



OKEA ASA

Presentation of first quarter 2024

25 April 2024

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OKEA first quarter 2024 results

Highlights

- **Operation**

- All time high production of 42.1 kboepd largely driven by Statfjord area activities included in income statement and key figures
- OKEA operated assets: Brage and Draugen continue to perform well; additional volumes at Draugen from Hasselmus
- Partner operated assets: Stable production throughout the quarter; lower production at Gjøa following closing of one well due to sand production

- **Portfolio**

- Bestla sanctioned in Q1; PDO submission planned for 30 April
- Draugen Power from Shore progressing according to plan
- High activity level on infill and production drilling at Brage and Statfjord area
- Ongoing work at Statfjord area to improve production

- **Financials**

- Operating income of NOK 3,474 million and EBITDA of NOK 2,159 million
- Goodwill impairment of NOK 260 million on Statfjord asset; reversal of previous impairments of NOK 102 million at the Yme asset
- Contemplating USD 125 million four-year senior secured bond to strengthen liquidity and enhance financial flexibility ahead of investments in the Bestla development



Quarterly key figures

(Previous quarter in brackets*)



Serious incidents frequency*

per million work hours

0.6

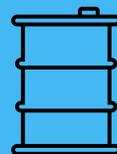
(2.4)

CO₂ emissions intensity

kg per boe produced

25.3

(20.1)



Production**

kboepd

42.1

(30.1)

Production efficiency***

%

93

(92)



Net CF from ops.

NOK million

1,293

(1,720)

Production expense

NOK/boe

198

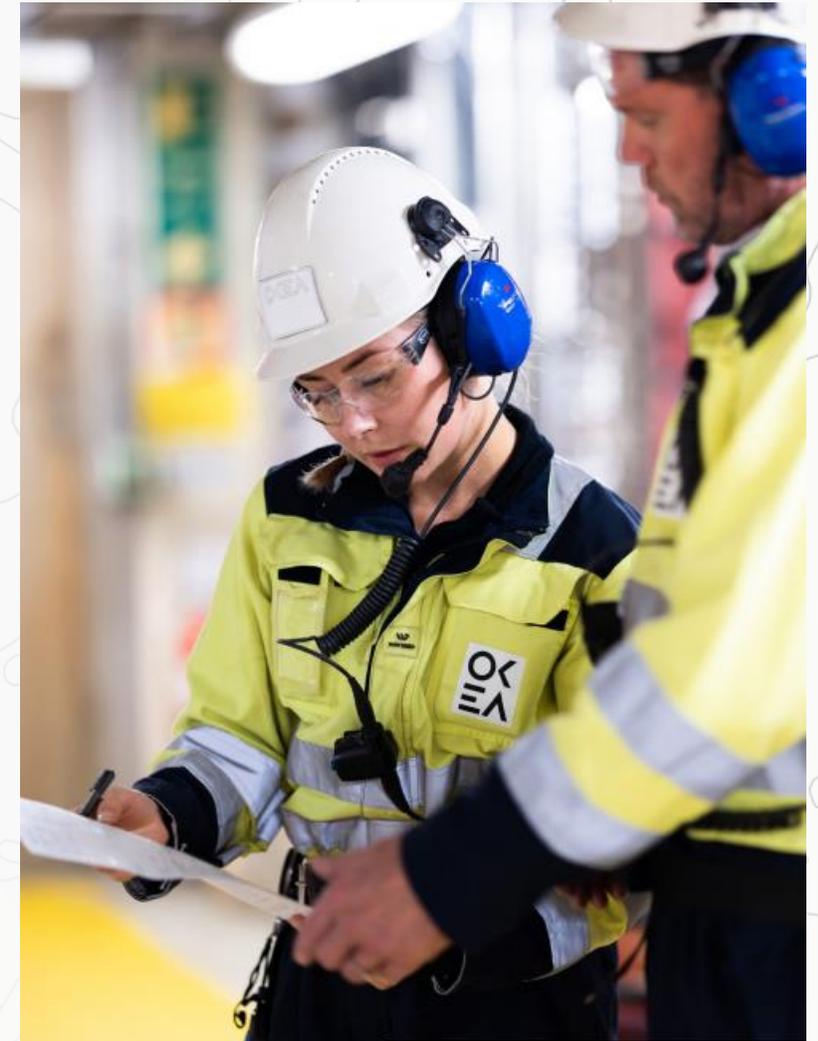
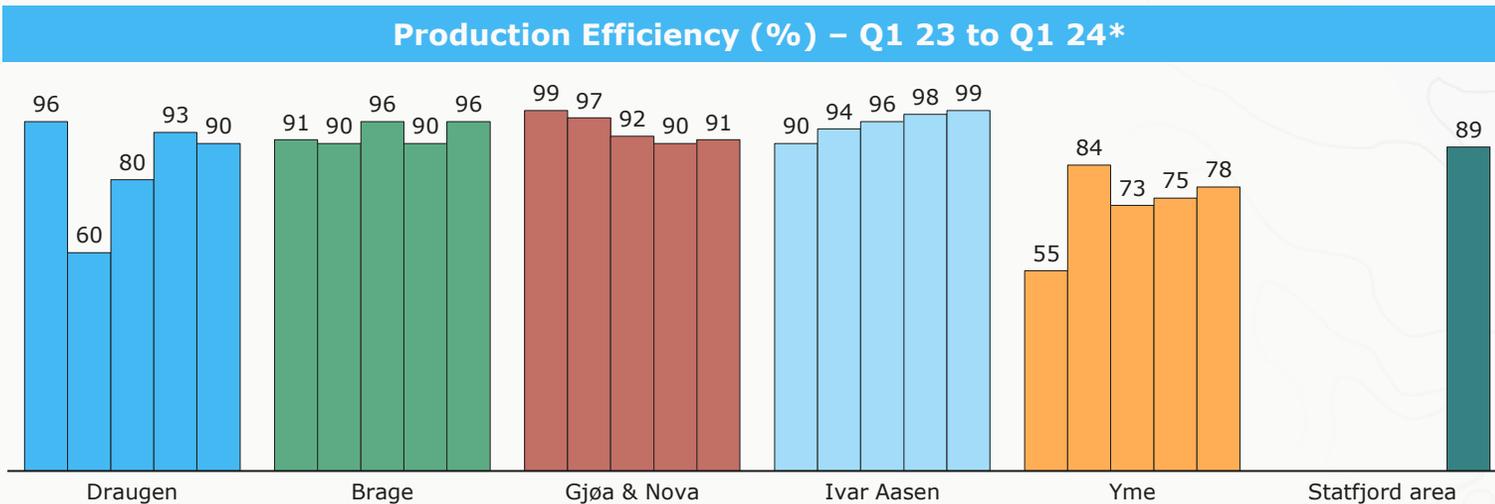
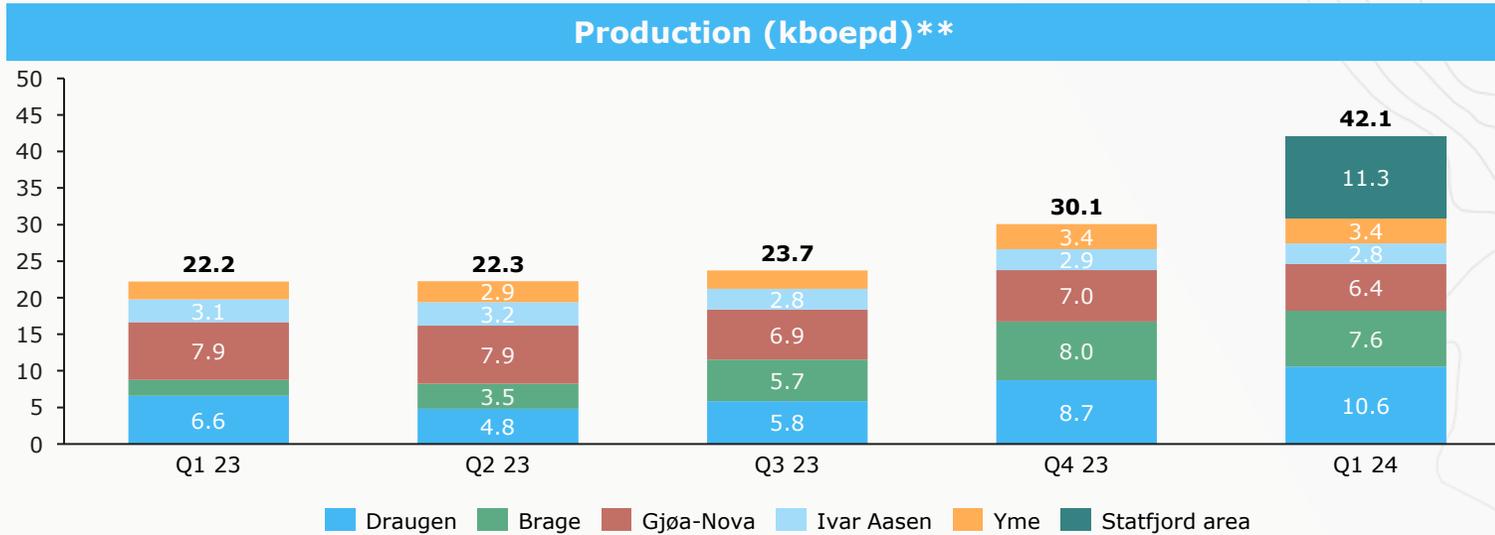
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4 *SIF frequency is for 12 months rolling

**Draugen production volumes in Q1 24 includes a prior period adjustment of volumes from Hasselmus which increases production in Q1 24 by 1.1 kboepd

***Production efficiency from own operated assets

Production volume and efficiency



5 *Gjøl & 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 includes a prior period adjustment of volumes from Hasselmus which increases production in Q1 24 by 1.1 kboepd

Operational update



Draugen (op. WI 44.56%)

- Draugen field continues to deliver consistent production; Hasselmus adding volumes to the asset
- Draugen licence extension to 31 December 2040 approved by Ministry of Energy



Brage (op. WI 35.2%)

- Lower production due to natural decline and no new production wells put in production during the quarter
- Drilling activities continue; two new wells drilled in Q1; expected to come onstream in 2024
- Maturing development well for Kim discovery



Statfjord area (WI 28%)

- Four of 10-15 wells planned for 2024 drilled in Q1
- Somewhat reduced volume expectations for 2024 due to two dry wells in Q4; two sidetracks to mitigate planned for end of 2024
- Ongoing work at Statfjord area to improve production



Ivar Aasen (WI 9.2385%)

- Stable production during the quarter
- First well intervention campaign successfully completed in Q1; second campaign planned for Q4 2024
- Maturation of IOR 2026 campaign ongoing



Gjøa & Nova (WI 12% & 6%)

- Lower production at Gjøa following temporary closure of one well due to sand production; mitigating actions assessed
- Stable production at Nova; rig secured for H2 2024 to drill fourth water injector
- Several tie-in candidates approaching Gjøa as potential host



Yme (WI 15%)

- Operations running well; production efficiency impacted by weather conditions preventing offloading
- Drilling of injection well completed in Q1; commenced operation in April
- Drilling of multilateral well solution for C-8 in Q2

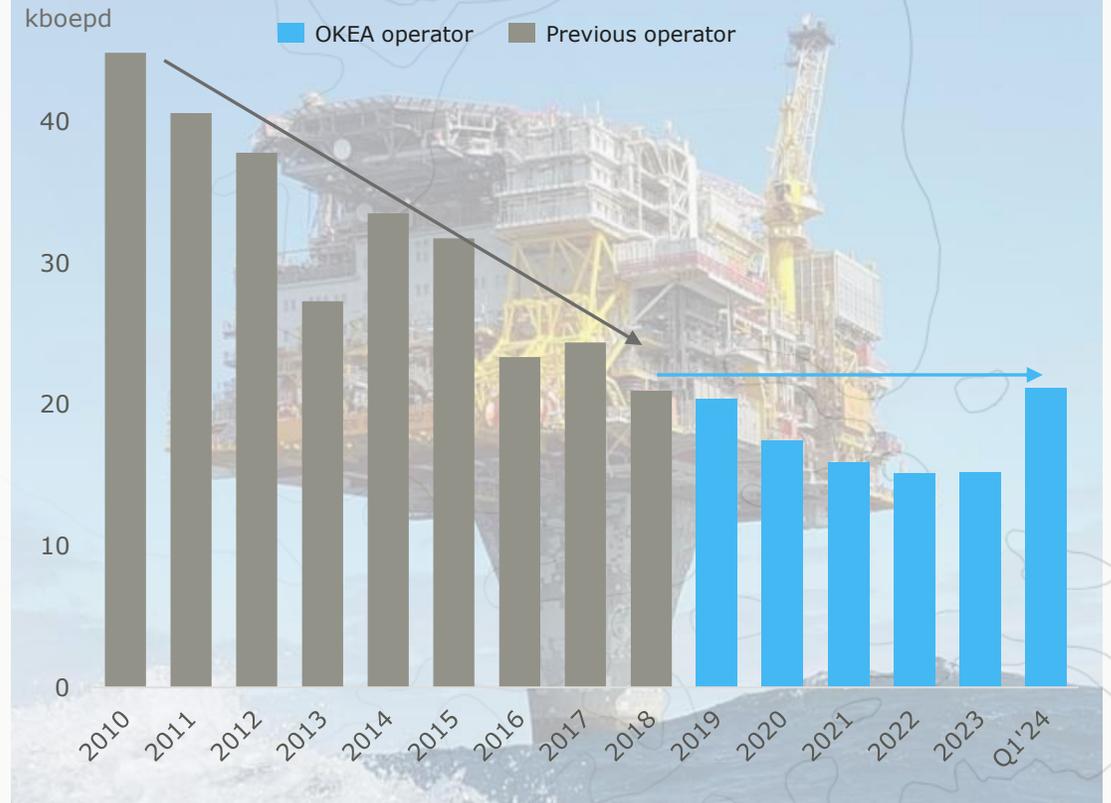
Creating value through active operatorship – Draugen

Efficiency improved and production at highest level since Q3'19

Draugen thriving under OKEA operatorship

- Draugen was winner of previous operator Shell's CEO HSSE & SP Award for 2017 and used as a global benchmark within Shell
- After taking operatorship in December 2018, OKEA has:
 - Improved production efficiency
 - Extended lifetime from 2027 to 2040+
 - Sanctioned electrification project – will reduce CO2 intensity by 95% and production expense by 2027
 - Increased production recently to a 4.5-year high in Q1 2024 driven by solid operational performance and key contributions from Hasselmus
- OKEA continuously focuses on maturing additional reserves with PLX/ILX drilling, reducing production expense per boe, increasing production reliability and field lifetime extension

Draugen gross production



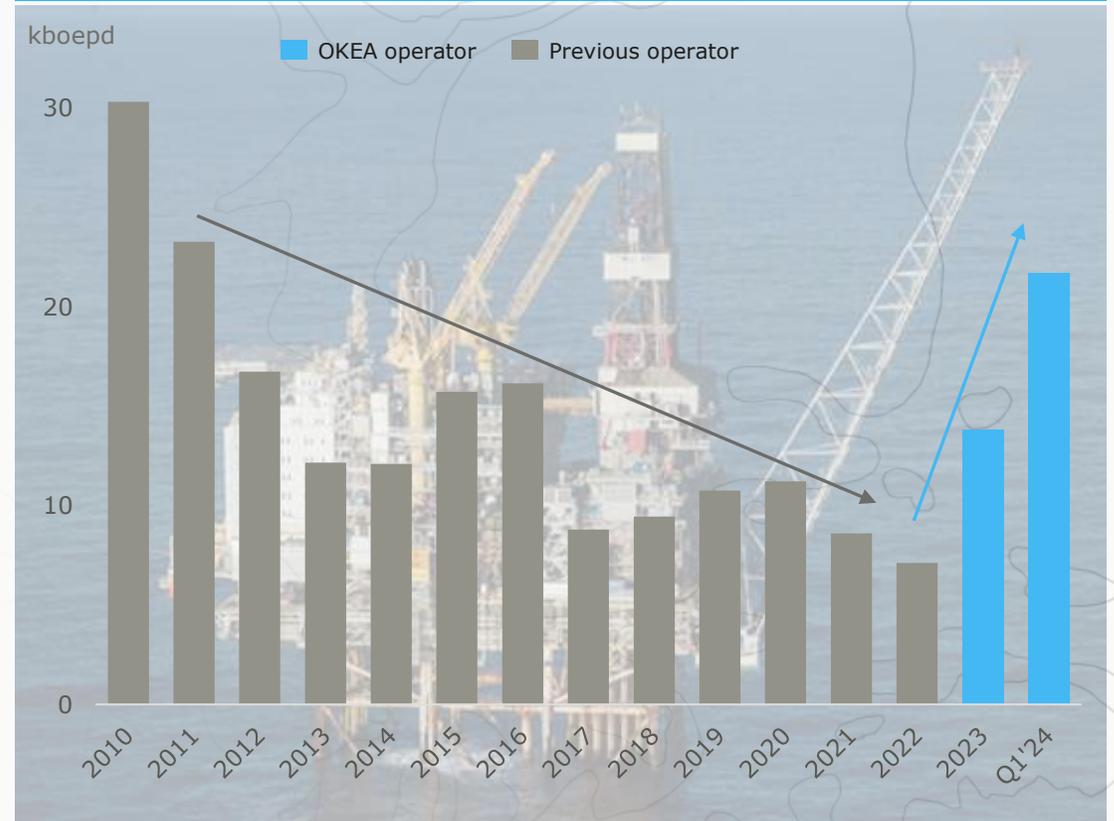
Creating value through active ownership – Brage

Increasing production through infill drilling, increased reliability and Bestla development

Revitalisation of Brage area well underway

- Since becoming operator in November 2022, OKEA has increased production by 3.8x to highest level since 2011 as a result of:
 - High production reliability - 96% in 2023
 - Successful infill drilling campaign and Cook development, delivering above expectations
- Tangible benefits from experience sharing between Draugen and Brage organisations
- Bestla tie-back to Brage will add significant volumes, synergies and economics of scale
- Showcases OKEA's strategy to create additional value in areas close to existing infrastructure by identifying cost-effective solutions that enable extraction of further volumes

Brage gross production



Bestla overview – attractive subsea tie-back to Brage

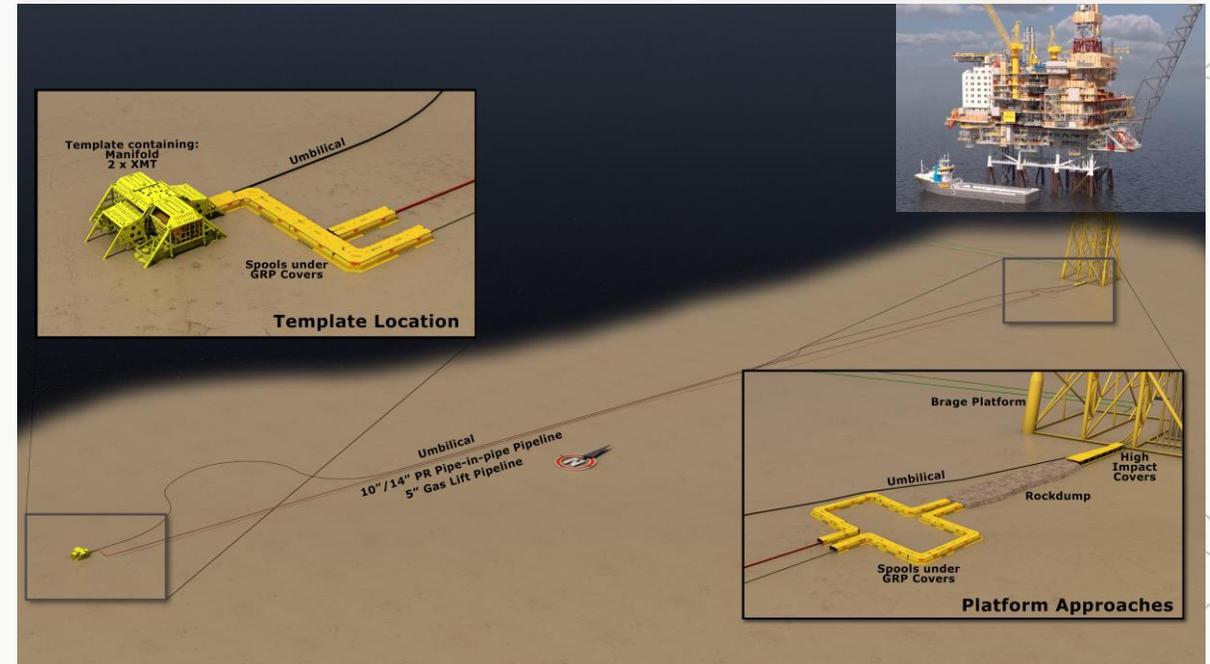
Showcases OKEA's strategy for value creation via cost-effective solutions near existing infrastructure

Summary

- The Bestla (previously Brasse) will be developed as a two well subsea tie-back to the Brage platform, 13km to the north, which will function as host facility for production, processing, and export
- OKEA is operator for both fields with 39.2788% WI in Bestla and 35.2% WI in Brage
- Substantial overlap in license partners and ownership in Bestla and Brage and with OKEA operator of both assets; both licences benefit from synergies and economies of scale
- Use of standard solutions, well-proven technology, and close cooperation with strategic partners ensure an efficient and cost-effective development and reduce risk
- Adding 10 kboepd at peak and 9.4 mmboe reserves (net OKEA)
- Attractive economics with expected payback within the first year after startup
- Production start scheduled for H1 2027

Field overview

- **2P reserves (gross):** 24 mmboe
- **Peak production (gross):** 26 kboepd
- **Capex (gross):** NOK 6.3bn
- **Breakeven:** ~40 USD/bbl

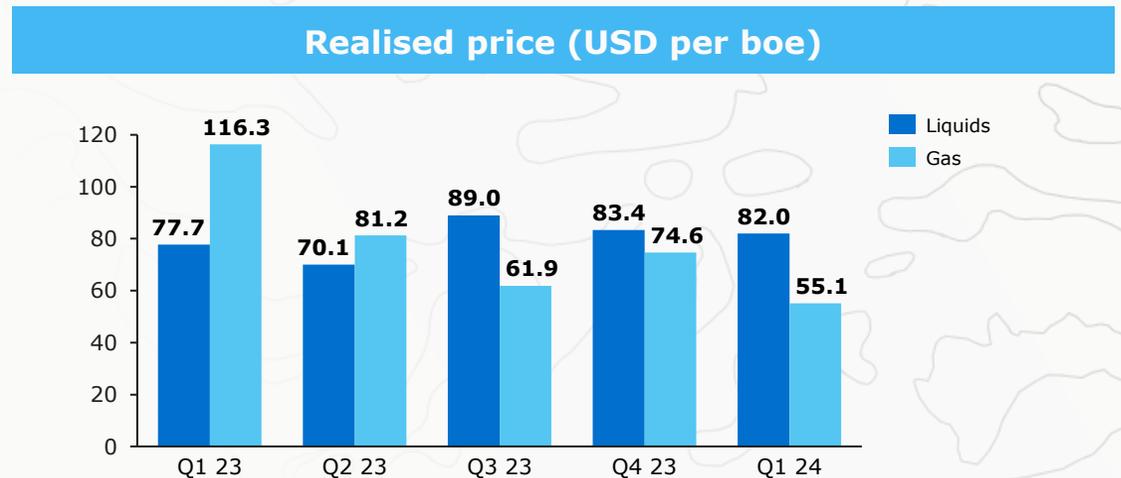
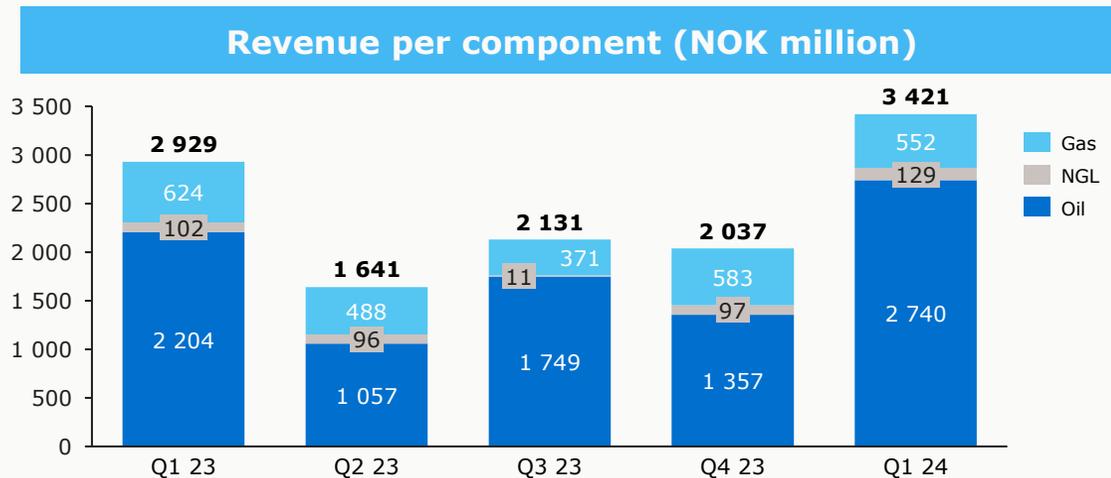
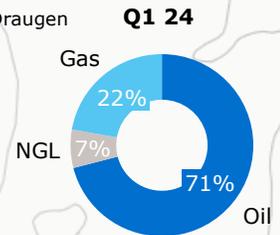
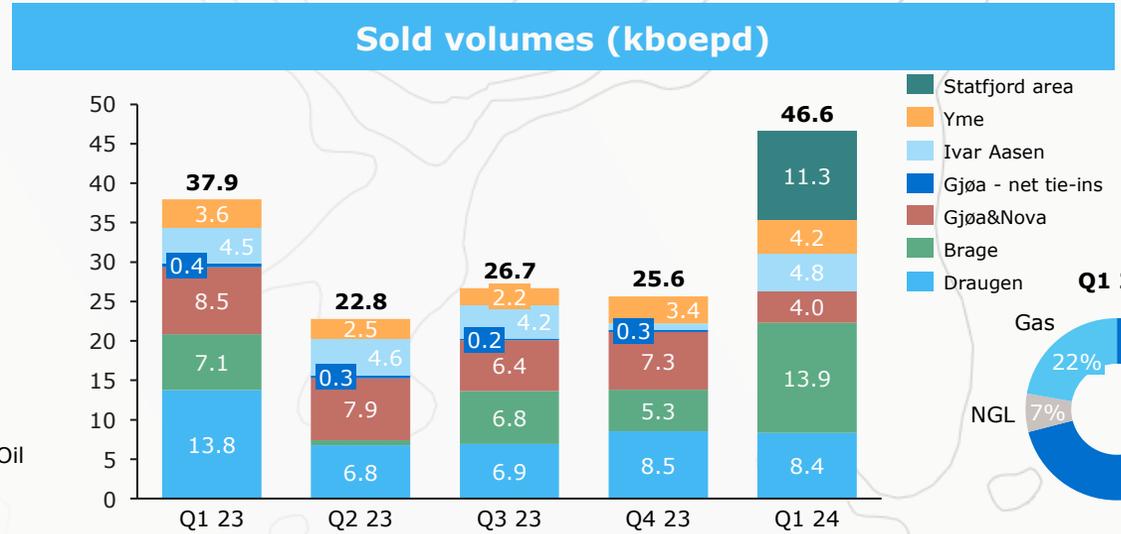
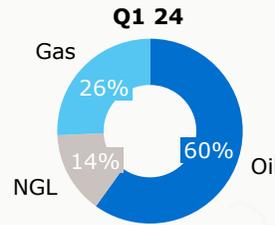
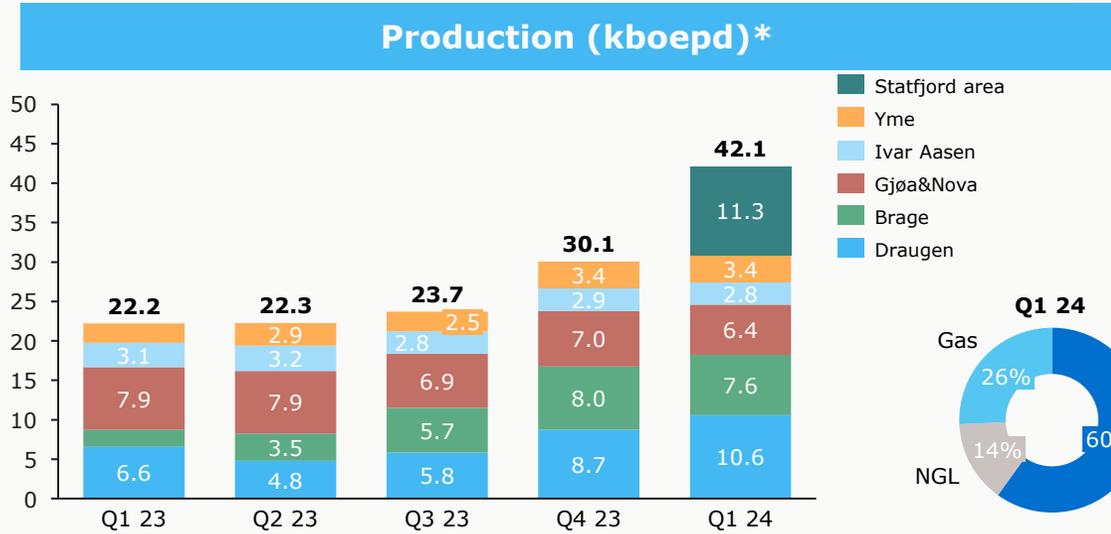




Financials

Oil and gas production, sales and revenues - per asset

The first quarter with volumes from Statfjord area included in income statement and key figures

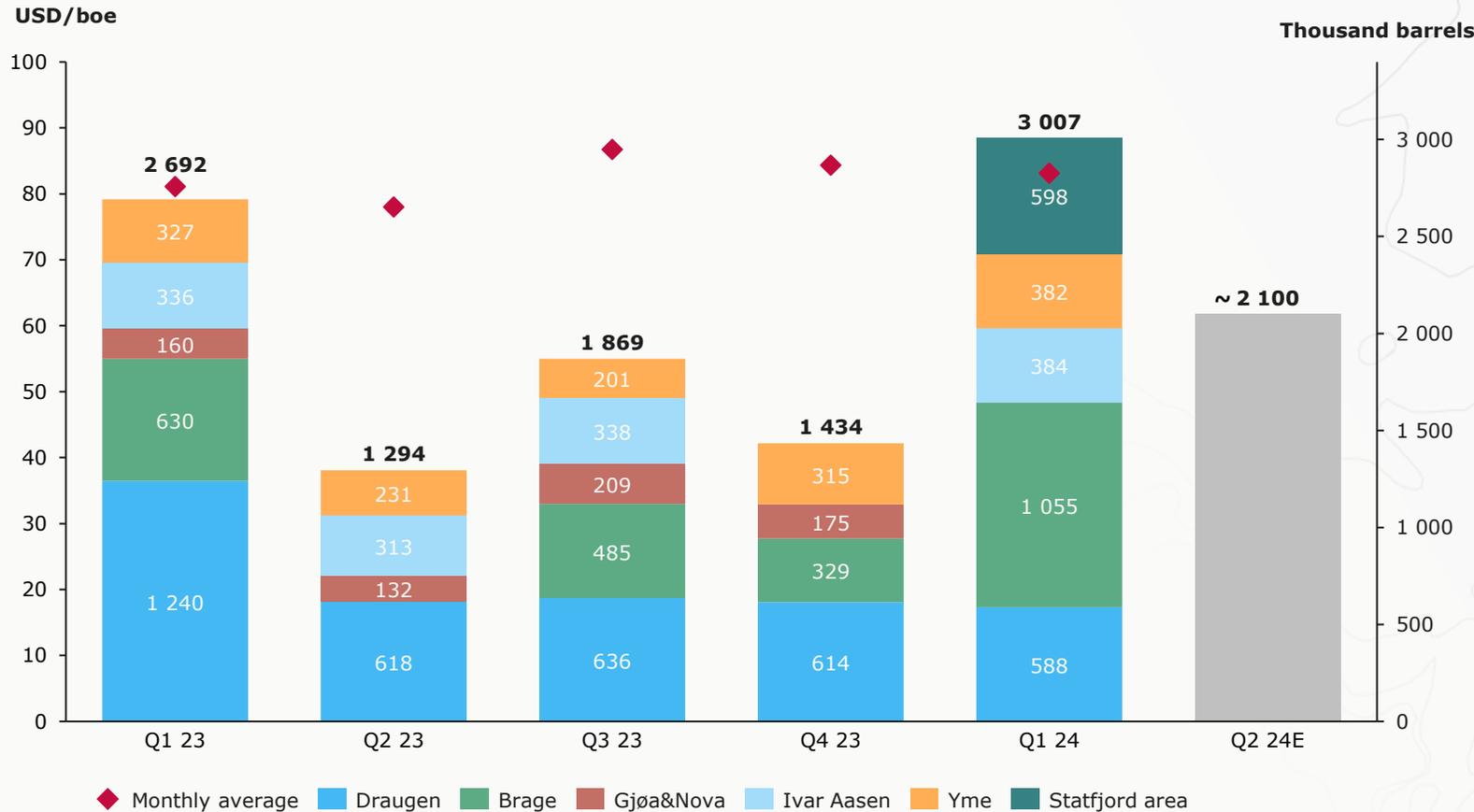


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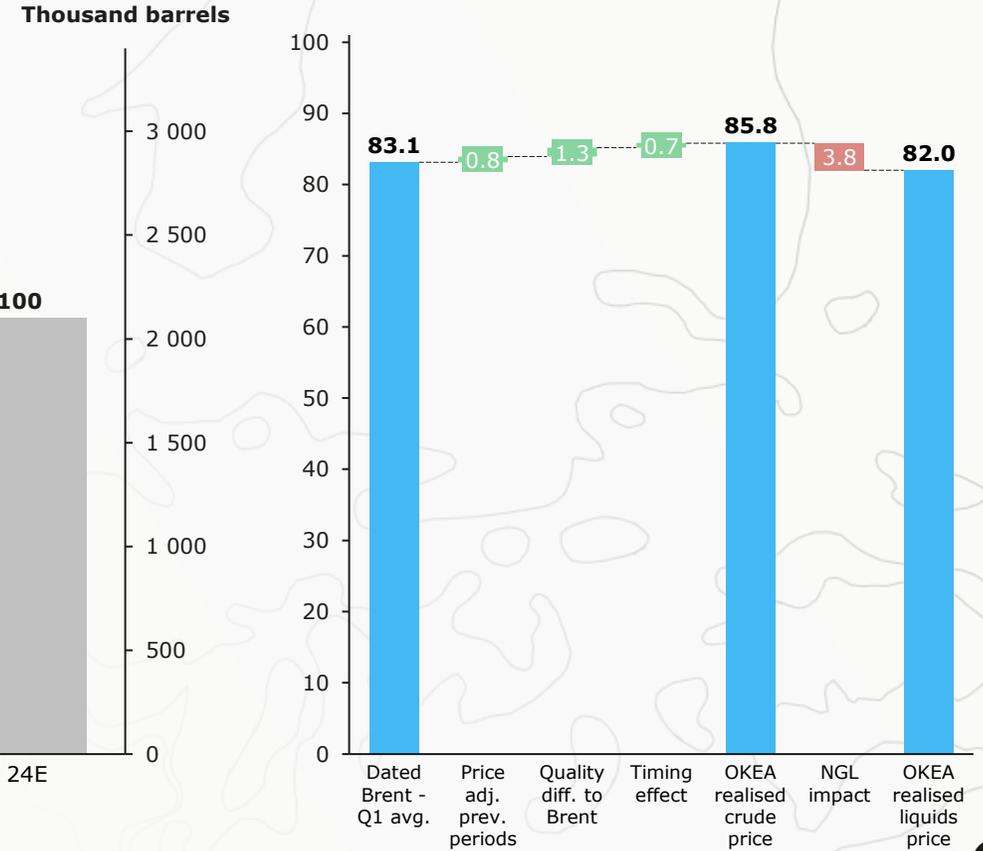
Realised liquids prices

The first quarter with sold volumes from Statfjord area included in key figures

Lifted volumes Q1 23 – Q1 24 + Q2 24E

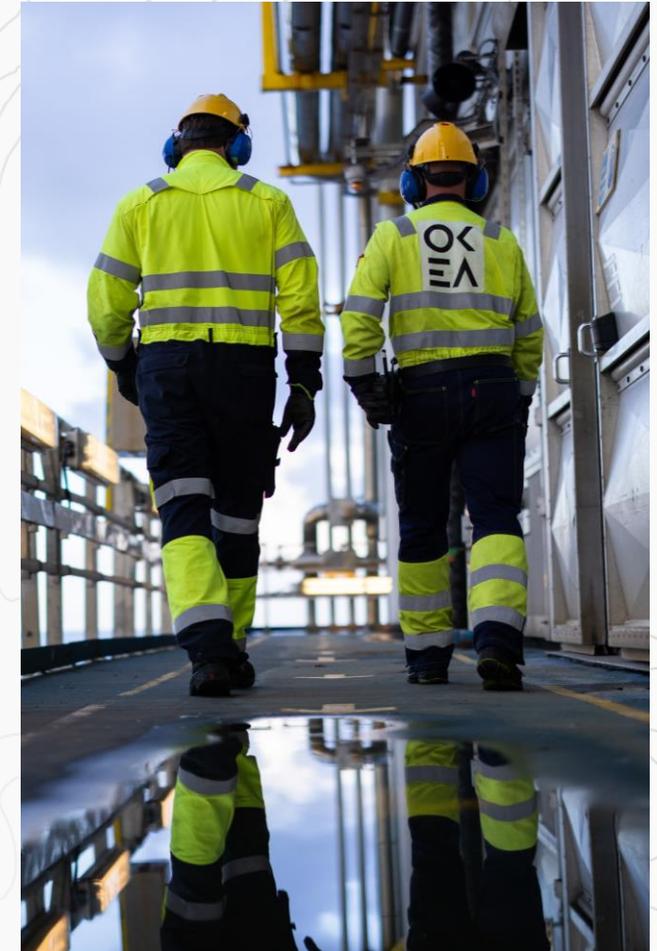
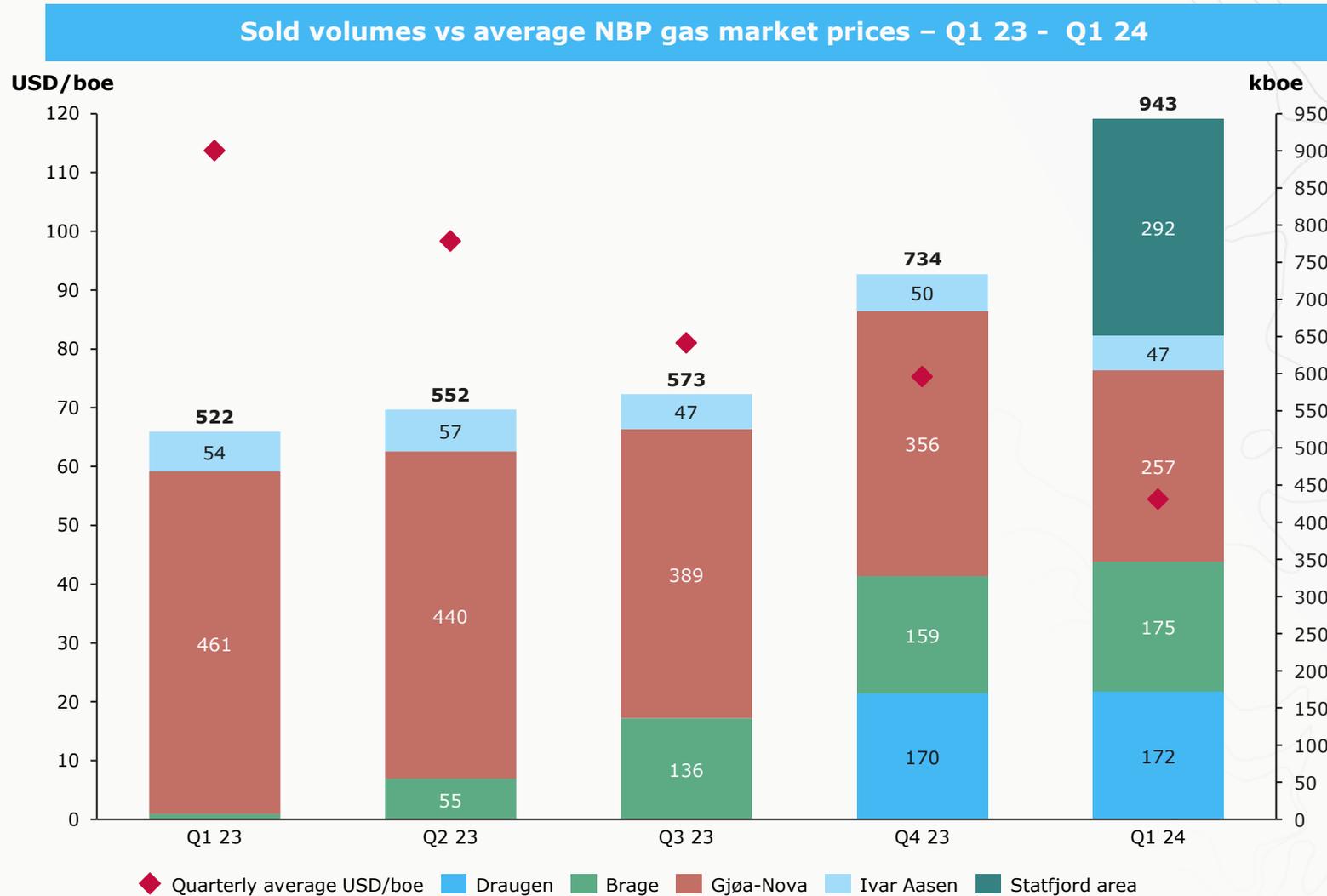


Lifted volumes vs Dated Brent



Gas market prices and sold volumes

The first quarter with sold volumes from Statfjord area included in key figures



Income statement

The first quarter with Statfjord activities included in income statement

Q1 2024 figures				
Figures in NOK million	Q1 24	Q4 23	Q1 23	2023
Total operating income	3 474	2 118	2 954	8 885
Production expenses	-839	-606	-518	-2 084
Changes in over/underlift positions and inventory	-385	208	-793	-684
Depreciation	-778	-580	-327	-1 695
Impairment (-) /reversal of impairment	-158	-1 876	-94	-2 745
Exploration, general and adm. expenses	-91	-58	-51	-360
Profit / loss (-) from operating activities	1 223	-795	1 170	1 316
Net financial items	-144	-78	-49	-217
Profit / loss (-) before income tax	1 080	-873	1 121	1 099
Income taxes	-1 129	-390	-894	-2 034
Net profit / loss (-)	-49	-1 263	226	-935
EBITDA	2 159	1 661	1 592	5 756

Q1 2024 comments

- Operating income of NOK 3,474 million of which NOK 3,421 million from sale of petroleum products.
- Production expenses of NOK 839 million; corresponding to 198 NOK/boe
- Impairments of NOK 158 million
 - Goodwill related to Statfjord asset of NOK 260 million
 - Reversal of previous impairment at Yme asset of NOK 102 million
- Exploration, general and administrative expenses of NOK 91 million
 - Exploration expenses of NOK 50 million
 - SG&A expenses of NOK 41 million
- Net financial expense of NOK 144 million – primarily due to;
 - Net FX loss of NOK 76 million
 - Net expensed interest of NOK 40 million
- Income tax expense of NOK 1,129 million
 - Effective tax rate of 105% mainly due to goodwill impairment

Statement of financial position

Q1 2024 figures

Figures in NOK million

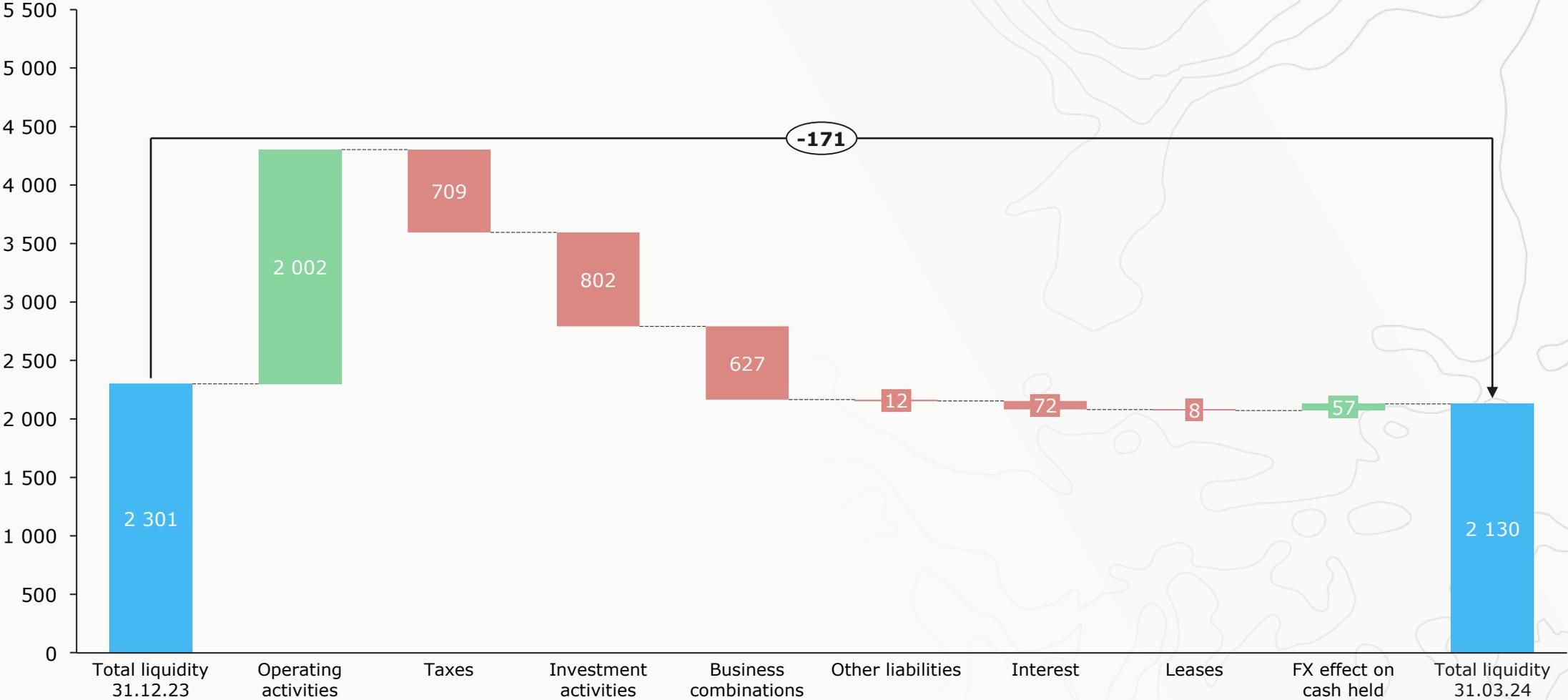
Assets	31.03.2024	31.12.2023	31.03.2023
Goodwill	2 049	2 295	1 292
Oil and gas properties	7 130	7 199	6 496
Asset retirement reimbursement right	4 072	4 163	3 760
Trade and other receivables	1 932	1 211	1 793
Cash and cash equivalents	2 130	2 301	1 634
Other assets	1 286	1 331	935
Total assets	18 599	18 500	15 911
Total equity	676	726	2 200
Liabilities			
Asset retirement obligations	9 258	9 535	5 958
Deferred tax liabilities	1 013	888	2 594
Interest bearing bond loans	1 327	1 246	1 255
Other interest bearing liabilities	494	477	528
Trade and other payables	2 935	2 997	1 548
Income tax payable	2 358	2 141	1 429
Other liabilities	538	489	398
Total liabilities	17 923	17 774	13 710
Total equity and liabilities	18 599	18 500	15 911

Q1 2024 comments

- Goodwill of NOK 2,049 million of which NOK 756 million related to Statfjord asset
- Oil & gas properties of NOK 7,130 million
- Trade and other receivables of NOK 1,932 million; increase due to liftings late in the quarter
- Cash and cash equivalents of NOK 2,130 million exceeding interest-bearing bond loans of NOK 1,327 million
- The asset retirement obligation of NOK 9,258 million is partly offset by the asset retirement reimbursement right of NOK 4,072 million
- Interest-bearing bond loans of NOK 1,327 million
- Other interest-bearing liabilities of NOK 494 million relating to financial lease of the inspire rig at Yme
- Income tax payable of NOK 2,358 million

Cash development Q1 2024

NOK million



Outlook / Guidance

Production

Production guidance for 2024 of 35–40 kboepd

- Guidance remains unchanged
- Planned turnaround at Statfjord A with expected downtime of 5 weeks in Q2
- Other major turnarounds planned: Brage – 3 weeks Q3; Ivar Aasen –3 weeks Q3

Capex

Capex guidance for 2024 updated to NOK 3.2–3.7 billion from NOK 2.8–3.3 billion, following FID on Bestla development project

- ~1/3 of capex relates to infill and production drilling at Brage and Statfjord
- In addition, capex comprises Statfjord area drilling lifetime extension program, Statfjord Øst gaslift project, Draugen Power from Shore, and other investments
- Capex guidance does not include capitalised interest, exploration spending or projects not yet sanctioned

Financing

- Contemplating a new USD 125m senior secured bond to strengthen liquidity and enhance financial flexibility ahead of investments in the Bestla development
- Expect to increase the revolving credit facility (RCF) from USD 25m to USD 37.5m
- The contemplated financing in combination with the RCF upsize provides liquidity and financial flexibility and aligns maturity of the new bond issue with the extended cash flow profile post Bestla sanctioning



Summary

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All time high production of 42.1 kboepd largely driven by Statfjord area activities included in income statement and key figures

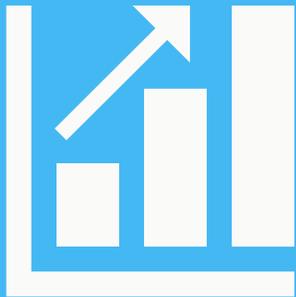
Draugen field continues to deliver consistent production; Hasselmus is adding volumes to the asset

Ongoing work at Statfjord area to improve production

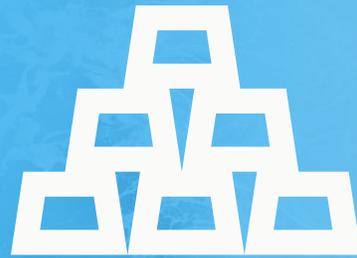
Bestla sanctioned in Q1; production start scheduled for H1 2027 with 10 kboepd peak production net to OKEA

Contemplating a USD 125 million four-year senior secured bond to strengthen liquidity and enhance financial flexibility ahead of investments in the Bestla development

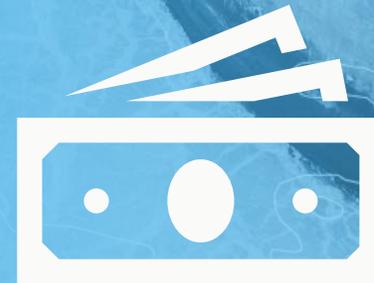
Q&A



Growth



Value creation



Capital discipline

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