OKEA ASA
Q2 quarterly report
2024

Second quarter 2024 summary

Highlights

- No serious incidents at operated assets
- Production of 38.4 (42.1) kboepd
- Operating income of NOK 2,584 (3,474) million
- EBITDA of NOK 1,617 (2,159) million
- Impairments of NOK 267 (158) million
- Profit before tax of NOK 613 (1,080) million
- Tax expense of NOK 526 (1,129) million
- Net profit after tax of NOK 87 (loss of 49) million
- New bond loan (OKEA05) of USD 125 million issued

(Amounts in parentheses refer to previous quarter)

Message from CEO, Svein J. Liknes

I am pleased to report that the strong operational performance, particularly from operated assets, has continued also in the second quarter of 2024. I am also pleased to report a further reduction in the total recordable injury and serious incident frequencies.

The Draugen field continues to deliver consistent production with Hasselmus adding volumes to the asset and the power from shore project is progressing well.

The PDO for the Bestla development project was submitted to the Ministry of Energy in April. The field is estimated to contain 24 million barrels of oil equivalent gross in recoverable reserves and will be developed as a tie-back to the Brage field. The Bestla development aligns well with OKEA's strategy to create additional value in areas close to existing infrastructure by identifying cost-effective solutions that enable extraction of further volumes. The Bestla development, along with the continued drilling activities around Brage, are important supporters for the lifetime extension project for Brage which was initiated in the previous quarter.

Following a period of disappointing performance at Statfjord, we are seeing some positive developments. The new well on Statfjord B is producing above expectations and production efficiency on Statfjord B and C is improving. The collaboration between the OKEA team and operator Equinor to improve performance is continuing and the partnership plans to conclude on a new strategy for the Statfjord Unit during the third quarter of 2024.

With two important projects ongoing at our operated assets, I am pleased that we successfully completed a USD 125 million bond issue in May which has strengthened our liquidity and enhanced financial flexibility ahead of investments in the Bestla development.

Svein J. Liknes,
Chief Executive Officer

Financial and operational summary

	Unit	Q2 2024	Q1 2024	Q2 2023	Full year 2023
Total operating income	MNOK	2,584	3,474	1,707	8,885
EBITDA [1]	MNOK	1,617	2,159	1,167	5,756
EBITDAX [1]	MNOK	1,827	2,209	1,291	5,959
Profit/loss (-) before income tax	MNOK	613	1,080	391	1,099
Net profit / loss (-)	MNOK	87	-49	69	-935
Net cash flow from operations	MNOK	684	1,293	1,401	5,188
Net cash flow used in investments	MNOK	-916	-1,429	-535	-3,206
Net cash flow from/ used in financing activities	MNOK	1,284	-92	-192	-649
Net interest-bearing debt (IBD) [1]	MNOK	-97	-310	-511	-578
Net IBD ex. Other int. bearing liabilities[1]	MNOK	-569	-804	-1,042	-1,055
Net production	**Boepd** [2)4)]	**38,356**	**42,107**	**22,263**	**24,586**
Third-party volumes available for sale [3]	Boepd [2]	-43	0	332	567
Over-/ underlift/ inventory adjustments	Boepd [2]	-5,063	4,477	187	3,071
Net sold volume	**Boepd** [2]	**33,294**	**46,583**	**22,782**	**28,224**
Production expense per boe [1]	NOK/boe	229.2	198.4	223	215.2
Realised liquids price	USD/boe	79.7	82.0	70.1	80.1
Realised gas price	USD/boe	65.7	55.1	81.2	82.2

1) Definitions of alternative performance measures are available on page 35 of this report
2) Boepd = barrels of oil equivalents per day
3) Sold volumes include net compensation volumes to/from Duva and Nova (tie-in to Gjøa)
4) In 2023, activities from the 28% WI in Statfjord area acquired from Equinor were not included in the statement of comprehensive income and key figures prior to closing on 29 December 2023. If volumes from Statfjord area had been included from effective date on 1 January 2023, 2023 production for OKEA would have been 10,799 boepd higher; totalling 35,385 boepd.

Financial review

Statement of comprehensive income

Total operating income amounted to NOK 2,584 (3,474) million, whereof NOK 2,442 (3,421) million relate to petroleum revenue. The average realised crude price was USD 84.4 (85.8) per boe. The NGL discount amounted to USD 4.7 (3.8) per boe, resulting in average realised liquids price of USD 79.7 (82.0) per boe. The average realised price for gas was USD 65.7 (55.1) per boe, of which USD 10.4 (7.5) per boe was attributable to realised gain on fixed price contracts.

Other operating income / loss (-) of NOK 142 (53) million, mainly comprise tariff income at Gjøa and Statfjord of NOK 76 (78) million and a change in fair value of the contingent consideration liabilities to Wintershall Dea and Equinor of NOK 60 (-9) million following a decrease (increase) in forward prices for crude oil.

Production expenses amounted to NOK 879 (839) million, corresponding to NOK 229 (198) per boe. The increase in production expense per boe was mainly due to high activity level on several assets combined with somewhat lower production.

Changes in over-/underlift positions and production inventory amounted to an income of NOK 155 (expense of 385) million as produced volumes exceeded sold volumes by 5,063 boepd (sold volumes exceeded produced volumes by 4,477 boepd).

Exploration and evaluation expenses amounted to NOK 210 (50) million and mainly relate to expensing of previously capitalised costs on PL938 Calypso of NOK 168 (0) million.

Depreciation of NOK 714 (778) million mainly relate to unit of production deprecation of oil and gas properties. The reduction was due to the lower production.

An impairment charge of NOK 267 (158) million was recognised in the quarter, of which NOK 121 (260) million relate to impairment of technical goodwill of Statfjord mainly due to revised risking of less matured projects. The goodwill impairments are not tax deductible and are non-reversable. In addition, a NOK 144 million (reversal of NOK 102 million) impairment of Yme was driven by a decrease in forward prices for crude oil. The impairment of Yme has a net after tax cost of NOK 32 (gain of 22) million. At the balance sheet date, both Statfjord area and Yme are carried at fair value. Any adverse adjustments to asset performance and/or macro assumptions will result in future impairments. In the case of Yme, any potential positive adjustments will result in future reversal of previous impairments. Reference is made to note 12 for further details on impairment.

General and administrative expenses amounted to NOK 33 (41) million and represent OKEA's share of costs after allocation to licence activities.

Net financial items amounted to an expense of NOK 23 (144) million. Net expensed interest amounted to NOK 33 (31) million, and net expensed accretion of asset retirement obligations and receivables amounted to NOK 34 (31) million. Net foreign exchange gain / loss (-) amounted to NOK 49 (-76) million due to a weakening (strengthening) of USD relative to NOK in the quarter.

Profit before tax amounted to NOK 613 (1,080) million.

Tax expense amounted to NOK 526 (1,129) million. The effective tax rate of 86% (105%) exceeded the expected 78% due to impairment not being tax-deductible and financial items being deductible at a lower tax rate (22%).

Net profit / loss (-) for the quarter was NOK 87 (-49) million, corresponding to a gain / loss (-) per share of NOK 0.84 (-0.48).

Statement of financial position

Goodwill amounted to NOK 1,927 (2,049) million and comprise NOK 1,764 (1,885) million in technical goodwill and NOK 163 (163) million in ordinary goodwill. The reduction was due to the technical goodwill impairment of Statfjord. Reference is made to note 11 for further information.

Oil and gas properties amounted to NOK 7,166 (7,130) million. Investments in the quarter amounted to NOK 892 million and mainly relate to Draugen power from shore and production well drilling at Brage and in the Statfjord area. The increase was partly offset by depreciations of NOK 701 million and the Yme asset impairment of NOK 144 million.

Right-of-use assets amounted to NOK 183 (191) million and mainly relate to logistical resources on operated assets and lease of offices. The decrease was due to depreciation.

Non-current asset retirement reimbursement rights amounted to NOK 4,097 (4,001) million and relate to Equinor's, Shell's and Wintershall Dea's obligations to cover decommissioning costs for Statfjord A, Draugen/Gjøa, and Brage, respectively.

Trade and other receivables amounted to NOK 1,858 (1,932) million and comprise accrued revenue, working capital from joint venture licences and underlift of petroleum products.

Spare parts, equipment and inventory amounted to NOK 749 (832) million, whereof NOK 258 (352) million relate to oil inventory.

Cash and cash equivalents amounted to NOK 3,182 (2,130) million. The increase was mainly due to issuance of the USD 125 million OKEA05 bond in the quarter.

Equity amounted to NOK 764 (676) million, corresponding to an equity ratio of 4% (4%).

Non-current provision for asset retirement obligations amounted to NOK 9,280 (9,169) million. The obligations are partly offset by the asset retirement reimbursement rights outlined above.

Interest-bearing bond loans amounted to NOK 2,614 (1,327) million and comprise the OKEA04 and OKEA05 bonds. The increase was mainly due to issuance of the USD 125 million OKEA05 bond in the quarter.

Total other interest-bearing liabilities amounted to NOK 472 (494) million, whereof the non-current portion was NOK 419 (440) million and the current portion was NOK 53 (54) million. The amount represents OKEA's share of the future obligations under the bareboat charter agreement for Yme for the Inspirer rig. Reference is made to note 23 for further details.

Total provisions amounted to NOK 177 (265) million and comprise a non-current liability of NOK 58 (198) million and a current liability of NOK 119 (67) million included in trade and other payables. The provisions represent estimated contingent consideration relating to the asset purchases from Wintershall Dea and Equinor. The reduction was mainly due to decreased forward prices for crude oil. Reference is made to note 27 for further details.

The lease liability comprises a non-current liability of NOK 162 (170) million and a current liability of NOK 50 (50) million and represents the liability of the right-of-use assets as described above.

Trade and other payables amounted to NOK 3,207 (2,935) million and mainly comprise payments received under payment quantity agreements, accrued expenses, overlift of petroleum products and working capital from joint venture licences.

Income tax payable of NOK 1,580 (2,358) million represent accrued tax for the first half of 2024. The decrease was due to payment of the last two instalments of tax for 2023 in the quarter.

Financing

Issuance of a USD 125 million senior secured bond (OKEA05) was successfully completed in May. The proceeds of the bond will fund planned investments in the Bestla development and general corporate purposes. Investor interest in the issue was solid and the transaction was significantly oversubscribed. The bond carries a fixed coupon of 9.125% and matures in May 2028.

In addition, the super senior revolving credit facility (RCF) was increased from USD 25 million to USD 37.5 million. No drawdowns have been made under the RCF.

Statement of cash flows

Net cash flows from operating activities amounted to NOK 684 (1,293) million. The reduction was mainly a result of tax instalments of NOK 1,418 (709) million paid during the quarter, partly offset by working capital movements.

Net cash flows used in investment activities amounted to NOK -916 (-1,429) million, of which NOK 33 (0) million relate to contingent consideration paid to Equinor. In the previous quarter, NOK 627 million was paid to Equinor as a deferred consideration for the acquisition of the Statfjord area assets. Other investments of NOK 879 (800) million mainly relate to Draugen power from shore and production well drilling at Brage and in the Statfjord area.

Net cash flows from financing activities amounted to NOK 1,284 (-92) million and mainly relate to issuance of the USD 125 million OKEA05 bond.

Financial risk management

OKEA manages financial risk by use of commodity derivative contracts, including foreign exchange rate contracts and fixed price contracts, to manage exposures to fluctuations in commodity prices and foreign exchange rates. A net realised hedging gain of NOK 81 (72) million was recognized in the quarter which mainly related to gain on fixed price contracts for gas of NOK 87 (75) million partly offset by loss on financial hedging positions for oil of NOK 6 (3) million.

As per reporting date, approx. ~25% of the estimated net after tax exposure for natural gas for the third quarter of 2024 were sold forward at an average fixed price of 125 GBp/th. Additionally, ~20% of the estimated net after tax exposure for natural gas for the fourth quarter of 2024 and the first quarter of 2025 was hedged by collars with price floors ~80 GBp/th and ceilings ~182 GBp/th. Furthermore, for the second and third quarter of 2025 ~20% of the estimated net after tax exposure for natural gas was hedged by collars with price floors ~70 GBp/th and ceilings ~164 GBp/th.

In addition, ~50% of the estimated net after tax exposure for oil for the third quarter of 2024 was hedged by collars with price floors of 75 USD/bbl and ceilings ~88 USD/bbl. ~40% of the estimated net after tax exposure for oil for the fourth quarter of 2024 was hedged by collars with price floors of 75 USD/bbl and ceilings ~89 USD/bbl.

At reporting date, OKEA has bought CO2-quotas for ~75% of the estimated requirement for quotas for 2024 for operated assets Brage and Draugen at an average price of ~65 EUR/ton.

The oil and gas options and CO2 quotas are recognised at market value on each balance sheet date. Net unrealised gain from such financial hedging arrangements amounted to NOK 9 (loss of 14) million for the quarter.

Operational review

OKEA's net production was 38,356 (42,107) boepd in the quarter. The lower produced volumes was mainly due to a prior period adjustment equivalent to 1,145 boepd recognised in the first quarter, natural decline in wells at Brage and a 60-day turnaround at Statfjord A during the quarter.

	Unit	Q2 2024	Q1 2024	Q2 2023	Full year 2023
Draugen – production [4]	Boepd	9,514	10,592	4,793	6,487
Brage – production	Boepd	6,630	7,638	3,456	4,856
Statfjord area – production[3]	Boepd	10,831	11,256	N/A	N/A
Gjøa & Nova – production	Boepd	6,241	6,362	7,942	7,424
Yme – production	Boepd	3,111	3,444	2,854	2,809
Ivar Aasen – production	Boepd	2,029	2,816	3,218	3,009
Total net production[3]	**Boepd**	**38,356**	**42,107**	**22,263**	**24,586**
Draugen – sold volume	Boepd	8,362	8,357	6,789	8,980
Brage – sold volume	Boepd	4,851	13,928	605	4,935
Statfjord area – sold volume	Boepd	11,264	11,281	N/A	N/A
Gjøa & Nova– sold volume	Boepd	5,671	4,366	7,881	7,837
Yme – sold volume	Boepd	2,453	3,444	2,542	2,942
Ivar Aasen – sold volume	Boepd	694	2,816	4,632	3,530
Third-party volumes available for sale[2]	Boepd	-43	0	332	567
Total net sold volume	**Boepd**	**33,294**	**46,583**	**22,782**	**28,224**
Total over/underlift/inventory adj.	Boepd	-5,019	4,476	187	3,071

	Unit	Q2 2024	Q1 2024	Q2 2023	Full year 2023
Draugen – production efficiency [1]	%	92	90	60	83
Brage – production efficiency	%	89	96	90	93
Statfjord area – production efficiency	%	85	89	N/A	N/A
Gjøa & Nova – production efficiency	%	94	91	90	95
Yme – production efficiency	%	85	78	84	73
Ivar Aasen – production efficiency	%	95	99	94	92

1. Production efficiency = Actual production / (Actual production + Scheduled deferment + Unscheduled deferment). **Deferment** is the reduction in production caused by a reduction in available production capacity due to an activity, an unscheduled event, poor equipment performance or sub-optimum settings
2. Net compensation volumes to/from Duva and Nova (tie-in to Gjøa)
3. In 2023, activities from the 28% WI in Statfjord area acquired from Equinor were not included in the statement of comprehensive income and key figures prior to closing on 29 December 2023. If volumes from Statfjord area had been included from effective date on 1 January 2023, 2023 production for OKEA would have been 10,799 boepd higher and totalling 35,385 boepd.
4. A prior period adjustment of gas volumes produced from Hasselmus in the fourth quarter of 2023 increased production by equivalent to 1,145 boepd in the first quarter of 2024.

Draugen (operator, 44.56%)

Net production to OKEA from Draugen was 9,514 (10,592) boepd in the quarter. Production efficiency was 92% (90%).

The lower production volume was due to a prior period adjustment equivalent to 1,145 boepd recognised in the first quarter.

During the third quarter, a planned shutdown at the Kårstø gas processing plant will prevent gas export from Draugen for ~3 weeks. A three-day production shutdown to cater for the yearly Emergency Shutdown (ESD) test and safety stop is scheduled to coincide with this period.

Brage (operator, 35.2%)

Net production to OKEA from Brage was 6,630 (7,638) boepd in the quarter. Production efficiency was 89% (96%).

The lower production efficiency was due to a one-week production stop in June for repair of a gas cooler. The lower volumes were additionally a result of natural decline. These effects were partly offset by the second Talisker east well put on production during the quarter.

The Fensfjord north infill well project is on track for production start-up during the third quarter.

An exempt development and operation (PDO) application for the Sognefjord east and Kim area was submitted to the authorities in May. The plan is to commence a combined development and appraisal well for the area during the second half of 2024.

Statfjord area (partner, 28%)

Net production to OKEA from the Statfjord area was 10,831 (11,256) boepd in the quarter. Production efficiency was 85% (89%).

The lower production was due to completion of the turnaround on Statfjord A in the quarter which took 60 days compared to the planned 35 days. Statfjord B and C both delivered high production efficiency during the second quarter.

Following disappointing drilling performance in the previous two quarters, the B-36 well on Statfjord B was put on production in June and is producing above expectations. In addition, a new gas lift well started production during the quarter. The fifth and final gas lift well is planned for start-up in the third quarter.

OKEA has continued the collaboration with operator Equinor to improve production efficiency and drilling performance. Sharing of best practices and learnings is ongoing. The partnership plans to conclude on a new strategy with the target to improve longer term production at the Statfjord Unit during the third quarter of 2024.

As previously reported, OKEA has initiated legal actions against Equinor Energy AS as a time-barring action in accordance with the SPA regulations. There are currently no material developments in the case to report.

Gjøa & Nova (partner, 12% & 6%)

Net production to OKEA from Gjøa and Nova was 6,241 (6,362) boepd in the quarter. Production efficiency was 94% (91%).

Completion of a light well intervention campaign resulted in successful restart of a shut-in well at Gjøa in May. The resulting increase in production volumes was more than offset by an integrity issue causing the water injection (WI) system at Nova to be closed. Work is currently ongoing to assess mitigating measures, and the WI system is expected to be reinstated towards the end of 2024.

A rig to drill a fourth water injector well at Nova in the second half of 2024 has been secured. In addition, perforation of the W-1 AH water injector started as scheduled in the quarter. These two measures will further increase injectivity at the field and are expected to increase oil production. A fourth oil producer at Nova is under evaluation.

The license partnerships of Ofelia (OKEA WI 12%) and Gjøa North (formerly Hamlet, OKEA WI 12%) are pursuing a coordinated development to capture synergies and improve project economics. The ambition is to reach a decision to continue (BOV) at the end of the year and a combined DG1/DG2 is planned for the second quarter of 2025. The new discovery in Cerisa (OKEA WI 0%) will be added in the coordinated development, which will improve project economics and enhance the likelihood of a successful development of all three fields.

Options to appraise the Aurora discovery (OKEA WI 65%) and drill the Selene prospect (OKEA WI 65%) in PL195 west of Gjøa are still under review. Several other tie-in candidates are also approaching Gjøa as potential host, which may generate synergies and reduce cost.

Yme (partner, 15%)

Net production to OKEA from Yme was 3,111 (3,444) boepd in the quarter. Production efficiency was 85% (78%).

Drilling of the C-3 infill well is ongoing and is expected completed early in the third quarter.

The Yme partners are working to mature additional infill targets from the Beta template. In addition, maturation of a project with artificial lift on existing wells to increase recovery and reduce production costs is ongoing. Both projects passed DG1 in the quarter and investment decisions are expected in 2024 and 2025, respectively.

Ivar Aasen (partner, 9.2385%)

Net production to OKEA from Ivar Aasen was 2,029 (2,816) boepd in the quarter. Production efficiency was 95% (99%). Following a third-party tie-in, the allocation principles at Ivar Aasen are under revision. Reported production is therefore based on planned production.

Following completion of the intervention campaign in the first quarter, a second intervention campaign is expected completed in the fourth quarter of 2024. Maturation of the IOR 2026 campaign is ongoing and the license is planning for a DG2 and rig commitment in the second quarter of 2025.

Development projects

Draugen – power from shore (operator, 44.56%)

OKEA and Equinor have, in collaboration with respective license partners, established a joint project to electrify the Draugen and Njord A platforms.

OKEA is responsible for developing the power infrastructure from shore to Draugen, including modifications on Draugen. Equinor is responsible for the cable from Draugen to Njord, including modifications on Njord A. Draugen and Njord will be connected to the power grid at Tensio's transformer station at Straum in Åfjord municipality, where Statnett assesses the connection as operationally sound without need for reinforcement of the power grid.

Installation of the power cable from shore to Draugen is on schedule for completion by year-end 2024.

Preparatory work at Draugen is near completion, and the project is ramping up to start installation of new equipment.

The project will result in average annual reductions of CO2 emissions of 200,000 tonnes from Draugen and 130,000 tonnes from Njord as well as average annual reductions of NOX emissions of 1,250 tonnes from Draugen and 520 tonnes from Njord. In addition, the project will result in reduced production expense and extend the economic lifetime of the Draugen field.

Completion of the project is expected in 2027.

Bestla (operator, 39.2788%)

Following the final investment decision for the Bestla project in March, the plan for development and operation (PDO) was submitted to the Ministry of Energy in April.

Bestla has estimated gross recoverable reserves of 24 million boe and will be developed as a two-well tie-back to the Brage field. Gross capital investments are estimated to approximately NOK 6 billion.

Bestla is expected to come on stream during the first half of 2027, with a concept based on standard solutions, well-proven technology, and close cooperation with strategic partners to ensure an efficient and cost-effective development.

OKEA is operator of the field (39.2788%), joined by DNO (39.2788%), Lime Petroleum (17%) and M Vest Energy (4.4424%) as licence partners.

Exploration licences

Work on the licenses awarded by the Norwegian authorities in the APA 2023 licencing round in January 2024 has commenced:

- PL 1223, the Galtvort discovery, will be considered developed towards the Draugen hub
- PL 1214, Kyllinglår, is located south of Statfjord North
- PL 1222, is located south of the Njord and Draugen hubs

Work with Awards in Predefined Areas (APA) is ongoing towards the application deadline at the end of third quarter.

The PL1014 Arkenstone and PL1119 Mistral exploration wells are planned drilled during the fourth quarter of 2024. Both licenses are operated by Equinor.

QHSSE and ESG

Key QHSSE indicators	Unit	Q2 2024	Q1 2024
Total recordable injury frequency (TRIF)	12 months rolling, per million hours worked	6.18	6.97
Serious incident frequency (SIF)	12 months rolling, per million hours worked	0.56	0.58
Serious acute spills to sea (A-B)	Count	0	0
Hydrocarbon leakages (> 0.1 kg/s)	Count	0	0
Equity share GHG emissions intensity	Kg CO_2e per boe produced	24	24[1)]
Share of female recruitment	12 months rolling, per cent	30	26
Share of locally committed spend	Per cent	98	99

[1)] Corrected from 25 as reported in the first quarter of 2024 financial report

OKEA puts safety first. Preventing harm to people's health and the environment is a key priority and work to ensure safe working conditions is a continuous focus.

No serious incidents have been recorded in 2024. The TRIF rate was reduced in the quarter with one recordable incident in June. There were no serious acute spills or hydrocarbon leakages from OKEA-operated assets during the quarter. The GHG emissions intensity was stable at 24 kg CO2e per boe produced.

Report for the first half of 2024

Financial review

	Unit	H1 2024	H1 2023
Total operating income	MNOK	6,058	4,661
EBITDA	MNOK	3,776	2,759
Net profit / loss (-)	MNOK	38	295
Cash flow from operations	MNOK	1,977	2,720
Cash flow from investments	MNOK	-2,345	-1,221
Cash flow from financing activities	MNOK	1,192	-327

(Amounts in parentheses refer to the first half of 2023)

Total operating income for the six-month period ending on 30 June amounted to NOK 6,058 (4,661) million and total sold volumes were 39,939 (30,320) boepd. The increases were mainly driven by completion of the Statfjord transaction on 29 December 2023.

Production expenses amounted to NOK 1,718 (1,013) million, equivalent to NOK 213 (232) per boe. The increase in production expense was mainly due to a larger portfolio of producing assets. The reduction in production expense per boe was mainly due to higher volumes including from the Statfjord area and from Hasselmus which commenced production in October 2023.

Changes in over/underlift position resulted in an expense of NOK 229 (667) million. The reduction was due to a small net oil overlift in the period compared to a large overlift in the same period last year.

Impairments of NOK 425 (394) million mainly related to NOK 368 (0) million in technical goodwill impairment of Statfjord and NOK 42 (394) million in impairment of the Yme asset.

Net financial items amounted to an expense of NOK 166 (164) million, whereof net foreign exchange rate loss amounted to NOK 27 (140) million. Net interest expense was NOK 65 (7) million and net unwinding of discount from asset retirement obligation and asset was NOK 65 (7) million. The increase in interest expense was due to the OKEA05 bond issued in May 2024. The increase in net unwinding of discount from asset retirement obligation and asset was due to inclusion of the Statfjord removal liability and receivable.

Net profit after tax was NOK 38 (295) million.

Cash flow from operations was NOK 1,977 (2,720) million including taxes paid of NOK 2,127 (499) million. The reduction was mainly due to higher tax payments, partly offset by higher operating profit and changes in working capital.

Cash flow used in investment activities amounted to NOK 2,345 (1,221) million, which mainly related to capital investments of NOK 1,679 (894) million for Draugen power from shore and production drilling on Brage and Statfjord. In addition, a deferred consideration (deposit) amounting to NOK 660 (297) million was paid to Equinor for the acquisition of 28% WI in the PL037/Statfjord area in January. Investments in the first half of 2023 mainly related to Hasselmus, Draugen power from shore and the Talisker east production well at Brage.

Cash flow received/used (-) in financing activities amounted to NOK 1,192 (-326) million and included net proceeds from the OKEA05 bond issue. Cash flow used on financing activities in the first half of 2023 included dividend payments of NOK 208 million.

Guidance

OKEA`s production guidance for 2024 has been narrowed somewhat from of 35-40 kboepd to 36-40 kboepd. Major turnarounds scheduled for the second half of the year include three weeks at the Kårstø processing facility which will prevent gas export at both Brage and Draugen, and three weeks at Ivar Aasen – both scheduled for the third quarter.

Capex guiding for 2024 has also been narrowed somewhat from NOK 3.2-3.7 billion to NOK 3.2-3.6 billion. About one third of the capex relates to infill and production drilling at Brage and Statfjord area. In addition, the guided capex comprises Draugen power from shore, Bestla development project, and other investments. The capex guidance does not include capitalised interest, exploration spending or projects not yet sanctioned.

The first three tax instalments for 2024, due in August, October, and December, have been estimated at NOK 349 million each.

Subsequent events

There are no subsequent events at the date of this report.

Outlook

OKEA has a clear ambition to deliver competitive shareholder returns driven by solid growth, value creation and capital discipline and the strategy continues to focus on three growth levers:

- actively pursuing further value creation in current portfolio,
- pursuing mergers and acquisitions to add new legs to the portfolio, and
- considering organic projects either adjacent to existing hubs or pursuing new hubs, dependent on financial headroom and attractive risk-reward.

The board of directors considers that the company is well positioned to continue to execute on the strategy and deliver value to shareholders going forward.

Financial statements with notes Q2 2024

Statement of comprehensive income

Amounts in NOK `000	Note	Q2 2024 (unaudited)	Q1 2024 (unaudited)	Q2 2023 (unaudited)	01.01-30.06 2024 (unaudited)	01.01-30.06 2023 (unaudited)	01.01-31.12 2023 (audited)
Revenues from crude oil and gas sales	6	2 442 011	3 420 662	1 641 477	5 862 673	4 570 882	8 738 903
Other operating income / loss (-)	6, 25	141 810	53 371	65 809	195 181	90 510	145 631
Total operating income		**2 583 821**	**3 474 033**	**1 707 286**	**6 057 854**	**4 661 392**	**8 884 534**
Production expenses	7	-879 002	-839 482	-494 902	-1 718 484	-1 012 770	-2 083 788
Changes in over/underlift positions and production inventory	7	155 433	-384 693	126 061	-229 260	-667 288	-684 204
Exploration and evaluation expenses	8	-210 163	-49 729	-123 756	-259 892	-147 316	-203 398
Depreciation, depletion and amortisation	10	-713 533	-777 646	-361 953	-1 491 179	-689 128	-1 695 088
Impairment (-) / reversal of impairment	10, 11, 12	-266 765	-158 163	-299 795	-424 928	-394 212	-2 744 808
General and administrative expenses	13	-33 136	-40 983	-47 304	-74 119	-75 031	-157 066
Total operating expenses		**-1 947 165**	**-2 250 697**	**-1 201 649**	**-4 197 862**	**-2 985 744**	**-7 568 352**
Profit / loss (-) from operating activities		**636 656**	**1 223 336**	**505 637**	**1 859 992**	**1 675 648**	**1 316 182**
Finance income	14	73 877	55 307	63 892	129 184	115 957	264 295
Finance costs	14	-146 215	-122 503	-68 036	-268 717	-139 682	-330 006
Net exchange rate gain/loss (-)	14	48 948	-76 341	-110 454	-27 393	-140 271	-151 494
Net financial items		**-23 390**	**-143 536**	**-114 597**	**-166 926**	**-163 995**	**-217 205**
Profit / loss (-) before income tax		**613 266**	**1 079 800**	**391 039**	**1 693 066**	**1 511 653**	**1 098 977**
Taxes (-) / tax income (+)	9	-525 865	-1 129 235	-322 166	-1 655 099	-1 216 648	-2 034 335
Net profit / loss (-)		**87 401**	**-49 435**	**68 874**	**37 967**	**295 004**	**-935 358**
Other comprehensive income, net of tax:							
Items that will not be reclassified to profit or loss in subsequent periods:							
Remeasurements pensions, actuarial gain/loss (-)		-	-	-	-	-	-1 389
Total other comprehensive income, net of tax		**-**	**-**	**-**	**-**	**-**	**-1 389**
Total comprehensive income / loss (-)		**87 401**	**-49 435**	**68 874**	**37 967**	**295 004**	**-936 747**
Weighted average no. of shares outstanding basic		103 910 350	103 910 350	103 910 350	103 910 350	103 910 350	103 910 350
Weighted average no. of shares outstanding diluted		103 910 350	103 910 350	103 910 350	103 910 350	103 910 350	103 910 350
Earnings per share (NOK per share) - Basic		0,84	-0,48	0,66	0,37	2,84	-9,00
Earnings per share (NOK per share) - Diluted		0,84	-0,48	0,66	0,37	2,84	-9,00

Statement of financial position

Amounts in NOK `000	Note	30.06.2024 (unaudited)	31.03.2024 (unaudited)	31.12.2023 (audited)	30.06.2023 (unaudited)
ASSETS					
Non-current assets					
Goodwill	11, 12	1 927 469	2 048 600	2 295 470	1 292 206
Exploration and evaluation assets	11	47 603	212 669	210 481	186 153
Oil and gas properties	10	7 165 815	7 130 042	7 198 586	6 415 615
Furniture, fixtures and office equipment	10	44 171	50 400	56 667	54 578
Right-of-use assets	10	183 027	191 340	199 652	216 276
Asset retirement reimbursement right	15	4 096 634	4 000 985	4 079 318	3 404 526
Total non-current assets		**13 464 719**	**13 634 035**	**14 040 173**	**11 569 354**
Current assets					
Trade and other receivables	17, 25	1 858 224	1 931 801	1 210 790	1 361 721
Spare parts, equipment and inventory	20	748 641	831 958	864 248	714 193
Asset retirement reimbursement right, current	15	82 212	71 437	83 229	81 539
Cash and cash equivalents	18	3 182 497	2 130 187	2 301 181	2 334 876
Total current assets		**5 871 575**	**4 965 383**	**4 459 448**	**4 492 329**
TOTAL ASSETS		**19 336 294**	**18 599 419**	**18 499 621**	**16 061 683**
EQUITY AND LIABILITIES					
Equity					
Share capital	16	10 391	10 391	10 391	10 391
Share premium		1 419 486	1 419 486	1 419 486	1 419 486
Other paid in capital		19 140	19 140	19 140	19 140
Retained earnings/loss (-)		-685 409	-772 811	-723 376	716 195
Total equity		**763 608**	**676 207**	**725 642**	**2 165 213**
Non-current liabilities					
Asset retirement obligations	19	9 279 629	9 168 991	9 431 431	5 613 372
Pension liabilities		65 518	63 979	60 570	49 129
Lease liability	24	161 807	170 172	178 537	195 747
Deferred tax liabilities	9	894 733	1 013 264	888 183	2 774 193
Other provisions	26, 27	58 216	197 773	102 115	18 574
Interest bearing bond loans	22	2 613 588	1 326 514	1 245 860	1 292 803
Other interest bearing liabilities	23	418 812	439 886	427 128	479 429
Total non-current liabilities		**13 492 303**	**12 380 578**	**12 333 823**	**10 423 247**
Current liabilities					
Trade and other payables	21, 25	3 207 327	2 935 283	2 997 001	1 960 912
Other interest bearing liabilities, current	23	53 375	53 677	49 995	51 577
Income tax payable	9	1 580 305	2 358 399	2 141 182	1 238 334
Lease liability, current	24	50 190	50 190	50 190	49 643
Asset retirement obligations, current	19	103 680	89 297	104 036	101 923
Public dues payable		85 505	55 789	97 753	70 834
Total current liabilities		**5 080 383**	**5 542 633**	**5 440 156**	**3 473 223**
Total liabilities		**18 572 686**	**17 923 212**	**17 773 980**	**13 896 470**
TOTAL EQUITY AND LIABILITIES		**19 336 294**	**18 599 419**	**18 499 621**	**16 061 683**

Statement of changes in equity

Amounts in NOK `000	Share capital	Share premium	Other paid in capital	Retained earnings/loss (-)	Total equity
Equity at 1 January 2023	10 391	1 627 307	19 140	421 191	2 078 030
Total comprehensive income/loss (-) for the period	-	-	-	295 004	295 004
Dividend paid	-	-207 821	-	-	-207 821
Equity at 30 June 2023	**10 391**	**1 419 486**	**19 140**	**716 195**	**2 165 213**
Equity at 1 July 2023	10 391	1 419 486	19 140	716 195	2 165 213
Total comprehensive income/loss (-) for the period	-	-	-	-1 231 751	-1 231 751
Dividend paid	-	-	-	-207 821	-207 821
Equity at 31 December 2023	**10 391**	**1 419 486**	**19 140**	**-723 376**	**725 642**
Equity at 1 January 2024	10 391	1 419 486	19 140	-723 376	725 642
Total comprehensive income/loss (-) for the period	-	-	-	37 967	37 967
Equity at 30 June 2024	**10 391**	**1 419 486**	**19 140**	**-685 409**	**763 608**

Statement of cash flows

Amounts in NOK `000	Note	Q2 2024 (unaudited)	Q1 2024 (unaudited)	Q2 2023 (unaudited)	01.01-30.06 2024 (unaudited)	01.01-30.06 2023 (unaudited)	01.01-31.12 2023 (audited)
Cash flow from operating activities							
Profit / loss (-) before income tax		613 266	1 079 800	391 039	1 693 066	1 511 653	1 098 977
Income tax paid/received	9	-1 418 001	-709 001	-332 991	-2 127 002	-499 487	-1 252 743
Depreciation, depletion and amortization	10	713 533	777 646	361 953	1 491 179	689 128	1 695 088
Impairment / reversal of impairment	10, 11, 12	266 765	158 163	299 795	424 928	394 212	2 744 808
Expensed exploration expenditures temporary capitalised	8, 11	168 312	64	171	168 376	4 683	4 703
Accretion asset retirement obligations/reimbursement right - net	14, 15, 19	33 843	31 389	3 738	65 233	6 929	21 905
Asset retirement costs from billing (net after reimbursement)	15, 19	-5 165	-4 734	-18 010	-9 899	-18 116	-25 455
Interest expense	14	43 660	32 635	18 341	76 296	39 540	86 161
Change in fair value contingent consideration	6, 27	-60 193	9 079	-17 927	-51 114	-2 296	10 934
Change in trade and other receivables, and inventory		156 491	-689 151	189 906	-532 660	726 509	467 963
Change in trade and other payables		204 228	547 065	471 687	751 293	-250 339	71 084
Unrealised foreign exchange and non-cash changes in other non-current items		-32 487	59 866	33 760	27 379	117 173	264 662
Net cash flow from / used in (-) operating activities		**684 252**	**1 292 824**	**1 401 462**	**1 977 075**	**2 719 588**	**5 188 087**
Cash flow from investment activities							
Investment in exploration and evaluation assets	11	-3 246	-2 252	5 980	-5 498	-6 519	-31 939
Business combinations, cash paid	26, 27, 17	-33 439	-626 799	-21 731	-660 237	-296 600	-1 217 107
Investment in oil and gas properties	10, 14	-879 066	-799 975	-504 870	-1 679 041	-894 489	-1 918 704
Investment in furniture, fixtures and office machines	10	0	-245	-14 235	-245	-23 693	-37 826
Net cash flow from / used in (-) investment activities		**-915 751**	**-1 429 270**	**-534 855**	**-2 345 021**	**-1 221 301**	**-3 205 575**
Cash flow from financing activities							
Net proceeds from issue of bond loans	22	1 317 102	-0	-	1 317 102	-	1 308 025
Repayment/buy-back of bond loans	22	-	-	-	-	-	-1 328 211
Repayment of other interest bearing liabilities	23	-13 168	-12 202	-11 968	-25 370	-23 132	-48 793
Interest paid		-11 446	-71 531	-67 630	-82 978	-78 906	-131 435
Repayments of lease debt	24	-8 365	-8 365	-8 331	-16 729	-16 663	-33 325
Dividend payments	16	-	-	-103 910	-	-207 821	-415 641
Net cash flow from / used in (-) financing activities		**1 284 123**	**-92 098**	**-191 840**	**1 192 025**	**-326 522**	**-649 381**
Net increase/ decrease (-) in cash and cash equivalents		**1 052 624**	**-228 545**	**674 766**	**824 079**	**1 171 765**	**1 333 131**
Cash and cash equivalents at the beginning of the period		2 130 187	2 301 181	1 633 594	2 301 181	1 104 026	1 104 026
Effect of exchange rate fluctuation on cash held		-314	57 551	26 515	57 237	59 085	-135 976
Cash and cash equivalents at the end of the period		**3 182 497**	**2 130 187**	**2 334 876**	**3 182 497**	**2 334 876**	**2 301 181**

Notes to the interim financial statements

Note 1 General and corporate information

These financial statements are the unaudited interim condensed financial statements of OKEA ASA for the second quarter and first half of 2024.
OKEA ASA ("OKEA" or the "company") is a public limited liability company incorporated and domiciled in Norway, with its main office located in Trondheim. The company's shares are listed on the Oslo Stock Exchange under the ticker OKEA.

OKEA is a leading mid to late-life operator on the Norwegian continental shelf (NCS). OKEA finds value where others divest and has an ambitious growth strategy built on accretive M&A activities, value creation and capital discipline.

Note 2 Basis of preparation

The interim accounts have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim accounts do not include all the information required in the annual accounts and should therefore be read in conjunction with the annual accounts for 2023. The financial statements for 2023 were prepared in accordance with IFRS® Accounting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act. .

The interim financial statements were authorised for issue by the company's board of directors on 16 July 2024.

Note 3 Accounting policies

The accounting policies adopted in the preparation of the interim accounts are consistent with those followed in the preparation of the annual accounts for 2023. New standards, amendments and interpretations to existing standards effective from 1 January 2024 did not have any significant impact on the financial statements.

Note 4 Critical accounting estimates and judgements

The preparation of the interim accounts entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income and expenses. The estimates, and associated assumptions, are based on historical experience and other factors that are considered as reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the company's accounting policies, and the main sources of uncertainty, are the same for the interim accounts as for the annual accounts for 2023.

Note 5 Business segments

The company's only business segment is development and production of oil and gas on the Norwegian continental shelf.

Note 6 Income

Breakdown of petroleum revenues

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Sale of liquids	1 894 884	2 868 856	1 153 095	4 763 740	3 458 816	6 672 215
Sale of gas	547 127	551 806	488 381	1 098 933	1 112 065	2 066 688
Total petroleum revenues	**2 442 011**	**3 420 662**	**1 641 477**	**5 862 673**	**4 570 882**	**8 738 903**
Sale of liquids (boe*)	2 248 678	3 295 885	1 521 324	5 544 562	4 413 851	7 920 985
Sale of gas (boe*)	781 085	943 191	551 815	1 724 276	1 073 981	2 380 613
Total sale of petroleum in boe*	**3 029 763**	**4 239 075**	**2 073 138**	**7 268 838**	**5 487 832**	**10 301 598**

*Barrels of oil equivalents

Other operating income

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Gain / loss (-) from put/call options, oil	-584	-15 525	4 699	-16 109	4 911	-11 476
Gain / loss (-) from forward contracts, gas	-	-	126	-	5 648	5 648
Gain / loss (-) from put/call options, gas	1 486	-	-	1 486	-	-
Gain / loss (-) from forward contracts, CO2 quotas	1 605	-1 114	-	490	-	2 386
Change in fair value contingent consideration (see note 27)	60 193	-9 079	17 927	51 114	2 296	-10 934
Tariff income and NOx refund	76 417	78 084	35 442	154 501	67 503	130 656
Sale of licenses	-	-	-	-	-	7 566
Joint utilisation of logistics resources	2 695	1 005	7 614	3 700	10 152	21 783
Total other operating income/loss (-)	**141 810**	**53 371**	**65 809**	**195 181**	**90 510**	**145 631**

Note 7 Production expenses & changes in over/underlift positions and production inventory

Production expenses

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
From licence billings - producing assets	747 728	707 701	420 892	1 455 429	857 359	1 780 685
Other production expenses (insurance, transport)	113 875	113 863	64 705	227 737	138 745	272 067
G&A expenses allocated to production expenses	17 399	17 918	9 305	35 317	16 666	31 036
Total production expenses	**879 002**	**839 482**	**494 902**	**1 718 484**	**1 012 770**	**2 083 788**

Changes in over/underlift positions and production inventory

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Changes in over/underlift positions	249 457	-332 562	-104 972	-83 104	-579 963	-483 505
Changes in production inventory	-94 024	-52 131	231 032	-146 156	-87 325	-200 699
Total changes income/loss (-)	**155 433**	**-384 693**	**126 061**	**-229 260**	**-667 288**	**-684 204**

Note 8 Exploration and evaluation expenses

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Share of exploration and evaluation expenses from participation in licences excluding dry well impairment, from billing	30 556	21 928	34 929	52 484	54 511	91 183
Share of exploration expenses from participation in licences, dry well write off, from billing	168 312	64	171	168 376	4 683	4 703
Seismic and other exploration and evaluation expenses, outside billing	9 069	25 685	87 435	34 754	85 986	102 441
G&A expenses allocated to exploration expenses	2 226	2 051	1 221	4 277	2 136	5 070
Total exploration and evaluation expenses	**210 163**	**49 729**	**123 756**	**259 892**	**147 316**	**203 398**

Note 9 Taxes

Income taxes recognised in the income statement

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Change in deferred taxes current year	118 531	-125 081	-179 955	-6 550	60 896	780 489
Taxes payable current year	-641 360	-1 004 154	-180 411	-1 645 514	-1 315 745	-2 853 024
Tax payable adjustment previous year	-3 036	-	38 201	-3 036	38 201	38 201
Total taxes (-) / tax income (+) recognised in the income s	**-525 865**	**-1 129 235**	**-322 166**	**-1 655 099**	**-1 216 648**	**-2 034 335**

Reconciliation of income taxes

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Profit / loss (-) before income taxes	**613 266**	**1 079 800**	**391 039**	**1 693 066**	**1 511 653**	**1 098 977**
Expected income tax at tax rate 78.004%	-478 372	-842 287	-305 026	-1 320 659	-1 179 149	-857 246
Permanent differences, including impairment of goodwill	-45 487	-227 813	-11 185	-273 300	-33 817	-1 155 423
Effect of uplift	15 093	16 702	15 784	31 795	38 488	83 158
Financial and onshore items	-7 556	-75 593	-66 991	-83 148	-87 422	-150 077
Change valuation allowance	-650	-244	-	-893	-	-
Adjustments previous year and other	-8 894	-	45 253	-8 894	45 253	45 253
Total income taxes recognised in the income statement	**-525 865**	**-1 129 235**	**-322 166**	**-1 655 099**	**-1 216 648**	**-2 034 335**
Effective income tax rate	**86 %**	**105 %**	**82 %**	**98 %**	**80 %**	**185 %**

Specification of tax effects on temporary differences, tax losses and uplift carried forward

Amounts in NOK `000	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Tangible and intangible non-current assets	-4 894 236	-4 918 295	-4 907 112	-4 407 660
Provisions (net ARO), lease liability, pensions and gain/loss account	4 396 410	4 379 594	4 524 553	2 061 462
Interest bearing loans	-11 145	-5 890	-6 434	-1 237
Current items (spareparts and inventory)	-385 762	-468 673	-499 191	-426 759
Tax losses carried forward, onshore 22%	5 788	5 130	4 887	4 887
Valuation allowance (uncapitalised deferred tax asset)	-5 788	-5 130	-4 887	-4 887
Total deferred tax assets / liabilities (-) recognised	**-894 733**	**-1 013 264**	**-888 183**	**-2 774 193**

Specifiaction of tax payable

Amounts in NOK `000	Total
Tax payable at 1 January 2024	2 141 182
Tax paid	-2 127 002
Tax payable adjustment previous year	3 036
Tax payable current year recognised in the income statement	1 645 514
Tax payable recognised in business combination (see note 26)	-82 424
Tax payable at 30 June 2024	**1 580 305**

Note 10 Tangible assets and right-of-use assets

Amounts in NOK `000	Oil and gas properties	Furniture, fixtures and office machines	Right-of-use assets	Total
Cost at 1 January 2024	13 950 512	88 011	358 702	14 397 226
Additions	808 374	245	-	808 618
Reclassification from inventory	28	-	-	28
Removal and decommissioning asset	-213 711	-	-	-213 711
Disposals	-	-	-	-
Cost at 31 March 2024	**14 545 203**	**88 256**	**358 702**	**14 992 161**
Accumulated depreciation and impairment at 1 January 2024	-6 751 926	-31 345	-159 050	-6 942 321
Depreciation	-765 324	-6 511	-5 811	-777 646
Impairment (-) / reversal of impairment	102 089	-	-	102 089
Disposals	-	-	-	-
Additional depreciation of IFRS 16 Right-of-use assets presented net in the income statement related to leasing contracts entered into as licence operator	-	-	-2 501	-2 501
Accumulated depreciation and impairment at 31 March 2024	**-7 415 161**	**-37 856**	**-167 362**	**-7 620 380**
Carrying amount at 31 March 2024	**7 130 042**	**50 400**	**191 340**	**7 371 782**
Cost at 1 April 2024	14 545 203	88 256	358 702	14 992 161
Additions	891 656	-	-	891 656
Reclassification from inventory	-	-	-	-
Removal and decommissioning asset	-10 081	-	-	-10 081
Disposals	-	-4 158	-	-4 158
Cost at 30 June 2024	**15 426 779**	**84 098**	**358 702**	**15 869 579**
Accumulated depreciation and impairment at 1 April 2024	-7 415 161	-37 856	-167 362	-7 620 380
Depreciation	-701 493	-6 228	-5 811	-713 533
Impairment (-) / reversal of impairment	-144 310	-	-	-144 310
Disposals	-	4 158	-	4 158
Additional depreciation of IFRS 16 Right-of-use assets presented net in the income statement related to leasing contracts entered into as licence operator	-	-	-2 501	-2 501
Accumulated depreciation and impairment at 30 June 2024	**-8 260 964**	**-39 927**	**-175 675**	**-8 476 565**
Carrying amount at 30 June 2024	**7 165 815**	**44 171**	**183 027**	**7 393 014**

Note 11 Goodwill, exploration and evaluation assets

Amounts in NOK `000	Exploration and evaluation assets	Technical goodwill	Ordinary goodwill	Total goodwill
Cost at 1 January 2024	210 481	2 641 070	1 779 090	4 420 161
Additions	2 252	-	-	-
Additions through business combination (see note 26)	-	-	13 382	13 382
Expensed exploration expenditures temporarily capitalised	-64	-	-	-
Cost at 31 March 2024	**212 669**	**2 641 070**	**1 792 472**	**4 433 543**
Accumulated impairment at 1 January 2024	-	-508 818	-1 615 873	-2 124 691
Impairment	-	-246 870	-13 382	-260 252
Accumulated impairment at 31 March 2024	**-**	**-755 687**	**-1 629 255**	**-2 384 942**
Carrying amount at 31 March 2024	**212 669**	**1 885 383**	**163 217**	**2 048 600**
Cost at 1 April 2024	212 669	2 641 070	1 792 472	4 433 543
Additions	3 246	-	-	-
Additions through business combination (see note 26)	-	-	1 324	1 324
Expensed exploration expenditures temporarily capitalised	-168 312	-	-	-
Cost at 30 June 2024	**47 603**	**2 641 070**	**1 793 796**	**4 434 866**
Accumulated impairment at 1 April 2024	-	-755 687	-1 629 255	-2 384 942
Impairment	-	-121 131	-1 324	-122 455
Accumulated impairment at 30 June 2024	**-**	**-876 818**	**-1 630 579**	**-2 507 397**
Carrying amount at 30 June 2024	**47 603**	**1 764 252**	**163 217**	**1 927 469**

Note 12 Impairment / reversal of impairment

Tangible and intangible assets are tested for impairment / reversal of impairment whenever indicators are identified and at least on an annual basis. Impairment is recognised when the book value of an asset or cash generating unit exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. The recoverable amount is estimated based on discounted future after tax cash flows. The expected future cash flows are discounted to net present value by applying a discount rate after tax that reflects the weighted average cost of capital (WACC).

Technical goodwill arises as an offsetting account to the deferred tax recognised in business combinations and is allocated to each Cash Generating Unit (CGU). When deferred tax from the initial recognition decreases, more technical goodwill is as such exposed for impairments.

Fair value assessment of the company's right-of-use (ROU) assets portfolio are included in the impairment test.

Below is an overview of the key assumptions applied in the impairment test as of 30 June 2024:

Year	Oil USD/BOE*	Gas GBP/therm*	Currency rates USD/NOK
2024	84,5	0,81	10,6
2025	76,9	0,92	10,6
2026	72,3	0,79	10,4
2027	75,9	0,73	9,6
From 2028	76,1	0,71	9,5

* Prices in real terms

Other assumptions

For oil and gas reserves future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves.

Future capex, opex and abandonment cost are calculated based on the expected production profiles and the best estimate of related cost. For fair value testing the discount rate applied is 10.0% post tax unchanged from the Q4 test.

The long-term inflation rate is assumed to be 2.0%.

The valuation of oil and gas properties and goodwill are inherently uncertain due to the judgemental nature of the underlying estimates. This risk has increased due to the current market conditions with rapid fluctuation in supply and demand of oil and gas causing more volatility in prices.

Total cost for CO2 comprises Norwegian CO2 tax and cost of the EU Emission Trading System and is estimated to gradually increase from NOK 1,715 per tonne in 2023 towards a long term price of NOK 2,000 (real 2020) per tonne from 2030 in line with price estimates presented by the Norwegian authorities in late 2021. NOx prices are estimated to increase from approximately NOK 17 per kg in 2023 to a level of approximately 28 NOK per kg from 2030. A future change in how the world will react in light of the goals set in the Paris Agreement could have adverse effects on the value of OKEA's oil and gas assets. Sensitivities on changes to environmental cost is reflected in the table below.

Impairment testing of technical goodwill, ordinary goodwill, fixed assets and ROU assets

Based on the company's impairment assessments NOK 144 million in impairment of the Yme asset was recognised in the first quarter. The impairment was mainly driven by decreased forward prices for oil. In addition to this, an impairment of technical goodwill of NOK 121 million was recognised on the Statfjord asset mainly driven by risking of less mature future projects and effect of removing one quarter of cash flow exposing more technical goodwill for impairment.

No impairment of ROU assets was required in the three month period ending on 30 June 2024.

Sensitivity analysis

The table below shows what the impairment pre-tax would have been in the second quarter under various alternative assumptions, assuming all other assumptions remaining constant. The total figures shown are combined impairment for CGUs Gjøa, Draugen, Ivar Aasen, Yme, Brage, Nova and Statfjord.

		Alternative calculations of pre-tax impairment/reversal (-) Q2 2024 (NOK '000)		Increase / decrease (-) of pre-tax impairment Q2 2024 (NOK '000)	
Assumptions	**Change**	**Increase in assumption**	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
Oil and gas price	+/- 10%	-66 649	964 270	-333 414	697 505
Currency rate USD/NOK	+/- 1.0 NOK	-58 130	901 003	-324 895	634 238
Discount rate	+/- 1% point	306 988	254 862	40 223	-11 903
Environmental cost (CO_2 and NOx)	+/- 20%	364 077	197 819	97 312	-68 946

Note 13 General and administrative expenses

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Salary and other employee benefits expenses	283 686	273 283	243 336	556 969	473 492	1 018 511
Consultants and other operating expenses	155 624	162 721	160 962	318 345	303 620	579 711
Allocated to operated licences	-386 549	-375 051	-346 468	-761 600	-683 279	-1 405 049
Allocated to exploration and production expenses	-19 625	-19 969	-10 526	-39 594	-18 802	-36 107
Total general and administrative expenses	**33 136**	**40 983**	**47 304**	**74 119**	**75 031**	**157 066**

Note 14 Financial items

Amounts in NOK `000	Q2 2024	Q1 2024	Q2 2023	01.01-30.06 2024	01.01-30.06 2023	01.01-31.12 2023
Interest income	23 201	7 254	22 496	30 455	32 618	91 380
Unwinding of discount asset retirement reimbursement right (indemnification asset)	50 676	48 053	41 396	98 729	83 339	172 915
Finance income	**73 877**	**55 307**	**63 892**	**129 184**	**115 957**	**264 295**
Interest expense and fees from loans and borrowings	-56 250	-41 034	-37 987	-97 284	-74 382	-163 617
Capitalised borrowing cost, development projects	12 590	8 399	19 646	20 989	34 842	77 513
Interest expense shareholder loan	-	-	-	-	-	-57
Other interest expense	-12 735	-5 988	-15	-18 722	-60	-283
Unwinding of discount asset retirement obligations	-84 519	-79 442	-45 134	-163 961	-90 268	-194 820
Loss on buy-back/early redemption bond loan	-	-	-	-	-	-28 315
Other financial expense	-5 300	-4 438	-4 546	-9 738	-9 813	-20 428
Finance costs	**-146 215**	**-122 503**	**-68 036**	**-268 717**	**-139 682**	**-330 006**
Exchange rate gain/loss (-), interest-bearing loans and borrowings	41 120	-107 229	-50 622	-66 110	-156 951	-54 555
Net exchange rate gain/loss (-), other	7 828	30 889	-59 832	38 716	16 680	-96 939
Net exchange rate gain/loss (-)	**48 948**	**-76 341**	**-110 454**	**-27 393**	**-140 271**	**-151 494**
Net financial items	**-23 390**	**-143 536**	**-114 597**	**-166 926**	**-163 995**	**-217 205**

Note 15 Asset retirement reimbursement right

Amounts in NOK `000	
Asset retirement reimbursement right at 1 January 2024 (indemnification asset)	4 162 547
Changes in estimates	56 990
Effect of change in the discount rate	-99 822
Asset retirement costs from billing, reimbursement from Shell and Wintershall Dea	-39 597
Unwinding of discount	98 729
Asset retirement reimbursement right at 30 June 2024 (indemnification asset)	**4 178 846**
Of this:	
Asset retirement reimbursement right, non-current	4 096 634
Asset retirement reimbursement right, current	82 212
Asset retirement reimbursement right at 30 June 2024 (indemnification asset)	**4 178 846**

Asset retirement reimbursement right consists of a receivable from the seller Shell from OKEA's acquisition of Draugen and Gjøa assets in 2018, a receivable from the seller Wintershall Dea from OKEA's acquisition of the Brage asset in 2022, and a receivable from the seller Equinor from OKEA's acquisition of the Statfjord asset in 2023.

Receivable from the seller Shell from OKEA's acquisition of Draugen and Gjøa assets in 2018:
The parties agreed that the seller Shell will cover 80% of OKEA's share of total decommissioning costs for the Draugen and Gjøa fields up to a predefined after-tax cap amount of NOK 757 million (2022 value) subject to Consumer Price Index (CPI) adjustment. The present value of the expected payments is recognised as a pre-tax receivable from the seller.

In addition, the seller has agreed to pay OKEA an amount of NOK 441 million (2022 value) subject to a CPI adjustment according to a schedule based on the percentage of completion of the decommissioning of the Draugen and Gjøa fields.

The net present value of the receivable is calculated using a discount rate of 4.7% (year end 2023: 4.4%).

Receivable from the seller Wintershall Dea from OKEA's acquisition of the Brage asset in 2022:
The parties have agreed that Wintershall Dea will retain responsibility for 80% of OKEA's share of total decommissioning costs related to the Brage Unit, limited to an agreed pre-tax cap of NOK 1520.6 million subject to index regulation.

The net present value of the receivable is calculated using a discount rate of 5.3% (year end 2023: 5.2%).

Receivable from the seller Equinor from OKEA's acquisition of the Statfjord asset in 2023:
The parties have agreed that Equinor will retain responsibility for 100% of OKEA's share of total decommissioning costs related to Statfjord A.

The net present value of the receivable is calculated using a discount rate of 4.6% (year end 2023: 4.2%).

Note 16 Share capital

Number of shares	Ordinary shares
Outstanding shares at 1 January 2024	103 910 350
New shares issued during 2024	-
Number of outstanding shares at 30 June 2024	**103 910 350**
Nominal value NOK per share at 30 June 2024	0,1
Share capital NOK at 30 June 2024	10 391 035

Note 17 Trade and other receivables

Amounts in NOK `000	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Accounts receivable and receivables from operated licences*	202 075	239 713	265 711	277 434
Accrued revenue	569 551	876 384	340 848	302 883
Prepayments	152 953	201 682	100 901	372 701
Working capital and overcall, joint operations/licences	648 525	454 927	306 891	273 079
Underlift of petroleum products	251 870	126 697	141 269	107 211
VAT receivable	9 015	21 119	16 582	20 852
Accrued interest income	16 519	6 651	-	-
Other receivables	3 354	3 354	3 354	-
Fair value put/call options, gas	1 486	-	-	-
Fair value put/call options, oil	-	-	3 748	7 562
Fair value forward contracts, foreign exchange	-	-	29 101	-
Fair value forward contracts, CO2 quotas	2 877	1 272	2 386	-
Total trade and other receivables	**1 858 224**	**1 931 801**	**1 210 790**	**1 361 721**

* There is no provision for bad debt on receivables.

Note 18 Cash and cash equivalents

Cash and cash equivalents:

Amounts in NOK `000	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Bank deposits, unrestricted	2 063 337	2 035 023	2 191 256	2 233 326
Bank deposit, time deposit	1 000 000	-	-	-
Bank deposit, restricted, employee taxes	35 540	23 255	40 691	33 500
Bank deposit, restricted, deposit office leases	17 011	17 011	14 930	14 824
Bank deposit, restricted, other	66 610	54 898	54 304	53 226
Total cash and cash equivalents	**3 182 497**	**2 130 187**	**2 301 181**	**2 334 876**

Note 19 Asset retirement obligations

Amounts in NOK `000	
Provision at 1 January 2024	9 535 467
Additions	-
Changes in estimates	58 636
Effects of change in the discount rate	-325 259
Asset retirement costs from billing	-49 497
Unwinding of discount	163 961
Asset retirement obligations at 30 June 2024	**9 383 309**
Of this:	
Asset retirement obligations, non-current	9 279 629
Asset retirement obligations, current	103 680
Asset retirement obligations at 30 June 2024	**9 383 309**

Asset retirement obligations

Provisions for asset retirement obligations represent the future expected costs for close-down and removal of oil equipment and production facilities. The provision is based on the company's best estimate. The net present value of the estimated obligation is calculated using a discount rate of 3.6% (year end 2023: 3.3%). The assumptions are based on the economic environment at balance sheet date. Actual asset retirement costs will ultimately depend upon future market prices for the necessary works which will reflect market conditions at the relevant time. Furthermore, the timing of the close-down is likely to depend on when the field ceases to produce at economically viable rates. This in turn will depend upon future oil and gas prices, which are inherently uncertain.

For recovery of costs of decommissioning related to assets acquired from Shell, Wintershall Dea and Equinor, reference is made to note 15.

Note 20 Spare parts, equipment and inventory

Amounts in NOK `000	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Inventory of petroleum products	258 339	352 363	404 495	424 184
Spare parts and equipment	490 302	479 595	459 753	290 008
Total spare parts, equipment and inventory	**748 641**	**831 958**	**864 248**	**714 193**

Note 21 Trade and other payables

Amounts in NOK `000	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Trade creditors	484 777	323 372	197 028	114 024
Accrued holiday pay and other employee benefits	151 048	118 053	213 911	123 841
Working capital, joint operations/licences	1 471 451	1 439 793	1 310 913	946 018
Overlift of petroleum products	315 231	439 515	121 526	146 192
Accrued interest bond loans	51 271	5 476	34 164	5 655
Other provisions, current (see note 27)	119 029	67 291	128 167	26 317
Prepayments from customers	246 820	123 973	275 620	336 272
Fair value put/call options, oil	863	5 726	-	-
Fair value forward contracts, foreign exchange	-	-	-	74 665
Loan from shareholder OKEA Holdings Ltd	-0	1 485	1 485	1 428
Accrued consideration from acquisitions of interests in licences	-	-	544 809	-
Other accrued expenses	366 838	410 599	169 378	186 500
Total trade and other payables	**3 207 327**	**2 935 283**	**2 997 001**	**1 960 912**

Note 22 Interest bearing bond loans

Amounts in NOK `000	Bond loan OKEA05	Bond loan OKEA04	Total
Interest bearing bond loans at 1 January 2024	-	1 245 860	1 245 860
Bond issue OKEA05	1 344 275	-	1 344 275
Capitalised transaction costs OKEA05	-27 173	-	-27 173
Amortisation of transaction costs	715	4 237	4 952
Foreign exchange movement	-13 525	59 200	45 675
Interest bearing bond loans at 30 June 2024	**1 304 291**	**1 309 297**	**2 613 588**
Of this:			
Interest bearing bond loans, non-current	1 304 291	1 309 297	2 613 588
Interest bearing bond loans, current	-	-	-
Interest bearing bond loans at 30 June 2024	**1 304 291**	**1 309 297**	**2 613 588**

Amounts in NOK `000	Bond loan OKEA05	Bond loan OKEA04	Total
Interest bearing bond loans at 1 January 2024	-	1 245 860	1 245 860
Cash flows:			
Gross proceeds from borrowings	1 344 275	-	1 344 275
Transaction costs	-27 173	-	-27 173
Total cash flows:	1 317 102	-	1 317 102
Non-cash changes:			
Amortisation of transaction costs	715	4 237	4 952
Foreign exchange movement	-13 525	59 200	45 675
Interest bearing bond loans at 30 June 2024	**1 304 291**	**1 309 297**	**2 613 588**

In May 2024 the company issued a USD 125 million secured bond loan, OKEA05. Maturity date for OKEA05 is May 2028, and interest rate is fixed at 9.125% p.a. with half-yearly interest payments. OKEA05 was issued at par value USD 125 million.

In September 2023 the company completed a refinancing of the OKEA03 bond loan maturing in December 2024. The company issued a USD 125 million secured bond loan, OKEA04. Maturity date for OKEA04 is September 2026, and interest rate is fixed at 9.125% p.a. with half-yearly interest payments. OKEA04 was issued at par value USD 125 million. The USD 120 million bond loan OKEA03 was settled in September 2023 by way of voluntary early redemption and was called at a premium of 103.2.

During 2024 the company has been in full compliance with the covenants under the bond agreements.

The OKEA04 and OKEA05 covenants comprise of:
(i) Leverage Ratio (Total Debt – Liquid Assets) / 12-mth rolling EBITDA of no more than 1.75x
(ii) Minimum Liquidity of USD 25 million

Note 23 Other interest bearing liabilities

In September 2023 the company completed the establishment of a USD 25 million Revolving Credit Facility with a tenor of 2.5 years. The Revolving Credit Facility will be available for working capital purposes and will enhance financial flexibility for the company. At 30 June 2024 there are no draw downs on the facility. In connection with the issue of the bond loan OKEA05 in May 2024, the company expects to increase the size the facility from USD 25 million to USD 37.5 million and extend the tenor for parts of the facility.

In October 2021 the Yme licence completed acquisition of the Inspirer jack-up rig through a bareboat charter (BBC) agreement with Havila Sirius AS (Havila). The part of the lease payments to Havila corresponding to the purchase price paid by Havila to Maersk is considered as an investment in a rig with a corresponding liability, while the remaining amount of the total payments is treated as interest expenses. This treatment is based on the underlying assessment that the reality of the transaction is that it is an investment in a rig financed with a interest bearing liability, rather than a lease. OKEA's proportionate share of the investment and corresponding liability is USD 55.95 million.

The Yme licence has the right and the obligation to purchase the rig at the end of the lease period for NOK 1. In addition the Yme licence has the unconditional obligation to purchase the rig from Havila in case of any termination event during the lease period. The purchase price will then be the remaining amount paid by Havila to Maersk plus interest and other costs. The Yme licence also has the option to purchase the rig at any time during the lease period for the same price.

The liability carries a implicit interest rate of 5.21% p.a., and will be repaid with the lease payments to Havila with the last lease payment in October 2031. Repsol S.A. (RSA) is the parent company of the Yme licence operator Repsol Norge AS. On behalf of Yme, RSA has issued a parent company guarantee for the future lease payments to Havila.

Amounts in NOK `000	**Liability Yme rig**	**Total**
Other interest bearing liabilities at 1 January 2024	477 123	477 123
Repayments	-25 370	-25 370
Foreign exchange movement	20 435	20 435
Other interest bearing liabilities at 30 June 2024	**472 187**	**472 187**
Of this:		
Other interest bearing liabilities, non-current	418 812	418 812
Other interest bearing liabilities, current	53 375	53 375
Other interest bearing liabilities at 30 June 2024	**472 187**	**472 187**

Amounts in NOK `000	**Liability Yme rig**	**Total**
Other interest bearing liabilities at 1 January 2024	477 123	477 123
Cash flows:		
Gross proceeds from borrowings	-	-
Repayment of borrowings	-25 370	-25 370
Total cash flows:	-25 370	-25 370
Non-cash changes:		
Foreign exchange movement	20 435	20 435
Other interest bearing liabilities at 30 June 2024	**472 187**	**472 187**

Note 24 Leasing

The company has entered into operating leases for office facilities. In addition, as operator of the Draugen field, the company has on behalf of the licence entered into operating leases for logistic resources such as supply vessel with associated remote operated vehicle (ROV), base and warehouse for spare parts and hence gross basis of these lease debts are recognised.

Amounts in NOK `000	
Lease liability 1 January 2024	228 727
Additions lease contracts	-
Accretion lease liability	8 557
Payments of lease debt and interest	-25 286
Total lease debt at 30 June 2024	**211 997**

Break down of lease liability	
Short-term (within 1 year)	50 190
Long-term	161 807
Total lease liability	**211 997**

Undiscounted lease liabilities and maturity of cash outflows:

Amounts in NOK `000	30.06.2024
Within 1 year	50 572
1 to 5 years	141 526
After 5 years	124 109
Total	**316 206**

Future lease payments related to leasing contracts entered into as an operator of the Draugen field are presented on a gross basis.

Note 25 Commodity contracts

Amounts in NOK `000	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Premium commodity contracts	3 142	4 179	1 101	-
Accumulated unrealised gain/loss (-) commodity contracts included in other operating income / loss(-)	-2 520	-9 904	2 647	7 562
Short-term net derivatives included in assets/liabilities (-)	622	-5 726	3 748	7 562

The company uses derivative financial instruments (put and call options) to manage exposures to fluctuations in commodity prices. Put options are purchased to establish a price floor for a portion of future production of petroleum products. In addition a price ceiling is established by selling call options, which reduces the net premium paid for hedging.

In addition OKEA has entered into non-financial contracts with physical delivery of gas in 2024 and 2025 at fixed price. At 30 June 2024 the outstanding contracts are 24 290 000 therms of gas with delivery in Q3 2024 - Q3 2025 at fixed prices in the range of 91.5 - 130.5 GBp/therm. Revenue from these contracts will be recognised at delivery of the gas.

Note 26 Business combinations

Acquisition of a 28% interest in PL037 (Statfjord Area), completed in Q4 2023
On 29 December 2023 OKEA completed the acquisition of a 28% working interest in PL037 (Statfjord Area) from Equinor Energy AS, comprising a 23.9% working interest in Statfjord Unit, a 28% working interest in Statfjord Nord, a 14% working interest in Statfjord Øst Unit and a 15.4% working interest in Sygna Unit.

The purchase price allocation (PPA) presented below is based on a updated completion statements from Q1 and Q2 2024 and a revised valuation of the contingent consideration compared to the PPA presented in Q4 2023. At this stage, the purchase price allocation is preliminary. As a result, the final PPA and the impact on the financial statements from the transaction may differ. The final PPA will be completed within 12 months of the acquisition at the latest.

Amounts in NOK `000	PPA Q4 2023	Changes YTD Q2 2024	Updated PPA
Assets			
Oil and gas properties	1 619 488		1 619 488
Deferred tax assets (reduced deferred tax liabilities)	1 161 492		1 161 492
Receivables on seller	908 214		908 214
Total assets	3 689 195	-	3 689 195
Liabilities			
Net working capital	65 277		65 277
Asset retirement obligations	3 969 801		3 969 801
Income tax payable	119 898	-82 424	37 474
Total liabilities	4 154 976	-82 424	4 072 552
Total identifiable net assets at fair value	-465 781	82 424	-383 357
Contingent consideration	173 467	25 702	199 169
Total cash consideration	1 726 691	71 428	1 798 119
Goodwill	2 365 939	14 706	2 380 645
Goodwill consist of:			
Ordinary goodwill	1 362 675	14 706	1 377 381
Technical goodwill	1 003 264		1 003 264
Total goodwill	2 365 939	14 706	2 380 645

Note 27 Other provisions

Amounts in NOK `000	
Provision at 1 January 2024	230 282
Additions through business combination (see note 26)	25 702
Settlements/payments to Wintershall Dea and Equinor	-27 627
Changes in fair value	-51 114
Other provisions at 30 June 2024	**177 244**
Of this:	
Other provisions, non-current	58 216
Other provisions, current (classified within trade and other payables)	119 029
Other provisions at 30 June 2024	**177 244**

Other provisions consists of provisions for additional contingent consideration from OKEA's acquisition of the Brage, Ivar Aasen and Nova assets in 2022, and from OKEA's acquisition of the Statfjord asset in 2023.

The provisions for contingent consideration is measured at fair value with changes in fair value recognised in the income statement. The fair value is estimated using an option pricing methodology, where the expected option payoff is calculated at each future payment date and discounted back to the balance date.

Additional contingent consideration from OKEA's acquisition of the Brage, Ivar Aasen and Nova assets in 2022:
OKEA shall pay to Wintershall Dea an additional contingent consideration based on an upside sharing arrangement subject to oil price level during the period 2022-2024.

Additional contingent consideration from OKEA's acquisition of the Statfjord asset in 2023:
OKEA shall pay to Equinor an additional contingent consideration with contingent payment terms applicable for 2023-2025 for certain thresholds of realised oil and gas prices.

Note 28 Fair value of financial instruments

It is assessed that the carrying amounts of financial assets and liabilities, except for interest bearing bond loans, is approximately equal to its fair values.

For interest bearing bond loans OKEA04 and OKEA05, the fair value is estimated to be total NOK 2,701 million at 30 June 2024. OKEA04 is listed on the Oslo Stock Exchange and OKEA05 is planned to be listed on the Oslo Stock Exchange. The fair value is based on the latest quoted market prices (level 2 in the fair value hierarchy according to IFRS 13) as per balance sheet date.

Fair values of put/call options oil, put/call options gas and forward contracts CO2 quotas are based on quoted market prices at the balance sheet date (level 2 in the fair value hierarchy). The put/call options oil, the put/call options gas and the forward contracts CO2 quotas are carried in the statement of financial position at fair value.

Note 29 Events after the balance sheet date

There are no subsequent events with significant impacts that have occured between the end of the reporting period and the date of this report that are not already reflected or disclosued in these financial statements.

Alternative performance measures

Reconciliations

EBITDA Amounts in NOK million	Q2 2024 3 months	Q1 2024 3 months	Q2 2023 3 months	2024 6 months
Profit / loss (-) from operating activities	637	1 223	506	1 860
Add: depreciation, depletion and amortisation	714	778	362	1 491
Add: impairment	267	158	300	425
EBITDA	**1 617**	**2 159**	**1 167**	**3 776**

EBITDAX Amounts in NOK million	Q2 2024 3 months	Q1 2024 3 months	Q2 2023 3 months	2024 6 months
Profit / loss (-) from operating activities	637	1 223	506	1 860
Add: depreciation, depletion and amortisation	714	778	362	1 491
Add: impairment / reversal of impairment	267	158	300	425
Add: exploration and evaluation expenses	210	50	124	260
EBITDAX	**1 827**	**2 209**	**1 291**	**4 036**

Production expense per boe Amounts in NOK million	Q2 2024 3 months	Q1 2024 3 months	Q2 2023 3 months	2024 6 months
Productions expense	879	839	495	1 718
Less: processing tariff income	-76	-78	-35	-155
Less: joint utilisation of resources	-3	-1	-8	-4
Divided by: produced volumes (boe)	3 490	3 832	2 026	7 322
Production expense NOK per boe	**229**	**198**	**223**	**213**

Net interest-bearing debt Amounts in NOK million	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Interest bearing bond loans	2 614	1 327	1 246	1 293
Other interest bearing liabilities	419	440	427	479
Other interest bearing liabilities, current	53	54	50	52
Less: Cash and cash equivalents	-3 182	-2 130	-2 301	-2 335
Net interest-bearing debt	**-97**	**-310**	**-578**	**-511**

Net interest-bearing debt excl. other interest bearing liabilities Amounts in NOK million	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Interest bearing bond loans	2 614	1 327	1 246	1 293
Less: Cash and cash equivalents	-3 182	-2 130	-2 301	-2 335
Net interest-bearing debt excl. other interest bearing liabilities	**-569**	**-804**	**-1 055**	**-1 042**

Definitions

EBITDA is defined as earnings before interest and other financial items, taxes, depreciation, depletion, amortisation and impairments.

EBITDAX is defined as earnings before interest and other financial items, taxes, depreciation, depletion, amortisation, impairments and exploration and evaluation expenses.

Net interest-bearing debt is book value of current and non-current interest-bearing loans, bonds and other interest-bearing liabilities excluding lease liability (IFRS 16) less cash and cash equivalents.

Net interest-bearing debt excl. other interest bearing liabilities is book value of interest-bearing bond loans less cash and cash equivalents.

Production expense per boe is defined as production expense less processing tariff income and joint utilisation of resources income for assets in production divided by produced volumes. Expenses classified as production expenses related to various preparation for operations on assets under development are excluded.

Statement from the board of directors and CEO

We hereby confirm, to the best of our knowledge, that the unaudited interim financial statement for the period 1 January to 30 June 2024 of OKEA ASA have been prepared in accordance with IAS 34 Interim Financial Reporting and that the information presented gives a true and fair view of the company's assets, liabilities, financial position and results for the period viewed in their entirety and that the half year report gives a fair view of the information as described in the Securities Trading Act §5-6 fourth paragraph.

The board of directors of OKEA ASA
Trondheim, 16 July 2024

Chaiwat Kovavisarach Chairman of the board	Jon Arnt Jacobsen Board member
Per Magne Bjellvåg Board member	Sverre Nes Board member
Phatpuree Chinkulkitnivat Board member	Rune Olav Pedersen Board member
Mike Fischer Board member	Elizabeth Anne Williamson-Holland Board member
Nicola Carol Gordon Board member	Ragnhild Aas Board member
Finn Haugan Board member	Svein Jakob Liknes CEO

Disclaimer

Forward-looking statements in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may not be within our control. All figures are presented in NOK unless otherwise stated, and figures in brackets apply to the previous quarter restated.

OKEA ASA is a leading mid- to late-life operator on the Norwegian continental shelf (NCS).

OKEA finds value where others divest and has an ambitious strategy built on growth, value creation and capital discipline.

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