



OKEA ASA

Presentation of second quarter 2024

17 July 2024

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- This presentation contains forward looking information
- Forward looking information is based on management assumptions and analysis
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- This presentation must be read in conjunction with the published financial reports of the company and the disclosures therein
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Highlights

Second quarter 2024

Solid operational performance

- Production at 38.4 kboepd
- OKEA operated assets: Draugen performance remains strong; production upsets at Brage rectified and new wells on stream
- Partner operated assets: Overall stable production; planned shut-down due to maintenance at Statfjord A completed

Development projects on track

- Bestla PDO submitted in April
- Draugen power from shore project progressing according to plan
- High activity level on infill and production drilling at Brage and Statfjord

Financial

- EBITDA of NOK 1.6 billion and net profit of NOK 87 million
- Impairments relating to Statfjord and Yme of NOK 267 million
- Strengthened liquidity position by issuance of a USD 125 million senior secured bond (OKEA05)



Key operational figures - Q2 2024*

The leading mid- to-late-life operator on the Norwegian continental shelf

Our priorities



Operational excellence



Capital discipline



Unlocking value

Safety

0.56

(0.58)

SIF**

Production

38.4

(42.1)

kboepd

Production efficiency

89

(91)

%

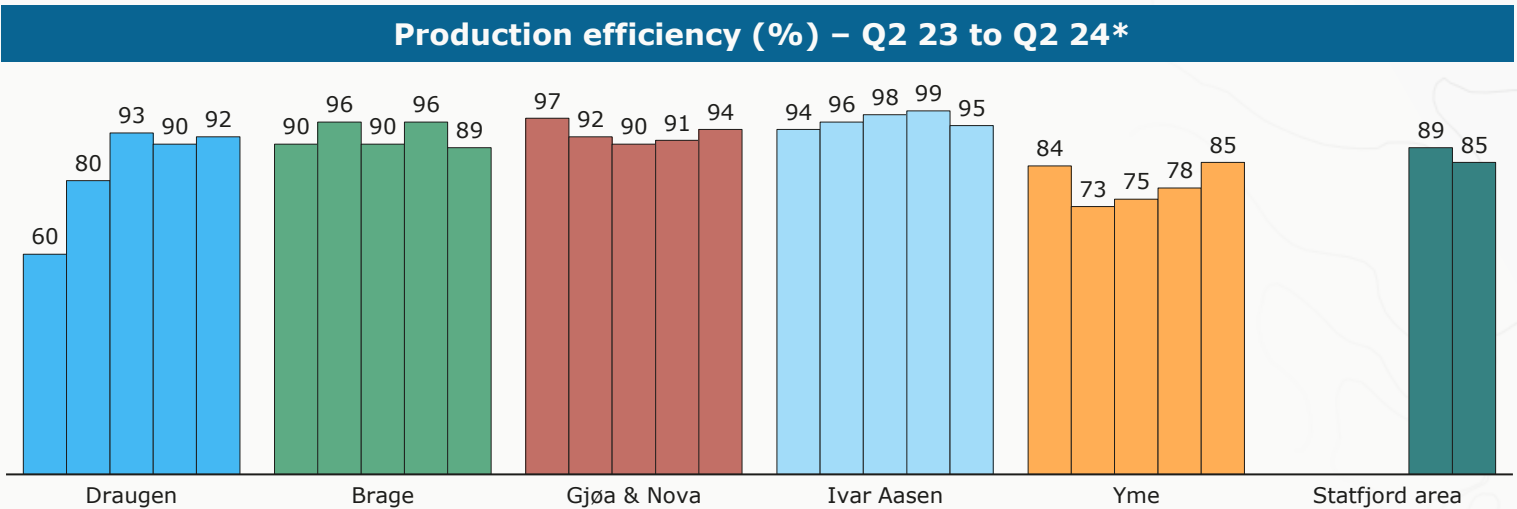
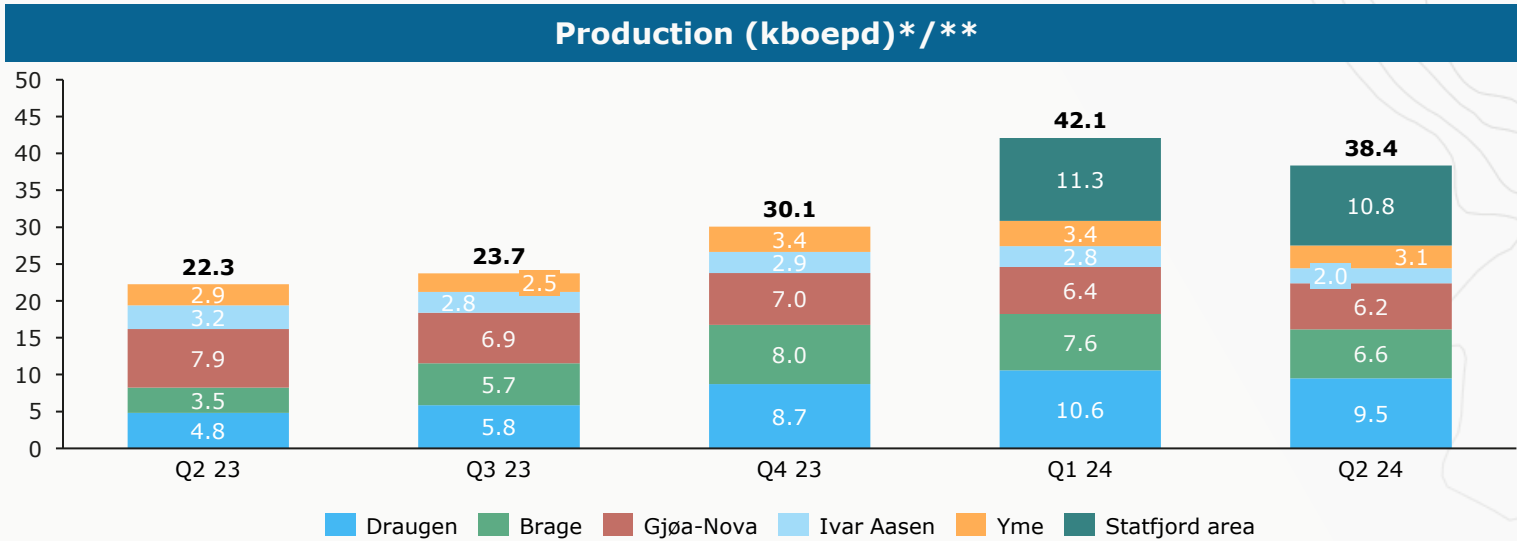
Production expense

229

(198)







NOK/boe

Production volume and efficiency

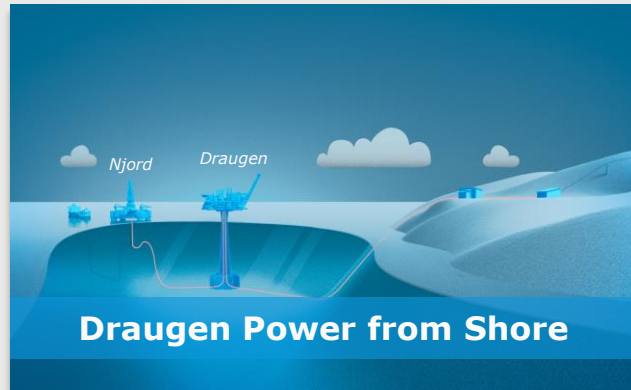


5 *Gjøa & Nova combined as one CGU and all four Statfjord fields treated as one CGU (Statfjord area); production efficiency volume weighted
**Draugen production volumes in Q1 24 include a prior period adjustment of volumes from Hasselmus which increased production in Q1 24 by 1.1 kboepd

Operational update

	Working Interest	Operator	Key updates
 Draugen	44.56%	OKEA	<ul style="list-style-type: none"> ✓ Strong and reliable operation ✓ Initiatives to ensure the integrity and continued stable production ongoing ✓ Power from shore project progressing according to plan
 Brage	35.20%	OKEA	<ul style="list-style-type: none"> ✓ Production upsets rectified ✓ The second Talisker east well commenced production in Q2 24; further wells planned for H2 24 ✓ PDO submitted for the Bestla project
 Statfjord area	28.00%	Equinor	<ul style="list-style-type: none"> ✓ Planned maintenance at Statfjord A completed ✓ Production efficiency improving ✓ Work to update activity/drilling plans ongoing
 Ivar Aasen	9.24%	Aker BP	<ul style="list-style-type: none"> ✓ Continued reliable operation ✓ Hanz put on production during Q2 2024; reducing cost going forward ✓ Maturation of IOR 2026 campaign ongoing
 Gjøa/Nova	12.00% / 6.00%	Vår Energi	<ul style="list-style-type: none"> ✓ Work to resolve water injection issues ongoing ✓ Maturing wells to increase production potential ✓ Several tie-in candidates approaching Gjøa as potential host
 Yme	15.00%	Repsol	<ul style="list-style-type: none"> ✓ Production efficiency improving ✓ Drilling of C-3 infill well ongoing; expected completion in Q3 24 ✓ Work to mature additional infill targets from the Beta template ongoing

Development projects



Rationale

- ✓ Positioning Draugen for the future: low emissions and reduced cost extend economic lifetime
- ✓ Robustness and visibility through fixed power price*
- ✓ Reduced CO₂ emissions and power need

Key figures



~95% CO₂e reduction**



~200,000 Sm³/day available for gas exports (gross)



Improved production efficiency

2024

Construction start

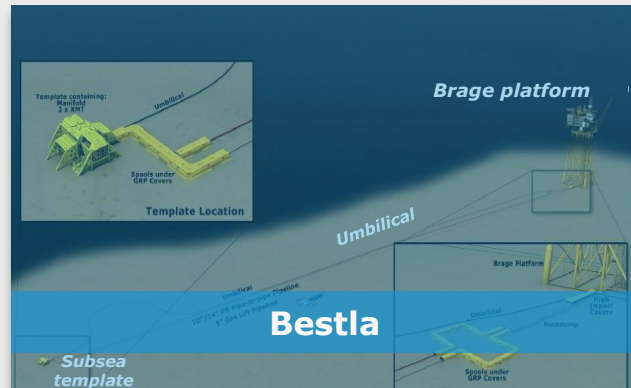
2025

Installation phase

2026

2027

Electrified production



- ✓ Tie-back to Brage with substantial volumes and attractive economics
- ✓ Facilitating lifetime extension; enabling potential value from future projects
- ✓ Reduced CO₂ emissions and power need



24 mboe recoverable reserves (gross)



~USD 40/boe breakeven



~6 bnNOK CAPEX (gross)

2024

Engineering start

2025

Start offshore activities

2026

Tie-in and commissioning

2027

Production start



Financials



Capital structure development

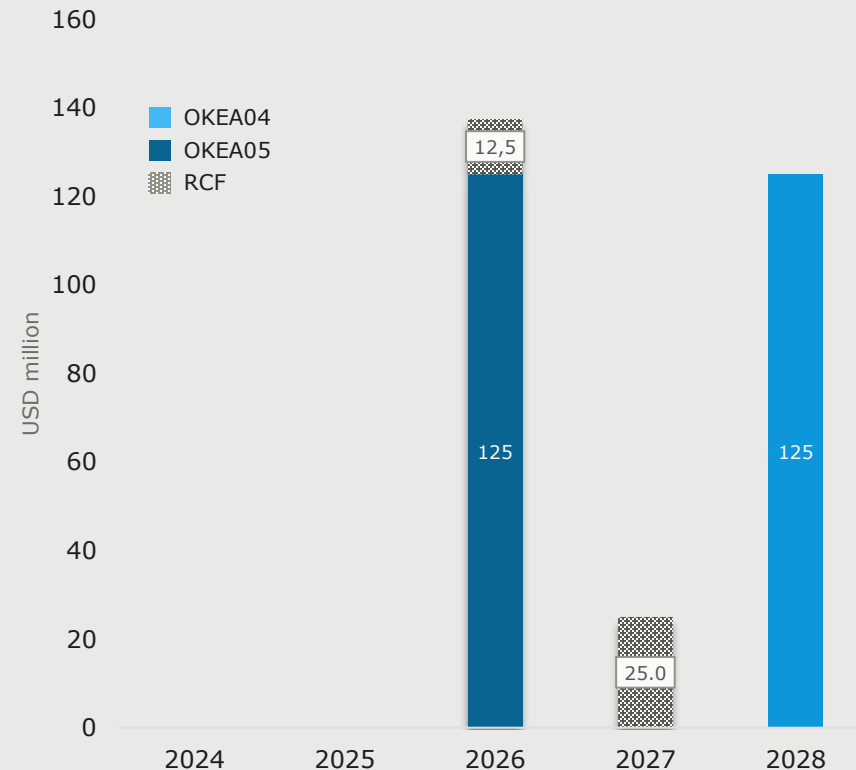
USD 125 million senior secured bond (OKEA05) issued

- Four-year tenor with maturity in May-28
- 9.125% fixed interest rate
- Maturing after startup of Draugen power from shore and Bestla
- USD 125 million tap option replaces the tap option in OKEA04

Super senior RCF increased to USD 37.5 million

- Facility size drops back to USD 25 million in Mar-26
- RCF matures in Nov-27
- Adds flexibility at limited cost
- Remains fully undrawn

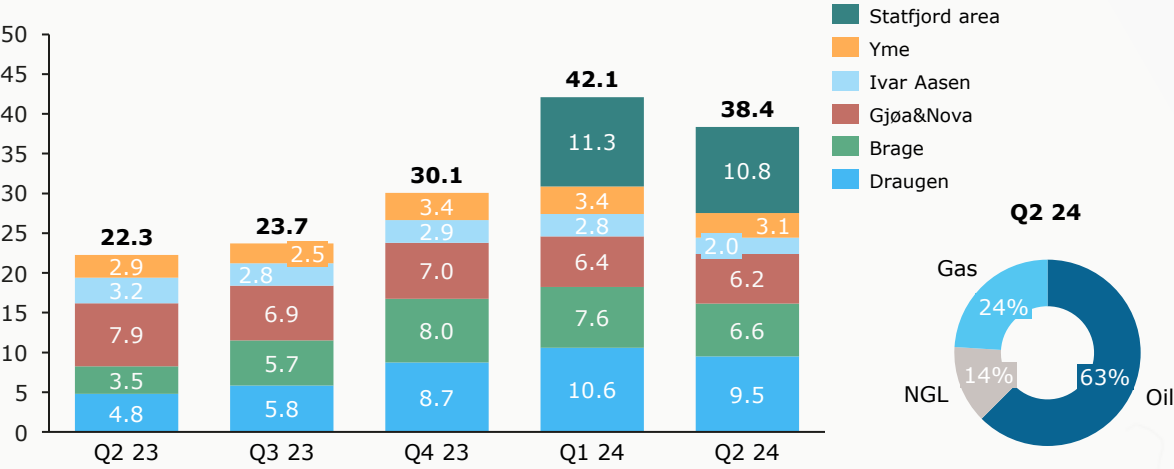
Debt maturity profile*



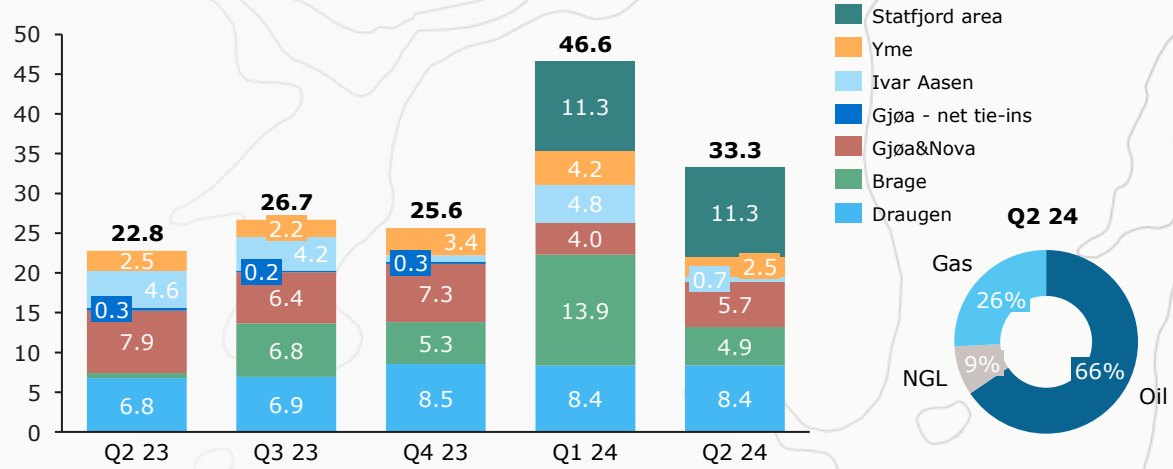
* RCF undrawn as per Q2 2024

Production and sales

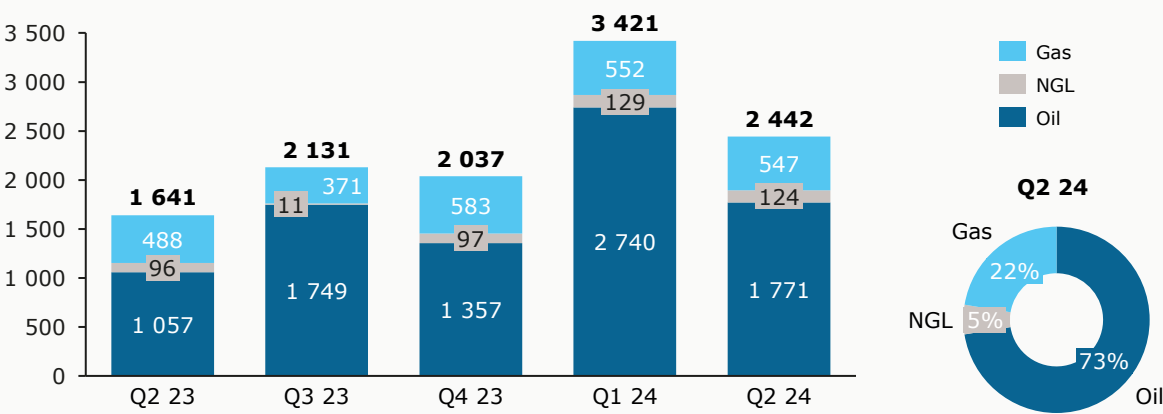
Production (kboepd)



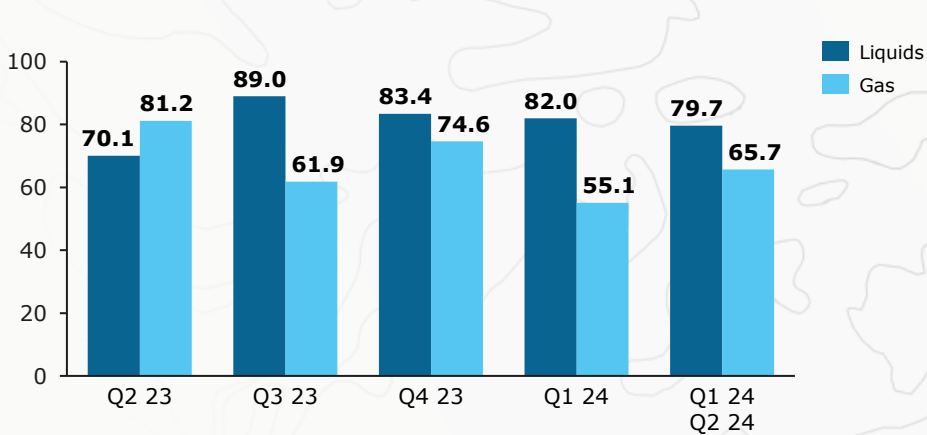
Sold volumes (kboepd)



Revenue by component (NOK million)

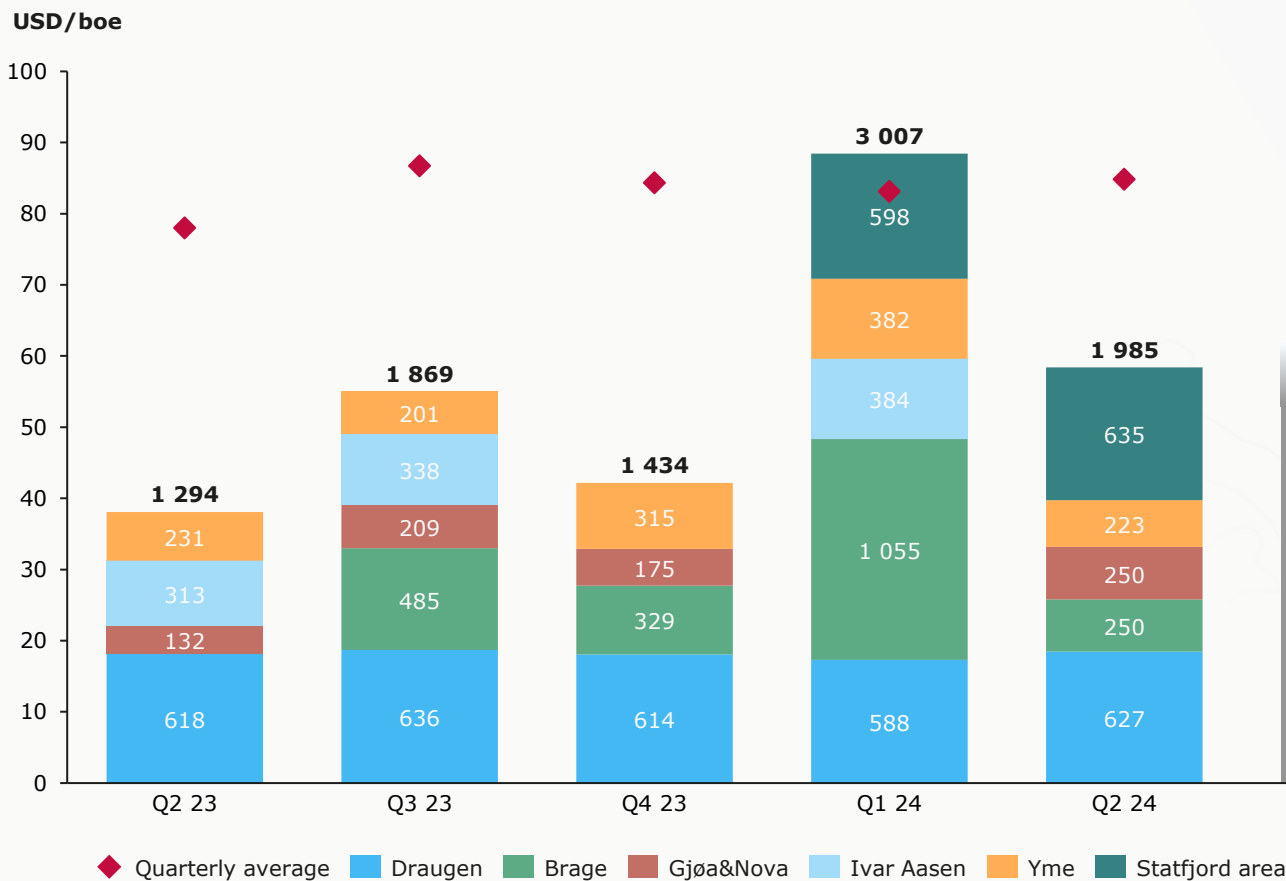


Realised prices (USD per boe)

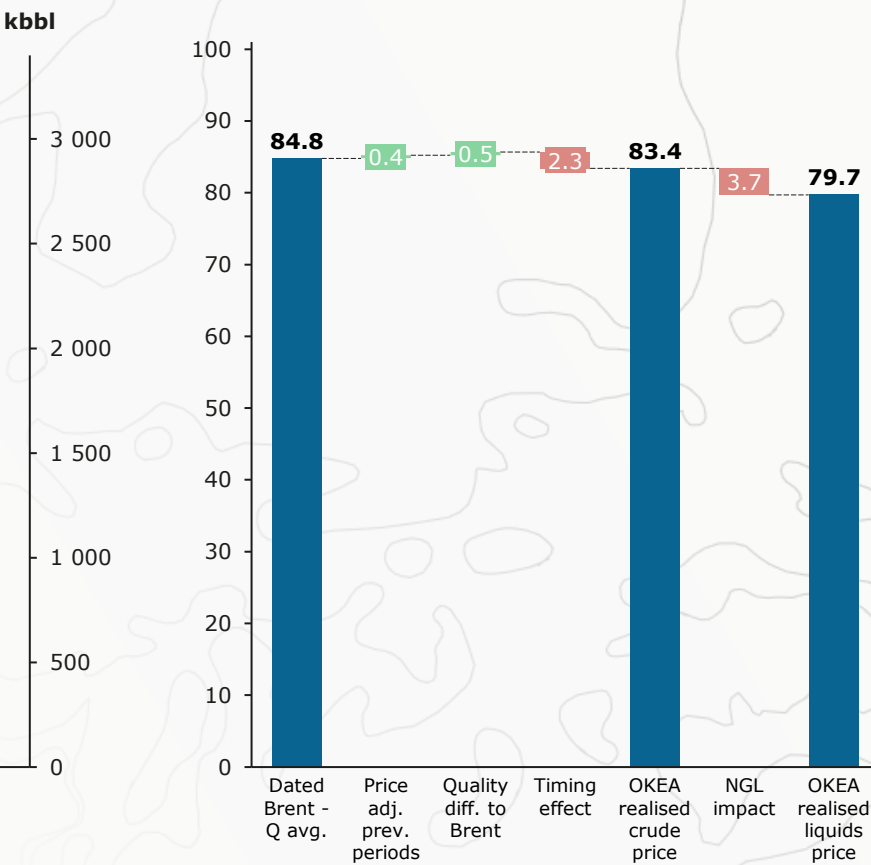


Market prices for crude, realised liquids price and lifted volumes

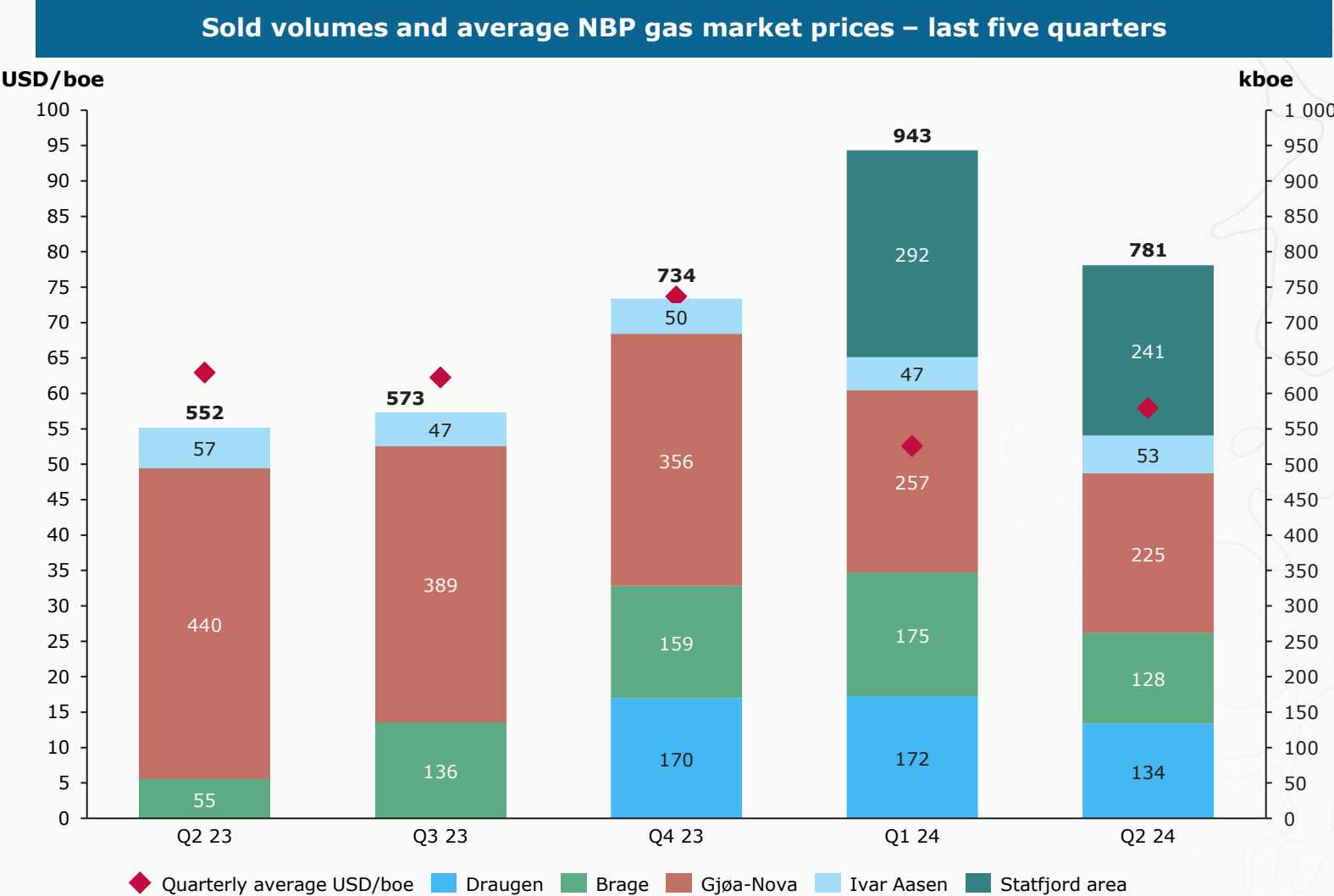
Lifted volumes last five quarters + Q3 24E



Lifted volumes vs Dated Brent



Gas market price and sold volumes



Income statement

Q2 2024 figures						
Figures in NOK million	Q2 24	Q1 24	Q2 23	H1 24	H1 23	2023
Total operating income	2,584	3,474	1,707	6,058	4,661	8,885
Production expenses	-879	-839	-495	-1,718	-1,013	-2,084
Changes in over-/ underlift positions and inventory	155	-385	126	-229	-667	-684
Depreciation	-714	-778	-362	-1,491	-689	-1,695
Impairment (-)/ reversal of impairment	-267	-158	-300	-425	-394	-2,745
Exploration, general and administrative expenses	-243	-91	-171	-334	-222	-360
Profit/ loss (-) from operating activities	637	1,223	506	1,860	1,676	1,316
Net financial items	-23	-144	-115	-167	-164	-217
Profit/ loss (-) before income tax	613	1,080	391	1,693	1,512	1,099
Income taxes	-526	-1,129	-322	-1,655	-1,217	-2,034
Net profit/ loss (-)	87	-49	69	38	295	-935
EBITDA	1,617	2,159	1,167	3,776	2,759	5,756

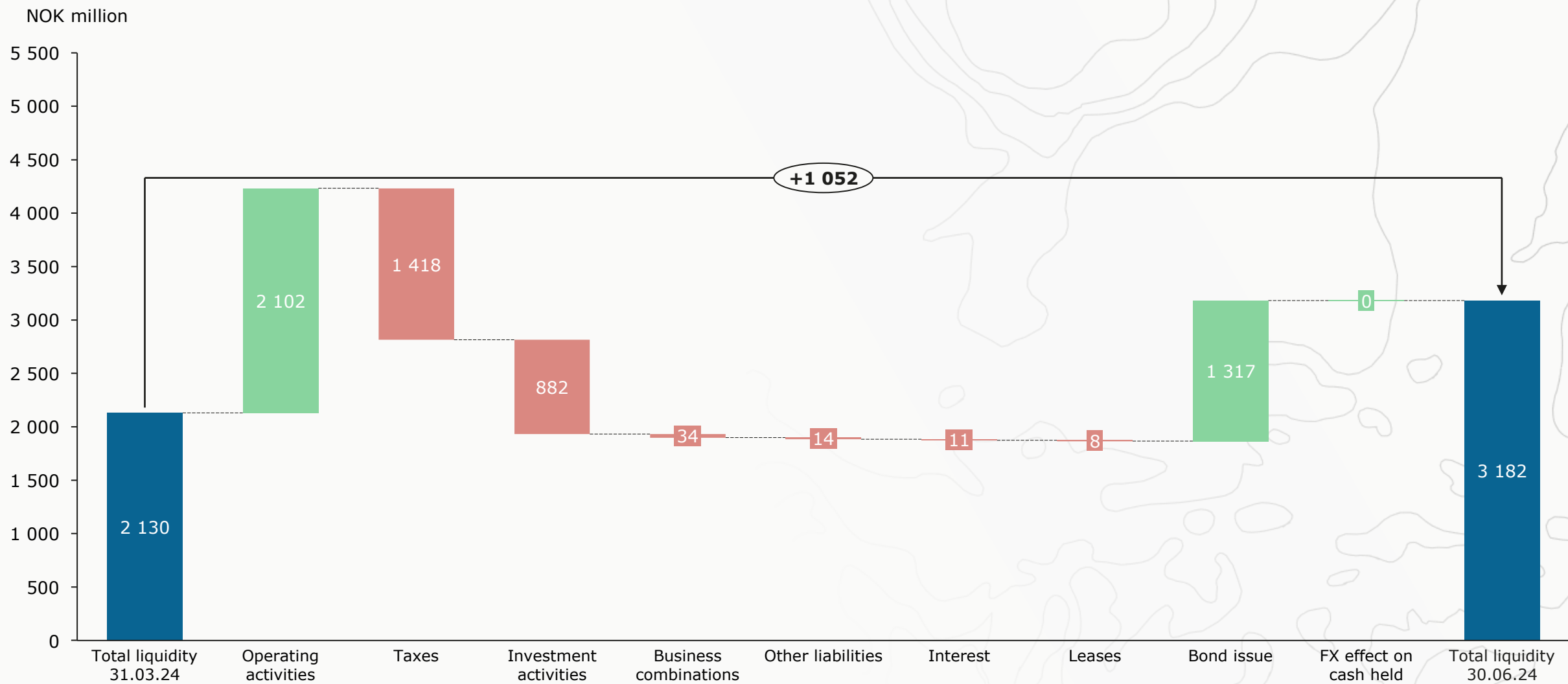
Q2 2024 comments	
<ul style="list-style-type: none"> Operating income of NOK 2,584 million; NOK 2,442 million from sale of petroleum products Production expenses of NOK 879 million; corresponding to 229 NOK/boe Impairments of NOK 267 million <ul style="list-style-type: none"> NOK 121 million in technical goodwill on Statfjord area NOK 144 million on Yme due to reduced forward prices for crude Exploration, general and administrative expenses of NOK 243 million <ul style="list-style-type: none"> NOK 210 million in exploration expenses mainly due to expensing of previously capitalised costs on Calypso NOK 33 million in SG&A expenses Net financial expense of NOK 23 million <ul style="list-style-type: none"> NOK 49 million in net FX gain NOK 33 million in net interest expenses Income tax expense of NOK 526 million <ul style="list-style-type: none"> Effective tax of 86% was higher than the expected 78% mainly due to no tax shield on goodwill impairment 	

Statement of financial position

Q2 2024 figures				
Figures in NOK million	2024		2023	
Assets	30.06	31.03	31.12	30.06
Goodwill	1,927	2,049	2,295	1,292
Oil and gas properties	7,166	7,130	7,199	6,416
Asset retirement reimbursement right	4,179	4,072	4,163	3,486
Trade and other receivables	1,858	1,932	1,211	1,362
Cash and cash equivalents	3,182	2,130	2,301	2,335
Other assets	1,023	1,286	1,331	1,171
Total assets	19,336	18,599	18,500	16,062
Total equity	764	676	726	2,165
Liabilities				
Asset retirement obligations	9,383	9,258	9,535	5,715
Deferred tax liabilities	895	1,013	888	2,774
Interest bearing bond loans	2,614	1,327	1,246	1,293
Other interest-bearing liabilities	472	494	477	531
Trade and other payables	3,207	2,935	2,997	1,961
Income tax payable	1,580	2,358	2,141	1,238
Other liabilities	421	538	489	384
Total liabilities	18,573	17,923	17,774	13,896
Total equity and liabilities	19,336	18,599	18,500	16,062

Q2 2024 comments	
•	Goodwill of NOK 1,927 million; NOK 635 million relating to Statfjord area
•	Oil & gas properties of NOK 7,166 million
•	Cash and cash equivalents of NOK 3,182 million
•	Interest-bearing bond loans of NOK 2,614 million; comprising OKEA04 and OKEA05
•	Other interest-bearing liabilities of NOK 472 million relating to the financial lease of the Inspirer rig at Yme
•	Income tax payable of NOK 1,580 million
•	Asset retirement obligation of NOK 9,383 million; partly offset by the asset retirement reimbursement right of NOK 4,179 million

Cash development Q2 2024



Outlook / Guidance

Narrowing guidance ranges

Production

Production guidance for 2024 of 36 – 40 kboepd

- Guidance range somewhat narrowed from 35 - 40 kboepd
- Major turnarounds scheduled for H2 24 include three weeks at Kårstø which prevents gas export at both Brage and Draugen, and three weeks at Ivar Aasen – both scheduled for the third quarter

Capex

Capex guidance for 2024 of NOK 3.2 – 3.6 billion

- Guidance range somewhat narrowed from 3.2 - 3.7 billion
- ~1/3 of capex relates to infill and production drilling at Brage and Statfjord with short payback time
- In addition, capex comprises Bestla development, Draugen Power from Shore, and other investments
- Capex guidance does not include capitalised interest, exploration spending or projects not yet sanctioned

Other

Taxes payable

- The first three tax instalments for 2024
 - NOK 349 million each
 - Payable in August, October and December



Summary

Summary



Continued strong production of 38.4 kboepd; resulting in EBITDA of NOK 1.6 billion



Draugen field continues to deliver consistent production; Hasselmus is adding volumes to the asset



Production efficiency at Statfjord improving; work to further improve production continues



Bestla PDO submitted; production start scheduled for H1 27 with 10 kboepd peak production net to OKEA



Strengthened liquidity position by issuance of a USD 125 million four-year senior secured bond and increase of RCF facility

Q&A



Growth



Value creation



Capital discipline

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