

Vår Energi: Second quarter 2022 production update

Sandnes, Norway, 11 July 2022: Vår Energi ASA (OSE: VAR, the "Company") will publish its financial report for the second quarter and first half year of 2022 on Tuesday 26 July. Today, the Company provides an update on production and sales volumes and other relevant items.

Vår Energi's net production of oil, liquids and natural gas averaged 210 kboepd in the second quarter of 2022, a decrease of 13% compared to 242 kboepd in the first quarter of 2022 and an increase of 3% compared to the second quarter of 2021 (recalculated from 206 kboepd to 202 kboepd with adjusted conversion factor¹). The Company maintains its guidance for the full year of 2022 of 230-245 kboepd.

The lower production in the second quarter of 2022, compared to the previous quarter, was mainly due to minor operational issues at both operated and partner-operated fields and partner-operated turnaround activities which extended beyond plan.

The Company succeeded in maintaining stable gas production compared to the first quarter, of average 85 kboepd. Production of crude oil and NGL (liquids) in the second quarter amounted to 60% (65% in the first quarter) whereas gas production was 40% (35%). During the quarter, the Company continued to reduce NGL recovery to increase gas volumes and sales to capture the current favourable gas prices. Total volumes produced in the second quarter were 19.1 mmboe whereas volumes sold in the quarter amounted to 19.5 mmboe.

The Company obtained an average realised price (volume-weighted) of USD 124.1 per boe in the quarter due to the continued strong commodity price environment. Realised gas price of USD 151.3 per boe is a result of flexible gas sales agreements, allowing for optimisation of indices and various exit points in Europe.

	Q2 2022	Q1 2022	Q2 2021 ¹
Production (kboepd)			
Crude oil	113.3	137.0	130.0
Gas	84.6	85.1	60.3
NGL	11.9	19.9	15.3
Total	209.8	241.9	205.6
Realised prices (USD/boe)			
Crude oil price	116.0	99.6	67.8
Gas price	151.3	163.4	41.6
NGL price	70.9	72.6	39.9
Average (volume-weighted)	124.1	119.8	57.8
Volumes sold/lifted (mmboe)			
Crude oil	10.7	12.4	12.0
Gas	6.9	7.1	5.0
NGL	1.9	1.2	2.2
Total	19.5	20.7	19.2

¹ With effect from 1 January 2022, the Company adjusted its gas conversion factor from 6.65 to 6.29 boe per 1 000 Sm³ gas to be in line with Norwegian industry practice based on typical properties on the NCS.

Total production (mmboe)	19.1	21.8	18.7
Over/(Underlift) (mmboe)	0.4	-1.1	0.5

Other items

Vår Energi's functional currency is NOK, whilst interest-bearing loans are in USD. A weakening of NOK in the second quarter 2022 will have an effect on unrealised exchange rate losses.

The information above is based on a preliminary assessment of the Company's second quarter 2022 financial results and may be subject to change until the financial statements have been finally approved and published by the Company.

Second quarter webcast and conference call

Vår Energi will release its quarterly results on 26 July at 07:00 CEST. A webcast and conference call followed by Q&A will be held 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/2022q2>

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

<https://ige.netroadshow.com/registration/q4inc/11043/v%C3%A5r-energi-second-quarter-2022-results/>

You will receive your access details via email.

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

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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.

This information is subject to disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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