OKEA second quarter 2023 trading update

(Trondheim, 6 July 2023) OKEA ASA (OSE: OKEA) will publish its financial report for the second quarter of 2023 on Thursday 13 July at 06:00 (CET). This trading update is provided to summarise production and sales volumes and related topics and updates for the quarter.

(Amounts in parentheses refer to previous quarter)

Second quarter 2023 production and sales

	Unit	Q2 2023	Q1 2023
Total operating income	MNOK	1,707	2,954
Realised liquids price	USD/boe*	70.1	77.7
Realised gas price	USD/boe*	81.2	116.3
Net production	**Boepd**	**22,263**	**22,210**
Net production – liquids	Boepd	16,620	16,592
Net production – gas	Boepd	5,643	5,618
Third-party volumes available for sale	Boepd	332	448
Over/underlift/inventory adjustments	Boepd	518	15,283
Net sold volume**	**Boepd**	**22,782**	**37,941**
Net sold volumes – liquids	Boepd	16,718	32,139
Net sold volumes – gas**	Boepd	6,064	5,802
	Unit	**Q2 2023**	**Q1 2023**
Cash and cash equivalents end of quarter	MNOK	2,335	1,634
Interest bearing bond end of quarter ***	MNOK	1,293	1,255

* Boe – barrels of oil equivalents

** Includes compensation volumes from Duva and Nova received (tie-in to Gjøa)

*** Outstanding interest-bearing bonds amounted to USD 120 million; the difference in NOK amounts between quarters relates to currency exchange translation

Financial position

In June, OKEA distributed cash dividends of NOK 104 million to its shareholders (NOK 1.00 per share). Cash and cash equivalents at the end of the quarter amounted to NOK 2,335 (1,634) million and interest-bearing bonds debt amounted to NOK 1,293 (1,255) million.

Realised prices

The average realised liquids price was USD 70.1 per boe and the average realised price for gas was USD 81.2 per boe. A value equivalent to USD 23.3 per boe of the realised gas price in the quarter was attributable to gain on fixed price contracts.

Impairment of the Yme asset
As Yme is carried at fair value, any adjustments to asset performance and/or macro assumptions results in impairments or reversal of previous impairments. Mainly due to adverse developments in expected realised prices during the quarter, estimated impairment charge on the Yme asset amounted to NOK 250 – 350 million (NOK 55 – 75 million after tax).

2023 guiding
Production and capex guidance for 2023 remain unchanged with production at 22,000-25,000 boepd and capex at NOK 1,700-2,100 million. Capex guidance excludes capitalised interest and exploration capex and both production and capex guiding exclude effects relating to the Statfjord transaction.

Expected additional production to OKEA from Statfjord for 2023 has been adjusted to 11,000 – 13,000 boepd from 13,000 – 15,000 boepd. The adjustment mainly relates to reduced production efficiency and unforeseen events such as prolonged turn-around at Statfjord C and unplanned shutdown at Statfjord A. The operator continues efforts to improve the production efficiency and the production forecast from Statfjord for 2024 remains unchanged at 16,000 – 20,000 boepd net to OKEA.

Disclaimer
The information contained in this statement is based on a preliminary assessment of the company's second quarter 2023 financial and operational results and may be subject to change.

Second quarter 2023 financial report to be published on 13 July
OKEA will release its second quarter 2023 results on Thursday 13 July at 06:00 CEST. A presentation of the results will be held on the same day through a webcast and audioconference starting 10:00 CEST (Link to webcast). The presentation will be held by Svein J. Liknes (CEO) and Birte Norheim (CFO).

For further information, please contact:

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About OKEA
OKEA ASA is a leading mid- to 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