



OKEA ASA - Second quarter 2024

financial results

(Trondheim, 17 July 2024) - OKEA ASA (OSE: OKEA) delivered operating income of NOK 2,584 (3,474) million and EBITDA of NOK 1,617 (2,159) million in the second quarter of 2024. An impairment charge of NOK 267 (158) million was recognised, comprising NOK 121 (247) million technical goodwill impairment of the Statfjord area and NOK 144 (reversal of 102) million impairment on the Yme asset. Cash and cash equivalents amounted to NOK 3,182 (2,130) million.

(Amounts in parentheses refer to previous quarter)

"I am very pleased that the strong performance, particularly from our operated assets, is continuing. We delivered the PDO for the Bestla development project to the Ministry of Energy in April, a project that will be developed as a tie-back to the Brage field and is estimated to hold 24 million barrels of oil equivalent in recoverable reserves. The Bestla development aligns well with our 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", stated OKEA CEO Svein J. Liknes.

Second quarter 2024 summary

Net production to OKEA was 38.4 (42.1) kboepd in the quarter. The lower volumes compared to previous quarter was largely driven by a prior period adjustment equivalent to 1,145 bopd recognised in the first quarter, natural decline in wells at Brage, and a 60-day turnaround at Statfjord A completed during the quarter.

Sold volumes amounted to 33.3 (46.6) kboepd in the quarter. The lower volumes sold was mainly due to underlift positions from several fields in the quarter compared to overlift positions in the previous quarter.

The average realised liquids price was USD 79.7 (82.0) per boe, and the average realised price for gas was USD 65.7 (55.1) per boe. USD 10.4 (7.5) per boe of the realised gas price was attributable to gain on fixed price contracts. Total income from sale of petroleum products amounted to NOK 2,442 (3,421) million.

Other operating income of NOK 142 (53) million mainly consisted of tariff income at Gja and Statfjord area of NOK 76 (78) million and change in fair value of the contingent considerations to Wintershall Dea and Equinor of NOK 60 (loss of 9) million following a decrease (increase) in forward prices for crude oil.

An impairment charge of NOK 267 (158) million was recognised in the quarter. NOK 121 (247) million related to impairment of technical goodwill of the Statfjord area driven by revised risking of less matured projects. The goodwill impairments are not tax deductible and are non-reversable. In addition, an impairment of NOK 144 (reversal of 102) million of Yme was recognised following a decrease in forward prices for crude oil.

Exploration and evaluation expenses amounted to NOK 210 (50) million and mainly related to expensing of previously capitalised costs on PL938 Calypso. General and administrative expenses amounted to NOK 33 (41) million and represent OKEA's share of costs after allocation to license activities.

Cash and cash equivalents amounted to NOK 3,182 (2,130) million. Interest-bearing bond loans amounted to NOK 2,614 (1,327) million. The increases are largely due to issuance of the USD 125 million OKEA05 bond in May.

2024 production guidance is narrowed somewhat to 36 - 40 kboepd from 35 – 40 kboepd, and capex guidance is narrowed to NOK 3.2 – 3.6 billion from NOK 3.2 – 3.7 billion.

Webcast and audioconference

A presentation of the results will be held today through a webcast and audioconference starting 10:00 CET. The presentation will be held by Svein J. Liknes (CEO) and Birte Norheim (CFO).

The webcast can be followed at www.okea.no
or http://channel.royalcast.com/landingpage/hegnarmedia/20240717_1/

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About OKEA

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.

OKEA is listed on the Oslo Stock Exchange (OSE:OKEA)

More information at www.okea.no