



# Focused on Delivery

Results Presentation: Q4 2021

16 February 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

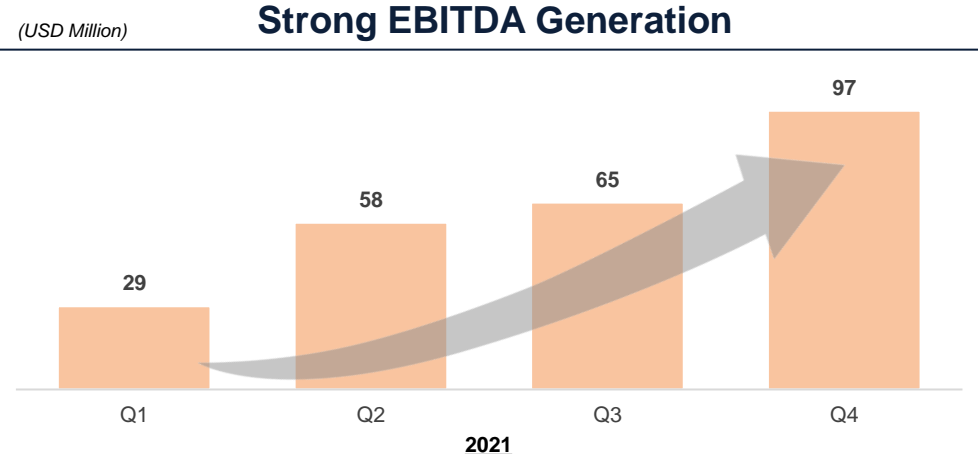
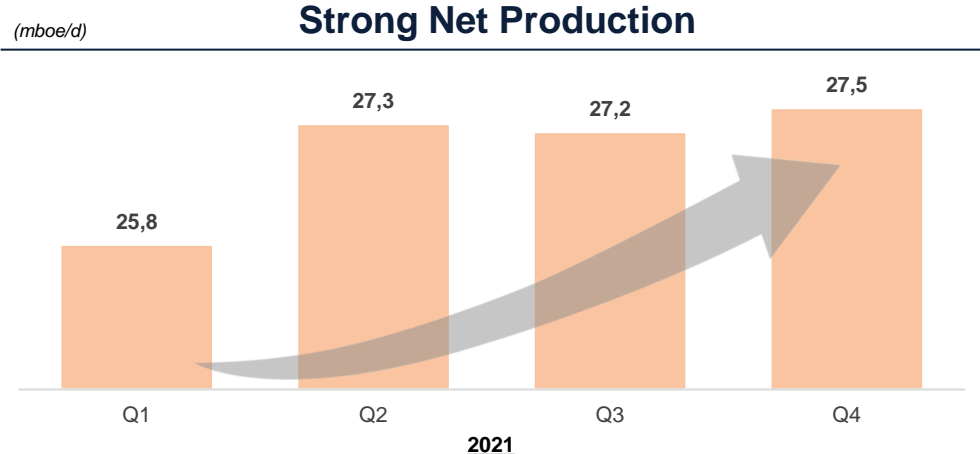


# Delivering Operationally



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>



# Delivering Tyra



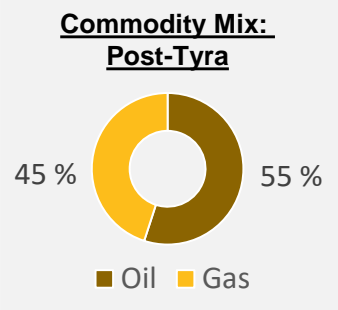
## Step-Change Production and Cashflow from 2023

### Net Production

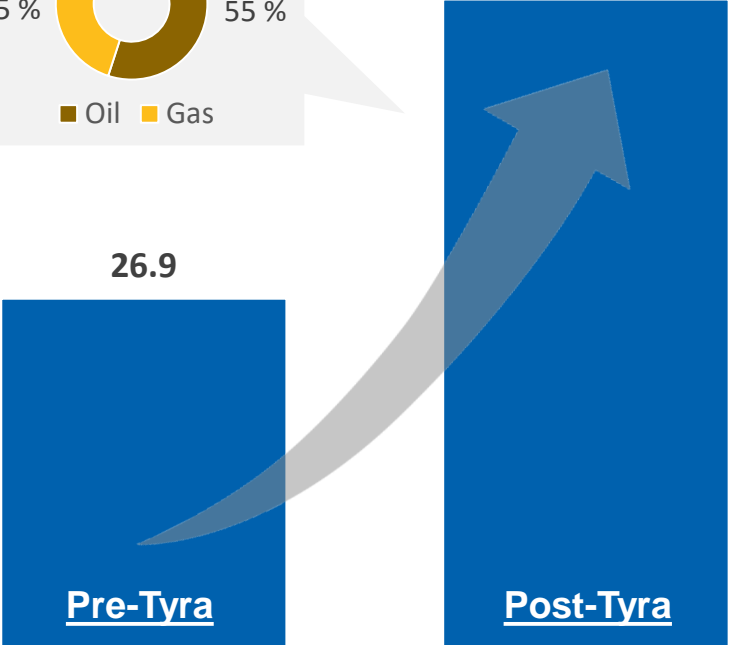
mboe/d

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

USD million

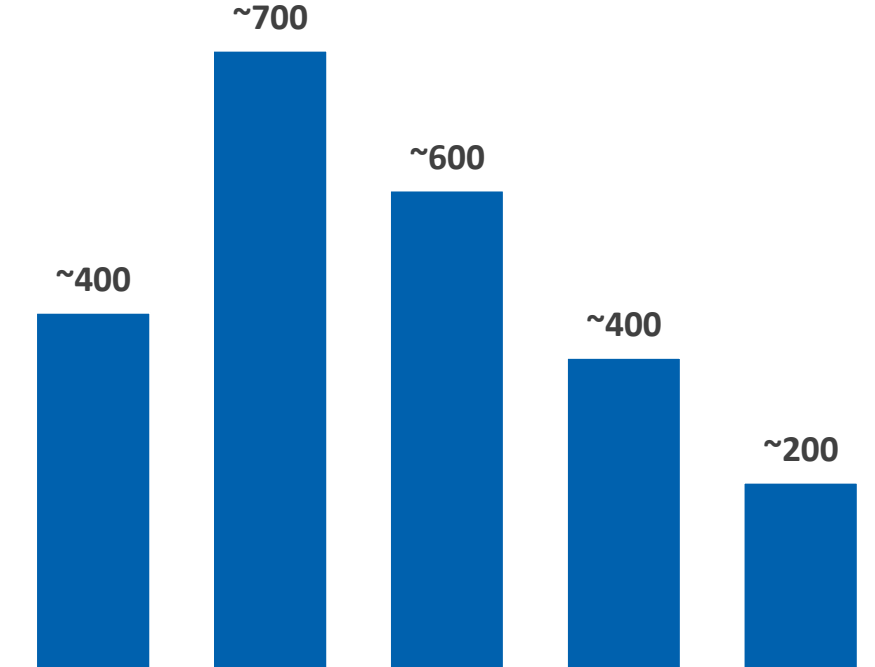


**c. 50mboe/d**



Cumulative (2023-27):

**USD 2.3 billion**

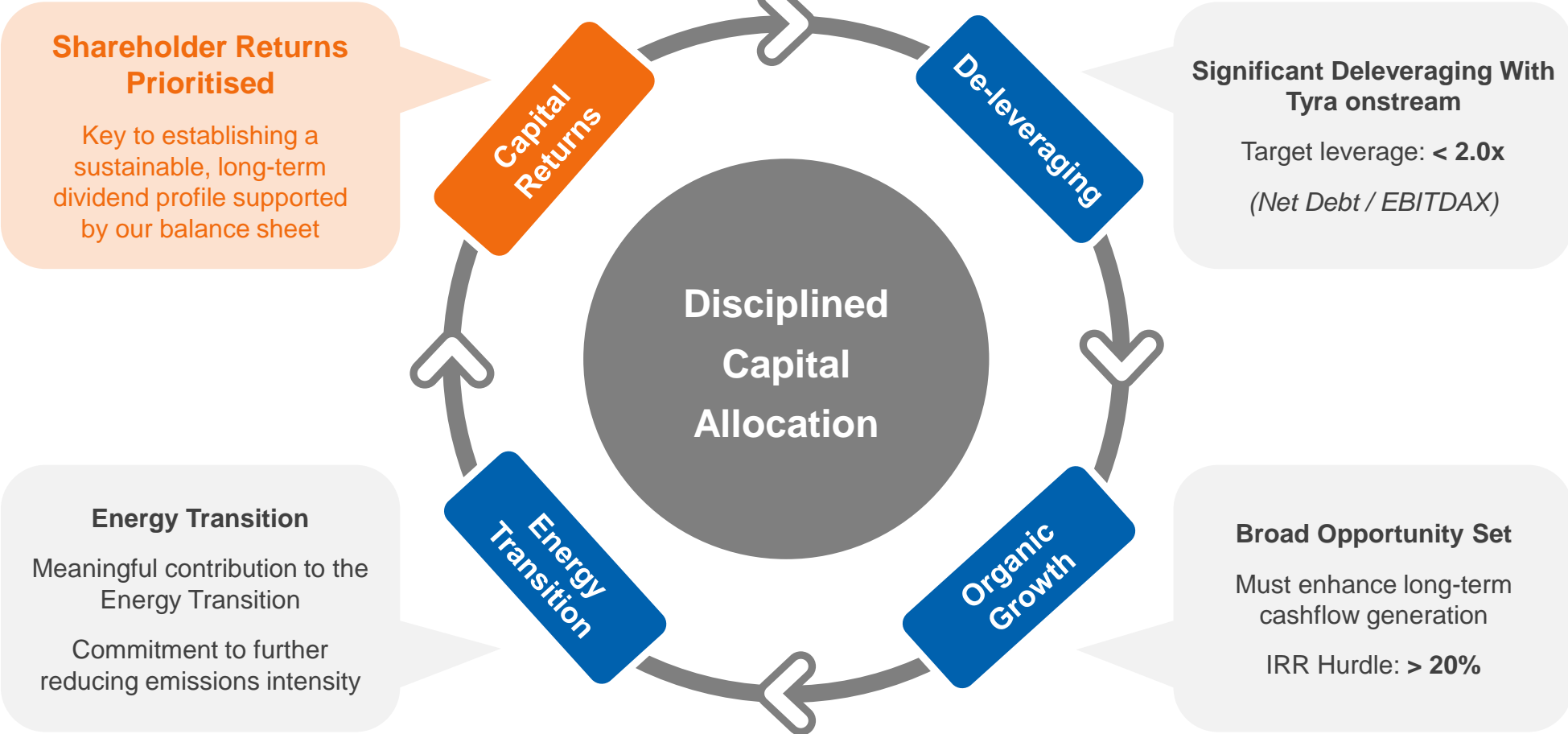


1) Forecast Free Cashflow = Net Cashflow from Operating Activities minus Net Cashflow used in Investment Activities  
 Illustratively prepared using 14 Feb 2022 Forward Curve for Brent (average \$77/bbl in 2023-27) and TTF (average EUR34/MWh in 2023-27) and management estimates based on operator data

# Delivering Our Potential



Disciplined Capital Allocation Will Define Actionable Opportunity Set



We Are Delivering **Operationally**





# Operations: Upper Range of Guidance



Q4 2021 at 27.5mboe/d and Full Year 2021 at 26.9mboe/d

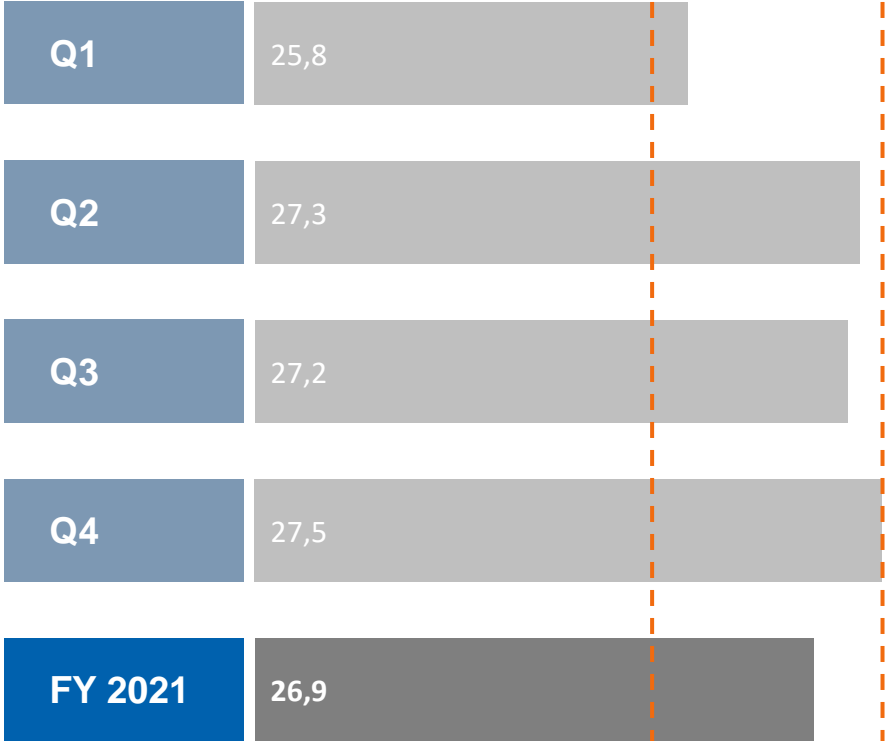
## Strong Performance in 2021

- ✓ **Strong personal safety performance**
  - 50% reduction of recordable incidents
- ✓ **Maintenance backlog reduced**
- ✓ **Excellent operational performance**
  - December availability of 94%
- ✓ **Acceleration of well interventions**
  - Halfdan and Dan
  - Higher gains than expected
- ✓ **Successful Gorm restimulation on 11 wells**
  - Higher gains than expected

## Daily Net Production

mboe/d

### Production at Top-End of 2021 Guidance



2021 Guidance: 25.5 to 27.5mboe/d

# 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

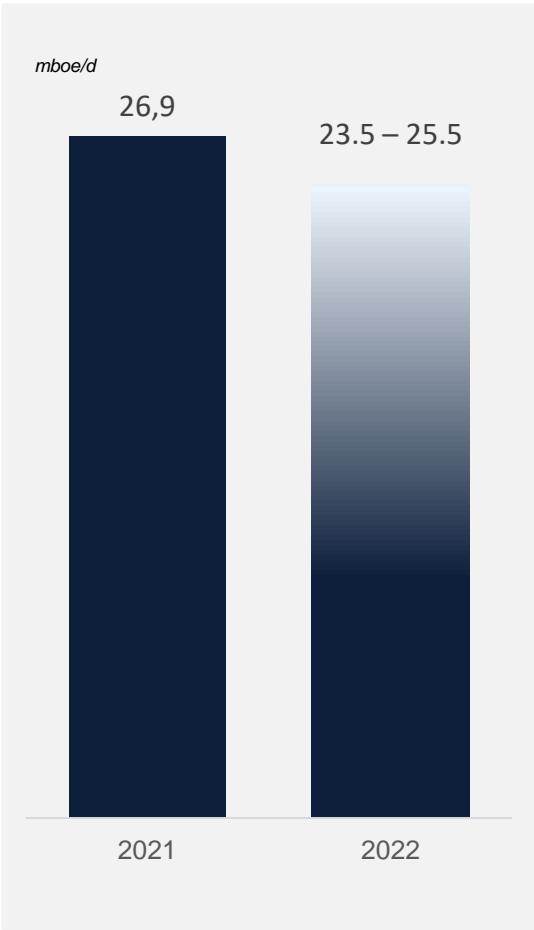
### 3 Operational Efficiency and Energy Efficient Operations

- 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



We Are Delivering Tyra



2

# 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>↑</b>
<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

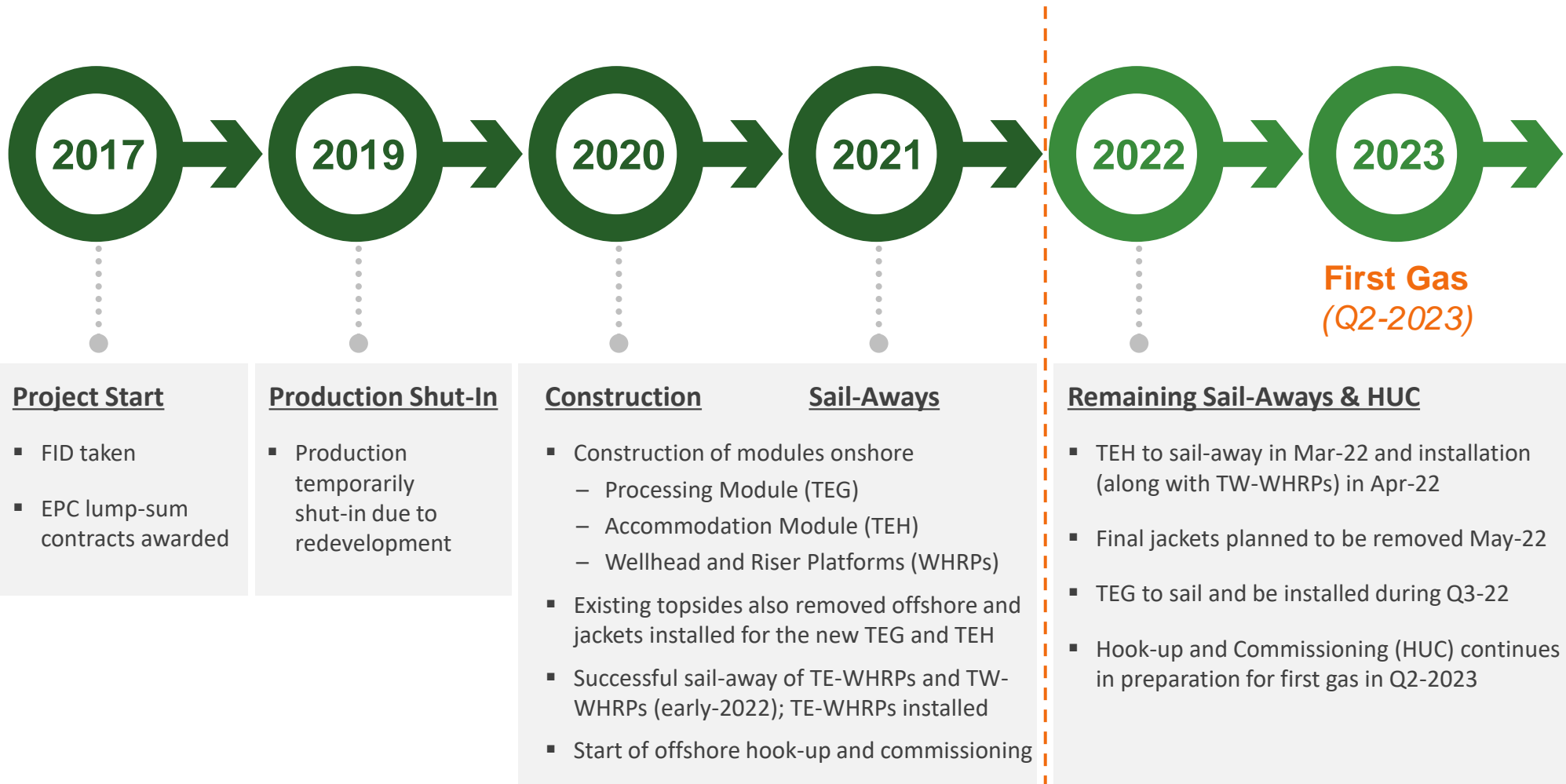
6) Direct field opex post-Tyra



# Tyra: Project Advanced Significantly Since 2017



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



# Tyra: Significant Milestones Achieved

Sail-away and installation of TE-WHRPs in mid-2021, followed by sail-away of TW-WHRP in Jan-2022 for installation in Apr-2022

## ✓ Tyra-East Wellhead Riser Platforms (“TE-WHRPs”)

- **Sail-away from Sembcorp Marine (Singapore) in Jul-21**
  - Strong performance despite challenging (COVID) circumstances
- **Successfully installed according to plan in Sep-21**
  - Three topsides safely lifted off and installed on jackets by Sleipnir
  - Followed by start of initial hook-up and commissioning campaign



The final look of the Tyra West facilities at the SMOP yard in Singapore before load-out

## ✓ Tyra-West Wellhead Riser Platforms (“TW-WHRPs”)

- **Sail-away from Sembcorp Marine (Singapore) in Jan-22**
  - Similarly strong performance with 100% mechanical completion
- **TW-WHRPs arrived in Rotterdam on 15<sup>th</sup> February 2022**
  - Scheduled to depart for offshore location in April 2022
  - Joint lifting campaign with TEH (Accommodation Module)



Vessel BigRoll Beaufort is enroute to Rotterdam where the modules will be stored temporarily.



On 10 January at 9:48AM (local time), the Tyra West facilities and two bridges were sent off

# Tyra: Remaining Sail-Aways During 2022

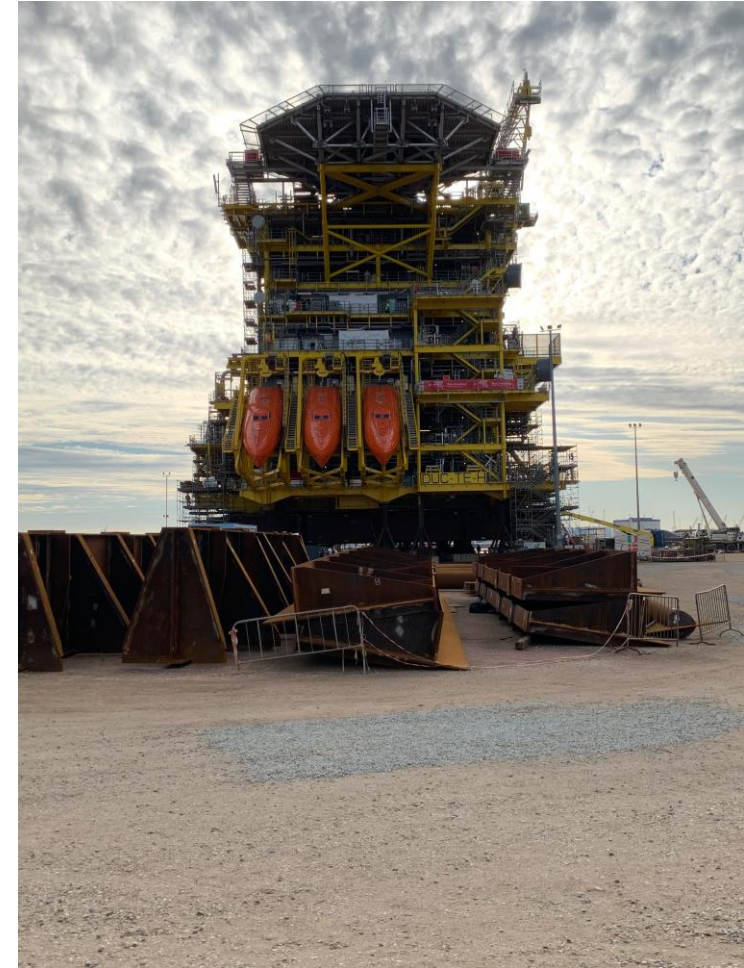
TEH to sail in Q2-2022, followed by TEG in Q3-2022

## ✓ Accommodation Module (“TEH”)

- **Progress on track for sail-away in March 2022**
  - Transportation barge is on site
- **Mechanical completion and onshore commissioning in Q1 2022**
- **Installation scheduled for early Q2 2022**
  - Will be installed in a joint lifting campaign alongside TW-WHRPs

## ✓ Processing Module (“TEG”)

- **Sail-away from Batam, Indonesia in Q3 2022**
  - On track with mechanical completion substantially complete
  - Installation to also occur in Q3 2022
- **Focus on ensuring continued delivery by McDermott**
  - Recent manpower increase shows commitment to timeline



TEH Accommodation Module at yard in Ravenna, Italy

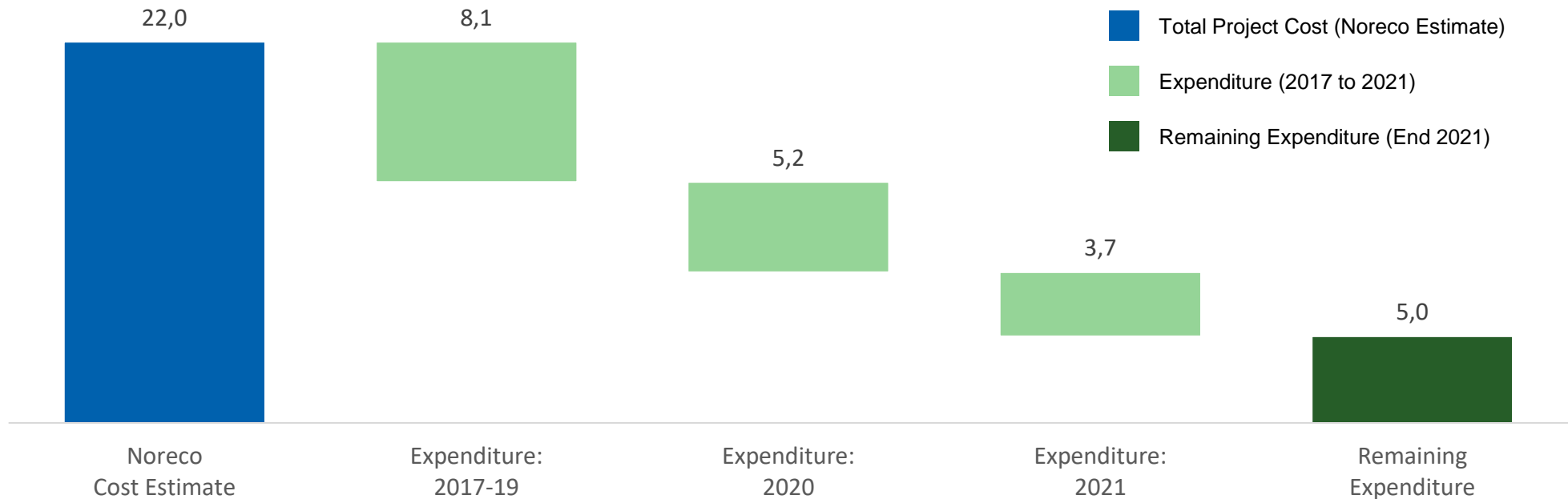
# Tyra: Remaining Forecast Expenditure

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**



3

# Potential to Maintain Plateau Production

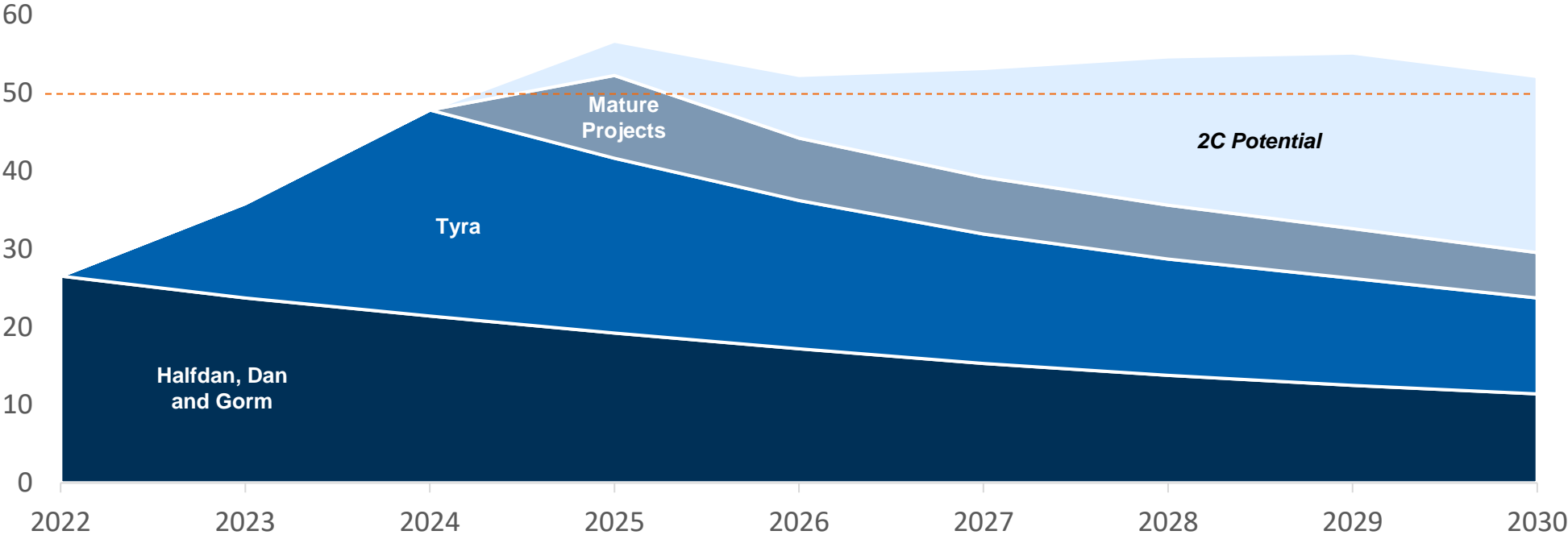


Decisions to invest further will need to support long-term cashflow generation potential

## 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

# The Energy Transition in Denmark - An Overview

A progressive and ambitious political scene, driving the green transition

*Industry specific  
Acts and regulations  
to support*  
**Climate Targets**



## **2020 Danish Climate Act:**

- 70 percent reduction of greenhouse gas emissions by 2030
- Carbon Neutrality by 2050

## **Green Roadmap issued September 2021 – Increasing the pace for all players**

### **The “2050 North Sea” Agreement – providing industry stability and opportunities:**

- Cease of hydrocarbon production in 2050, eight years beyond DUC concession
- Emphasis on stable opportunities and conditions for producing players until 2050
- Incremental projects and mini licensing rounds permitted – organic growth opportunities
- Governmental support for CCS projects

*A dynamic and  
progressive  
landscape for*  
**CCS**



## **CCS identified as a necessity to achieve Climate Act targets**

### **CCS strategy launched by Danish Government in 2021:**

- Denmark to become CCS hub with both import and export of CO<sub>2</sub>
- Maximising the value of Danish green technology
- Close cooperation between regulatory bodies and industry players to ensure a commercially viable set of framework

## **Carbon storage from 2025, with CCS licenses awarded in 2023**



# Our Approach to Sustainability



Demonstrating Noreco's commitment to date and our forward focus

## 1 Delivering Tyra

Safeguarding access to reliable and affordable energy

- **Noreco has invested > \$1bn in delivering the project**
  - Will produce energy to power equivalent of c. 1.5mm homes
  - Will materially reduce Denmark's gas import requirements

## 2 Emissions Reduction

Emissions lowered by c. 30% when Tyra onstream

- **Emissions reducing from modern, efficient facilities**
  - Focus on further improving efficiency and reducing emissions
  - Continuous biodiversity and R&D consideration

## 3 RBL ESG Linkage

Linked funding cost to delivery against ambitious objectives

- **KPIs linked to emissions and power from renewable sources**
  - Emissions reduction targets to 2027
  - Power from renewables targets by 2029

## 4 CCS

Assessing potential for CCS in the DUC through Bifrost

- **Study focused on CCS potential of Harald (Sandstone)**
  - Expected to broaden to cover entirety of DUC (Chalk)
  - External funding received from EUDP

# Financial Overview



# Financial Summary: Q4 and 2021



Performance supported by strong production and positive commodity prices

## Strong Fundamentals: Operational and Prices

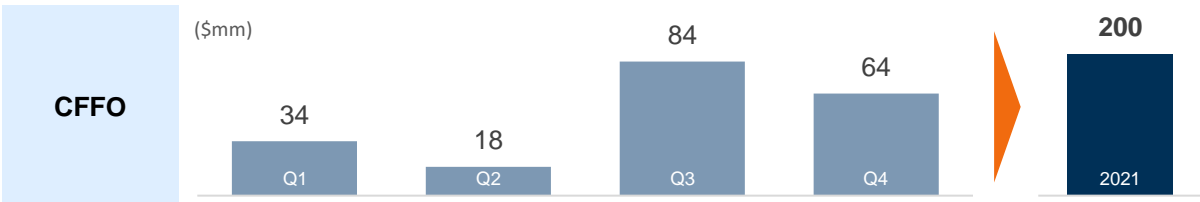
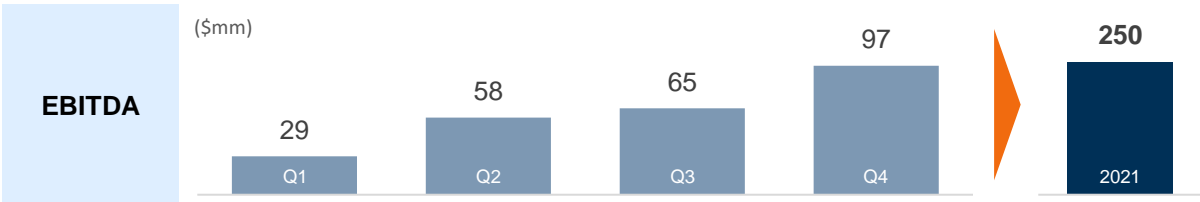
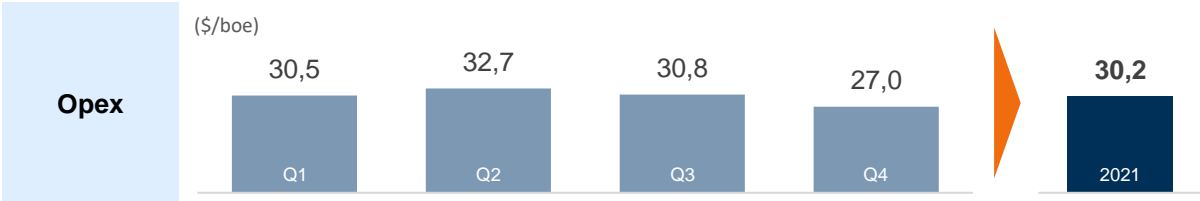
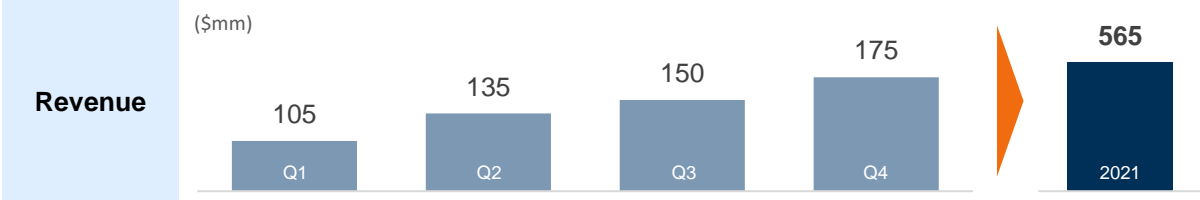
- Revenue: ↑ c. 20% vs. Q3-2021
- EBITDA: ↑ c. 50% vs. Q3-2021

## 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+

	2022		2023		2024		% of 2022 Production <sup>(1)</sup>
	H1	H2	H1	H2	H1	H2	
<b>Oil Price Hedges</b>							
<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	
<b>Gas Price Hedges</b>							
	2022						% of 2022 Production <sup>(1,2)</sup>
	Q1	Q2	Q3	Q4			
<b>Volume</b> <i>MWh</i>	600,000	225,000	190,000	--			<b>~30% – 35%</b> <i>Based on 2022 production guidance</i>
<b>Price</b> <i>EUR/MWh</i>	28.6	50.7	49.9	n/a			

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

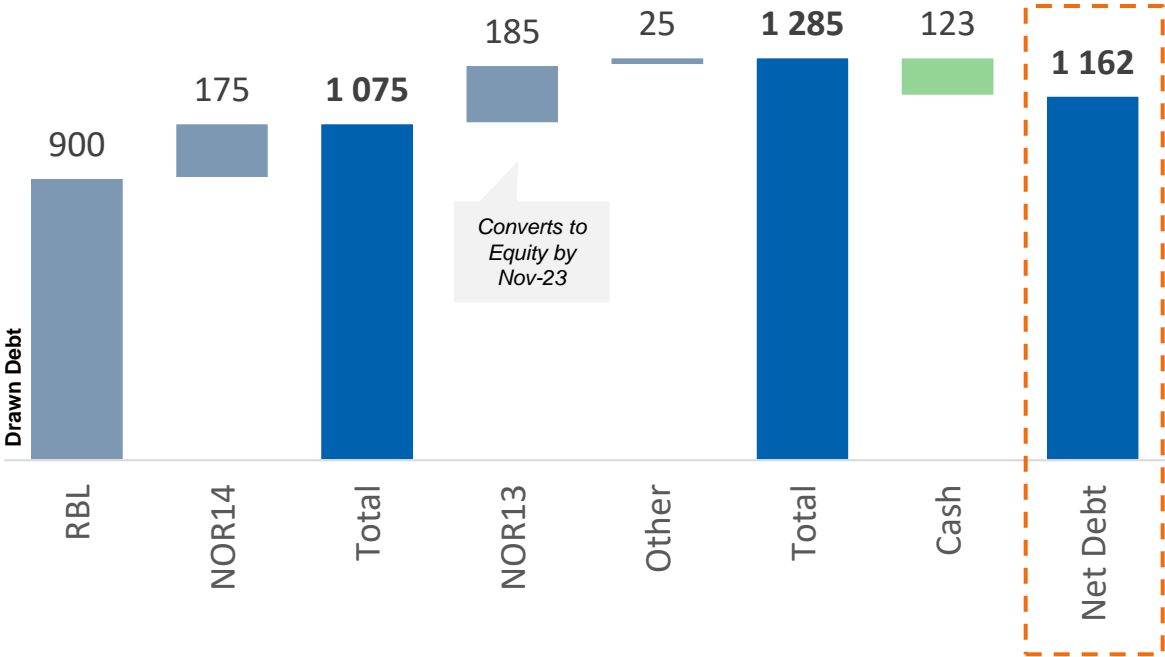


Fully-funded to Deliver the Tyra Redevelopment Project

## Robust Capital Structure

USD million

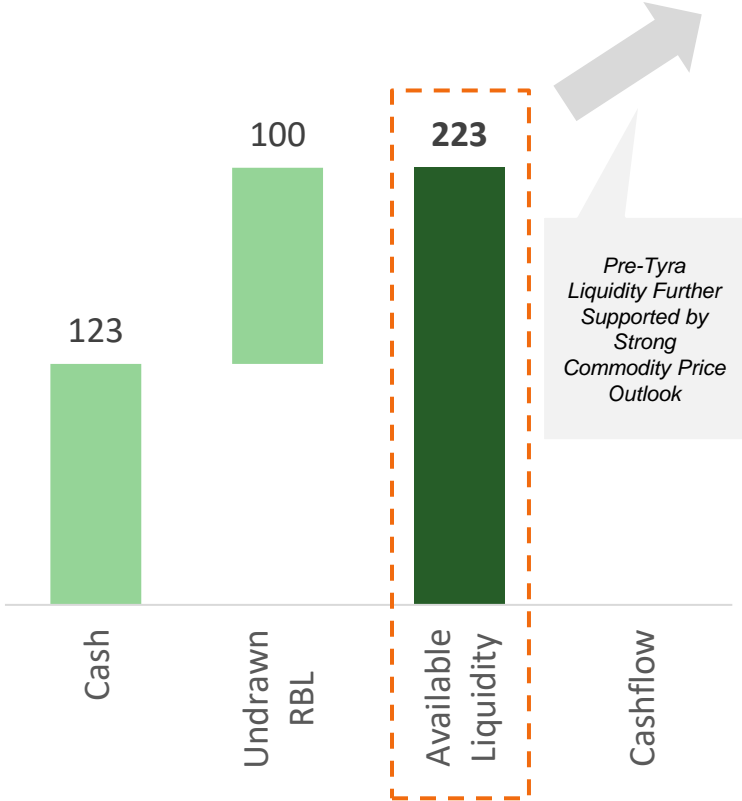
Stable with No Principal Maturities Pre-Tyra



## Strong Liquidity Position

USD million

Fully-Funded to Tyra First Gas



# Closing Remarks



# Focused on Delivery



## Maximising Value: Today, Tomorrow and Long-Term

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**Our Potential**

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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





Q & A

16 February 2022