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Sandnes, Norway, 24 April 2023: Vår Energi ASA (OSE: VAR) reported USD 2 094 million in total income for the first quarter of 2023, a decrease of 12% from the fourth quarter 2022 primarily due to the timing of liftings. Profit before taxes was USD 1 276 million in the quarter, a decrease of around 29% compared to last quarter. Cash flow from operations (CFFO) was USD 1 358 million in the quarter, up from USD 445 million in the previous quarter.

A dividend of USD 300 million (NOK 1.226 per share) for the fourth quarter of 2022 was paid in March and USD 270 million (NOK 1.148 per share) for the first quarter will be distributed in May. The company further plans to distribute a dividend of USD 270 million for the second quarter 2023. For the full year, Vår Energi expects to distribute dividends of approximately 30% of CFFO after tax.

Highlights:

- Continued safe operations, no serious incidents in the quarter
- Production of 214 kboepd in the quarter, stable from the fourth quarter
- Production guidance for 2023 maintained at 210-230 kboepd
- Average volume-weighted realised price of USD 116 per boe in the quarter (oil USD 84 per boe, gas USD 176 per boe)
- First quarter production cost reduced to USD 13.1 per boe on efficient production and less maintenance in the quarter
- Full-year 2023 production cost expected at USD 14.5-15.5
- Oil discovery in the operated Countach well in the Barents Sea confirmed in the quarter
- Project portfolio progressing according to plan with the Frosk, Bauge and Hyme developments coming on stream and production target of above 350 kboepd by end-2025 maintained
- Continued strong balance sheet with leverage ratio at 0.3x at end of March 2023
- The Board declared a dividend of NOK 1.148 per share for the first quarter, totalling USD 270 million, to be distributed on 10 May

“We deliver continued strong cash generation in the first quarter supported by improved production efficiency, stable oil and gas volumes and high realised prices. Our exploration success continued with the Countach oil discovery in the Barents Sea, and we have several attractive prospects to be drilled during the year. The development projects that underpin our end-2025 production target progressed according to plan, with the Frosk, Bauge and Hyme developments starting production and Fenja set to come on stream later in the second quarter. Overall, we maintain a high activity level to deliver more than 50% production growth over the next three years” said Torger Rød, CEO of Vår Energi.

Webcast and conference call

The company will today hold a webcast and conference call followed by Q&A at 10:00 CET hosted by CEO Torger Rød and CFO Stefano Pujatti.

You can follow the webcast with supporting slides, available on:
<http://app.webinar.net/ql5Zo7Dj2Ga>

To access the conference call, please pre-register at:
<http://www.netroadshow.com/events/login?show=2ddba022&confId=48670>

You will receive access details via email.

The report, presentation and webcast will be available at
www.varenergi.no.

About Vår Energi

Vår Energi is a leading independent upstream oil and gas company on the Norwegian continental shelf (NCS). We are committed to deliver a better future through responsible value driven growth based on over 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects, and a strong exploration track record. Our ambition is to be the safest operator on the NCS, the partner of choice, and an ESG leader with a tangible and concrete plan to reduce emissions from our operations by 50% within 2030.

Vår Energi has more than 900 employees and equity stakes in 36 fields producing net 220,000 boe per day in 2022. We have our headquarters outside Stavanger, Norway, with offices in Oslo and Hammerfest. To learn more, please visit varenergi.no.

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange release was published by Ida Fjellheim, Head of Investor Relations at Vår Energi ASA, on 24 April 2023 at 07:00 CET.