



## OKEA: Fourth quarter 2021 financial results

(Trondheim, 11 February 2022) - OKEA ASA (OSE: OKEA) reported a net profit after tax of NOK 283 (97) million in the fourth quarter of 2021. Total operating income was NOK 1 725 (1 026) million, and EBITDA was NOK 1 258 (797) million. Total liquidity (cash and cash equivalents and financial investments) increased to NOK 2 249 (1 504) million. OKEA today also announces 2P reserves of 48.3 mmboe including the Ivar Aasen transaction – an increase of 16% compared to year end 2020. Production guiding for 2022 is 18 500-20 000 boepd, an increase from the previous outlook of 18 000-19 000.

*(Amounts in parentheses refer to previous quarter)*

*“OKEA delivered record financial results and strong operational performance in the fourth quarter. Combined with highly favourable market conditions, this resulted in record high revenues in the quarter,” said OKEA CEO Svein J. Liknes. “I am also pleased to announce a 16% increase in 2P reserves resulting from both upgrades at existing fields, maturing of projects like Hasselmus and inorganic growth. With the additional strengthening of our financial position again this quarter, OKEA is in a very good position to execute on our growth ambitions,” Mr. Liknes stated.*

### Fourth quarter 2021 summary

OKEA reported total operating income of NOK 1 725 (1 026) million and EBITDA of NOK 1 258 (797) million for the third quarter 2021. Net profit was NOK 283 (97) million.

Net production to OKEA in the fourth quarter was 16 038 (16 315) boepd. The decrease from previous quarter was mainly driven by lower production from Gjøa partly offset by increased production from Draugen. Production from the Yme field started in October with further commissioning of process systems and start-up of additional wells planned for first quarter of 2022. Total sold volumes were 18 102 (16 979) boepd. Market prices continued to improve during the quarter, which resulted in an average realised price for liquids of USD 78.0 (67.4) per boe and a record-high realised gas price averaging at USD 1.11 (0.57) per standard cubic meter (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.

OKEA recognised NOK 367 (0) million as impairment in the fourth quarter. The transfer of ownership of the Inspirer rig to the Yme licence was completed in October. For accounting purposes, the transaction results in recognition of a pre-tax impairment charge, materially offset under income taxes. The impairment charge primarily results from lower net asset value from the Yme field as uplift becomes deductible. Total tax income recognised in the quarter relating to this effect amounted to NOK 286 (0) million.

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

## **2021 summary**

*(Amounts in parentheses refer to previous year)*

OKEA reported a net profit of NOK 603 million for the full year of 2021, compared to a net loss of NOK –603 million in 2020. Total operating income was NOK 3 882 (1 730) million, and EBITDA was NOK 2 607 (867) million. Total liquidity increased to NOK 2 249 (871) million. Average production for the year was 15 530 (16 147) boepd and capex, excluding capitalised interests, was [BN1]NOK 638 (980) million, both within the guiding range.

## **Total reserves estimates**

OKEA's total net proven plus probable reserves (2P/P50) are estimated at 48.3 mmboe including the Ivar Aasen transaction. This represents an increase of 16% in probable reserves compared to year end 2020.

## **Outlook**

Production guiding for 2022 is 18 500-20 000 boepd, increased from 18-19,000 boepd in the previous outlook provided. Capex guiding, excluding capitalised interest, for 2022 is NOK 950 – 1 150 million. Production outlook for 2023 is 17-19,000 boepd.

## **Webcast and audioconference**

A presentation of the results will be held today 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/)

Dial in details for the audioconference:

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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 18 500 – 20 000 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)

[BN1]Her bør vi kanskje si at dette er ex. Kapitaliserte renter ihht definisjonen på guidingen?