OKEA fourth quarter 2023 trading update

(Trondheim, 1 February 2024) OKEA ASA (OSE: OKEA) will publish its financial report for the fourth quarter of 2023 on Thursday 8 February 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)

Fourth quarter 2023 production and sales

	Unit	Q4 2023***	Q3 2023***	FY 2023***
Total operating income	MNOK	2,118	2,105	8,885
Realised liquids price	USD/boe*	83.4	89.0	80.1
Realised gas price	USD/boe*	74.6	61.9	82.2
Net production	**Boepd**	**30,082**	**23,710**	**24,586**
Net production – liquids	Boepd	22,742	18,012	18,507
Net production – gas	Boepd	7,340	5,698	6,078
Third-party volumes available for sale	Boepd	292	210	567
Over/underlift/inventory adjustments	Boepd	-4,739	2,769	3,070
Net sold volume**	**Boepd**	**25,635**	**26,689**	**28,224**
Net sold volumes – liquids	Boepd	17,656	20,465	21,701
Net sold volumes – gas**	Boepd	7,979	6,224	6,522
	Unit	**Q4 2023**	**Q3 2023**	**FY 2023**
Cash and cash equivalents	MNOK	2,301	2,346	2,301
Interest bearing bond	MNOK	1,246	1,300	1,246

* Boe – barrels of oil equivalents

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

*** Volumes and key figures relating to the income statement do not include contributions from Statfjord prior to closing on 29 December 2023

Quarterly production highlights

Record high production of 30.1 (23.7) kboepd in the quarter largely due to strong performance from operated assets. Production at Draugen increased by 50% compared to previous quarter mainly driven by Hasselmus and high production availability. Production at Brage increased by 41% due to continued good performance from the Talisker East well and new wells brought on stream. Production at Yme also increased following a successful recompletion of a production well and production at Gjøa, Ivar Aasen and Nova were stable throughout the quarter.

Production from Statfjord in 2023 was not included in OKEA's key figures or income statement prior to closing on 29 December 2023. Statfjord produced 10.8 kboepd net to OKEA in 2023, resulting in a total production for OKEA's portfolio of 35.4 kboepd.

Goodwill impairment relating to the Statfjord transaction

As detailed in the press release published on 29 December 2023, updated projections from the Statfjord license indicated a downward revision of volumes combined with an increase in cost. The reduction in volumes was mainly due to production regularity and well performance and most significant in the near term. An impairment charge for ordinary goodwill in the range of NOK 1,300-1,450 million will be recognised in the financial statements for the quarter. As a goodwill impairment, the impact will be the same before and after tax.

Impairment of the Yme asset

As Yme is carried at fair value, any adjustments to asset performance and/or macro assumptions result in impairments or reversal of previous impairments. Mainly due to reduced forward prices for crude oil during the quarter, estimated impairment charge on the Yme asset amounts to NOK 450 - 550 million (NOK 100 - 120 million after tax).

Disclaimer

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

Fourth quarter 2023 financial report to be published on 8 February

OKEA will release its fourth quarter 2023 results on Thursday 8 February at 06:00 CET. A presentation of the results will be held on the same day through a webcast and audioconference starting 11:00 CET (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