



OKEA ASA - Third quarter 2024 financial results

(Trondheim, 31 October 2024) - OKEA ASA (OSE: OKEA) delivered operating income of NOK 2,926 (2,583) and EBITDA of NOK 1,975 (1,617) million in the third quarter of 2024. A net impairment income of NOK 871 (- 267) million was recognised, comprising NOK 1,185 (- 144) million in reversal of previous impairments following sale of the Yme asset, partly offset by NOK - 316 (- 121) million in technical goodwill impairment of the Statfjord area and Ivar Aasen. Total liquidity amounted to NOK 3,865 (3,182) million.

(Amounts in parentheses refer to previous quarter)

"I am pleased to report continued strong operational performance. Increased production from the Statfjord area offset the volume impact from planned maintenance at export pipelines and processing plants in the quarter. The terms of the announced sale of Yme represented a value accretive opportunity to exit a non-core area and triggered a NOK 1,185 million reversal of previous impairments in the quarter. As we currently have two major development projects in execution, a portfolio of attractive investment opportunities with low breakeven and short payback, and several infill and production drilling campaigns with attractive economics planned, our current allotted and planned capital commitments are higher than recent past years. We are therefore now extending our guidance period to include 2025 and 2026", stated OKEA CEO Svein J. Liknes.

Third quarter 2024 summary

Net production to OKEA was 37.3 (38.4) kboepd. Improved performance from new wells brought on stream and increased production efficiency at the Statfjord area partly offset the volume impact of 23 days of planned shutdown at the Kårstø gas processing plant. Sold volumes amounted to 40.8 (33.3) kboepd.

The average realised liquids price was USD 74.9 (79.7) per boe. The realised liquids price includes an NGL discount of USD 6.6 (3.7) per boe which was higher than usual due to larger volumes of NGL sold and NGL trading at a discount to crude. The average realised price for gas was USD 68.9 (65.7) per boe, of which USD 10.4 (10.4) per boe was attributable to gain on fixed price contracts. Total income from sale of petroleum products amounted to NOK 2,944 (2,442) million.

A net impairment income of NOK 871 (- 267) million comprises NOK 1,185 (- 144) million in reversal of previous impairments of Yme following the announced sale of the asset, partly offset by NOK - 316 (- 121) million technical goodwill impairments of the Statfjord area and Ivar Aasen due to lower crude oil forward prices at balance sheet date. The goodwill impairments are not tax deductible and are non-reversible.

Cash and cash equivalents amounted to NOK 3,614 (3,182) million. In addition, NOK 251 (0) million in excess liquidity was placed in a money market investment.

Interest-bearing bond loans amounted to NOK 2,583 (2,614) million. There are no other interest-bearing liabilities remaining at balance sheet date, as NOK 454 million relating to the financial lease of the Inspirer rig at Yme was reclassified to liabilities held for sale. This resulted in a net liquidity position of NOK 1,282 (97) million.

Production guidance for 2024 is narrowed to 37 – 39 kboepd (from 36 – 40 kboepd), and capex guidance for 2024 is narrowed to NOK 3.2 – 3.5 billion (from NOK 3.2 – 3.6 billion).

Due to two major development projects in execution, a portfolio of attractive investment opportunities with low breakeven and short payback, and several infill and production drilling campaigns with attractive economics planned, our current allotted and planned capital commitments are higher than recent past years. The company is therefore extending our guidance period to include 2025 and 2026 for capital expenditure and production. Production guidance is 28 – 32 kboepd for 2025 and 26 – 30 kboepd for 2026. Capex guidance is NOK 3.3 – 3.7 billion for 2025 and 3.2 – 3.8 billion for 2026. For the longer-dated guidance, the indicated ranges include also less mature projects, some of which may not materialise and with more uncertainty around timing.

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 [OKEA Webcast Q3 2024 \(royalcast.com\)](http://royalcast.com)

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About OKEA

OKEA ASA is a leading mid- and 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