

# First quarter 2024

Results presentation

23 April 2024



vår energi



# Today's presenters



**Nick Walker**  
CEO



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CFO



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Head of Investor Relations

# First quarter 2024 highlights



Production	Production cost
<b>299</b> kboepd	<b>12</b> USD/boe
CFFO	Dividend Q1 2024 and Q2 2024 guidance
<b>1009</b> USD million	<b>270</b> USD million

## Good operational performance

- Record production up 33% from previous quarter
- Breidablikk producing at plateau in first quarter
- Neptune Energy Norge included from 1 January 2024

## Strong financial results

- Achieved realised gas price of USD 67 per boe, USD 14 above spot price
- Unit production cost better than guidance
- Strong cash flow from operations of USD 1 billion

## Growth towards 2025 and unlocking future value

- Johan Castberg and Balder X targeted start-up's maintained Q4 2024
- 7 of 8 projects starting up before end-2025 >50% complete
- Discovery at Ringhorne North in the Balder Area

## Continued attractive and predictable dividends

- Solid balance sheet following Neptune acquisition with leverage ratio of 0.7x
- Attractive dividend level maintained for Q2

# Fastest growing E&P

## 3<sup>rd</sup> largest oil and gas producer in Norway

- ✓ Diversified asset base
- ✓ Interests in >50% of all producing assets on the NCS
- ✓ 2<sup>nd</sup> largest exporter of gas from Norway

## Neptune a perfect fit

- ✓ Adds scale, diversification and longevity
- ✓ Identified synergy potential of USD ~500 million<sup>1</sup>
- ✓ "One team" from 1 May 2024
- ✓ Statutory merger completion Q2 2024

~200  
licenses  
68 operated

47 fields  
7 operated

4 hub  
areas



3 1. Net present value, post-tax

Production guidance 2024  
280-300<sup>1</sup> kboepd

## 2024 key priorities

- Deliver key projects
- Integrate Neptune
- >90% production efficiency
- Infill well deliveries

<sup>1</sup> Before impact of planned disposal package  
<sup>2</sup> Including Neptune from 1 January 2024  
<sup>3</sup> Vår Energi operated assets

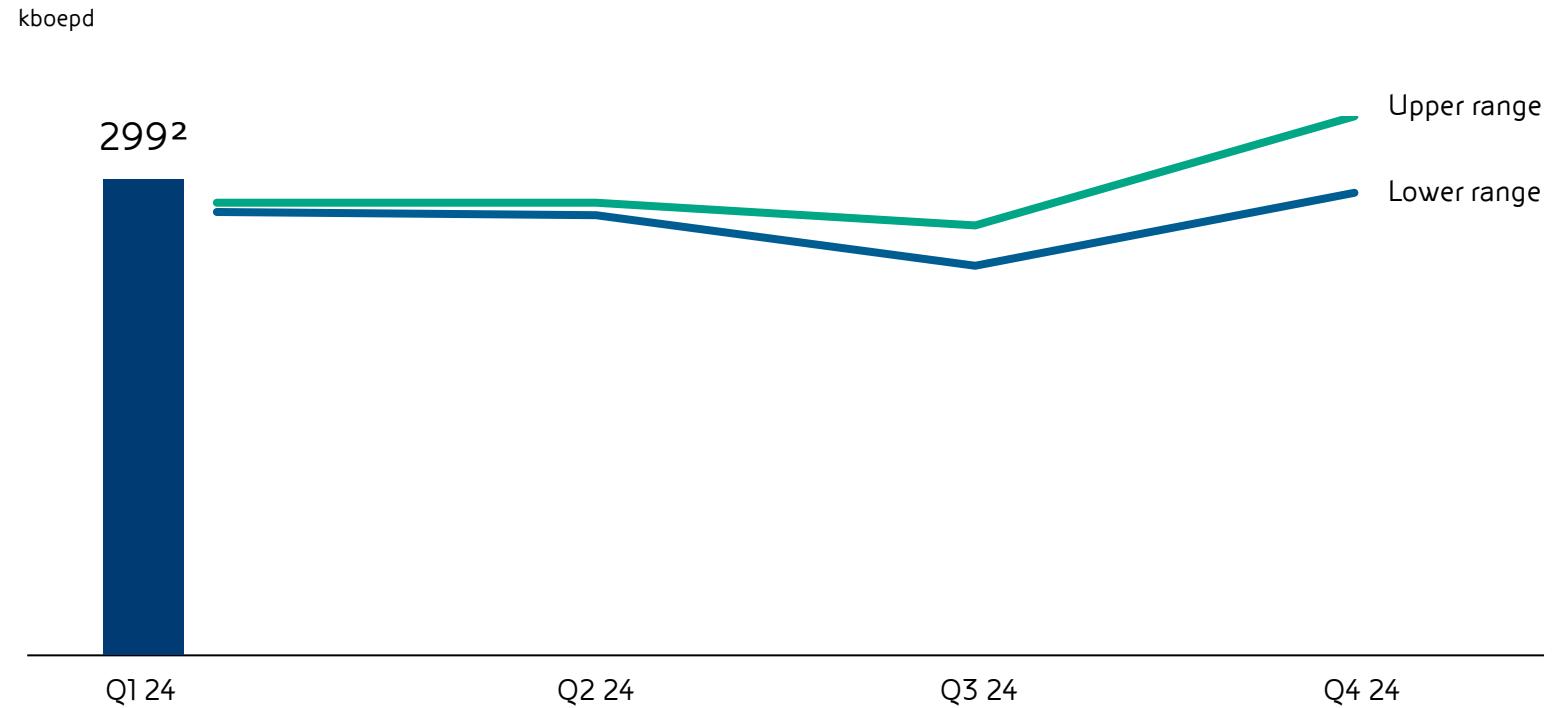
# Strong operational performance

Gas share Q1

37%

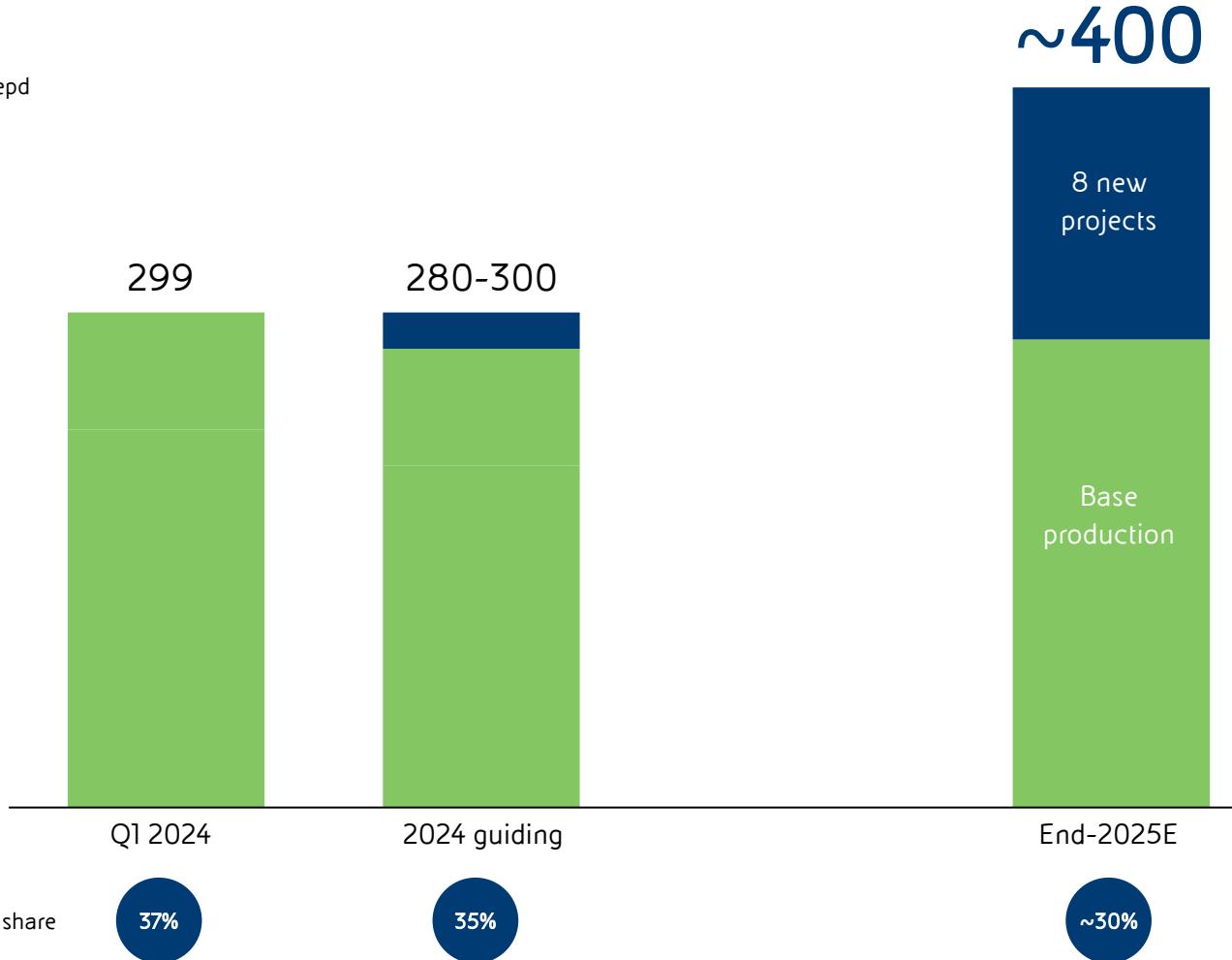
Production Efficiency Q1

93%<sup>3</sup>



# Growth towards 2025 and unlocking future value

kboepd



**Sustaining 350-400 kboepd towards 2030**

- Maximise recovery and infill drilling
- High value early phase projects
- Near field and high impact exploration

# Safe and responsible

Safety performance

**0.1** actual SIF<sup>1,2</sup>

Emissions intensity<sup>3</sup>

**10.0 kg** CO<sub>2</sub>/boe<sup>2</sup>

Methane emissions **near zero**

**<0.02 %** share of gas sales<sup>4</sup>

Member of **OGMP 2.0**<sup>5</sup>

**Inclusion in the ESG index**

OSEBX ESG, Oslo Stock Exchange



**SUSTAINALYTICS**

**Top 5%**  
in the industry<sup>1</sup>

**Position Green<sup>•</sup>**

**A+**  
Top 100 Oslo Børs<sup>2</sup>

**CDP**

**B**  
rating<sup>3</sup>

1. Per March 2024  
2. ESG100 report 2023  
3. CDP report 2023

1. Serious Incident Frequency

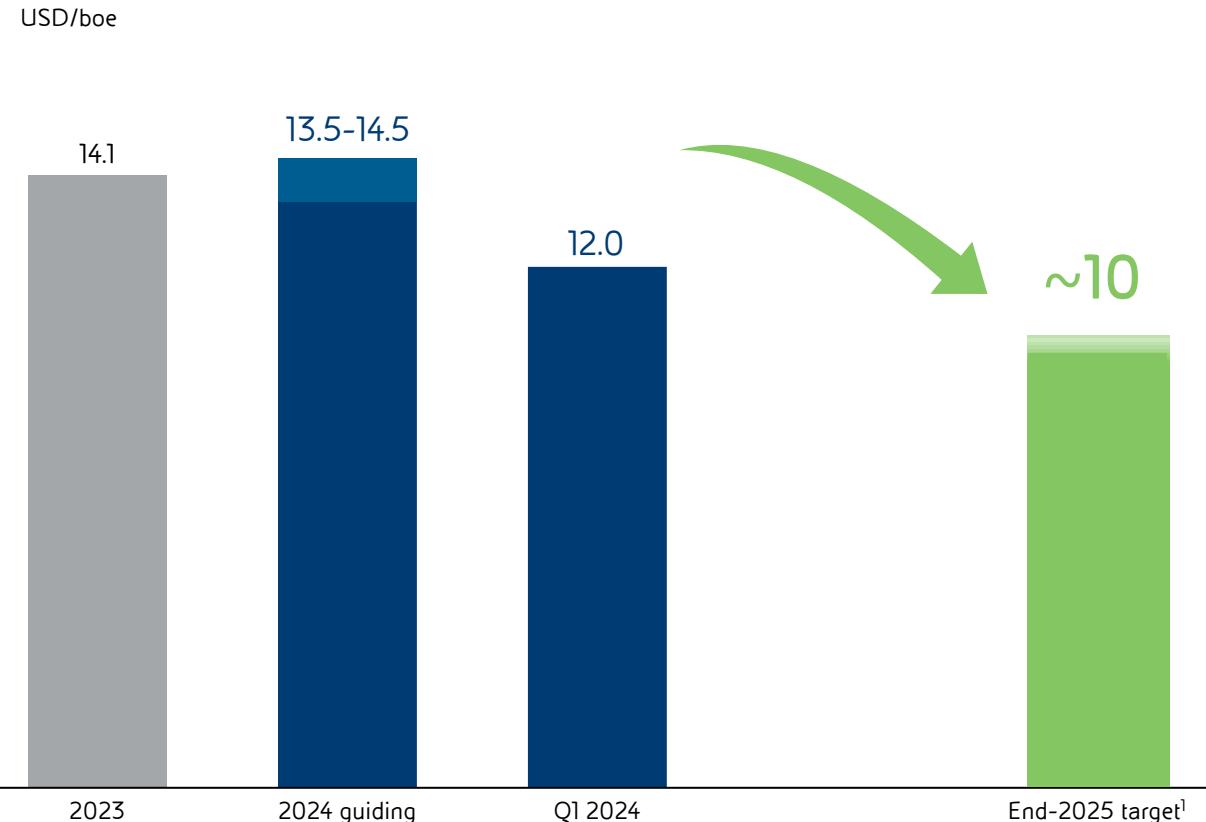
2. Q1 2024

3. Equity share emissions - Scope 1 - January and February only

4. Key performance indicator for OGCI's 2025 upstream methane target is well below 0.2%

5. Oil and Gas Methane Partnership 2.0 - Since April 2024

# Unit opex better than guidance



<sup>7</sup> 1. Equivalent to previous guidance of USD 8 per boe, inflation-adjusted based on Rystad NCS Price Index

## Reducing opex by end-2025

- Sanctioned projects averaging USD ~4 per boe
- Integrating lower-cost Neptune assets
- High-grading the portfolio
- Realising cost synergies and improvements



# Creating value and growth

Reserves<sup>1</sup>

**1.24** billion boe

**10** projects coming  
on stream and high  
quality assets

Contingent resources<sup>2</sup>

**0.75** billion boe

**>20** early phase  
projects

Prospective resources<sup>3</sup>

**>1** billion boe

**~60** exploration  
wells next four years

1. 2023 Annual statement of reserves - Proved plus probable (2P) reserves

2. 2C contingent resources

3. Net risked exploration resources



Delivering growth

# Projects in execution

**10** projects developing **>400 mmboe<sup>1</sup>**

USD **~35** per boe  
Breakeven

**~2** years  
Pay-back

**>25%**  
IRR across portfolio

**>50%** complete  
7 of 10 projects

1. Net

**Barents Sea**  
Johan Castberg  
Snøhvit Future



**Norwegian Sea**  
Smørbukk North  
Kristin South  
Halten East  
Ormen Lange Ph.3  
Åsgard LPP3  
Verdande

**Balder Area**  
Balder X

**North Sea**  
Eldfisk North

 Vår Energi  
licenses

# Balder X progressing towards first oil

Production for decades  
in the Balder area

~80 kboepd

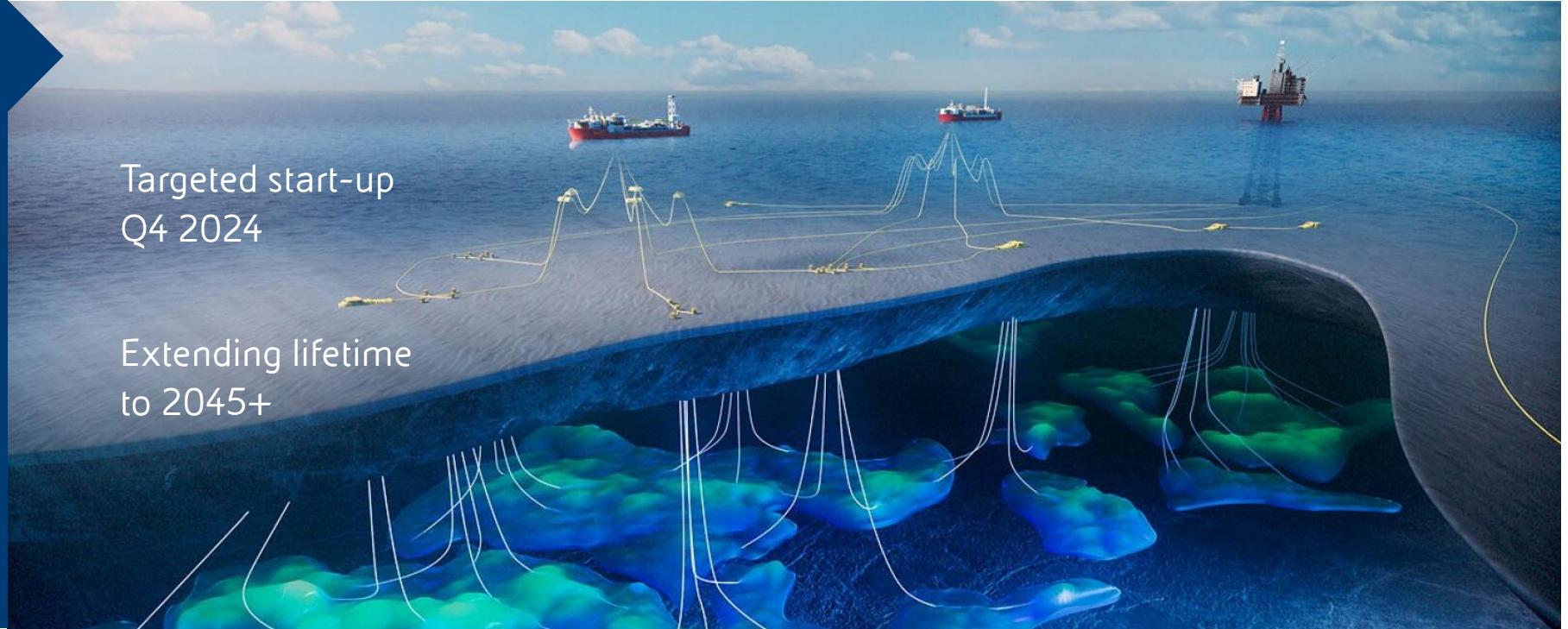
at peak production<sup>1</sup>, gross

~150 mmboe

2P reserves<sup>1</sup>, gross

~5 USD/bbl

production cost



SPS/SURF<sup>2</sup> >85% complete

Majority of subsea equipment installed

Jotun FPSO ~95% complete

High construction activity at yard

Drilling >85% complete

11 of 14 production wells completed

1. 90% working interest

2. Subsea Production Systems (SPS) and Subsea Umbilicals, Risers & Flowlines (SURF)

# Johan Castberg on track

Capturing long term value  
from the prolific Barents Sea

**190** kboepd

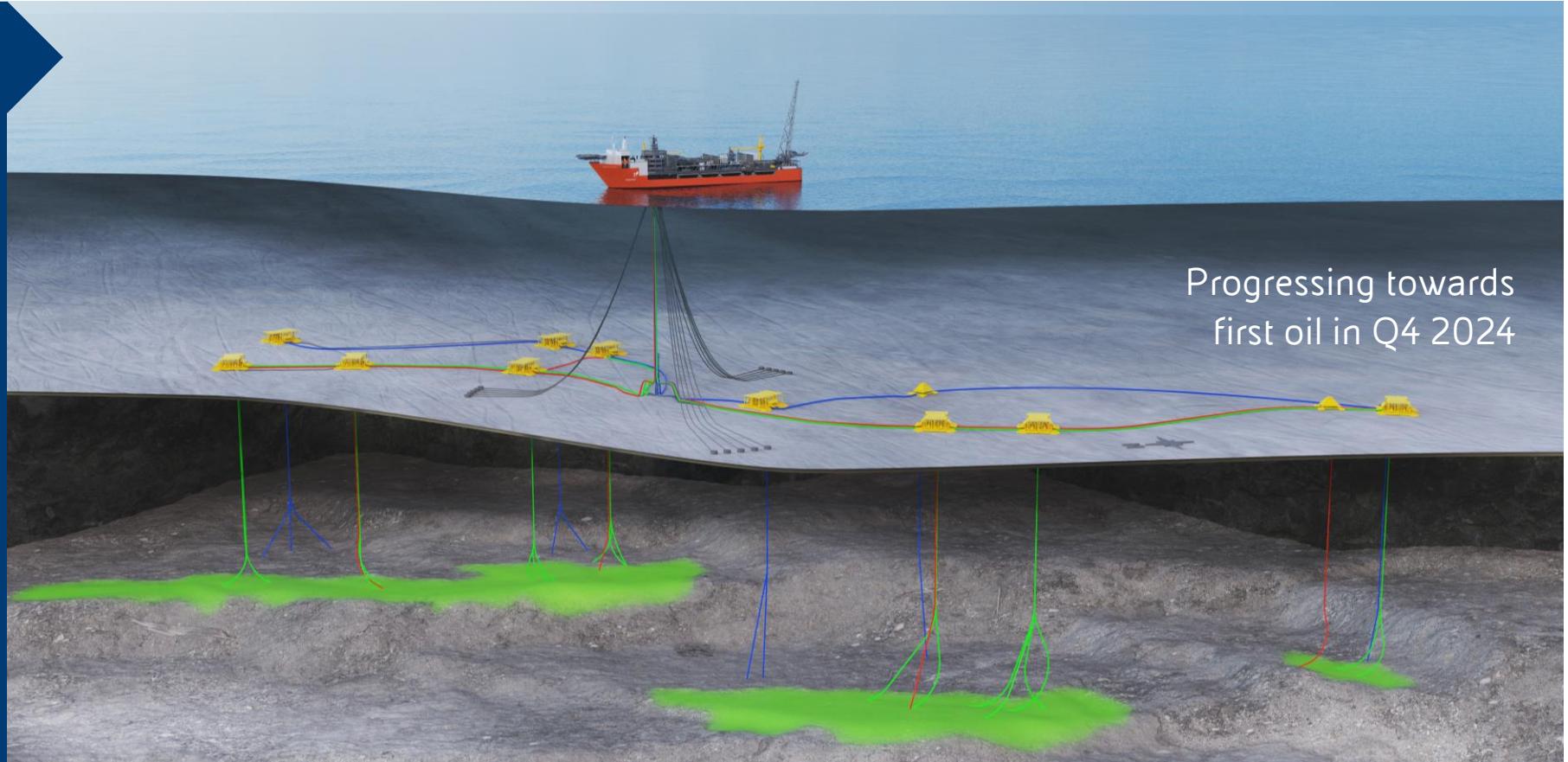
vessel capacity production<sup>1,2</sup>, gross

**450-650** mmboe

recoverable resources<sup>1,2</sup>, gross

**~4** USD/bbl

production cost



1. Operator's estimate  
11 2. 30% working interest

# Continued exploration success

Ringhorne North oil discovery

**13-23 mmboe**

Estimated gross recoverable resources

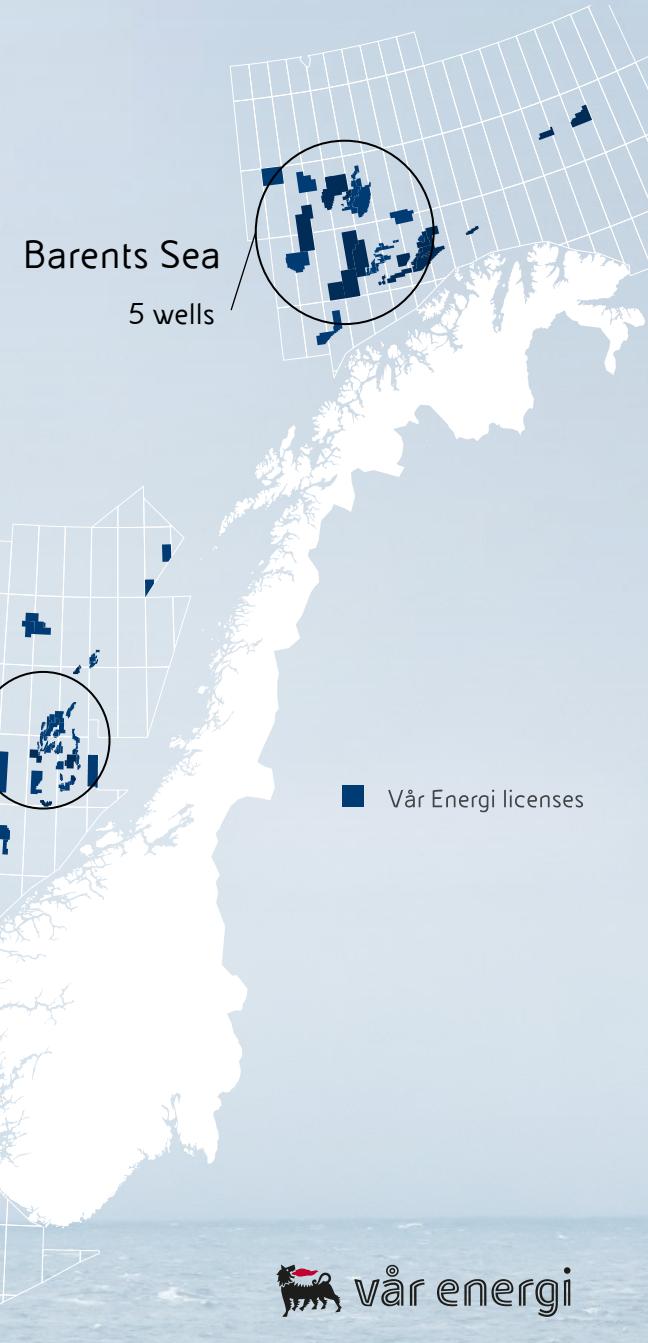
Doubling number of wells in 2024

**~150 mmboe**  
net risked resources



**~300 USD million**  
exploration spend<sup>1</sup>

**13 of 16**  
wells left to drill



# Financial highlights

**75 USD/boe**

weighted average realised price

**USD 1 009 million**

CFFO after tax

**0.7x**

NIBD / EBITDAX

**USD 2.3 billion**

Available liquidity<sup>1</sup>

**USD 270 million**

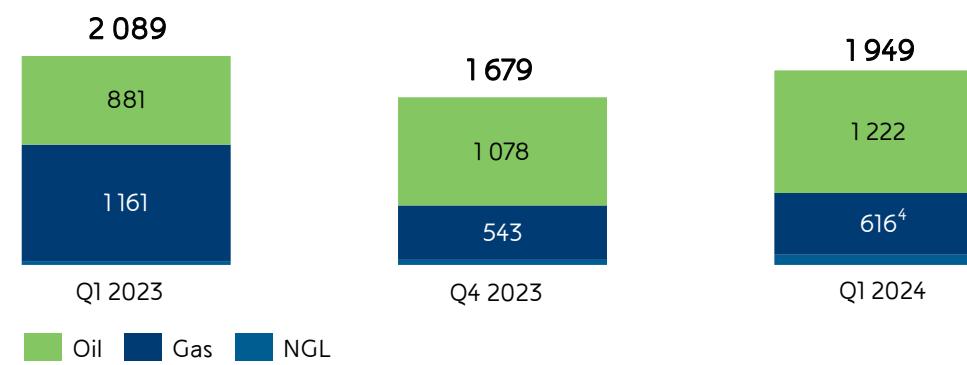
Dividend Q1 2024 and Q2 2024  
guidance



# Good realised gas price

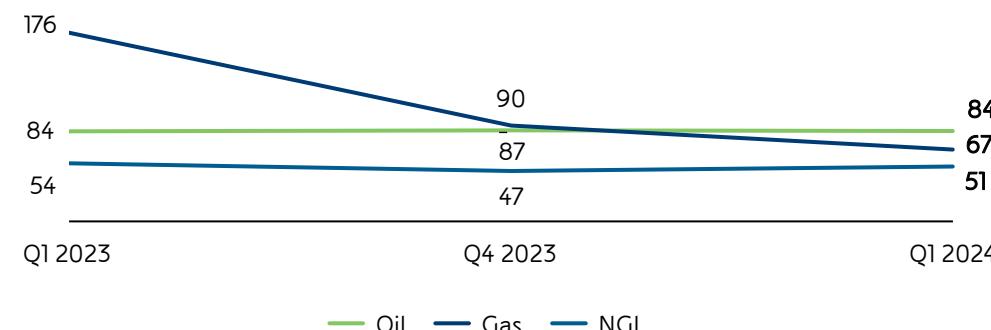
## Total petroleum revenues

USD million



## Realised prices

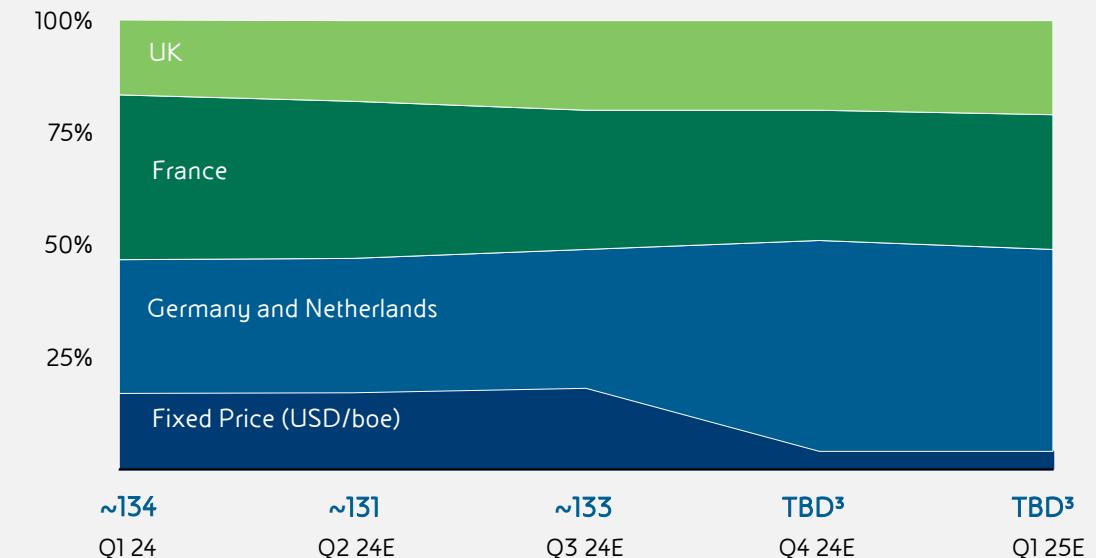
USD per boe



Realised gas price above spot price year-to-date<sup>1</sup>  
~14 USD/boe

## Indicative gas sales portfolio<sup>2</sup>

Gas sales split (%)



1. Compared to average spot price for THE, TTF, NBP and PEG in Q1 24

2. Based on average exchange rates through Q1 2024. Including Neptune volumes from 1 January 2024

3. Price for volumes sold on gas year ahead from Q4 will be set 1 October 2024

4. Gas revenues including USD 5 million gains from hedging

# High cash flow generation

**USD 1 billion**

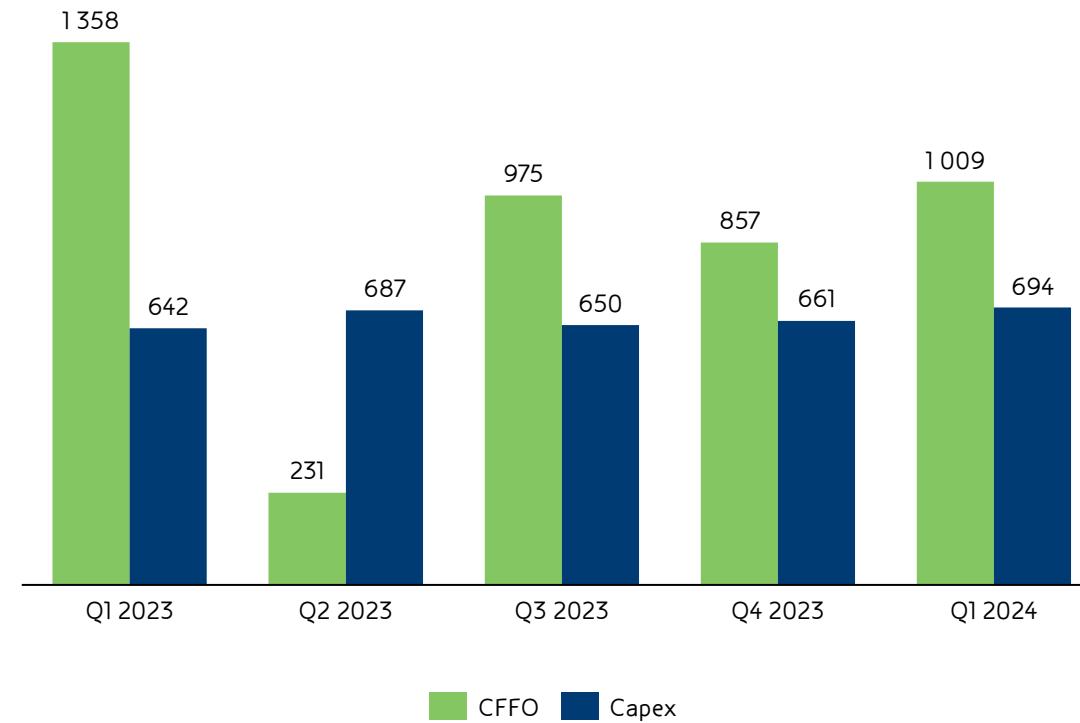
Q1 2024 Cash flow from operations (CFFO)

**1.5x**

Q1 2024 capex coverage

## CFFO and capex

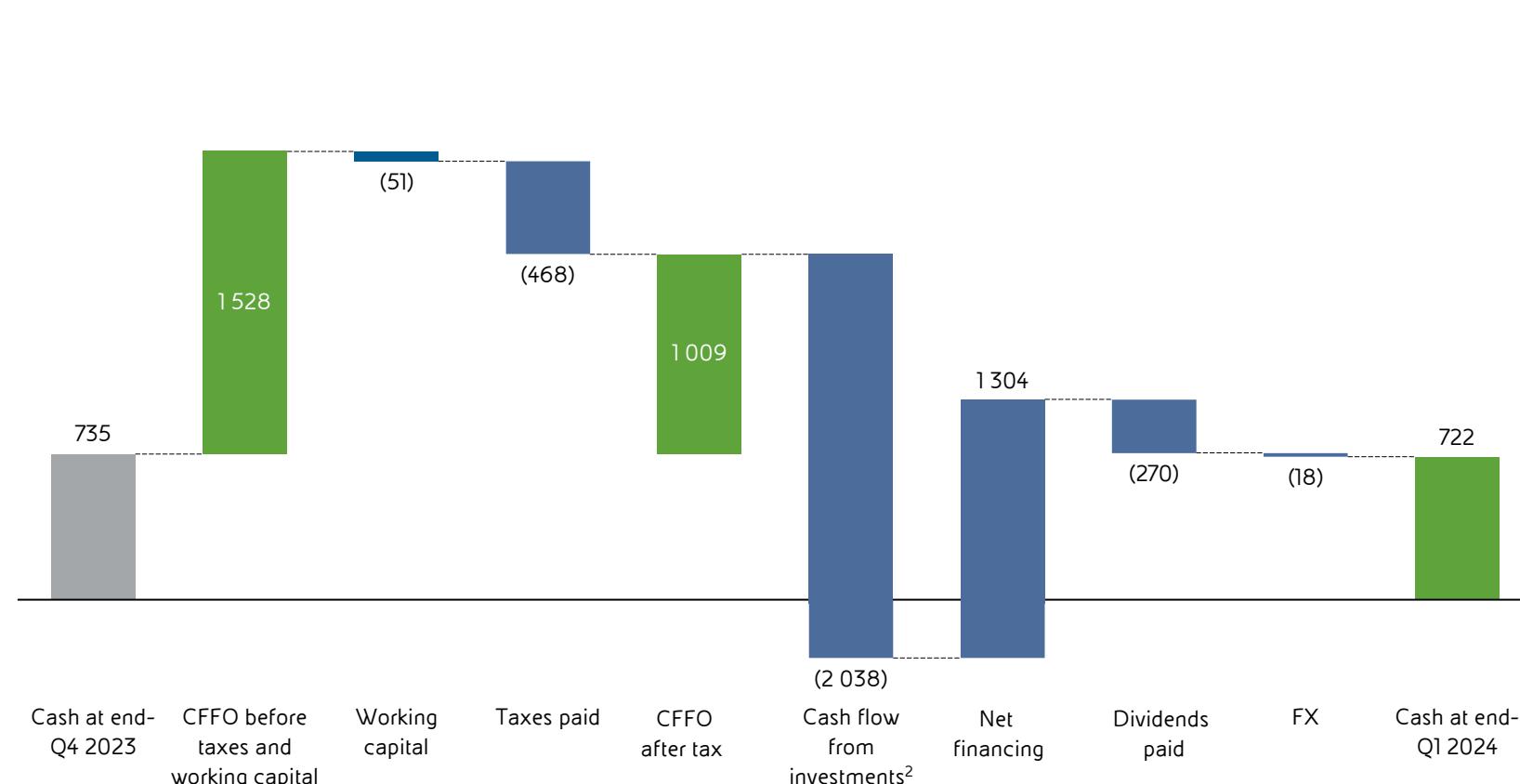
USD million



# Strong liquidity position following Neptune acquisition

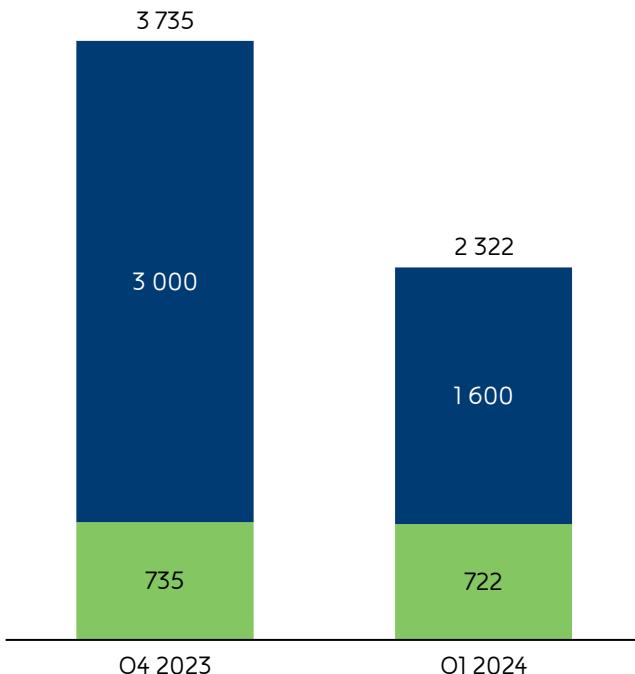
## Cash flow development Q1 2024

USD million



## Available liquidity

USD million



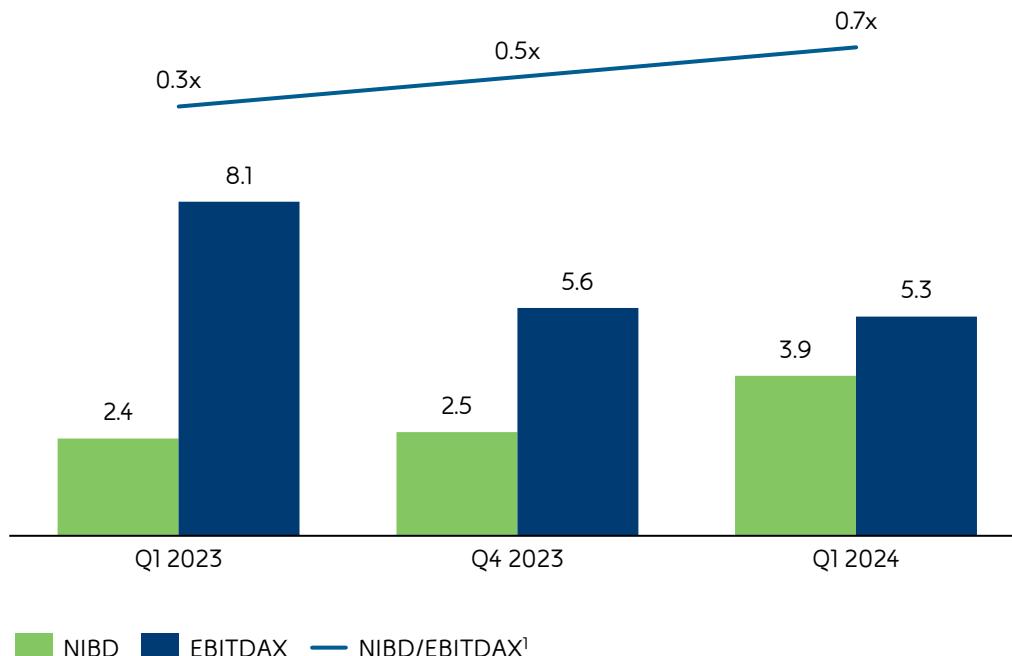
1. Revolving Credit Facility

2. Investments includes payments for decommissioning and Neptune consideration

# Continued strong financial position

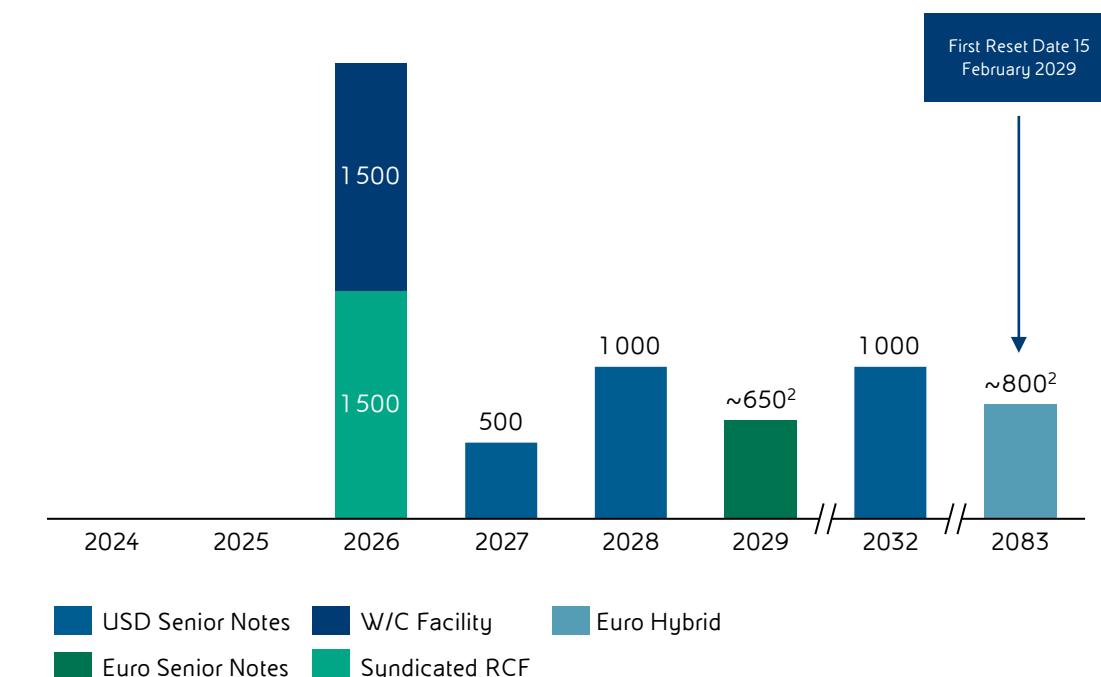
## Net interest-bearing debt and leverage ratio<sup>1</sup>

USD billion



## Maturity profile

USD million



Committed to maintaining Investment Grade rating

Moody's

Baa3

S&P Global

BBB

1. Net interest-bearing debt (NIBD) is shown at end of period, including lease commitments.

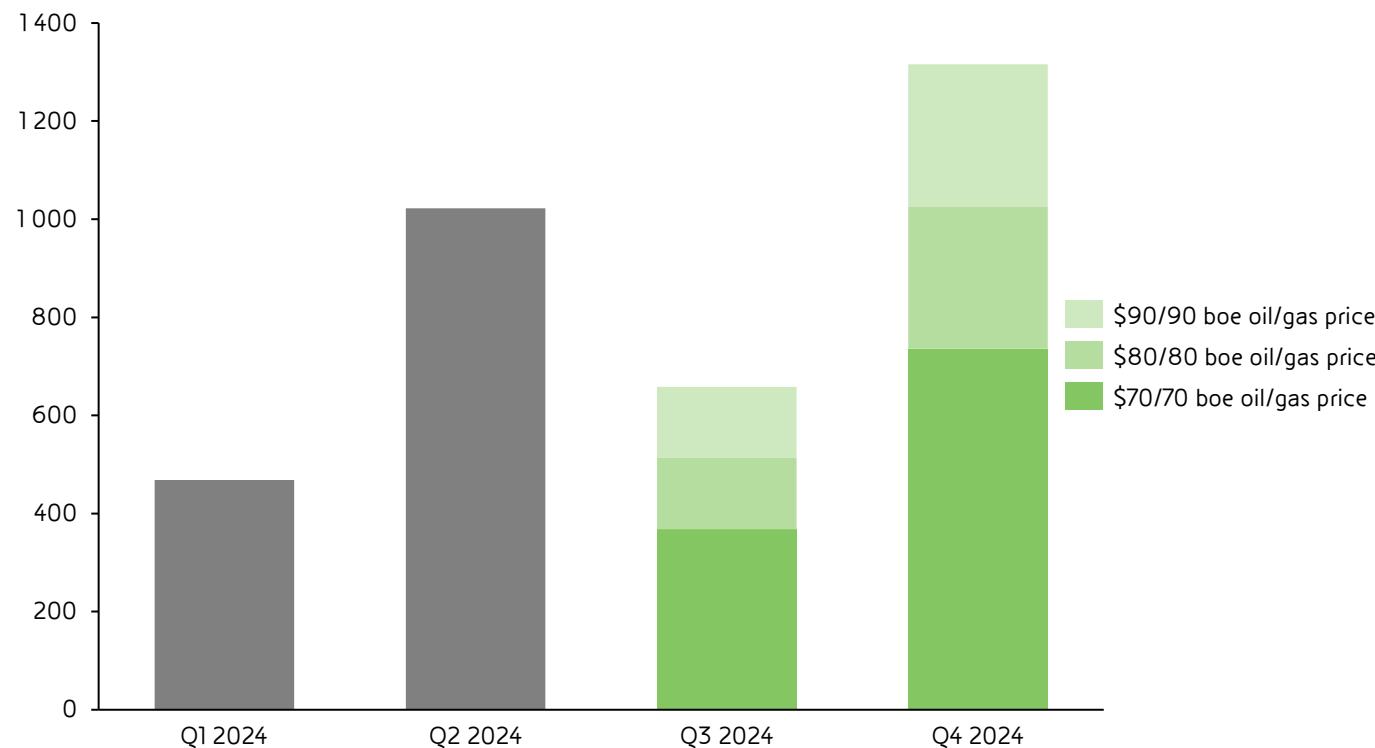
EBITDAX is rolling 12-months

2. Based on EURO/USD of 1.08

# Cash tax sensitivities

Tax payments - sensitivities for 2H 2024<sup>1</sup>

USD million



**NOK ~10 billion**

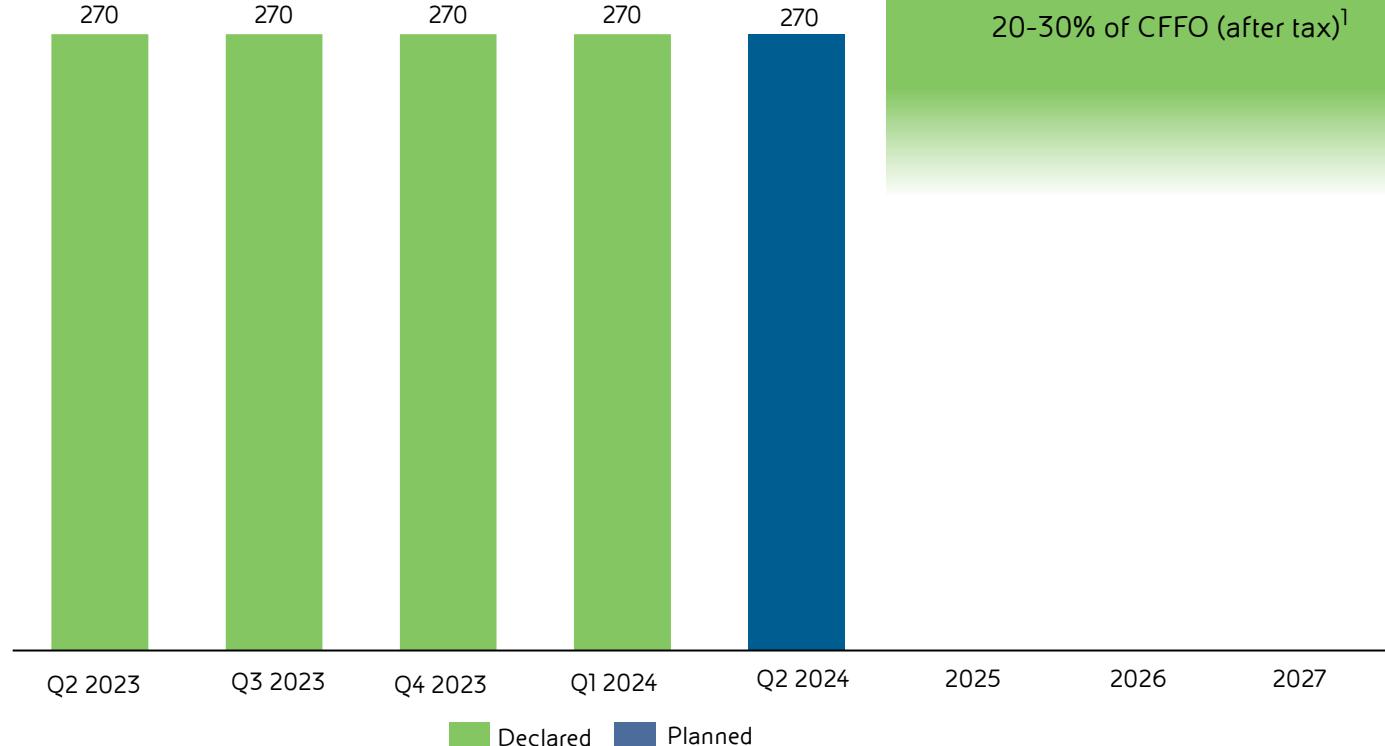
Q2 2024 tax payments (USD ~1 billion)<sup>1</sup>

Taxes paid in 1H 2024 related  
to 2023 results

# Attractive and predictable dividends

## Dividends

USD million



<sup>1</sup> Illustrative

Dividend guidance  
Q2 2024

**270**

USD million

Planned dividend  
for 2024  
**~30%**  
of CFFO after tax

Dividend for Q1 2024 of USD ~0.11 per share to be paid 8 May 2024

Paid in NOK at exchange rate of USD/NOK 11.0219

# Guidance and outlook

## 2024

Production	280-300 kboepd
Production cost	USD 13.5-14.5 per boe
Capex	USD 2.7-2.9 billion excl. exploration and abandonment Exploration USD ~300 million Abandonment USD ~100 million
Other	Cash tax payments of USD ~1 billion in Q2 2024 <sup>1</sup>
Dividends	Q1 dividend of USD 270 million (~0.11 USD per share) For 2024, the plan is to distribute ~30% of CFFO after tax

## Longer-term

End-2025: ~400 kboepd  
2025-2030: 350-400 kboepd

End-2025: USD ~10 per boe<sup>2</sup>

2025-28:  
USD 1.5-2.5 billion excl. exploration and abandonment p.a.  
Exploration USD 200-300 million p.a.  
Abandonment USD 50-100 million p.a.

Dividend of 20-30% of CFFO after tax over the cycle

1. Based on NOK/USD of 10, including Neptune's cash tax payments

2. Equivalent to previous guidance of USD 8 per boe, inflation-adjusted based on Rystad NCS Price Index



# Delivering growth and value

Good operational performance

Strong financial results

Growth towards 2025 and unlocking future beyond

Continued attractive and predictable dividends



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# Q&A



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# Appendix



# Exploration program 2024

License	Prospect	Operator	Vår Energi share %	Pre-drill unrisked resources mmboe <sup>1</sup>	Estimated recoverable resources mmboe <sup>1</sup>	Status
PL 917	Hubert	Vår Energi	40 %			Dry
PL 917	Magellan	Vår Energi	40 %			Dry
PL 956	Ringhorne North	Vår Energi	50 %		13-23	Discovery
PL 636	Cerisa	Vår Energi	30 %	30		Ongoing
PL 090	Rhombi	Equinor	25 %	37		Q2
PL 1025S	Venus	Vår Energi	60 %	353		Q2
PL 932	Kaldafjell	Aker BP	20 %	168		Q2
PL 1185	Kvernbit	Equinor	20 %	102		Q2
PL 1080	Snøras	Equinor	30 %	23		Q2
PL 1110	Njargasas	Aker BP	30 %	52		Q3
PL 229	Countach App	Vår Energi	65 %	21		Q3
PL 554	Garantiana NW	Equinor	30 %	40		Q3
PL 025	Brokk/Mju	Equinor	25 %	25		Q3
PL 229	Zagato	Vår Energi	65 %	83		Q3/Q4
PL 1131	Elgol	Vår Energi	40 %	265		Q3/Q4
PL 1194	Haydn	OMV AS	30 %	85		Q4



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