OKEA ASA

Presentation of third quarter 2023

26 October 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 third quarter 2023 results

Highlights

- **Operation**
  - Production of 23.7 kboepd
  - Brage sustained production above plan; Draugen, Gjøa, Ivar Aasen and Nova producing according to plan
  - Technical issues at Yme resulted in reduced production in July
- **Portfolio**
  - Hasselmus started production on 1 October; adding gross production of 4,400 boepd at plateau
  - Oil proven at Sognefjord East formation at Brage; in-place volume only for the area discovered is estimated to 6-12 million boe
  - Brasse DG2 approved in August, OKEA as operator from 1 September
- **Financials**
  - Strong EBITDA in the quarter of NOK 1,336 million
  - Yme impairment of NOK 475 million reduces net profit after tax by NOK 104 million; ending at NOK 32 million
  - Refinancing successfully executed; extending maturity of outstanding bond debt and adding new liquidity source through a USD 25 million RCF
  - Net cash positive; enabler for settlement of Statfjord deal
  - Dividend payment in September of 1 NOK/share; 1 NOK/share to be paid in December

Quarterly key figures

(Previous quarter in brackets)

Serious incidents frequency
per million work hours

2.5
(2.5)

CO_2 emissions intensity
kg per boe produced

23*

Production
kboepd

23.7
(22.3)

Production expense
NOK/boe

195
(223)

Net CF from ops.
NOK million

748
(1,401)

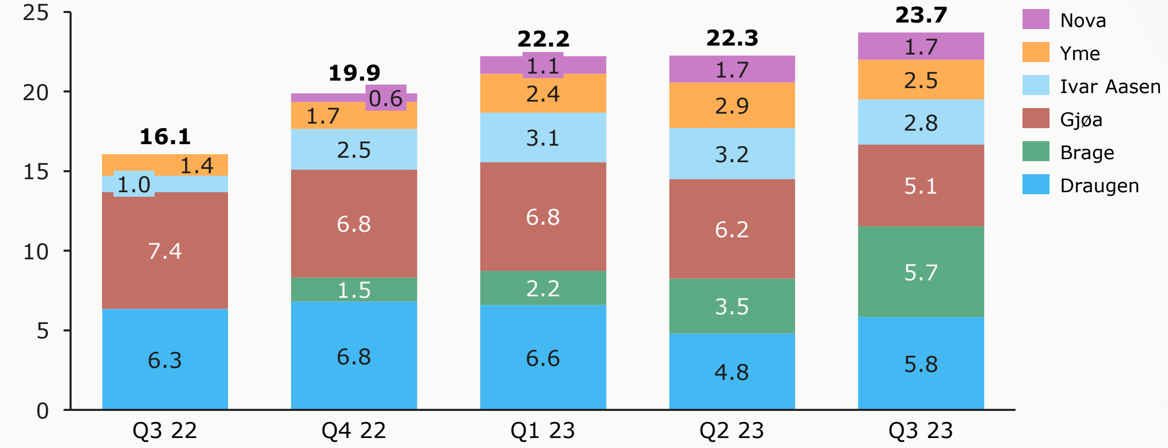
Dividends paid
NOK million

104
(104)

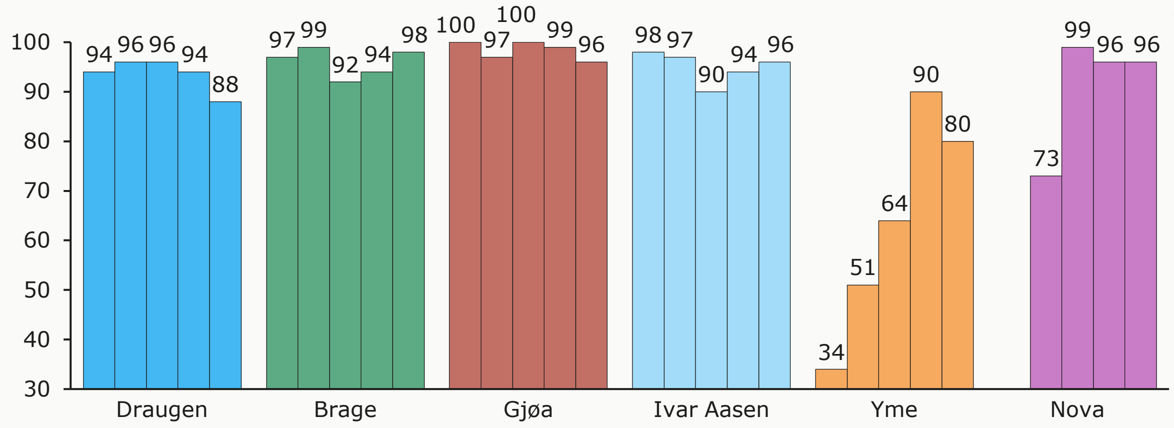
* Equity CO_2 emissions stated on annualised basis

Production volume and reliability

Production* (kboepd)



Production reliability** (%)



* Daily production from assets acquired from Wintershall Dea in Q4 22 with effective date 1 January 2022 is included in the graph based on November and December production divided by 92 days; actual daily production in Q4 22 was 21.5 kboepd. Actual daily production in Q3 22 was 21.1 kboepd.

** Ivar Aasen and Nova illustrates production availability

Operational update

Draugen (op. WI 44.56%)

- Hasselmus production started 1 October; gross plateau production of 4.4 kboepd
- 13 days shutdown in July due to installation of new subsea pumps
- Drilling of two observation wells executed in July; evaluation ongoing to assess potential

Brage (op. WI 35.2%)

- Additional wells put onstream in the quarter; net plateau production of 6 kboepd by end of quarter
- Two more wells coming onstream in Q4 2023
- Brasse concept select (DG2) approved; progressing towards investment decision in early 2024

Gjøa (WI 12%)

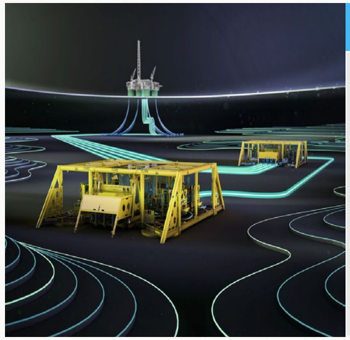
- Lower production in the quarter due to scheduled shutdown at Gjøa and deferment due to shutdown at St Fergus
- Hamlet discovery – potential tie-back assessments ongoing; other IOR targets under evaluation

Ivar Aasen (WI 9.2385%)

- Good production availability in the quarter
- Two wells planned converted to injectors to provide pressure support and reduce production decline
- IOR 2026 campaign preparations ongoing

Yme (WI 15%)

- Reduction in net reserves by 1.8 Mmboe based on data from new wells; plateau production adjusted to net 3,500 boepd
- One injector well scheduled for Q4 2023 and one producer well planned for early 2024



Nova (WI 6%)

- Production improved in the quarter due to successful side-track drilling operation to mitigate the water injectors challenges
- Rig secured to drill a fourth water injector in H2 2024

Statfjord 28% WI - progressing towards closing

Transformational acquisition in a proven giant

- One of the most prolific areas on the NCS with a strong track record for improved oil recovery; the largest liquids field on the NCS with ~4.0 bnboe originally recoverable*
- Progressing towards completion on 30 November 2023
  - Material increase in production and resources
  - Enhanced robustness and diversification
  - Equinor to retain all abex exposure related to Statfjord A platform and any costs for removal of Statfjord B and C gravity-based structures (if required)
- Reduced production reliability caused by unforeseen events and delay from new wells resulting in lower production
  - Net 2023 production expectation narrowed from 11,000 – 13,000 boepd to 11,000 - 12,000 boepd
  - Updated RNB from operator for 2024 production indicates a reduction of ~3,000 boepd from RNB last year; OKEA to assess data and give an update for 2024 guiding in the Q4 2023 presentation in February 2024
  - The operator continues work on mitigating actions

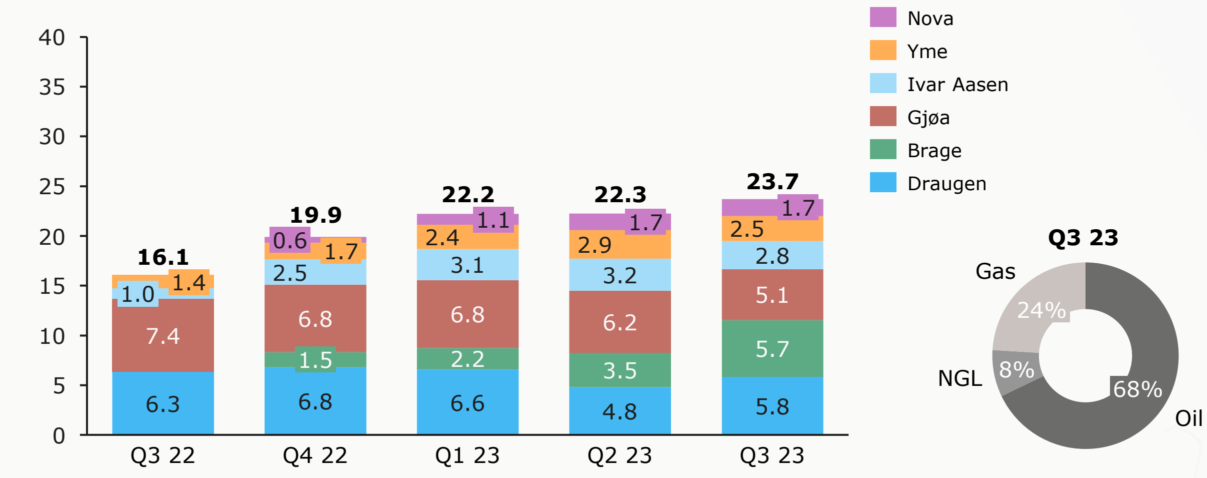
Statfjord B
Photo credit: Norwegian Petroleum Museum

* Source: NPD (includes crude oil, condensate and NGL)

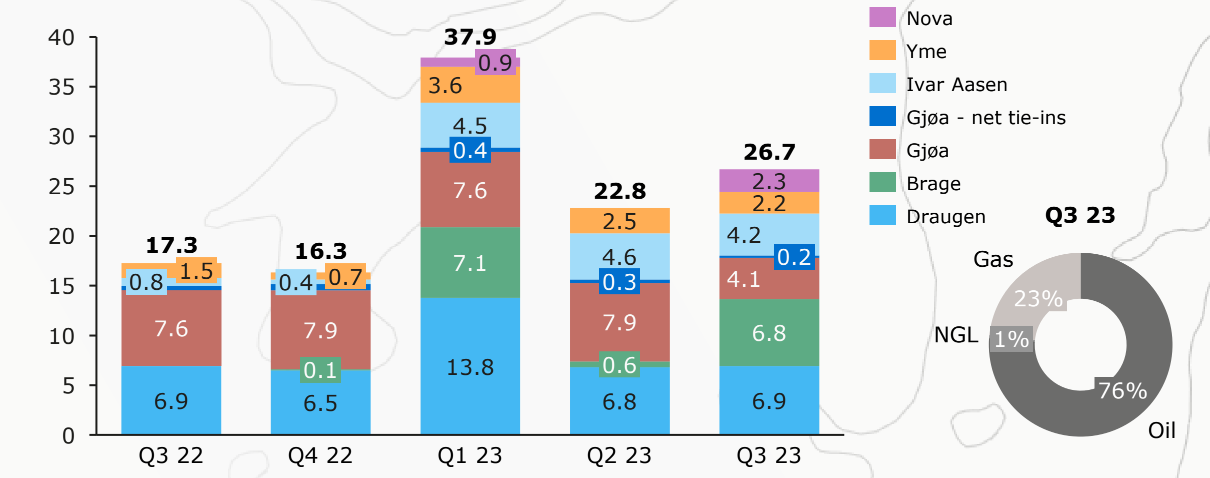
Financials

Oil and gas production, sales and revenues - per asset

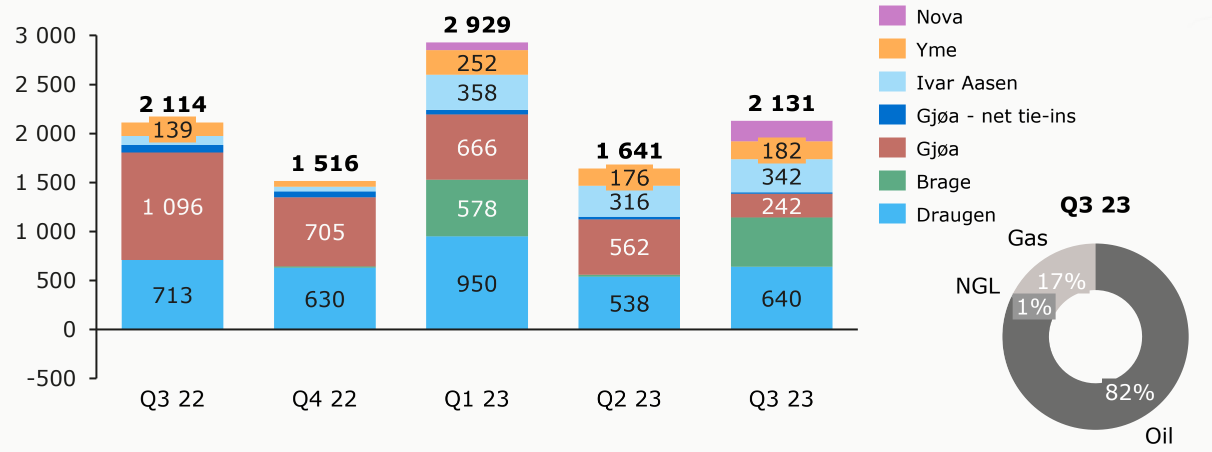
Production (kboepd)



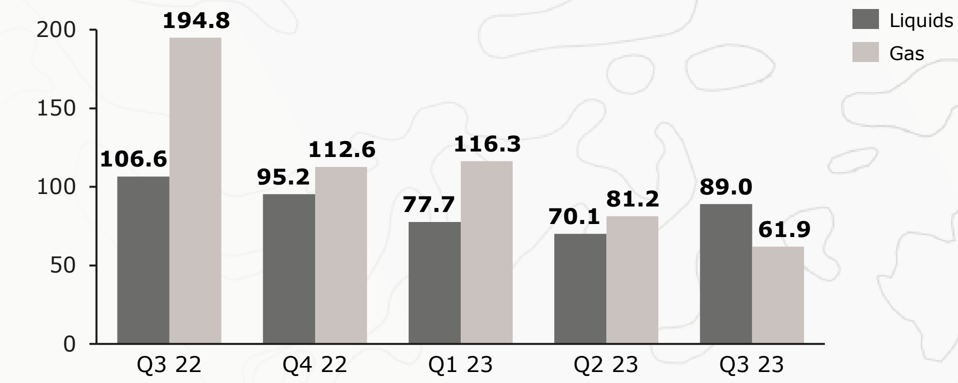
Sold volumes (kboepd)



Revenue (NOK million)



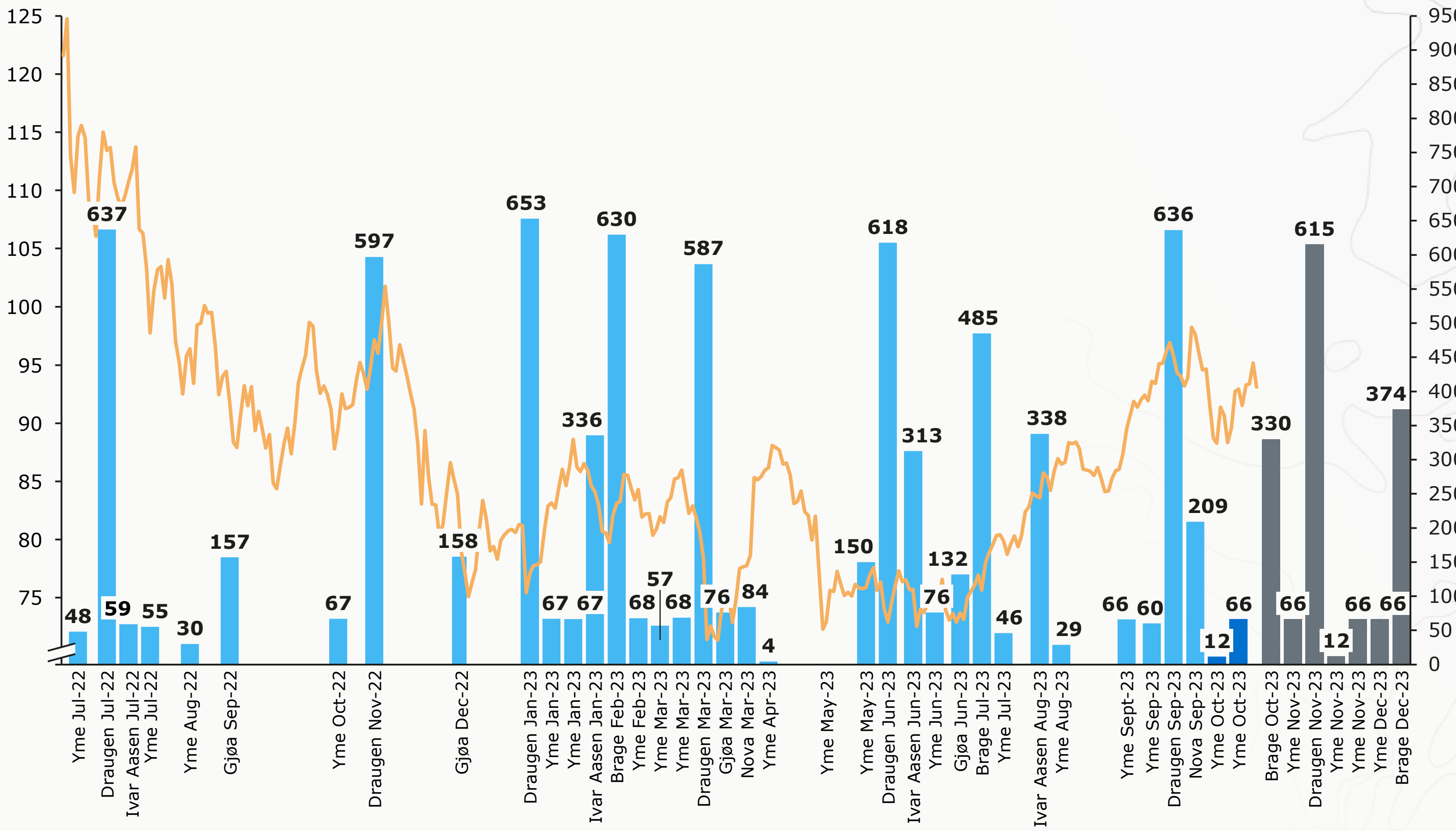
Realised price (USD per boe)



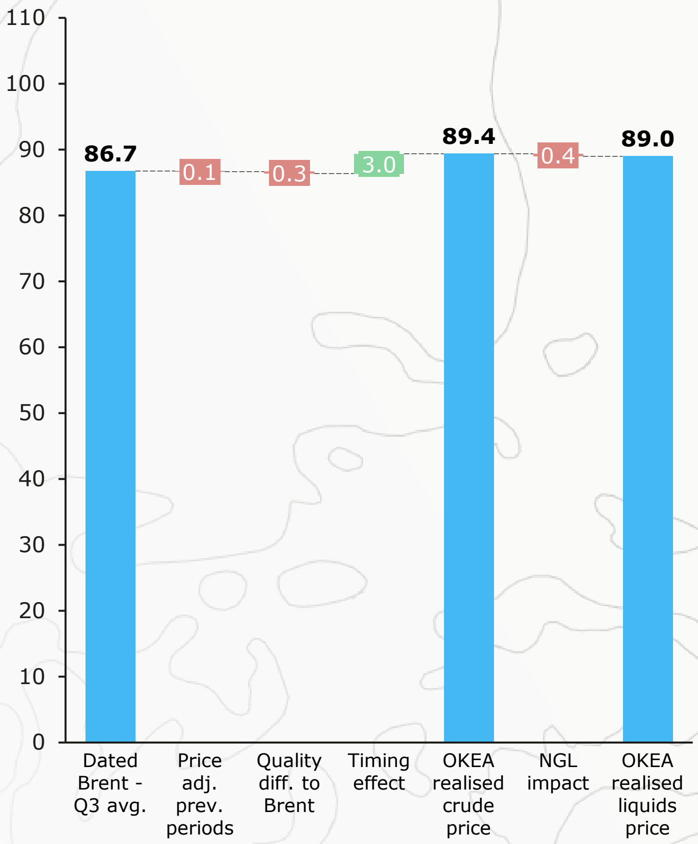
* Daily production from assets acquired from Wintershall Dea in Q4 2022 with effective date 1 January 2022 is included in the graph based on November and December production divided by 92 days; actual daily production was 21.5 kboepd. Actual daily production in Q3 22 was 21.1 kboepd.

Realised liquids prices

Lifted volumes* vs Dated Brent – Q3 2022/Q3 2023 + EQ4 2023



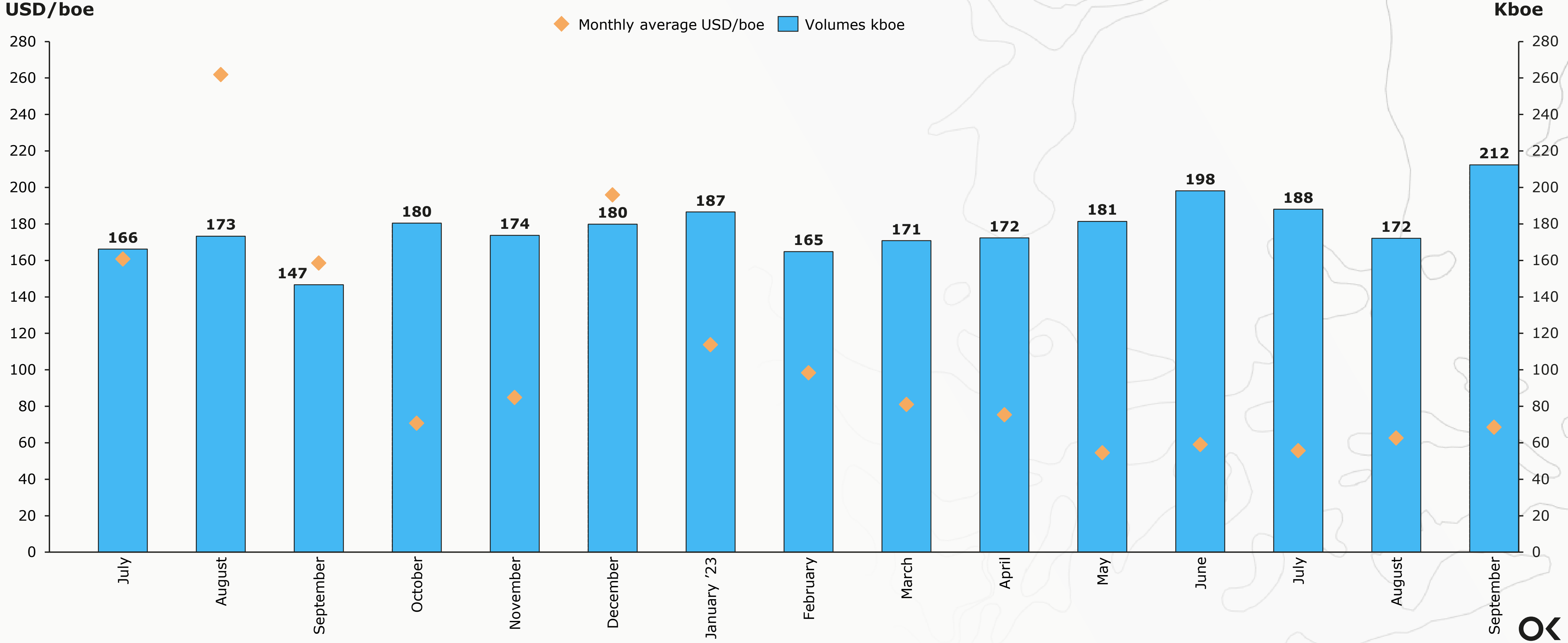
Lifted volumes vs Dated Brent



* Timing of future liftings from Yme may deviate somewhat subject to the nominated allocation between licence partners.

Gas market prices and sold volumes

Sold volumes vs average NBP/Heren gas market prices



Income statement

Figures in NOK million	Q3 23	Q2 23	Q3 22
Total operating income	2 105	1 707	2 143
Production expenses	-465	-495	-425
Changes in over/underlift positions and inventory	-224	126	-19
Depreciation	-425	-362	-176
Impairment (-) /reversal of impairment	-475	-300	-609
Exploration, general and adm. expenses	-80	-171	-63
Profit / loss (-) from operating activities	**436**	**506**	**851**
Net financial items	24	-115	-113
Profit / loss (-) before income tax	**460**	**391**	**738**
Income taxes	-428	-322	-633
Net profit / loss (-)	**32**	**69**	**104**
EBITDA	**1 336**	**1 167**	**1 636**

Q3 23 comments

Operating income

- Revenue from sales of petroleum products of NOK 2 131 million
- Net other operating loss of NOK 26 million

Production expenses

- NOK 465 million; corresponding to 195 NOK/boe

- **Impairment**
- NOK 475 million impairment at Yme, mainly driven by reduced reserves estimate partly offset by improved forward prices for oil

Exploration, general and administrative expenses

- Exploration expenses of NOK 34 million
- SG&A expenses of NOK 46 million

Net financial items

- Interest income of NOK 29 million
- Net FX gain of NOK 49 million
- Net expensed interest and fees of NOK 14 million
- Call premium on OKEA03 of NOK 28 million

Income taxes

- NOK 428 million; corresponding to an effective tax rate of 93% mainly due to non-deductible expenses

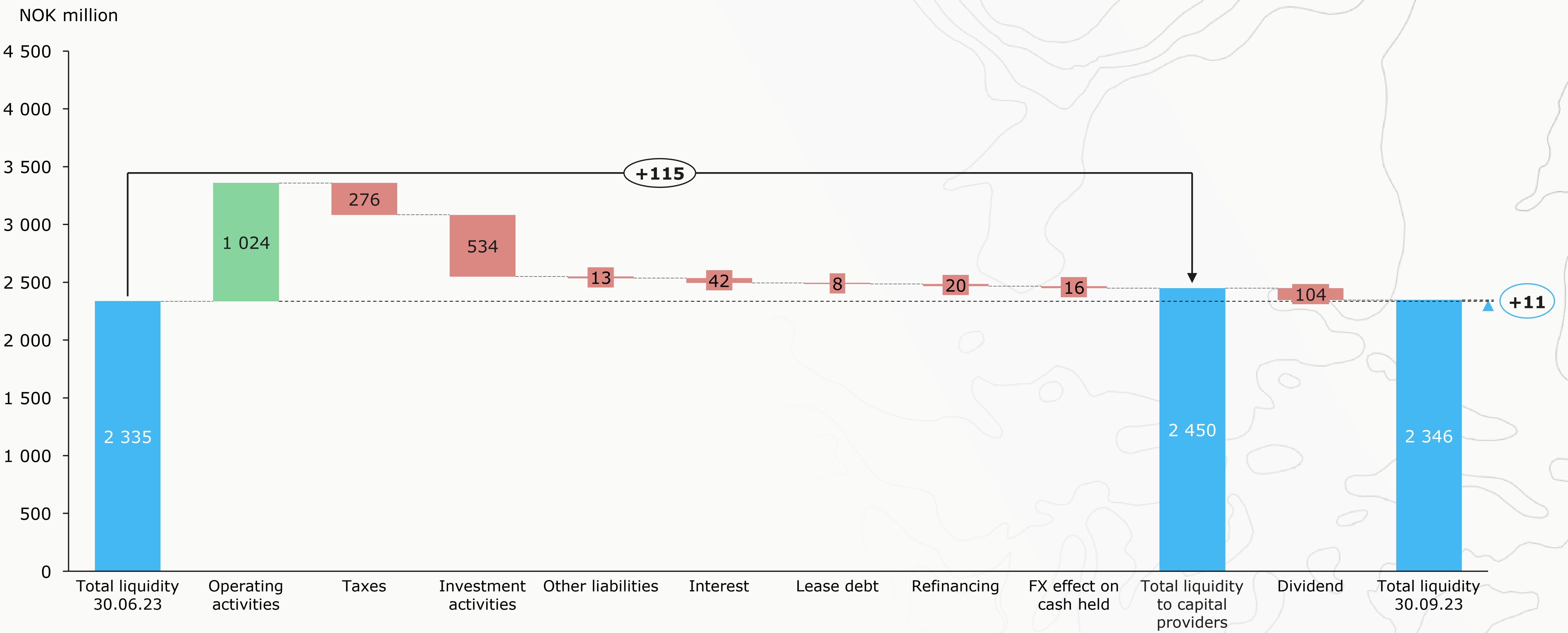
Statement of financial position

Figures in NOK million			
Assets	**30.09.2023**	**30.06.2023**	**31.12.2022**
Goodwill	1 292	1 292	1 297
Oil and gas properties	6 001	6 416	6 556
Asset retirement reimbursement right	3 395	3 486	3 662
Trade and other receivables	1 689	1 362	1 744
Cash and cash equivalents	2 346	2 335	1 104
Other assets	1 073	1 171	1 258
Total assets	**15 796**	**16 062**	**15 621**
Total equity	**2 094**	**2 165**	**2 078**
Liabilities			
Asset retirement obligations	5 554	5 715	5 915
Deferred tax liabilities	2 415	2 774	2 835
Interest bearing bond loans	1 300	1 293	1 179
Other interest bearing liabilities	511	531	508
Trade and other payables	1 777	1 961	2 220
Income tax payable	1 748	1 238	477
Other liabilties	397	384	410
Total liabilities	**13 702**	**13 896**	**13 543**
Total equity and liabilties	**15 796**	**16 062**	**15 621**

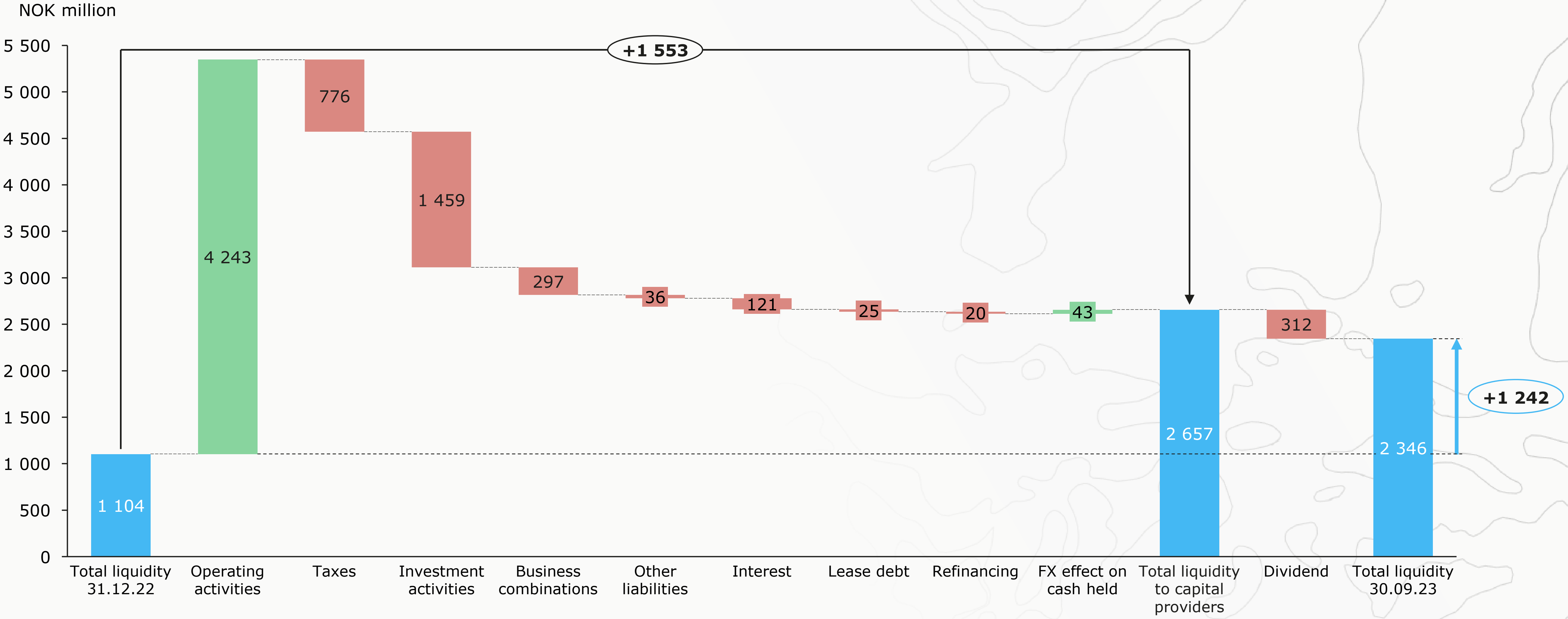
Q3 23 comments

- Cash and cash equivalents of NOK 2 346 million
- Tax payable of NOK 1 748 million
- Interest-bearing bond loans of NOK 1 300 million
- Other interest-bearing liabilities of NOK 511 million related to financial lease of the Inspirer rig at Yme
- Asset retirement obligation of NOK 5 554 million - partly offset by asset retirement reimbursement right of 3 395 million

Cash development Q3 2023



Cash development YTD Q3 2023



Successful refinancing extends maturity and adds financial flexibility

USD 125m bond issue extends maturity to 2026 – additional financial lever through USD 25m revolving credit facility

Summary of key transaction components

Successful refinancing completed in the quarter

- ✓ Strong demand with >2x oversubscription at final pricing
- ✓ Extended maturity of outstanding bond

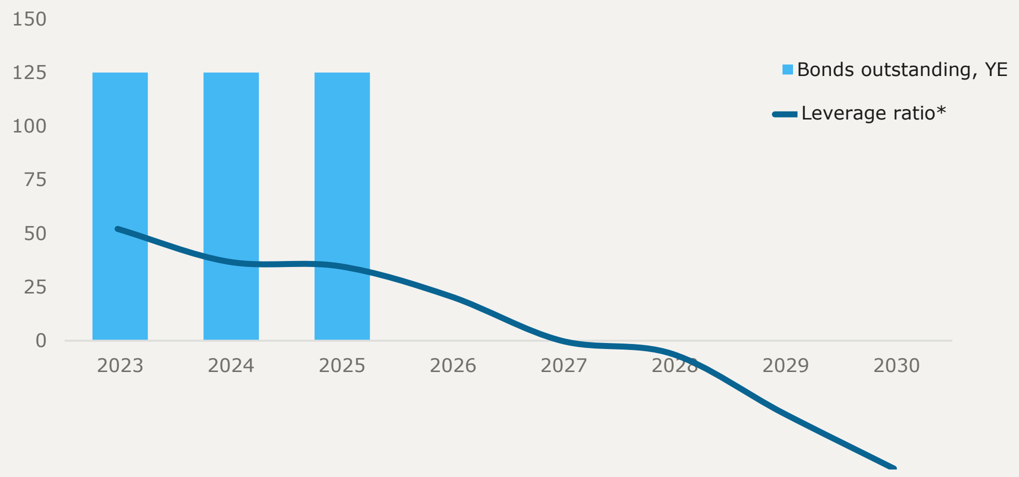
Added flexibility

- ✓ By USD 25 million Super Senior Revolving Credit Facility
- ✓ More optionality at low cost

Robust capital structure

- ✓ Low and falling leverage ratio
- ✓ No debt maturity beyond 2026
- ✓ Substantial additional debt capacity

OKEA04 – Leverage Ratio(E) and key terms



Issue amount	USD 125m
Interest rate	9.125%
Maturity	September 2026
Financial covenants	Minimum Liquidity of USD 25m Maximum Leverage Ratio (LR)** of 1.75
Distribution restriction	50% of NPAT rolling four quarters (100% of NPAT if net cash positive) + customary incurrence test

* LR is estimated based on forward prices per 16 October 2023
** As per OKEA04 bond terms LR is defined as Net Debt adjusted for Tax Payable/Receivable divided by EBITDA

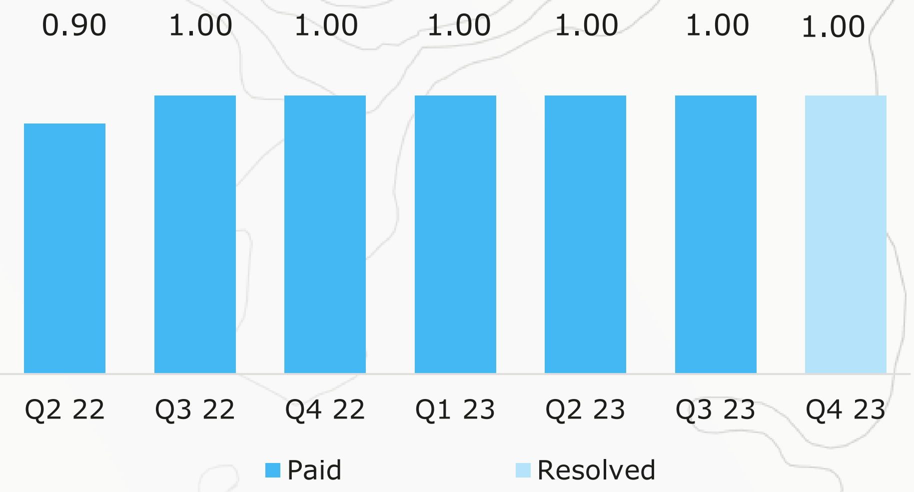
Dividends for 2023 according to plan

Dividend of NOK 1.00 per share to be paid in December

Capital allocation principles

1. Maintain **financial flexibility**
2. Ensure **robust portfolio**
3. Healthy balance between **growth and dividends**

Dividend (NOK per share)



- The board of directors has resolved to distribute NOK 1.00 per share in December
- Update on dividend plan for 2024 in relation to publication of Q4 2023 financial results

2023 guidance

Narrowing range for production and capex guidance for 2023

Production

Production guidance of 23–24 kboepd in 2023

- Production guidance narrowed from 22-25 kboepd
- Production guidance does not include volumes from the acquisition of 28% WI in PL037 (Statfjord Area); expected production volumes net to OKEA in 2023 have been adjusted from 11,000-13,000 boepd to 11,000-12,000 boepd

Capex

Capex guidance of NOK 1,950–2,100 million in 2023

- Capex guidance narrowed from NOK 1,700-2,100 million
- Comprises completion of the Hasselmus project, Draugen Power from Shore, Brage infill drilling and other activities
- Excludes capitalised interest and exploration capex
- Capex guidance does not include capex related to the acquisition of 28% WI in PL037 (Statfjord Area)

Summary

Summary

- Continuing to deliver on growth strategy; Statfjord acquisition progressing towards closing in November 2023
- Hasselmus project started production on 1 October 2023, adding 4.4 kboepd in gross production at plateau and restarting export of associated gas and NGL from Draugen
- Brage sustained production above plan; Draugen, Gjøa, Ivar Aasen and Nova producing according to plan
- Refinancing successfully completed; extending maturity of bond debt and adding new liquidity source through a USD 25 million RCF
- Net cash positive and delivering on dividend plan

Q&A

Growth

Value creation

Capital discipline

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.