



## Focused on Delivery

Pareto Securities' 11th Annual Nordic  
Corporate Bond Conference

17 March 2022

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# Focused on Delivery



## Maximising Value: Today and Tomorrow

1

*We Are Delivering*  
**Operationally**

**Maximise Production** from our operational hubs  
**Minimise Costs** to support overall profitability  
**Reduce Emissions** through targeted interventions

2

*We Are Delivering*  
**Tyra**

**Unlocks > 1 Tcfe<sup>(1)</sup>** to support long-term energy security in Denmark  
**Material Production and Cashflow** once onstream  
Noreco is **Fully-Funded to First Gas** in Q2 2023

3

*We Are Delivering*  
**Our Potential**

**Monetise Remaining Economic Resources** in the DUC  
**Disciplined Capital Allocation** that prioritises shareholder returns  
**Continued Contribution to the Energy Transition**

1) Gross volume potential of the Tyra redevelopment

We Are Delivering **Operationally**

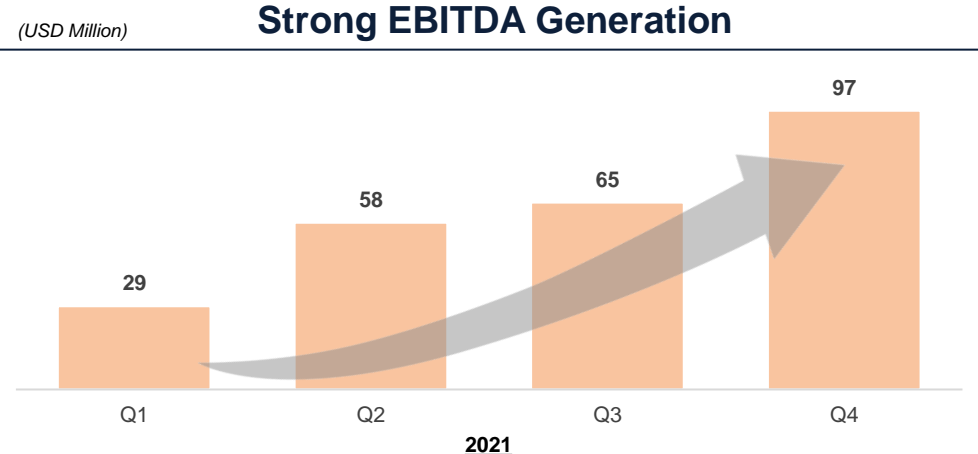
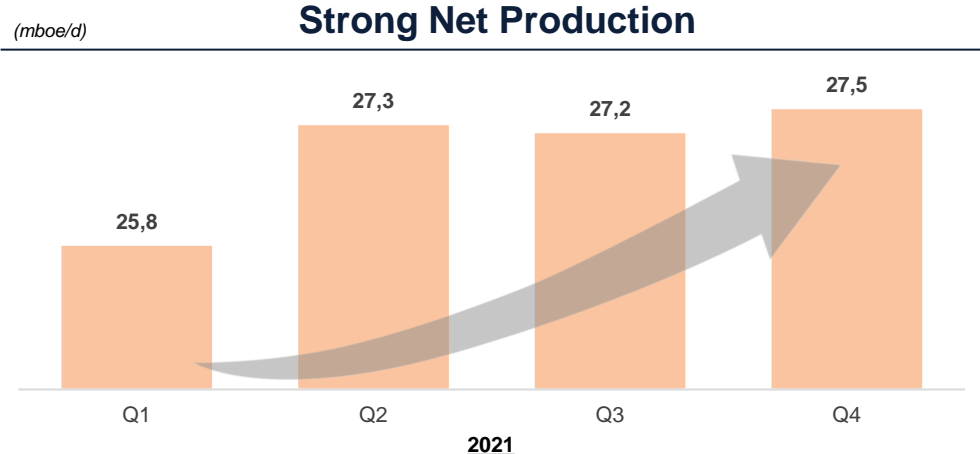


# Delivering Operationally



Strong Performance Driven by Active and Targeted Approach

1	<b>Concentrated</b>	Focusing on activities that <b>Make a Difference</b>
2	<b>Constructive</b>	Recognising the importance of <b>Influencing</b>
3	<b>Persuasive</b>	Consensus by leveraging our <b>Expertise</b>
4	<b>Independent</b>	Ensuring Noreco <b>Controls its Destiny</b>
5	<b>Disciplined</b>	Decisions that <b>Maximise Value</b>
6	<b>Accountable</b>	<b>Tangible Achievements</b>



# Operations: Outlook Remains Strong into 2022



Guidance of 23.5 to 25.5 mboepd for 2022

## Activity Focus During 2022+

### 1 Continue Well Interventions (Noble Sam Turner)

- Positive impact on short and long term production

### 2 Optimise Dan & Halfdan Water Management

- Ensure optimum water flooding and energy efficiency

### 3 Operational Efficiency and Energy Efficient Operations

- Continue good performance as demonstrated in December

### 4 Maximising Volumes Given Margin at Current Prices

- Invest to increase production (e.g. contracting Maersk Reacher)
- Continue to mature further incremental investment projects
- Leverage Noreco expertise to ensure highest value opportunities matured

## 2022 Production Guidance

mboe/d

26,9

23.5 – 25.5

2021

2022

We Are Delivering Tyra



2



# Delivering Tyra



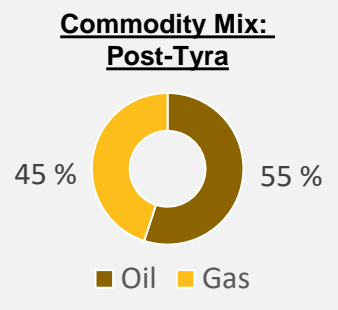
## Step-Change Production and Cashflow from 2023

### Net Production

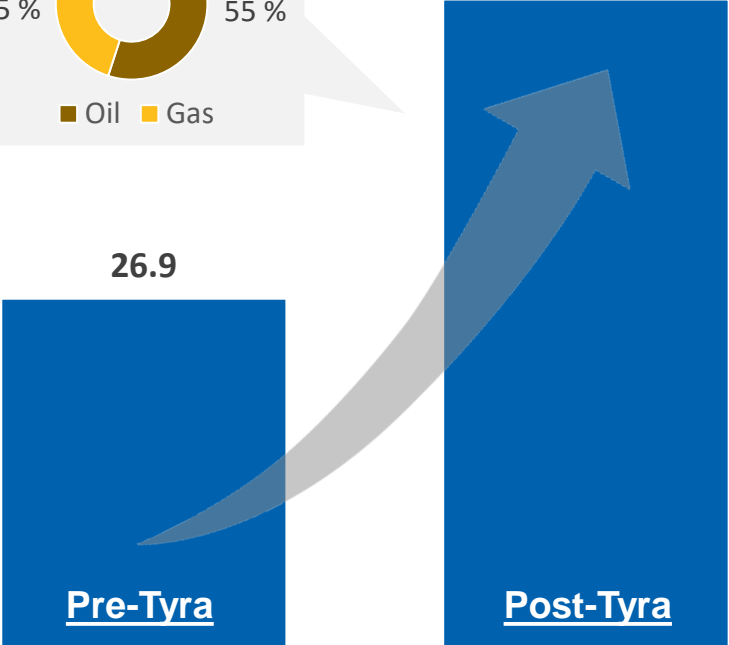
mboe/d

### Free Cashflow: Forward Curve<sup>(1)</sup>

USD million

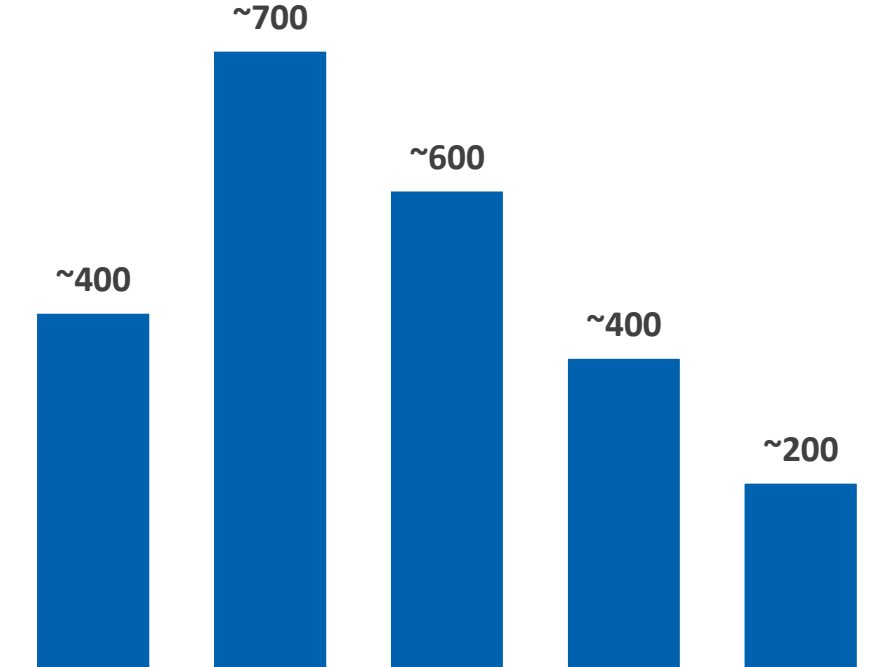


**c. 50mboe/d**



Cumulative (2023-27):

**USD 2.3 billion**



1) Forecast Free Cashflow = Net Cashflow from Operating Activities minus Net Cashflow used in Investment Activities  
 Illustratively prepared using 14 Feb 2022 Forward Curve for Brent (average \$77/bbl in 2023-27) and TTF (average EUR34/MWh in 2023-27) and management estimates based on operator data

# Tyra: A Game-Changing Gas Producer



Step-Change project, strongly supporting Danish energy security

<b>Reserves</b>	Unlocks Substantial Gas-Weighted Volumes	<b>+200mmboe<sup>(1)</sup></b>
<b>Production</b>	Significant Production Potential from 2023 Onwards	<b>+60mboe/d<sup>(2)</sup></b>
<b>Commodity Mix</b>	Materially Re-Weights Production Towards Gas	<b>~ 45% Gas<sup>(3)</sup></b>
<b>Emissions</b>	Meaningful Lowering of Per Unit Emissions	<b>~ 50% Lower<sup>(4)</sup></b>
<b>Operating Efficiency</b>	Modern Facilities Drive Performance Improvements	
<b>Field Life</b>	Extends Operational Lifetime Potential	<b>c. 20+ Years<sup>(5)</sup></b>
<b>Resource Potential</b>	Enables Additional Volumes and Tie-Ins	<b>+</b>
<b>Operating Cost</b>	Material Reduction in Noreco's Opex	<b>&lt; \$13/boe<sup>(6)</sup></b>

1) Gross DUC

3) Noreco commodity mix post Tyra

5) Constrained by 2042 concession expiry

2) Gross facilities capacity

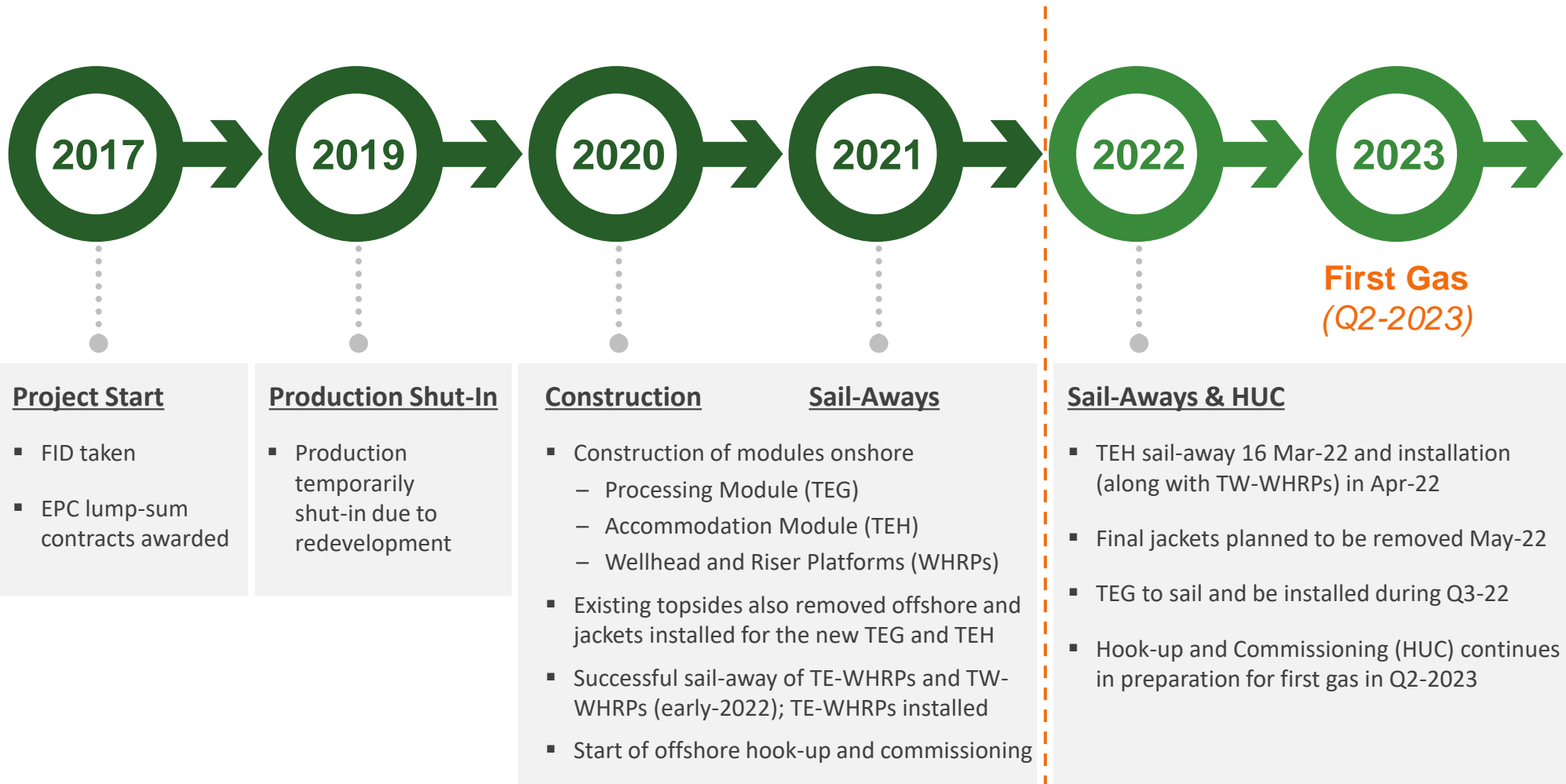
4) Compared to levels in 2021

6) Direct field opex post-Tyra

# Tyra: Project Advanced Significantly Since 2017



2022 activity focused on remaining sail-aways from yards, installation and continuation of hook-up and commissioning



# 16 March: Successful Sail Away of TEH from Ravenna



The delivery from yard of high-tech living- and utility quarters de-risks the project further with only one remaining sail away

- 2,882,141 hours – zero LTI
- 5,400 tons, 32.5 meters tall
- Seven levels including helideck
- 3,500 m<sup>2</sup>

- Home away from home for offshore crew
- State-of-the-art control room
- Water and emergency power for entire Tyra II
- Water system turning sea water into drinking water



# Tyra: Remaining Forecast Expenditure

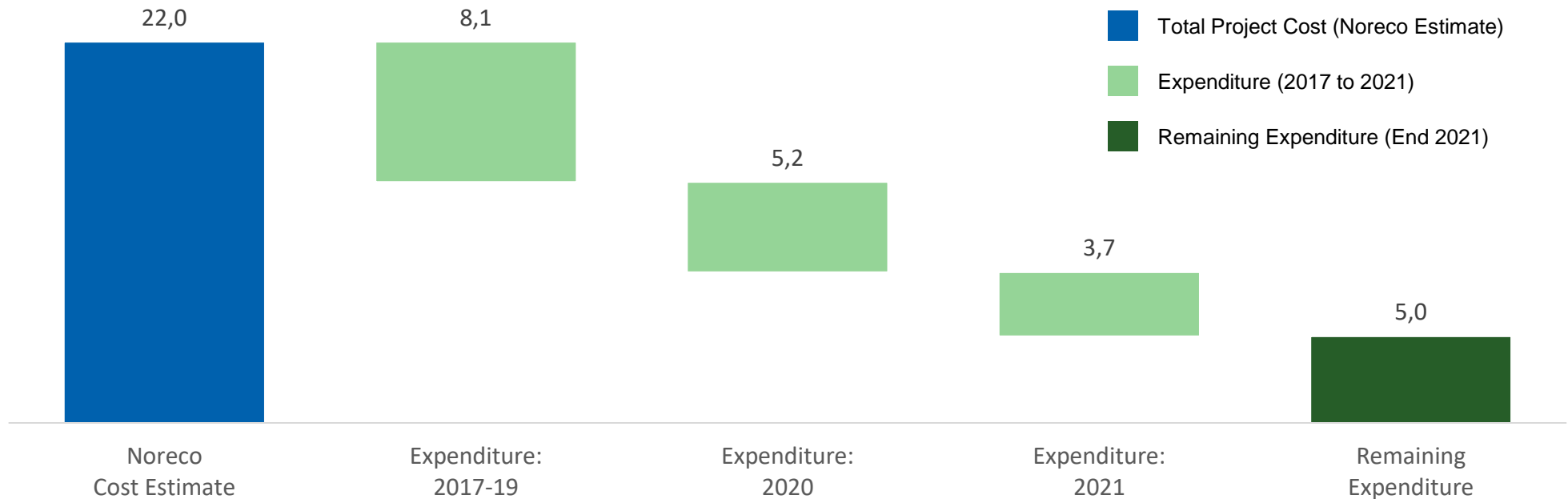


More than 75% of total expenditure already incurred by the end of 2021 at **c. DKK17.0bn** including capex and abex

## Gross Project Expenditure

DKK billion

- Noreco currently assumes an estimated DKK 22 billion total cost
  - Represents c. DKK 1 billion increase relative to the DKK 21 billion external budget at time of FID in 2017



We Are Delivering **Our Potential**

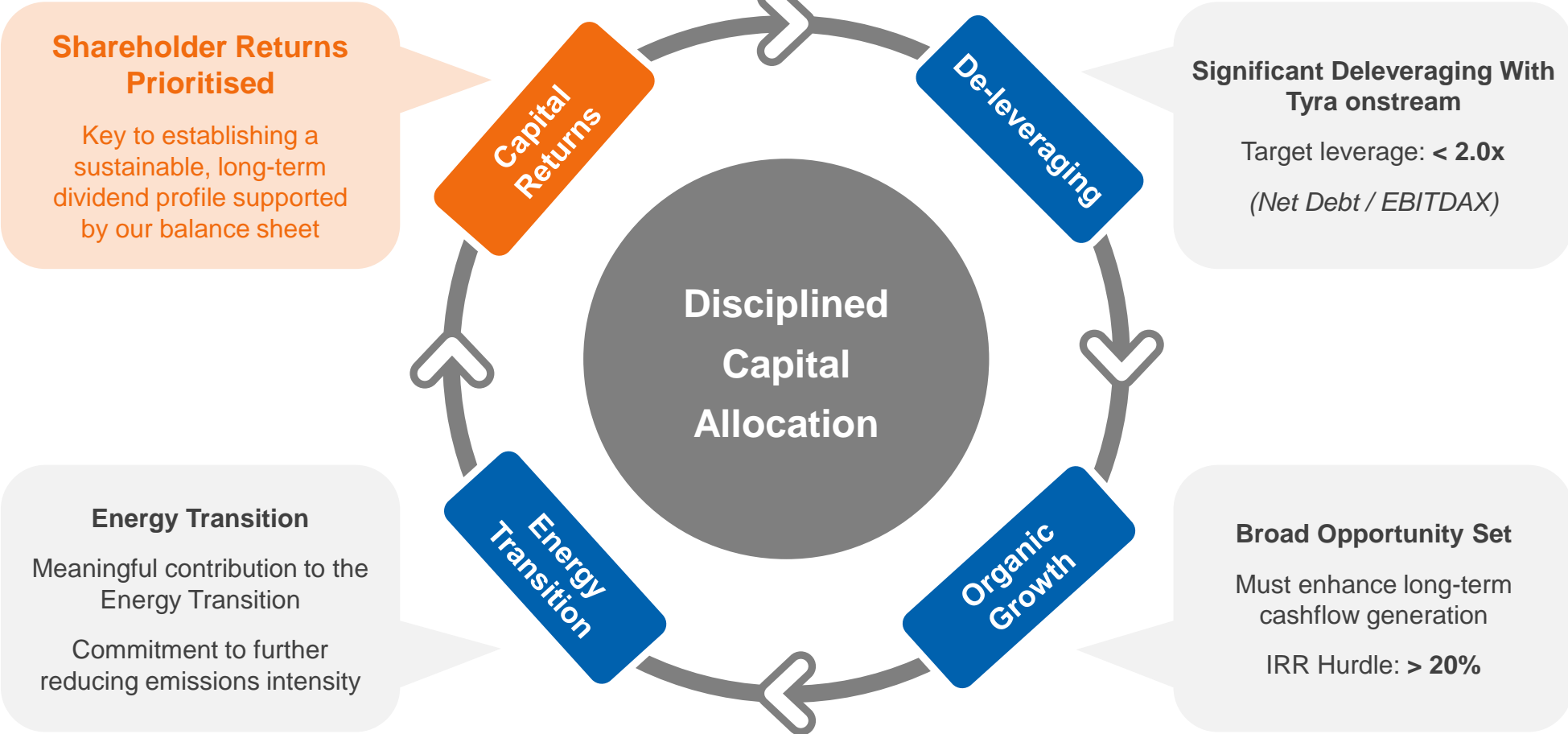


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# Delivering Our Potential



## Disciplined Capital Allocation Will Define Actionable Opportunity Set



# Potential to Maintain Plateau Production

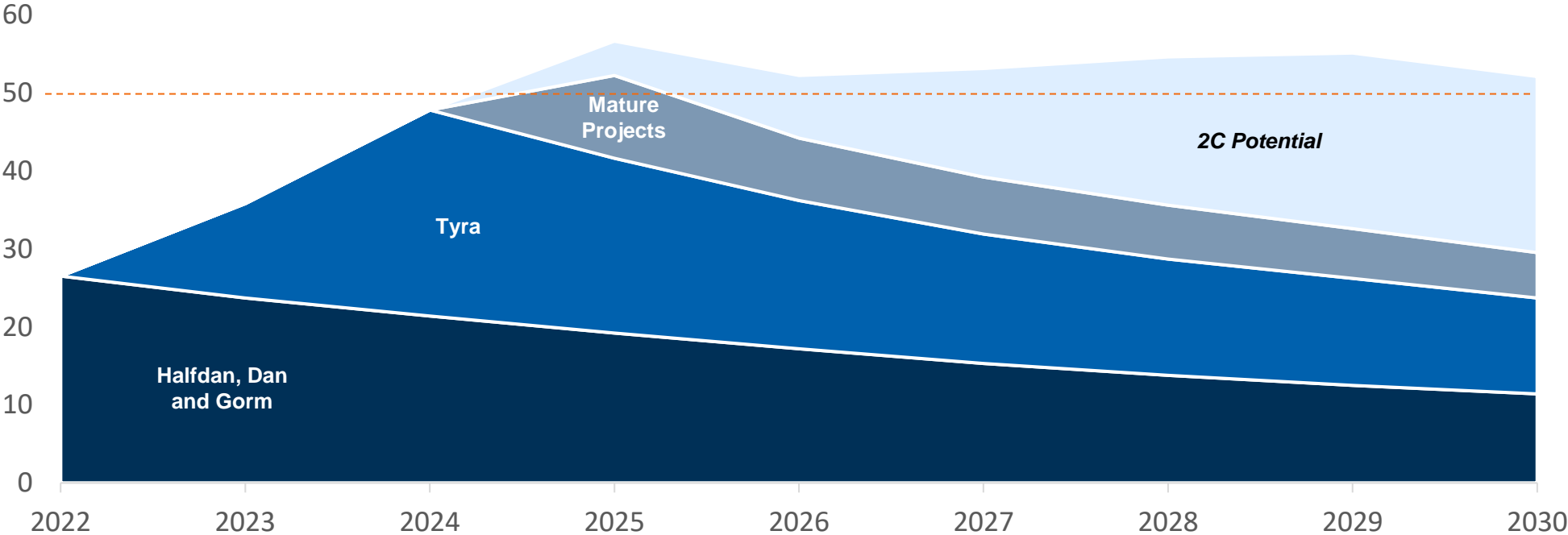


Decisions to invest further will need to support long-term cashflow generation potential

## Long-Term Production Potential: Reflecting Organic Opportunity Set

mboe/d

- Long-term potential exists to mitigate decline and maintain plateau production levels at c. 50mboe/d
- Future investment decisions will be subject to our disciplined approach to capital allocation
- Projects must screen well from both a value perspective and be supportive of our long-term FCF profile



Note: production profile is illustrative



# Highlighting Our Organic Opportunity Set



Halfdan North and Valdemar Bo South are high-value projects that will add low-cost barrels post-Tyra and support a sustainable, long-term cashflow profile

## Project Highlights

## Development Concept

### Valdemar Bo South

- Oil Development
- IRR > 20%

- Net reserves of c. 11 – 16 mmboe<sup>(1)</sup>
- Low unit capex per barrel
- Adds high-value barrels
- Development Plan submitted
- Two years from FID to first oil

- Five wells
- No water injection; depletion and compaction drive
- Unmanned 4-leg jacket
  - Connecting to Tyra East via Valdemar and Roar
- Limestone reservoir

### Halfdan North

- Oil Development
- IRR > 20%

- Net reserves of c. 16 – 26 mmboe<sup>(1)</sup>
- Low unit capex per barrel
- Adds high-value barrels
- Development Plan submitted
- Two years from FID to first oil

- Nine wells
- Water injection and Gas Lift
- Un-manned, 4-leg jacket
- Processing at nearby existing hub
- Use of known and proven well design and completion technology

1) Company estimate of recoverable reserves, shown base case to high case

# Our Approach to Sustainability



Demonstrating Noreco's commitment to date and our forward focus

<b>1</b> Delivering Tyra	Safeguarding access to reliable and affordable energy	<ul style="list-style-type: none"><li>▪ <b><u>Noreco has invested &gt; \$1bn in delivering the project</u></b><ul style="list-style-type: none"><li>– Will produce energy to power equivalent of c. 1.5mm homes</li><li>– Will materially reduce Denmark's gas import requirements</li></ul></li></ul>
<b>2</b> Emissions Reduction	Emissions lowered by c. 30% when Tyra onstream	<ul style="list-style-type: none"><li>▪ <b><u>Emissions reducing from modern, efficient facilities</u></b><ul style="list-style-type: none"><li>– Focus on further improving efficiency and reducing emissions</li><li>– Continuous biodiversity and R&amp;D consideration</li></ul></li></ul>
<b>3</b> RBL ESG Linkage	Linked funding cost to delivery against ambitious objectives	<ul style="list-style-type: none"><li>▪ <b><u>KPIs linked to emissions and power from renewable sources</u></b><ul style="list-style-type: none"><li>– Emissions reduction targets to 2027</li><li>– Power from renewables targets by 2029</li></ul></li></ul>
<b>4</b> CCS	Assessing potential for CCS in the DUC through Bifrost	<ul style="list-style-type: none"><li>▪ <b><u>Study focused on CCS potential of Harald (Sandstone)</u></b><ul style="list-style-type: none"><li>– Expected to broaden to cover entirety of DUC (Chalk)</li><li>– External funding received from EUDP</li></ul></li></ul>

# Financial Overview



# Financial Summary: Q4 and 2021



Performance supported by strong production and positive commodity prices

## Strong Fundamentals: Operational and Prices

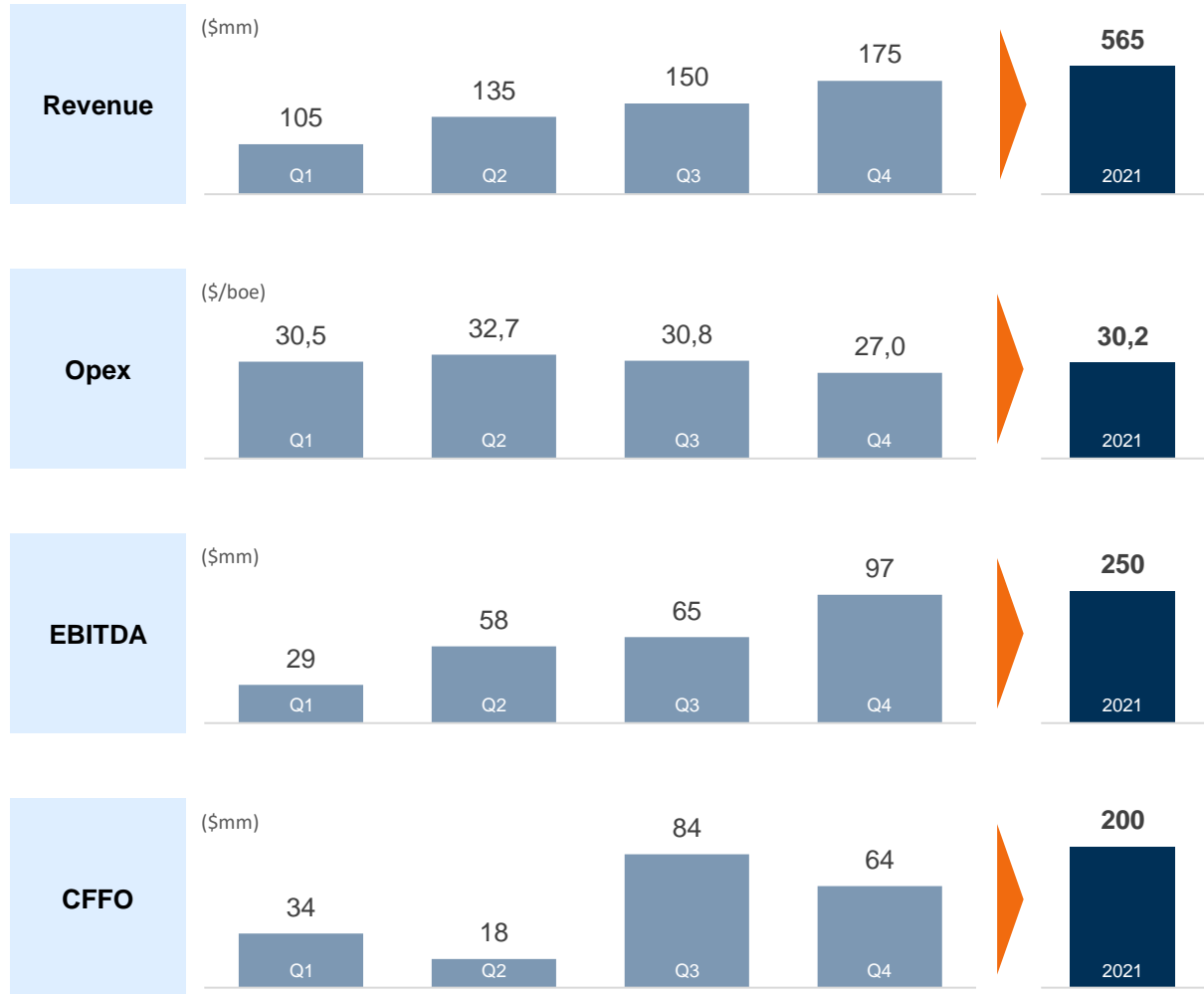
- Revenue: ↑ c. 20% vs. Q3-2021
- EBITDA: ↑ c. 50% vs. Q3-2021

## Realisations Reflects Commodity Price Hedging

- Focus on pre-Tyra cashflow visibility
- Increasing spot exposure in 2022+

## Robust Capital Structure Strong Liquidity Position

- No pre-Tyra principal maturities
- Liquidity of c. USD 223 million



# Hedges Provide Cashflow Visibility



## Increasing Spot Market Exposure in 2022+

### Oil Price Hedges

	2022		2023		2024		% of 2022 Production <sup>(1)</sup>
	H1	H2	H1	H2	H1	H2	
<b>Volume</b> <i>'000bbls</i>	2.4	1.9	2.4	1.7	1.8	0.6	<b>~60% – 65%</b> <i>Based on 2022 production guidance</i>
<b>Price</b> <i>USD/bbl</i>	55.8	55.6	51.7	54.8	61.3	64.9	

### Gas Price Hedges

	2022				2023				% of 2022 Production <sup>(1,2)</sup>
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Volume</b> <i>MWh</i>	600,000	255,000	210,000	105,000	105,000	--	--	--	<b>~35 – 40%</b> <i>Based on 2022 production guidance</i>
<b>Price</b> <i>EUR/MWh</i>	28.6	61.9	59.0	124.4	124.4	--	--	--	

1) Production guidance of 23.5 – 25.5mboe/d and 80:20 oil vs. gas split

2) Gas volumes converted using 0.33 MWh per mcf

# Robust Capital Structure and Liquidity Position

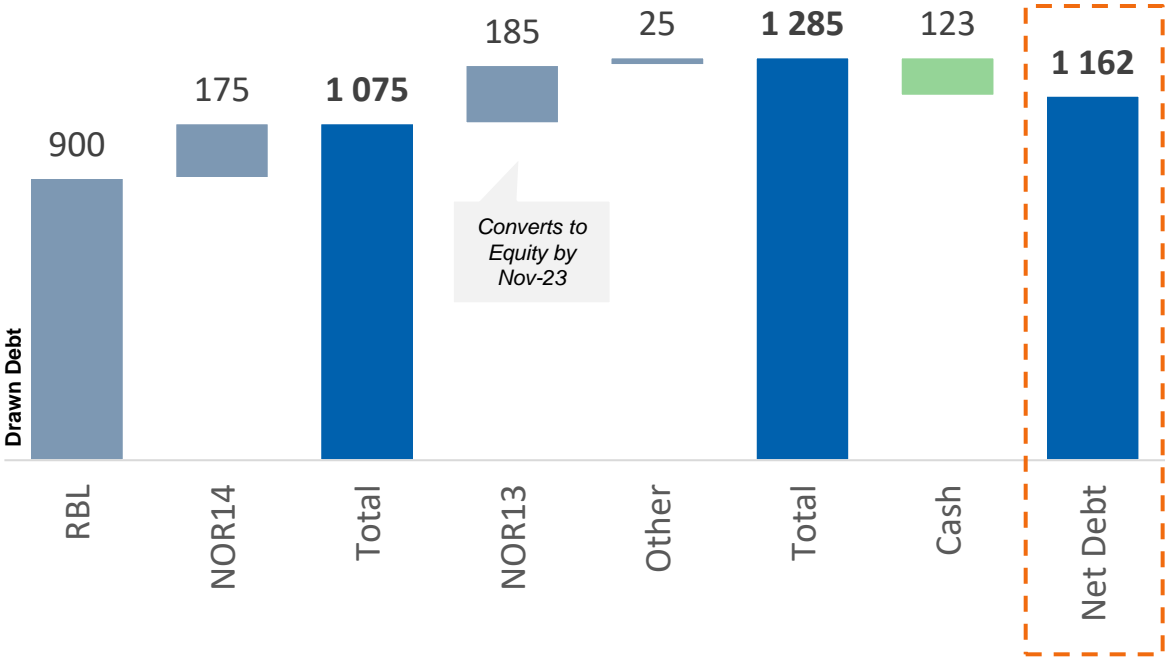


Fully-funded to Deliver the Tyra Redevelopment Project

## Robust Capital Structure

USD million

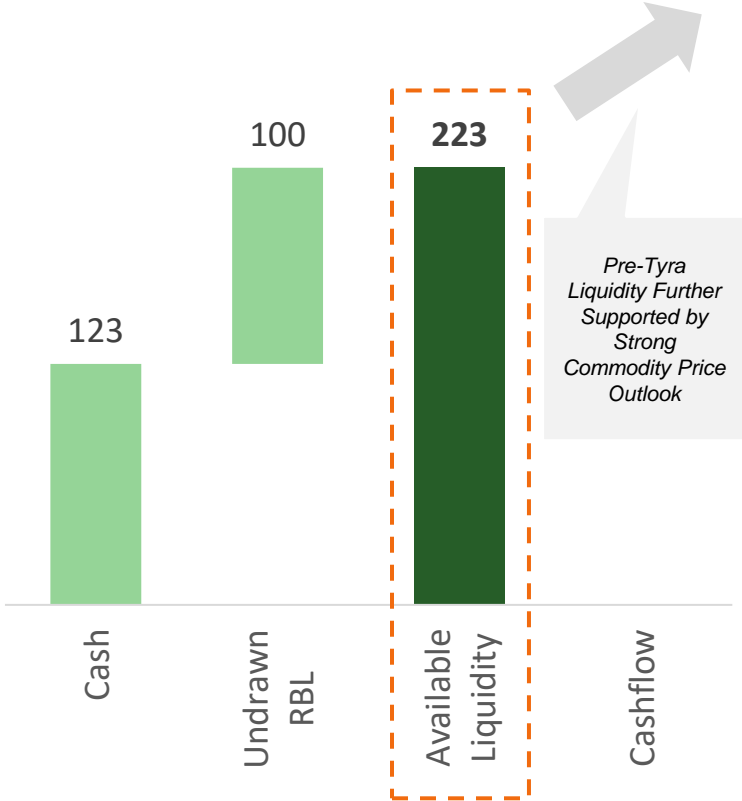
Stable with No Principal Maturities Pre-Tyra



## Strong Liquidity Position

USD million

Fully-Funded to Tyra First Gas



# Closing Remarks



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**Disciplined Capital Allocation** to maximise shareholder value

**Continued Contribution to the Energy Transition**

1) Gross volume potential of the Tyra redevelopment





Contact: [ir@noreco.com](mailto:ir@noreco.com)

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