

Stock market announcement

Vår Energi reports second quarter 2022 results

Sandnes, Norway, 26 July 2022: Vår Energi ASA (OSE: VAR) reported USD 2 437 million in total income for the second quarter of 2022, EBIT was USD 1 674 million and cash flow from operations (CFFO) was USD 1 535 million in the quarter. Total income for the first six months was USD 4 927 million. EBIT for the period was USD 3 392 million and CFFO was USD 3 736 million.

Vår Energi expects a minimum of USD 1 billion in dividends for 2022, under current market conditions, paid on quarterly basis. A dividend of USD 225 million for the first quarter was distributed in May and USD 260 million for the second quarter will be distributed in August. The Company plans to pay further USD 290 million in dividend for the third quarter of 2022 in November, a 12% increase from the second quarter.

Highlights:

- Safe operations, no serious incidents in the quarter
- Production of 210 kboepd, a decrease from 242 kboepd in the first quarter due to seasonally high turnaround and maintenance activity, and an increase of 3.2% when compared to the same period last year
- Average weighted realised price of USD 124.1 per boe in the quarter (oil USD 116.0, gas USD 151.3)
- Production cost of USD 14.7 per boe, up from USD 12.1 per boe in the previous quarter due to high turnaround and maintenance activity. Full year 2022 guidance maintained at USD 12.5 to 13.5 per boe
- Major development projects progressing according to schedule, continued macro and supply chain uncertainties
- Continued strong exploration performance with two discoveries in the quarter
- Raised an aggregate of USD 500 million in senior notes due 2027 for partial refinancing of bridge-to-bond facility maturing in November 2023
- USD 4 492 million in available liquidity
- Leverage ratio reduced to 0.4x at the end of June from 0.6x at the end of March due to strong cash flow from operations, increased cash and lower debt
- The Board declares dividend of USD ~0.10 per share for the second quarter, totalling USD 260 million, to be distributed on 11 August

"The continued strong cash flow generation reflects another quarter of safe and efficient operations with high commodity prices and stable production and supply of gas to our customers in Europe. This supports our commitment to deliver on our strategy and a USD 1 billion minimum dividend expectation for 2022. Second-quarter production was impacted by seasonally high maintenance and turnaround activity across own and partner-operated licenses. Vår Energi executed maintenance on operated fields according to plan. We also made good progress on the development projects which together with a strengthened organisation position Vår Energi to become a net producer of 350,000 barrels of oil and gas per day by the end of 2025." Torger Rød, CEO, 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/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.

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.

Contact

Investor relations

Ida Marie Fjellheim, Head of Investor Relations

+47 90509291

ida.fjellheim@varenergi.no

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