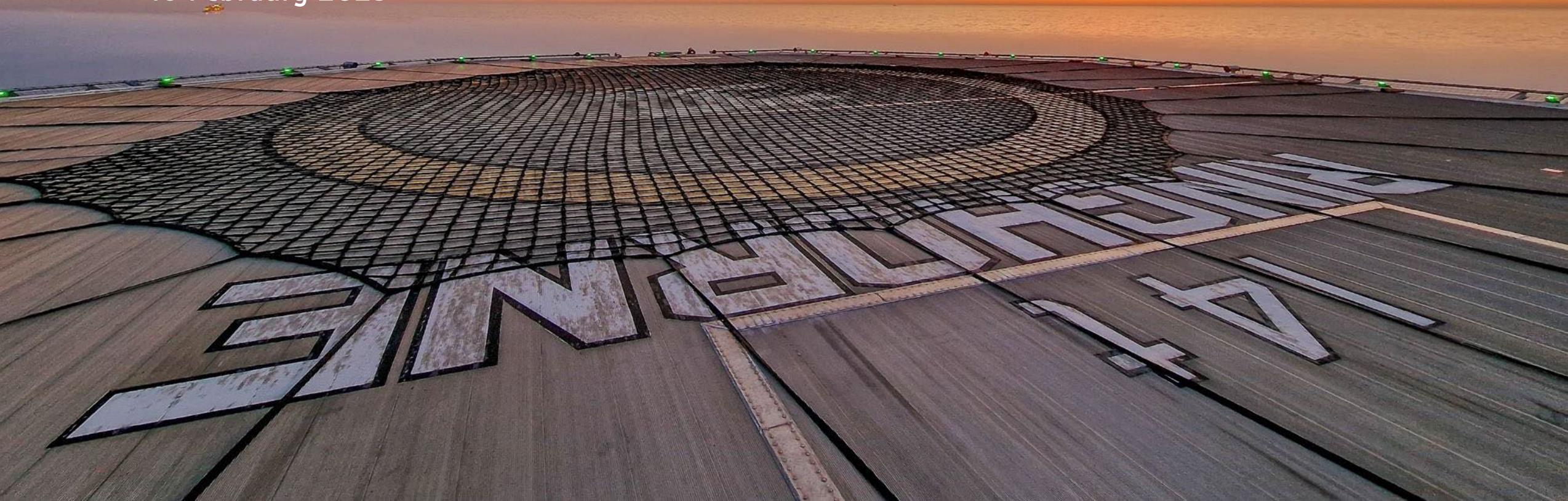


# Growth and value creation

Capital markets update  
16 February 2023



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# Agenda Capital Markets Update

10:00 - 10:05 Welcome  
Ida Marie Fjellheim, VP Investor Relations

10:05 - 10:15 Q4 and full-year 2022 results  
Stefano Pujatti, CFO

10:15 - 11:30 **A leading E&P independent on the attractive NCS**  
**Delivering growth and operational excellence**  
**Becoming an ESG leader**  
**Financial framework**  
Torger Rød, CEO  
Stefano Pujatti, CFO

11:30 - 12:00 Q&A

12:00 - 12:45 Lunch

12:45 - 13:55 Deep dive 1:  
**Exploration and Production**  
**Project Development and Supply Chain Management**  
Rune Oldervoll, EVP  
Atle Reinseth, EVP  
  
Deep dive 2:  
**Technology, Drilling and Subsurface**  
**Commercial**  
Ingrid Sølvsberg, EVP  
Ove-André Årdal, SVP

## Today's presenters



**Torger Rød**  
CEO



**Stefano Pujatti**  
CFO



**Rune Oldervoll**  
Exploration &  
Production



**Atle Reinseth**  
Project Development  
& SCM



**Ingrid Sølvsberg**  
Technology, Drilling  
& Subsurface



**Ove André Årdal**  
Commercial

## Moderators



**Ida Marie Fjellheim**  
Investor Relations



**Stian Salmi Seipæjævi**  
Investor Relations

# A leading E&P independent on the attractive NCS



Growth on track,  
sustained value creation

Path to  
ESG leadership

Strong cash flow,  
attractive distributions

Robust  
portfolio

Strong gas  
position

High value  
growth

Exploration  
excellence

Partner of  
choice

World class  
capabilities

Q4 2022 results



# Fourth quarter 2022 highlights

## Safe and stable production

- Q4 production 214 kboepd, 220 kboepd for the full-year 2022
- Gas share of 37% in the quarter
- Continued focus on operational improvements

## High realised gas prices

- Average realised price of ~115 USD/boe in the quarter, gas 182 USD/boe
- CFFO impacted by high tax payments and final payment to Exxon
- Capex within full-year guidance
- Dividend guidance of USD 270 million for Q1 2023

## Continued solid financial position

- USD ~4 billion in available liquidity at year-end
- Leverage ratio of 0.3x at year-end 2022
- Successfully issued USD 2 billion of bonds in the US debt market

## Strong exploration performance

- Operator of the largest NCS discovery
- 2022 exploration success rate of 57%<sup>1</sup>



# Key performance indicators

Q4 2022 vs. Q3 2022

Actual serious incidents frequency<sup>1</sup>

**0.1**

(0.1)

Production

**214 kboepd**

(215)

Cash flow from operations

**USD 443m**

(1 503)

CO<sub>2</sub> emissions intensity

**10.5 kg/boe**

(10.4)

Production cost per boe

**USD 14.1**

(13.4)

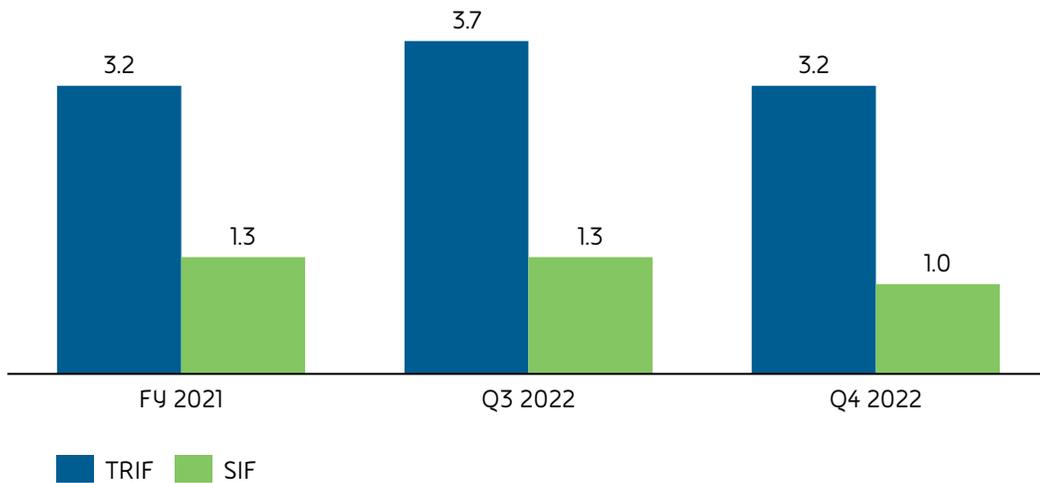
Dividend for the quarter

**USD 300m**

(290)

# Safe operations

TRIF<sup>1</sup> and SIF<sup>2</sup>



- No serious incidents in the quarter
- Improvement seen on key safety metrics over the quarter
- Focus on reversing the trend through implemented initiatives, shared learnings and strengthened safety culture

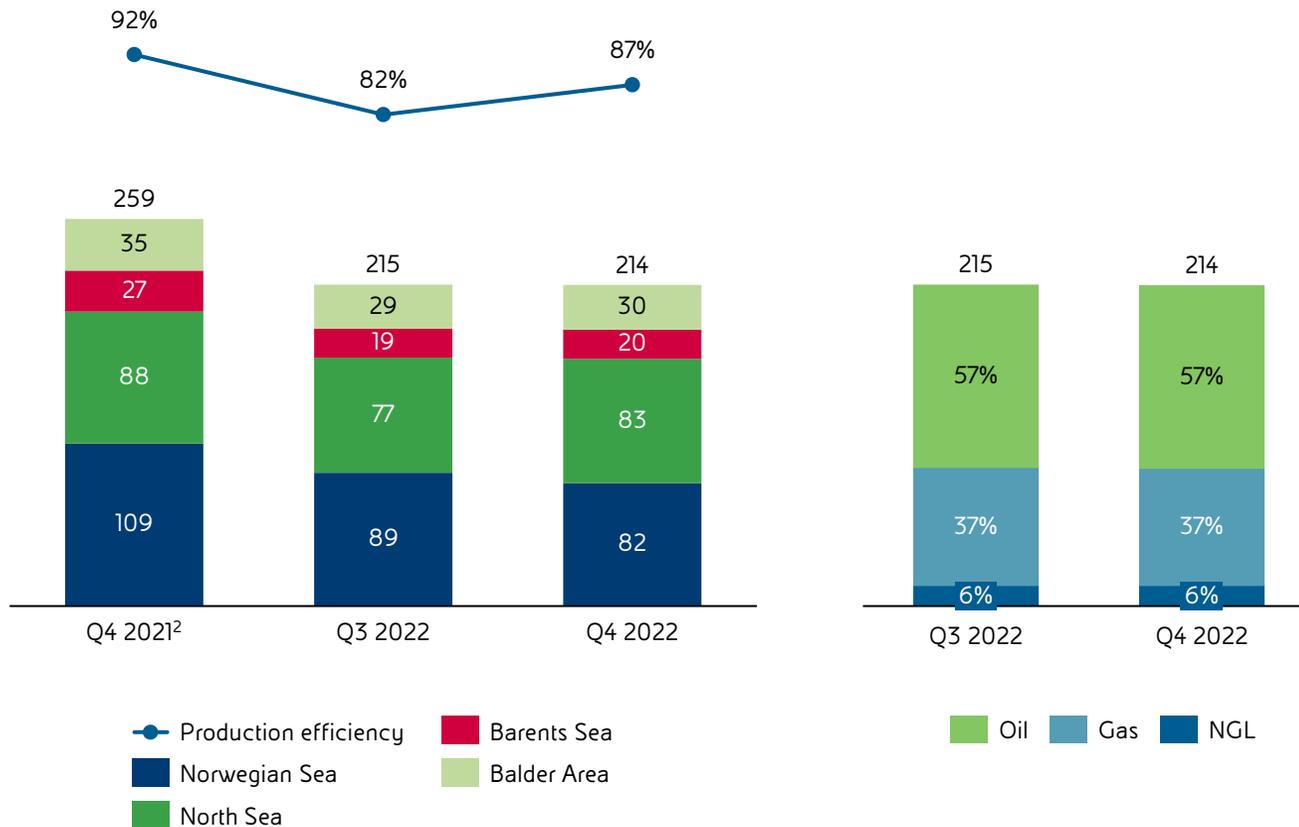


1. Total recordable incident frequency per million hours worked, 12 months rolling average  
2. Total serious incident frequency per million hours worked, 12 months rolling average

# Stable production with continued strong gas position

## Production, production efficiency<sup>1</sup> and product mix

kboepd



- **Goliat**
  - Production efficiency of >96% in Q4
  - Well integrity issues resolved
- **Balder**
  - Production up 4 kboepd following restoration of shut-in production
- **Partner-operated assets**
  - Åsgard B - back at full capacity
  - Sleipner compressor repaired
  - Unplanned downtime on Grane
- Continued to reduce NGL recovery to increase gas sales
- 2022 full year production of 220 kboepd, versus 246 kboepd in 2021
- 2023 production guidance of 210-230 kboepd

1. Vår Energi operated assets

2. Production numbers presented for 2021 are based on a gas conversion of 6.65, whereas production in 2022 are based on a factor of 6.29

# Continued exploration success

Strong results in 2022 exploration campaign

Discovery rate

57%

4/7 wells

Contingent resources<sup>1</sup>

~65

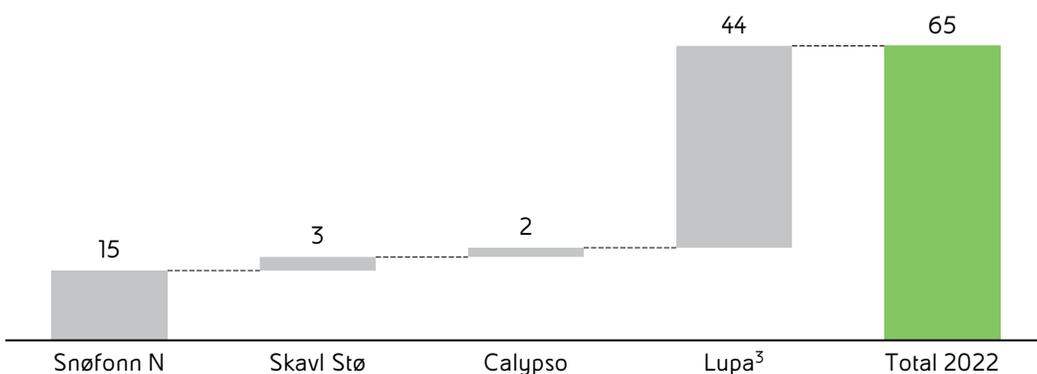
mmboe (net)

Unit exploration cost

~0.2

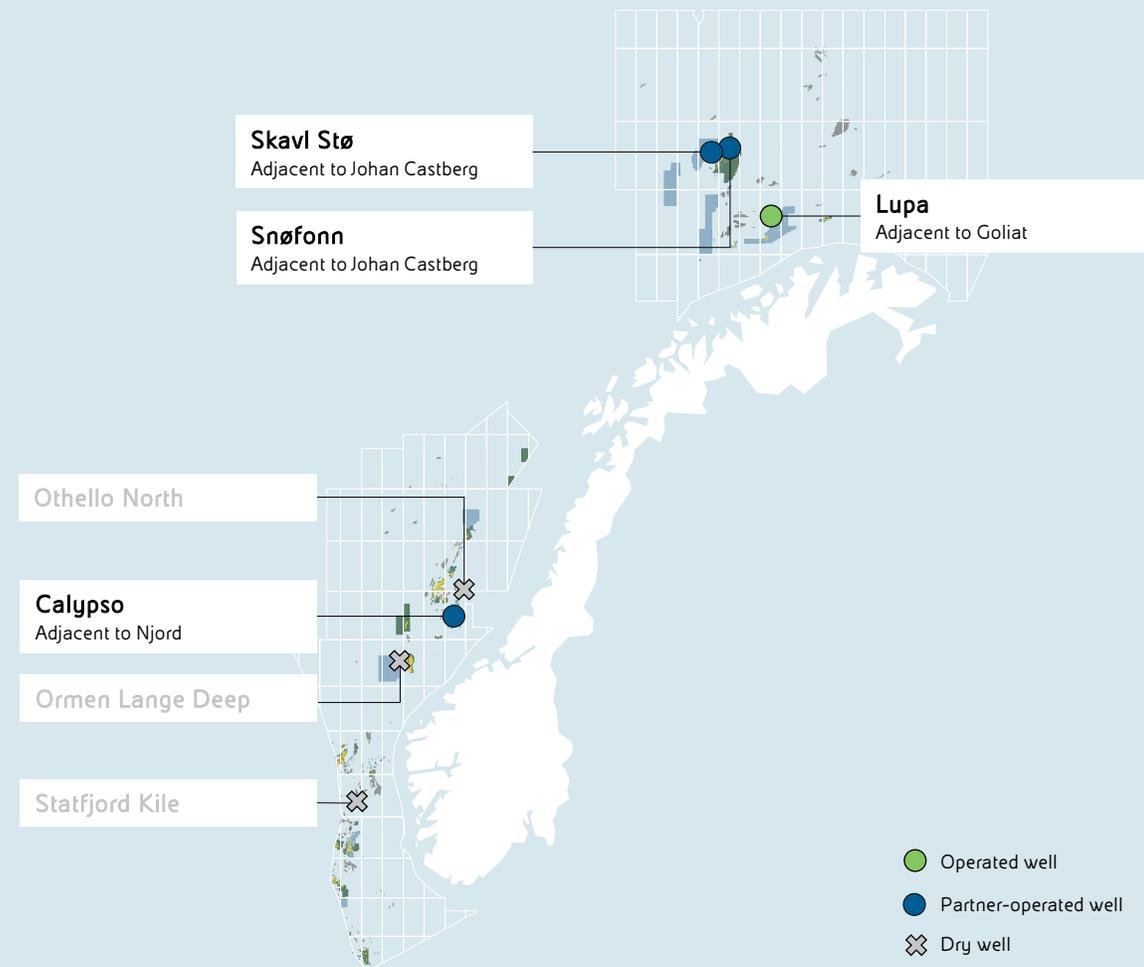
USD per boe

4 discoveries<sup>2</sup> adding significant contingent resources



1. Net to Vår Energi  
 2. Technical discoveries  
 3. Largest discovery on NCS in 2022

High-value exploration near existing hubs



# Key financials

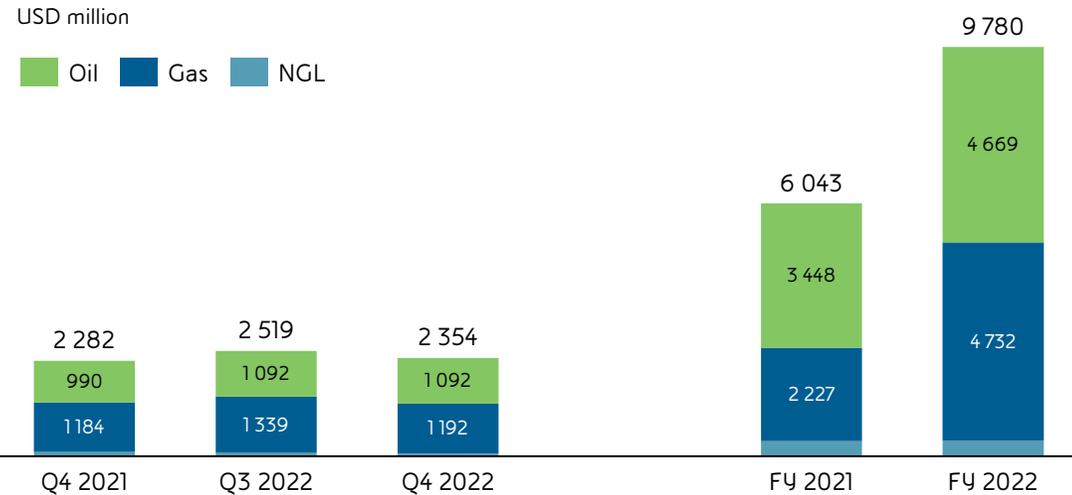
USD million	Q4 2022	Q3 2022	Q4 2021	FY 2022	FY 2021
Petroleum revenues	<b>2 354</b>	2 520	2 282	<b>9 781</b>	6 043
EBIT	<b>1 531</b>	1 363	1 249	<b>6 369</b>	3 059
Profit before taxes	<b>1 793</b>	1 071	1 137	<b>5 856</b>	2 647
Production cost (USD/boe)	<b>14.1</b>	13.4	13.4	<b>13.5</b>	12.0
Operating CF before tax	<b>2 094</b>	2 027	1 523	<b>8 369</b>	4 415
CFFO	<b>443</b>	1 503	951	<b>5 682</b>	4 580
CAPEX	<b>800</b>	599	710	<b>2 593</b>	2 585
NIBD / EBITDAX	<b>0.3x</b>	0.2x	1.0x	<b>0.3x</b>	1.0x
Available liquidity <sup>1</sup>	<b>4 045</b>	5 099	2 304	<b>4 045</b>	2 304



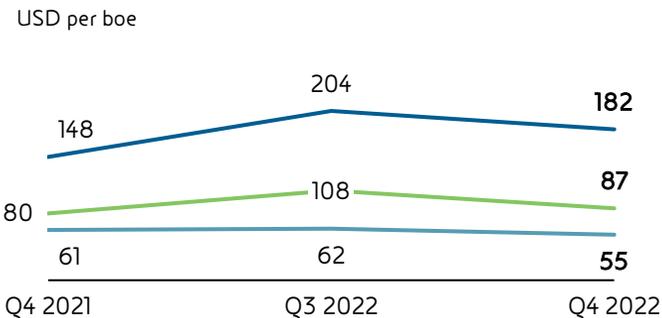
<sup>1</sup> Cash, cash equivalents and undrawn facilities

# Strong gas price realisations

## Total petroleum revenues



## Realised prices



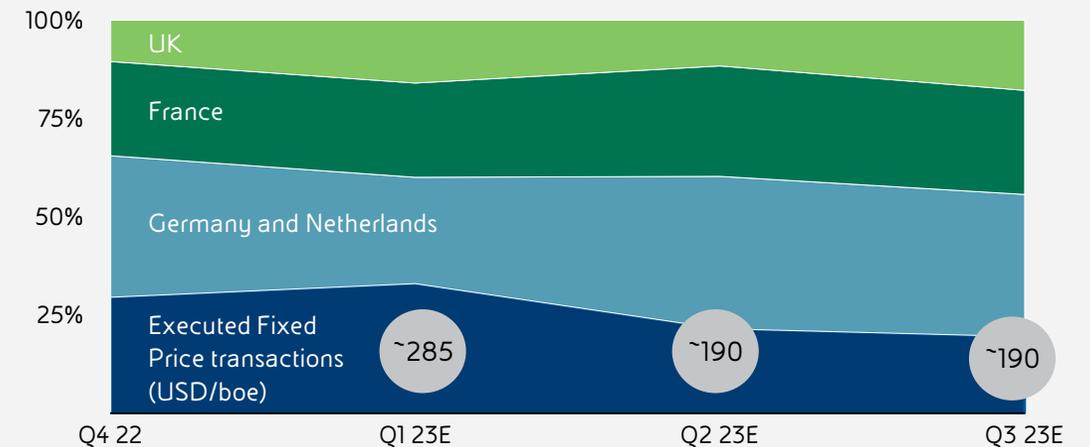
	FY 2022	FY 2021
Oil	102	70
Gas	175	80
NGL	65	45

## Q4 2022 gas revenues

- Month and day ahead sales weighted towards France and Germany with ~30% of volumes exposed to high Month ahead prices
- Fixed price sales included contracts with Gas Year Ahead pricing started 1st Oct 2022 and a forward sale contract entered in January 2022

## Indicative gas sales portfolio - current year<sup>1</sup>

Gas sales split (%)

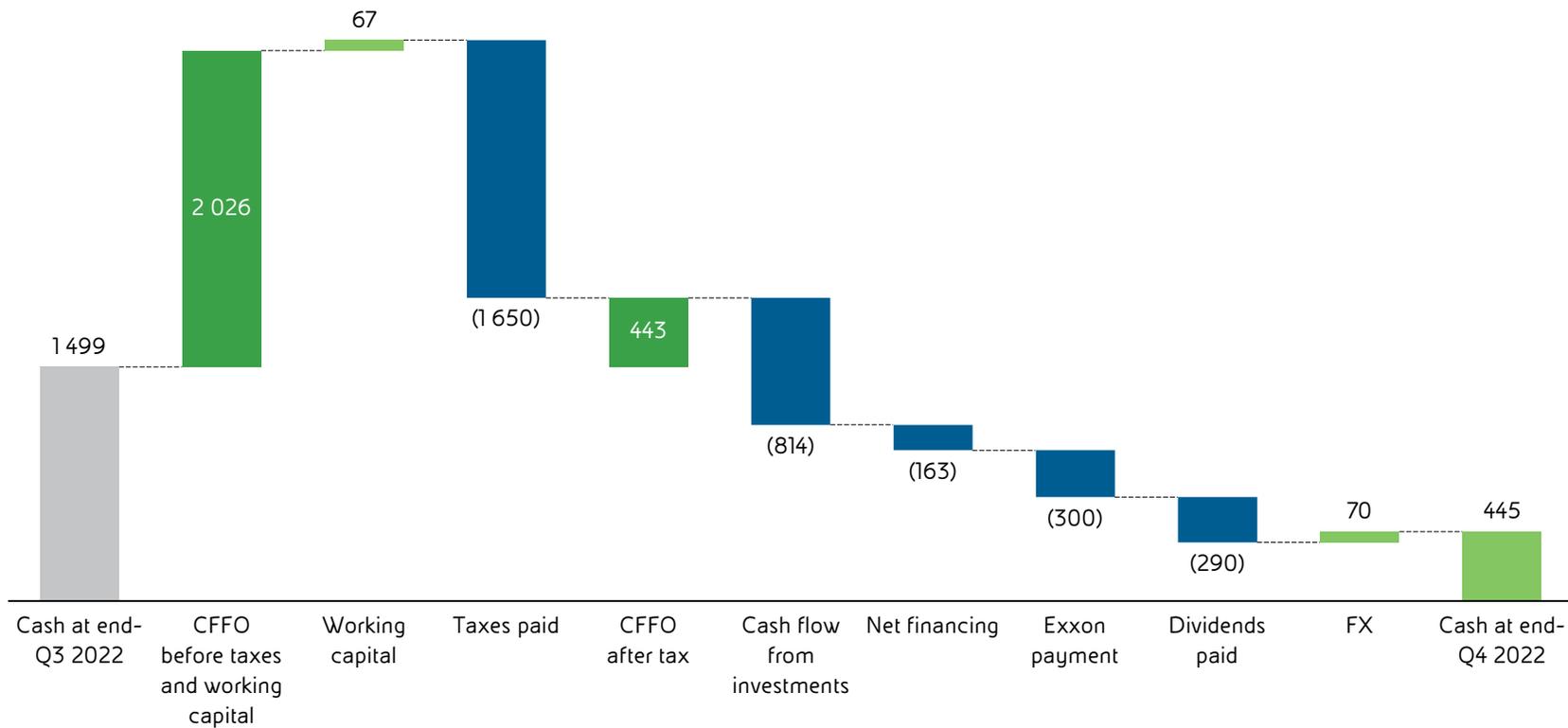


<sup>1</sup>. Based on average exchange rates through January 2023

# CFFO impacted by higher tax payments and payment to Exxon

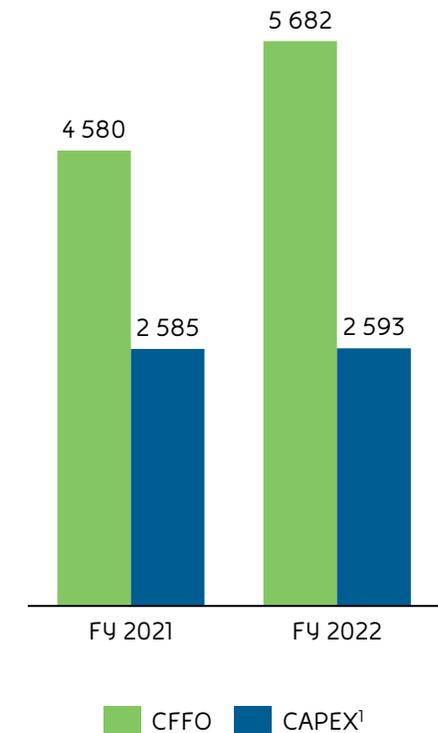
## Cash flow development Q4 2022

USD million



## CFFO and Capex

USD million

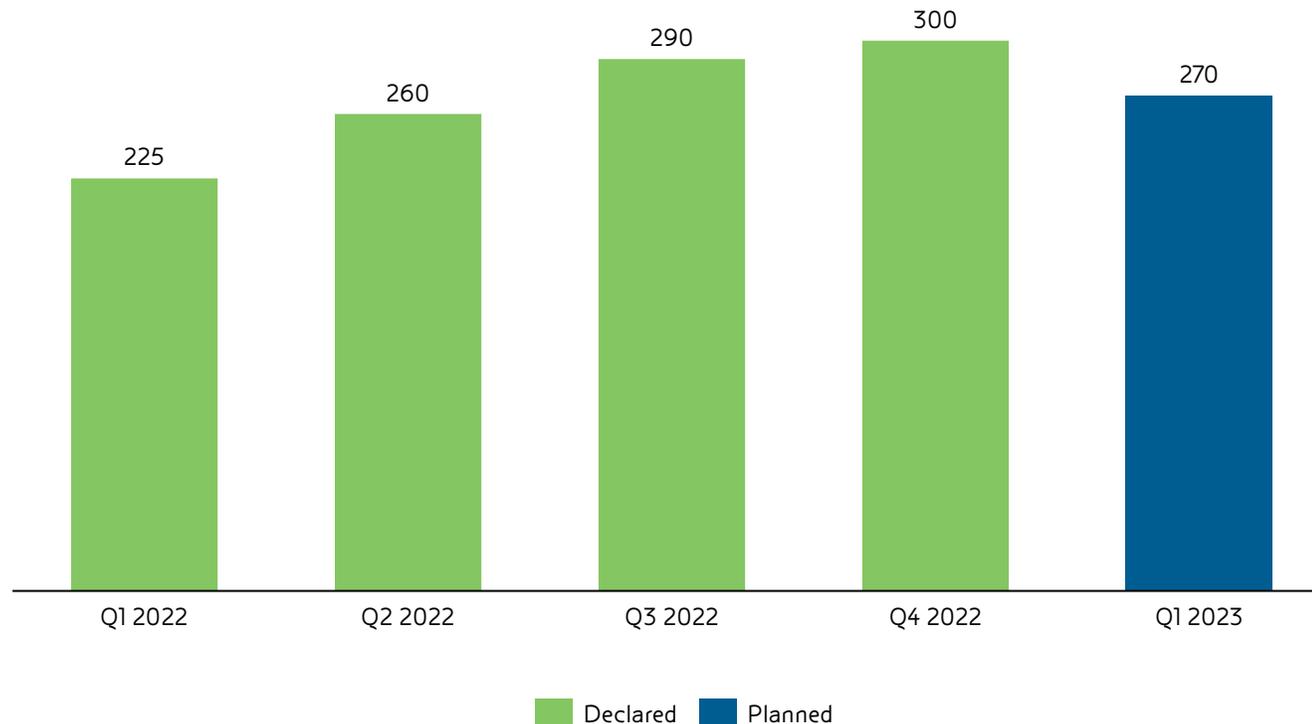


1. Capex including expenditures on exploration and evaluation assets

# Continued attractive dividend distribution

## Dividend distribution

USD million



- Dividend policy of 20-30% of cash flow from operations after tax over the cycle
- Dividend guiding for Q1 2023 of USD 270 million (~0.11 USD per share) compared to USD 225 million in Q1 2022
- For 2023, the plan is to distribute approximately 30% of CFFO after tax
- Dividend for Q4 2022 of USD ~0.12 per share to be paid 3 March 2023
  - Paid in NOK at exchange rate of NOK/USD 10.205

Growth and value  
creation





# Celebrating one year as a listed company

Market cap<sup>1</sup>

**~80**

NOK billion

Dividend for 2022

**1,075**

USD million vs. guidance at IPO USD 800 million

Number of shareholders<sup>1</sup>

**~30,000**

~19,000 at IPO

High engagement

**>80%**

of employees own Vår Energi share

# Creating value as a leading pure-play E&P independent on the attractive NCS



Material and diversified production base



Maximising value creation with hub-centred strategy



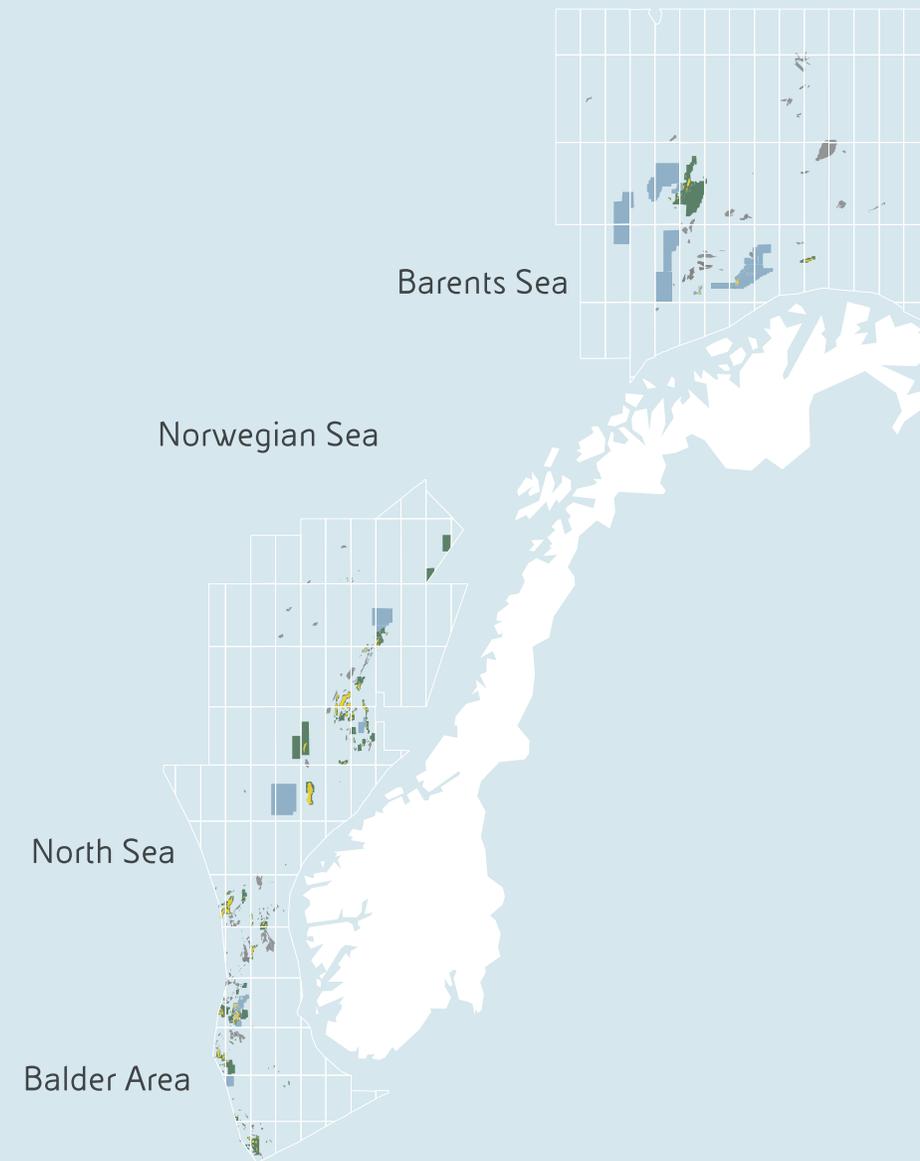
World-class capabilities, with tangible growth and track record



Credible path to net zero (scope 1 and 2) by 2030



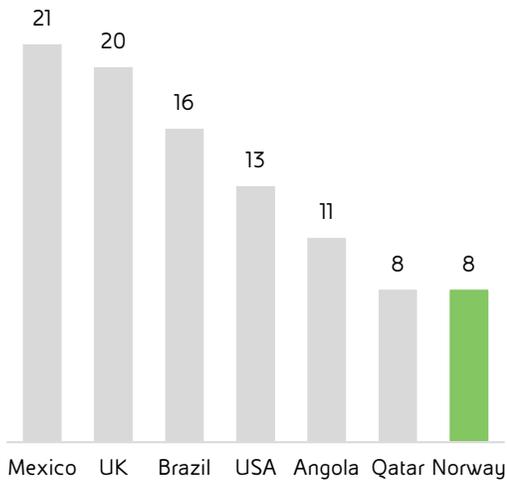
Material cash flow generation and Investment grade balance sheet supporting attractive and resilient distributions



# The Norwegian Continental Shelf is an ideal foundation for value creation...

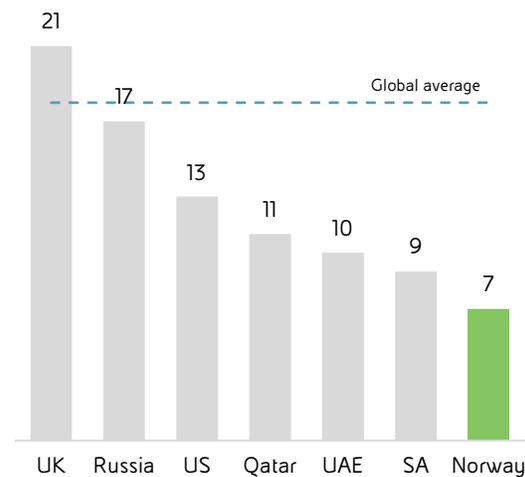
## Cost competitive<sup>1</sup>

Opex per boe 2022 (USD)



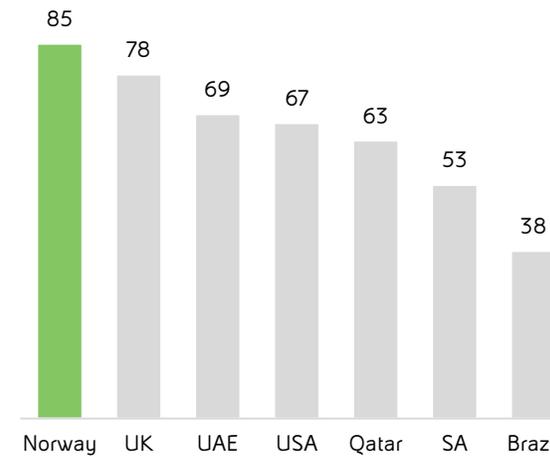
## Lowest CO<sub>2</sub> footprint<sup>1</sup>

Carbon intensity 2022 (kg CO<sub>2</sub>/boe produced)



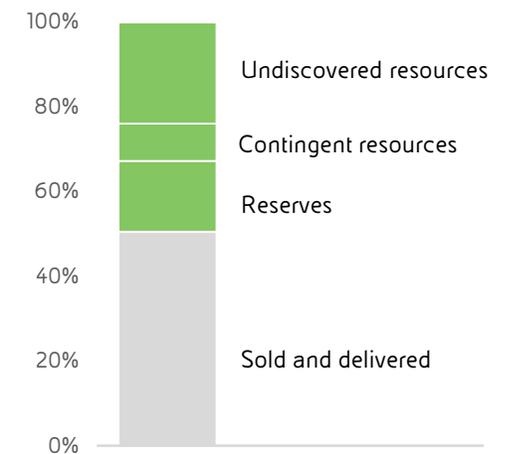
## Reliable framework

Score "Transparency International's" Corruption Perception Index, 2021



## Significant resources<sup>2</sup>

Total ~100bn boe



Production growth

Continued investment in developments

Continued exploration

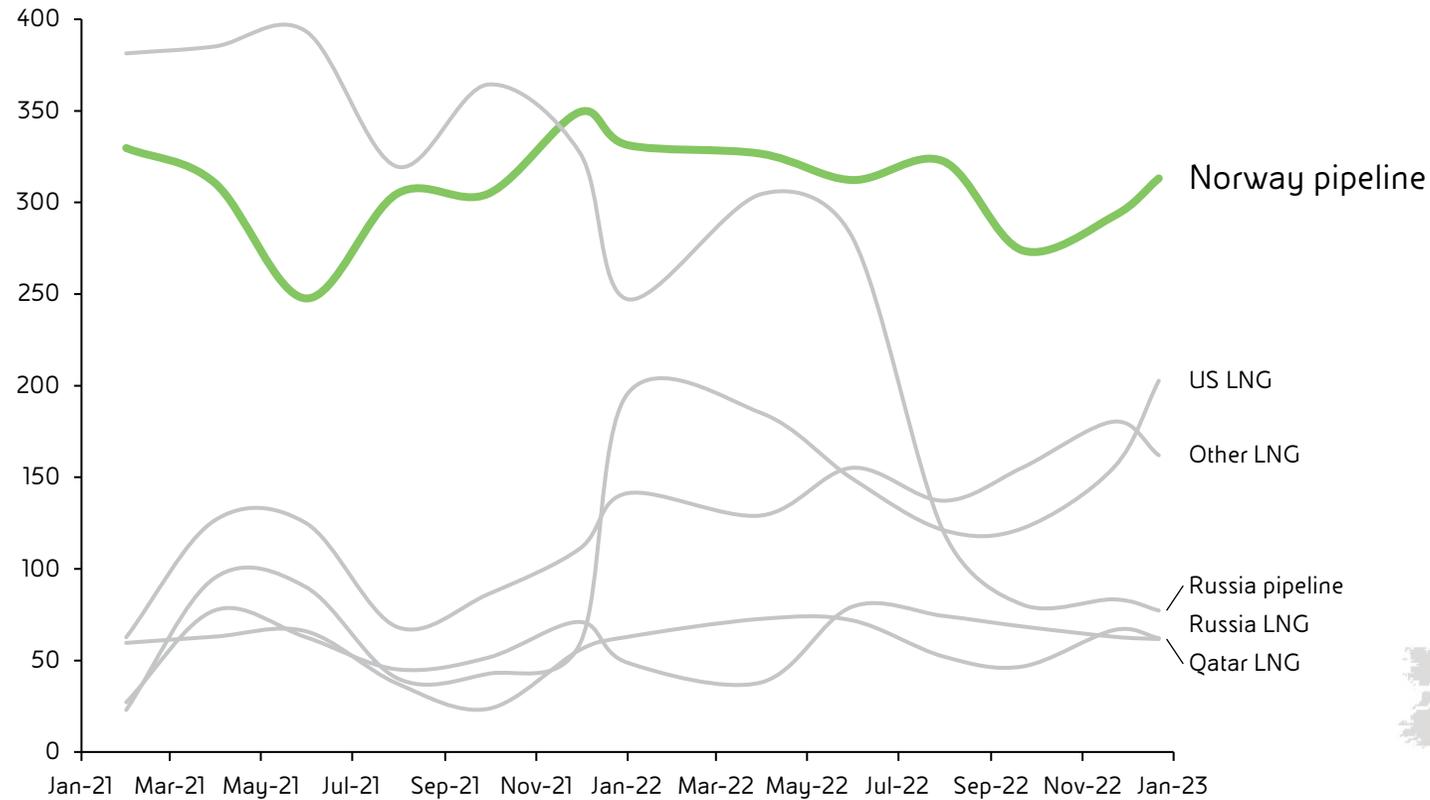
Supportive and stable fiscal environment

1. Source: Rystad Energy  
2. Source: Norwegian Petroleum Directorate

# ...and a stable and secure energy supplier to Europe

## Norway is the largest gas supplier to Europe<sup>1</sup>

Gas imports to Europe, MMcmd

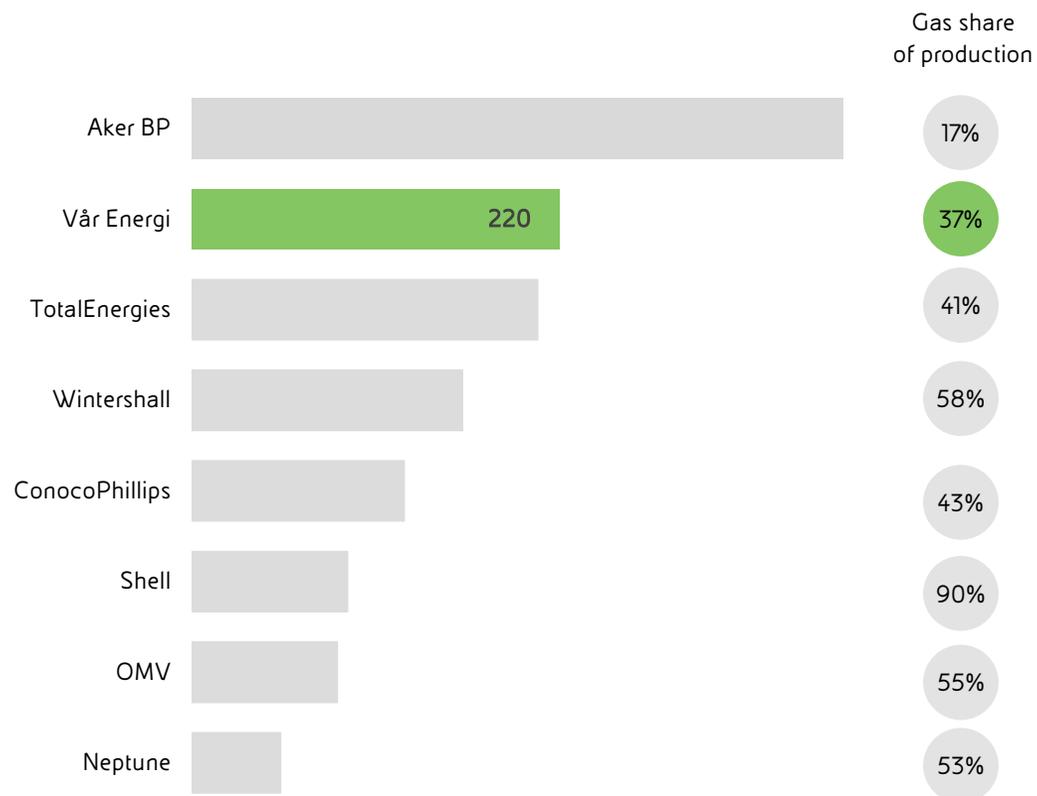


1. Source: Rystad Energy

# Vår Energi has a leading position on the NCS

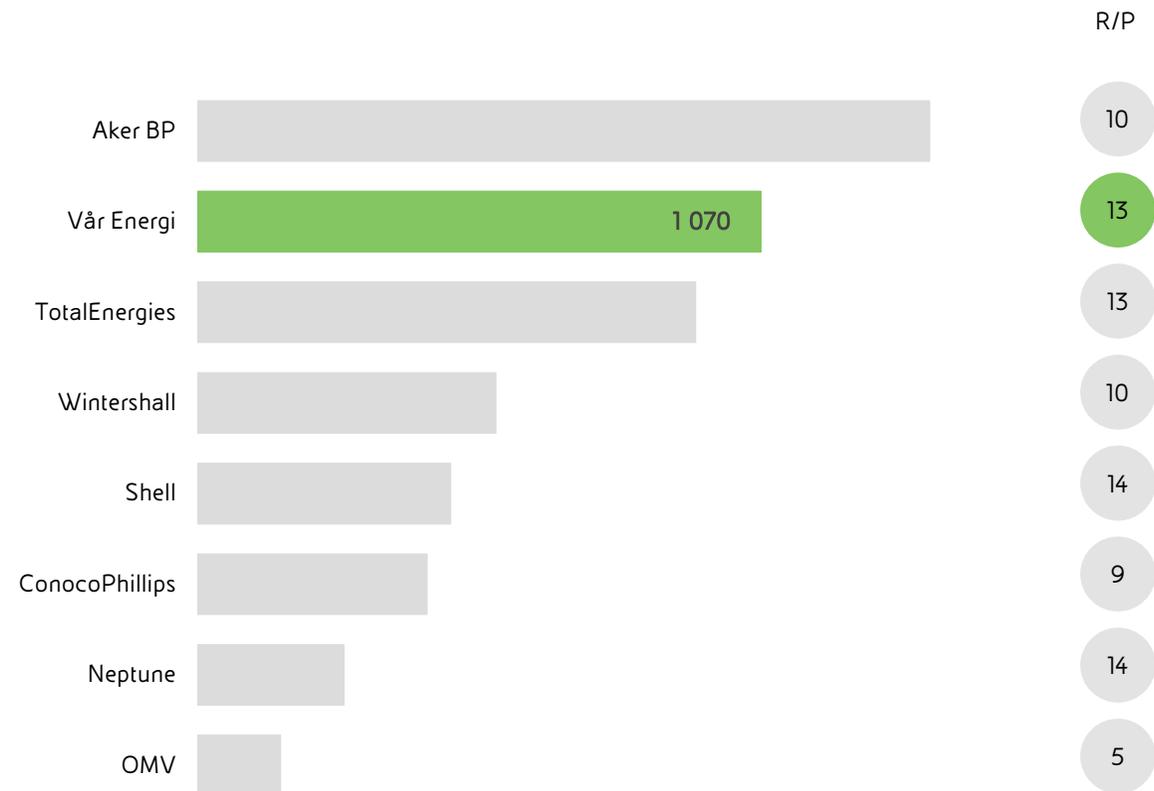
One of the largest independent NCS producers<sup>1</sup> ...

2022FY production (kboepd)



... with a solid reserve base and R/P<sup>2</sup>

2022YE reserves (mmboe)



1. Source: Rystad Energy and company filings. Includes NCS producers excluding Equinor and Petoro

2. Reserves year-end 2022 divided by FY 2022 production on the NCS

# Robust portfolio and value-enhancing hub-centred strategy

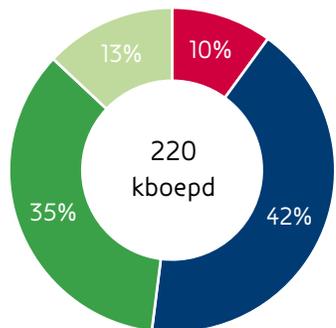
**158** licenses  
53 as operated

**36** assets<sup>1</sup>  
4 as operator

**37%** gas share  
FY 2022

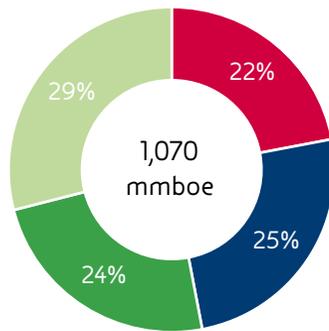
## Strong diversification across four hub areas

Production split FY 2022



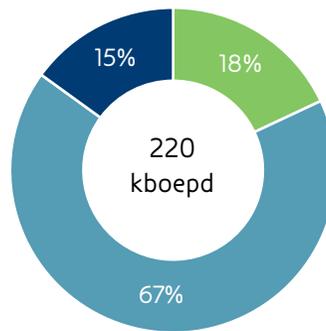
- Barents Sea Area
- Norwegian Sea
- North Sea
- Balder Area

2P reserves split 4E 2022<sup>2</sup>

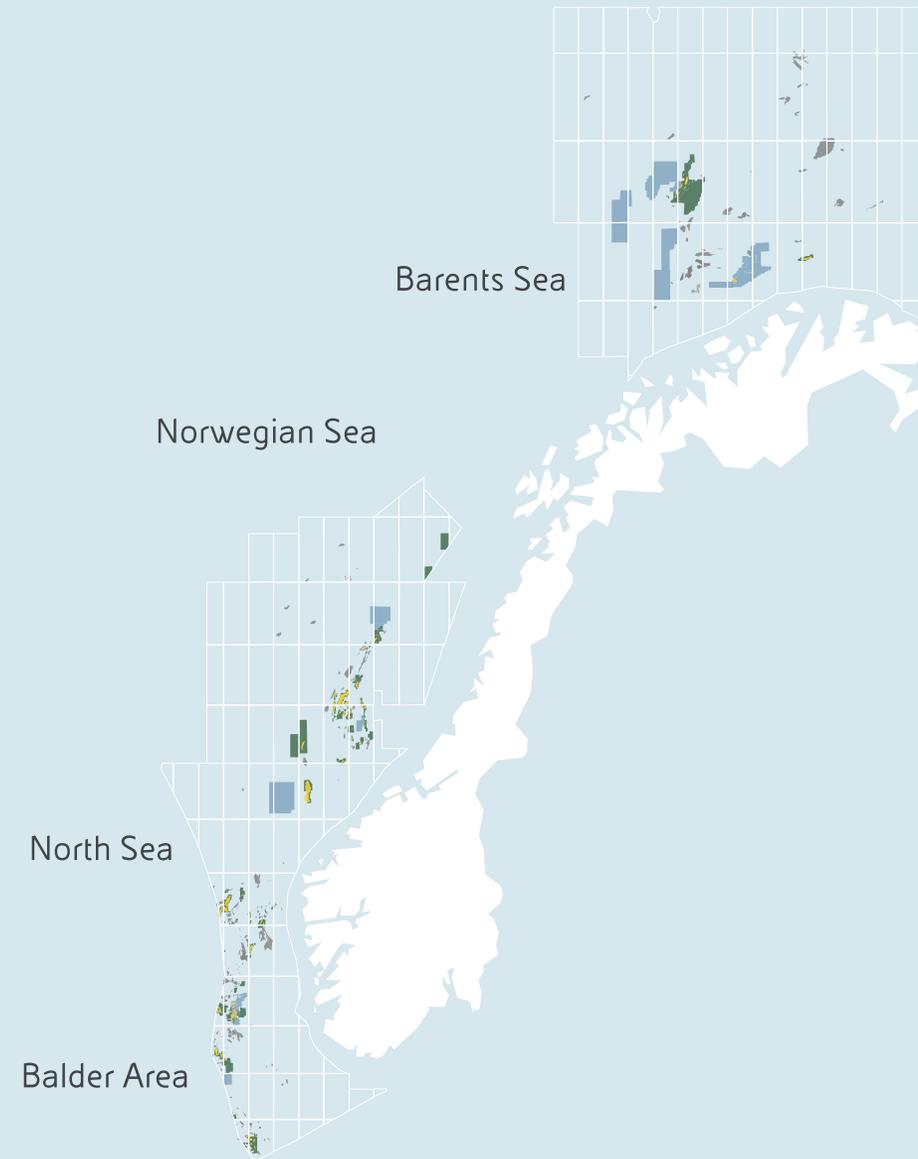


- Barents Sea Area
- Norwegian Sea
- North Sea
- Balder Area

Production split per operator FY 2022



- Vår Energi
- Equinor
- Other

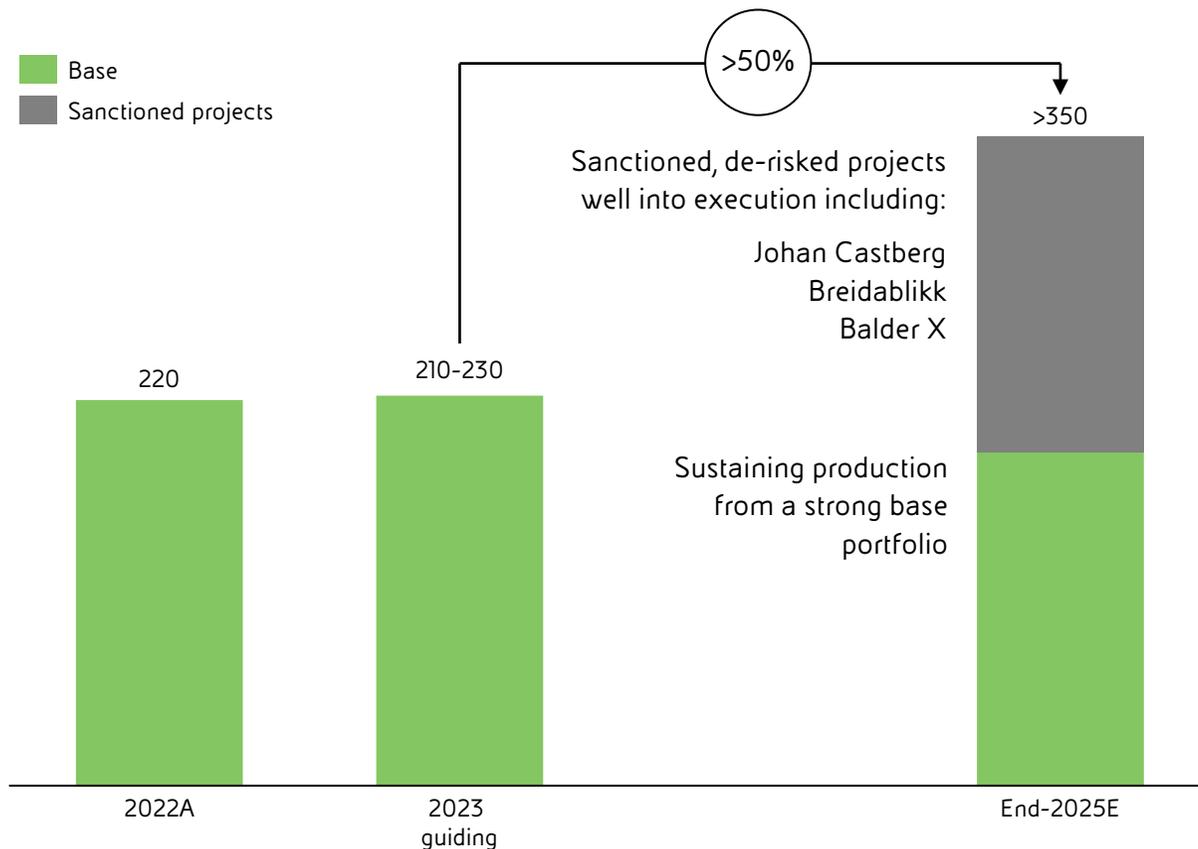


1. Producing assets  
2. Source: Vår Energi, Annual Statement of Reserves 2022, 2P reserves

# On track for strong production growth

De-risked path to >350 kboepd by end-2025...

kboepd



...and a plan for sustaining production and create value beyond

World-class exploration capabilities and track record

Infill drilling, improved recovery and extended lifetime

Maturing a high value project portfolio

Value accretive M&A

# 50+ years of value creation on the NCS continues

## Strong heritage

ExxonMobil  
Eni  
Point Resources<sup>1</sup>

1963-2016

## Creating a leading pure-play E&P on the NCS

Vår Energi established 2018



2017-2020

## Realising our potential

Updated growth and value creation strategy  
Preparing and executing a successful IPO and listing  
Debt refinancing and Investment Grade rating  
New organisation and management

## Implementing improvement program

Commercial excellence  
Production and opex efficiency  
Drilling and well improvements  
Partner and supplier collaboration  
Synergies of USD ~200 million in 2022

2021-2023

1. Point Resources created as a three-way merger between Spike Exploration, Pure and Core Energy

# A partner of choice



Partnerships and innovative collaboration models...

Industry collaboration



Supply chain management



Strategic partnerships



Strong owners



...drive performance

- Improved safety and efficiency
- Reduced costs
- Lower emissions
- Access to competence
- Exploration expertise and M&A capabilities

# ESG at the core of all activities

Ambition to be the **safest operator**

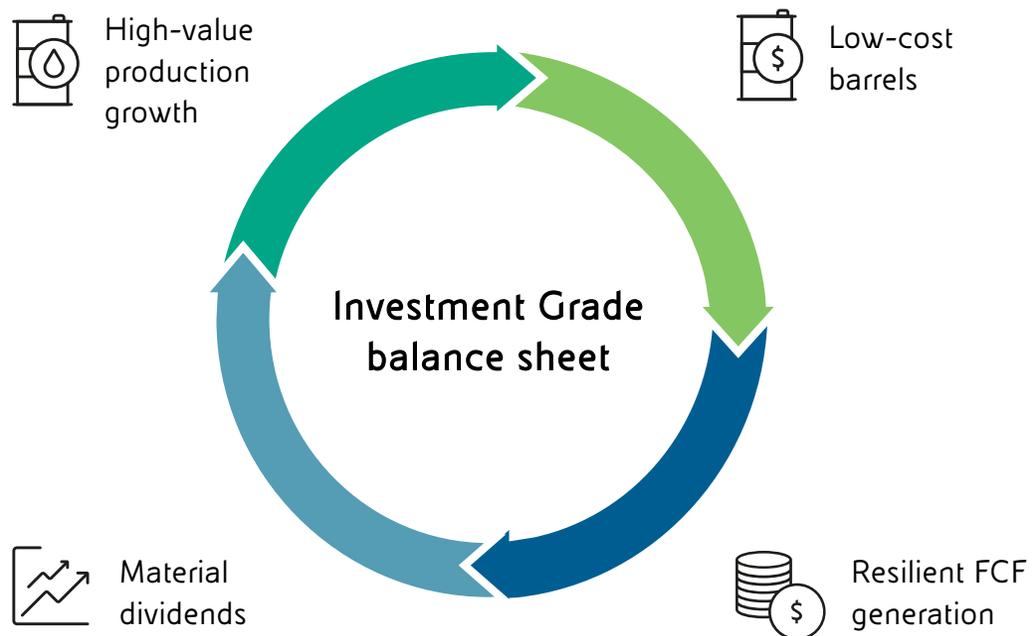


Credible path to **net zero** (scope 1 and 2) by 2030

**-50%** emissions from operated assets by 2030



# Clear framework for shareholder value creation



>350 kboepd by end-2025 and sustained value creation beyond

Cost discipline and plan for USD ~8<sup>1</sup> per barrel production cost

USD 3.1 billion of free cash flow generated in 2022

USD 1,075 million in dividends for 2022

Clear plan to continue with material dividends, with USD 270 million for Q1 2023

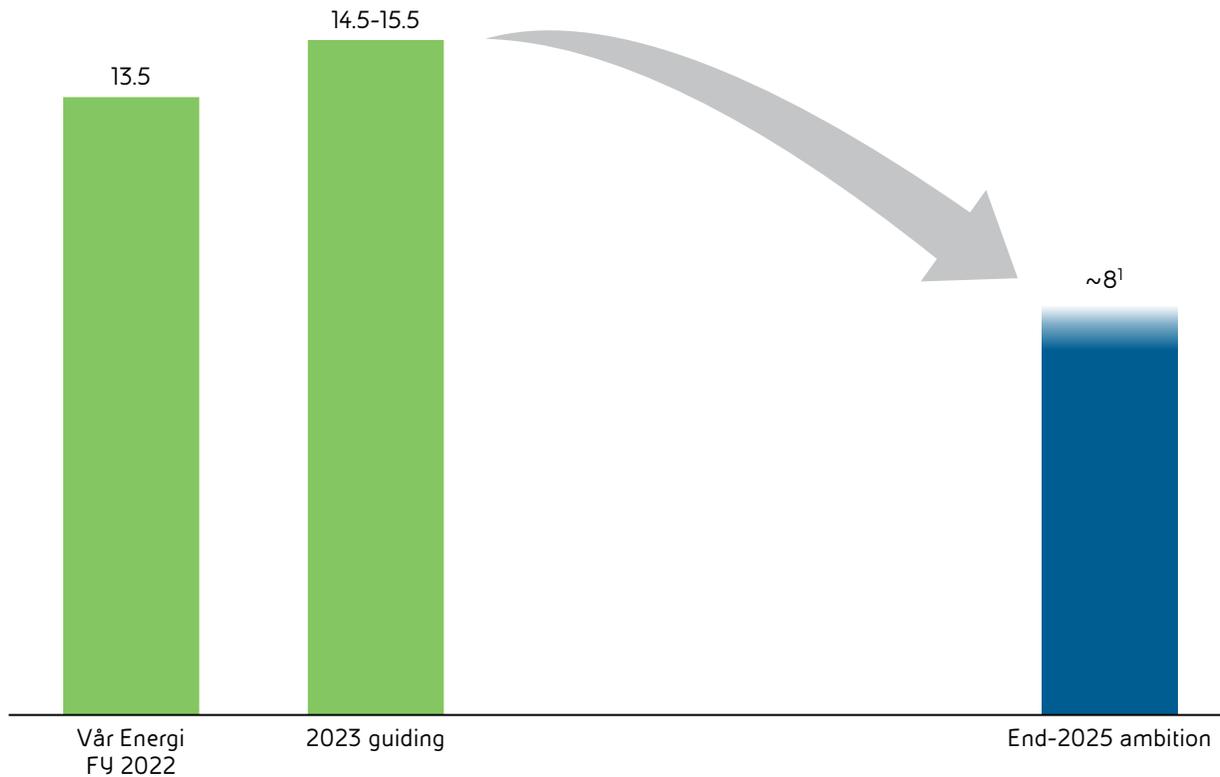


Delivering growth  
and operational  
excellence

# Continuous focus on operational efficiencies

## Medium-term ambition of ~8 USD/boe

Production cost per barrel (USD/boe)



## Key cost reduction enablers

Sanctioned projects coming on stream with average unit cost of ~4 USD/boe

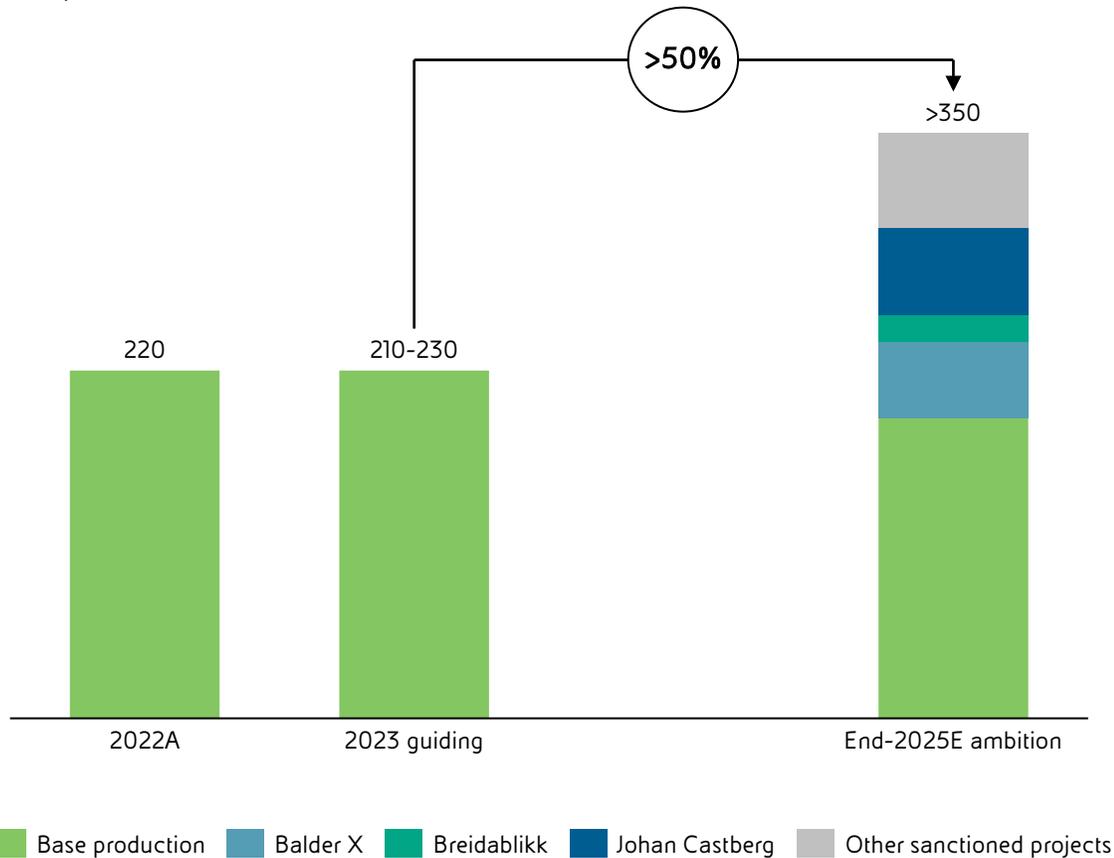
Continued cost reductions from improvement program

Active portfolio management and optimisation

Cost efficiencies through strategic partnerships

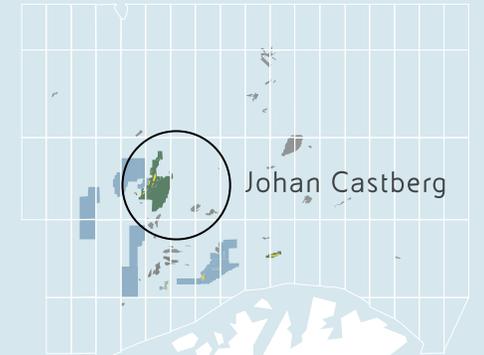
# De-risked project portfolio driving production growth

kboepd



Mid-term target of  
>350 kboepd

supported by 17 sanctioned  
development projects, well into  
execution with committed  
investments



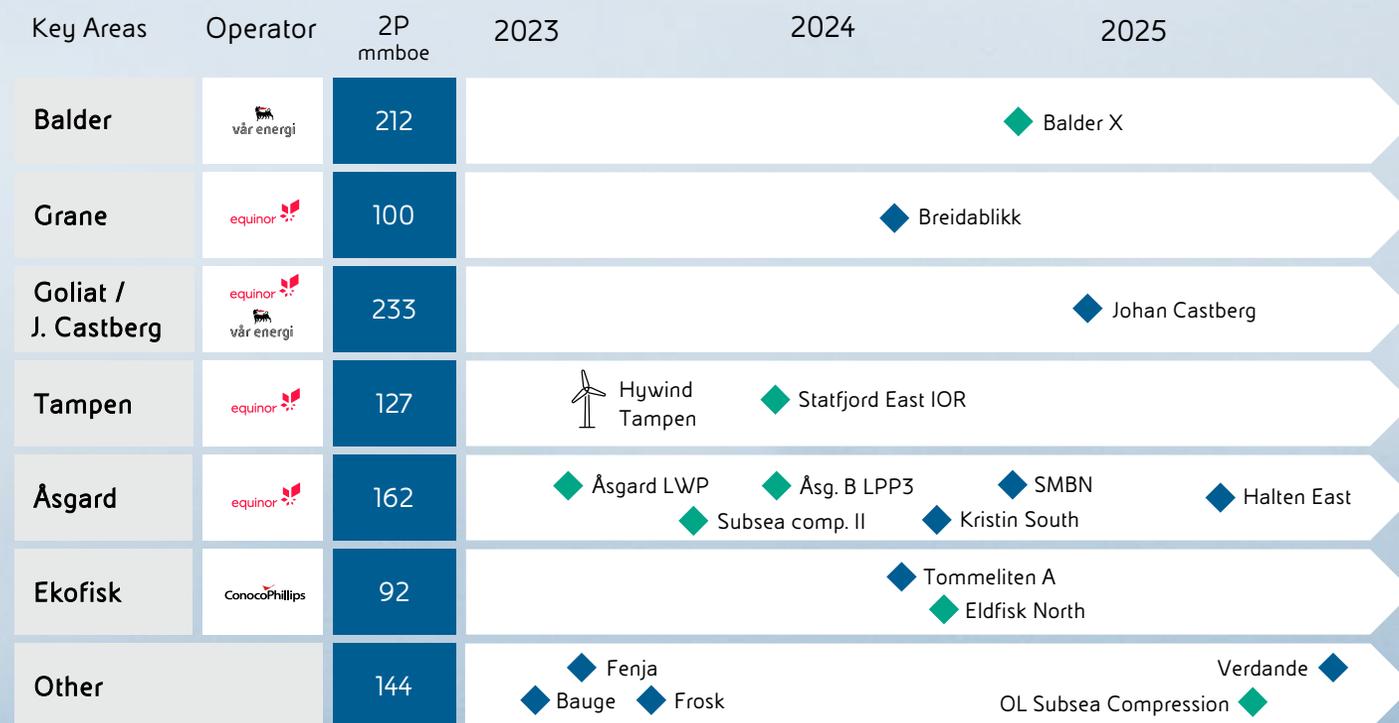
Johan Castberg

Balder X Breidablikk

# Resilient and low-risk project portfolio with strong economics

## Existing production and sanctioned developments

◆ First oil field extension    ◆ First oil new field development



**>500 mmboe**

reserves in development portfolio

**11 of 17 projects**

>50% complete

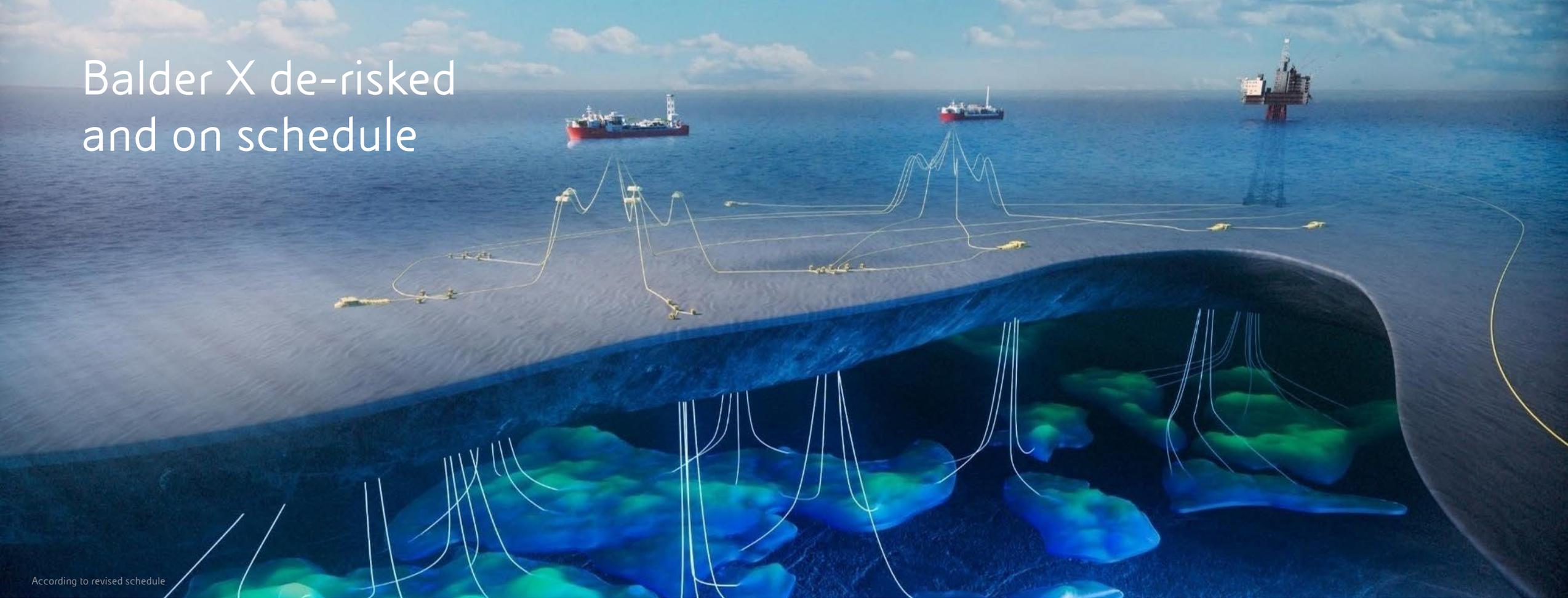
**~30 USD/boe**

average break-even in  
development portfolio

**>25%**

project IRR<sup>1</sup>

# Balder X de-risked and on schedule



According to revised schedule

## Jotun FPSO >70% complete

HSE performance improved

Engineering close to completion

Construction ramped up

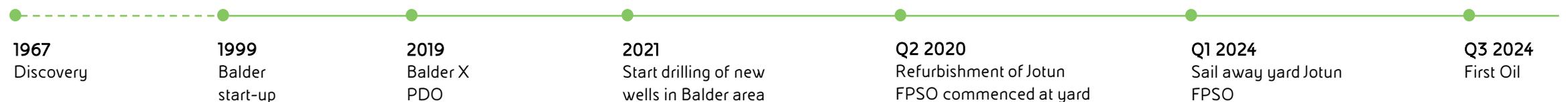
## SPS/SURF >85% complete

According to plan

Remaining work well matured

## Drilling >35% complete

Optimised drilling sequence

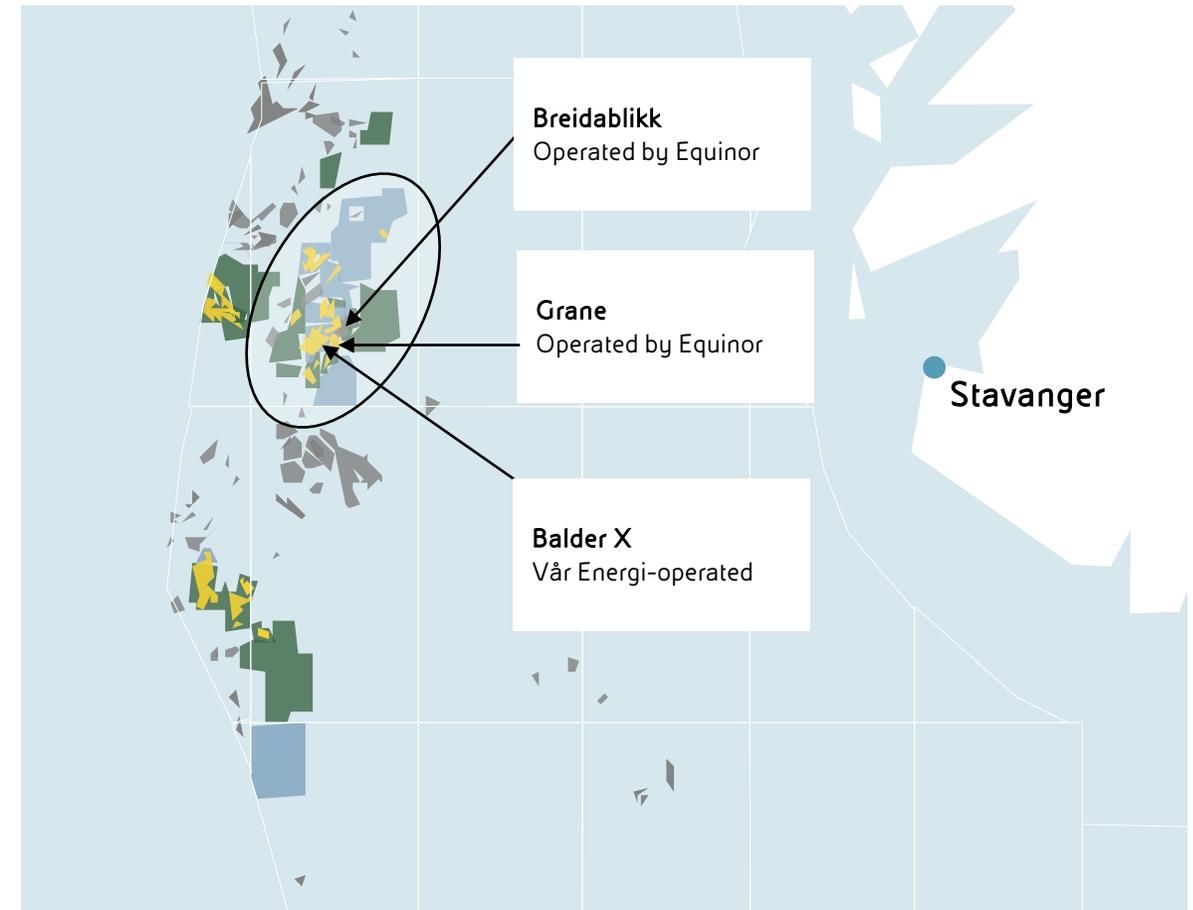


# Breidablikk a highly attractive subsea tie-back

Cost-effective subsea tie-back leveraging Grane infrastructure

Topside modification on Grane and subsea installations on track, drilling ahead of schedule

On track for first oil in Q1 2024



2020  
PDO approved

Q1 2022  
All four subsea templates  
successfully installed

Q2 2022  
Drilling start

Q4 2022  
2022 installation  
campaign completed

Q1 2023  
First well completed

Q2 2023  
High-activity period  
at Grane completed

Q1 2024  
First oil

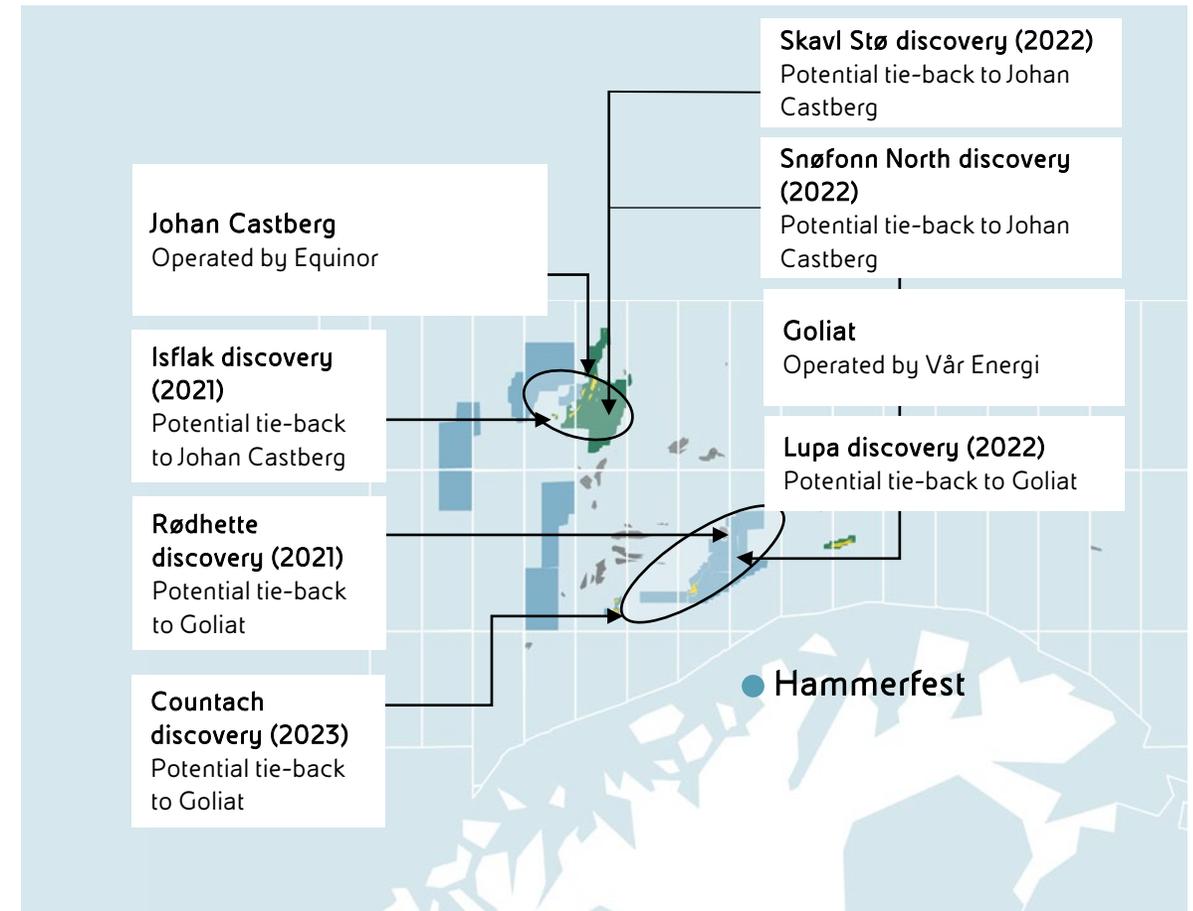
# Strengthening the Barents Sea hub area

Johan Castberg - major partner-operated development in the highly prosperous Barents Sea

FPSO integration and completion ongoing, subsea complete, pre-drilling campaign of 12 wells completed

Large additional potential through infill drilling, tie-backs of discoveries and exploration drilling

Progressing according to plan towards first oil in Q4 2024



2018  
PDO approved

2018  
Construction start of hull in Singapore  
Construction start of topside in Norway

Q2 2022  
Start FPSO integration at Aker Stord, Norway

Q2 2022  
Pre-drilling campaign of 12 wells completed

Q3 2022  
Marine installation completed

1H 2024  
Sail away to field

Q4 2024  
First oil

# Remaining sanctioned projects securing high-return barrels in core areas

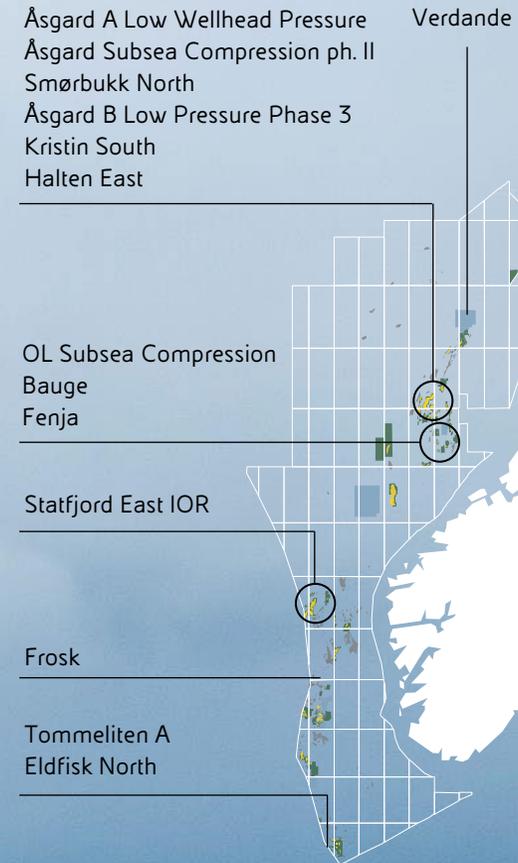
Remaining project portfolio targeting

## >60 kboepd

in 2025

## Cost-effective

developments utilising hub strategy



# Sustaining value creation beyond 2025



# Capturing opportunities for long-term high value creation

Long-term ambition of sustaining production

kboepd

>350



2026

2030

Value accretive M&A



Continued exploration success



Maturing a high value project portfolio



Operational excellence - Infill drilling  
and continuous recovery



# Efficient drilling and improved recovery

Proven results from increased recovery and technology

Total resources

>1.6

billion boe<sup>1</sup>

Reserve replacement ratio

>160%

average 2019-2022

Average annual infill production

>30

kboepd 2025 to 2030

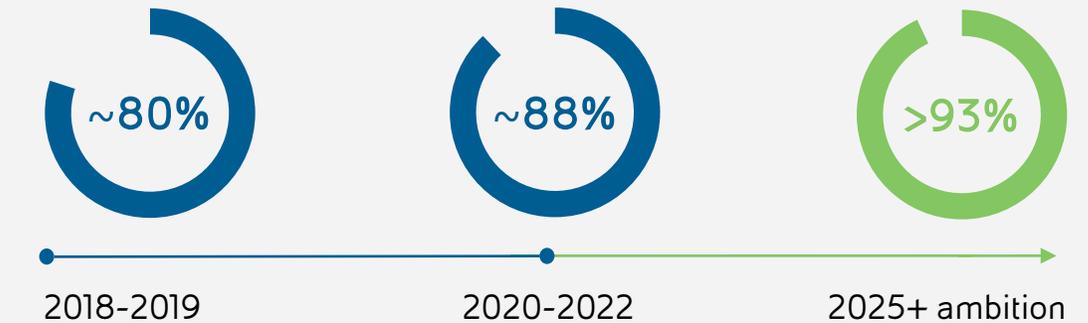
Historic increase in improved recovery

>7%

annual average last 5 years<sup>2</sup>

# Operational excellence

Continuous improvement in production efficiency<sup>3</sup>



Improved planning and execution of maintenance and turnaround activities

High regularity and uptime on the assets, avoid unplanned losses

1. Source: Vår Energi, reserves and resources  
2. According to study by Norwegian Petroleum Directorate  
3. For operated assets, long-term ambition not including TAR

# Maturing a high value project portfolio

Standardised **factory approach** on tie-backs

**Disciplined, robust** and countercyclical

Maintaining ambition of **30 USD/boe break-even**<sup>1</sup>

Leveraging **strategic partnerships**

Non-sanctioned key projects

Resources

**>225**

Mmboe, Vår Energi share

Average break-even

**~30**

USD/boe, volume-weighted

<sup>1</sup>. Average portfolio ambition

## Barents Sea

Goliat tie-backs  
Johan Castberg tie-backs  
Barents gas solution

## Norwegian Sea

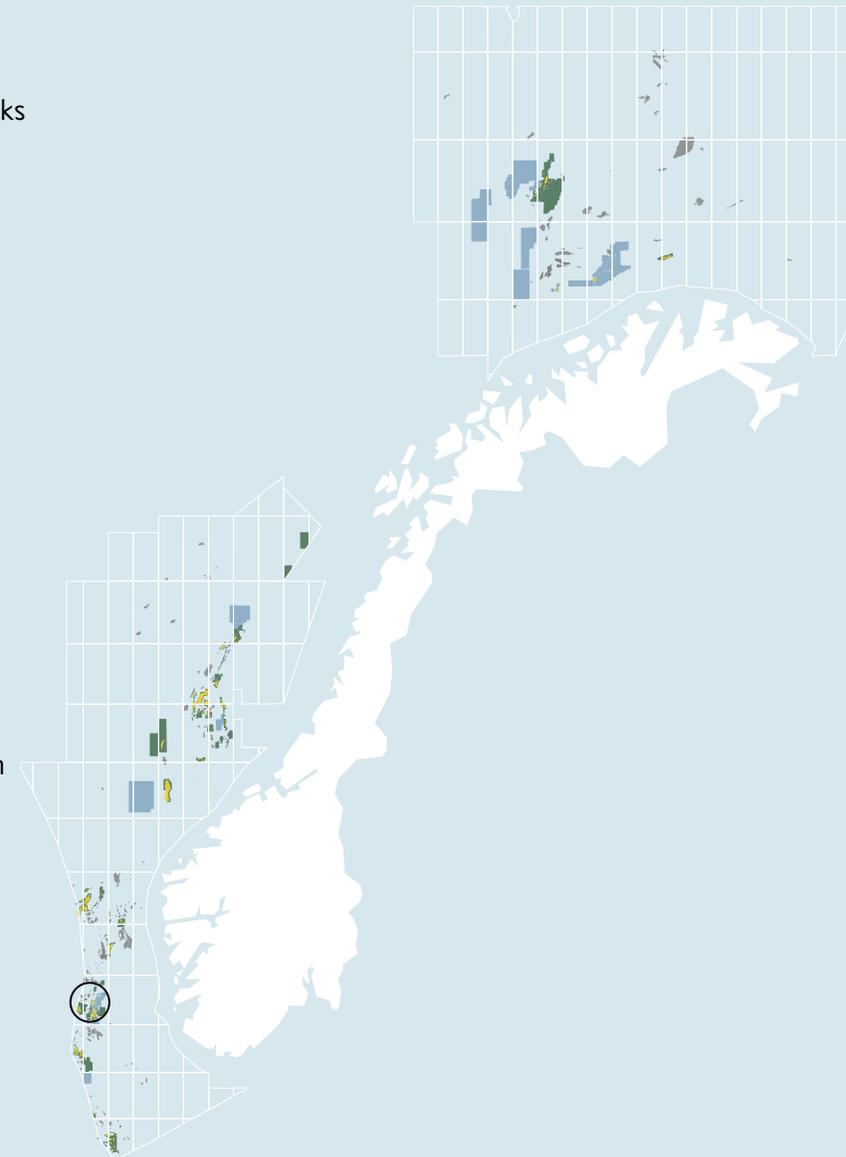
Åsgard IORs  
Kristin South phases  
Åsgard - Bjørnene

## North Sea

Fram South  
Garantiana  
Snorre IORs  
Eldfisk North Extension

## Balder/Grane

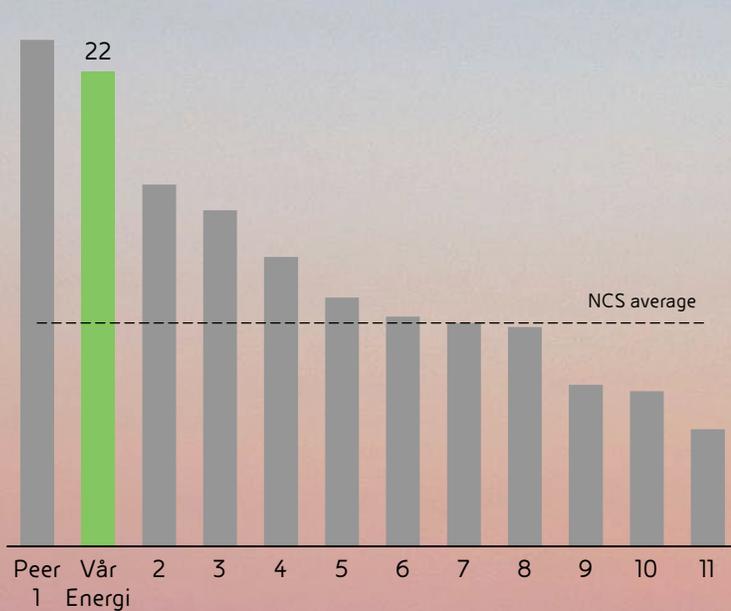
King and Prince  
Balder Phase V  
Balder Future Phases



# Best-in-class exploration capabilities

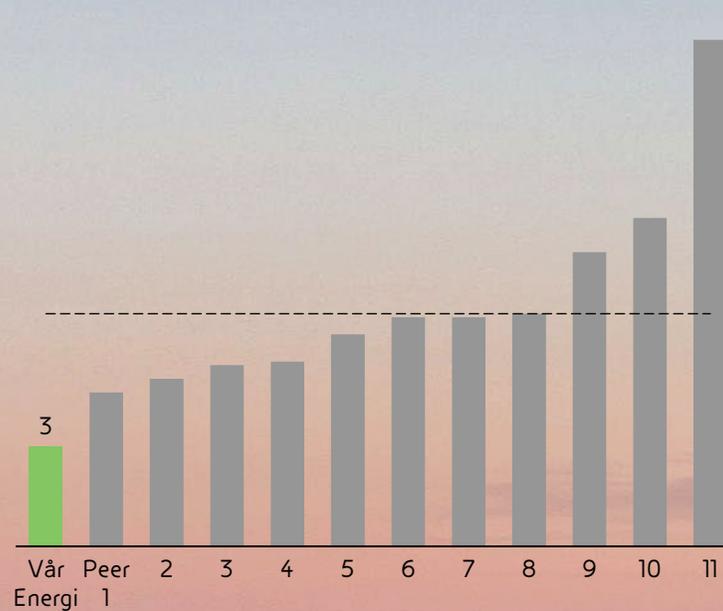
## Top performer on resources discovered

Average mmboe discovered per well drilled<sup>1</sup>



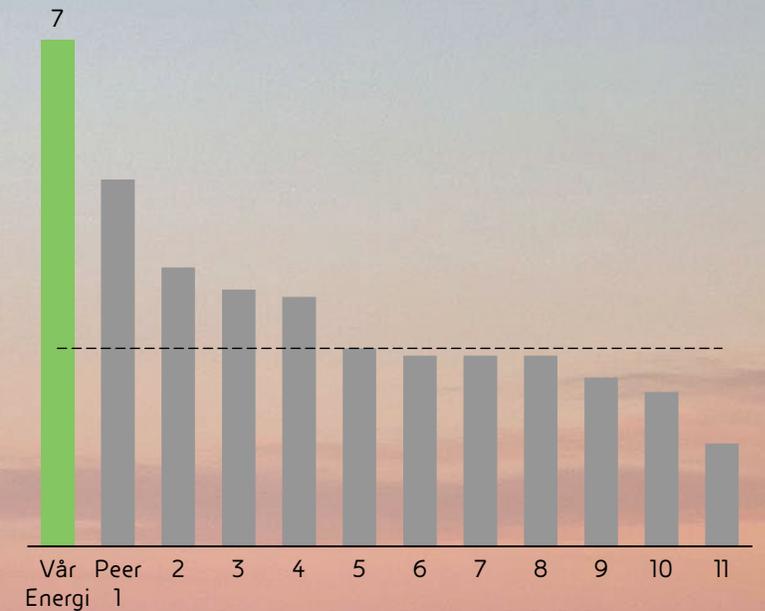
## Leading on cost

Exploration cost USD per boe<sup>2</sup>



## Generating significant returns

USD in return per USD spent on exploration<sup>3</sup>



Source: Rystad Energy, 2018-2022. Peers differ between the three charts.  
 1. Companies with activity in two or more years  
 2. Companies with more than 75 mmboe discovered  
 3. Companies with more than USD 50m in EXPEX. Assumed Real USD 50 oil price

# 2023 campaign targeting high-value barrels

Hub-focused exploration

**8 firm wells**

3 contingent wells

Exploration capex

**~200**

USD million pre-tax

Risked resources<sup>1</sup>

**>50**

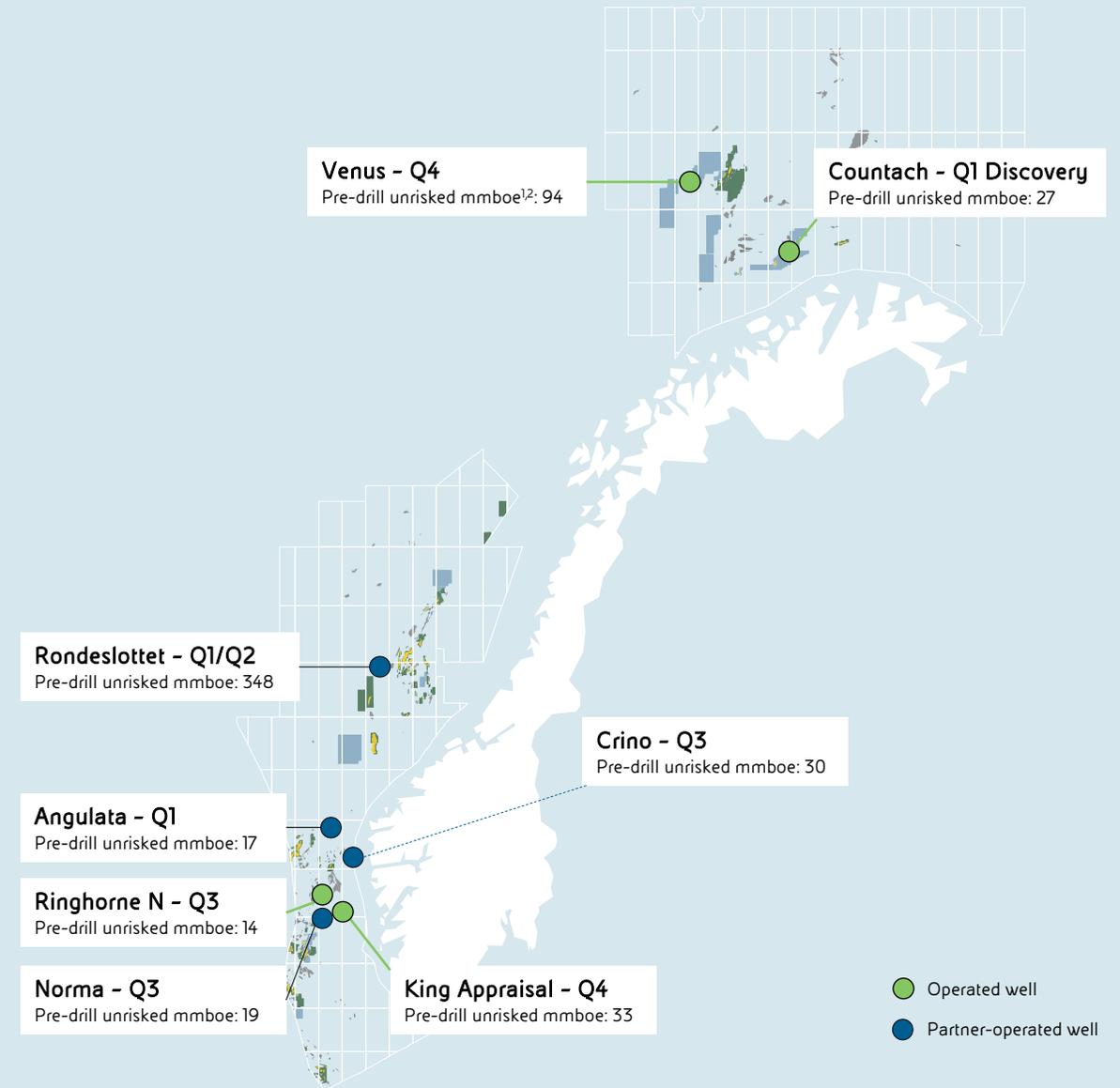
mmboe (net)

APA 2022 licenses

**12**

awarded (5 as operator)

1. Vår Energi share  
2. Pre-drill unrisks resources



# Exploration strategy supporting long-term value creation

Targeting infrastructure-led (ILX) wells ...

... and high-impact wells

**8-10** per year

Extend production plateau of existing hubs

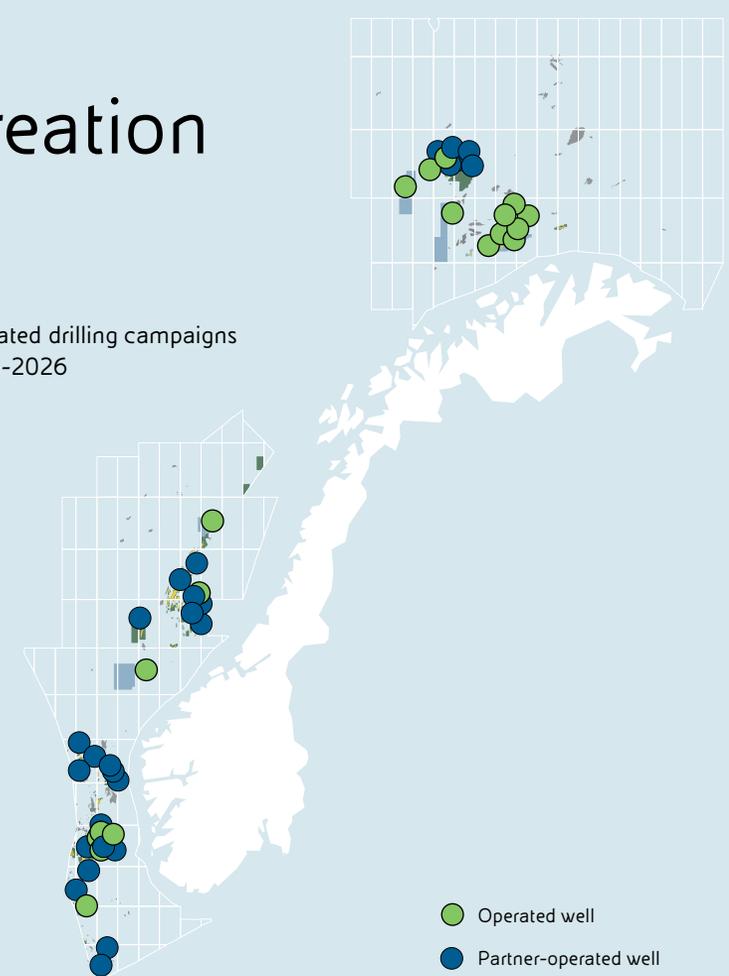
High-margin barrels close to existing infrastructure with short time to market

Significant inventory with >50 prospects reflecting substantial resource potential

**1-2** per year

Deliver new standalone production hubs

Indicated drilling campaigns 2023-2026



Delivering >50% success rate from 2020-2022

Near-field exploration  
Following hub strategy

Renewal of exploration portfolio  
Focus on quality and operatorships

Selected High-Risk/High-Reward  
Find and mature new hub opportunities

Optimise exploration portfolio  
BD-opportunities and relinquishments

# Pursuing accretive M&A opportunities

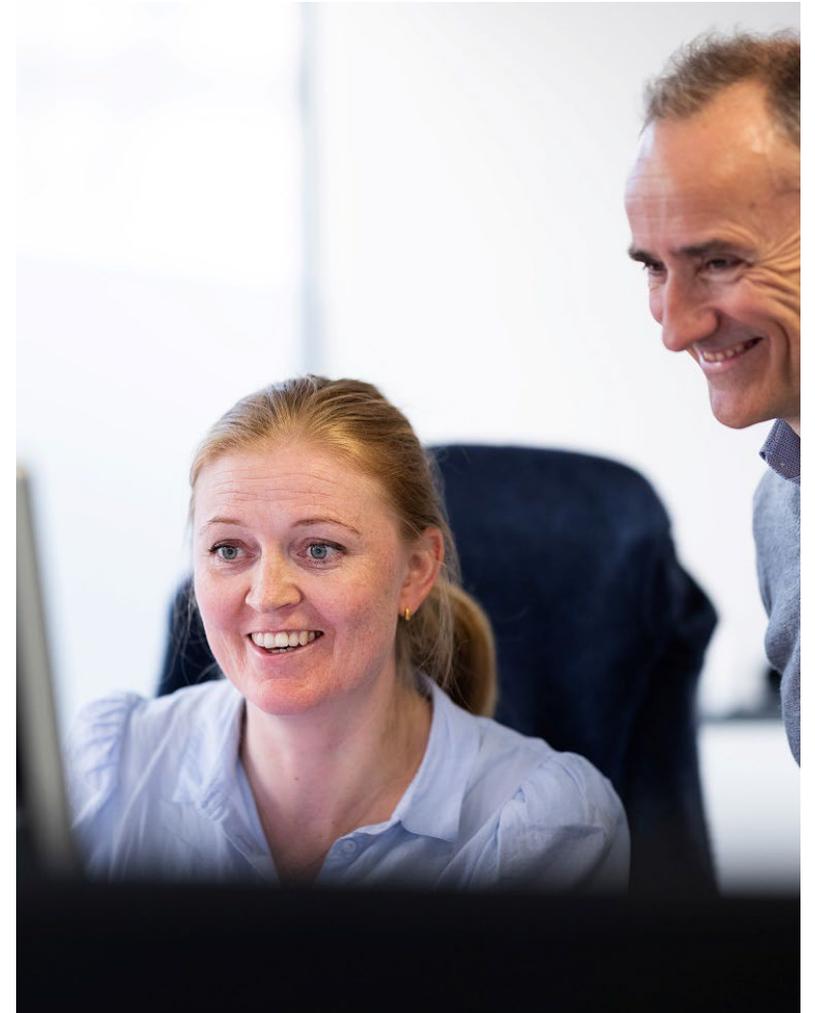
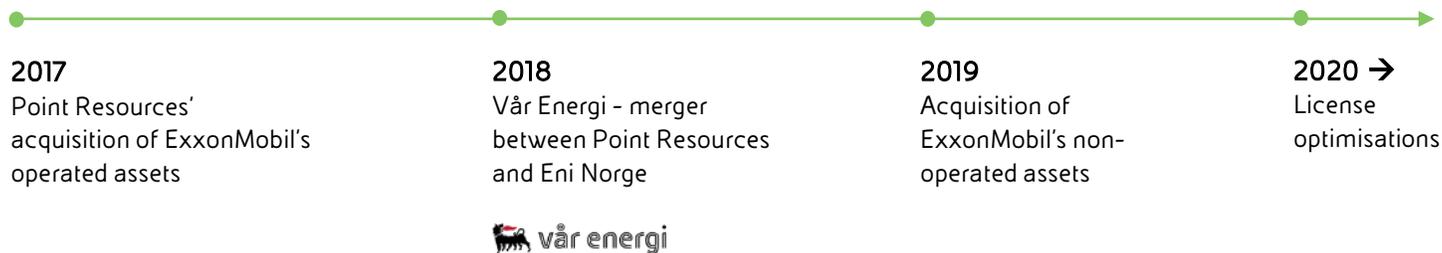
## Key criteria - supporting the strategy

Strengthen positions in existing core areas to high-grade the portfolio

Optimising assets for value creation and building exploration potential

Increase operatorships to realise our strategy and potential across areas

## Strong M&A capabilities building on proven records



# Becoming an ESG leader



# Committed to deliver a better future



Pathway to net zero

Responsible resource use

## ENVIRONMENTAL

Net zero scope 1 and 2 and 50% reduction in scope 1 emissions from operated assets by 2030<sup>1</sup>

Goliat platform electrified with power from the Norwegian grid

Part of OGCI Aiming for Zero Methane Emissions Initiative



Safest operator

High performing organisation

Local value creation

## SOCIAL

Local ripple effects of >10,000 jobs and NOK~16 billion in contract value in 2022

Expected tax payment of 35-40 billion NOK for 2022

>95% spend towards suppliers based in Norway in 2022



Responsibility, integrity and transparency

## GOVERNANCE

ESG-rated as #14 of 155 E&P companies<sup>2</sup>

CDP score B

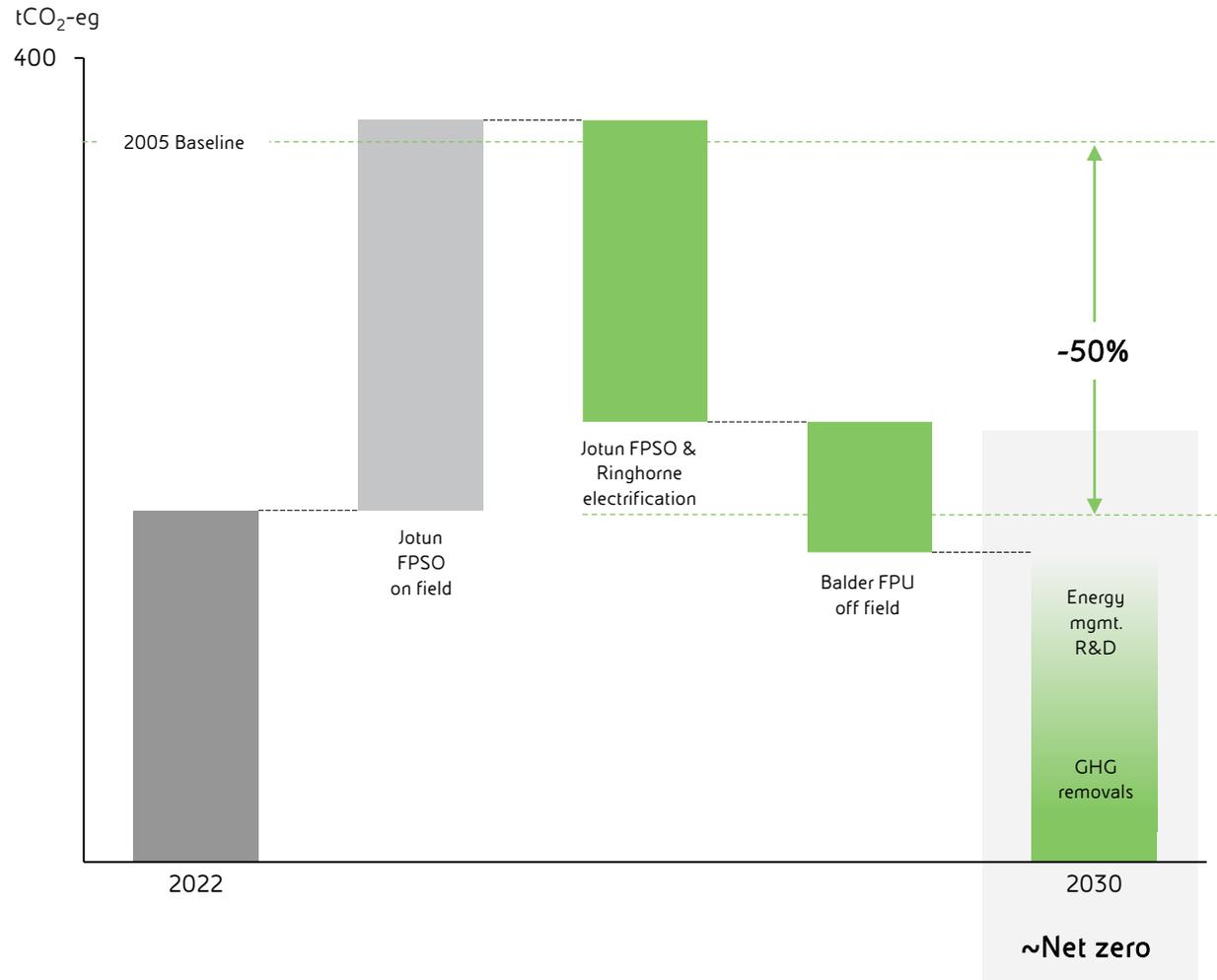
Part of UN Global compact

Executive pay connected to ESG targets

1. Baseline 2005, operational control

2. Sustainalytics, a leading ESG research provider who provides research based on its independent methodology

# Clear path to net zero scope 1 and 2 for operated assets by 2030



**>50%** emission reduction by 2030<sup>1</sup>

Electrification of the Balder/Grane area in collaboration with Equinor

Balder FPU off field within 2030

Energy management a continuous contributor

**~15k**

tCO<sub>2</sub>-eq average annual net reduction in 2021/2022

**>20k**

tCO<sub>2</sub>-eq targeted reduction in 2023

~Net zero

1. Baseline 2005, operational control

# Key decarbonisation initiatives

	Early phase	Execution	Delivered
 <b>Power from shore</b>	Balder and Grane Snorre Heidrun	Sleipner Fenja and Bauge (Njord) <sup>1</sup> Fram (Troll C) <sup>1</sup>	Goliat Ormen Lange
 <b>Other decarbonisation projects</b>	Statfjord Waste heat recovery  Åsgard and Kristin Halten consolidation	Snorre Hywind Tampen, offshore wind	Ekofisk Flare gas recovery & energy optimisation
 <b>Continuously</b>	Decarbonisation R&D projects and Energy Efficiency operational improvements		



Source: Vår Energi; Equinor; Conoco Phillips; Shell  
 Note: Exit points and processing facilities (Kårstø, TOPEKA) not included  
 1. CO<sub>2</sub> reductions currently allocated to host (not Vår Energi assets)

# Financial framework



# A strong foundation to deliver value to shareholders



## High-value production

Diversified production of 220 kboed in 2022 including material gas share with growth to >350 kboepd by end 2025



## Low-cost barrels

High-margin barrels with further OPEX reductions targeted to reach USD 8 per boe<sup>1</sup>



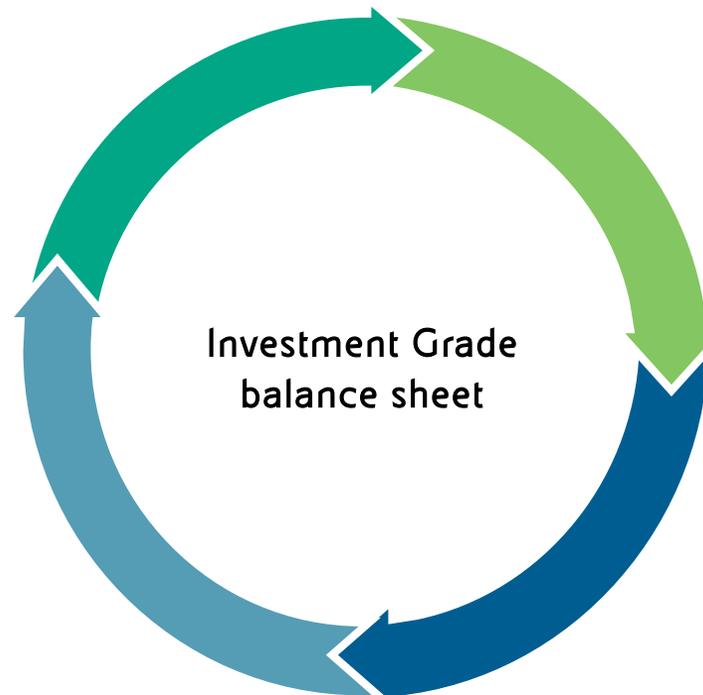
## Material dividends

USD 3.9 billion in dividends paid since 2019 with resilient expected shareholder distributions in the future



## Resilient FCF generation

USD 3.1 billion generated in 2022



# Attractive combination of resilience, growth and distributions

## Capital allocation framework



Sustain production of existing portfolio



Fund capex of existing developments and new value-creating projects



Maintain an investment grade balance sheet



Pay dividends according to stated policy



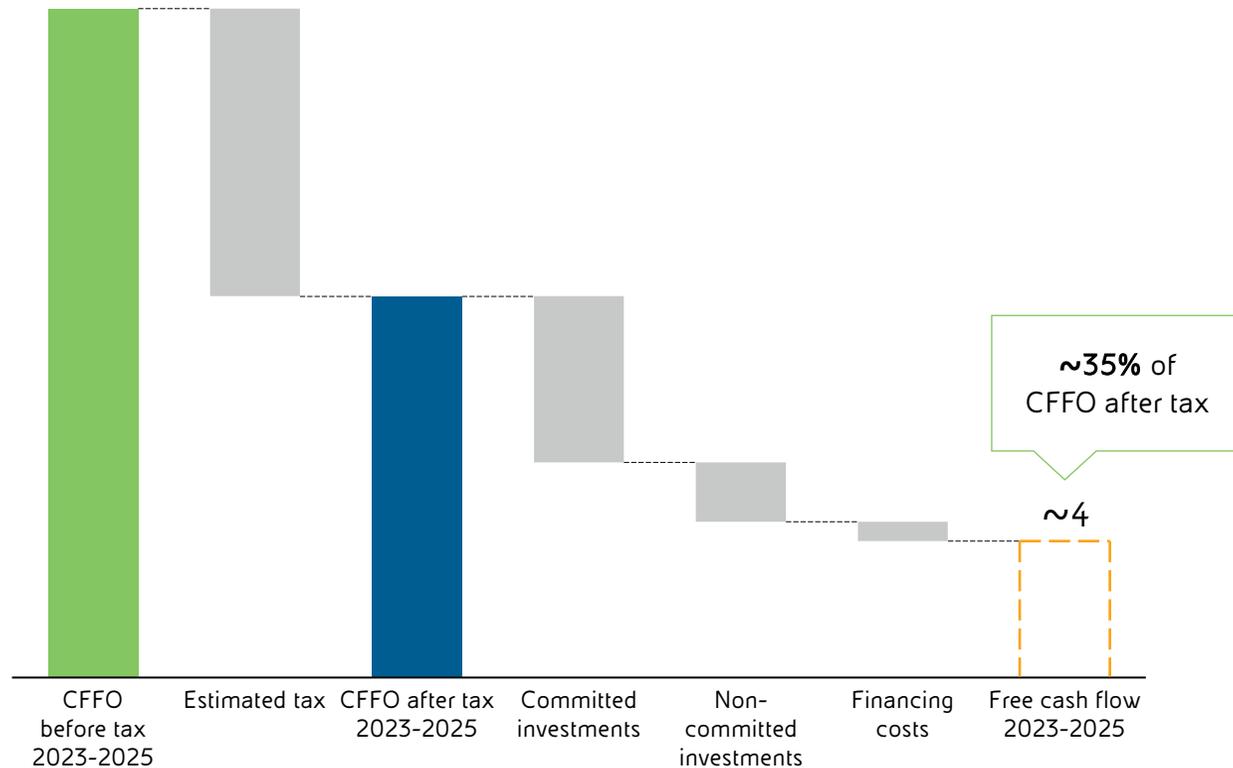
Use additional free cash flow for **shareholder distributions and debt repayment**



# Strong cash flow potential during current investment period

## Indicative cumulative free cash flow generation 2023-2025

USD billion



Clearly defined investment program with sanctioned projects

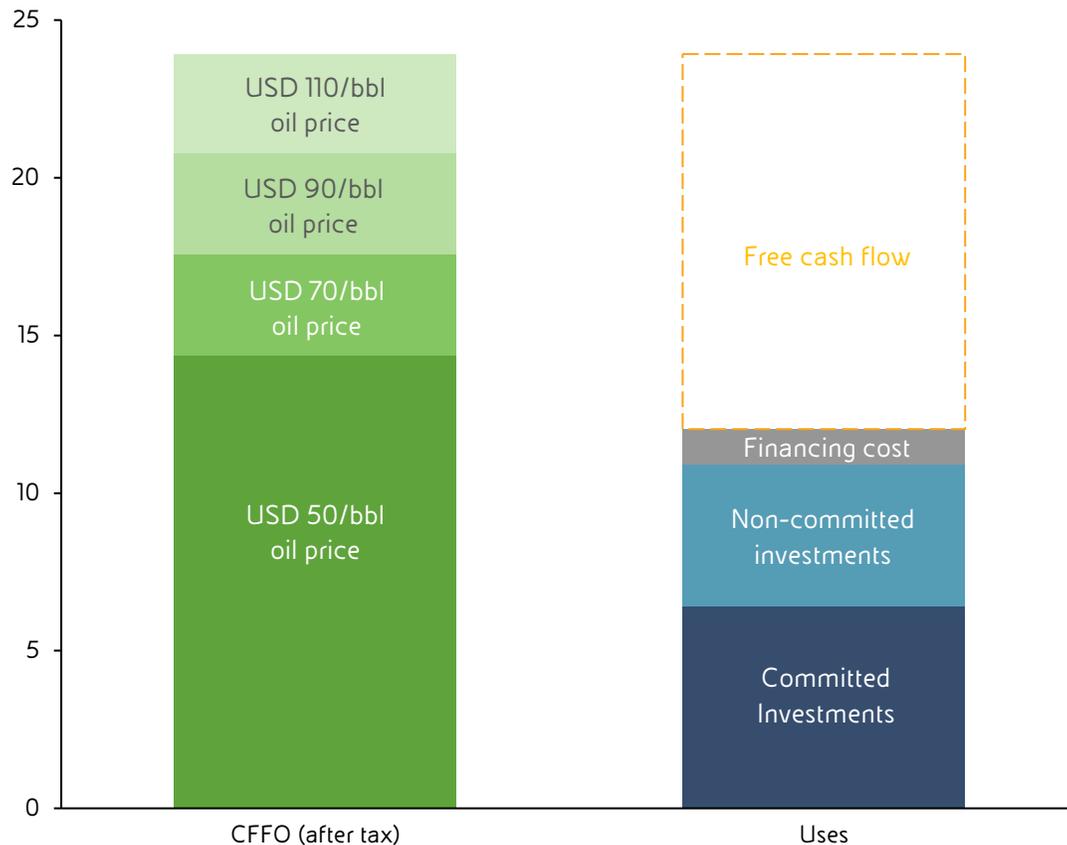
Non-committed investments reflect maturing unsanctioned projects

Robust headroom to maintain dividend policy through capex-intensive period

# Robust cash generation across various price scenarios

## Indicative cash flow generation 2023-2027

USD billion, cumulative



High free cash flow generation in capex-light years

Flexible investment plans for end-of decade organic growth

Resilient dividend capacity

Cash flow neutral  
2023-27

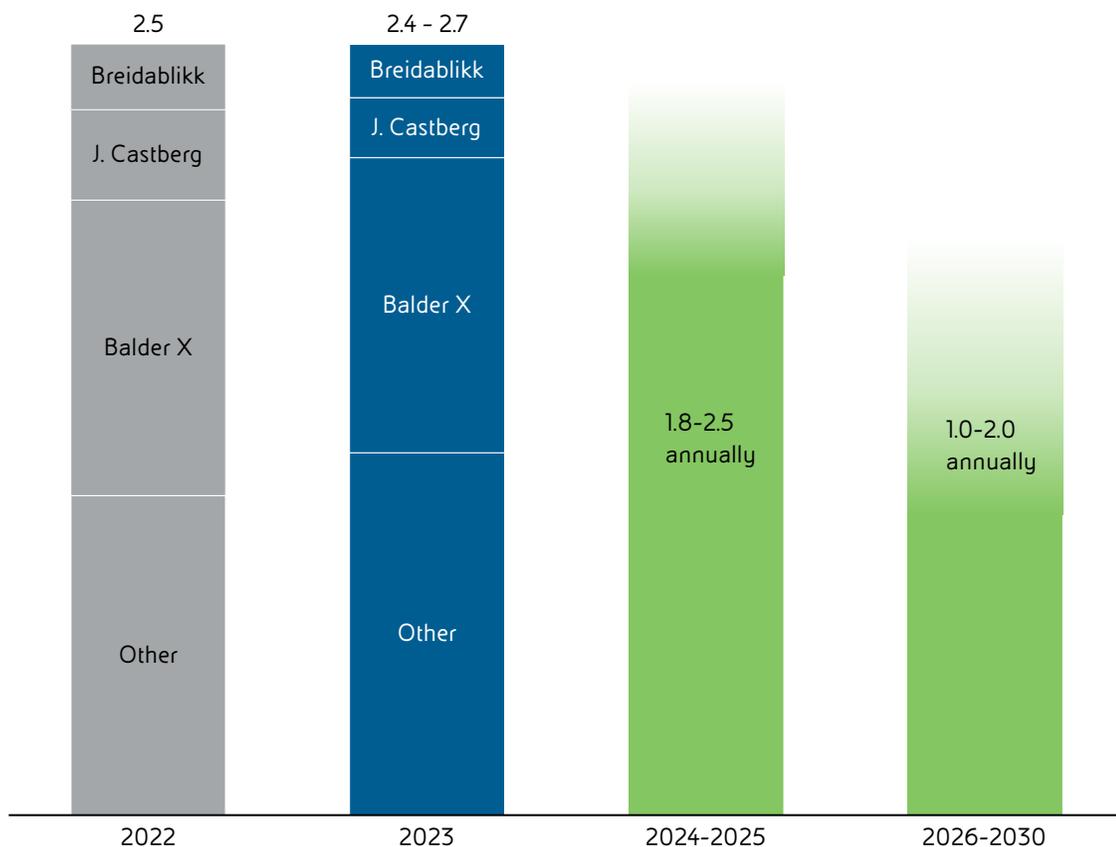
~35

USD/boe

# Disciplined investments in high-value barrels

## Indicative capex 2023-2030

USD billion, annual average



Stable capex in 2023 and 2024

Current project portfolio well into execution, with majority of capex covered under committed contracts

Balder X de-risked with revised plan in 2022

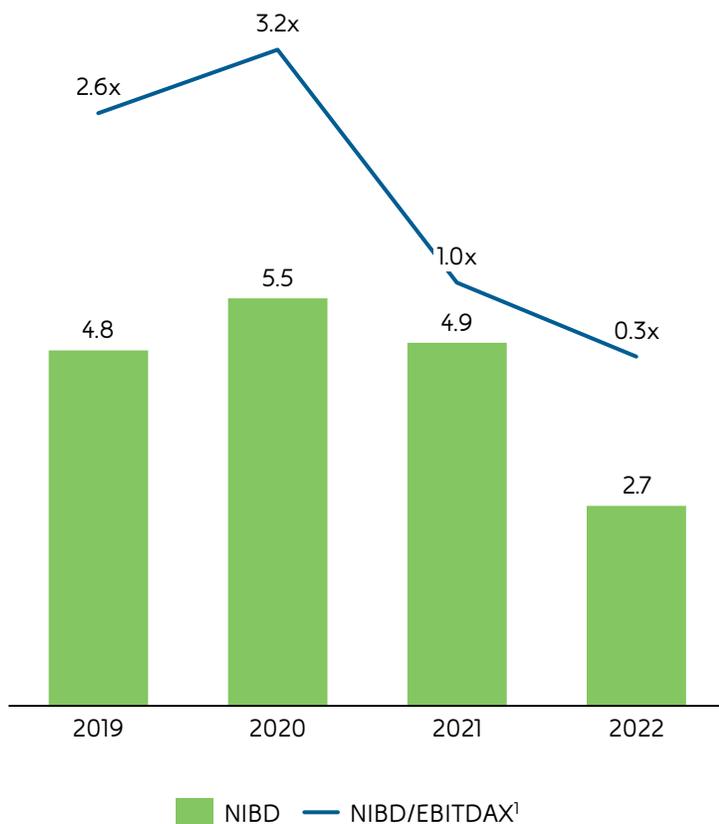
Robust inflation protection

Maintain capital discipline with clear return requirements for all new development projects

# Maintaining an Investment Grade balance sheet

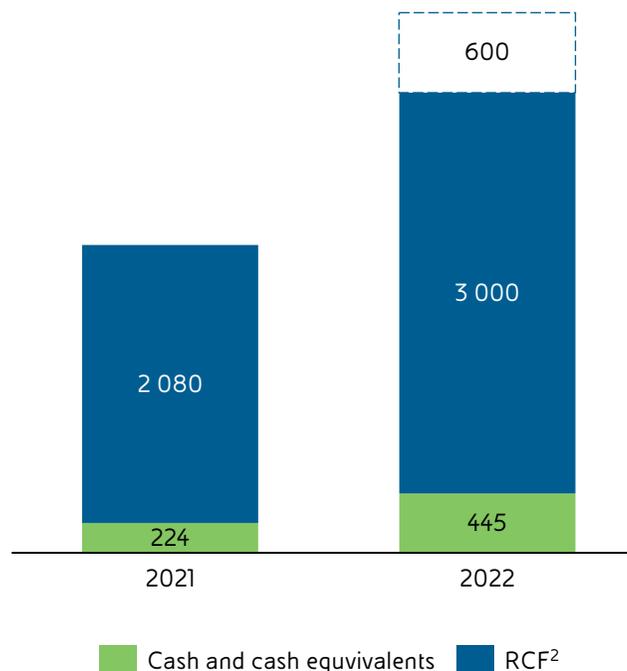
## Leverage ratio below target

USD billion



## High financial flexibility

USD million



## Solid debt financing structure

Ongoing diversification of maturities, currencies, and instruments

Successful issue of USD 2.5 billion of long-term bonds in the US market during 2022 with maturities in 2027, 2028 and 2032

Year-end leverage ratio at 0.3x, well below over-the-cycle target of 1.3x

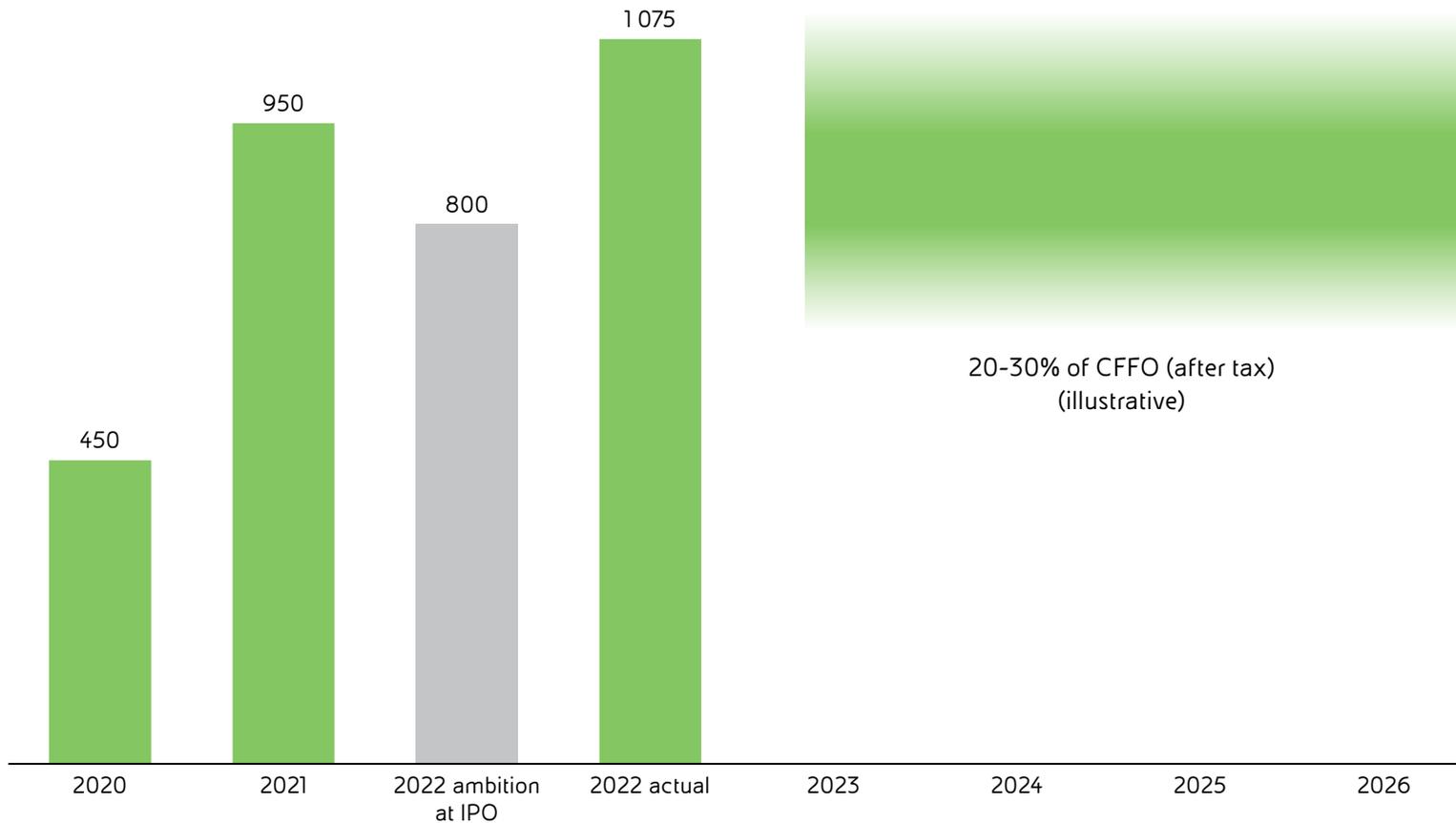
USD 600 million of RCF maturing in March 2023

1. Net interest-bearing debt (NIBD) is shown at end of period. EBITDAX used is a LTM figure  
2. Revolving Credit Facility

# Attractive dividend policy maintained

## Dividends

USD million



Dividend policy of 20-30% of cashflow from operations after tax over the cycle

Robust returns with flexibility over the cycle

Dividend guidance  
Q1 2023

**270**

USD million

Planned dividend for  
2023

**~30%**

of CFFO after tax

# 2023 operational and financial outlook

Production	210-230 kboepd
Production cost	USD 14.5-15.5 per boe
Capex	USD 2.4-2.7 billion excl. exploration and abandonment Exploration USD ~200 million Abandonment USD ~50 million
Other	Cash tax payments of USD ~1.8 <sup>1</sup> billion in first half 2023
Leverage	Through-the-cycle leverage target of 1.3x net interest-bearing debt / EBITDAX
Dividends	Q1 dividend of USD 270 million (USD ~0.11 per share) For 2023, the plan is to distribute approximately 30% of CFFO after tax



1. Assumed NOK/USD 9.5

# A leading E&P independent on the attractive NCS



Growth on track,  
sustained value creation

Path to  
ESG leadership

Strong cash flow,  
attractive distributions

Robust  
portfolio

Strong gas  
position

High value  
growth

Exploration  
excellence

Partner of  
choice

World class  
capabilities

# Technology, drilling & subsurface

Capital Markets Update 16 February



# Driving for drilling excellence

## Excelling already in 2023

- Operated wells: 9 production and 4 exploration

## Performance towards best in industry

- Develop high performing organisation
- Redesign well delivery process
- Strategic partnerships
- Partner of choice and optimised rig utilisation
- Continuously adopt value enhancing technology and digital solutions



# Agile adopter – increased competitiveness

Digital agenda supporting improvement program



Safe and sustainable operations



Operational excellence



High-performing organisation

Big ticket items – realising our potential



Data driven safety and sustainability



Digital field worker



Optimised drilling performance



Production optimisation



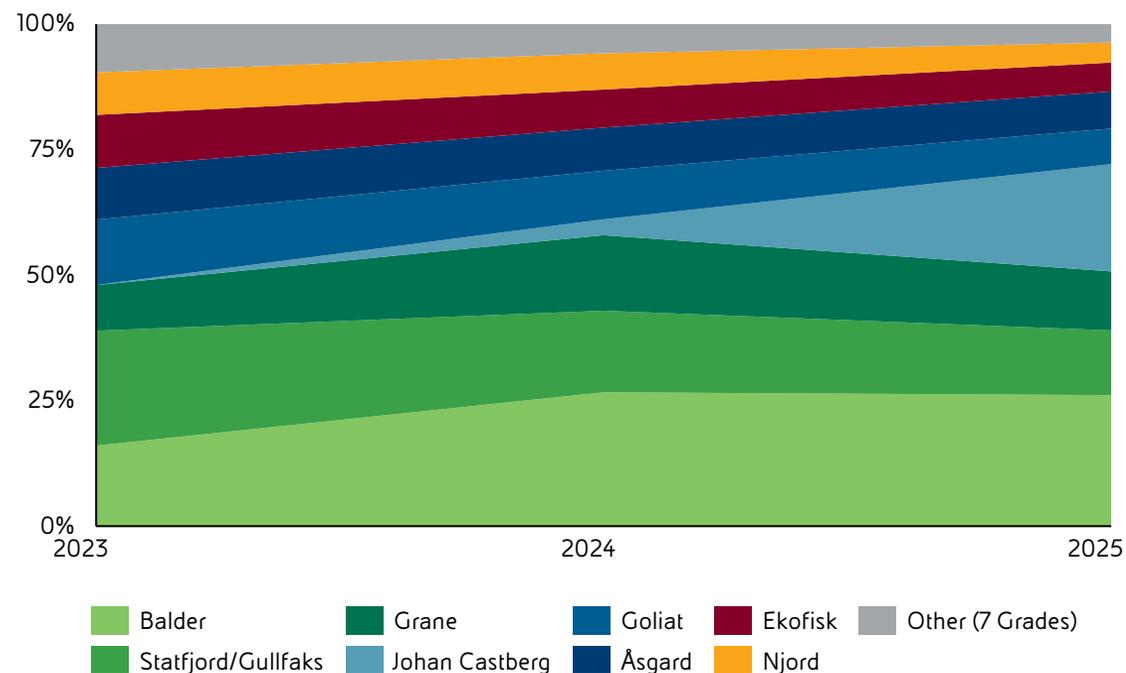
# Commercial Excellence

Capital Markets Update 16 February

# Diversified crude oil portfolio with reliable offtakes

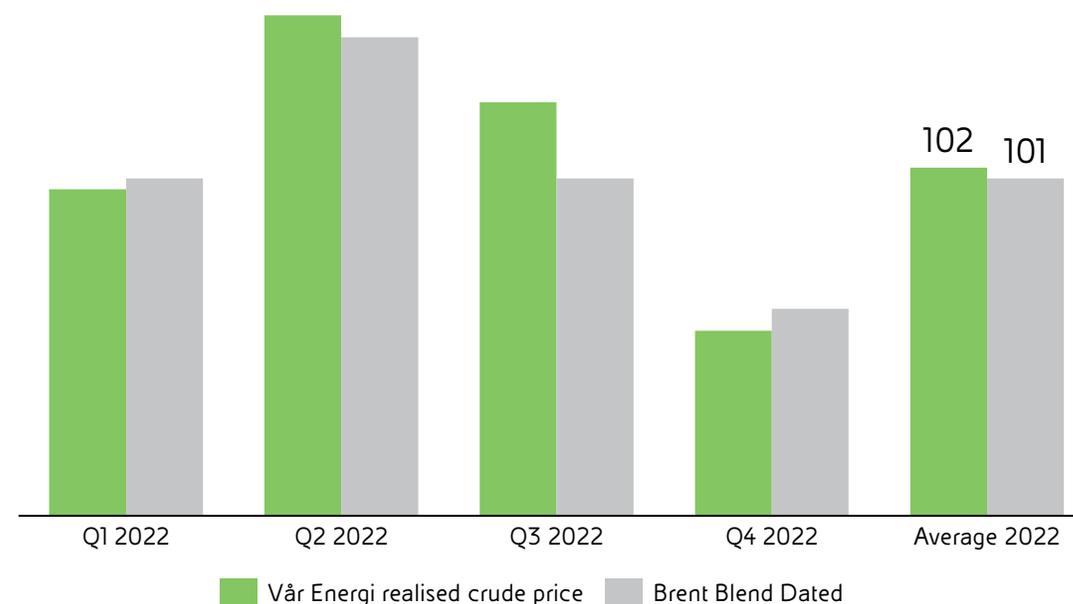
## Natural hedges with robust sales mix of crude oil qualities

Indicated sales mix crude oil qualities



## Offtake agreements offering premium prices

USD per barrel



Providing diversity and price robustness

100% post tax production hedged with put options at strike price of USD 50 per boe

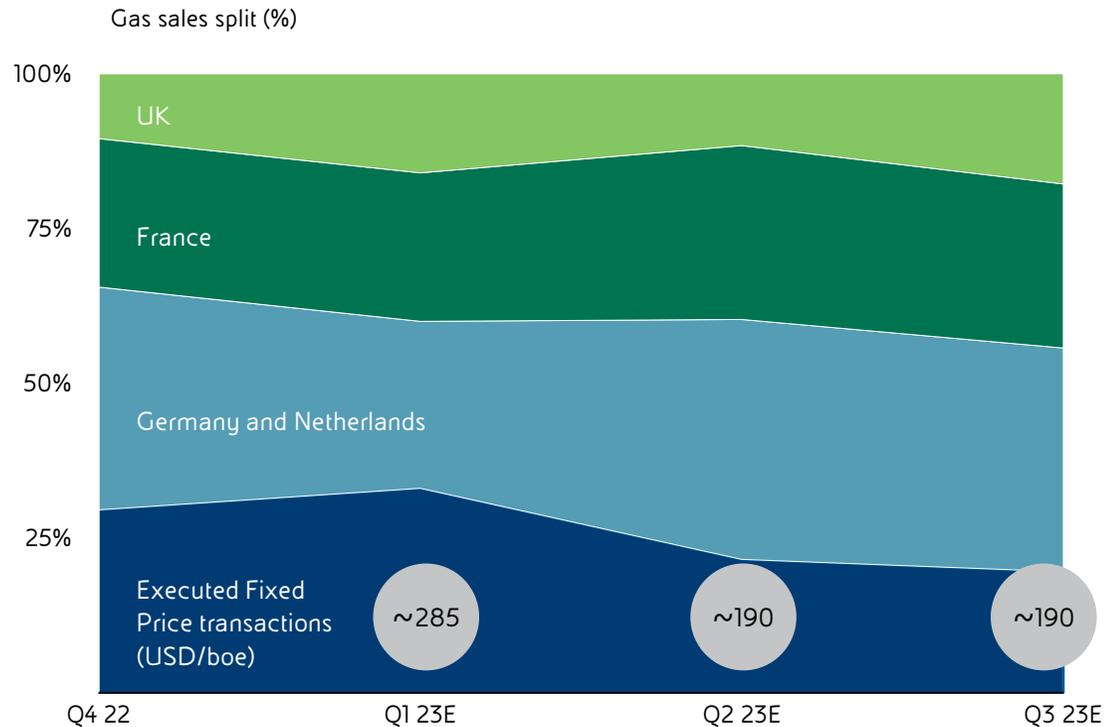
All crude oils sold on a FOB<sup>1</sup> basis under long-term agreements at norm price<sup>2</sup>

1. Free on Board. From 01.01.23 all volumes sold to Eni Trade & Biofuels SpA

2. Norm price as set by the Petroleum Price Board - final norm price published for Q1-Q3 2022

# Robust gas sales strategy with flexible index pricing

Indicative gas sales portfolio - current year<sup>1</sup>



Access to several markets for robustness

Flexible sales arrangements at several exit points in Europe

~30% of the gas portfolio sold on a firm fixed price basis<sup>2</sup>

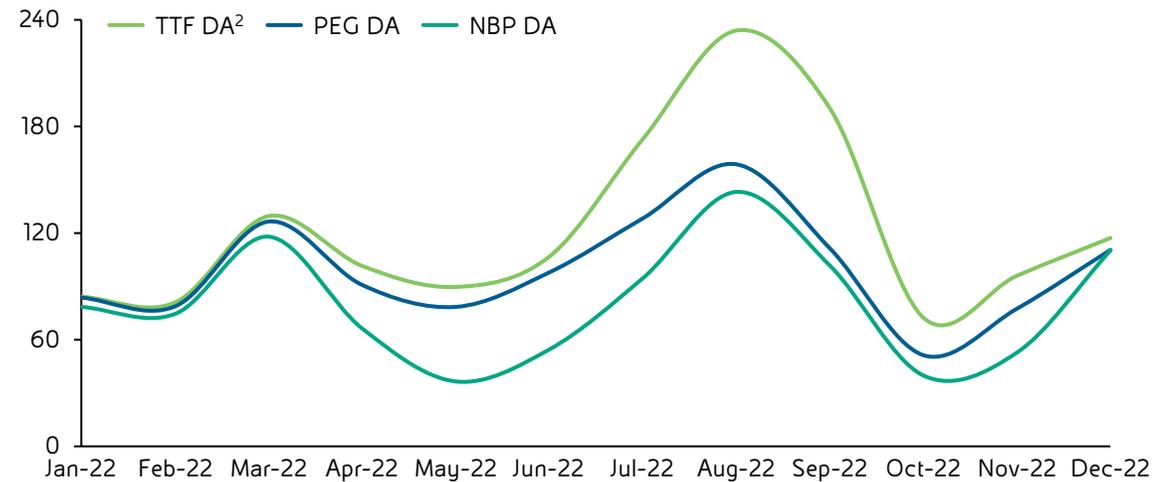
Actively capturing upsides and ensuring robust pricing

1. Based on average exchange rates through January 2023  
2. Physical hedging

# Optimising gas sales through exit point arbitrage

Large price differentials between hubs during 2022<sup>1</sup> ...

EUR/MWh



...creating arbitrage opportunities for Vår Energi

**USD ~100 million**

additional revenues captured through exit point arbitrage in 2022



1. Source: Bloomberg  
2. DA = Day Ahead

# Exploration & Production

Capital Markets Update 16 February



# Actively improving performance

## Operated portfolio - Pursuing operational excellence

- Strong 2022 performance on Goliat
- Subsea sites on Balder restored after riser/flowline repairs
- Ringhorne drilling performance improvement program

## Partner operated portfolio - Strong base for 2023 performance

- New fields coming on production in 2023
- Implementing learning from 2022 turnarounds and reducing scope
- Sleipner compressor repaired and operational
- Åsgard B - back at full capacity
- Adjusting well design to reduce drilling risks



# Hub strategy - optimising development of key hubs



**Synergies** - maximise value of existing infrastructure and deliver future growth



**Targeted prioritisation** - cost and resources



**Long-term value creation** - timely exploration and resource maturation to ensure optimal field development



**Partner of choice** - predictive and constructive industry partner

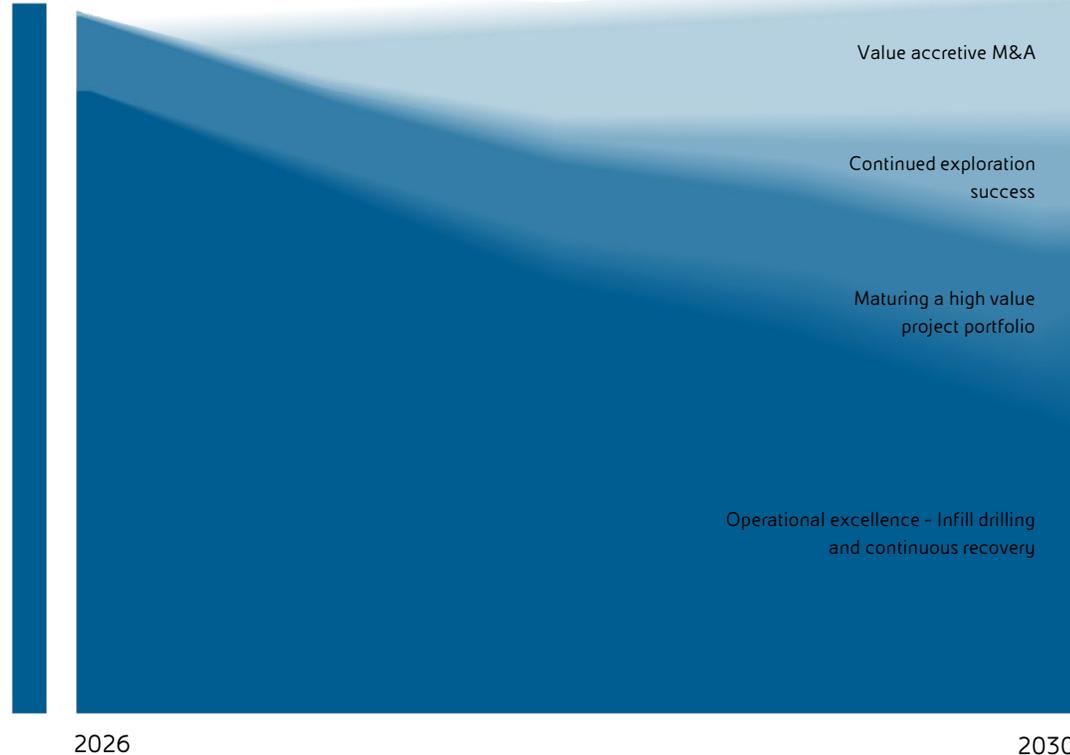


# Long-term value creation from the hubs

## Long-term ambition of sustaining production

kboepd

>350



### Balder - growth and opportunities

- Exploration and increased recovery key
- Integrating area development plans - gas, electrification, tie-ins

### Barents - the last frontier

- Infill drilling and tie-back of discoveries - strong ILX track record
- Key to unlock further potential - gas solution
- Continuing chasing new plays in under-explored areas

### North Sea - focused exploration in key hubs

- Strengthening exploration in area
- Developing of Fram and Tampen projects

### Norwegian Sea - major gas hub

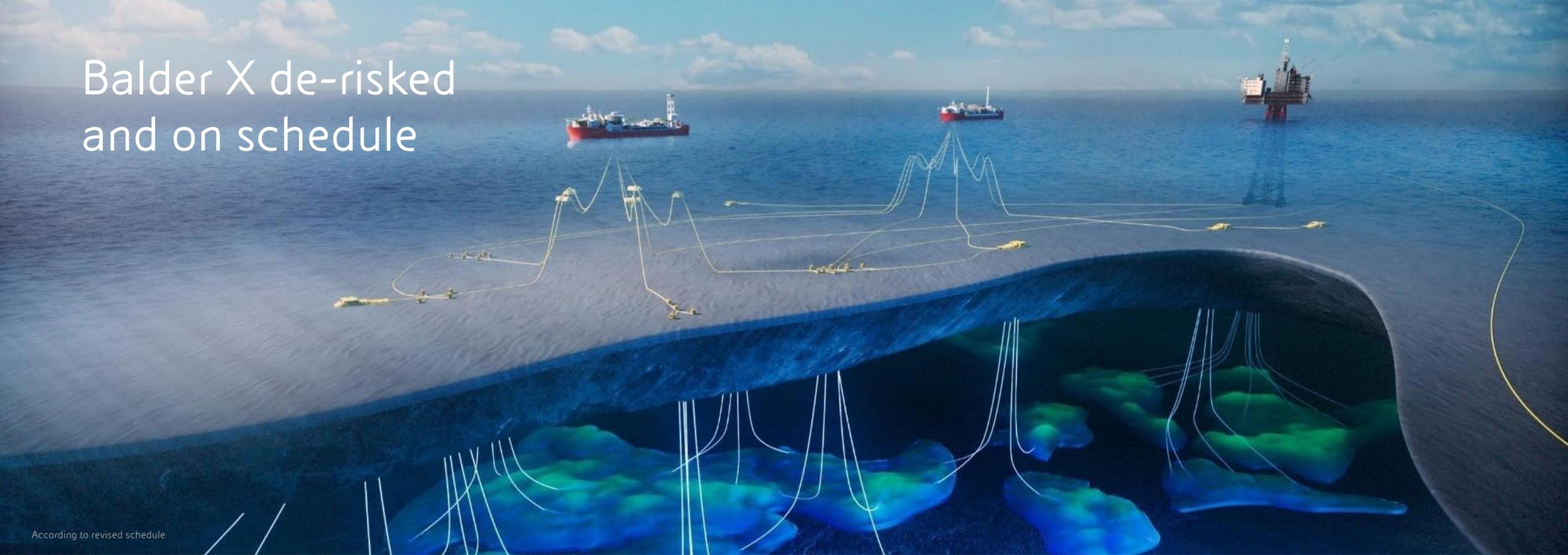
- Executing sanctioned projects, exploring for new opportunities
- Increasing recovery potential; especially around Åsgard



# Project Development and Supply Chain Management

Capital Markets Update 16 February

# Balder X de-risked and on schedule



According to revised schedule

## Jotun FPSO >70% complete

HSE performance improved  
Engineering close to completion  
Construction ramped up

## SPS/SURF >85% complete

According to plan  
Remaining work well matured

## Drilling >35% complete

Optimised drilling sequence



# Maturing a high value project portfolio

Standardised factory approach on tie-backs

Disciplined, robust and countercyclical

Maintaining ambition of 30 USD/boe break-even<sup>1</sup>

Leveraging strategic partnerships

Non-sanctioned key projects

Resources

>225 mmboe

Vår Energi share

Average break-even

~30 USD/boe

volume-weighted

<sup>1</sup>. Average portfolio ambition

## Barents Sea

Goliat tie-backs  
Johan Castberg tie-backs  
Barents gas solution

## Norwegian Sea

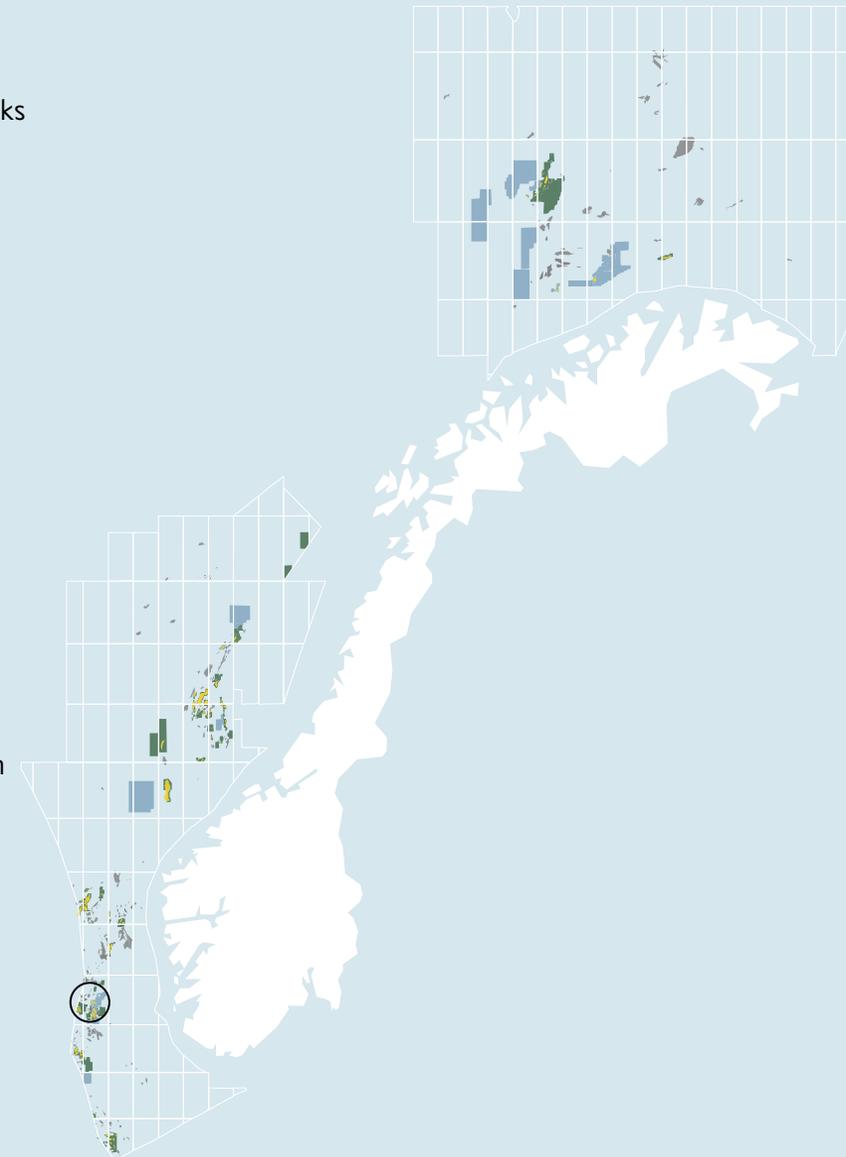
Åsgard IORs  
Kristin South phases  
Åsgard - Bjørnene

## North Sea

Fram South  
Garantiana  
Snorre IORs  
Eldfisk North Extension

## Balder/Grane

King and Prince  
Balder Phase V  
Balder Future Phases



# Strategic supplier partnerships

## Subsea Partnership established 2022

- SPS - Aker Solutions
- SURF - Ocean Installer and Saipem

## Strategic partnership ambitions for 2023

- Drilling & Well partnerships - Mobile drilling unit (Rig) & Integrated drilling services
- Subsea IMR services
- Topside Maintenance & Modification
- Electro, Instrument, Control & Telecom partnership
- Digitalisation

**Early involvement - Right solutions - Efficient execution**



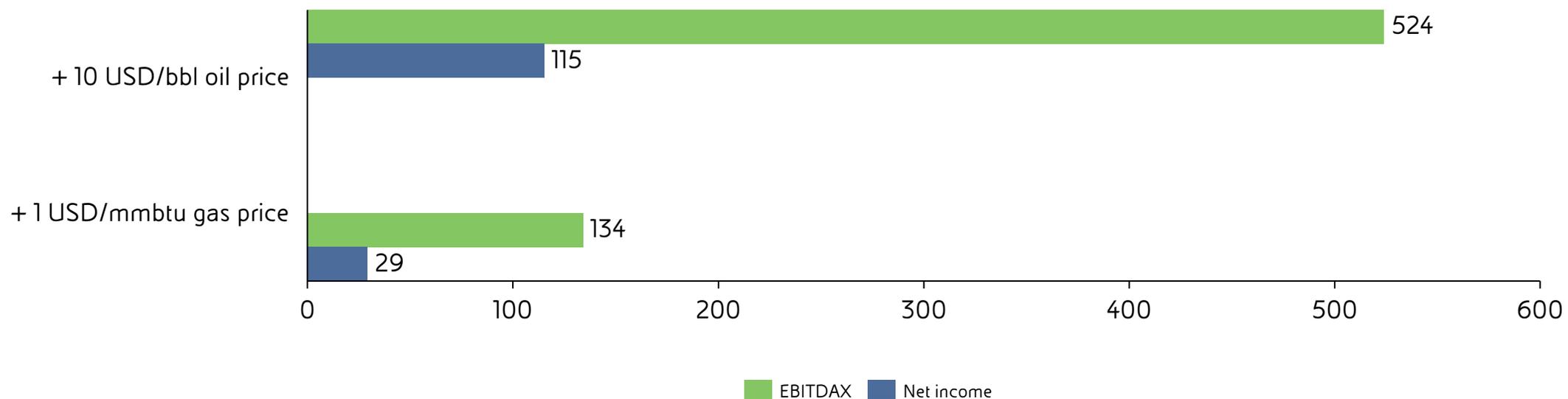
# Appendix



# Price sensitivities

Indicated effect on 2023 results<sup>1</sup>

USD million



1. Based on USD/NOK 9.5

# Price assumptions

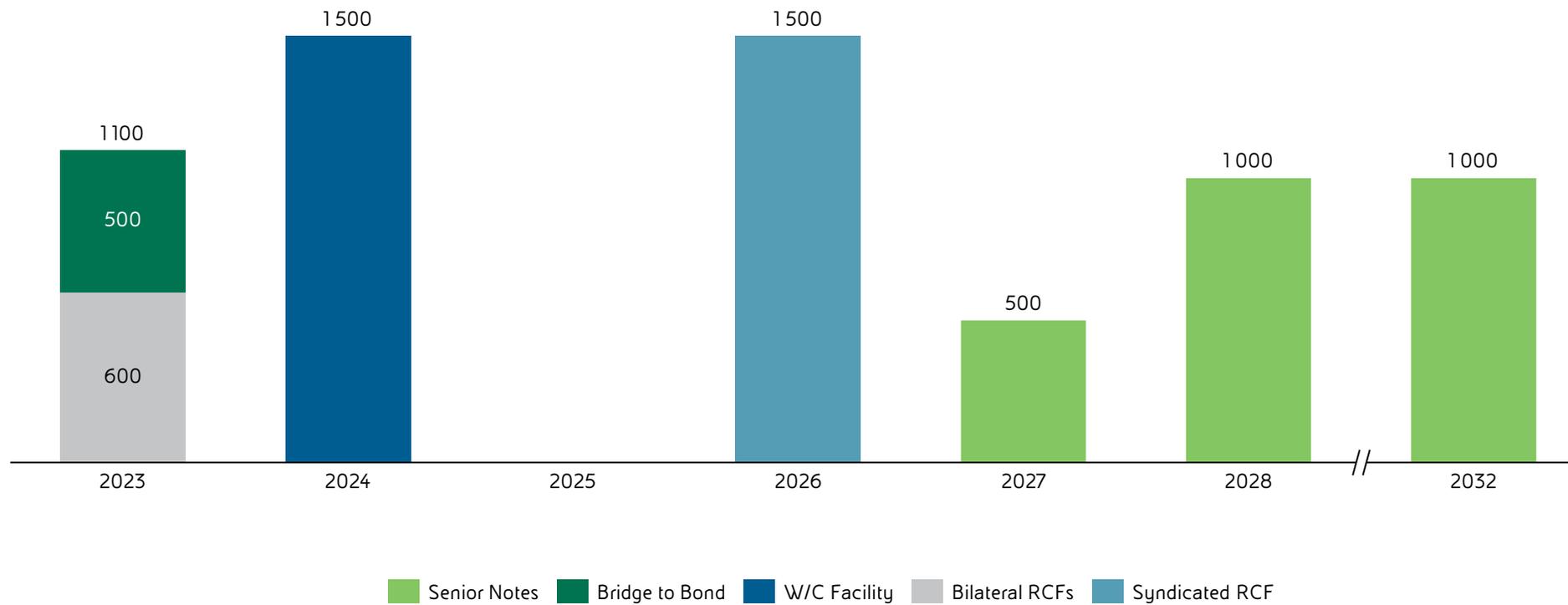
- Unless otherwise specified, all numbers are run on forward prices
- Assuming forward prices as of 30 January and contracted gas forward sales
- Prices in real 2023

	2023	2024	2025	Thereafter
Oil Price \$/bbl	85	77	72	70
Gas Price \$/bbl	134	119	107	74
Exchange Rate USD/NOK	9.5	9.0	9.0	9.0

# Debt maturities

## Maturity profile<sup>1</sup>

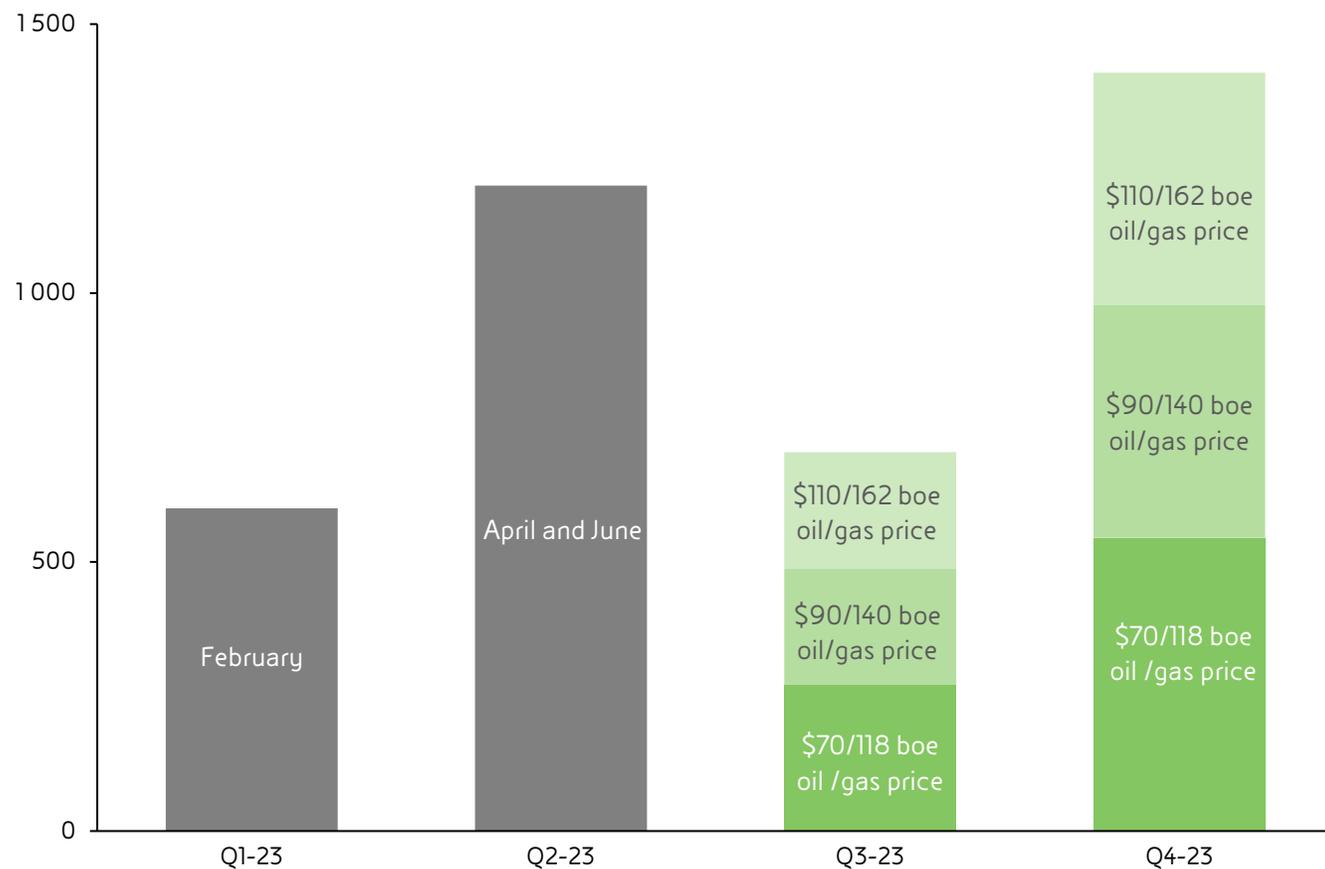
USD million



# Tax guidance

## Tax payments - Sensitivity for 2023

USD million



Q1 and Q2 related to 2022 tax payments

Tax for 2023 is paid in 6 installments:

- One payment in Q3 and two in Q4 2023.
- Remaining installments to be paid in H1 2024

# Exploration campaign for 2023

Area	License	Prospect	Operator	Vår Energi share	Pre-drill unrisked mboe	Pre-drill unrisked mboe VE	Timing
Barents Sea	PL 229	Countach	Vår Energi	65%	41	27	Q1
North Sea	PL 554	Angulata	Equinor	30%	58	17	Q1
Norwegian Sea	PL 1005	Rondeslottet	Aker BP	40%	871	348	Q1/Q2
Balder Area	PL 956	Ringhorne N	Vår Energi	50%	28	14	Q3
Balder Area	PL 984	Norma	DNO	30%	64	19	Q3
Norwegian Sea	PL 090	Crino	Equinor	25%	75	30	Q3
Balder Area	PL 917	King 2	Vår Energi	40%	83	33	Q4
Barents Sea	PL 1025S	Venus	Vår Energi	30%	313	94	Q4



vår energi