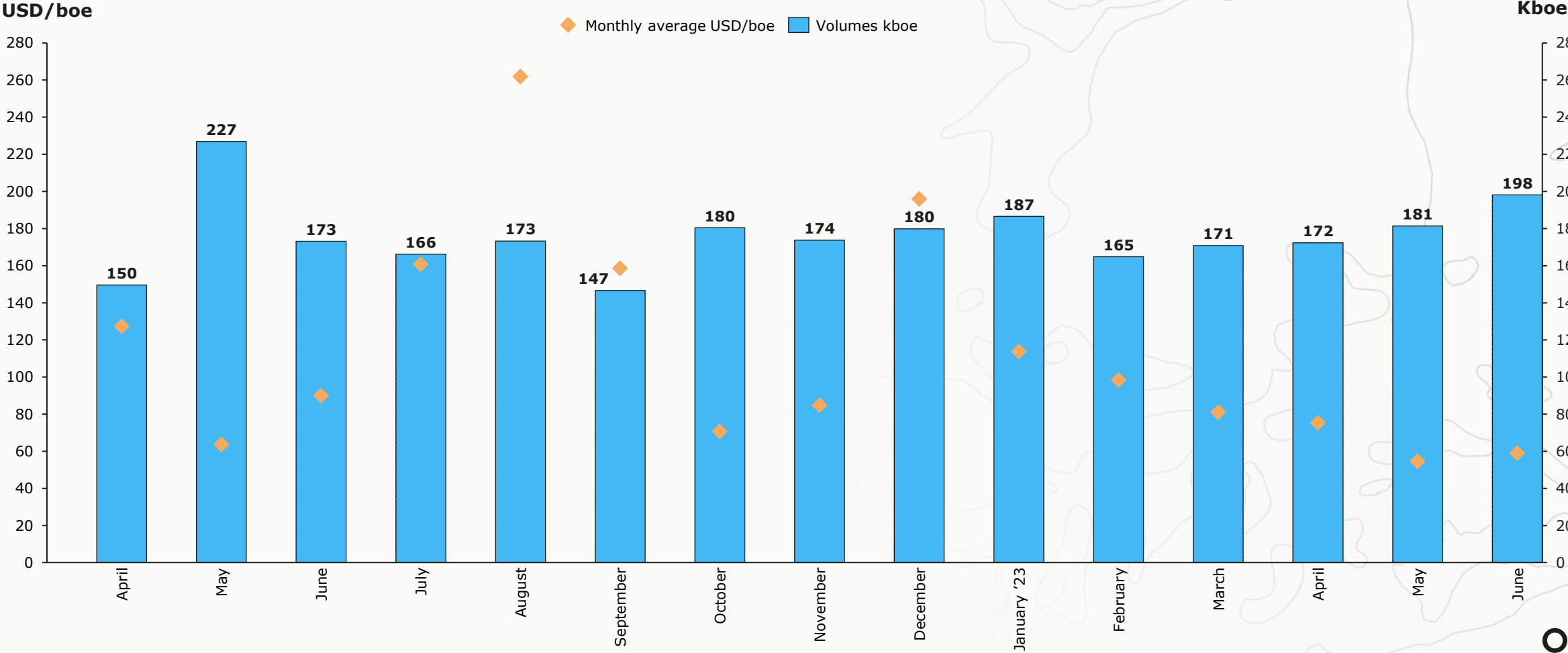
Lifted volumes vs Dated Brent



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	Q2 23	Q1 23	Q2 22	H1 2023	H1 2022
Total operating income	1 707	2 954	1 332	4 661	2 845
Production expenses	-495	-518	-381	-1 013	-668
Changes in over/underlift positions and inventory	126	-793	61	-667	94
Depreciation	-362	-327	-165	-689	-323
Impairment (-) /reversal of impairment	-300	-94	0	-394	363
Exploration, general and adm. expenses	-171	-51	-84	-222	-199
Profit / loss (-) from operating activities	506	1 170	763	1 676	2 110
Net financial items	-115	-49	-231	-164	-292
Profit / loss (-) before income tax	391	1 121	532	1 512	1 819
Income taxes	-322	-894	-504	-1 217	-1 578
Net profit / loss (-)	69	226	28	295	241
EBITDA	1 167	1 592	928	2 759	2 071

Q2 23 comments

Operating income

- Revenue from sales of petroleum products of NOK 1 641 million; includes realised gain on forward gas contracts of NOK 137 million
- Other income of NOK 66 million

Production expenses

- NOK 495 million; corresponding to 223 NOK/boe

Impairment

- NOK 300 million impairment at Yme driven by lower expected realised prices

Exploration, general and administrative expenses

- NOK 124 million in exploration expenses; including NOK 80 million in seismic purchases
- NOK 47 million in SG&A expenses; including NOK 15 million in advisor fees relating to business development activities

Net financial items

- Net currency loss of NOK 110 million
- Net expensed interest of NOK 18 million
- Interest income of NOK 22 million

Income taxes

- NOK 322 million; effective tax rate of 82%

Statement of financial position

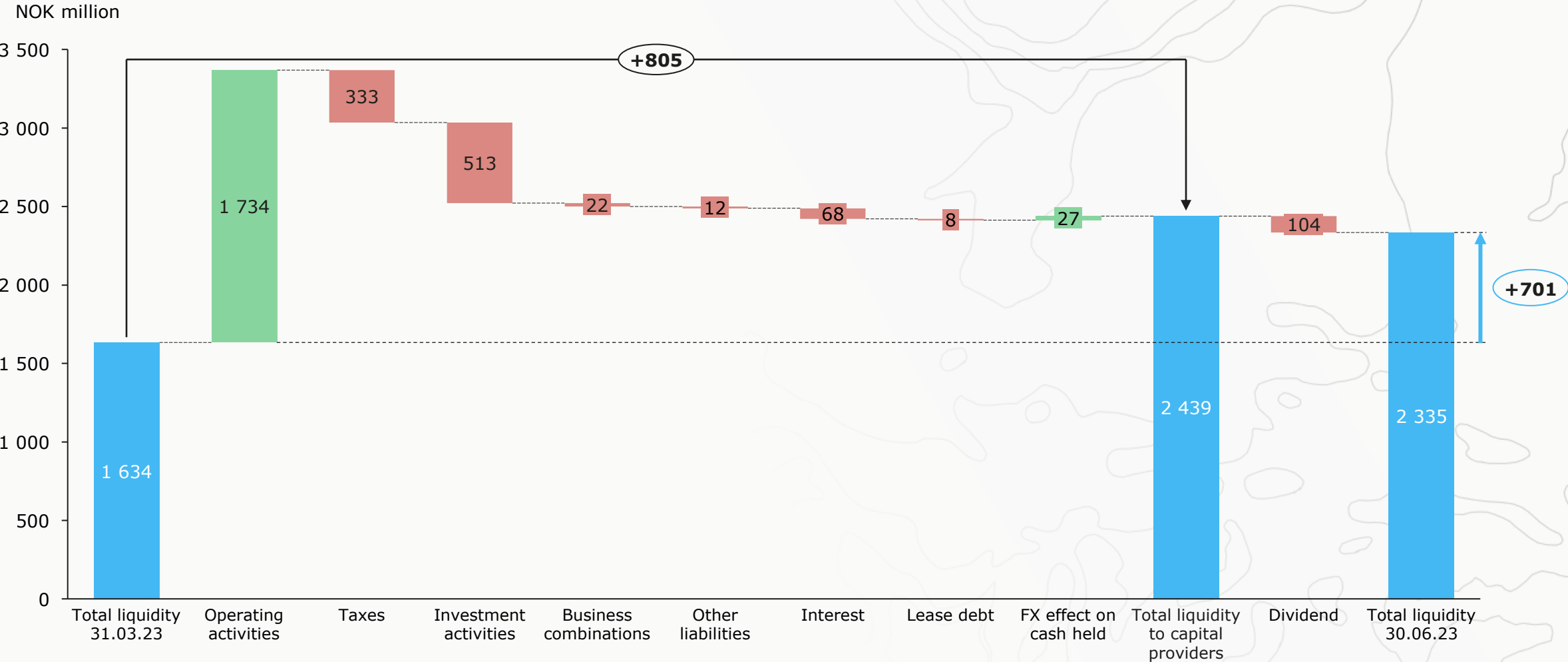
Figures in NOK million

Assets	30.06.2023	31.03.2023	31.12.2022
Goodwill	1 292	1 292	1 297
Oil and gas properties	6 416	6 496	6 556
Asset retirement reimbursement right	3 486	3 760	3 662
Trade and other receivables	1 362	1 793	1 744
Cash and cash equivalents	2 335	1 634	1 104
Other assets	1 171	935	1 258
Total assets	16 062	15 911	15 621
Total equity	2 165	2 200	2 078
Liabilities			
Asset retirement obligations	5 715	5 958	5 915
Deferred tax liabilities	2 774	2 594	2 835
Interest bearing bond loans	1 293	1 255	1 179
Other interest bearing liabilities	531	528	508
Trade and other payables	1 961	1 548	2 220
Income tax payable	1 238	1 429	477
Other liabilities	384	398	410
Total liabilities	13 896	13 710	13 543
Total equity and liabilities	16 062	15 911	15 621

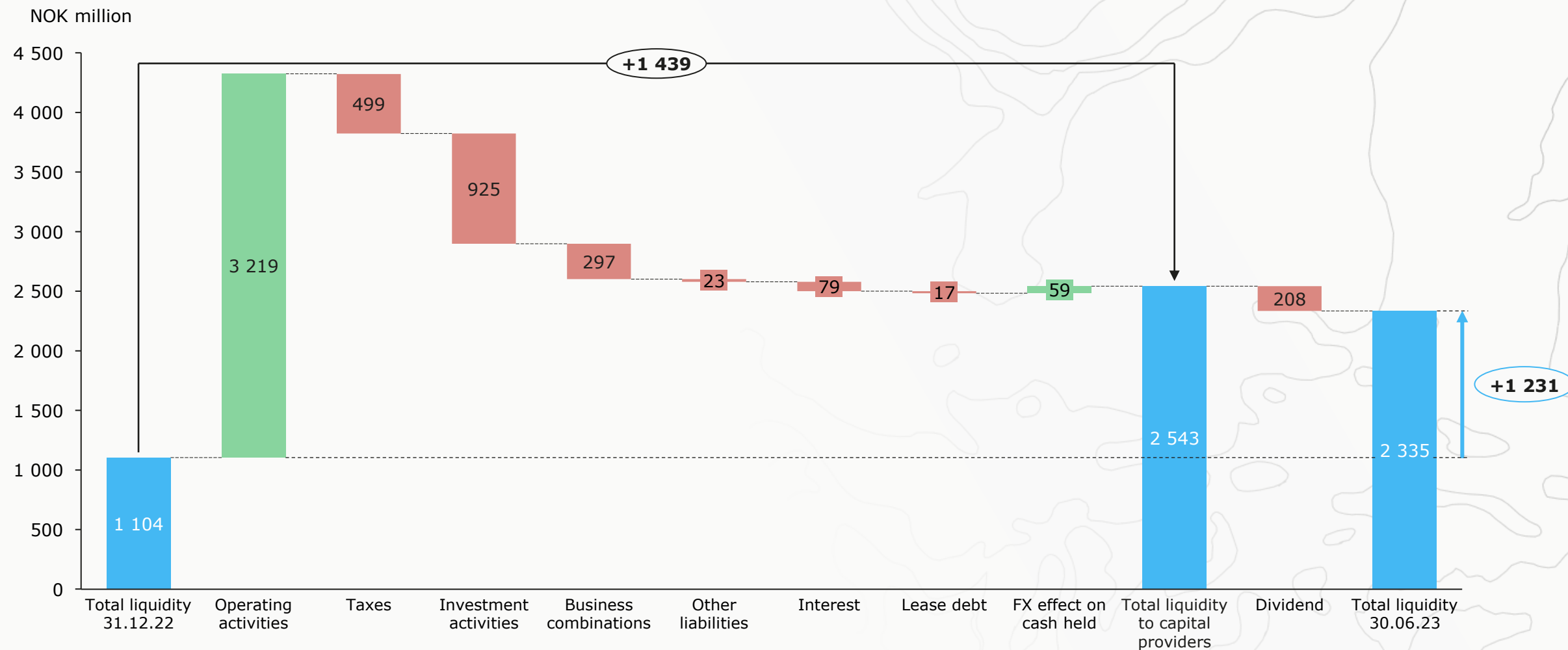
Q2 23 comments

- Goodwill of NOK 1 292 million
- Cash and cash equivalents of NOK 2 335 million
- Tax payable NOK 1 238
- Interest-bearing bond loans of NOK 1 293 million
- Other interest-bearing liabilities of NOK 531 million related to financial lease of the Inspirer rig at Yme
- Asset retirement obligation of NOK 5 715 million; partly offset by asset retirement reimbursement right of NOK 3 486 million

Cash development Q2 2023



Cash development YTD per Q2 2023



Dividends according to plan

Dividend of NOK 1.00 per share to be paid in September

Capital allocation principles

1

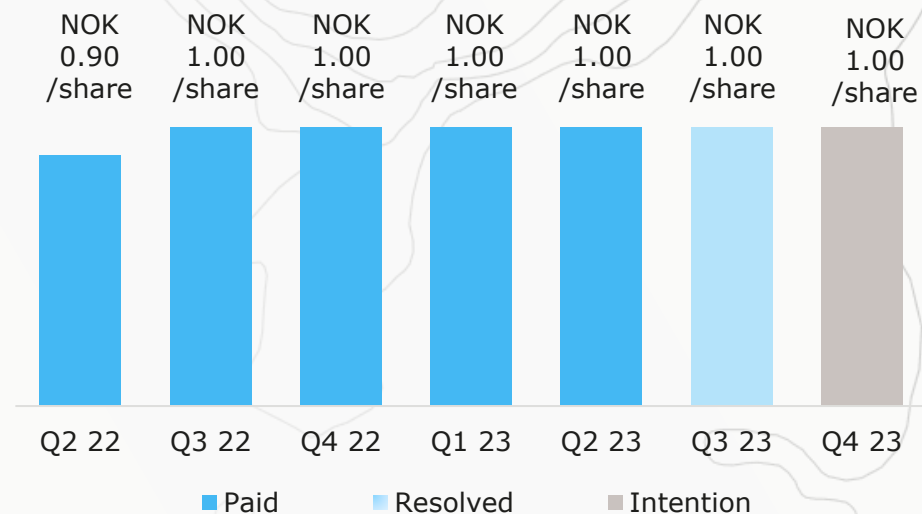
Maintain
financial flexibility

2

Ensure
robust portfolio

3

Healthy balance between
growth and dividends



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

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

Future dividend payments in 2023 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

- Draugen turnaround completed in Q2
- Maintenance at Gjøa with expected downtime of 4-6 days and 7 days shut-in of the subsea wells (reduces production by ~50% during shut-in) at Draugen scheduled for Q3
- The guiding does not include production volumes from the acquisition of 28% in PL037 (Statfjord Area); expected production volumes net to OKEA are indicatively 11-13 kboepd for 2023

Capex

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

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

Other

Financing

- OKEA03 matures in Dec-24; production and reserves increasing
- The company is evaluating options to refinance OKEA03 and optimise debt capital structure



Summary

Summary



Continuing to deliver on growth strategy; Statfjord acquisition progressing towards closing in Q4 2023

Production from Talisker East started in May; boosting production at Brage

Strong operational performance at Brage, Draugen, Ivar Aasen and Gjøa; Yme and Nova performance improving

Hasselmus project progressing in line with plan and budget; planned production start in Q4 2023

Strong cash generation; delivering on dividend plan

Q&A



Growth



Value creation



Capital discipline

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