



ANNOUNCEMENT

Oslo, 23 December 2022

LIME PETROLEUM TO ACQUIRE KUFPEC'S 10% INTEREST IN THE REPSOL-OPERATED YME FIELD IN NORWAY – COMPLETION

Unless otherwise defined, capitalised terms in this announcement shall have the same meaning given to them on Lime Petroleum AS's announcement and press release dated 10 August 2022 (the "Announcement and Press Release"), in relation to the Company's acquisition of a 10% interest in the Repsol-operated Yme Field on the Norwegian North Sea, for a post-tax consideration of US\$68.053 million from KUFPEC Norway AS ("KUFPEC") (the "Acquisition").

The board of directors of Lime Petroleum AS ("**Lime**" or the "**Company**") refers to the Announcement and Press Release and wishes to announce that the Acquisition had been completed on 23 December 2022 (the "**Completion**").

The Completion, in agreement with KUFPEC, was concluded with an initial payment of US\$55 million on 23 December 2022 and a deferred payment of the balance, including the settlement costs. The Company has already secured necessary funding to pay the deferred payment no later than 30 working days after the Completion.

Pursuant to the Completion, which will have an effective date from 1 January 2022, Lime now holds a 10% interest in the Yme Field.

TRADING UPDATE

Operational review

Brage update

Production from the Brage Field has been stable in 2022 with a mid-December production net to Lime of some 900,000 boe. The as produced is ~23% short of the 2022 forecast. The shortfall is due to several factors, including a dry infill well earlier in 2022, and a lag in getting production levels back up after a scheduled maintenance stop in September. In particular, gas production has taken time to return to pre-maintenance stop levels, however, gas production levels are rising, and we expect them to reach pre-stop levels in the near future.

The drilling program on the Brage field is progressing according to plan. Currently a well is being drilled in the Taliskar discovery. The well will further appraise the discovery and will from summer 2023 be used as a producer. The well, when completed, will have a major impact on production levels. In 2023 three additional infill wells will be drilled, one of which will test an exploration target on the southwestern flank of the field.

OKEA has, as of 1 November 2022, taken over Operatorship from WintershallIDEA. The transition has thus far progressed smoothly, and we welcome OKEA in as the new Operator. Thus far in December,

the production level is averaging ~2,150 boepd net to Lime. According to Lime Management, Brage holds some 5.3 mill bbls 2P reserves and 5.7 mill bbls 2C resources, net to Lime.

Lime has ~34% share in the Brage field.

Yme update

The transaction between Lime and KUFPEC for the purchase of 10% in the Yme field will close on the 23rd of December 2022.

The Yme field is currently in a commissioning phase. Work has been on-going throughout 2022 to phase in wells for production. This includes drilling both from the production rig (Inspirer) on the main structure at Yme and from the Valeris Viking on the satellite structure. During November, three wells were completed and handed over to the production department, giving a total of seven (7) wells either in production or ready for production. The new wells will go through a clean-up phase. Regular production from these wells is expected in January 2023. Production levels in mid-December are at ~13,000 bbls, and we expect production levels to fluctuate somewhat as new wells are cleaned up, tested and phased in.

The commissioning phase at Yme has been challenging and the field has experienced several shutdowns during 2022. The production levels are now increasing, and Production Efficiency (PE) is rising steadily from 50% in October to 70% in December. The Operator indicates PE will gradually increase through 2023.

Drilling on the satellite structure (Valeris Viking) will be completed on schedule in December 2022. Drilling on the main field (from Inspirer) is delayed. A workover on an existing well will be completed in January, and two wells will be drilled during the spring of 2023.

We expect Yme to be on plateau production in Q2 2023 forecasted at ~35,000 bopd. Average production rates net to Lime are forecast to be 2,900, 2,900, and 1,900 bopd respectively in 2023, 2024 and 2025 according to RNB figures. Lime has net 2P reserves of 5.5 mmmboe in Yme.

Lime will hold a 10% share in the Yme field after completion.

Shrek, Fogelberg and Falk

The licensees in Shrek (in PL838) and Fogelberg (PL433) have decided that PDOs (plans for development and operation) will not be submitted in 2022. The Fogelberg license (PL433) will be relinquished.

Shrek (in PL838) will be considered with another development solution, and the license partners are currently reviewing further exploration opportunities within the PL838 license. Currently there is no basis for including Capex at Shrek during the term of the bond.

The PL1125 license partnership has found that there is not a strong basis to develop the Falk discovery as a stand-alone field. Lime is working on maturing further prospects within the license to add material volumes to a potential Falk development.

Iving/Evra

Lime farmed into the PL820 S license with the Iving and Evra discoveries earlier in 2022. During the course of the fall, Lime has conducted a feasibility study on behalf of the license for further appraising and developing the Iving and Evra discoveries. Vår Energi is now the Operator, and Lime will work closely with the Operator on further maturing the discoveries. This may result in drilling operations in 2024 or 2025.

Lime holds a 30% interest in the license.

Gjengalunden

Drilling operations on the Gjengalunden prospect will start early January 2023. The prospect is located just west of the Ivar Aasen field. Lime deems this well as an exciting well with great potential. The results of the Gjengalunden well will further derisk the Orkja prospect in the neighboring PL818 license, in which Lime has a 30% interest. AkerBP is the Operator with 80%.

Lime has a 20% interest in PL867/B.

Financials

Rex International Investments Pte. Ltd. injects as a Subordinated Loan NOK 50,000,000 in Lime in regard to the transaction with KUFPEC.

Lime received NOK 259m in tax refund in 2022. The company estimates that they will receive a tax refund of approximately NOK 480m in 2023.

Further, ABG Sundal Collier ASA ("**ABGSC**") has been engaged by the Company to raise NOK 250 million (approximately US\$ 25.5 million) by utilising the option to tap the Lime Petroleum AS FRN Senior Secured Bond Issue 2022/2025 (ISIN NO0012559246) (the "**Bond**") in accordance with the loan agreement for the Bond (the "**Tap Issue**"). The Tap Issue will be raised during the month of January 2023, with ABGSC as the Sole Bookrunner. Details regarding the Bond can be found in the Company's press releases dated 22 June 2022 and 29 June 2022.

END