REGISTRATION DOCUMENT

NORWEGIAN ENERGY COMPANY ASA

(a public limited liability company incorporated under the laws of Norway)

The information contained in this registration document (the "**Registration Document**") relates to the listing of (i) convertible bonds with face value of USD 1.00 each (the "**Compensation Bonds**") issued by Norwegian Energy Company ASA (the "**Issuer**", "**Noreco**" or the "**Company**", taken together with its consolidated subsidiaries the "**Group**") on 26 January 2023 in connection with an amendment agreement dated 19 January 2023 and entered into between the Company and Nordic Trustee AS ("**Nordic Trustee**") (on behalf of the bondholders) amending and restating the existing bond terms relating to the already listed subordinated convertible bond with ISIN NO 0010851520 ("**NOR13**" and the "**NOR13 Bonds**") and (ii) new convertible bonds with a face value of USD 1.00 each (the "**NOR15 Bonds**") issued by the Company on 30 December 2022 in connection with the bond terms dated 28 December 2022 and entered into between the Company and Nordic Trustee (on behalf of the bondholders) relating to a new subordinated convertible bond with ISIN NO 0012780867 ("**NOR15**").

For the definitions of capitalised terms used throughout this Registration Document, see Section 11 "Definitions". ***Investing in the Bonds involves a high degree of risks; see Section 1 "Risk Factors" beginning on page 4.***

6 February 2023

IMPORTANT INFORMATION

The Company has engaged Arctic Securities AS and Pareto Securities AS (collectively, the "**Managers**") in connection with the amendment of NOR13 and the issuance of NOR15 as further described herein. The Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Registration Document, and may perform or seek to perform financial advisory or banking services related to such instruments. The Managers' corporate finance departments may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.

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Copies of this Registration Document are not being mailed or otherwise distributed or sent in or into or made available in the United States or in any other jurisdictions where such is unlawful. This Registration Document is available on the Issuer's web page. Persons receiving this document (including custodians, nominees and trustees) must not distribute or send such documents or any related documents in or into the United States or in any other jurisdictions where such is unlawful.

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No public offering nor solicitations are being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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In certain other jurisdictions, the distribution of this Registration Document may be limited by law, for example in the United States, Canada, Japan, and in the United Kingdom. Verification and approval of this Registration Document by the Norwegian FSA implies that this Registration Document may on certain terms be used in any EEA country. No other measures have been taken to obtain authorisation to distribute this Registration Document in any other jurisdiction where such action is required. Persons that receive this Registration Document are ordered by Noreco and the Managers to obtain information on and comply with such restrictions.

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This Registration Document is not an offer to sell or a request to buy bonds. The content of this Registration Document does not constitute legal, financial or tax advice and bondholders should seek legal, financial and/or tax advice.

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Unless otherwise stated, this Registration Document is subject to the Norwegian law. In the event of any dispute regarding this Registration Document, Norwegian law will apply.

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This Registration Document is valid for a period of up to 12 months following its approval by the Financial Supervisory Authority of Norway (*Norwegian*: *Finanstilsynet*) (the "**Norwegian FSA**"). This Registration Document should be read together with the Securities Note dated 6 February 2023 and relating to the NOR13 Bonds (the "**NOR13 Securities Note**"), the Securities Note dated 6 February 2023 and relating to the NOR15 Bonds (the "**NOR15 Securities Note**") and Summary dated 6 February 2023 (the "**Summary**"), which together with this Registration Document constitute a prospectus (the "**Prospectus**").

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The Prospectus has been prepared in order to provide information about the Company and its business in relation to the Listing of the Compensation Bonds and the NOR15 Bonds, and to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (as amended from time to time, the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). The Prospectus has been prepared solely in the English language.

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1. RISK FACTORS

1.1 GENERAL

Investing in Bonds issued by Company involves inherent risks. An investment in the Bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those set out in both this Registration Document and the Securities Notes, before making an investment decision. The risks and uncertainties described in this section are the material known risks and uncertainties faced by the Group as of the date hereof, and represents those risk factors that the Company believes to represent the most material risks for investors when making their investment decision in the Bonds. Prospective investors should also read the detailed information set out in any accompanying Securities Note and reach their own views prior to making any investment decision.

The risk factors included in this section are presented in a limited number of categories, where each risk factor is sought placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats, and they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Bonds.

1.2 RISKS RELATED TO THE GROUP'S BUSINESS

1.2.1 Tyra redevelopment project

The Tyra redevelopment project is, to date, the largest project carried out on the Danish Continental Shelf. The scope of the project includes removal of old facilities, modifying existing ones, and installing new features. There are inherent risks on such significant projects, including risks of cost overruns and delays. The Tyra redevelopment project has already been delayed two times. Noreco announced in November 2020 that as a consequence of the COVID-19 pandemic, first production from the Tyra redevelopment was expected in Q2 2023 instead of mid-2022 as previously communicated. Subsequently, in August 2022, the Company announced a revision of the Tyra start-up date, from Q2 2023 to winter 2023/2024. The revision was driven by global supply chain challenges that had impacted the yard fabrication of the process module in addition to a revised plan by the Operator of the ongoing hook-up and commissioning work offshore.

It is a risk that the Tyra redevelopment project may be further delayed and/or that the planned costs associated with the project may increase from what has been previously assumed. Any such delay and/or cost overrun may have an adverse effect on Noreco's costbase, cashflow, financing agreements, financial conditions and profitability.

1.2.2 Conflict in Ukraine and International Sanctions

The Ukraine conflict, which started in late 2013 and escalated into a major military conflict between Russia and Ukraine in February 2022, has had a pervasive impact on the global economy. In addition, the European Union and the United States (as well as numerous other countries such as Switzerland, Japan, Norway, Canada and Australia), imposed a variety of economic sanctions. Noreco cannot predict the full impact of these matters on our business and results of operations, due to the fact that the related developments are highly unpredictable and occur swiftly, often with little notice.

As a response to Russia's invasion of Ukraine in February 2022, the Company has further elevated its IT security-related routines and IT-systems to protect itself against cyber criminality and similar. Following the sabotage on the Nord Stream 1 and Nord Stream 2 pipelines in September 2022, Danish Energy Agency (Energibestyrelsen) raised the preparedness level of the Danish energy sector which was immediately implemented by the operator TotalEnergies.

The Ukraine conflict has also resulted in material changes to oil and gas supply and prices. Such changes may materially affect the Company's cashflow and profitability. It is not possible to predict the future developments in the supply/demand market and the prices related thereto.

The Company has not to date identified any negative impact on the Company's assets or income, however, the Company is closely monitoring the development of this matter and are updating its risk assessment and measures.

1.2.3 The impact of the coronavirus COVID-19 may adversely affect the business operations

The outbreak of the 2019 coronavirus (COVID-19) resulted in a global pandemic which has severely impacted the daily lives of people as well as affected companies and markets. Governments and other authorities have imposed restrictions which limits the prerequisites for continuing normal business operations, including movement of people and their ability to get to their place of work. The Company is well set up with IT infrastructure and routines which allow all staff to work remotely and as such are able to continue operating the Company. The Company, through its ownership in DUC, relies on a significant number of operational staff and third-party suppliers to maintain its operations at sufficient levels. TotalEnergies Denmark A/S, as the operator of DUC, has implemented extensive measures to protect personnel and secure business continuity.

Although there has been an ease in restrictions in most countries globally in 2022, the future impacts and effects of the COVID-19 pandemic on the Company's business and operations depend on the developments of the COVID-19 pandemic and governmental, regulator and private sector responses, which are highly uncertain. Those developments may include new information which may emerge concerning the severity of COVID-19 and spread of the outbreak (including mutation of the virus). The occurrence of any of these events could materially adversely affect the Company's business, results of operations, cash flows, financial condition, and access to capital and/or prospects.

1.2.4 Risk related to compliance with debt obligations

The Group has significant debt obligations outstanding, including USD 165,229,319 outstanding under subordinated convertible bond loan NOR13, USD 175,000,000 outstanding under the senior unsecured bond NOR14 and under the USD 1.1 billion RBL Facility. Should the Group's operations, which solely consists of the issuer's ownership in the DUC, not generate sufficient cash flow to satisfy future liquidity requirements and/or to finance future operations or if for other reasons the Group is not able to upstream funds to the Issuer, the Issuer may not be able to service or repay the Bonds. Terms and conditions of the Group's debt arrangements, require the Group (or members of the Group) to maintain specified financial ratios and satisfy financial covenants. In its financing agreements, the Group is subject to various covenants, including restrictions on dividends and distributions, minimum liquidity of USD 50 million and net interest bearing debt / EBITDAX lower than 3.0x. Non-compliance with such terms and conditions may have an adverse effect.

1.2.5 The Company's production is concentrated in a limited number of fields

The Company's future production of oil and gas is concentrated in a limited number of offshore fields that are concentrated in a limited geographical area. There are currently four production hubs, of which three hubs are in production, that are interconnected and utilize the same infrastructure. In addition to this, the fields within one hub are interconnected and one field can depend on another for fuel injection and other factors important to extract hydrocarbons. One of the hubs, Tyra, is currently shut in for redevelopment. All gas produced on the different hubs is currently sent directly through the Nogat pipeline. Once the Tyra hub is redeveloped, the gas will be processed and transported to shore via the Tyra hub or directly through the Nogat pipeline. The Gorm hub receives liquids from all the other hubs and sends it to shore via a pipeline on Gorm E. Consequently, the concentration of fields, infrastructure and other Noreco assets may result in that accidents, problems, incidents or similar on one location may affect a significant part of Noreco's business.

1.2.6 The Company is subject to third party risk in terms of operators and partners

The Company does not have a majority interest in any of its licences, and consequently cannot solely control such assets. Although the Company has consultation rights or right to withhold consent in relation to significant operational matters, depending inter alia on the importance of the matter, level of its interest in the licence, which licence, the contractual arrangements for the licence, etc, the Company will have limited control over management of such assets and mismanagement by the operator or disagreements with the operator as to the most appropriate course of action may result in significant delays, losses or increased costs to it.

Jointly owned licences (as is the case for the Company's licences) also results in possible joint liability, on certain terms and conditions. Other participants in licences may default on their obligations to fund capital or other funding obligations in relation to the assets. In such circumstances, the Company may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall ourselves. The Company may not have the resources to meet these obligations.

1.2.7 The Company faces risks related to decommissioning activities and related costs

There are significant uncertainties relating to the cost for decommissioning of offshore installations and infrastructure including the schedule for removal of any installation and performance of other decommissioning activities. In addition, the uncertainties are more apparent to the Company, given that it is a non-operated partner in DUC and has limited control of the Operator's decommissioning plans and timing of such. No assurance can be given that any anticipated costs and time of removal will be correct and any deviation from such estimates may have a material adverse effect on the Company's business, results of operations, cash flow and financial condition. In addition to this, further environmental requirements may be implemented which in turn could lead to increased costs associated with the removal of installations or other decommission activities.

Also, under the Danish Subsoil Act, licences are responsible to the Danish Government for making sure that the decommissioning decision is carried out, unless otherwise decided by the Ministry. Under the Sole Concession the Concessionaire is liable for these obligations towards the State. Within a joint operation, the partners are: (i) primarily liable to each other on a pro-rata basis and (ii) secondarily jointly and severally liable for all decommissioning obligations arising by virtue of the joint operation's activities.

In Denmark, there is an obligation for participants to provide security for their respective share of any decommissioning liabilities ahead of actual decommissioning.

1.2.8 The Company's insurance may not provide sufficient funds to protect the Company from liabilities that could result from its operations

Although the Company maintains liability insurance in an amount that it considers adequate and consistent with industry standard, the nature of the risks inherent in oil and gas industry generally, and on the Danish Continental Shelf specifically, are such that liabilities could materially exceed policy limits or not be insured at all, in which event the Company could incur significant costs that could have adverse effect on its financial condition, results of operation and cash flow. Any uninsured loss or liabilities, or any loss and liabilities exceeding the insured limits, may adversely affect the Company's business, results of operations, cash flow and financial condition.

Due to recent changes in the geopolitical situation, including changes and uncertainties caused by the Russian invasion of Ukraine in February 2022, there may be an increased risk for the Group's assets becoming a target of war acts and/or sabotage, as seen with the Nord Stream pipeline sabotage in September 2022. Any such acts of war or sabotage directed towards the Group's assets may have a material adverse effect on the Group's assets and financial position, and whether an incident is classified as an act of war or sabotage under the Group's insurances may have consequences for the Group's right to claim insurance proceeds under the relevant insurances.

1.2.9 The Company's oil and gas production could vary significantly from reported reserves and resources

The reported reserves and resources represent estimates based on technical expert's reports, and are based on a number of factors and assumptions made as of the date on which the reserves estimates were determined, such as geological and engineering estimates (which have inherent uncertainties), historical production from the properties, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results. The Company's oil and gas production could vary significantly from reported reserves and resources. The Company is a non-operated partner in the DUC, and as such has less control of future decline mitigating investments in the producing assets which has a direct impact on the oil and gas production. Should the actual results of the Company deviate from the estimated reserves and resources, this may have a significant impact on the value of the Group's assets, the cash flow from operations and the total revenues from the assets over the lifetime of the assets (or the lifetime of the related licence). Material deviations between actual results and estimated reserves for one asset may also create uncertainties about the estimated reserves of other assets based on the same assumptions, which may be detrimental for investors' confidence in the Company's reserves estimates.

1.2.10 The Company's development projects require investments. The Company may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in its oil and gas reserves

The Company makes and expect to continue to make substantial investments in its business for the development, production and acquisition of oil and natural gas reserves. The Company's development projects may not be finalized within the projected budget or timeframe, or other unforeseen events may arise which affects the projects. The Company intends to finance the majority of its future investments with cash flow from operations and borrowings under its RBL Facility and other equity and debt facilities. The Company's cash flows from operations and access to capital are subject to a number of variables which it does not control, including:

- its proved reserves;
- the level of oil and natural gas the Company is able to produce from existing wells;
- the price at which its oil and gas are sold; and
- its ability to acquire, locate and produce new reserves.

If the Company's revenues or the borrowing base under its RBL Facility decrease as a result of lower oil or gas prices, operating difficulties, declines in reserves or for any other reason, the Company may have limited ability to obtain the capital necessary to sustain its operations at current levels. The Company's debt facilities may restrict its ability to obtain certain types of new financing. If additional capital is needed, the Company may not be able to obtain additional debt or capital required. If cash generated by operations or cash available under the Company's RBL Facility or other debt facilities is not sufficient to meet its capital requirements, the failure to obtain additional financing could result in a curtailment of its operations relating to development of its prospects, which in turn could lead to a decline in the Company's oil and natural gas reserves, or if it is not possible to cancel or stop a project, be legally obliged to carry out the project contrary to its desire or with negative economic impact. All of the above could adversely affect the Company's production, revenues and results of operations as well as having an adverse effect on its ability to service its indebtedness.

1.2.11 Changes in foreign exchange rates may affect the Company's results of operations and financial position

The Group is exposed to market fluctuations in foreign exchange rates. Revenues are in US dollars for oil and in Euros and Danish kroner for gas, while operational costs, taxes and investment are in several other currencies, including Danish kroner. The Company's financing is primarily in US dollars. Impairment of currencies for revenues, versus currencies for the Groups obligations, may have an adverse effect on the Group's financial position.

Significant fluctuations in exchange rates between euros and Danish kroner and US dollars and Danish kroner and Danish and Norwegian kroner may materially adversely affect the reported results. The Group's exposure to market fluctuations in Danish kroner is especially high, as it is currently investing in the Tyra redevelopment project where the investment costs are incurred in Danish kroner.

1.3 RISKS ASSOCIATED WITH THE INDUSTRY AND THE MARKET IN WHICH COMPANY/GROUP OPERATES

1.3.1 The Company's business, results of operations, cash flow and financial condition will depend significantly on the level of oil and gas prices and market expectations of these and may be adversely affected by volatile oil and gas prices

The Company's main business is to sell / produce oil and gas. The Company's future revenues, cash flow, profitability and rate of growth depend substantially on prevailing international and local prices of oil and gas. Because oil and gas are globally traded, the Company is unable to control or predict the prices it receives for the oil and gas it produces. In addition to this the hydrocarbons produced from specific fields may have a premium/discount to benchmark prices such as Brent. The premium/discount to the benchmark prices may vary over time.

Decreases in oil and gas prices for an extended period of time, or market expectations of potential decreases in these prices, have in the past been shown to negatively affect the Group, and could negatively affect the Group's future performance. As an example of the volatility in oil prices, Brent fell to USD 9 a barrel in April 2020 before a recovery in oil and gas prices toward the end of 2020 and through 2021, with Brent reaching USD 77.24 a barrel on 31 December 2021, and USD 101.6 on 14 February 2022, USD 110.93 on 1 March 2022, USD 133.18 on 8 March 2022 and USD 104.61 on 16 March 2022. However, there is no guarantee that the oil and gas price recovery will be sustained. Prices can continue to fluctuate and there may be longer periods of lower prices, which could have a material adverse effect on the Group's financial performance.

In addition, the Company is one of few companies in Denmark that produces natural gas sold at Dutch Title Transfer Facility ("TTF") prices, and is as such more exposed to additional price volatility deriving from proposed responses by the European Commission, as seen with the proposed Market Correcting Mechanism.

The economics of producing from some wells and assets may also result in a reduction in the volumes of its reserves which can be produced commercially, resulting in decreases to its reported commercial reserves. In addition, certain development projects could become unprofitable as a result of a decline in price and could result in the Company having to postpone or cancel a planned project or a project in execution. If it is not possible to cancel the project, the Company may have to carry out the project with negative economic impact. The DUC partners are currently executing the Tyra Redevelopment which is a substantial redevelopment project scheduled to be completed in winter 2023/2024.

Commodity price fluctuations could reduce the Company's ability to refinance its outstanding credit facilities and could result in a reduced borrowing base under credit facilities available to the Company, including the RBL Facility. Fluctuations in commodity prices could lead to impairments of the Company's assets. Changes in the oil and gas prices may thus adversely affect its business, results of operations, cash flow, financial condition and prospects.

1.3.2 The Company is dependent on finding, acquiring, developing and producing oil and gas reserves that are economically recoverable for continued operations

Discoveries or acquisition of new oil and gas reserves and/or assets is required for long-term continued operations. The Company has through its acquisition of shares in Shell Olie- og Gasudvinding Danmark B.V. in the summer of 2019 acquired oil and gas assets, but would need to seek for other assets or ability for extended reserves on existing assets to maintain significant operations over time. Expenditure is therefore required to seek for and establish oil and gas reserves through seismic, acquisitions, other surveys and drilling, and there can be no certainty that further commercial quantities of oil and gas will be discovered or acquired by the Company. Production from oil and natural gas reservoirs, particularly in the case of mature fields, which the DUC fields are defined as, is generally characterized by declining production rates. The Company may not be able to finance such activities.

1.4 RISKS RELATING TO CONTRACTUAL AND LEGISLATIVE FRAMEWORKS

1.4.1 Exploration and production operations are dependent on its compliance with obligations under licences, joint operating agreements and field development plans

The Company's operations are depended on contractual arrangements with the Danish State and the other parties in the licences the Company holds interest in. Consequently, non-compliance or termination of such agreements may have an adverse effect for the Group. Further, all exploration and production licences for the Danish Continental Shelf (the "DCS") have detailed and mandatory work programs that are required to be fulfilled within a specific timespan. These may include seismic surveys to be performed, wells to be drilled, development decisions to be taken etc. Failure of complying with such obligations may lead to fines, penalties, restrictions and revocation of licences, as well as termination. Since the Company currently has concentrated most of its assets in a limited number of such arrangements, any non-compliance (by the Company or its contractual parties) or other incidents could materially and adversely affect the Company's business, results of operations, cash flows and financial condition.

1.4.2 The Company is exposed to political and regulatory risks

Exploration and development activities in Denmark are dependent on receipt of government approvals and permits to develop its assets. The Danish Subsoil Act, among other things, sets out different criteria for the organization, competence and financial capability that a licencee at the DCS must fulfill at all times. The Company is qualified to conduct its operations on the DCS, however, there is no assurance that future political conditions in Denmark will not result in the government adopting new or different policies and regulations on exploration, development, operation and ownership of oil and gas, environmental protection, and labor relations.

Due to the Russian invasion of Ukraine in February 2022, new sanctions regulations have been imposed by the European Unition, United States, United Kingdom and other governments which affects the export and import of oil and gas to and from the Russian market. Trade restrictions on the Russian market could increase the importance of the oil and gas fields in Europe, including in Denmark. Such increase in importance could entail governments adopting new regulations that could affect the assets and the operations of the Group, including regulations that could have an adverse effect on the financial performance of the Group.

Further, the Company may be unable to obtain or renew required drilling rights, licences, permits and other authorizations and these may also be suspended, terminated or revoked prior to their expiration. This may affect the Company's ability to undertake exploration and development activities in respect of present and future assets, as well as its ability to raise funds for such activities. Also, there can be no assurance that licences granted by the Danish Energy Agency will not be revoked in the future.

Furthermore, there is a risk that the Danish Energy Agency stipulates conditions for any such extension or for not revoking any licences. Lack of governmental approvals or permits or delays in receiving such approval may delay its operations, increase its costs and liabilities or affect the status of its contractual arrangements or its ability to meet its contractual obligations. Any of the above factors may have a material adverse effect on its business, results of operations, cash flow and financial condition.

1.4.3 The Company's business and financial condition could be adversely affected if the Danish tax regulations for the petroleum industry were amended

All of the Company's petroleum assets are located in Denmark and the petroleum industry is subject to higher taxation than other businesses. The Group is therefore exposed to Danish tax rates and regulation, as these vary from time to time. There is no assurance that future political conditions in Denmark will not result in the relevant government adopting different policies for petroleum taxation than currently in place. The tax regime in Denmark for the petroleum industry was amended in recent years. These amendments have had a significant effect for the DUC licences. Future amendments to taxation of the Company's business is difficult to predict. In addition, and as an oil and gas producer in Denmark, the Company is exposed to risk relating to the EU imposed Solidarity Contribution if such temporary measure is implemented by Denmark. As taxation has a major impact in the Company's results of operations, such amendments may significant impact the Group's cash flow and financial condition.

1.4.4 The Company may be subject to liability under environmental laws and regulations

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, and releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites are operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities.

The Company is subject to legislation in relation to the emission of carbon dioxide, methane, nitrous oxide and other so-called greenhouse gases. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material, in addition to loss of reputation. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, and potentially increased investments and operating costs. The discharge of oil, gas or other pollutants into the air, soil or water may give rise to material liabilities to foreign governments and third parties and may require the Company to incur material costs to remedy such discharge. The Danish Energy Strategy 2050 aims to achieve 100% independence of fossil energy by 2050. No assurance can be given that environmental laws will not result in a curtailment or shut down of production or a material increase in the costs of production, development or exploration activities or otherwise materially adversely affect the Company's business, results of operations, cash flow and financial condition.

Most market participants operating on the Danish continental shelf have a diversified portfolio with assets across other jurisdictions. All of the Company's assets are located on the Danish continental shelf, which makes it more vulnerable and exposed to changes in Danish laws and regulations compared to other market participants, with more a widespread distribution of assets and interests.

2. PERSONS RESPONSIBLE

2.1 Persons responsible for the information

Persons responsible for the information contained in this Registration Document:

Norwegian Energy Company ASA
Nedre Vollgate 1
0158 Oslo
Norway

2.2 Declaration by persons responsible

Norwegian Energy Company ASA confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Oslo, 6 February 2023

On behalf of Norwegian Energy Company ASA

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Euan Shirlaw (CEO)

3. BUSINESS OVERVIEW

This Section provides an overview of the business of the Group as of the date of this Registration Document. You should read this Section in conjunction with the other parts of this Registration Document, in particular Section 1 "Risk Factors".

3.1 Introduction

Norwegian Energy Company ASA, also known commercially as Noreco, is an oil and gas exploration and production company listed on the Oslo Stock Exchange under the ticker "NOR". The Company is domiciled in Norway with headquarters in Oslo. The Company has subsidiaries in Norway, Denmark, the Netherlands and the United Kingdom and holds production licences on the Danish Continental Shelf through its fully owned subsidiaries Noreco Oil Denmark A/S, Noreco Petroleum Denmark A/S and Noreco Olie- og Gasudvidning Danmark B.V. ("**NOGU**") (previously Shell Olie- og Gasudvining Danmark B.V ("**SOGU**")). The Company, indirectly through its subsidiaries, produces and sells oil and gas to the Danish and global energy markets.

The Company is an E&P company with a strategic focus on value creation through increased recovery, enabled by a competent organisation with a long-term view on reservoir management and the capability to invest and leverage new technology. Noreco aims to protect and enhance the value of its assets by taking a leading and fact-based approach to contributing to a safe and sustainable energy transition.

The Group has participated in exploration and production activities within the oil and gas industry since the mid-1980s, including several development projects. Following the agreement to acquire the shares in SOGU in 2018 that was completed in 2019 (the "**Transaction**"), the Group has a significant production and reserves base including ownership of the four production hubs Halfdan, Tyra, Dan and Gorm on the DCS.

The Group is in the process of carrying out important redevelopment of the Tyra field together with its partners in the Danish Underground Consortium ("**DUC**").

The organization is based in Oslo, Copenhagen and London and comprises, together with senior management, of individuals with long experience from the oil and gas industry, including companies like Shell, Equinor (formerly Statoil), Maersk Oil (now Total), VNG, Hess, Dong (now INEOS), Schlumberger, Neptune Energy, GDF Suez, & OMV.

3.2 The business of the Group

The Group's business is focused around exploration and production of hydrocarbon resources in the North Sea, and the Company is the second largest oil and gas producer in Denmark and a considerable independent exploration and production company. The Company has legal entities registered in Norway, Denmark, the Netherlands and the UK.

The Group's revenues are derived entirely from the sale of produced oil, gas and NGL (this breakdown of revenue sources has also characterised the Group's operations historically, that is, no new sources of revenue have been introduced in the Group in recent years). Accordingly, the Group considers the risk and return of the business units to be similar and thus comprise one business segment.

The majority of the Group´s revenues derives from the sale of oil and gas from the Group's interest in the DUC to the Danish and international energy market. The total revenue for 2021 amounted to USD 565 million, whereas respectively about USD 416 million derived from the sale of oil, USD 142 million from the sale of gas and NGL and USD 7 million from other income. The Group had total production of 26.9 thousand barrels of oil equivalents per day (mboepd) in 2021. The Group had total revenues of USD 737 million during the first nine months of 2022 and produced approx. 26.7 mboepd in the same period.

3.3 History and Development

The early years: Growth through acquisitions

2005	Noreco was founded on 28 January 2005.
2007	Noreco acquired Altinex ASA (now Altinex AS), a Norwegian oil Company which at the time was listed on Oslo Stock Exchange. On 9 November 2007, Noreco was listed on the Oslo Stock Exchange with the ticker code "NOR".
2008	On 25 April 2008, Noreco announced its agreement to acquire all the shares in Talisman Oil Denmark Limited (that held 30% working interest in the Siri licence) for a consideration of USD 83 million.

Refinanced and rewarded with promising licences on the NCS

2009 .... On 4 May 2009, Noreco was awarded five out of the total of 21 licences awarded in the 20th licensing round in Norway, second only to StatoilHydro in terms of number of licences. The licences Noreco were offered were all in the Norwegian Sea.

On 31 August 2009, cracks were discovered in the Siri installation of which Noreco held a 50 % interest. Noreco was of the opinion that the damages were covered by an insurance held by Noreco. However, the insurers were unwilling to cover the insurance claim, which in turn led to the commencement of the Siri case as described in more detail below under 5.2.

2010 .... On 19 July 2010, Noreco announced that the Company had entered into an agreement to sell its 20% interest in PL378 to Talisman Energy Norge AS for a consideration of USD 43 million. The licence contained the Grosbeak oil discovery.

2011 .... On 25 July 2011, Noreco announced it had entered into an agreement to sell its interests in the Siri field in Denmark to DONG E&P. The agreement involved Noreco's 50% interest in licence 6/95 in Denmark, and the price was USD 13 million with effective date 1 July 2011. Noreco's ownership of Siri's satellite fields Nini East, Nini and Cecilie remained unchanged and unaffected. As part of the agreement Noreco would not carry any historical or future costs related to the permanent repair solution for the Siri platform. These costs were at the time estimated to be DKK 2 billion in total. Noreco also retained existing and future insurance claims pertaining to Noreco's 50 % ownership and relating to the damage to the caisson support structure of the Siri platform. The transaction was completed in December 2011.

On 11 August 2011, Noreco announced it had entered into an agreement to sell its interests in the South Arne oil field in Denmark to Hess Denmark ApS for a consideration of USD 200 million.

On 21 October 2011, Noreco announced it had entered into an agreement to sell its 20% share of licence PL435 on Haltenbanken to OMV (Norge) AS. Licence PL435 contained the gas discovery Zidane-1 which was made in 2010. The agreed consideration was NOK 180 million. The transaction was completed late December 2011. As part of the agreement, Noreco was also entitled to a volume-dependent consideration if a discovery was made in the next well in the licence on the Zidane-2 prospect. Such conditional amount would be payable upon approval of a PDO which included Zidane-2. The well was completed in April 2012 as a discovery.

Assuming a bigger role: Becoming an operator

2012 .... In March 2012, Noreco completed the drilling of its first operated exploration well in Denmark, the Luna-1X well. The operation was performed without any incidents related to health, safety or environment. The well did not encounter hydrocarbons.

Production issues, disappointing wells and mounting financial challenges

2013 .... On 2 January 2013, Noreco announced that it had completed the reorganization of the Noreco Group structure, transferring all production licences and operatorships from the parent company Norwegian Energy Company ASA (which discontinued its direct petroleum activities) to its subsidiary Noreco Norway AS. The reorganization was completed in order to provide for more efficient operations.

2014 .... On 21 January 2014, Noreco announced that it had been awarded five new licences through the 2013 APA in Norway. Noreco was offered operatorship in two of the licences.

On 23 May 2014, Noreco announced the commencement of the drilling of an appraisal well on the Lundin operated Gohta discovery in licence PL492 in the Barents Sea.

On 9 December 2014, Noreco announced the commencement of the drilling of the Xana-1 well in Danish licence 9/95.

Reconstructing Noreco

2015 .... On 2 March 2015, the bondholders of Noreco approved a restructuring proposal which involved a debt to equity conversion of approx. NOK 1 900 million (plus accrued interest), amended amortisation profile and changed security packages. See section 5.

On 3 March 2015, the shareholders of the Company approved the restructuring proposal and the restructuring was completed on 24 March 2015.

On 27 March 2015, the Norwegian businessman Riulf Rustad was elected to the Board of Directors.

On 1 July 2015, Noreco Norway AS announced the sale of its 15 per cent participating interest in the Norwegian Continental Shelf licences PL274 and PL274 CS, which includes the Oselvar field with associated tax balances, to CapeOmega for a total consideration of NOK 201 million.

On 2 July 2015, Noreco announced that it has reached an agreement with its joint operation partners in Denmark with respect to its forfeited licences and abandonment liabilities.

On 18 December 2015, Noreco entered into a partnership with Awilhelmsen Special Opportunities and QVT with regards to the Siri Insurance Claims.
On 21 December 2015, Noreco announced the sale of its Norwegian E&P operations to Djerv Energi AS, a company which Noreco would have a 30% ownership in together with a US based investment fund. The transaction failed to receive necessary bondholder approvals.

2016 .... On 2 March 2016, it was announced that the entire remaining E&P operation in Norway was sold to Det norske oljeselskap ASA (now Aker BP ASA). The transaction constituted a cessation of all of Noreco Norway AS' petroleum activities. The transaction was completed on 30 June 2016.
On 15 December 2016, the ruling from the Maritime and Commercial High Court in Copenhagen related to the Siri Insurance Claims was announced, the total damages ruled in favour of Noreco and its litigation partners amounted to approximately USD 470 million.
On 19 December 2016, Noreco announced that its fully owned subsidiary Noreco Oil UK Limited had entered into an agreement to transfer its 20 % participating interest in the Huntington licence with all rights and obligations to Premier Oil E&P UK Limited.

2017 .... On 15 February 2017, Noreco announced the success payment of USD 13.1 million related to the Dvalin PDO. As a consequence of the transaction with Det norske oljeselskap ASA (now Aker BP ASA), Noreco Norway AS ceased all of its petroleum activities. Noreco Norway AS initiated the process of claiming exit tax refund during first half of 2017, which was received during Q4 2017. In accordance with the approved bondholder proposal as of March 2016, Noreco Norway AS repaid approximately NOK 393 million to the bondholders, and the remaining NOR06 bond debt was discharged, resulting in a large taxable profit. To neutralise the tax effect a group contribution was made.

2018 .... Following the group contribution in 2017, Noreco Norway AS was liquidated in the first quarter of 2018.
On 4 May 2018, the Eastern High Court ruled on the Siri Insurance Claims appeal case where Noreco was awarded USD 12.5 million plus additional interest of approx. USD 8.3 million, in total USD 20.8 million.
On 31 May 2018, Noreco applied to the Danish Appeals Permission Board for permission to appeal the decision from the Eastern High Court to the Supreme Court of Denmark.
On 17 October 2018, Noreco announced the agreement for the contemplated acquisition of SOGU, containing Shell's Danish upstream assets including 36.8% participating interest in the DUC, and through the acquisition, Noreco to become the second largest oil and gas producer in Denmark and a considerable E&P company.
On 22 October 2018, Noreco announced that it in connection with the Transaction had secured a fixed price arrangement with Shell Trading and Supply for 80% of the guaranteed liquid production volumes from SOGU's assets until 30 September 2020. The fixed price arrangement has been entered into by SOGU.
On 24 October 2018, the Danish Appeals Permission Board declined to forward the appeal to the Supreme Court of Denmark and thus the ruling from the Eastern High Court became final.
On 1 and 8 November 2018, the Transaction and associated financing were approved by the bondholders and shareholders of the Company, respectively.
On 30 November 2018, it was announced that none of the DUC partners had invoked their pre-emption rights to purchase SOGU and that the pre-emption period had expired.

Noreco, a new player and second largest producer on DCS

2019 Altinex, a wholly owned subsidiary of Noreco, acquired 100% of the shares in NOGU against a consideration of USD 1.91 billion with economic effect as of 1 January 2017, and the Group has assumed cash flow from the producing assets as of that date. The Transaction was completed on 31 July 2019. As part of the Transaction, subordinated convertible bonds with ISIN N0 00108520 ("**NOR13**") were issued by Noreco (which were later listed on the Oslo Stock Exchange).
Following the ongoing redevelopment of Tyra, the Tyra field, including satellites, were temporarily shut-in in September 2019. When Tyra II is back in production, Noreco's net production is expected to increase to approximately 50 mboepd.
On 4 December 2019, Noreco successfully completed a new USD 175 million senior unsecured bond issue. The bond issue attracted strong international investor interest and was significantly oversubscribed.
In 2019, the organization grew from 8 to 27 employees. Noreco also strengthened its organization with both key appointments to its board as well as an executive management group.

2020 In January 2020, Noreco acquired its own shares through a reversed book building process. Subsequently, Noreco has carried out multiple buy-backs of the Company's shares.
On 30 April 2020, Noreco published its 2020 annual statement of reserves, demonstrating close to 200% reserves replacement ratio.

On 6 June 2020, the Company's senior unsecured bond NOR14, ISIN: NO0010870900, was listed on the Oslo Stock Exchange.
On 6 November 2020, Noreco announced a revised schedule for the redevelopment project Tyra II, mainly as a consequence of the pandemic COVID-19, with expected start-up date rescheduled from mid-2022 to Q2 2023.
Net production during 2020 was 28.5 mboepd and net reserves per 31 December 2020 were 201 mmboe.

2021 The Company announced on 5 May 2021 the successful closing of its new USD 1.1 billion Reserve Base Lending facility (the "**Facility**" or "**RBL**"), replacing Noreco's existing USD 900 million RBL. The extended Facility matures in 2028 with a seven-year term that will amortize from the second half of 2024 and also has ESG-linked KPIs which may reduce the borrowing cost when being met.
The Company announced on 16 July 2021 that it had entered into a USD 1.0 billion swap transaction with a group of banks to fix the Company's floating interest rate exposure under its Reserve Based Lending ("RBL") facility from 1 Nov 2021 until 30 June 2024.
On 23 July 2021, Noreco obtained an approved Written Resolution in respect to the Company's outstanding bond issue NOR14 adding additional headroom under the leverage covenant to reduce exposure to future market volatility and further secure delivery of Tyra.
During August and September 2021, the Tyra Redevelopment project took delivery of the three Tyra East wellhead and riser platforms from Sembcorp Marine in Singapore which were installed offshore at the Tyra field.
8 September 2021, Noreco announced the CCS partnership Project Bifrost, a partnership between Ørsted, DTU and the DUC. The project which will evaluate the potential for CO2 transportation and storage at the Harald field in the DUC received EUDP funding from Danish Authorities on 8 December 2021.
Net production during 2021 was 26.9 mboepd and net reserves per 31 December were 200 mmboe.

2022 On 13 April 2022, the Company announced that the three Tyra West wellhead and riser platforms, fabricated by Sembcorp Marine in Singapore, and the accommodation unit, fabricated by Rosetti Marino in Italy, had been safely installed offshore at the Tyra field.
Due to global supply challenges driven by COVID-19, the Company and its partners in the DUC announced on 3 August 2022 a revised schedule for Tyra II, from Q2 2023 to Winter 2023/2024, and simultaneously the budget was revised to DKK 25.7 billion.
Noreco has during 2022 on several occasions published operational updates with higher than expected production and revised their guidance upwards. Since the end of 2021, the Company and its partners have increased the activity levels on its producing assets with interventions, workovers, reinstatements and Well Reservoir Optimisation and Management ("**WROM**") which has resulted in significantly stronger performance compared to previous years. The well activities have also resulted in operational efficiency above 90 percent and additional volumes of gas.
On 4 October 2022, the final topside of the Tyra Redevelopment project, the process module, fabricated by McDermott in Indonesia, was lifted in place at the Tyra field, followed by the project's final major lifts of the two remaining bridges and flare tower on 9 October 2022.
On 8 November 2022, the Company announced proposed amendments to the NOR13 subordinated convertible bond terms and a written resolution which was resolved the same day.
On 6 December 2022, Noreco launched an exchange offer through which NOR13 bondholders were offered to exchange their NOR13 bonds with NOR15 bonds on certain terms and conditions.
On 20 December 2022, Noreco announced that Oslo District Court now confirmed that the temporary injunction, which put previously resolved to restrict the amendments to NOR13 without a hearing, was withdrawn and no longer in effect (in Nw. "*hevet*").
On 30 December 2022, the NOR15 Bonds were issued in the amount of USD 207,641,201 consisting of 207,641,201 NOR15 Bonds each with a nominal value of USD 1.
On 26 January 2023, the 48,231 Compensation Bonds for NOR13 were issued bringing NOR13 up to an amount of USD 178,135 consisting of 178,135 NOR13 Bonds each with a nominal value of USD 1.

3.4 Portfolio, Reserves and Resources

3.4.1 License & Concession Portfolio

As of December 2022, the Company participated, through its subsidiaries, as a partner in three licences and one concession on the DCS in accordance with the table below:

License & concession overview (Partner)

Licence/concession	Group Participating Interest	Operator	Expiry

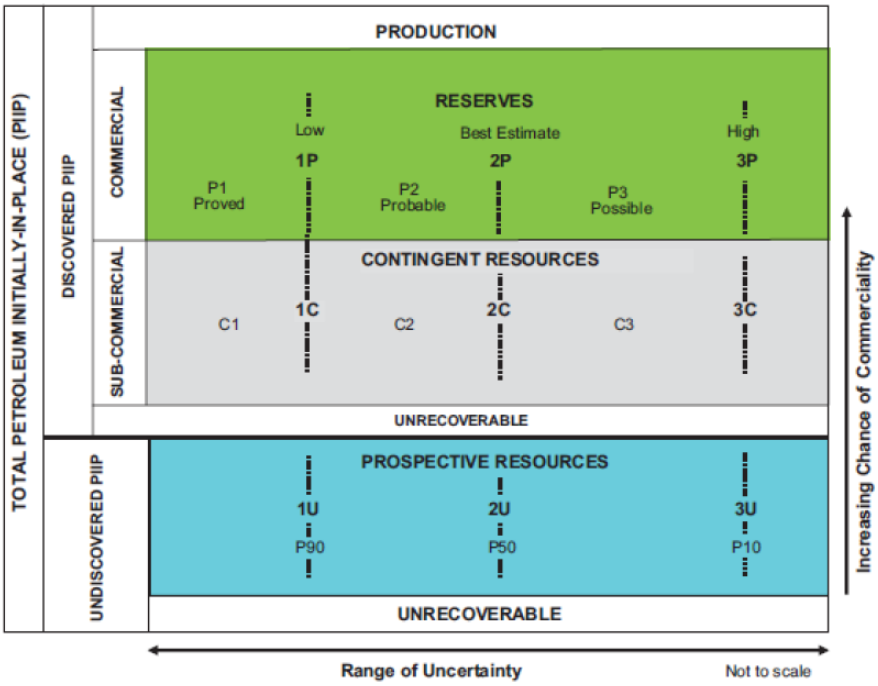
Sole Concession (DUC)	36.8%	Total E&P Danmark A/S[1]	8 July 2042
Licence 7/86 (Lulita part)	20.0%	INEOS E&P A/S	8 March 2026
Licence 1/90 (Lulita part)	20.0%	INEOS E&P A/S	8 March 2026
8/06 Area B	36.8%	Total E&P Danmark A/S	8 July 2042
Total	**4**		

The portfolio cover 15 fields on the DCS as set out in the table below.

Field	Company Participating Interest	Field Operator
Dagmar	36.8%	Total E&P Danmark A/S
Dan	36.8%	Total E&P Danmark A/S
Gorm	36.8%	Total E&P Danmark A/S
Halfdan	36.8%	Total E&P Danmark A/S
Harald	36.8%	Total E&P Danmark A/S
Kraka	36.8%	Total E&P Danmark A/S
Lulita	28.4%	Total E&P Danmark A/S
Regnar	36.8%	Total E&P Danmark A/S
Roar	36.8%	Total E&P Danmark A/S
Rolf	36.8%	Total E&P Danmark A/S
Skjold	36.8%	Total E&P Danmark A/S
Svend	36.8%	Total E&P Danmark A/S
Tyra	36.8%	Total E&P Danmark A/S
Tyra SE	36.8%	Total E&P Danmark A/S
Valdemar	36.8%	Total E&P Danmark A/S
Total	**15**	

3.4.2 Reserves and Resources

The Company has prepared a Statement of Reserves report for the reserves associated with its asset portfolio for Year End 2021, attached to this Prospectus as Appendix 2. The Statement of Reserves is based on a reserve report prepared by RISC



[1] Total E&P Denmark A/S is the concessionaire under the Sole Concession.

(UK) Limited for Year End 2021 on request from the Company. RISC (UK) Limited is an independent oil and gas advisory firm founded in 1994 providing independent advice to companies associated with the oil and gas industry. Today the company has approximately 40 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London, and have completed over 2,000 assignments in 70+ countries for nearly 500 clients. The business address of RISC (UK) Limited is Office 204, 20 St Dunstan's Hill, London EC3R 8HL, United Kingdom.

The reserves are estimated and classified in accordance with the definitions and guidelines set out in the revised June 2018 Petroleum Resources Management System (PRMS) version 1.01 (June 2018) (Figure above), which is consistent with the Oslo Stock Exchange´s requirement for disclosure of hydrocarbon resources. The PRMS has been prepared by the Oil and Gas reserves Committee of Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE), the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE). For Year End 2021, Noreco reports on developed reserves (in production), undeveloped reserves and two projects in the sub-class justified for development that has not yet been sanctioned. Noreco has not included any assessment in relation to contingent or prospective resources in this Prospectus or in the Statement of Reserves.

Overview of reserves and anticipated lifetime

The table below gives an overview of proved (1P/P90), probable (2P/P50) and possible reserves (3P/P10) per year end 2019 in accordance with the Statement of Reserves. The lifetime of the fields depends on a number of factors, including, among some, commodity prices and the ability of the field partners to recover hydrocarbons. Noreco expects to be able to extract hydrocarbons from the CS until the expiry of the Sole Concession in 2042.

Reserves		1P/P90				2P/P50				3P/P10
		Gross liquids	Gross gas	Gross boe	Net boe	Gross liquids	Gross gas	Gross boe	Net boe	Net boe
as of 31.12.2020	*Interest*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmboe*
On Production										
Dan	36.8%	43.9	2.9	46.8	17.2	71.3	5.0	76.3	28.1	35.1
Kraka	36.8%	7.5	0.4	7.9	2.9	10.3	0.7	11.0	4.1	4.4
Halfdan	36.8%	63	13.8	76.7	28.2	106.3	25.2	131.5	48.4	58.0
Gorm	36.8%	11.8	-	11.8	4.3	21.7	-	21.7	8.0	9.7
Skjold	36.8%	21.2	-	21.2	7.8	31.8	-	31.8	11.7	14.2
Rolf	36.8%	1.3	-	1.3	0.5	2.5	-	2.5	0.9	1.3
Total		**148.7**	**17.1**	**165.7**	**61.0**	**243.8**	**30.9**	**274.7**	**101.1**	**122.8**
Under Development										
Tyra Hub	36.8%	61.1	86.3	147.4	54.2	84.4	121.1	205.5	75.5	85.9
Total		**61.1**	**86.3**	**147.4**	**54.2**	**84.4**	**121.1**	**205.5**	**75.5**	**85.9**
Approved for Development and Justified for Development										
Halfdan HCA gas lift	36.8%	0.2	3.0	3.2	1.2	0.5	6.3	6.8	2.5	3.1
Halfdan North	36.8%	15.1	1.7	16.8	6.2	23.9	2.7	26.6	9.8	15.6
Valdemar Bo South	36.8%	12.2	4.3	16.6	6.1	20.1	8.8	28.9	10.6	15.0
Total		**27.6**	**9.0**	**36.6**	**13.5**	**44.5**	**17.8**	**62.2**	**22.9**	**33.7**
On Production plus Under Development										
Total		**209.7**	**103.4**	**313.1**	**115.1**	**328.3**	**152.0**	**480.2**	**176.6**	**208.7**
On Production plus Under Development plus Approved for Development plus Justified for Development										
Total Reserves		**237.3**	**112.5**	**349.8**	**128.6**	**372.8**	**169.7**	**542.5**	**199.5**	**242.4**

Deficiencies in fuel gas in the Dan and Gorm Hubs are supplied from the Halfdan Hub and/or Tyra Hub and hence, the total gas is aggregate Sales Gas reserves entering the Export gas pipeline(s).

For total MMBoe, Gas reserves have been added to the Oil and Liquid reserves, using a conversion factor of 5.2 Bscf/MMBoe, from the Operator, based on actual calorific value of the sales gas.

The table below gives an overview of reserves per associated hub.

Reserves per hub		1P/P90				2P/P50				3P/P10
		Gross liquids	Gross gas	Gross boe	Net boe	Gross liquids	Gross gas	Gross boe	Net boe	Net boe
as of 31.12.2020	*Interest*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmboe*
Dan	36.8%	43.9	2.9	46.8	17.2	71.3	5.0	76.3	28.1	35.1
Kraka	36.8%	7.5	0.4	7.9	2.9	10.3	0.7	11.0	4.1	4.4
Dan Hub		**51.4**	**3.3**	**54.7**	**20.1**	**81.6**	**5.7**	**87.3**	**32.1**	**39.5**
Halfdan	36.8%	63.0	13.8	76.7	28.2	106.3	25.2	131.5	48.4	58.0
Halfdan Hub		**63.0**	**13.8**	**76.7**	**28.2**	**106.3**	**25.2**	**131.5**	**48.4**	**58.0**
Gorm	36.8%	11.8	-	11.8	4.3	21.7	-	21.7	8.0	9.7
Skjold	36.8%	21.2	-	21.2	7.8	31.8	-	31.8	11.7	14.2
Rolf	36.8%	1.3	-	1.3	0.5	2.5	-	2.5	0.9	1.3
Gorm Hub		**34.3**	-	**34.3**	**12.6**	**55.9**	-	**55.9**	**20.6**	**25.2**
Tyra	36.8%	27.7	60.1	87.9	32.3	38.3	85.3	123.6	45.5	51.3
Valdemar	36.8%	27.6	12.5	40.1	14.8	39.2	18.7	57.9	21.3	25.2
Roar	36.8%	4.2	9.1	13.3	4.9	5.3	12.0	17.4	6.4	6.8
Harald	36.8%	0.8	4.2	5.0	1.9	0.9	4.5	5.4	2.0	2.3
Lulita	28.4%	0.7	0.4	1.1	0.3	0.7	0.5	1.2	0.3	0.4
Tyra Hub		**61.1**	**86.3**	**147.4**	**54.2**	**84.4**	**121.1**	**205.5**	**75.5**	**85.9**
Total Reserves		**209.7**	**103.4**	**313.1**	**115.1**	**328.3**	**152.0**	**480.2**	**176.6**	**208.7**

The table below gives an overview of reserves development from 31.12.2020 to 31.12.2021.

Reserves Development	On Production			Under Development			Approved/ Justified for Development			Total		
Net attributable mmboe	1P/P90	2P/P50	3P/P10	1P/P90	2P/P50	3P/P10	1P/P90	2P/P50	3P/P10	1P/P90	2P/P50	3P/P10
Balance as of 31.12.2020	**61.8**	**101.4**	**124.4**	**55.5**	**75.7**	**86.0**	**13.4**	**24.0**	**35.8**	**130.7**	**201.1**	**246.1**
Production	10.6	10.6	10.6	-	-	-	-	-	-	10.6	10.6	10.6
Acquisition and disposals	-	-	-	-	-	-	-	-	-	-	-	-
Revisions	9.8	10.3	9.0	-1.3	-0.2	-0.1	0.1	-1.1	-2.1	8.6	9.0	6.8
Discovery and Extensions	-	-	-	-	-	-	-	-	-	-	-	-
New Developments	-	-	-	-	-	-	-	-	-	-	-	-
Projects matured	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of 31.12.2021	**61.0**	**101.1**	**122.8**	**54.2**	**75.5**	**85.9**	**13.5**	**22.9**	**33.7**	**128.6**	**199.5**	**242.4**
Delta (2021-2020)	**-0.8**	**-0.3**	**-1.6**	**-1.3**	**-0.2**	**-0.1**	**0.1**	**-1.1**	**-2.1**	**-2.1**	**-1.6**	**-3.7**

20120 production (Noreco share) is the Available for Sales volume based on actual production, fuel and flare and re-injected volumes determined by Noreco.

Current and anticipated progress of extraction

	mmboe, Net Noreco	*mmboe, Net Noreco*	
Field	**Produced per 31 Dec 2021***	**Estimated 2P reserves****	**Estimated 2P reserves** / Produced per 31 Dec 2021***
Dan	344,1	28,1	8,2%
Gorm	189,3	8,0	4,2%
Skjold	124,6	11,7	9,4%
Tyra	376,0	45,5	12,1%
Rolf	11,7	0,9	7,7%
Kraka	19,2	4,1	21,3%
Dagmar	2,3	0,0	0,0 %
Regnar	2,3	0,0	0,0 %
Valdemar	50,9	231,9	62,7%
Roar	48,4	6,4	13,2%
Svend	20,4	0,0	0,0 %
Harald	82,8	2,0	2,4%
Lulita	4,7	0,3	6,4%
Halfdan	292,7	60,7	20,7%
Total	**1569,8**	**199,5**	**12,7%**

Changes to the Company's reserves in 2022

The above is an overview of the reserves for the DUC Asset provided for Year End 2021. However, due to the time period since the Year End 2021 reserves were estimated, RISC was requested to write a brief qualitative description (not quantitative) of the likely changes to the company's reserves at the Danish Underground Consortium (DUC), based on production performance from 1 January 2022 to date. This is a comparison with RISC's Year-End 2021 reserves report. RISC will provide a full Year-End 2022 reserves report in early 2023, consistent with Noreco's annual reporting process.

RISC received production data to end September 2022, the updated short-term budget, and various files related to production projects.

As reserves are based on production forecasts constrained by commercial or economic limits, the change in reserves will depend on several factors including production, costs, and assumptions for economic modelling.

RISC concluded that, based on the information available, the volume of Noreco's Year-End 2022 reserves is not likely to differ significantly to the volumes estimated at Year-End 2021, after subtracting the oil and gas production during 2022.

Production

During 2022 the Halfdan oil field started a steeper oil decline, which may lead to a decrease in 1P and 2P oil reserves. The operator is currently carrying out the WROM (Well, Reservoir Optimisation Management) campaign in the Dan and Halfdan fields, to improve production in selected wells and return some shut-in wells to production. The incremental production volumes may be included as reserves at Year-End 2022 for the well operations that have the highest levels of confidence.

The Halfdan North East field recorded a significant increase in gas rate due to the recent successful Halfdan well restimulation campaign. This is likely to increase gas reserves related to this field. A project to make gas lifting available at these wells was postponed from 2023 to 2024.

First gas export from the Tyra Redevelopment project has been delayed, with a revised range of first gas dates between October 2023 and March 2024. This schedule change is likely to result in a minor decrease in reserves as the final year for the Tyra hub (2042) and Harald hub (2026) fields will be truncated, not deferred. No reserves or production can be reported after the licence expiry date in July 2042.

Due to a change in DUC development strategy (prioritising gas over oil projects), four new infill wells have been added to the drilling schedule, starting in March 2023. These are expected to be classified as new reserves in RISC's Year-End 2022 report, as 'Approved for Development' or 'Justified for Development'. These take priority over the Halfdan North development, which will be reclassified as Contingent Resources due to its postponement to 2029.

Operating Costs

RISC reviewed the operator's updated 2023 Budget but did not receive any long-term cost forecasts. The Budget was checked for any changes that may lead to reductions in reserves. This would primarily be due to increased long-term operating costs (OPEX), leading to earlier economic limit dates.

Short-term OPEX forecasts are increased due to the inclusion of large well workover campaigns and facility life extension works. However, these are not expected to impact long-term costs, or reserves cut-off dates.

Cost forecasts at the Tyra and Harald hubs are relatively unchanged, compared to RISC's estimates made at Year-End 2021.

As reserves will be most sensitive to long-term OPEX and there is no information suggesting this will change, we do not see the 2023 Budget as materially impacting oil or gas reserves.

Assumptions for Economics

RISC reviewed the assumptions likely to be used to estimate economic cutoff dates and therefore reserves volumes in the Year-End 2022 economic modelling.

In 2022, Denmark announced a new proposed CO_2 levy. If implemented, this would increase OPEX and impact economic field life, leading to a likely reduction in reserves. However, as the Bill has not yet been drafted to codify the CO_2 levy, it is too early to account for this in RISC's reserves estimates.

RISC's Base scenario has higher long-term prices for both oil and gas, compared to Year-End 2021. The higher product prices will delay the economic limits, extending the field life, and increase oil and gas reserves throughout the portfolio.

RISC does not expect recent changes to inflation rates and foreign exchange rates to affect oil and gas reserves as these are considered to be short term. The earliest economic limits of fields in the portfolio are in 2033, so RISC continues to use long-term averages in its economic modelling.

Asset overview

The DUC assets consist of eleven active fields with reserves. All fields are situated on the Danish Continental Shelf. The developments can be divided into four main producing hubs: Dan, Gorm, Halfdan and Tyra. Production started in 1972 and oil and gas are exported to shore via one oil pipeline from Gorm and two gas pipelines from Tyra.

Dan Hub

Dan is an oil field which was discovered in 1971 and brought on production in 1972. The field produces oil and gas from the Ekofisk and Tor chalk reservoir and the production drive mechanisms are gas cap drive/solution gas expansion and secondary by pressure support from waterflooding. Dan is a domal structure divided by a major fault into a NW downthrown A-block and a SE Upthrown B-block.

Initially, the field was developed with vertical and deviated wells and later full field development by horizontal wells. Water injection was tested in 1991 and expanded to full field scale in 1995. A total of approximately 126 wells has been drilled, with currently 38 active oil wells and 33 active water injectors. By end of 2021 the field has produced 747 MMstb of oil and 979 Bscf of gas.

Kraka is a tie-back to the Dan field and is an oil field located 8 km to the southeast of the Dan field. The field was brought on production in 1991 and produces oil and gas from the Ekofisk chalk reservoir by a combination of solution gas drive and aquifer support. 10 wells have been drilled and currently 7 oil wells are producing. By end of 2021 the field has produced 39.8 MMstb of oil and 64.5 Bscf of gas.

Halfdan Hub

Halfdan Main was discovered in 1998 and brought on production in 1999. The field produces oil and gas from the Tor Chalk reservoir by gas cap drive/solution gas expansion and secondary waterflooding. The Halfdan NE area produces gas from the Ekofisk Chalk reservoir by depletion drive. The Halfdan Main oil accumulation is contiguous with the Dan accumulation and thins towards SW and NE.

Halfdan Main has been developed in four phases and 71 wells has been drilled, with currently 35 active oil producers and 26 active water injectors. By end of 2021 the field has produced 522 MMstb of oil and 622 Bscf of gas.

Halfdan NE has been developed in three phases and 18 wells have been drilled, with currently 16 active gas producers. By end of 2021 the field has produced 13.5 MMstb of oil and 726 Bscf of gas.

Gorm Hub

The Gorm field was discovered in 1971 and brought on production 1981. The field produces oil and gas from the Ekofisk and Tor Chalk reservoirs. The field is a domal structure divided into a deeper western A-block and the shallower eastern B-block. Ekofisk is absent across most of the B-block and thickens down flank on the B-block. The production mechanism is dominated by secondary waterflooding. 46 wells have been drilled, with currently 17 active producers and 6 active water injectors. By end of 2021 the field has produced 399.5 MMstb of oil and 597 Bscf of gas and 305 Bscf gas has been injected (no injection since 2005). Gorm acts further as the oil gathering center and export hub for all DUC fields.

The Skjold field is an oil satellite tie-back to Gorm. It was discovered in 1977 and brought on production in 1982. The field is a dome shaped structure with a relative thin chalk reservoir on the crest, which thickens towards the outer crest and flank areas. The Chalk is highly fractured with low matrix permeability and the main production drive mechanism is waterflooding. 30 wells have been drilled, with currently 16 active oil producers and 8 active water injectors. By end of 2021 the field has produced 309 MMstb of oil and 157 Bscf of gas.

Rolf is an oil field, which has been developed as a satellite to Gorm. The field was discovered in 1981 and brought on production in 1985. The field produces from the Ekofisk and Tor Chalk reservoir with intervals of good permeability with fracture connected matrix porosity. The production mechanisms are solution gas drive and aquifer support. 3 wells have been drilled, with currently 1 active oil producer. By end of 2021 the field has produced 30.3 MMstb of oil and 7.6 Bscf of gas.

Tyra Hub, currently closed for re-development

Tyra Main is a gas dominated field discovered in 1968 and Tyra SE is an oil dominated field area discovered in 1991. Tyra Main was brought on production in 1984 and Tyra SE in 2002. The Tyra field lies on an inverted structure on the Valdemar-Tyra-Igor low relief ridge. The field produce mainly from the Ekofisk and Tor Chalk reservoirs. The field was developed during 1984 to 1991 with gas plateau production from 1992 to 2007. One horizontal well has been drilled into the Lower Cretaceous Chalk, Tuxen Fm. The gas in the flank area towards Tyra SE was developed during 1998 to 2008. The recovery mechanism is depletion by gas expansion and rock compaction.

The Tyra East and West comprises of 11 platforms and due to subsidence, the field is currently being redeveloped. The Tyra Re-development project scope include replacing the existing accommodation and processing platforms by one single accommodation and one processing platform. The wellhead jackets will be raised, and topsides replaced. No new wells are planned. The estimated start-up of the new Tyra facility and the Tyra Satellites was scheduled for Q2 2023 (has been delayed with revised range of first gas dates between October 2023 and March 2024). A total of 93 wells have been drilled on Tyra Main and SE, with currently 47 active oil and gas producers by end of 2019 the field has produced 208 MMstb of oil and 4,251 Bscf of gas.

Tyra acts further as the gas gathering center and export hub for all DUC fields. During the Tyra redevelopment project, Dan is temporary the host for gas export via a by-pass pipeline connecting Dan F to the Tyra-NOGAT pipeline system to the F/3 in the Netherlands.

Tyra redevelopment project

The Tyra Redevelopment project is, to date, the largest project carried out on the Danish Continental Shelf and is expected to increase net production by approximately 90 percent and expected to unlock gross reserves in excess of 200 mmboe. It is estimated that Tyra II will decrease direct field opex to below USD 13 per barrel and lower emissions at the field by 30 percent. In addition, the project is expected to extend field life by 25 years.

Project efforts are being executed locally in Esbjerg and offshore in the Danish North Sea, and the fabrication of the new installations have been completed in Italy, Singapore and Batam in Indonesia. The scope of the project includes removal of old facilities, modifying existing ones, and installing new features. The two old process and accommodation platforms have been replaced by one new process platform and one new accommodation platform. The four wellhead platforms and two riser platforms had their jackets extended by 13 meters, and the topsides were replaced.

In August 2022, the Company announced a revision of the Tyra start-up date, from Q2 2023 to winter 2023/first quarter 2024. The revision was driven by global supply chain challenges that had impacted the yard fabrication of the process module in addition to a revised plan by the Operator of the ongoing hook-up and commissioning work offshore.

Valdemar field

The Valdemar field is an oil and gas field discovered in 1977 and further appraised in 1985 and brought on production in 1993. The Lower Cretaceous chalk, Tuxen Fm has been the primary development target and horizontal wells has been drilled and completed with sand prop fractures. The field is produced by depletion and rock compaction drive under controlled bottom hole pressure constrained mode. 26 wells have been drilled on Valdemar, with currently 22 active oil and gas producers. By end of 2019 the field has produced 89 MMstb of oil and 257 Bscf of gas[2].

Roar field

Roar is a gas field with an oil rim tie-back to Tyra East. The field was discovered in1968 and further appraised in 1981. The field was brought on production in 1996. The field produces gas and condensate from the Ekofisk and Tor Chalk reservoir. The gas column thickens towards South, while the oil rim has been encountered by the wells towards the North. 4 gas producer wells have been drilled, with all currently being active. By end of 2019 the field has produced 588 Bscf of gas and 18 MMstb of condensate[3].

Harald field

Harald is a gas/condensate field located in the northwestern part of the Danish sector. The Harald field comprises of two structures; Harald East discovered in 1980 and Harald West discovered in 1983. The fields were brought on production in 1997. The Harald West reservoir consists of Middle Jurassic sandstones, and Harald East is an elongated dome structure in the Upper Cretaceous Ekofisk and Tor Fm. The production mechanism is depletion drive. Four wells have been drilled, two

[2] There has been no production since 2019, as the field has been closed in connection with the Tyra re-development.
[3] There has been no production since 2019, as the field has been closed in connection with the Tyra re-development.

on Harald West and two on Harald East, and all four wells are currently active. By end of 2019 the field has produced 902 Bscf of gas and 51 MMstb of condensate[4].

Lulita field

Lulita is an oil field with a gas cap discovered in 1991 which were brought on production in 1998. The field is a NE dipping monocline with a main fault boundary in the west and structural dip closure to the SE. The reservoir consists of Middle Jurassic sandstones. The production mechanism is aquifer encroachment, gas cap drive and solution gas expansion. Two wells have been drilled, however only one is currently producing. By end of 2019 the field has produced 7.4 MMstb of oil and 28.3 Bscf of gas. DUC holds an 50% interest in the Lulita field with Ineos (40%) and Noreco (10%) as partners[5].

Exploration Activity

The Company has not participated in any exploration well since 2015.

3.5 Material Contracts

In the period covered by the financial statements included in this Prospectus, the Company has not entered into any material contracts that are not entered into in the ordinary course of the Company's business, which could result in any Group member being under an obligation or an entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.

[4] There has been no production since 2019, as the field has been closed in connection with the Tyra re-development.
[5] There has been no production since 2019, as the field has been closed in connection with the Tyra re-development.

4. INDUSTRY OVERVIEW

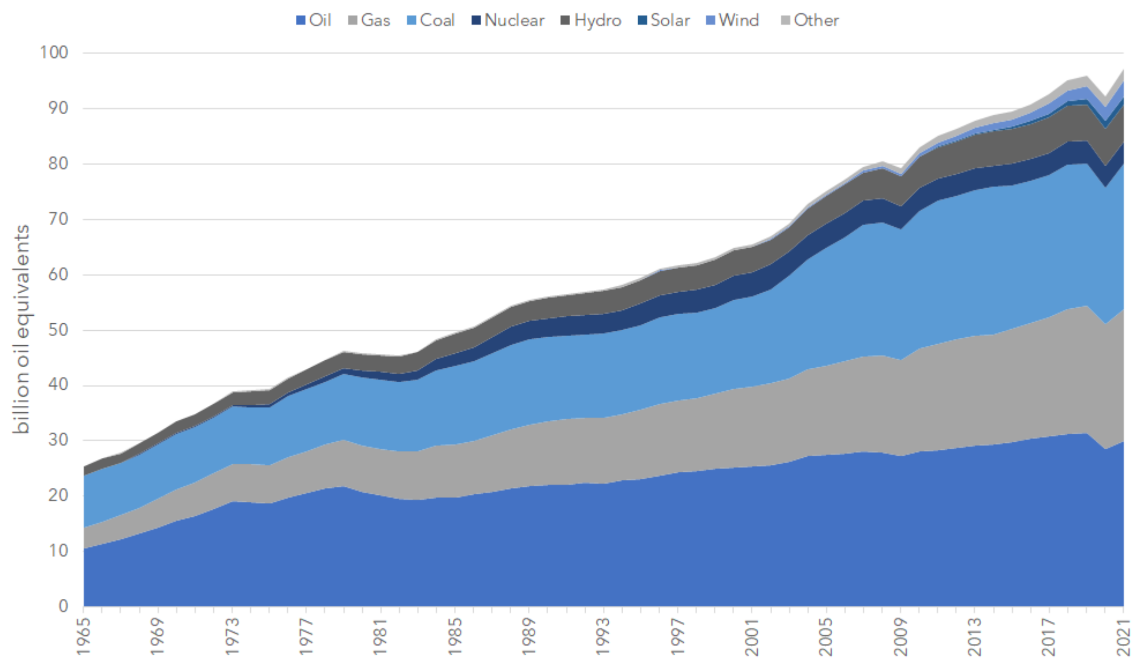
The following discussion and the discussion appearing elsewhere of this Prospectus contain information sourced from third parties. The Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

4.1 The global energy market

World energy consumption has steadily increased since the industrial revolution, a trend which is expected to continue in the medium term. Fossil fuels continue to supply around 82 percent of the world's energy. Oil is the largest energy source, meeting 31 percent of the world's energy consumption, while natural gas accounts for 24 percent and coal for 27 percent.

The world consumption of primary energy, including oil, natural gas, coal, nuclear, hydro power and other renewable energy, increased by 5.2 percent in 2021 following a 4.0 percent decline in 2020 and 0.9 percent growth in 2019. Global oil consumption increased by 5.3 million barrels per day or 6.0 percent in 2021, following a decline of 9.0 million barrels per day or 9.2 percent in 2020 due to the COVID-19 pandemic.

Figure: World Energy Consumption



Source: BP Statistical Review of World Energy June 2022

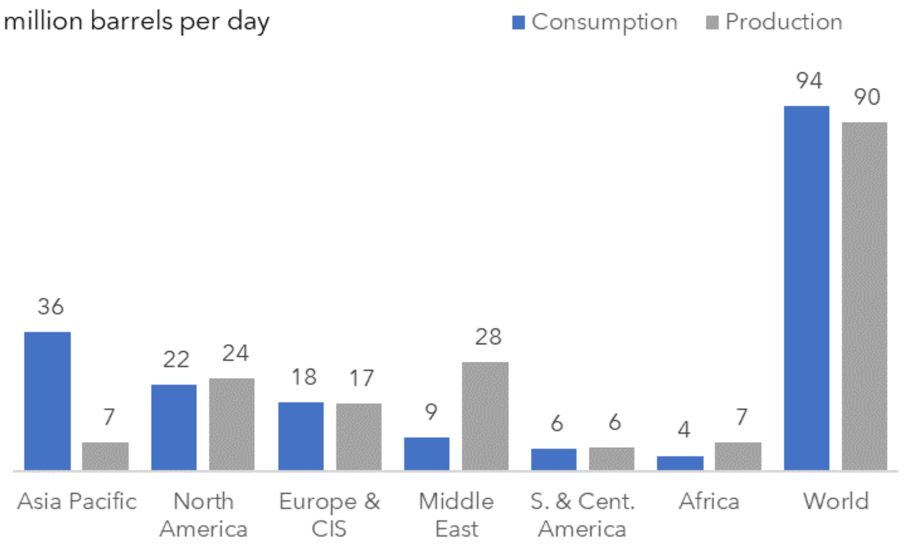
4.2 The oil market

Oil is a common description of hydrocarbons in liquid form. Crude oil produced from different oil fields varies greatly in composition, and the composition and distribution of hydrocarbon components determines the weight of the oil, with light crude oil having a higher percentage of light hydrocarbons than heavier oil.

Oil is well-suited for storage and transportation and is transported over long distances in large crude oil tankers or pipelines. Because of this, oil is a commodity with a well-developed global market. The prices are quoted on the world's leading commodities exchanges, with New York Mercantile Exchange in New York and the Intercontinental Exchange ("ICE") in London as the most important markets for the determination of global oil prices. Relative oil price differentials are primarily determined by the weight of the oil and its sulphur content.

Crude oil is used for a variety of purposes, the most important being the production of energy rich fuels, with approximately 66 percent of hydrocarbons being used for motor gasoline, diesel/gasoil and kerosene-type jet fuel. The remaining hydrocarbons are mainly used as raw material for many chemical products, including pharmaceuticals, solvents, fertilizers, pesticides and plastics.

Figure: World oil consumption and production by region



Source: BP Statistical Review of World Energy June 2022

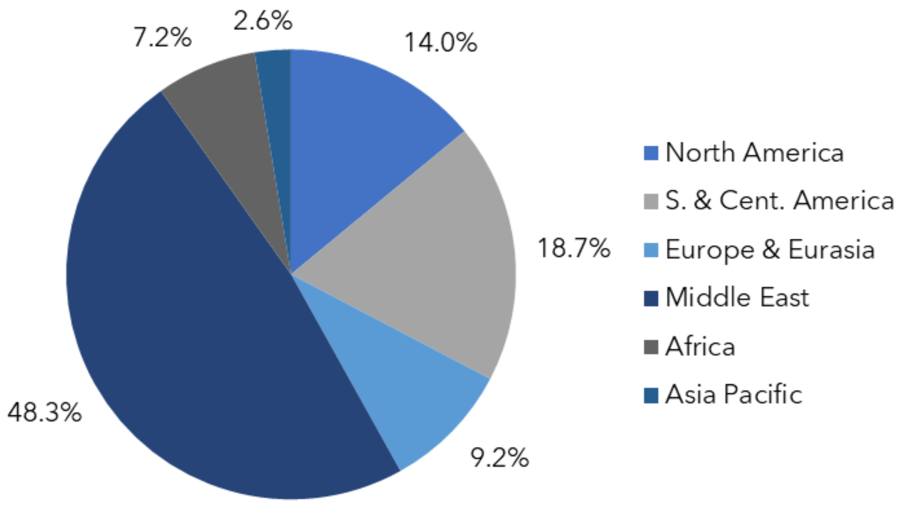
World oil consumption in 2021 was approximately 94 million barrels per day, of which Asia Pacific, North America and Europe including the CIS (The Commonwealth of Independent States), accounted for approximately 38 percent, 24 percent and 19 percent, respectively. Consumption in the Middle East was about 9 percent of the world total consumption.

The Middle East is the world's largest oil producing region, accounting for 31 percent of the world total. North America is second behind the Middle East, accounting for 27 percent, followed by Europe and Eurasia with 19 percent. Despite being the largest consuming region, oil production in Asia Pacific accounts for only 8 percent of total world production.

Worldwide proven oil reserves stood at an estimated 1,732 billion barrels at the end of 2021, sufficient to meet some 53 years of global production at 2021 production levels.

The members of OPEC together held 70 percent of total global reserves in 2021. OPEC includes the largest Middle East oil producers, namely Iran, Iraq, Kuwait, Saudi Arabia and the UAE, in addition to Algeria, Angola, Congo, Equatorial Guinea, Libya, Nigeria, Gabon, Ecuador, and Venezuela. OPEC has historically played the role of swing producer in the global oil market and its decisions have had considerable influence on oil supply availability and thus international oil prices.

Figure: Distribution of proven world oil reserves 2021



Source: BP Statistical Review of World Energy June 2022

4.3 The oil price

Brent (ICE Global Spot) saw a sharp decline following the COVID-19 outbreak as economic activity slowed sharply across the globe reaching a local low in 2020. Facing pressure from the USA, Saudi Arabia called an emergency meeting of OPEC+. Following the meeting the members agreed to record production cuts of 9.7 million barrels per day through the end of June 2020. Oil prices responded quickly and started to increase following the meeting, with Brent increasing 35.9% in May 2020, and 74% in June 2020 . The price of Brent continued to rally into 2022, and following the Russian invasion of Ukraine Brent climbed above USD 130/barrel of crude oil ("bbl"). Since then, Brent has dropped to around USD 90/bbl, leading to an average 2022 Brent oil price of USD 101/bbl as of 3 November.

As evidenced by the price changes in recent years, the oil price is highly dependent on the current and expected future supply and demand of oil. As such, it is influenced by global macroeconomic conditions and may experience material fluctuations on the basis of economic indicators and material economic events as well as geopolitical events. Historically, oil prices have also been heavily influenced by organisational and national policies, most significantly the formation of OPEC and subsequent production policies announced by the organisation. The figure below shows Brent oil price development from 1 January 2000 to 3 November 2022.

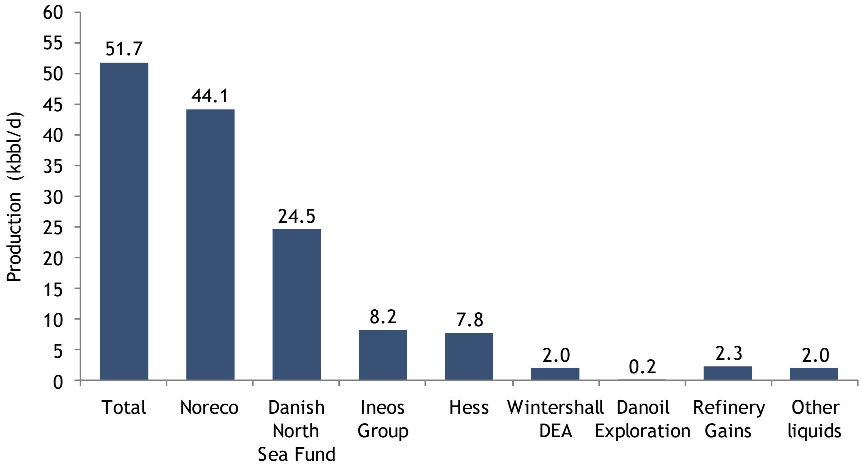
Figure: Brent oil price, daily from 1 January 2000 to 3 November 2022

Source: FactSet

4.4 The Danish Continental Shelf

According to the Danish Energy Agency ("DEA"), the Danish Continental Shelf contains in total 19 producing fields of varying size. Total production of oil in 2021 amounted to 4.0 million m^3, a decline of 8.4% compared to 2020. Natural gas production was 1.3 billion Nm^3, of which 75% was exported ashore as sales gas. As of 1 January 2022, DEA estimates oil reserves on the DCS to 141 million m^3 and sales reserves of sales gas to 73 billion Nm^3

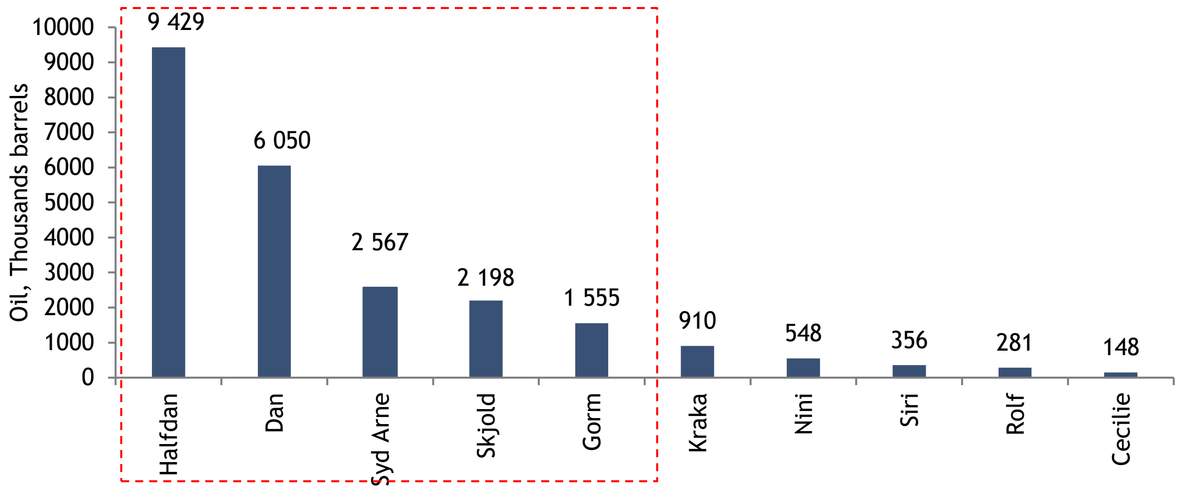
Figure: Production in 2019

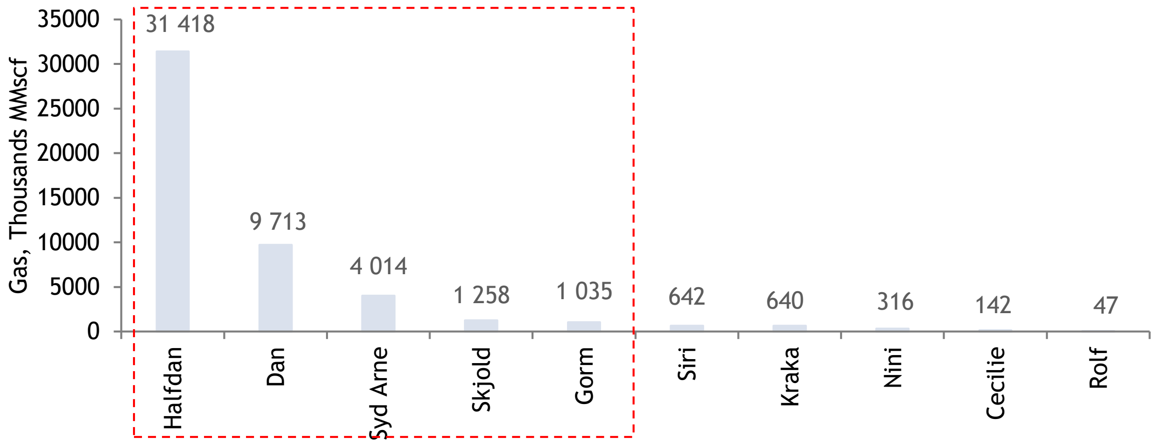


Source: Rystad uCube browser as of 20 January 2020

The Danish Continental Shelf is characterized by the Danish Underground Consortium (DUC), which started production in 1972, currently operates 10 fields, four export pipelines and significant infrastructure all located in the Central Graben sector of the North Sea. It covers nearly 85% of Danish oil and gas production in 2021. DUC is a joint operation between Total (43.2%), Noreco (36.8%) and Nordsøfonden (20.0%, owned by the Danish state) cooperating to recover oil from the Sole Concession holder's area of the Danish North Sea. The Sole Concession covers 1,635.7 km^2 of the DCS and is operated by Total Energies.

Figure: Danish Production of oil and gas in 2021





DUC fields

Source: Danish Energy Agency, "Monthly Production - December 2021"
Note: Tyra, Dagmar, Regnar, Valdemar, Roar, Svend, Harald, Lulita, Tyra SE, Ravn fields did not have any production of Oil or Gas in 2021, hence excluded

Halfdan is the largest producing field in Denmark and the most important DUC asset in terms of value and resources that consists of two main platforms groups, Halfdan A and Halfdan B in addition to an unmanned wellhead platform, Halfdan CA.

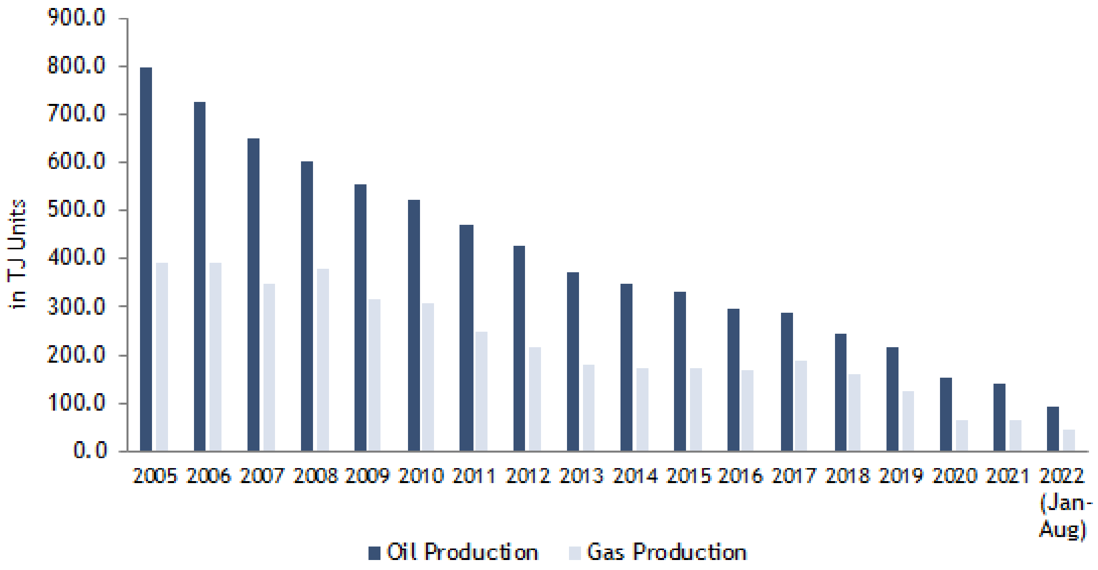
The Tyra field installations comprise three platform complexes, Tyra West, Tyra East and Tyra South East and is the processing centre for all gas produced by DUC. Reservoir compaction has resulted in decreased air gap and the requirement for a full redevelopment of the Tyra field installations The DUC has invested almost DKK 725m in the redevelopment of the Tyra field in 2021 and it is expected to deliver 2.8bn cubic meter gas per year which amounts to 80% of the forecasted Danish gas production. Total Energies is investing more than USD 300m to redevelop the Tyra platforms in the Danish North Sea, which is expected to deliver approximately 60,000 boe/day, equating to over 200 mmboe over the next 25 years.

Dan was the first field brought on production in Denmark in 1972 and has since contributed with approximately 28% of the cumulative Danish oil production. The field remains a significant asset within the DUC portfolio with over 25% of remaining oil resources. Dan has two satellite fields Kraka and Regnar (shut-in).

Gorm production started in 1981, the second Danish field in production after Dan. Gorm has three satellites fields, Skjold, Rolf and Dagmar. Most of the Gorm resources have been produced. Gorm acts as an export centre for most of the liquids produced in Denmark

The Lulita field is the only field in the DUC portfolio with shared ownership. DUC has 50% ownership in Lulita with Ineos (40%) and Noreco (10%) as partners (prior to acquiring Shell's working interest in the DUC) and is hosted by the Harald facilities. It currently has only one producing well.

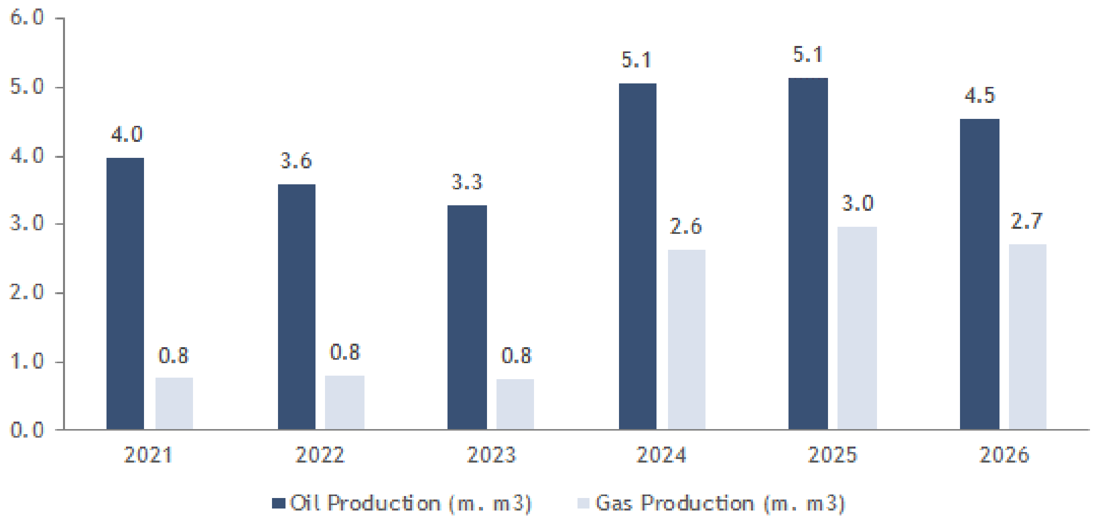
Figure: Development of oil and gas production on the DCS



Source: Danish Energy Agency

Production is expected to decline driven by the expectations of a smaller production in some of the larger fields. For 2022, DEA had forecasted a production of total 3.6 million m^3 of oil, equal to about 62,000 barrels of oil per day, and 0.8 billion Nm3 of sales gas, equal to a combined total of about 15,000 barrels of oil equivalents per day. However, actual production in 2021 was 4.0 million m^3 of oil and 0.8 billion Nm^3 of sales gas. In the period 2022 - 2026 a decrease in production is estimated, by an average of 19%, due to the second postponement of the reconstruction Tyra from summer 2023 to early 2024 and reassessments of several expansion projects.

Figure: Expected production profile for production of oil and sales gas on the DCS



Source: Danish Energy Agency, "Resource Assessment and Production Forecasts – August 2022"

Since 1983, areas in the Danish North Sea have been offered to interested oil companies in a system of rounds. Seven licensing rounds have been held and the 8th licensing round closed for applications on 1 February 2019. DEA announced it has received five applications for concessions from four companies including Total E&P Denmark, Lundin Norway, Mol Dania and Ardent Oil and new concessions are expected to be awarded in the summer of 2019. On behalf of the Danish state, the Danish North Sea Fund will hold a 20% interest in the new licenses, and the oil companies will hold an 80% interest. In addition to the licensing Rounds, Denmark also has an Open-Door procedure for applying for licenses in some unlicensed areas. A "first come first served" policy applies according to the license conditions. The procedure applies to areas in which no commercial oil or gas discoveries have been made, and these applications are therefore subject to more lenient work program requirements than in the western part of the North Sea. By the amendment of the Subsoil Act of 1 May 2019, the Danish Government closed for oil and gas exploration on land and in inner Danish waters. However, the government and a broad majority in the Danish Parliament have reached an agreement on the future of the North Sea, which implies that after an end date of 2050, oil and gas can no longer be extracted, leading to a final cancellation of the 8th bidding round. As per Subsoil Act of 14 December 2021, new exploration will only happen through already existing opportunities like mini rounds and neighboring block procedures, so that the state will no longer invite to exploration of fossil fuels and all new licenses can only be awarded in the area west of 6° 15' eastern longitude, and that a 2050 end date for all existing and future licenses for oil and gas recovery would be introduced.

4.5 Regulatory framework for oil and gas activities on the Danish Continental Shelf

4.5.1 Key legislation and authorities

The exploration for and production of hydrocarbons from the Danish Continental Shelf is regulated by extensive legislation and other rules and regulations issued by both the EU and Denmark. Below is a non-exhaustive overview of the most important legislation for the Danish Continental Shelf in effect as of the date of issuance of this Prospectus.

The Danish Subsoil Act ("Undergrundsloven", consolidated Act No. 1533 dated 16 December 2019) is the framework regulation of the exploration and production of hydrocarbons, from the Danish subsoil, and is an implementation of the EU Directive 94/22/EC on the Conditions for Granting Authorizations for the Investigation, Exploration and Production of Hydrocarbons.

The Danish Offshore Safety Act ("Offshoresikkerhedsloven", consolidated Act. No. 125 dated 6 February 2018) is the framework regulation with the purpose to ensure safety of offshore installations, the working environment on the installations and other health conditions and is an implementation of the EU Directive 13/30/EU on safety of offshore oil and gas operations.

The Danish Continental Shelf Act ("Kontinentalsokkelloven", consolidated Act No. 1189 dated 21 September 2018) sets the legal framework for the regulation of and requirement for necessary approvals and licences for the establishment and operation of offshore facilities for the production of oil and gas and related infrastructure (offshore activities) and is also an implementation of various EU Directives.

The Danish Pipeline Act, ("Rørledningsloven" consolidated Act no. 807 13 August 2019) has been implemented to improve the recovery of crude oil and condensate in the fields in the Danish part of the North Sea and to reduce the environmental impact of transportation and landing. Under the DPA, the owner of the pipeline, currently Danish Oil Pipe A/S (a subsidiary of Ørsted A/S), operates the pipeline on the Danish continental shelf from the Gorm field to Fredericia as well as separation facilities. Any party recovering liquid hydrocarbons in the Danish part of the North Sea is obliged to connect the field facility to the pipeline and use it to transport the crude oil and condensate intended for refining or marketing in Denmark.

The DEA is the regulatory body appointed by the Danish Ministry of Energy, Utilities and Climate to regulate all matters relating to the award of licences and supervision of the exploration and production of oil and gas in Denmark.

The Danish Working Environment Authority (in Danish "Arbejdstilsynet") is appointed by the Ministry of Employment to supervise the health and safety aspects of the offshore installations on the Danish Continental Shelf.

The Danish Ministry of Environment and Food has the overall responsibility for environmental matters in Denmark. The administration at state level is managed by two agencies of the Ministry, the Danish Environmental Protection Agency and the Danish Nature Agency. At the regional and local levels, much of the administrative responsibility has been delegated to the municipalities.

4.5.2 Licensing

Through the Danish Subsoil Act the Danish Minister of Energy is authorized to grant non-exclusive licences for preliminary investigation and exclusive licences for exploration and production within a defined geographic area for a set period of time and under specific conditions relating to the efficient use of resources.

The Sole Concession was granted in 1962 well before the current regulation and licensing rules were introduced. Under the current rules licences can be awarded according to two different procedures, either by the “mini round” procedure or as a neighbouring block to an existing license.

At a mini round, interested companies can apply for a licence in an area, without prior invitation. An announcement of the application will be published in Statstidende and the Official Journal of the European Union. Other interested parties can then send in their application within 90 days.

If there are geological or production-related reasons for it, a licensee can apply for a licence in an adjacent area (a neighboring block)

By the amendment of the Subsoil Act of 1 May 2019, the Danish Government closed for oil and gas exploration on land and in inner Danish waters.

A broad majority in the Danish Parliament reached in the North Sea agreement from 3 December 2020, a deal on the future of fossil extraction in the North Sea, which lead to the decision that all future licensing rounds to extract oil and gas are cancelled. New exploration will only happen through already existing opportunities like mini rounds and neighboring block procedures, so that the state will no longer invite to exploration of fossil fuels. It was further decided, that new licenses only could be awarded in the area west of 6° 15' eastern longitude, and that a 2050 end date for all existing and future licences for oil and gas recovery would be introduced. The changes were implemented by the amendment of the Subsoil Act of 14 December 2021

Since the introduction of the licensing system seven licensing rounds have been completed. All licences granted after the introduction of the licensing system are based on standard terms and conditions with respect to the exploration and production of hydrocarbons. The standard terms and conditions include rules and obligations intended to ensure that the exploration activities take place in an effective manner ensuring high health, safety and environmental standards. The model terms also set out certain financial terms, abandonment obligations, state participation etc. Further the internal relationship between the licencees must be regulated in a JOA, for which the DEA has also issued a model agreement. In 2012, the DUC JOA was adjusted to the terms of the standard JOA in connection with Nordsøfonden becoming a partner to the DUC. Another usual requirement under licences awarded under the current licensing system is that each licensee has to issue security for the performance of its obligations to the DEA (normally as a parent company guarantee from the ultimate parent company). As the DUC partners are not concessionaires under the Sole Concession, such requirement is not applicable to the DUC partners under the Sole Concession.

The licences are granted on the basis of the applicants’ technical competencies and financial capacities, the ability to carry out activities in a manner as to ensure that society gains maximum insight into and benefit from the activities and the working obligations offered by an applicant, see Chapter 7a of the Danish Subsoil Act. Such competencies and capacities also have to be documented before the DEA will provide the necessary approval of any assignment of participating interest in a licence.

The initial licence term for an exploration licence for hydrocarbons is up to six years and may be further extended by up to 10 years, or longer in exceptional cases. If commercially exploitable hydrocarbon resources are discovered the licensee has a statutory right to have the licence extended for a period of up to 30 years, subject to production being initiated within a set time limit. Again, the licence period may be extended but generally cannot exceed 50 years in total.

4.5.3 State participation by the Kingdom of Denmark

Nordsøfonden is a Danish state-owned fund established by law in 2005. Its role is to take part in all hydrocarbon licences on behalf of the state and since 2012 Nordsøfonden is also a DUC partner holding 20% participating interest in the DUC on behalf of the Danish State.

4.5.4 Environmental and Safety regulation

The business of the Group, including the Danish business acquired through the Transaction, is subject to extensive risks from an environmental and safety perspective. Below is a non-exhaustive summary of the main environmental and safety regulation.

4.5.5 Environmental

All phases of the oil business present environmental risks and hazards and are subject to strict environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. All activities are subject to the receipt of necessary approvals or licences.

The Danish Subsoil Act and the Danish Continental Shelf Act impose strict liability for all damage, including environmental damage, caused by the activities conducted pursuant to a licence, including spills, releases or emissions of various substances produced in association with hydrocarbon operations.

Pursuant to the Danish Environmental Marine Protection Act ("Havmiljøbeskyttelsesloven"), consolidated Act no. 1165 of 25 November 2019) it is generally prohibited to discharge any substance into the sea, although in certain cases a permit allowing discharge of substances originating from exploration and/or production of natural resources may be granted.

The Environmental Impact Assessment Act and the Statutory Order on Offshore Impact Assessment concerns environmental impact assessments, appropriate assessments regarding international nature conservation areas and protection of certain species in Danish territorial waters, in the Danish exclusive economic zone and on the Danish continental shelf. Certain projects related to the DSA, CSA and DPA (e.g., the production of oil) may only be initiated after an environmental impact assessment and certain other impact assessments have been carried out.

The Company's portfolio includes both production and exploration licences, including concession. In all licences or concessions the Company's subsidiaries act as non-operating party, and as such the primary responsibility for the environmental management of the activities within the licence areas rests with the designated operator (currently Total in all licences and concessions). However, as Company holds joint and shared liability in connection with any environmental damage from activities undertaken in each licence, it is in the Company's best interest from a risk management perspective to ensure that the operator will follow environmental regulations.

The exploration, production and transportation of hydrocarbons entails significant environmental risks and the Company may become liable for any pollution pursuant to the abovementioned risks. See also section 1.

4.5.6 Safety

The Danish Offshore Safety Act is the legal framework for promotion of a high level for health and safety offshore and for creating a framework enabling the companies to solve offshore health and safety issues themselves.

The Danish Offshore Safety Act generally applies to all offshore activities related to hydrocarbon facilities, infrastructure and pipelines connected hereto.

Licensees under the Danish Subsoil Act are required to identify, assess and reduce health and safety risks as much as reasonably practicable, see Section 5 of the Danish Offshore Safety Act, which is known as the obligation to comply with the ALARP (As Low As Reasonably Practicable) principle. Furthermore, the licensee shall ensure that operators are able to fulfil the safety and health obligations pursuant to the Danish Offshore Safety Act.

The Danish Working Environment Authority shall be notified by the operator of any contemplated constructions or significant changes to facilities covered by the Danish Offshore Safety Act and the Danish Working Environment Authority shall approve such constructions or significant changes before the facilities are commissioned for operation. Before the facilities are commissioned for operation the operator shall also prepare and submit to the Danish Working Environment Authority a safety and health report covering i.e. identification of risks related to the hydrocarbon facilities, an assessment of such risks, and how they have been reduced as much as reasonably practicable.

Under the Statutory Order on Safety Zones and Zones for the Observance of Order and the Prevention of Danger, fixed installations, drilling rigs, drilling ships, etc., used for or in connection with exploration or extraction of raw materials on the Danish continental shelf must be surrounded by a safety zone.

4.5.7 Abandonment

At the end of the lifetime of every licence the Minister of Energy is entitled to choose between exercising the right under the licence to take over the facilities in whole or in part, free of charge or ordering the licensee to abandon and decommission all existing facilities. Pursuant to the Danish Subsoil Act a licensee who assigns its interest in a licence remains secondary liable towards the Danish State for any economic abandonment obligations for facilities which existed at the time of the transfer.

Abandonment is the last act to be performed under the licence and the JOA. Under the Sole Concession the Concessionaire is liable for these obligations towards the State in other licences all licensees are liable towards the State. Under all existing JOAs the partners have agreed to be liable towards each other for each partner's participating interest share of the abandonment obligations.

It is common for partners to enter into agreements setting forth regulation of when and how to provide securities for abandonment obligations in order to avoid one or more. For the Lulita Unit this is regulated in the Unitization Agreement and for the Sole Concession in the JOA.

5. FINANCIAL INFORMATION CONCERNING THE GROUP'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

This section should be read together with the annual accounts and interim reports of the Issuer which are incorporated by reference to this Prospectus.

5.1 Introduction

The Issuer prepares its annual consolidated financial statements in accordance with IFRS and its interim reports in accordance with IAS 34. The audited consolidated financial statements of the Issuer for the years ended 31 December 2020 and 31 December 2021, and the unaudited financial statements for the nine and three months ended 30 September 2022, are attached to this Prospectus. Please refer to Appendix 1.

5.2 Legal and Arbitration Proceedings

On 29 November 2022, Noreco received a temporary injunction ruling from Oslo District Court restricting Noreco (and Nordic Trustee AS, as trustee for NOR13 bondholders) from implementing the Amendments (as defined below) which were approved on the bondholder meeting held on 8 November 2022 and by the extraordinary general meeting of the Company on 30 November 2022. The temporary injunction was issued without a hearing and was adjourned by the Court on 20 December 2022. Please refer to Section 5.3 "Recent Developments" for further description of the dispute.

As of the date of this Prospectus, the Company is not aware of any governmental, legal or arbitration proceedings during the course of the preceding twelve months, including any such proceedings which are pending or threatened, of such importance that they have had in the recent past, or may have, a significant effect on the Company or the Group's financial position or profitability.

5.3 Recent Developments

Proposed amendments to NOR 13 and NOR15 Issuance

On 8 November 2022, the bondholders in NOR13 approved certain amendments ("Amendments") to the NOR13 bond terms ("**NOR13 Bond Terms**"), which were subsequently approved by an extraordinary meeting in Noreco on 30 November 2022.The Amendments included inter alia a postponement of the mandatory conversion date by approx. two years to 31 December 2025 (following the expected Tyra first gas date next winter) and introducing a call option to allow the Company to redeem the Bonds with cash in December 2025. As compensation for the Amendments, the NOR13 bondholders would receive additional NOR13 bonds.

Following approval by 2/3 of the NOR 13 bonds of the Amendments, but before the implementation of the Amendments, Noreco received a temporary injunction ruling from the Oslo District Court (Oslo tingrett) that restricts Noreco and Nordic Trustee AS (as trustee for the NOR13 bondholders) from implementing the Amendments (the "**Ruling**"). The Ruling had been issued following a claim from two minority NOR13 bondholders, Astaris Special Situations Master Fund Limited and Gertjan Koomen. The Ruling was issued without any hearing involving Noreco or the Nordic Trustee AS, and was disputed by both of the aforementioned.

On this background, Noreco proposed to issue a new subordinated convertible bond ""**NOR15**") on the terms and conditions as per the bond terms attached to the Prospectus and described in the Securities Note ("**NOR15 Bond Terms**"). The NOR15 Bond Terms are based on NOR13 and with terms similar to the proposed Amendments to the NOR13 Bond Terms, except that, *inter alia*, a tap issue mechanism has been included.

NOR15 is a new separate instrument and the NOR15 Bonds were issued through an exchange offer (the "**Exchange Offer**") whereby existing bondholders in NOR13 were able to elect to exchange their NOR13 bonds for new NOR15 Bonds. For each NOR13 bond, the bondholders in NOR13 received 1.3713 NOR15 Bonds. In addition, accrued and unpaid interest for NOR13 bonds exchanged to NOR15 Bonds were compensated in full on the first interest payment date (in January 2023) 1:1 by the issuance of NOR15 Bonds.

On 16 December 2022, Noreco announced that Astaris Special Situations Master Fund Limited and Gertjan Koomen requested that Oslo District Court withdrew the Ruling. Noreco announced on 20 December 2022 that Oslo District Court confirmed that the temporary injunction was withdrawn and the Ruling is no longer in effect (in Nw:"*hevet*").

Following the above, NOR13 was altered with the Amendments and NOR15 was issued.

Geopolitical situation

As a response to Russia's invasion of Ukraine in February 2022, the Company has further elevated its IT security-related routines and IT-systems to protect itself against cyber criminality and similar. Following the sabotage on the Nord Stream 1 and Nord Stream 2 pipelines in September 2022, Danish Energy Agency (Energibestyrelsen) raised the preparedness level of the Danish energy sector which was immediately implemented by the operator TotalEnergies.

As a response to the challenges in the European gas markets, Noreco has together with its partners in the DUC identified several infill well opportunities where Final Investment Decision is expected in 2022 and 2023. Noreco currently expects the capital investment required for these wells to be c. USD 10 per boe of reserves, however this will be further defined on sanction where the impact of the current supply-side environment will be fully reflected. These wells will further increase the gas output from the DUC and help Noreco meet its objective of supporting Energy Security in Denmark and the EU.

Tyra re-development project

In August 2022, the Company announced a revision of the Tyra start-up date, from Q2 2023 to winter 2023/2024. The budget was revised to DKK 25.7 billion. The revision was driven by global supply chain challenges that had impacted the yard fabrication of the process module in addition to a revised plan by the Operator of the ongoing hook-up and commissioning work offshore.

Company expects the following production guidance for 2022: 26.5 – 27.0 mboepd.

Other than the developments mentioned above, there has been no significant change in the Group's financial and trading position since the end of the last financial period for which audited financial information has been published.

5.4 Trend Information

There has been no material adverse change in the prospects to the Issuer since the date of the last published audited financial statements or any significant change in the financial performance of the Group since the end of the financial period covered in the latest interim financial report.

6. THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND SUPERVISORY BODIES

This Section contains information about the Board of Directors, Executive Management and Supervisory Bodies of the Issuer.

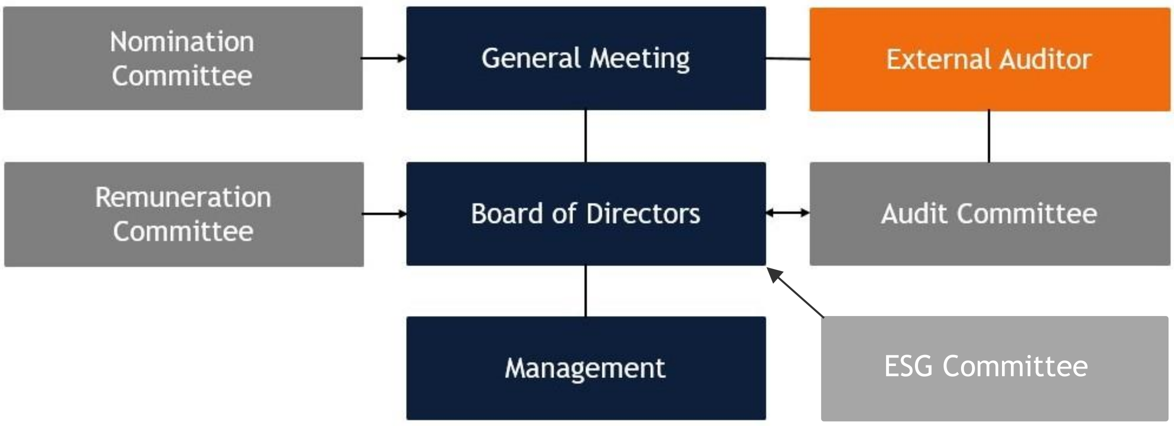
6.1 Overview

The board of directors is responsible for the overall management of the Company and may exercise all the powers of the Company. In accordance with Norwegian law, the board of directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business; ensuring proper organisation, preparing plans and budgets for its activities; ensuring that the Company's activities, accounts and asset management are subject to adequate controls and to undertake investigations necessary to ensure compliance with its duties. The board of directors may delegate such matters as it deems fit to the executive management of the Company.

The Company's executive management is responsible for the day-to-day management of the Company's operations in accordance with instructions set out by the board of directors. Among other responsibilities, the Company's Managing Director is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, at least once a month the Company's Managing Director must brief the board of directors about the Company's activities, financial position and operating results.

6.2 Governance Structure

The Company's governance structure is set out in the diagram below:



6.3 The Issuer

6.3.1 Board of Directors

The Company's Articles of Association provide that the board of directors shall have between 3 and 8 members. In accordance with Norwegian law, the managing director and at least half of the members of the board of directors must either be resident in Norway or be citizens of and resident in an EU/EEA country.

The Company's board of directors currently consists of the following members:

Name	Position	Served Since	Expiry of Term
Riulf Rustad	Chair	27 March 2015	AGM 2024
Marianne Lie	Member	26 May 2016	AGM 2024
Tone Kristin Omsted	Member	26 May 2016	AGM 2024
Colette Cohen	Member	15 September 2019	AGM 2023
Robert J. McGuire	Member	2 March 2020	AGM 2024
Jan Lernout	Member	19 May 2021	AGM 2023
Peter Coleman	Member	19 May 2021	AGM 2023

The composition of the Company's board of directors is currently in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance of 14 October 2021 (the "**Corporate Governance Code**" or the

"**Code**"). The Corporate Governance Code provides that a board member is generally considered to be independent when he or she does not have any personal, material business or other contacts that may influence the decisions he or she makes as a board member.

Set out below are brief biographies of the directors of the Company, along with disclosures about the companies and partnerships of which each director has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and executive management positions in the Company or any of its subsidiaries.

Riulf Karsten Rustad

Riulf Rustad is a Norwegian businessman with a long track record from investments in sectors such as oil & gas, oil services and offshore. Mr. Rustad operates through his platform Ousdal AS and holds/has held various board positions, both in listed and unlisted companies. Mr. Rustad was elected as chair of the board in 2016.

Current other directorships and management positions	Directorships: Ousdal AS (Chair), Cecon Contracting AS (Chair), Rever AS (Chair), Rb Ventures AS (Chair), Rever Group Limited AS, Fara Holdco Limited Management position(s): Ousdal AS (CEO)
Previous directorships and management positions held during the last five years	Directorships: - Management position(s): -

Marianne Lie

Lie is a consultant at Fajoma Consulting AS. She holds various board positions including Wallenius Wilhelmsen ASA and Treasure ASA. She has previously held various board positions including DNB ASA, R.S. Platou, Rainpower ASA and Fortum Corporation.

Current other directorships and management positions	Directorships: Fajoma Consulting AS (Chair), Arendals Fossekompani Pensjonskasse (Chair), Recreate ASA (Director). Management position(s): Fajoma Consulting AS (CEO), Forum for Miljøteknologi (CEO).
Previous directorships and management positions held during the last five years	Directorships: Scana ASA (Director), Treasure ASA (Director), GNP Energy AS (Director), Det norske oljeselskap ASA (Director), Nao Norway AS (Chair), Cecon ASA (Director), Zoncolan AS (Director), Scandinavian Presence AS (Director), Rainpower AS (Director), ARD Group AS (Director), ISCO Group AS (Director), Arendal Fossekompani ASA (Director), Wilh. Wilhelmsen ASA (Director), Wallenius Wilhelmsen ASA (Director), Incus Investor ASA (Director), Hermitage Offshore Services Ltd (Director). Management position(s): -

Tone Kristin Omsted

Omsted holds a BA Hons. in Finance from University of Strathclyde. She has broad experience from corporate finance and capital markets and currently serves as head of investor relations at Entra ASA. Previous experience includes 14 years as an investment banking executive at SEB Enskilda. She has also served on the board of directors of Panoro Energy ASA.

Current other directorships and management positions	Directorships: - Management position(s): Entra ASA (Head of Investor Relations).
Previous directorships and management positions held during the last five years	Directorships: Management position(s): -

Colette Cohen

Cohen is a chemistry graduate from Queens University Belfast and also holds a masters degree in Project Management and Economics. Her career began with BP in 1991 and she has worked for companies including ConocoPhillips and Britannia in the North Sea, Norway, the US & Kazakhstan. Colette was SVP for Centrica Energy's E&P UK/NL and in August 2016 became the CEO of The Net Zero Technology Centre.

Current other directorships and management positions	Directorships: Net Zero Technology Centre Board (Director), DeepOcean Group (Director), Technip Energies (Director), Future Flight Board for the UK (Director), National Strategy for Economic Transformation of Scotland Delivery (Director), Just Transition Commissioner for Scotland Management position(s):
Previous directorships and management positions held during the last five years	Directorships: The National Composite Centres Industrial Steering (Chair), Flylogix (Chair), Lloyds Register Foundation Advisory (Director), Oil & Gas UK (Director), OGA's North Sea Decommissioning (Co-Chair), Technology Leadership for the UK Government (Director), Springer Rescue for Scotland (Director) Management position(s):

Bob McGuire

Bob McGuire is the founder of Longwing Partners LLS, a strategic advisory firm. He has a 25-year global track record as an advisor, investor and business leader, has served on numerous boards and has extensive experience in the energy sector, having led the European energy businesses at both Goldman Sachs and J.P.Morgan. Bob is also an independent director at TSX-listed GDI Integrated Facilities Services. He has a BA from Boston College and an MBA from Harvard Business School.

Current other directorships and management positions	Directorships: GDI Integrated Facilities Services Management position(s): Longwing Partners LLC
Previous directorships and management positions held during the last five years	Directorships: -

	Management position(s): MAEVA Group, LLC

Peter Coleman

Peter Coleman joined Taconic in April 2018 where he is a Director focusing on European credit, based in their London office. Prior to joining Taconic, Peter was a Managing Director on the European distressed debt team at SVP Global. Previously, he was an Investment Director in distressed debt at Sisu Capital and prior to this, he was a Director in the corporate finance group and tax group at PricewaterhouseCoopers. Peter earned a dual LL. B. and B.Com. from Victoria University in New Zealand in 1996.

Current other directorships and management positions	Directorships: Noble Group Holdings Limited Management position(s): -
Previous directorships and management positions held during the last five years	Directorships: - Management position(s): SVP Global (Managing Director, European Distressed Team)

Jan Lernout

Jan Lernout is a partner and portfolio manager at Kite Lake Capital Management (UK) LLP, which he founded in July 2010. Prior to that he was a partner and portfolio manager at Cheyne Capital Management (UK) LLP and an Executive Director and member of the Investment Committee in the European Special Situations Group (ESSG) at Goldman Sachs International. He holds a Master in Commercial Engineering from KU Leuven and an MBA from the University of Chicago Booth School of Business. He is a CFA Charterholder.

Current other directorships and management positions	Directorships: - Management position(s): Partner/Co-founder Kite Lake Capital Management LLP
Previous directorships and management positions held during the last five years	Directorships: Management position(s): -

6.3.2 Management

The Company's executive management consists of five individuals. The members of the Company's executive management and their holdings of Shares in the Company as of the date of this Prospectus are set out in the table below.

Name	Position	Employed From	Holdings*
Euan Shirlaw	Chief Executive Officer	1 October 2019	90,206
Marianne Eide	Chief Operating Officer	1 January 2022	45,298
Cathrine F. Torgersen	EVP, Investor Relations & ESG	1 January 2020	38,165
Jacqueline Lindmark Boye	EVP Finance	2019	4,295[6]

Including shares bought, retention shares, performance shares and allocated shares under the Company's long term incentive scheme.

Set out below are brief biographies of the members of the executive management, along with disclosures about the companies and partnerships of which each member of the Executive Management has been member of the administrative, management and supervisory bodies in the previous five years, not including directorships and Executive Management positions in the Company or its subsidiaries.

[6] Please note that Jacqueline Lindmark Boye became a member of the executive management of the Company in November 2022.

Euan Shirlaw

Mr Shirlaw became Chief Executive Officer of Noreco in 2022, having joined the Company as Chief Financial Officer in 2019. He has a background of providing strategic advice to a wide range of oil and gas companies on acquisition, divestment and merger activity as well as raising debt and equity capital. Prior to joining Noreco, Euan was a senior member of the oil & gas advisory team at BMO Capital Markets having also focused on the Energy space while working with Credit Suisse, RBC Capital Markets and Rothschild in London. He has a MSc in Business and Accountancy from the University of Edinburgh.

Current other directorships and management positions	Directorships: - Management position(s): -
Previous directorships and management positions held during the last five years	Directorships: - Management position(s): -

Marianne Eide

Mrs Eide has 30 years of experience in the upstream oil and gas industry. Prior to joining Noreco, she held senior management, commercial and technical roles with Shell, BG Group, Gaz de France, Conoco and Equinor based in Norway and the United Kingdom. Marianne has a MSc in Petroleum Engineering from the Norwegian Institute of Technology in Trondheim.

Current other directorships and management positions	Directorships: Management position(s): -
Previous directorships and management positions held during the last five years	Directorships: Board member AS Norske Shell. Management position(s): Shell UK Exploration and Production Development Manager Aberdeen

Cathrine F. Torgersen

Ms Torgersen joined Noreco in 2019 and holds the position as EVP Investor Relations & ESG. She previously had the role as Senior Account Director in Hill+Knowlton, where she advised a wide range of oil & gas- and shipping companies. During her seven years in Hill+Knowlton she was a member of the Management Team and was also leading the Financial Communications practice. Prior to joining Hill+Knowlton, Cathrine worked with institutional high yield sales at Pareto Securities Inc. in New York and Clarksons Platou Securities. She has a BSc in Business Administration and Finance from Bocconi University

Current other directorships and management positions	Directorships: - Management position(s): -
Previous directorships and management positions held during the last five years	Directorships: - Management position(s): Hill+Knowlton Strategies AS (Director)

Jacqueline Lindmark Boye

Jacqueline joined Noreco in 2019 and holds the position as EVP Finance since November 2022. She has over 20 years' experience in finance and audit within the energy industry in Australia, the UK and Denmark. Prior to joining Noreco, Jacqueline has held various roles, including leadership with Shell, AGL Energy, EY and PwC. She holds a Bachelor in

Commerce and Bachelor of Arts from Monash University in Australia and is a member of the Chartered Accountants Australia and New Zealand.

Current other directorships and management positions	Directorships: - Management position(s): -
Previous directorships and management positions held during the last five years	Directorships: - Management position(s): -

Audit Committee

The Company has an Audit Committee which is comprised of the following members: Marianne Lie, Tone Kristin Omsted and Peter Coleman. The Audit Committee shall act as preparatory body in connection with the supervisory role of the board with respect to financial control, review and external audit of the Company´s financial statements. The Audit Committee is also responsible for proposing to the board of directors, who then proposes to the general meeting, the election of the Company´s independent auditor.

Remuneration Committee

The Company has a Remuneration Committee which is comprised of the following members: Marianne Lie (chair) and Jan Lernout. The Remuneration Committee was established by the board of directors to ensure that the remuneration arrangements for senior executives of the Company are within the guidelines put forth by the board of directors; to ensure the remuneration package is competitive, reflect the responsibilities and effort required, reward success and not the opposite, and also ensure alignment of interest with shareholders.

ESG Committee

The Company established an ESG Committee in 2020 which is comprised of the following members: Colette Cohen (Chair) and Robert J. McGuire. The ESC Committee is contributing to the establishment and execution of a long-term ESG Strategy. To further improve transparency, Noreco intends to publish an Environmental, Social and Governance Report for 2022 where reporting will follow the Global Reporting Initiative standards ("**GRI**") and the Task Force on Climate-Related Financial Disclosures framework ("**TCFD**").

Nomination Committee

The Company's articles of association provide for a Nomination Committee composed of a minimum of three members who are elected by the general meeting. The Nomination Committee is responsible for preparing a motion for the annual general meeting related to the election of the members of the board of directors and the chairperson of the board of directors, election of the members of the Nomination Committee and the chairperson of the Committee, the remuneration of the directors and the members of the Nomination committee and any amendments of the Nomination Committee's Mandate and Charter. The Nomination Committee of the Company is comprised of the following members: Richard Sjøqvist (chair), Annette Malm Justad and Kristian Utkilen.

6.4 Disclosure of Conflicts of Interests

Jan Peter Lernout, member of the Company's Board of Directors, is a partner and portfolio manager at Kite Lake Capital Management (UK) LLP, which is a major shareholder in the Company. Similarly, Peter Douglas Coleman, member of the Company's Board of Directors, is a Director at Taconic Capital Advisors, which also is one of the major shareholders in the Company.

Other than this, there are, to the Company's knowledge, currently no other actual or potential conflicts of interest between the Company and members of the board of directors or executive management as of the date of this Prospectus.

6.5 Corporate Governance

The Company's corporate governance principles are based on, and comply with, the Norwegian Code of Practice, with the following exceptions:

(i) The board of directors of the Company has been, and is expected to be, provided with authorisations to acquire own shares and issue new shares. Not all of such authorisations have separate and specific purposes for each authorisation as the purposes of the authorisations shall be explained in the notices to the general meetings adopting the authorisations.

(ii) Options have been granted members of the board of directors in addition to management through the share option programme of the company, first implemented at a general meeting of 21 January 2016 and later extended and expanded. This options-based incentive scheme was in September 2022 replaced with (i) a one-off retention scheme, pursuant to which existing options issued to employees of Noreco's management team were cancelled and translated into retention shares that vest in full after three years in September 2025, and (ii) an annual long-term incentive scheme (the "LTI"), pursuant to which shares in Noreco will be transferred to eligible employees based on certain conditions, including continued employment, being met. The number of shares to be transferred under the LTI will be based on Noreco achieving certain KPIs related to shareholder return and ESG over a three year period.

(iii) Due to the unpredictable nature of a takeover situation, the Company has decided not to implement detailed guidelines on take-over situations. In the event a takeover was to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

7. INFORMATION ABOUT THE ISSUER

The following is a summary of certain corporate information and other information relating to the Issuer.

7.1 Incorporation; Registration Number; Registered Office and Other Company Information

The Issuer

Norwegian Energy Company ASA also commercially known as Noreco is a Norwegian public limited liability company incorporated under the laws of Norway and in accordance with the Norwegian Public Limited Companies Act of 13 June 1997 no. 45 with company registration number 987 989 297, and its legal entity identification ("LEI") number is 5967007LIEEXZXGE3C16. The Company was incorporated on 28 January 2005.

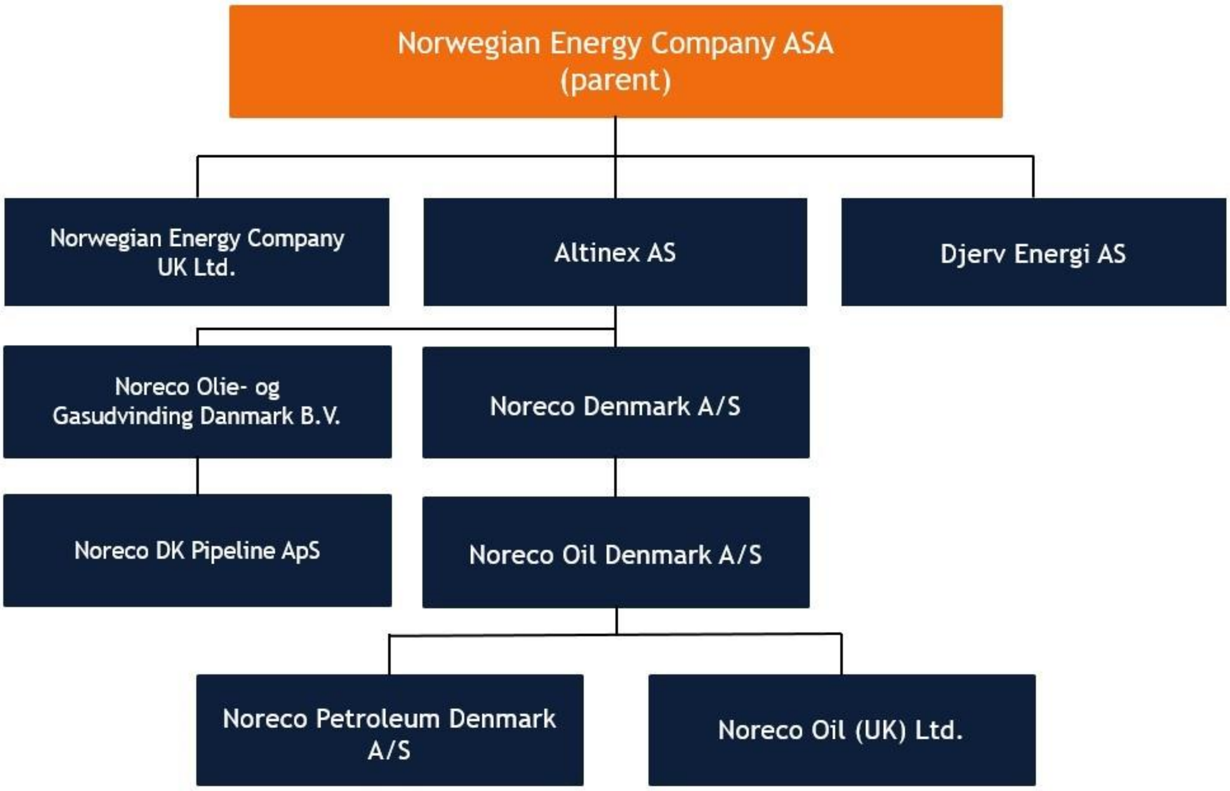
The Company has its head office and registered address at Nedre Vollgate 1, N-0158 Oslo, Norway, its telephone number is +47 22 33 60 00, and its website is www.noreco.com.

The Company has nine wholly owned (directly or indirectly) subsidiaries as of the date of this Prospectus: Altinex AS, Djerv Energi AS, Noreco Denmark A/S, Noreco Oil Denmark A/S ("NOD"), Noreco Petroleum Denmark A/S ("NPD"), Norwegian Energy Company UK Limited, Noreco Oil (UK), Noreco Olie- og Gasudvinding Danmark B.V. and Noreco DK Pipeline ApS.

The Company participates in extraction and production of oil and gas resources on the Danish Continental Shelf through licences granted to NOD, NPD and NOGU through its interest in DUC, as such these subsidiaries are material to the Group's operations.

7.2 Organisational Structure

The Company is the parent of the Group and is a holding company, the Company is as such dependent upon other entities within the Group to carry out its principal activity. The Group is structured in accordance with the diagram below:



The table below contains a list of the Company's subsidiaries as of the date of this Prospectus.

Fig.7.4.1: Subsidiaries

Company name	Country of incorporation and address	Percentage of shares and votes held by the Company (directly or indirectly)	Description of the company's role in the Group
Norwegian Energy Company UK Ltd.	UK	100%	The Company is engaged in exploration of hydrocarbons on the UKCS.
Altinex AS	Norway	100%	The company is a holding company with two wholly owned subsidiaries, Noreco Denmark A/S and Shell Olie- og Gasudvinding Danmark B.V.
Djerv Energi AS	Norway	100%	The company is a dormant company.
Noreco Denmark A/S	Denmark	100%	The company is a intermediate holding company with one wholly owned subsidiary, Noreco Oil Denmark A/S.
Noreco Oil Denmark A/S	Denmark	100%	The company participates in exploration and production of hydrocarbons on the DCS, and currently holds a 36,8% interest in the DUC and an additional interest in the Lulita field.
Noreco Petroleum Danmark A/S	Denmark	100%	The company participates in exploration and production of hydrocarbons on the DCS, and currently holds a 5% interest in the Lulita field.
Noreco Oil (UK) ltd.	UK	100%	The company is engaged in exploration and production of hydrocarbons on the UKCS, until 2016 the company was a partner in the Huntington field.
Noreco Olie- og Gasudvinding Danmark B.V.	The Netherlands	100%	Previously Shell Olie- og Gasudvinding Danmark B.V. The company participates in exploration and production of hydrocarbons on the DCS, and currently holds an interest in the 8/06 B licence.
Noreco DK Pipeline ApS	Denmark	100%	Previously Shell Olie- og Gasudvinding Danmark Pipelines ApS. The company provides pipeline transportation capacity to the Danish gas producers.

7.3 Share Capital and Share Classes

The Issuer

As of the date hereof, the Company´s share capital is NOK 14,143,247.870024 divided into 26,199,472 Shares, each with a par value of NOK 0.5398295. All the existing Shares have been created under the Norwegian Public Limited Companies Acts and are validly issued and fully paid. The Company has one class of Shares. The Company owned as of 16 November 2022, 137,162 of its own shares.

7.4 Major Shareholders

None of the Company's shareholders are by the Company deemed to have control over the Company, directly or indirectly, on the basis that shareholdings are not exceeding 1/3 of the votes in the Company, which is the threshold for mandatory offer obligations under Norwegian law.

The Company has not implemented any specific measurements in order to prevent the abuse of any control. Pursuant to the NOR13 Bond Terms, the Bonds shall be converted into shares on the Last Conversion Date (as defined therein) unless already converted by the bondholders or the Issuer has exercised the Last Conversion Call Option pursuant to the Bond Terms. Such mandatory conversion could result in changes to the holdings in the Company and significant bondholders may become significant shareholders in the Company following such conversion. There are change of control regulations in the NOR13 Bond Terms, the Company's NOR14 bonds and in the RBL. As a participant in the petroleum business in Denmark, a change of control which entails an indirect change of control in NOD may also require a regulatory consent from Danish petroleum authorities. Other than that, the Company is neither aware of any arrangements that may result in, prevent or restrict a change of control of the Company.

7.5 Objective of the Issuer

Pursuant to Section 3 of the Articles of Association, the Company's objectives are direct and indirect ownership and participation in companies and enterprises within exploration, production, and sale related to oil and gas, and other activities related hereto, and, by subscribing for shares or by other means, to participate in corresponding businesses or other business, alone or in cooperation with other enterprises and interests.

8. INCORPORATION BY REFERENCE; DOCUMENTS ON DISPLAY

The Norwegian Securities Trading Act and the Norwegian Securities Trading Regulations, implementing the EU Prospectus Regulation regarding incorporation by reference and publication of such prospectuses and dissemination of advertisements, allow the Issuer to incorporate by reference information into this Prospectus that has been previously filed with the Oslo Stock Exchange or the Norwegian Financial Supervisory Authority in other documents. The Issuer's consolidated financial statements as of and for the years ended 31 December 2021 and the audit reports in respect of these financial statements, and the interim report for the third quarter of 2022, and the annual statement of reserves for 2021, are by this reference incorporated as a part of this Prospectus. Accordingly, this Prospectus is to be read in conjunction with these documents.

Cross Reference Table

The information incorporated by reference in this Prospectus should be read in connection with the following cross-reference table. References in the table to "Annex" and "Items" are references to the disclosure requirements as set forth in the EU Prospectus Regulation by reference to such Annex (and Item therein) of the Commission Delegated Regulation (EU) 2019/980.

Minimum Disclosure Requirement for Registration Documents (Annex 6)		**Reference Document**	**Page of Reference Document**
Item 11.1	Audited historical financial information	Issuer's Annual Report 2021: https://www.noreco.com/reports-and-presentations	Appendix 1
Item 11.2	Interim financial information	Issuer's Third Quarter Report 2022: https://www.noreco.com/reports-presentations	Appendix 1
Item 11.3	Audit reports	Issuer's Audit Report 2021: https://www.noreco.com/reports-presentations	Appendix 1
Annual Statement of Reserves			
	Annual Statement of Reserves 2021	https://www.noreco.com/reports-and-presentations	Appendix 2

Documents on Display

For twelve months from the date of this Registration Document, copies of the following documents will be available for inspection at the Issuer's registered office during normal business hours from Monday through Friday each week (except public holidays):

- The Articles of Association and Memorandum of Incorporation of the Issuer.
- All reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the Registration Document.
- Historical financial information of the Issuer and the subsidiaries of the Issuer, as of and for the years ended 31 December 2021 as well as the interim report for the third quarter of 2022.

The above mentioned documents are also available on the Company's webpage: https://www.noreco.com/articles-of-association

9. REGULATORY DISCLOSURE

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements according to the Norwegian Securities Trading Act. Below is an overview of the disclosures published by Norwegian Energy Company ASA pursuant to the Norwegian Securities Trading Act on its ticker "NOR" on www.newsweb.no during the last twelve months prior to the date of this Registration Document.

Inside Information

Date	Title	Description	Prospectus cross reference
12.12.2022	Noreco: Summons of a Written Resolution – NOR13 – Amendment of Longstop Date	The Company announced that it, pursuant to the summons for written resolution of 8 November 2022 for resolving the Amendments ("Original Summons"), need to satisfy certain conditions in order for the Amendments to become effective within a deadline of 25 Business Days ("Longstop Date") following the date of the Original Summons. Due to the Ruling, Noreco announced that it may be unable to comply with the conditions to implement the Amendments within the Long Stop Date.	Section 5.3 NOR13 Securities Note section 3.
07.12.2022	Norwegian Energy Company ASA: New NOR15bond – Exchange Offer	The Company announced that it proposes to issue a new subordinated convertible bond (NOR15) trough an Exchange Offer, whereby existing bondholders in NOR13 may exchange NOR13 bonds for new NOR15 bonds at a certain ratio consistent with that originally proposed for compensation bonds in the original summons, and a maximum total principal amount of USD 226,578,965.	Section 5.3 NOR15 Securities Note section 3.
08.11.2022	Noreco: Proposed Amendments to the NOR13 Subordinated Convertible Bond Terms and Summons for a Written Resolution	The Company gave a summary of the key terms of the proposed amendment to the NOR 13 bonds. The overall objective is to reduce dilution of existing and future shareholders.	Section 5.3 NOR13 Securities Note section 3.
06.09.2022	Noreco: Third Quarter 2022 Trading Update	The Company announced the preliminary production for July and August 2022, which were strong.	N/A
03.08.2022	Noreco: Update on the Tyra Redevelopment Project	The Company published updated information on the Tyra redevelopment Project, saying that the first gas date is being revised by the Danish Underground Consortium (the DUC"), TotalEnergies, to Winter 2023/2024.	5.3
20.04.2022	Noreco: Q1 Production Update	The Company announced that the production for the first quarter of 2022 was approximately 28.5 thousand barrels of oil equivalents per day (mboepd).	N/A

Major Shareholding Disclosure

Date	Title	Description	Prospectus cross reference
01.02.2023	Disclosure of Major shareholding in Norwegian Energy Company ASA	Announcement by KL Special Opportunities Master Fund Ltd, KL UCITS ICAV – KL Event Driven UCITS Fund, and a sub-fund of Tamerlane S.á r.l., which are investment funds and accounts managed by Kite Lake Capital Management (UK) LLP, going below the 20 % holding threshold.	
15.12.2022	Major Holding Notification form NORWEGIAN ENERGY CO ASA	Announcement by Barclays PLC/Barclays Capital Securities Ltd of holdings in Noreco going below the 5 % holding threshold.	N/A
14.12.2022	Major Holding Notification form NORWEGIAN ENERGY CO ASA	Announcement by Barclays PLC/Barclays Capital Securities Ltd going above the 5 % holding threshold.	N/A

07.11.2022	Substantial Shareholding Disclosure	Announcement by CQS (UK) LLP of holdings in Noreco going below the 10% holding threshold.	N/A
14.07.2022	Disclosure of Large Shareholding NORWEGIAN ENERGY COMPANY ASA	Announcement by Taconic Capital Advisors UK LLP (and funds managed thereby) going below the 33.33% holding threshold.	N/A
14.07.2022	Flagging i Norwegian Energy Company ASA	Announcement by Sober AS, acquiring 750,000 shares in Noreco. Holding after the share purchase is 6.992%.	N/A
10.06.2022	Major Holding Notification form NORWEGIAN ENERGY CO ASA	Announcement by Barclays Plc, going below the 5% holding threshold.	N/A
07.06.2022	Major Holding Notification form NORWEGIAN ENERGY CO ASA - Trade Date 02-06-2022	Announcement by Barclays Plc, going above the 5 % holding threshold.	N/A
27.05.2022	Major Holding Notification form NORWEGIAN ENERGY CO ASA	Announcement by Barclays Bank Plc, going above the 5% holding threshold.	N/A
27.05.2022	Major Holding Notification form NORWEGIAN ENERGY CO ASA - Trade Date 24-05-2022	Announcement by Barclays Bank Plc, going above the 5% holding threshold.	N/A
20.05.2022	Major Holding Notification	Announcement by Barclays Plc, going below the 5% holding threshold.	N/A
19.05.2022	Major Holding Notification	Announcement by Barclays Plc, going above the 5% holding threshold.	N/A

Share Capital and voting rights

Date	Title	Description	Prospectus cross reference
27.01.2023	Noreco - New Share Capital Registered Following Conversion of Parts of Convertible Bond	Following the share capital increase, the Company's share capital is NOK 14,143,247.870024 divided into 26,199,472 shares, each with a nominal value of NOK 0.5398295.	N/A
29.12.2022	Noreco - New Share Capital Registered Following Share Capital Reduction	The share capital reduction has been registered in the Norwegian Registry of Business Enterprises on 28 December 2022. Following the share capital reduction, the Company's share capital is NOK 13,878,165.673708 divided on 25,708,424 shares, each with a nominal value of NOK 0.5398295.	N/A
19.09.2022	Noreco - New Share Capital Registered Following Conversion of Parts of Convertible Bond	The Company's share capital is increased (pertaining to the conversion of the NOR13 Bonds) by NOK 217,860.01166877397038 by issue of 21,786 new shares. The Company's new share capital is NOK 257,084,253.76965889978392 divided into 25,708,424 shares, each with a nominal value of NOK 10.00000053560883.	N/A
16.08.2022	Noreco - New Share Capital Registered Following Conversion of Parts of Convertible Bond	The Company's share capital is increased (pertaining to the conversion of the NOR13 Bonds) by NOK 386,170.02068360618811 by issue of 38,617 new shares. The Company's new share capital is NOK 256,866,393.75799012581354 divided into 25,686,638 shares, each with a nominal value of NOK 10.00000053560883.	N/A

31.05.2022	Noreco - New Share Capital Registered Following Conversion of Parts of Convertible Bond	The Company's share capital is increased (pertaining to the conversion of the NOR13 Bonds). The Company's new share capital is NOK 256,480,223.73730651962543 divided into 25,648,021 shares, each with a nominal value of NOK 10.00000053560883.	N/A
05.05.2022	Noreco - New Share Capital Registered Following Conversion of Parts of Convertible Bond	The Company's share capital is increased (pertaining to the conversion of the NOR13 Bonds) by NOK 172,570.009243 by issue of 18,257 new shares. The Company's new share capital is NOK 245,662,713.1579111 divided into 24,566,270 shares, each with a nominal value of NOK 10.00000053560883.	N/A

Financial Reporting

Date	Title	Description	Cross reference to section in this Registration Document
26.10.2022	Noreco Announces Third Quarter 2022 Results: Operational and Financial Outperformance	The Company's producing assets continued to deliver strongly, with production above September's quarterly guidance for Q3, resulting in a robust financial result that further underpins the value of Noreco's portfolio of Danish upstream assets.	Appendix 1
12.07.2022	Noreco Announces Second Quarter 2022 Results	The Company published its second quarter 2022 results, with the quarter delivering strong underlying asset performance and production at top end of the Company's annual guidance, and the strongest financial results since the acquisition of Shell''s Danish upstream assets in 2019.	N/A
10.05.2022	Noreco Announces First Quarter 2022 Results	The Company announced its first quarter 2022 results. The quarter delivered both strong production of 28.5 mboepd and financial results with revenues of USD 179 million and EBITDA of USD 107 million.	N/A
12.04.2022	Publication of Annual Report for 2021	The Company published the Annual Report for 2021, in addition to the Company's 2021 Annual Report in European Single Electronic Format (ESEF) and 2021 Remuneration Report.	Appendix 1
16.02.2022	Noreco Announces Fourth Quarter 2021 Results	The Company announced its fourth quarter 2021 results. The quarter delivered both strong production of 27.5 mboepd and a strong financial result with revenues of USD 175 million and EBITDA of USD 97 million.	N/A
28.10.2021	Noreco Announces Third Quarter 2021 Results	The Company announced its third quarter 2021 results. A strong third quarter delivered production of 27.2 mboepd, generating revenues of USD 150 million and adjusted EBITDA of USD 67 million.	N/A

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this Registration Document
26.01.2023	Noreco: Completion of NOR13 amendments and issuance of NOR13 compensation bonds	The Company announced that the NOR13 Amendments have become effective.	

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this Registration Document
20.01.2023	Noreco: Cancellation of NOR13 bonds held in treasury	The Company announced that NOR13 bonds received by the Company from the NOR13 bondholders who accepted the Exchange Offer and held in treasury, in the aggregate nominal amount of USD 151,419,245, have been cancelled today.	N/A
13.01.2023	Noreco: NOR13 Conversions and Amendments	The Company announced that the latest date for exercising the conversion right under NOR13 prior to implementation of the NOR13 Amendments was 12 January 2023 (the“"NOR13 Effective Time Notice Date”").	N/A
10.01.2023	Noreco: Reminder – 12 January is the expiry date for conversion of NOR13 prior to implementation of NOR 13.	The Company announced that 12 January 2023 is the latest date for exercising the conversion right prior to implementation of the NOR13 Amendments.	N/A
30.12.2022	Norwegian Energy Company ASA: Issuance of NOR15 Subordinated Convertible Bonds	The Company announced that the issuance of the NOR15 bonds in the Exchange Offer is completed.	Section 5.3 NOR15 Securities Note Section 3.
29.12.2022	Norwegian Energy Company ASA – Mandatory Notification of trade	The Company announced that the funds managed by Taconic Capital Advisors UK LLP have accepted the Exchange Offer corresponding to the full amount of its previous ownership in NOR13.	N/A
29.12.2022	Norwegian Energy Company ASA – Mandatory Notification of trade	The Company announced that the funds managed by Kite Lake Capital Management UK LLP have accepted the Exchange Offer corresponding to the full amount of its previous ownership in NOR13.	N/A
28.12.2022	Noreco – Minutes from Extraordinary General Meeting	The Company announced that it held its extraordinary general meeting (through the solution Lumi AGM) 28 December 2022.	N/A
27.12.2022	Noreco: NOR15 Exchange Offer – Acceptance Level After Further Acceptances	The Company announced that Arctic Securities and Pareto Securities AS have received completed Exchange Offer forms representing 91.6% acceptance from the existing NOR13 bondholders of the Exchange Offer.	N/A
22.12.2022	Noreco: NOR15 Exchange Offer – End of Offer Period and Acceptance Level	The Company announced that it has received further inquiries from NOR13 bondholders who would like to accept the Exchange Offer.	N/A
20.12.2022	Noreco: NOR13 Ruling withdrawn – Revised timeline and settlement mechanics relating to the NOR13 Amendments – NOR15 Exchange Offer continues as planned	The Company announced that the temporary injunction is withdrawn and the Ruling is no longer in effect and further, that The Exchange Offer will continue as planned, and further that the Company has currently received acceptances from bondholders holding more than 2/3 of NOR13 bonds under the Exchange Offer.	Section 5.3
16.12.2022	Withdrawal of NOR13 Ruling	The Company announced that the plaintiffs Astaris Special Situations Master Fund Limited and Gertjan Koomen have informed the Company that they have filed a request to the Oslo District Court to have the Ruling withdrawn.	Section 5.3
13.12.2022	Noreco: Written Resolution Resolved	The Company announced that the outstanding bond issue NOR13 has been resolved and approved by the Company’s bondholders.	N/A
09.12.2022	Financial Calendar	The Company published information on its financial calendar for 2023.	N/A

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this Registration Document
07.12.2022	Noreco: Notice of Extraordinary General	The Company announced that it calls for an extraordinary general meeting to be held on 28 December 2022 at 10:00 CET.	N/A
02.12.2022	Noreco Takes FID on Two Halfdan Infill Wells to Increase Gas Production From 2023	The Company announced a Final Investment Decision “"FID”") on two infill wells, where the first well is expected to be drilled by the jackup rig Shelf Drilling Winner in the early spring of 2023.	Section 3.4
30.11.2022	Noreco – Minutes from Extraordinary General Meeting	The Company announced that it has held its extraordinary general meeting on 30 November 2022.	N/A
29.11.2022	Noreco: Temporary injunction relating to the proposed amendments to the NOR13 bond issue – relevance for extraordinary general meeting to be held on 30 November 2022	The Company announced that it has received a temporary injunction from the Oslo district court (Oslo tingrett) that restricts Noreco and Nordic Trustee AS from implementing the Amendments (the“"Ruling”"). The Ruling has been issued following a claim from two minority NOR13 bondholders.	Section 5.3
21.11.2022	Specification of Timeline and Settlement Mechanics relating to the Proposed Amendments to the NOR13 Subordinated Convertible Bond Terms	The Company published an outline of important dates and deadlines in connection with the EGM, the entering into of the Amendment Agreement (if the amendments to NOR13 are approved by the EGM), and the expected date for issuance of the Compensation Bonds (as defined in the Amendment Agreement).	N/A
15.11.2022	Change in Granted Options	The Company announced that the number of granted options has, due to the exercise of options held by a former member of the executive team, been reduced by 14,333 to 391,868, each option giving the right to acquire or subscribe for one share in the Company upon exercise.	N/A
08.11.2022	Noreco: Notice of Extraordinary General Meeting	The Company called for an extraordinary general meeting in the Company to be held on 30 November 2022.	Section 5.3
08.11.2022	Noreco: Written Resolution Resolved	The written resolution in respect to the Company’s outstanding bond issue NOR13 (ISIN: NO 0010851520) had been resolved and approved by the Company’s bondholders.	Section 5.3
21.09.2022	Norwegian Energy Company ASA – Mandatory Notification of trade	Peter Coleman, board member in Norwegian Energy Company ASA “Noreco” or the "Company”), sold USD 6,500,000 NOR14 bonds, ISIN NO0010870900, at a price of 99.875%.	Section 6.3.2
19.09.2022	Noreco: Conversion of Options into Shares and New Long-Term Incentive Scheme	The Company announced changes to its employee incentive schemes, whereas the Company’s existing options-based incentive scheme for the Executive Management Team will be replaced with a one-off Retention Scheme and an annual Long-Term Incentive Scheme (the “LTS").	Section 6
06.09.2022	Norwegian Energy Company ASA – Mandatory Notification of trade	Chair of the Board of the Company has acquired 25,000 shares in the Company at a price of NOK 352.144 per share. Following the transaction, Ousdal AS holds a total of 200,000 shares in the Company, equivalent to approximately 0.78% of the Company’s shares. In addition, Riulf	Section 6.3.2

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this Registration Document
		Rustad holds 343,000 options, each option giving the right to acquire or subscribe for one share in the Company upon exercise.	
09.08.2022	Norwegian Energy Company ASA – Mandatory notification of trade	Marianne W. Eide, Chief Operating Officer of the Company acquired 1,800 shares in the Company at a price of NOK 325.00 per share. Following the transaction, Marianne W. Eide holds a total of 1,800 shares in the Company.	Section 6.3.2
08.08.2022	Norwegian Energy Company ASA – Mandatory notification of trade	Cathrine F. Torgersen, Executive Vice President Investor Relations & ESG of the Company acquired 1,500 shares in the Company at a price of NOK 334.692 per share. Following the transaction, Cathrine F. Torgersen holds a total of 2,200 shares in the Company in addition to 14,000 options, each option giving the right to acquire or subscribe for one share in the Company upon exercise.	Section 6.3.2
14.07.2022	Norwegian Energy Company ASA – Mandatory notification of trade	Taconic Capital Advisors UK LLP, close associate of Peter Coleman, board member in the Company, has sold 750,000 shares in the Company at a price of NOK 405.50 per share. Following the transaction, Taconic Capital Advisors UK LLP holds a total of 6,940,022 shares in the Company, equivalent to approximately 27.06% of the Company's shares and together with Convertible Bonds, hold shares and rights to shares equal to approximately 31.83% of the Company's issued share capital inclusive of new shares that would be issued after conversion of the Convertible Bonds.	Section 6.3.2
13.07.2022	Norwegian Energy Company ASA – Mandatory notification of trade	Ousdal AS, close associate of Riulf Rustad, Chair of the Board of the Company acquired on 12 July 2022 28,025 shares in the Company at a price of NOK 388.069 per share. Following the transaction, Ousdal AS holds a total of 175,000 shares in the Company, equivalent to approximately 0.68% of the Company's shares. In addition, Riulf Rustad holds 343,000 options, each option giving the right to acquire or subscribe for one share in the Company upon exercise.	Section 6.3.2
19.05.2022	Noreco: NOR13 Conversion Notice Received	The Company received conversion notice for NOR13 bonds in the amount of USD 31,342,011, which pursuant to the bond terms are convertible into 1,081,751 new shares in the Company at a conversion price of USD 28.9734. Following the conversion, the Company has NOR13 bonds in issue in the nominal amount of USD 160,057,155.	N/A
19.05.2022	Noreco – Minutes from Annual General Meeting	The Company held its annual general meeting digitally through the solution Lumi AGM.	N/A
27.04.2022	Notice of Annual General Meeting 2022	The annual general meeting of the Company was on 19 May 2022 at 12:00 CEST. The general meeting was held as a digital meeting only, with no physical attendance for shareholders.	N/A
11.03.2022	Change in Granted Options	With reference to the option program the Company, as approved by the general meeting of the Company on 8 November 2018 and later	N/A

Additional regulatory information required to be disclosed

Date	Title	Description	Cross reference to section in this Registration Document
		amended, the number of granted options has, due to the exercise of options held by a former director of the board, been reduced by 111,666 to 562,202, with 450,000 options remaining to be granted under the program, each option giving the right to acquire or subscribe for one share in the Company upon exercise.	
09.03.2022	Change in Granted Options	With reference to the option program for the Company, as approved by the general meeting of the Company on 8 November 2018 and later amended, the number of granted options has, due to the exercise of options held by a former director of the board, been reduced by 75,000 to 673,868, with 450,000 options remaining to be granted under the program, each option giving the right to acquire or subscribe for one share in the Company upon exercise.	Section 6.3.2
21.12.2021	Financial Calendar	Financial Calendar for 2021 and 2021.	N/A
29.11.2021	Change in Granted Options	With reference to the option program for the Company as approved by the general meeting of the Company on 8 November 2018 and later amended, the number of granted options has, due to the exercise of options held by a former director of the board, been reduced by 75,000 to 673,868, with 450,000 options remaining to be granted under the program, each option giving the right to acquire or subscribe for one share in the Company upon exercise.	N/A
29.11.2021	Noreco: Resignation of CEO	The Company announced that the Chief Executive Officer, David B. Cook, and the Board of Directors agreed on Mr. Cook's resignation from the Company effective 29.11.2021.	N/A

10. ADDITIONAL INFORMATION

10.1 Independent Auditors

The Company's independent auditor is KPMG, which has its registered address at Sørkedalsveien 6, 0369 Oslo, Norway. The parent and consolidated financial statements of Norwegian Energy Company ASA as of year-end 31 December 2021 included in this Prospectus by way of incorporation, have been audited by KPMG AS, independent auditors, as stated in their reports incorporated by reference herein.

10.2 Legal Advisors

Advokatfirmaet BAHR AS is acting as legal adviser to the Issuer in connection with the Listing.

10.3 The approval of this Prospectus by the Norwegian Financial Supervisory Authority

This Registration Document has been approved by the Norwegian FSA, as the competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Registration Document. Investors should make their own assessment as to the suitability of investing in the securities.

The Norwegian FSA as competent authority under the EU Prospectus Regulation has reviewed the Registration Document. The Norwegian FSA approved the Registration Document on 6 February 2023, but has not verified or approved the accuracy or completeness of the information included in the Prospectus. The approval given by the Norwegian FSA only relates to the information included in the Prospectus in accordance with pre-defined disclosure requirements imposed by the EU Prospectus Regulation. The Norwegian FSA has not made any form of verification or approval relating to corporate matters described in or referred to in the Registration Document. On no account must the publication or the disclosure of this Registration Document give the impression that the information herein is complete or correct on a given date after the date of this Registration Document, or that the business activities of the Issuer or its subsidiaries may not have been changed.

11. DEFINITIONS

Capitalised terms used throughout this Registration Document shall have the meaning ascribed to such terms as set out below, unless the context require otherwise.

Amendment Agreement	The amendment and restatement agreement dated 19 January 2023 and entered into between the Company and Nordic Trustee, covering the Amendments and relating to the NOR13 Bond Terms.
Amendments	The contemplated amendments to the NOR13 Bond Terms as approved by the bondholder meeting 8 November 2022.
Bonds	The NOR13 Bonds and the NOR15 Bonds.
Bond Terms	The NOR13 Bond Terms and the NOR15 Bond Terms.
Bondholder	A holder of Bonds.
Company	The Issuer.
Compensation Bonds	The additional NOR13 Bonds issued to existing bondholders in NOR13 on 26 January 2023 pursuant to the Amendment Agreement.
DCS	Danish Continental Shelf.
DUC	Danish Underground Consortium
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2014/71/EC, as amended and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act.
Financial Statements	The Issuer's Financial Statements.
Group	The Company together with its consolidated subsidiaries.
IFRS	International Financial Reporting Standards as adopted by the EU.
Issue	The Bond Issue.
Issuer	Norwegian Energy Company ASA.
Issuer's Financial Statements	The Issuer's audited consolidated financial statements as of and for the year ended 31 December 2021 and the Issuer's unaudited financial statements for the interim period ending 30 September 2022.
Listing	The listing of the Bonds on Oslo Stock Exchange.
Managers	Arctic Securities AS and Pareto Securities AS
NAS	The Norwegian Accounting Standards *(*Nw. *Norsk Regnskapsstandard)*
NOGU	Noreco Olie- og Gasudvinding Danmark B.V.
NOR13	The subordinated convertible bond issue 2019/2027 (ISIN NO0010851520) issued pursuant to the NOR13 Bond Terms.
NOR15	The subordinated convertible bond issue 2022/2027 (ISIN NO0012780867) issued pursuant to the NOR15 Bond Terms.
NOR13 Bonds	The subordinated convertible debt instruments with ISIN NO 0012780867 issued by the Issuer pursuant to the NOR15 Bond Terms.
NOR15 Bonds	The subordinated convertible debt instruments with ISIN NO 0012780867 issued by the Issuer pursuant to the NOR15 Bond Terms.
NOR13 Bond Terms	The bond terms originally dated 26 July 2019 and entered into between Norwegian Energy Company ASA as Issuer and Nordic Trustee AS as bond trustee on behalf of the bondholders regarding the NOR13(as amended and/or amended and restated from time to time).
NOR13 Bond Issue	The bond issue constituted by the Compensation Bonds.
NOR15 Bond Terms	The bond terms dated 28 December 2022 and entered into between Norwegian Energy Company ASA as Issuer and Nordic Trustee AS as bond trustee on behalf of the Bondholders regarding the Bond Issue(as amended and/or amended and restated from time to time).
NOR15 Bond Issue	The bond issue constituted by the NOR15 Bonds.
NOR13 Securities Note	Document describing the terms of the NOR13 Bond Issue.
NOR15 Securities Note	Document describing the terms of the NOR15 Bond Issue.
Norwegian Code of Practice	The Norwegian Corporate Governance Code of 17 October 2018.
Norwegian FSA	The Norwegian Financial Supervisory Authority (Nw. *Finanstilsynet*)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 2007 no. 75, as amended.
NUES	The Norwegian Corporate Governance Board (Nw. *Norsk Utvalg for Eierstyring og Selskapsledelse*).
Oslo Stock Exchange	Oslo Børs (a stock exchange operated by Oslo Børs ASA).

p.a.	Per annum.
Prospectus....................................	This Registration Document together with the NOR13 Securities Note, the NOR15 Securities Note and the Summary.
RBL Facility	The seven year Reserve Based Lending bank facility provided by *inter alia* BMO Capital Markets, Deutsche Bank and Natixis of up to USD 1.1 billion.
Registration Document	This Registration Document dated 6 February 2023.
Ruling	The temporary injunction issued by the Oslo district court as announced 29 November 2022 following a claim from two minority bondholders in NOR13.
Securities Notes	The NOR13 Securities Note and the NOR15 Securities Note.
SOGU	Shell Olie- og Gasudvinding Danmark B.V.
Sole Concession	Means the sole concession held by Total E&P Danmark A/S (formerly Maersk Olie og Gas A/S) for the exploration and exploitation of hydrocarbons in the Danish subsoil and continental shelf of 8 July 1962 with the addendum in force from 1 January 2004 and all protocols and amendments referred to the preamble of said addendum and as further amended and/or supplemented form time to time.
Summary......................................	Document setting out the key contents of the Registration Document and the Securities Note.
Transaction..................................	The acquisition by the Company and its subsidiaries of the shares in Shell Olie- og Gasudvinding Danmark B.V.
TTF	Title Transfer Facility, a virtual trading point for natural gas in the Netherlands.
VPS	The Norwegian Central Securities Depository (Nw. *Verdipapirsentralen*).

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APPENDIX 1 – FINANCIAL STATEMENTS

NORECO

Norwegian Energy Company ASA

Third Quarter 2022

noreco.com

Content

Report for the Third Quarter
Norwegian Energy Company ASA

Highlights
Third Quarter 2022 summary

Operational:

- Strong operating performance, with hydrocarbon production of 25.1 mboepd in the third quarter above Noreco's quarterly guidance of 24-25 mboepd
- Successful Halfdan well restimulation campaign, delivering significant additional gas production
- Start of Well Reservoir Opportunity Management
- Successful completion of planned ten-year maintenance of NOGAT pipeline
- Two-year extension of contract with jack-up rig Noble Sam Turner (to be renamed Shelf Drilling Winner)
- Revision of start-up date for Tyra Redevelopment project to winter 23/24 following COVID19 related global supply chain challenges and a revised hook-up and commissioning plan
- Successful completion of offshore installation campaign for Tyra II, including lifting and installation of the TEG process module, two remaining bridges and flare tower

Financial:

- Total revenues of USD 293.5 million in the third quarter compared to USD 264.6 million in the previous quarter
- EBITDA of USD 197.6 million, in the third quarter compared to USD 167.0 million in the previous quarter
- Cash flow from operating activities of USD 215.3 million in the third quarter, compared to USD 183.4 million in the previous quarter
- Free cashflow (excluding RBL downpayment) of USD 131.2 million in the third quarter, compared to USD 95.1 million in the previous quarter
- Total liquidity of USD 473.1 million at the end of the period with cash on balance sheet of USD 273.1 million and undrawn RBL capacity of USD 200 million, reflecting the voluntary repayment of USD 100 million made during the third quarter
- Additional gas hedging put in place during Q3 2022 for 2023 and 2024 at prices between EUR 240 to 305 per Mwh
- Options-based incentive scheme for the Executive Management Team replaced with a one-off Retention Scheme and an annual Long-Term Incentive Scheme

Financial and operational summary	Unit	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Total revenue	USDm	293.5	264.6	150.2	737.2	390.0
EBITDA[1)]	**USDm**	**197.6**	**167.0**	**65.4**	**471.4**	**152.6**
Adj. EBITDA[1)]	**USDm**	**199.0**	**168.2**	**67.5**	**475.2**	**159.1**
Result before tax	**USDm**	**136.5**	**42.0**	**5.3**	**161.4**	**(30.5)**
Net result for the period	USDm	(12.0)	(49.3)	3.0	(106.1)	(25.2)
Cash flow from operating activities[2)]	USDm	215.3	183.4	84.3	485.7	(19.2)
Investments in oil and gas assets	USDm	65.3	61.0	55.1	178.8	161.2
Abandonment spent[1)]	USDm	4.5	4.7	7.9	11.2	13.1
Reserve based lending facility - currently drawn	USDm	800.0	900.0	900.0	800.0	900.0
Net interest-bearing debt[1)]	USDm	892.1	1,018.7	1,132.6	892.1	1,132.6
Oil production	mboepd	19.6	20.8	20.9	20.9	20.4
Gas production	mboepd	5.5	5.7	6.2	5.8	6.4
Total production	**mboepd**	**25.1**	**26.5**	**27.1**	**26.7**	**26.7**
Over/under-lift	mboepd	0.6	4.0	(0.1)	0.7	(0.6)
Realised Oil price	USD/boe	103.4	112.7	72.5	105.9	65.5
+/- Effect of hedges	USD/boe	(23.6)	(31.0)	(15.5)	(28.7)	(8.7)
Effective Oil price[1)]	**USD/boe**	**79.8**	**81.7**	**57.0**	**77.2**	**56.8**
Realised Gas price	EUR/MWh	192.8	93.1	43.5	125.6	27.1
+/- Effect of hedges	EUR/MWh	(33.2)	(9.9)	(9.4)	(28.9)	(3.9)
Effective Gas price[1)]	**EUR/MWh**	**159.6**	**83.2**	**34.1**	**96.7**	**23.2**

1) See the description of "Alternative performance measures" at the end of this report for definitions.
2) YTD 2021 reflects the payment of the VAT liability related to 2020 of USD 156 million, the payment date was delayed to Q1 2021 by the Danish government as a response to the impact of COVID-19 on the economy.

Financial review

Selected data from consolidated statement of comprehensive income

All figures in USD million	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Total revenue	293.5	264.6	150.2	737.2	390.0
EBITDA	197.6	167.0	65.4	471.4	152.6
EBIT	167.6	132.3	37.6	369.6	71.1
Result before tax	136.5	42.0	5.3	161.4	(30.5)
Net result for the period	(12.0)	(49.3)	3.0	(106.1)	(25.2)
Earnings per share	(0.5)	(2.0)	0.1	(4.3)	(1.1)

The Company had **revenues** of USD 293.5 million in the third quarter of 2022 mainly related to oil and gas sales from the Danish Underground Consortium (DUC) fields, this compares to USD 264.6 million in the previous quarter. The increase compared to last quarter were related to significant increase in the gas commodity prices, net of hedging effects.

Production expenses amounted to USD 86.2 million in the third quarter of 2022 compared to USD 90.2 million in the previous quarter. Of this amount USD 78.6 million was directly attributable to the lifting and transport of the Company's oil and gas production. The current quarter is influenced by increased well recovery activities to maintain base production. Current quarter includes costs of USD 4.4 million due to increased over-lift position and USD 2.5 million costs reduction related to increased oil inventory position. In addition, USD 5.2 million related to offshore insurance expenses. The production cost directly attributable to the lifting and transport of the Company's oil and gas production amounted to USD 34.0 per boe in the third quarter of 2022 compared to USD 28.5 per boe in the previous quarter, the increase in cost per boe were mainly related to the increased well activities in addition to lower production due to the planned NOGAT pipeline shutdown.

Operating result (EBITDA) in the third quarter of 2022 was a profit of USD 197.6 million, compared to USD 167.0 million in previous quarter. This increase mainly relates to higher revenue as a result of the current gas commodity price environment.

Net Financial items amounted to an expense of USD 31.1 million for the third quarter of 2022, compared to an expense of USD 90.3 million in the previous quarter. The decrease in net financial cost was mainly related to the negative fair value adjustment on NOR13's embedded derivative last quarter. Increased financial income mainly due to positive value adjustment of unrealized interest swap. Decreased interest expenses on the RBL facility due to the reduced draw down.

Income tax amounted to USD 148.5 million for the third quarter of 2022 compared to USD 91.3 million for the previous quarter. The increase in income tax was partly due to the difference in operating results and more significantly, the deferred tax movement related to FX adjustment of net operating losses carried forward in DKK. YTD 2022 current income tax amounted to a cost of USD 117.3 million and deferred tax movements amounted to USD 150.2 million, which corresponds to a statutory 64% on result before tax on hydrocarbon income in Noreco Oil Denmark and Noreco Petroleum Denmark, adjusted with the effects of investment uplift and the estimated additional tax pertaining to the special Tyra Redevelopment tax incentives implemented in 2017. This additional tax is triggered from 2022 and onwards, if commodity prices exceed certain thresholds. It constitutes a repayment of tax benefits previously received from the incentive scheme, in the case of market conditions significantly improving compared to the assumptions in 2017, where the incentive scheme was decided in order to facilitate Tyra Redevelopment. Effective 0% tax on result before tax in Norway and UK and effective 22 % tax on result before tax in Noreco Olie- og Gasudvinding Denmark and Noreco DK Pipeline.

Net result for the third quarter of 2022 was a loss of USD 12.0 million, compared to a USD 49.3 million loss for the previous quarter.

Selected data from the consolidated statement of financial position

All figures in USD million	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Total non-current assets	2,723.6	2,875.2	2,806.9	2,789.4
Total current assets	488.5	420.0	283.0	290.6
Total assets	3,212.1	3,295.2	3,089.9	3,080.0
Total equity	483.6	432.2	492.2	494.9
Interest bearing debt	1,106.7	1,195.1	1,204.3	1,198.9
Asset retirement obligations	1,044.4	1,040.6	1,029.2	959.4

Total non-current assets amounted to USD 2.7 billion at the end of third quarter of 2022, of which USD 2.0 billion related to property, plant and equipment, in addition to intangible assets of USD 161.2 million, deferred tax asset of USD 352.2 million, derivatives related to the RBL interest swap and gas hedges of USD 31.1 million and USD 197.1 million in restricted cash, relating to cash pledged to Total as security for DUC cash call obligations, security against Nini/Cecilie abandonment costs.

Total current assets amounted to USD 488.5 million at the end of third quarter of 2022, USD 77.5 million in trade receivables and accrued revenue, mainly related to oil and gas revenue, USD 14.9 million in prepayments mainly related to prepaid premium for the offshore and non-payment insurance, USD 273.1 million of cash and USD 57.3 million related to inventory.

Total equity amounted to USD 483.6 million at the end of the third quarter of 2022, compared to USD 432.2 million at the end of Q2 2022. Increase in equity was mainly related to gain from fair value adjustment of hedges, caused by new gas hedges at favourable prices and lower forward prices for oil at the end of third quarter compared to last quarter. This was partly offset by net loss for the period.

Interest-bearing debt amounted to USD 1.1 billion at the end of third quarter of 2022. The convertible bond loan NOR13 had a book value of USD 149.1 million at the end of the third quarter of 2022, following the two conversions that took place where USD 1.8 million was derecognised from bond loan to equity. The bond loan is valued at amortised cost and the embedded derivatives are accounted for as a derivative liability at fair value through profit and loss. Noreco's USD 1.1 billion RBL facility, drawn at USD 800 million on 30 September 2022 and with maximum cash drawings capacity of USD 1.0 billion, had a book value of USD 762.3 million at the end of the third quarter. In Q3 2022 a repayment of USD 100 million on the RBL facility was done. The senior unsecured bond loan NOR14 had a book value of USD 170.3 million at the end of the period. The RBL facility and the unsecured bond loan are valued at amortised cost. In addition, the interest-bearing debt includes deferred consideration with a book value of USD 25 million.

Asset retirement obligations amounted to USD 1,044.4 million at the end of third quarter of 2022, compared to USD 1,040.6 million at the end of Q2 2022. USD 984.3 million is related to the DUC assets, USD 55.8 million to Nini/Cecilie, USD 2.4 million to Lulita and USD 1.9 million to the Tyra F-3 pipeline. The Nini/Cecilie asset retirement obligation is secured through an escrow account of USD 55.8 million.

Selected data from the consolidated statement of cash flows

All figures in USD million	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Cash flow from operating activities	215.3	183.4	84.3	485.7	(19.2)
Cash flow used in investing activities	(71.2)	(65.9)	(58.6)	(191.6)	(167.7)
Cash flow from financing activities	(112.8)	(22.4)	(17.8)	(143.6)	80.0
Net change in cash and cash equivalents	31.2	95.1	7.9	150.5	(106.9)
Cash and cash equivalents	273.1	241.9	152.4	273.1	152.4

Cash flow from operating activities amounted to USD 215.3 million for the third quarter of 2022, compared to USD 183.4 million for the previous quarter. Cash flow from operating activities excluding changes in working capital amounted to USD 201.9 million for the third quarter of 2022, compared to USD 171.1 million for the previous quarter. The increase in cash flow from working capital mainly relate to a decrease in accounts receivable and increased over-lift position. This is partly offset by an increase in accounts payable and pre-payments related to offshore insurance.

***C*ash flow used in investing activities** amounted to negative USD 71.2 million for the quarter, compared to negative USD 65.9 million for the previous quarter. The cash flow used in investing activities were mainly related to investments in the DUC asset of which USD 63.3 million related to the Tyra Redevelopment and USD 4.5 million in abandonment expenditure were paid which were related to Gorm, Tyra and Dan.

Cash flow from financing activities amounted to negative USD 112.8 million for the third quarter of 2022, compared to negative USD 22.4 million for the previous quarter. The increase relates to a downpayment of USD 100.0 million on the RBL facility. This was partly offset by lower interest payment due to NOR14 that is paid every 6 months and increased settlement from hedges.

Net change in cash and cash equivalents amounted to positive USD 31.2 million at the end of the quarter compared to positive USD 95.1 million for the previous quarter. Cash and cash equivalents were in total USD 273.1 million at the end of third quarter 2022.

Risk Mitigation

The Company actively seeks to reduce exposure to the risk of fluctuating commodity prices through the establishment of hedging arrangements. To achieve this, Noreco has executed a hedging policy in the market and entered into forward contracts.

As a result of the agreement to acquire Shell Olie- og Gasudvinding Danmark B.V. on 31 July 2019, Noreco had a liquid volume protection agreement with Shell that, from signing of the Sale and Purchase Agreement (SPA) until the end of 2020 (the "Protection Period"), provided a monthly liquid production guarantee at levels above the Company's internal forecasts. For the period 2021 to 2023 (the "Recovery Period"), a payment to Shell may be required if actual production exceeds a pre-agreed level. The production level at which any recovery payment would be made to Shell is currently above the Company's internal forecasts, and therefore the Company does not expect any payments to be required during the remaining term of this agreement. In any event, the amount refunded to Shell during the Recovery Period cannot exceed the value of Noreco's claims during the Protection Period and would only be paid if production far exceeded current guidance.

As required by Noreco's hedging policy, the Company has entered into forward contracts with financial institutions in the market to reduce the Company's exposure to commodity price volatility. These contracts protect the minimum oil and gas prices Noreco will receive during 2022 to 2024 and are financially settled monthly.

Complementary to the Company's hedging policy, Noreco has a rolling hedge requirement as part of the RBL Facility that is based on the RBL banking case production forecast. This requires that price hedging be in place, at no less than 90% of the corresponding RBL banking case price forecast, for the following amounts: (1) Either (i) a minimum of 50% of oil equivalent volumes for the following 12 months, or (ii) a minimum of 50% of the oil volume only, plus a minimum of 20% of the gas volume only; (2) in the period from 12 to 24 months a minimum 40% of the oil volume only; and (3) in the period from 24 to 36 months a minimum of 10% of the oil volume only. These levels are subject to a maximum level in every period of 70% of oil equivalent production, and the volumetric measure on which the relevant percentages are calculated excludes all production from the Tyra Redevelopment until completion as defined in the RBL Facility. At the end of Q3 2022, Noreco is in full compliance with the RBL hedging requirements.

In addition to the Company's commodity price hedging, Noreco entered into an Interest Rate Swap in Q3 2021. The contract is to fix the floating SOFR interest rate (switched from LIBOR from 01 November 2021) applicable to the RBL Facility. The Company has fixed the interest rate for the maximum drawings of USD 1.0 billion of the facility from 01 November 2021 to 30 June 2024 at a blended average rate of 0.4041% with several RBL syndicate banks.

For risks and responses related to the ongoing war in Ukraine, please refer to the Health, Safety and Environment section of the report.

	Volume hedged oil (mmboe)	Average hedged price ($/bbl)	Volume hedged gas (MWh)	Average hedged price (EUR/MWh)
2022 (Oct-Dec)	0.9	55.6	374,995	165.5
2023	4.1	53.0	839,992	168.1
2024	2.4	62.2	45,000	260.0

Operational review

Production

Key figures	Unit	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Dan hub	mboepd	6.9	8.2	8.2	7.8	8.0
Gorm hub	mboepd	4.7	4.8	4.0	5.0	4.0
Halfdan hub	mboepd	13.5	13.5	14.9	13.9	14.7
Tyra hub	mboepd	0.0	0.0	0.0	0.0	0.0
Total production	mboepd	25.1	26.5	27.1	26.7	26.7
Over/under-lift	mboepd	0.6	4.0	(0.1)	0.7	(0.6)
Net sales	mboepd	25.7	30.5	27.0	27.4	26.2
Oil sales	mboepd	20.2	24.8	20.8	21.6	19.8
Gas sales	mboepd	5.5	5.7	6.2	5.8	6.3
Operating efficiency[1)]	%	88.7 %	90.3 %	82.4 %	90.5 %	81.0 %

1) Operating efficiency is calculated as: delivered production / (delivered production + planned shortfalls + unplanned shortfalls), Q2 2022 updated with actuals for June 2022

Third quarter average production in Q3 2022 was slightly higher than the third quarter guidance of 24.0 – 25.0 mboepd. This is especially due to the high uptime for all three hubs and the well managed NOGAT pipeline maintenance shutdown. It was mainly the gas production from the Dan hub and the Halfdan hub that was impacted by the planned maintenance shutdown on NOGAT pipeline. Further, the Dan hub was impacted by compressor issues in August and September that have now been resolved. Gorm hub continued its strong production during the quarter. Halfdan uptime was significantly higher in this quarter compared to last quarter.

The Operator continues to have a strong focus on stable water injection into all the four water injected fields, and a strategic ambition to improve operational efficiency to 90% for DUC overall by reducing unplanned shortfalls and optimizing the schedule for planned shortfalls.

Dan hub

Key figures	Unit	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Dan	mboepd	6.4	7.6	7.2	7.2	7.0
Kraka	mboepd	0.5	0.6	1.0	0.6	1.0
Operating efficiency*)		83.1%	96.7 %	79.9%	90.9%	82.0%

*) Q2 2022 updated with actuals for June 2022

Third quarter average production was slightly lower than expected mainly due to compressor issues on Dan FF and a subsequent reinstatement of the compressor resulting in a lower uptime in August. The planned NOGAT pipeline shutdown in September impacted the uptime and the gas export of the Dan hub as well.

Gorm hub

Key figures	Unit	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Gorm	mboepd	1.7	1.9	1.5	2.9	1.5
Rolf	mboepd	0.3	0.3	0.3	0.5	0.2
Skjold	mboepd	2.7	2.6	2.2	4.2	2.2
Operating efficiency*)		84.4%	84.6 %	71.3%	86.2%	70.0%

*) Q2 2022 updated with actuals for June 2022

Third quarter average production remained strong at 4.7 mboepd from the Gorm hub primarily due to high operational efficiency.

Halfdan hub

Key figures	Unit	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Halfdan	mboepd	13.5	13.5	14.9	13.9	14.7
Operating efficiency*)		93.7%	88.9 %	86.7%	92.1%	84.0%

*) Q2 2022 updated with actuals for June 2022

Third quarter average production was similar to last quarter due to the restimulation of the HCA gas wells carried out end June/beginning of July and the uptime that has been very high during the entire quarter. However, the gas export was impacted in September by the planned NOGAT pipeline shutdown.

Tyra hub

Key figures	Unit	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Tyra	mboepd	-	-	-	-	-
Harald	mboepd	-	-	-	-	-
Lulita	mboepd	-	-	-	-	-
Roar	mboepd	-	-	-	-	-
Svend	mboepd	-	-	-	-	-
Valdemar	mboepd	-	-	-	-	-
Operating efficiency	%	-	-	-	-	-

The Tyra Redevelopment project is, to date, the largest project carried out on the Danish Continental Shelf and is expected to increase net production by approximately 90 percent and unlock gross reserves in excess of 200 mmboe. Tyra II will decrease direct field opex to below USD 13 per barrel and lower emissions at the field by 30 percent. In addition, the project will extend field life by 25 years. With Tyra's gas contribution from winter 23/24, Denmark will be self-sufficient and at the same time be able to export surplus gas to the EU.

Project efforts are being executed locally in Esbjerg and offshore in the Danish North Sea, and the fabrication of the new installations have been completed in Italy, Singapore and Batam in Indonesia. The scope of the project includes removal of old facilities, modifying existing ones, and installing new features. The two old process and accommodation platforms have been replaced by one new process platform and one new accommodation platform. The four wellhead platforms and two riser platforms had their jackets extended by 13 meters, and the topsides were replaced.

During the quarter, further progress was made on the yard fabrication of the process module and the TEG sailed away from Batam 1 September 2022, and on 4 October Sleipnir lifted the process module into place on the waiting jackets at the Tyra field followed by an installation. On 8-9 October 2022 the remaining two bridges and flare tower was lifted in place, and as such, Tyra II now has its final shape with all major lifts and installations completed.

On 3 August 2022, the Company and its partners in the DUC announced a revision of the Tyra start-up date, from Q2 2023 to winter 2023/2024. The revision was driven by global supply chain challenges that had impacted the yard fabrication of the process module in addition to a revised plan by the Operator of the ongoing hook-up and commissioning work offshore.

Health, Safety and the Environment

Noreco will conduct its business operation in full compliance with all applicable national legislation in the countries where it is operating. The Company is committed to carry out its activities in a responsible manner to protect people and the environment. Our fundamentals of HSEQ and safe business practice are an integral part of Noreco's operations and business performance.

Noreco puts emphasis on its employees performing company activities in line with the principles of business integrity and with respect for people and the environment.

The Danish Offshore Safety Act is the legal framework for promotion of a high level for health and safety offshore and for creating a framework enabling the companies to solve offshore health and safety issues themselves. The Danish Offshore Safety Act generally applies to all offshore activities related to hydrocarbon facilities, infrastructure and pipelines connected hereto. Licensees under the Danish Subsoil Act are required to identify, assess and reduce health and safety risks as much as reasonably practicable, as well as be compliant with the ALARP (As Low As Reasonably Practicable) principle. Furthermore, the licensee shall ensure that operators are able to fulfil the safety and health obligations pursuant to the Danish Offshore Safety Act.

Following the breakout of COVID-19 in 2020 Noreco put in place business continuity actions which continues to provide the Company with infrastructure and systems that allow all staff to work remotely and, as such, Noreco is able to fully continue operating the Company while safeguarding its employees.

As a response to Russia's invasion of Ukraine 24 February 2022, the Company has further elevated its IT security-related routines and IT-systems to protect itself against cyber criminality and similar. Following the sabotage on the Nord Stream 1 and Nord Stream 2 pipelines in September 2022, Danish Energy Agency (Energibestyrelsen) raised the preparedness level of the Danish energy sector which was immediately implemented by the operator TotalEnergies.

As a response to the challenges in the European gas markets, Noreco has together with its partners in the DUC identified several infill well opportunities where Final Investment Decision is expected in 2022 and 2023. Noreco currently expects the capital investment required for these wells to be c. USD 10 per boe of reserves, however this will be further defined on sanction where the impact of the current supply-side environment will be fully reflected. These wells will further increase the gas output from the DUC and help Noreco meet its objective of supporting Energy Security in Denmark and the EU.

Governance and organization

The number of employees was 30 at the end of the third quarter.

The board of directors of the Company wishes to maintain an appropriate standard on corporate governance and to fulfil the recommendations in the Norwegian Code of Practice for Corporate Governance. Corporate governance in Noreco is based on equal treatment of all shareholders through the activity that the board and General Assembly practice. Safeguarding the Company's people, assets and financial position remain the board's key priorities including how best to position the Company for future value enhancing opportunities.

The board has committees to further strengthening the corporate governance standard of the Company, the Nomination Committee, Audit Committee and the Remuneration Committee. In addition, an ESG Committee was established in 2020 supporting Noreco's commitment to ESG and evolving the Company's role as a contributor in the energy transition.

Risks and uncertainties

An investment in Noreco involves risks and uncertainties as described in the Company´s annual report for 2021. Noreco's business, results from operations, cash flow and financial condition depend on the level of oil and gas prices and market expectations of these. Further, Noreco is dependent on successfully developing and producing oil and gas reserves that are economically recoverable. Unless the Company replaces its oil and gas reserves, its reserves and production will decline, which over time could adversely affect its business, financial condition and results of operations. Noreco is also exposed to risks such as, but not limited to, changes in exchange rates, interest rates, tax, regulations and access to capital.

Outlook

Noreco has built a stable business that is underpinned by the Company's position in the DUC. Noreco is well positioned going forward to navigate remaining impacts of COVID-19, the ongoing war in Ukraine and any future oil- and gas price volatility as a result of price hedging arrangements the Company has in place and pro-active steps taken by the operator of the DUC. The onshore construction and offshore installation phases of the Tyra Redevelopment Project are now complete, with the hook-up and commissioning phase now progressing and first gas expected by the winter season 2023 / 2024. Once onstream, Tyra II will significantly enhance Noreco's base production and the Company also expects field operating expenditure to decrease significantly, with direct field opex below USD 13 per barrel. The Company expects the following production for 2022:

	Unit	2022 Guidance	2021
Production	mboepd	25.5-27.0	25.5-27.5

Condensed Consolidated Statement of Comprehensive Income

All figures in USD million	Note	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Revenue	2	293.5	264.6	150.2	737.2	390.0
Total revenues		**293.5**	**264.6**	**150.2**	**737.2**	**390.0**
Production expenses	3	(86.2)	(90.2)	(77.6)	(243.4)	(220.4)
Exploration and evaluation expenses		(0.2)	(0.1)	(0.5)	(0.1)	(0.6)
Personnel expenses		(2.8)	(2.9)	(3.1)	(8.0)	(8.4)
Other operating expenses		(6.6)	(4.5)	(3.6)	(14.3)	(8.0)
Total operating expenses		**(95.9)**	**(97.6)**	**(84.8)**	**(265.8)**	**(237.4)**
Operating result (EBITDA)		**197.6**	**167.0**	**65.4**	**471.4**	**152.6**
Depreciation / amortisation	7	(30.1)	(34.7)	(27.8)	(101.8)	(81.5)
Net operating result (EBIT)		**167.6**	**132.3**	**37.6**	**369.6**	**71.1**
Financial income	4	13.9	6.7	5.6	25.4	22.9
Financial expenses	4	(44.9)	(97.1)	(37.9)	(233.6)	(124.4)
Net financial items		**(31.1)**	**(90.3)**	**(32.3)**	**(208.2)**	**(101.6)**
Result before tax (EBT)		**136.5**	**42.0**	**5.3**	**161.4**	**(30.5)**
Income tax benefit / (expense)	5	(148.5)	(91.3)	(2.3)	(267.5)	5.2
Net result for the period		**(12.0)**	**(49.3)**	**3.0**	**(106.1)**	**(25.2)**
Other comprehensive income (net of tax):						
Items that may be subsequently reclassified to profit or loss:						
Realized cash flow hedge, reclassified to profit or loss		71.8	77.7	39.5	226.4	68.7
Related tax - realized cash flow hedge		(45.9)	(49.7)	(25.3)	(144.9)	(44.0)
Changes in fair value derivative instruments		101.7	(31.3)	(127.9)	(152.7)	(370.6)
Related tax - changes in fair value		(64.8)	25.5	81.9	114.3	237.2
Currency translation adjustment		(2.3)	(2.5)	(1.0)	(5.5)	(2.2)
Total other comprehensive income (net of tax)		**60.5**	**19.7**	**(32.8)**	**37.5**	**(110.9)**
Total comprehensive income (net of tax)		**48.5**	**(29.6)**	**(29.9)**	**(68.6)**	**(136.1)**
Weighted average no. of shares outstanding, basic		25,518,676	24,676,836	24,110,852	24,815,593	24,110,852
Weighted average no. of shares outstanding, diluted		31,627,671	30,680,574	35,552,985	30,924,588	35,552,985
Basic earnings/loss USD per share		(0.5)	(2.0)	0.1	(4.3)	(1.1)
Diluted earnings/loss USD per share		(0.5)	(2.0)	0.1	(4.3)	(1.1)

Condensed Consolidated Statement of Financial Position

All figures in USD million	Note	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Non-current assets					
Exploration & evaluation assets	6	161.2	162.4	166.0	168.1
Deferred tax assets	5	352.2	515.2	526.3	623.6
Property, plant and equipment	7	1,981.3	1,944.2	1,898.7	1,789.7
Right of Use asset		0.5	0.5	0.7	0.8
Restricted cash	10, 13	197.1	200.1	205.5	207.0
Derivative instruments	13	31.1	52.7	9.7	0.1
Total non-current assets		**2,723.6**	**2,875.2**	**2,806.9**	**2,789.4**
Current assets					
Derivative instruments	13	64.5	6.1	-	-
Trade receivables and other current assets	8	93.5	118.2	108.9	82.0
Inventories	9	57.3	53.8	51.4	56.0
Bank deposits, cash and cash equivalents	10	273.1	241.9	122.6	152.4
Total current assets		**488.5**	**420.0**	**283.0**	**290.6**
Total assets		**3,212.1**	**3,295.2**	**3,089.9**	**3,080.0**
Equity					
Share capital	15	5.6	5.5	29.5	29.5
Other equity		478.0	426.7	462.7	465.3
Total equity		**483.6**	**432.2**	**492.2**	**494.9**
Non-current liabilities					
Asset retirement obligations	14	1,024.3	1,018.5	1,003.0	938.7
Convertible bond loan	11, 13	149.1	143.7	157.1	150.0
Bond loan	11, 13	170.3	165.8	164.9	168.3
Reserve based lending facility	11, 13	762.3	860.7	857.3	855.6
Derivative instruments	13	145.0	233.3	100.9	99.5
Other non-current liabilities	11	0.4	0.4	25.4	25.5
Total non-current liabilities		**2,251.5**	**2,422.4**	**2,308.6**	**2,237.6**
Current liabilities					
Asset retirement obligations	14	20.1	22.1	26.2	20.7
Tax payable	5	146.3	49.6	16.0	22.7
Derivative instruments	13	165.5	216.3	116.3	173.7
Trade payables and other current liabilities	12, 11	145.2	152.6	130.5	130.3
Total current liabilities		**477.0**	**440.6**	**289.1**	**347.5**
Total liabilities		**2,728.5**	**2,863.0**	**2,597.7**	**2,585.1**
Total equity and liabilities		**3,212.1**	**3,295.2**	**3,089.9**	**3,080.0**

Condensed Consolidated Statement of Changes in Equity

All figures in USD million	Share capital	Share premium fund	Treasury share reserve	Currency translation fund	Cash flow hedge reserve	Other equity	Total equity
2021							
Equity as of 01.01.2021	**29.5**	**707.0**	**(0.5)**	**5.6**	**14.3**	**(126.0)**	**629.9**
Net result for the period						(25.2)	(25.2)
Other comprehensive income							
Realized cash flow hedge	-	-	-	-	68.7	-	68.7
Related tax - realized cash flow hedge	-	-	-	-	(44.0)	-	(44.0)
Changes in fair value	-	-	-	-	(370.6)	-	(370.6)
Related tax - changes in fair value	-	-	-	-	237.2	-	237.2
Currency translation adjustments	-	-	-	(2.2)	-	-	(2.2)
Total other comprehensive income	**-**	**-**	**-**	**(2.2)**	**(108.7)**	**-**	**(110.9)**
Share-based incentive program	-	-	-	-	-	1.1	1.1
Total transactions with owners for the period	**-**	**-**	**-**	**-**	**-**	**1.1**	**1.1**
Equity as of 30.09.2021	**29.5**	**707.0**	**(0.5)**	**3.4**	**(94.4)**	**(150.2)**	**494.9**
2022							
Equity as of 01.01.2022	**29.5**	**707.0**	**(0.5)**	**2.6**	**(67.5)**	**(178.9)**	**492.2**
Net result for the period						(106.1)	(106.1)
Other comprehensive income							
Realized cash flow hedge, reclassified to profit or loss	-	-	-	-	226.4	-	226.4
Related tax - realized cash flow hedge	-	-	-	-	(144.9)	-	(144.9)
Changes in fair value	-	-	-	-	(152.7)	-	(152.7)
Related tax - changes in fair value	-	-	-	-	114.3	-	114.3
Currency translation adjustments	-	-	-	(5.5)	-	-	(5.5)
Total other comprehensive income	**-**	**-**	**-**	**(5.5)**	**43.1**	**0.0**	**37.6**
Issue of shares	1.4	32.2	-	-	-	-	33.6
Capital reduction, approved not registered	(25.4)	25.4	-	-	-	-	-
Settlement derivatives / conversion NOR13	-	-	-	-	-	21.0	21.0
Share-based incentive program	-	-	-	-	-	0.2	0.2
Sale of shares	-	-	0.3	-	-	4.9	5.2
Total transactions with owners for the period	**(23.9)**	**57.5**	**0.3**	**-**	**-**	**26.1**	**60.1**
Equity as of 30.09.2022	**5.6**	**764.5**	**(0.2)**	**(3.0)**	**(24.4)**	**(259.0)**	**483.6**

Condensed Consolidated Statement of Cash Flows

All figures in USD million	Note	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Cash flows from operating activities						
Net result for the period		(12.0)	(49.3)	3.0	(106.1)	(25.2)
Adjustments for:						
Income tax benefit / (expense)	5	148.5	91.3	2.3	267.5	(5.2)
Tax paid / received		0.4	(0.1)	-	6.1	-
Depreciation	7	30.1	34.7	27.8	101.8	81.5
Share-based payments expenses		0.2	0.0	0.3	0.1	1.1
Net financial item	4	34.7	94.4	32.3	217.2	101.6
Net gain sale of assets		-	-	-	(0.2)	-
Changes in:						
Trade receivable	8	28.4	(0.6)	(0.4)	9.0	(3.4)
Trade payables[1)]	12	(12.1)	(7.2)	28.6	(20.9)	(148.7)
Inventories and spare parts	9	(3.6)	3.4	(5.7)	(5.9)	(16.5)
Prepayments	8	(3.7)	4.8	(7.8)	5.1	2.4
Over/under-lift	8, 12	4.4	11.9	4.0	11.8	(6.6)
Other current balance sheet items		0.0	0.0	0.0	0.1	(0.1)
Cash flow from operating activities		**215.3**	**183.4**	**84.3**	**485.7**	**(19.2)**
Cash flows from investing activities						
Consideration sale of asset		-	-	-	0.3	-
Volume guarantee	8	-	-	-	-	14.6
Tax paid / received[2)]		-	-	2.3	-	2.4
Investment in oil and gas assets	7	(65.3)	(61.0)	(55.1)	(178.8)	(161.2)
Investment in exploration & evaluation assets		(0.7)	-	0.1	(1.2)	0.5
Abandonment paid		(4.5)	(4.7)	(7.9)	(11.2)	(13.1)
Changes in restricted cash accounts	10	(0.7)	(0.1)	1.9	(0.7)	(10.9)
Cash flow from investing activities		**(71.2)**	**(65.9)**	**(58.6)**	**(191.6)**	**(167.7)**
Cash flows from financing activities						
Long-term loans	11	(100.0)	-	-	(100.0)	148.8
Lease payments		(0.1)	(0.3)	(0.2)	(0.5)	(0.6)
Sale of shares		-	1.8	-	5.2	-
Transaction costs related to financing		-	-	(5.7)	(0.0)	(27.5)
Interest paid		(14.1)	(19.2)	(10.5)	(43.1)	(36.1)
Settled hedges		4.3	1.0	0.6	5.0	(1.6)
Other financial items		(3.0)	(5.7)	(2.0)	(10.1)	(3.1)
Cash flow from financing activities		**(112.8)**	**(22.4)**	**(17.8)**	**(143.6)**	**80.0**
Net change in cash and cash equivalents		31.2	95.1	7.9	150.5	(106.9)
Cash and cash equivalents at the beginning of the period		241.9	146.8	144.5	122.6	259.3
Cash and cash equivalents at end of the quarter		**273.1**	**241.9**	**152.4**	**273.1**	**152.4**

1) YTD 2021 reflects the payment of the VAT liability related to 2020 of USD 156 million, the payment date was delayed to Q1 2021 by the Danish government as a response to the impact of COVID-19 on the economy.
2) Tax paid which were attributable to the period before the acquisition of Shell Olie- og Gasudvinding Danmkar B.V. on 31 July 2019 is classified as investing activities.

Notes

1 Accounting Principles

Norwegian Energy Company ASA (“Noreco”, “the Company” or “the Group”) is a public limited liability company registered in Norway, with headquarters in Oslo (Nedre Vollgate 1, 0158 Oslo). The Company has subsidiaries in Norway, Denmark, Netherlands and the United Kingdom. The Company is listed on the Oslo Stock Exchange.

Basis for preparation
The interim condensed consolidated financial statements (the interim financial statements) for the third quarter of 2022 of 2022 comprise Norwegian Energy Company ASA (Noreco) and its subsidiaries. These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The interim financial statements do not include all the information and disclosures required to represent a complete set of financial statements, and these interim financial statements should be read in conjunction with the annual financial statements. The interim financial statements are unaudited. The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding. The interim financial statements for the third quarter of 2022 were approved by the Board of Directors on 25 October 2022.

Going concern
The Board of Directors confirms that the interim financial statements have been prepared under the presumption of going concern, and that this is the basis for the preparation of these interim financial statements. The financial solidity and the Company's cash and working capital position are considered satisfactory in regards of the planned activity level until Q3 2023.

Reference to summary of significant accounting policies
These interim financial statements are prepared using the same accounting principles as the annual financial statements for 2021.

For the full summary of significant accounting policies, reference is made to the annual financial statements for 2021.

Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgements made in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2 Revenue

USD million	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Sale of oil	148.7	184.5	109.0	454.8	302.1
Sale of gas and NGL	143.5	78.7	39.5	277.8	82.6
Other income	1.4	1.4	1.6	4.6	5.2
Total Revenue	**293.5**	**264.6**	**150.2**	**737.2**	**390.0**
Oil - lifted volumes (mmbbl)	1.86	2.26	1.91	5.89	5.31
Effective Oil price USD/bbl[1)]	**79.8**	**81.7**	**57.0**	**77.2**	**56.9**
Gas - lifted volumes (mmboe)	0.5	0.5	0.6	1.6	1.7
Effective Gas price EUR/MWh	159.6	83.2	34.1	96.7	23.2
Effective Gas price USD/boe	**280.7**	**149.9**	**69.0**	**174.2**	**47.7**

1) See the description of «Alternative performance measures” at the end of this report for definitions.

In the third quarter, Noreco's sale of oil amounted to USD 148.7 million and sale of gas amounted to USD 143.5 million, realised prices were USD 79.8 per bbl of oil and EUR 159.6 per MWh of gas lifted during the period, adjusted for settlement of price hedges in place with financial institutions.

During the third quarter, all of Noreco's settlement of price hedges that were put in place with financial institutions in the market matched the physical sale of oil and gas and were recognised as revenue.

3

Production Expenses

USD million	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Direct field opex	(65.9)	(49.4)	(55.2)	(166.5)	(157.8)
Tariff and transportation expenses	(8.1)	(9.8)	(9.2)	(27.9)	(34.8)
Production G&A	(4.6)	(9.7)	(12.4)	(23.8)	(36.2)
Field operating cost	**(78.6)**	**(68.9)**	**(76.8)**	**(218.2)**	**(228.8)**
Total produced volumes (mmboe)	2.3	2.4	2.5	7.3	7.3
In USD per boe	(34.0)	(28.5)	(30.8)	(29.9)	(31.3)
Adjustments for:					
Change in inventory position	2.5	(3.5)	6.4	5.2	4.6
Over/under-lift of oil and NGL	(4.4)	(11.9)	(4.0)	(11.8)	6.6
Insurance & Other	(5.2)	(4.8)	(5.3)	(14.7)	(16.3)
Stock Scrap	(0.5)	(1.1)	2.1	(4.0)	13.4
Production expenses	**(86.2)**	**(90.2)**	**(77.6)**	**(243.4)**	**(220.4)**

Production expenses for the third quarter directly attributable to the lifting and transportation to market of Noreco's oil and gas production are in total USD 78.6 million, which equates to USD 34.0 per boe produced during the period compared to USD 28.5 per boe in Q2 2022. The increased cost per boe for Q3 compared to Q2 were mainly related to increased well recovery activities such as the Restimulation on Halfdan, the "Well Reservoir Opportunity Management" (WROM) and Integrity Recovery Project on Dan. Further a planned NOGAT shut down for 3 weeks caused reduced production during the quarter. Compared to last year 2022 is benefitting from the USD/DKK exchange rate. At the same time this year is influenced by high activity on workovers to maintain base production.

In the current period Noreco recognised a cost reduction of USD 2.5 million related to an increase in the Crude Oil inventory position and a cost of USD 4.4 million related to an increase in the over-lift position (measured at production cost). Stock scrap is a cost of USD 0.5 million.

4 Financial Income and Expenses

Financial Income

USD million	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Value adjustment interest swap unrealized [1]	6.8	1.5	0.0	11.1	0.0
Value adjustment of embedded derivatives [2]	-	-	-	-	5.2
Interest income	1.2	0.3	0.0	1.5	0.0
Foreign exchange gains	5.9	5.0	5.6	12.9	17.6
Total financial income	**13.9**	**6.7**	**5.6**	**25.4**	**22.9**

Financial Expenses

USD million	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
Value adjustment of embedded derivatives[2]	(5.3)	(53.9)	(0.7)	(115.9)	-
Value adjustment - FX Contract	-	-	-	-	(1.0)
Value adjustment - amortised cost RBL	-	-	-	-	(5.3)
Utilisation of derivatives	-	(0.1)	-	(0.9)	(3.1)
Unrealized loss derivatives	-	-	-	-	(7.5)
Interest expense from bond loans	(11.5)	(11.8)	(11.4)	(34.9)	(32.1)
Interest expense from bank debt[3]	(11.9)	(12.5)	(12.2)	(36.0)	(33.0)
Interest expenses current liabilities	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)
Accretion expense related to asset retirement obligations	(12.0)	(14.3)	(8.7)	(36.0)	(26.2)
Foreign exchange losses	(3.3)	(3.5)	(4.1)	(7.2)	(13.7)
Other financial expenses	(0.8)	(0.9)	(0.9)	(2.6)	(2.6)
Total financial expenses	**(44.9)**	**(97.1)**	**(37.9)**	**(233.6)**	**(124.4)**
Net financial items	**(31.1)**	**(90.3)**	**(32.3)**	**(208.2)**	**(101.6)**

1) Fair value adjustment of interest swap related to RBL facility, ineffective part
2) Fair value adjustment of the embedded derivatives of the convertible bond
3) Net of realized interest swap

5 Tax

Tax rates

Producers of oil and gas on the Danish Continental Shelf are subject to the hydrocarbon tax regime under which, income derived from the sale of oil and gas is taxed at an elevated 64 %. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 %. The 64 % is calculated as the sum of the “Chapter 2” tax of 25 % plus a specific hydrocarbon tax (chapter 3A) of 52 %, in which the 25 % tax payable is deductible. Income generated in Norway and United Kingdom is subject to regular corporate tax at 22 %.

Tax expense

USD million

Income tax in profit/loss (Danish corporate income tax and hydrocarbon tax)	Q3 2022	YTD 2022
Income tax current year	(85.6)	(88.6)
Repayment of tax benefit related to chapter 3b	(9.6)	(28.5)
Income tax for prior years	(0.2)	(0.2)
Current income tax	**(95.4)**	**(117.3)**
Deferred tax movements	(53.2)	(147.1)
Prior year adjustment, deferred tax	0.1	(3.2)
Deferred tax expense	**(53.1)**	**(150.2)**
Tax (expense)/ income	**(148.5)**	**(267.5)**

Income tax in profit/loss is solely derived from the group's activities on the Danish continental shelf, of which the major part is subject to the elevated 64 % hydrocarbon tax.

Tax (expense)/income related to other comprehensive income		
Cash flow hedges	(110.8)	(30.6)
Tax (expense)/income related to other comprehensive income	**(110.8)**	**(30.6)**

Income tax on OCI is related to the unrealised fair value changes in derivatives designated in cash flow hedges. To the extent derivatives are associated with the sale of oil and gas, result from cash flow hedges is subject to 64 % hydrocarbon tax.

	Hydrocarbon tax 64%		Corporate tax 22%		
Reconciliation of nominal to actual tax rate:	Q3 2022		Q3 2022		In total
Income (loss) before tax	145.8		(9.3)		136.5
Expected tax on profit before tax	93.3	64%	(2.0)	22%	91.2
Tax effect of:					
Prior year adjustment	0.1	0%	0.1	-1%	0.2
FX adjustment of net operating losses carried forward in DKK[1)]	61.9	42%	-	0%	61.9
Repayment of tax benefit related to chapter 3b[2)]	9.6	7%	-	0%	9.6
Investment uplift on CAPEX projects[3)]	(18.6)	-13%	-	0%	(18.6)
Permanent differences	-	0%	25.5	-274%	25.5
No recognition of tax assets in Norway and UK	-	0%	(21.3)	229%	(21.3)
Tax expense (income) in profit/loss	**146.2**	**100%**	**2.3**	**25%**	**148.5**

Reconciliation of nominal to actual tax rate, continues:	Hydrocarbon tax 64% YTD 2022		Corporate tax 22% YTD 2022		In total
Income (loss) before tax	304.7		(143.3)		161.4
Expected tax on profit before tax	195.0	64%	(31.5)	22%	163.5
Tax effect of:					
Prior year adjustment	3.4	1%	0.1	0%	3.5
FX adjustment of net operating losses carried forward in DKK1)	61.9	20%	-	0%	61.9
Repayment of tax benefit related to chapter 3b2)	28.5	9%	-	0%	28.5
Investment uplift on CAPEX projects3)	(24.5)	-8%	-	0%	(24.5)
Permanent differences	-	0%	25.5	-18%	25.5
No recognition of tax assets in Norway and UK	-	0%	9.2	6%	9.2
Tax expense (income) in profit/loss	**264.2**	**87%**	**3.3**	**2%**	**267.5**

1) Deferred tax movement no cash effect.
2) From 2022 and onwards, a special additional tax cost related to the Tyra Redevelopment tax incentive scheme (chapter 3b) is levied if commodity prices exceed certain thresholds. This tax is payable on net proceeds from sales (incl. hedging results), less costs and fiscal depreciation and constitutes a repayment of the benefit previously achieved. The repayment cannot exceed the accumulated tax benefit achieved from the Tyra Redevelopment tax incentive rules during the development period. For 2022, Noreco estimates USD 28.5 million YTD.
3) The tax cost in the hydrocarbon tax regime is positively impacted by the 39 % investment uplift on the Tyra Redevelopment project.

	Q3 2022		Q3 2022		In total
Other comprehensive income before tax	172.8		0.6		173.5
Expected tax on other comprehensive income before tax	(110.6)	64%	(0.1)	22%	(110.8)
Tax effect of:					
Non-taxable currency translation adjustment	-		-		-
Tax in other comprehensive income	**(110.6)**	**64%**	**(0.1)**	**22%**	**(110.8)**

	YTD 2022		YTD 2022		In total
Other comprehensive income before tax	34.3		39.3		73.7
Expected tax on other comprehensive income before tax	(22.0)	64%	(8.7)	22%	(30.6)
Tax effect of:					
Non-taxable currency translation adjustment	-		-		-
Tax in other comprehensive income	**(22.0)**	**64%**	**(8.7)**	**22%**	**(30.6)**

Current income tax payable	
Tax payable relates to the Group's entities in Denmark. The amounts payable as of 30.09.2022 were:	
Hydrocarbon tax pertaining to pre-acquisition period 2019 not indemnified by the Seller	(10.2)
Corporate tax for prior years (Denmark)	(10.0)
Hydrocarbon and corporate tax for 2021 and 2022 (Denmark)	(97.6)
Repayment of tax benefit related to chapter 3b	(28.5)
Tax payables	**(146.3)**

Current income taxes for current and prior periods are measured at the amount that is expected to be paid to or be refunded from the tax authorities, as at the balance sheet date. Due to the complexity in the legislative framework and the limited amount of guidance from relevant case law, the measurement of taxable profits within the oil and gas industry is associated with some degree of uncertainty. Uncertain tax liabilities are recognised with the probable value if their probability is more likely than not. Tax payable of USD 146.3 million, of which USD 128.0 million is an actual cash payable to be paid USD 19.0 million in 2022 and the rest in 2023.

As of 30 September 2022, the Company has provided an estimated USD 10.2 million pertaining to hydrocarbon tax in the part of pre-acquisition period, which is not indemnified by the Seller.

Deferred tax

Deferred tax assets are measured at the amount that is expected to result in taxes due to temporary differences and the value of tax losses.

The recognized deferred tax asset is allocable to the following balance sheet items, all pertaining to the Group's activities on the Danish Continental Shelf:

USD million Deferred tax and deferred tax asset	01.01.2022	Effect recognized in profit/loss	Effect recognized in OCI	30.09.2022
Property, plant and equipment	624.6	77.7	-	702.3
Intangible assets, licenses	17.2	4.3	-	21.5
Inventories and receivables	26.7	(1.1)	-	25.6
ARO provision	(611.1)	(9.9)	-	(621.1)
Other assets and liabilities	-	(2.3)	-	(2.3)
Tax loss carryforward, corporate tax (22%)	(2.0)	0.1	1.9	(0.0)
Tax loss carryforward, chapter 2 tax (25%)	(22.8)	13.9	8.6	(0.4)
Tax loss carryforward, chapter 3a tax (52%)	(558.3)	67.1	13.4	(477.9)
Deferred tax asset, net	**(525.7)**	**149.6**	**23.8**	**(352.2)**

6 Intangible assets

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
Book value 31.12.2021	**1.4**	**-**	**164.7**	**166.0**
Acquisition costs 31.12.2021	**1.4**	**-**	**186.0**	**187.4**
Additions	0.5	-	-	0.5
Acquisition costs 30.06.2022	**1.8**	**-**	**186.0**	**187.8**
Accumulated depreciation, amortization and write-downs 31.12.2021	**-**	**-**	**(21.3)**	**(21.3)**
Depreciation / amortization	-	-	(4.1)	(4.1)
Accumulated depreciation, amortization and write-downs 30.06.2022	**-**	**-**	**(25.5)**	**(25.5)**
Book value 30.06.2022	**1.8**	**-**	**160.5**	**162.4**
Acquisition costs 30.06.2022	**1.8**	**-**	**186.0**	**187.8**
Additions	-	0.7	-	0.7
Acquisition costs 30.09.2022	**1.8**	**0.7**	**186.0**	**188.6**
Accumulated depreciation, amortization and write-downs 30.06.2022	**-**	**-**	**(25.5)**	**(25.5)**
Depreciation / amortization	-	-	(1.9)	(1.9)
Accumulated depreciation, amortization and write-downs 30.09.2022	**-**	**-**	**(27.4)**	**(27.4)**
Book value 30.09.2022	**1.8**	**0.7**	**158.6**	**161.2**

7 Property, Plant and Equipment

USD million	Asset under construction	Production facilities	Other assets	Total
Book value 31.12.21	**818.5**	**1,078.5**	**1.7**	**1,898.7**
Acquisition costs 31.12.21	818.5	1,346.6	3.1	2,168.2
Sale of asset	-	(0.2)	(0.2)	(0.4)
Additions	106.1	7.3	0.1	113.5
Currency translation adjustment	-	(0.2)	(0.1)	(0.3)
Acquisition costs 30.06.22	**924.7**	**1,353.5**	**2.9**	**2,281.1**
Accumulated depreciation, amortization and write-downs 31.12.21	-	(268.2)	(1.4)	(269.6)
Sale of asset, reversal depreciation	-	0.1	-	0.1
Depreciation / amortization	-	(67.2)	(0.2)	(67.4)
Currency translation adjustment	-	0.0	0.0	0.1
Accumulated depreciation, amortization and write-downs 30.06.22	**-**	**(335.3)**	**(1.5)**	**(336.8)**
Book value 30.06.22	**924.7**	**1,018.2**	**1.4**	**1,944.2**
Acquisition costs 30.06.22	924.7	1,353.5	2.9	2,281.1
Additions	64.4	0.9	0.0	65.3
Currency translation adjustment	-	(0.1)	(0.1)	(0.2)
Acquisition costs 30.09.22	**989.0**	**1,354.3**	**2.9**	**2,346.2**
Accumulated depreciation, amortization and write-downs 30.06.22	-	(335.3)	(1.5)	(336.8)
Depreciation / amortization	-	(28.0)	(0.1)	(28.1)
Currency translation adjustment	-	0.0	0.0	0.0
Accumulated depreciation, amortization and write-downs 30.09.22	**-**	**(363.3)**	**(1.6)**	**(364.9)**
Book value 30.09.22	**989.0**	**991.0**	**1.3**	**1,981.3**

Impairment testing of our asset base is performed periodically and/or when impairment triggers are identified. In Q3 2022 an impairment test on Noreco's assets was initiated due to the updated Tyra Redevelopment cost and schedule estimate, made public 3 August 2022. The outcome of the impairment test was that no impairment was necessary.

Impairment is recognised when the book value of an assets exceeds the recoverable amount.

The recoverable amount is calculated as the expected future cash flow from the asset, discounted to the net present value by applying a discount rate after tax that reflects the current market valuation on the time value of money, and the specific risk related to the assets. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which exceed periods greater than five years.

For our producing license, the recoverable amount is estimated based on discounted future after tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as of 30 September 2022:

- Oil prices: a long-term price of $60/bbl has been used from 2026 onwards, with a forward curve-based approach in earlier years based on current market conditions
- Gas prices: a long-term gas price of €30/Mwh has been used from 2026 onwards, with a forward curve-based approach in earlier years based on current market conditions

- Inflation rate of 2.0 percent per annum
- Discount rate of 8.6 percent

8 Trade Receivables and Other Current Assets

USD million	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Current assets				
Trade receivables	0.9	1.2	40.4	21.4
Accrued revenue	76.6	105.5	47.1	40.1
Under-lift of oil/NGL	-	-	1.2	-
Prepayments	14.9	11.2	20.1	20.3
Other receivables	1.1	0.3	0.2	0.2
Total trade receivables and other current receivables	**93.5**	**118.2**	**108.9**	**82.0**

9 Inventories

USD million	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Product inventory, oil	22.9	20.4	17.7	22.9
Other stock (spares & consumables)	34.4	33.3	33.8	33.1
Total inventories	**57.3**	**53.8**	**51.4**	**56.0**

10 Restricted Cash, Bank Deposits, Cash and Cash Equivalents

USD million	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Non-current assets				
Restricted cash pledged as security for abandonment obligation related to Nini/Cecilie	55.8	59.4	65.0	66.5
Restricted cash pledged as security for cash call obligations towards Total [1)]	141.3	140.6	140.5	140.5
Total non-current restricted cash	**197.1**	**200.1**	**205.5**	**207.0**
Current assets				
Unrestricted cash, bank deposits, cash equivalents	273.2	241.9	122.7	152.6
Total bank deposits	**470.3**	**442.0**	**328.1**	**359.6**

1) Noreco has made a USD 140 million deposit into a cash call security account in accordance with a cash call security agreement with Total E&P Denmark A/S as operator of the DUC. All payment obligations from Noreco to the cash call security account have been made and there will be no further increase.

11 Borrowings

USD million	30.09.2022 Principal amount	30.09.2022 Book value	30.06.2022 Principal amount	30.06.2022 Book value	31.12.2021 Principal amount	31.12.2021 Book value	30.09.2021 Principal amount	30.09.2021 Book value
NOR 13 Convertible Bond [1)]	165.2	149.1	160.6	143.7	185.0	157.1	185.0	150.0
NOR 14 Senior Unsecured Bond [2)]	175.0	170.3	175.0	165.8	175.0	164.9	175.0	168.3
Total non-current bonds	**340.2**	**319.4**	**335.6**	**309.5**	**360.0**	**322.1**	**360.0**	**318.3**
Reserve Based Lending Facility [3)]	800.0	762.4	900.0	860.7	900.0	857.3	900.0	855.6
Deferred Consideration [4)]	-	-	-	-	25.0	25.0	25.0	25.0
Total non-current debt	**800.0**	**762.4**	**900.0**	**860.7**	**925.0**	**882.3**	**925.0**	**880.6**
Deferred Consideration [4)]	25.0	25.0	25.0	25.0	-	-	-	-
Total current debt	**25.0**	**25.0**	**25.0**	**25.0**	**-**	**-**	**-**	**-**
Total borrowings	**1,165.2**	**1,106.8**	**1,260.6**	**1,195.1**	**1,285.0**	**1,204.3**	**1,285.0**	**1,198.9**

Note: book values reported on the basis of amortised cost for NOR14, the reserve-based lending facility and the convertible bond loan element of NOR13.

1) The Company issued a convertible bond loan of USD 158 million in 2019 where the lender was granted a right to convert the loan into new shares in the Company by way of set-off against the claim on the Company. The loan carries an interest of 8% p.a. on a PIK basis, with an alternative option to pay cash interest at 6% p.a., payable semi-annually. In 2022 four conversions have taken place and USD 33.6 million was derecognized from the financial liability to equity.

2) The Company issued a senior unsecured bond of USD 175 million in 2019. The bond carries an interest of 9% p.a., payable semi-annually. In July 2021, Noreco's written resolution regarding the addition of further headroom under the Leverage Ratio covenant through to the end of 2023 was resolved and approved by the Company's NOR14 bondholders. Based on this written resolution, the maximum Leverage Ratio has been amended to 7.0x (from 5.0x) during the Tyra Redevelopment Period ending Q2 2023, 6.0x (from 3.0x) during Q3 2023 and 5.0x (from 3.0x) during Q4 2023. From Q1 2024 onwards, the maximum Leverage Ratio will revert to 3.0x per the original bond terms. In addition to the change in maximum permitted leverage, Noreco's minimum liquidity threshold has increased to USD 75 million until the end of 2023 (from USD 50 million until end Q2 2023 and USD 25 million during Q3 and Q4 2023).

3) The Company entered into an increased Reserve Based Lending Facility in Q2 2021. The facility has a seven-year tenor with a maximum limit of USD 1.1 billion, with a maximum of USD 1.0 billion available for cash drawdown by the Company. Interest is accrued on the drawn amount with an interest rate comprising the aggregate of SOFR and 4% per annum, 4.5% per annum from February 2023. The amount drawn on 30 September is USD 800 million, Noreco made a USD 100 million downpayment in July 2022.

4) In accordance with the SPA with Shell USD 25 million of the consideration is due the earliest of March 2023 and finalising Tyra Redevelopment.

Interest payments (USD million)

Year	NOR13*	NOR14	Reserve Based Lending Facility	Deferred consideration	Total
Interest rate		**9,0%**	**SOFR****	**4,0%**	
2022	-	15.8	48.3	1.0	65.1
2023	-	15.8	60.6	1.0	77.4
2024	-	15.8	60.6	-	76.4
2025	-	15.8	52.4	-	68.1
2026	-	7.9	33.3	-	41.2
2027	-	-	15.5	-	15.5
2028	-	-	0.9	-	0.9
Total	**-**	**70.9**	**271.7**	**2.0**	**344.5**

* NOR13 carries a variable interest charge of: (i) 6% per annum in cash, payable semi-annually, or; (ii) 8% per annum payment in kind ("PIK") cumulative interest, rolled up semi-annually, to add to NOR13 capital on conversion at expiry of the bond. Currently the company has elected the PIK interest of 8% and is therefore forecasting no cash interest payments on NOR13 in the above table.
** In Q3 2021 the Company entered a USD 1.0 billion swap transaction with a group of banks to fix the Company's floating interest rate (LIBOR/SOFR from 01 November 2021) exposure under its Reserve Based Lending Facility from 1 November 2021 until 30 June 2024. Noreco will as a result pay interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin. Note that the interest payments in this table are prior to the interest hedged.

12 Trade Payables and Other Current Liabilities

USD million	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Trade payable	4.5	0.1	5.4	13.5
Liabilities to operators relating to joint venture licences	59.2	56.8	73.4	74.6
Over-lift of oil/NGL	10.5	6.1	-	6.1
Accrued interest	2.8	2.5	2.5	2.4
Salary accruals	1.3	1.1	2.1	1.2
Public duties payable	18.8	22.7	14.0	12.5
Deferred consideration	25.0	25.0	-	-
Other current liabilities	23.0	38.3	33.1	20.1
Total trade payables and other current liabilities	**145.2**	**152.6**	**130.5**	**130.3**

13 Financial Instruments
13.1 Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.
The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 Inputs for the asset or liability that are not based on observable market data.

On 30.09.2022

USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Derivative instruments interest swap	-	12.0	-	12.0
Financial assets at fair value hedging instruments				
– Derivative instruments interest swap	-	48.1	-	48.1
– Derivative instruments price hedge	-	35.5	-	35.5
Total assets	**-**	**95.6**	**-**	**95.6**
Liabilities				
Financial liabilities at fair value through profit or loss				
– Embedded derivatives convertible bond	-	-	103.0	103.0
Financial liabilities at fair value hedging instruments				
– Derivative instruments price hedge	-	207.5	-	207.5
Total liabilities	**-**	**207.5**	**103.0**	**310.5**

On 30.06.2022

USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Derivative instruments interest swap	-	5.3	-	5.3
Financial assets at fair value hedging instruments				
– Derivative instruments interest swap	-	47.5	-	47.5
– Derivative instruments price hedge	-	6.1	-	6.1
Total assets	**-**	**58.8**	**-**	**58.8**
Liabilities				
Financial liabilities at fair value through profit or loss				
– Embedded derivatives convertible bond	-	-	98.7	98.7
Financial liabilities at fair value hedging instruments				
– Derivative instruments price hedge	-	350.9	-	350.9
Total liabilities	**-**	**350.9**	**98.7**	**449.6**

On 31.12.2021 USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Derivative instruments interest swap	-	1.0	-	1.0
Financial assets at fair value hedging instruments				
– Derivative instruments interest swap	-	8.8	-	8.8
Total assets	**-**	**9.7**	**-**	**9.7**
Liabilities				
Financial liabilities at fair value through profit or loss				
– Embedded derivatives convertible bond	-	-	12.1	12.1
Financial liabilities at fair value hedging instruments				
– Derivative instruments price hedge	-	205.1	-	205.1
Total liabilities	**-**	**205.1**	**12.1**	**217.2**

13.2 Financial Instruments by Category

On 30.09.2022 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
Assets				
Derivative instruments interest swap	-	-	60.2	60.2
Derivative instruments price hedge	-	-	35.5	35.5
Trade receivables and other current assets	93.5	-	-	93.5
Restricted cash	197.1	-	-	197.1
Bank deposits, cash and cash equivalents	273.2	-	-	273.2
Total	**563.9**	**-**	**95.6**	**659.5**

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Fair value - hedging instruments	Total
Liabilities				
Derivative instruments price hedge	-	-	207.5	207.5
Embedded derivative convertible bond	-	103.0	-	103.0
Convertible bond loans	149.1	-	-	149.1
Senior unsecured bond loan	170.3	-	-	170.3
Reserve based lending facility	762.4	-	-	762.4
Deferred consideration	25.0	-	-	25.0
Trade payables and other current liabilities	120.2	-	-	120.2
Total	**1,227.0**	**103.0**	**207.5**	**1,537.5**

On 30.06.2022 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
Assets				
Derivative instruments interest swap	-	-	52.7	52.7
Derivative instruments price hedge	-	-	6.1	6.1
Trade receivables and other current assets	118.2	-	-	118.2
Restricted cash	200.1	-	-	200.1
Bank deposits, cash and cash equivalents	241.9	-	-	241.9
Total	**560.2**	**-**	**58.8**	**619.0**

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Fair value - hedging instruments	Total
Liabilities				
Derivative instruments price hedge	-	-	350.9	350.9
Embedded derivative convertible bond	-	98.7	-	98.7
Convertible bond loans	143.7	-	-	143.7
Senior unsecured bond loan	165.8	-	-	165.8
Reserve based lending facility	860.7	-	-	860.7
Deferred consideration	25.0	-	-	25.0
Trade payables and other current liabilities	127.6	-	-	127.6
Total	**1,322.8**	**98.7**	**350.9**	**1,772.4**

On 31.12.2021 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
Assets				
Derivative instruments price hedge	-	-	9.7	9.7
Trade receivables and other current assets	108.9	-	-	108.9
Restricted cash	205.5	-	-	205.5
Bank deposits, cash and cash equivalents	122.7	-	-	122.7
Total	**437.0**	**-**	**9.7**	**446.8**

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Fair value - hedging instruments	Total
Liabilities				
Derivative instruments price hedge	-	-	205.1	205.1
Embedded derivatives convertible bond	-	12.1	-	12.1
Convertible bond loans	157.1	-	-	157.1
Senior unsecured bond loan	164.9	-	-	164.9
Reserve based lending facility	857.3	-	-	857.3
Deferred consideration	25.0	-	-	25.0
Trade payables and other current liabilities	130.5	-	-	130.5
Total	**1,334.8**	**12.1**	**205.1**	**1,552.1**

13.3 Financial Instruments — Fair Values

Set out below is a comparison of the carrying amounts and fair value of financial instruments as on 30-Sep-22:

USD million	Total amount outstanding*	Carrying Amount	Fair Value
Financial assets			
Derivative instruments interest swap		60.2	60.2
Derivative instruments price hedge		35.5	35.5
Trade receivables and other current assets		93.5	93.5
Restricted cash		197.1	197.1
Bank deposits, cash, cash equivalents and quoted shares		273.2	273.2
Total		**659.5**	**659.5**

USD million	Total amount outstanding*	Carrying Amount	Fair Value
Financial liabilities			
Derivative instruments price hedge		207.5	207.5
Embedded derivative convertible bond		103.0	103.0
Convertible bond loans	165.2	149.1	62.2
Senior unsecured bond loan	175.0	170.3	175.0
Reserve based lending facility	800.0	762.4	800.0
Deferred consideration		25.0	25.0
Trade payables and other current liabilities		120.2	120.2
Total	**1,140.2**	**1,537.5**	**1,492.9**

* Total amount outstanding on the bonds and under the RBL facility

The convertible bond loan has been determined to contain embedded derivatives which are accounted for separately as derivatives at fair value through profit or loss, while the loan element subsequent to initial recognition is measured at amortised cost, a total of USD 5,3 million in transaction cost is included in the amortised cost. The embedded derivative is valued on an option valuation basis, the carrying value is USD 103 million (initial value USD 54 million). As a result of the buyback of 299,925 shares at a price of NOK 242 per share on 23 January 2020, the conversion price for the NOR13 subordinated convertible bond issue was adjusted in accordance with the bond terms, from USD 29.3398 to USD 28.9734 (NOK 240 to NOK 238), effective from the trade date of the purchase of shares. The fair value calculation for the option portion of the NOR13 bond includes this update to the conversion price. In 2022 USD 25.0 million of the embedded derivatives has been settled as part of the debt conversion.

The following table lists the inputs to the model used to calculate the fair value of the embedded derivatives:

		2022
Valuation date	(date)	30 September 22
Agreement execution date	(date)	24 Jul 19
Par value of bonds	(USD)	165,229,339
Reference share price at time of agreement	(NOK)	232
Fair value at grant date	(USD)	53,942,754
PIK interest rate	(%)	8.00%
Expected life	(years)	1.1
Number of options	(#)	5,702,795
Conversion price	(NOK)	238
Fixed FX rate of agreement	(USD:NOK)	8.180
Risk-free rate (based on government bonds)	(%)	2.52%
Expected volatility	(%)	62.14%
Model used		Black - Scholes - Merton

The RBL facility is measured at amortised cost, in addition a total of USD 53 million in transaction cost has been capitalized. Transaction costs are deducted from the amount initially recognised and are expensed over the period during which the debt is outstanding under the effective interest method. In Q3 a USD 100 million downpayment was done on the RBL facility.

The senior unsecured bond loan is measured at amortised cost, in addition a total of USD 7.6 million in transaction cost are deducted from the amount initially recognised.

13.4 Hedging

The Group actively seeks to reduce the risk it is exposed to regarding fluctuating commodity prices through the establishment of hedging arrangements. To the extent more than 100% of the projected production is hedged any value adjustments to the instruments covering in excess of 100% are considered ineffective and the value adjustment is treated as a financial item in the Income Statement, in Q3 2022 no part of the hedging instruments was considered ineffective. Time Value related to hedging arrangements is considered insignificant and generally the valuation of the instruments do not take into consideration the time value.

Currently all the company's commodity price hedging arrangements is executed solely in the market through forward contracts.

Under its RBL facility, Noreco has a rolling hedge requirement based on a minimum level of production corresponding to the RBL banking case forecast. The company has entered a USD 1.0 billion swap transaction with a group of banks to fix the Company’s floating interest rate exposure under its RBL facility from 1 Nov 2021 until 30 June 2024. Noreco will as a result pay interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin. Noreco applies hedge accounting to the Company’s hedging arrangements. To the extent more than 100% of the Company’s interest under its RBL facility is hedged any value adjustments to the instruments covering in excess of 100% are considered ineffective and the value adjustment is treated as a financial item in the Income Statement.

	Maturity					
As of 30 September 2022	**Less than 1 month**	**1 to 3 months**	**3 to 6 months**	**6 to 9 months**	**9 to 12 months**	**More than 12 months**
Commodity forward sales contracts:						
Notional quantity (in mboe)	-	1,121	1,421	1,324	964	3,293
Notional amount (in USD million)	-	116	128	98	82	220
Average hedged sales price (in USD per boe)	-	103	90	74	85	67

Hedge Reserve Movement

The table below shows the movement in the hedge reserve from changes in the cash flow hedges

USD Million	Hedge Reserve
Balance as of 01.01.2022	**(67.5)**
Realized cash flow hedge	154.6
Related tax - realized cash flow hedge	(98.9)
Changes in fair value	(254.4)
Related tax - changes in fair value	179.1
Balance as of 30.06.2022	**(87.1)**
Realized cash flow hedge	71.8
Related tax - realized cash flow hedge	(45.9)
Changes in fair value	101.7
Related tax - changes in fair value	(64.8)
Balance as of 30.09.2022	**(24.4)**

14 Asset Retirement Obligations

USD million	Q3 2022	Q1-Q2 2022	31.12.2021
Provisions as of beginning of period	1,040.6	1,029.2	950.3
Provisions and change of estimates made during the year	(3.6)	(5.8)	64.9
Accretion expense - present value calculation	12.0	24.1	35.2
Incurred cost removal	(4.5)	(6.7)	(21.0)
Currency translation adjustment	(0.1)	(0.2)	(0.2)
Total provisions made for asset retirement obligations	**1,044.4**	**1,040.6**	**1,029.2**
Break down of short-term and long-term asset retirement obligations			
Short-term	20.1	22.1	26.2
Long-term	1,024.3	1,018.5	1,003.0
Total provisions for asset retirement obligations	**1,044.4**	**1,040.6**	**1,029.2**

The balance as per 30.09.2022 is USD 984.3 million for DUC, USD 55.8 million for Nini/Cecilie, USD 2.4 million for Lulita (non-DUC share) and USD 1.9 million for Tyra F-3 pipeline.

Estimates are based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.0 percent and a nominal discount rate before tax of 5.0 percent. The credit margin included in the discount rate is 4.0 percent.

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Shares and Share Capital

	No. of Shares	Share Capital*
Number of shares and share capital as of 31.12.2021	24,549,013	29.5
Conversion part of convertible bond	1,159,411	1.4
Capital reduction, approved not registered	-	(25.4)
Number of shares and share capital as of 30.09.2022	**25,708,424**	**5.6**

	No. of Shares	Treasury share reserve*
Treasury shares as of 31.12.2021	(438,161)	(0.5)
Sale of treasury shares	286,666	0.3
Treasury shares as of 30.09.2022	**(151,495)**	**(0.2)**

* In USD million

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Subsequent Events

The company has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

Noreco chooses to disclose Alternative Performance Measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. This information is provided as a useful supplemental information to investors, security analysts and other stakeholders to provide an enhanced insight into the financial development of Noreco's business operations and to improve comparability between periods.

Abandonment spent (abex) is defined as the payment for removal and decommissioning of oil fields, to highlight the cash effect for the period.

Adj. EBITDA is adjusted for any claims under the volume guarantee in the quarter as this reflects a payment from Shell if the production performance of the business is below expectations set at the time of the signing of the SPA. This hedge is calculated to make whole Noreco's contribution from the operations had the performance been in line with expectations and is currently reflected in the company's cashflow statement and balance sheet only.

It is also adjusted for exceptional costs in relation to the transaction that are not reflective of the underlying performance of the business, cost from share-base payment arrangements.

Adjusted EBITDA

USD million	Q3 2022	Q2 2022	Q3 2021	YTD 2022	YTD 2021
EBITDA	**197.6**	**167.0**	**65.4**	**471.4**	**152.6**
Non-payment insurance	1.2	1.2	1.8	3.5	5.4
Share-base payment	0.2	0.0	0.3	0.2	1.1
Adj. EBITDA	**199.0**	**168.2**	**67.5**	**475.2**	**159.1**

EBITDA Earnings before interest, taxes, depreciation, depletion, amortization and impairments. EBITDA assists in comparing performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending on accounting methods or non-operating factors and provides a more complete and comprehensive analysis of our operating performance relative to other companies.

Effective Oil Price is defined as realised oil price adjusted for derivative effects.

Effective Gas Price is defined as realised gas price adjusted for derivative effects.

Free Cash flow (pre investments) is defined as Net change in cash and cash equivalents including cash spent on investments in oil and gas assets

Interest-bearing debt defined as the book value of the current and non-current interest-bearing debt.

Net interest-bearing debt is defined by Noreco as cash and cash equivalents reduced by current and non-current interest-bearing debt. The RBL facility and bond loans are included in the calculation with the total amount outstanding and not the amortised cost including transaction cost.

Interest-bearing debt

USD million	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Convertible bond loan	(149.1)	(143.7)	(157.1)	(150.0)
Senior Unsecured bond loan	(170.3)	(165.8)	(164.9)	(168.3)
Reserve based lending facility	(762.3)	(860.7)	(857.3)	(855.6)
Other interest-bearing debt	(25.0)	(25.0)	(25.0)	(25.0)
Interest-bearing debt	**(1,106.7)**	**(1,195.1)**	**(1,204.3)**	**(1,198.9)**

Net Interest-bearing debt

USD million	30.09.2022	30.06.2022	31.12.2021	30.09.2021
Cash and cash equivalents	273.1	241.9	122.6	152.4
Convertible bond loan	(165.2)	(160.6)	(185.0)	(185.0)
Senior Unsecured bond loan	(175.0)	(175.0)	(175.0)	(175.0)
Reserve based lending facility	(800.0)	(900.0)	(900.0)	(900.0)
Other interest-bearing debt	(25.0)	(25.0)	(25.0)	(25.0)
Net interest-bearing debt	**(892.1)**	**(1,018.7)**	**(1,162.4)**	**(1,132.6)**

Information About Noreco

Head Office Noreco

Headquarter	Nedre Vollgate 1, 0158 Oslo, Norway
Telephone	+47 22 33 60 00
Internet	www.noreco.com
Organisation number	NO 987 989 297 MVA

Financial Calendar 2022

10 May	Q1 2022 Report
19 May	Annual General Meeting
12 July	Q2 2022 Report
26 October	Q3 2022 Report

Board of Directors

Riulf Rustad	Chair
Marianne Lie	
Tone Kristin Omsted	
Colette Cohen	
Robert J McGuire	
Jan Lernout	
Peter Coleman	

Management

Euan Shirlaw	Chief Executive Officer
Marianne Eide	Chief Operating Officer
Cathrine Torgersen	EVP, Investor Relations & ESG

Investor Relations

Phone	+47 22 33 60 00
E-mail	investorrelations@noreco.com

Annual Reports

Annual reports for Noreco are available on www.noreco.com

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on www.noreco.com. The publications can be ordered by e-mailing investorrelations@noreco.com.

News Releases

In order to receive news releases from Noreco, please register on www.noreco.com or e-mail investorrelations@noreco.com.

ANNUAL REPORT 2021

Norwegian Energy Company ASA

NORECO

ANNUAL REPORT 2021

Contents

PART I

About Noreco

2021

Highlights

OPERATION

- **Strong operational performance:** Net production from Halfdan, Dan and Gorm of 26.9 mboepd
- **Positive impact from rig program:** The Noble Sam Turner rig program commenced a planned well-workover and maintenance campaign late in the first quarter, with an ongoing positive effect on operating performance during the year
- **Stable producing assets:** Current producing hubs with low decline rates provide predictable outlook for 2022 with expected production of 23.5 – 25.5 mboepd

Stable base of 2P reserves: Total 2P reserves of 200 mmboe at year end and a nearly 100% reserves replacement ratio on producing hubs

- **Valuable base of 2C resources:** Low risk organic growth opportunities identified in high value, low capex projects within the DUC
- Proactive COVID-19 measures continued to protect people and ensure business continuity
- **Participant in CCS Project Bifrost:** Evaluation of the potential for CO_2 transport and storage at the Harald field, with an expected start-up storage capacity of 3 million tons of CO_2 per year

FINANCIAL

- **Fully funded to deliver the Tyra Redevelopment project:** Total liquidity of USD 223 million at the end of the year, with cash on balance sheet of USD 123 million and available undrawn RBL capacity of USD 100 million
- **Strong financial results enhanced by high performance from producing assets:** Total revenues of USD 565 million for the year, with EBITDA of USD 250 million
- **Successful closing of USD 1.1 billion RBL facility:** Amendment of the Company's existing USD 900 million facility, while providing access to significant additional liquidity at the same time as deferring amortisation payments to the second half of 2024 and maturity to 2028
- **Successful written resolution obtained from bondholders of NOR14:** Amending certain financial covenants, providing the Company with additional leverage headroom
- **Further reduced exposure to market risk:** The Company entered into a USD 1.0 billion swap transaction to fix interest rate exposure under the RBL facility
- **Lock-in of strong commodity prices:** With a positive commodity price environment at the end of 2021, Noreco entered into a fixed-price swap contract for additional oil and gas volumes for 2022 to 2024

2021 HIGHLIGHTS CONTINUED

- **A game-changing project:** To date the largest project carried out on the Danish Continental Shelf, expecting to increase net production by 90%, decrease emissions by 30% and unlock gross reserves in excess of 200 mmboe

- **Tyra provides energy security to Denmark:** Once on stream, Tyra will produce enough gas to power the equivalent to 1.5 million Danish homes

- **High activity at yards and offshore:** Activity levels were high in the three fabrication yards in Ravenna, Singapore and Batam from the beginning of the year and the offshore installation campaign on the Tyra field was successfully initiated

- **Successful delivery and installation of Tyra East wellhead and riser platforms:** Tyra East topsides sailed away from Sembcorp Marine, Singapore in July followed by a successful offshore installation

- **Successful delivery of Tyra West wellhead and riser platforms:** The Tyra West topsides were completed at the end of 2021 and sailed from Singapore at the beginning of 2022 with an installation at the Tyra field in April 2022

- **Successful delivery of Tyra Utility- and Living Quarters:** After the end of the period, in March 2022, the accommodation unit sailed from the yard in Ravenna, Italy and will be lifted and installed during April 2022

- **Significant de-risking of the project:** With only one module left in the fabrication yard, the process module being fabricated in Batam, the Tyra Redevelopment project has on a continuous basis, been de-risked, with firs gas expected from Tyra in Q2 2023

Riulf Rustad
Chair of the Board

“In 2021, global markets continued to be volatile, but I am proud of how Noreco as a Company navigated the downturn and ended the year in a strong position.”

2021

Letter from Executive Chair

During 2021, energy markets remained unpredictable, but we saw a gradual upward trajectory in both oil and gas prices, which culminated in a sharp uptick around the third quarter. Energy prices rose steeply from there and remain at elevated levels today.

Post-period end, the Russian invasion of Ukraine led to prices increasing further and at the time of writing they remain at levels not seen since 2014. The new pricing environment has led to multiple audiences demanding a greater level of energy security over European energy supply. Given Tyra is set to be the largest contributor of natural gas to the Danish market, we take our role as a domestic energy producer very seriously.

With this in mind, we continue to assess the organic growth opportunities available to us with our assets and believe there is the potential for us to achieve a production profile beyond the estimated 50 mboepd from 2023.

Following our strong operational performance in 2021, the Company continues to be on a robust financial footing, with the business fully funded to first gas at Tyra. Our operating performance, combined with higher energy prices, meant that we incrementally generated growing revenues during the period, leaving us with additional financial headroom.

As a Company, we operate within a business framework that takes all facets of ESG into account. We are particularly conscious of our important role as a domestic energy provider into the Danish market. With gas being deemed a transitional energy source, we believe that Noreco will be able to make a meaningful contribution to Europe’s energy transition.

Our commitment to reducing emissions and helping Europe decarbonise, while providing a safe and reliable source of energy is paramount to us. The proof of this can be seen with the work we have done and the progress we continue to make with Project Bifrost. This important CCS project has the potential to set the benchmark for other CCS developments in the region and demonstrates our commitment to being part of the energy transition solution, where we believe part of our future lies. We plan to progress this project further during 2022 and we look forward to updating our stakeholders on this workstream as appropriate.

For 2022, achieving first gas at Tyra in Q2 2023 remains our key deliverable; something we are working hard towards achieving. In short, Tyra coming online will be a game changer for Noreco. **At forecast prices, the resulting cash flows will be significant and enable us to start returning capital to shareholders.**

In closing, I would like to thank all our stakeholders for their continued support. Despite the considerable uncertainty we have faced in recent years, the Company is on a steady footing and remains well placed to achieve its targeted corporate objectives. We have an exciting year ahead and we look forward to keeping the market updated as we look to deliver further milestones over the coming months.

Euan Shirlaw
Acting Managing Director

2021

Letter from Acting Managing Director

The last year was characterised by the continued focus on the delivery of Tyra, with consistent de-risking of the project ahead of planned first production in Q2 2023. The expected contribution of Tyra to Noreco cannot be understated. It will see a 90% uplift in production to c.50mboepd and a material reweighting of production to gas. It will also reduce emissions by 30% and lower production costs to approximately $13 per boe. From a regional perspective, the project will provide energy to the equivalent of 1.5 million Danish homes, offering a material contribution to EU energy security at a time when it is much needed.

"This project will provide energy to the equivalent of 1.5 million Danish homes, offering a material contribution to EU energy security at a time when it is much needed."

Delivering Tyra requires both operational progress and for Noreco to have the right structure in place to support the project. During the last 12 months, the Company's position has been supported by the significant economic contributions from our three producing hubs and the effective, yet balanced, management of cashflow volatility.

Noreco also enhanced its capital structure to strengthen its already robust financing position and the Company continues to be fully funded for the successful delivery of Tyra.

Production

Production for the year was at the top end of the forecast range at 26.9mboepd. This reflects a further year of solid operational efficiency combined with the success of the planned work-over program and the restimulation of wells.

Operational efficiency for the year was achieved despite the impact of compressor issues at the Gorm Hub in January and February, which saw Q1 operational efficiency decline to 77%, planned maintenance on the Gorm Hub in Q3, and the delayed start of the workover program due to the late arrival of the Nobel Sam Turner rig because of COVID related issues.

The success of the planned maintenance program at the Gorm Hub in Q3 saw the impact of lower operational efficiency in October more than offset in November and December, allowing the Company to exit the year with operational efficiency at 94%.

Operational efficiency was also supported by a reduction in the maintenance backlog over the course of the year.

The success of the workover program saw solid incremental production delivered. In Q2 and Q3 2021, a total of 5 workovers were undertaken, adding 5,000boepd to gross production. In Q4 a further 4 workovers were completed, adding additional valuable barrels. After the success of the workovers at Halfdan in Q2 and Q3, production from these assets remained high. In addition to the workover program, the successful restimulation of 11 wells at Gorm, saw a further positive result, with production post stimulation exceeding expectations.

Delivering Tyra

The redevelopment of what will ultimately be Tyra II has been greatly de-risked over the course of 2021. Significant milestones achieved included the successful July sail-away of the Tyra East wellhead and riser platforms (TE-WHRP) from Sembcorp Marine in Singapore. Having been loaded onto the "BIGROLL" Heavy Transport Vessel, the three platforms undertook the month-long journey to Europe, arriving as planned in August. The platforms were successfully lifted and installed on the jackets by Sleipnir, the world's largest crane vessel.

Post the period end, in early January this year, the project was again de-risked by the sail-away of the Tyra West wellhead and riser platforms (TW-WHRP) from Sembcorp Marine in Singapore. This represented a similarly strong performance by the contractor, with 100% mechanical completion. The TW-WHRP's arrived at Rotterdam on 15 February and were later transported to the Tyra field where they were lifted onto the jackets in April 2022.

Also, after the end of 2021, in March 2022, there was the successful sail-away of the Tyra accommodation module ("TEH") from the yard in Ravenna, Italy. Fabricated by EPC contractor, Rosetti Marino, the 5,400-ton unit arrived on site early April this year where it was lifted alongside the TE-WHRPs.

The processing module, which is the only remaining topside still in the yard, is expected to sail-away in Q3 2022. Despite the impact of COVID at the yard, mechanical completion is close to 100% with manpower having been increased to further progress prior to sail away and to reduce carryover hours as much as possible.

Project Bifrost

"Our involvement in this project offers a longer-term opportunity and potential benefits that are very much in line with Noreco's ambitions to play an active and material role in the energy transition."

In September, Noreco announced its participation in Project Bifrost, a carbon capture ("CCS") project in the Danish North Sea, alongside its partners in the DUC and Ørsted and the DTU. The project will evaluate the potential for CO_2 transport and storage at the Harald field, with an expected start up storage capacity of 3 million tons of CO_2 per year.

In December a key enabler was reached, with the approval of DKK 75 million of EUDP funding. The project includes a study to assess the significant potential of utilising additional DUC North Sea reservoirs as they become available, in addition to the possibility of using existing pipeline infrastructure connecting the DUC fields to Denmark.

This project follows recognition by the Danish authorities of the importance and potential of CCS projects to supporting climate change ambitions and the launch of a CCS strategy by the Danish Government in 2021.

HSE and Sustainability

Health and safety remain central to everything we do at Noreco. It is inbuilt as part of our culture and compliance with both legislation and best practice at the forefront of all planning and execution. To that end, we are pleased to have seen further progress in 2021, with a 50% decrease in recordable incidents.

The Company's approach to ESG and sustainability is influenced by its defining principles; driving an evolving and flexible approach, that is meaningful and measured, and appropriate for the interests of all stakeholders. Near term pillars include improving DUC efficiency, the evaluation of supportive projects such as CCS and being a significant enabler of energy security in the EU.

These pillars are in addition to the Company's involvement in the wider energy transition agenda, through the development of the Tyra II natural gas project and the Bifrost CCS project. In addition to natural gas being a transition fuel, Tyra will deliver a 30% decrease in emissions and provide a reliable and secure source of energy to Denmark and Europe for decades.

Complementary to the internal governance structures, the refinancing of the RBL debt facility in May included a linkage to the achievement of environmental KPIs to incentivise investment in projects.

Financials

"The hedging program is a careful balance of creating a floor, while allowing Noreco to see the benefit of higher spot price exposure."

Revenue increased quarter on quarter over the course of the last 12 months and was at USD 565 million for the year as a whole, reflecting the combination of solid production performance and improving commodity prices. This result was broadly in-line with the previous year where the Company had price hedges at significantly higher levels, again reflecting the solidity of our producing assets and the increasingly favourable commodity price environment, particularly for gas.

The solid performance at the revenue line in turn delivered a strong EBITDA contribution in 2021, at USD 250 million. In line with revenues, EBITDA also demonstrated consistent growth quarter on quarter through the year.

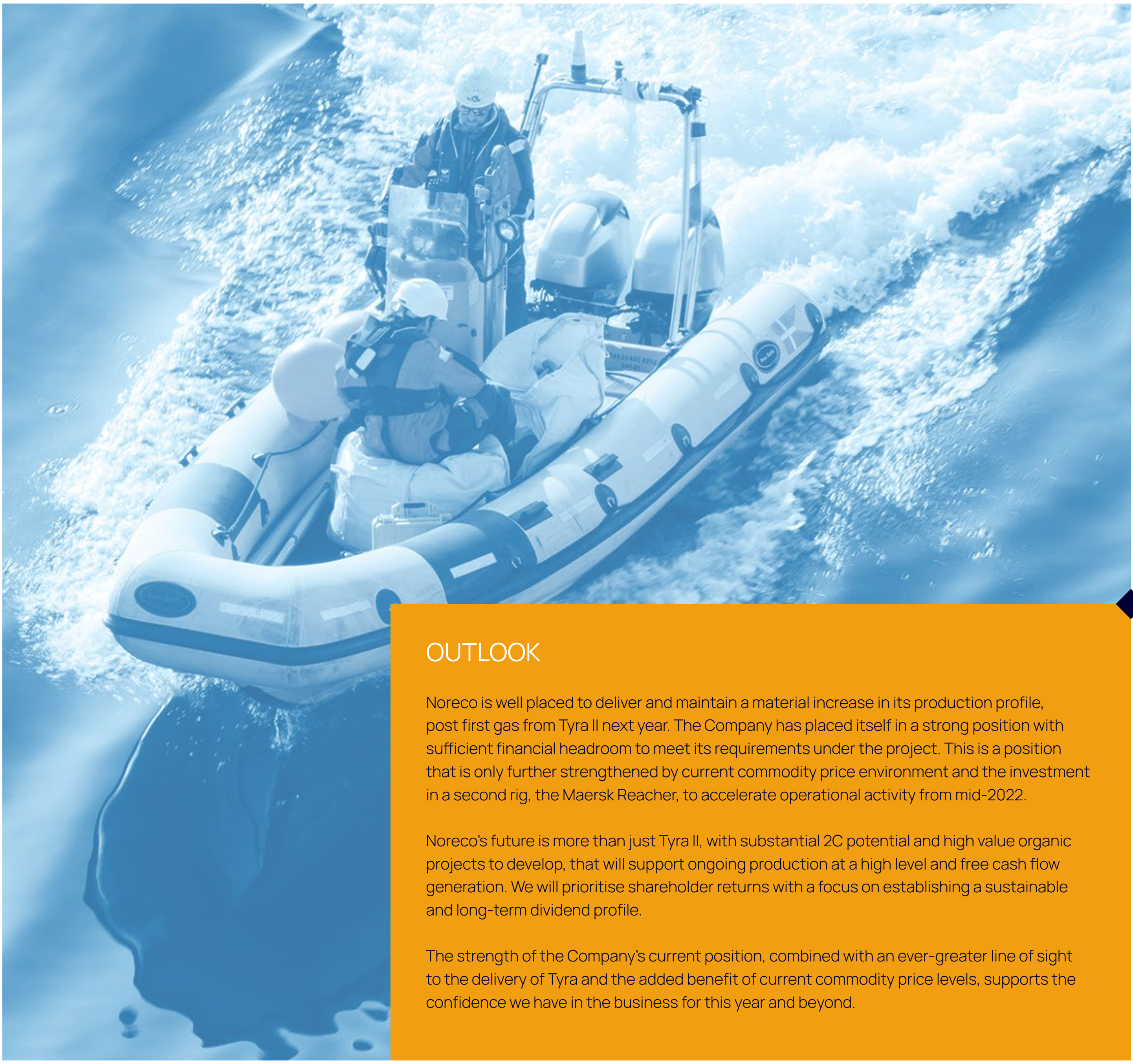
As indicated above, a core focus for the team in 2021 was to ensure the business had the headroom in place to support the delivery of Tyra, regardless of the commodity price environment. To that end, the Company successfully refinanced the RBL facility in May, providing an additional USD 200 million of headroom, extending the facility by two years to 2028 and deferring amortisations that are now scheduled to commence in the second half of 2024. Again, to further reduce exposure to pre-Tyra price risks, Noreco successfully renegotiated certain financial covenants with its NOR14 bondholders providing the Company with additional leverage headroom.

A further support to the delivery of Tyra is the successful implementation of commodity and interest hedging programs to effectively manage cashflow volatility. The hedging program is a careful balance of creating a floor, while allowing Noreco to see the benefit of higher spot price exposure. As a result, the Company will increasingly benefit from exposure to spot prices once Tyra II is on stream. The interest rate swap which came into effect in Q3, fixes the rate on the RBL, of USD 1.1 billion, at a blended rate of 0.4041% until June 2024.

Team

To help strengthen the focus on the future priorities for the business, strategic changes were made to the management team during the year. I undertook the role of Acting Managing Director, alongside my existing role as Chief Financial Officer, following the mutually agreed departure of Noreco's previous CEO.

Again, as part of the process to strengthen the team, we welcomed Marianne Eide to Noreco in January this year, as EVP Upstream, and Cathrine Torgersen took on the role of ESG lead, alongside her existing role as EVP Investor Relations. Marianne brings 30 years of North Sea oil & gas industry experience, including having been a member of the Shell UK Upstream Leadership team. The current team is as such both refocused and well suited to efficiently manage future challenges and opportunities and ultimately create shareholder value.



OUTLOOK

Noreco is well placed to deliver and maintain a material increase in its production profile, post first gas from Tyra II next year. The Company has placed itself in a strong position with sufficient financial headroom to meet its requirements under the project. This is a position that is only further strengthened by current commodity price environment and the investment in a second rig, the Maersk Reacher, to accelerate operational activity from mid-2022.

Noreco's future is more than just Tyra II, with substantial 2C potential and high value organic projects to develop, that will support ongoing production at a high level and free cash flow generation. We will prioritise shareholder returns with a focus on establishing a sustainable and long-term dividend profile.

The strength of the Company's current position, combined with an ever-greater line of sight to the delivery of Tyra and the added benefit of current commodity price levels, supports the confidence we have in the business for this year and beyond.

Our Strategic Approach to Value Creation

We are delivering **Operationally**

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

We are delivering **Tyra**

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

We are delivering **Our potential**

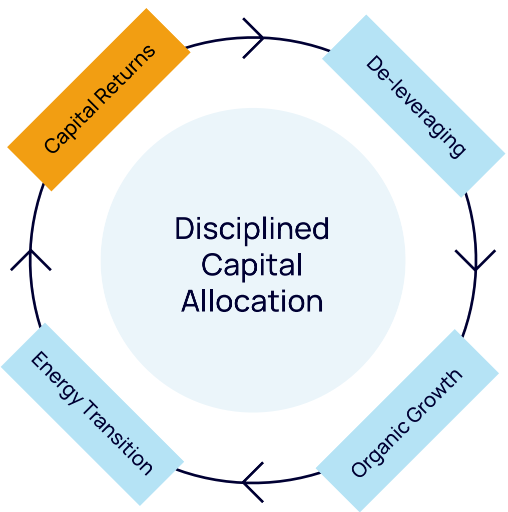
Monetise Remaining Economic Resources in the DUC
Disciplined Capital Allocation that prioritises shareholder returns
Continued Contribution to the Energy Transition

Shareholder Returns Prioritised

Key to establishing a sustainable, long-term dividend profile supported by our balance sheet

Significant Deleveraging With Tyra onstream

Target leverage: **‹ 2.0x**
(Net Debt / EBITDAX)



Energy Transition

Meaningful contribution to the Energy Transition

Commitment to further reducing emissions intensity

Broad Opportunity Set

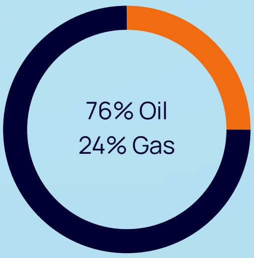
Must enhance long-term cashflow generation

IRR Hurdle: **› 20%**

ANNUAL REPORT 2021

Overview of Assets

The acquisition of Shell's upstream assets in DUC which was completed July 2019 transformed Noreco into the second largest oil and gas producer in Denmark and the EU and a significant E&P player. The asset portfolio includes four hubs and 11 producing fields of which three hubs are currently producing and one hub is under redevelopment. The Company has a significant reserves base with 200 mmboe of 2P reserves.



200

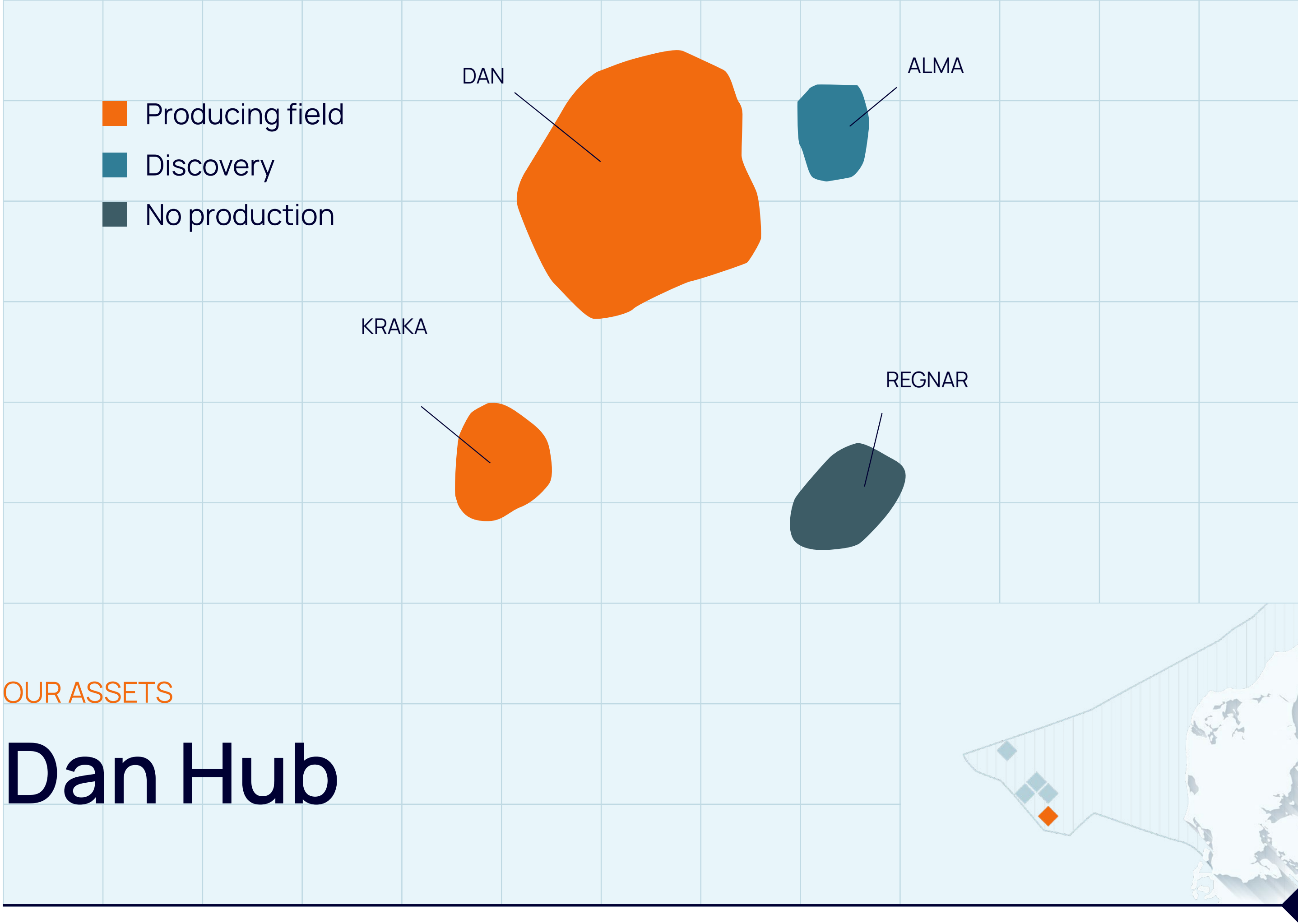
2P RESERVES
mmboe (net)

26.9

PRODUCTION
mboepd (net)

84%

OPERATIONAL EFFICIENCY



OUR ASSETS

Dan Hub

32.1

NET RESERVES
mmboe

8.1

NET RESERVES
mboepd

87%

OPERATIONAL
EFFICIENCY

The Dan field, which is a core asset on the DCS, was discovered in 1971 and brought on production in 1972. Dan was the first field in production in Denmark, and close to 26% of total Danish oil production has been extracted from the Dan field.

The Dan field is one of the largest North Sea chalk fields with both Ekofisk and Tor Formations, both with oil rims overlying gas caps and communication between the two formations. The reservoirs are high porosity, but low permeability with long transition zones. The Dan field has been developed in several phases and now consists of a total of 12 platforms, 38 active oil wells and 33 active water injectors. Dan has two satellite fields, Kraka and Regnar (shut-in).

The Dan process centre consists of the Dan F complex, the old Dan complex, and the satellites Kraka and Regnar. Dan was brought on-stream in 1972, Kraka in 1991, Regnar in 1993. The oil production from Dan is transported to Gorm while the gas is transported to Tyra.

7.0

NET PRODUCTION

mboepd

DAN HUB

Highlights

- Five workovers to replace top completions on the wells MFB-21, MFF-15, MFF-29, MFF-40 and MFF-22 were carried out successfully, adding circa 1000 bbls/d oil. MFB-21 had been closed since Dec-17, MFF-15 had been closed since Dec-17, MFF-40 had been closed since Oct-22 and MFF-22 had been closed since Jun-19. MFF-29 had been producing under derogation before the workover.
- Well head maintenance and SSSV testing activities were conducted. Several subsurface safety valve repairs and replacements were performed. One coiled tubing intervention was performed for a conformance treatment on MFF-10 to shut off a direct connection to MFF-25.

1.1

NET PRODUCTION

mboepd

OUR ASSETS

Kraka Field

Kraka is a tie-back to the Dan field and is an oil field located 8 km to the southeast of the Dan field. The field was brought on production in 1991 and produces oil and gas from the Ekofisk chalk ten wells have been drilled and currently 7 oil wells are producing.

The well A-11C on Kraka was reinstated after being used as swing producer.

DAN HUB 2022 OUTLOOK

The on-going and planned development of Dan, Kraka and Regnar is based on several field development plans and individual well proposals. These activities include well and reservoir management (WRM) activities, drilling activities and development studies with the objective to further increase oil recovery.

DAN HUB 2022 OUTLOOK

Planned activities on Dan for 2022 include:

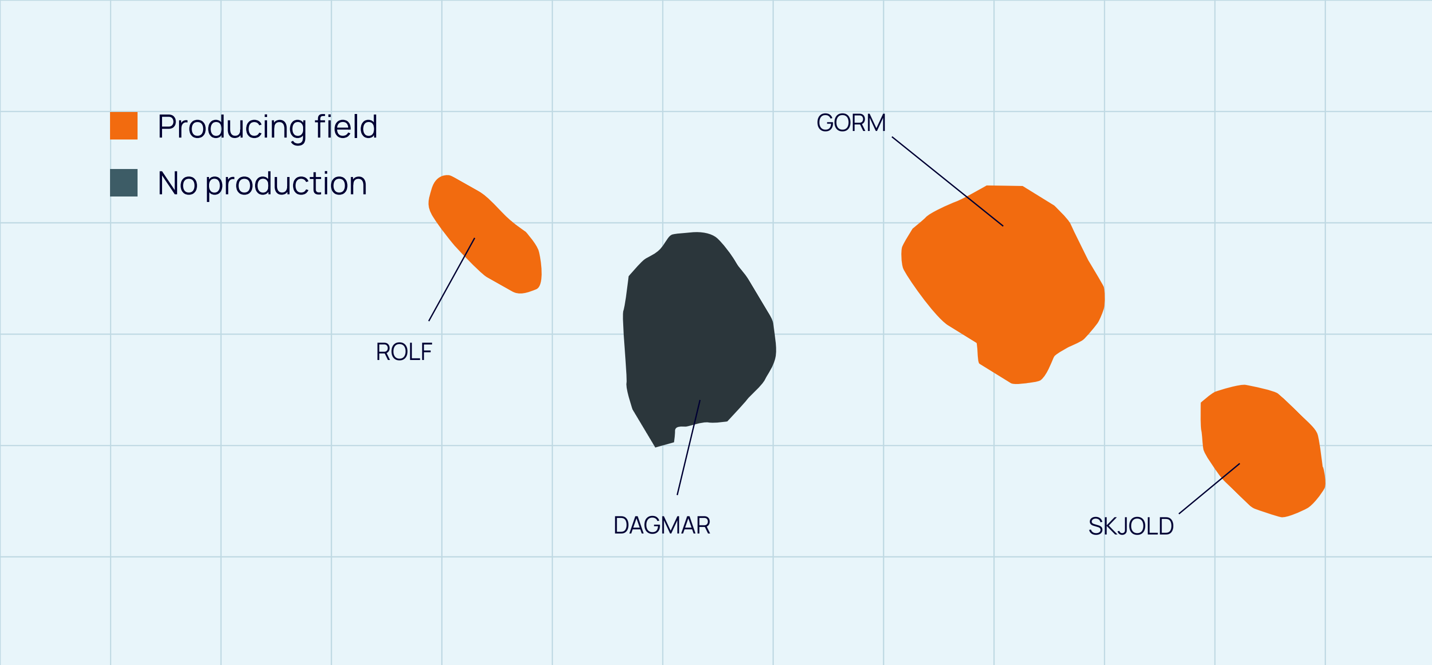
- The Halfdan production partial reroute to Dan will be carried out using existing facilities in 2022. The permanent solution is being assessed for optimization and prepared to be completed end of 2023.
- The Integrity Recovery Project (IRP) campaign related to surface treatment of corroded steelwork

Rig activities in 2022 include the workover of the wells MFB-17 and MFB-08 to replace the tubing comprising the top completion.

An intervention campaign is planned on Dan, consisting of a total of 7.5 months of wireline interventions. The specific interventions will be integrity related to repair failing SSSVs, GLV replacements etc to extend the life of the wells.

Further, a rig is contracted from Mid-July 2022 to perform well interventions under the project name WROM. The purpose of this project is to perform well interventions, initially on Dan and Halfdan, to reduce the backlog of optimisation work. The current plan is to locate this rig at Dan F from Mid-July to end 2022 to perform a range of interventions including water shut offs, conformance treatments, clean outs and stimulations.

The study to improve the history match on the Dan Full Field History is still ongoing. As a part of this process, the reservoir simulation model results are used to generate synthetic 4D seismic responses which are then compared with those derived from real measured seismic data. This part of the study will continue through 2022.



OUR ASSETS

Gorm Hub

20.6

NET RESERVES

mmboe

The Gorm field was discovered in 1971 and brought on production in 1981, the second Danish field in production after Dan. The Gorm hub also includes Skjold, Rolf and Dagmar, and is the export hub for most of the liquids produced in Denmark.

3.8

NET RESERVES

mboepd

The field produces oil and gas from the Ekofisk and Tor Chalk reservoirs. The field is a domal structure divided into a deeper western A-block and the shallower eastern B-block. In total 46 wells have been drilled, with currently 17 active producers and 6 active water injectors. Gorm serves as the second stage processing centre for Halfdan, and as an oil transfer hub for Dan, Tyra, and Halfdan. The oil is transported ashore to Frederica via pipeline from the riser platform Gorm E while gas is sent to Tyra. While Tyra is not producing due to the ongoing re-development gas is exported through the NOGAT pipeline to the Netherlands.

69%

OPERATIONAL EFFICIENCY

1.1

NET PRODUCTION

mboepd

GORM HUB

Highlights 2021

- The well GAN-05B was reinstated and on stream from Apr-21 after being closed in since Nov-17.
- Well intervention operations in the Gorm field were focused on chemical scale inhibitor squeeze along with associated Barium Sulphate dissolver treatments and some restimulations. The scale inhibitor squeeze treatments were performed to reduce the possibility of scale build-up in tubings and around SSSVs and delivered a higher increase of production compared with earlier years due to a change of the chemical formula.

The list of interventions is detailed below.

- Scale Inhibitor Squeeze: GFN-53, 57, 40B, 49D, 50C, 38, 48, 54D
- Restimulations: GFN-36, 38, 53B, 45, GBN-58B, GBN-12, GAN-05B
- $BaSO_4$ scale dissolvers: GAN-21; GAN-05B, GFN-36

2.4

NET PRODUCTION

mboepd

OUR ASSETS

Skjold Field

- The Skjold field is an oil satellite tie-back to Gorm. It was discovered in 1977 and brought on production in 1982. The field is a dome shaped structure with a relative thin chalk reservoir on the crest, which thickens towards the outer crest and flank areas. In total thirty wells have been drilled, with currently 16 active oil producers and 8 active water injectors.

0.3

NET PRODUCTION

mboepd

OUR ASSETS

Rolf Field

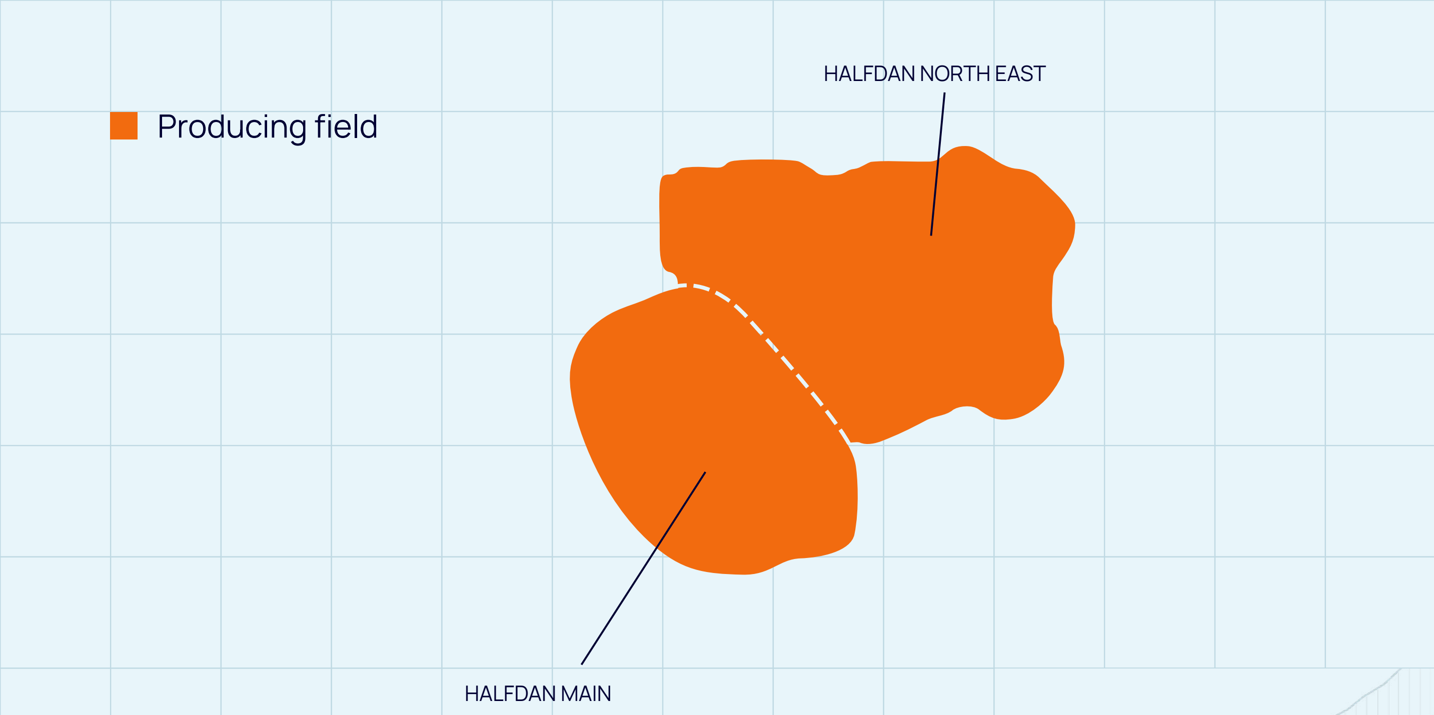
- Rolf is an oil field, which has been developed as a satellite to Gorm. The field was discovered in 1981 and brought on production in 1985. The field produces from the Ekofisk and Tor Chalk reservoir with intervals of good permeability with fracture connected matrix porosity. Three wells have been drilled, with currently one active oil producer.

GORM HUB 2022 OUTLOOK

Planned activities on Gorm for 2022 include:

- The Halfdan production partial reroute to Dan is being done using existing facilities. The permanent solution is being assessed for optimisation and prepared to be completed by end of 2023
- About 4 months of slickline work is planned on Gorm in 2022.
- Some well optimisation work consisting of water shut offs using the sliding side doors in the completion, and perforation of the Ekofisk in 2 wells.
- Similar to 2021, scale inhibitor squeezes will be performed into the major producing wells in Gorm to prevent scale build up in the tubings and flow lines and around the SSSVs

A "Gorm reconfiguration" project was initiated in 2020 and continued to develop this year with an objective to assess possible strategies for operating the Gorm Hub past its mature life and into its late life (up to the Cessation of Production – COP). The assessment integrates the entire value chain from subsurface to export to shore of the Gorm processing hub and its satellite fields and are economically evaluated to form a firm recommendation for the Gorm Hub. The study and reconfiguration proposals for Gorm will continue through 2022.



OUR ASSETS

Halfdan Hub

60.7

NET RESERVES
mmboe

15.1

NET PRODUCTION
mboepd

89%

OPERATIONAL
EFFICIENCY

The Halfdan hub includes Halfdan and Halfdan North East. Halfdan is the largest producing field in Denmark and the most important DUC asset in terms of value and resources, both technically and commercially.

The Halfdan main field was discovered in 1998, brought on stream in 1999 and Halfdan North East in 2004. There are no distinct boundaries separating the Halfdan main field and Halfdan North East area. Halfdan North East is a development of the gas accumulation in the Ekofisk formation to the North East of the Halfdan field. The main field produces oil and gas from the Tor Chalk reservoir. The Halfdan main oil accumulation is contiguous with the Dan accumulation. It has been developed in four phases, and 71 wells have been drilled, with currently 35 active oil producers and 26 active water injectors.

Halfdan North East has been developed in three phases, and 21 wells have been drilled, with currently 16 active gas producers.

Halfdan consists of two main groups of platforms, Halfdan A and Halfdan B in addition to an unmanned wellhead platform, Halfdan CA (North East).

Produced oil is transported by pipeline to Gorm while the gas is transported to Tyra West. Gas can in addition be imported (for injection) and exported to Dan. Injection water is supplied from Dan.

14.0

NET PRODUCTION

mboepd

HALFDAN HUB

Highlights

- Workovers on the 3 wells HBA-09, HBA-01 and HBA-25 were successfully completed, where top completions were replaced.
- The amount of well intervention work achieved was not as planned due to issues with cranes and consequent manning issues. The need to prioritise safety critical work meant that less well optimisation work than planned. Routine preventive maintenance was possible, thus well head maintenance and SSSV testing activities were conducted.

FURTHER DEVELOPMENTS

HCA Gas Lift

The HCA gas lift project is planned to be executed in Q3, 2023. The gas lift is required to support well production and thereby optimise production potential. Project scope comprises tie-in modifications to Halfdan B topside facilities as well as a gas lift manifold to be installed at Halfdan C.

Halfdan North

There are a number of projects and studies ongoing for the greater Halfdan development. The most mature is the Halfdan North project which targets a reservoir located between the producing Halfdan and Tyra SE fields. In December 2020 the DUC submitted field development plans to the Danish Energy Agency for the potential field expansions of the Halfdan North development.

HALFDAN HUB 2022 OUTLOOK

The main planned activities for Halfdan field in 2022 are:

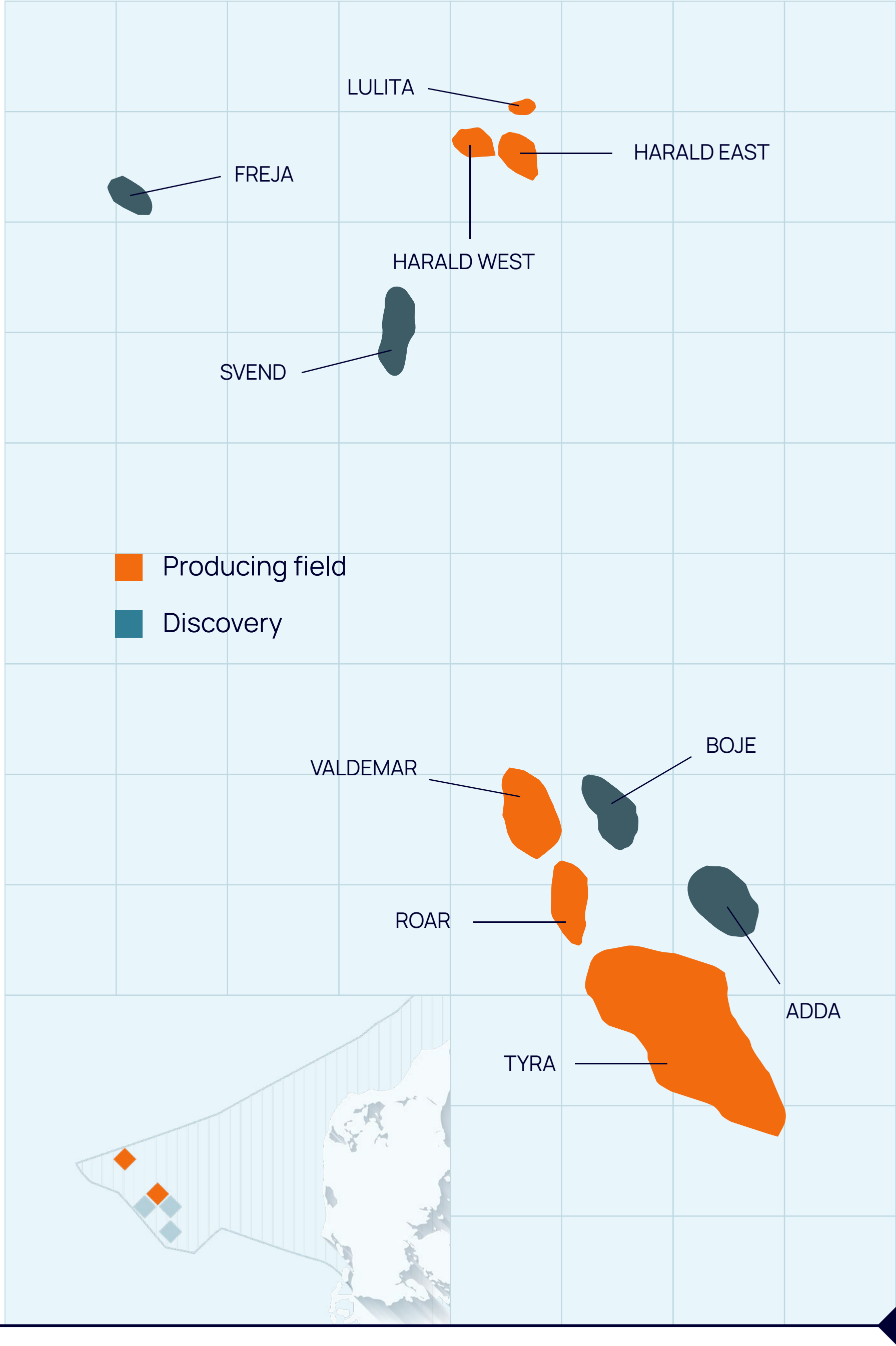
- The Halfdan production partial reroute to Dan is being done using existing facilities. The permanent solution is being assessed for optimisation and prepared to be completed by end of 2023
- Siemens SCADA/ESD/F&G Human Machine Interface/control room operator stations are obsolete and will be replaced to maintain production reliability.

HALFDAN HUB 2022 OUTLOOK - CONT'D

7 workovers are currently expected to be performed by the rig on Halfdan in 2022 on HDA-08, HDA-22, HBA-10, HBA-04, HBA-03, HBA-05 and HBA-07. These wells either have tubing to C annulus leaks due to corroded tubings or are predicted to fail soon. The workovers will all consist of top completion replacements.

An intervention campaign on Halfdan is planned, consisting of a total of 4.5 months of wireline interventions. No coiled tubing interventions are planned.

The Halfdan dynamic simulation model is currently being updated with new production data and added wells (HBB-10, HBB-4 and HBB5). The objectives of this study are to improve the quality of history match for the Halfdan Ekofisk Preliminary study and support WRFM activities and reservoir management decisions. The full field Halfdan history match is expected to be completed in Q2-2022.



OUR ASSETS

Tyra Hub

75.5

NET RESERVES
mmboe

The Tyra Field is the largest natural gas field in the Danish Sector of the North Sea. It was discovered in 1968 and production started in 1984. The Tyra field has been at the core of Denmark's energy infrastructure for more than 30 years, processing 90% of the nation's natural gas production.

The Tyra main field is a gas field discovered in 1968 and brought on production in 1984. Tyra South East is an oil dominated field area discovered in 1991 and brought on in 2002, with first oil in 2015. The field produces mainly from the Ekofisk and Tor Chalk reservoirs. A total of 93 wells have been drilled on Tyra main and South East, with currently 47 active oil and gas producers. The Tyra field consists of two main process centers, Tyra East and Tyra West, which are linked to five unmanned satellite fields, including Tyra Southeast, Harald, Valdemar, Svend and Roar.

The gas is exported to shore and the oil is exported to Gorm E. Due to subsidence, a decision was made to redevelop the field and production was temporarily suspended in September 2019. The two previous integrated process and accommodation platforms will be replaced by one new process platform and one new accommodation platform. The four wellhead platforms and two riser platforms will have their jackets extended by 13 metres, and the current topsides will be replaced.

TYRA HUB

Highlights

All wells on Tyra and its satellites are safely plugged and abandoned for the extended shut-down related to the Tyra Redevelopment. The project had significant progress during 2021. For further details please see Tyra Redevelopment section in the Asset Overview.

Valdemar Field

The Valdemar field is an oil and gas field discovered in 1977 and further appraised in 1985 and brought on production in 1993. The Lower Cretaceous chalk has been the primary development target, and 26 wells have been drilled on Valdemar, with currently 22 active oil and gas producers.

Roar Field

Roar is a gas field with an oil rim tie-back to Tyra East. The field was discovered in 1968 and further appraised in 1981. The field was brought on production in 1996. The field produces gas and condensate from the Ekofisk and Tor Chalk reservoir. Four gas producer wells have been drilled, with all currently being active.

Harald North

Harald is a gas/condensate field located in the north-western part of the Danish sector. The Harald field comprises two structures; Harald East discovered in 1980 and Harald West discovered in 1983. The fields were brought on production in 1997. The Harald West reservoir consists of Middle Jurassic sandstones, and Harald East is an elongated dome structure in the Upper Cretaceous Ekofisk and Tor Formation. Four wells have been drilled, two on Harald West and two on Harald East, and all four wells are currently active. all four wells are currently active.

Lulita Field

Lulita is an oil field with a gas cap discovered in 1991 which was brought on production in 1998. The reservoir consists of Middle Jurassic sandstones. Two wells have been drilled. However only one is producing. DUC holds a 50% interest in the Lulita field with Ineos (40%) and Noreco (10%) as partners.

OUR ASSETS

Tyra Redevelopment

Tyra is a natural gas field in the Danish sector of the North Sea currently under redevelopment. The Tyra Redevelopment project is, to date, the largest project carried out on the Danish Continental Shelf and is expected to increase net production by 90% and unlock gross reserves in excess of 200 mmboe. Redeveloped Tyra will decrease opex significantly and lower emissions at the field by 30%. In addition, the completed project will extend field life by at least 25 years and produce enough gas to power what equals to 1.5 million homes in Denmark.

BACKGROUND

With FID taken in 2017, The Danish Underground Consortium announced its plan to cease production from the Tyra gas field by the end of 2019 and to redevelop the field infrastructure. The Tyra hub required redevelopment due to compaction of the chalk reservoir, where the seabed had subsided by six metes over a period of at least 30 years of production. The redevelopment project was necessary to ensure that both crew and equipment are safe, as well as maintaining an efficient level of production. The final investment decision was made in December 2017, following the approval by the Danish authorities.

The execution of the project is both a global and local effort. In addition to fabricating installations in both Europe and Asia, project efforts are being executed locally in Esbjerg and offshore in the Danish North Sea. The scope of the project includes removing old facilities, modifying existing ones, and installing new features. The two existing process and accommodation platforms will be replaced by one new process platform and one new accommodation platform. The four wellhead platforms and two riser platforms will have their jackets extended by 13 metres, and the current topsides will be replaced.

2021 MILESTONES & DEVELOPMENT

During 2021 several milestones were reached, moving the project closer towards what will be a state-of-the-art North Sea production and export facility. Activity levels in the three fabrication yards remained high throughout the year, and in July 2021 Noreco announced the sail away of the three Tyra East wellhead and riser topsides. The topsides were fabricated at Sembcorp Marine Ltd in Singapore and were transported directly to the Tyra field by HTV (Heavy Transport Vessel) "BIGROLL BEAUFORT". At the Tyra field, the world's largest crane vessel, Sleipnir, safely lifted the three topsides off the vessel and onto the jackets.The lifting of the topsides was followed by an installation in September.

10 January 2022 the three Tyra West wellhead and riser topsides were successfully delivered from yard and sailed away to the North Sea. The topsides were fabricated at Sembcorp Marine Ltd in Singapore and were transported by BIGROLL BEAUFORT. The transportation of the topsides took a planned pit stop in the Netherlands to accommodate for an optimal installation window in the North in April 2022.

On 16 March 2022 the Company announced the sail away of the new Tyra II utility and living quarters (the "accommodation unit" or the "TEH") from Ravenna in Italy. The accommodation unit was fabricated at the Piomboni yard by EPC contractor Rosetti Marino and Heerema Marine Contractors' Barge H-408 safely sailed the 5,400 tons unit to the Tyra field in the Danish North Sea. The utility and living quarters unit is 32.5 meters tall and has seven levels, including a helideck, and an area of 3,500 m2. In addition to housing offshore crew, the unit also has a state-of-the-art control room, a water system turning sea water into drinking water and all fire water and emergency power for Tyra II will be run from the unit. The accommodation unit will be installed by the world's largest crane vessel, Sleipnir alongside the lifting of the Tyra West topsides.

OUTLOOK 2022

With three out of four major yard deliveries taken, the high activity levels will increasingly happen offshore at the Tyra field in the hook-up and commissioning campaigns. In addition, the process module will continue fabrication at the McDermott yard in Batam, Indonesia, before it sails to Denmark. First gas from Tyra II is expected in Q2, 2023.

PART II

Sustainability

A Meaningful Participant in the Energy Transition

COMPANY OBJECTIVES & COMMITMENTS

- Transparency in the reporting of the Company's operational and environmental performance
- Facilitation of improved technical, commercial and economic framing of sustainability initiatives achieved through partnerships
- Contribute to meeting global energy needs in a sustainable, secure and affordable way
- Tangible commitments through sustainability-linked KPIs in the Company's Reserve Based Lending Facility (RBL)
- Support Denmark's target of a 70% CO_2 reduction by 2030
- Continuous emissions reduction, with a particular focus on reducing routine-flaring and improve efficiency
- Pursue extended lifetime of the offshore installations by participation in early-stage CCS projects
- Evaluate through partnerships renewable technologies for hydrogen and Power-to-X ("PtX") offshore, including potential synergies between Noreco's offshore hydrocarbon production facilities and offshore renewable technologies

Noreco will be a considerable European contributor of energy supply through our existing and future business, whilst simultaneously striving for a continuous reduced environmental footprint and partaking in innovative projects supporting the Energy Transition. Our initiatives shall benefit the local community and the region we operate in, and be value accretive to our stakeholders.

With hydrocarbons, and in particular natural gas, expected to remain an important part of the energy mix for the foreseeable future, reducing emissions is the key component to ensure that Noreco's activities can continue to contribute with the smallest environmental footprint possible. By delivering Tyra, Noreco will both secure energy supply for Denmark and materially reduce our emissions intensity profile. Redeveloped Tyra will reduce emissions by 30% while at the same time supply gas to power the equivalent of 1.5 million Danish homes.

As part of the DUC, Noreco is committed to reducing emissions from the DUC operations by 400-500 kton towards 2030, and thereby contribute to the delivery of the Danish 70% CO_2 target in 2030. However, to justify the deployment of capital, the activities to deliver these targets will need to support the broad objectives of Noreco's stakeholders, including being value additive to the Company and its shareholders. Hence sustainability at Noreco is viewed through this lens.

In 2021 Noreco announced its participation in the CCS partnership Project Bifrost. The project includes the evaluation of the potential for CO_2 transport and storage at the Harald field, with an expected start-up storage capacity of 3 million tons of CO_2 per year with a long-term scalability of 16 million tons of CO_2 per year.

Beyond the environment, Noreco will continue to advance a social agenda that supports its people and communities through operating sustainably and safely, while also follow prudent Corporate Governance practices. The Company established an ESG Committee in 2020 which is contributing to the establishment and execution of a long-term ESG strategy. To further improve transparency, Noreco intends to publish an Environmental, Social and Governance Report in 2022 where reporting will follow the Global Reporting Initiative standards ("GRI") and the Task Force on Climate-Related Financial Disclosures framework ("TCFD").

OUR ASSET

2021 Performance Status

Environmental data is based on Operator data for the DUC (Noreco share 36.8%)

Remarks	2021 Performance
CO_2 emission The main source of CO_2 is the fuel gas required for production. In addition, the figure also includes the contribution from flaring and other fuels. The 2021 emission is low due to the production shut down of the Tyra and Harald facilities during the Tyra Redevelopment. For 2021, 0.7 mm tons was part of the CO_2 emissions quota, and 0.03 mm tons were non-quota.	• Total CO_2 emissions: 0.27 mm tons • Corresponding to 297 kton CO_2e/year
Fuel consumed Fuel is consumed by single cycle gas turbine powering generators, gas compressors and pumps. Natural gas fuel consumption for 2021 is lower and diesel consumption is higher due to the production shut down of the Tyra and Harald facilities during the Tyra Redevelopment. In 2021, 76% of the CO_2 emissions was due to fueling with gas and 7% was due to diesel combustion.	• Gas fuel CO_2 emissions: 0,20 mm tons (76%) • Diesel CO_2 emission: 0,02 mm tons (7%)
Flaring Flaring of natural gas is occurring on all hubs when required to allow safe operation during production upsets and non-routine operation. In 2021, 13% of the CO_2 emissions was due to flaring.	• Flaring CO_2 emissions: 0.03 mm tons (13%)
Fugitive emissions Venting of gas from production facilities is to ensure safe operation. Venting is primarily from systems operating at atmospheric pressure, but it occurs also during facilities maintenance. The reported figure is likely underestimated.	• Venting CO_2 emission: 0.01 mm tons (4%)
Oil discharge to Sea Water is produced from the fields together with the hydrocarbons. For the fields Dan and Halfdan, the produced water is discharged to the sea after separation. In the fields Gorm and Skjold, the water is reinjected. The water produced is partly formation water and partly injected sea water. In 2021, 25% of the produced water was reinjected.	• Discharged produced water: 6.2 mm m3 • Volume of oil discharged: 34.1 tons • Oil concentration in water: 5.5 mg/L
Spills Spills from closed systems and from handling of various liquids are reported in accordance with environmental regulation. In 2021, 8 oil and diesel spills and 29 chemical spills were reported.	• Oil and diesel spills: 0.33 tons • Chemical spills: 0.98 tons
NOx, SOx emission The operation of gas turbine drives and diesel engines offshore causes emissions of nitrogen oxides and sulphur oxides.	• NOx: 1262 tons • SOx: 14.4 tons

NORECO'S ASSET

Achievements and Near-Term Focus

In 2022 we will focus on several activities to establish the smallest environmental footprint possible.

Tyra on stream	The 2023 reinstatement of the Tyra hub will reduce fuel consumption and provide a higher operating efficiency. Redeveloped Tyra is expected to have 30% lower emissions compared to the old Tyra facility and in addition lower the flaring by 90%.
Routine-flaring reduction	Routine flaring reduction initiatives have been evaluated during 2021. As part of this evaluation, a step wise implementation of the Halfdan reroute for final oil stabilization is planned to remove routing flaring. The first step was completed in Feb-2022 reducing the flaring to 60%, corresponding to a reduction in CO_2 emissions of 3.3 kton CO_2e/year. The second step to be completed in 2023, will remove the routine flaring and reduce the CO_2 emissions by 3.7 kton CO_2e/year.
Fuel reductions	8 various CFR initiatives were implemented in 2021 (compressor bundle replacement on HBD, Dan FD flare tip closed, certified green electricity provided to vessels docked in Esbjerg harbor etc.). These initiatives have resulted in an estimated reduction in CO_2 emissions of more than 12.9 kton CO_2e/year Further, 12 CFR initiatives are planned to be implemented in 2022-2024 (HDA compressor bundling, new gas turbine air filter on HD and Dan etc) which can result in an estimated emission reduction of more than 11.8 kton CO_2e/year with approximately 4,8 kton CO_2e/year in 2022. The use of onshore smart room monitoring of fuel consumption helps reduce the fuel consumption.
Electrification	During 2021 the electrification potential of the Danish North Sea was evaluated by a governmental work group, with participation from the industry, including Noreco. The outcome indicated that a full electrification of the mature assets was challenged by the high modification costs. However, the new Tyra II facilities could potentially be subject for a tie-in to renewable power supply options in the future.
Emission monitoring	Improvements are being made to emission monitoring by initiating annual leak detection and repair campaigns (LDAR) with focus on a comprehensive register of sources, measurement equipment and evaluation options for better quantification of fugitive emissions. Additionally, transition towards new software additionally will improve reporting efficiency and data analytics. Further, novel technique development will be supported with drone imaging technology and LIDAR 3Ds.
Chemicals	Chemicals are being phased out and replaced by green chemicals in a continued dialogue with the Danish Environmental Protection Agency.

2021

CSS Project Bifrost

The Bifrost EUDP project (2022-2023) will perform all the groundwork necessary for CO_2 transportation and storage in the Harald reservoir through engineering demonstration studies.

Timeframe until the beginning of CCS operations in Harald reservoirs:

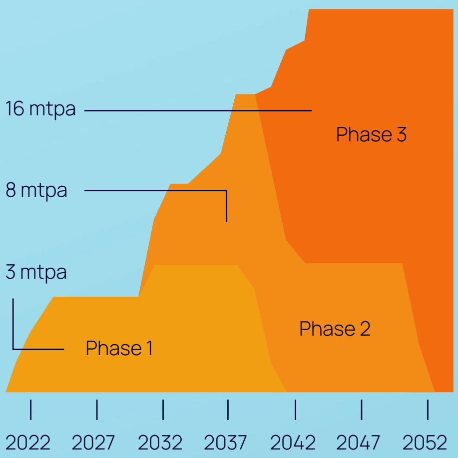
2022	2023	2024	2025	2025	2027
Prelim. Study	Concept select	FEED	FID	Execution	Operation

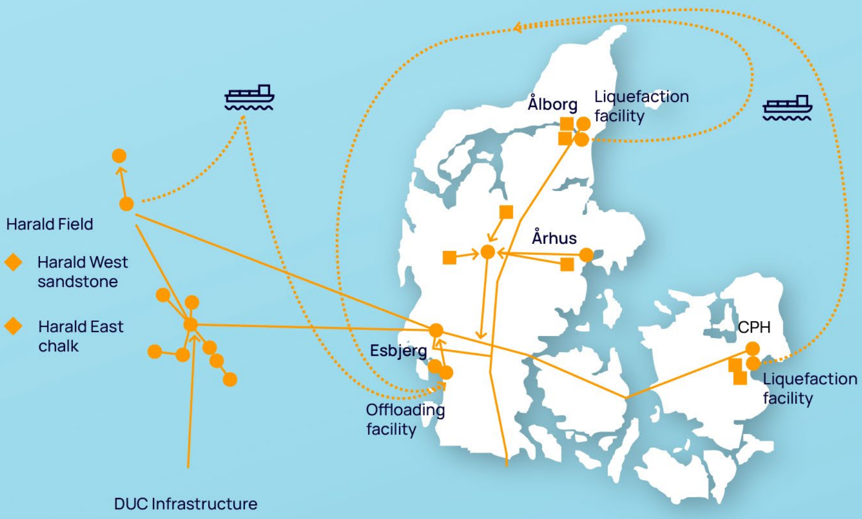
Long- term vision
Our vision is sustained in two pillars - scalability and longevity, provided by the possibility of reusing DUC's infrastructure in the North Sea.

Innovation height

- Depleted hydrocarbon reservoirs (sandstone and chalk)
- Re-use of existing wells and offshore infrastructure
- Cryogenic shipping and offshore floating receiver facility
- Offshore CO_2 injection
- High scalability and longevity
- Job retention and creation in the North Sea

High scalability
Our main differentiator is our large storage capacity, which will be built upon the groundwork performed in the EUDP project.





Decommissioning & Recycling of the Tyra Facilities

50,000

tonnes of total weight

As part of the Tyra Redevelopment Project, the old Tyra production facilities were removed by HMC's crane vessel Sleipnir and Allseas' vessel Pioneer Spirit. Recycling of the retired Tyra assets in a safe and environmentally responsible way was a key priority for the project.

More than

95%

expected to be recycled

The facilities were transferred to the new recycling yard of Modern American Recycling Services ("M.A.R.S.") at Frederikshavn in Denmark and to the Sagro's recycling yard in Vlissingen, Netherland in 2020. Removal of the 2 remaining jacket structures is scheduled for 2022. Scrapping and recycling is currently ongoing in the yards, and in January 2022 the final section of the TWA construction was safely recycled at the M.A.R.S. yard at Frederikshavn.

Total weight old facilities: 50,000 tonnes (40,000 tons topsides and 10,000 tons substructure).

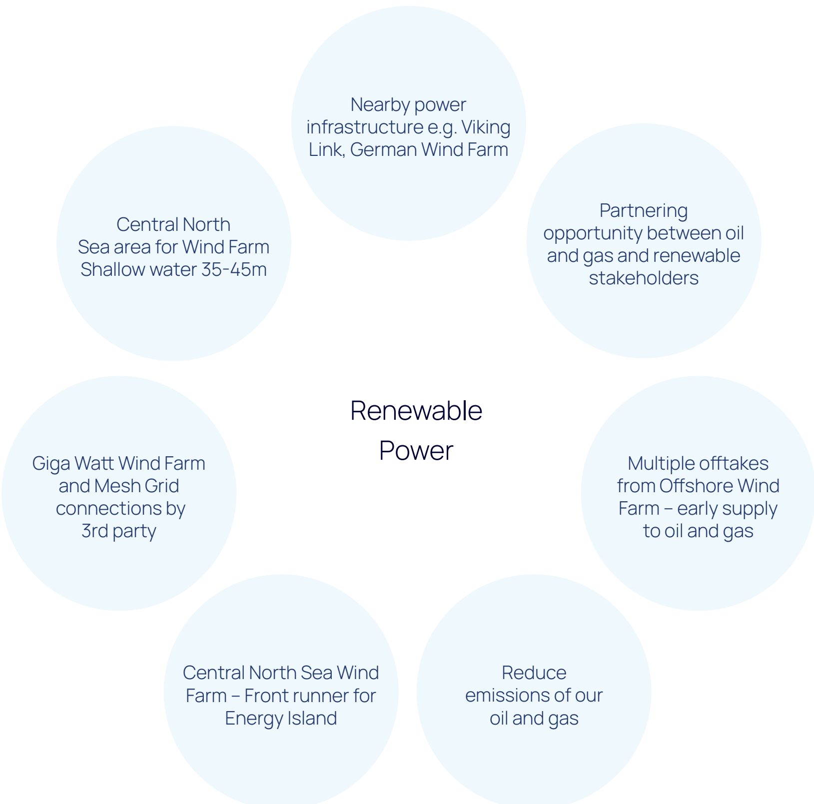
The recycling of the old Tyra topsides at M.A.R.S. is the largest recycling of offshore installations in Denmark's history and more than 95 % of the old facilities are expected to be recycled.

THE COMPANY'S VIEW ON FUTURE OPPORTUNITY SET

Renewable Power as an Enabler for Transition

Renewable power supply is one of the key component of the Danish energy transition. Locating renewable power in the vicinity of the Company's oil and gas facilities can forge synergies between existing installations and the new power infrastructure. Notably, Noreco's installations are located in shallow water also allowing for cost effective utilization of wind farm developments in the vicinity.

Supply from a wind farm which has a mesh grid connection with other off- shore windfarms and with shore grids can be the enabler for a significant reduction of emissions from Noreco's oil and gas installations. This both in respect of reducing fuel consumption but also in order to increase production efficiency. Renewable power can thus be part of the solution to continue producing remaining hydrocarbon reserves in a sustainable way.



An electricity grid connection in the central North Sea may also utilise the nearby power cable infrastructure available or in the making (e.g. Viking Link, German grid.)

A central North Sea wind farm with the Company's facilities as an early offtake point can also be a required front runner for a future Danish Energy Island with renewable storage and grid connections to Denmark, UK and other North Sea countries.

Partnering with wind farm developers and infrastructure stakeholders can become an early enabler for the transition towards reduced emissions from our assets.

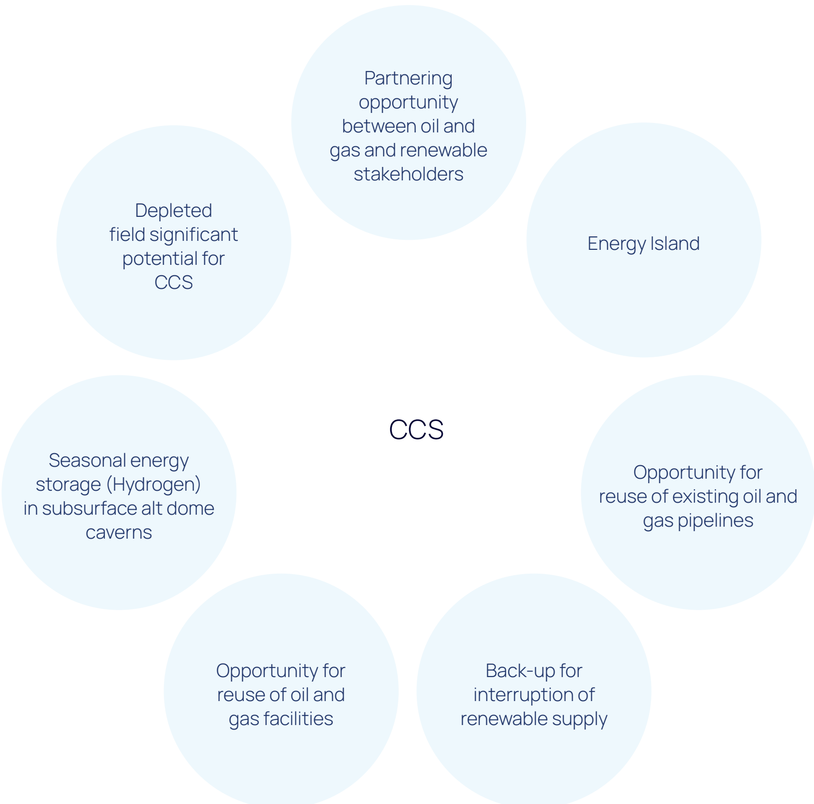
THE COMPANY'S VIEW ON FUTURE OPPORTUNITY SET

Subsurface CCS and Energy Storage

Noreco's subsurface assets may after hydrocarbon depletion become a significant element in supporting the change towards a renewable society.

As part of the Danish Energy Transition there is a need for shorter- and long-term CO_2 capture and subsequent long term storage. The Company's assets may contribute to such a storage opportunity by being able to hold large quantities of CO_2. The storage can be established in our oil and gas field when depleted. Here Noreco's geological understanding and technical expertise may prove significant in assisting in the renewable transition. In 2021 Noreco announced the CCS partnership Project Bifrost. The project includes the evaluation of the potential for CO_2 transport and storage at the Harald field, with an expected start-up storage capacity of 3 million tons of CO_2 per year.

Hydrogen production offshore in connection with an extensive offshore wind farm development is a possibility in order to allow for seasonal energy storage and energy back-up during periods with limited renewable production or during periods of higher demand. Large seasonal storage of hydrogen can be accommodated in the geological salt formations below several of our oil and gas fields in the central North Sea. In partnership with renewable enterprises, Noreco's understanding and surface capabilities can be applied to establish the technical feasibility, the practical implementation and the operation of such energy storage. Here also the potential for reusing our existing infrastructure and facilities may become an enabler for lower costs. The planned Danish Energy Island concept can, if placed close to the fields which have geological salt formations, become the main producer of the hydrogen utilizing such energy storage.



THE COMPANY'S VIEW ON NORECO'S OPPORTUNITY SET

Facilities: Offshore Hydrogen & PtX Production

With the planned substantial expansion of the Danish offshore wind power to supply renewable power to consumers in northern Europe, it will be of major importance to establish necessary industrial solutions for producing and handling hydrogen and PtX offshore.

Hydrogen and the PtX production technology will need to be adapted to offshore operating environment and the facilities needs to be constructed to allow for efficient maintenance and safe operation. Here our knowledge from Noreco's facilities and our understanding of safe design practices can be a partnering opportunity with enterprises who are engaged in hydrogen as a renewable energy source.

Initial evaluation of offshore hydrogen production feasibility may utilize offshore oil and gas facilities as test ground before being deployed on a larger scale. The Company's offshore facilities may provide support for such testing and also provide the necessary practical know-how needed for large capacity industrial solutions.

Several electrolysis technologies are currently being matured and progressed to serve the need for utilizing surplus wind power. Noreco see it important to be a contributor to such maturation by assisting with our upstream knowledge. This may also create potential to reuse Noreco's offshore facilities in support of the energy transition.

Arranging for hydrogen and PtX production close to existing oil and gas installations and integrating these solutions into a Danish Energy Island concept all located in the Danish central/southern North Sea will also allow for export of hydrogen through existing gas infrastructure to Denmark's shore or to Netherlands.

THE DANISH OFFSHORE TECHNOLOGY CENTRE

Research and Technology to Reduce Environmental Impact

Together with its partners in the DUC, Noreco invests in research and development to support and further grow its E&P activities. The DUC has a partnership with the DTU (Technical University of Denmark) and has together established the DTU Offshore - Danish Offshore Technology Centre. The DTU Offshore conducts research to improve future production of oil and gas from the Danish North Sea. The Centre's research seeks to increase sustainability through improved cost efficiency and reduced environmental impact. In 2021 the DUC contributed with funding amounting to DKK 98 million.

WORK CONDUCTED BY THE DHRTC

Advanced Water Flooding
Improve sweep efficiency of remaining oil in Tor and Ekofisk formations

Lower Cretaceous
Improve recovery

Well and Production Technology
Improve integrity and performance of existing and new wells

Operations and Maintenance Technology
Functional model of process for AI assisted operator support

Enhanced Well Chemistry and Integrity
Extension of commercial field life by enhanced methods for corrosion, scale and souring prediction and mitigation

AI-assisted Structural Integrity
Ensure the safety of structures for continued production

Produced Water Management
Reduce the environmental footprint associated with oil and gas production

Abandonment
Cost effective abandonment for short and long-term environmental protection

Biodiversity in the DUC

During the past years, the DUC, through the operator TotalEnergies, has carried out a broad range of scientific studies to increase the understanding of the effects of projects and operations on offshore biodiversity. Studies have been developed and carried out by academics and environmental specialists with expertise in the fields of marine mammal biology, underwater acoustics, metagenomics and ecotoxicology.

The DUC supported marine mammal research program initiated in 2013 has made another significant scientific contribution by providing data regarding the effect on harbor porpoises of underwater sound generated by seismic surveys. The results were published in the peer-reviewed scientific journal Frontiers in Marine Sciences.

The DUC also supports researchers on the development of new scientific methodologies in the studies of biodiversity. For example, the partners collaborated with researchers at DTU-aqua for the offshore deployment and testing of state-of-the-art technology in remote and automated biodiversity monitoring. The pilot study aimed at testing the use of a second-generation environmental sample processor (ESP) in an offshore environment. The ESP was deployed close to the facilities to sample and analyze environmental DNA of porpoise, dolphin and fish species.

The Environmental Team in the DUC arranges dedicated biodiversity awareness sessions with onshore and offshore operator employees. Offshore staff are encouraged to report wildlife sightings around platforms and the information is shared with large regional inventories of species like basking sharks or bluefin tuna.

PART III

From the Boardroom

The Board of Directors

RIULF RUSTAD
Executive Chair

Riulf Rustad is a Norwegian businessman with a long track record from investments in sectors such as oil & gas, oil services and offshore. Mr. Rustad operates through his platform Ousdal AS and holds/has held various board positions, both in listed and unlisted companies. Mr. Rustad was elected as Chairman of the board of directors of Noreco in 2016, and was re-elected at the Annual General Meeting of 26 May 2020 for a period of two years.

MARIANNE LIE
Board Member, Member of the Audit Committee and Chair of the Remuneration Committee

Marianne Lie is a consultant at Fajoma Consulting AS. She holds various board positions including in Wallenius Wilhelmsen ASA. She has previously held various board positions including DNB ASA, R.S. Platou, Rainpower ASA and Fortum Corporation. Ms Lie has served as a member of the board of directors in Noreco since 26 May 2016, and was re-elected at the Annual General Meeting of 26 May 2020 for a period of two years.

TONE KRISTIN OMSTED
Board Member and Member of the Audit Committee

Tone Omsted holds a BA Hons. in Finance from University of Strathclyde. She has broad experience from corporate finance and capital markets and currently serves as head of investor relations at Entra ASA. Previous experience includes 14 years as an investment banking executive at SEB Enskilda. She has also served on the board of directors of Panoro Energy ASA. Ms Omsted has served as member of the board of directors of Noreco since 26 May 2016, and was re-elected at the Annual General Meeting of 26 May 2020 for a period of two years.

COLETTE COHEN
Board Member and Chair of ESG Committee

Colette Cohen is a chemistry graduate from Queens University Belfast and also holds a master's degree in Project Management and Economics. Her career began with BP in 1991 and she has worked for companies including ConocoPhillips and Britannia in the North Sea, Norway, the US & Kazakhstan. Colette was SVP for Centrica Energy's E&P UK/NL and in August 2016 became the CEO of The Net Zero Technology Centre. Ms Cohen has served as member of the board of directors of Noreco since 7 August 2019, and was re-elected at the Annual General Meeting of 18 May 2021 for a period of two years.

ROBERT J. MCGUIRE
Board Member and Member of the ESG Committee

Robert McGuire is a senior professional at MAEVA Group, LLC., a turnaround and restructuring firm. He has a 25 year global track record as an advisor, investor and business leader, has served on numerous boards and has extensive experience in the energy sector, having led the European energy businesses at both Goldman Sachs and J.P.Morgan. He has a BA from Boston College and an MBA from Harvard Business School. Mr McGuire was elected as member of the board of directors of Noreco at an Extraordinary General Meeting held 2 March 2020 for a period of two years.

PETER COLEMAN
Board Member and Member of the Audit Committee

Peter Coleman joined Taconic in April 2018 where he is a director focusing on European credit, based in their London office. Prior to joining Taconic, Peter was a Managing Director on the European Distressed Debt Team at SVP Global. Previously, he was an Investment Director in distressed debt at Sisu Capital and prior to this, he was a director in the corporate finance group and tax group at PricewaterhouseCoopers. Peter earned a dual LL. B. and B.Com. from Victoria University in New Zealand in 1996. Mr Coleman was elected as a member of the board of directors of Noreco at the Annual General Meeting on 19 May 2021 for a period of two years.

JAN LERNOUT
Board Member and Member of the Remuneration Committee

Jan Lernout is a partner and portfolio manager at Kite Lake Capital Management (UK) LLP, which he founded in July 2010. Prior to that he was a partner and portfolio manager at Cheyne Capital Management (UK) LLP and an Executive Director and member of the Investment Committee in the European Special Situations Group (ESSG) at Goldman Sachs International. He holds a Master in Commercial Engineering from KU Leuven and an MBA from the University of Chicago Booth School of Business. He is a CFA Charterholder. Mr Lernout was elected as a member of the board of directors of Noreco at the Annual General Meeting on 19 May 2021 for a period of two years.

The Executive Management

EUAN SHIRLAW
Acting Managing Director, Chief Financial Officer

Euan joined Noreco in 2019 as CFO and also holds the position of Acting Managing Director. Euan has a background of providing strategic advice to a wide range of oil and gas companies on acquisition, divestment and merger activity as well as raising debt and equity capital. Prior to joining Noreco, Euan was a senior member of the oil & gas advisory team at BMO Capital Markets having also focused on the Energy space while working with Credit Suisse, RBC Capital Markets and Rothschild in London. He has a MSc in Business and Accountancy from the University of Edinburgh.

MARIANNE EIDE
EVP Upstream

Marianne joined Noreco in 2022 and holds the position as EVP Upstream. She has 30 years of experience in the upstream oil and gas industry. Prior to joining Noreco, she held senior management, commercial and technical roles with Shell, BG Group, Gaz de France, Conoco and Equinor, both based in Norway and the United Kingdom. Marianne has a MSc in Petroleum Engineering from the Norwegian Institute of Technology in Trondheim.

CATHRINE F. TORGERSEN
EVP Investor Relations & ESG

Cathrine joined Noreco in 2019 and holds the position as EVP Investor Relations & ESG. She previously had the role as Senior Account Director in Hill+Knowlton, where she advised a wide range of oil & gas- and shipping companies. During her seven years in Hill+Knowlton she was a member of the Management Team and was also leading the Financial Communications practice. Prior to joining Hill+Knowlton, Cathrine worked with institutional high yield sales at Pareto Securities Inc. in New York and Clarksons Platou Securities. She has a BSc in Business Administration and Finance from Bocconi University.

HEGE HAYDEN
EVP People and Capability

Hege joined Noreco in 2019 and holds the position of EVP, People & Capability. She has more than 20 years of broad operational and strategic HR experience as consultant and leader. For the last 13 years she has worked within the E&P industry and prior to joining Noreco she held the position as Director HR & Communications in VNG Norge AS. Hege received her education in Business Administration at Økonomisk College (now Oslo Metropolitan University).

Directors' Report

Norwegian Energy Company ASA ("Noreco" or the "Company") is a Norwegian company listed on the Oslo Stock Exchange. The Company was established in 2005 and has a strategic focus on value creation through increased recovery of hydrocarbons, enabled by a competent organisation with a long-term view on reservoir management and the capability to invest in, and leverage new technology.

Following the acquisition of Shell's Danish upstream assets in 2019, Noreco holds a 36.8% non-operated interest in the Danish Underground Consortium ("DUC") and is the second largest oil and gas producer in Denmark. The DUC is joint venture between TotalEnergies (43.2%), Noreco (36.8%) and Nordsøfonden (20.0%) and comprises four hubs and 11 producing fields; Halfdan, Tyra, Gorm and Dan. It is operated by TotalEnergies, which has extensive offshore experience in the region and worldwide.

Since the acquisition in 2019, Noreco has built a meaningful presence in Denmark, and established good relationships to its partners TotalEnergies and Nordsøfonden in addition to other key stakeholders such as the Danish Energy Agency (DEA).

BUSINESS DEVELOPMENT

Noreco delivered strong production from the Halfdan, Dan and Gorm hubs in 2021 with a yearly average of 26.9 mboepd and an overall operational efficiency at approximately 84.4%. Ongoing well intervention work carried out by Noble Sam Turner had a positive impact on short- and long-term production and optimisation work will remain a focus in 2022.

The Tyra Redevelopment is an ongoing project within the DUC and is the largest project ever that is carried out in the Danish Continental Shelf (DCS). The project will provide a strong foundation for future reserves growth, unlocking gross reserves in excess of 200 mmboe. Redeveloped Tyra will decrease operating expenses significantly and lower emissions at the field by 30 %. In addition, the completed project will extend field life by at least 25 years and produce enough gas to power equal to 1.5 million homes in Denmark. The Tyra hub was temporarily shut-in in September 2019 and during 2021 several important project milestones were reached. Activity levels in the three fabrication yards remained high throughout the year, and in July 2021 Noreco announced the sail away of the three Tyra East wellhead and riser topsides followed by an offshore installation. In January 2022 the three Tyra West wellhead and riser platforms were delivered from yard, and in March 2022 the accommodation unit was completed and sailed to the Tyra field. The Tyra Redevelopment project is progressing towards first gas in Q2 2023.

The annual revision of reserves, confirmed by an independent CRS assessment, resulted in total 2P reserves at year end 2021 of 200 mmboe, demonstrating strong contributions from the producing assets with a reserves replacement ratio of nearly 100 percent.

In 2021, Noreco together with its partners in the DUC, entered into a CCS partnership, Project Bifrost, with Ørsted and DTU on progressing offshore CCS. Project Bifrost will evaluate the potential for CO_2 transport and storage at the Harald field in the Danish North Sea with an expected start-up storage capacity of 3 million tons of CO_2 per year (m/tpa). The project was granted funding in December 2021 of DKK 75 million under the "Energy Technology Development and Demonstration Programme" (EUDP), a Danish public subsidy scheme.

CAPITAL STRUCTURE

Convertible bond ("NOR13"): a USD 185 million convertible bond with an eight-year tenor and a mandatory conversion to equity after five years. NOR13 has PIK interest with additional bonds at a coupon rate of 8.0 %. Noreco may alternatively, at its own discretion, pay cash interest of 6.0 %. The Company has paid coupon interest of 8.0 % (PIK) since issuance. Should the instrument be in place beyond the five-year conversion period, the interest rate on NOR13 will be reduced to 0.0 % for the remaining period.

Reserve-based lending facility (the RBL facility): In Q2 2021 the Company amended, extended and increased its previously facility that was entered into in Q2 2019. Noreco's RBL facility is a seven-year 1st lien senior-secured reserve-based lending facility with a total facility amount of USD 1,100 million, including a letter of credit sub-limit of USD 100 million. At the end of 2021 USD 900 million was drawn under the RBL Facility, with an additional USD 100 million letter of credit outstanding. Principal repayments on the Facility will commence from the second half of 2024 and interest is charged on debt drawings based on the SOFR rate and a margin of 4.0 to 4.5 %. The Company has also established a link in margin payable under the RBL and the achievement of ESG targets on emissions intensity reduction and power from renewables that will support progression of the Company's ESG strategy. This provides a margin decrease for ESG targets being met and a margin increase if ESG targets are not met.

Senior unsecured note ("NOR14"): a USD 175 million senior unsecured note with a coupon rate of 9.0 % and a maturity in June 2026. In order to reduce exposure to future market volatility, Noreco successfully reached an agreement with its bondholders in 2021 adding additional headroom to certain of the financial covenants

GROUP FINANCIAL RESULTS FOR 2021

Selected data from consolidated statement of comprehensive income

All figures in USD million	2021	2020
Total revenue	565	566
EBITDA[1)]	250	250
EBIT[1)]	137	57
Result before tax	5	(18)
Net result for the period	(53)	17
Earnings per share	(2.2)	0.7

1) Please see Alternative Performance Measures for definitions

The Company had revenues of USD 565 million in 2021 mainly related to oil and gas sales from the DUC fields; this compares to USD 566 million in the previous year.

Production expenses of USD 293 million in 2021 compared to USD 295 million in 2020. Of this amount USD 297 million was directly attributable to the lifting and transport of the Company's oil and gas production and USD 22 million related to offshore insurance expenses, in addition to a positive impact of USD 14 million related to an under-lift adjustment and USD 13 million related to stock scrapping adjustments. The cost per boe in 2021 amounted to USD 30.2 per boe compared to USD 26.6 per boe the previous year. The increase compared to 2020 is mainly driven by the high level on well intervention activity.

Personnel expenses were USD 11 million in 2021 compared to USD 12 million in 2020. The decrease is due to lower share-based payments, partly offset by restructuring costs.

Other operating expenses amounted to USD 11 million in 2021, compared to USD 8 million last year. The increase is related to higher consultant and legal fees.

Operating result (EBITDA) for 2021 was a profit of USD 250 million, compared to a profit of USD 250 million in 2020.

Net financial items amounted to an expense of USD 132 million in 2021, compared to an expense of USD 75 million in 2020. This was primarily driven by lower financial income in 2021, where in the comparable period in 2020 the Company realised income on commodity price hedging as well as a positive fair value adjustment on NOR13's embedded derivative. This was partially offset by lower financial expenses as the Company experienced a net foreign exchange gain in 2021, compared to a net foreign exchange loss in 2020, which has been driven by fluctuations in the USD:DKK/EUR exchange rate.

Income Tax for the Group amounted to a tax cost of USD 58 million for the year, compared to an income of USD 35 million in 2020. The tax cost for 2021 mainly relates to tax on the underlying taxable result for the year, cost of FX-adjustments of losses carried forward in DKK offset by value of investment uplift for the year. Reference is made to note 13 in the consolidated financial statements for further details to the taxes this period.

The Group's **net result** for the year is a loss of USD 53 million, compared to a loss of USD 17 million in 2020.

Selected data from the consolidated statement of financial position

All figures in USD million	2021	2020
Total non-current assets	2,807	2,533
Total current assets	283	429
Total assets	3,090	2,962
Total equity	492	630
Interest bearing debt[1)]	1,204	1,043
Asset retirement obligations	1,029	950

1) Please see Alternative Performance Measures for definitions

Total non-current assets amounted to USD 2,807 million at the end of 2021, of which USD 1,899 million related to property, plant & equipment, in addition to a deferred tax asset of USD 526 million, intangible asset of USD 166 million, USD 205 million restricted cash and USD 10 million in derivatives.

Total current assets amounted to USD 283 million at the end of 2021, USD 88 million in trade- and other receivables, mainly related to oil and gas revenue, USD 20 million in prepayments mainly related to offshore insurance premium that has been paid in advance. In addition, USD 123 million was held in cash and inventory of USD 51 million.

Equity amounted to USD 492 million at the end of 2021, compared to USD 630 million at the end of 2020. The decrease is mainly related to the fair value adjustment of derivative instruments and net loss for the current year, partly offset by realized gain on hedge.

Interest-bearing debt amounted to USD 1.2 billion at the end of 2021. The convertible bond loan NOR13 had a book value of USD 157 million at the end of 2021. This is valued at amortised cost and the embedded derivative is accounted for at fair value through profit and loss. Noreco's USD 1.1 billion RBL facility, drawn at USD 900 million on 31 December 2021 and with maximum cash drawing capacity of USD 1.0 billion, had a book value of USD 857 million at the end of 2021. The senior unsecured bond loan NOR14 had a book value of USD 165 million at the end of 2021. The RBL facility and the unsecured bond loan are valued at amortised cost. In addition, the interest-bearing debt includes deferred consideration with a book value of USD 25 million at the end of 2021.

Asset retirement obligations amounted to USD 1,029 million at the end of 2021, compared to USD 950 million at the end of 2020. USD 960 million is related to the DUC assets, USD 65 million to Nini/Cecilie, USD 2 million to Lulita and USD 2 million to the Tyra F-3 pipeline. The Nini/Cecilie asset retirement obligation is secured through an escrow account of USD 65 million.

Selected data from the consolidated statement of cash flows

All figures in USD million	2021	2020
Cash flow from operating activities	50	348
Cash flow used in investing activities	(246)	(359)
Cash flow from financing activities	60	(15)
Net change in cash and cash equivalents	(137)	(26)
Cash and cash equivalents	123	259

Cash flow from operating activities amounted to USD 50 million at the end of 2021, compared to USD 348 million at the end of last year. Cash flow from operating activities excluding changes in working capital amounted to USD 245 million in 2021, compared to USD 252 million in 2020. The decrease in cash flow from working capital is mainly due to the VAT liability related to 2020 of USD 156 million that was paid in 2021, with the payment date delayed to Q1 2021 by the Danish government as a response to the impact of COVID-19 on the economy. In addition to a change from an over-lift to under-lift position, the Company's inventory position and trade and other receivables also increased.

Cash flow used in investing activities amounted to negative USD 246 million at the end of 2021 compared to negative USD 359 million at the end of last year. The cash flow used in investing activities were related to DUC investments of USD 228 million, with USD 213 million related to the Tyra redevelopment, USD 21 million in abandonment expenditure, a deposit of USD 15 million deposit into the cash call security account, USD 2 million in tax refund for the period prior to closing and a benefit received from the volume guarantee of USD 15 million.

Cash flow from financing activities amounted to positive USD 60 million at the end of the year, compared to negative USD 15 million in 2020. The cash flow from financing activities is related to a RBL drawdown of USD 149 million, USD 54 million in paid interest and USD 27 million related to transaction costs on NOR14 and the RBL facility.

Net change in cash and cash equivalents amounted to negative USD 137 million in 2021 compared to negative USD 26 million in 2020. Cash and cash equivalents were in total USD 123 million at the end of 2021.

RISK MITIGATION

The Company actively seeks to reduce the risk it is exposed to regarding fluctuating commodity prices through the establishment of hedging arrangements. Noreco applied hedge accounting from 1 October 2019.

Noreco has to date executed this policy in the market through a combination of forward contracts and options.

For the period 2021 to 2023 (the "Recovery Period"), a payment to Shell may be required if actual production exceeds a pre-agreed level that is currently above the Company's internal forecasts. The amount refunded to Shell during the Recovery Period cannot exceed the value of Noreco's claims during the Protection Period.

Noreco enters into hedging contracts on both oil and gas to reduce the Company's exposure to commodity price volatility. These contracts protect the future minimum price Noreco will receive on oil and gas for the periods and volumes entered into. All hedging contracts are with financial institutions within the RBL banking syndicate, are secured and are financially settled on a monthly basis. Due to the secured nature of these contracts, Noreco is not subject to cash collateralisation requirements or margin calls.

In addition to Company-driven hedging activities, the RBL Facility contains a rolling hedge requirement based on a minimum level of production corresponding to the RBL banking case forecast: 50% of oil equivalent volumes for the following 12 months, 40% in the period from 12 to 24 months and 30% in the period from 24 to 36 months, subject to a maximum level in each of these periods of 70%. Due to the volatile oil market conditions in 2021, Noreco requested and received waivers from its RBL bank syndicate in June and December relating to the hedging requirements in the 24 to 36 months forward; based on this, the Company is not required to meet the minimum hedging level during this period until the end of June 2022. At the end of 2021, Noreco is in full compliance with these temporarily revised RBL hedging requirements.

	Volume hedged oil (mmboe)	Average hedged price ($/bbl)	Volume hedged gas (MWh)	Average hedged price (EUR/MWh)
2022	4.3	55.7	1,015,000	37.5
2023	4.0	52.4	-	-
2024	2.4	62.2	-	-

THE GOING CONCERN ASSUMPTION

Pursuant to the Norwegian Accounting Act section 3-3a, the board confirms that the requirements of the going concern assumption are met and that the annual accounts have been prepared on that basis. The financial solidity and the Company's working capital and cash position are considered satisfactory in regards of the planned activity level for the next twelve months.

Risk factors

The risks and uncertainties described in this section are the material known risks and uncertainties faced by the Group as of the date hereof and represents those risk factors that the Company believes to represent the most material risks for investors. Accordingly, investors should carefully consider these risks.

Risks related to the Company's assets

The Company's future production of oil and gas is concentrated in a limited number of offshore fields that are located in a congregated geographical area. There are currently four production hubs which are interconnected and utilize the same infrastructure. In addition to this, the fields within one hub are interconnected and one field can depend on another for gas injection and other factors important to extract hydrocarbons. Gas produced on each of the hubs is normally processed and transported to shore via the Tyra hub. Due to the ongoing Tyra Redevelopment, gas is temporarily going to Dan and sent to the NOGAT system in the Dutch sector. The Gorm hub receives liquids from all the other hubs and sends it to shore via a pipeline on Gorm E. Consequently, the concentration of fields, infrastructure and other Noreco assets may result in that accidents, problems, incidents or similar on one location may affect a significant part of Noreco's business.

Reserves risk

The Company's oil and gas production could vary significantly from reported reserves and resources. Should actual production deviate from estimated reserves, this may have a significant impact on the value of the Group's assets, the cash flow from operations and total revenues over the lifetime of the assets. Material deviations between actual results and estimated reserves for one asset may also create uncertainties about the estimated reserves of other assets based on the same assumptions, which may in turn be detrimental for investors' confidence in Noreco's reserves estimates.

Risks related to development projects

Noreco's development projects and resource portfolio will require substantial investments to bring into production. The Company may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in its oil and gas reserves. The Company makes and expect to continue to make substantial investments in its business for the development and production of oil and natural gas reserves. The Company is currently involved in one major development project, the redevelopment of Tyra II. While significant progress has been made on the Tyra Redevelopment project, Noreco is during 2022 exposed to the risks relating to the fabrication and sail away of one remaining module, and the ongoing installation, hook-up and commissioning work conducted at the Tyra field. The outcome of the future progress of the development may have an impact on cost and/or schedule. The Company intends to finance the majority of its future investments with cash flow from operations and borrowings under its RBL Facility and other equity and debt facilities.

Decommissioning risks

There are significant uncertainties relating to the cost for decommissioning of licences including the schedule for removal of any installation and performance of other decommissioning activities. No assurance can be given that any anticipated costs and time of removal will be correct and any deviation from such estimates may have a material adverse effect on the Company's business, results of operations, cash flow and financial condition.

Third party risk

The Company is subject to third party risk in terms of operators and partners as it does not have a majority interest in any of its licences, and consequently cannot solely control such assets. Although the Company has consultation rights or the right to withhold consent in relation to significant operational matters, depending inter alia on the importance of the matter, level of its interest in the licence, which licence, the contractual arrangements for the licence, etc, the Company will have limited control over management of such assets and mismanagement by the operator or disagreements with the operator as to the most appropriate course of action may result in significant delays, losses or increased costs to it. Jointly owned licences also result in possible joint liability, on certain terms and conditions. Other participants in licences may default on their obligations to fund capital or other funding obligations in relation to the assets. In such circumstances, the Company may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall ourselves.

Risks related to commodity prices

The Company's business, results of operations, cash flow and financial condition will depend significantly on the level of oil and gas prices and market expectations of these and may be adversely affected by volatile oil and gas prices. The Company's future revenues, cash flow, profitability and rate of growth depend substantially on prevailing international and local prices of oil and gas. As oil and gas are globally traded commodities, Noreco is unable to control or predict the prices it receives for the oil and gas it produces; however, the Company has a material hedging programme in place that mitigates the short-term impact of price volatility. The hydrocarbons produced from specific fields may have a premium/discount to benchmark prices such as Brent and this may vary over time.

Currency risks

The Group is exposed to market fluctuations in foreign exchange rates. Revenues are in US dollars for oil and in Euros and Danish kroner for gas, while operational costs, taxes and investment are in several other currencies, including Danish kroner. The Company's financing is primarily in US dollars. Significant fluctuations in exchange rates between euros and Danish kroner and US dollars and Danish kroner and Danish and Norwegian kroner may materially adversely affect the reported results.

Risks related to Danish taxation and regulations

All of Noreco's petroleum assets are located in Denmark and the petroleum industry is subject to higher taxation than other businesses. There is no assurance that future political conditions in Denmark will not result in the relevant government adopting different policies for petroleum taxation than currently in place. However, due to the Compensation Agreement in place between the Danish State and the DUC, any alterations in present legislation to the disadvantage of the DUC licensees would be compensated. The compensation would be determined with a view to the impact of the changes on the DUC but however cannot exceed the net advantage deemed to have been obtained by the State. This agreement effectively reduces the risk associated with Danish taxation and regulations and provides for a high degree of influence for the DUC in the design and adoption of any amendments to the petroleum tax rules.

Risks related to debt financing

Noreco has partial exposure to floating interest rates through the Company's USD 1,100 million RBL, where the Company in 2021 fixed USD 1.0 billion of its interest rate exposure until June 2024. The Company also has exposure to fixed interest rates, through the Company's USD 185 million Convertible Bond and USD 175 million Senior Unsecured Note. In addition, the Company is subject under these financing instruments to several covenants, including maximum leverage relative to earnings and demonstration of a minimum level of liquidity. The Company's material hedging programme provides significant visibility over Noreco's ability to meet these requirements, however if the Company is unable to then actions to rectify this position may be required. There can be no assurance that such actions will be available or enough to allow Noreco to ultimately fulfil its obligations.

Risks related to future capital requirements

Noreco's future capital requirements will be determined based on several factors; including production levels, commodity prices, future expenditures that are required to be funded and the development of the Company's capital structure. To the extent the Company's operating cashflow is insufficient to fund the business plan at the time, and in particular the Tyra redevelopment project, additional external capital may be required. Noreco currently has a strong financial base, supported by existing liquidity and hedging positions, however any unexpected changes that result in lower revenues or increased costs may necessitate the raising of additional external capital. There can be no guarantee that, if required, Noreco would be able to access the debt or equity markets on favourable terms, or if necessary be able to adequately restructure or refinance its debt. To mitigate this risk, Noreco maintains a strong relationship with its banking syndicate through continual engagement to underpin its borrowing position and has commenced an active investor relations strategy to support access to the capital markets.

Financial reporting risk

While Noreco has in place internal controls covering the Company's financial reporting function, any material error or omission could significantly impact the accuracy of our reported financial performance and expose the Company to a risk of regulatory or other stakeholder action.

Insurance risk

Although the Company maintains liability insurance in an amount that it considers adequate and consistent with industry standard, the nature of the risks inherent in oil and gas industry generally, and on the Danish Continental Shelf specifically, are such that liabilities could materially exceed policy limits or not be insured at all, in which event the Company could incur significant costs that could have adverse effect on its financial condition, results of operation and cash flow.

Political and regulatory risks

The Company is exposed to political and regulatory risks. Exploration and development activities in Denmark are dependent on receipt of government approvals and permits to develop its assets. The Danish Subsoil Act, among other things, sets out different criteria for the organization, competence and financial capability that a licensee at the DCS must fulfil at all times. The Company is qualified to conduct its operations on the DCS, however, there is no assurance that future political conditions in Denmark will not result in the government adopting new or different policies and regulations on exploration, development, operation and ownership of oil and gas, environmental protection, and labour relations. In

December 2020, the Danish government announced the "2050 North Sea Agreement". The agreement provides industry stability and opportunities on the DCS, beyond the DUC concession which expires in 2042. Further, the Company may be unable to obtain or renew required drilling rights, licences, permits and other authorizations and these may also be suspended, terminated or revoked prior to their expiration.

Risks related to environmental regulations

The Company may be subject to liability under environmental laws and regulations. All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, and releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites are operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. The Company is subject to legislation in relation to the emission of carbon dioxide, methane, nitrous oxide and other so-called greenhouse gases. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material, in addition to loss of reputation.

Reputational risks

Noreco may be negatively affected by adverse market perception as it depends on a high level of integrity and to maintain trust and confidence of investors, DUC participants, public authorities and counterparties. Any mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, or negative publicity resulting from other activities, could materially affect the Company's reputation, as well as its business, access to capital markets and commercial flexibility.

COVID-19

The global pandemic has severely impacted the daily lives of people as well as affected companies and markets. Governments and other authorities have imposed restrictions which limits the prerequisites for continuing normal business operations, including movement of people and their ability to get to their place of work. Noreco is well set up with IT infrastructure and routines which allow all staff to work remotely and as such are able to continue operating the Company. The Company, through its ownership in DUC, relies on a significant number of operational staff and third-party suppliers to maintain its operations at sufficient levels. TotalEnergies Denmark A/S, as the operator of DUC, has implemented extensive measures to protect personnel and secure business continuity, including among others screening of offshore personnel by TotalEnergies health staff.

HEALTH, ENVIRONMENT AND SAFETY

Noreco puts emphasis on its employees performing company activities in line with the principals of business integrity and with respect for people and the environment.

During 2021, Noreco was, through its ownership in the DUC in which TotalEnergies is the operator, involved in production of oil and gas which could cause emissions to the sea and air.

Noreco will conduct its business operation in full compliance with all applicable national legislation in the countries where it is operating. The Company is committed to carry out its activities in a responsible manner to protect people and the environment. Our fundamentals of HSEQ and safe business practice are an integral part of Noreco's operations and business performance.

The Danish Offshore Safety Act is the legal framework for promotion of a high level for health and safety offshore and for creating a framework enabling the companies to solve offshore health and safety issues themselves. The Danish Offshore Safety Act generally applies to all offshore activities related to hydrocarbon facilities, infrastructure and pipelines connected hereto.

Licensees under the Danish Subsoil Act are required to identify, assess and reduce health and safety risks as much as reasonably practicable, as well as be compliant with the ALARP (As Low As Reasonably Practicable) principle. Furthermore, the licensee shall ensure that operators are able to fulfil the safety and health obligations pursuant to the Danish Offshore Safety Act.

PERSONNEL RESOURCES AND WORKING ENVIRONMENT

At the end of 2021 the Group had 26 employees. 38 % of the employees were women. In December 2021, and following a mutual resignation of Chief Executive Officer David B. Cook, Chief Financial Officer Euan Shirlaw was appointed Acting Managing Director in addition to his existing role.

At the end of 2021 the Company's board of directors consists of three women and four men, all elected by shareholders. There are no employee representatives on the Board. At the end of 2021, more than 40 % of the board members were women.

Noreco strives to maintain a working environment with equal opportunities for all based on qualifications, irrespective of gender, ethnicity, religion, sexual orientation or disability. The Company pays equal salaries and gives equal compensation and opportunities for positions at the same level, regardless of gender, ethnicity, religion or disabilities. The management's compensation is described the Executive Remuneration Report.

Sick leave in the Group was 0,89 % in 2021.

RESEARCH AND DEVELOPMENT

Noreco invests in research and development to support and further grow its E&P activities. The DUC has a partnership with the DTU (Technical University of Denmark) and has together established the DTU Offshore – Danish Offshore Technology Centre. The DTU Offshore conducts research to improve future production of oil and gas from the Danish North Sea. The Centre's research seeks to increase sustainability through improved cost efficiency and reduced environmental impact. In 2021 the DUC contributed with funding amounting to DKK 98 million. The current ongoing work programme includes:

- Improved recovery of hydrocarbons
- Produced water management (zero harmful discharge vision)
- Operations and maintenance technology
- Extended well life
- Robust & cost-effective abandonment for long-term environmental protection.

CORPORATE GOVERNANCE

The board wishes to maintain an appropriate standard on corporate governance and to fulfil the recommendations in the Norwegian Code of Practice for Corporate Governance. Corporate governance in Noreco is based on equal treatment of all shareholders which is reflected by the decisions taken at the General Assembly.

In total, 12 board meetings were held in 2021, participation was 98%.

Safeguarding the Company's people, assets and financial position were the board's key priorities during 2021, the second year of the pandemic. The board has continued to work on developing Noreco and how to best position the Company for future value enhancing opportunities.

The annual general meeting, held on 19 May 2021, re-elected Colette Cohen to the board and appointed Jan Lernout and Peter Coleman as new board members. All matters on the agenda were approved.

Further information on corporate governance and corporate social responsibility can be found in other sections of this report or on the Company's web site, www.noreco.com/corporate-governance and www.noreco.com/csr .

DIRECTOR & OFFICER'S LIABILITY INSURANCE

The company has acquired and maintains a Directors and Officers insurance policy to cover the personal liability for financial losses that directors and officers of the company and the directors and officers of the company's subsidiaries may incur in their capacities as such ("Directors and Officers Liability/Styre og ledelsesansvar"). The policy is placed with a reputable international carrier on market terms.

OWNERSHIP

There are no restrictions on the transfer of shares in Noreco. The Company currently has approximately 2.500 shareholders, and 16.35% of the shares are held by Norwegian residents.

NORWEGIAN ENERGY COMPANY ASA

In 2021, the parent company was a holding company, and the operating expenses mainly consisted of shareholder costs, consultancy fees, legal fees and payroll expenses. Net financial loss mainly due to interest expenses from bond loans and net foreign exchange loss this year due to fluctuations in the USD:NOK exchange rate, partly offset by interest received from group companies. For comments on financial risk and market conditions and statement regarding going concern, please see other parts of this annual report. These comments are also valid for the parent company.

PARENT COMPANY FINANCIAL RESULTS FOR 2021

Personnel expenses were USD 4 million in 2021, decreased from USD 7 million compared to 2020, mainly due to lower costs relating to share-based payments and lower salary costs due to lower average Full-time equivalent in this year.

Other operating expenses amounted to USD 3 million in 2021, compared to USD 4 million last year.

The net operating result for 2021 was a loss of USD 5 million compared to a loss of USD 9 million in 2020.

Net financial items amounted to an expense of USD 25 million in 2021, compared to an expense of USD 14 million in 2020. The financial expense in 2021 was mainly related to interest on bond loans and foreign exchange loss mainly related to bank accounts in DKK, partly offset by interest income from intercompany loans.

The Company's **net result** for the year amounted to a loss of USD 30 million compared to a gain of USD 24 million in 2020.

ALLOCATIONS

The result for the year for Norwegian Energy Company ASA in 2021 was a loss of USD 30 million. The board proposes the following allocations:

Allocated from other equity	USD 30 million
Total appropriation	USD 30 million

OUTLOOK

Noreco has a stable business, underpinned by the Company's position in the DUC and further supported by risk mitigations. The Tyra Redevelopment is progressing and will significantly enhance the Noreco's base production after start-up. The Company also expects direct field operating expenditure to decrease to USD 13 per barrel after Tyra is back on production. Our intent to progress value-additive organic DUC investment projects also continues, and we will seek to sanction projects as they are sufficiently matured. Noreco believes economic investments in these projects will help replace produced reserves and provide strong financial returns benefiting the Company's shareholders. The Company has provided a production guidance of 23.5 – 25.5 mboepd for 2022. The Company monitors the Russia–Ukraine war closely and has not identified any negative impact on the Company's assets or income

Oslo
11 April 2022

Riulf Rustad Executive Chair	Tone Kristin Omsted Board Member	Marianne Lie Board Member	Colette Cohen Board Member
Robert J. McGuire Board Member	Jan Lernout Board Member	Peter Coleman Board Member	Euan Shirlaw Acting Managing Director

Reporting of payments to Governments

This report is prepared in accordance with the Norwegian Accounting Act Section § 3-3 d) and Securities Trading Act § 5-5 a). It states that companies engaged in activities within the extractive industries shall annually prepare and publish a report containing information about their payments to governments at country and project level. The Ministry of Finance has issued a regulation (F20.12.2013 nr 1682 – "the regulation") stipulating that the reporting obligation only applies to reporting entities above a certain size and to payments above certain threshold amounts. In addition, the regulation stipulates that the report shall include other information than payments to governments, and it provides more detailed rules applicable to definitions, publication and group reporting.

The management of Noreco has applied judgment in the interpretation of the wording in the regulation with regards to the specific type of payment to be included in this report, and on what level it should be reported. When payments are required to be reported on a project-by-project basis, it is reported on a field-by-field basis. Only gross amounts on operated licenses are to be reported, as all payments within the license performed by non-operators will normally be cash calls transferred to the operator and are as such not payments to the government. All activities in Noreco within the extractive industries are located on the Danish Continental Shelf and all are performed as non-operator. All the reported payments below are to the Danish government.

Income tax

The income tax is calculated and paid on corporate level and is therefore reported for the whole Company rather than license-by-license. The income tax payments in 2021 for Noreco Olie- og Gasudvinding Danmark B.V was USD 10.2 million pertaining to the income year 2020. In addition, a refund was received pertaining to adjustments on income year 2017 also for Noreco Olie- og Gasudvinding Danmark B.V.

OTHER INFORMATION REQUIRED TO BE REPORTED

In accordance with the regulation (F20.12.2013 nr 1682) Noreco is also required to report on investments, operating income, production volumes and purchases of goods and services. All reported information is relating to Noreco's activities within the extractive industries on the Danish Continental Shelf:

- Total net investments amounted to USD 228 million, as specified in the cash flow analysis in the financial statements
- Sales income (Petroleum revenues) in 2021 amounted to USD 558 million, as specified in Note 4 to the financial statements
- Total production in 2021 was 9.8 million barrels of oil equivalents, see Note 5 to the consolidated financial statements
- For information about purchases of goods and services, reference is made to the Income Statement and the related notes

Corporate Governance Report 2021

Norwegian Energy Company ASA (“Noreco” or “the Company") has made a strong commitment to ensure trust in the Group and to enhance value creation to shareholders and society over time. The Company acts in a responsible and prudent manner through efficient decision-making and communication between the management, the board of directors (the “Board” or “Board of Directors”) and the shareholders of the Company represented by the Annual General Meeting. The Company's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Company's recourses in an efficient and sustainable manner, to the benefit of shareholders, employees and society at large.

The Company will seek to comply with the Norwegian Code of Practice for Corporate Governance (the "Corporate Governance Code") which is available at the Norwegian Corporate Governance Committee's website www.nues.no. The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the Board of Directors and executive management more comprehensively than that which is required by legislation and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned.

The Company will, from the time due to the listing of its shares on Oslo Børs, be subject to reporting requirements for corporate governance under the Accounting Act section 3-3b as well as Oslo Børs' "Continuing obligations of stock exchange listed companies" section 7. The Board of Directors will include a report on the Company's corporate governance in each annual report, including an explanation of any deviations from the Corporate Governance Code. The corporate governance framework of the Company is subject to annual reviews and discussions by the Board of Directors. According to the Company's own evaluation, the Company deviates from the Corporate Governance Code on the following points:

(a) Item 4: The Board of Directors of the Company has been, and is expected to be, provided with authorisations to acquire own shares and issue new shares. Not all of such authorisations have separate and specific purposes for each authorisation as the purposes of the authorisations shall be explained in the notices to the general meetings adopting the authorisations.

(b) Item 11: Options have been and/or are expected to be granted members of the Board of Directors in addition to management through the share option programme of the Company, first implemented at a general meeting of 21 January 2016 and later extended and expanded.

(c) Item 14: Due to the unpredictable nature of a takeover situation, the Company has decided not to implement detailed guidelines on take-over situations. In the event a takeover was to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Board of Noreco is responsible for compliance with corporate governance standards. Noreco is a Norwegian public limited liability company (ASA), listed on the Oslo Stock Exchange and established under Norwegian laws. In accordance with the Norwegian Accounting Act, section 3-3b, Noreco includes a description of principles for corporate governance as part of the Board of Directors’ Report in the annual report. The Company will seek to comply with the Corporate Governance Code. The Company's strategy is to continue its value creation to replace and maximise recovery of proven reserves and resources and to continue to explore new opportunities in and above the ground.

2. BUSINESS

The Company is a publicly owned oil, gas and offshore industry company with a strategic focus on value creation through increased recovery, enabled by a competent organisation with a long-term view on reservoir management and the capability to invest and leverage new technology.

On an annual basis, the Board defines and evaluates the Company’s objectives, main strategies and risk profiles for the Company’s business activities to ensure that the company creates value for shareholders.

The Company integrates considerations related to its stakeholders, as well as social, environmental and sustainability considerations into its value creation and shall achieve its objectives in accordance with the Company’s Code of Conduct.

The Company's business is defined in the following manner in the Company's articles of association (the "Articles of Association") section 3:

The object of the Company is direct and indirect ownership and participation in companies and enterprises within exploration, production, and sale related to oil and gas, and other activities related hereto..

3. EQUITY AND DIVIDENDS

3.1. Equity

As of 31 December 2021, the Company's consolidated equity was USD 492 million, which is equivalent to approximately 16% of total assets. The Company's equity level and financial strength shall be considered in light of its objectives, strategy and risk profile.

3.2. Dividend policy

The Company has not paid any dividends to date, whether in cash or in kind.

The Company does not expect to make dividend payments prior to completion of the Tyra Redevelopment project. The Company may revise its dividend policy from time to time. The Company currently intends to retain all earnings, if any, and to use these to finance the further business of the Company.

3.3. Share capital increases and issuance of shares

At the Annual General Meeting held on 26 May 2020, The Board of Directors was authorised to increase the Company's share capital by up to NOK 24,549,014 until the Annual General Meeting in 2021, but in no event later than 30 June 2021.

3.4. Purchase of own shares

The Board of Directors of the Company has been authorised to acquire own shares with a total par value of NOK 7,194,730, valid until the Annual General Meeting in 2021, however in any event no later than 30 June 2021. The authorisation can be used in relation to incentive schemes for employees/directors of the group, as consideration in connection with acquisition of businesses and/or for general corporate purposes.

As of 30 March 2022, the Company holds 251,495 of its own shares, approximately 1.20 %.

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH RELATED PARTIES

4.1. Class of shares

The Company has one class of shares. All shares carry equal rights in the Company, and the Articles of Association do not provide for any restrictions, or rights of first refusal, on transfer of shares. Share transfers are not subject to approval by the Board of Directors.

4.2. Pre-emption rights to subscribe

According to the Norwegian Public Limited Liability Companies Act section 10-4, the Company's shareholders have pre-emption rights in share offerings against cash contribution. Such pre-emption rights may; however, be set aside, either by the general meeting or by the Board of Directors if the general meeting has granted a board authorisation which allows for this. Any resolution to set aside pre-emption rights will be justified by the common interests of the Company and the shareholders, and such justification will be publicly disclosed through a stock exchange notice from the Company.

4.3. Trading in own shares

The Board of Directors will aim to ensure that all transactions pursuant to any share buy-back program will be carried out either through the trading system at Oslo Børs or at prevailing prices at Oslo Børs. In the event of such program, the Board of Directors will take the Company's and shareholders' interests into consideration and aim to maintain transparency and equal treatment of all shareholders. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

4.4. Transactions with close associates

The Board of Directors aims to ensure that any not immaterial future transactions between the Company and shareholders, a shareholder's parent company, members of the Board of Directors, executive personnel or close associates of any such parties are entered into on arm's length terms. For any such transactions which do not require approval by the general meeting pursuant to the Norwegian Public Limited Liability Companies Act, the Board of Directors will on a case-by-case basis assess whether a fairness opinion from an independent third party should be obtained.

4.5 Guidelines for directors and executive management

The Board of Directors has adopted rules of procedures for the Board of Directors which inter alia includes guidelines for notification by members of the Board of Directors and executive management if they have any material direct or indirect interest in any transaction entered into by the Company.

5. FREELY NEGOTIABLE SHARES

The shares of the Company are freely transferable. There are no restrictions on transferability of shares pursuant to the Articles of Association.

6. GENERAL MEETINGS

The Board of Directors will make its best efforts with respect to the timing and facilitation of general meetings to ensure that as many shareholders as possible may exercise their rights by participating in general meetings, thereby making the general meeting an effective forum for the views of shareholders and the Board of Directors.

6.1. Notification

The notice for a general meeting, with reference to or attached support information on the resolutions to be considered at the General Meeting, shall as a principal rule be sent to shareholders no later than 21 days prior to the date of the General Meeting. The Board of Directors will seek to ensure that the resolutions and supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the Company's website www.noreco.com/general-meetings no later than 21 days prior to the date of the general meeting.

6.2. Participation and execution

To the extent deemed appropriate or necessary by the Board of Directors, the Board of Directors will seek to arrange for the general meeting to vote separately on each candidate nominated for election to the Company's corporate bodies.

The Board of Directors and the nomination committee shall, as a general rule, be present at general meetings. The auditor will attend the ordinary general meeting and any extraordinary general meetings to the extent required by the agenda items or other relevant circumstances. The Board of Directors will seek to ensure that an independent chairman is appointed by the general meeting if considered necessary based on the agenda items or other relevant circumstances.

The Company will aim to prepare and facilitate the use of proxy forms which allows separate voting instructions to be given for each item on the agenda and nominate a person who will be available to vote on behalf of shareholders as their proxy. The Board of Directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting. The Board of Directors should seek to facilitate such advance voting.

7. NOMINATION-COMMITTEE

The nomination committee is provided and governed by the Articles of Association, in addition to instructions for the nomination committee. The nomination committee shall consist of three members who shall be shareholders or shareholder representatives. The members shall be elected by the general meeting for a term of two years, unless the General Meeting determines that the term shall be shorter.

The members of the nomination committee should be selected to take into account the interests of shareholders in general. All members of the committee should be independent of the Board of Directors and the executive personnel.

The nomination committee shall give its recommendation to the general meeting on election of and compensation to members of the Board of Directors, in addition to election of and compensation to members of the nomination committee. The proposals shall be justified.

The Company should provide information on the membership of the committee and provide suitable arrangements for shareholders to submit proposals to the committee for candidates for election.

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

Pursuant to the Articles of Association section 5, the Company's Board of Directors shall consist of three to eight members, which are shareholders' elected members in accordance with a decision by the General Meeting.

The composition of the Board of Directors should ensure that the board can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the board should be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders should be independent of the Company's main shareholder(s), the executive personnel and material business contacts.

The Board of Directors should not include executive personnel, if the board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the board, including the use of board committees to help ensure more independent preparation of matters for discussion by the board.

The Chairman of the Board of Directors should be elected by the General Meeting.

The term of office for members of the Board of Directors should not be longer than two years at a time. The board members can be elected for shorter term by the General Meeting. The annual report should provide information to illustrate the expertise of the members of the Board of Directors, and information on their record of attendance at board meetings. In addition, the annual report should identify which members are considered to be independent.

9. THE WORK OF THE BOARD OF DIRECTORS

9.1. The rules of procedure for the board of directors

The Board of Directors is responsible for the overall management of the Company and shall supervise the Company's business and the Company's activities in general.

The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the Board of Directors. In addition, the Board of Directors has adopted supplementary rules of procedures, which provides further regulation on inter alia the duties of the Board of Directors and the managing director, the division of work between the Board of Directors and the managing director, the annual plan for the Board of Directors, notices of board proceedings, administrative procedures, minutes, board committees, transactions between the Company and the shareholders and matters of confidentiality.

The board shall produce an annual plan for its work, with a particular emphasis on objectives, strategy and implementation. The managing director shall at least once a month, by attendance or in writing, inform the Board of Directors about the Company's activities, position and profit trend.

The Board of Directors' consideration of material matters in which the chairman of the board is, or has been, personally involved, shall be chaired by some other member of the board.

The Board of Directors shall evaluate its performance and expertise annually and make the evaluation available to the nomination committee.

9.2. The audit committee

The Company's audit committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the Board of Directors. The members of the audit committee are appointed by and among the members of the Board of Directors. A majority of the members shall be independent of the Company's operations, and at least one member who is independent of the Company shall have qualifications within accounting or auditing. Board members who are also members of the executive management cannot be members of the audit committee. The principal tasks of the audit committee are to:

a) prepare the Board of Directors' supervision of the Company's financial reporting process and keep the Board of Directors informed about the audit process;

(b) monitor the systems for internal control and risk management;

(c) have continuous contact with the Company's auditor regarding the audit of the annual accounts;

(d) review and monitor the independence of the Company's auditor, including in particular the extent to which the auditing services provided by the auditor or the audit firm represent a threat to the independence of the auditor;

(e) prepare any election of the Company's auditor.

9.3. The remuneration committee

The compensation for the members of the Board of Directors for their service as directors is determined annually by the shareholders of the Company at the annual general meetings of shareholders, on the basis of the motion from the Nomination Committee.

The Board of Directors has established a guideline for salaries and other remuneration to the managing director and other senior executives. The guideline was endorsed by the Annual General Meeting in May 2019. The Board's declaration pursuant to Section 6-16a of the Public Limited Liability Companies Act in respect of salaries and other remuneration for executives was approved at the Annual General Meeting in May 2021.

The remuneration package for members of management includes fixed and variable elements. The fixed element consists of a base salary and other benefits, such as free mobile phone and life, accident and sickness insurance in accordance with normal practice in the oil industry.

Variable elements of remuneration may be used, or other special supplementary payment may be awarded other than those mentioned above if this is considered appropriate.

Remuneration to the managing director will be evaluated regularly by the Board of Directors to ensure that salaries and other benefits are kept, at all times, within the above guidelines and principles.

10. RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control are given high priority by the Board of Directors, which shall ensure that adequate systems for risk management and internal control are in place. The control system consists of interdependent areas which include risk management, control environment, control activities, information and communication and monitoring.
The Company's management is responsible for establishing and maintaining sufficient internal control over financial reporting. Company specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the group. The managing director and Chief Financial Officer supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over financial reporting within the group. The consolidated external financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards as adopted by the EU.

The Board of Directors shall ensure that the Company has sound internal control and systems for risk management, including compliance to the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility. The Company's Code of Conduct describes the Company's ethical commitments and requirements related to business practice and personal conduct. If employees experience situations or matters that may be contrary to rules and regulations or the Company's Code of Conduct, they are urged to raise their concern with their immediate superior or another manager in the Company. The Company has established a whistle-blowing function that will enable employees to alert the Company's governing bodies about possible breaches of the Code of Conduct.

The Board of Directors shall conduct an annual risk review in order to identify real and potential risks and remedy any incidents that have occurred. The Board of Directors should analyse the most important areas of exposure to risk and its internal control arrangements and evaluate the Company's performance and expertise. The Board of Directors shall undertake a complete annual review of the risk situation, to be carried out together with the review of the annual accounts. The Board of Directors shall present an in-depth report of the Company's financial statement in the annual report. The Audit Committee shall assist the Board of Directors on an ongoing basis in monitoring the Company's system for risk management and internal control. In connection with the quarterly financial statements, the Audit Committee shall present to the Board of Directors reviews and information regarding the Company's current business performance and risks.

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board of Directors shall be decided by the Company's General Meeting of shareholders, and should reflect the Board of Directors' responsibility, expertise, time commitment and the complexity of the Company's activities. The remuneration should not be linked to the Company's performance.

The nomination committee shall give a recommendation as to the size of the remuneration to the Board of Directors. Pursuant to the instructions for the nomination committee, the recommendation should normally be published on the Company's website at least 21 days prior to the General Meeting that will decide on the remuneration.

The annual report shall provide details of all elements of the remuneration and benefits of each member of the Board of

Directors, which includes a specification of any remuneration in addition to normal fees to the members of the Board.

Members of the Board of Directors and/or companies with which they are associated should not take on specific assignments for the Company in addition to their appointment as a member of the board. If they do nonetheless take on such assignments this should be disclosed to the full board. The remuneration for such additional duties should be approved by the Board of Directors.

12. REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Board of Directors will in accordance with the Norwegian Public Limited Liability Companies Act prepare separate guidelines for the stipulation of salary and other remuneration to key management personnel. The guidelines shall include the main principles applied in determining the salary and other remuneration of the executive management and shall ensure convergence of the financial interests of the executive management and the shareholders. It should be clear which aspects of the guidelines that are advisory and which, if any, that are binding thereby enabling the general meeting to vote separately on each of these aspects of the guidelines. The guidelines will be made available to and shall be dealt with by the ordinary general meeting in accordance with the Norwegian Public Limited Liability Companies Act.

The Board of Directors aims to ensure that performance-related remuneration of the executive management in the form of share options, annual bonus programs or the like, if used, are linked to value creation for shareholders or the Company's earnings performance over time. Performance-related remuneration should be subject to an absolute limit. Furthermore, the Company aims to ensure that such arrangements are based on quantifiable factors that the employee in question can influence.

13. INFORMATION AND COMMUNICATIONS

13.1. General

The Board of Directors has adopted a separate manual on disclosure of information, which sets forth the Company's disclosure obligations and procedures. The Board of Directors will seek to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market.
The Company will each year publish a financial calendar, providing an overview of the dates for major events such as its ordinary general meeting and publication of interim reports.

13.2. Information to shareholders

The Company shall have procedures for establishing discussions with shareholders to enable the board to develop a balanced understanding of the circumstances and focus of such shareholders. Such discussions shall be done in compliance with the provisions of applicable laws and regulations.

All information distributed to the Company's shareholders will be published on the Company's website at the latest at the same time as it is sent to shareholders..

14. TAKEOVERS

In the event the Company becomes the subject of a takeover bid, the Board of Directors shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board of Directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

There are no defence mechanisms against takeover bids in the Company's Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The Board of Directors has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterized by concrete and one-off situations which make a guideline challenging to prepare. In the event a takeover were to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

15. AUDITOR

The Board of Directors will require the Company's auditor to annually present to the audit committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement, as well as the main features of the plan for the audit of the Company.

Furthermore, the Board of Directors will require the auditor to participate in meetings of the Board of Directors that deal with the annual accounts at least one board meeting with the auditor shall be held each year in which no member of the executive management is present.

The Board of Directors' audit committee shall review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represents a threat to the independence of the auditor.

The remuneration to the auditor for statutory audit will be approved by the ordinary general meeting. The Board of Directors should report to the general meeting on details of fees for audit work and any fees for other specific assignments.

Corporate Social Responsibility Policy

1. INTRODUCTION

Norwegian Energy Company ASA (the "Company" and including its subsidiaries, the "Group") defines corporate social responsibility ("CSR") as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for people, the environment and society.

The Group shall respect human and labour rights, establish good HSE (health, safety and the environment) standards, facilitate good dialogue with stakeholders and generally operate in accordance with applicable regulatory frameworks and good business practice.

At the core of the Company's CSR policy is the group's five corporate values: collaborative, responsible, ambitious, vigorous and entrepreneurial. The values define who we are, how we act and what employees of the Company and Group stand for.

Each Group company has an independent responsibility for exercising corporate social responsibility in accordance with the Group's principles, but is free to design its own additional activities and instruments. In addition, each Group company has developed, adopted and is operating according to a Compliance Manual that provides detailed information and a series of policies regarding the professional and ethical standards and compliance requirements of all Group companies.

2. PURPOSE

The purpose of this policy is to define clear areas of focus for the Company's approach to CSR and clarify the responsibilities and expectations with regard to the Company's stakeholders.

3. MAIN CSR PRINCIPLES

The Company has identified seven main CSR topics. The Group's general approach to these topics is described below. Continuous improvement is emphasized, and priority shall be given to areas where the need for improvement and the potential for making an impact are greatest.

3.1. Professional and ethical standards

It is the Group's policy to maintain the highest level of professional and ethical standards in the conduct of its business affairs. The Group places the highest importance upon its reputation for honesty, integrity and high ethical standards. These standards can only be attained and maintained through the actions and conduct of all personnel in the Group. It is the obligation of the Group's employees to conduct themselves in a manner to ensure the maintenance of these standards. Such actions and conduct will be important factors in evaluating an employee's judgment and competence, and an important element in the evaluation of an employee for promotion. Correspondingly, insensitivity to or disregard for the principles of the Group's professional and ethical standards will be grounds for appropriate disciplinary actions.

The Group's ethical and professional standard are further detailed in the Group's compliance manuals.

3.2. Compliance with local culture and regulations

In promoting the Group's principles for good business operations, we shall always respect local values and norms, and achieve success by bridging the divide between different cultures. Group companies shall always comply with local regulatory requirements in the countries in which we operate.

3.3. Respect for human and labour rights

Group companies are committed to respecting fundamental human and labour rights, both in our own operations and in our relations with business partners. Our employees shall be treated with respect and given orderly working conditions. The Group companies shall work continuously with issues such as non-discrimination, the right to privacy, the right to collective bargaining, employment contracts and protection against harassment. Forced labour, child labour and all forms of discrimination are strictly forbidden.

3.4. Equal opportunities

It is the Group's position that equal treatment of all employees is applied, and that different treatment or discrimination based on a person's gender, race, colour, national origin, age, religion, sexual orientation or any other characteristic protected by applicable law is unacceptable. Furthermore, the Group is committed to equal opportunity for all qualified employees and job applicants. All employment decisions (such as hiring, discipline, terminations, promotions and job assignments) are to be based on the Group's needs and an employee's performance and potential. At the end of 2021 the Group had 26 employees. 38 % of the employees were women.

At the end of 2021 the Company's board of directors consisted of three women and four men, all elected by shareholders, hence more than 40 % of the board members were women.

3.5. Anti-corruption and bribery

The Group has zero tolerance regarding corruption and bribery. Corruption undermines all sorts of business activities and free competition, and it is prohibited by law in all the countries in which we operate. Corruption is destructive for the countries involved and would erode our reputation, exposing the Group and the individual employee to considerable risk.

The Company expects that local management of each Group subsidiary promotes a strong anti-corruption culture. Each company shall make active efforts to prevent undesirable conduct and ensure that their employees are capable of dealing with difficult situations.

3.6. Health, safety and the working environment

A healthy work environment contributes to a better health, greater engagement and increased job satisfaction. The goal is to create a safe and healthy work environment that contributes to motivated and committed employees, which ultimately is important for the Group's continued success. This requires continuous effort and is a natural part of the Group's daily operations. The Group has no records of work-related accidents or injuries of its employees in 2021.

During 2021, Noreco was, through its ownership in the DUC in which TotalEnergies is the operator, involved in production of oil and gas on the Danish Continental Shelf.
The Danish Offshore Safety Act is the legal framework for promotion of a high level for health and safety offshore and for creating a framework enabling the companies to solve offshore health and safety issues themselves. The Danish Offshore Safety Act generally applies to all offshore activities related to hydrocarbon facilities, infrastructure and pipelines connected hereto.
Licensees under the Danish Subsoil Act are required to identify, assess and reduce health and safety risks as much as reasonably practicable, as well as be compliant with the ALARP (As Low As Reasonably Practicable) principle. Furthermore, the licensee shall ensure that operators are able to fulfil the safety and health obligations pursuant to the Danish Offshore Safety Act.

3.7. Environmental issues

The Group's business in the oil and gas market has an environmental impact. All phases of the oil business present environmental risks and hazards and are subject to strict environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. All activities are subject to the receipt of necessary approvals or licences. The Group aims to protect the environment to the greatest extent possible, both in its own operations, and through the Group's partnership in the DUC. In 2021 Noreco further enhanced its work towards identifying tangible solutions that will improve the long-term position of oil and gas as a key part of the global energy mix. Through cooperation with external experts and development of internal specialised competencies, the Company aims to develop sustainable solutions that will reduce greenhouse gas emissions on the Danish Continental Shelf. For further information on the Company's environmental approach, please see the Sustainability section of the Annual Report.

4. WHISTLEBLOWING

It is important that someone who discovers wrongdoing and non-compliance with the Company's CSR policy and other policies is able to report it without risk of retaliation or discrimination. The Company established a Whistleblowing Procedure in 2019 which purpose is to encourage everyone to raise concerns about matters occurring within or related to the Group so that the problem can be resolved promptly and efficiently using internal company resources, rather than overlooking a problem or seeking a resolution of the problem outside the Company which may delay the elimination of the problem and cause harm to the Group and its employees.The Whistleblowing Procedure applies to all officers, directors and employees of the Company, whether temporary or permanent, full-time or part-time, and regardless of their location.

Anyone doing business for or on the Company's behalf, including the Company's advisors, agents, consultants, contractors, distributors, lawyers, partners, sales representatives, suppliers and other third parties with whom the Company enters into a joint venture, partnership, investment, teaming arrangement or other business combination must comply with the Group's Whistleblowing Policy. Further details of the Whistleblowing Policy can be found in the Group's compliance manuals.

5. ROLES AND RESPONSIBILITIES

The Group's CSR policy is adopted by the Company's board of directors and shall be evaluated at least every second year.

The managing director of the Company is responsible for ensuring the follow up of and compliance with the content of the policy.

All Group subsidiaries are responsible for the day-to-day practice of this policy.

The Company's Corporate Social Responsibility Policy can be found on The Company's web site, www.noreco.com/csr

NORWEGIAN ENERGY COMPANY ASA (PARENT COMPANY)

Statutory Accounts 2021

Income Statement for Norwegian Energy Company ASA (Parent company) for the year ended 31 December

USD million	Note	2021	2020
Revenue	2, 14	2	2
Total revenues		**2**	**2**
Personnel expenses	10, 14	(4)	(7)
Other operating expenses	13, 14	(3)	(4)
Total operating expenses		**(7)**	**(11)**
Operating result before depreciation and write-downs (EBITDA)		**(5)**	**(9)**
Depreciation		(0)	(0)
Net operating result (EBIT)		**(5)**	**(9)**
Interests received from group companies		16	11
Interest income		0	1
Foreign exchange gains		0	11
Other financial income		-	0
Total financial income		**16**	**22**
Interest expense from bond loans		(33)	(31)
Interest expenses current liabilities		(0)	(0)
Interest expenses to group companies		(0)	(1)
Foreign exchange losses		(8)	(3)
Impairment of financial assets	11	(1)	(1)
Other financial expenses		(0)	(1)
Total financial expenses		**(41)**	**(37)**
Net financial items		**(25)**	**(14)**
Result before tax (EBT)		**(30)**	**(24)**
Tax	12	-	-
Net result for the year		**(30)**	**(24)**
Appropriation:			
Allocated to/(from) other equity		(30)	(24)
Total appropriation		**(30)**	**(24)**

Balance sheet for Norwegian Energy Company ASA (Parent company) for the year ended 31 December

USD million	Note	31.12.21	31.12.20
ASSETS			
Non-current assets			
Financial non-current assets			
Investment in subsidiaries	3	393	393
Loan to group companies	11	300	156
Restricted cash	4	65	71
Total non-current assets		**758**	**620**
Current assets			
Receivables			
Trade receivables		0	0
Receivables from group companies		-	20
Other current receivables		0	0
Total current receivables		**0**	**20**
Financial current assets			
Bank deposits, cash and cash equivalents		18	183
Total financial current assets		**18**	**183**
Total current assets		**18**	**203**
Total assets		**776**	**822**
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital		30	30
Share premium fund		707	707
Treasury share reserve		(0)	(0)
Total paid-in capital		**736**	**736**
Retained earnings			
Other equity		(315)	(286)
Total retained earnings		**(315)**	**(286)**
Total equity	**7, 8**	**421**	**450**
Non-current Liabilities			
Convertible bond loan	5	189	174
Bond loan	5	165	169
Loan from group companies		-	26
Total non-current liabilities		**354**	**369**
Current liabilities			
Trade payables		0	0
Other current liabilities		1	3
Total current liabilities		**1**	**3**
Total liabilities		**355**	**372**
Total equity and liabilities		**776**	**822**

Balance sheet for Norwegian Energy Company ASA (Parent company) for the year ended 31 December

Oslo
11 April 2022

Riulf Rustad Executive Chair	**Tone Kristin Omsted** Board Member	**Marianne Lie** Board Member	**Colette Cohen** Board Member
Robert J. McGuire Board Member	**Jan Lernout** Board Member	**Peter Coleman** Board Member	**Euan Shirlaw** Acting Managing Director

Cash Flow for Norwegian Energy Company ASA
(Parent company) for the year ended 31 December

USD million	Note	2021	2020
Net result for the period		(30)	(24)
Adjustments for:			
Depreciation		0	0
Write-down	11	1	1
Share-based payments expenses	7	0	2
Net financial cost/(income)		24	14
Changes in:			
Trade receivable		0	(1)
Trade payables		(0)	0
Other current balance sheet items		(6)	0
Net cash flow from operations		**(11)**	**(8)**
Cash flows from investing activities			
Loans to group companies		(133)	(11)
Investment in furniture, equipment and machinery	3	(0)	-
Net cash flow from investing activities		**(133)**	**(11)**
Cash flows from financing activities			
Share buyback	7	-	(10)
Transaction cost related to financing		(5)	(0)
Transaction cost related to equity issue	7	-	(0)
Interest paid		(16)	(16)
Net cash flow from (used) in financing activities		(21)	(27)
Net change in cash and cash equivalents		(165)	(46)
Cash and cash equivalents at the beginning of the period		183	228
Cash and cash equivalents at end of the year		18	183

Notes

1 ACCOUNTING PRINCIPLES

Norwegian Energy Company ASA is a public limited liability company registered in Norway, with headquarters in Oslo (Nedre Vollgate 1, 0158 Oslo).

The annual accounts for Norwegian Energy Company ASA (“Noreco” or the "Company”) have been prepared in compliance with the Norwegian Accounting Act (“Accounting Act”) and accounting principles generally accepted in Norway (“NGAAP”) as of 31 December 2021.

The Company is listed on the Oslo Stock Exchange under the ticker “NOR”. The financial statements for 2021 were approved by the board of directors on 11 April 2022.

Going concern

The board of directors confirm that the financial statements have been prepared under the presumption of going concern, and that this is the basis for the preparation of these financial statements. The financial solidity and the company’s working capital and cash position are considered satisfactory in regards of the planned activity level for the next twelve months.

Basis of preparation

The financial statements are prepared on the historical cost basis. The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the company’s accounting principles also require management to apply judgment. Areas, which to a great extent contain such judgments, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenues

Income from sale of services is recognised at fair value of the consideration, net after deduction of VAT. Services are recognised in proportion to the work performed.

Classification of balance sheet items

Assets intended for long term ownership or use have been classified as fixed assets. Receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year’s instalment on non-current liabilities and non-current receivables are classified as current liabilities and assets. For interest bearing debt where the company is required to be in compliance with financial covenants, the loans are classified as current liabilities if Noreco is in breach with the covenants to that extent that the loan would be payable on the demand of the creditor. If a waiver is agreed with the creditor prior to approval of these financial statements, the classification is carried forward in accordance with the payment schedule of the initial borrowing agreement.

Investments in subsidiaries

For investments in subsidiaries, the cost method is applied. The cost price is increased when funds are added through capital increases or when group contributions are made to subsidiaries. Dividends received are initially taken as income. Dividends exceeding the portion of retained profit after the acquisition are reflected as a reduction in cost price.

Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost of disposal and the recoverable amount.
Previous impairment charges are reversed in later periods if the conditions causing the write-down are no longer present.

Debtors

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debt provision is made on basis of an individual assessment of each debtor. Significant financial problems at the customers, the likelihood that the customer will become bankrupt or experience financial restructuring and postponements and insufficient payments, are considered indicators that the debtors should be written down.

Other debtors, both current and non-current, are recognised at the lower of nominal and net realisable value. Net realisable value is the present value of estimated future payments. When the effect of a write-down is insignificant for accounting purposes this is, however, not carried out. Provisions for bad debts are valued the same way as for trade debtors.

Foreign currencies

The functional currency and the presentation currency of the company is US dollars (USD).

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as other financial income and other financial expenses.

Bonds and other debt to financial institutions

Interest-bearing loans and borrowings are initially recognised at fair value, net of transaction costs incurred. The subsequent measurement is measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised either in interest income and other financial items or in interest and other finance expenses within Net financial items. Financial liabilities are presented as current if the liabilities are due to be settled within 12 months after the balance sheet date, or if they are held for the purpose of being traded.

Other liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax in the income statement includes payable taxes for the period, refundable tax and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carry forward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Net deferred tax assets are not recognized due to uncertainty about future taxable profits

Tax reduction on group contributions given and tax on group contribution received, recorded as a reduction of cost price or taken directly to equity, are recorded directly against tax in the balance sheet (offset against payable taxes if the group contribution has affected payable taxes, and offset against deferred taxes if the group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other current investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:
Fair value:
• Including any market performance conditions
• Excludes the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period (which is the period over which all of the specified vesting conditions are to be satisfied). At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

2 REVENUE

USD million	2021	2020
Management fee subsidiaries	2	2
Total Revenue	**2**	**2**

3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are booked according to the cost method.

USD million Subsidiaries	Location	Ownership/ voting right	Equity 31 December	Net Loss	Book value
Altinex AS	Oslo	100%	224	(43)	393
Norwegian Energy Company UK Ltd	Great Britain	100%	(1)	(0)	-
Djerv Energi AS	Oslo	100%	0	(0)	-
Book value 31.12.21					**393**

The impairment test as of 31.12.2021 justifies the overall value of Altinex and its subsidiaries. The intercompany receivables to the UK investment are impaired to zero.

4 RESTRICTED BANK DEPOSITS

USD million	2021	2020
Restricted cash pledged as security for abandonment obligation related to Nini/ Cecilie[1)]	65	71
Total restricted bank deposits	**65**	**71**

[1)] In connection to the asset retirement obligation of USD 65 million (DKK 432 million) in the subsidiary Noreco Oil Denmark.

5 BORROWINGS

5.1 SUMMARY OF BORROWINGS

USD million Non-Current Debt	2021	2020
NOR 13 Convertible Bond	189	174
NOR 14 Senior Unsecured Bond	165	169
Total non-current debt	**354**	**343**
Total borrowings	**354**	**343**

Details on borrowings outstanding on 31 December 2021

NOR13
In July 2019, Noreco issued a subordinated convertible bond loan of USD 158 million with a tenor of eight years. In the first five years after issue of this instrument, the lender has been granted a right to convert the loan into new shares in the Company at a conversion price of NOK 240 per share. At the end of this five-year period, if the lenders have not exercised their conversion option, the loan has a mandatory conversion to equity based on the volume weighted average share price of Noreco in the 20 days prior to the execution of this mandatory conversion. NOR13 carries an interest of 8,0% p.a. on a PIK basis, with an alternative option to pay cash interest at 6,0% p.a., payable semi-annually. Should the instrument be in place beyond the five-year conversion period, the interest rate on NOR13 will be reduced to 0,0 percent for the remaining term of the loan.

NOR14
In December 2019 the Company issued a senior unsecured bond of USD 175 million. The proceeds are utilised for general corporate purposes and the bond carries an interest of 9,0% p.a., payable semi-annually, with a six and a half-year tenor.

5.2 Covenants

NOR14
In July 2021, Noreco's written resolution regarding the addition of further headroom under the Leverage Ratio covenant through to the end of 2023 was resolved and approved by the Company's NOR14 bondholders. Based on this written resolution, the maximum Leverage Ratio has been amended to 7.0x (from 5.0x) during the Tyra Redevelopment Period ending Q2 2023, 6.0x (from 3.0x) during Q3 2023 and 5.0x (from 3.0x) during Q4 2023. From Q1 2024 onwards, the maximum Leverage Ratio will revert to 3.0x per the original bond terms. In addition to the change in maximum permitted leverage, Noreco's minimum liquidity threshold has increased to USD 75 million until the end of 2023 (from USD 50 million until end Q2 2023 and USD 25 million during Q3 and Q4 2023)

5.3 Payment Structure

Principle	NOR14	Total
2026	168	168
Total	**168**	**168**

Interest	NOR13	NOR14	Total
Interest rate	**-**	**9.00%**	
2022	-	16	16
2023	-	16	16
2024	-	16	16
2025	-	16	16
2026	-	8	8
Total	**-**	**71**	**71**

5.4 Pledged Assets

Pledged assets relate to the carrying value of the pledged shares under the reserve-based lending facility entered into by the wholly-owned subsidiary Altinex AS, please see note 22 in the Consolidated Financial Statement.

6 GUARANTEES

OVERVIEW OF ISSUED GUARANTEES ON 31 DECEMBER 2021.

The parent company of the Group, Norwegian Energy Company ASA ("Noreco") has issued a parent company guarantee on behalf of its subsidiary Norwegian Energy Company UK Ltd and Noreco Oil (UK) Limited. Noreco guarantees that, if any sums become payable by Norwegian Energy Company UK Ltd or by Noreco Oil (UK) Limited to the UK Secretary of State under the terms of the license and the company does not repay those sums on first demand, Noreco shall pay to the UK Secretary of State on demand an amount equal to all such sums. Department for Business, Energy & Industrial Strategy, declined at this time to withdraw Noreco Oil (UK)'s §29 notice with respect to the Huntington platform and pipeline. Under the forfeiture agreement between Harbour Energy plc (previously Premier) and Noreco, Harbour Energy plc assumes the risk. While this contingent liability to the Secretary of State would need to be recognised in any future sale of the company, Noreco Oil (UK) Limited does have recourse against Harbour Energy plc if it defaults in its performance.

On 6 December 2007, Noreco issued a parent company guarantee to the Danish Ministry of Climate, Energy and Building on behalf of its subsidiary Noreco Oil Denmark A/S and Noreco Petroleum Denmark A/S.

On 31 December 2012, Noreco issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. Noreco guarantees that, if any sums become payable by Noreco Norway AS to the Norwegian Secretary of State under the terms of the licenses and the company does not repay those sums on first demand, Noreco shall pay to the Norwegian Secretary of State on demand an amount equal to all such sums. Noreco Norway AS was liquidated in 2018, however as per 31 December 2021 the guarantee has not been withdrawn.

In connection with completion of the acquisition of Shell Olie- og Gasudvinding Denmark B.V. in 2019, Noreco issued a parent company guarantee to the Danish state on behalf of the two acquired companies for obligations in respect of license 8/06, area B and the Tyra West – F3 gas pipeline. In addition, Noreco issued a parent company guarantee towards the lenders under the Reserve Based Lending Facility Agreement, to Total E&P Danmark A/S for its obligations under the DUC JOA and to Shell Energy Europe Limited related to a gas sales and purchase agreement (capped at EUR 30 million).

7 SHAREHOLDERS' EQUITY

Changes in equity All figures in USD million	Share capital	Share premium	Treasury reserve	Other equity	Total
Equity 31 December 2020	30	707	(0)	(286)	450
Share-based incentive program	-	-	-	0	0
Net result for the period	-	-	-	(30)	(30)
Equity 31 December 2021	**30**	**707**	**(0)**	**(315)**	**421**

8 SHARE CAPITAL AND SHAREHOLDER INFORMATION

	2021	2020
Ordinary shares	24,549,013	24,549,013
Treasury shares	(438,161)	(438,161)
Total shares	**24,110,852**	**24,110,852**
Par value in NOK	10	10

Noreco owns 438.161 of its own shares. All shares have equal rights. All shares are fully paid.

CHANGES IN NUMBER OF SHARES AND SHARE CAPITAL:

	No. of shares	Share capital*
Share capital as of 31 December 2020	**24,549,013**	**30**
Share capital as of 31 December 2021	**24,549,013**	**30**

	No. of shares	Treasury share reserve*
Treasury shares as of 1 January 2020	-	-
Purchase of Treasury shares	(438,161)	(0)
Treasury shares as of 31 December 2020	**(438,161)**	**(0)**
Treasury shares as of 31 December 2021	**(438,161)**	**(0)**

*In USD million.

CHANGES IN 2020

The company bought back 438.161 of its own shares, of which 299.925 shares was bought as part of a reverse book building process and 138.236 shares was bought in the market. The buyback program was executed in accordance with the authorization given by the Noreco's general meeting on 28 June 2018, which was valid until 28 June 2020. After the completion of the buyback program, Noreco owns 438.161 of its own shares, approximately 1,78 percent.

OVERVIEW OF SHAREHOLDERS AT 31 MARCH 2022:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,967,295	28.38%	28.38%
Goldman Sachs International	5,676,572	23.12%	23.12%
BNP Paribas	1,439,352	5.86%	5.86%
The Bank of New York Mellon SA/NV	993,841	4.05%	4.05%
Barclays Bank PLC	807,575	3.29%	3.29%
Bank of America, N.A.	774,408	3.15%	3.15%
SOBER AS	654,320	2.67%	2.67%
J.P. Morgan Securities LLC	588,513	2.40%	2.40%
UBS Switzerland AG	495,649	2.02%	2.02%
J.P. Morgan Securities LLC	480,340	1.96%	1.96%
State Street Bank and Trust Comp	292,004	1.19%	1.19%
NORWEGIAN ENERGY COMPANY ASA	251,495	1.02%	1.02%
DnB NOR Bank ASA	247,216	1.01%	1.01%
The Bank of New York Mellon SA/NV	240,979	0.98%	0.98%
Morgan Stanley & Co. Int. Plc.	237,292	0.97%	0.97%
Goldman Sachs & Co. LLC	229,981	0.94%	0.94%
VELDE HOLDING AS	200,000	0.81%	0.81%
J.P. Morgan Securities PLC	162,325	0.66%	0.66%
OUSDAL AS	146,975	0.60%	0.60%
FINSNES INVEST AS	119,279	0.49%	0.49%
Total	**21,005,411**	**85.6 %**	**85.6 %**
Other owners (ownership <0,42%)	3,543,602	14.43%	14.43%
Total number of shares at 31 March 2021	**24,549,013**	**100%**	**100%**

*Nominee holder

9 SHARE-BASED COMPENSATION

Fair value of the options is calculated using the Black-Scholes-Merton option pricing model. Inputs to the model includes grant date, exercise price, expected exercise date, volatility and risk-free rate.

Outstanding share options	
Total share options outstanding as at 1 January 2020	956,954
Share options granted in 2020	420,000
Amendment to option program	(323,086)
Share options relinquished in 2020	(70,000)
Outstanding at 31 December 2020	**983,868**
Share options relinquished in 2021	(235,000)
Outstanding at 31 December 2021	**748,868**

For more details related to share-based payment, please see the Executive Remuneration Report 2021.

10 PAYROLL EXPENSES AND REMUNERATION

USD million	2021	2020
Salaries (incl. directors' fees)	(3)	(4)
Social security tax	(0)	(1)
Pension costs[1)]	(0)	(0)
Costs relating to share based payments	(0)	(2)
Other personnel expenses	(0)	(0)
Total personnel expenses	**(4)**	**(7)**
Average number of employees	**6.7**	**9.8**

[1)] Norwegian Companies are obliged to have occupational pension in accordance with the Norwegian act related to mandatory occupational pension. Noreco ASA meet the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). The pension costs amount to USD 0,1 million in 2021, compared to USD 0,2 million in 2020.

For further information on remuneration to key management personnel and board of directors, please see note 7 in the Consolidated Financial Statement.

11 WRITE DOWN OF FINANCIAL ASSETS

USD million	2021	2020
Net write-down loans to subsidiaries	(1)	(1)
Total write-down of financial assets	**(1)**	**(1)**

Write-down of loans to subsidiaries in 2021 and 2020 consists of impairment of loans to Noreco Oil (UK) Ltd. and Norwegian Energy Company UK Ltd.

12 TAX

Reconciliation of nominal to actual tax rate:

USD million	2021	2020
Result before tax	**(30)**	**(24)**
Corporation income tax of income (loss) before tax -22%	(7)	(5)
Sum calculated tax expense	**(7)**	**(5)**
Permanent differences	0	(0)
Changes in deferred tax assets - not recognised	6	5
Prior year adjustments	-	-
Income tax expense	**(1)**	**(0)**

Deferred tax liability and deferred tax assets:

USD million	2021	2020
Net operating loss deductible	106	90
Interest limitation carried forward	36	20
Fixed assets	(0)	(0)
Current assets	9	17
Liabilities	(22)	(22)
Tax base deferred tax liability / deferred tax asset	**130**	**105**
Net deferred tax liability / (deferred tax asset) (22%)	**(28)**	**(24)**
Unrecognised deferred tax asset	28	24

13 OTHER OPERATING EXPENSES AND AUDIT FEES

USD million	2021	2020
Lease expenses	(0)	(1)
IT expenses	(1)	(0)
Travel expenses	(0)	(0)
General and administrative costs	(0)	(0)
Consultant fees	(2)	(2)
Other operating expenses	(0)	(0)
Total other operating expenses	**(3)**	**(4)**

Expensed audit fee:

USD 1000, excl.VAT	2021	2020
Audit	(204)	(318)
Other assurance services	-	-
Total audit fees	**(204)**	**(318)**

14 RELATED PARTY TRANSACTIONS

Transactions with related party USD million	2021	2020
a) Allocation of cost to group companies	3	2
b) Purchases of services	0	0
c) Sale of assets	-	-

Interest income and interest expenses to group companies are presented separately in the income statement.

Services are charged between group companies at an hourly rate which corresponds to similar rates between independent parties. Allocation of IT and management fee to group companies amounts to USD 3 million for 2021.

Purchase of services includes consultancy cost from S&U Trading ApS (owned by former Board Member Lars Purlund) of USD 0,1 million 2021.

BALANCES WITH GROUP COMPANIES

Carrying value of balances with group companies are stated on the face of the balance sheet and are all related to 100 percent controlled subsidiaries.

Noreco did not have any other transactions with any other related parties during 2021. Please see the Executive Remuneration Report 2021 for director's fee paid to shareholders and remuneration to management.

Consolidated Statements

Consolidated Statement of Comprehensive Income

INCOME STATEMENT USD million	Note	2021	2020
Revenue	4	565	566
Total revenues		**565**	**566**
Production expenses	5	(293)	(295)
Exploration and evaluation expenses	6	(1)	(2)
Personnel expenses	7	(11)	(12)
Other operating expenses	8	(11)	(8)
Total operating expenses		**(316)**	**(316)**
Operating result (EBITDA)		**250**	**250**
Depreciation / amortisation	10	(112)	(193)
Net operating result (EBIT)		**137**	**57**
Financial income	12	28	103
Financial expenses	12	(160)	(177)
Net financial items		**(132)**	**(75)**
Result before tax (EBT)		**5**	**(18)**
Income tax benefit / (expense)	13	(58)	35
Net result for the year		**(53)**	**17**
Basic earnings/loss USD per share	14	(2)	1
Diluted earnings/loss USD per share	14	(2)	0

STATEMENT OF COMPREHENSIVE INCOME USD million	Note	2021	2020
Net result for the year		(53)	17
Other comprehensive income (net of tax):			
Items that may be subsequently reclassified to profit or loss:			
Realized cash flow hedge		135	(29)
Related tax - realized cash flow hedge		(86)	18
Changes in fair value		(372)	108
Related tax - changes in fair value		242	(69)
Currency translation adjustment		(3)	3
Total other comprehensive income for the year (net of tax)		**(85)**	**32**
Total comprehensive income for the year (net of tax)		**(138)**	**49**

Consolidated Statement of Financial Position as of 31 December

All figures in USD million	Note	31.12.2021	31.12.2020
Non-current assets			
Licence and capitalised exploration expenditures	9	166	175
Deferred tax assets	13	526	432
Property, plant and equipment	10	1,899	1,704
Right of Use asset		1	1
Restricted cash	17, 18	205	196
Derivative instruments	18	10	26
Total non-current assets		**2,807**	**2,533**
Current assets			
Derivative instruments	18	-	34
Contingent consideration - volume protection	15	-	15
Trade receivables and other current assets	15	109	81
Inventories	16	51	40
Bank deposits, cash and cash equivalents	17	123	259
Total current assets		**283**	**429**
Total assets		**3,090**	**2,962**
Equity			
Share capital	19	30	30
Other equity		463	600
Total equity		**492**	**630**
Non-current liabilities			
Asset retirement obligations	21	1,003	927
Convertible bond loan	22, 18	157	131
Bond loan	22, 18	165	169
Reserve based lending facility	22, 18	857	719
Derivative instruments	18	101	20
Other non-current liabilities	22	25	26
Total non-current liabilities		**2,309**	**1,991**
Current liabilities			
Asset retirement obligations	21	26	24
Tax payable	13	16	27
Derivative instruments	18	116	5
Trade payables and other current liabilities	23	130	286
Total current liabilities		**289**	**341**
Total liabilities		**2,598**	**2,332**
Total equity and liabilities		**3,090**	**2,962**

Consolidated Statement of Financial Position as of 31 December

Oslo
11 April 2022

Riulf Rustad Executive Chair	**Tone Kristin Omsted** Board Member	**Marianne Lie** Board Member	**Colette Cohen** Board Member
Robert J. McGuire Board Member	**Jan Lernout** Board Member	**Peter Coleman** Board Member	**Euan Shirlaw** Acting Managing Director

Consolidated Statement of Changes in Equity

All figures in USD million	Share capital	Share premium fund	Treasury share reserve	Currency translation fund	Cash flow hedge reserve	Other equity	Total equity
2020							
Equity on 01.01.2020 restated	**30**	**707**	**-**	**(2)**	**(14)**	**(131)**	**589**
Adjustment of prior year				4		(4)	-
Net result for the period						17	17
Other comprehensive income							
Realized cash flow hedge	-	-	-	-	(29)	-	(29)
Related tax - realized cash flow hedge	-	-	-	-	18	-	18
Changes in fair value	-	-	-	-	108	-	108
Related tax - changes in fair value	-	-	-	-	(69)	-	(69)
Currency translation adjustments	-	-	-	3	-	-	3
Total other comprehensive income	**-**	**-**	**-**	**3**	**29**	**-**	**32**
Share-based incentive program	-	-	-	-	-	2	2
Share buyback	-	-	(0)	-	-	(10)	(10)
Total transactions with owners for the period	**-**	**-**	**(0)**	**-**	**-**	**(8)**	**(8)**
Equity as of 31.12.2020	**30**	**707**	**(0)**	**6**	**14**	**(126)**	**630**
2021							
Equity as of 01.01.2021	**30**	**707**	**(0)**	**6**	**14**	**(126)**	**630**
Net result for the period						(53)	(53)
Other comprehensive income							
Realized cash flow hedge	-	-	-	-	135	-	135
Related tax - realized cash flow hedge	-	-	-	-	(86)	-	(86)
Changes in fair value	-	-	-	-	(372)	-	(372)
Related tax - changes in fair value	-	-	-	-	242	-	242
Currency translation adjustments	-	-	-	(3)	-	-	(3)
Total other comprehensive income	**-**	**-**	**-**	**(3)**	**(82)**	**-**	**(85)**
Share-based incentive program	-	-	-	-	-	0	0
Total transactions with owners for the period	**-**	**-**	**-**	**-**	**-**	**0**	**0**
Equity as of 31.12.2021	**30**	**707**	**(0)**	**3**	**(67)**	**(179)**	**492**

Consolidated Statement of Cash Flows
for the year ended 31 December

All figures in USD million	Note	2021	2020
Cash flows from operating activities			
Net result for the year		(53)	17
Adjustments for:			
Income tax benefit / (expense)	13	58	(35)
Tax Paid		(10)	-
Depreciation	10	112	193
Share-based payments expenses		0	2
Net financial items	12	138	75
Changes in:			
Trade receivable	15	(29)	3
Trade payables[1)]	23	(142)	79
Inventories and spare parts	16	(12)	5
Prepayments	15	3	8
Over/under-lift	15	(14)	0
Other current balance sheet items		(0)	0
Net cash flow from operating activities		**50**	**348**
Cash flows from investing activities			
Post completion payment		-	(2)
Volume guarantee	15	15	102
Tax Paid[2)]		2	(72)
Investment in oil and gas assets	10	(228)	(236)
Investment in exploration licenses	6	0	(2)
Abandonment paid[3)]		(21)	(74)
Changes in restricted cash accounts	17	(15)	(75)
Net cash flow from investing activities		**(246)**	**(359)**
Cash flows from financing activities			
Drawdown long-term loans	22	149	6
Lease payments		(1)	(1)
Share buyback		-	(10)
Transaction costs related to financing		(27)	(1)
Transaction costs related to equity issue		-	(0)
Interest paid		(54)	(56)
Settled hedges		(2)	52
Other financial items		(5)	(6)
Net cash flow from financing activities		**60**	**(15)**
Net change in cash and cash equivalents		(137)	(26)
Cash and cash equivalents at the beginning of the year		259	286
Cash and cash equivalents at end of the year		**123**	**259**

1) 2021 reflects the payment of the VAT liability related to 2020 of USD 156 million. The payment date was delayed to Q1 2021 by the Danish government as a response to the impact of COVID-19 on the economy.
2) Tax paid which were attributable to the period before the acquisition of Shell Olie- og Gasudvinding Danmark B.V. on 31 July 2019 is classified as investing activities.
3) Abandonment spent reclassified from financing activities to investing activities.

Notes

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Norwegian Energy Company ASA ("Noreco", "the Company" or "the Group") is a public limited liability company registered in Norway, with headquarters in Oslo (Nedre Vollgate 1, 0158 Oslo). The Company has subsidiaries in Norway, Denmark, Netherlands and the United Kingdom. The Company is listed on the Oslo Stock Exchange.

The consolidated financial statements for 2021 were approved by the board of directors on 11 April 2022.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Group also provides the disclosure requirements as specified under the Norwegian Accounting Law (Regnskapsloven).

1.1 BASIS OF PREPARATION

The consolidated financial statements of Norwegian Energy Company ASA (Noreco ASA) have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations from the IFRS interpretation committee (IFRIC), as endorsed by the EU. The Group does also provide information which is obligated in accordance with the Norwegian Accounting Act and associated N-GAAP standards.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

In accordance with the Norwegian Accounting Act, section 3-3a, the board of directors confirms that the consolidated financial statements have been prepared under the assumption of going concern and that this is the basis for the preparation of the financial statements. The financial solidity and the company's working capital and cash position are considered satisfactory in regards of the planned activity level for the next twelve months.
The board of directors is of the opinion that the consolidated financial statements give a true and fair view of the Company's assets, debt, financial position and financial results. The board of directors are not aware of any factors that materially affect the assessment of the Company's position as of 31 December 2021, besides what is disclosed in the Director's report and the financial statements.

The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding.

1.1.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

No change in 2021.

Other amendments to standards
Other standards and amendments to standards, issued are either not expected to impact Noreco's Consolidated financial statements materially, or are not expected to be relevant to the Consolidated financial statements upon adoption.

1.2 CONSOLIDATION

Subsidiaries
Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

As of 31 December 2021, all consolidated subsidiaries are 100 percent controlled by the parent company, Norwegian Energy Company ASA or other group companies. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company does not differ from the proportion of ordinary shares held. The parent company does not have any shareholdings in the preference shares of subsidiary undertakings included in the group. All subsidiary undertakings are included in the consolidation.

The group had the following subsidiaries on 31 December 2021:

Name	Country of incorp and place of business	Nature of business	Ordinary shares directly held by parent (%)	Ordinary shares held by the group (%)
Noreco Denmark A/S	Denmark	Intermediate holding company		100%
Noreco Oil Denmark A/S	Denmark	Exploration and production activity		100%
Noreco Petroleum Denmark A/S	Denmark	Exploration and production activity		100%
Noreco Olie- og Gasudvinding Danmark B.V	Netherlands	Exploration and production activity		100%
Noreco DK Pipeline Aps	Denmark	Infrastructure oil and gas		100%
Norwegian Energy Company UK Ltd	Great Britain	Exploration activity	100%	100%
Noreco Oil (UK) Ltd	Great Britain	Exploration activity		100%
Altinex AS	Norway	Intermediate holding company	100%	100%
Djerv Energi AS	Norway	Dormant Company	100%	100%

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.
Acquisition-related costs are expensed as incurred, except if related to the issue of debt not at FVTPL or equity securities. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred or received by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. Inter-company transactions, balances, income and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Interest in jointly controlled assets

A jointly controlled asset is a contractual agreement between two or more parties regarding a financial activity under joint control. The Group has ownership in licences that are not separate legal companies. The company recognizes its share of the assets, liabilities, revenues and expenses of the joint operation in the respective line items in the Company's financial statements based on its ownership share.

1.3 SEGMENT REPORTING

The group's segments were established on the basis of the most appropriate distribution of resource and result measurement. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the managing director. The whole group is considered a single operating segment.

1.4 FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US dollars (USD), which is the group's presentation currency and the parent company and main operating companies functional currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses are recognised in the income statement as other financial income or other financial expenses.

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

I) assets and liabilities for each financial position presented are translated at the closing rate at the date of that statement of financial position;

II) income and expenses for each income statement are translated at the average monthly exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions)

III) All currency translation adjustments are recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation adjustments arising are recognised in other comprehensive income.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include production facilities, machinery and equipment. Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses. Cost includes purchase price or construction cost and any costs directly attributable to bringing the assets to a working condition for their intended use, including capitalised borrowing expenses incurred up until the time the asset is ready to be put into operation.
For property, plant and equipment where asset retirement obligations for decommissioning and dismantling are recognised as a liability, this value is added to acquisition cost for the respective assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated separately.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Expenses related to drilling and equipment for exploration wells where proven and probable reserves are discovered are capitalised and depreciated using the unit-of-production (UoP) method based on the proven and probable reserves expected to be produced from the well. Development cost related to construction, installation and completion of infrastructural facilities such as platforms, pipelines and drilling of production wells, are capitalised as producing oil and gas fields. They are depreciated using the unit-of-production method based on the proven and probable developed reserves expected to be recovered from the area for the economic lifetime of the field. For fields where the oil share of the reserves constitutes the most significant part of the value, the capitalised cost is depreciated based on produced barrels of oil. This generally gives a more systematic allocation of depreciation expenses over the useful life than using all produced oil equivalents. If realisation of the probable reserves demands further future investments, these are added to the basis of depreciation.

Acquired assets used for extraction and production of petroleum deposits, including licence rights, are depreciated using the unit-of-production method based on proven and probable reserves.

Historical cost price for other assets is depreciated over the estimated useful economic life of the asset, using the straight-line method.

The estimated useful lives are as follows:
- Office equipment and fixtures: 3-5 years

Depreciation methods, useful lives, residual values and reserves are reviewed at each reporting date and adjusted if appropriate.

1.6 INTANGIBLE ASSETS

Oil and gas exploration and development expenditures

The group applies the successful efforts method of accounting for oil and gas exploration expenditures. Expenditures to acquire interests in oil and gas properties and to drill and equip exploratory wells are capitalised as exploration expenditures within intangible assets until the well is complete and the results have been evaluated, or there is any other indicator of a potential impairment. Exploration wells that discover potentially economic quantities of oil and natural gas remain capitalised as intangible assets during the evaluation phase of the discovery. This evaluation is normally finalised within one year. If, following the evaluation, the exploratory well has not found potentially commercial quantities of hydrocarbons, the capitalised expenditures are evaluated for derecognition or tested for impairment. Geological and geophysical expenditures and other exploration and evaluation expenditures are expensed as incurred.
Capitalised exploration expenditures, including expenditures to acquire interests in oil and gas properties, related to wells that find proved reserves are transferred from exploration expenditures (intangible assets) to property, plant and equipment at the time of sanctioning of the development project.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets with definite lives are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised. Instead, the related expenditure is recognised in profit or loss in the period in which the expenditure is incurred. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the Consolidated Statement of Comprehensive income in the line-item Depreciation and Amortisation.

1.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

a) Unit of account

The Group applies each prospect, discovery, or field as unit of account for allocation of profit or loss and financial position items.

When performing impairment testing of licence and capitalised exploration expenditures and production facilities, each prospect, discovery, or field is tested separately as long as they are not defined to be part of a larger cash generating unit. Developed fields producing from the same offshore installation are treated as one joint cash generating unit. The size of a cash generating unit cannot be larger than an operational segment.

b) Impairment testing

Intangible assets with an indefinite useful life are not subject to amortisation and are tested annually for impairment. For Oil and gas exploration and development expenditures, see 2.6 above regarding assessment of impairment and derecognition. Property, plant and equipment subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment write-downs are assessed for potential impairment reversal at each reporting date as to whether there is an indication that an impairment loss may no longer exist or may have decreased.

1.8 FINANCIAL ASSETS

1.8.1 CLASSIFICATION

The Group classifies financial assets and financial liabilities according to IFRS 9 through the mixed measurement model with three primary measurement categories for financial assets: amortized cost, fair value through OCI and fair value through P&L. The classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading that are not measured at amortized cost or at fair value through other comprehensive income. IFRS 9 requires that for a financial liability designated as at fair value through profit or loss the effects of changes in the liability's credit risk shall be included in other comprehensive income instead of through profit and loss. Derivatives, including embedded derivatives are also recognised at fair value through profit or loss unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Financial assets and liabilities at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

-The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment testing. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

These assets are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

The Group's financial assets categorised as at amortised cost comprise trade and other receivables, contract assets, restricted cash and cash and cash equivalents in the statement of financial position (notes 2.11 and 2.12).

The group measures interest-bearing loans and borrowings (financial liabilities) at amortised cost using the effective interest method.

1.8.2 RECOGNITION AND MEASUREMENT

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss, are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Trade and other receivables are subsequently carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category is presented in the income statement within 'Financial items' in the period in which they arise.

1.9 IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments (financial assets) not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach in calculating ECLs for trade receivables and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

1.10 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group uses derivative financial instruments, such as forward commodity contracts and options, to reduce the exposure to commodity price volatility. The Group has elected to apply cash flow hedge accounting designating these derivatives. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and from the date of start of cash flow hedge accounting. These are subsequently remeasured at fair value and the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income (OCI), while any ineffective portion is recognised immediately in profit or loss (financial income or financial expenses). The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same periods during which the hedged cash flows affect profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Commodity contracts that were entered into and continue to be held for the purpose of the delivery of a non-financial item in accordance with the Group's expected sale requirements fall within the exception from IFRS 9, which is known as the 'normal purchase or sale exemption' or the 'own use' scope exception. For these contracts and the host part of the contracts containing embedded derivatives, they are accounted for as executory contracts. The Group recognises such contracts in its statement of financial position only when one of the parties meets its obligation under the contract to deliver either cash or a nonfinancial asset. The volume hedging agreement with Shell ended 31.12.2020 and is not relevant in 2021.

1.11 TRADE RECEIVABLES

Trade receivables are amounts due from customers for oil and gas sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as noncurrent assets.

Trade receivables are measured at amortized cost using the effective interest method, less provision for impairment.

1.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, bank deposits and short-term liquid placements, that immediately and with insignificant share price risk can be converted to known cash amounts and with a remaining maturity less than three months from the date of acquisition. In the consolidated statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

1.13 OVER/UNDER-LIFTING OF HYDROCARBONS

Over/under-lifting occurs when the Group has lifted and sold more or less hydrocarbons from a producing field than what the Group is entitled to at the time of lifting. Over-lifting of hydrocarbons is presented as other current liabilities, under-lifting of hydrocarbons is presented as other current assets. The value of under-lifting is measured at the lower of production expenses and the estimated sales value, less estimated sales costs and the value of over-lifting is measured at production expenses. Over-lifting and under-lifting of hydrocarbons are presented at gross value. Over/under-lift positions at the statement of financial position date, are expected to be settled within 12 months from the statement of the financial position date.

1.14 SHARE CAPITAL, TREASURY SHARE RESERVES AND SHARE PREMIUM

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or option shares are recognised as a deduction from equity, net of any tax effects. Treasury share reserves are recognised as a deduction on equity at nominal value, the difference between nominal value and purchase price is deducted from other equity.

1.15 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as noncurrent liabilities.

Trade payables are measured at fair value and subsequent measurements are considered trade payables at amortised cost when using effective interest rate.

1.16 BORROWINGS

Borrowings (financial liabilities) are classified as measured at amortised cost. Borrowings that are subsequently measured at amortised cost using the effective interest method are recognised initially at fair value, net of transaction costs incurred. For hybrid (combined) instrument that includes a non-derivative host contract that is not accounted for at FVTPL and an embedded derivative that is accounted for at FVTP such as the convertible bond the company has elected an accounting polity that all of the transaction costs are always allocated to and deducted from the carrying amount of the non-derivative host contract on initial recognition. The subsequent measurement depends on which category they have been classified into. The categories applicable for company are either financial liabilities measured at fair value through OCI or financial liabilities measured at amortised cost using the effective interest method. The convertible bond loan has been determined to contain embedded derivatives which is accounted for separately as a derivative at fair value through profit or loss, while the loan element is measured at amortized cost (note 3.1).

Borrowings are classified as non-current if contractual maturity is more than 12 months from the statement of financial position date. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. If the Group is in breach with any covenants on the statement of financial position date, and a waiver has not been approved before or on the statement of financial position date with 12 months duration or more after the statement of financial position date, the loan is classified as current even if expected maturity is longer than 12 months after the statement of financial position date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or when the contractual obligation expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income as a gain or loss under financial items. Transaction costs incurred during this process are treated as a cost of the settlement of the old debt and included in the gain or loss calculation.

1.17 BORROWING COSTS

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they incur.

1.18 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current tax, tax impact from refund of exploration expenses and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets, and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using nominal tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.
Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Producers of oil and gas on the Danish Continental Shelf are subject to the hydrocarbon tax regime under which, income derived from the sale of oil and gas is taxed at an elevated 64 %. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 %. The 64 % is calculated as the sum of the “Chapter 2” tax of 25% plus a specific hydrocarbon tax (chapter 3A) of 52%, in which the 25% tax payable is deductible. When calculating the 52% tax, the company is allowed to deduct an uplift (i.e. increased depreciation basis for tax purposes) of 30% of the investments in property, plant & Equipment’s (PP&E) over a period of 6 years. Through an agreement from 2017 license holders on Danish Continental Shelf have had the possibility of applying new rules whereby the company will have the possibility of increased uplift and accelerated depreciation during the period from 2017 to 2025. At the same time the companies utilizing the benefit are also liable for a windfall tax that will materialize from 2022 through 2037 with an oil price (indexed from 2017) above USD 75. The windfall tax cannot exceed the indexed benefit from the applied rules.

1.19 PENSIONS

The Group only has defined contribution plans as of 31 December 2021. For the defined contribution plan, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.20 SHARE-BASED PAYMENTS

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

Fair value:
- Including any market performance conditions
- Excludes the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period (which is the period over which all of the specified vesting conditions are to be satisfied).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

1.21 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) arising from a past event, and it is probable (more likely than not) that it will result in an outflow from the entity of resources embodying economic benefits, and that a reliable estimate can be made of the amount of the obligation.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.21.1 ASSET RETIREMENT OBLIGATIONS

Provisions reflect the estimated cost of decommissioning and removal of wells and production facilities used for the production of hydrocarbons. Asset retirement obligations are measured at net present value of the anticipated future cost (estimated based on current day costs inflated). The liability is calculated on the basis of current removal requirements and is discounted to present value using a risk-free rate adjusted for credit margin. Liabilities are recognised when they arise and are adjusted continually in accordance with changes in requirements, price levels etc. When a decommissioning liability is recognised or the estimate changes, a corresponding amount is recorded to increase or decrease the related asset and is depreciated in line with the asset. Increase in the provision as a result of the time value of money is recognised in the income statement as a financial expense. If abandonment cost through agreements with partners have been limited to a given amount, this then forms the basis for the recognized liability.

1.22 CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are defined as:
• Possible obligations that arise from past events, whose existence depends on uncertain future events.
• Present obligations which have not been recognised because it is not probable that they will result in a payment.
• The amount of the obligation cannot be measured with sufficient reliability.

Specific mention of material contingent liabilities is disclosed, with the exception of contingent liabilities where the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the financial statements but are disclosed if there is a certain probability that a benefit will accrue to the Group.

1.23 REVENUE RECOGNITION

Revenue is recognized when the customer obtains control of the hydrocarbons, which is ordinarily at the point of delivery (lifting and sales) when title passes (sales method).

Over/under lifting occurs when the Group has lifted and sold more or less hydrocarbons from a producing field than what the Group is entitled to at the time of lifting. See note 1.13 for description of accounting for over/under lifting of hydrocarbons in the statement of financial position.

1.24 PRODUCTION EXPENSES

Production expenses are expenses that are directly attached to production of hydrocarbons, e.g. expenses for operating and maintaining production facilities and installations. Expenses mainly consist of man-hours, insurance, processing costs, environmental fees, transport costs etc.

1.25 INTEREST INCOME

Interest income is recognised using the effective interest method.

1.26 CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows is prepared according to the indirect method. See note 2.12 for the definition of “Cash and cash equivalents”.

1.27 SUBSEQUENT EVENTS

Events that take place between the end of the reporting period and the date of issuance of the quarterly or annual accounts, will be considered if the event is of such a nature that it gives new information about items that were present on the statement of financial position date.

2 FINANCIAL RISK MANAGEMENT

2.1 FINANCIAL RISK FACTORS

The group's activities expose it to financial risks: market risk (including currency risk, price risk, interest rate risk), credit risk and liquidity risk. The Group uses bond loans to finance its operations in connection with the day-to-day business, financial instruments, such as bank deposits, trade receivables and payables, and other current liabilities which arise directly from its operations, are utilised.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the

market prices. Market risk comprises three types of risk: foreign currency risk, price risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables, trade payables, accrued liabilities and derivative financial instruments.

(a) Foreign currency risk

The group is composed of businesses with various functional currencies including USD, EUR, GBP and DKK. The group is exposed to foreign exchange risk for series of payments in other currencies than the functional currency, mainly related to the ratio between NOK and USD, DKK and USD, EUR and USD and GBP and USD. The Group's statement of financial position includes significant assets and liabilities which are recorded in other currencies than the Group's functional currency. As such the group's equity is sensitive to changes in foreign exchange rates. See Note 15 Non-current receivables, trade receivable and other current receivables, Note 17 Restricted Cash, Bank Deposits, Cash and Cash Equivalents, Note 18 Financial instruments, Note 21 Asset retirement obligation, Note 22 Borrowings and Note 23 Trade payables and other payables, Note 27 Contingencies and commitments. A decrease in the closing rate of NOK, EUR and DKK with 10 percent compared to USD would have the following impact on financial assets, financial liabilities and equity:

USD million	NOK	DKK	EUR
Financial Assets	1	69	5
Financial Liabilities	0	4	2
Effect Net Result/Equity	1	64	2

The Company considers the currency risk relating to the different financial instruments be low, as the main financial items held in a currency other than the functional currency of the respective components is offset by positions in other components of the Group. With regards to trade receivables and payables, the Company deems the risk to be immaterial.

(b) Price risk

Noreco produces and sells hydrocarbons in Denmark and is as a result exposed to changes in commodity prices. The Group has a material commodity price hedging programme in place that mitigates the risk of near-term price movements. As of 31 December 2021, Noreco had commodity derivatives measured at fair value. A change in the value directly affects the company's OCI and recorded equity, and hence the group is exposed to the fair value development of these financial instruments. Assuming an increase in the commodity price at 31 December 2021 of 10% and assuming this change will have full effect on the whole curve, the effect on the value of commodity derivatives would have the following impact:

USD million	Equity	OCI	Net result
Commodity price +10%	-33	-33	0
Commodity price -10%	33	33	0

The effect on equity would be equal to the change in value of the commodity derivatives. The change in value of hedging contracts over time will be offset by the realised value of the contract when the hedge instrument matures, therefore the underlying value to Noreco's business operations is not impacted by changes in the derivative value at any point in time.

(c) Interest rate risk

The Group has loans with fixed and floating interest rates. Loans with fixed interest rate expose the Group to risk (premium/discount) associated with changes in the market interest rate. At year-end, the group has a total of USD 1,204 million (2020: USD 1,043 million) in interest-bearing debt (carrying amount), the principal amount was USD 1,260 million. The Group's RBL facility has a floating interest rate comprising the aggregate of SOFR and 4.0% per annum, while the Group's Bond debt (NOR 13 and NOR 14) have a fixed interest rate exposure. The reserve-based lending facility is linked to the SOFR rate as set at the time of redetermination. A variance of + 1% in the SOFR rate would result in USD 9.0 million of interest charges to Noreco per annum, however the Company has hedged this interest rate until 30 June 2024 at a rate of 0.40% to cover any increase in SOFR rate. For further information about the Group's interest-bearing debt, see Note 22.

All bank deposits (USD 328 million) are at floating interest rates. See note 17 Restricted cash, bank deposits, cash and cash equivalents for further information about bank deposits. The Group considers the risk exposure to changes in market interest to be at an acceptable level.

Liquidity risk

The Group has certain financial commitments arising from its operations and other agreements entered into which are expected to be met by liquid assets, proceeds from external financing and cash flow from operations. The Group monitors its liquidity situation continuously to ensure it will be able to meet its financial obligations as they fall due. As of 31 December 2021, none of the Group's interest-bearing debt were falling due within the next 12 months.

Credit risk

The groups most significant credit risk arises principally from recognised receivables related to the group's operation. The credit risk arising from the production of oil, gas and NGL is considered limited, as sales are to major oil companies with considerable financial resources. The counterparty in derivatives are large international banks and insurance companies whose credit risk is considered low.

2.2 CAPITAL RISK MANAGEMENT

The group's objectives when managing capital is to safeguard the group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an acceptable capital structure to reduce the cost of capital.

The group monitors the debt with the basis of cash flows, equity ratio and the gearing ratio. The group's debt restricts the payment of dividends until two quarters after the completion of the Tyra redevelopment project; subsequent to this date, NOR14 limits dividend payments to 50% of the group's net profit after tax for the previous year. See further information regarding borrowings and covenants in Note 22.

2.3 FAIR VALUE ESTIMATION

The Group has certain financial instruments carried at fair value. The different fair value hierarchy levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.
Specified valuation techniques used to value financial instruments include:

• Quoted market prices or dealer quotes for similar instruments;
• The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
• The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value

Level 3: Inputs for other assets or liabilities that are not based on observable market data

In level 3 there are one financial instrument, the embedded derivatives convertible bond.

The fair value of the embedded derivatives is calculated based on the Black-Scholes-Merton valuation model. A change in the share price of +/- 10 percent would have the following impact on the embedded derivates, net result and equity:

		Sensitivity Analysis	
Share price	(%)	10%	-10%
Embedded derivatives	*USD million*	(4)	4
Effect Net result/Equity	*USD million*	(4)	4

It is evaluated that there is no tax effect of changes in fair value of the contingent consideration and embedded derivatives. See Note 18 for fair value hierarchy and further information.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

3.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Estimated value of financial assets and financial liabilities
The embedded derivatives in the convertible debt have been recognised separately at fair value through profit and loss. The value of this embedded derivative has been calculated using the Black-Scholes-Merton valuation model using assumptions for share price, volatility of share price, and other inputs which are subject to significant uncertainty.

For financial assets at amortised cost, an assessment is made on whether objective evidence is present that financial assets or groups of financial assets should be written down.

For more details see note 18 Financial Instruments.

b) Income tax
All figures reported in the statement of comprehensive income and the statement of financial position are based on the group's tax calculations and should be regarded as estimates until the tax for the year has been settled. Tax authorities can be of a different opinion than the company including what constitutes exploration cost and continental shelf deficiency in accordance with the Petroleum Taxation Act. See also Note 13.

c) Asset retirement obligation
Production of oil and gas is subject to statutory requirements relating to decommissioning and removal obligation once production has ceased. Provisions to cover these future decommissioning and removal expenditures must be recognised at the time the statutory requirement arises. The costs will often incur sometime in the future, and there is significant uncertainty attached to the scale and complexity of the decommissioning and removal involved. Estimated future costs (estimated based on current costs inflated) are based on known decommissioning and removal technology, expected future price levels, and the expected future decommissioning and removal date, discounted to net present value using a risk-free rate adjusted for credit margin. Changes in one or more of these factors could result in changes in the decommissioning

and removal liabilities. See note 21 Asset Retirement Obligations for further details about decommissioning and removal obligations.

d) Depreciation and impairment of fixed assets

The estimation of the recoverable amount of oil and gas assets as well as the estimation of available commercially depletable reserves is subject to significant uncertainty, primarily related to future oil and gas price levels. Impairment assessments are made to the extent there are indicators of reduced values of fixed assets. Unit of production depreciations are amended on a prospective basis following regular reserves estimation updates performed by the Group. For more details see note note 11 Impairments.

3.2 CRITICAL JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

a) Accounting for convertible debt

The Group has issued bonds with conversion rights and other embedded derivatives (but the conversion feature is the main element). The conversion feature has been determined to constitute an embedded derivative and has been separated from the loan contract. The loan element has been recognised at amortised cost. At initial recognition the loan was measured as the residual amount of the proceeds from the bond issue, less issue costs, less the calculated fair value of the conversion feature. The process of determining whether the conversion feature in the convertible bond arrangement should be treated as a liability or an equity component requires the application of significant judgement.

The convertible bond is either a financial liability (including certain embedded derivative features which may require separation) or a compound instrument (ie. such a liability plus an equity conversion option). The group has assessed that the holder's conversion option does not involve receiving a fixed number of shares by giving up a fixed stated principal amount of bond, hence the group has assessed this instrument is not a compound instrument with an equity part. Further multiple embedded derivatives have been identified in the host contract that has been assessed is not readily separable and independent of each other as such are treated as a single compound embedded derivative. Also, the fair value measurement of the conversion feature using the Black-Scholes-Merton valuation model, requires significant judgement when selecting and applying the required assumptions.

4 REVENUE

USD million	2021	2020
Sale of oil	416	528
Sale of gas and NGL	142	31
Other income	7	8
Total Revenue	**565**	**566**
Oil - lifted volumes (mmbbl)	7.20	7.90
Effective Oil price USD/bbl	57.8	66.8
Gas - lifted volumes (mmboe)	2.3	2.4
Effective Gas price EUR/MWh	30.4	6.6
Effective Gas price USD/boe	61.5	12.7

In 2021 sale of oil amounted to USD 416 million and sale of gas amounted to USD 142 million, realised prices were USD 57.8 per bbl of oil and USD 61.5 per boe gas lifted during the year, adjusted for settlement of price hedges in place with financial institutions.

During 2021, Noreco recognised the settlement of price hedges that were put in place with financial institutions in the market as revenue, when these price hedges match the physical sale of oil. Price hedges in excess of actual liftings are treated as financial income or expenses based on the required accounting treatment for these instruments during the period.

Revenue per customer	2021	2020
Shell Trading International	90.1 %	91.8 %
Orsted Salg & Service AS	28.4 %	5.4 %
Shell Energy Europe Limited	8.2 %	1.4 %
CommonwealthBank[1)]	-4.7 %	-
BNP Paribas[1)]	-10.2 %	-
Natixis[1)]	-11.9 %	1.4 %
Total Revenue	**100.0 %**	**100.0 %**

[1)] The negative percentages in 2021 represents the settlement of commodity hedges in place with financial institutions.

5 PRODUCTION EXPENSES

USD million	2021	2020
Direct field opex	(211)	(177)
Tariff and transportation expenses	(44)	(44)
Production G&A	(42)	(56)
Field operating cost	**(297)**	**(277)**
Total produced volumes (mmboe)	9.8	10.4
In USD per boe	(30.2)	(26.6)
Adjustments for:		
Change in inventory position	(1)	3
Over/under-lift of oil and NGL	14	(0)
Insurance & Other	(22)	(21)
Stock scrap	13	1
Production expenses	**(293)**	**(295)**

Production expenses for the year directly attributable to the lifting and transportation to market of Noreco's oil and gas production is in total USD 297 million, which equates to USD 30.2 per boe produced during 2021. Actual production expenses in 2021 was in line with the expectation. The increase compared to 2020 is mainly driven by the high activity level on well interventions to arrest the decline.

6 EXPLORATION

USD million	2021	2020
Other exploration and evaluation costs	(1)	(2)
Total exploration and evaluation costs	**(1)**	**(2)**

7 PERSONNEL EXPENSES

USD million	Note	2021	2020
Salaries		(10)	(8)
Social security tax		(1)	(1)
Pension costs	20	(1)	(0)
Costs relating to share based payments	24	(0)	(2)
Other personnel expenses		(0)	(0)
Total personnel expenses		**(11)**	**(12)**
Average number of employees		**27**	**29**

Please see the Executive Remuneration Report 2021 for compensation to key Management and Board of Directors in the period 2017-2021.

8 OTHER OPERATING EXPENSES

USD million	2021	2020
Consultant fees	(8)	(5)
Other operating expenses	(3)	(3)
Total other operating expenses	**(11)**	**(8)**

USD 1000, excl. VAT	2021	2020
Auditor's fees	(575)	(763)
Other assurance service	(5)	(1)
Total audit fees	**(580)**	**(765)**

9 INTANGIBLE ASSETS

INTANGIBLE ASSETS AT 31 DECEMBER 2021

USD million	Capitalized exploration expenditures	Contract - own use	Licence	Total
Book value 31.12.20	**2**	**-**	**173**	**175**
Acquisitions				
Acquisition costs 31.12.20	2	128	186	316
Additions	(0)	-	-	(0)
Acquisition costs 31.12.21	**1**	**128**	**186**	**315**
Accumulated depreciation, amortization and write-downs				
Accumulated depreciation, amortization and write-downs 31.12.20	-	(128)	(13)	(141)
Depreciation / amortization	-	-	(8)	(8)
Accumulated depreciation, amortization and write-downs 31.12.21	**-**	**(128)**	**(21)**	**(149)**
Book value 31.12.21	**1**	**-**	**165**	**166**

INTANGIBLE ASSETS AT 31 DECEMBER 2020

USD million	Capitalized exploration expenditures	Contract - own use	Licence	Total
Book value 31.12.19	**-**	**86**	**181**	**268**
Acquisitions				
Acquisition costs 31.12.19	-	128	186	314
Additions	2	-	-	2
Acquisition costs 31.12.20	**2**	**128**	**186**	**316**
Accumulated depreciation and write-downs				
Accumulated depreciation and write-downs 31.12.19	-	(42)	(5)	(46)
Depreciation / amortization	-	(86)	(8)	(95)
Accumulated depreciation and write-downs 31.12.20	**-**	**(128)**	**(13)**	**(141)**
Book value 31.12.20	**2**	**-**	**173**	**175**

10 PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT AT 31 DECEMBER 2021

USD million	Asset under construction	Production facilities	Pipelines	Machinery & equipment	Total
Book value 31.12.20	**608**	**1,094**	**1**	**1**	**1,704**
Acquisition costs					
Acquisition costs 31.12.20	608	1,259	2	2	1,870
Additions	211	17	-	0	228
Acquisition of abandonment asset	-	71	-	-	71
Currency translation adjustment	-	(0)	(0)	0	(0)
Acquisition costs 31.12.21	**819**	**1,347**	**1**	**2**	**2,168**
Depreciation and write-downs					
Depreciation and write-downs 31.12.20	-	(165)	(0)	(1)	(166)
Depreciation	-	(103)	(0)	(0)	(104)
Currency translation adjustment	-	0	0	(0)	0
Depreciation and write-downs 31.12.21	**-**	**(268)**	**(0)**	**(1)**	**(270)**
Book value 31.12.21	**819**	**1,078**	**1**	**0**	**1,899**

PROPERTY, PLANT AND EQUIPMENT AT 31 DECEMBER 2020

USD million	Asset under construction	Production facilities	Pipelines	Machinery & equipment	Total
Book value 31.12.19	**376**	**1,173**	**1**	**0**	**1,550**
Acquisition costs					
Acquisition costs 31.12.19	376	1,240	1	1	1,619
Additions	232	3	-	1	236
Acquisition of abandonment asset	-	15	-	-	15
Currency translation adjustment	-	0	0	0	0
Acquisition costs 31.12.20	**608**	**1,259**	**2**	**2**	**1,870**
Accumulated depreciation and write-downs					
Accumulated depreciation and write-downs 31.12.19	-	(68)	(0)	(1)	(68)
Depreciation	-	(97)	(0)	(0)	(98)
Currency translation adjustment	-	(0)	(0)	(0)	(0)
Accumulated depreciation and write-downs 31.12.20	**-**	**(165)**	**(0)**	**(1)**	**(166)**
Book value 31.12.20	**608**	**1,094**	**1**	**1**	**1,704**

11 IMPAIRMENTS

IMPAIRMENT TESTING

Impairment testing of our asset base is performed periodically and/or when impairment triggers are identified. In Q4 2021 Noreco carried out a periodical impairment test for the fixed assets and related tangible assets, with the last full impairment assessment being carried out in Q4 2020 and no impairment triggers identified in-between.

Impairment is recognised when the book value of an asset or a cash-generating unit exceeds the recoverable amount. The recoverable amount is the higher of the assets fair value less cost to sell and value in use.

In Q4 2021, the recoverable amount was calculated as the expected future cash flow from the asset, discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. Cash flows are projected for the estimated lifetime of the fields, which exceed periods greater than five years.

COMMODITY PRICES

Future commodity price levels are a key assumption and have a significant impact on the net present value. Forecasted oil and gas prices are based on management's estimates and available market data. Information about market prices in the near future can be derived from the futures contract market. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil and gas prices are therefore based on the forward curve from the beginning of 2022 to the end of 2024. From 2025, the oil and gas prices are based on the company's long-term price assumptions.

Nominal oil prices applied in the impairment test are as follows:

Year	USD/BBL
2022	75.0
2023	72.5
2024	70.0
From 2025 onwards	65.0

Nominal gas prices applied in the impairment test are as follows:

Year	USD/BBL
2022	80.0
2023	40.0
2024	30.0
From 2025 onwards	24.0

OIL AND GAS RESERVES

Future cash flows are calculated on the basis of expected production profiles and probable remaining reserves.

FUTURE EXPENDITURE

Future opex, capex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost.

DISCOUNT RATE

The discount rate is derived from the weighted average cost of capital (“WACC”) for a market participant. The post-tax nominal discount rate used is 8.6%.

EXCHANGE RATES

The exchange rate from US Dollar to Danish Kroner is 6.30 throughout the forecast period. The US Dollar to Euro exchange rate is 0.85 throughout the forecast period. The US Dollar to Euro rate has been pegged to a Euro to Danish Kroner rate of 7.44, sensitivity analysis based on exchange rates will maintain the Euro to Danish Kroner exchange rate.

INFLATION

The long-term inflation rate is assumed to be 2.0 percent.

IMPAIRMENT TESTING OF ASSETS INCLUDING TANGIBLE AND INTANGIBLE ASSET VALUES

Both the tangible and intangible asset value attached to a cash generating unit is tested as part of the impairment assessment. The carrying value of the assets is the sum of tangible assets and intangible assets as of the assessment date.

RESULT OF IMPAIRMENT ASSESSMENT

The impairment assessment has not resulted in any impairment charge being recognised.

SENSITIVITY ANALYSIS

The table below shows how the impairment or reversal of impairment of assets would be affected by changes in the various assumptions, given that the remaining assumptions are constant.

Sensitivity	Change in NPV	Implied Impairment (if applicable) USD 1 000
Long Term Price +10%	8%	-
Long Term Price -10%	-7%	(69.7)
USD:DKK FX rate +10%	-1%	-
USD:DKK FX rate -10%	3%	-
WACC +1.0%	-4%	(2.3)
WACC -1.0%	5%	-
Inflation Rate +1.0%	6%	-
Inflation Rate -1.0%	-5%	(12.0)

12 FINANCIAL INCOME AND EXPENSES

Financial Income

USD million	2021	2020
Value adjustment derivatives and hedging contracts unrealized[1)]	1	29
Value adjustment of embedded derivatives[2)]	6	27
Value adjustment - FX Contract	-	3
Hedge income realized	-	24
Interest income	0	2
Change in fair value of bond debt	-	0
Foreign exchange gains	21	18
Total financial income	**28**	**103**

Financial Expenses

USD million	2021	2020
Value adjustment - volume protection[3)]	-	(4)
Value adjustment - FX Contract	(1)	-
Amortised cost RBL	(5)	-
Utilized derivatives	(4)	(3)
Unrealized loss derivatives	(8)	-
Interest expense from bond loans	(44)	(39)
Interest expense from bank debt	(46)	(47)
Interest expenses current liabilities	(0)	(0)
Accretion expense related to asset retirement obligations	(35)	(36)
Foreign exchange losses	(15)	(45)
Other financial expenses	(4)	(3)
Total financial expenses	**(160)**	**(177)**

Net financial items	**(132)**	**(75)**

1) Fair value adjustment based on the value of bank hedging contracts deemed inefficient (i.e. above physical liftings that mature in the future).
2) Fair value adjustment of the embedded derivatives of the convertible bond.
3) Fair value adjustment of the volume protection – contingent consideration based on the change in future market pricing expectations during the remaining period of the volume hedging agreement with Shell, which ended 31.12.2020.

13 TAX

TAX RATES

Producers of oil and gas on the Danish Continental Shelf are subject to the hydrocarbon tax regime under which, income derived from the sale of oil and gas is taxed at an elevated 64 %. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 %. The 64 % is calculated as the sum of the "Chapter 2" tax of 25% plus a specific hydrocarbon tax (chapter 3A) of 52%, in which the 25% tax payable is deductible. Income generated in Norway and United Kingdom is subject to regular corporate tax at 22 %.

TAX EXPENSE

USD million

Income tax in profit/loss (Danish corporate income tax and hydrocarbon tax)	2021
Income tax current year	(1)
Income tax for prior years	5
Current income tax	4
Deferred tax movements	(36)
Prior year adjustment, deferred tax	(26)
Deferred tax expense	(62)
Tax (expense)/income	(58)

Income tax in profit/loss is solely derived from the group's activities on the Danish continental shelf, of which the major part is subject to the elevated 64% hydrocarbon tax.

Tax (expense)/income related to other comprehensive income	
Cash flow hedges	156
Tax (expense)/income related to other comprehensive income	156

Income tax on OCI is related to the unrealised fair value changes in derivatives designated in cash flow hedges. To the extent derivates are associated with the sale of oil and gas, results from cash flow hedges are subject to 64 % hydrocarbon tax.

Reconciliation of nominal to actual tax rate	Hydrocarbon tax 64%		Corporate tax 22%		In total
Result before tax	**50**		**(45)**		**5**
Expected tax on profit before tax	32	64%	(10)	22%	22
Tax effect of:					
Prior year adjustment	23	46%	(2)	5%	21
FX adjustment of net operating losses carried forward in DKK	36	71%	-	0%	36
Investment uplift on CAPEX projects[1)]	(35)	-69%	-	0%	(35)
Permanent differences[2)]	(4)	-8%	1	-2%	(3)
No recognition of tax assets in Norway and UK	-	0%	17	38%	17
Tax expense (income) in profit/loss	**52**	**104%**	**6**	**14%**	**58**

[1)] The tax cost in the hydrocarbon tax regime is significantly positively impacted by the 39 % investment uplift on the Tyra Redevelopment project.

[2)] The permanent differences mainly relate to transfer of chapter 2 loss to corporate tax.

Reconciliation of nominal to actual tax rate, continues	Hydrocarbon tax 64%		Corporate tax 22%		In total
Other comprehensive income before tax	(246)		9		(237)
Expected tax on other comprehensive income before tax	158	64%	(2)	22%	156
Tax effect of:					
Non-taxable currency translation adjustment	-		-		-
Tax in other comprehensive income	**158**	**64%**	**(2)**	**22%**	**156**

Current income tax payable

Tax payable relates to the Group's entities in Denmark. The amounts payable as of 31.12.21 were:	
Hydrocarbon tax pertaining to pre-acquisition period 2019 not indemnified by the Seller	(10)
Corporate tax for prior years (Denmark)	(4)
Corporate tax for 2021 (Denmark)	(1)
Tax payables	**(16)**

Current income taxes for current and prior periods are measured at the amount that is expected to be paid to or be refunded from the tax authorities, as at the balance sheet date. Due to the complexity in the legislative framework and the limited amount of guidance from relevant case law, the measurement of taxable profits within the oil and gas industry is associated with some degree of uncertainty. Uncertain tax liabilities are recognised with the probable value if their probability is more likely than not.

As of 31 December 2021, the Company has provided an estimated USD 10 million pertaining to hydrocarbon tax in the part of pre-acquisition period, which is not indemnified by the Seller.

DEFERRED TAX

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences. The deferred tax asset is only recognized to the extent it is considered probable that future taxable profits will be available to utilize the tax losses and credits.

The recognized deferred tax asset relates to the following balance sheet items, all pertaining to the Group's activities on the Danish Continental Shelf:

USD million Deferred tax and deferred tax asset	01.01.21	Effect recognized in profit/loss	Effect recognized in OCI	31.12.2021
Property, plant and equipment	582	42	-	625
Intangible assets, licenses	23	(6)	-	17
Inventories and receivables	22	4	-	27
ARO provision	(561)	(50)	-	(611)
Tax loss carryforward, corporate tax (22%)		(2)		(2)
Tax loss carryforward, chapter 2 tax (25%)	(1)	37	(59)	(23)
Tax loss carryforward, chapter 3a tax (52%)	(498)	36	(97)	(558)
Deferred tax asset, net	**(432)**	**62**	**(156)**	**(526)**

TAX LOSS CARRYFORWARDS

Tax losses are recognized in accordance with the expected utilisation hereof in subsequent income years based on the current business outlook and economic projections.

Due to the limited taxable activity in UK and Norway, corporate tax losses in these jurisdictions are not capitalized.

Tax losses in Denmark and UK under the hydrocarbon tax regime may be carried forward indefinetly and the utilisation is not subject to an annual cap. Losses are carried forward in DKK and GBP.

Tax losses carried forward, Denmark	Million DKK
Corporate tax (22%)	83
Chapter 2 Hydrocarbon tax (25 %)	591
Chapter 3a Hydrocarbon tax (52%)	6,346

Tax losses carried forward, Norway	Million NOK
Corporate tax Norway (22%)	1,036

Tax losses carried forward, UK	Million GBP/USD
Trade losses, UK (hydrocarbon s 330 (2)), USD	75
Trade losses, UK (hydrocarbon), USD	96
Pre-trading capital expenditure, UK (hydrocarbon). GBP	41

14 EARNINGS PER SHARE

Earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year. Share options are out of the money as per 31.12.2021 and hence have no dilutive effect.

USD million	2021	2020
Profit (loss) attributable to ordinary shareholders from operations	53	17
Profit (loss) basis for fully diluted shareholders from operations	74	13
Shares issued 1 January	24,110,852	24,549,013
Share buyback	-	(438,161)
Shares issued at 31 December	**24,110,852**	**24,110,852**
Weighted average number of shares (basic)	**24,110,852**	**24,176,476**
Adjustment convertible bond loan	11,149,488	10,930,190
Weighted average number of shares (diluted)	**35,260,340**	**35,106,666**
Earnings per share (USD)		
Earnings per share	2.2	0.7
Diluted earnings per share	2.2	0.4

15 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

USD million	2021	2020
Contingent consideration – volume protection	-	15
Trade receivables	40	51
Under-lift of oil/NGL	1	-
Prepayments	20	23
Other receivables	47	8
Total trade receivables and other current receivables	**109**	**96**

AGEING ANALYSIS OF TRADE RECEIVABLES ON 31 DECEMBER 2021

			Past due				
USD million	Total	Not past due	> 30 days	30-60 days	61-90 days	91-120 days	> 120 days
Trade receivables	40	38	-	-	-	-	2
Total	40	38	-	-	-	-	2

AGEING ANALYSIS OF TRADE RECEIVABLES ON 31 DECEMBER 2020

			Past due				
USD million	Total	Not past due	> 30 days	30-60 days	61-90 days	91-120 days	> 120 days
Trade receivables	51	51	0	-	-	-	-
Total	51	51	0	-	-	-	-

16 INVENTORIES

USD million	2021	2020
Product inventory, oil	18	18
Other stock (spares & consumables)	34	21
Total inventories	**51**	**40**

17 RESTRICTED CASH, BANK DEPOSITS, CASH AND CASH EQUIVALENTS

USD million	2021	2020
Non-current assets		
Restricted cash pledged as security for abandonment obligation related to Nini/Cecilie	65	71
Restricted cash pledged as security for cash call obligations towards Total[1)]	140	125
Total non-current restricted cash	**205**	**196**
Current assets		
Unrestricted cash, bank deposits, cash equivalents	123	259
Total bank deposits	**328**	**456**

1) Noreco has made a USD 140 million deposit into a cash call security account in accordance with a cash call security agreement with Total E&P Denmark A/S as operator of the DUC. All payment obligations from Noreco to the cash call security account have been made and there will be no further increase.

18 FINANCIAL INSTRUMENTS
18.1 FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method.
The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 Inputs for the asset or liability that are not based on observable market data.

On 31.12.2021

USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
- Derivative instruments interest swap	-	1	-	1
Financial assets at fair value hedging instruments				
- Derivative instruments interest swap	-	9	-	9
Total assets	**-**	**10**	**-**	**10**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Embedded derivatives convertible bond	-	-	12	12
Financial liabilities at fair value hedging instruments				
- Derivative instruments price hedge	-	205	-	205
Total liabilities	**-**	**205**	**12**	**217**

On 31.12.2020

USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
- Contingent considerations	-	-	15	15
- Derivative instruments price hedge	-	3	-	3
Financial assets at fair value hedging instruments				
- Derivative instruments price hedge	-	57	-	57
Total assets	**-**	**60**	**15**	**75**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Embedded derivatives convertible bond	-	-	18	18
Financial liabilities at fair value hedging instruments				
- Derivative instruments price hedge	-	7	-	7
Total liabilities	**-**	**7**	**18**	**25**

18.2 FINANCIAL INSTRUMENTS BY CATEGORY

On 31.12.21 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
Assets				
Derivative instruments interest swap	-	-	10	10
Trade receivables and other current assets	109	-	-	109
Restricted cash	205	-	-	205
Bank deposits, cash and cash equivalents	123	-	-	123
Total	**437**	**-**	**10**	**447**

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Fair value - hedging instruments	Total
Liabilities				
Derivative instruments price hedge	-	-	205	205
Embedded derivative convertible bond	-	12	-	12
Convertible bond loans	157	-	-	157
Senior unsecured bond loan	165	-	-	165
Reserve based lending facility	857	-	-	857
Deferred consideration	25	-	-	25
Trade payables and other current liabilities	130	-	-	130
Total	**1,335**	**12**	**205**	**1,552**

On 31.12.2020 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
Assets				
Contingent considerations	-	15	-	15
Derivative instruments price hedge	-	3	57	60
Trade receivables and other current assets	81	-	-	81
Restricted cash	196	-	-	196
Bank deposits, cash and cash equivalents	259	-	-	259
Total	**537**	**18**	**57**	**612**

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Fair value - hedging instruments	Total
Liabilities				
Derivative instruments price hedge	-	-	7	7
Embedded derivatives convertible bond	-	18	-	18
Convertible bond loans	131	-	-	131
Senior unsecured bond loan	169	-	-	169
Reserve based lending facility	719	-	-	719
Deferred consideration	25	-	-	25
Trade payables and other current liabilities	286	-	-	286
Total	**1,329**	**18**	**7**	**1,354**

18.3 FINANCIAL INSTRUMENTS — FAIR VALUES

Set out below is a comparison of the carrying amounts and fair value of financial instruments as at 31 December 2021:

USD million	Total amount outstanding*	Carrying Amount	Fair Value
Financial assets			
Derivative instruments interest swap		10	10
Trade receivables and other current assets		109	109
Restricted cash		205	205
Bank deposits, cash, cash equivalents and quoted shares		123	123
Total		**447**	**447**
Financial liabilities			
Derivative instruments price hedge		205	205
Embedded derivative convertible bond		12	12
Convertible bond loans	185	157	173
Senior unsecured bond loan	175	165	175
Reserve based lending facility	900	857	900
Deferred consideration		25	25
Trade payables and other current liabilities		130	130
Total	**1,260**	**1,552**	**1,621**

* Total amount outstanding on the bonds and under the RBL facility

The convertible bond loan has been determined to contain embedded derivatives which are accounted for separately as derivatives at fair value through profit or loss, while the loan element subsequent to initial recognition is measured at amortized cost, a total of USD 5.3 million in transaction cost is included in the amortized cost. The embedded derivative is valued on an option valuation basis, the carrying value is USD 12 million (initial value USD 54 million). As a result of the buyback of 299,925 shares at a price of NOK 242 per share on 23 January 2020, the conversion price for the NOR13 subordinated convertible bond issue was adjusted in accordance with the bond terms, from USD 29.3398 to USD 28.9734 (NOK 240 to NOK 238), effective from the trade date of the purchase of shares. The fair value calculation for the option portion of the NOR13 bond includes this update to the conversion price.

The following table list the inputs to the model used to calculate the fair value of the embedded derivatives:

		2021
Valuation date	(date)	31 Dec 21
Agreement execution date	(date)	24 Jul 19
Par value of bonds	(USD)	184,999,212
Reference share price at time of agreement	(NOK)	232
Fair value at grant date	(USD)	53,942,754
PIK interest rate	(%)	8.00%
Expected life	(years)	1.9
Number of options	(#)	6,385,140
Conversion price	(NOK)	238
Fixed FX rate of agreement	(USD:NOK)	8.180
Risk-free rate (based on government bonds)	(%)	1.2%
Expected volatility	(%)	44.64%
Model used		Black - Scholes - Merton

The RBL facility is measured at amortized cost, in addition a total of USD 53 million in transaction cost has been capitalized. Transaction costs are deducted from the amount initially recognised and are expense over the period during which the debt is outstanding under the effective interest method.

The senior unsecured bond loan is measured at amortized cost, in addition a total of USD 7.6 million in transaction costs are deducted from the amount initially recognised.

18.4 HEDGING

The Group actively seeks to reduce the risk it is exposed to regarding fluctuating commodity prices through the establishment of hedging arrangements. To the extent more than 100% of the projected production is hedged any value adjustments to the instruments covering in excess of 100% are considered ineffective and the value adjustment is treated as a financial item in the Income Statement. The ineffective amount in 2021 charged to financial items in the Income Statement were a loss of USD 2.4 million. Time value related to hedging arrangements is considered insignificant and generally the valuation of the instruments do not take into consideration the time value.

Currently all the company's commodity price hedging arrangements is executed solely in the market through forward contracts.

Under its RBL facility, Noreco has a rolling hedge requirement based on a minimum level of production corresponding to the RBL banking case forecast.

The company has entered a USD 1.0 billion swap transaction with a group of banks to fix the Company's floating interest rate exposure under its RBL facility from 1 Nov 2021 until 30 June 2024. Noreco will as a result pay interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin. Noreco applies hedge accounting to the Company's hedging arrangements. To the extent more than 100% of the Company's interest under its RBL facility is hedged any value adjustments to the instruments covering in excess of 100% are considered ineffective and the value adjustment is treated as a financial item in the Income Statement. The ineffective amount in 2021 charged to financial items in the Income Statement were an income of USD 1 million.

	Maturity					
As at 31.12.2021	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	More than 12 months
Commodity forward sales contracts:						
Notional quantity (in mboe)	-	1,555	1,334	1,070	900	6,360
Notional amount (in USD million)	-	88	81	65	50	357
Average hedged sales price (in USD per boe)	-	56	61	61	56	56

HEDGE RESERVE MOVEMENT

The table below shows the movement in the hedge reserve from changes in the cash flow hedges

USD Million	Hedge Reserve
Balance as of 01.01.2021	14
Realized cash flow hedge	135
Related tax - realized cash flow hedge	(86)
Changes in fair value	(372)
Related tax - changes in fair value	242
Balance as of 31.12.2021	**(67)**

19 SHARE CAPITAL

Noreco owns 438,161 of its own shares. All shares have equal rights. All shares are fully paid.

CHANGES IN NUMBER OF SHARES AND SHARE CAPITAL:

	No. of shares	Share capital*
Number of shares and share capital as of 01.01.2020	24,549,013	30
Number of shares and share capital as of 31.12.2020	24,549,013	30
Number of shares and share capital as of 31.12.2021	24,549,013	30

	No. of shares	Treasury share reserve*
Number of treasury shares and treasury share reserve as of 01.01.2020	-	-
Purchase of Treasury shares	(438,161)	(0)
Number of treasury shares and treasury share reserve as of 31.12.2020	(438,161)	(0)
Number of treasury shares and treasury share reserve as of 31.12.2021	(438,161)	(0)

*In USD million

CHANGES IN 2020

The company bought back 438.161 of its own shares, of which 299.925 shares was bought as part of a reverse book building process and 138.236 shares was bought in the market. The buyback programme was executed in accordance with the authorization given by the Noreco's general meeting on 28 June 2018, which was valid until 28 June 2020. After the completion of the buyback programme, Noreco owns 438.161 of its own shares, approximately 1,78 percent.

OVERVIEW OF SHAREHOLDERS AT 31 MARCH 2022:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,967,295	28.38%	28.38%
Goldman Sachs International	5,676,572	23.12%	23.12%
BNP Paribas	1,439,352	5.86%	5.86%
The Bank of New York Mellon SA/NV	993,841	4.05%	4.05%
Barclays Bank PLC	807,575	3.29%	3.29%
Bank of America, N.A.	774,408	3.15%	3.15%
SOBER AS	654,320	2.67%	2.67%
J.P. Morgan Securities LLC	588,513	2.40%	2.40%
UBS Switzerland AG	495,649	2.02%	2.02%
J.P. Morgan Securities LLC	480,340	1.96%	1.96%
State Street Bank and Trust Comp	292,004	1.19%	1.19%
NORWEGIAN ENERGY COMPANY ASA	251,495	1.02%	1.02%
DnB NOR Bank ASA	247,216	1.01%	1.01%
The Bank of New York Mellon SA/NV	240,979	0.98%	0.98%
Morgan Stanley & Co. Int. Plc.	237,292	0.97%	0.97%
Goldman Sachs & Co. LLC	229,981	0.94%	0.94%
VELDE HOLDING AS	200,000	0.81%	0.81%
J.P. Morgan Securities PLC	162,325	0.66%	0.66%
OUSDAL AS	146,975	0.60%	0.60%
FINSNES INVEST AS	119,279	0.49%	0.49%
Total	**21,005,411**	**85.6 %**	**85.6 %**
Other owners (ownership <0,42%)	3,543,602	14.43%	14.43%
Total number of shares at 31 March 2021	**24,549,013**	**100%**	**100%**

*Nominee holder

20 POST-EMPLOYMENT BENEFITS

DEFINED CONTRIBUTION PLAN

The Group has defined contribution plans for its employees. Pension costs related to the company's defined contribution plan amounts to USD 558 thousand for 2021. For 2020 the corresponding costs were USD 433 thousand.

The Norwegian Companies are obliged to have occupational pension in accordance with the Norwegian act related to mandatory occupational pension. All Norwegian companies meet the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon"). Correspondingly, the affiliates in Denmark and United Kingdom comply with the requirement for mandatory occupational pension by local legislation

21 ASSET RETIREMENT OBLIGATIONS

USD million	31.12.2021	31.12.2020
Balance on 01.01.	950	967
Provisions and change of estimates made during the year	65	23
Accretion expense	35	34
Incurred cost removal	(21)	(74)
Currency translation adjustment	(0)	0
Total provision made for asset retirement obligations	**1,029**	**950**
Break down of short-term and long-term asset retirement obligations		
Short-term	26	24
Long-term	1,003	927
Total provision for asset retirement obligations	**1,029**	**950**

Estimates are based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The obligations are measured at net present value, assuming an inflation rate of 2.0 percent and a nominal discount rate before tax of 5.0 percent. The credit margin included in the discount rate is 4.0 percent.

The asset retirement estimate from the operator includes both USD and DKK costs. The change in estimate during the year includes a decrease of USD 52 million as a result of the weakening of DKK to USD. Most of the removal activities are expected to be executed many years into the future. This makes the ultimate asset retirement costs and timing highly uncertain. Costs and timing can be affected by changes in regulations, technology, estimated reserves, economic cut-off date etc. The provision at the reporting date represents management’s best estimate of the present value of the future asset retirement costs required.

As part of the overall restructuring in 2015, an agreement was reached that entails that the partners took over Noreco's share of the Nini/Cecilie licences, however Noreco remains liable for the asset retirement obligation towards the license partners. The liability related to Nini/Cecilie is capped at the escrow amount, which is currently USD 65 million/DKK 427 million.

The balance as per 31.12.2021 is USD 960 million for DUC, USD 65 million for Nini/Cecilie, USD 2.2 million for Lulita (non-DUC share) and USD 2.4 million for Tyra F-3 pipeline.

Sensitivity Analysis

The table below shows how the asset retirement obligation would be affected by changes in the various assumptions, given that the remaining assumptions are constant.

Sensitivity	ARO ($'mm)	Change in provision
Abandonment Cost Estimate increase +10%	1,057	10%
Abandonment Cost Estimate decrease -10%	865	-10%
Discount rate +1.0%	830	-14%
Discount rate -1.0%	1,118	16%
Inflation rate +1.0%	830	-14%
Inflation rate -1.0%	1,115	16%

22 BORROWINGS

22.1 SUMMARY OF BORROWINGS

USD million	31.12.2021 Principal amount	31.12.2021 Book value	31.12.2020 Principal amount	31.12.2020 Book value
NOR 13 Convertible Bond [1)]	185	157	171	131
NOR 14 Senior Unsecured Bond [2)]	175	165	175	169
Total non-current bonds	**360**	**322**	**346**	**299**
Reserve based lending facility [3)]	900	857	751	719
Deferred Consideration [4)]	25	25	25	25
Total non-current debt	**925**	**882**	**776**	**744**
Total borrowings	**1,285**	**1,204**	**1,122**	**1,043**

Movements in interest-bearing liabilities	31.12.20	Cash flows: Receipts / payments	Non-cash changes: Deferred consideration	Non-cash changes: Embedded derivatives	Non-cash changes: Payment in kind/Amortisation	31.12.21
Nor 13 Convertible Bond	131	-	-	-	27	157
Nor 14 Senior Unsecured Bond	169	(21)	-	-	17	165
Reserve based lending facility	719	91	-	-	47	857
Deferred Consideration	25	-	-	-	-	25
Total movement non-current interest-bearing liabilities	**1,043**	**70**	**-**	**-**	**91**	**1,204**
Total movement in interest-bearing liabilities	**1,043**	**70**	**-**	**-**	**91**	**1,204**

Note: Book values reported on the basis of amortised cost for NOR14, the reserve-based lending facility and the convertible bond loan element of NOR13.

1) The Company issued a convertible bond loan of USD 158 million in 2019 where the lender was granted a right to convert the loan into new shares in the Company by way of set-off against the claim on the Company. The loan carries an interest of 8% p.a. on a PIK basis, with an alternative option for the Company to pay cash interest at 6% p.a., payable semi-annually. 2021 principal amount includes PIK interest issued.

2) The Company issued a senior unsecured bond of USD 175 million in 2019. The bond carries an interest of 9% p.a., payable semi-annually. In July 2021, Noreco's written resolution regarding the addition of further headroom under the Leverage Ratio covenant through to the end of 2023 was resolved and approved by the Company's NOR14 bondholders. Based on this written resolution, the maximum Leverage Ratio has been amended to 7.0x (from 5.0x) during the Tyra Redevelopment Period ending Q2 2023, 6.0x (from 3.0x) during Q3 2023 and 5.0x (from 3.0x) during Q4 2023. From Q1 2024 onwards, the maximum Leverage Ratio will revert to 3.0x per the original bond terms. In addition to the change in maximum permitted leverage, Noreco's minimum liquidity threshold has increased to USD 75 million until the end of 2023 (from USD 50 million until end Q2 2023 and USD 25 million during Q3 and Q4 2023).

3) The Company entered into an increased Reserve Based Lending Facility in Q2 2021. The facility has a seven-year tenor with a maximum limit of USD 1.1 billion, with a maximum of USD 1.0 billion available for cash drawdown by the Company. Interest is accrued on the repayment amount with an interest rate comprising the aggregate of SOFR and 4.0% per annum.

4) In accordance with the Sales Purchase Agreement USD 25 million of the consideration is due the earliest of March 2023 or finalising Tyra Redevelopment.

22.2 DETAILS ON BORROWING

Details on borrowings outstanding on 31 December 2021

Reserve based lending facility

In April 2021, Noreco amended its existing senior secured reserve-based credit facility to commit to a seven-year senior reserve-based credit facility of USD 1.1 billion. The facility is a reserve-based credit facility secured against certain cash flows generated by the Group. The amount available under the facility is recalculated every six months based upon the calculated cash flow generated by certain producing fields and fields under development at an oil price and economic assumptions agreed with the banking syndicate providing the facility. The facility is secured by a pledge over the shares of certain Group companies, a pledge over the Company's working interest in its share of the DUC license and security over insurances, hedging contracts, project accounts, intercompany loans and material contracts. The pledged assets on 31 December 2021 amounted to USD 1 818 million and represented the carrying value of the pledge of the Group companies whose shares are pledged as described in the section 5 below (Assets pledged as security for interest bearing debt).

Pledge value: carrying value of shares held in Altinex AS, Noreco Denmark A/S, Noreco Oil Denmark A/S, Noreco Petroleum Denmark A/S by Noreco ASA.

NOR13

In July 2019, Noreco issued a subordinated convertible bond loan of USD 158 million with a tenor of eight years where the lender was granted a right to convert the loan into new shares in the Company at a conversion price of NOK 240 (USD 29.3) per share by way of set-off against the claim on the Company. The loan has a mandatory conversion to equity after five years and carries an interest of 8% p.a. on a PIK basis, with an alternative option to pay cash interest at 6% p.a., payable semi-annually. Should the instrument be in place beyond the five-year conversion period, the interest rate on NOR13 will be reduced to 0.0 percent for the remaining term of the loan. The value of the convertible bond at year end is USD 157 million, calculated on a straight-line basis including PIK interest issued.

The convertible bond loan has been determined to contain embedded derivatives which are accounted for separately as derivatives at fair value through profit or loss, while the loan element subsequent to initial recognition is measured at amortized cost, a total of USD 4,5 million in transaction cost is included in the amortized cost. The embedded derivative is valued on an option valuation basis, the carrying value is USD 18 million (initial value USD 54 million). As a result of the buyback of 299,925 shares at a price of NOK 242 per share on 23 January 2020, the conversion price for the NOR13 subordinated convertible bond issue was adjusted in accordance with the bond terms, from USD 29.3398 to USD 28.9734, effective from the trade date of the purchase of shares. The fair value calculation for the option portion of the NOR13 bond includes this update to the conversion price. For inputs to the model used to calculate the fair value of the embedded derivatives, please see note18.

NOR14

In December 2019, Noreco successfully completed the issue of a USD 175 million unsecured bond. The proceeds are utilised for general corporate purposes and the bond carries an interest of 9% p.a., payable semi-annually, with a six and a half-year tenor.

22.3 COVENANTS

COVENANTS RELATING TO INTEREST BEARING DEBT

Reserve based lending facility

The reserve-based credit facility constitutes senior debt of the Company and is secured on a first priority basis against certain of the Company´s subsidiaries and their assets. The reserve-based credit facility agreement contains a financial covenant that the ratio of Net Debt to EBITDAX (earnings before interest, tax, depreciation, amortisation and exploration) shall be: less than 6.0:1.0 at the end of financial years 2021 and 2022; less than 3.5:1.0 at the end of financial year 2023; and less than 3.0:1.0 at the end of financial year 2024 onwards until the expiry of the facility. Each test is carried out on the audited full year financial statements of Noreco ASA. Noreco must also demonstrate minimum liquidity on a look forward basis of USD 50 million during the relevant period, which is currently to the completion of the Tyra redevelopment project. The agreement also includes special covenants which, among other, restrict the Company from taking on additional secured debt, provide parameters for minimum and maximum hedging requirements and restrict declaration of dividends or other distributions. Noreco is in compliance with these covenants at the end of 2021.

NOR14

In July 2021, Noreco's written resolution regarding the addition of further headroom under the Leverage Ratio covenant through to the end of 2023 was resolved and approved by the Company's NOR14 bondholders. Based on this written resolution, the maximum Leverage Ratio has been amended to 7.0x (from 5.0x) during the Tyra Redevelopment Period ending Q2 2023, 6.0x (from 3.0x) during Q3 2023 and 5.0x (from 3.0x) during Q4 2023. From Q1 2024 onwards, the maximum Leverage Ratio will revert to 3.0x per the original bond terms. In addition to the change in maximum permitted leverage, Noreco's minimum liquidity threshold has increased to USD 75 million until the end of 2023 (from USD 50 million until end Q2 2023 and USD 25 million during Q3 and Q4 2023).

22.4 PAYMENT STRUCTURE

Payment structure (USD million):

Year	NOR13	NOR14	Reserve Based Lending Facility	Deferred Consideration	Total
2022	-	-	-	-	-
2023	-	-	-	25	25
2024	-	-	38	-	38
2025	-	-	275	-	275
2026	-	175	275	-	450
2027	-	-	275	-	275
2028	-	-	38	-	38
Total	**-**	**175**	**900**	**25**	**1,100**

Interest payments (USD million):

Year	NOR13*	NOR14	Reserve Based Lending Facility	Deferred Consideration	Total
Interest rate	**-**	**9.0 %**	**SOFR****	**4.0 %**	
2022	-	16	41	1	57
2023	-	16	41	1	57
2024	-	16	40	-	56
2025	-	16	35	-	50
2026	-	8	21	-	29
2027	-	-	8	-	8
2028	-	-	1	-	1
Total	**-**	**71**	**186**	**2**	**259**

* NOR13 carries a variable interest charge of: (i) 6% per annum in cash, payable semi-annually, or; (ii) 8% per annum payment in kind ("PIK") cumulative interest, rolled up semi-annually, to add to NOR13 capital on conversion at expiry of the bond. Currently the company has elected the PIK interest of 8% and is therefore forecasting no cash interest payments on NOR13 in the above table.

** In Q3 2021 the Company entered a USD 1.0 billion swap transaction with a group of banks to fix the Company's floating interest rate (LIBOR/SOFR from 01 November 2021) exposure under its Reserve Lending Facility from November 2021 until 30 June 2024. Noreco will as a result pay interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin.

22.5 ASSETS PLEDGED AS SECURITY FOR INTEREST BEARING DEBT

NET BOOK VALUE IN THE SEPARATE FINANCIAL STATEMENTS OF ASSETS PLEDGED AS SECURITIES

The Group has the following pledged assets for the Reserve Based Lending facility:

USD million	2021	2020
Noreco ASA shares in Altinex AS	393	393
Altinex AS shares in Noreco Olie- og Gasutvinding Danmark B.V and other companies	1,295	1,295
Loans from Parent to subsidiaries	300	130
Total net book value	**1,988**	**1,818**

23 TRADE PAYABLES AND OTHER PAYABLES

USD million	2021	2020
Trade payable	5	1
Liabilities to operators relating to joint venture licences	73	97
Over-lift of oil/NGL	-	13
Accrued interest	2	3
Salary accruals	2	1
Public duties payable[1)]	14	159
Other current liabilities	33	13
Total trade payables and other current liabilities	**130**	**286**

[1)] Public duties payable at the end of 2020 of USD 159 million relate to Noreco's VAT liability covering sales during 2020. This amount was paid in the first quarter of 2021, with the payment date having been delayed by the Danish government as a response to the impact of COVID-19 on the economy.

Trade and other payables held in currency

USD million	2021	2020
USD	83	49
DKK	23	220
EUR	22	13
GBP	2	1
NOK	1	3
Total	**130**	**286**

24 SHARE-BASED COMPENSATION

Please see the Executive Remuneration Report 2021 for more details on share-based compensation to key Management and Board of Directors in the period 2017-2021.

Total share options outstanding as at 1 January 2020	956,954
Share options granted in 2020	420,000
Amendment to option programme	(323,086)
Share options relinquished in 2020	(70,000)
Outstanding at 31 December 2020	**983,868**
Share options relinquished in 2021	(235,000)
Outstanding at 31 December 2021	**748,868**

THE EXPENSE RECOGNISED DURING THE YEAR IS SHOWN IN THE FOLLOWING TABLE:

USD million	2021	2020
Expense arising from equity-settled share-based payment transactions	0	2
Total expense arising from share-based payment transactions	0	2

THE FOLLOWING TABLE LIST THE INPUTS TO THE MODEL USED:

Weighted averages	2021
Fair value at valuation date (NOK)	83
Share price at valuation date (NOK)	143
Exercise price (NOK)	160
Expected volatility	57.49%
Expected life (years)	2.7
Expected dividends	n/a
Risk-free rate (based on government bonds)	0.35%
Model used	Black - Scholes - Merton

25 GUARANTEES

OVERVIEW OF ISSUED GUARANTEES ON 31 DECEMBER 2021

The parent company of the Group, Norwegian Energy Company ASA ("Noreco") has issued a parent company guarantee on behalf of its subsidiary Norwegian Energy Company UK Ltd and Noreco Oil (UK) Limited. Noreco guarantees that, if any sums become payable by Norwegian Energy Company UK Ltd or by Noreco Oil (UK) Limited to the UK Secretary of State under the terms of the licence and the company does not repay those sums on first demand, Noreco shall pay to the UK Secretary of State on demand an amount equal to all such sums. Department for Business, Energy & Industrial Strategy, declined at this time to withdraw Noreco Oil (UK)'s s29 notice with respect to the Huntington platform and pipeline. Under the forfeiture agreement Premier assumes this risk as between Premier and Noreco so, while this contingent liability to the Secretary of State would need to be recognised in any future sale of the company, Noreco Oil (UK) Limited does have recourse against Premier if it defaults in its performance.

On 6 December 2007, Noreco issued a parent company guarantee to the Danish Ministry of Climate, Energy and Building on behalf of its subsidiary Noreco Oil Denmark A/S and Noreco Petroleum Denmark A/S.

On 31 December 2012, Noreco issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. Noreco guarantees that, if any sums become payable by Noreco Norway AS to the Norwegian Secretary of State under the terms of the licences and the company does not repay those sums on first demand, Noreco shall pay to the Norwegian Secretary of State on demand an amount equal to all such sums. Noreco Norway AS was liquidated in 2018, however as per 31 December 2021 the guarantee has not been withdrawn.

In connection with completion of the acquisition of Shell Olie- og Gasudvinding Denmark B.V. in 2019, Noreco issued a parent company guarantee to the Danish state on behalf of the two acquired companies for obligations in respect of licence 8/06, area B and the Tyra West – F3 gas pipeline. In addition, Noreco issued a parent company guarantee towards the lenders under the Reserve Based Lending Facility Agreement and to Total E&P Danmark A/S for its obligations under the DUC JOA and to Shell Energy Europe Limited related to a gas sales and purchase agreement (capped at EUR 30 million).

26 INVESTMENTS IN JOINTLY OWNED ASSETS

Investments in jointly own assets are included in the accounts by recognize its share of the assets, liabilities, revenues and expenses related to the joint operation.

The Group holds the following license equities on 31 December 2021:

Licence	Field	Country	Ownership share
DUC	DUC	Denmark	36.8 %
1/90	Lulita Part	Denmark	20.0 %
7/86	Lulita Part	Denmark	20.0 %
8/06B		Denmark	36.8 %

27 CONTINGENCIES AND COMMITMENTS

FINANCIAL COMMITMENTS

As a partner in DUC, the Company has commitment to fund its proportional share of the budget and work programmes of the DUC. In December each year the operating budget (which includes operating expenditures, capital expenditure related to production, exploration and abandonment) for the following year is agreed amongst the DUC partners. For the coming four years the average operating budget is expected to be around USD 230 million per year. Capital and abandonment expenditure for individual projects, such as Tyra, are approved separately.

Noreco's capital commitments are principally related to the ongoing Tyra redevelopment project. The gross capital and abandonment expenditure budget for the Tyra redevelopment project at the time of the investment decision was DKK 21 billion and DKK 17.0 billion had been incurred by the end of 2021. Based on the current project schedule, Noreco will be required to fund its proportional share of this remaining expenditure over the next three years with Tyra to restart production by June 2023.

The DUC is obliged to use the specially constructed oil trunk line, pumps and terminal facilities and to contribute to the construction and financing costs thereof as a result of an agreement entered into with the Danish government. This obligation is approximately USD 18 million per year (2020: USD 22 million).

In addition to the above and in order to obtain the consent of Total E&P Danmark A/S to the acquisition, Noreco Oil Denmark A/S agreed to deposit cash in a secured cash call security account in favour of Total E&P Danmark A/S (the concessionaire in respect of the Sole Concession). The cash call security account was funded in an amount of USD 50 million upon completion of the transaction. This escrow amount increased by USD 15 million on a monthly basis during the second half of 2020 up to a maximum amount of USD 140 million by January 2021. On 31 December 2021 the escrow account was USD 140 million. All payment obligations from Noreco to the cash call security account have been made and there will be no further increase. The cash call security amount will then decrease to USD 100 million at the end of the year in which the Tyra redevelopment project is completed and can, on certain terms and conditions, be replaced with a letter of credit or other type of security.

GUARANTEES

The Company has provided a parent company guarantee to the Danish Ministry of Climate, Energy and Utilities related to the Group's activities on the DCS, including Noreco's participation in the DUC and the Lulita licence. The Company has also provided a parent company guarantee towards the lenders in relation to the Company's USD 1.1 billion reserve-based lending facility and customary obligations/guarantees under joint operating agreements. Noreco has also provided a parent company guarantee to Shell Energy Europe Limited in relation to its subsidiary Noreco Oil Denmark A/S's obligations under a gas offtake and transportation agreement.

Furthermore, the Company has provided a parent company guarantee to Total E&P Danmark A/S for its obligations under the JOA together with a guarantee from Shell. Noreco has provided standby letters of credit of USD 100 million, issued under the USD 100 million sub-limit of the RBL facility for the benefit of Shell in connection with this guarantee.

In relation to Noreco's historic operations in the UK North Sea, the Company has issued a parent company guarantee on behalf of its subsidiaries Norwegian Energy Company UK Ltd and Noreco Oil (UK) Limited.

CONTINGENT LIABILITIES

In relation to the Nini and Cecilie fields, Noreco was in 2015 prevented from making payments for its share of production costs and was consequently in breach of the licence agreements. In accordance with the JOAs, the Nini and Cecilie licences were forfeitured and the licences were taken over by the partners, whereas the debt remained with Noreco. Noreco and representatives from the bondholders reached an agreement during 2015 which entails that the Danish Noreco entity remains liable for the abandonment obligation, but the liability is in any and all circumstances limited to a maximum amount equal to the restricted cash account of USD 65 million (DKK 427 million), adjusted for interest. The total provision made for the asset retirement obligations reflects this.

The Company has received a claim regarding the level of Ørsted pipeline tariffs charged since 2013. As the relevant authority (Forsyningstilsynet) is currently reassessing their view, Noreco believes that there is no basis for this claim prior to a new ruling setting the appropriate level of these tariffs. Given the outcome of this and any consequent liability is not yet known, the Company has not recognized a provision for this claim.

During the normal course of its business, the company may be involved in disputes, including tax disputes. The company has not made accruals for possible liabilities related to litigation and claims based on management's best judgment.

Noreco has unlimited liability for damage in relation to its participation in the DUC. The Company has insured its pro rata liability in line with standard market practice.

Apart from the issues discussed above, the Group is not involved in claims from public authorities, legal claims or arbitrations that could have a significant negative impact on the Company's financial position or results.

28 RELATED PARTY TRANSACTIONS

Purchase of services includes consultancy cost from S&U Trading ApS (owned by former Board Member Lars Purlund) of USD 0,1 million.

The Group did not have any other transactions with any other related parties during 2021.

29 SUBSEQUENT EVENTS

There are no events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report. The Company monitors the Russia–Ukraine war closely and has not identified any negative impact on the Company's assets or income.

KPMG AS
Sørkedalsveien 6
Postboks 7000 Majorstuen
0306 Oslo

Telephone +47 45 40 40 63
Fax
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Norwegian Energy Company ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norwegian Energy Company ASA, which comprise:

- The financial statements of the parent company Norwegian Energy Company ASA (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Norwegian Energy Company ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 14 years from the election by the general meeting of the shareholders on 25 April 2008 for the accounting year 2008.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of production assets

Refer to note 3 Critical accounting estimates and judgements (section d), note 9 Intangible assets, note 10 Property, plant and equipment and note 11 Impairments

The key audit matter	*How the matter was addressed in our audit*
The recoverable amounts of production assets are sensitive to changes in assumptions, in particular oil and gas prices, discount rate and oil and gas reserves. Any negative developments in these assumptions and forecasts may be an impairment trigger. Management's determination of the recoverable amounts of the production assets is based on a number of key assumptions such as expected oil and gas prices, oil and gas reserves, economic cut-off date, license related expenditures and discount rate, which involve a high degree of judgment. In addition, the calculation of recoverable amounts requires complex financial modelling of the cash flows of each cash generating unit. Significant auditor judgment is required when evaluating whether the recoverable amounts, and the assumptions which drive the underlying cash flow estimates, are reasonable and supportable.	For each asset and cash generating unit where an impairment trigger was identified, we critically assessed and challenged the determined recoverable amounts, and the assumptions which drive the underlying cash flow estimates, including: • expected oil and gas prices and compared these prices to forward curve data and benchmark data from third party analysts and competitors; • the reserves estimates and compared the assessments made by the Company's reservoir engineers to the operators assessments and certain third party reserves certification reports; • forecasted operational expenditures and capital expenditures where we have compared and assessed these by comparing with historical forecasts and approved license budgets; • managements expected economic cut-off date for fields where we have compared and assessed these to the operators and third party reports as well as the economic cut-off dates used in the abandonment provision. In addition, KPMG valuation specialists assessed the reasonableness of the discount rate applied with reference to market data and comparable companies credit risk. We assessed the mathematical and methodological integrity of management's impairment models, including the modelling of tax related cash flows. We also assessed the adequacy and appropriateness of the disclosures in the financial statements.

Asset retirement obligations

Refer to note 3 Critical accounting estimates (section c) and judgements and note 21 Assets retirement obligations.

The key audit matter	*How the matter was addressed in our audit*
The determination of the asset retirement obligations ("ARO") involves judgement related to the estimation of future costs, the discount rate applied, the economic cut-off date for fields and the related timing of the expected costs. Significant auditor judgment is required when evaluating the abandonment provisions, and to determine whether there is sufficient evidence available to support the estimates and judgments made.	Our audit procedures in this area included: • Assessing management's process to determine the present value of the estimated future decommissioning and removal expenditures required by local conditions and requirements. • We critically assessed and challenged the link between the economic cut-off date for fields for consistency to the reserves estimate, for which a third party assessment has been obtained. • We assessed and challenged managements expected future costs estimates by comparing these to reports from the operator company and evaluating the historical accuracy of the cost estimates. • Assessing the discount and inflation rate applied with reference to industry practice along with market and Company data. • We assessed the mathematical and methodological integrity of management's valuation model, We also assessed the adequacy and appropriateness of the disclosures in the financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other accompanying information otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Our opinion on the Board of Director's report applies correspondingly to the Corporate Governance Report 2021 statements on Corporate Governance and Corporate Social Responsibility Policy, and to the Reporting of payments to Governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion
We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name noreco-2021-12-31 have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities
Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities
Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 11 April 2022
KPMG AS

Mona Irene Larsen
State Authorised Public Accountant
(This document is signed electronically)

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Mona Irene Larsen
Statsautorisert revisor
Serial number: 9578-5999-4-1026781
IP: 80.232.xxx.xxx
2022-04-11 12:46:03 UTC

bankID

Penneo document key: 44ED6-07HGE-AGUPQ-X7GDN-6QH6V-FE8KO

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Statement of Compliance

BOARD AND MANAGEMENT CONFIRMATION

Today, the board of directors and the managing director reviewed and approved the board of directors' report and the Norwegian Energy Company ASA consolidated and separate annual financial statements as of 31 December 2021.

To the best of our knowledge, we confirm that:

• the Norwegian Energy Company ASA consolidated annual financial statements for 2021 have been prepared in accordance with IFRSs and IFRICs as adopted by the European Union (EU), and additional Norwegian disclosure requirements in the Norwegian Accounting Act, and that

• the financial statements for Norwegian Energy Company ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian Accounting Standards, and

• that the board of directors' report for the group and the parent company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian Accounting Standard no 16, and

• that the information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and results for the period viewed in their entirety, and

• that the board of directors' report gives a true and fair view of the development, performance, financial position, principle risks and uncertainties of the Company and the group.

Oslo, 11 April 2022

Riulf Rustad
Executive Chair

Tone Kristin Omsted
Board Member

Marianne Lie
Board Member

Colette Cohen
Board Member

Robert J. McGuire
Board Member

Jan Lernout
Board Member

Peter Coleman
Board Member

Euan Shirlaw
Acting Managing Director

Alternative Performance Measures

Noreco chooses to disclose Alternative Performance Measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. This information is provided as a useful supplemental information to investors, security analysts and other stakeholders to provide an enhanced insight into the financial development of Noreco's business operations and to improve comparability between periods.

Abandonment spent (abex) is defined as the payment for removal and decommissioning of oil fields, to highlight the cash effect for the period.

Adj. EBITDA is adjusted for any claims under the volume guarantee in the period and reflects a payment from Shell if the production performance of the business is below expectations set at the time of the signing of the SPA. The purpose of the Adj. EBITDA is to show how Noreco's contribution from the operations, had the performance been in line with expectations and is currently reflected in the company's cashflow statement and balance sheet only.

It is also adjusted for exceptional costs in relation to the transaction that are not reflective of the underlying performance of the business, cost from share-base payment arrangements.

Adjusted EBITDA

USD million	2021	2020
EBITDA	**250**	**250**
Claim volume floor guarantee	-	98
Non-payment insurance	7	7
Share-base payment	0	2
Adj. EBITDA	**257**	**357**

EBITDA Earnings before interest, taxes, depreciation, depletion, amortization and impairments. EBITDA assists in comparing performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending on accounting methods or non-operating factors and provides a more complete and comprehensive analysis of our operating performance relative to other companies.

Effective Oil Price is defined as realised oil price adjusted for derivative effects.

Interest-bearing debt defined as the book value of the current and non-current interest-bearing debt.

Net interest-bearing debt is defined by Noreco as cash and cash equivalents reduced by current and non-current interest-bearing debt. The RBL facility and bond loans are included in the calculation with the total amount outstanding and not the amortised cost including transaction cost.

Interest-bearing debt

USD million	31.12.2021	31.12.2020
Convertible bond loan	(157)	(131)
Senior Unsecured bond loan	(165)	(169)
Reserve based lending facility	(857)	(719)
Other interest-bearing debt	(25)	(25)
Interest-bearing debt	**(1,204)**	**(1,043)**

Net Interest-bearing debt

USD million	31.12.2021	31.12.2020
Cash and cash equivalents	123	259
Convertible bond loan	(185)	(171)
Senior Unsecured bond loan	(175)	(175)
Reserve based lending facility	(900)	(751)
Other interest-bearing debt	(25)	(25)
Net interest-bearing debt	**(1,162)**	**(862)**

SUPPLEMENTARY OIL AND GAS INFORMATION (UNAUDITED)

In March 2022 the Group reported oil and gas reserves, the report is reported separately from the annual report 2021. RISC UK ltd (RISC) has independently assessed the year-end 2021 reserves associated with Noreco's interest in the Danish Underground Consortium (DUC) assets. Reserves are reported according to Society of Petroleum Engineering Petroleum Resources Management System (SPE PRMS) 2018 standards.

The reserves for the DUC portfolio and Lulita are shown below using the figures from the Annual Statement of Reserves issued in March as basis.

TOTAL RESERVES AS OF 31.12. 2021

2P/P50	Liquids (mill bbl)	Gas (mmboe)	Mill boe	Interest %	Net mill boe
Dan	71.3	5.0	76.3	36.8 %	28.1
Kraka	10.3	0.7	11.0	36.8 %	4.1
Gorm	21.7	-	21.7	36.8 %	8.0
Rolf	2.5	-	2.5	36.8 %	0.9
Skjold	31.8	-	31.8	36.8 %	11.7
Halfdan	103.5	10.7	114.1	36.8 %	42.0
Halfdan NE	2.8	14.6	17.4	36.8 %	6.4
Tyra	38.3	85.3	123.6	36.8 %	45.5
Valdemar	39.2	18.7	57.9	36.8 %	21.3
Roar	5.3	12.0	17.4	36.8 %	6.4
Harald	0.9	4.5	5.4	36.8 %	2.0
Lulita	0.7	0.5	1.2	28.4 %	0.3
Total	**328.3**	**152.0**	**480.2**		**176.6**

Information About Noreco

ESEF information:

Name of reporting entity or other means of identification	Noreco Group
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	NA
Domicile of entity	Norway
Legal form of entity	ASA
Country of incorporation	Norway, Uk, Denmark
Address of entity's registered office	Nedre Vollgate 1, 0158 Oslo, Norway
Principal place of business	Oslo
Description of nature of entity's operations and principal activities	Oil and gas
Name of parent entity	Noreco ASA
Name of ultimate parent of group	Noreco ASA

Head Office Noreco

Headquarter	Nedre Vollgate 1, 0158 Oslo, Norway
Telephone	+47 22 33 60 00
Internet	www.noreco.com
Organisation number	NO 987 989 297 MVA

Financial Calendar 2022

10 May	Q1 2022 Report
19 May	Annual General Meeting
12 July	Q2 2022 Report
26 October	Q3 2023 Report

Board of Directors

Riulf Rustad	Chair
Marianne Lie	
Tone Kristin Omsted	
Colette Cohen	
Robert J. McGuire	
Jan Lernout	
Peter Colman	

Management

Euan Shirlaw	Acting Managing Director and Chief Financial Officer
Marianne Eide	EVP, Upstream
Cathrine Torgersen	EVP, Investor Relations & ESG
Hege Hayden	EVP, People & Capability

Investor Relations

Phone	+47 22 33 60 00
E-mail	investorrelations@noreco.com

Annual Reports

Annual reports for Noreco are available on www.noreco.com

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on www.noreco.com. The publications can be ordered by e-mailing investorrelations@noreco.com.

News Releases

In order to receive news releases from Noreco, please register on www.noreco.com or e-mail investorrelations@noreco.com.

APPENDIX 2 – NORECO'S RESERVE REPORT

NORECO

Norwegian Energy Company ASA
Annual Statement of Reserves 2022

noreco.com

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1 Management's Discussion and Analysis (MD&A)

The reported 2P reserves include remaining volumes expected to be recovered based on reasonable assumptions about future technical, economical, fiscal, and financial conditions based on year end 2021 data. Discounted future cash flows pre-tax are calculated for the various fields based on expected production profiles and estimated 1P, 2P and 3P reserves. Cut-off time for the reserves in a field is set at the time when the maximum cumulative net cashflow occurs, with production and costs grouped at each production hub or at end of license in year 2042. The company has used a long-term inflation assumption of 2.5% and a long- term exchange rate of 6.3 DKK/USD. For oil a quality differential premium was used. A long-term Brent price of $60/bbl (real 2022) was used from 2024 onwards. For gas, the forward curve dated 19 Jan 2022 has been used as sales price for physical delivery through the transfer of rights of natural gas at the Dutch Title Transfer Facility (TTF) virtual trading point, operated by Gasunie Transport Services (GTS), the transmission system operator in the Netherlands and equalling approximately €23/MWh long term from 2025 onwards.

The calculations of recoverable volumes are associated with significant uncertainties. The 2P estimate represents a best estimate of reserves, whereas the 1P reflects a low estimate, and the 3P a high estimate.

All volumes reported are estimated by an independent third-party consultancy RISC (UK) Ltd. All production and cost profiles are included in the RISC 2022 reserves evaluation report for completeness and assessment of economic cut-off. The volumes are disclosed on a non-reliance basis. RISC has consented to the use of its report.

24.03.2022

Marianne Eide

EVP Upstream

2 Introduction

RISC (UK) Ltd (RISC) has made an independent reserves evaluation based on the definitions and guidelines set out in the revised June 2018 Petroleum Resources Management System (PRMS) version 1.01 (June 2018) (Figure 1). The PRMS has been prepared by the Oil and Gas reserves Committee of Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE), the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE).

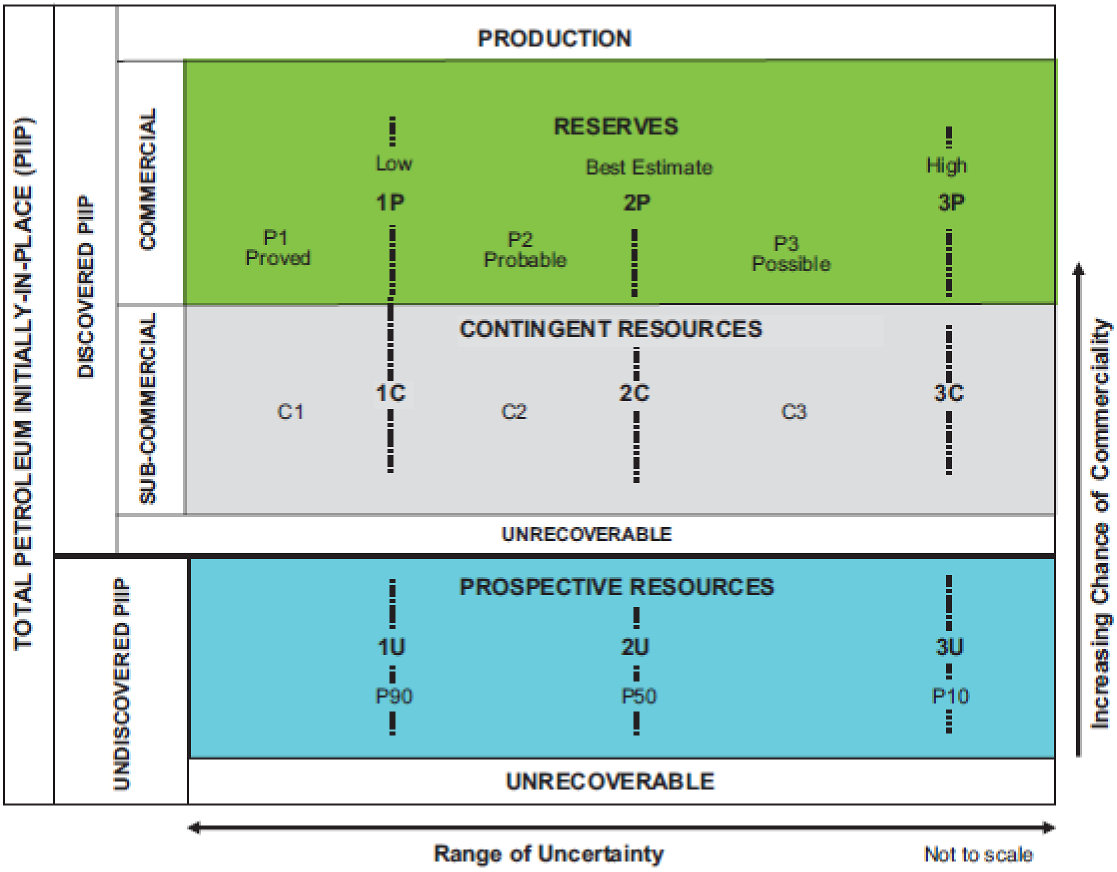

Figure 1 – Petroleum Resources Classification System

This report provides an overview of Developed Reserves (on production), Undeveloped reserves associated with ongoing projects, one project in the sub-class Approved for Development, and two projects in the sub-class Justified for Development that have not yet been sanctioned. No assessment has been made of contingent or prospective resources (in accordance with the classification table above) by RISC.

The Danish Underground Consortium (DUC) is a joint venture with three partners:

TotalEnergies	43.2% equity (Operator)
Noreco	36.8% equity, except for Lulita where the equity is 28.4%
Nordsøfonden	20.0% equity (State participation, fully paying)

The DUC portfolio of assets comprises four main infrastructure and production hubs, i.e. Dan, Halfdan, Gorm and Tyra, each of which serves as a host platform for several satellite fields. Each hub produces its own power and has at least one accommodation platform. The fields are generally mature, the oldest being the Dan field which came on production in 1972. Dan, Halfdan and Gorm are oil dominated producing assets and the Tyra Hub including satellites are gas dominated producing assets.

The DUC licence extension was granted on 29th September 2003 by the Danish Minister for Economic and Business Affairs for the period 1st January 2004 and up to 8th July 2042.

The Tyra Redevelopment (TRD) project was sanctioned in December 2017 as a result of seabed subsidence of the aging Tyra West and Tyra East platforms that posed a risk for the platform integrity under severe weather conditions. Consequently, Tyra and the associated satellite fields were closed-in at the end of Q3 2019 and production start-up from the new Tyra facility and satellites is scheduled for Q2 2023. All associated volumes are reported as Under Development.

Reserves are based on June 2023 for first gas export to Denmark from Dan, with gas production from Tyra fields starting approximately one month later. The ramp-up of the field will continue with full production expected to be achieved in H2 2023.

One commercial project at the Halfdan hub and one commercial project at the Valdemar field in the Tyra hub have field development plans underway and volumes are included in the Justified for Development category. Further, one commercial project at the Halfdan North East field was sanctioned in August 2021 and is now classified as Approved for Development.

3 YE21 – Developed and Undeveloped Reserves

The developed reserves are comprised of the fields on production from the Dan, Halfdan and Gorm hubs. The undeveloped reserves comprise of reserves from the Tyra redevelopment project and two development projects in the Halfdan Area and one in the Valdemar Area.

Table 1 – Noreco 1P, 2P and 3P reserves as of 31.12.2021 per reserve class

Reserves		1P/P90				2P/P50				3P/P10
		Gross liquids	Gross gas	Gross boe	Net boe	Gross liquids	Gross gas	Gross boe	Net boe	Net boe
as of 31.12.2020	*Interest*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmboe*
On Production										
Dan	36.8%	43.9	2.9	46.8	17.2	71.3	5.0	76.3	28.1	35.1
Kraka	36.8%	7.5	0.4	7.9	2.9	10.3	0.7	11.0	4.1	4.4
Halfdan	36.8%	63	13.8	76.7	28.2	106.3	25.2	131.5	48.4	58.0
Gorm	36.8%	11.8	-	11.8	4.3	21.7	-	21.7	8.0	9.7
Skjold	36.8%	21.2	-	21.2	7.8	31.8	-	31.8	11.7	14.2
Rolf	36.8%	1.3	-	1.3	0.5	2.5	-	2.5	0.9	1.3
Total		**148.7**	**17.1**	**165.7**	**61.0**	**243.8**	**30.9**	**274.7**	**101.1**	**122.8**
Under Development										
Tyra Hub	36.8%	61.1	86.3	147.4	54.2	84.4	121.1	205.5	75.5	85.9
Total		**61.1**	**86.3**	**147.4**	**54.2**	**84.4**	**121.1**	**205.5**	**75.5**	**85.9**
Approved for Development and Justified for Development										
Halfdan HCA gas lift	36.8%	0.2	3.0	3.2	1.2	0.5	6.3	6.8	2.5	3.1
Halfdan North	36.8%	15.1	1.7	16.8	6.2	23.9	2.7	26.6	9.8	15.6
Valdemar Bo South	36.8%	12.2	4.3	16.6	6.1	20.1	8.8	28.9	10.6	15.0
Total		**27.6**	**9.0**	**36.6**	**13.5**	**44.5**	**17.8**	**62.2**	**22.9**	**33.7**
On Production plus Under Development										
Total		**209.7**	**103.4**	**313.1**	**115.1**	**328.3**	**152.0**	**480.2**	**176.6**	**208.7**
On Production plus Under Development plus Approved for Development plus Justified for Development										
Total Reserves		**237.3**	**112.5**	**349.8**	**128.6**	**372.8**	**169.7**	**542.5**	**199.5**	**242.4**

Deficiencies in fuel gas in the Dan and Gorm Hubs are supplied from the Halfdan Hub and/or Tyra Hub and hence, the total gas is aggregate Sales Gas reserves entering the Export gas pipeline(s).

For total MMBoe, Gas reserves have been added to the Oil and Liquid reserves, using a conversion factor of 5.2 Bscf/MMBoe, from the Operator, based on actual calorific value of the sales gas.

Table 2 – Noreco 1P, 2P and 3P On Production plus Under Development reserves as of 31.12.2021 per associated hub

Reserves per hub		1P/P90				2P/P50				3P/P10
		Gross liquids	Gross gas	Gross boe	Net boe	Gross liquids	Gross gas	Gross boe	Net boe	Net boe
as of 31.12.2020	*Interest*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmboe*
Dan	36.8%	43.9	2.9	46.8	17.2	71.3	5.0	76.3	28.1	35.1
Kraka	36.8%	7.5	0.4	7.9	2.9	10.3	0.7	11.0	4.1	4.4
Dan Hub		**51.4**	**3.3**	**54.7**	**20.1**	**81.6**	**5.7**	**87.3**	**32.1**	**39.5**
Halfdan	36.8%	63.0	13.8	76.7	28.2	106.3	25.2	131.5	48.4	58.0
Halfdan Hub		**63.0**	**13.8**	**76.7**	**28.2**	**106.3**	**25.2**	**131.5**	**48.4**	**58.0**
Gorm	36.8%	11.8	-	11.8	4.3	21.7	-	21.7	8.0	9.7
Skjold	36.8%	21.2	-	21.2	7.8	31.8	-	31.8	11.7	14.2
Rolf	36.8%	1.3	-	1.3	0.5	2.5	-	2.5	0.9	1.3
Gorm Hub		**34.3**	**-**	**34.3**	**12.6**	**55.9**	**-**	**55.9**	**20.6**	**25.2**
Tyra	36.8%	27.7	60.1	87.9	32.3	38.3	85.3	123.6	45.5	51.3
Valdemar	36.8%	27.6	12.5	40.1	14.8	39.2	18.7	57.9	21.3	25.2
Roar	36.8%	4.2	9.1	13.3	4.9	5.3	12.0	17.4	6.4	6.8
Harald	36.8%	0.8	4.2	5.0	1.9	0.9	4.5	5.4	2.0	2.3
Lulita	28.4%	0.7	0.4	1.1	0.3	0.7	0.5	1.2	0.3	0.4
Tyra Hub		**61.1**	**86.3**	**147.4**	**54.2**	**84.4**	**121.1**	**205.5**	**75.5**	**85.9**
Total Reserves		**209.7**	**103.4**	**313.1**	**115.1**	**328.3**	**152.0**	**480.2**	**176.6**	**208.7**

Table 3 – Noreco 1P, 2P and 3P reserves development from 31.12.2020 to 31.12.2021

Reserves Development	On Production			Under Development			Approved/ Justified for Development			Total		
Net attributable mmboe	1P/P90	2P/P50	3P/P10	1P/P90	2P/P50	3P/P10	1P/P90	2P/P50	3P/P10	1P/P90	2P/P50	3P/P10
Balance as of 31.12.2020	**61.8**	**101.4**	**124.4**	**55.5**	**75.7**	**86.0**	**13.4**	**24.0**	**35.8**	**130.7**	**201.1**	**246.1**
Production	10.6	10.6	10.6	-	-	-	-	-	-	10.6	10.6	10.6
Acquisition and disposals	-	-	-	-	-	-	-	-	-	-	-	-
Revisions	9.8	10.3	9.0	-1.3	-0.2	-0.1	0.1	-1.1	-2.1	8.6	9.0	6.8
Discovery and Extensions	-	-	-	-	-	-	-	-	-	-	-	-
New Developments	-	-	-	-	-	-	-	-	-	-	-	-
Projects matured	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of 31.12.2021	**61.0**	**101.1**	**122.8**	**54.2**	**75.5**	**85.9**	**13.5**	**22.9**	**33.7**	**128.6**	**199.5**	**242.4**
Delta (2021-2020)	**-0.8**	**-0.3**	**-1.6**	**-1.3**	**-0.2**	**-0.1**	**0.1**	**-1.1**	**-2.1**	**-2.1**	**-1.6**	**-3.7**

2021 production (Noreco share) is the Available for Sales volume based on actual production plus fuel and flare plus re-injected volumes determined by Noreco.

The key drivers of the upward **Reserves On Production** revision are related to the following:

- A revised profile on Dan based on higher 2021 oil rates, higher uptime and lower fuel gas resulting from a reduction in workover backlog and well integrity work completed on high impact wells and the use of operations smart room for minimizing of fuel consumption
- A revised profile on Kraka based on an increase in field rate during 2021
- A revised profile on Halfdan Main based on a higher uptime
- A revised profile on Halfdan NE due to higher rates with a less steep decline, and a higher uptime

- A revised profile on Gorm and Skjold based on an increase in field rate during 2021 and an extended economic limit of the Gorm hub
- The minor downward revisions of fields in the Tyra hub are due to higher fuel gas requirements for the Gorm hub given a delayed economic limit, and 1-year shorter 1P life due to higher forecast costs.

Plans have been made to improve the operational efficiency via five strategic ambitions to be implemented in 2021-2022 to reduce the unplanned shortfalls. Further, work has been carried out to deliver stable volume of water for injection by ensuring availability of pumps. Finally, a second rig is approved for additional well services work on Dan and Halfdan over a period of 21 months commencing 15 July 2022.

The key drivers for the downward **Reserves Justified for Development and Approved for Development** revisions are related to the following:

- A delay of the HCA gas lift project on Halfdan NE which was approved for FID in August 2021. The delay was based on an improved performance of the wells (higher rates and uptime) in 2021 resulting from reduced backpressure at the wells. The project was shifted to October 2023 which results in a slightly lower production attributed to the gas lift project.
- First Investment Decision (FID) of Halfdan North (HDN) and Valdemar Bo South (VBS) was not taken in 2021.However, the firm intention to develop the projects is unchanged, and as such VBS and HDN remain classified as Justified for Development by RISC. All technical plans are complete, including FDPs and FEED for both developments.

No contingent or prospective resources have been included in this report.

4 Reserves – Technical Evaluation

The reserves reported are net for the interests (36.8%) in the DUC portfolio. These are arithmetically summed Developed[1] (in production) and Undeveloped[2] reserves (Approved or Justified for development). All reserves[3] conform to the PRMS guidelines. RISC has conducted a review of the information and technical work provided by Noreco and formed an independent view of the reserves on a field-by-field basis.

RISC has reviewed the historical production and injection performance, and the production forecast for the producing fields have been estimated using Decline Analysis or based on a review of the Operator's YE21 reserves forecasts (simulation work). The forecasts appear reasonable for initial production rate, with the general trends following historical trends.

Reserves have been classified accordingly to the associated risk and probability for the reserves to be produced.

- **1P** - Proved Reserves: Low estimate of reserves.
- **2P** - Proved + Probable Reserves: Best estimate of reserves.
- **3P** - Proved + Probable + Possible Reserves: High estimate of reserves.

In accordance with the PRMS guidelines, the cessation of production (COP) date used to estimate Reserves is defined as the latest year with positive operating cash flow, or the end of the technical field life (typical end of the license period), whichever occur soonest. The total Reserves for the different fields, are arithmetic summed as recommended in the PRMS reporting guidelines. However, it should be noted that the aggregated Proved Reserves (1P) may be a conservative estimate and the aggregated Proved plus Probable plus Possible (3P) may be optimistic. It is likely that the Proved (1P) total will statistically be a downside estimate and the Proved plus Probable plus Possible (3P) will statistically be an upside estimate, for this large diverse package of assets. The aggregated Proved plus Probable (2P) reserves typical exhibit less portfolio effect. Hence, the statistically median will tend to approach the mean of the distribution.

5 Assets Portfolio

5.1 Introduction

The DUC assets consist of eleven active fields with reserves. All fields are situated on the Danish Continental Shelf. The developments can be divided into four main producing hubs: Dan, Gorm, Halfdan and Tyra. Production started in 1972 and oil and gas are exported to shore via one oil pipeline from Gorm and two gas pipelines from Tyra.

[1] Developed Reserves are expected quantities to be recovered from existing wells and facilities.
[2] Undeveloped Reserves are quantities expected to be recovered through future investments.
[3] Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a give date forwards under defined conditions. Reserves must further satisfy four criteria: They must be discovered, recoverable, commercial, and remaining (as of a given date) based on the development projects applied.

5.2 Dan Hub

Dan is an oil field which was discovered in 1971 and brought on production in 1972. The field produces oil and gas from the Ekofisk and Tor chalk reservoir and the production drive mechanisms are gas cap drive/solution gas expansion and secondary by pressure support from waterflooding. Dan is a domal structure divided by a major fault into a NW downthrown A-block and a SE Upthrown B-block.

Initially, the field was developed with vertical and deviated wells and later full field development by horizontal wells. Water injection was tested in 1991 and expanded to full field scale in 1995. A total of approximately 126 wells has been drilled, with currently 38 active oil wells and 33 active water injectors. By end of 2021 the field has produced 747 MMstb of oil and 979 Bscf of gas.

Kraka is a tie-back to the Dan field and is an oil field located 8 km to the southeast of the Dan field. The field was brought on production in 1991 and produces oil and gas from the Ekofisk chalk reservoir by a combination of solution gas drive and aquifer support. 10 wells have been drilled and currently 7 oil wells are producing. By end of 2021 the field has produced 39.8 MMstb of oil and 64.5 Bscf of gas.

5.3 Halfdan Hub

Halfdan Main was discovered in 1998 and brought on production in 1999. The field produces oil and gas from the Tor Chalk reservoir by gas cap drive/solution gas expansion and secondary waterflooding. The Halfdan NE area produces gas from the Ekofisk Chalk reservoir by depletion drive. The Halfdan Main oil accumulation is contiguous with the Dan accumulation and thins towards SW and NE.

Halfdan Main has been developed in four phases and 71 wells has been drilled, with currently 35 active oil producers and 26 active water injectors. By end of 2021 the field has produced 522 MMstb of oil and 622 Bscf of gas.

Halfdan NE has been developed in three phases and 18 wells have been drilled, with currently 16 active gas producers. By end of 2021 the field has produced 13.5 MMstb of oil and 726 Bscf of gas.

5.4 Gorm Hub

The Gorm field was discovered in 1971 and brought on production 1981. The field produces oil and gas from the Ekofisk and Tor Chalk reservoirs. The field is a domal structure divided into a deeper western A-block and the shallower eastern B-block. Ekofisk is absent across most of the B-block and thickens down flank on the B-block. The production mechanism is dominated by secondary waterflooding. 46 wells have been drilled, with currently 17 active producers and 6 active water injectors. By end of 2021 the field has produced 399.5 MMstb of oil and 597 Bscf of gas and 305 Bscf gas has been injected (no injection since 2005). Gorm acts further as the oil gathering center and export hub for all DUC fields.

The Skjold field is an oil satellite tie-back to Gorm. It was discovered in 1977 and brought on production in 1982. The field is a dome shaped structure with a relative thin chalk reservoir on the crest, which thickens towards the outer crest and flank areas. The Chalk is highly fractured with low matrix permeability and the main production drive mechanism is waterflooding. 30 wells have been drilled, with currently 16 active oil producers and 8 active water injectors. By end of 2021 the field has produced 309 MMstb of oil and 157 Bscf of gas.

Rolf is an oil field, which has been developed as a satellite to Gorm. The field was discovered in 1981 and brought on production in 1985. The field produces from the Ekofisk and Tor Chalk reservoir with intervals of good permeability with fracture connected matrix porosity. The production mechanisms are solution gas drive and aquifer support. 3 wells have been drilled, with currently 1 active oil producer. By end of 2021 the field has produced 30.3 MMstb of oil and 7.6 Bscf of gas.

5.5 Tyra Hub, currently closed in for re-development

Tyra Main is a gas dominated field discovered in 1968 and Tyra SE is an oil dominated field area discovered in 1991. Tyra Main was brought on production in 1984 and Tyra SE in 2002. The Tyra field lies on an inverted structure on the Valdemar-Tyra-Igor low relief ridge. The field produce mainly from the Ekofisk and Tor Chalk reservoirs. The field was developed during 1984 to 1991 with gas plateau production from 1992 to 2007. One horizontal well has been drilled into the Lower Cretaceous Chalk, Tuxen Fm. The gas in the flank area towards Tyra SE was developed during 1998 to 2008. The recovery mechanism is depletion by gas expansion and rock compaction.

The Tyra East and West comprises of 11 platforms and due to subsidence, the field is currently being redeveloped. The Tyra Re-development project scope include replacing the existing accommodation and processing platforms by one single accommodation and one processing platform. The wellhead jackets will be raised, and topsides replaced. No new wells are planned. The estimated start-up of the new Tyra facility and the Tyra Satellites is scheduled for Q2 2023. A total of 93 wells have been drilled on Tyra Main and SE, with currently 47 active oil and gas producers by end of 2019 the field has produced 208 MMstb of oil and 4,251 Bscf of gas.

Tyra acts further as the gas gathering center and export hub for all DUC fields. During the Tyra redevelopment project, Dan is temporary the host for gas export via a by-pass pipeline connecting Dan F to the Tyra-NOGAT pipeline system to the F/3 in the Netherlands.

The Valdemar field is an oil and gas field discovered in 1977 and further appraised in 1985 and brought on production in 1993. The Lower Cretaceous chalk, Tuxen Fm has been the primary development target and horizontal wells has been drilled and completed with sand prop fractures. The field is produced by depletion and rock compaction drive under controlled bottom hole pressure constrained mode. 26 wells have been drilled on Valdemar, with currently 22 active oil and gas producers. By end of 2019 the field has produced 89 MMstb of oil and 257 Bscf of gas.

Roar is a gas field with an oil rim tie-back to Tyra East. The field was discovered in1968 and further appraised in 1981. The field was brought on production in 1996. The field produces gas and condensate from the Ekofisk and Tor Chalk reservoir. The gas column thickens towards South, while the oil rim has been encountered by the wells towards the North. 4 gas producer wells have been drilled, with all currently being active. By end of 2019 the field has produced 588 Bscf of gas and 18 MMstb of condensate.

Harald is a gas/condensate field located in the northwestern part of the Danish sector. The Harald field comprises of two structures; Harald East discovered in 1980 and Harald West discovered in 1983. The fields were brought on production in 1997. The Harald West reservoir consists of Middle Jurassic sandstones, and Harald East is an elongated dome structure in the Upper Cretaceous Ekofisk and Tor Fm. The production mechanism is depletion drive. Four wells have been drilled, two on Harald West and two on Harald East, and all four wells are currently active. By end of 2019 the field has produced 902 Bscf of gas and 51 MMstb of condensate.

Lulita is an oil field with a gas cap discovered in 1991 which were brought on production in 1998. The field is a NE dipping monocline with a main fault boundary in the west and structural dip closure to the SE. The reservoir consists of Middle Jurassic sandstones. The production mechanism is aquifer encroachment, gas cap drive and solution gas expansion. Two wells have been drilled, however only one is currently producing. By end of 2019 the field has produced 7.4 MMstb of oil and 28.3 Bscf of gas. DUC holds an 50% interest in the Lulita field with Ineos (40%) and Noreco (10%) as partners.