



Vår Energi reports fourth quarter and full year 2021 results

Sandnes, Norway, 1 March 2022: Vår Energi ASA (OSE: VAR) today reported USD 2 274 million in total income for the fourth quarter of 2021 and USD 6 073 million for the full year, an increase of 40% and 110% from the third quarter of 2021 and full year 2020 respectively, primarily driven by higher oil and gas prices.

Profit before taxes was USD 1 124 million in the quarter (+87%) and USD 2 498 million for the year compared to a net loss in 2020. Cash flow from operations (CFFO) was USD 923 million in the quarter and USD 4 438 million for the full year. The Company maintains its 2022 guidance of minimum USD 800 million in dividends including USD 225 million expected for the first quarter.

Highlights:

- Zero actual serious incidents in 2021
- Production of 259 kboepd, an increase from 247 kboepd in the third quarter on improved production efficiency, full-year 2021 production was 246 kboepd (-7% from previous year)
- Average realised price of USD 103.4 per boe in the quarter (+46% from Q3 2021) and USD 70.9 for the full year (+128% from the previous year)
- Strong full-year cash flow generation, fourth quarter impacted by tax payments and increased working capital due to higher gas sales
- Fourth quarter and full-year production cost of USD 13.4 per boe and USD 12.0 per boe, respectively, with full-year 2022 guidance unchanged at USD 12.5 to 13.5 per boe
- 2021 exploration campaign with 75% success rate adding 135 million boe (mmboe) of resources, equal to 1.5x full-year production of 90 mmboe
- Main development projects progressing according to plan and budget
- Obtained Investment Grade credit ratings from S&P and Moody's
- Refinanced reserve-based lending facility with a USD 6 billion unsecured loan
- Leverage ratio reduced to 1.1x at year end from 3.2x at end 2020 on lower net debt and strong cash flow

"Vår Energi delivers record earnings for the fourth quarter and 2021 driven by solid operational performance, a significant gas share and increased realised commodity prices. The development projects which support our mid-term production targets are progressing as planned and we maintained focus on safe operations with zero serious accidents recorded. We see a continued supportive commodity price environment which, together with our strong balance sheet, scale of production and cash flow generation underpin our commitment to deliver on our full-year 2022 dividend expectations of minimum USD 800 million." Torger Rød, CEO of Vår Energi

Webcast and conference call

The company will today hold a webcast and conference call followed by Q&A at 10:00 CET hosted by CEO Torger Rød and CFO Stefano Pujatti.

You can follow the webcast with supporting slides, available on:

<https://streams.eventcdn.net/vaarenergi/2021q4/>

To access the conference call, please pre-register at:

<https://www.incommglobalevents.com/registration/q4inc/10188/v%C3%A5r-energi-fourth-quarter-2021-results/>

You will receive your access details via email.

The report, presentation and webcast will be available at www.varenergi.no.

About Vår Energi

Vår Energi is a leading independent upstream oil and gas company on the Norwegian continental shelf (NCS). We are committed to deliver a better future through responsible value driven growth based on over 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects, and a strong exploration track record. Our ambition is to be the safest operator on the NCS, the partner of choice, an ESG leader and a net-zero producer (Scope 1 and 2) by 2030.

Vår Energi has more than 900 employees and equity stakes in 36 fields producing net 246,000 boe per day in 2021. We have our headquarters outside Stavanger, Norway, with offices in Oslo and Hammerfest. To learn more, please visit varenergi.no.

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange release was published by Ida Fjellheim, Head of Investor Relations at Vår Energi ASA, on 1 March 2022 at 07:00 CET.

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