



OKEA ASA

Presentation of fourth quarter 2023

8 February 2024

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OKEA fourth quarter 2023 results

Highlights

- **Operation**

- Record high production of 30.1 kboepd; an increase of 27% compared to Q3
- In addition, Statfjord production volumes added 10.9 kboepd
- Increase driven by startup of Hasselmus at Draugen, continued good performance from new wells at Brage combined with successful well recompletion at Yme
- Stable production at Gjøl, Ivar Aasen and Nova

- **Portfolio**

- Statfjord transaction completed on 29 December 2023
- PDO for Draugen Power from Shore project approved by Ministry of Energy
- Hasselmus onstream in October; on cost and ahead of schedule
- Three new licences awarded in APA 2023

- **Financials**

- Strong EBITDA of NOK 1,661 million
- Goodwill impairment of NOK 1,363 million relating to Statfjord significantly impacting net financial results
- Strong cash flow from operating activities of NOK 1,720 million



Quarterly key figures

(Previous quarter in brackets*)

Serious incidents frequency

per million work hours

2.4
(2.5)

CO₂ emissions intensity

kg per boe produced

21*
(21*)

Production

kboepd

30.1
(23.7)

Production expense

NOK/boe

206
(195)

Net CF from ops.

NOK million

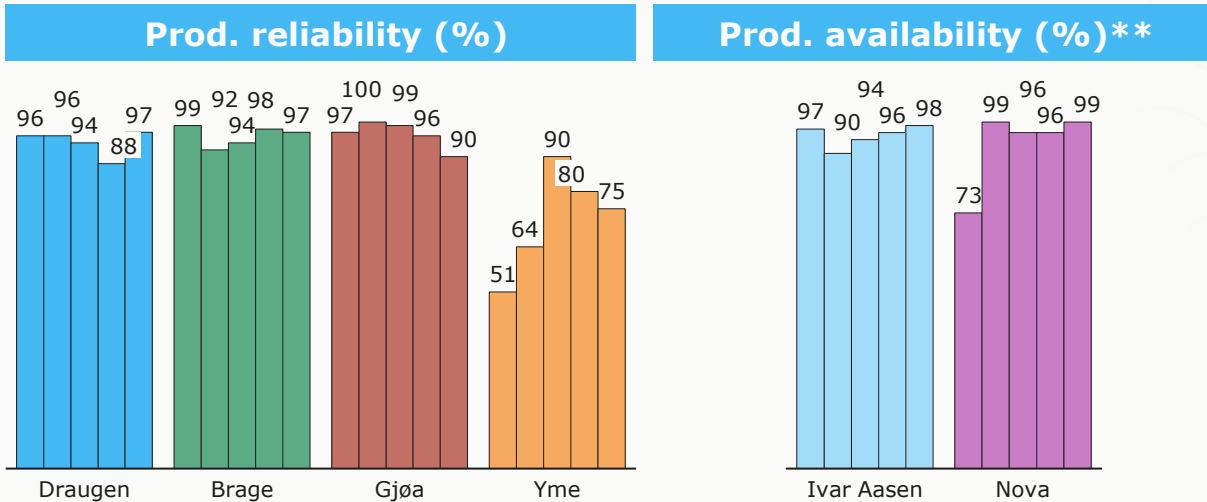
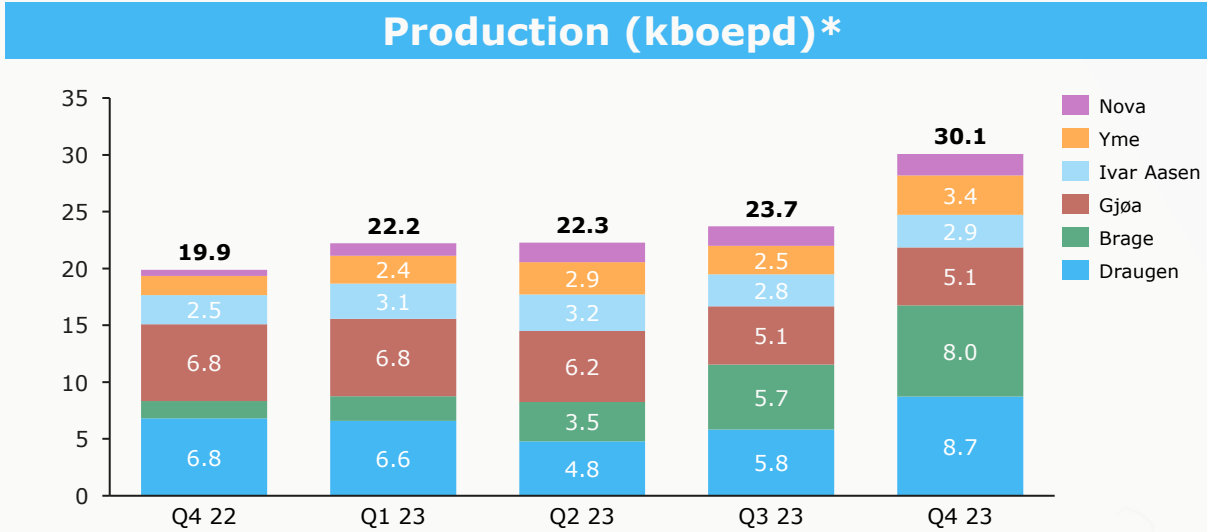
1,720
(748)

Dividends paid

NOK million

104
(104)

Production volume and reliability



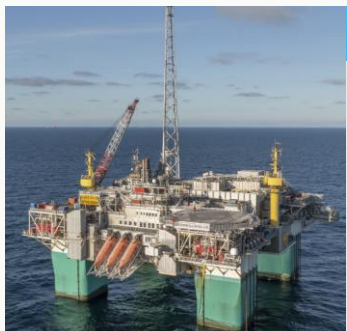
5 * Daily production from assets acquired from Wintershall Dea in Q4 22 with effective date 1 January 2022 is included based on November and December production divided by 92 days; actual daily production in Q4 22 was 21.5 kboepd
** Production reliability not available for Ivar Aasen and Nova

Operational update



Draugen (op. WI 44.56%)

- Production increase of 50% driven by solid operating performance and startup of the Hasselmus tie-back
- PDO for Power from Shore approved by Ministry of Energy in December



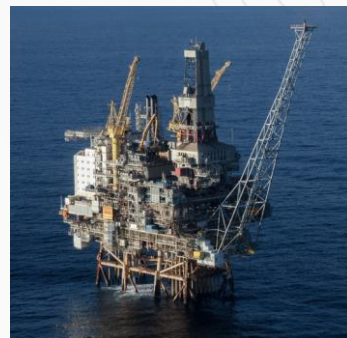
Gjøa (WI 12%)

- During 2023, 83% of produced volumes has been replaced by maturing of resources and improved reservoir performance
- Hamlet discovery being further matured and potential IOR targets under evaluation



Yme (WI 15%)

- Production increase due to successful recompletion of production well
- Redrilling of one injection well and investment decision for one production well planned for Q1 24



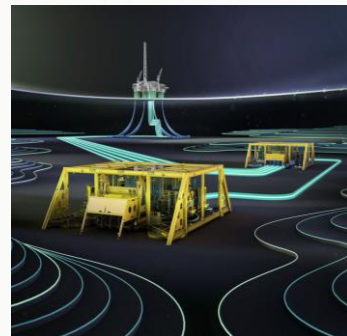
Brage (op. WI 35.2%)

- Production increase of 41% due to continued good performance from the Talisker East well and two new wells commencing production
- A new water injector and a new producer expected onstream in Q1 24; further drilling planned throughout 2024



Ivar Aasen (WI 9.2385%)

- Stable production during the quarter
- One well successfully converted to injector to mitigate production decline by pressure support
- Preparation for the IOR 2026 campaign ongoing



Nova (WI 6%)

- Stable production during the quarter
- Rig secured to drill a fourth water injector in H2 2024

Statfjord transaction closed on 29 December 2023

Current focus on unlocking value potential in the field

Transaction close

- RNB24 indicated 10-15% reduction in volume estimates over the lifetime of the assets combined with an increase in estimated cost
 - Volume reduction most significant near term
 - Mainly due to production regularity and well performance
- In November, OKEA decided to postpone closing to assess the situation
 - Completing the transaction considered best way forward
 - Closing took place on 29 December
- The adverse changes resulted in goodwill impairment of NOK 1,363 million
 - ~3/4 due to reductions in estimated recoverable volumes; enhanced effect by lower production near term
 - The remainder attributable to increased cost estimates and other effects

Improvement program

- Statfjord is one of the most prolific fields on the NCS with a strong track record for improved oil recovery;
- Statfjord is the third largest field on the NCS with more than 6bn bbl initial oil in place volumes; each 1% increase in recovery factor will add 60 mmboe gross reserves
- OKEA to collaborate closely with the operator with key focus on unlocking the assets' potential
- Current improvement plan:
 - Increasing production reliability
 - Maturing well targets and drilling performance
 - Revisiting drainage strategy to increase liquid offtake and maximise recoverable resources



Value creation on operated assets

Mid to late-life operating expertise translated into tangible results at Draugen and Brage

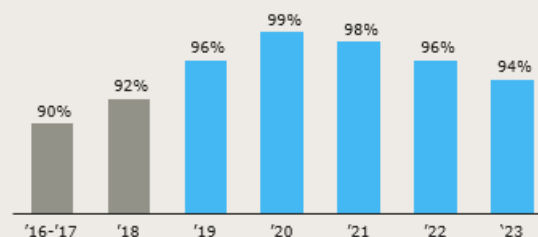
Draugen thriving under OKEA operatorship

Focus on maturing additional reserves with PLX/ILX drilling, reducing production expense per boe, increasing production reliability and field lifetime extension

- Improved production reliability and efficiency under OKEA operatorship
- Lifetime extension from 2027 to 2040+ under OKEA operatorship; key drivers are maturing of new volumes and reducing production cost:
 - Development of the Hasselmus subsea tie-back; adding gross volumes of 4,800 boepd at plateau and restarting gas and NGL export
 - Electrification project will reduce both CO2 intensity by 95% and production expense by 2027
- Continued focus on adding further volumes: infill opportunities and discoveries currently being assessed including Garn West South, Springmus and Galtvort

Draugen production reliability*

■ Previous operator (average)
■ OKEA operator



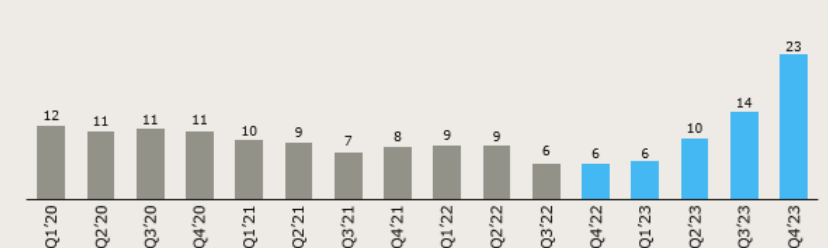
Revitalisation of the Brage field

Focus on drilling of development and infill wells with exploration/appraisal pilots, reducing production expense per boe, increasing production availability and lifetime extension

- Increasing production volumes under OKEA operatorship; key drivers:
 - High production reliability of 96% in 2023; OKEA's first year as operator
 - Successful infill drilling campaign in 2023; delivering above expectations for most targets
 - Successful Cook development; delivering above expectation
 - Other lifetime extension initiatives such as IOR**, successful extended reach drilling (new record 9,237m) and near field exploration
- Continued focus on increasing reserves; both Sognefjord East (Kim) discovery and the recent observation in Talisker are being matured for potential development

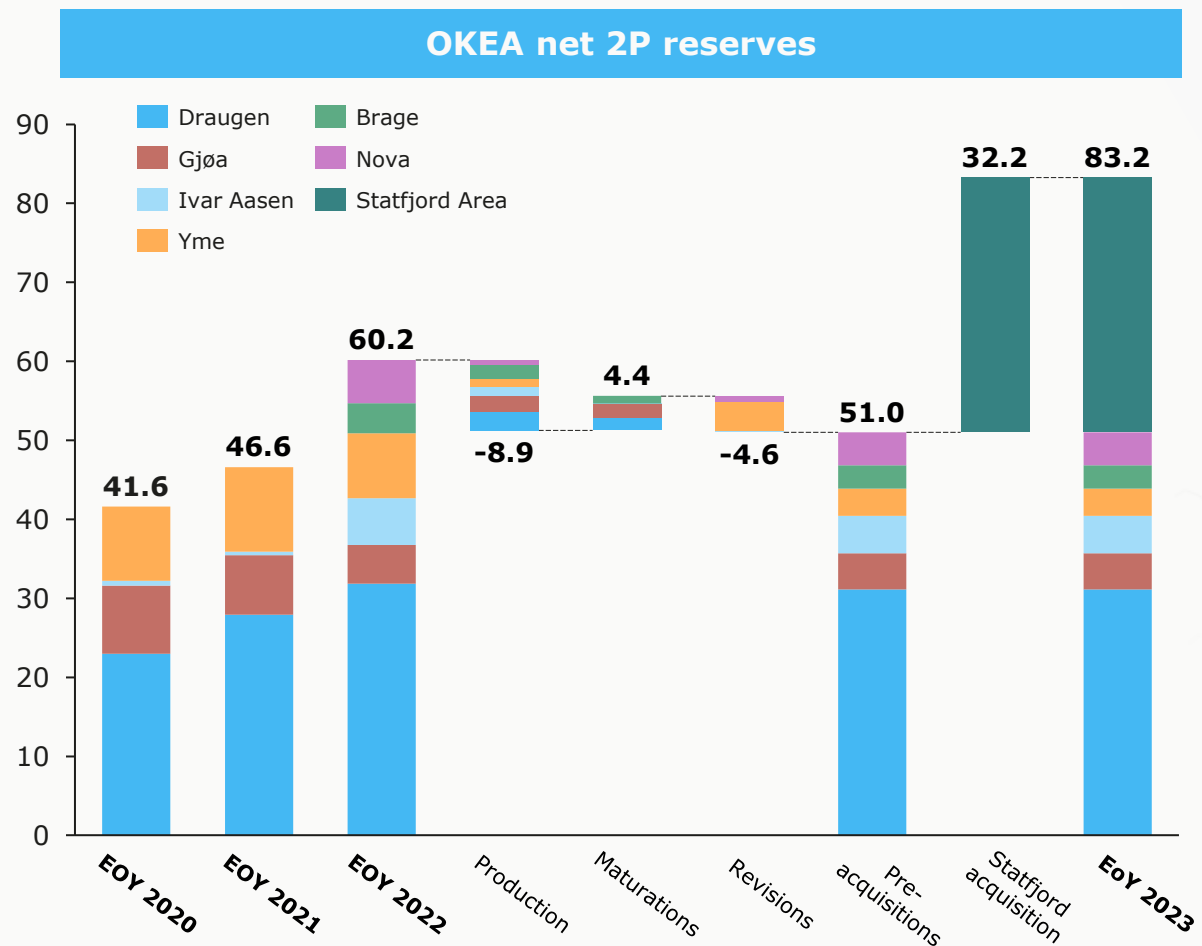
Brage gross production (kboepd)*

■ Previous operator ■ OKEA operator



OKEA net reserves (2P) 83.2 mmboe – up by 38% since YE22

Net resources (2C) 65 mmboe – up by 50% since YE22



Continued increase of reserves and resources

During 2023 2P reserves increased by 23 mmboe (38%) and 2C resources increased by 21.4 mmboe (50%)

- Increases largely driven by acquisitions
 - Statfjord: 2P volumes of 32 mmboe; 2C of 13 mmboe
 - Brasse: 2C volumes of 10.9 mmboe
- Reserve revision of 4.6 mmboe mainly relate to Yme following disappointing results from the C-8 well
- Reserve maturation of 4.4 mmboe mainly relate to maturation of 3.5 mmboe from Gjøa, Brage and Draugen

mmboe	Statfjord	Draugen	I. Aasen	Gjøa	Nova	Yme	Brage	Brasse	Aurora	Calypso	YE23
Reserves (2P)	32.2	31.1	4.7	4.6	4.2	3.4	2.9				83.2
Resources (2C)	13.1	6.0	1.4	2.6	2.0	1.2	14.5	10.9	8.4	4.5	64.6

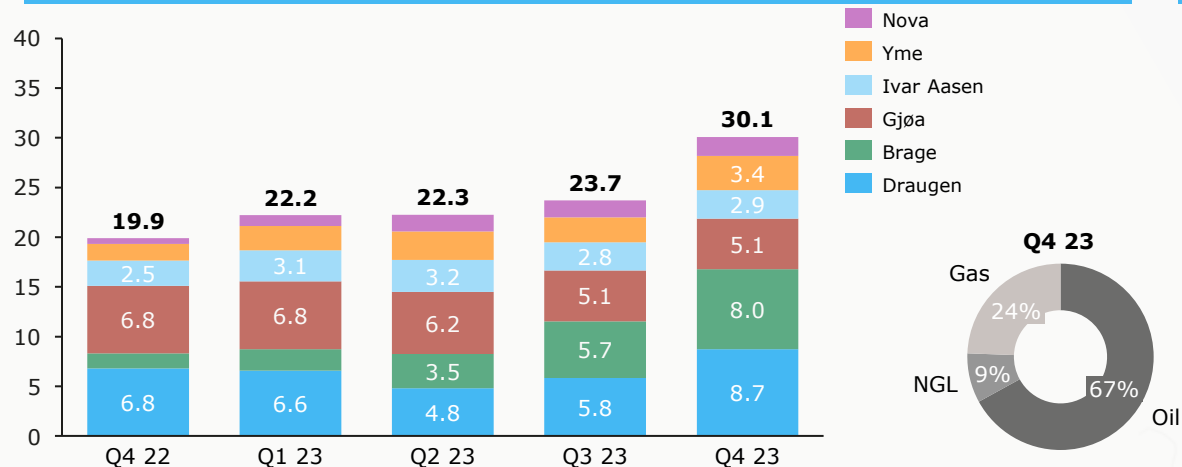


Financials

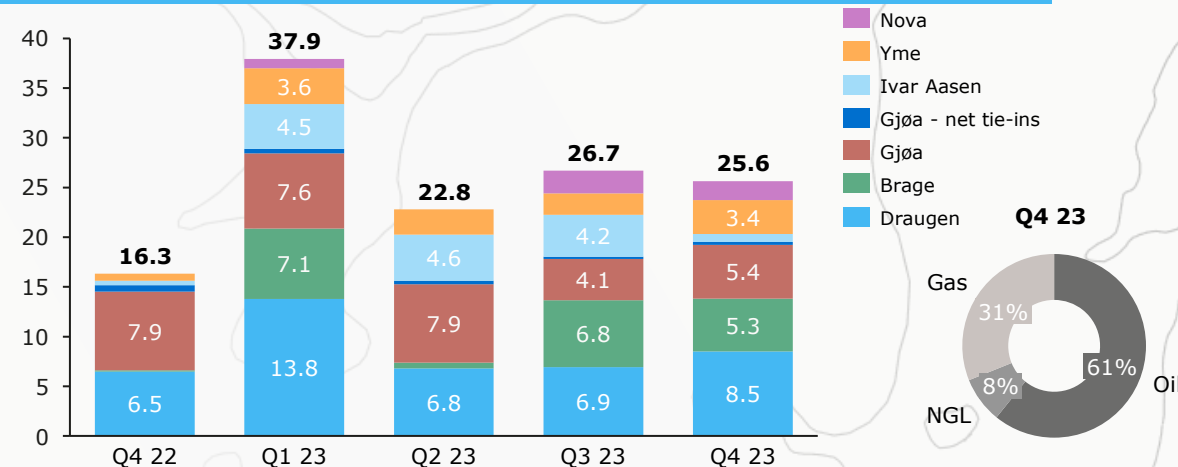
Oil and gas production, sales and revenues - per asset

Contribution by Statfjord not included in key figures and financial statement prior to closing

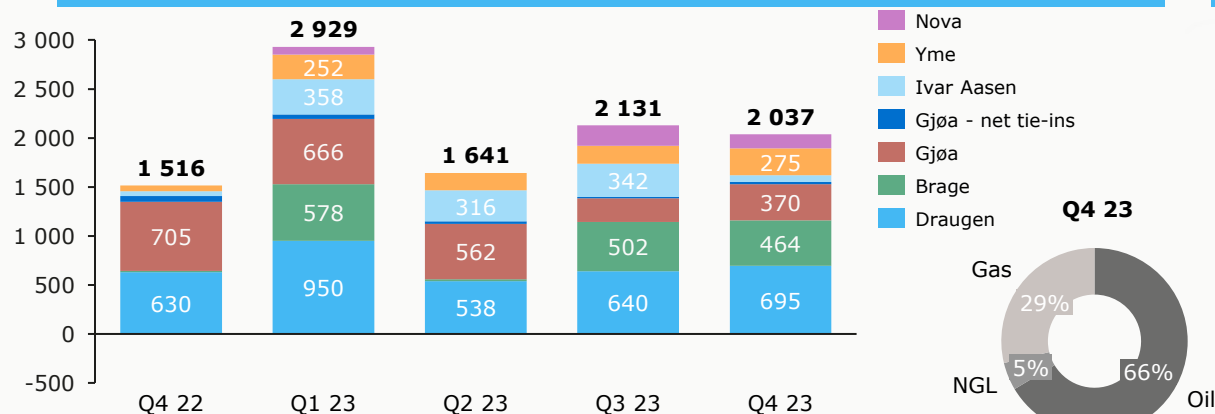
Production (kboepd)



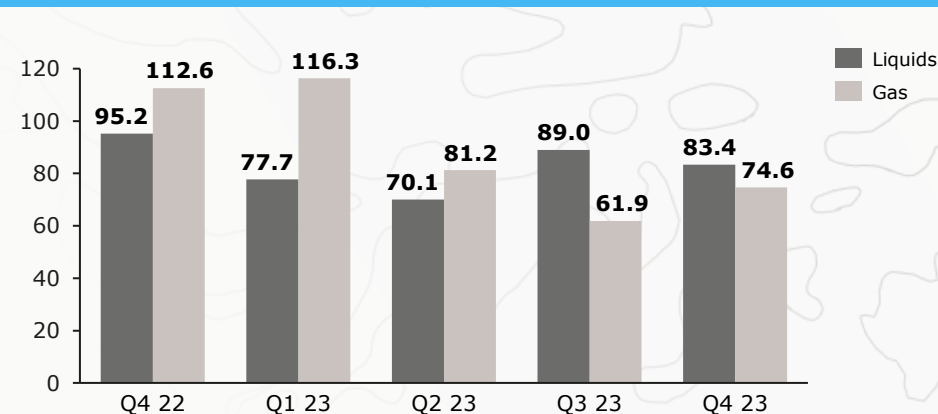
Sold volumes (kboepd)



Revenue (NOK million)



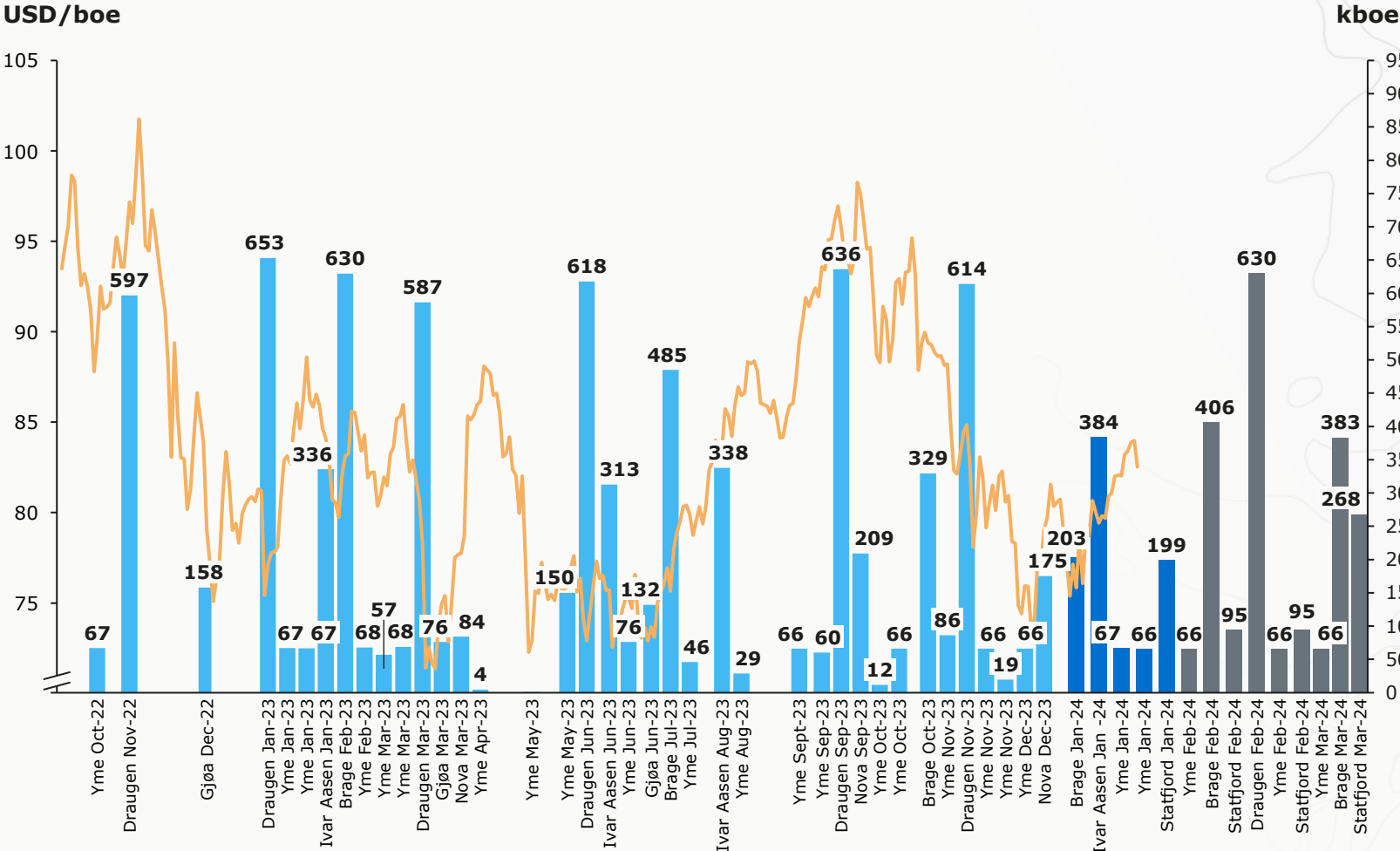
Realised price (USD per boe)



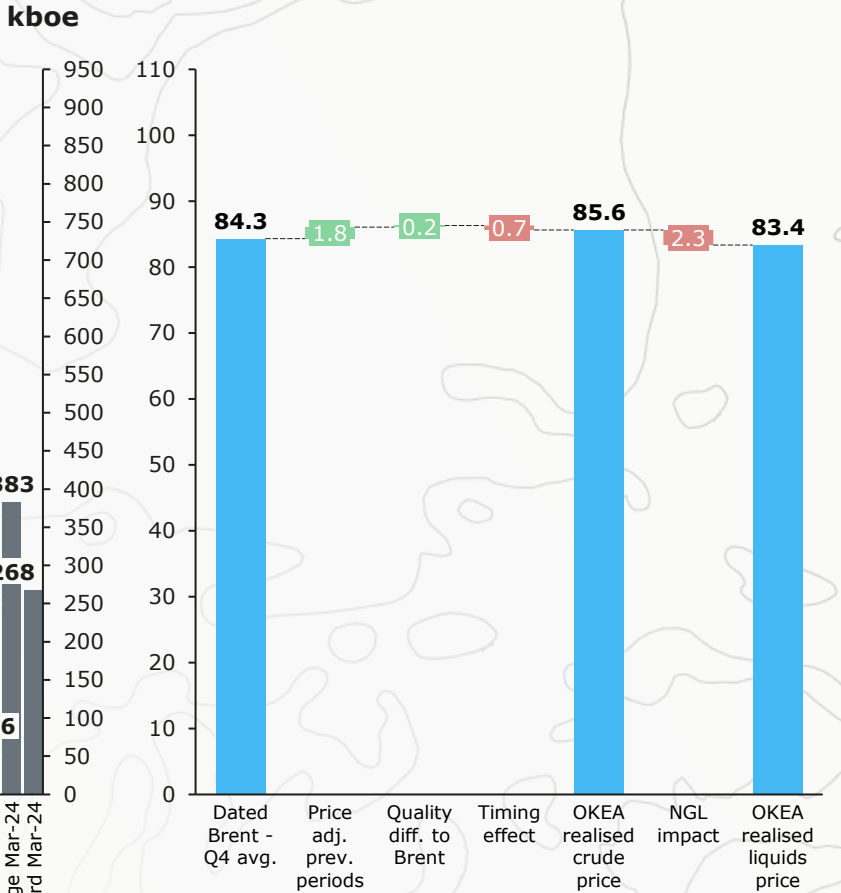
11 * Daily production from assets acquired from Wintershall Dea in Q4 2022 with effective date 1 January 2022 is included in the graph based on November and December production divided by 92 days; actual daily production was 21.5 kboepd

Realised liquids prices

Lifted volumes*/** vs Dated Brent Q4 2022 - Q4 2023 + EQ1 2024



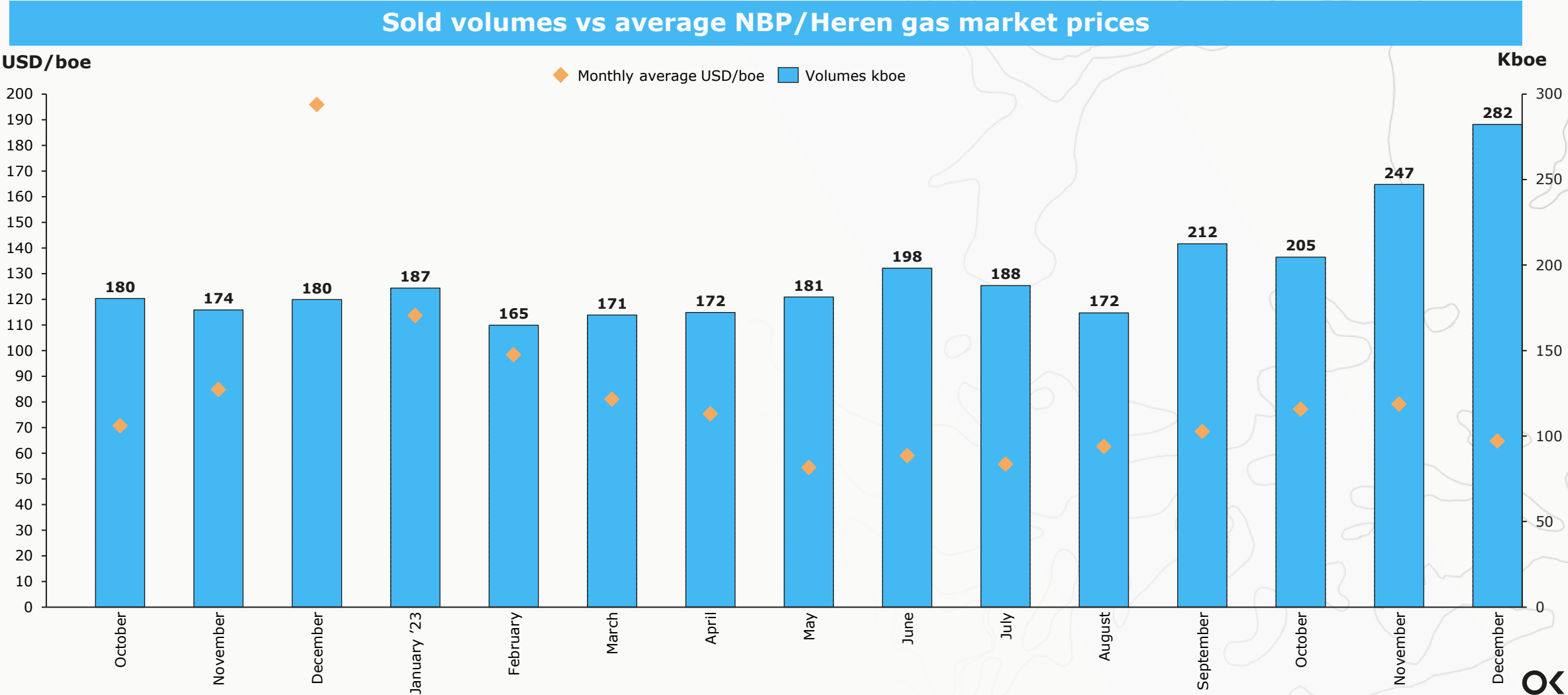
Lifted volumes vs Dated Brent



12 * Timing of future liftings from Yme may deviate somewhat subject to the nominated allocation between licence partners
** Liftings from assets acquired from Wintershall Dea in Q4 2022 with effective date 1 January 2022 is included in the graph from November 2022. Liftings from Statfjord acquired from Equinor in Q4 2023 with effective date 1 January 2023 is included in the graph from January 2024.



Sold volumes and market prices for gas



13 * Gas sales from assets acquired from Wintershall Dea in Q4 2022 with effective date 1 January 2022 is included in the graph from November 2022. Gas sales from Statfjord acquired from Equinor in Q4 2023 with effective date 1 January 2023 will be included in the graph from January 2024.



Income statement

Activities from Statfjord not included in financial statement prior to closing on 29 December

Q4 2023 figures

Figures in NOK million	Q4 23	Q3 23	2023	2022
Total operating income	2 118	2 105	8 885	6 653
Production expenses	-606	-465	-2 084	-1 616
Changes in over/underlift positions and inventory	208	-224	-684	297
Depreciation	-580	-425	-1 695	-769
Impairment (-) /reversal of impairment	-1 876	-475	-2 745	-498
Exploration, general and adm. expenses	-58	-80	-360	-540
Profit / loss (-) from operating activities	-795	436	1 316	3 526
Net financial items	-78	24	-217	-311
Profit / loss (-) before income tax	-873	460	1 099	3 215
Income taxes	-390	-428	-2 034	-2 545
Net profit / loss (-)	-1 263	32	-935	670
EBITDA	1 661	1 336	5 756	4 793

Q4 2023 comments

- Operating income of NOK 2,118 million of which NOK 2,037 million from sale of petroleum products
- Production expenses of NOK 606 million; corresponding to 206 NOK/boe
- Impairments of NOK 1,876 million
 - NOK 1,363 million goodwill impairment on Statfjord mainly a result of reduction in production and reserves estimates
 - NOK 513 million on Yme driven by reduced forward prices for crude oil
- Exploration, general and administrative expenses of NOK 58 million
 - Exploration expenses of NOK 22 million
 - SG&A expenses of NOK 37 million
- Net financial expense of NOK 78 million;
 - Interest income of NOK 30 million
 - Net FX loss of NOK 61 million
 - Net expensed interest for OKEA04 and Yme BBC of NOK 35 million
- Income tax expense of NOK 390 million
 - Goodwill impairment not tax deductible

Statement of financial position

Balance sheet movements largely driven by purchase price allocation of Statfjord

Q4 2023 figures

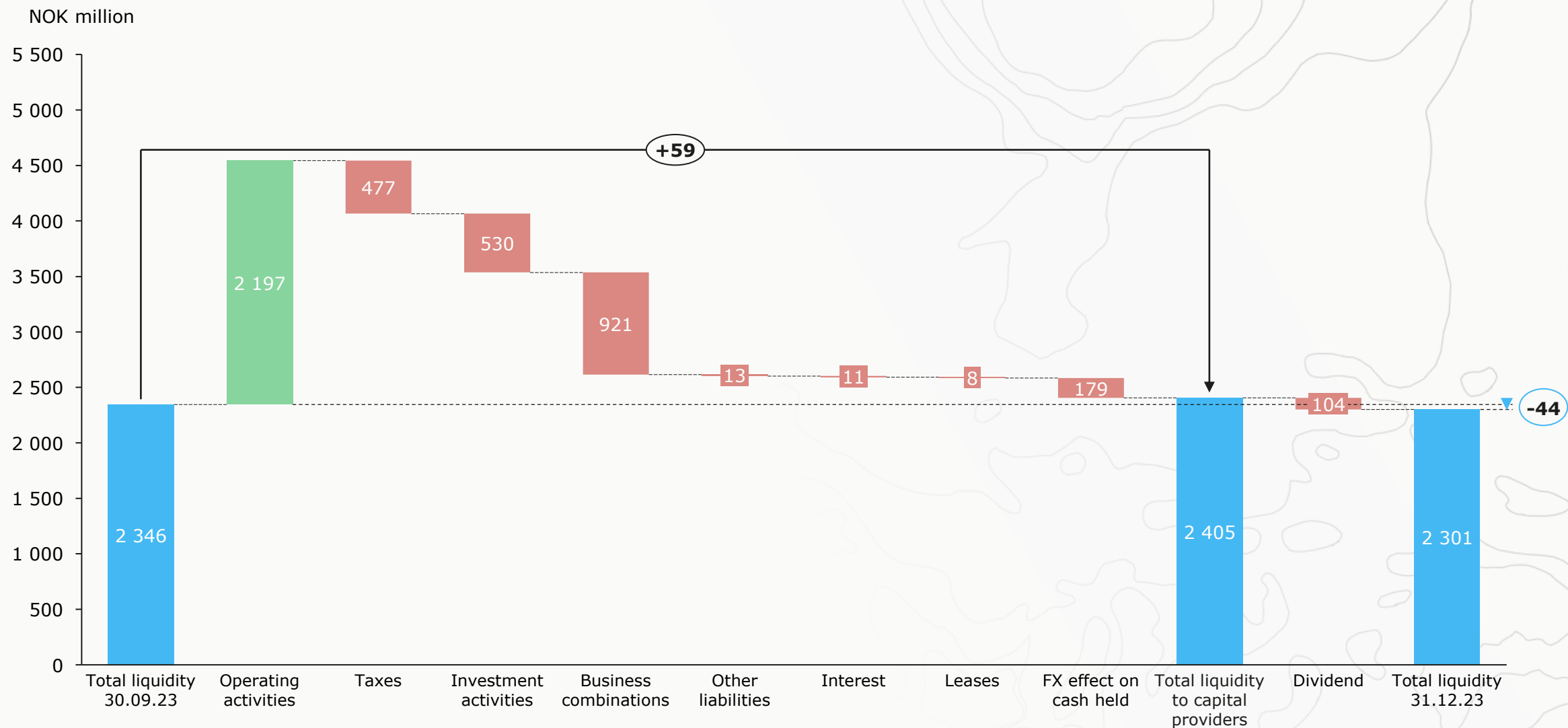
Figures in NOK million

	31.12.2023	30.09.2023	31.12.2022
Assets			
Goodwill	2 295	1 292	1 297
Oil and gas properties	7 199	6 001	6 556
Asset retirement reimbursement right	4 163	3 395	3 662
Trade and other receivables	1 211	1 689	1 744
Cash and cash equivalents	2 301	2 346	1 104
Other assets	1 331	1 073	1 258
Total assets	18 500	15 796	15 621
Total equity	726	2 094	2 078
Liabilities			
Asset retirement obligations	9 535	5 554	5 915
Deferred tax liabilities	888	2 415	2 835
Interest bearing bond loans	1 246	1 300	1 179
Other interest bearing liabilities	477	511	508
Trade and other payables	2 997	1 777	2 220
Income tax payable	2 141	1 748	477
Other liabilities	489	397	410
Total liabilities	17 774	13 702	13 543
Total equity and liabilities	18 500	15 796	15 621

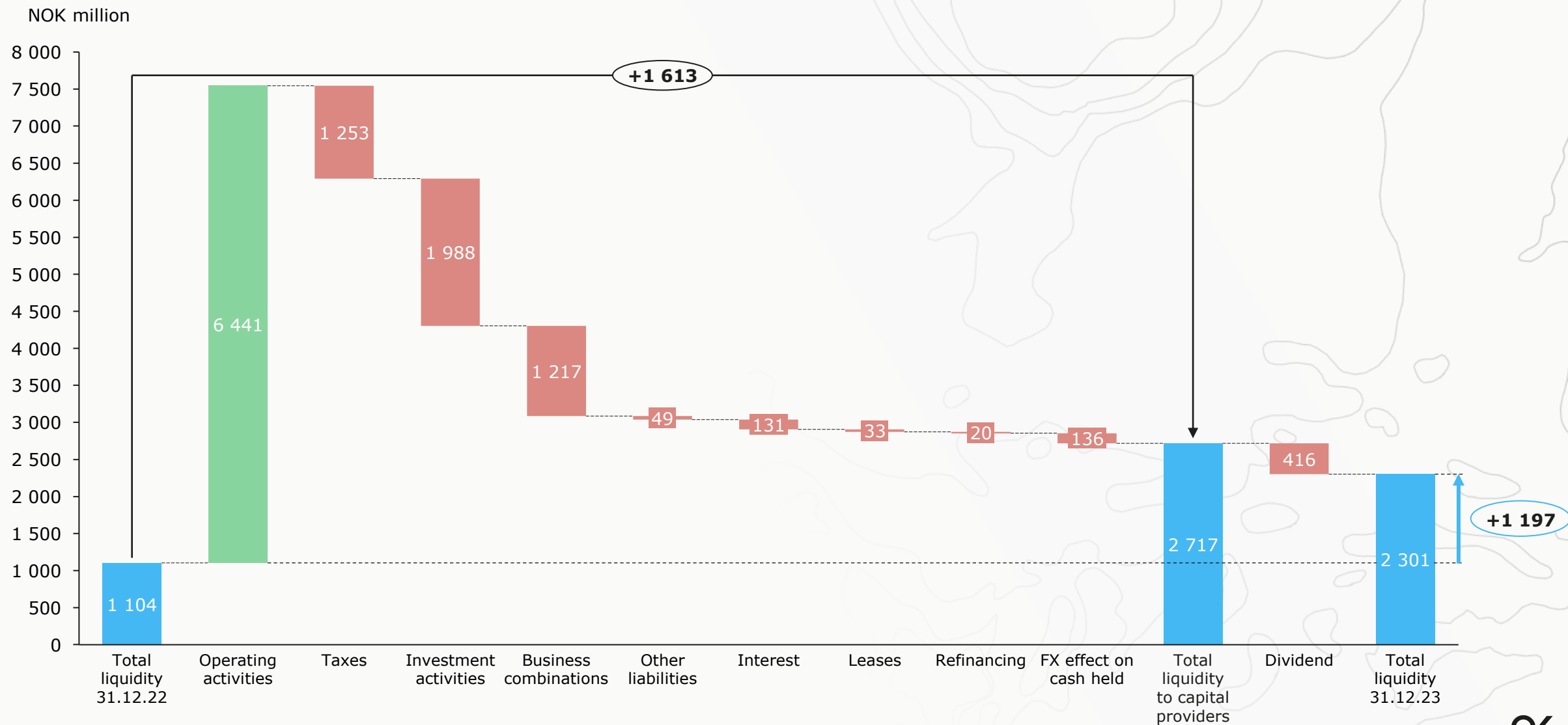
Q4 2023 comments

- Goodwill of NOK 2,295 million; NOK 1,003 million relating to technical goodwill from Statfjord transaction
- Oil & gas properties of NOK 7,199 million; NOK 1,619 million related to Statfjord
- Cash & cash equivalents of NOK 2,301 million
- Interest-bearing bond loans of NOK 1,246 million
- Other interest-bearing liabilities of NOK 477 million relating to financial lease of the Inspirer rig at Yme
- Trade and other payables of NOK 2,997 million; NOK 610 million related to deferred consideration and NOK 390 million in working capital on Statfjord
- Tax payable of NOK 2,141 million
- The asset retirement obligation of NOK 9,535 million is partly offset by the asset retirement reimbursement right of NOK 4,163 million
 - NOK 3,970 million of obligation relates to removal of Statfjord A, B and C
 - NOK 908 million of reimbursement right relates to Equinor's liability to cover removal cost for Statfjord A

Cash development Q4 2023



Cash development YTD Q4 2023



Outlook / Guidance

Production

Production for 2023 ended at 24.6 kboepd; exceeding guidance of 23-24 kboepd

- In addition, Statfjord produced 10.8 kboepd net to OKEA in 2023, slightly below guidance of 11-12 kboepd

Production guidance for 2024 of 35–40 kboepd

- Planned turnaround at Draugen with expected downtime 7 days in Q1
- Other major turnarounds planned: Statfjord – 3 weeks Q2; Brage – 3 weeks Q3; Ivar Aasen – 3 weeks Q3

Capex

Capex for 2023 of NOK 1,911 million; slightly below guidance of NOK 1,950-2,100 million

Capex guidance for 2024 of NOK 2,800–3,300 million

- Comprises Statfjord drilling of new wells and lifetime extension program, Draugen Power from Shore, Brage infill drilling and other activities
- Capex guidance does not include capitalised interest, exploration capex and projects not yet sanctioned

Other

Three remaining tax instalments for 2023 of NOK 715 million each; payable in Feb/Apr/Jun

No dividend proposed for distribution in 2024



Summary

Summary



Record high production; mainly due to solid performance by operated assets Brage and Draugen

Statfjord acquisition completed in December; mitigating actions to unlock asset potential ongoing

Hasselmus commencing production; adding gross volumes of 4,800 boepd on plateau and restarting gas and NGL export at Draugen

PDO on Draugen Power from Shore approved by the Ministry of Energy in December

Strong cash flow from operating activities of NOK 1,720 million

Q&A



Growth



Value creation



Capital discipline

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