



First quarter 2023

Results presentation | 24 April 2023

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Today's Vår Energi presenters



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First quarter 2023 highlights

Safe and stable production

- Production of 214 kboepd, full-year production guidance of 210-230 kboepd maintained
- Gas share of 38% in the quarter
- Frosk, Hyme and Bauge successfully on stream, with Fenja expected in Q2

Strong gas price realisation

- Gas sales strategy realising gas price of USD 176 per boe
- Strong CFFO and free cash flow
- Continued strong balance sheet with leverage ratio of 0.3x at end-Q1 2023
- Dividend guidance of USD 270 million for Q2 2023

Main development projects progressing per plan

- Project milestones reached as planned
- On track for >50% production growth by end-2025

Continued exploration success with high potential

- Confirmed discovery in the operated Countach well
- Assessing more Barents Sea prospects



Key performance indicators

Q1 2023 vs. Q4 2022

Actual serious incidents frequency¹

0.0

(0.1)

Production

214 kboepd

(214)

Cash flow from operations

USD 1 358m

(443)

CO₂ emissions intensity

13.0 kg/boe

(10.2)

Production cost per boe

USD 13.1

(14.1)

Dividend for the quarter

USD 270m

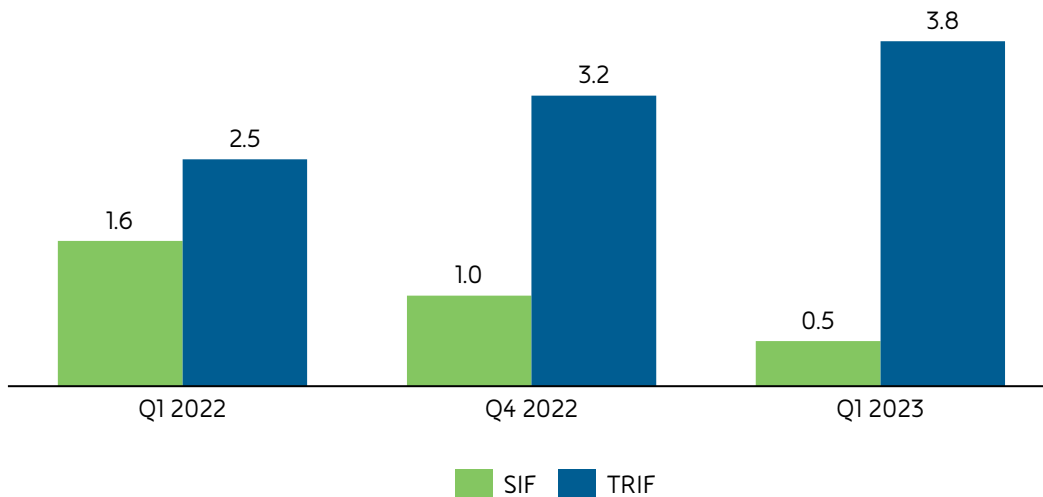
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Operational review



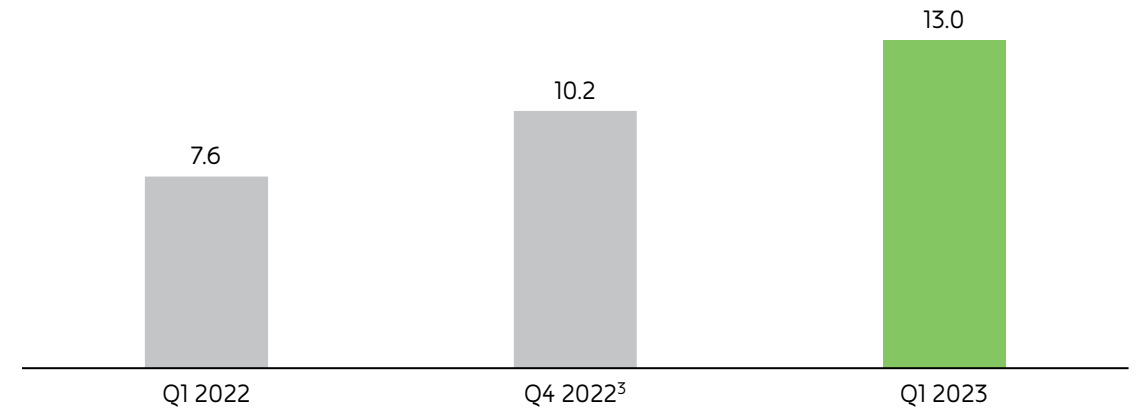
Safe and responsible operations at the core

SIF¹ and TRIF²



CO₂ emission intensity for operated assets

kg CO₂/boe



- No serious incidents in the quarter
- Positive trend on SIF reflecting continuous implementation of safety initiatives and strengthened safety culture
- Increasing trend on TRIF related to higher yard activity

- Increase in emission intensity mainly reflects high exploration activity and rig-supported well interventions at Goliat during the quarter

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

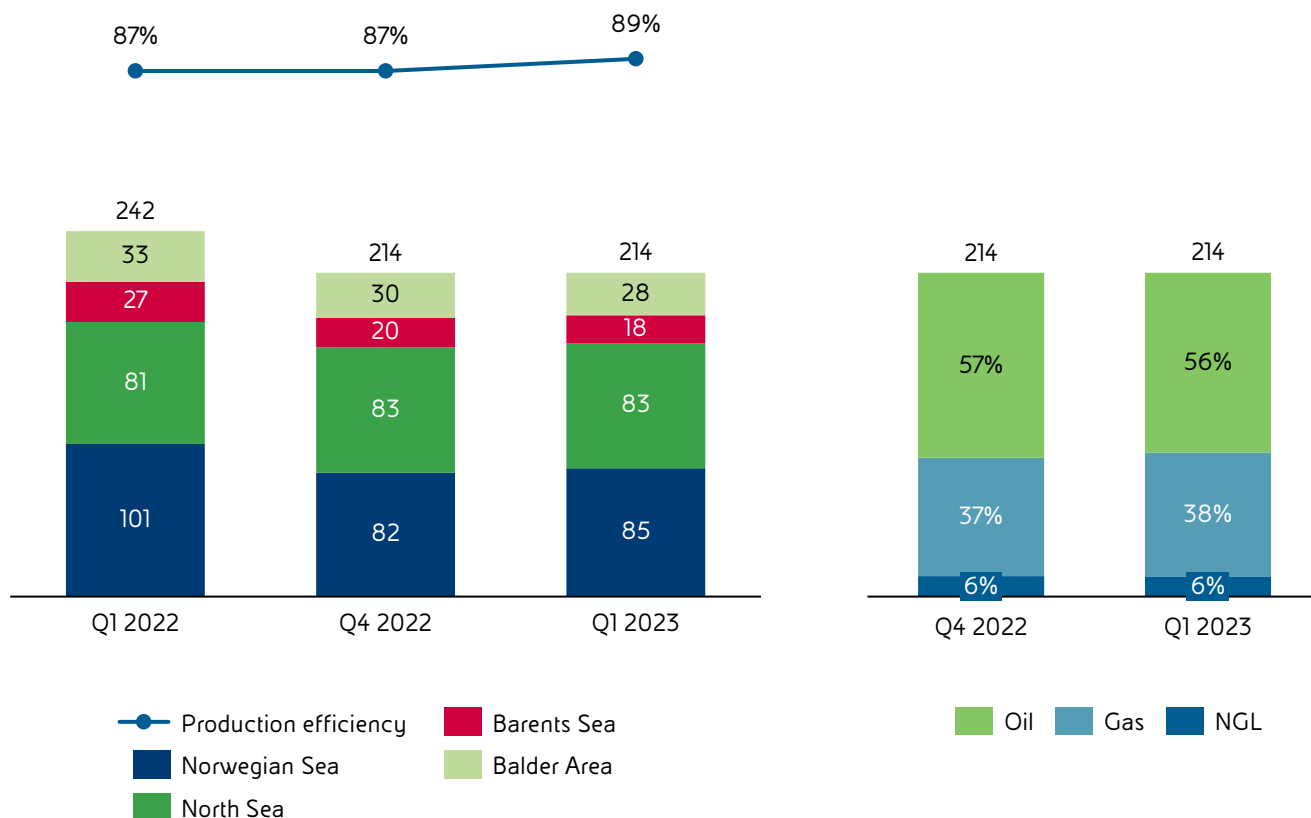
2. Total recordable injury frequency per million hours worked, 12 months rolling average

3. Q4 2022 emission intensity revised from 10.5 kg CO₂ per boe following EU ETS verification for 2022 numbers

Maintained stable production with material gas share

Production, production efficiency¹ and product mix

kboepd



- Developments coming on stream
 - Frosk started-up in March
 - Hyme and Bauge on stream in April, Fenja expected later in Q2
- Mixed operational performance
 - Strong delivery from Sleipner and Fram
 - Improved production efficiency
 - Impact from operational issues and start-up of developments somewhat later than planned
 - Shut-in wells at Statfjord and Snorre
- Continued to reduce NGL recovery to increase gas sales
- 2023 production guidance of 210-230 kboepd maintained

Production efficiency improved for operated assets

Goliat

- Production efficiency increased to 97%, second consecutive quarter above 95% - following improvement program
- Positive contribution from Q1 well intervention program mitigating natural decline

Balder/Ringhorne

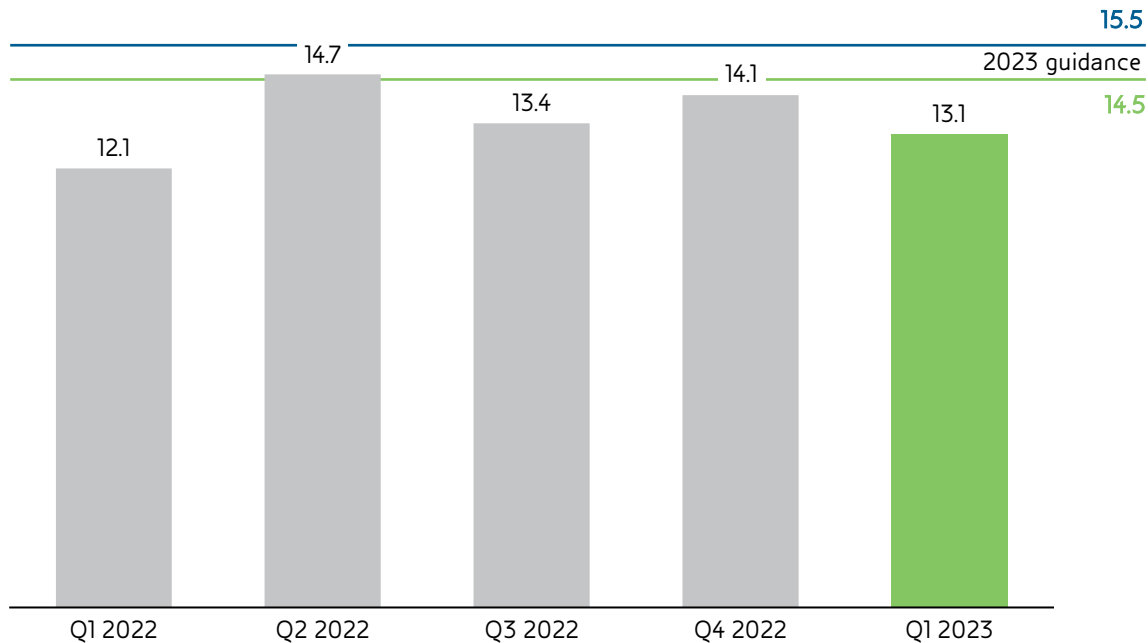
- Production efficiency of 80%, up from 73% in Q4
- Riser shut-down and operational issues expected to impact production by ~5 kboepd in Q2 and Q3
- High activity period planned in Q2 for Balder FPU to improve uptime and add robustness



Lower unit production cost, guidance for 2023 maintained

Production cost per boe produced¹

USD per boe



- Production cost improved on less maintenance and in the quarter
- Full-year 2023 opex per boe guidance maintained at USD 14.5 to 15.5
- Medium-term ambition of ~8 USD² per driven by sanctioned projects coming on stream and cost improvement programs

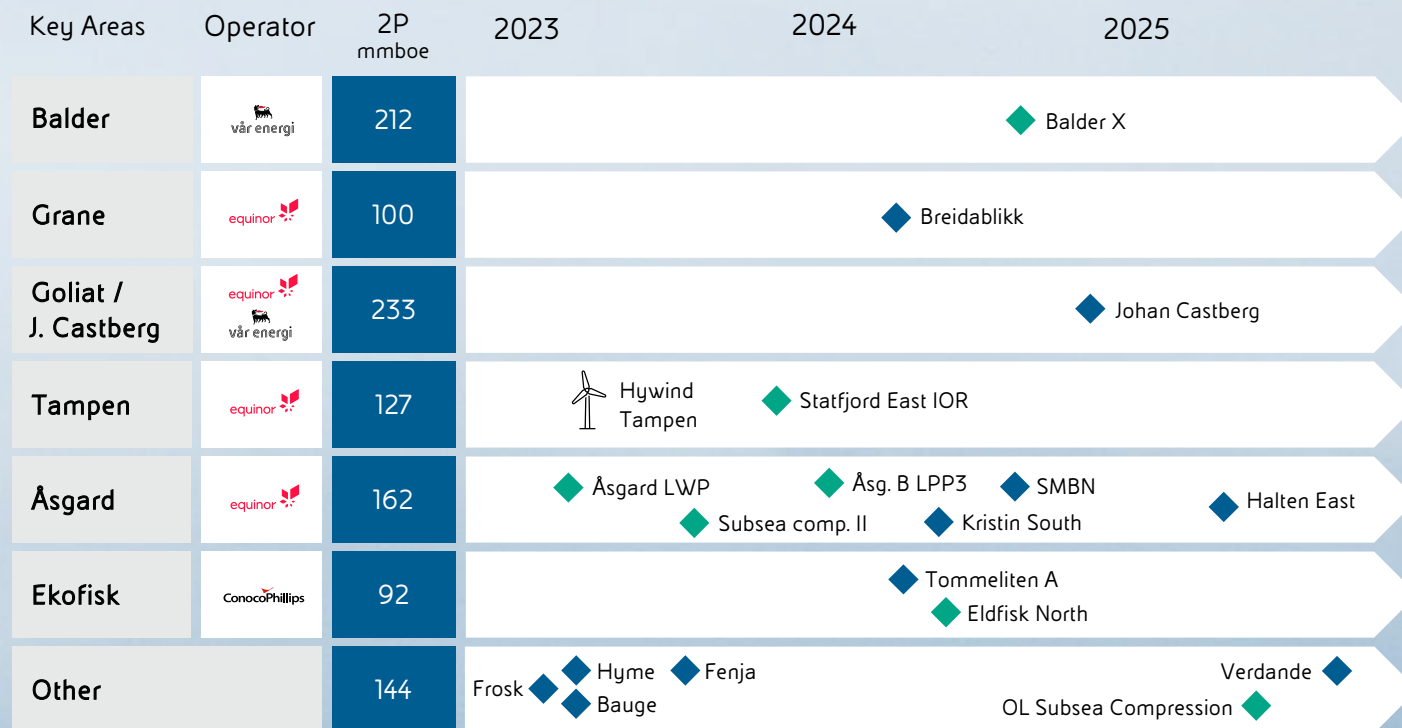
1. Measured as production costs including transportation costs and accounting for tariffs

2. In real 2021 terms

Project portfolio progressing according to plan

Existing production and sanctioned developments

◆ First oil field extension ◆ First oil new field development



Balder X

- Progressing on plan with improved safety performance
- Focus on high construction volume and optimising execution sequence of remaining work
- Reached the milestone "Ready for re-float" as planned, with physical re-float planned in Q3

Breidablikk

- High Activity Period at Grane topside ongoing
- Drilling operations remain ahead of plan

Johan Castberg

- Construction activities progressing on plan

Other

- Bauge and Hyme fields successfully on stream in April with Fenja expected later in Q2, combined representing ~10 kboepd for 2023

Continued exploration success with high potential

Oil discovery in the operated Countach well

3-13 mmboe

estimated recoverable resources

23 mmboe

total undrilled potential in the prospect

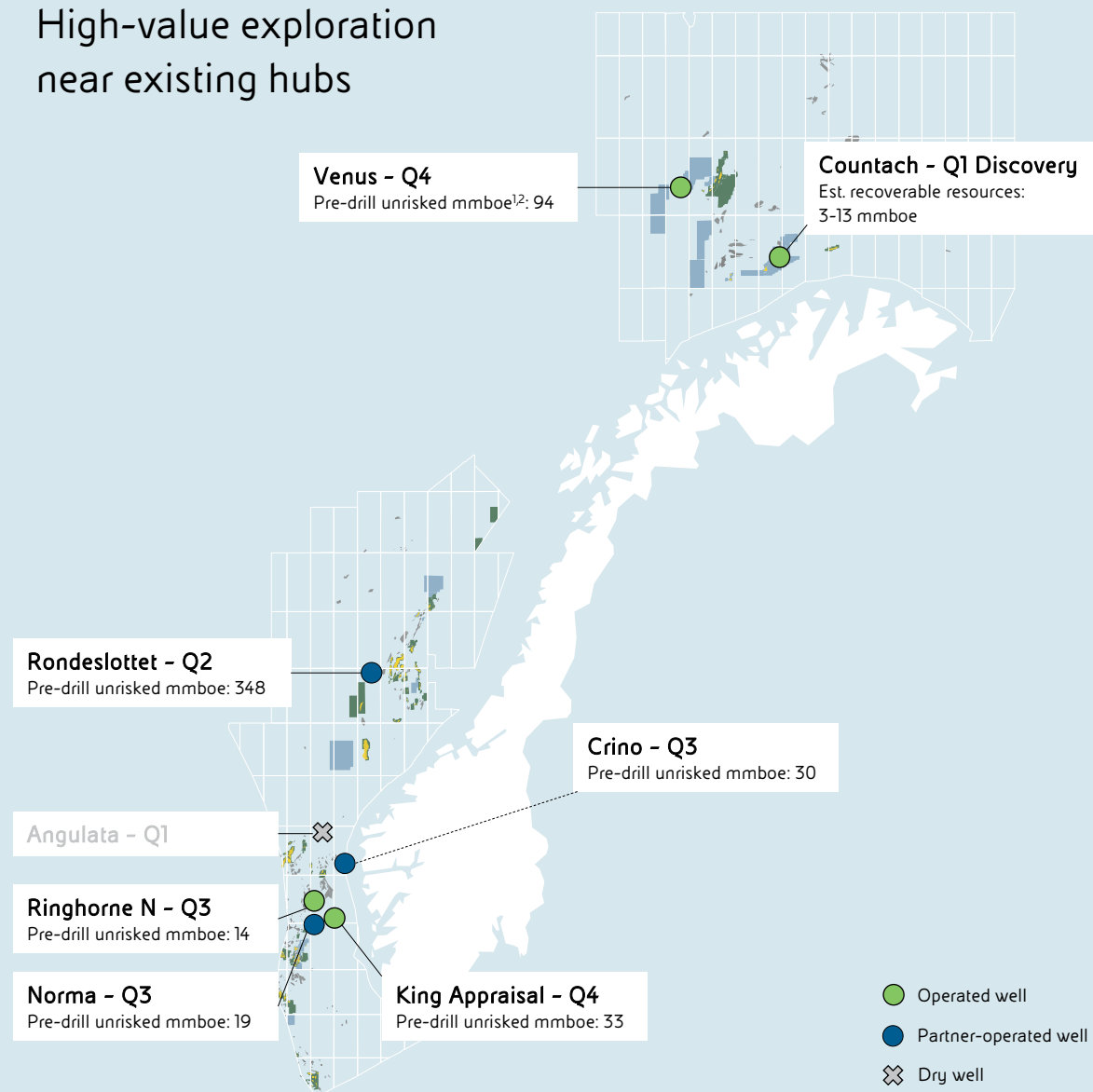
Countach and Lupa discoveries confirm the Barents Sea hub exploration strategy

High potential to explore significant resources

- Infrastructure-led exploration
- High-risk / high-reward wells

Vår Energi awarded Exploration Revived Award 2023

High-value exploration near existing hubs



Financial review



Key financials

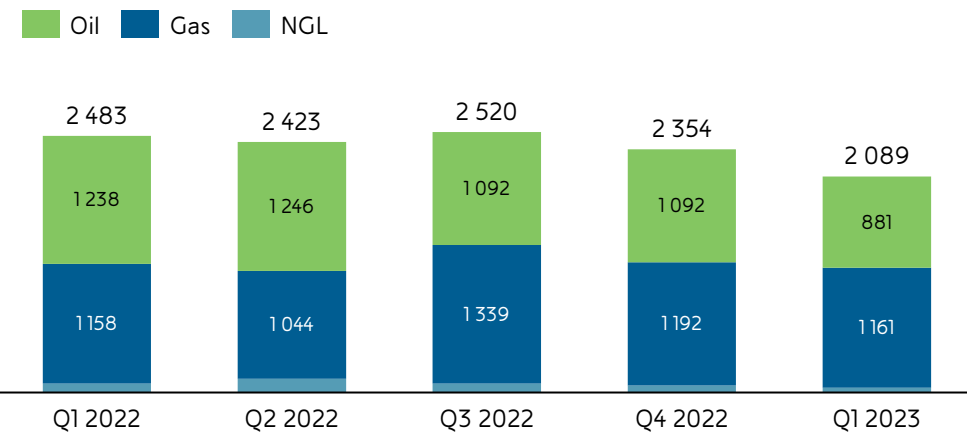
USD million	Q1 2023	Q4 2022	Q1 2022
Petroleum revenues	2 089	2 354	2 483
EBIT	1 432	1 531	1 750
Profit before taxes	1 276	1 793	1 727
Production cost (USD/boe)	13.1	14.1	12.1
Operating CF before tax	1 935	2 094	2 384
CFFO	1 358	443	2 201
CAPEX	642	800	621
NIBD / EBITDAX	0.3x	0.3x	0.5x
Available liquidity ¹	3 769	4 045	3 799



Strong gas price realisation

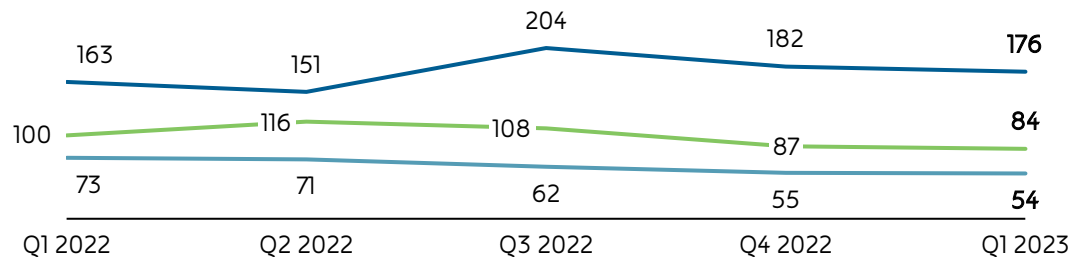
Total petroleum revenues

USD million



Realised prices

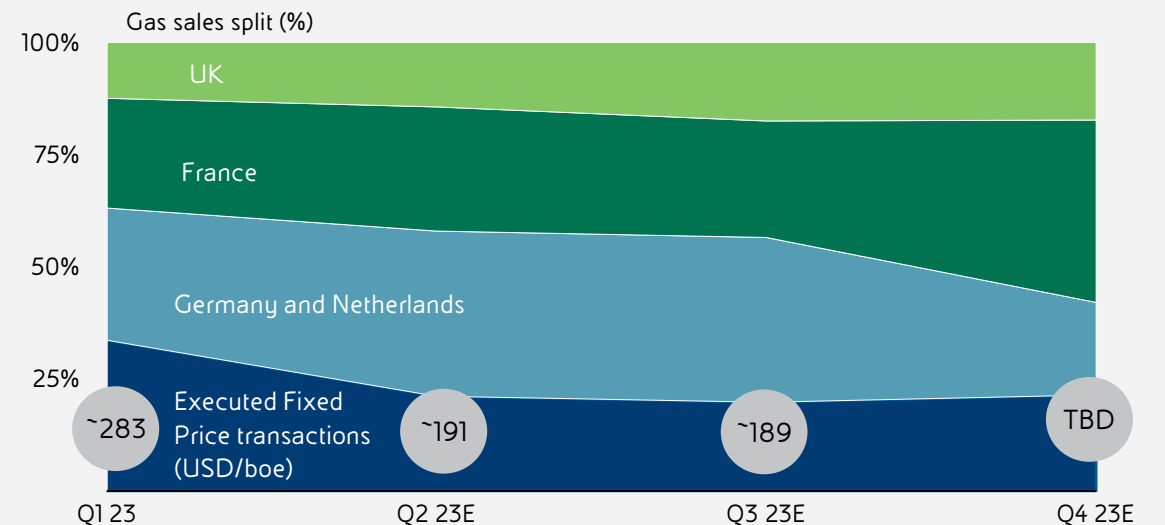
USD per boe



Q1 2023 gas revenues

- Month and day ahead sales weighted towards France and Germany with ~24% of volumes exposed to high Month ahead prices
- Fixed price sales included contracts with Gas Year Ahead pricing starting 1 Oct 2022 and forward sale contracts entered into during 4Q 2022.

Indicative gas sales portfolio - current year¹

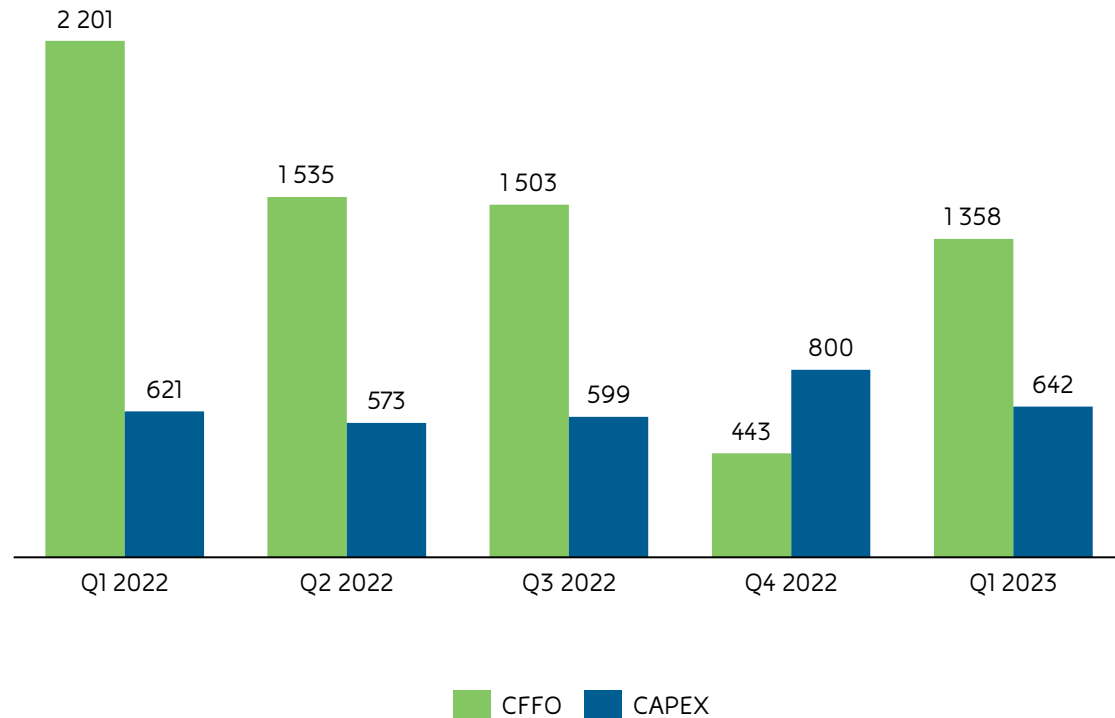


¹ Based on average exchange rates through Q1 2023

CFFO positively impacted by lower tax payments

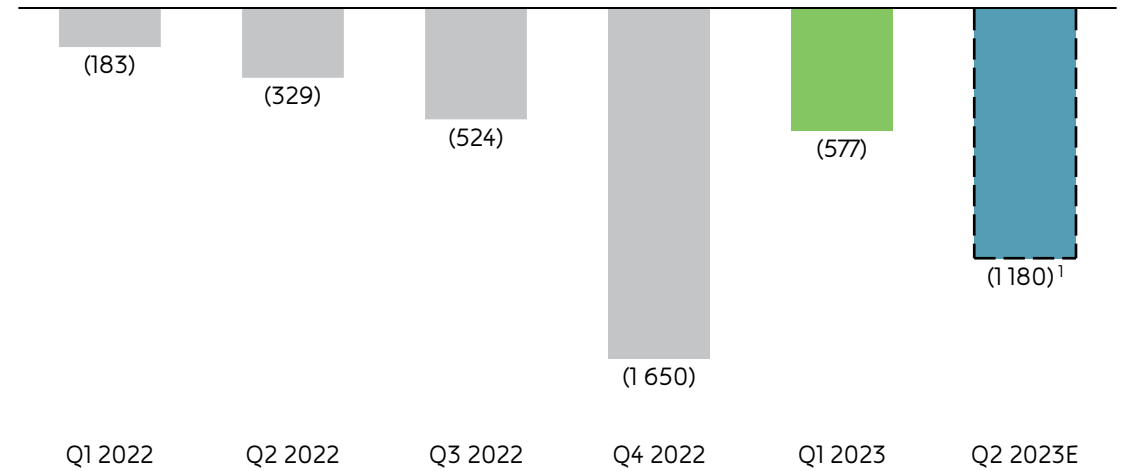
CFFO and CAPEX

USD million



Income tax paid

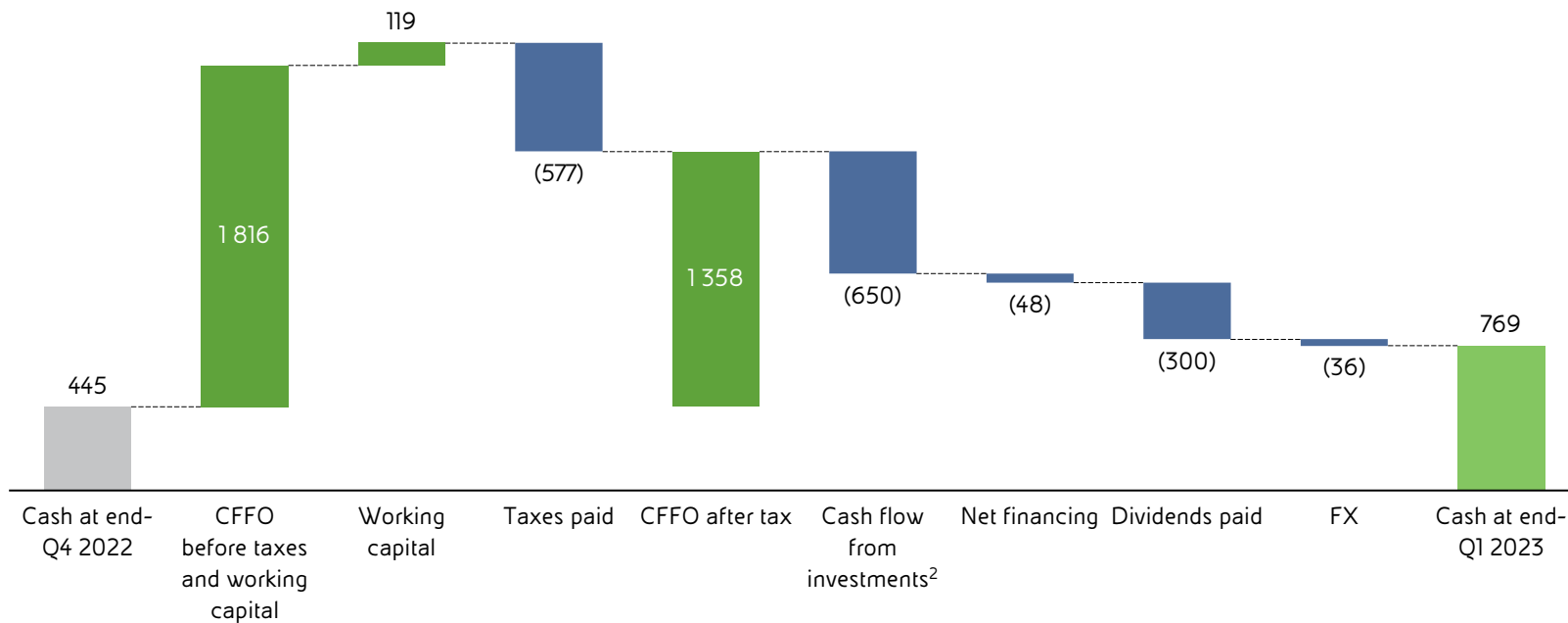
USD million



Continued strong cash generation

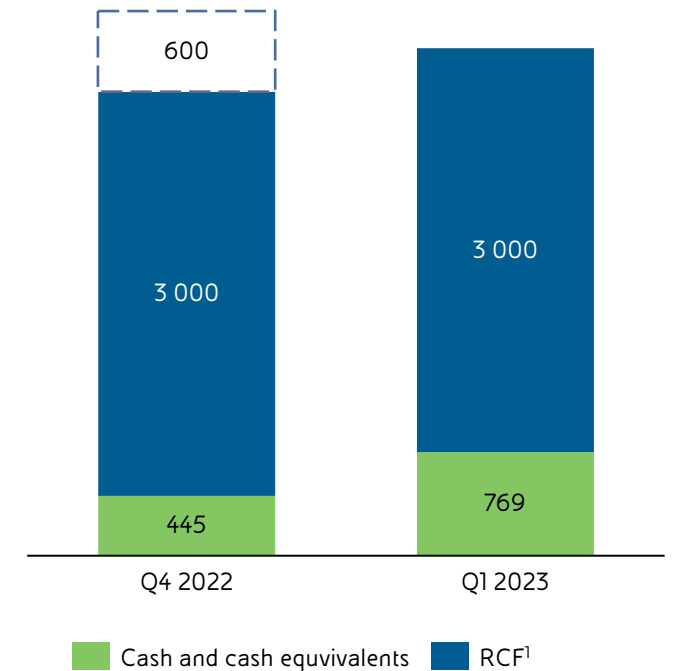
Cash flow development Q1 2023

USD million



Available liquidity

USD million



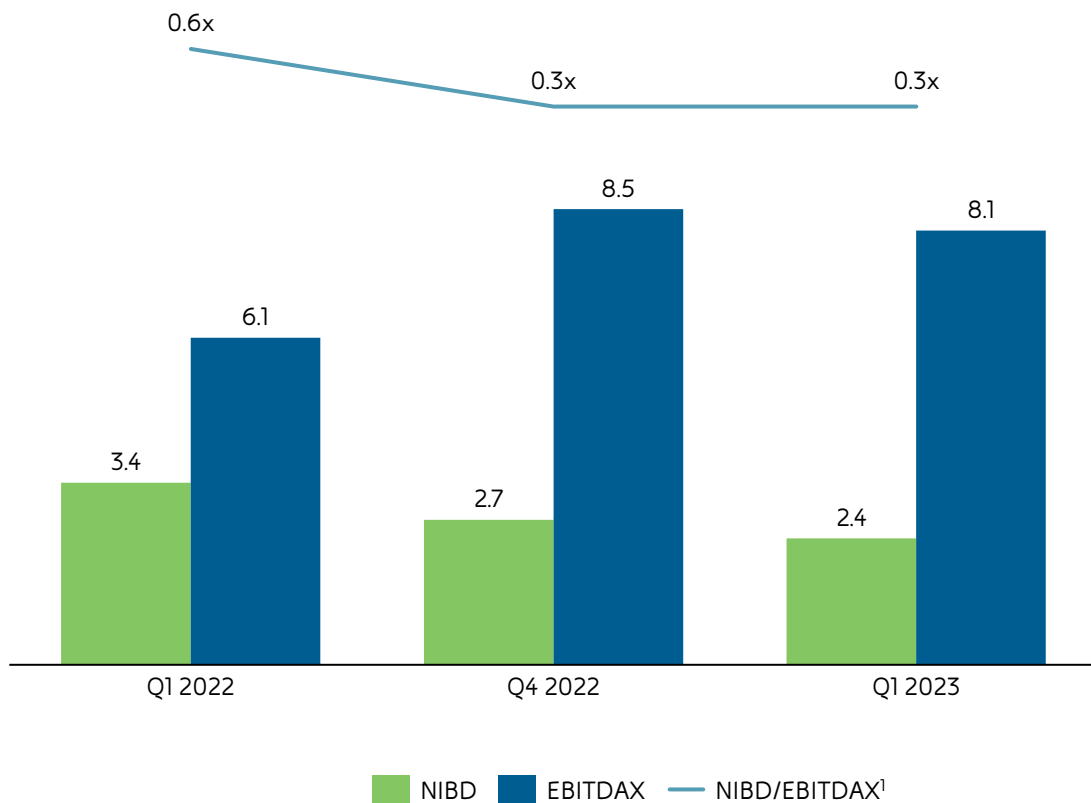
1. Revolving Credit Facility

2. Investments include payments for decommissioning

Leverage ratio below target

Net interest-bearing debt and leverage ratio¹

USD billion

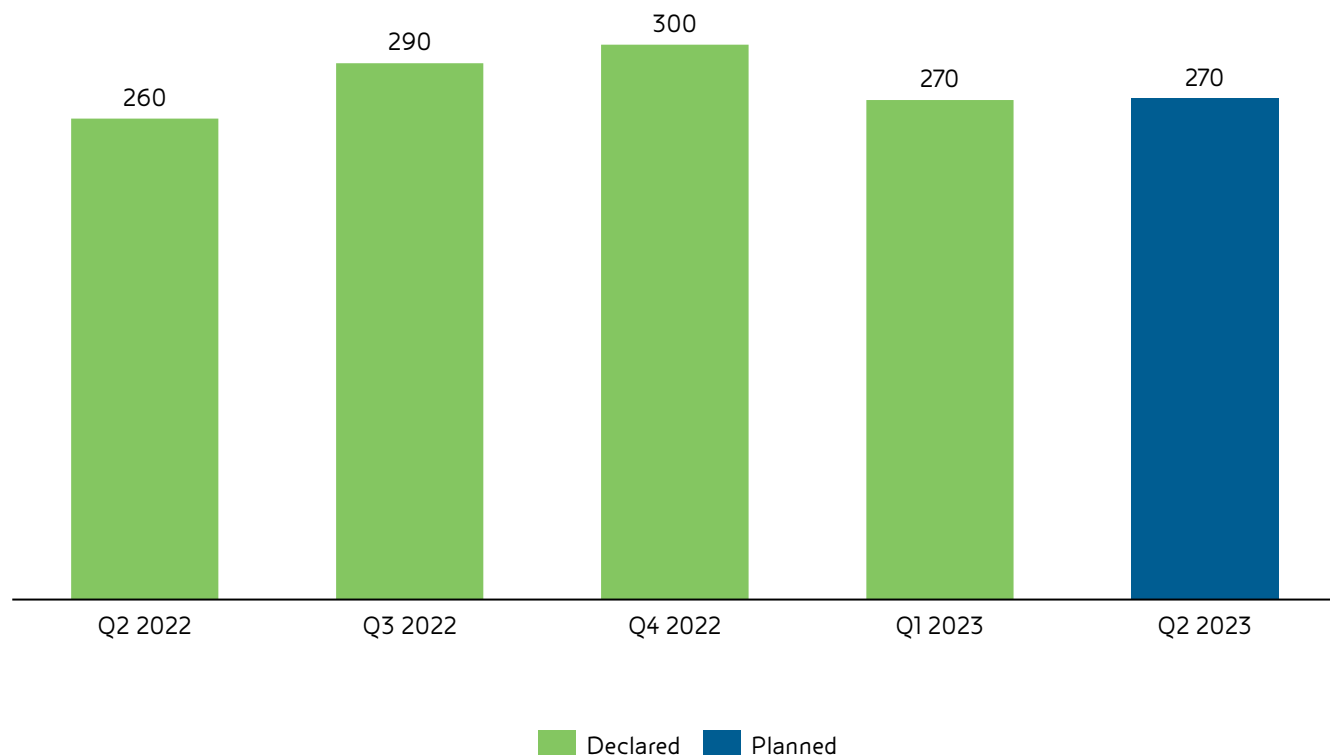


- Leverage ratio at 0.3x, well below over-the-cycle target of 1.3x
- Committed to maintaining an Investment Grade rating
- Solid debt financing structure with diversification of maturities, currencies and instruments

Attractive and resilient distributions

Dividends

USD million



- Dividend guiding for Q2 2023 of USD 270 million (~0.11 USD per share)
- Expected dividend for 2023 of approximately 30% of CFFO after tax
- Dividend for Q1 2023 of USD ~0.11 per share to be paid 10 May 2023
 - Paid in NOK at exchange rate of USD/NOK 10.6126

2023 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 ~1.2 ¹ billion in Q2 2023
Leverage	Through-the-cycle leverage target of 1.3x net interest-bearing debt / EBITDAX
Dividends	Q2 dividend of USD 270 million (USD ~0.11 per share) For 2023, the plan is to distribute approximately 30% of CFFO after tax



Summary



Safe and stable production

Strong gas price realisation

Main development projects progressing on plan

Continued exploration success with high potential



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