

Vår Energi ASA – Announcement of terms of the Initial Public Offering and update on 2022 dividend

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Vår Energi ASA – Announcement of terms of the Initial Public Offering and update on 2022 dividend

Sandnes, Norway, 4 February 2022

Further to the announced Intention to Float published on 24 January 2022, Vår Energi ASA ("Vår Energi" or the "Company") has resolved to launch an initial public offering of shares in the Company (the "Offering" or the "IPO"). Subject to approval of the prospectus, the listing application and successful completion of the Offering, the shares of Vår Energi (the "Shares") will be admitted to listing and commence trading on Oslo Børs on a conditional trading basis on 16 February 2022 under the ticker "VAR". Unconditional trading of the Shares is expected to commence on 18 February 2022.

Update on 2022 dividend

Furthermore, the Company today announces an update to its previously communicated dividend policy for 2022. In late 2021, Vår Energi determined a dividend of minimum USD 700 million for 2022. In addition, Vår Energi has communicated a dividend of USD 200 million for Q1 2022. Considering the current market conditions and the outlook for a continued supportive commodity price environment and Vår Energi's strong cash flow generation, the Company has decided to increase its dividend guidance for the full year 2022 to a minimum of USD 800 million, and the Q1 2022 dividend to USD 225 million. As a further reflection of the strong cash flow currently generated by Vår Energi (including the positive movement in certain working capital elements in January), the Company's preliminary calculation of its net interest-bearing debt at 31 January 2022 decreased to approximately USD 3.9 billion, from USD 4.6 billion at 31 December 2021.

The Offering

The Offer Shares (as defined below) will be offered for sale within an indicative price range of between NOK 28.00 and NOK 31.50 per Offer Share, corresponding to an equity value of Vår Energi of between NOK 70 billion and NOK 79 billion. The final price per Offer Share (the "Offer Price"), may, however, be set above or below this indicative price range.

The Offering will consist of an offer up to 220,000,000 existing Shares (the "Base Sale Share") offered in equal parts by the Company's shareholders Eni International B.V. ("Eni") and HitecVision, through Point Resources Holding AS ("HitecVision" and together with Eni, the "Selling Shareholders"), who currently own 69.85% and 30.15%, respectively, of Vår Energi's outstanding shares. In addition, the Selling Shareholders will have an option to sell in equal parts up to 55,000,000 additional existing shares (together with the Base Sale Shares, the "Sale Shares") through an up-size option (the "Up-size Option").

The Joint Global Coordinators (as defined below) may over-allot up to 41,250,000 additional Shares (the "Additional Shares", and together with the Sale Shares, the "Offer Shares"), but not more than 15% of the aggregate number of Sale Shares allocated and sold in the Offering. In order to facilitate such over-allotments, Eni and HitecVision are expected to, in equal parts, (i) lend to the Joint Global Coordinators a number of Shares equal to the number of Additional Shares and (ii) grant the Joint Global Coordinators an option to purchase, at the Offer Price, a number of shares equal to the number of Additional Shares to cover short positions created by over-allotments in the Offering (the "Greenshoe Option"). The Greenshoe Option may be exercised, in whole or in part, within a 30-day period commencing at the time at which conditional trading in the Company's shares commences on Oslo Børs.

The Offering will comprise up to 8.8% of the total number of shares in issue when excluding any Additional Shares and the Up-size Option, and up to 12.7% of the shares in issue when including all Additional Shares and the Up-size Option. The Company expects that Oslo Børs will grant an exemption from the free float requirement of 25%.

Ahead of the Offering, the Company has received significant anchor interest from several Nordic and international institutions.

The Selling Shareholders will receive the proceeds from the sale of Sale Shares and from any Additional Shares sold and not re-delivered (if any).

The Selling Shareholders will be subject to customary lock-up restrictions for a period of 180 days after the IPO. The Company and members of the Group's management and the Board of Directors will be subject to a 360-day lock-up period respectively.

The terms and conditions for the Offering will comprise:

- An Institutional Offering, in which Offer Shares are being offered to (a) institutional and other professional investors outside the United States, subject to applicable exemptions from applicable prospectus and registration requirements, and (b) persons in the United States who are QIBs as defined in, and in reliance on, Rule 144A under the U.S. Securities Act or another available exemption from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.
- A Retail Offering, in which Offer Shares are being offered to the public in Norway and (subject to relevant prospectus passporting), Sweden, Denmark and Finland, subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Each investor in the Retail Offering will have a right to receive, without further consideration payable, in total one additional Share (each a "Bonus Share") for every 10 Shares allocated and delivered to such investor in the Retail Offering, subject to a maximum limit of NOK 500,000 in Offer Shares (i.e. the Offer Price multiplied by the number of Offer Shares allocated and delivered), subject to such investor not selling or otherwise transferring any of the Offer Shares allocated to such investor between the first day of Listing and 16 February 2023. The Bonus Shares are being granted by the Selling Shareholders and will be delivered in February 2023. The number of Bonus Shares delivered to any investor will be rounded down to the nearest whole number of Bonus Shares. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit and bonus shares.
- The Employee Offering, in which Offer Shares are being offered to the Eligible Employees (as defined in the Prospectus), subject to a lower limit of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each Eligible Employee. Each investor in the Employee Offering will have a right to receive, without further consideration payable, (i) for allocations

up to an amount equal to 5% of the annual fixed salary of the Eligible Employee (i.e. the Offer Price multiplied by the number of Offer Shares allocated and delivered), one Bonus Share for every one Share allocated and delivered to such investor in the Employee Offering, and (ii) for allocations in excess of such amount and up to a maximum amount of NOK 500,000 (i.e. the Offer Price multiplied by the number of Offer Shares allocated and delivered), one Bonus Share for every 10 Shares allocated and delivered in the Employee Offering. For the avoidance of doubt, no bonus shares will be allocated for an aggregated amount in excess of NOK 500,000 of Offer Shares. The right of any investor to receive Bonus Shares in connection with the Employee Offering pursuant to (i) above is subject to such investor between the first day of Listing and 16 February 2024 (a) not having given or received notice of termination of its employment with the Company and (b) not selling or otherwise transferring any of the Offer Shares allocated to such investor. The right of any investor to receive Bonus Shares in connection with the Employee Offering pursuant to (ii) above is subject to such investor between the first day of Listing and 16 February 2023 not selling or otherwise transferring any of the Offer Shares allocated to such investor. The Bonus Shares pursuant to (i) above will be granted by the Company and will be delivered in February 2024. The Bonus Shares pursuant to (ii) will be granted by the Selling Shareholders and will be delivered in February 2023. Multiple applications by one applicant in the Employee Offering are not permitted.

All offers and sales outside the United States will be made in compliance with Regulation S of the U.S. Securities Act.

Further details on the Offering and the terms thereof will be set out in the Prospectus.

Timeline and Offering period

Subject to approval and publication of the Prospectus, the bookbuilding period for the Institutional Offering will commence on 7 February 2022 at 09:00 hours (CET) and end on 15 February 2022 at 14:00 hours (CET), and the application period for the Retail Offering and the Employee Offering will commence on 7 February 2022 at 09:00 hours (CET) and end on 15 February 2022 at 12:00 hours (CET). The bookbuilding period and the application period may be shortened or extended as further set out in the Prospectus.

The Offer Price and the final number of Offer Shares will be determined by the Selling Shareholders and Vår Energi, in consultation with the Joint Global Coordinators, following the expiry of the bookbuilding period. The announcement of the Offer Price is expected to take place on or around 15 February 2022, with conditional trading of the shares in Vår Energi on Oslo Børs commencing on an "if-sold" basis on or around 16 February 2022 under the ticker symbol "VAR".

Conditions for the completion of the Offering

Completion of the Offering will be conditional on Oslo Børs approving the Company's application for listing of the shares which is expected to be submitted on 7 February 2022 and considered by Oslo Børs on or around 10 February 2022 and the satisfaction of the conditions for admission to trading set by Oslo Børs. The Company expects that Oslo Børs will grant an exemption from the free float requirement of 25%.

Completion of the Offering will further be conditional upon (i) the Selling Shareholders and the Company, in consultation with the Joint Global Coordinators, having approved the Offer Price and the allocation of the Offer Shares to eligible investors following the bookbuilding process, (ii) the Company, the Selling Shareholders and the Managers (as defined below) having entered

into the underwriting agreement as described in the Prospectus and satisfaction of the conditions contained in such underwriting agreement, (iii) an extraordinary general meeting of the Company having resolved certain amendments of the Company's articles of association as described in the Prospectus, and (iv) the underwriting agreement not having been terminated in accordance with its terms. There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Approval and publication of Prospectus

The IPO prospectus (the "Prospectus") is expected to be approved by the Financial Supervisory Authority of Norway today, 4 February 2022. Subject to such approval, the Prospectus, including the application forms for the retail and the employee offerings, will, subject to regulatory restrictions in certain jurisdictions, be made available at www.varenergi.no, www.dnb.no/emisjoner, www.sb1markets.no, www.abgsc.no, www.carnegie.no, www.paretosec.com, and www.nordnet.no/se/dk/fi.

Advisors

DNB Markets, a part of DNB Bank ASA, J.P. Morgan SE., Morgan Stanley & Co. International Plc and SpareBank 1 Markets AS have been engaged as Joint Global Coordinators and Joint Bookrunners for the IPO, and ABG Sundal Collier ASA, BofA Securities Europe SA, Carnegie AS, Jefferies GmbH and Pareto Securities AS are acting as Joint Bookrunners (jointly the "Managers").

Advokatfirmaet Schjødt AS is acting as Norwegian legal counsel to the Company and Latham & Watkins (London) LLP is acting as international legal counsel to the Company. Advokatfirmaet BAHR AS is acting as Norwegian legal counsel to the Managers, and Linklaters LLP is acting as international legal counsel to the Managers. Crux Advisers AS is acting as communications and investor relations adviser.

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About Vår Energi ASA

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 247,000 boe per day in the third quarter of 2021. We have our headquarters outside Stavanger, Norway, with offices in Oslo and Hammerfest. To learn more, please visit varenergi.no.

Important information

This announcement is not an offer to sell or a solicitation of any offer to buy any securities of Vår Energi ASA (the "Company"). The contents of this announcement have been prepared by and are the sole responsibility of the Company. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

Copies of this announcement are not being made and may not be distributed or sent into the United States of America, Australia, Canada or Japan or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.

Any offering of the securities referred to in this announcement will be made by means of a prospectus. This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (together with any related implementing and delegated regulations, the "Prospectus Regulation"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the aforementioned prospectus.

In any EEA Member State other than Norway, Sweden, Finland and Denmark, and in the United Kingdom (each, a "Relevant State") this communication is only addressed to and is only directed at qualified investors in that Relevant State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such Relevant State.

The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

Copies of this announcement are not being, and should not be, distributed in or sent into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada or Japan. The securities described herein have also not been and will not be registered under the applicable securities laws of Australia, Canada or Japan and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in Australia, Canada or Japan. There will be no public offering of the securities described herein in Australia, Canada or Japan.

This communication and any materials in relation to the securities described herein are only being distributed to and is only directed at persons in the United Kingdom that are qualified investors within the meaning of article 2(e) of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018 that also (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial

Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Persons distributing this communication must satisfy themselves that it is lawful to do so.

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe," "expect," "anticipate," "intends," "estimate," "will," "may," "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date and are subject to change without notice. Neither the Company nor the Managers undertake any obligation to review, update, confirm or release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this communication.

The Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the IPO. They will not regard any other person as their respective clients in relation to the planned IPO and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to its clients, nor for providing advice in relation to the offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the IPO, the Managers and their respective affiliates may take up a portion of the shares offered in the IPO as a principal position and in that capacity may retain, purchase, sell, offer to sell for their own accounts such shares and other securities of the Company or related investments in connection with the IPO or otherwise. In addition, the Managers and their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Managers and their respective affiliates may from time to time acquire, hold or dispose of shares of the Company. The Managers do not intend to disclose the extent of any such investment or transactions, other than in accordance with any legal or regulatory obligations to do so.

None of the Managers or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this release (or whether any information has been omitted from the release) or any other information relating to the Company, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection therewith.

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