



# OKEA fourth quarter 2021 trading update

(Trondheim 20 January 2022) OKEA ASA (OSE: OKEA) today announces a trading update for the fourth quarter of 2021 with a production of 16 038 (16 315) barrels of oil equivalents per day (boepd), and a total operating income of NOK 1 725 (1 026) million.

*(Amounts in parentheses refer to previous quarter)*

‘OKEA delivered another strong operational quarter with high reliability at Draugen and Gjøa’, says OKEA CEO, Svein J. Liknes. ‘High oil prices and record-high European gas prices contributed to exceptionally strong cash flow, and total revenues for the quarter were on par with the full year revenues for 2020. With the Yme field now onstream, OKEA is well positioned for further growth.’

## Fourth quarter 2021 petroleum production and sales

OKEA produced 16 038 (16 315) boepd in the fourth quarter with high reliability at both Draugen and Gjøa. Production from the Yme field started in October with further commissioning of process systems and start-up of additional wells in January and February.

Sold volumes in the fourth quarter amounted to 18 102 (16 979) boepd. Market prices have continued to improve during the quarter which resulted in an average realised liquids price of USD 78.0 (67.4) per boe\* and an average realised price for gas of USD 1.11 (0.57) per scm\*\*.

OKEA received Gjøa tariff income of NOK 24 million, NOK 13 million revenues from joint utilisation of Draugen logistic resources and a net gain from gas forward contracts of NOK 54 million.

	Unit	Q4 2021	Q3 2021	Q4 2020	FY 2021	FY 2020
Total operating income	MNOK	1,725	1,026	584	3,882	1,730
Realised liquids price	USD/boe	78.0	67.4	39.0	65.3	36.3
Realised gas price	USD/scm	1.11	0.57	0.19	0.62	0.11
<b>Net production</b>	<b>Boepd</b>	<b>16,038</b>	<b>16,315</b>	<b>16,171</b>	<b>15,530</b>	<b>16,147</b>
Net production – liquids	Boepd	10,580	11,365	10,961	10,793	11,152
Net production – gas	Boepd	5,458	4,950	5,210	4,737	4,995
Third-party volumes available for sale	Boepd	419	165	-	147	-
Over/underlift/inventory adjustments	Boepd	1,645	499	2,623	166	-276
<b>Net sold volume</b>	<b>Boepd</b>	<b>18,102</b>	<b>16,979</b>	<b>18,794</b>	<b>15,843</b>	<b>15,871</b>
Net sold volumes – liquids	Boepd	11,629	11,966	14,016	10,782	11,145
Net sold volumes – gas	Boepd	6,473	5,013	4,778	5,061	4,726
Cash and cash equivalents	MNOK	2,039	1,504	871	2,039	871
Net interest-bearing debt	MNOK	750	874	1,529	750	1,529

\*Boe – barrels of oil equivalents

\*\*Scm– standard cubic metres

\*\*\*Compensation volumes from Duva received (tie-in to GjØa) included in Net sold volumes – gas

### Status on 2021 guiding

2021 full-year average production was 15,530 boepd and capex was NOK 638 million, both within the guiding range.

	Unit	Preliminary	Guiding
Production	Boepd	15,530	15,500 - 16,500
Capex	MNOK	638	600 - 700

*For guiding purposes capex figures do not include capitalised interest.*

### Impairments

As previously communicated, the transfer of ownership of the Inspirer rig to the Yme licence was completed during Q4. For accounting purposes, the transaction results in recognition of a pre-tax impairment charge, materially offset under income taxes for change in deferred taxes following the impairment and reduction in taxes payable from uplift. The impairment charge primarily results from lower net asset value from the Yme field as uplift reduces tax payable. The reorganisation of operations and ownership of the Inspirer rig is expected to provide significant cost improvement and cash flow benefits of around NOK 300 million net after tax to OKEA over the next six months.

### Financial position

At the end of the quarter, cash and cash equivalents and liquid investments amounted to NOK 2 249 (1 504) million. Net interest-bearing debt amounted to NOK 750 (874) million which includes the value of OKEA's share of the lease contract with Havila for the Inspirer rig of NOK 493 million.

During the quarter, OKEA bought back OKEA02 bonds for a nominal value of USD 11.8 million at an average price of 103.6 to par. By end of 2021, OKEA had bought back OKEA02 bonds for a nominal value of USD 38.4 million at an average price of 95.7 to par of which USD 6.3 million has been cancelled.

In December, OKEA received NOK 109 million in proceeds for the sale of OKEA's regional headquarter Råket 2 in Kristiansund.

### Financial risk management

OKEA uses derivative financial instruments to manage exposures to fluctuations in commodity prices.

By year end 2021, OKEA had sold forward 30% of the net after tax exposure for natural gas for Q1-22 at an average price of 304 GBp/th, 20% for Q2-22 at an average price of 216 GBp/th and 20% of Q3-22 at an average price of 213 GBp/th.

### Disclaimer

The information contained in this statement is based on a preliminary assessment of the company's fourth quarter 2021 operating and financial results and may be subject to change.

### Fourth quarter 2021 financial report on 11 February 2022

OKEA ASA will release its fourth quarter 2021 results on Friday 11 February 2022 at 06:00 CET. A presentation of the results will be held on the same day through a webcast and audioconference starting 08:00 CET. The presentation will be held by Svein J. Liknes (CEO) and Birte Norheim (CFO).

The webcast can be followed at [www.okea.no](http://www.okea.no)

or [https://channel.royalcast.com/landingpage/hegnarmedia/20220211\\_8/](https://channel.royalcast.com/landingpage/hegnarmedia/20220211_8/)

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**About OKEA**

OKEA ASA is a leading mid to late-life operator on the Norwegian continental shelf (NCS) with a current target production of 18 000 - 19 000 boe per day in 2022. OKEA finds value where others divest and has an ambitious growth strategy built on accretive M&A activities, value creation and capital discipline.

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

More information is available at [www.okea.no](http://www.okea.no)