# Noreco Investor Presentation

Oslo, 10 January 2022


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# Noreco: Near-Term Growth and Deleveraging on the Horizon

*Fully-funded for material cashflow generation with expected production c. 50mboe/d by 2023*

- **Tangible, near-term growth through the Tyra redevelopment project**
  - 2022: Focus on base delivery, securing Tyra and minimizing exposure to market volatility
  - 2023 onwards: Step-change in operational profile with production growth to c. 50,000boe/d
- **Fully-funded to Tyra first gas with a supportive and actively managed capital structure**
  - Capital structure strengthened during 2021 to support completion of the Tyra project
  - Significant liquidity, strategic commodity hedging and material deleveraging post-Tyra
- **Sustainable, material cashflow generation of over USD 1.8 billion[(1)] expected from 2023 to 2027**
  - Disciplined capital allocation, balancing the objectives of our equity and debt holders
  - Further investments must support long-term balance sheet and cashflow generation objectives
- **Meaningful but measured contribution to the Energy Transition**
  - We have invested in Tyra since 2019, a project which will materially increase Danish gas production
  - Commitment to further reducing future emissions intensity, as illustrated by the RBL linkage

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1) Illustrative Free Cashflow = Net Cashflow from Operating Activities minus Net Cashflow used in Investment Activities
Illustratively prepared using the Forward Curve as of 7 January 2022 and management estimates based on operator data
Commodity price assumptions = Forward Curve for Brent oil and TTF gas as of 7 January 2022. TTF refers to the Title Transfer Facility, a virtual trading point for natural gas in the Netherlands.

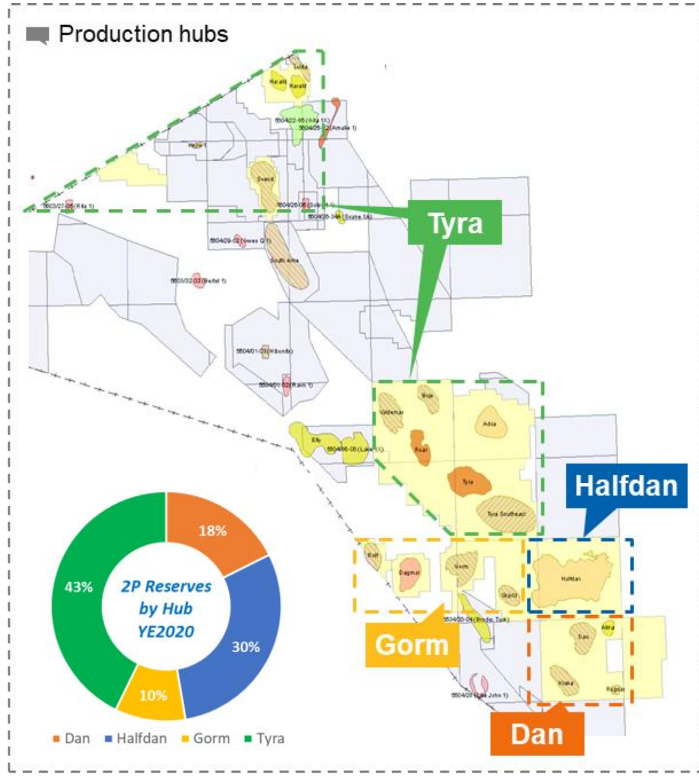
# Introduction to Noreco: Operational Footprint

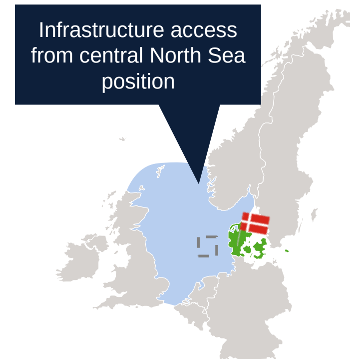
*Noreco holds a 36.8% WI in the TotalEnergies operated Danish Underground Consortium*

## Key Highlights

- **Listed on Oslo Stock Exchange (ticker NOR)**
  - Senior Unsecured note NOR14, Convertible bond NOR13
- **Danish Underground Consortium (the "DUC") represents 15 fields, four export pipelines and significant offshore infrastructure**
  - Production history of circa 50 years
  - Noreco 2P reserves from the DUC of 201 mmboe
- **Material performance uplift expected near-term from H1 2023 when the Tyra Hub is back onstream**
  - Completion of the topside redevelopment will lead to a step-change in Noreco's net production to circa 50mboe/d
  - Material reduction in unit opex also expected with Tyra onstream
  - Once operational, Tyra facilities increase gross production capacity to 60mboe/d and will unlock > 200mmboe of resources
- **Portfolio complemented by attractive, low-risk developments**
  - 2P reserves include 24mmboe of "Justified for Development" from Halfdan North, Valdemar Bo South and HCA Gas-Lift
  - Further net 2C resources of over 200mmboe

## Balanced Portfolio across Four Hubs in the Danish North Sea




***Pipeline system***

*DUC is the owner of the Danish North Sea's key infrastructure points*

*The bulk of Denmark's oil and gas production is transported onshore via the Gorm and Tyra hubs*

36.8% NORECO

43.2% TotalEnergies *(operator)*

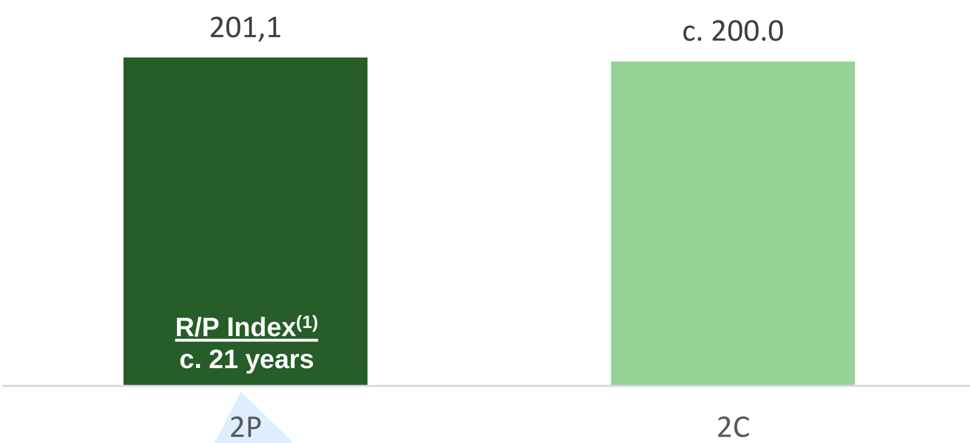
20.0% nordsøfonden

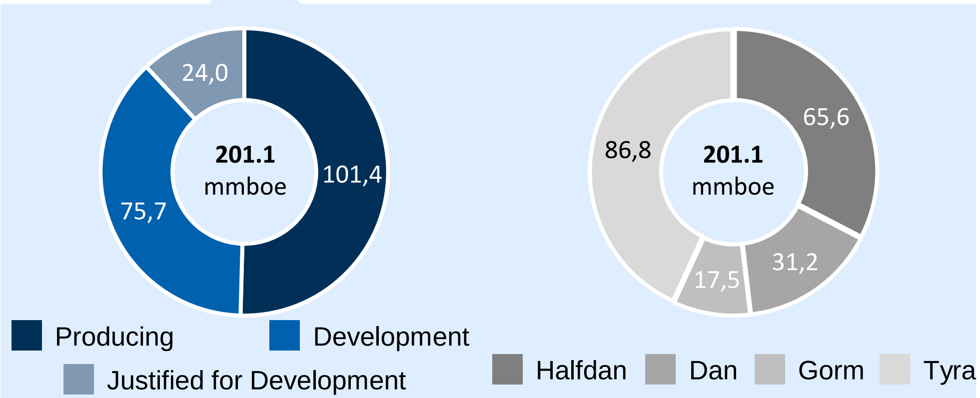
# Reserves & Resources: Material, Long-Term, Balanced

*2P reserves of 201mmboe at end 2020, with 2C resources of over 200mmboe*

## Reserves & Resources: End 2020 *(mmboe net)*

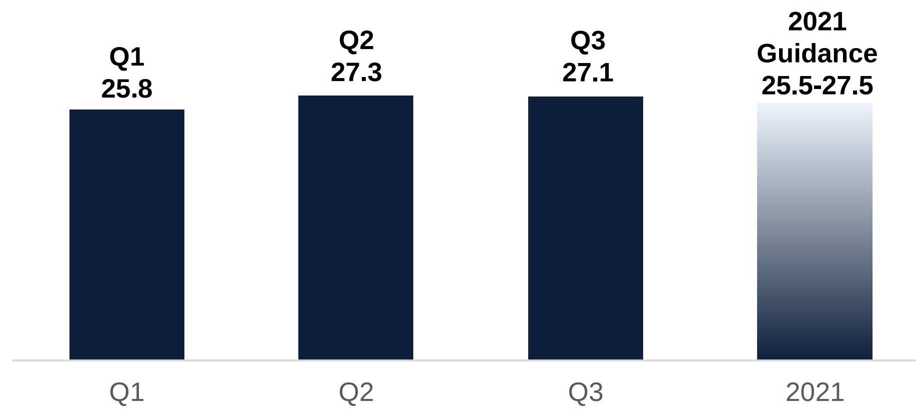
**Reserves & Resources at end 2020: 400mmboe+**




## *Material production during Tyra Redevelopment*

*Quarterly Production and Guidance mboepd (net)*




- **Significant operational performance improvement Q on Q**
  - Noble Sam Turner planned work program ongoing
- **Q3 performance in upper range of yearly guidance**
  - 2021 production guidance of 25.5 – 27.5 mboepd
  - Full year performance to be announced 16 February

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Source: RISC 2019 and 2020 CPRs, LR Senergy 2018 CPR
(1) Based on 2020 full year production of 28.5mboe/d

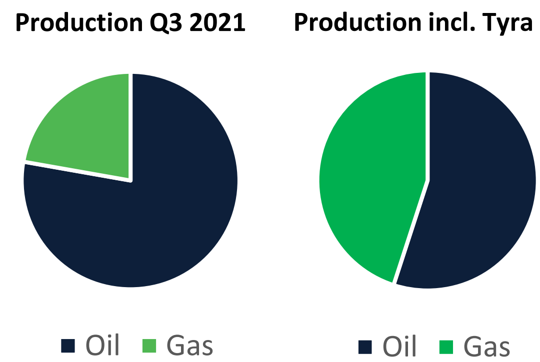
# Tyra Redevelopment: A Game Changing Gas Producer

*Ongoing de-risking, with 2022 sail away dates*

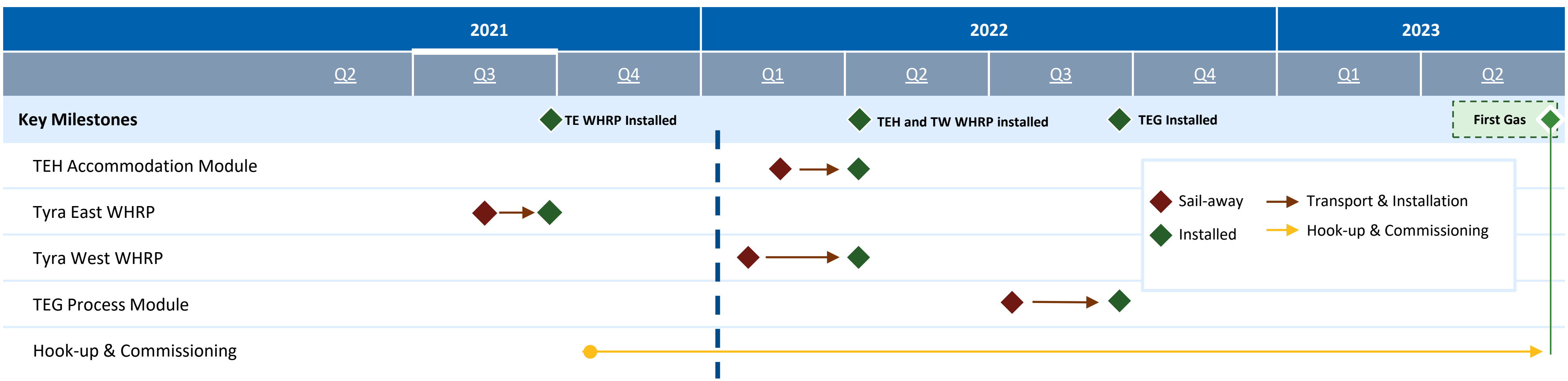
### Key Highlights Redeveloped Tyra:

- Increase net production by c.90 % to c. 50 mboe/d
- Significantly decrease emissions
- Increase production efficiency
- Lower direct field opex to < $13/boe
- Enable additional volumes and tie-ins
- Extend field life by 25 years

### Significant Gas Exposure post-Tyra[1]




### Rosetti Yard Visit Accommodation Module


1) Management estimate based on operator data

# Sail Away of Tyra West from Singapore

*Successful Milestone Achievement Announced by Noreco this Morning*

- Fabricated at Sembcorp Marine Ltd. in Singapore, guided for Q1 2022 delivery and sail away
- Strong performance from Sembcorp Marine despite challenging COVID-19 backdrop
- Three new wellhead and riser platforms, with a total weight of 3,485 tons with two bridges, on their journey towards the Tyra field
- Planned pit stop at the Tyra site in the Netherlands to await optimal installation window in the North Sea, expected in April
- HTV (Heavy Transport Vessel) “BIGROLL BEAUFORT” to transport Tyra West topsides
- The world’s largest crane vessel, Sleipnir, will perform the lift of the three topsides onto the new jackets
- Sail away of accommodation unit (Ravenna) and TEG (Batam) scheduled for Q1 and Q3 respectively this year
- First gas from Tyra expected in Q2 2023

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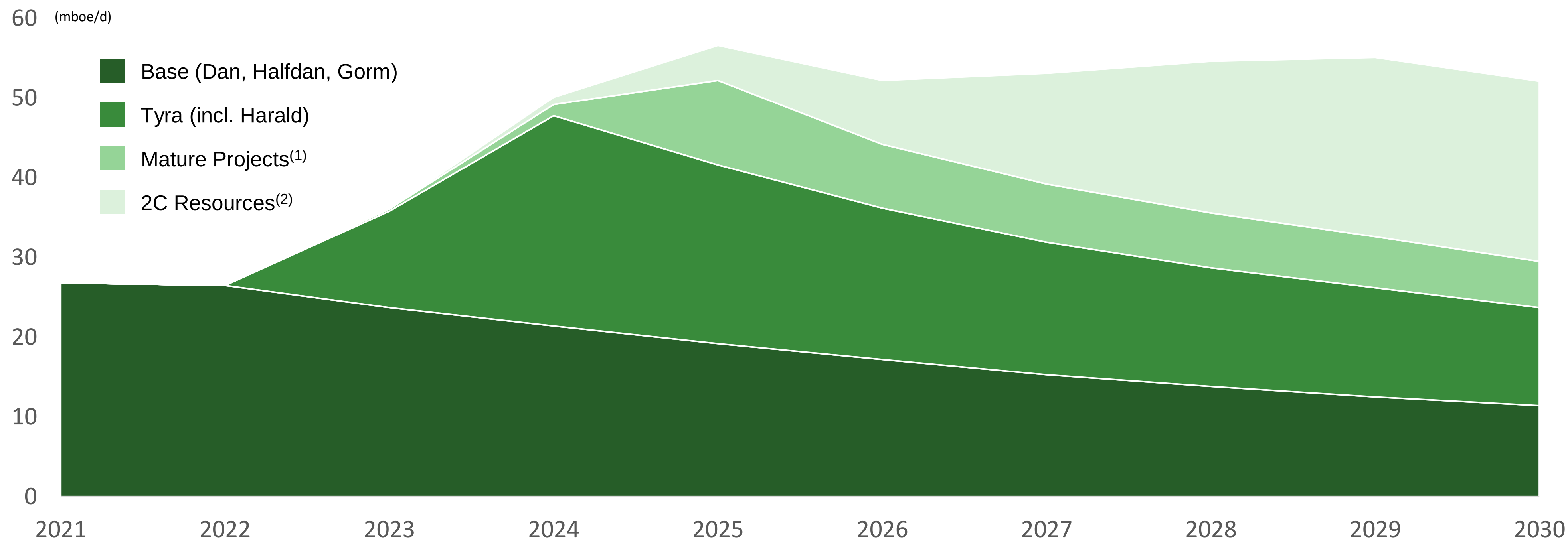
# Production: Tyra Delivers c. 90% Increase

*Defined, low-risk and fully-funded to expected production of c. 50,000boe/d by 2023*

**Net Production[1]**




- **Steady near-term levels and step-change growth to c. 50mboe/d when Tyra onstream**
- **Long-term focus on mitigating decline and maintaining free cashflow generation potential**
- **Production mix from 2023 will increase Noreco's exposure to the gas market significantly**

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1) Management estimate based on operator data
2) Halfdan North & Valdemar Bo South
3) Based on portfolio of 2C resource investment opportunities

# Sustainability: Our Role in the Energy Transition

*Defined principles will influence our approach, supporting a key tenet of our strategy which is achieving a set of substantive, quantifiable and achievable ESG goals*

## Principles, Objectives & Approach

- Noreco has set its strategy with the objective to be a meaningful participant in the Energy Transition
- The Company has a focus on facilitating improved technical, commercial and economic framing of environmental initiatives
  - This includes pursuing the extended life of offshore installations by embracing and integrating sustainability.
- We recognise an evolving and flexible approach is needed given the emerging nature of various proposals and technologies. We aim to be within the forefront of this evolution.
- Two near-term key pillars, with broader longer-term approach:
  - Key pillar 1: Increasing DUC sustainability and efficiency
  - Key pillar 2: Potential for offshore electrification
  - Broader evaluation: CCS, green and blue hydrogen, PtX[1]
- Emissions reducing activities to be meaningful, but measured, in order to maximize impact while remaining appropriate for Noreco and its shareholders

## Sustainability Linked KPIs

- Noreco's recently refinanced RBL, which includes ESG linkages, is a first step towards lowering the cost of capital for projects that result in significant environmental enhancements

### KPI 1: Emissions Reduction: Scope 1 & 2 *(kg $CO_2e$)*

| **Timeframe:** | **2024** | **2026** | **2027** |
|---|---|---|---|
| **KPI Target:** | 24 | 23 | < 16 |
| **Key Activity:** | Tyra Production Onstream | Facilities Reconfiguration | Renewable Power |

### KPI 2: Renewable Power *(USD million | % Power from Renewables)*

| **Timeframe:** | **2021-23** | **2023-26** | **2027** | **2029** |
|---|---|---|---|---|
| **KPI Target:** | USD 1-3 million on Studies | Achieve FID of Phase 1 & 2 | 30% Renewable Power | 80% Renewable Power |
| **Key Activity:** | Front-End Studies | FID | Replace existing power generation | Replace mechanical driven units |

1) Power-to-X

# An Active Participation in the Energy Transition – Project Bifrost

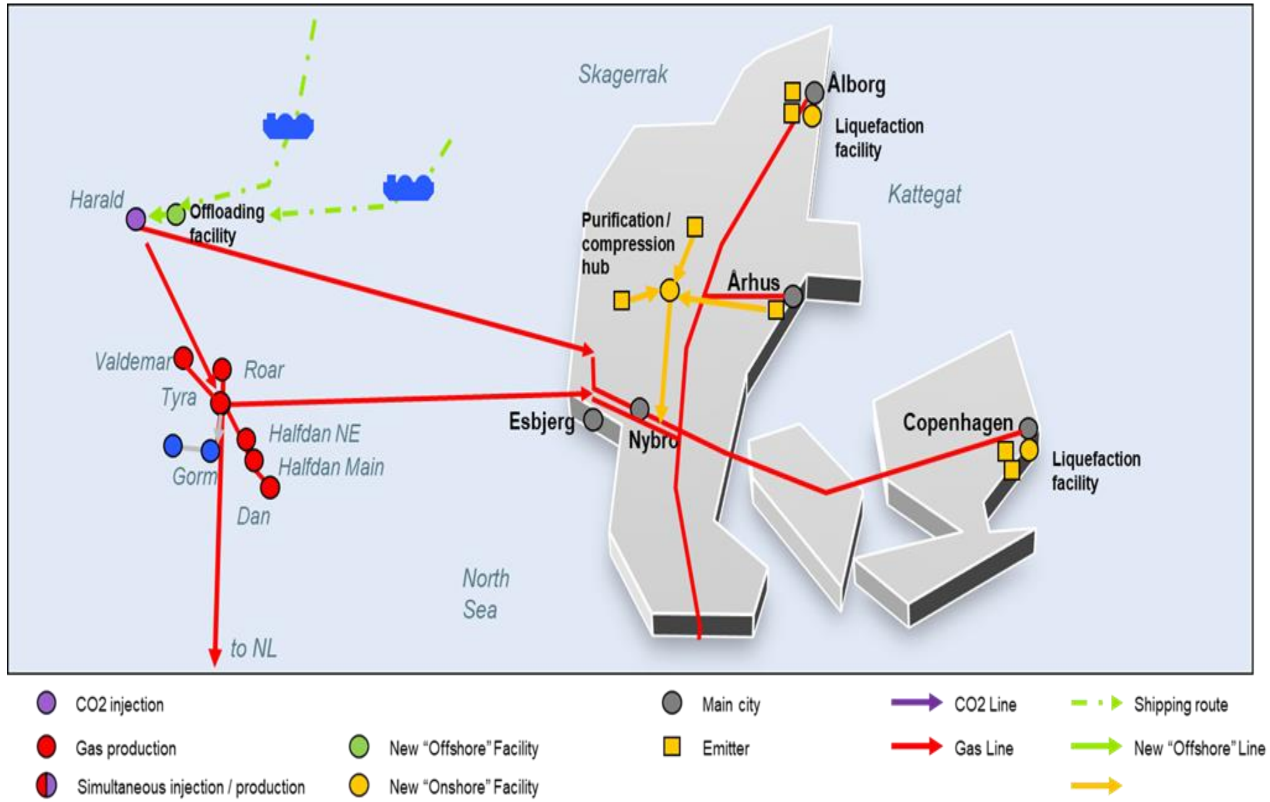
*Maturing the potential for $CO_2$ transport and storage at the Harald field with expected startup storage capacity of 3 million tons of $CO_2$ per year (m/tpa)*

## Project Bifrost:

- DUC partnership with Ørsted and DTU
- Commencing in 2022, the project aims to reuse existing North Sea infrastructure while demonstrating CO2 storage in a depleted offshore gas field
- Awarded EUDP funding of DKK 75 million

## Noreco and CCS:

- Project Bifrost first tangible step
- Owner of unique and significant infrastructure
- CCS an important part of the green transition
- Use of existing infrastructure for CCS attractive from both climate and economic perspective
- Denmark has the opportunity to become a CCS hub, but players must cooperate



# Financial Summary: Q3 2021

*Robust capital structure and liquidity position; fully funded to deliver Tyra*

- **Stable and predictable Q3 performance**
  - Production at the top end of annual guidance
  - Financial result supported by oil & gas price backdrop
- **Revenue visibility through hedging**
  - Realised oil at USD 57/bbl and gas at EUR 34/MWh
- **Increasing spot market exposure through 2022/23**
  - Lower absolute and relative hedging levels
  - Ongoing principle of cashflow visibility with execution approach driven by prevailing market conditions
- **Robust, long-term capital structure**
  - Total liquidity of USD 252 million at end Q3 2021[1,2]
  - RBL redetermination completed Dec-21: cash drawing capacity maintained at maximum level of USD 1.0bn
  - No debt principal repayments prior to Tyra restart

| Key Financial Data: | | Q3 2021 | *Q2 2021* |
|---|---|---|---|
| Hydrocarbon Production | *(mboe/d)* | 27.2 | *27.3* |
| Realised Liquids Price | *(USD per bbl)* | 57.0 | *57.5* |
| Realised Gas Price | *(EUR per MWh)* | 34.1 | *20.0* |
| **Total Revenue** | ***(USD million)*** | **150** | *135* |
| Unit Field Opex | *(USD per boe)* | 30.8 | *32.7* |
| **EBITDA (Reported)** | ***(USD million)*** | **65** | *58* |
| Cashflow from Operations | *(USD million)* | 84 | *19* |
| **Liquidity[1,2]** | ***(USD million)*** | **252** | *245* |

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1) Based on balance sheet cash of USD 145 million and undrawn RBL capacity of USD 100 million
2) RBL reflects current cash drawings of USD 900 million, with available amount subject to semi-annual redetermination of borrowing base

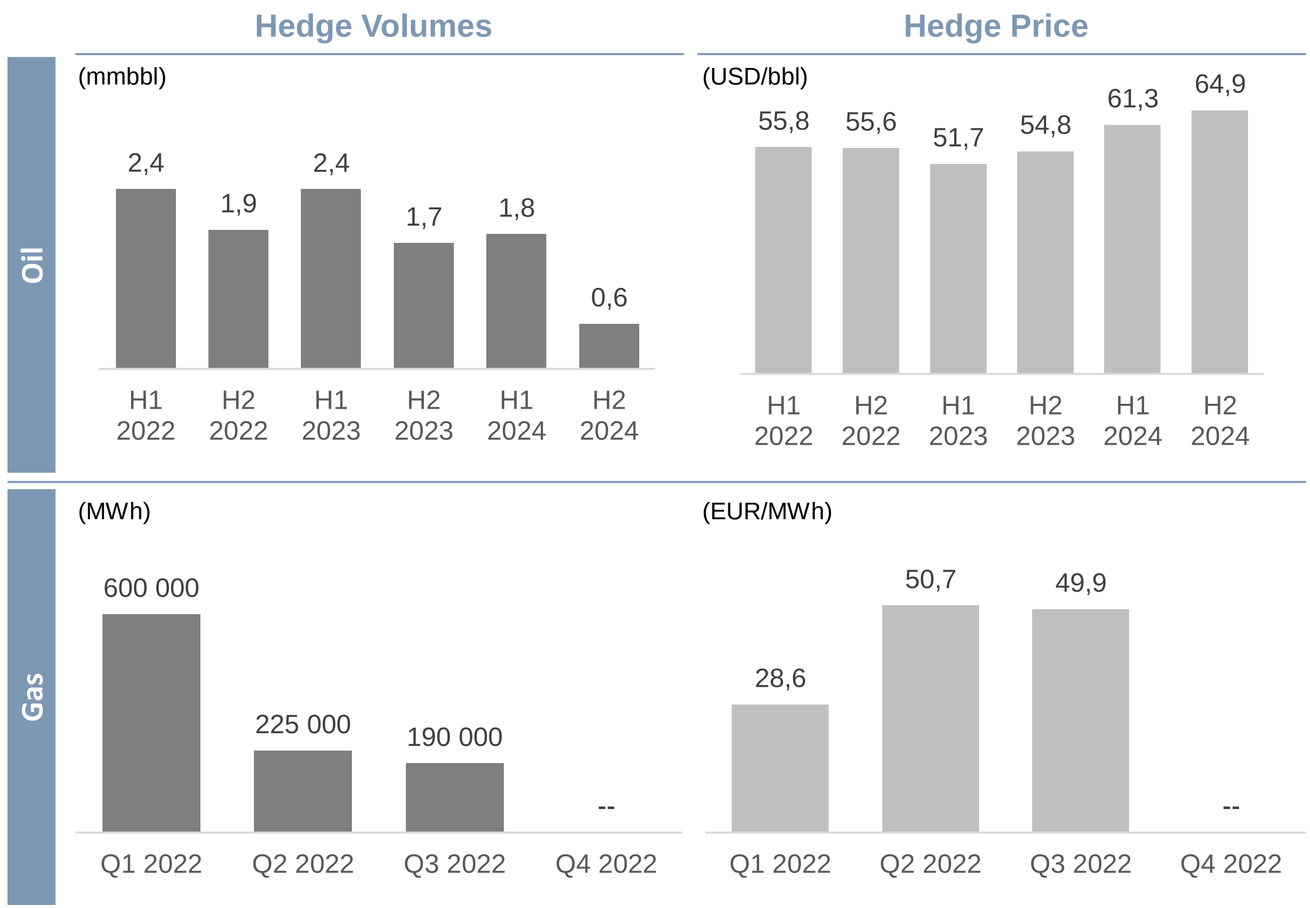
# Commodity Hedging: Q1 2022

*Programme executed to minimise exposure to near-term commodity price volatility*

**Commentary**

- Hedging realised in Q4 2021:
  - Oil: 1.4mmbbl @ $56.1/bbl
  - Gas: 600,000MWh @ EUR28.6/MWh
- Additional hedges added Q4 2021 to take advantage of strong price environment:
  - Oil: c. 700,000bbls added in 2023 and 2024 at c. $65-70/bbl
  - Gas: c. 415,000MWh added in summer 2022 at c. EUR50/MWh
- Going forward, our hedging will continue to be in line with the requirements of our RBL facility
  - Minimum 50% of forecast volumes in next 12 months and 40% in 13-24 months
  - However, the minimum 30% hedging level of 2024 (25-36 months) volumes has been waived by our RBL banks in Dec-21

**Overview of Commodity Hedge Position: Q1 2022**



# Disciplined Capital Allocation

*Deleveraging from 2023 to deliver fit-for-purpose capital structure*

**Key Capital Allocation Messages**

| | |
|---|---|
| **Free Cashflow** | ▪ **Illustrative free cashflow of over USD 1.8 billion cumulative from 2023 to 2027[(1)]** |
| ***Deleveraging*** | ▪ Noreco anticipates significant deleveraging once Tyra onstream<br>▪ Target leverage of **< 2.0x** Net Debt / EBITDAX |
| ***Capital Return*** | ▪ Return of capital to shareholders when supported by balance sheet<br>▪ Corporate objective of establishing a sustainable long-term dividend profile |
| ***Organic Growth*** | ▪ IRR of **> 20%** required for Noreco to sanction development opportunities<br>▪ Investments must enhance long-term cashflow generation potential |
| ***Inorganic Growth*** | ▪ Noreco will consider opportunities where value accretive and supportive of the capital structure<br>▪ Profile of combination will also need to demonstrate support for enhanced, long-term returns |

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# Fully-Funded Growth and Deleveraging from 2023

| | |
|---|---|
| **Material Reserves & Resources Base** | ▪ 2P reserves of 201 mmboe<br>▪ 2C resources of approximately 200 mmboe for progression with additional projects |
| **Substantial Production** | ▪ Base production providing significant operational cashflow<br>▪ Opportunity to mitigate decline (e.g. workovers, reservoir management) |
| **Near-Term Growth Through Tyra** | ▪ Noreco expected to produce c. 50,000 boe/d following Tyra restart<br>▪ 2022 milestones de-risking Tyra significantly |
| **Spectrum of Growth Opportunities** | ▪ Low-risk organic growth identified in high value, low capex projects within the DUC<br>▪ Advantageous tax balances support potential inorganic value-adding growth |
| **Pre-Tyra Cash Flow Secured by Hedging** | ▪ Oil of 10.7mmbbl and gas of 1.0mm MWh hedged from 2022 to 2024<br>▪ Average hedges for oil at c. $52 to 65/bbl and gas at c. EUR 29 to 50/MWh |
| **Strong Financial Position** | ▪ Diversified funding sources with no near-term debt maturities or capital repayments<br>▪ Post-Tyra, expected cashflow over USD 1.8 billion cumulative from 2023 to 2027[1] |



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