Statutory Accounts 2023

Vår Energi Norge AS

NO 983426417

Income statement

	Note	2023	2022
Operating income			
Sales of oil and gas	3, 4	20,604,219,246	26,349,307,429
Tariff income		0	3,161,649
Other Income	4	4,168,639,106	585,653,228
Total operating income		24,772,858,351	26,938,122,306
Operating expenses			
Operating expenses	5	2,365,024,003	3,058,185,456
Exploration expenses		322,069,458	161,359,302
Payroll expenses	6, 7	255,074,602	158,331,483
Depreciation/Impairment	8	2,242,295,609	1,486,519,596
Other operating expenses	5	29,268,988	84,663,141
Total operating expenses		5,213,732,660	4,949,058,978
Operating profit		19,559,125,692	21,989,063,328
Financial income and expenses			
Interest income		35,935,200	30,440,860
Foreign currency exchange gain		94,725,037	360,950,113
Interest income from group companies	9	228,591,468	42,010,933
Interest expenses		69,629,230	35,270,565
Foreign currency exchange loss		91,990,550	253,730,628
Interest expenses to group companies	9	0	146,359,519
Other financial expenses	3	141,012,549	142,505,530
Net financial (-income)		-56,619,376	144,464,337
Operating profit before tax		19,615,745,068	21,844,598,991
Tax expenses	13	15,176,795,627	18,712,762,303
Net income		4,438,949,441	3,131,836,688
Allocated as follows:			
Proposed dividend		0	3,466,750,000
Transfer (-from) other equity	14	4,438,949,441	-334,913,312
Total allocations		4,438,949,441	3,131,836,688

Balance sheet

NOK	Note	2023	2022
Non-current assets			
Intangible fixed assets			
Goodwill		235,012,895	284,489,294
Tangible fixed assets			
Property, plant & equipment	8	21,485,661,402	21,869,476,648
Other non-current assets			
Financial instruments NC	3	5,105,916	0
Other non-current receivables		0	69,285,207
Total non-current assets		21,725,780,213	22,223,251,149
Current assets			
Drilling equipment and spare parts	12	20,955,792	19,580,543
Accounts receivable from operators		393,434,536	288,244,661
Trade accounts receivable	11	1,114,112,963	1,429,178,184
Public duties receivable		22,037,043	26,264,374
Financial instruments C	3	251,530,998	187,517,807
Other receivables	11	9,520,658,164	10,011,765,391
Total receivables		11,301,773,704	11,942,970,417
Cash and cash equivalents	10	66,022,061	154,969,286
Total current assets		11,388,751,557	12,117,520,246
Total assets		33,114,531,770	34,340,771,395

Vår Energi Norge AS

Equity and liabilities

Equity			
Paid-in capital			
Share capital	14.15	141,500,000	141,500,000
Share premium reserve	14	1,273,500,000	1,273,500,000
Total paid-in capital		1,415,000,000	1,415,000,000
Retained earnings			
Other equity	3.14	5,430,144,646	324,499,639
Total equity		6,845,144,646	1,739,499,639
Liabilities			
Provisions			
Pension liability	7	239,968,913	221,552,775
Deferred tax	13	12,924,435,603	12,645,527,936
Financial instruments NC	3	4,463,108	0
Other provisions	5	3,585,449,583	3,204,382,570
Total provisions		16,754,317,208	16,071,463,281
Current liabilities			
Trade accounts payable	11	189,221,791	169,065,326
Public duties payable		48,888,307	45,648,016
Accounts payable to operator		732,201,261	727,013,153
Dividend	14	0	3,466,750,000
Tax payable	13	7,180,863,050	10,146,005,791
Financial instruments	3	77,015,870	629,153,782
Other short term liabilities		1,286,879,636	1,346,172,407
Total current liabilities		9,515,069,916	16,529,808,474
Total liabilities		26,269,387,124	32,601,271,755
Total equity and liabilities		33,114,531,769	34,340,771,395

Cash flow statement

	2023	2022
Profit before tax	19,615,745,068	21,844,598,991
Net payment of tax	-17,962,012,847	-10,181,569,377
Depreciation, impairments and accretion	2,552,697,123	1,635,274,515
Changes in accounts receivable and accounts receivable operators	214,102,677	-1,159,711,366
Changes in accounts payable and accounts payable operators	28,584,865	-270,135,763
Difference between pension cost and amounts paid into pension scheme	6,573,714	11,867,703
Changes in other balance sheet items	604,626,255	-4,421,476,087
Net cash flow from operating activities	**5,060,316,854**	**7,458,848,615**
Acquired tangible fixed assets	-1,682,514,078	-2,503,364,866
Net cash flow from investing activities	**-1,682,514,078**	**-2,503,364,866**
Repayment of long-term borrowings	0	-3,373,000,000
Dividend paid	-3,466,750,000	-1,464,525,000
Net cash flow from financing activities	**-3,466,750,000**	**-4,837,525,000**
Net change in cash and cash equivalents	-88,947,224	117,958,750
Cash and cash equivalents at beginning of year	154,969,286	37,010,536
Cash and cash equivalents at end of year	**66,022,061**	**154,969,286**

Note 1 - Accounting policies

The annual accounts have been prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian generally accepted accounting principles.

On 22. June 2023 a Share purchase agreement was signed between Vår Energi ASA and Neptune Energy Group Holding Ltd for Vår Energi ASA to purchase all the shares in Neptune Energy Norge AS. The transaction has been included in the accounts as of completion date, which was 31. Janaury 2024.

Revenues

Revenue is recognised when the Company satisfies a performance obligation by transferring oil and gas to a costumer. For crude oil the point of delivery is at the offshore loading point or at shipment from the terminal. The point of delivery for gas is at the gas receiving terminal onshore.

Differences may arise in a joint operation between the Company's share of production entitlement from an oil or gas field and the volume which has been lifted and sold. Such "under or over lift " entitlements are recognised in current asset or liabilities, respectively, at net realisable value, with a corresponding adjustment through production cost. As a result, the reported operating result for each period reflect the Company's share of saleable production in that period.

Expenses

Expenses are expensed as incurred in accordance with the matching principle, either along with the revenues they have generated or identified as a periodical expense.

Estimates

In accordance with Norwegian generally accepted accounting principles, the management of the company is responsible for estimates and assumptions that affect the valuation of assets and liabilities in the balance sheet and depreciation in the income statement. The final realisable values may deviate from these estimates.

Classification and assessment of items in the balance sheet

Current assets and current liabilities include items due within one year and items related to ordinary working capital. All other items are classified as fixed assets or long-term liabilities.

Current assets are valued at the lower of cost and fair value. Short-term debt is valued at the historical nominal value.

Fixed assets are valued at cost, but written down to fair value if the decline in value is not expected to be temporary. Long-term loans are stated at the historical nominal value.

Foreign currency

Monetary balance sheet items in foreign currency are converted at the exchange rate on the closing balance date.

All foreign currency transactions are converted to NOK in accordance with the Company’s monthly book-keeping currency exchange rates, which approximate market rates.

Exploration costs
Geological studies and analysis are expensed as incurred. Exploration drilling costs are temporarily capitalised until potential oil and gas reserves have been evaluated (the successful efforts method). When new reserves are discovered, fully developed and put into production, the exploration drilling costs will be depreciated based on the unit-of-production method. Drilling costs related to dry or non-commercial wells are expensed.

Property, plant and equipment
All costs related to the development of commercial oil or gas fields are capitalised as a part of the installation. Capital expenditures on fields in production are capitalised based on information from the operator.
Individual assets or groups of assets, classified as cash-generating units (CGUs), are tested for impairment when indicators of impairment are identified. When assessing whether an asset is impaired, the asset's carrying value is compared to the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the asset's value in use. An impairment loss is recognised when the recoverable amount is below the carrying amount and if the decline in recoverable amount is not considered temporary. If the assets are decided to be impaired, the carrying amount is written down to the recoverable amount and the reduction in asset value is recognised as an expense.

Depreciation of production assets
The depreciation of producing assets, including site rehabilitation costs, commences when the oil or gas field is brought into production. Depreciation is calculated according to the unit of production method. The Company has adopted the definitions and guidelines presented in the Petroleum Resources Management System (SPE-PRMS 2018) for the classification and reporting of commercial reserves and resources of oil and gas. Commercial reserves are those in the proved and probable
categories of reserves. According to this method, the depletion rate is equal (since 1 January 2014) to the ratio of oil and gas production for the period to proved and probable reserves. Before this date, the ratio was based on proved developed reserves. The future capex linked to the 2P reserves are included in the calculation of the depreciation rate. This change of estimate has been decided in view of the evolution of the Group’s portfolio of production assets. This change aims to improve the economic vision of the production asset’s consumption of benefits over its useful life.

Property, plant and equipment is capitalised and depreciated linearly over its estimated useful life. Costs for maintenance are expensed as incurred, whereas costs for improving and upgrading property, plant and equipment are added to the acquisition cost and depreciated with the related asset.

Assets, liabilities and expenses related to participating interests in exploration and production licences (joint venture)
The Company’s participating interests in exploration and production licences on the Norwegian Continental Shelf are accounted for in the income statement and balance sheet in accordance with the proportional consolidation method.

Transfer of interest in joint arrangements

Transfers of interests in petroleum licences on The Norwegian Continental Shelf require approval from the Norwegian Government. Under such transactions the sale price is generally considered to be on an "after tax" basis (after-tax transaction) as the consideration is not taxable for the seller and not deductable for the buyer through depreciation.

When acquiring licences that yield rights to exploration for and production of oil and gas, it will be assessed if the acquisition should be classified as a business combination or an asset acquisition. Acquisitions of individual licences which do not meet the definition of business combination will be classified as the acquisition of an individual asset.

Oil and gas producing licences

For oil and gas producing ownership interests, as well as licences in the development phase, the acquisition cost will be allocated between exploration costs, licence rights, production facilities, deferred taxes and goodwill.

In connection with agreements for acquisitions or trade of interests, the parties will establish a completion date for the acquisition of the net cash flow since the effective date often set on 1 January of the calendar year. In the period between the effective date and the completion date, the seller will include the acquired interest in the seller's accounts. In accordance with the acquisition agreement, there will be a settlement with the seller of net cash flow from the ownership interest during the period from the effective date to implementation date (Pro&Contra settlement). The Pro&Contra settlement will be adjusted against the income statement and against the acquisition cost, as the settlement (after reduction for taxes) is regarded as part of the payment for the transaction. Going forward from the implementation date, revenue and costs are included in the buyer's financial statements.

As regards taxes, the buyer will include for taxation net cash flow (Pro&Contra) and any other revenue and costs as of the effective date.

Allocations will not be made for deferred taxes and goodwill in connection with acquisition of licences that are defined as acquisition of assets.

Farm-in agreements

Farm-in agreements are usually made during the exploration and development phases, and are characterised by the seller deferring future financial advantages, in the form of reserves, to reduce future financing obligations. One example can be that a licence interest is acquired and covered by the seller's share of the drilling-related costs. During the exploration phase, the company will normally enter farm-in agreements based on historical costs, as actual value often is difficult to determine. However, during the development phase, farm-in agreements are entered as acquisitions at actual cost when the company is selling shares of oil and gas interests. Fair value is determined by the costs that the buyer has agreed to carry.

Swap/Unitisation

A swap of ownership interest is measured at the fair value of the interest to be swapped, unless the transaction lacks commercial substance or if the fair value of the swapped interest is not measurable. During the exploration phase where it is often difficult to determine fair value, the Company will normally account for swaps based on historical cost.

Spare parts and drilling equipment
Drilling equipment are valued at the lower of cost or market value. Capital spare parts are capitalised and presented in the financial statements together with the investment.

Over/under lift and petroleum in stock
Obligations or receivables arising as a result of lifted quantities of crude oil and NGL that are larger or lower than the Company’s participating interests in a licence are valued at net realisable value / market value.

Uncertain obligations
The Company will, through its activities, be involved in conflicts and disputes. The Company will accrue for obligations in connection with such unresolved issues based on the best estimate, when it is probable that an outflow of economic benefits will be required to settle the obligation.

Accounts receivables
Trade accounts receivables and other receivables are recorded at face value less a provision for any anticipated losses.

Asset retirement obligation
When the retirement obligation is incurred, the liability is recognised as a long term provision and the corresponding amount is capitalised as part of the producing asset. The asset is expensed through depreciation over the remaining useful life of the asset. Future changes in asset retirement obligation estimates are capitalised as part of the asset and charged to profit and loss prospectively over the remaining useful life of the asset.

Tax expense
Tax expense reflects both taxes on current taxable income and changes in deferred income taxes. Deferred tax is calculated based on net temporary differences between the book and tax values at year end. The calculation has taken into account future uplift on capitalised expenditures.
Uplift on capitalised expenditures reduces the special petroleum tax. Earned uplift from capitalised expenditures has been fully reflected in the deferred tax calculation.

Pensions
Accounting for the defined benefit pension plan is based on a linear vested principle and on expected salaries at the point of retirement. Changes in pension schemes are amortised over the remaining vesting period. Estimated deviations are continuously charged to equity. Social security tax is included in the pension cost and liability. The defined contribution pension plan is booked as current costs.

Accounting for licence cost
The Company's accounts reflects the net cost after charging partners their share of licence costs for permits the Company operates.

Cash flow statement
The cash flow statement is presented using the indirect method. Cash and cash equivalents include bank deposits.

Leasing
The Company has signed only operating lease agreements, and as such the related cost is charged to the income statement as incurred.

Financial Instruments
The Company enters into commodity based derivative contracts consisting of market swaps for oil and gas products.

Hedging
The Company applies the principals of NRS18 and uses the following criteria for classifying a derivative or another financial instrument as a hedging instrument: (1) the hedging instrument is expected to be highly effective in offsetting changes in the fair value of the cash flow of an identified object – the hedging effectiveness is expected to be between 80-125%, (2) the hedging effectiveness can be measured reliably, (3) satisfactory documentation is established before entering into the hedging instrument, showing among other things that the hedging relationship is effective, (4) for cash flow hedges, that the future transaction is considered to be highly probable, and (5) the hedging relationship is evaluated regularly with quantitative analysis and is considered to be effective.

Cash flow hedges
The efficient part of changes in the fair value of a hedging instrument is recognised in equity. The inefficient part of the hedging instrument is reported in the income statement. When a hedging instrument has matured, or is sold, exercised or terminated, or the parties discontinues the hedging relationship, even though the hedged transaction is still expected to occur, the accumulated gains and losses at this point will remain in comprehensive income, and will be recognised in the income statement when the transaction occurs. If the hedged transaction is no longer expected to occur, the accumulated unrealised gains or losses on the hedging instrument will be recognised in the income statement immediately.

Note 2 - Financial market risk

The Company's financial result is affected by fluctuations in crude oil and gas prices and foreign currency exchange rates (mainly USD, GBP and EUR).

Note 3 - Financial Instruments

The Company enters into commodity based derivative contracts consisting of swap and option derivative contracts for oil and gas products. Swap and option derivative contracts for oil are hedged towards Brent Blend; swap and option derivative contracts for gas are hedged towards National Balancing Point (NBP) and Title Transfer Facility (TTF) prices.

The realised value on swap and derivative contracts for the year 2023 is a gain of NOK 48 538 260. The realised hedging contracts which are not fulfilling the requirements of efficiency according to NRS 18 for hedge accounting are booked as part of financial result.

NOK	2023	2022
Total Gas hedging revenue (-loss)	49,785,318	-2,145,076,574
Total Liquids hedging revenue (-loss)	-1,247,058	-133,782,698
Total hedging revenues (-loss)	48,538,260	-2,278,859,271
Financial income from hedging (-loss)	-140,855,455	-142,391,234
Total hedging income (-loss)	-92,317,194	-2,421,250,506

NOK	Booked	31/12/2023	Due	2024	2025	2026
Cash flow hedge commodities assets	Asset	272,839,065		267,733,149	5,105,916	0
Cash flow hedge commodities liabilities	Liability	-119,341,415		-114,878,310	-4,463,105	0
Cash flow hedge commodities reserves equity	Equity	-148,430,960		-147,788,149	-642,811	0
Market to Market	P&L Loss	-140,855,455				

Note 4 - Operating income

Sales of the Company's production has derived the following revenues:

							2023	2022
NOK	Norway	France	UK	Switzerland	United States	Netherlands	TOTAL	TOTAL
Crude oil	1,448,873,641		2,778,727,757	2,007,655,106	403,693,339		6,638,949,844	7,569,521,273
NGL	92,812,027		416,857,490	508,811,396			1,018,480,913	1,282,828,936
Gas		2,779,542,942	4,501,661,085				7,281,204,027	15,153,499,404
LNG				5,100,251,618			5,100,251,618	4,389,263,646
Condensate				516,794,583			516,794,583	233,053,442
Hedging of oil and gas	20,000,895	-99,704,475	-3,523,243	131,764,622		461	48,538,260	-2,278,859,271
Total	1,561,686,563	2,679,838,467	7,693,723,089	8,265,277,326	403,693,339	461	20,604,219,246	26,349,307,430

Other Income mainly consists of insurance settlements as well as income related to positive outcome of price reviews from previous periods.

Note 5 - Other provisions and obligation

NOK	2023	2022
Asset retirement obligation	3,416,964,742	2,992,397,329
Other long-term provisions	168,484,840	142,700,033
Other provisions	3,585,449,583	3,135,097,363

Other long-term provisions

Other long term provisions mainly consists of the Company's net share of the Gjøa liability to Vega, Duva and Nova licences. The long term provision relates to capex pre-payments from the Vega, Duva and Nova licences to the Gjøa development project. The Gjøa liability is reduced according to units of production, based on the actual production of hydrocarbons from the other licences in the Gjøa processing facility.

Asset retirement obligation

In accordance with the concession terms of the Production licences which the Company holds, the Norwegian State can assume ownership of licence installations without charge when the production ends or when the licence expires. Alternatively the State can require the installations to be removed. In addition to provisions for future abandonment cost, provisions have been made for future costs of plugging and securing production wells. The accretion expense is classified as an operating expense.

	2023	2022
Asset retirement obligations at 01.01.2023	2,992,397,329	4,185,118,418
Liabilities incurred / revision in estimates	305,855,124	-480,826,354
Accretion expense	122,276,760	122,335,507
Disposal	-3,564,471	-834,230,241
Asset retirement obligations at 31.12.2023	3,416,964,742	2,992,397,329

Financial assumptions

Years until removal	1-3 years	4-5 years	6-10 years	11-15 years	16-20 years	21-25 years
Discount rate	4.40%	4.20%	4.10%	4.00%	4.00%	4.00%

Assets related to removal and abandonment are also included within tangible fixed assets described in note 9.

Drilling commitments

The Company, together with its licence partners, is committed to taking part in the drilling of wells in accordance with its licence agreements.

Contractual obligations

	2024	Thereafter	Total
Obligations committed NOK	849,373,887	1,727,778,724	2,577,152,611

The contractual obligations are mainly related to contracts in licences where the Company has ownership interests.

Operating lease

	2023	2022
Operating lease NOK	27,362,726	25,743,165

Operating lease includes rental of offices and other facilities

Guarantees

Neptune Energy Bondco plc, a company in the Neptune Energy Group, issued in May 2018 USD 550 million aggregate principal amount of its 6.625% Senior Notes due in 2025 and issued in October 2019 USD 300 million aggregate principal amount of its 6.625% Senior Notes due in 2025. The Notes are guaranteed on a senior basis by Neptune Energy Group Midco Ltd and on a senior subordinated basis by Vår Energi Norge AS together with 13 other companies within the Neptune Energy Group. As a result of the completion of the Vår Energi ASA transaction (see Note 18) the Notes are expected to be repaid in April 2024.

Note 6 - Salaries and fees

NOK	2023	2022
Salaries	542,913,526	540,663,221
Social security tax	103,744,827	80,707,655
Pension costs	77,945,852	77,529,186
Other employee benefits	33,971,016	-4,477,530
Total salary	758,575,221	694,422,531
Salaries recharged to licences	503,500,619	536,091,048
Total net salary	255,074,602	158,331,483
Number of full-time equivalent employees in fiscal year	307.0	294.3

Remuneration for Managing Director
The Managing Director position is held by Odin Estensen. The total salary, bonus and other fringe benefits paid to the Managing Director for 2023 is NOK 6 679 218 of which NOK 6 607 240 is salary and NOK 71 978 is other benefits.
The Managing Director has been part of a share based scheme since 2019 with the ultimate group company Neptune Energy Group Ltd. The scheme has been settled after the completion of the acquisition of the shares in Neptune Energy Norge AS by VÅR Energi ASA in January 2024. The cost of this scheme has been carried by Neptune Energy Group Ltd under IFRS2, and more information about the scheme can be found in the consolidated accounts for Neptune Energy Group Ltd (www.neptuneenergy.com). The current value of the scheme for the Manager Director is NOK 26.9 million as of 31.12.2024.

Remuneration of the Board
No remuneration to the Board were paid in 2023.

Audit fees
The fees paid to Ernst & Young during the year 2023, excluding VAT, are comprised of the following amounts:

NOK	2023
Audit decreed by law	3,220,605
Other attestation services	0
Total	3,220,605

Note 7 - Pensions
The Company is required to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The Company's pension scheme meets the requirements of that law.

The Company has a retirement benefit plan for all permanent staff. This benefit plan gives the employees the right to receive defined future pensions. The Company decided to change the pension scheme for the employees from a defined benefit plan to a defined contribution plan, as of 01.01.2016. The new pension scheme was mandatory for all employees having more than 15 years remaining until retirement age, hence the employees having less than 15 years left until retirement remained in the old defined benefit pension plan. 292 employees are part of the defined contribution pension scheme and 46 individuals are part of the defined benefit pension scheme. The value of the various penison schemes are mainly dependent on the number of years in service and the level of compensation at retirement. The obligation up to 12G is financed through an insurance company, the remainder is financed through normal operation. The Company's actuarial report is provided by Gabler AS.

NOK	2023	2022
Pension rights earned during the year	38,013,814	39,870,212
Defined contribution pension scheme	40,125,342	35,273,819
VNG pension cost	1,012,007	990,156
Other pension cost	-1,205,312	1,394,999
Net pension cost	77,945,852	77,529,186

Assets/obligations		
Pension benefit obligations	382,189,661	356,435,707
Plan assets	-146,334,046	-132,740,888
Yield assets	4,113,298	-2,142,044
Net pension liability	239,968,913	221,552,775

Financial assumptions		
Discount rate	3.10%	3.00%
Expected increase in salaries	3.50%	3.50%
Expected increase in pensions	1.80%	1.50%
Expected increase of social security base amount (G)	3.25%	3.25%
Expected return on plan assets	3.10%	3.00%

Note 8 - Tangible fixed assets

NOK	Assets in Production	Assets under development	Equipment etc.	Capitalised exploration cost	TOTAL
Acquisition cost at 01.01.2023	44,621,556,561	4,922,312,461	707,660,282	1,537,757,420	51,789,286,722
Acquisitions during the year	1,058,134,372	252,270,752	1,147,066	676,817,012	1,988,369,202
Impairment/Dry hole cost	0	0	0	-179,365,238	-179,365,238
Reclassification	4,559,359,523	-4,559,359,523	0	0	0
Acquisition cost at 31.12.2023	50,239,050,456	615,223,690	708,807,347	2,035,209,193	53,598,290,686
Less accumulated depreciation at 31.12.2023	-31,139,550,049	-300,036,178	-673,043,057	0	-32,112,629,284
Book value as at 31.12.2023	19,099,500,407	315,187,512	35,764,290	2,035,209,193	21,485,661,403
Current year depreciation	-2,151,373,102	-11,751,884	-29,694,224		-2,192,819,210

Note 9 - Related Party Transactions

Related Party	Relationship to the Company	Value of Transactions 2023	Value of Transactions 2022	Nature of transactions	Other Comments
Neptune Energy Deutschland GmbH	Associated company	53,372,896	36,009,005	Operating and support income	Income statement
Neptune Energy CCUS BV	Associated company	115,742		Operating and support income	Income statement
Neptune Energy Touat B.V	Associated company	7,305,345	5,585,091	Operating and support income	Income statement
Neptune Energy Germany BV	Associated company	-	25,462	Operating and support income	Income statement
Neptune Energy Holding Germany GmbH	Associated company	-	1,151,727	Operating and support expenses	Income statement
Neptune Energy Netherlands B.V.	Associated company	62,288,676	47,742,518	Operating and support income	Income statement
Neptune Energy Netherlands B.V.	Associated company	33,996,311	40,404,164	Operating and support expenses	Income statement
Neptune Energy Arguni I B.V.	Associated company	-	304	Operating and support income	Income statement
Noordgastransport B.V	Associated company	-	1,095	Operating and support income	Income statement
NOGAT B.V	Associated company	-	14,030	Operating and support income	Income statement
Neptune Energy North Ganal B.V.	Associated company	836,774	16,953	Operating and support income	Income statement
Neptune Energy East Ganal BV	Associated company	-	7,039	Operating and support income	Income statement
Neptune Energy West Ganal BV	Associated company	368,913	51,749	Operating and support income	Income statement
Neptune Energy East Sepinggan BV	Associated company	39,485	134,671	Operating and support income	Income statement
Neptune Energy North West El Amal B.V.	Associated company	5,228,683	4,427,225	Operating and support income	Income statement
Neptune Energy North West El Amal B.V.	Associated company	16,119		Operating and support expenses	Income statement
Neptune E&P UK Ltd	Associated company	29,859,355	24,705,428	Operating and support income	Income statement
Neptune E&P UK Ltd	Associated company	25,204,913	23,452,917	Operating and support expenses	Income statement
Neptune Energy Group Holdings Ltd. (UK)	Parent company	17,127,115	24,870,266	Operating and support income	Income statement
Neptune Energy Group Holdings Ltd. (UK)	Parent company	364,593,153	287,158,631	Operating and support expenses	Income statement
Neptune Energy Egypt B.V	Associated company	65,786	114,005	Operating and support income	Income statement
Neptune Energy Muara Bakau B.V.	Associated company	4,728,465	5,874,301	Operating and support income	Income statement
Neptune Energy Muara Bakau B.V.	Associated company	273,194		Operating and support expenses	Income statement
Neptune Energy Bonaparte PTY Ltd.	Associated company	1,354,814	1,311,595	Operating and support income	Income statement
Neptune Energy Bonaparte PTY Ltd.	Associated company	97,149	789,278	Operating and support expenses	Income statement
Neptune Energy Participation Netherlands	Associated company	-	331	Operating and support income	Income statement
Neptune Energy Finance Lt (Cashpool)	Associated company	-	501	Operating and support expenses	Income statement
Neptune Energy Capital Ltd (UK)	Associated company	-	144,941,558	Interest intercompany loan	Income statement
Neptune Energy Finance Ltd (UK)	Associated company	228,591,468	42,010,933	Interest & financial revenue group account	Income statement
Neptune Energy Finance Ltd (UK)	Associated company	-	1,417,961	Interest & financial cost group account	Income statement

Some of the intercompany transactions are direct recharges and do not have a P&L effect.

Note 10 - Bank deposits

Restricted funds relating to withholding taxes

The Company has issued a bank guarantee towards the tax authorities of NOK 35 000 000, replacing the cash deposit for withholding taxes.

Note 11 - Intercompany balances

Receivables	2023	2022
Trade accounts receivable from intercompany	15,890,227	8,161,452
Short-term receivables from intercompany (cash balance)	7,828,796,800	8,297,975,867

Liability	2023	2022
Trade accounts payables from intercompany	72,647,824	77,089,411

Note 12 - Drilling equipment

Drilling equipment are valued at the lower of cost or market value. Capital spare parts are capitalised and presented in the financial statements together with the investment.

	2023	2022
Drilling and well equipment	20,955,793	19,580,543
Total Inventories	20,955,793	19,580,543

Note 13 - Taxes

Specification of the tax expense for the year:	2023	2022
Current tax payable	14,993,500,553	17,477,389,649
Change in deferred tax	182,178,893	1,477,681,724
Adjustment for tax provision in prior years	1,116,180	-242,309,071
Total tax expense	15,176,795,626	18,712,762,302
Specification of the tax basis for the year:		
Ordinary profit before tax	19,615,745,066	21,844,598,990
Permanent differences	21,798,381	285,986,965
Onshore loss carried forward 22%	-241,200,290	1,184,233,998
Change in temporary differences	-742,762,210	-1,412,251,036
Basis ordinary income tax	18,653,580,947	21,902,568,918
Net financial expenses/income (-) not subject to special petroleum tax	-187,506,289	-23,692,249
Income/Loss (-) from onshore activities	-53,694,001	2,392,160,246
Onshore loss carried forward 22%	241,200,290	-1,184,233,998
Extra depreciation temporary tax regime	886,419,043	-168,635,270
Uplift on capitalised expenditures	-31,915,384	-137,385,705
Income tax deductible in special tax	-4,338,215,360	-5,338,347,586
Basis special petroleum tax	15,169,869,246	17,442,434,356
Tax Payable:		
Tax payable - ordinary income tax 22%	4,103,787,808	4,818,565,162
Tax payable - special petroleum tax 71,8%	10,891,966,119	12,523,667,867
Total tax payable	14,995,753,927	17,342,233,029

Specification of basis for deferred tax:

	2023	2022
Net differences :		
Fixed assets	16,820,846,318	15,563,299,862
Pension liability	-239,968,913	-221,552,775
Gain and loss account	7,627,303	9,534,129
Hedging Asset / Liability	175,157,935	-441,635,976
Restructuring cost	-956,088	-956,088
Over/underlift	335,999,215	253,185,349
Onshore tax loss carried forward	-1,632,453,351	-1,870,976,821
Asset retirement obligations	-3,416,964,742	-2,992,397,329
Basis ordinary income tax	12,049,287,675	10,298,500,349
Limited capitalisation of interest on development projects	-40,075,271	-42,112,639
Onshore tax loss carried forward	1,632,453,351	1,870,976,821
Gain and loss account	-6,346,013	-7,932,516
Hedging Asset / Liability	-175,157,935	441,635,976
Fixed assets tax values in 56% tax regime	3,841,162,617	4,735,017,123
Corporate tax deduction	-3,470,560,080	-3,508,700,974
Unused uplift	0	0
Basis special petroleum tax	13,830,764,345	13,787,384,141
Deferred Tax Liability:		
Ordinary income tax (22%)	2,650,843,289	2,265,670,077
Special petroleum tax (71,8%)	9,930,488,800	9,899,341,813
Total deferred tax	12,581,332,088	12,165,011,890
Valuation allowance	343,103,515	480,516,046
Total deferred tax booked	12,924,435,604	12,645,527,936
Tax Payable/ Receivable:		
Ordinary income tax	14,995,753,927	17,342,233,030
Prior year adjustments	-226,420,877	-244,801,164
Tax paid in advance	-7,588,470,000	-6,951,426,075
Total tax payable in balance sheet	7,180,863,050	10,146,005,791
Total tax receivable in balance sheet	0	0
Reconciliation of tax expense and calculated tax expense:		
Ordinary profit before tax	19,615,745,066	21,844,598,990
Marginal tax at 78%	**15,300,281,152**	**17,038,787,213**
Tax effect of uplift	-22,915,245	-23,849,591
Hedging	-6,561,024	1,292,875,324
Valuation allowance		70,192,519
Other permanent differences	4,206,286	372,739,784
Financial items not subject to special petroleum tax	-101,326,388	-20,457,743
Prior period adjustments	2,350,446	-19,196,273
Effect of changing tax rates	760,399	1,671,069
Tax expense	15,176,795,626	18,712,762,301

Note 14 - Equity

	Share capital	Share premium reserve	Other equity	TOTAL
Equity at 31.12.2022	141,500,000	1,273,500,000	324,499,639	1,739,499,639
Current year net income			4,438,949,440	4,438,949,440
Hedging MTM			667,869,547	667,869,547
Pension actuarial valuation			-1,173,982	-1,173,982
Equity at 31.12.2023	141,500,000	1,273,500,000	5,430,144,645	6,845,144,645

Note 15 - Share capital and shareholder information

The share capital of the Company consists of 141 500 shares with a nominal value of NOK 1 000 per share.
All shares are held by the parent company, Neptune Energy Group Holdings Ltd at 31.12.2023. (See note 18)

The ultimate parent company (Neptune Energy Group Ltd) issues consolidated statements which include the Company. This can be found on www.neptuneenergy.com.

Note 16 - Reserves (not audited)

According to the reserves information published by the Norwegian Oil Directorate, the Company`s share of remaining reserves at 31.12.2023 are:

	Licence duration	Oil (million Sm3)	Gas (billion Sm3)	NGL (million tonnes)	Condensate (million Sm3)
BAUGE	17/12/2029	0.47	0.15	0.09	0.00
BYRDING	09/03/2024	0.01	0.01	0.00	0.00
DUVA	22/02/2044	0.27	0.96	0.12	0.00
FENJA	04/02/2039	1.73	0.76	0.13	0.00
FRAM	31/12/2040	0.30	1.16	0.09	0.00
FRAM H-NORD	09/03/2024	0.00	0.00	0.00	0.00
GJØA	08/07/2028	0.10	1.60	0.20	0.00
GUDRUN	10/09/2032	1.31	1.22	0.06	0.00
HYME	17/12/2029	0.12	0.07	0.03	0.00
NJORD	10/04/2034	1.14	3.13	0.74	0.00
SNØHVIT	01/10/2035	0.00	16.22	0.74	1.48
VEGA	04/06/2035	0.08	0.30	0.04	0.00

Note 17 - Climate-related financial disclosures

The mainstay of our business remains lower carbon energy production from natural gas, but we are accelerating plans for lower carbon projects, using our existing infrastructure. At group level the Boards oversees our approach to managing climate-related issues and opportunities and considered climate-related matters throughout the year. The Company also assessed potential lower carbon projects and approved major capital expenditures and endorsed our business plans and budgets. In August, Sval Energi, in partnership with Vår Energi Norge and Storegga, was awarded the Trudvang CO2 storage licence. We continue to evaluate further opportunities for CCS.
The Company acknowledges and adheres to the recommendations set forth by the Task Force on Climate Related Financial Disclosures (TCFD) and takes climate risks and opportunities into account when developing strategies and financial plan.

Note 18 - Subsequent events

Vår Energi ASA completed the acquisition of 100 % of the shares of Neptune Energy Norge AS at 31. January 2024. The new corporate name of the Company is Vår Energi Norge AS and is a fully owned subsidiary of Vår Energi ASA.
The completion of the deal triggered the obligation for the "All employee" bonus award to be paid out. The bonus award is valid for all employees, and grants a pay out of maximum 2 months salary to the employee. The total obligation is approx NOK 70 mill, including social security tax.

31st of December 2023
14th of March 2024

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Nicholas John Robert Walker
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Nicholas John Robert Walker
Chair of the Board

DocuSigned by:
Stefano Pujatti
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Stefano Pujatti
Board member

DocuSigned by:
Aksel Luhr
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Board member

DocuSigned by:
Torger Rød
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Board member

DocuSigned by:
Anne Tove Herredsvela
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Anne Tove Herredsvela
Board member

DocuSigned by:
Trond Myklebust
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Trond Myklebust
Board member

DocuSigned by:
Olav Dolonen
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Olav Dolonen
Deputy Board member

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Odin Estensen
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Odin Estensen
Managing Director

Vår Energi Norge AS
Board of Directors' Report 2023

Vår Energi Norge AS ("the Company") is engaged in the exploration for and production of oil and gas on the Norwegian Continental Shelf (NCS). The Company's head office is in Sandnes. The company also has an office and base supporting the offshore activities in Florø. At year end the Company had 315 employees.

Until 31 January 2024 the Company was a fully owned subsidiary of Neptune Energy Group Holdings Ltd, a company registered in the United Kingdom, and was part of the Neptune Energy Group (Neptune Energy). The ownership to the shares of the Company was transferred to Vår Energi ASA 31 January 2024, according to the agreement concluded 22 June 2023. As of 31 January 2024, the Company is a fully owned subsidiary of Vår Energi ASA and on the same date it changed its name to Vår Energi Norge AS.

Vår Energi Norge AS is active within the full exploration and production value chain, from exploration license maturation and drilling activity, development projects and production.

The Company is the operator of the Gjøa, Duva and Fenja fields, as well as a partner in several other producing fields.

Exploration

Vår Energi Norge AS holds interests in about 30 production licenses in Norway of which close to 20 of the licenses have exploration activities. In 2023 the Company participated in drilling of one operated exploration/appraisal well (Ofelia Agat appraisal and Ofelia Kyrre exploration sidetrack in PL929) and two non-operated wells (Eirik in PL817 and Crino/Mulder in PL090). All were discoveries except from PL817 Eirik which was recognised as a dry well.

The most important discovery was the Ofelia discovery located in the PL929 close to Gjøa.
There is a development opportunity for Ofelia to be tied into the Gjøa facilities .

Non-sanctioned development projects

Dugong
The Dugong development project is a subsea development considered for tie back 10km to Snorre B, operated by Equinor. Both a six and a four well development is being considered.

Calypso
Calypso development is studied as a subsea tieback to Njord via Hyme template, both Equinor operated, or direct tieback to Draugen which is operated by OKEA.

Ofelia
Early phase development and a possible subsea tieback to Gjøa via Gjøa subsea production system.

Gjøa Nord
Part of the PL153 Gjøa license. Reassessed for potential synergies with Ofelia for a joint development to Gjøa.

Fram Sør
Fram Sør, which comprises the development of Blasto and Echino South discoveries passed Concept Select in 2023. The development concept consists of 10 production wells and two water injection wells tied back to Troll C for processing and export.

Grosbeak
Grosbeak is located 6 km northeast of Fram and 23 km southwest of Gjøa. Grosbeak straddles three production licenses, of which Vår Energi Norge AS is partner in two. Two main concepts are being evaluated, one via Gjøa platform, and the other via the Troll facilities.

Operations

Gjøa
Net production from the Gjøa field in 2023 was 5.8 mmboe. The overall regularity was 95% including both planned and unplanned shutdowns. Various initiatives are implemented to optimize annual production. Amongst others, topside pressure optimization and systematic routing of wells between subsea flowlines haveresulted in increased well rates and extended well life. Our input for the revised National Budget'24 shows an increase in reserves of 23.2 mmboe gross / 7.0 mmboe net company share. This also resulted in an increased estimated economical lifetime of Gjøa with ~2 yrs until 2031.

Duva
Net production from the Duva field in 2023 at 3.0 mmboe was significantly higher than expected. The overall regularity was 94% including both planned and unplanned shutdowns.

Fenja
Fenja was started up in April 2023, and net production from the Fenja field this year was 1.7 mmboe. The overall regularity was 74% including both planned and unplanned shutdowns.

Fenja is a subsea development with two production wells, one water injector and one gas injector. Fenja is tied back to the Equinor operated Njord field via a Direct Electrical Heated pipe in pipe system. The gas is recompressed and reinjected in the Fenja reservoir, while the stabilized oil is stored for offloading from the Njord B FSO.

Fenja has experienced significant losses during 2023 due to various delays on the Njord host platform. Other losses have been related to scheduled maintenance stops on Njord, lack of sufficient pressure support / injection water and Fenja's own scheduled data acquisition / well testing program.

Vega
Vega is a subsea tie-back to Gjøa, operated by WintershallDEA. Net production from the Vega Unit in 2023 was 0.4 mmboe.

Snøhvit
The Snøhvit field produced with high uptime from re-start in 2022 until May 2023, where the Hammerfest LNG plant suffered several operational issues that in total led to approximately 1 ½ months of downtime. Total net production for the year was 5.4 mmboe. The Snøhvit Future Phases project is currently in execution and the Plan for Development and Operation was approved by Authorities end of December 2023. Askeladd Vest project continues to be matured towards start-up in 2025.

Gudrun
Net production from the Gudrun field in 2023 was 3.8 mmboe, including a 10 day revision stop in September. The water injection project started up in 2022 and made a positive impact on 2023 production, however the field production was hampered by well issues that limited the field production potential.

Fram area
Net production from the Fram area in 2023 was 2.0 mmboe and production suffered vs expectations due to a prolonged planned shutdown at Troll.

Njord area
The Njord field was brought on stream and declared first production after the Njord Future project at the end of December 2022. Production in 2023 has been lower than expected due to issues with the Njord processing facility, also impacting the production from tie-ins Hyme, Bauge and Fenja. Total net production for the year from Njord ended up at 1.2 mmboe and Bauge/Hyme came in at 0.6 mmboe net volumes.

Drilling operations at Njord A are currently suspended, and the plan when the drilling operation resumes is to drill several infill wells to increase production.

At the end of 2023 the PDO for the electrification project for Draugen and Njord was approved by the authorities.

Transforming the Business

While our natural gas weighted production already has a low carbon intensity, our lower carbon strategy aims to build on this through the electrification of key assets to maintain low operational emissions and carbon capture and storage. In 2023 the Snøhvit electrification project and Njord power from shore project were approved by the authorities. The Company was awarded a license for exploration for carbon storage in 2023; the Trudvang license. This license is held by Trudvang CCS ANS where the Company holds a 30% participating interest.

HSE & Working environment

Work environment
The Company has a continuous focus on the work environment to mitigate risks and to develop a safe and good place to work. Overall, the work environment is considered good.

Regarding health and safety, the Company had two recordable injuries (transport to hospital for examination) in 2023. During 2023 absence due to illness was 2.46 %, a decrease of 0.69%.

The Company conducts an annual global people satisfaction survey (The Pulse) with the aim to follow-up on the employee's satisfaction and wellbeing.

Employee involvement
Our Work Environment Committee and cooperation meetings with union leaders and safety delegates serve as arenas for employee representation and participation. The company seeks to involve our employee representatives as early as possible before any significant changes to the organisation or operations are addressed. There are three unions representing our workforce.

Offshore Norge, where Vår Energi Norge AS is a member, has framework agreements in place with affiliated unions which ensure annual negotiations. Approximately 70 % of our employees are covered by collective bargaining agreements in one of the following unions; Tekna, Lederne or NITO.

Employees, Gender equality, diversity

Total headcount employees: 315 (including 3 apprentices), 220 onshore / 95 offshore (including 3 apprentices)

Gender distribution: Employees: 91 female / 224 male
Managers: 7 female / 47 male
Board of Directors: 2 female / 5 male

Average age employees:	48 years.
Distribution age:	Between 19 years and 64 years
Nationalities	19
Turnover:	3.8 %
Part time employees:	All positions in our company are 100% positions. One employee works part-time on own request.
Contractors:	Per 31.12.23 the Company had 45 contractors in addition to employees.

Compensation and benefits

At Vår Energi Norge AS we want to ensure that staff is rewarded competitively, fairly and in line with our values. This also means a gender-neutral pay system. To do this we aim to ensure our total reward package is market competitive.

This is evaluated and benchmarked for new hires, promotions, and annual salary reviews. The company also conducts equal pay audit to secure that our equal pay policy is followed up and that any discrepancies are corrected.

84 employees are offshore tariff workers who are paid based on a salary matrix where the only two factors impacting salary are the type of job and number of years of experience.

Onshore employees and offshore supervisors are individually evaluated based on job complexity, required know-how and accountability, as well as formal competence. Based on these factors the jobs are structured in a Band hierarchy from A to F band.

Our activities to promote and improve equality, diversity, and inclusion.

Vår Energi Norge AS is committed to providing equality of opportunity, valuing diversity, and promoting a culture of inclusion and positive behaviours. These commitments are reflected in the fundamental principles of action set out in our Code of Ethics and Business Integrity, namely:

(a) Act in accordance with laws and regulations
(b) Consolidate a culture of integrity
(c) Behave fairly and honestly
(d) Respect others
(e) Speak up

We have a zero-tolerance policy for all forms of misconduct, such as bullying, harassment and discrimination, and all types of corrupt business practices, such as bribery and fraud. We want to ensure that everyone here can speak up about injustices and bad practices they may experience or witness. In 2023, we took action to improve gender representation across our business.

The actions we are taking:

Recruitment and retention: We have been working to ensure gender diversity in job application short lists and to ensure we use gender neutral language in our job advertisements and communications.

Training: In 2023 we provided an extensive training to all leaders, focusing on equality, diversity and inclusion. We also provide training to all existing and new employees and other engaged in the Company to help them understand their rights and responsibilities in respect of creating a respectful work environment free of bullying and harassment.

Mentoring:
Our mentoring platform, which we launched in 2021, gives employees the opportunity to become either a mentor or mentee across any aspect of the business.

Science, Technology, Engineering and Mathematics (STEM) ambassadors:
We support a summer school program, run by social enterprise Forskerfabrikken, that aims to get more young people interested in natural science.

Raising awareness:
We held our global ED&I week in November 2023, running a range of activities to showcase and promote gender diversity and inclusion.

Human rights - The Transparency Act

The Transparency Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services. The Company's report under the Transparency Act will be published on the Company's website.

Environment

Gjøa field
The Gjøa facilities are designed to cause as little environmental impact as possible. Electricity from shore is the main source of power for the Gjøa installation, and there is a single fuel low Nitrous Oxide (NOx) turbine operating the gas export compressor. In addition, a waste heat recovery unit is installed. Closed flaring during regular operations also contributes to a reduction of environmental impact from the production.

The concentration of oil in produced water has increased after the Duva and Nova tie-ins started production via the Gjøa platform, and operational and technical measures have been implemented to reduce the oil in water concentration.

The emissions and discharges to the environment from operations at the Gjøa field are reported to the environmental authorities according to current regulations. 76% of chemicals discharged to sea were green chemicals and are not expected to cause any environmental impact. The Company emphasizes the use of environmentally friendly chemicals. In 2023 there was a discharge of yellow chemicals of 156 tons. The discharge of 3.3 tons of red component and 2.1 kg of black component is within the existing permit given by the Norwegian Environment Agency. The discharge of red and black chemicals originates mainly from the use of hypochlorite and lubricating oil respectively.

Historically, Gjøa has a had low Environmental Impact Factor (EIF), ranging between 2 and 8. The highest risk contributors in the discharged produced water are naturally occurring components (BTEX and phenols). An updated EIF assessment will be done to ensure that the effects of the recent tie-ins are reflected in the assessment.

There were two unintentional discharges to sea during 2023, none of which are considered to have significant environmental impact.

The Gjøa field generated 124 tons of non-hazardous waste and 2600 tons of hazardous waste in 2023, most of which originated from MEG (Monoethylene glycol) regeneration. Reducing the amount of waste to landfill is a priority. In 2023 86 % of the non-hazardous waste was recovered.

The key environmental indicators of emissions to air were:

Flaring	0.9 million standard cubic meters (Sm^3)
Fuel gas consumption	47.8 million Sm^3
Diesel consumption	126 tons
CO_2 emissions	113 406 tons
NO_x emissions	52 tons

Fenja field

The Fenja field started production via the Njord platform, operated by Equinor, in 2023. Equinor has yet to complete the EIF for the first year in operation, including the highest risk factors. The numbers will be shared when made available. There were zero unintentional discharges to sea during 2023.

Exploration

Vår Energi Norge AS drilled one operated exploration well in 2023.

The emissions and discharges to the environment from the exploration drilling operations are reported to the environmental authorities according to current regulations. 89 % of chemicals discharged to sea were green chemicals and there were discharges of yellow and red chemicals, respectively 18 tons and 1.2 kg. All the discharges were within the existing permit given by the Norwegian Environment Agency and are not expected to cause environmental impact. There were no discharges of black chemicals during the drilling operations.

The exploration drilling operations generated 49 tons of non-hazardous waste and 2655 tons of hazardous waste in 2023.

The key environmental indicators of emissions to air were:

Flaring (well test)	0 Sm^3 gas
Diesel consumption	1801 tons
CO_2 emissions	5704 tons
NO_x emissions	69 tons

Financial market, credit and liquidity risks

As of 31 December 2023, current and other long-term liabilities amounted to NOK 9,515 million and NOK 16,754 million respectively.

The financial position of the Company will always be influenced by fluctuations in the price of crude oil and gas and in currency exchange rates. The Company has guidelines for entering into derivative contracts in order to manage the commodity price market risk exposure, utilising commodity based derivative contracts consisting of market swaps for oil and gas products. The Company's financial position means that it would be able to withstand a period of reduced oil prices and fluctuations in exchange rates.

The Company regards its credit risk as low since the majority of its sales are to other large corporations. The Company has not realised losses on receivables during the preceding years.

The total exposure related to currency, interest and price fluctuations is monitored and evaluated as part of the overall evaluation of the Company's total exposure. Possible actions are implemented in accordance with the Company's existing procedures.

The pre-tax rate of return (operating profit/average total assets) in 2023 was 58 per cent, compared with 69 per cent in 2022. The rate of return after tax was 13 per cent in 2023, compared with 10 per cent in 2022.

The differences between pre-tax income and cash flow from operations are due to differences in the timing of tax expenditures and depreciation.

Financial aspects

The Company produced 23.9 mmboe in 2023. Total sales in 2023 amounted to 23.8 mmboe, giving total sales revenues of NOK 20,604 million including hedging revenue.

Out of the total 23.8 mmboe sold, 8.2 mmboe consisted of crude oil and condensate. Revenues from crude oil and condensate sales were NOK 7,156 million compared to NOK 7,803 million in 2022.

The Company sold 2.2 billion Sm3 of gas including Snøhvit LNG. Revenues from gas amounted to NOK 12,381 million compared to NOK 19,543 million in 2022.

The revenue from sale of Natural Gas Liquid (NGL) and Liquefied Petroleum Gas (LPG) mix amounted to NOK 1,018 million in 2023 compared to NOK 1,283 million in 2022. A total of 2.1 mmboe of these products were sold in 2023.

The ordinary pre-tax profit for 2023 was NOK 19,616 million, compared to NOK 21,845 million in 2022. After NOK 14,995 million for current tax expenditures and NOK 182 million for deferred tax expenditure, net income amounted to NOK 4,439 million, compared to NOK 3,132 million in 2022, an increase of NOK 1,307 million.

Net cash flow from operating activities in 2023 was NOK 5,060 million, compared to NOK 7,459 million in 2022. Capital investments in 2023 amounted to NOK 1,683 million, compared to NOK 2,503 million in 2022. The majority of the investments were made on Snøhvit, Gudrun and Njord. The total cash balance is considered satisfactory by the company.

Climate change

The Company recognises that there may be potential financial implications in the future from changes in legislation and regulation implemented to address climate change risk. Whilst these changes will result in intended benefits, they are likely to increase associated costs and administration requirements and could potentially also reduce the investment capital available to the industry. Over time these changes may well have an impact across a number of areas of accounting including asset impairment, increased costs, onerous contracts and contingent liabilities. However, as at the balance sheet date, the Company believes there is no material impact on balance sheet carrying values of assets or liabilities.

Going Concern

The global economic condition and geopolitical situation have continued to be unstable throughout 2023. Gas prices have decreased in 2023 compared to the record high level in 2022. However, The Company is well positioned for these changes and with expected production increase in 2024 the Company will contribute to sufficient energy supply in Europe. In accordance with the Accounting Act § 3-3a, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern. The Board considers the financial position and the liquidity of the company to be sound. Cash flow from operations, combined with available funding from Vår Energi ASA, is expected to be more than sufficient to finance the company's commitments in 2024. In reaching the conclusion that the going concern basis is appropriate, stress testing of going concern cash flow forecasts and covenant compliance for the Company has been performed to evaluate the impact of plausible downside scenarios.

Board Members' and Managing Director's Liability

The Company maintains Directors' & Officers' Liability Insurance, which gives appropriate cover for legal action brought against its Board members and the Managing Director. The insurance does not provide cover in the event that the individual is proved to have acted fraudulently.

Allocation of net income and dividend

The Board of Directors, having no knowledge of any matters not disclosed that could be of significance when evaluating the Company's position, recommends the following allocation of net income:

Net result 2023	NOK	4,438,949,441
To Retained Earnings	NOK	4,438,949,441
Dividend	NOK	0

Total equity will be NOK 6,845 million, giving an equity ratio of 20.7%.

***

Sandnes, 14 March 2024

DocuSigned by:
Nicholas John Robert Walker
1BF0C07E74294AE...
Nicholas John Robert Walker
Chair of the Board

DocuSigned by:
Odin Estensen
E256B72FCFA64F3...
Odin Estensen
Managing Director

DocuSigned by:
Aksel Luhr
474E24154FD746A...
Aksel Luhr
Board member

DocuSigned by:
Torger Rød
2B948BD2181541A...
Torger Rød
Board member

DocuSigned by:
Stefano Pujatti
C0084DAB85B74C5...
Stefano Pujatti
Board Member

DocuSigned by:
Trond Myklebust
40843D3DB06A474...
Trond Myklebust
Board Member

DocuSigned by:
Anne Tove Herredsvela
0C05FAE209AF4A4...
Anne Tove Herredsvela
Board member

DocuSigned by:
Olav Dolonen
206B0D91492F4E0...
Olav Dolonen
Deputy Board Member