Vår Energi ASA releases 2022 SEC Proved Reserves

Vår Energi ASA releases the company's SEC reserves as of 31st December 2022. Vår Energi's criteria concerning evaluation and classification of proved developed and undeveloped reserves comply with Regulation S-X 4-10 of the U.S. Securities and Exchange Commission (SEC) and have been disclosed in accordance with FASB Extractive Activities – Oil and Gas (Topic 932).

Note that the SEC evaluation herein differs from the Petroleum Resources Management System (PRMS) reserves that are the official company's reserves, and were released on the 16th of February in the Annual Statement of Reserves 2022.

While international petroleum consultants DeGolyer and MacNaughton carried out the SEC assessment as of 31st December 2022 for Vår Energi's licenses in Norway, quantities and values referenced as of 31st December 2021, are based on Vår Energi's estimates, which was based on SEC at the time.

Total SEC Proved reserves as of December 31, 2022 totaled 738 mmboe.

Main changes in the company's 2022 proved reserves (+100 mmboe excluding 2022 production) were driven by general positive revisions due to revised long-term price scenario compared to last year's assumptions, positive revisions in some of our producing fields (Åsgard, Ekofisk, Fram , Snorre and Statford) and Final Investment Decisions (FIDs) to develop the Blåbjørn accumulation in Åsgard field, Verdande field and Halten East developments. Main downward revisions were due to an update in the company gas conversion factor and Balder base performance and post-drill revisions.

During 2022, Vår Energi matured 22 mmboe of SEC proved undeveloped to proved developed reserves driven by progressing development activities and production start-ups. The main transfer from proved undeveloped to developed reserves was related to the start-up of several wells in the Snorre Expansion Project.

Johan Castberg proved reserves (115 mmboe) have remained undeveloped for more than five years, however, the project is progressing as per plan towards first oil in Q4 2024.

The 2022 SEC proved reserves assessment of Vår Energi's licenses in Norway made by DeGolyer and MacNaughton is attached to this note.

Vår Energi's official Annual Statement of Reserves 2022 is available on Vår Energi's websites: [Vår Energi - Reports & Presentations (varenergi.no)]

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

This is a digital representation of a DeGolyer and MacNaughton report.

DeGolyer and MacNaughton
F-716
TEXAS REGISTERED ENGINEERING FIRM

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

REPORT
as of
DECEMBER 31, 2022
on
RESERVES and REVENUE
with interests attributable to
VÅR ENERGI ASA
for
CERTAIN PROPERTIES
in
NORWAY

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FOREWORD

Scope of Investigation

This report presents estimates, as of December 31, 2022, of the extent and value of the proved oil, condensate, liquefied petroleum gas (LPG), and gas reserves of certain properties in which Vår Energi ASA (Vår Energi) has represented it holds an interest. The properties evaluated herein consist of fields located in Norway. A list of the properties evaluated in this report is shown in Table 1.

Estimates of reserves presented in this report have been prepared in compliance with the regulations promulgated by the United States Securities and Exchange Commission (SEC). These reserves definitions are discussed in detail in the Definition of Reserves section of this report.

Reserves estimated in this report are expressed as gross reserves and net reserves. Gross reserves are defined as the total estimated petroleum remaining to be produced from these properties after December 31, 2022. Net reserves are defined as that portion of the gross reserves attributable to the interests held by Vår Energi after deducting all interests held by others.

This report presents values for proved reserves that were estimated using prices, expenses, and costs provided by Vår Energi. Future prices were estimated using guidelines established by the SEC and the Financial Accounting Standards Board (FASB). Prices and costs were provided in United States dollars (U.S.$) and Norwegian kroner (NOK). When applicable, economic calculations were performed in NOK and converted using an exchange rate of NOK9.54 per U.S.$1.00. In some instances, economic results were converted to euros (€) using an exchange rate of €0.95 per U.S.$1.00. All monetary values shown in this report are expressed in U.S.$ unless noted otherwise. A detailed explanation of the future price, expense, and cost assumptions is included in the Valuation of Reserves section of this report.

Values for proved reserves in this report are expressed in terms of future gross revenue, future net revenue, and present worth. Future gross revenue is defined as that revenue which will accrue to the evaluated interests from the production and sale of the estimated net reserves. Future net revenue is calculated by deducting operating expenses, capital costs, abandonment costs, and Norwegian taxes from future gross revenue. Operating expenses include field operating expenses, transportation and processing expenses, and an allocation of overhead that directly relates to production activities. Capital costs include drilling and completion costs, facilities costs, and field maintenance costs. Abandonment costs are represented by Vår Energi to be inclusive of those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration costs associated with the abandonment. Present worth is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. Present worth should not be construed as fair market value because no consideration was given to additional factors that influence the prices at which properties are bought and sold. In this report, present worth values using a discount rate of 10 percent are reported.

Estimates of reserves and revenue should be regarded only as estimates that may change as further production history and additional information become available. Not only are such estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Authority

This report was authorized by Audun Fykse, Reserves and Subsurface Excellence Manager, Vår Energi ASA.

<u>Source of Information</u>

Information used in the preparation of this report was obtained from Vår Energi. In the preparation of this report we have relied, without independent verification, upon information furnished by Vår Energi with respect to the property interests being evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. A field examination was not considered necessary for the purposes of this report.

DEFINITION of RESERVES

Petroleum reserves included in this report are classified as proved. Only proved reserves have been evaluated for this report. Reserves classifications used in this report are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC. Reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs consistent with the effective date of this report, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes: (A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:
(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Probable reserves – Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

(i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

(ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.

(iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.

(iv) See also guidelines in paragraphs (iv) and (vi) of the definition of possible reserves.

Possible reserves – Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

(i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.

(ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.

(iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.

(iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.

(v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.

(vi) Pursuant to paragraph (iii) of the proved oil and gas reserves definition, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and

(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in [section 210.4–10 (a) Definitions], or by other evidence using reliable technology establishing reasonable certainty.

The extent to which probable and possible reserves ultimately may be reclassified as proved reserves is dependent upon future drilling, testing, and well performance. The degree of risk to be applied in evaluating probable and possible reserves is influenced by economic and technological factors as well as the time element. No probable or possible reserves have been evaluated for this report.

ESTIMATION of RESERVES

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC and with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised June 2019) Approved by the SPE Board on 25 June 2019." The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Based on the current stage of field development, production performance, the development plans provided by Vår Energi, and analyses of areas offsetting existing wells with test or production data, reserves were classified as proved.

The proved undeveloped reserves estimates were based on opportunities identified in the plans of development provided by Vår Energi.

Vår Energi has represented that its senior management is committed to the development plans provided by Vår Energi and that Vår Energi has the financial capability to execute the development plans, including the drilling and completion of wells and the installation of equipment and facilities.

When applicable, the volumetric method was used to estimate the original oil in place (OOIP) and original gas in place (OGIP). Structure maps were prepared to delineate each reservoir, and isopach maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation. When adequate data were available and when circumstances justified, material-balance and other engineering methods were used to estimate OOIP and OGIP.

When applicable, estimates of ultimate recovery were obtained after applying recovery factors to OOIP and OGIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, other engineering methods were used to estimate recovery factors based on an analysis of reservoir performance, including production rate, reservoir pressure, and reservoir fluid properties.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated only to the limits of economic production as defined in the Definition of Reserves section of this report.

In certain cases, reserves were estimated by incorporating elements of analogy with similar wells or reservoirs for which more complete data were available.

In the evaluation of undeveloped reserves, type-well analysis was performed using well data from analogous reservoirs for which more complete historical performance data were available.

Data provided by Vår Energi from wells drilled through December 31, 2022, and made available for this evaluation were used to prepare the reserves estimates herein. These reserves estimates were based on consideration of monthly production data available through August 2022. Estimated cumulative production, as of December 31, 2022, was deducted from the estimated gross ultimate recovery to estimate gross reserves. This required that production be estimated for up to 4 months.

Oil and condensate reserves estimated herein are to be recovered by normal field separation. LPG reserves consist primarily of propane and butane fractions and are the result of low-temperature plant processing. Oil, condensate, and LPG reserves included in this report are expressed in thousands of barrels (10^3bbl). In these estimates, 1 barrel equals 42 United States gallons. For reporting purposes, oil and condensate reserves have been estimated separately and are presented herein as a summed quantity.

Gas quantities estimated herein are expressed as marketable gas, fuel gas, and sales gas. Marketable gas is defined as the total gas produced from the reservoir after reduction for shrinkage resulting from field separation; processing, including removal of the nonhydrocarbon gas to meet pipeline specifications; and flare and other losses but not from fuel usage.

Fuel gas is defined as that portion of the gas consumed in field operations. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Gas reserves estimated herein are reported as marketable gas reserves; therefore, fuel gas is included as reserves. Gas quantities are expressed at a temperature base of 60 degrees Fahrenheit (°F) and at a pressure base of 14.7 pounds per square inch absolute (psia). Gas quantities included in this report are expressed in millions of cubic feet (10^6ft^3).

Gas quantities are identified by the type of reservoir from which the gas will be produced. Nonassociated gas is gas at initial reservoir conditions with no oil present in the reservoir. Associated gas is both gas-cap gas and solution gas. Gas-cap gas is gas at initial reservoir conditions and is in communication with an underlying oil zone. Solution gas is gas dissolved in oil at initial reservoir conditions. Gas quantities estimated herein consist of both associated and nonassociated gas.

The gross and net fuel gas quantities included as a portion of marketable gas reserves attributable to the Vår Energi interests evaluated herein are summarized as follows, expressed in millions of cubic feet (10^6ft^3):

	Fuel Gas Portion of Marketable Gas Reserves	
	Gross (10^6ft^3)	**Net (10^6ft^3)**
Proved		
Developed	642,860	113,824
Undeveloped	113,906	33,721
Total Proved	**756,766**	**147,545**

Note: Net fuel gas was estimated by applying the Vår Energi working interest to the gross fuel gas.

At the request of Vår Energi, marketable gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 5,614 cubic feet of gas per 1 barrel of oil equivalent.

In Norway, renewal of license agreements has a track record of administrative extension when requested by the operator of a property. As such, reserves estimated in this report may include quantities that will be produced beyond the current expiration dates of the licenses based on Vår Energi's representation that the operators will apply as necessary for renewal of the licenses of interest. As a result, the properties evaluated in this report were projected to a field economic limit unless noted otherwise.

Fifty-four fields offshore Norway in which Vår Energi has represented it holds interests were evaluated for this report. At the request of Vår Energi, reserves are reported in total. Details regarding the fields included in the total reserves report herein are presented in Table 1.

The estimated gross and net proved reserves, as of December 31, 2022, of the properties evaluated herein are summarized as follows, expressed in thousands of barrels (10^3bbl), millions of cubic feet (10^6ft^3), and thousands of barrels of oil equivalent (10^3boe):

	Gross			
	Oil and Condensate (10^3bbl)	**LPG (10^3bbl)**	**Marketable Gas (10^6ft^3)**	**Oil Equivalent (10^3boe)**
Proved				
Developed	1,173,465	229,158	5,000,433	2,293,331
Undeveloped	842,070	42,416	2,480,981	1,326,413
Total Proved	**2,015,535**	**271,574**	**7,481,414**	**3,619,744**

	Net			
	Oil and Condensate (10^3bbl)	**LPG (10^3bbl)**	**Marketable Gas (10^6ft^3)**	**Oil Equivalent (10^3boe)**
Proved				
Developed	244,579	29,811	703,039	399,620
Undeveloped	270,968	9,710	322,387	338,103
Total Proved	**515,547**	**39,521**	**1,025,426**	**737,723**

Notes:
1. Marketable gas reserves include fuel for certain fields, as described herein.
2. Marketable gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 5,614 cubic feet per 1 boe.

Estimates of gross and net reserves are presented in Table 2, expressed in 10^3bbl and 10^6ft^3. Table 3 presents the reconciliation of net proved reserves that occurred during 2022.

VALUATION of RESERVES

Revenue values in this report were estimated using initial prices, expenses, and costs provided by Vår Energi. Future prices were estimated using guidelines established by the SEC and the FASB.

The following economic assumptions were used for estimating the revenue values reported herein:

Oil, Condensate, LPG, and Gas Prices

Vår Energi has represented that the oil, condensate, LPG, and gas prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual agreements. The prices varied by field and were held constant. The volume-weighted average prices attributable to the estimated proved reserves over the lives of the properties were U.S.$105.57 per barrel of oil, U.S.$91.46 per barrel of condensate, U.S.$66.91 per barrel of LPG, and U.S.$32.42 per thousand cubic feet of gas.

Operating Expenses, Capital Costs, and Abandonment Costs

Estimates of operating expenses, provided by Vår Energi and based on existing economic conditions, were held constant for the lives of the properties. Future capital expenditures were estimated using 2022 values, provided by Vår Energi, and were not adjusted for inflation. In certain cases, future expenditures, either higher or lower than existing expenditures, may have been used because of anticipated changes in operating conditions, but no general escalation that might result from inflation was applied. Abandonment costs, which are those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment, were provided by Vår Energi and were not adjusted for inflation. The abandonment costs are inclusive of costs incurred for existing wells and facilities as well as those for future development associated with the proved reserves estimated herein. Operating expenses, capital costs, and abandonment costs were considered, as appropriate, in determining the economic viability of the undeveloped reserves estimated herein.

Taxes and Royalty

The fields evaluated herein are subject to a Norway ordinary company tax with a tax rate of 22 percent and a special tax rate of 71.8 percent to maintain a combined marginal tax rate of 78 percent. For corporate tax purposes, depreciation is based on the application of the straight-line method over 6 years. For special petroleum tax (SPT) purposes, all fields qualify for an immediate cost write-off in the year such costs are incurred instead of a 6-year depreciation. Tax reimbursement for the cost of field abandonment is considered during the year of abandonment and the following forecast year. There is no royalty for the fields evaluated herein.

Future producing rates estimated for this report were based on information provided by Vår Energi or were based on actual rates considering the most recent production figures available. Vår Energi has represented that the rates used for the production forecasts herein are within the capacity of the wells or reservoirs to produce.

A standardized measure of discounted future net cash flow is shown in Table 4. Changes in the standardized measure of discounted future net cash flow are shown in Table 5. At the request of Vår Energi, a price sensitivity case was evaluated for this report to present an alternative outcome to the net economically recoverable quantities estimated herein. The volume-weighted average prices used in the sensitivity case were U.S.$68.13 per barrel of oil, U.S.$67.75 per barrel of condensate, U.S.$51.44 per barrel of LPG, and U.S.$13.63 per thousand cubic feet of gas. These sensitivity case prices were the December 31, 2021, product prices estimated using guidelines established by the SEC and the FASB. The results of the sensitivity case are shown in Table 6.

The estimated future revenue to be derived from the production and sale of net proved developed and total proved reserves, as of December 31, 2022, of the properties evaluated, using the guidelines established by the SEC is summarized as follows, expressed in thousands of United States dollars (10^3U.S.$):

	Proved Developed (10^3U.S.$)	**Total Proved (10^3U.S.$)**
Future Gross Revenue	46,760,188	85,401,754
Operating Expenses	9,955,891	12,907,943
Capital Costs	2,319,567	6,511,824
Abandonment Costs	3,986,091	4,416,447
Norwegian Taxes	22,894,345	46,252,704
Future Net Revenue	7,604,294	15,312,836
Present Worth at 10 Percent	6,293,585	11,080,258

In our opinion, the information relating to estimated proved reserves, estimated future net revenue from proved reserves, and present worth of estimated future net revenue from proved reserves of oil, condensate, LPG, and marketable gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4 through 932-235-50-7, 932-235-50-9, 932-235-50-30, and 932-235-50-31 of the Accounting Standards Update 932-235-50, *Extractive Industries – Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the FASB and Rules 4–10(a) (1)–(32) of Regulation S–X and Rules 302(b), 1201, 1202(a) (1), (2), (3), (4), (8)(i), (ii), and (v)–(x), and 1203(a) of Regulation S–K of the SEC; provided, however, that estimates of the proved developed and proved undeveloped reserves are not presented at the beginning of the year. This report does not include certain disclosures required by Item 1202 (a)(8) of Regulation S–K and is thus not to be used for inclusion in certain SEC filings.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as engineers, are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

SUMMARY and CONCLUSIONS

Vår Energi has represented that it holds an interest in certain properties located in Norway evaluated herein.

The estimated gross and net proved reserves, as of December 31, 2022, of the properties evaluated herein are summarized as follows, expressed in thousands of barrels (10^3bbl), millions of cubic feet (10^6ft^3), and thousands of barrels of oil equivalent (10^3boe):

	Gross			
	Oil and Condensate (10^3bbl)	LPG (10^3bbl)	Marketable Gas (10^6ft^3)	Oil Equivalent (10^3boe)
Proved				
Developed	1,173,465	229,158	5,000,433	2,293,331
Undeveloped	842,070	42,416	2,480,981	1,326,413
Total Proved	**2,015,535**	**271,574**	**7,481,414**	**3,619,744**

	Net			
	Oil and Condensate (10^3bbl)	LPG (10^3bbl)	Marketable Gas (10^6ft^3)	Oil Equivalent (10^3boe)
Proved				
Developed	244,579	29,811	703,039	399,620
Undeveloped	270,968	9,710	322,387	338,103
Total Proved	**515,547**	**39,521**	**1,025,426**	**737,723**

Notes:
1. Marketable gas reserves include fuel for certain fields, as described herein.
2. Marketable gas reserves estimated herein were converted to oil equivalent using an energy equivalent factor of 5,614 cubic feet per 1 boe.

The estimated future revenue attributable to Vår Energi's interest in the net proved developed and total proved reserves, as of December 31, 2022, of the properties evaluated, using the guidelines established by the SEC is summarized as follows, expressed in thousands of United States dollars (10^3U.S.$):

	Proved Developed (10^3U.S.$)	Total Proved (10^3U.S.$)
Future Gross Revenue	46,760,188	85,401,754
Operating Expenses	9,955,891	12,907,943
Capital Costs	2,319,567	6,511,824
Abandonment Costs	3,986,091	4,416,447
Norwegian Taxes	22,894,345	46,252,704
Future Net Revenue	7,604,294	15,312,836
Present Worth at 10 Percent	6,293,585	11,080,258

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant's ability to recover its reserves, we are not aware of any such governmental actions which would restrict the recovery of the December 31, 2022, estimated reserves.

DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. Our fees were not contingent on the results of our evaluation. This report has been prepared at the request of Vår Energi. DeGolyer and MacNaughton has used all assumptions, procedures, data, and methods that it considers necessary to prepare this report.

Submitted,

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

SIGNED: February 20, 2023

Regnald A. Boles, P.E.
Executive Vice President
DeGolyer and MacNaughton

TABLE 1
PROPERTIES EVALUATED
as of
DECEMBER 31, 2022
for
VÅR ENERGI ASA
in
NORWAY

DEGOLYER AND MACNAUGHTON
F-716
TEXAS REGISTERED ENGINEERING FIRM

Group Field	Working Interest (%)	Fiscal Regime	License Expiration
Åsgard Area			
Åsgard	22.65	Concession	April 10, 2027
Blåbjørn	22.65	Concession	April 10, 2027
Flyndretind	24.60	Concession	March 1, 2042
Gamma	24.60	Concession	December 12, 2027
Harepus	24.60	Concession	December 12, 2027
Mikkel	48.38	Concession	October 1, 2028
Morvin	30.00	Concession	April 10, 2027
Natalia	24.60	Concession	May 12, 2037
Nona	24.60	Concession	April 10, 2027
Sigrid	24.60	Concession	May 12, 2037
Trestakk	40.90	Concession	December 31, 2029
Balder Area			
Balder	90.00	Concession	March 1, 2030
Ringhorne Øst	69.98	Concession	March 1, 2030
Fenja Area			
Bauge	17.50	Concession	December 17, 2029
Fenja	45.00	Concession	February 4, 2039
Hyme	17.50	Concession	December 17, 2029
Fram Area			
Fram	25.00	Concession	December 31, 2040
Goliat Area			
Goliat	65.00	Concession	May 15, 2042
Grane Area			
Breidablikk	34.40	Concession	March 1, 2030
Grane	28.3156	Concession	March 1, 2030
Svalin	13.00	Concession	March 1, 2030
Greater Ekofisk Area			
Ekofisk	12.388	Concession	December 31, 2048
Eldfisk	12.388	Concession	December 31, 2048
Embla	12.388	Concession	December 31, 2048
Tommeliten Alpha	9.13	Concession	December 31, 2028
Tor	10.81656	Concession	December 31, 2028 (PL006) / December 31, 2048 (PL018)
Johan Castberg Area			
Johan Castberg	30.00	Concession	May 15, 2049
Kristin Area			
Kristin	16.66	Concession	April 10, 2027 (PL134D) / September 10, 2033 (PL199)
Lavrans	16.66	Concession	September 10, 2033
Tyrihans	18.0191	Concession	December 31, 2029

TABLE 1 - PROPERTIES EVALUATED - *(Continued)*

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Group Field	Working Interest (%)	Fiscal Regime	License Expiration
Ormen Lange Area			
Ormen Lange	6.3356	Concession	February 2, 2040
Snorre Area			
Snorre	18.55336	Concession	December 31, 2040
Tordis	16.10	Concession	December 31, 2040
Vigdis	16.10	Concession	December 31, 2040
Statfjord Area			
Statfjord	21.36717	Concession	August 10, 2026 (PL037 License)
Statfjord Nord	25.00	Concession	August 10, 2026
Statfjord Øst	20.55	Concession	August 10, 2026 (PL037) / December 31, 2040 (PL089)
Sygna	20.995	Concession	August 10, 2026 (PL037) / December 31, 2040 (PL089)
Other			
Bøyla	20.00	Concession	December 17, 2029
Brage	12.2575	Concession	April 6, 2030
Dompap	11.50	Concession	February 28, 2026
Fossekal	11.50	Concession	February 28, 2026
Frosk	20.00	Concession	December 17, 2029
Gungne	13.00	Concession	December 31, 2028
Heidrun	5.17522	Concession	March 9, 2024 (PL095) / February 28, 2025 (PL124)
Marulk	20.00	Concession	February 28, 2025
Norne	6.90	Concession	February 28, 2026
Sigyn	40.00	Concession	December 31, 2022
Sleipner Øst	15.40	Concession	December 31, 2028
Sleipner Vest	17.23936	Concession	December 31, 2028
Stær	11.50	Concession	February 28, 2026
Svale	11.50	Concession	February 28, 2026
Svale Nord	11.50	Concession	February 28, 2026
Verdande	10.4979	Concession	February 2023 (PL127C) / April 2023 (PL128D/E)

Note: The dates shown on this table are current license end dates. Based on Vår Energi's representation that the operators will apply as necessary for the renewal of the licenses, fields were projected to a field economic limit regardless of the current license expiration date.

TABLE 2
SUMMARY of RESERVES
as of
DECEMBER 31, 2022
with interests attributable to
VÅR ENERGI ASA
NORWAY

DEGOLYER AND MACNAUGHTON
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	Gross				Net			
Reserves Classification	**Oil (10^3bbl)**	**Condensate (10^3bbl)**	**LPG (10^3bbl)**	**Marketable Gas (10^6ft^3)**	**Oil (10^3bbl)**	**Condensate (10^3bbl)**	**LPG (10^3bbl)**	**Marketable Gas (10^6ft^3)**
Proved Developed	1,147,641	25,824	229,158	5,000,433	241,156	3,423	29,811	703,039
Proved Undeveloped	797,354	44,716	42,416	2,480,981	265,438	5,530	9,710	322,387
Total Proved	**1,944,995**	**70,540**	**271,574**	**7,481,414**	**506,594**	**8,953**	**39,521**	**1,025,426**

Note: Marketable gas reserves includes fuel gas as described in the report.

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TABLE 3
RECONCILIATION of NET PROVED RESERVES
as of
DECEMBER 31, 2022
attributable to
VÅR ENERGI ASA
NORWAY

Proved Developed	**Oil and Condensate (10^3bbl)**	**LPG (10^3bbl)**	**Marketable Gas (10^6ft^3)**
December 31, 2021	**223,211**	**27,177**	**655,177**
Revisions of previous estimates	66,501	8,007	215,136
Improved recovery	0	0	0
Purchase of minerals-in-place	0	0	0
Sales of minerals-in-place	0	0	0
Extensions, discoveries, and other additions	0	0	0
Production	(45,133)	(5,373)	(167,274)
December 31, 2022	**244,579**	**29,811**	**703,039**

Proved Undeveloped	**Oil and Condensate (10^3bbl)**	**LPG (10^3bbl)**	**Marketable Gas (10^6ft^3)**
December 31, 2021	**282,640**	**8,662**	**281,850**
Revisions of previous estimates	(15,051)	(1,145)	10,044
Improved recovery	0	0	0
Purchase of minerals-in-place	0	0	0
Sales of minerals-in-place	0	0	0
Extensions, discoveries, and other additions	3,379	2,193	30,493
Production	0	0	0
December 31, 2022	**270,968**	**9,710**	**322,387**

Total Proved	**Oil and Condensate (10^3bbl)**	**LPG (10^3bbl)**	**Marketable Gas (10^6ft^3)**
December 31, 2021	**505,851**	**35,839**	**937,027**
Revisions of previous estimates	51,450	6,862	225,180
Improved recovery	0	0	0
Purchase of minerals-in-place	0	0	0
Sales of minerals-in-place	0	0	0
Extensions, discoveries, and other additions	3,379	2,193	30,493
Production	(45,133)	(5,373)	(167,274)
December 31, 2022	**515,547**	**39,521**	**1,025,426**

Notes:
1. Marketable gas reserves include fuel gas as described in the report.
2. Quantities and values referenced as effective December 31, 2021, were not estimated by DeGolyer and MacNaughton but were provided by Vår Energi ASA.

TABLE 4
STANDARDIZED MEASURE of DISCOUNTED FUTURE NET CASH FLOWS
as of
DECEMBER 31, 2021 and DECEMBER 31, 2022
attributable to
VÅR ENERGI ASA
NORWAY

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	December 31, 2021 (10^3 U.S.$)
Future cash inflows from sales of oil and gas	**45,463,199**
Future production and royalties costs	13,486,260
Future development costs	5,720,737
Future abandonment costs	4,924,618
Future net inflows before income tax	21,331,583
Future income tax expenses	13,930,258
Future net cash flows	7,401,325
Effect of discount net cash flows at 10 percent	2,370,564
Discounted future net cash flows	**5,030,761**

	December 31, 2022 (10^3 U.S.$)
Future cash inflows from sales of oil and gas	**85,401,754**
Future production and royalties costs	12,907,943
Future development costs	6,511,824
Future abandonment costs	4,416,447
Future net inflows before income tax	61,565,540
Future income tax expenses	46,252,704
Future net cash flows	15,312,836
Effect of discount net cash flows at 10 percent	4,232,578
Discounted future net cash flows	**11,080,258**

Notes:
1. Quantities and values referenced as effective December 31, 2021, were not estimated by DeGolyer and MacNaughton but were provided by Vår Energi ASA.
2. Standardized measure of discounted future net cash flows is equivalent to the present worth value using a discount rate of 10 percent.

TABLE 5
CHANGES in STANDARDIZED MEASURE of DISCOUNTED FUTURE NET CASH FLOWS
from
DECEMBER 31, 2021 to DECEMBER 31, 2022
attributable to
VÅR ENERGI ASA
NORWAY

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	(10^3U.S.$)	(10^3€)
Standard Measure, December 31, 2021	**5,030,761**	**4,772,210**
Sales and transfers of oil and gas produced, net of production costs	(4,506,981)	(4,275,349)
Net changes in prices and production costs	25,811,553	24,484,994
Extensions, discoveries, and improved recovery	791,178	750,517
Development costs incurred during the period	2,257,188	2,141,182
Revisions of previous quantity estimates	7,082,215	6,718,232
Change in estimated development costs	(2,540,104)	(2,409,558)
Purchase (or sales) of minerals in place	0	0
Accretion of discount	740,133	702,094
Net change in income taxes	(23,272,161)	(22,076,112)
Other	(313,524)	(297,410)
Standard Measure, December 31, 2022	**11,080,258**	**10,510,799**

Notes:
1. Quantities and values referenced as effective December 31, 2021, were not estimated by DeGolyer and MacNaughton but were provided by Vår Energi ASA.
2. Standardized measure of discounted future net cash flows is equivalent to the present worth value using a discount rate of 10 percent.

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TABLE 6
PRICE SENSITIVITY
as of
DECEMBER 31, 2022
attributable to
VÅR ENERGI ASA
NORWAY

	Oil and Condensate (10^3bbl)	LPG (10^3bbl)	Marketable Gas (10^6ft^3)	Oil Equivalent (10^3boe)
Net Total Proved Reserves	515,547	39,521	1,025,426	737,723
Net Economically Recoverable Quantities	500,602	38,717	1,005,070	718,348

Notes:
1. Net total proved reserves as shown in this table are equivalent to the reserves estimated and described in this report as of December 31, 2022.
2. Marketable gas reserves and quantities include fuel gas as described in the report.
3. Marketable gas reserves and quantities estimated herein were converted to oil equivalent using an energy equivalent factor of 5,614 cubic feet per 1 boe.
4. Economically recoverable quantities as of December 31, 2022, were estimated using product prices according to the guidelines established by the SEC and the FASB as of December 31, 2021.
5. The volume-weighted average prices used for the economically recoverable quantities estimated herein were U.S.$68.13 per barrel of oil, U.S.$67.75 per barrel of condensate, U.S.$51.44 per barrel of LPG, and U.S.$13.63 per thousand cubic feet of gas.