November 4, 2025

OKEA

Q3 2025

QUARTR

MODULAR FINANCE

Speakers

Svein Liknes
CEO | OKEA

Birte Norheim
CFO | OKEA

Operator

John Olaisen
Analyst | ABG

Teodor Nilsen
Equity Research Analyst | SB1 Markets

Company Representative

Prepared Remarks

Svein Liknes
CEO | OKEA

Good morning and welcome to the third quarter presentation from OKEA. My name is Svein Liknes, I'm the CEO of OKEA, and I'm joined by Birte Norheim, our CFO, who will take you through the financial part after my operational update. Then we will both be part of the Q&A session thereafter, and there should be a link on our homepage that you can actually use to submit questions, and I hope that you all will participate. The highlights for Q3 have been strong performance again from our producing assets. Even though we've had up to 23 days of downtime or planned downtime on some of our assets, we have delivered quite high production efficiency. The volumes are the same as in last quarter because we have seen a very strong production from the Sognefjord East well on Brage, which actually has offset the planned maintenance.

Svein Liknes
CEO | OKEA

That is extremely good performance. On the financials, we've seen an increase in revenues and EBITDA, but we've also seen a negative impact from the impairment that we will get back to later on, especially in the financial section, and I will also talk a little bit about the consequence or the reason for this impairment in the operations update. In our portfolio, we've seen significant successes and exploration with the Talisker discovery drilled on Brage. I will get back to that in more detail later on in my presentation, but that again demonstrates the strategy that we had when we set out on Brage, that there are more resources to be discovered.

Svein Liknes
CEO | OKEA

We are developing our projects good, both on Bestla, but also on the Power from Shore project, and we are planning now to drill the Garn West South production well on Draugen in the fourth quarter, which will be with the same drilling rig as is now producing, no, sorry, drilling the wells on Bestla. The key operational figures for the quarter, you can see an increase here in safety. That is related to one single incident where we had a slip, trip, and fall from a ladder at a very low altitude. We got a broken leg, unfortunately, in this incident. That is the result or the reason why the results are increasing on safety. That is always something we are focusing on and try to learn from.

Svein Liknes
CEO | OKEA

Production, as you can see, is the same as the previous quarter, high production efficiency of 91%, even though some of our assets were down in September for three weeks, and we see a slight increase in production expenses for the quarter. What to note on this page is basically what I've already said. You can see on the last column for production volumes, you can see that Brage has picked up production and actually compensates for the shortfall from then. Ivar Aasen and also Gjøa/Nova area that had planned turnaround during this quarter. We have seen very high production efficiencies both on Draugen and Brage and also on the Statfjord area with above 90%, and then lower production efficiency on Ivar Aasen and Gjøa/Nova, as I just mentioned, because of the planned downtime in September in particular.

Svein Liknes
CEO | OKEA

On our assets then for the operational update, Draugen, again, very strong production performance with the production efficiency of 94% during that quarter. We have reduced the reserve estimate at Hasselmus, and Hasselmus is the tie-back pure gas into Draugen, and that is because we see a very strong aquifer underneath the Hasselmus reservoir, which then gives us more pressure than anticipated previously. That means that we could get water increase earlier than expected at the tail end of the lifetime of Hasselmus. That is why we have cut the tail end a bit in this latest update. That is the reason for the impairments on Hasselmus. On Garn West South, we are planning to drill that one now in the fourth quarter. We do have a plan for putting that well into production on 1st of April next year.

Svein Liknes
CEO | OKEA

That will give a very important production boost to the Draugen asset for 2026 in particular. On Brage, again, very strong operational performance with a very high production efficiency of 97%. That is quite impressive because we also see a very heavy drilling campaign on Brage in the same period, at the same time as we are ramping up the Bestla activities, both subsea but also on the top side of Brage. We started the Sognefjord East well back on 1st of July as planned, and the production from that well has been extremely good. That increased the production on Brage by 42%, and that is also the well which then has compensated for the loss of production from Gjøa area and also Ivar Aasen during September when they had the planned downtime.

Svein Liknes
CEO | OKEA

We have done the drilling on Talisker East according to the plan, and we do expect that well to be started in the first quarter of 2026. Actually, we came to the total depth of 10,009 m just three, four days ago. That will be an extremely long well to complete and run completion in, but it is a very important contribution to Brage. On Statfjord, we have also seen high production efficiency, but we are also seeing lagging performance, and we also see that some of the expected cost reductions and also improvement areas that we have looked into are lagging behind. That is also one of the reasons why we are having an impairment on the Statfjord area. We have also taken down the recoverable reserves, which have previously been in the plan. That is also having a negative impact.

Svein Liknes
CEO | OKEA

The picture for the impairment on Statfjord is both a reduction in reserves, but also increased cost compared to previous models that we have had. We are still working very closely with the operator and the rest of the partnership to drive improvement, but it takes somewhat longer time than we had previously expected. That is still the overall strategy for Statfjord. On Ivar Aasen, the lower production efficiency that we have seen there is due to the planned turnaround in September that lasted 23 days. There has been a seismic campaign which has been sanctioned because obviously we need to run more infield drilling on Ivar Aasen to drive more value extraction from that area in the future. An increased oil recovery 2026 campaign is sanctioned, and we do expect the first oil from that project to actually start flowing in 2026.

Svein Liknes
CEO | OKEA

Last but not least, the Gjøa/Nova area. We have also low production efficiency here because of the planned downtime in September where we did maintenance, and we also converted the production on Gjøa from high pressure to low pressure production, which will then increase production from the area. We are seeing very good effects since startup of the low pressure production regime that now has been introduced on Gjøa. We are focusing on both on Nova and on Gjøa to drill more infield wells in the area, but also in Nova in particular to increase the recoverable reserves from this area. Again, a very good asset for OKEA. Back to our development projects, predominantly two of them, which is the Power from Shore on Draugen. This is progressing well. We are ramping up the installation now on Draugen with quite a bit of equipment being installed.

Svein Liknes
CEO | OKEA

The onshore facilities have also been progressing well, and the onshore facilities will actually be put into operation in August next year because that is when we are electrifying the Njord asset, which has a cable or power going up to Draugen and then into Njord. The onshore facilities will be completed and put into operations in August or September next year. The offshore activities on Draugen are ramping up, as I just mentioned. The other main development project we have is the Bestla, which is the tie-back to Brage. We are still aiming for completion early in 2027 with the 10,000 bbl equivalent net to OKEA when it comes online.

Svein Liknes
CEO | OKEA

We are now in the middle of a drilling campaign, which is according to schedule, and we are drilling with a rig that you can see at the Deepsea Yantai, which then will go straight over to Draugen to drill the Garn West South well thereafter. Very happy to see the sanctioned project is actually progressing according to the plan that we actually laid out two years ago and that we are seeing that more reserves coming into Brage already in 2027. Last but not least on my section is the exploration success. We have been very focused in OKEA on being mid and late life operator and champion, and that is something I think we have demonstrated doing both in Brage but also in Draugen. Exploration success and growing organically as a company is also very important, especially in the areas around our assets.

Svein Liknes
CEO | OKEA

Therefore, the Talisker exploration success is extremely well received. We have found volumes in the area there in a range of 16 bbl-33 bbl million of oil. This is actually oil that can be drilled out from the Brage platform, so we do expect first oil already in 2027 from this area, and we have a below $20 breakeven on these resources. This is an extremely important contributor to Brage for the future. Likely, it also means that we can extend the lifetime, commercial lifetime of Brage, which also then will have a positive impact both on the Brage reservoirs but also on Bestla that will be tied in and started in 2027, as I just mentioned.

Svein Liknes
CEO | OKEA

Really looking forward to have actually a drilling break now in 2027, no, sorry, 2026, because we are then allowing the space on board to be used by the Bestla crew that will do the topside modifications on Brage. At the end of next year or early in 2027, we are restarting the drilling campaigns on Brage, and then obviously the Talisker success and the discoveries there will be an important part of the future drilling plan for Bestla. With that, I will hand over to Birte that will take you through the financials before I come back with a summary, and thereafter we go into the Q&A session. With that, I hand over to you, Birte.

Birte Norheim
CFO | OKEA

Thank you, Svein. We deliver solid production also in the third quarter, as well as positive results on exploration around Brage that will likely extend the economic life of Brage and Bestla.

Birte Norheim
CFO | OKEA

There is still no way around the impairments in the quarter drives the bottom line into the red. I will revert to more details on the impairments following a review of production and sales. Production ended at 31,700 bbl of oil equivalents per day, which is the same level as previous quarter. Production from the new Sognefjord East well at Brage offset the impact of maintenance on other assets. We sold 36,300 bbl per day, which includes a net overlift equivalent to 4,600 bbl per day. This is mainly due to overlifts from Draugen and Brage. The average realized liquids price increased by 3% and ended at $65.3. The average realized gas price decreased by 5% and ended at $65.7 and includes a realized gain on hedging equivalent to $4.6. In total, this resulted in petroleum revenue of $218 million.

Birte Norheim
CFO | OKEA

The graph to the left illustrates our crude liftings over the last five quarters, as well as the average observable market price. Note also the bar illustrating expected volumes in the coming quarter. As is visible from the graph, we expect an underlift. This is largely due to a significant lift from Draugen expected very early in the first quarter. The graph to the right outlines the difference between the average market price of Brent for the quarter of $69.1 compared to the average realized liquids price for OKEA. Positive quality and price adjustments brought the realized crude price to $70.6, or $1.50 above the market. 13% of total volumes sold were NGLs, which is equivalent to 18% of the liquids volumes. As NGLs trade at a discount to crude, it brings the average liquids price to $65.3.

Birte Norheim
CFO | OKEA

On this graph, we illustrate the volumes of gas sold over the last five quarters, as well as the observable market price in the same period. The amount of gas sold were in line with previous quarter, as the reduction from Gjøa/Nova was offset by additional volumes from Brage. I promised you some more details on the impairments, and this time we have included a slide that outlines some of the facts and technicalities of impairments in general, and we also outline more on the specifics about the impairments in the quarter. In total, impairments amounted to $151 million, which corresponds to a post-tax impact of $47 million. The impairments on Statfjord were a result of reduction in recoverable reserves and a recognition that expected future cost reductions are less likely.

Birte Norheim
CFO | OKEA

Jointly, this resulted in impairments on Statfjord of $138 million, of which five relate to technical goodwill and $133 relate to oil and gas properties. This also means that there is no remaining technical goodwill on Statfjord on the balance sheet. As you may recall from our previous updates, technical goodwill impairments have no tax offset in the income statement and are not reversible. Asset impairments, on the other hand, have a tax offset in the income statement and are reversible if micro or macro conditions should improve. I think it is fair to say that our efforts to improve operational performance on Statfjord have so far not yielded the warranted results. However, we are aligned with the operator on the overall asset strategy and will continue to chase measures to improve the robustness and value generation from Statfjord going forward.

Birte Norheim
CFO | OKEA

On Draugen, production data indicates that the reservoir pressure development is higher than anticipated, which increases the risk of earlier water ingress, as outlined by Svein. This is not impacting production estimates in the near term, but we expect an earlier cutoff of the Hasselmus well. This results in technical goodwill impairments of $11 million. As there are no tax offsets, the post-tax impact is also $11 million. Over to the profit and loss statement. We deliver operating income of $224 million, consisting of the petroleum revenue of $218 million and other operating income of $5 million. Other operating income mainly relates to net tariff income at Gjøa and Statfjord. Production expenses amounted to $77 million, or $24.5 per bbl, and the increase in cost was mainly due to maintenance on several assets during the quarter. As already outlined, impairments amounted to $151 million.

Birte Norheim
CFO | OKEA

Exploration expense and SG&A of $11 million comprise exploration expense of $7 million, of which half relate to seismic purchases. SG&A amounted to $3 million. Net financial expense amounted to $2 million. Expensed interest of $10 million was partly offset by $8 million in finance income. Tax income was $62 million, which brings the net loss to $37 million. Moving on to the balance sheet. Goodwill amounted to $97 million and comprised $81 million in technical goodwill and $16 million in ordinary goodwill. Cash and cash equivalents amounted to $377 million, and in addition to the cash balance, $42 million in excess liquidity has been placed in money market funds classified as financial investments. Following settlement of the $125 million OKEA04 bond in early July, interest-bearing bond loans are now normalized and amounted to $295 million.

Birte Norheim
CFO | OKEA

Income tax payable of $92 million represents tax accrued for the first three quarters of the year, partly offset by two installments paid during the quarter of a total of $11 million and $4 million in tax refund for 2024, which is expected received in the fourth quarter. Asset retirement obligations of $969 million is a pre-tax amount and is partly offset by asset retirement receivables of $465 million. Cash generated from operations was a solid $197 million. Taxes paid of $11 million includes the first two tax installments for 2025. Settlement of the OKEA04 bond resulted in a payment of $127 million in the quarter. $103 million were used for investments mainly relating to Bestla, Power from Shore, and production drilling at Statfjord.

Birte Norheim
CFO | OKEA

This brings our total liquidity to $418 million, and as mentioned, $42 million is placed in money market funds, bringing the cash balance to $377 million. Finally, an update on our guidance. With another strong quarter, with production at the high end of our expectations, we are increasing our guidance for 2025, as well as narrowing the range to 32,000 bbl-33,000 bbl. This is up from 30,000 bbl-32,000 bbl per day. We keep the production guidance for 2026 unchanged at 31,000 bbl-35,000 bbl per day, and we keep the CapEx guidance for the next year and this year unchanged, with $350 million-$380 million expected this year and $300 million-360 million expected for the coming year. In line with previous communication, we currently do not have an announced dividend plan. This is due to a relatively large investment program, particularly in 2025 and 2026.

Birte Norheim
CFO | OKEA

The board intends to revert with a dividend plan when it considers to be in a position to distribute. This will, amongst other things, depend on the macro environment. That's all from me for now, and I'll give the word back to you, Svein. Thank you.

Svein Liknes
CEO | OKEA

Thank you, Birte. As a summary then for the quarter. We have demonstrated that we do have a continued strong production performance on our assets, but our net result is impacted by the impairments that Birte took you through. We are net cash positive, and there is no debt which is maturing until 2028, and we are continuously drilling to develop new production wells, well demonstrated by what we have done on Brage in particular, but also what we are now going to start on Garn West South on Draugen.

Svein Liknes
CEO | OKEA

We've been very successful on the exploration, especially with the Talisker discovery in the Brage area. This adds significant value to the company, and especially when it's in the area around our assets, because that is low cost and is also quick to recover. Maybe already in 2027, production from this discovery. We are building and maturing a portfolio and looking for further investment opportunities. In summary, very strong performance operationally. Unfortunately, this is offset by the impairments, but what we are focusing on to be the mid and late-life operator is something that still continues. With that, we will move into Q&A session, and I hope that as many as possible will continue with us in this one. Thank you.

Operator

If you do wish to ask a question, please press five-star on your telephone keypad. To withdraw your question, you may do so by pressing five-star again.

Q&A

Operator

The first question is from the line of John Olaisen from ABG. Please go ahead.

John Olaisen
Analyst | ABG

Your line will now be unmuted. Hey, good morning, everybody. A couple of questions. Let's start with the Draugen Power from Shore. Could you tell us what is the remaining CapEx on that project, please?

Birte Norheim
CFO | OKEA

Hi, thank you, John. Thank you for the question. We do not guide on CapEx by project, but I can say that we are still within our guided range on both of these, on both of the two major projects that we have, Bestla and Power from Shore. We don't expect any updates to our CapEx. I can also say that we expect a bit more Power from Shore CapEx in the fourth quarter of this year. Other than that, we do not guide on CapEx by project. All right.

Birte Norheim
CFO | OKEA

You have given guidance for CapEx for 2025 and for 2026. Is there a lot of CapEx related to Bestla and the Power from Shore into 2027? Is most of that included in the 2025-2026 CapEx?

John Olaisen
Analyst | ABG

For Bestla, most is included in the 2025 and 2026 CapEx, and for Power from Shore, there will still be some CapEx in 2027 as startup is expected in 2028.

John Olaisen
Analyst | ABG

Could we just take the guided range and split it into three years as a rough estimate for the Draugen Power from Shore CapEx?

Birte Norheim
CFO | OKEA

Yeah, we have stated before that our CapEx for 2025 and 2026 is very roughly split, 1/3 between Bestla, Power from Shore, and infill and production drilling at Statfjord and Brage. If that is an indication.

John Olaisen
Analyst | ABG

That gives an indication. What I'm getting to is, are you fully financed? What I'm wondering about, are you fully financed? I guess so, and by how much margin would you say, by the way? You have a lot of activity in 2026 and into 2027, the Power from Shore, Bestla, various production drilling and exploration. Could you give us some comfort that you're fully financed for all this project, please?

Birte Norheim
CFO | OKEA

Yes, I can say that when we raised the previous bond, we stated that we were fully financed, and I would say that under most macro conditions, we are fully financed throughout this. Of course, when Bestla comes in operation, that will also add to our production and revenue stream.

John Olaisen
Analyst | ABG

At what time would you start considering paying dividend? I guess it's related to what we just talked about. At what point in time would you be comfortable that you potentially could be paying out dividend?

Birte Norheim
CFO | OKEA

I think we have, again, stated that we will revert with a dividend plan once the board considers that we are in a position to distribute again. Obviously, especially the Bestla project is a key to have comfort into the startup of Bestla. It's a key driver in those kind of considerations, which we have all the time in the board and in the management in OKEA.

John Olaisen
Analyst | ABG

All right. I got a lot of follow-up questions or related housekeeping questions, but I'll let some other analysts take the word now. Thanks for answering my questions.

Birte Norheim
CFO | OKEA

Thank you, John.

Operator

The next question is from the line of Teodor Nilsen from SB1 Markets. Please go ahead. Your line will now be unmuted.

Teodor Nilsen
Equity Research Analyst | SB1 Markets

Good morning, Svein and Birte, and thanks for taking my questions. A few questions from me.

Teodor Nilsen
Equity Research Analyst | SB1 Markets

First, on your impairments, could you indicate how much you will reduce the reserves on Draugen and Statfjord in your next reserve report as a direct consequence of the impairments? Second question, that is on cash tax. Are you in a position to provide some guidance on cash tax on next few quarters? Then a question on M&A and growth. You have a shareholder that previously has stated that they wanted to grow, they wanted OKEA to grow in Norway. Are you currently looking at any growth opportunities in Norway, or are you looking at anything outside Norway? My fourth and final question, that is back to the Draugen Power from Shore project. We have seen that several other projects have been canceled recently due to lack of profitability.

Teodor Nilsen
Equity Research Analyst | SB1 Markets

I just wonder if you could remind us of what kind of profitability or return rate return you've seen from the Draugen from Shore project.

Birte Norheim
CFO | OKEA

Thank you. Teodor, I missed your second question about the tax. You asked if we were in a position to what?

Teodor Nilsen
Equity Research Analyst | SB1 Markets

If you are in a position to guide on cash tax over the next few quarters.

Birte Norheim
CFO | OKEA

Thank you. Maybe I can answer that first, because in our guidance section, we have provided some guidance. That each of our installments at the moment is estimated to between $5 million and $6 million. And under the new tax regulation, we pay 10 installments per year. So we expect the two payments in the coming quarter. Three payments in the coming quarter. We have two payments in the current. Do you want to take the next one, Svein?

Svein Liknes
CEO | OKEA

Yeah, I can do the M&A one, Teodor.

Svein Liknes
CEO | OKEA

We are still focusing on the Norwegian continental shelf. So we are still looking for opportunities, but obviously it needs to be something where we can see we can add further value creation in a similar way that we have done on Draugen, but also in particular on Brage, as we have demonstrated lately. Norway is still our core focus, so we are not looking elsewhere. That is also supported by our board. The Power from Shore, I know that some licenses have not started Power from Shore or electrification projects. Obviously, we have started our project for some time, but the Power from Shore project for Draugen as well is a very important strategic pillar for extending the lifetime of Draugen to 2040 and beyond, as it gives us a very good transparency on the cost picture when it comes to power generation for the Draugen field.

Svein Liknes
CEO | OKEA

Obviously, that is not related to our project.

Birte Norheim
CFO | OKEA

You also had a question about impairments and volumes, and I think we need to refer to the update on the ASR report before we provide those kind of details, Teodor.

Teodor Nilsen
Equity Research Analyst | SB1 Markets

Okay, thank you. Could you indicate if you'd like it down 5% or down 20%? I assume it's in that range somewhere.

Birte Norheim
CFO | OKEA

I think we need to revert in the ASR report. I think it's somewhere in between those numbers you refer to there.

Teodor Nilsen
Equity Research Analyst | SB1 Markets

Okay, that's fair. Thank you.

Operator

Let me just remind you to ask a question. Please press five-star on your telephone keypad. While we wait for any more questions from the telephone, let's check if there are any written questions.

Company Representative

Yeah, we have a question here from Steinar Østmark. He's asking, can you say something about the arbitration ongoing with Equinor about [Statfjord]?

Company Representative

Is there any progress in that?

Svein Liknes
CEO | OKEA

There is no more to be added on that. What has been communicated previously is all we have on that matter.

Birte Norheim
CFO | OKEA

We state in the report that the arbitration has ended and that deliberation is ongoing. I think that's the latest update we have disclosed and want to disclose on that matter.

Company Representative

He has a follow-up question about dividend payments, and I think we answered that already. I'll move over to the next question. From Russell Zorenki, could you update on the Gjøa Nord development? Is it still part of the Ofelia-Cerisa project, and is there something holding it back?

Svein Liknes
CEO | OKEA

Yeah, we are still looking at the whole area, including Ofelia-Cerisa, although Gjøa Nord is a separate development because there could be opportunities and synergies to actually develop these together.

Svein Liknes
CEO | OKEA

The current timeline for the Gjøa Nord is that the license is planning a decision gate two before the end of this year. That is the actual timeline for that. Looking into all the other prospects in the area is important to get a more robust development concept.

Company Representative

There is a follow-up question from Russell. Looking ahead, does OKEA want to add additional long-life assets to the portfolio, and when might there be opportunities to acquire these assets?

Svein Liknes
CEO | OKEA

Yeah, as I just mentioned to Teodor as well, we are continuously looking for growth opportunities inorganically. We still want to add long-life assets, but the criteria for those assets needs to be that we identify further value creation. When they come, it's hard to say, but we are continuously looking to grow and build a value-creative portfolio.

Company Representative

We have a question from Sigbjørn Hovda.

Company Representative

Has OKEA assessed whether future refinancing of OKEA05 and OKEA06, maturing in 2028 and 2029, could move to a cash flow-based distribution limit rather than NPAT?

Birte Norheim
CFO | OKEA

Thank you for the question, Sigbjørn. Yes, we always discuss how to find the appropriate balance between lender security versus cash flow flexibility. Cash flow limits have been discussed in previous rounds, and I will certainly not exclude it as an option going forward. For now, we have eased the definition under the OKEA06 bond to exclude the effect of technical goodwill impairments, as that will never result in any cash effect. I wouldn't exclude it.

Company Representative

A follow-up question. With $151 million pre-tax impairments, mainly Statfjord and Draugen, how confident are you that further write-downs are behind us?

Birte Norheim
CFO | OKEA

We have $80 million remaining on our balance sheet in technical goodwill.

Birte Norheim
CFO | OKEA

The technicalities of technical goodwill is that it will hit the P&L at some stage as an impairment, but bearing in mind that it has no cash effect. These impairment tests, we do every quarter, and the effect, amongst other things, depends on macros at the balance sheet date. It can be a bit unpredictable, the timing of technical goodwill impairments.

Company Representative

Another one from Sigbjørn Hovda. Are reserve revisions at Statfjord or Draugen expected to materially affect production in the next 12 months-18 months?

Birte Norheim
CFO | OKEA

For Draugen, the effect at Hasselmus is expected at the tail end, which is further into the future than 12 to 18 months. For Statfjord, it will have some effect, but it's still within the guidance that we have for 2025 and 2026.

Company Representative

Another question from Sigbjørn Hovda. What incremental CapEx is assumed to convert Talisker into production, and will this fit inside current guidance?

Birte Norheim
CFO | OKEA

We are still maturing the plans for Talisker, but I can say that the CapEx is expected to be quite limited and really very little beyond the drilling cost at Talisker.

Company Representative

The last one from Sigbjørn Hovda. How does OKEA view potential industrial consolidation on the NCS following DNO's Sval Energi acquisition?

Svein Liknes
CEO | OKEA

I guess that also falls within the questions we have answered on M&A. There is a consolidation that happened between two parties that made sense. I think that will still continue to happen on the Norwegian continental shelf. For our sake, we are still looking into opportunities, how we actually can grow inorganically predominantly.

Company Representative

There is a question from Karl Kangor. As the Statfjord deal was described to have structure with downside protection and upside profit sharing, can you help us understand the combined cash effects to OKEA since the acquisition?

Company Representative

How much cash has OKEA paid to Equinor since the deal, and how much cash has OKEA received after tax from Statfjord since the deal closed?

Birte Norheim
CFO | OKEA

We do not guide on cash flows by asset. We had a profit sharing element, which was intended to protect against paying too much. Obviously, the operational risk is still OKEA's following the acquisition date. I can just remind you that the purchase price was the agreed purchase price was $220 million plus the upside profit sharing, which was tied to gas and oil prices until the end of 2025.

Company Representative

We have a follow-up question from [Jónó Leifsen].

Operator

Yes, John, please go ahead. Your line will now be unmuted.

Company Representative

Thank you for taking the follow-up. The unit production cost has been around $24 per boe over the last couple of quarters.

Company Representative

You write that it's negatively impacted by high maintenance, both in Q2 and in Q4. Is it possible to give some indication what we should expect the unit production costs to be going forward?

Birte Norheim
CFO | OKEA

Yes. Over the last couple of recent quarters, it's been above 20, but it has also been below 20. Over time, we expect it to be around 20 on average. Obviously, we had maintenance on three different assets this quarter, which drives additional cost.

Company Representative

All right. Long-term or medium-term around 20, is that what was expected in Q4? Are there any special effects in the near term, next couple of quarters that will impact unit production costs?

Birte Norheim
CFO | OKEA

Nothing as major. We had two assets, we had more than three weeks of downtime and maintenance. We do not expect any major maintenance in the coming quarter.

Company Representative

I wonder if you could comment a little bit on exploration for 2026. I understand that the Arkenstone project has been pushed until Q4. Is that correct, by the way? Maybe you could talk a little bit about what other key exploration routes we should expect for the next six to nine months, please.

Svein Liknes
CEO | OKEA

Arkenstone has been pushed out. We have tried to drill it once, but obviously now it has been pushed out into 2026. That is something that we are planning on. The key there is for Equinor to actually get that prospect into one of their drilling rigs. As we have said before, we are aiming to have two or three exploration wells per year, up to four if we do find attractive opportunities. That is still the target. That is at least the volume that we are looking for in the future.

Svein Liknes
CEO | OKEA

Arkenstone is definitely a significant one. Are there any exploration wells for the next six months you expect to participate in? No, not for the next six months. I need to go back and look into the exact plan for when we are spreading the next exploration well, to be quite honest. Not for the next six months, as far as I can recollect.

Company Representative

Is there an exploration well on the table right now, or are you still in the planning phase for that?

Svein Liknes
CEO | OKEA

We are planning, and these wells tend to move back and forward. As I just mentioned, Arkenstone was spread and has now been moved into 2026. These targets are moving back and forward. The overall exploration portfolio that we have is around up to four wells.

Svein Liknes
CEO | OKEA

Currently, we have two or three each year on average, but they tend to move back and forward between the years. For next year, it is the Arkenstone in particular that we have. Then we have a few other projects that we are working on, but not in the next six months. It will come later on in 2026 if we are sanctioning it.

Company Representative

Thank you very much for taking my follow-up questions. Have a nice day. Thank you very much.

Company Representative

We have a follow-up question from Karl. If OKEA's equity should turn negative, what effects could that have according to the Norwegian accounting regulations?

Birte Norheim
CFO | OKEA

I assume you refer to the book value of equity, and I think the accounting regulation refers to something like satisfactory according to the risk of our operations or something in those terms.

Birte Norheim
CFO | OKEA

Obviously, our liquidity projections and such is key here, and that is quite solid. No direct effect. It does not force us to raise equity or anything like that if that was the concern.

Company Representative

The last question from Karl Kangor is, based on the Statfjord experience, can we expect more organic development from OKEA going forward versus large transformational M&A deals?

Svein Liknes
CEO | OKEA

I would say the answer there is yes. It is inorganic development if we are buying something. We are still fixed on the strategy that we have set out that we're going to be the leading mid and late-life operator on the Norwegian continental shelf. I think we have demonstrated that we are capable of doing so. Those opportunities will still come in Norway. I guess the short answer to that is yes.

Company Representative

Any further questions from anybody?

Company Representative

I think that's it. I think we end the call now.

Company Representative

Thank you very much.

Birte Norheim
CFO | OKEA

Thank you.

Svein Liknes
CEO | OKEA

Thank you all.