REGISTRATION DOCUMENT

BlueNord 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 senior unsecured bonds with an initial issue amount of USD 300,000,000 and a maximum amount of USD 500,000,000 (the "**Bonds**" or "**BNOR16**") issued on 2 July 2024 by BlueNord ASA (the "**Issuer**", **"BlueNord"** or the "**Company**", taken together with its subsidiaries, the "**Group**"), with ISIN NO0013261735.

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.***

11 December 2024

IMPORTANT INFORMATION

The Prospectus has been prepared in order to provide information about the Company and its business in relation to the Listing of the 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.

The Company has engaged DNB Markets, a part of DNB Bank ASA and Pareto Securities AS as Joint Global Coordinators and Joint Lead Bookrunners, Arctic Securities AS as Joint Bookrunner and Financial Advisor to the Company, Fearnley Securities AS as Joint Bookrunner and ABN AMRO Bank N.V., Clarksons Securities AS and SpareBank 1 Markets AS as Co-Managers (collectively, the "**Managers**") in connection issuance of the Bonds 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.

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.

Other than in compliance with applicable United States securities laws, no 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.

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. No measures outside Norway 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 BlueNord ASA and the Managers to obtain information on and comply with such restrictions.

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.

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.

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 11 December 2024 (the **"Securities Note"**) and Summary dated 11 December 2024 (the "**Summary**"), which together with this Registration Document constitute a prospectus (the "**Prospectus**").

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1. RISK FACTORS

1.1 GENERAL

Investing in Bonds issued by the 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 Completion of the Tyra redevelopment project

The Tyra redevelopment project is the assumed, recent largest project carried out on the Danish continental shelf (the "**DCS**"). The scope of the project includes removal of old facilities, modifying existing ones, and installing new features. There are generally inherent significant risks related to, among others, cost overruns and delays on such significant projects. The Tyra redevelopment project has been delayed several times, particularly with regards to among other things, the ramp-up of production. The project is now nearing completion, however the risks of delay and cost overruns from what has previously been assumed/disclosed remains, particularly with regards to the ramping-up of production and further uncertainty of performance. The Company announced on 10 November 2024 that the operator, TotalEnergies, had informed that Tyra II has reached full technical capacity, however no assurances can be made that no further delays will happen, among other things, with regard to the ramp-up of the production.

Such risks may have an adverse effect on the Group's financial position, including the cost base, cash flow, financing agreements, financial conditions and profitability, and could, among other things, lead to contractual liability for the Group under its gas sales agreements. Including, that the Group under the gas sales agreements, among other things, has specific obligations to schedule and deliver a daily contract quantity of natural gas. Failure to meet these obligations, except in cases of force majeure, may result in the Group being held liable for non-delivery as further set out in section 3.4.2 below.

1.2.2 The Group has significant debt obligations outstanding

The Group has significant debt obligations outstanding. The Group's debt obligations as of 30 September 2024 amount to USD 1,417,564,563, of which USD 300,000,000 is outstanding under the Bond, USD 237,564,563 is outstanding under the subordinated convertible bond with ticker BNOR15, and USD 880,000,000 is outstanding under the USD 1,400,000,000 senior secured reserve based lending facility (the **"RBL Facility"**).

The level of debt could have adverse negative consequences for the Group, inter alia, (i) require the Group to dedicate a large portion of its cash flow from operations to service debt and fund repayments on the Group's debt, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes; (ii) increase the Group's vulnerability to adverse general economic or industry conditions; (iii) limit the Group's flexibility in planning for, or reacting to, changes in the Group's business or the industry in which it operates; (iv) place the Group at a competitive disadvantage compared to its competitors that have less debt; (v) obtaining new debt; (vi) require the Group to comply with certain covenants and undertakings; and (vii) make it more difficult to attract both existing and new investors to participate in new equity issues.

The Group's debt arrangements have maturities ranging from one and a half (1.5) to seven (7) years, and are subject to, and future financing arrangements may be subject to, the Group (or members of the Group) having to maintain specified financial ratios and satisfy financial covenants, that are reported on a quarterly or semi-annual basis. The main financial covenants under the Bonds are Liquidity (as defined in the BNOR16 Bond Terms) of USD 50,000,000 and Leverage Ratio (as defined in the BNOR16 Bond Terms) not greater than 3.0x.

Further, the existing financing arrangements of the Group include, and the Bonds include, restrictions on dividends and distributions specifically linked to the occurrence of completion of the Tyra redevelopment project and compliance with liquidity and/or incurrence tests.

The Group could fail to meet financial or other covenants, and such failure or breach may result in the Company and/or Group members being in default in accordance with the financing arrangements, which may, among other things, result in debt being accelerated and enforcement actions being taken towards the Company and/or Group members. Furthermore, the financing agreements contain certain change of control provisions and various other requirements and restrictions, that overall limits the Company's freedom to operate its business and restricts its disposal over the Group's secured assets etc. Non-compliance with such terms and conditions may have an adverse effect on the Group.

1.2.3 The Group's production is geographical concentrated and subject to field interdependency

The Group's future production of oil and gas is concentrated in a limited number of offshore fields that are concentrated in a limited geographical area of the DCS. There are currently four production hubs. Three of the hubs are in full production, while the fourth, Tyra, is currently subject to the redevelopment project described elsewhere herein, which is undergoing ramping-up procedures to reach plateau production. The four producing hubs 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. All gas produced on the different hubs is currently sent through the Nogat pipeline, the gas pipeline to Nybro, Denmark and/or the Nogat pipeline to Den Helder, Netherlands. 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 Group assets may result in accidents, problems, incidents or similar on one location affecting a significant part of the Group's business.

As the Group's production of oil and gas is concentrated in a limited number of interconnected fields, a compromised network or infrastructure caused by, among other things, cyber crime or similar threats could impair the Group's ability to maintain regular operations. If the Group's network or infrastructure is compromised by such threats, it could among other things, adversely affect the Group's ability to maintain its regular reporting, thereby affecting its regulatory and financial obligations if required information were not available.

1.2.4 The Group is subject to third party risk in terms of operators and partners

Other than the Rødby license held by CarbonCuts A/S, the Group does not have a majority interest in any of its licences, and consequently cannot solely control such assets. Although the Group has consultation rights or the right to withhold consent in relation to significant operational matters, this depends on several factors. These factors include the importance of the matter, the level of its interest in the licence, which licence is involved, and the contractual arrangements for the licence. Despite these rights, the Group will have limited control over the management of such assets. Mismanagement by the operator, or disagreements with the operator on operational or other matters, may result in significant costs, liabilities, delays, losses, or less optimal performance. The agreements relating to the Danish underground consortium (the "**DUC**") are complex, comprehensive and include change of control provisions. Any breach by the Group of its obligations under any of the DUC related agreements may have a materially adverse effect on the Group and its operations.

Jointly owned licences (as is the case for the Group's 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 obligations in relation to the assets and/or the regulatory regime such assets are subject to. In such circumstances, the Group may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall and/or be liable for consequences of breach or other non-compliance. The Company may not have the resources to meet these obligations.

1.2.5 The Group 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 requirements, including environmental, may be implemented which in turn could lead to increased costs associated with the removal of installations or other decommission activities.

Licensees are responsible to the Danish Government for making sure that the decommissioning decision is carried out and are liable for decommissioning obligations towards the State. A licensee who assigns its licence remains secondary liable towards the Danish State for any decommissioning costs for facilities which existed at the time of the transfer.

The Group has undertaken certain obligations to provide security for its respective share of any decommissioning liabilities ahead of actual decommissioning.

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

Although the Group 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 DCS specifically, are such that liabilities could materially exceed policy limits or not be insured at all, in which event the Group could incur significant costs that could have adverse effect on the Group's 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 Group'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 and the conflict between Israel and Hamas, 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 and the suspected sabotage of the undersea cable C-Lion1 in November 2024. 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.

1.2.7 The Group'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 report[1], 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 Group's oil and gas production could vary significantly from reported reserves and resources. The Group is a non-operating partner in the DUC, and as such has less control of future decline mitigating investments in the producing assets which may have a direct impact on the oil and gas production. Should the actual results of the Group 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 Group's reserves estimates.

1.2.8 The Group's development projects require investments. The Group 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 Group makes and expects to continue to make substantial investments in its business for the development, production, and acquisition of oil and natural gas reserves. Further, the Company expects that investments will also be required in relation to CarbonCuts A/S and the development work, exploration and potential injection and storage of CO2 in the Danish subsoil under the Rødby license in which CarbonCuts A/S holds an 80% interest. There is a risk that such development projects are not 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 the Group's future investments with cash flow from operations and borrowings under its RBL Facility and/or other debt facilities. The Group's cash flows from operations and access to capital are subject to a number of variables which the Group does not control, including:

- its proved reserves;
- the level of oil and natural gas the Group is able to produce from existing wells;
- the price at which its oil and gas are sold; and

[1] The reported reserves and resources for the year ended 31 December 2023 are based on a reserve report prepared by ERCE (as defined in section 3.4.2) dated 18 March 2024.

- 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 Group may have limited ability to obtain the capital necessary to sustain its operations at current levels. The borrowing base under the RBL Facility is the maximum amount of loan the Lender(s) are willing to provide to the Company under the RBL Facility and is based on the value of the Company's oil and gas reserves (calculated based on the NPV (net present value) of the Company's reserves adjusted for risks, price, and cost factors).The Company's debt facilities may restrict its ability to obtain certain types of new financing. If additional capital is needed, the Group 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 Group'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 Group's production, revenues and results of operations as well as having an adverse effect on its ability to service its indebtedness.

1.2.9 The Group is subject to financial risks related to, inter alia, changes in foreign exchange rates, changes in interest rate, and liquidity and currency risks

Changes in foreign exchange rates may affect the Group's results of operations and financial position. The Group primarily operates with US dollars as its functional currency and its financing is primarily in US dollars. Revenues are primarily generated in US dollars for oil and primarily in Euros for gas, while operational costs, taxes and investment are in several other currencies, including USD and Danish kroner. Any dividends payable by the Company will be in Norwegian kroner. Consequently, the Group is exposed to market fluctuations in foreign exchange rates. 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 US dollars, Danish kroner, euros, Norwegian kroner and/or British pounds may materially adversely affect the Group's reported results. The Group's exposure to market fluctuations in Danish kroner is especially high, as it is currents investment, such as the Tyra redevelopment project, are primarily incurred in Danish kroner.

Financial risks faced by the Group regarding changes in interest rate

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. The Group has, as of 30 September 2024, a total of USD 1,417,564,563 in interest-bearing debt. The Group's convertible bond, BNOR15, have a fixed interest rate exposure of 8% p.a. Payment-In-Kind "PIK" (or 6% p.a. if paid in cash) and the Bonds are subject to fixed interest rate of 9.5% p.a. However, the Group's RBL Facility has a floating interest rate comprising the aggregate of SOFR and 4.0% p.a. Changes in interest rates may consequently have an adverse effect on the Group's financial position.

Liquidity and credit 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.

The Group's most significant credit risk arises principally from recognised receivables related to the Group's operations. The credit risk arising from the production of oil, gas and natural gas liquids ('NGL's') is considered limited, as sales are to major energy companies with considerable financial resources and investment grade credit ratings. The counterparty in derivatives are large international banks and insurance companies whose credit risk is considered low.

1.2.10 Risks relating to conflict in Ukraine and Gaza, 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. The Company cannot predict the full impact of these and similar matters on the Group's 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 Group has further elevated its IT security-related routines and IT-systems to protect itself against cyber criminality and similar. Further, following the sabotage on the Nord Stream 1 and Nord Stream 2 pipelines in September 2022, the level of preparedness of the Danish energy sector has been raised compared to previously.

The ongoing conflicts between Russia and Ukraine, as well as the developing armed conflicts related to Israel, Hamas, Lebanon and related countries, or other similar conflicts, may cause instability in the world's financial and commercial markets and inter alia, result in material changes to oil and gas supply and prices. Such changes may materially affect the Company's cash flow 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 Group's assets or income, however, the Company is closely monitoring the development of such matters and are updating its risk assessment and measures.

1.2.11 The Group may be at a risk of engaging in funds transfer with sanctioned RBL Facility lenders

The Group has entered into a USD 1.4 billion senior secured RBL Facility with a syndicate of 15 Lenders, which consists of a mix of international banks and asset management / insurance companies. The ever-changing geopolitical environment presents a potential risk that could subject some of the RBL Facility lenders to sanctions. As a result, the Group may be in breach of sanctions should there be payments flow made with that sanctioned lender. There are protection clauses within the RBL Facility agreement such that the RBL Facility borrower is not obliged to make the sanctioned payment to the sanctioned lender. Certain mechanics are in place to ensure the Group remains compliant in the handling of funds with the sanctioned lender. The RBL Facility continues to maintain customary sanction clauses.

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

1.3.1 The Group'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 Group's main business is to produce and sell oil and gas. The Company's future revenues, cash flow, profitability, financing, and rate of growth depend substantially on prevailing international and local prices of oil and gas. Because oil and gas are globally traded, the Group 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, with the Brent reaching USD 133.18 on 8 March 2022. There is no guarantee that the oil and gas price recovery will be sustained. The 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 Group 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 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 Group having to postpone or cancel a planned project or a project in execution. If it is not possible to cancel the project, the Group may have to carry out the project with negative economic impact. The DUC partners are currently executing the Tyra redevelopment project which is a substantial redevelopment project.

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

The discovery or acquisition of new oil and gas reserves and/or assets is required for long-term continued operations of the Company. The Company has through its acquisition of Shell Olie- og Gasudvinding Danmark B.V. on 31 July 2019 acquired oil and gas assets but would need to further acquire other assets or discover extended reserves on existing assets to maintain its operations over time. The Company is therefore required to acquire or discover and establish oil and gas reserves through seismic technology, drilling and other surveys to keep its operation. However, there can be no certainty that further commercial quantities of oil and gas will be discovered or acquired by the Company in the future, especially since 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. Even though the Company was to discover and/or get access to other assets or ability for extended reserves, the Company may not be able to finance such activities.

Additionally, the Danish government has agreed on a cut-off date for oil and gas extraction in the Danish part of the North Sea of 31 December 2050, which will require the Company to find other commercial opportunities. There can be no certainty that the Company will be able to find new commercial opportunities, which can adversely affect its business, results of operations, cash flow, financial condition and prospects.

1.4 RISKS RELATING TO CONTRACTUAL AND LEGISLATIVE FRAMEWORKS

1.4.1 Prospecting, exploration and exploitation operations are dependent on its compliance with obligations under licences and the joint operating agreements

The Group's operations are dependent on contractual arrangements with the Danish State (licences) and the other licensees in the relevant licences. Consequently, non-compliance or termination of such licences/agreements may have an adverse effect for the Group. Further, all exploration and exploitation licences for the DCS will be subject to work programs that are required to be fulfilled within a specific timespan. These may include seismic surveys to be performed, wells to be drilled etc. Failure of complying with the obligations and terms included the licences and the associated legal framework may lead to fines, imprisonment, restrictions and revocation of licences. Since the Group currently has concentrated most of its assets in a limited number of such arrangements, any non-compliance (by the Group 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 Group is exposed to political and regulatory risks

The Group is currently 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 e.g. 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 Union, 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. The conflict between Israel and Hamas, may also result in new sanctions regulations and trade restrictions.

Further, the Group may be unable to obtain, prolong or renew required licences, permits and other authorizations and these may also be suspended, terminated or revoked prior to their expiration. This may affect the Group's ability to undertake relevant activities in respect of present and future assets, as well as its ability to raise funds for such activities. For example, the Sole Concession expires in 2042 and a potential extension is only possible until 2050.

There is also a risk that the Danish state stipulates conditions for extensions of the licenses. Lack of 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 Group's business and financial condition could be adversely affected if the Danish tax regulations applicable to the Group were amended

All of the Group's hydrocarbon assets are located in Denmark and the hydrocarbon 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 hydrocarbon taxation or other taxation applicable to the Group than currently in place. The compensation agreement made between the Danish State and the DUC partners in 2003 (the "**Compensation Agreement**") entails that the DUC partners will be compensated to a certain extent for changes in Danish taxation specifically targeted at producers of hydrocarbons within the Danish territory. However, the Compensation Agreement does not mitigate all tax risks. As an oil and gas producer in Denmark, the Group is exposed to duties relating to CO2 emissions (with new rules on CO2 taxation entering into force on 1 January 2025 based on the Danish Parliament's passing of (1) a new emission tax act (reference is made to L 182 2023-2024) and (2) several amendments to existing energy tax acts (reference is made to L 183 2023-2024) as well as the EU imposed Solidarity Contribution, however, with respect to the latter with certain rights to offset contribution payments in hydrocarbon taxation. Further, with effect from 31 December 2023 Denmark passed a minimum taxation act implementing EU Directive 2022/2523 with the purpose of ensuring a global minimum taxation of 15% of annual profits for multinational group companies. The minimum taxation act entails that – when the Group's annual turnover exceeds EUR 750m on a consolidated basis for two (2) of the four (4) financial years prior to the control year – the Danish entities of the Group might be liable to several income and tax obligations regarding accounting, assessment and payment etc. on behalf of entities of the Group. If, for instance, a Danish entity within the Group holds a 100% interest in a subsidiary and thereby deemed as an intermediate parent company, and the subsidiary is liable to an annual taxation of

10% of its annual profits, the Danish entity will – as a starting point - be liable to account for and pay an amount corresponding to 5% of the subsidiary's annual profits. Whether a Danish entity in the Group is liable to taxation under the Danish minimum taxation act is subject to a specific assessment.

As taxation has a major impact in the Group's results of operations, amendments of applicable tax regulation may significantly impact the Group's cash flow and financial condition.

1.4.4 The Group is subject to comprehensive regulation of the Group's business on the DCS

In comparison to most market participant on the DCS, the Group's current oil and gas production and total reserves are concentrated on the DCS, 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. The Group is subject to various laws and regulations. These pertain to among other things, the extraction of oil and gas, health, safety and environment ("**HSE**"), environmental, social and governance ("**ESG**"), tax, disclosure duties to the market or otherwise and information handling.

All phases of the oil and gas business present environmental and climate 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 Group 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 and allegations of greenwashing. Environmental and decarbonisation 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 Group to incur material costs to remedy such discharge. The Danish Climate Act sets the framework for Danish climate policy and includes a target for Denmark to achieve a climate-neutral society by 2050 at the latest. Regulation from the EU also impacts the Group's business. This may, among other things, include the Net Zero Industry Act which, among other, require member states to identify oil and gas producers (subject to a minimum threshold) with exclusive rights to prospect or explore. These producers must individually contribute to a CO2 injection target of 50 million tons by 2030, pro rata to their share in the EU's crude oil and natural gas production from 2020 to 2023. Under the EU's Fit for 55-programme, the EU has introduced and is introducing a wide variety of decarbonisation legislation aimed at decarbonising major industries including the oil and gas industry, with 55% by 2030 (compared to 2008 levels). An example of such legislation impacting the Group's activities is the Methane Regulation 2024/1787 imposing obligations on oil and gas operators which will take effect in the coming years. The obligations concern, inter alia, the monitoring, reporting and verification of methane emissions, restrictions on routine flaring and venting, detection and repairing of leaks, and general mitigation of emissions. In addition to binding legislation, the Group may be expected, as a result of industry standards and/or societal expectations, to implement policies and procedures which may result in additional expenditures and financial and non-financial risks such as reputational harm.

Due to the comprehensive and complexity of the regulation of the Group's business and related activities, compliance with all relevant laws and regulations may be challenging. Any breach of relevant laws and regulations may result in the imposition of among other things, litigation, shut down of business, fines and penalties, some of which may be material, in addition to loss of reputation. No assurance can be given that the future development of laws or regulations will not result in a curtailment or shutdown 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 flows, financial condition, and prospects.

2. PERSONS RESPONSIBLE

2.1 Persons responsible for the information

Persons responsible for the information contained in this Registration Document:

BlueNord ASA
Nedre Vollgate 1
0158 Oslo
Norway

2.2 Declaration by persons responsible

BlueNord 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, 11 December 2024

On behalf of BlueNord 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

BlueNord ASA (formerly known as Norwegian Energy Company ASA or Noreco) is an oil and gas exploration and production ("**E&P**") company listed on the Oslo Stock Exchange under the ticker "BNOR". 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 DCS through its fully owned subsidiaries BlueNord Gas Denmark A/S, BlueNord Energy Denmark A/S and BlueNord Energy 8/06 Denmark B.V (previously Shell Olie- og Gasudvining Danmark B.V). The Company, indirectly through its subsidiaries, produces and sells oil and gas to the Danish and global energy markets. In addition, the Company, through CarbonCuts A/S, holds an exploration and storage license for an onshore CO_2 storage site in Rødby, Denmark.

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. The Group 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 Shell Olie- og Gasudvining Danmark B.V 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 an important redevelopment of the Tyra field together with its partners in the DUC.

The organization includes individuals with long experience from the oil and gas industry, including from 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 in Europe.[2]

The Group's revenues are mainly derived from the sale of produced oil, gas and NGL (this breakdown of revenue sources has also characterised the Group's operations historically and, given that CarbonCuts A/S is not yet generating revenue, no new sources of revenue have been introduced in the Group in recent years). Accordingly, the Group considers the risk related to the 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 2023 amounted to USD 795 million, whereas respectively about USD 485.6 million derived from the sale of oil, USD 306 million from the sale of gas and NGL and USD 3.5 million from other income. The Group had total production of 24.9 thousand barrels of oil equivalents per day (mboepd) in 2023. The Group had total revenues of USD 509 million during the first nine months of 2024 and produced approx. 24.7 mboepd in the same period.

3.3 History and Development

The early years: Growth through acquisitions	
2005	BlueNord ASA (earlier know as Norwegian Energy Company or Noreco) was founded on 28 January 2005.
2007	BlueNord acquired Altinex ASA (now Altinex AS), a Norwegian oil Company which at the time was listed on Oslo Stock Exchange. On 9 November 2007, BlueNord (then Norwegian Energy Company) was listed on the Oslo Stock Exchange with the ticker code "NOR".

[2] The Group is the second largest oil and gas producer in Denmark through its 36.8% interest in DUC. See https://ens.dk/en/our-responsibilities/oil-gas/licences-oil-and-gas/danish-licences-and-licensees and https://ens.dk/ansvarsomraader/olie-gasproduktion/om-olie-og-gas

Reconstructing BlueNord	
2015 …………	On 2 March 2015, the bondholders of BlueNord 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. On 3 March 2015, the shareholders of the Company approved the restructuring proposal and the restructuring was completed on 24 March 2015. On 2 July 2015, BlueNord announced that it has reached an agreement with its joint operation partners in Denmark with respect to its forfeited licences and abandonment liabilities.
2018 …………	On 17 October 2018, BlueNord announced the agreement for the contemplated acquisition of Shell Olie- og Gasudvining Danmark B.V, containing Shell's Danish upstream assets including 36.8% participating interest in the DUC, and through the acquisition, BlueNord to become the second largest oil and gas producer in Denmark and a considerable E&P company in Europe.
BlueNord, a new player and second largest producer on DCS	
2019 ………………	Altinex, a wholly owned subsidiary of BlueNord, acquired 100% of the shares in BlueNord Energy 8/06 Denmark B.V (previously Shell Olie- og Gasudvining Danmark B.V) against a consideration of USD 1.91 billion with economic effect as of 1 January 2017, and the Group 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 ("**BNOR13**") were issued by BlueNord (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. On 4 December 2019, BlueNord successfully completed the USD 175m senior unsecured bonds with ISIN NO0010870900 ("**BNOR14**").
2020 ……………	On 6 November 2020, BlueNord 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.
2021 …………	The Company announced on 5 May 2021 the successful closing of its new USD 1.1 billion Reserve Base Lending facility, replacing BlueNord's existing USD 900 million RBL. 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, BlueNord 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.
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.

	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 BNOR13 subordinated convertible bond terms and a written resolution which was resolved the same day. On 6 December 2022, BlueNord launched an exchange offer through which BNOR13 bondholders were offered to exchange their BNOR13 bonds with BNOR15 bonds on certain terms and conditions. On 30 December 2022, the BNOR15 Bonds were issued in the amount of USD 207,641,201 consisting of 207,641,201 BNOR15 Bonds each with a nominal value of USD 1. The BNOR15 bonds were listed on Oslo Stock Exchange on 8 February 2023 with the ISIN NO0012780867 ("**BNOR15**").
2023	On 29 February 2023, the Company announced its proposed change of name from Norwegian Energy Company ASA to BlueNord ASA, with the new ticker "BNOR" on Oslo Børs. On 12 April 2023, the Company announced that they had entered into a strategic partnership with Semco Maritime A/S.
CCS, successful spudding of new wells and the Tyra Redevelopment Project	
2024	On 24 January 2024, BlueNord Energy Denmark A/S acquired 100% of the shares in the Danish company CarbonCuts A/S at a purchase price of DKK 400,000 with an additional DKK 1,700,000 to be paid upon the successful grant of licence C2024/02 for the exploration and storage of CO2. On 23 May 2024, CarbonCuts A/S was granted licence C2024/02 for the exploration and storage of CO2 which entered into force on 20 June 2024. On 3 April 2024, the Company successfully stimulated the Halfdan Well HBA-27B and first production had been achieved with initial production rate in line with the expectation of net 3 kboe/day. On 10 April 2024, the Company started up producing and exporting gas from the Tyra Satellite Harald field to the Danish and European market. On 31 May 2024, the Company announced that it had successfully signed a new USD 1.4 Billion RBL, refinancing BlueNord's existing USD 900 million RBL Facility which was closed 12 June 2024. On 13 June 2024, the Company announced the successful placement of the Bond. On 17 June 2024, the Company announced that there had been a successful spudding of Harald East Middle Jurassic Well and in a success case, the well could deliver production by end of 2024. The expected gain from the well is estimated to be up to 8 mmboe net to BlueNord, of which approximately 80% is expected to be gas. During 2024, the Company announced several updates regarding the Tyra Redevelopment project, including certain technical issues relating to the IP compressor transformer. On 30 August 2024, the Company announced that the ramp-up of export volumes for Tyra II was expected to be slower than reflected in the production guidance published by BlueNord on 10 July 2024 and that the Company would therefore place its Tyra production guidance for Q3 2024 and Q4 2024 under review.

	On 30 September 2024, the Company announced a Tyra production guidance for Q4 2024, indicating that Tyra production is expected to reach maximum technical capacity by the end of 2024. On 29 October 2024, the Company announced that the Harald East Middle Jurassic well had been successfully drilled and is expected to be completed for production shortly. The well is anticipated to be brought on stream in connection with the Tyra start-up. On 10 November 2024, the Company announced that the operator, TotalEnergies, had informed that Tyra II has reached full technical capacity. The Company expects this to enable a ramp-up to production plateau before the end of 2024. On 8 December 2024, the Company announced the full redemption of the outstanding BNOR13 Bonds, with the record date set for 9 January 2025. On 9 December 2024, the Company announced that the Harald East Middle Jurassic field was successfully brought into production on 6 December 2024. Additionally, the Company reported that the ramp-up of Tyra is progressing according to plan and reiterated its previous statement that plateau production will be reached by the end of 2024.

3.4 Portfolio, Reserves and Resources

3.4.1 License & Concession Portfolio

As of December 2023, 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[3]	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
Licence C2024/02 (Rødby)	80.0%	CarbonCuts A/S	23 May 2028
Total	**5**		

The portfolio covers 14 fields on the DCS as set out in the table below.

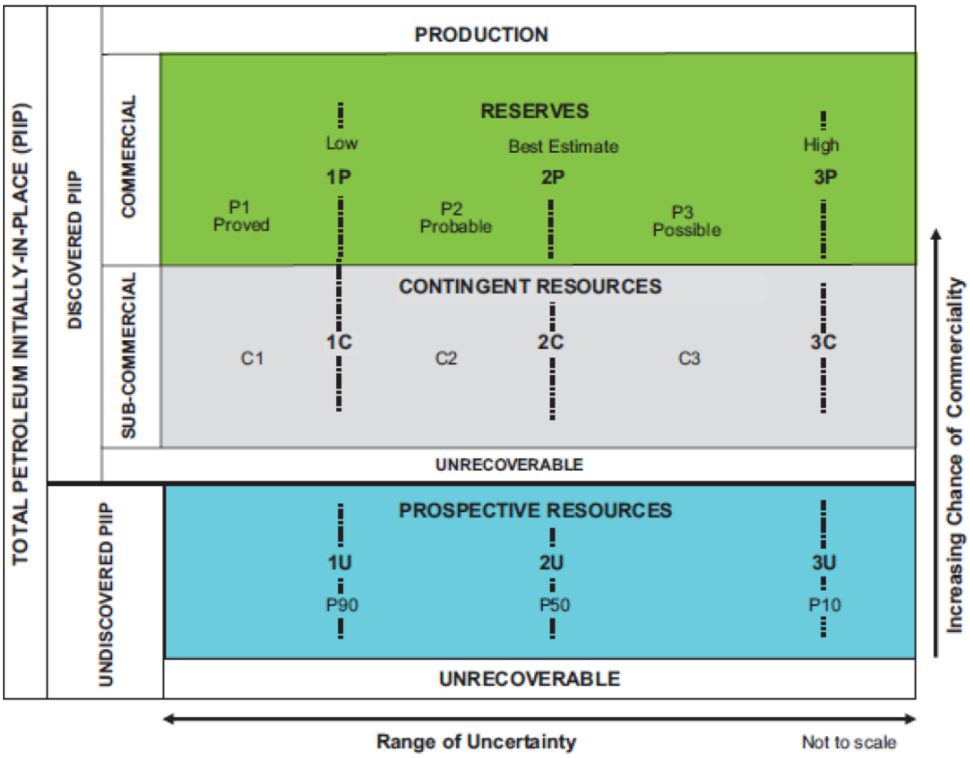
Field[4]	**Company Participating Interest**	**Field Operator**
(Dagmar)	36.8%	Total E&P Danmark A/S
Dan	36.8%	Total E&P Danmark A/S
Gorm	36.8%	Total E&P Danmark A/S
Halfdan	36.8%	Total E&P Danmark A/S
Harald/Lulita	36.8%	Total E&P Danmark A/S
Kraka	36.8%	Total E&P Danmark A/S
Lulita(7/86 & 1/90)	28.4%	INEOS E&P 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

[3] Total E&P Danmark A/S is the concessionaire under the Sole Concession.
[4] Regnar has been decommissioned, and Dagmar and Svend are shut-in.

(Svend)	36.8%	Total E&P Danmark A/S
Tyra	36.8%	Total E&P Danmark A/S
Valdemar	36.8%	Total E&P Danmark A/S
Total	**14**	

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 2023, attached to this Prospectus as Appendix 2. The Statement of Reserves contains information based on a reserve report prepared by The Reserves Evaluator ERC Equipoise Ltd ("**ERCE**") for the Year end 2023 on request from the Company. The report has been referenced in the registration document with the consent of ERCE.



ERCE is an independent qualified Reserves Evaluator who regularly provides certified Reserves to international stock exchanges (UK, USA, Canadian, Australian, Norwegian and Swedish) using PRMS industry guidelines. The business address of ERCE is 6th Floor Stephenson House, 2 Cherry Orchard Road, Croydon CR0 6BA, London U.K.

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 2023, BlueNord reports on developed reserves (in production), undeveloped reserves, one project in the sub-class approved for development, and three projects in the sub-class justified for development that has not yet been sanctioned. BlueNord 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 2023 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. BlueNord expects to be able to extract hydrocarbons from the CS until the expiry of the Sole Concession in 2042.

The table below gives an overview of the developed plus under development reserves per associated hub as of 31.12.2023.

		1P				2P				3P
Reserves per hub		Gross liquids	Gross gas	Gross boe	Net boe	Gross liquids	Gross gas	Gross boe	Net boe	Net boe
as of 31.12.2023	*Interest*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmboe*
Dan	36.8%	30.9	1.7	32.6	12.0	60.4	4.5	64.9	23.9	33.0
Kraka	36.8%	3.5	0.0	3.5	1.3	6.9	0.1	7.1	2.6	3.6
Dan Hub		**34.3**	**1.7**	**36.1**	**13.3**	**67.4**	**4.6**	**72.0**	**26.5**	**36.5**
Halfdan	36.8%	37.8	12.5	50.2	18.5	77.6	24.9	102.6	37.7	53.0
Halfdan Hub		**37.8**	**12.5**	**50.2**	**18.5**	**77.6**	**24.9**	**102.6**	**37.7**	**53.0**
Gorm	36.8%	8.4	0.0	8.4	3.1	14.4	0.0	14.4	5.3	7.8
Skjold	36.8%	13.4	0.1	13.5	5.0	22.4	1.2	23.7	8.7	13.3
Rolf	36.8%	1.5	0.0	1.5	0.5	2.4	0.0	2.4	0.9	1.3
Gorm Hub		**23.3**	**0.1**	**23.3**	**8.6**	**39.3**	**1.2**	**40.5**	**14.9**	**22.5**
Tyra	36.8%	17.3	43.7	61.0	22.4	31.6	83.2	114.8	42.2	65.4
Valdemar	36.8%	24.6	12.6	37.3	13.7	38.4	21.3	59.7	22.0	30.4
Roar	36.8%	3.8	9.3	13.2	4.8	7.0	16.1	23.1	8.5	12.3
Harald	36.8%	0.8	0.5	1.2	0.4	1.0	0.6	1.6	0.4	0.5
Lulita	28.4%	0.6	3.5	4.1	1.5	1.1	5.5	6.7	2.5	3.3
Tyra Hub		**47.1**	**69.6**	**116.8**	**42.9**	**79.0**	**126.8**	**205.8**	**75.6**	**111.9**
Total Reserves		**142.5**	**83.9**	**226.4**	**83.2**	**263.3**	**157.6**	**420.9**	**154.7**	**223.9**

The table below gives an overview of reserves per associated hub as of 31.12.2023.

		1P				2P				3P
Reserves		Gross Liquids	Gross Gas	Gross boe	Net boe	Gross Liquids	Gross Gas	Gross boe	Net boe	Net boe
as of 31.12.2023	Interest	MMstb	Mmboe	Mmboe	Mmboe	MMstb	Mmboe	Mmboe	Mmboe	Mmboe
On Production										
Dan	36.8%	30.9	1.7	32.6	12.0	60.4	4.5	64.9	23.9	33.0
Kraka	36.8%	3.5	0.0	3.5	1.3	6.9	0.1	7.1	2.6	3.6
Dan Hub	36.8%	**34.3**	**1.7**	**36.1**	**13.3**	**67.4**	**4.6**	**72.0**	**26.5**	**36.5**
Halfdan	36.8%	37.8	12.5	50.2	18.5	77.6	24.9	102.6	37.7	53.0
Halfdan hub	36.8%	**37.8**	**12.5**	**50.2**	**18.5**	**77.6**	**24.9**	**102.6**	**37.7**	**53.0**
Gorm	36.8%	8.4	-	8.4	3.1	14.4	-	14.4	5.3	7.8
Skjold	36.8%	13.4	0.1	13.5	5.0	22.4	1.2	23.7	8.7	13.3
Rolf	36.8%	1.5	-	1.5	0.5	2.4	-	2.4	0.9	1.3
Gorm hub	36.8%	**23.3**	**0.1**	**23.3**	**8.6**	**39.3**	**1.2**	**40.5**	**14.9**	**22.5**
Total		**95.4**	**14.3**	**109.7**	**40.4**	**184.3**	**30.8**	**215.1**	**79.1**	**112.0**
Under Development										
Tyra	36.8%	17.3	43.7	61.0	22.4	31.6	83.2	114.8	42.2	65.4
Valdemar	36.8%	24.6	12.6	37.3	13.7	38.4	21.3	59.7	22.0	30.4
Roar	36.8%	3.8	9.3	13.2	4.8	7.0	16.1	23.1	8.5	12.3
Lulita	28.4%	0.8	0.5	1.2	0.4	1.0	0.6	1.6	0.4	0.5
Harald	36.8%	0.6	3.5	4.1	1.5	1.1	5.5	6.7	2.5	3.3
Total		**47.1**	**69.6**	**116.8**	**42.9**	**79.0**	**126.8**	**205.8**	**75.6**	**111.9**
Approved for Development and Justified for Development										
Halfdan HCA Gas Lift	36.8%	0.2	3.8	4.0	1.5	0.6	7.4	8.0	2.9	3.2
Valdemar Bo South	36.8%	9.3	4.0	13.3	4.9	17.2	7.7	24.9	9.2	14.9
Adda (Phase 1)	36.8%	7.7	12.2	20.0	7.4	17.2	23.0	40.2	14.8	25.1
Halfdan Infill (Ekofisk)	36.8%	3.6	1.8	5.5	2.0	5.7	5.1	10.8	4.0	6.0
Total		**20.9**	**21.9**	**42.8**	**15.7**	**40.7**	**43.1**	**83.8**	**30.8**	**49.3**
On Production plus Under Development										
Total		**142.5**	**83.9**	**226.4**	**83.2**	**263.3**	**157.6**	**420.9**	**154.7**	**223.9**
On Production plus Under Development plus Justified for Development										
Total Reserves		**163.4**	**105.8**	**269.2**	**99.0**	**304.0**	**200.6**	**504.6**	**185.6**	**273.2**

Notes:

1. Gross Reserves represent 100% of the Reserves to be recovered from the licence.
2. Net Reserves are based on the working interestshare of the field gross Reserves. As there are no royalties to be deducted, Net Reserves are equal to Net Entitlement Reserves.
3. Barrels of oil equivalent are calculated using a conversion of 5,200 scf/boe.
4. Gas Reserves are based on sales volumes and exclude fuel and flare. ERCE has assumed each hub provides its own fuel gas and imports fuel gas if it is fuel gas deficient.
5. The Halfdan WROM I/II programme and the recently drilled infill Well HBA-27B are included in the Halfdan Hub Developed Reserves.
6. Halfdan Hub Undeveloped Reserves include the HCA gas lift project and two Ekofisk infill wells.
7. The Gorm Hub Developed Reserves include Skjold field Developed Reserves based on the Skjold gas accelerationproject.
8. Tyra Hub Undeveloped Reserves include the Valdemar Bo South and Adda (Phase 1) developments.

The table below gives an overview of reserves development from 31.12.2022 to 31.12.2023.[5]

Reserves, net	On production			Under Development			Approved/Justified for Develop.			Total		
Units in MMboe	1P	2P	3P	1P	2P	3P	1P	2P	3P	1P	2P	3P
YE2022 Reserves	**46.5**	**88.0**	**113.7**	**56.6**	**74.4**	**84.4**	**9.7**	**20.0**	**28.3**	**112.8**	**182.4**	**226.4**
2023 Production	9.1	9.1	9.1	0	0	0	0	0	0	9.1	9.1	9.1
Acquisitions and disposals												
Revisions	3.0	0.2	7.4	-13.7	1.2	27.5	-0.9	-3.1	-2.8	-11.7	-1.6	32.1
Discovery and Extensions												
Additions												
Projects Matured							6.9	13.9	23.8	6.9	13.9	23.8
YE2023 Reserves	**40.4**	**79.1**	**112.0**	**42.9**	**75.6**	**111.9**	**15.7**	**30.8**	**49.3**	**99.0**	**185.6**	**273.2**
Delta (YE2023-YE2022)	**-6.1**	**-8.9**	**-1.7**	**-13.7**	**1.2**	**27.5**	**6.0**	**10.8**	**21.0**	**-13.9**	**3.2**	**46.8**

Notes

1. The line 'Production 2023' is the BlueNord share of sales volumes (in mmboe).

Current and anticipated progress of extraction

	mmboe, Net BlueNord	*mmboe, Net BlueNord*	
Field	**Produced per 31 December 2023**	**Estimated 2P reserves per 31 December 2023***	**2P reserves in percentage of total expected production per 31 December 2023****
Dan	350.1	23.9	6%
Gorm	190.7	5.3	3%
Skjold	126.8	8.7	6%
Tyra	282.7	42.2	13%
Rolf	11.9	0.9	7%
Kraka	19.7	2.6	12%
Dagmar	2.7	-	0%
Regnar	2.3	-	0%
Valdemar	50.9	22.0	30%
Roar	48.4	8.5	15%
Svend	20.4	-	0%
Harald	82.8	2.5	3%
Lulita	4.7	0.4	9%
Halfdan	303.0	37.7	11%
Total	1497.1	154.7	9%

* *Source: From BlueNord's Statement of Reserves for 2023, which is based on a reserve report prepared by ERCE*

** *2P reserves /(2P reserves+Prod per 31/12/2023)*

Changes to the Company's reserves in 2024

The above is an overview of the reserves for the DUC Asset provided for Year End 2023. However, due to the time period since the Year End 2023 reserves were estimated, ERCE was requested to write a brief description of the likely changes to the Company's reserves at the DUC.[6] ERCE has relied upon data and information made available by BlueNord up to the data cut-off date of 31 October 2024. These data comprise oil, gas and water production data up to 30 September 2024, a summary report of well activities carried out through 2024, the operator's proposed 2025 budget and information relating to the status of the Adda, Halfdan North and Valdermar Bo South development projects.

This is a comparison with ERCE's Year-End 2023 reserves report. ERCE is expected to provide a full Year-End 2024 reserves report in 2025, consistent with the Group's annual reporting process.

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 commercial assumptions (e.g. commodity prices).

After reviewing the data provided by BlueNord, ERCE concludes that the quantities of BlueNord's 2P reserves at the year-end 2024 effective date (i.e. as of 31 December 2024), are not likely to differ significantly to the quantities estimated at

[5] The reported reserves and resources for the year ended 31 December 2023 are based on a reserve report prepared by ERCE dated 18 March 2024. The comparative figures for the year ended 31 December 2022 are included from the Company's annual statement of reserves for 2022.

[6] ERCE prepared a memorandum, dated 9 December 2024, in relation to the performance of DUC assets between 1 January 2024 and 31 October 2024, extracts from which are included in this section of the Registration Document.

the year-end 2023 effective date (i.e. as of 31 December 2023) minus those quantities of petroleum produced and expected to be produced through 2024.

Production for the ten months ended 31 October 2024

Production performance in the mature, producing assets within BlueNord's portfolio (i.e. the Dan, Halfdan and Gorm Hubs) has broadly been in line with ERCE's 2P production forecast at year-end 2023. Production from these assets in aggregate through 2024 is currently anticipated to be within 3% of ERCE's 2P production forecast on a barrel of oil equivalent ("boe"[7]) basis.[8]

The Dan Hub comprises the Dan and Kraka fields, where Reserves are solely related to production from existing wells. Production from the Dan Hub through 2024 is anticipated by ERCE to be 3% above of ERCE's year-end 2023 2P forecast on a boe basis.

The Halfdan Hub comprises the Halfdan and Halfdan Northeast fields. In the Halfdan field, eleven Well Reservoir Optimisation Management ("WROM") activities were carried out as part of the WROM II campaign with outcomes generally in line with ERCE's year-end 2023 2P forecast. Infill Well HBA-27B was brought onstream in April 2024. There were no planned activities through 2024 in the Halfdan Northeast field, with a future gas lift project still on schedule to be executed in 2025. Production from the Halfdan Hub through 2024 is anticipated by ERCE to be 2% above ERCE's year-end 2023 2P forecast on a boe basis.

The Gorm Hub comprises the Gorm, Skjold and Rolf fields. In the Gorm and Rolf fields, Reserves are solely related to production from existing wells and production through 2024 has been in line with expectation. In the Skjold field, the gas acceleration project was executed in Q2 2024, a delay of two months versus year-end 2023 expectation. The project has successfully increased the oil and gas rates from the field. Production from the Gorm Hub through 2024 is anticipated by ERCE to be within 4% above ERCE's year-end 2023 2P forecast on a boe basis.

The restart of the Tyra facility has been delayed due to technical issues with transformers powering the intermediate pressure ("IP") and low pressure ("LP") compressors. ERCE's year-end 2023 evaluation assumed production and export through the Tyra facility would restart in April 2024 and steadily ramp-up to full capacity by September 2024. The latest information from the operator indicates that production and export will restart in late 2024, although a faster ramp-up period is now anticipated by ERCE as all wells have already been unplugged.

The delay to Tyra start-up has two effects on the year-end 2024 reserves: (1) unproduced quantities in 2024 are deferred and (2) some of this deferred production is deferred beyond the licence expiry in 2042. ERCE has estimated that 14.4 MMboe (5.3 MMboe net to BlueNord) of oil and gas production has been deferred from 2024 and that 3.0 MMboe (1.1 MMboe net to BlueNord) of this production is deferred beyond the licence expiry. Therefore, ERCE anticipates that BlueNord's year-end 2024 2P reserves for the Tyra Hub are likely to be ~4.2 MMboe net (i.e. 5.3 minus 1.1), or ~4%, higher than was expected had operations and production through 2024 been in line with year-end 2023 expectations.

Following observations of unexpected levels of pressure depletion in the Valdemar field obtained after opening the Valdemar wells during the Tyra hook-up work, the Valdemar Bo South development project has been delayed and the project timeline is under review. A re-design of the development concept is now planned, and it is anticipated that the Valdemar Bo South development project will be re-classified as Contingent Resources at year-end 2024.

However, the Halfdan North development project, classified as Contingent Resources at year-end 2023, has been accelerated in place of the Valdemar Bo South project. In October 2024, a joint call-for-tender was issued for the design, procurement and construction of the Adda and Halfdan North platforms and associated subsea umbilicals, risers and flowlines. On the basis of the latest information from BlueNord and the operator, ERCE anticipates the Halfdan North project will be re-classified as Reserves (Justified for Development) at year-end 2024. The loss of 2P Reserves caused by the re-classification of Valdemar Bo South is offset by re-classification of Halfdan North, with both projects having almost equal 2P Reserves (on a barrels of oil equivalent ("boe") basis).

Operating Costs

ERCE reviewed the operator's proposed 2025 budget, including forecasted expenditure to 2028, for material changes in project costs and longer term baseline operational expenditure which may have an impact on the economic life of each asset.

Across the DUC, a like-for-like comparison of OPEX between 2024-2027 shows an OPEX increase of 3% which ERCE does not consider sufficiently material to impact estimates of oil or gas Reserves. ERCE acknowledges that additional costs have been identified on Gorm to ensure availability for an extended field life.

Commercial Assumptions

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[7] Oil equivalent reserves are reported based on an energy conversion of the gas reserves using a conversion of 5,200 scf per barrel of oil equivalent.

[8] Produced volumes through 2024 are calculated based on actual production data for the period 1 January and 30 September 2024 plus ERCE's year-end 2023 2P production forecast for the period 1 October to 31 December 2024.

In June 2024 the Danish Parliament introduced a new CO2 tax on fuels from 2025 which includes a CO2 equivalent emissions tax for companies covered by the European Union's Energy Trading System, to be phased in between 2025 – 2030. Inclusion of this tax in the year-end 2024 economic evaluation will have the impact of reducing the net cash flow of BlueNord's assets, which may have a negative impact on reserves. Whilst the tax was not included in ERCE's year-end 2023 economic evaluation, ERCE has previously tested the sensitivity of reserves to such a tax and on this basis does not expect its impact to be significant.

ERCE's forecasts of oil and gas prices (as of 30 September 2024) are in line with the forecasts used in the year-end 2023 economic evaluation. Pending any significant changes between 1 October and 31 December 2024, ERCE does not anticipate the changes in commodity price forecasts to have a significant impact on the economic limits (and therefore reserves) calculated at year-end 2023.

ERCE does not anticipate any changes in inflation rate or foreign exchange rates through 2024 to have any material impact on reserves.

Asset overview

The DUC assets consist of eleven developed 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. Oil is exported to shore via an oil pipeline from Gorm and during the Tyra redevelopment project, gas is exported to the Netherlands via the NOGAT pipeline. After the Tyra hub is back on production, gas will be exported both via NOGAT to Netherlands and via Tyra II to shore in Denmark.

Dan Hub

The Dan Hub includes the Dan and Kraka fields.

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 43 active oil wells and 34 active water injectors. By end of 2023 the field has produced 759 MMstb of oil and 1001 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 2023 the field has produced 41 MMstb of oil and 65 Bscf of gas.

Halfdan Hub

The Halfdan hub includes the Halfdan Main and the Halfdan North East fields.

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 33 active oil producers and 26 active water injectors. By end of 2023 the field has produced 536 MMstb of oil and 604 Bscf of gas.

Halfdan NE has been developed in three phases and 17 wells have been drilled, with currently 17 active gas producers. By end of 2023 the field has produced 17 MMstb of oil and 801 Bscf of gas. In 2023 a new production well was drilled in the Tor formation of Halfdan NE. The well has been producing since March 2024.

Gorm Hub

The Gorm hub includes the Gorm, Skjold, Rolf and Dagmar fields.

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 15 active producers and 6 active water injectors. By end of 2023 the field has produced 403 MMstb of oil and 600 Bscf of gas and 305 Bscf gas has been re-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 2023 the field has produced 314 MMstb of oil and 160 Bscf of gas.

In 2024 a gas acceleration project has been implemented in the Skjold field. In the project, 4 of the 8 water injection wells are turned off to enable a switch to depletion in the East and West areas of the field. As a result, gas and oil production are increased since the second half of 2024. The additional gas provides fuel gas for the Gorm hub operations as well as gas export.

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 2023 the field has produced 31 MMstb of oil and 8 Bscf of gas.

Tyra Hub

The Tyra hub includes the Tyra Main, Tyra South East, Valdemar, Svend, Roar, Harald East, Harald West and Lulita fields.

Tyra Main is a gas dominated field discovered in 1968 and Tyra South East is an oil dominated field area discovered in 1991. Tyra Main was brought on production in 1984 and Tyra South East 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 South East 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 referred to as the Tyra redevelopment project. In that connection, production from the entire Tyra hub has been closed since Q3 2019 until start-up in March 2024. The Tyra redevelopment project scope include replacing the existing accommodation and processing platforms by one single accommodation and one processing platform. First gas from the Tyra hub was seen in March 2024. The Company announced in April 2024 that due to an operational incident with the Intermediate Pressure (IP) gas compressor transformer, the timing of the ramp-up to maximum technical capacity was delayed. The operator, TotalEnergies has informed that Tyra II has reached full technical capacity. The Company expects this to enable a ramp-up to production plateau before the end of 2024. No assurances can however be made that no further delays will happen with regards to among other things, the ramp-up of production. Such risks may have an adverse effect on the Group's financial position, including the Group's cost base, cash flow, financing agreements, financial conditions and profitability, and could, among other things, lead to contractual liability for the Group under its gas sales agreements. Including, that the Group under these agreements, among other things, has specific obligations to schedule and deliver a daily contract quantity of natural gas. Failure to meet these obligations, except in cases of force majeure, may result in the Group being held liable for non-delivery. In such cases, the Group could e.g. become liable for the difference between the replacement price and the daily contract price for such default quantity. Furthermore, if the delivered quantities deviate from the agreed specifications, the Group may be required to compensate the buyer with an amount equal to 5% of the daily contract price for the day the deviation occurred.

A total of 93 wells have been drilled on Tyra Main and Tyra South East. In Tyra Main the plan is to reinstate 31 wells. By end of 2023, the field has produced 172 MMstb and 3,774 Bcsf of gas. In the Tyra South East field, the plan is to reinstate 16 wells. By end of 2023, the field has produced 35.5 MMstb of oil and 477 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.

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 a plan to reinstate 22 oil and gas producers. By end of 2023 the field has produced 89 MMstb of oil and 257 Bscf of gas.[9]

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. The gas column thickens towards South, while the oil rim has been encountered by the wells towards the North. Four gas producer wells have been drilled, with a plan to reinstate all four producers. By end of 2023 the field has produced 589 Bscf of gas and 18 MMstb of condensate.[10]

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 on Harald West and two on Harald East, and all four wells are planned to be reinstated. By end of 2023 the field has produced 902 Bscf of gas and 51 MMstb of condensate.[11] In 2024, the drilling of an exploration well targeting the Middle Jurassic formation of Harald East was commenced. On 29 October 2024, the Company announced that the well has been successfully drilled and is expected to be completed for production shortly. Volume potential will be further assessed when the well is on production.

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, of which only one has been producing since 2000. By end of 2023 the field has produced 7.4 MMstb of oil and 28 Bscf of gas. BlueNord Energy Denmark A/S and BlueNord Denmark A/S holds a 28.4% interest in the Lulita field in a partnership with Ineos (operator, 40%), Nordsøfonden (10%) and TotalEnergies (21.6%).[12]

Development projects

The development projects include reserves classified as Undeveloped Reserves as well as Reserves Justified for Development.

HCA Gas Lift Project

The Halfdan HCA platform hosts ten naturally flowing gas wells. Due to natural depletion, the gas rates are declining, and wells have experienced liquid loading problems. This will be mitigated by making gas lift available to nine of the wells to lift liquids, enabling continued steady production from the wells and reduce their technical rate limits. The HCA gas lift, although approved, has been postponed to 2025 due to the strong production performance in 2023 still driven by the successful restimulation in June 2022 and the reduction of Tubing Head Pressure (THP) in June/August 2023 resulting in improved gas production. The project will convert an 8-inch condensate export line to import gas-lift gas from the HBB platform with the HCA 16-inch gas export line converted to a multi-phase pipeline. The project is assigned Undeveloped Reserves.

Halfdan Ekofisk infill wells

The Halfdan Ekofisk Main opportunity targets oil and gas above Halfdan Main Tor development. The Ekofisk Main development potential was confirmed by the drilling of HBB-04 in 2017 and HBB-05 in 2019, respectively. There are plans to drill two Ekofisk infill wells in the Halfdan field starting in Q4 2024. The well locations will be optimised based on the results and interpretation of the 2023 4D seismic survey. The two wells are considered firm and have been assigned Undeveloped Reserves. FID on the first well was taken in Q2 2024, and for the second well FID is expected in Q4 2024. The wells are expected to be drilled in 2025.

[9] There has been no production since 2019, as the field has been closed in connection with the Tyra redevelopment.
[10] There has been no production since 2019, as the field has been closed in connection with the Tyra redevelopment.
[11] There has been no production since 2019, as the field has been closed in connection with the Tyra redevelopment.
[12] There has been no production since 2019, as the field has been closed in connection with the Tyra redevelopment.

Halfdan North

Halfdan North is an undeveloped discovery between the Halfdan field and the Tyra Southeast field, in the same geological units (Upper Cretaceous Tor formation chalk). The field was discovered by the HDN-2X well as part of the exploration and appraisal of the Halfdan field but remained undeveloped due to the thinner oil column and smaller volumes. Since that time the Halfdan field has matured, and the operator now plans to develop this field. The operator reported that a development well in Tyra SE (TSEB-03A) appraised the Halfdan North accumulation, confirming the Northern end of the accumulation and showed better reservoir properties than excepted.

An FDP was submitted in 2020 to the DEA which proposes the discovery is developed with a 12-slot unmanned wellhead platform tied back to the HBD platform in the Halfdan field. Five horizontal production wells and four horizontal water injection wells will be drilled in an alternating, line-drive pattern. The production wells will have CAJ liner completions and injection wells will be hydraulicly fractured. The operator current expects first oil to be in 2028.

Adda Phase 1

The Adda discovery is located ~12 km northeast of the Tyra East facility. It was discovered in 1977 and appraised by a further five wells between 1981 and 1997. Adda is a four-way dip-closed anticline structure created by salt tectonics and has a series of east-west trending faults across the field. Gas is contained in the Tuxen Formation and oil is contained in the overlying Hod Formation. The proposed Adda development project includes a greenfield normally unmanned well head platform with 8 slots and a 4-leg jacket with a fully rated pipeline back to Tyra East E platform. The development includes seven wells drilled and tied back to the platform. The project will have three phases:

Phase 1: Crest development, 4 Tuxen wells +1 Hod well;

Phase 2: Flank development, 2 Tuxen wells;

Phase 3: Potential for additional Hod well or Tuxen flank well (excluded from ERCE’s assessment).

The Adda well design is similar to existing wells in the Valdemar field. The field will be produced under natural depletion (with gaslift) and drawdown limits imposed based on the geo-mechanical stability of the reservoir rock. The production mechanisms in the Tuxen are compaction and gas expansion, and for the Hod this is compaction drive and solution gas drive.

Four well tests have been carried out in the Tuxen reservoir with gas rates observed between 2.5 - 20.0 MMscf/d. Well tests and PVT analysis has determined the reservoir pressure to be very close to the dew point pressure of the gas-condensate. Two well tests have been carried out in the Hod reservoir with oil rates observed between 4,100 - 6,270 stb/d.

An FDP was submitted to the Danish Energy Agency (“**DEA**”) in 2021 and is awaiting approval. The discovery will be developed by a normally unmanned 8- slot wellhead platform tied back to the Tyra East E platform via a 10” multiphase pipeline. Phase 1 of the Adda development includes five horizontal production wells in the Tuxen reservoir and one horizontal production well in the Hod reservoir. The current expectation is for first gas in Q2 2028. Phase 1 Undeveloped Reserves are classified as Justified for Development. The FDP includes additional development wells in Phase 2, but these are classified as Contingent Resources.

Exploration Activity

The Group participates in exploration targeting the Middle Jurassic formation of Harald East, where the drilling of an exploration well was commenced in 2024. On 9 December 2024, the Company announced that the Harald East Middle Jurassic field was successfully brought into production on 6 December 2024.

Carbon Capture and Storage (CCS)

BlueNord Energy Denmark A/S acquired all shares in CarbonCuts A/S on 24 January 2024 and on the same day CarbonCuts A/S filed an application for the second licensing round in Denmark for licences for the exploration and storage of CO_2. On this basis, CarbonCuts A/S was granted a licence on 23 May 2024 pursuant to section 23 of the Danish Subsoil Act. The licence entered into force on 20 June 2024 and the licence area covers an area in Rødby.

The licence is granted with an initial duration of four (4) years for exploration work. The exploration period can be extended by two (2) years at a time with a maximum duration of 10 years. Subsequent to the exploration period, CarbonCuts A/S, as licensee, has the right to apply for an extension of the licence with the purpose of injecting and storing CO_2 within the licence area. Such extension of the licence is granted for a period of 30 years.

The licence is granted on certain conditions one of them being, the payment by CarbonCuts A/S of DKK 31,370,838 to the Danish state for the geological validation of the Rødby area performed by the Danish state. Other conditions include that the licensee must provide security for all obligations under the licence related to the licensee's percentage interest in the licence, which has been given by the Company in the form of a parent company guarantee.

If the exploration phase is successful, CarbonCuts A/S will construct and operate surface and injection facilities under the license. Further, CarbonCuts A/S among others expects to construct reception hubs at which CO_2 can be received for storage.

CarbonCuts A/S holds an 80% interest in the licence and the remaining 20% is held by Nordsøfonden, representing the Danish State. CarbonCuts A/S will act as the operator under the licence and the terms and conditions for the joint operation between the parties will be governed by a joint operating agreement. Development work under the licence is still in its initial phase, and the structure of the project under the license is still being developed. Depending on the development of the project, CarbonCuts' percentage interest in the license might change.

3.5 Material Contracts

In the period covered by the financial statements included in this Prospectus, the Group 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. Reference is made elsewhere in this Prospectus with respect to description of the Tyra redevelopment project, the RBL Facility and hedging agreements related thereto, the Bonds, the redemption of BNOR14, the BNOR13 and the BNOR15.

4. INDUSTRY OVERVIEW

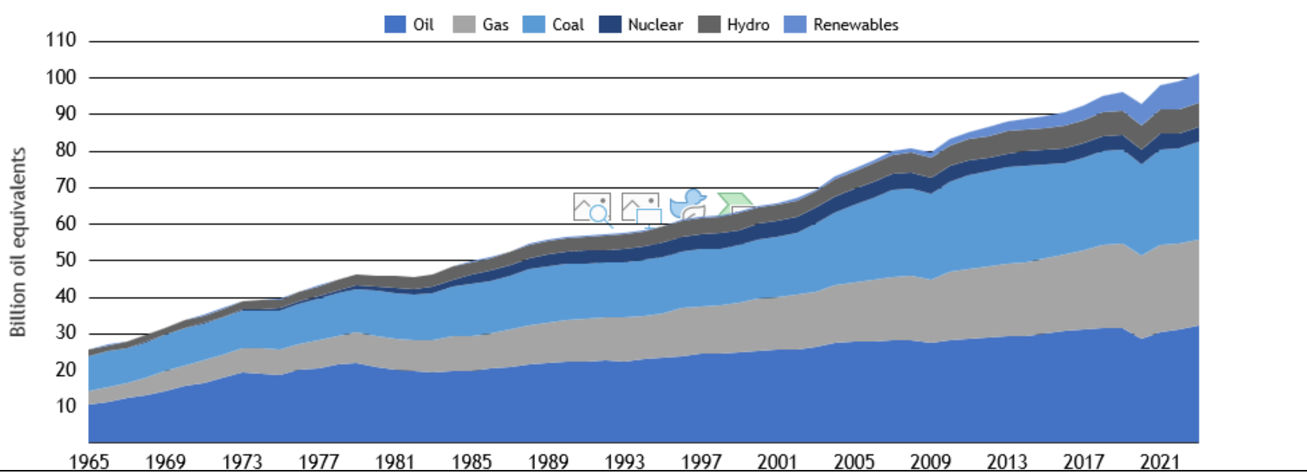
The following discussion and the discussion appearing elsewhere of this Prospectus contain information sourced from third parties. The Company confirms that this information has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by 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 81 percent of the world's energy. Oil is the largest energy source, meeting 32 percent of the world's energy consumption, while natural gas accounts for 23 percent and coal for 26 percent.

The world consumption of primary energy, including oil, natural gas, coal, nuclear, hydro power and other renewable energy, increased by 2.5 percent in 2023 following a 1.1 percent growth in 2022. Global oil consumption increased by 2.5 million barrels per day or 2.6 percent in 2023, following a growth of 3.0 million barrels per day or 3.1 percent in 2024.

Figure: World Energy Consumption 1965-2023



Source: Energy Institute Statistical Review of World Energy 2024

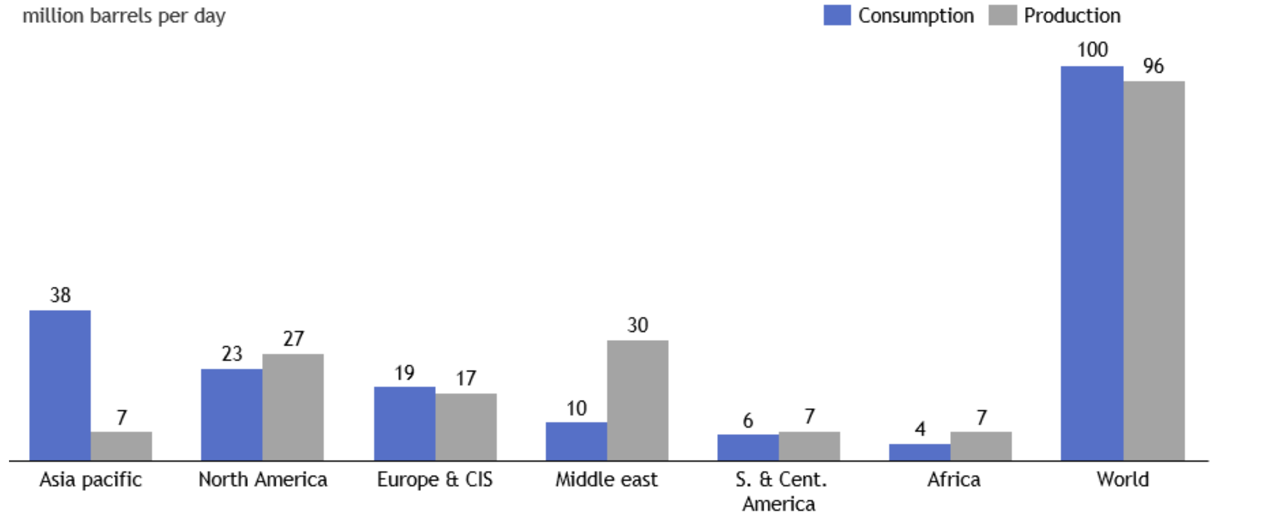
4.2 The oil market

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 65 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: Energy Institute Statistical Review of World Energy 2024

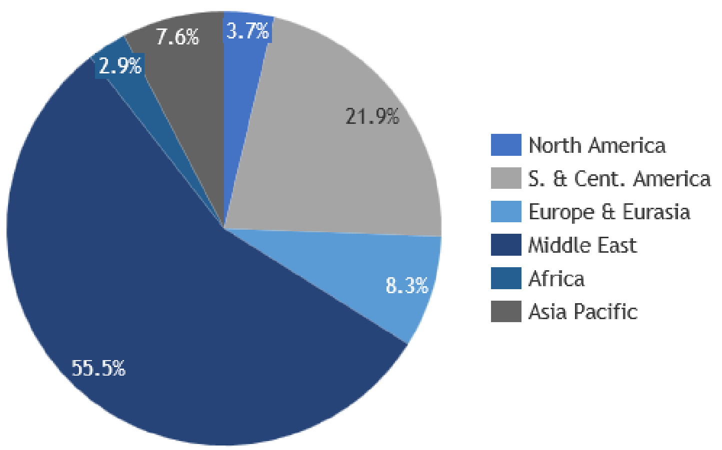
World oil consumption in 2023 was approximately 100 million barrels per day, of which Asia Pacific, North America and Europe including the CIS (The Commonwealth of Independent States), accounted for approximately 38 percent, 23 percent and 18 percent, respectively. Consumption in the Middle East was about 10 percent of the world total consumption.

The Middle East is the world's largest oil producing region, accounting for 32 percent of the world total. North America is second behind the Middle East, accounting for 28 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 1,570 billion barrels at the end of 2023, sufficient to meet some 43 years of global production at 2023 production levels.

The members of OPEC together held around 80 percent of total global reserves in 2023. OPEC includes the largest Middle East oil producers, namely Iran, Iraq, Kuwait, Saudi Arabia and the UAE, in addition to Algeria, Congo, Equatorial Guinea, Libya, Nigeria, Gabon, 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 2023



Source: OPEC Annual Statistical Bulletin 2024

4.3 The oil price

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 8 October 2024.

Figure: Brent oil price, daily from 1 January 2000 to 8 October 2024

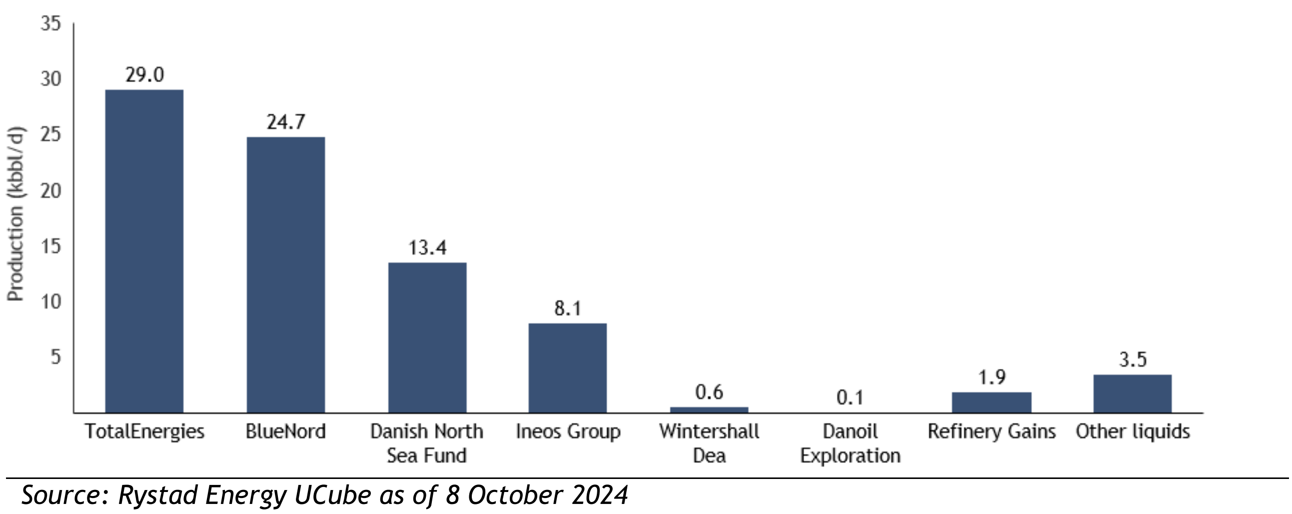
Source: FactSet

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 of USD 19.5/ barrel of cruide oil ("bbl")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 prices 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, the price of Brent has generally traded in a range between approximately USD 70/bbl and USD 95/bbl. In recent months, oil prices have been balanced by an economic slowdown in China and planned OPEC production increases on one side, and rising geopolitical tensions in the Middle East on the other side. As of 8 October, the Brent oil price has averaged USD 82/bbl year-to-date in 2024.

4.4 The Danish Continental Shelf

According to the DEA, the DSC contains in total 21 producing fields of varying size. Total production of oil in 2023 amounted to 21,482mmboe, corresponding to a decline of 8.9% compared to 2022. Natural gas production was 48,25bcf. As of 1 January 2024, DEA estimates oil reserves on the DCS to 862mmboe and reserves of sales gas to 2,684bcf.

Figure: Production in 2023

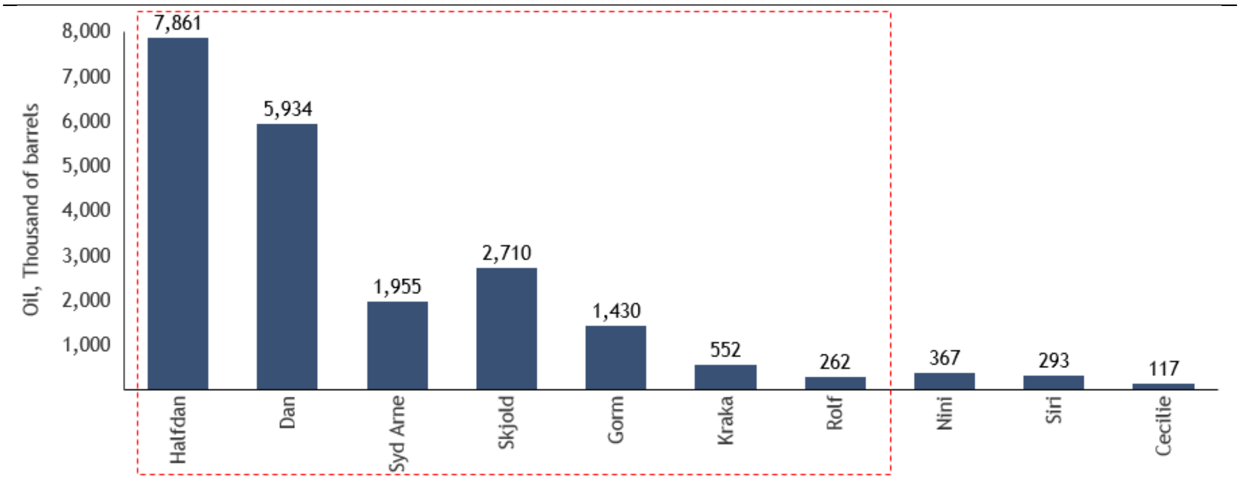


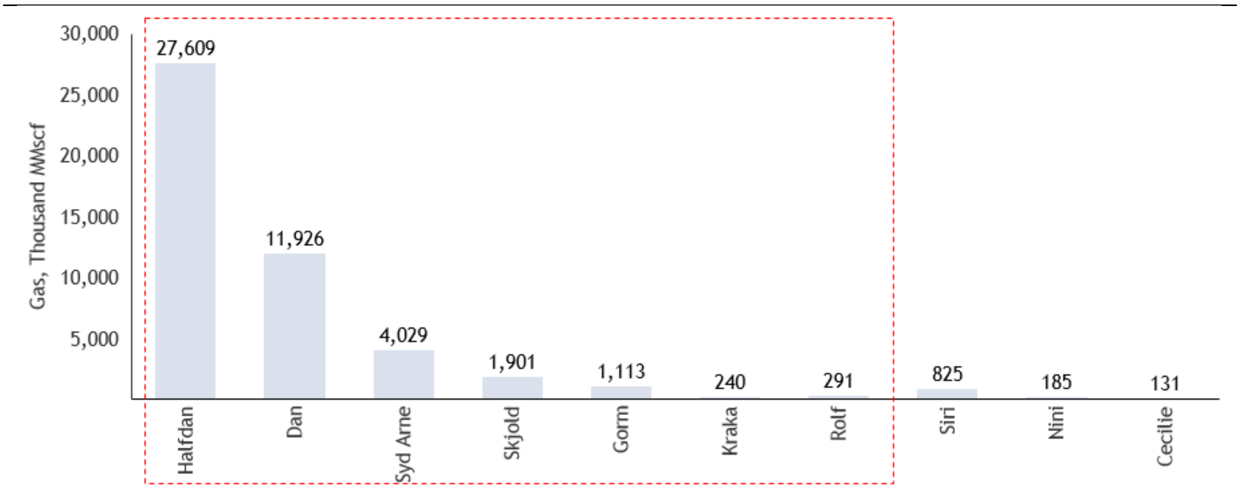
Source: Rystad Energy UCube as of 8 October 2024

The DCS is characterized by the DUC, which started production in 1972, currently holds 14 producing fields, four export pipelines and significant infrastructure all located in the Central Graben sector of the North Sea. It covers above 85% of Danish oil and gas production in 2023. DUC is a joint operation between TotalEnergies (43.2%), BlueNord (36.8%) and

Nordsøfonden (20.0%, being a Danish state fund) cooperating to recover oil from the Sole Concession holder's area of the Danish North Sea. The Sole Concession covers 1,635.7 km² of the DCS and is held and operated by TotalEnergies.

Figure: Danish Production of oil and gas in 2023





Source: Danish Energy Agency, "Monthly Production – December 2023"
Note: Tyra, Dagmar, Regnar, Valdemar, Roar, Svend, Harald, Lulita, Tyra SE, Ravn fields did not have any production of Oil or Gas in 2023, hence excluded

DUC fields

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.

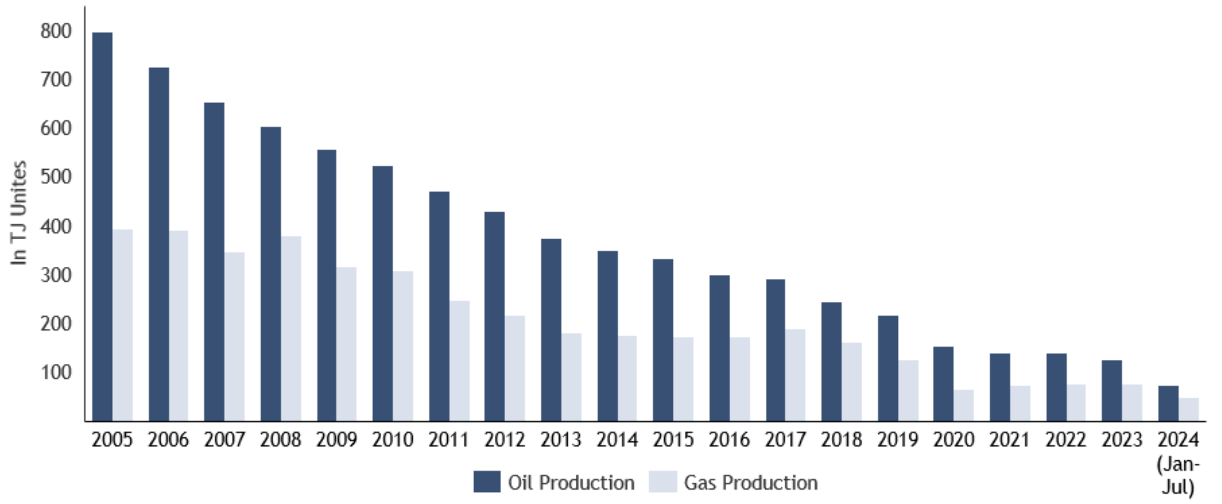
The Tyra field installations comprise three platform complexes, Tyra West, Tyra East and Tyra South East and is the processing centre for all gas produced by DUC. Reservoir compaction resulted in decreased air gap and the requirement for a full redevelopment of the Tyra field installations. The DUC has invested around DKK 21bn in the redevelopment of the Tyra field between 2019 and 2024, and it is expected to deliver 2.8bn cubic meters of gas per year, restoring Denmark's former position of a net exporter of natural gas. The Tyra platforms in the Danish North Sea restarted production again in Q1 2024, and is expected to deliver approximately 60,000 boe per 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 satellite 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 the Group (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.

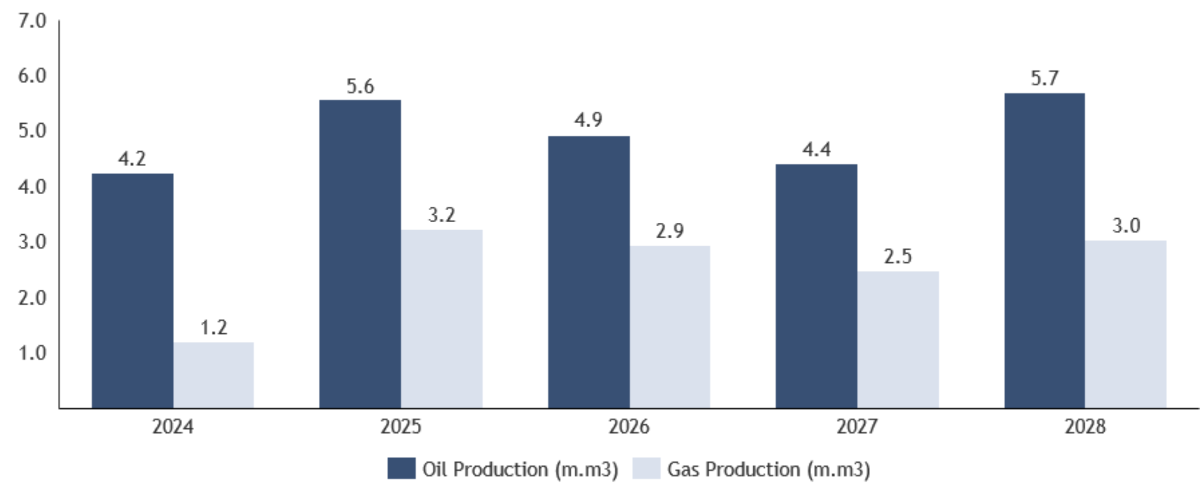
Figure: Development of oil and gas production on the DCS



Source: Danish Energy Agency

Production is expected to decline driven by the expectations of a smaller production in some of the larger fields. For 2025, DEA had forecasted a production of total 5.6 million m^3 of oil, equal to about 91,000 barrels of oil per day, and 3.2 billion Nm3 of sales gas, equal to a combined total of about 55,000 barrels of oil equivalents per day. Actual production in 2023 was 3.4 million m^3 of oil and 1.3 billion Nm^3 of sales gas. In the period 2024-2028, the increase in oil production is estimated to be around 35%, while the increase for gas production is set to increase by over 150% as the Tyra redevelopment is finalised.

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



Source: Danish Energy Agency, "Resource Assessment and Production Forecasts September 2024"

Since 1983, areas in the Danish North Sea have been offered to interested oil companies in a system of rounds. Eight licensing rounds have been held, with the final round to date closing for applications on 1 February 2019. In addition to the licensing rounds, Denmark also has had 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. On 3 December 2020, 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, which led to a final cancellation of the 8th licensing 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 conduct licensing rounds and all new licenses can only be awarded in the area west of 6° 15' eastern longitude.

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 DCS 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 legislation for the DCS in effect as of the date of issuance of this Prospectus.

The Danish Subsoil Act (in Danish "*Undergrundsloven*", consolidated Act No. 1461 of 29 November 2023 with later amendments) is the framework regulation of the prospecting, exploration and extraction of hydrocarbons, from the Danish subsoil, and is an implementation of, among others, the EU Directive 94/22/EC on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons.

The Danish Offshore Safety Act (in Danish: "*Offshoresikkerhedsloven*", consolidated Act. No. 125 of 6 February 2018 with later amendments) 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, among others, the EU Directive 13/30/EU on safety of offshore oil and gas operations.

The Danish Continental Shelf Act (in Danish "*Kontinentalsokkelloven*", consolidated Act No. 199 of 27 February 2024) sets the Danish administrative basis for, inter alia, the sovereignty over mineral deposits, pursuant to the United Nations Convention on the Continental Shelf. Under the Danish Continental Shelf Act and in accordance with the requirements set out in the Danish Subsoil Act, exploitation or exploration of natural resources on the Danish continental shelf and Danish territorial waters can only take place with a licence awarded by the Danish state. Additionally, the Danish Continental Shelf Act specifically requires a permit for the establishment of power lines and pipelines for transportation of hydrocarbons in Danish territorial waters and on the Danish continental shelf.

The Danish Pipeline Act, (in Danish "*Rørledningsloven*" consolidated Act no. 200 of 27 February 2024) has been introduced 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 Danish Pipeline Act, 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 an agency under the Danish Ministry of Climate, Energy, and Utilities and is, inter alia, responsible for matters relating to the award of licences and supervision of the exploration and exploitation of oil and gas in Denmark. The power to award licences for exploration and exploitation of oil and gas is not among the DEA's powers but rests with the Minister.

In addition to the DEA, the Danish Utility Regulator (DUR) has a supervisory and appeal function in the energy sector. Disputes regarding access to the upstream gas pipelines and fees and prices connected hereto are referred to the DUR with recourse to the Danish Energy Board of Appeal.

The Danish Working Environment Authority (in Danish "*Arbejdstilsynet*") is an agency under the auspices of the Ministry of Employment to supervise the sage and healthy working conditions at Danish workspaces.

4.5.2 Licensing

Under the Danish Subsoil Act, the Danish Minister of Climate, Energy and Utilities is authorized to grant non-exclusive licences for preliminary investigation and exclusive licences for exploration and extraction 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 regime.

Prior to the North Sea Agreement 2020, as elaborated below, licences for the exploration and exploitation of oil and gas have been granted through licensing rounds, the open-door procedure, mini-rounds or the neighbour-block procedure. In the future, the number of procedures is to be reduced to the latter two.

Since the introduction of the licensing system, seven licensing rounds have been completed. All licences granted under the licensing system are based on the model licence terms set out by the DEA within the framework of the Subsoil Act and supporting regulation. The model licence terms set out extensive information requirements to the DEA, liability issues (strict liability), insurance obligations, abandonment obligations, state participation, the obligation to enter into a joint operating agreement within 90 days following granting of the licence etc. Another requirement is that each licensee has to provide security for the performance of its obligations under the licence to the DEA (normally as a parent company guarantee from the ultimate parent company). 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 geological or production-related reasons are present, a licensee can apply for a licence in an adjacent area (a neighbouring block).

The licences are granted on the basis of the applicants' technical and financial capabilities and the working obligations offered by an applicant. Such capabilities have to be documented.

The initial licence term for an exploration and exploitation licence for hydrocarbons is up to six years and may be extended with by up to 4 years. The total term of exploration may only exceed 10 years in exceptional cases. If commercially exploitable hydrocarbon resources are discovered, the licensee has a statutory right to have the licence extended with 30 years, subject to approval of the development plan prepared and submitted by the licensees within a set time limit. The licence term may be extended but generally cannot exceed 50 years in total or the cut-off date of 31 December 2050 for all oil and gas extraction. A broad majority in the Danish Parliament agreed on the North Sea Agreement from 3 December 2020, an agreement on the future of Danish oil and gas production. The North Sea Agreement 2020 triggered, inter alia: (i) a cut-off date of 31 December 2050 for all oil and gas extraction; (ii) a cancellation of the eighth licensing round, all future licensing rounds and the open-door procedure; and (iii) reduction of the geographic area for issuance of licences. These changes have been incorporated into the Subsoil Act.

4.5.3 State participation by the Kingdom of Denmark

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

4.5.4 Transfer of licences

According to the Subsoil Act, a licence may neither directly nor indirectly be transferred unless the DEA approves the transfer, including any terms and conditions attached to the transfer. Accordingly, any transfers of shares that may result in a controlling interest in a licensee or the entering into agreements that may have a similar effect must be approved by the DEA. This also applies to transfers of shares or parts in a licence if there are several licensees to the same licence. The DEA may only approve a transfer of a licence if, after the transfer, the (new) licensee or licensees are also assessed to possess the necessary technical and financial capabilities. To approve a transfer, whether in whole or in part, the DEA may impose conditions on the parties to the transfer.

Even though a transfer has been approved by the DEA, the transferor of a licence for exploration or exploitation of hydrocarbons retains a secondary financial liability for any decommissioning expenses regarding facilities existing at the time of the transfer. This secondary financial liability remains in force irrespective of any subsequent transfers of (or part of) the licence.

4.5.5 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.

4.5.6 Environmental

All phases of the hydrocarbon business present environmental risks and hazards and are subject to strict environmental regulation pursuant to a variety of international conventions and Danish legislation. All activities are subject to the receipt of necessary permits, 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 (in Danish "*Havmiljøbeskyttelsesloven*"), consolidated Act no. 147 of 19 February 2024 with later amendments) it is generally prohibited to discharge any substance into the sea, although in certain cases a permit allowing discharge of substances originating from the Group's activities may be granted.

The Environmental Impact Assessment Act (in Danish "*Miljøvurderingsloven*", consolidated Act. No. 4 of 3 January 2023) 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 Danish Subsoil Act, Danish Continental Shelf Act and Danish Pipeline Act (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 exploitation and exploration licences. In all licences, 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. However, as the 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, exploitation 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.

4.5.7 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 DCS must be surrounded by a safety zone.

4.5.8 Decommissioning

At the end of the lifetime of every licence, the Danish state 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 licensees to decommission all existing facilities.

It is common for licensees under a licence to enter into an agreement setting forth regulation of when and how to provide securities for decommissioning obligations.

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

This section should be read together with the Issuer's Financial Statements which are incorporated by reference to this Prospectus.

5.1 Introduction

The Issuer prepares its annual consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the EU and its interim reports in accordance with IAS 34. The audited consolidated financial statements of the Issuer for the years ended 31 December 2023 and 31 December 2022, and the unaudited condensed consolidated financial statements for the nine months ended 30 September 2024, are attached to this Prospectus. Please refer to Appendix 1.

NFSA has in a letter in July 2024 requested the Issuer to explain to them its assessments not to disclose specific climate-related matters and the disclosures related to the maturity analysis and liquidity risk related to its financial liabilities in its 2023 annual consolidated financial statements. The Issuer has addressed the inquires made by the NFSA, and the Issuer is awaiting NFSA's response.

Following the letter, the Issuer has initiated a review process to consider disclosures in its financial statements related to, among others, climate related matters. As part of such review, the Issuer included a line-item for "Environmental costs", which shows how much CO2 and other environmental-related costs constitute of "Field operating cost" in note 3 to the condensed consolidated unaudited financial statements for the nine months ended 30 September 2024. Please refer to Appendix 1.

The Issuer will continue to consider, among others, climate-related matters and/or the disclosures related to the maturity analysis and liquidity risk, and may thus decide to amend or include further disclosures or explanations in its future reporting, for example through notes to its annual consolidated financial statements.

5.2 Legal and Arbitration Proceedings

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

New RBL Facility, successful placement of the Bonds and full redemption of BNOR14 and BNOR13

On 31 May 2024, the Company announced the successful signing of a new USD 1.4 billion Reserve Based Lending Facility with a maturity in December 2029. The RBL Facility was used to refinance BlueNord's existing USD 1.1 billion Reserve Based Lending Facility. The RBL Facility will start amortising from H1 2027 with a margin payable of SOFR plus 400bps and also includes an Accordion option of up to USD 400 million that may be used by the Group to support potential future commercial opportunities.

On 13 June 2024, the Company announced that it had completed a successful placement of the Bonds with an initial bond issue of USD 300,000,000. The Company may also on certain terms and conditions issue additional Bonds up to the total nominal amount of USD 500,000,000. The Company also announced that the net proceeds from the Bonds would be used to refinance BNOR14 (the Company's USD 175m senior unsecured bonds with ISIN NO 0010870900). BNOR14 was redeemed in full on 5 July 2024 at a redemption price of 110.00131% (plus accrued unpaid interests on the redeemed amount).

On 8 December 2024, the Company announced the full redemption of the outstanding BNOR13 Bonds, with the record date set for 9 January 2025.

Share option programme

Following the exercise of options announced by the Company in the end of August 2024, all outstanding options under the previous share option programme has been exercised. Following which, the Company has zero outstanding options.

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.

Further, following the sabotage on the Nord Stream 1 and Nord Stream 2 pipelines in September 2022, the level of preparedness of the Danish energy sector has generally been raised.

As a response to the supply challenges in the European gas markets, BlueNord has together with its partners in the DUC identified several infill wells based on current opportunities, where final investment decisions are expected to continue to be taken during the period from 2024 to 2027. BlueNord 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 BlueNord meet its objective of supporting Energy Security in Denmark and the EU.

The increasing armed conflict in the Middle East may have a material impact on global oil and gas markets.

Tyra redevelopment project

The estimated start-up of the new Tyra facility and the Tyra Satellites was scheduled for March 2024. The Company announced in May 2024 that due to an operational incident with the Intermediate Pressure (IP) gas compressor, the timing of the ramp-up to maximum technical capacity was delayed. In November 2024, the operator, TotalEnergies, informed that Tyra II has reached full technical capacity. The Company expects this to enable a ramp-up to production plateau before the end of 2024. Please refer to section 3.3 ("History and Development") for further information on the historical developments in the Tyra redevelopment project.

5.4 Trend Information

The Company has announced specific guiding on the Tyra redevelopment project. On 10 November 2024, the Company announced that the operator, TotalEnergies, had informed that Tyra II has reached full technical capacity. The Company expects this to enable a ramp-up to production plateau before the end of 2024. Other than the aforementioned, 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.

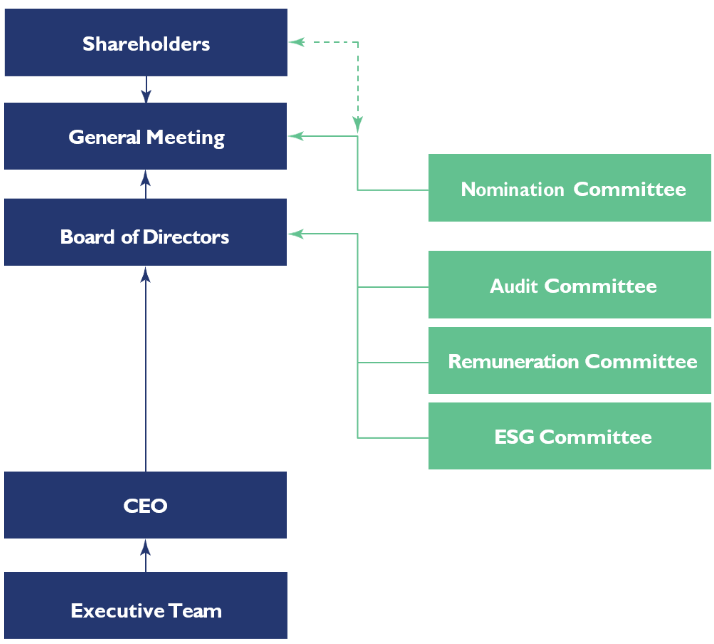
6.1 Overview

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 Chief Executive Officer ("**CEO**") 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 CEO 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 7 members. In accordance with Norwegian law, the CEO 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
Glen Ole Rødland	Chair	14 May 2024	AGM 2026
Marianne Lie	Member	26 May 2016	AGM 2026
Tone Kristin Omsted	Member	26 May 2016	AGM 2026
Robert J. McGuire	Member	2 March 2020	AGM 2026
Peter Coleman	Member	19 May 2021	AGM 2025
Kristin Færøvik	Member	16 September 2024	AGM 2026

Joäo Saraiva e Silva	Member	16 September 2024	AGM 2026

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.

The Issuer's registered business address, Nedre Vollgate 1, 0158 Oslo, Norway, serves as c/o address for the members of the board of directors, the audit committee, remuneration committee, ESG committee, and the nomination committee in relation to their position in the Issuer.

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.

Glen Ole Rødland

Rødland holds a master's degree in economics and finance from NHH and UCLA, as well as PhD studies in finance at NHH. He serves on various boards, including as chair for several companies. With a background as an investment banker, he has also been an owner and director of several listed companies over the past 18 years.

Current other directorships and management positions	Directorships: ABL-Group ASA (Chair), Prosafe SE (Chair), Borgestad ASA (Chair), DVD ASA (Director), Pascal Technologies AS (Chair), ATDL AS (Director), Watchbird AS (Director) Management position(s):
Previous directorships and management positions held during the last five years	Directorships: Seadrill Ltd (Chair), Axator ASA (Chair) Management position(s): -

Marianne Lie

Lie is a consultant at Fajoma Consulting AS. She holds various board positions including Tom Wilhelmsens Stiftelse 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), Tom Wilhelmsen Stiftelse (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), Recreate ASA (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): Public Property Invest ASA (EVP IR and Corporate Finance).
Previous directorships and management positions held during the last five years	Directorships: - Management position(s): Entra ASA (Head of Investor Relations).

Robert McGuire

Robert 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. Robert 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 is a previous director of Taconic Capital Advisors UK LL. As a director in Taconic, Coleman focused 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: - Noble Group Holdings Limited Management position(s): SVP Global (Managing Director, European Distressed Team)

Kristin Færøvik

Kristin Færøvik holds a Master of Science (MSc) degree in Petroleum Engineering from the Norwegian University of Science and Technology (NTNU). She is a former executive with over 30 years of experience in the energy industry. Kristin began her career with BP in 1986, where she held various technical and commercial roles. During her time at BP, she oversaw commercial arrangements for monetizing discovered resources, managed business planning, economic analysis, and participated in the organizational restructuring following the merger of BP and Amoco. Færøvik has also been the managing director of Lundin Energy Norway, during which she played a key role in the launch of the Johan Sverdrup field in 2019.

Current other directorships and management positions	Directorships: Kongsberg Gruppen ASA (Board member), Shearwater Geoservices Holding AS (Board member), Bunker Holding A/S (Board member), Edge Navigation AS (Board member), Fiona IV AS (Director) Management position(s):
Previous directorships and management positions held during the last five years	Directorships: Management position(s): Lundin Energy Norway (Managing Director), Sval Energi AS (Director), Moreld AS (Director)

Joäo Saraiva e Silva

João Saraiva e Silva holds an economics degree from Nova SBE University in Lisbon and an executive degree from Stanford University. He is currently a partner at Pamplona Capital, a private equity-focused asset management firm operating across Europe and North America. Prior to his directorship in the Company, he has served on the boards of several listed companies on Oslo Børs.

Current other directorships and management positions	Directorships: - Pelsis Group (Board Member), EET (Board Observer), Signature Foods (Board Observer), Octo Telematics (Board Observer), Pragma (Board Observer) Management position(s): Pamplona Capital Management (Partner)
Previous directorships and management positions held during the last five years	Directorships: Flex LNG (Board Member), Northern Ocean (Board Member), Arcadia Trading (Board Member) Management position(s): Seatankers Management (Partner)

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	October 2019	7,096
Miriam Jager Lykke	Chief Operating Officer	July 2019	1,017
Jacqueline Lindmark Boye	Chief Financial Officer	July 2019	955
Cathrine F. Torgersen	Chief Corporate Affairs Officer	January 2020	5,715

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

The Issuer's registered business address, Nedre Vollgate 1, 0158 Oslo, Norway, serves as c/o address for the members of the executive management in relation to their position in the Issuer.

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.

Euan Shirlaw (CEO)

Mr Shirlaw became Chief Executive Officer of BlueNord 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 BlueNord, 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: - None Management position(s): -None
Previous directorships and management positions held during the last five years	Directorships: -None Management position(s): - None

Miriam Jager Lykke (COO)

Miriam Lykke joined BlueNord in 2019 and has the position as Chief Operating Officer. She holds both a Master of Science and a PHD from the Technical University in Denmark. Before joining BlueNord she held senior technical and management positions within Shell and DONG Energy.

Current other directorships and management positions	Directorships: - None Management position(s): -None
Previous directorships and management positions held during the last five years	Directorships: - None Management position(s): - None

Cathrine F. Torgersen (Chief Corporate Affairs Officer)

Ms Torgersen joined BlueNord in 2019 and holds the position as Chief Corporate Affairs Officer. 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 bond sales at Pareto Securities Inc. in New York and Clarksons Securities in Oslo. She has a BSc in Business Administration and Finance from Bocconi University

Current other directorships and management positions	Directorships: - None Management position(s): - None
Previous directorships and management positions held during the last five years	Directorships: - Gambit Hill+Knowlton Strategies AS (Director) Management position(s):

Jacqueline Lindmark Boye (CFO)

Jacqueline joined BlueNord in 2019 and holds the position as Chief Financial Officer (CFO) 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 BlueNord, Jacqueline has held various roles, including leadership with Shell, AGL Energy, EY and PwC. She holds a Bachelorin 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: - None

	Management position(s): - None
Previous directorships and management positions held during the last five years	Directorships: - None Management position(s): - None

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 Issuers 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. As of October 2024, the Company's ESG Committee has been merged with the Audit Committee. To further improve transparency, BlueNord has published an Environmental, Social and Governance Report for 2023 which has been published as a part of the annual report. The reporting follows the Global Reporting Initiative standards ("**GRI**") and the Task Force on Climate-Related Financial Disclosures framework ("**TCFD**").

Remuneration Committee

The Company has a Remuneration Committee which is comprised of the following members: Robert McGuire (Chair) and Joäo Saraiva e Silva. 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.

Nomination Committee

The Company's articles of association provide for a Nomination Committee composed 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.

Technical Committee

The Company has a Techincal Committee established by the board of directors, which is comprised of the following members: Kristin Færøvik (Chair) and Tone Kristin Omsted.

6.4 Disclosure of Conflicts of Interests

Peter Douglas Coleman, member of the Company's Board of Directors, was until recently a Director at Taconic Capital Advisors, which is the largest shareholders in the Company.

Other than the aforementioned there are currently no 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) 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

BlueNord ASA 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.

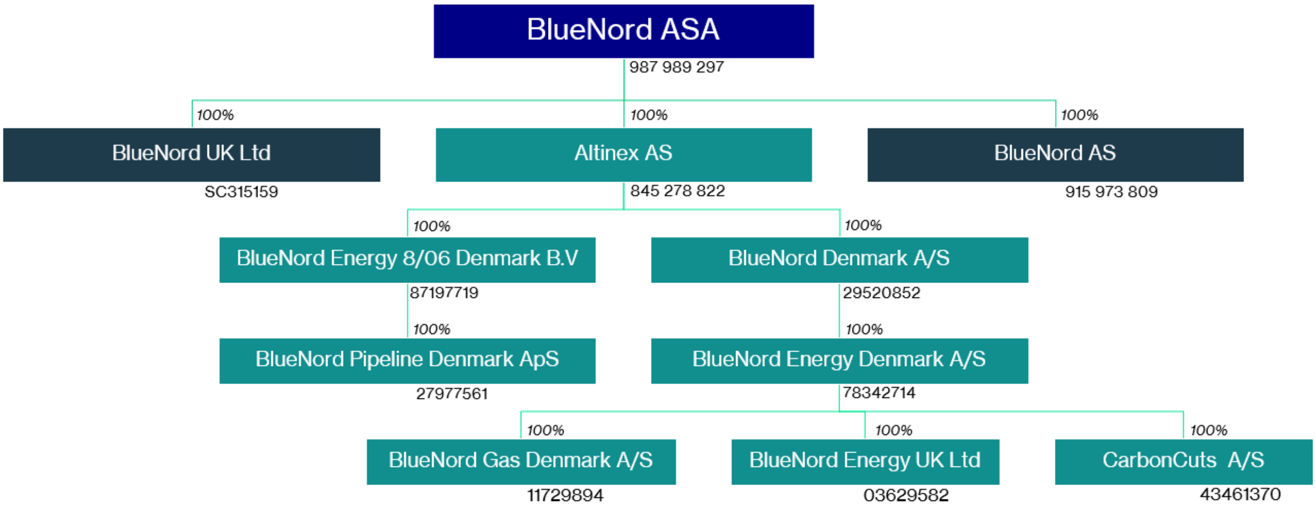
The Company has its head office and registered address at Nedre Vollgate 1, 0158 Oslo, Norway, its telephone number is +47 22 33 60 00, and its website is www.bluenord.com.

The Company has ten wholly owned (directly or indirectly) subsidiaries as of the date of this Prospectus: Altinex AS, BlueNord AS, BlueNord Denmark A/S, BlueNord Energy Denmark A/S, BlueNord Gas Denmark A/S, BlueNord Energy UK Ltd, BlueNord UK Ltd, Noreco Olie- og Gasudvinding Danmark B.V., BlueNord Pipeline Denmark ApS, and CarbonCuts A/S.

The Company participates in extraction and production of oil and gas resources on the Danish Continental Shelf through licences granted to BlueNord Energy Denmark A/S, BlueNord Gas Denmark A/S and BlueNord Energy 8/06 Denmark B.V 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:



7.3 Subsidiaries

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

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
BlueNord 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,

			BlueNord Denmark A/S and Noreco Olie- og Gasudvinding Danmark B.V.
BlueNord AS	Norway	100%	The company is a dormant company.
BlueNord Denmark A/S	Denmark	100%	The company is an intermediate holding company with one wholly owned subsidiary, BlueNord Energy Denmark A/S.
BlueNord Energy 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 10% interest in the Lulita field.
BlueNord Gas Danmark A/S	Denmark	100%	The company participates in exploration and production of hydrocarbons on the DCS, and currently holds a 10% interest in the Lulita field.
CarbonCuts A/S	Denmark	100%	BlueNord has made a strategic investment in CarbonCuts A/S, intending to establish an onshore CO2 storage location in Denmark and address Denmark’s ambitions for onshore storage of CO2. CarbonCuts A/S holds an 80% interest in the Rødby licence for exploration and storage of CO2.
BlueNord Energy 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.
BlueNord Energy 8/06 Denmark 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.
BlueNord Pipeline Denmark ApS	Denmark	100%	Previously Shell Olie- og Gasudvinding Danmark Pipelines ApS. The company provides pipeline

transportation capacity to
the Danish gas producers.

7.4 Share Capital and Share Classes

The Issuer

As of the date hereof, the Company´s share capital is NOK 14,304,747.58188 divided into 26,498,640, 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 does not currently own any of its own shares.

7.5 Major Shareholders

As of the date of this Registration Document, and insofar as known to the Company, the following persons had, directly and/or indirectly, interest in 5% or more of the issued share capital or voting rights of the Company on an undiluted basis (as a consequence of the Company's existing convertible bonds):

	%
Euroclear Bank S.A./N.V.[1]	29.27
Goldman Sachs International[2]	19.24
SOBER AS	6.98
J.P Morgan Securities LLC[3]	5.48

(1) Nominee account

(2) Nominee account

(3) Nominee account

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 BNOR13 and BNOR15 Bond Terms, the bonds shall be converted into shares on the Last Conversion Date (as defined in the respective bonds terms) 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 BNOR16 Bond Terms, the BNOR15 Bond Terms, BNOR13 Bond Terms and in the RBL Facility. As a participant in the petroleum business in Denmark and the DUC, a change of control may also require a regulatory consent from Danish petroleum authorities and/or contracting parties. 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.

On 8 December 2024, the Company announced the full redemption of the outstanding BNOR13 Bonds, with the record date set for 9 January 2025. See section 5.3 "Recent Developments".

7.6 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 2022 and 2023 and the audit reports in respect of these financial statements, and the interim report for the third quarter of 2024, and the annual statement of reserves for 2023, are by this reference incorporated as a part of this Prospectus. Accordingly, this Prospectus is to be read in conjunction with these documents. When reading the Issuers Financial Statements, please note that the Issuer's consolidated financial statements as of, and for the year ended 31 December 2023 includes a correction of an error related to the capitalization of interest on assets under construction. The comparative figures for 2022 included in the Issuer's consolidated financial statements as of, and for the year ended 31 December 2023 have been corrected to adjust for this error. The Issuer's consolidated financial statements as of, and for the year ended 31 December 2022 has not been re-issued to correct the error.

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 2023: https://www.bluenord.com/reports-and-presentations/	Appendix 1
		Issuer's annual report 2022: https://www.bluenord.com/reports-and-presentations/	Appendix 1
Item 11.2	Interim and other financial information	Issuer's third quarter report 2024: https://www.bluenord.com/reports-and-presentations/	Appendix 1
Item 11.3	Audit reports	Issuer's audit report 2023: https://www.bluenord.com/reports-and-presentations/	Appendix 1
		Issuer's audit report 2022: https://www.bluenord.com/reports-and-presentations/	Appendix 1

Annual Statement of Reserves		
Annual Statement of Reserves 2023	https://www.bluenord.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.
- The Issuer's audited consolidated financial statements as of and for the years ended 31 December 2022 and 2023 and the Issuer's unaudited condensed consolidated financial statements for the nine months ended 30 September 2024.

The above-mentioned documents are also available on the Company's webpage: https://www.bluenord.com/. The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

9. REGULATORY DISCLOSURE

Companies listed on the Oslo Stock Exchange are subject to disclosure requirements according to the Norwegian Securities Trading Act. An overview of disclosures published by BlueNord ASA pursuant to the Norwegian Securities Trading Act can be found on its ticker “BNOR” at www.newsweb.oslobors.no.

10. ADDITIONAL INFORMATION

10.1 Independent Auditors

The Company's independent auditor is KPMG AS, which has its registered address at Sørkedalsveien 6, 0369 Oslo, Norway. The parent and consolidated financial statements of Blue Nord ASA as of, and for the years ended 31 December 2023 and 2022 included in this Prospectus by way of incorporation, have been audited by KPMG AS, as stated in their reports incorporated by reference herein. The partners of KPMG AS are members of the Norwegian Institute of Public Accountants (Nw: *Den Norske Revisorforening*).

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 11 December 2024, 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 BNOR13 Bond Terms
Amendments	The contemplated amendments to the BNOR13 Bond Terms as approved by the bondholder meeting 8 November 2022
Bonds	The senior unsecured debt instruments with ISIN NO0013261735 issued by the Issuer pursuant to the BNOR16 Bond Terms
BlueNord.....................................	BlueNord ASA
BNOR13	The subordinated convertible bond issue 2019/2027 (ISIN NO0010851520) issued pursuant to the BNOR13 Bond Terms
BNOR14	The senior unsecured bond issue 2019/2026 (ISIN NO0010870900) issued pursuant to the BNOR14 Bond Terms
BNOR15	The subordinated convertible bond issue 2022/2027 (ISIN NO0012780867) issued pursuant to the BNOR15 Bond Terms
BNOR13 Bonds	The subordinated convertible debt instruments with ISIN NO 0010851520 issued by the Issuer pursuant to the BNOR15 Bond Terms
BNOR15 Bonds	The subordinated convertible debt instruments with ISIN NO 0012780867 issued by the Issuer pursuant to the BNOR15 Bond Terms
BNOR16 Bonds	The senior unsecured debt instruments with ISIN NO0013261735 issued by the Issuer pursuant to the BNOR16 Bond Terms
BNOR13 Bond Terms	The bond terms originally dated 26 July 2019 and entered into between BlueNord ASA as Issuer and Nordic Trustee AS as bond trustee on behalf of the bondholders regarding the BNOR13 (as amended and/or amended and restated from time to time)
BNOR15 Bond Terms	The bond terms dated 28 December 2022 and entered into between BlueNord 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)
BNOR16 Bond Terms	The bond terms dated 2 July 2024 and entered into between BlueNord 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)
BNOR13 Bond Issue..........................	The bond issue constituted by the Compensation Bonds.
BNOR15 Bond Issue..........................	The bond issue constituted by the BNOR15 Bonds
BNOR16 Bond Issue	The bond issue constituted by the BNOR16 Bonds
CEO	Chief Executive Officer
Company	BlueNord ASA
Compensation Agreement	The compensation agreement made between the Danish State and the DUC partners in 2003
DEA..	Danish Energy Agency
DCS	Danish continental shelf
DUC	Danish underground consortium
ERCE	The Reserves Evaluator ERC Equipoise Ltd
ESG	Environmental, social and governance
E&P..	Exploration and production
Facility	Reserve Based Lending Facility
FEED...	Front-End Engineering Design
GRI	Global Reporting Initiative standards
Group	BlueNord ASA taken together with its subsidiaries
HSE	Health, safety and environment
ICE	Intercontinental Exchange
Issue...	The issue of the Bonds
Issuer..	BlueNord ASA
Financial Statements	The Issuer's audited consolidated financial statements as of and for the years ended 31 December 2022 and 2023 and the Issuer's unaudited condensed consolidated financial statements for the nine months ended 30 September 2024
LEI	Legal entity identification

Listing	The listing of the Bonds on Oslo Stock Exchange
LP	Low-pressure
Managers	means each of DNB Markets, a part of DNB Bank ASA, Pareto Securities AS, Arctic Securities AS and Fearnley Securities AS
Net Zero Industry Act	Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724
NGL's	Natural gas liquids
Norwegian Code of Practice	The Norwegian Corporate Governance Code of 14 October 2021.
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 Securities Note and the Summary
RBL	Reserve Based Lending Facility
RBL Facility	The Reserve Based Lending bank facility provided by among others, Deutsche Bank and Natixis of up to USD 1.4 billion
Registration Document	This Registration Document dated 11 December 2024.
Securities Note	Document describing the terms if the BNOR16 Bond Issue.
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 from time to time.
Summary	Document setting out the key contents of the Registration Document and the Securities Note.
TCFD	Task Force on Climate-Related Financial Disclosures
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).
WROM	Well Reservoir Optimisation and Management

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APPENDIX 1 – FINANCIAL STATEMENTS

BlueNord

Annual Report and Accounts 2023

BlueNord is providing Europe with the energy it needs today, tomorrow, and in the net-zero future

BlueNord is a strategically important European oil and gas company, specialising in the production and development of resources that support the energy transition towards net zero.

While creating value for stakeholders, BlueNord helps to deliver the energy security that millions of people depend on in today's changing world.

Strategic Report

Financial Report

Governance Report

2nd largest

Strategic Report
Governance Report
Financial Report

In this report

2023 has positioned us well to deliver on our plans for 2024 and beyond, bringing broader value for all our stakeholders

REVENUE
$795m

EBITDA
$421m

OPERATING CASH FLOW
$250m

TOTAL LIQUIDITY
(CASH AND UNDRAWN FACILITIES)
$317m

Read more on page 23 and 24

> The new Tyra facilities were safely restarted on the 21st March 2024 with ramp-up to maximum capacity under way.

Read more on page 4

> Excellent results from well optimisation activities has decreased the production decline in the DUC fields.

Read more on page 16

> Reserves replacement of 135% year end 2023.

Read more on page 7

> Elimination of routine flaring.

Read more on page 18

> Excellent safety performance, with second lowest incident frequency since 2009 despite very high activity level.

Read more on page 5

Strategic Report
Governance Report
Financial Report

Strategic Report

In this report

Solid foundations for shareholder value creation

> "BlueNord intends to commence distributions in 2024, delivering on one of our core commitments to shareholders.

BlueNord is well on its way to delivering its ambition of becoming a leading independent European energy producer. This is on the back of a further successful year in 2023 and the restart of Tyra in March 2024.

Riulf Rustad
Executive Chair

BlueNord continues to prove its ability to deliver its ambition of becoming a leading independent European energy producer. This is on the back of a further successful year in 2023 and with the recently announced first gas from Tyra II. This places BlueNord in a an increasingly strong position, as a significant contributor to regional EU energy security and a major supplier of gas, being the fuel of choice for transition, as the world pivots to a greener future.

This position has been achieved through a strong and consistent focus on capital discipline, based around maximising the DUC opportunity. With production set to more than double, and with Tyra II having been brought back on stream, our approach to enhance value for our stakeholders remains firm. The Company has set out a clear path to continue to deliver from the DUC assets, thereby maximising capital efficiency and allowing it to become a significant dividend paying company for its shareholders.

Energy security and access to economically competitive sources of gas remains of key importance in Europe. It comes on the back of continued uncertainty across many parts of the world, impacting trade and regional economic performance, which is set to continue in 2024. The need to have access to secure, safe and cost-effective sources of energy is central to economic success and the standard of living across the region. It underpins business, transport and the region's economic competitiveness, in an era where supply lines are being disrupted, interest rates remain high and economic performance impacted.

BlueNord continued to perform in 2023, representing another year of delivering against results. This is reflected in its production and financial performance, which was again at the top end of estimations, with EBITDA for the year of USD 421 million and production of 24.9 mboepd.

As a result of its now growing track record, BlueNord is in an enviable position, with strong foundations to continue to deliver in the year ahead and beyond. Capital discipline and the ongoing efficient use of capital remains the basis on which the Company will be managed. Every decision will be assessed against this basis, which has served us well in getting us to where we are today.

Today, with Tyra II back on stream, BlueNord is set to be able to start paying dividends in Q3 2024. The Company's assets, combined with the clear plans set out for the future of the business, means it is well placed to offer shareholders meaningful returns, and BlueNord intends to distribute 50 – 70% of its net operational cashflow in the period 2024 – 2026.

That position also means the Company remains well placed to meet its responsibilities to the environment and the success of the region in which it operates. With the ongoing increase in gas production from Tyra, Denmark will be energy self-sufficient and a net exporter of gas to the wider EU region. This represents a milestone for the country; helping people's needs and supporting the ongoing growth of the economy. A further local, reliable source of gas for the region is also in line with the EU's ambition to reach net-zero. In addition to being a source of transitional energy, localised gas offers a much lower relative carbon footprint to the alternatives, such as imported LNG, which has increased in Europe, post sanctions being imposed on Russian supplies.

The reweighting of the Company's production from liquids to gas, will also greatly reduce BlueNord's own emissions intensity, in line with its ambitions. This is alongside continuing to evaluate the opportunity for carbon storage through its CCS subsidiary, CarbonCuts, which recently submitted its license application for its onshore CO_2 storage project in Denmark, Project Ruby.

Once again, on behalf of the Board and shareholders, I would like to take the opportunity to thank the operational and management teams for their hard work and commitment to the success of the business. It is through their dedication to the Company and the skill they bring to the business that we are in such a strong position today.

As the Board looks ahead to the rest of the year and beyond, we do so again with greater confidence. BlueNord is set to continue to outperform and I look forward to supporting the team in the year ahead as further progress is made and milestones delivered.

Riulf Rustad
Executive Chair

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A landmark achievement as Tyra II comes online

Ensuring sustainable energy security with the redevelopment of Tyra.

On the 21st of March 2024, the first gas was processed and exported to Nybro in Denmark from the brand-new Tyra II facilities. This remarkable feat of engineering is Denmark's largest infrastructure project to date and represents a gross investment of around 27 billion Danish Kroner, or close to 4 billion USD spent since the field development studies commenced in 2013.

BlueNord is proud to have participated in the delivery of Tyra II, and we congratulate everyone involved in this landmark achievement, in particular the Operator TotalEnergies and our partner Nordsøfonden.

Tyra II will be a vital part of Europe's energy supply for many years to come, providing much-needed energy towards a net-zero future.

See **Our Strategy** on page 17 to find out more.

Strategic Pillar
Deliver Tyra II

271mmboe
2P based on YE23 ERCE

35,000
Weight of 8 new topsides

1,200
Offshore staff contributed during construction

30%
Emission reduction compared with the former facility

225 km
distance from the Danish Jutland Coast

95%
Recycling and reuse of the old Tyra facilities

In this report

A significant investment

BlueNord has invested over one billion USD in the Tyra redevelopment project, which will produce enough energy to power the equivalent of 1.5 million homes, making Tyra, and Denmark, a key gas producer for the EU.

The new Tyra facilities are expected to produce at 30% lower emissions compared with the former facilities. With Tyra on stream, our focus on maturation of new opportunities will enable us to develop existing DUC discoveries and infill well targets to ensure that the Tyra facilities are efficiently utilised for many years to come. The DUC is set to deliver gas with a significantly lower CO_2 footprint than what LNG import can offer until Denmark and Europe can secure its energy supply from renewable sources.

Dawn Jamieson
Lead Operations Engineer, BlueNord

Delivering success for Tyra II

Dawn has been instrumental in the success of the Tyra redevelopment project. Originally recruited as Operations Engineer, then moving into the role of Tyra Project Manager, she has been dedicated to the project since she joined BlueNord in 2022.

Her role involved contributing to Safety awareness among the BlueNord team, based on her own expertise and frequent offshore visits. Her work to nominate the Tyra health, safety and environment ('HSE') team for the Danske Offshore Safety award resulted in the Tyra team being shortlisted.

As a result of her work on Tyra, Dawn has become a Fellow in Engineering with the Society of Operations Engineers. This is the highest honour which can be bestowed upon an engineer and is recognition for her contributions and accomplishments in the field of start-up of new process plants.

The Tyra II timeline

2013 – Due to the natural subsidence after 29 years of production, the seabed below the Tyra platform had sunk more than 5 metres, reducing the distance between the sea and the platform decks. The decision was made to rebuild and modernise to ensure safe continued operations for years to come.

2017 – The DUC approved the full redevelopment of Tyra, the largest investment ever taken in the Danish North Sea.

2018 – October 2018 marked the kick-off for onshore construction around the world, including the fabrication of jackets in Spain, an accommodation unit in Italy, a processing module in Indonesia, and six well head and riser modules in Singapore.

2020 – During the summer, the old Tyra facilities were removed. More than 50,000 tons of materials were moved onshore for dismantling and recycling.

In September, the foundations for Tyra II were installed.

2021-2023 – Over more than three years, more than 35,000 tons of materials located 54 metres above the seabed created Tyra II, Denmark's new high-tech hub for natural gas production in the Danish North Sea.

2024 – On 21 March 2024, the first gas was processed and exported to Nybro in Denmark.

BlueNord operates in the Danish North Sea with a 36.8 percent non-operated working interest in the DUC.

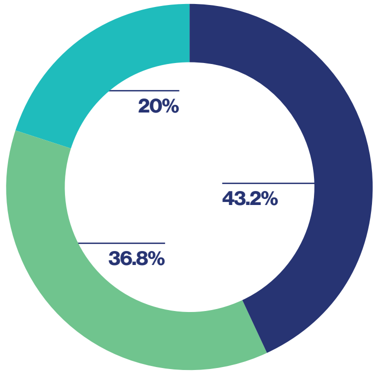
The DUC comprises of 15 fields, four export pipelines and significant infrastructure. Oil and gas is being produced from four operational hubs. It accounts for nearly 90 percent of the oil and gas that is produced in the area. The four export pipelines secure exports from the hubs to the Danish mainland and the international market.

You can find out more about the history of the DUC by visiting bluenord.com/ourassets

2nd largest
Oil and gas producer in Denmark

Successful restart of production on Tyra

DUC ownership



- TotalEnergies (Operator) 43.2%
- BlueNord (Partner) 36.8%
- Nordsøfonden (Partner) 20%

1 Oil pipeline to Fredericia
2 Gas pipeline to Nybro
3 Gas pipeline to Den Helder
Gas cross-border points

Sweden

Denmark

The DUC, which started production in 1972, is located in the Central Graben sector of the North Sea.

Netherlands

Germany

Belgium

In this report

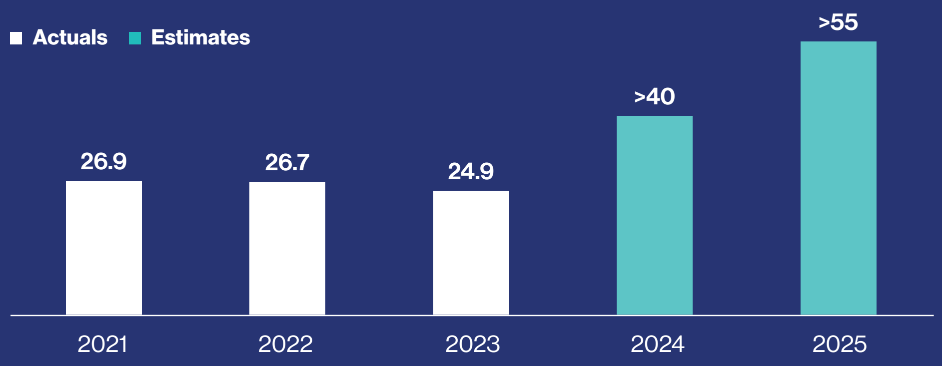
DUC represents c.90 percent of Danish oil and gas production with a low decline-rate on base production and significant near-term growth.

185.6mmboe
2P reserves
→
135%
2023 reserves replacement

24.9mboepd
2023 production
→
3.9%
2021-23 annual decline

>55mboepd
2025 production
→
>120%
2023-25 growth

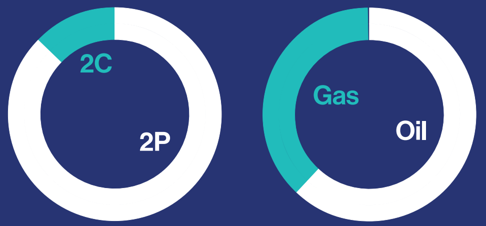
Net production mboepd



2P development from YE22 to YE23, net

2P reserves and 2C resources, net

213mmboe



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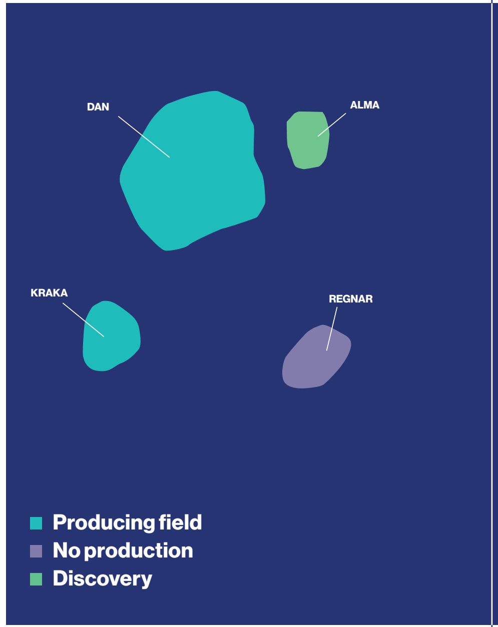
Our assets

Dan Hub

Discovered in 1971 and brought on production in 1972, Dan was the first DUC field in production. Close to 26 percent of total Danish oil production has been extracted from this field.



94%
Oil share of 2P reserves

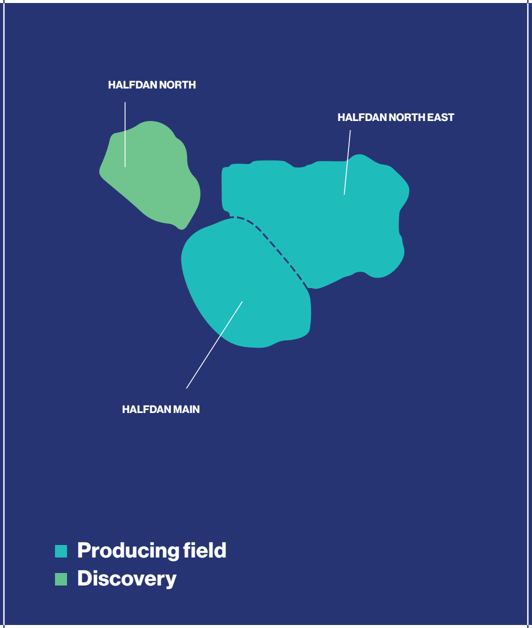
7.9
Net production 2023

26.5
Net 2P reserves mmboe

83%
Operational efficiency

Halfdan Hub

Halfdan is currently the largest producing field in Denmark and the most important DUC asset in terms of both value and resources



69%
Oil share of 2P reserves

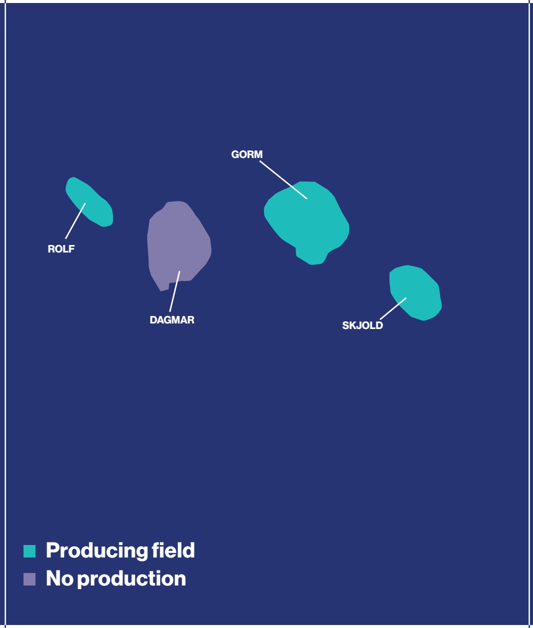
12.7
Net production mboepd

44.6
Net 2P reserves mmboe

91%
Operational efficiency

Gorm Hub

The Gorm Hub was also discovered in 1971 and brought on production in 1981. Gorm is the export hub for most of the oil produced in Denmark.



97%
Oil share of 2P reserves

4.3
Net production mboepd

14.9
Net 2P reserves mmboe

80%
Operational efficiency

Tyra Hub

Tyra is the largest gas field in the DUC. The redevelopment will extend the field's life to continue producing until the concession expiry in 2042.

42%
Oil share of 2P reserves

27-29
Expected Q4 2024 net production rate mboepd

99.5
Net 2P reserves mmboe

30%
Less emissions compared to the previous facilities

Continuing to Deliver

In 2023, BlueNord delivered operationally and financially. The Company's growing track record of achieving the ambitious targets it has set will continue into 2024 with the start of distributions to shareholders.

Euan Shirlaw
Chief Executive Officer

Our achievements are the result of careful planning, consistent execution, disciplined capital allocation and by being adaptable. It has been made possible by the strength of the team and DUC partnership, the quality of the DUC assets and the support of the Danish Government, which has created an environment for long-term investment.

The last year also saw the foundations being successfully laid that will support long-term returns to the Company's shareholders. This included the restart of production from the Tyra redevelopment, commencing a programme of infill drilling and beginning the process of adapting the capital structure of the business to be appropriate for our current position.

Looking back to where the Company has come from since acquiring its interest in the DUC in 2019, today's position is a remarkable achievement. We are, however, only at the start of the next chapter in this story as we progress towards our ambition of both becoming a significant, independent EU energy producer and fully delivering the value of BlueNord to our stakeholders.

Production and operations

Production for the year came in at the top end of guidance at 24.9 mboed. This performance predominantly reflects higher well potential and less disruption than anticipated due to the reroute work on Halfdan.

Better well potential is the result of well maintenance activity undertaken in 2022 and during 2023 across all three of our operational hubs. This included a scale squeeze and restimulation intervention on Gorm in 2022 and a total of 3 well interventions and 13 restimulations in 2023.

The rerouting of Halfdan oil stabilisation to Dan took place in the second quarter of the year. The work was completed ahead of schedule, resulting in higher than anticipated production during that period. The re-routing work eliminates routine flaring within the DUC, which is a milestone for the Company, and is in line with our commitments to a sustainable energy future.

Tyra II

The successful completion of the Tyra II redevelopment is the standout achievement of the year. This represents a significant moment for the Company, moving us to be a significant player in the European energy supply landscape. Putting this achievement in context, Tyra II is the largest project carried out on the Danish continental shelf, providing Denmark and Europe with 2.8 billion cubic meter of gas per year. It is a strategically important gas field, supporting European energy security and economic development, while reducing emissions intensity. The successful completion of the Tyra II project also unlocks 200mmboe of reserves and extends potential field life by c.25 years.

This achievement reflects the thorough planning process, the effort, commitment, and quality of the team on the ground and the broader management of the project. I would like to thank all those involved.

At the start of 2023, Tyra was in final form, so the work for the year centred on testing and commissioning and the tie-in of facilities. This included testing the gas turbine generators, reconnecting the export pipeline to Denmark, completion of subsea work, reconnecting all satellite fields and completion of leak testing. Delivery of these and other workstreams during 2023 was supported by further improvements to productivity and a strong culture of safety.

With Tyra first gas achieved in Q1 2024, stable production is now expected to be reached quicker, with maximum technical capacity now due within four months of first gas export resulting in Tyra II making a greater contribution to 2024 production than previously anticipated.This decision remains in line with achieving production of more than 55 mboepd by 2025 and average production of more than 40 mboepd during 2024.

Chief Executive Officer Statement continued

The additional production from Tyra II will significantly reweight overall production from liquids to gas, while also reducing emissions per barrel by 30 percent. In addition to the environmental benefit, it will also greatly reduce the Company's lifting cost per barrel, to below USD13, improving returns and cash flow generation in the current year and beyond.

Maximising the production opportunity

The strategy to maximise returns from the DUC is based on a programme of infill drilling and well maintenance. This programme is expected to keep production at over 40 mboepd to 2030, with out- of-plan projects utilising existing infrastructure currently being matured to further support the development of additional volumes.

Plans for infill drilling involve a seven-well programme. The Final Investment Decision ('FID') was taken on two infill wells drilled from Halfdan in December 2022. These wells are expected to increase gas production from the Halfdan field, with a net gain of c.2.9 million mboe to BlueNord, of which 50 percent is gas. Total net cost at FID was expected to be USD39m, implying a total unit development cost of c.USD13/boe. The first well in the sequence, HBA-27B commenced production 26 March and the initial production rate was in line with the expectation of net 3 kboe/day.

FID on Harald East Middle Jurassic was taken in Q1 2024, and this well is expected to be spudded during the summer of 2024. If successful, this well could be on production through the new Tyra facilities by the end of the year. It is targeting up to 8mmboe, net to BlueNord, of which 80 percent is gas.

To maintain the high production level the DUC partnership has committed to continue the well intervention programme, with current plans for 19 'WROM' activities (Well and Reservoir Optimisation Management), Skjold gas acceleration, HCA gas lift installation and yearly stimulation campaigns. This work will be undertaken by the Noble Reacher, which is currently contracted to mid-2025. Looking further ahead to 2030 it has been estimated that additional WROM and restimulation opportunities targeting ca. 8mmboe (net BlueNord) at a unit technical cost of ca. 14 $/boe can be identified.

This programme also involves three developments: Valdemar Bo South, Adda and Halfdan North. FID on these developments is expected to be taken between 2025 and 2027, with production scheduled to start between 2027 and 2029.

In Q1 2023, the Company formed a strategic partnership with Semco Marine, to help maximise the DUC opportunity and access new opportunities. Semco Marine is a Danish engineering and contracting company with more than 40 years of experience in the offshore industry.

Reserves

BlueNord, along with its partners in the DUC, has been able to maintain a strong reserves position, which will serve the Company well as it looks to deliver consistent ongoing production and returns to investors.

BlueNord's annual reserves audit was undertaken by ERCE and resulted in net 2P reserves of 186mmboe at the end of 2023. This compares to 183mmboe at the end of 2022, and represents a reserves replacement ratio of over 130 percent in 2023. This extremely strong performance is a testament to the quality of our portfolio, reflecting not only the strong production performance in 2023 but also the progress that has been made in advancing BlueNord's portfolio of medium-term development projects. Beyond our 2P reserves base, BlueNord's portfolio also holds more than 200mmboe of 2C contingent resources, of which 27mmboe is attributable to projects that are expected to be onstream by 2030.

Sustainability

Sustainability is a theme that runs throughout the Company. It is reflected in our focus on health and safety; our goal of being a significant and local independent supplier of gas to Europe; and our strategy of investing in minimising the Company's footprint, through its operations and two material CCS projects.

The BlueNord team works very closely with the DUC Operator and other partners to ensure a safe operating environment. This work is based on investment and developing a positive work and

In this report

management culture. The BlueNord team has the operational skills and experience to play an active role and I am pleased to report a positive culture across all DUC operations, including the Tyra II redevelopment.

During the year, the consortium eliminated routine flaring from the DUC, through investing in rerouting work on Halfdan. This represents a milestone for the Company, reflecting its commitment to minimising emissions from operations. Furthermore, the Company is continually assessing other additional emissions reduction initiatives for its producing assets and future activities.

The restart of gas production from Tyra also delivers material benefit. This includes a 30 percent reduction in emissions per barrel from the DUC and a local, secure supply of energy to the region, which is key to reducing emissions and supporting economic development.

BlueNord continues to invest, financially and through technical and commercial support, in its two CCS projects, Bifrost and CarbonCuts. These represent opportunities to remove and safely store material quantities of carbon from the atmosphere: improving quality of life locally and supporting Europe's ambition of reaching net zero.

Team

The strength of the BlueNord team comes from the range of skills and experience it offers. It allows the Company to contribute operationally, to the DUC, to the development of the two CCS projects and to consider other opportunities, while also maximising capital efficiency. This affords the Board and senior management the comfort and flexibility needed to continue to deliver for shareholders and other stakeholders.

The culture of the team is incredibly positive, reflecting individual commitments to the success of the business. It is through that, and the skills people bring to the Company, that we have been so successful in delivering against multiple milestones. I would like to take the opportunity to thank each person for their support, without which we would not be where we are today.

Financials

Revenue for the year was USD795m (2022: USD967m). This reflects a strong production performance, at the top end of guidance, and an increased weighting to gas, offset by lower overall commodity pricing, mitigated by an active hedging policy.

EBITDA for the year to 31 December 2023 was USD421m (2022: USD611m). This decrease reflects the Company's revenue performance, combined with expenditure during the year to support production.

The Company's balance sheet remains strong, with net debt at the year-end of USD1,088m, reflecting a further year of strong cash flow generation. At the year end the Company had total liquidity of USD317m.

As production from Tyra II feeds through to cash flows, the Company can expect its balance sheet strength to improve further, placing BlueNord in a good position to become a material, long term dividend-paying company for its shareholders.

The hedging policy in 2023 supported access to greater spot pricing, post-amending the hedging policy requirements under the reserve-based lending facility ('RBL') in 2022. Looking ahead to 2024, the hedging strategy will continue to allow further exposure to commodity price changes, while recognising the benefit of adding certainty around future cash flow when the outlook for commodity prices allows.

Outlook

We entered 2024 with a strong portfolio, supported by the near-term addition of volumes from Tyra. This means BlueNord is now able to put in place a distribution policy that we believe fully delivers the value of BlueNord's portfolio to all our stakeholders; we will prioritise near-term distributions during 2024 to 2026, while at the same time maintaining a conservative balance sheet and undertaking measured reinvestment where attractive opportunities to do so exist.

Despite the impact of Tyra on production in the current year and beyond, we do not envisage any change to the Company's approach. Each decision will continue to be assessed against the most efficient use of capital and the Company's ability to drive higher distributions for investors and other stakeholders for the long term. Nonetheless, with production set to double, BlueNord finds itself in a fortunate position, affording it a strong base and flexibility, supporting its future.

As the year develops, I look forward to updating investors on further milestones as they are met and our plans for distribution. Despite the impact of an increasingly volatile world, I also look forward to the future of the Company with continued confidence.

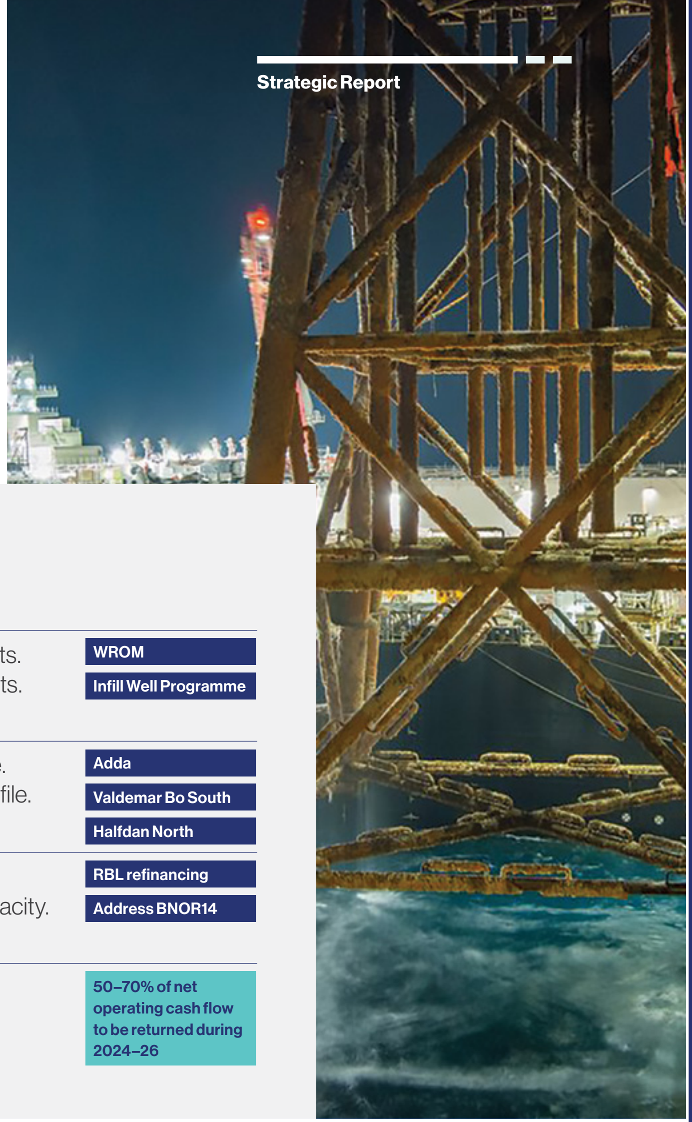
Euan Shirlaw
Chief Executive Officer

Our purpose is to provide Europe with the energy for today, tomorrow, and in the net-zero future to come

BlueNord has a differentiated business model, which prioritises distributions to shareholders, while at the same time maintaining a conservative balance and allocating capital as needed to secure the long-term contribution of our operational portfolio.

Delivering our business model starts with maximising the value of our underlying business. We do this by taking an active approach, focused on influencing and exercising control. This is further supported by measured reinvestment where attractive.

As an engaged DUC partner, we play a meaningful role in direction and activity, ensuring a well-managed portfolio that fully delivers on its potential.



Framework for Disciplined Capital Allocation, Prioritising Near-Term Distributions
while maintaining a conservative balance sheet and securing the long-term contribution of BlueNord's portfolio.

Organic Growth: Short-Cycle	• High-return, quick payback investments. • Maximise contribution from base assets.	WROM Infill Well Programme
Organic Growth: Long-Cycle	• Measure investments where attractive. • Must be accretive to equity returns profile.	Adda Valdemar Bo South Halfdan North
Capital Structure	• Maintain conservative balance sheet. • Maximise access to secured debt capacity.	RBL refinancing Address BNOR14
Distributions	• Maximise near-term distributions. • Maintain long-term returns profile.	50–70% of net operating cash flow to be returned during 2024–26

Maximise value of our operational portfolio

Maximise capital available to BlueNord

Allocate capital per disciplined framework

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Our Strategy

Our core objective is to ensure we maximise the long-term value we deliver for our broad stakeholder group. We believe we do this best by balancing the demands of energy security against the needs of the energy transition, and our strategy is set to enable this.

We will make further measured investments where economically attractive to do so, which will in turn help ensure energy prices are affordable to consumers, both residential and industrial.

We will seek to lower overall emissions by producing more gas which will offset higher carbon intensive sources of energy like coal, investing in emissions reduction initiatives for existing producing assets, and investing in activities that support a net-zero society.

	Delivery in 2023	Focus for 2024
01 Deliver operationally **Strong production performance, driven by an active approach to asset management that will see BlueNord continue to seek opportunities to enhance near-term volumes.**	• Strong production in upper end of annual guidance. • Mitigation of natural decline and delivery at or above guidance for 12 consecutive quarters. • Active management by the operator with delivery of the WROM programme. • Attractive Short-Cycle Investments being pursued with the first infill well spudded in June.	• WROM to continue with activities approved to 2025+. • Focus on identifying further opportunities for enhancement in fields that have not been subject to WROM to date. • Further maturation of infill opportunities, including for the newly onstream Tyra hub.
02 Deliver Tyra II **Tyra secures energy supply by producing 2.8 billion cubic meters of gas per year to Denmark and Europe, while at the same time reducing emissions intensity by 30%.**	• First gas achieved in March 2024. • Shorter ramp-up to maximum technical capacity supported by additional work done prior to first gas. • Activities support net BlueNord production expectations of over 55 mboepd in 2025 and substantial free cash flow generation.	• Ensure ramp-up to maximum technical capacity delivered within four months per current Operator guidance. • Deliver unplugging and reactivation of Tyra wells according to schedule to support journey to peak production. • Seek to debottleneck facilities to the maximum extent possible, potentially unlocking scope beyond 300 mmscfpd nameplate capacity.
03 Deliver our potential **Maximise value of BlueNord, with near-term shareholder returns prioritised, while also maintaining a conservative balance sheet and reinvesting where attractive to do so.**	• Distribution policy announced, which will prioritise near-term returns to shareholders, while maintaining a conservative balance sheet. • Progress made with project portfolio, with maturation reflected in > 130% 2P reserves replacement for 2023.	• Deliver distribution profile with 50–70% of net operating cash flow distributed to shareholders from 2024 to 2026. • Complete refinancing of BlueNord balance sheet with conservative capital position maintained throughout. • Progress opportunities to invest where accretive to long-term distribution profile. • Continue to assess opportunities for short and long-term emissions reductions.

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Distribution policy set to deliver material near-term capital returns to shareholders

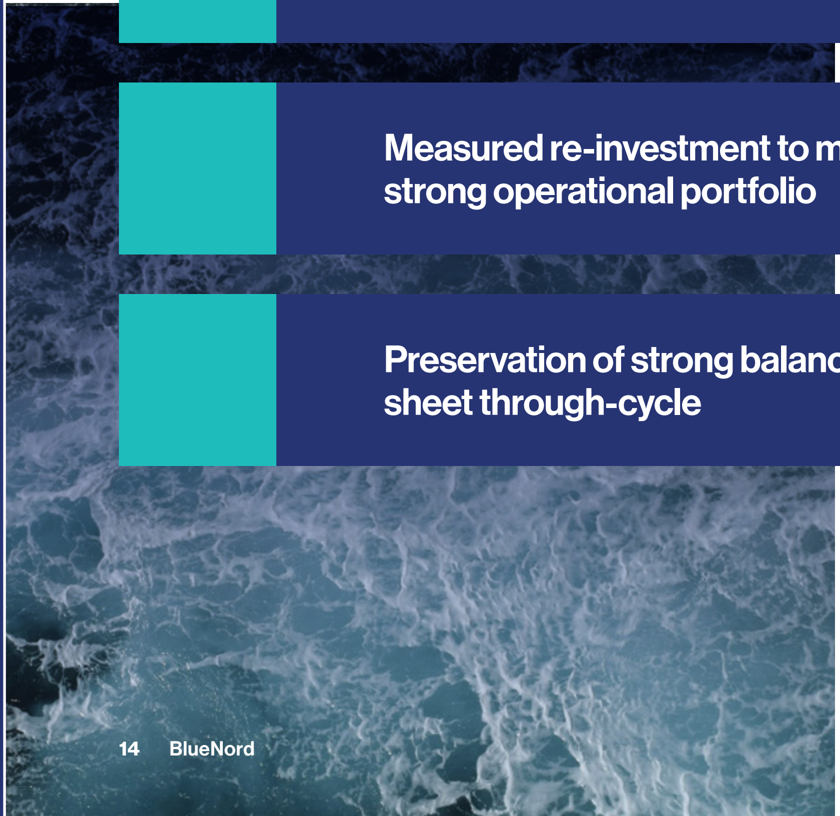
Ability to return capital supported by substantial free cash flow generation with Tyra onstream, which will enable the prioritisation of near-term returns to shareholders, while also allowing measured reinvestment and for a conservative balance sheet to be maintained through cycle.

Cashflow Generation Supports all Stakeholders

Prioritisation of shareholder returns in the near-term

Measured re-investment to maintain strong operational portfolio

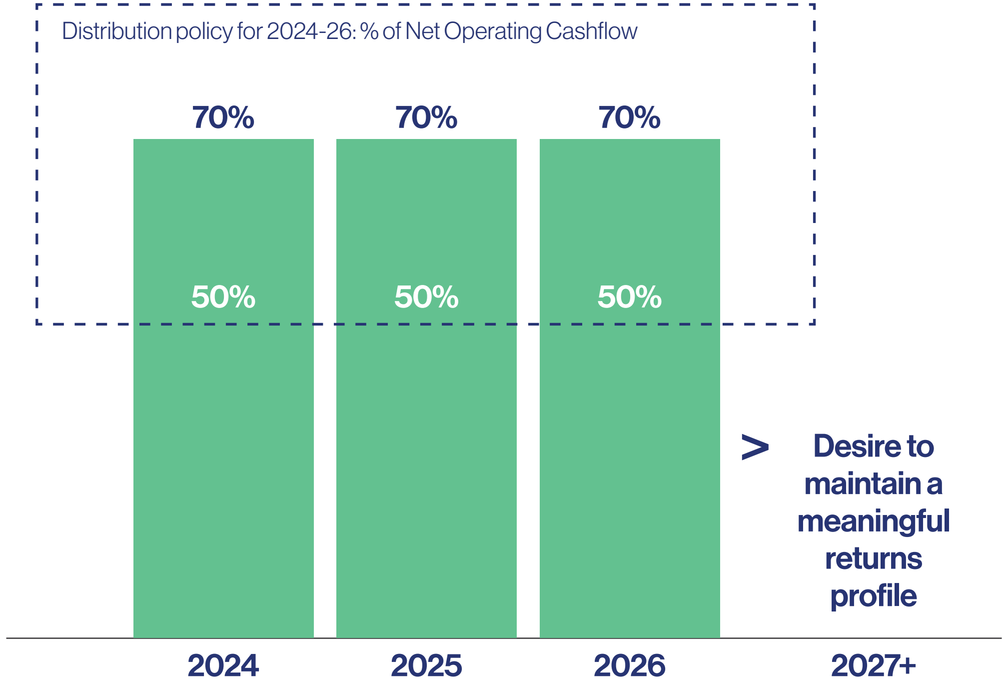
Preservation of strong balance sheet through-cycle



Shareholder Returns Policy Focused on 2024-26

- 2024 to 26: Distribution policy of 50-70% of Net Operating Cash flow.
- 2027+: Desire to maintain a meaningful returns profile percentage of Net Operating Cash flow:

Shareholder distributions based on Net Operating Cashflow



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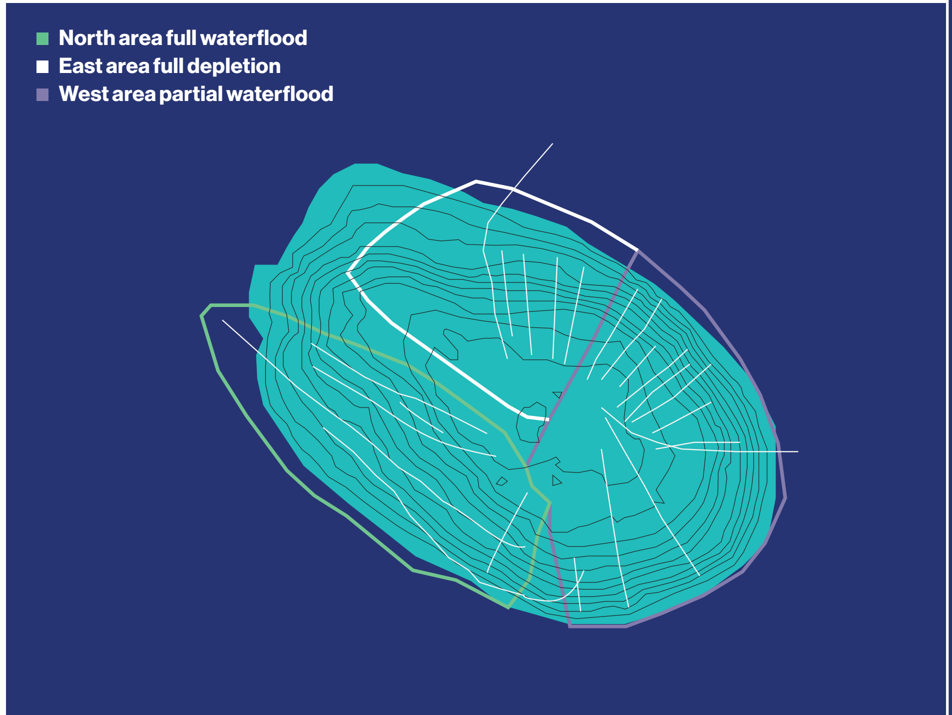
Strategic Pillar 01
Deliver operationally

Acceleration of gas production from the Skjold field by reduction of water injection

Exciting Gas Acceleration Project Pilot initiated end 2023

The change from water injection to depletion drive in parts of the Skjold field was started at the end of 2023. This is a common way of maximising recovery from late-life fields and has the additional benefit of enabling gas export from Gorm; this will further maximise the economic benefit from Grom hub production with sale of excess gas production rather than injection back into the reservoir. This project will potentially increase production by 1.3mmboe, net BlueNord by end 2027, and increase the gas to oil ratio from the Skjold field.

There is some reservoir uncertainty associated with this project. This is mitigated by conducting a pilot project over one to two years, with the option of reversing the process if the pilot is not successful. Produced water from Skjold is reinjected via restored water injectors in the Gorm field and other parts of the Skjold field. This project is also expected to lead to a reduction in fuel gas consumed in pumps for water injection, if produced water is reduced as expected.



> The Gas Acceleration Pilot is expected to increase the gas production from the Skjold field by changing from water injection to depletion drive. The project may benefit from reducing the fuel consumption leading to reduced emissions.

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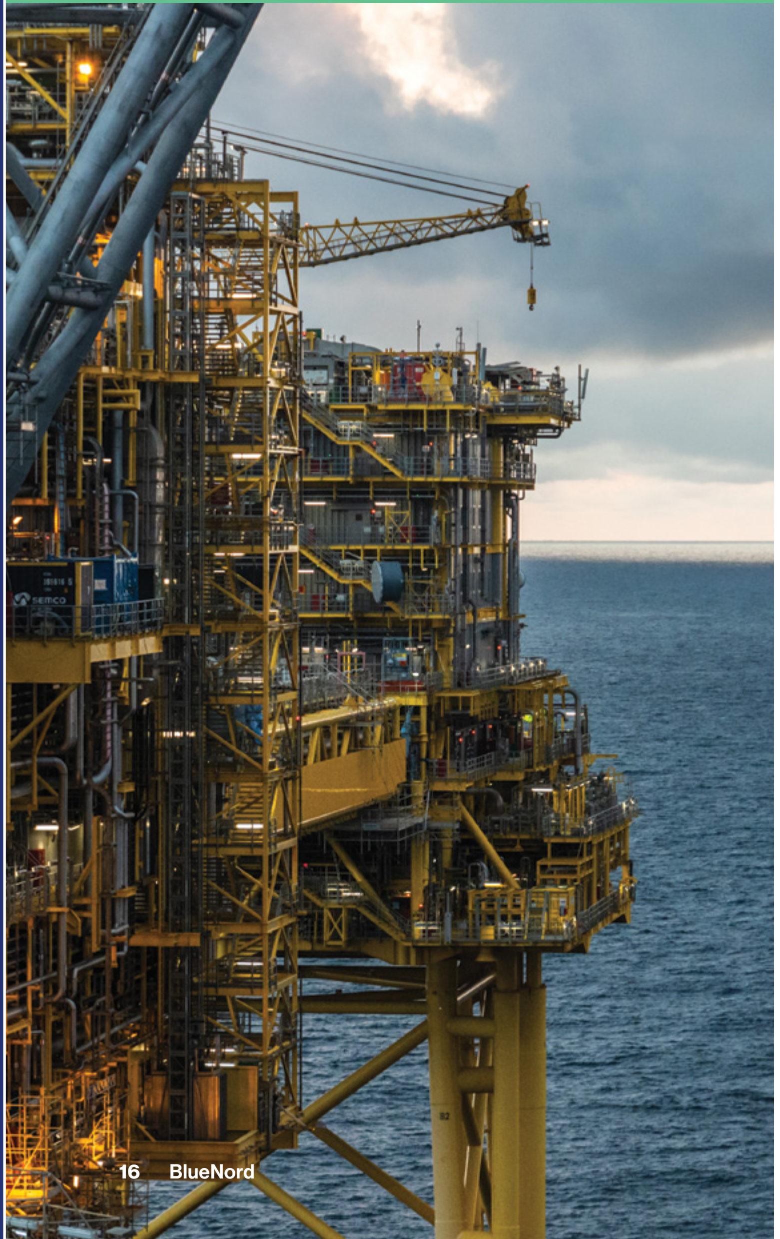
Strategic Pillar 01 continued
Deliver operationally

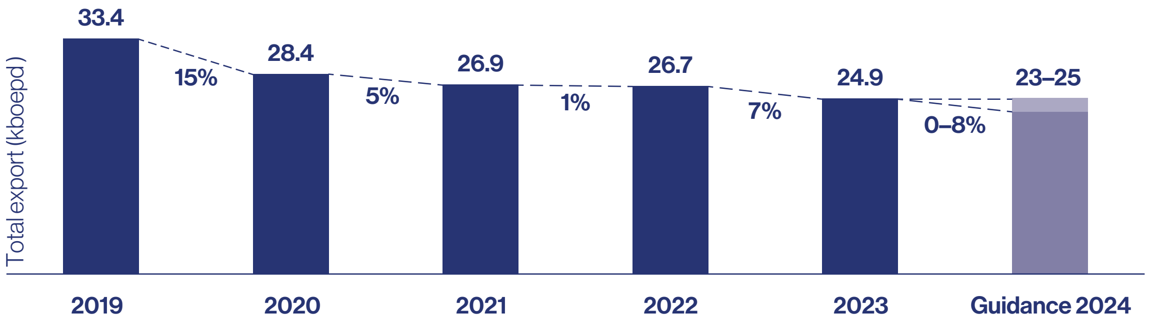


Optimisation mitigates decline for the producing DUC fields

A low overall decline has been observed in the export volumes from the producing DUC fields since 2021. This is mainly due to a high level of well activities and increased focus on delivering a high operational efficiency. In summer 2022, the DUC optimisation journey commenced by successful restimulation of eight wells in the Halfdan North East field. This was followed by the WROM project on Dan with a duration of 18 months, and is now continuing on Halfdan. In parallel, restimulations are carried out with regular intervals on both the Dan, Halfdan and Gorm fields. Further to the increased production, following already executed and planned work, the first infill well since the HBB10 well was delivered in 2017; HBA-27B has come on production end March 2024. The gas acceleration project pilot on Skjold is also expected to accelerate gas production and reduce water injection and associated fuel consumption by shutting in one water injector pump on Gorm. There is a continued high focus on keeping the unplanned shortfalls low, and combining planned work in the best possible way to maintain the operational efficiency target above 90 percent.

Plot of actual export volumes from 2019 to 2023 from producing DUC fields (excluding Tyra) and the expected guidance for 2024.

DUC excluding Tyra hub – Actual production and decline net BlueNord



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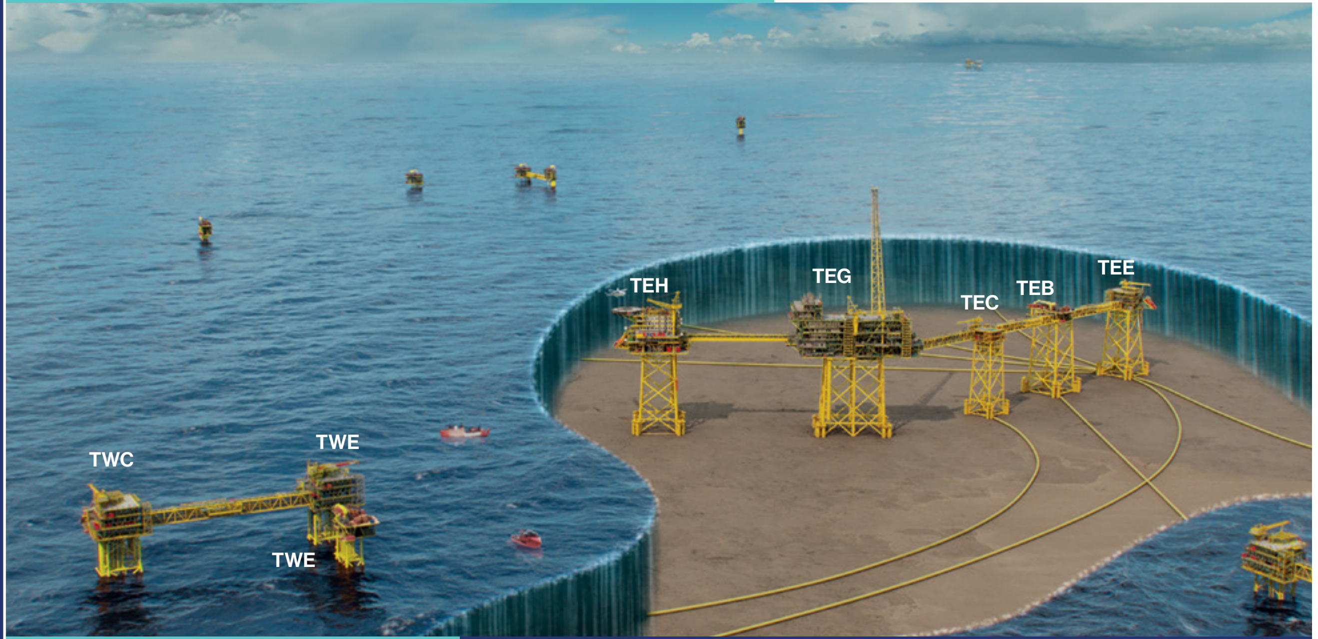
Strategic Pillar 02
Deliver Tyra II

Ensuring sustainable energy security with the Tyra II field



30%

emissions reduction compared to old facilities

> With the safe restart of Tyra production in March 2024, focus is now on bringing the Tyra West and East fields as well as satellites Valdemar, Roar, Harald and Lulita on production as soon as possible to maximize the utilisation of one of the most advanced and efficient offshore gas installations in the world.

Tyra II at a glance

Energy Security

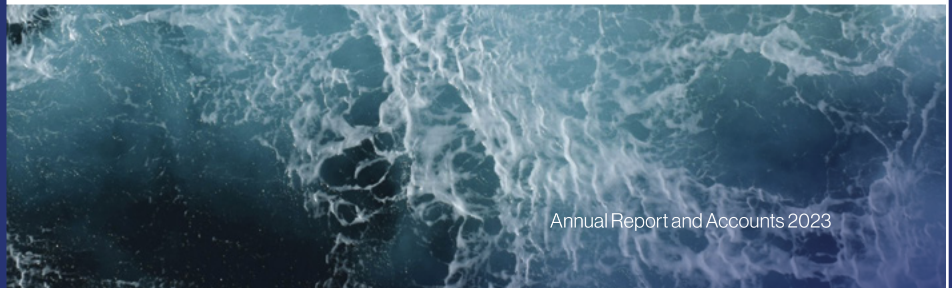
Annual sale from Tyra when on plateau is estimated to 2.8 billion cubic meters of gas. This gas will satisfy the need for natural gas in Denmark as well as replacing LNG and coal generated energy in Europe.

The new Tyra gas processing facilities are one of the most technologically advanced offshore gas installations in the world. The new Tyra leverages state-of-the-art digital solutions and technological innovations to produce more efficiently and with 30% lower greenhouse gas emissions than the former facilities.

The onshore control room will be continuously manned and can be used to fully remotely control the Tyra hub offshore operations. This set-up will improve collaboration between the onshore and offshore teams, reduce the need for unscheduled offshore visits, reducing the overall risk of the Tyra production operations.

The new Tyra facilities offshore are equipped with around 100,000 data points retrieved from sensors on critical equipment, which will continuously be monitored and analysed by the onshore control room team. A technology called advanced predictive monitoring will be used to ensure that potential repairs or adjustments required are executed before the processing equipment stops working which will significantly reduce unplanned shutdowns.

This new way of working will increase the Tyra hub operational efficiency and reduce cost and energy required for the Tyra hub production operations.



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Strategic Pillar 03
Deliver our potential

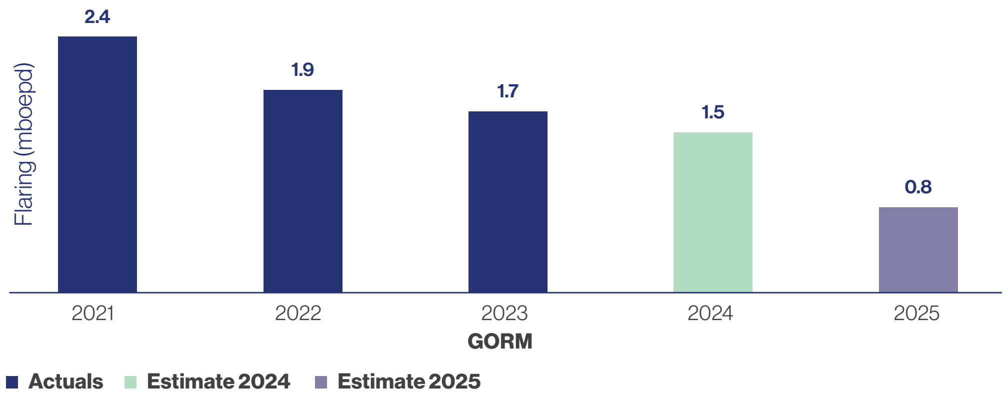
Routine flaring eliminated from July 2023, and further flare reduction initiatives to be implemented in 2024

Completed and ongoing flaring reduction projects on Gorm

Routine flaring has been eliminated in DUC as of 6 July 2023. The routine flaring was caused by flaring of excess gas from the final stabilisation of Halfdan oil on Gorm as there was no available export route. This routine flaring was eliminated through the Halfdan reroute project, where the oil from Halfdan is now being routed to Dan for final stabilisation. The estimated reduction in emissions is 20 ktonCO$_2$e/y.

During 2023, a feasibility study on flare gas recovery from Gorm processing has been completed, the project is expected to be implemented by the end of 2024. The estimated reduction in emissions is estimated to 9 ktonCO$_2$e/y. In combination, the recently enabled gas export from Gorm and the flare recovery has the potential of reducing flaring on the Gorm facility up to 50% in 2025.

Flaring – Gorm



> High focus on reducing flaring on producing facilities. Gorm is the first hub on the emissions journey.

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Strategic Pillar 03
Deliver our potential

BlueNord Long-Term Plan

The Long-Term Plan outlines development activities up to 2030, based on the current technical and economic landscape of the Danish Underground Consortium (DUC). Projects will be revised and optimised in light of findings from technical studies, production, and changing macroeconomic conditions.

The plan includes the drilling of seven infill wells between 2023 and 2026. Of these, up to four oil wells will be drilled from Halfdan, one gas near-field exploration well from Harald, with two more still under consideration. The 4D seismic acquired in 2023 is key to identifying pockets of undepleted reservoir in the Halfdan field; interpretation of this data is ongoing and will guide the infill programme.

Following delivery of these infill wells, three further developments will be executed: five wells on Valdemar Bo South, seven wells on Adda, and then nine Halfdan North wells. BlueNord is conducting independent technical work to investigate opportunities for acceleration, to enable timely delivery of affordable energy.

In addition, we are working to mature additional infill wells in the Tyra area. Work is ongoing to increase production and reach design capacity during the summer of 2024, which will unlock significant volumes from Tyra and satellites with our modern and efficient processing facilities.

Minimum 7 infill wells
to be drilled between 2023 and 2026

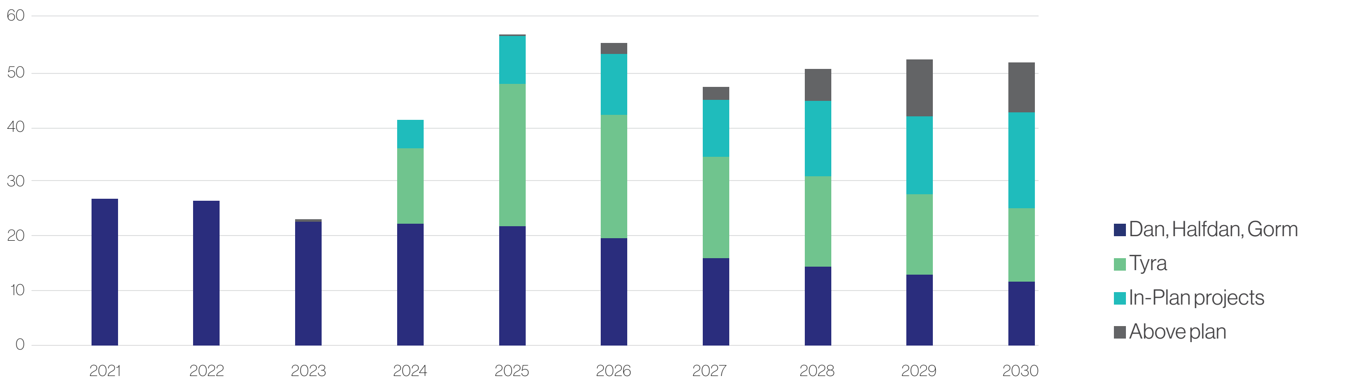
5 wells
on Valdemar Bo South

7 wells
on Adda

9 wells
on Halfdan North

Estimated rig activity schedule

Expected Long-Term Plan production profile



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Strategic Pillar 03 continued
Deliver our potential

Key BlueNord Long-Term Plan projects for 2024-30

Halfdan infill	The Halfdan infill wells are planned as a continuation of the Halfdan field development. A FID was made in 2022 for two infill wells, planned to be drilled in the Halfdan Upper Cretaceous Tor formation. The first well commenced production in April 2024. If supported by positive indications from the 4D seismic study, the Halfdan Ekofisk well will be drilled after the Harald East Middle Jurassic well.
Harald East Middle Jurassic	This is a gas well drilled from the Harald platform into a Jurassic reservoir which has significantly better production potential than the chalk reservoirs present in the Dan, Halfdan and Gorm hubs. The well is classified as a near field step-out well and has a large range of subsurface outcomes. FID was taken in January 2024, with first production expected in late-2024.
HCA gas lift	The HCA gas lift project is planned for 2025. The gas lift is required to support well production and thereby increase production potential. Project scope comprises modifications to Halfdan B topside facilities, as well as a gas lift manifold to be installed at Halfdan C. Construction of the main module is complete.
Halfdan North	The Halfdan North Upper Cretaceous discovery is a northern extension of the producing Halfdan field. Halfdan North was confirmed by the well HDN-2X and later in 2016 by the Tyra SE, TSB-3A well. The discovery will be tied back to the Halfdan B ('HBD') processing platform with a seven kilometre pipeline from a newly-built wellhead platform with nine horizontal wells, five producers and four water injectors. Field Development Plan submitted to Danish Energy Agency ('DEA') in 2020.
Valdemar Bo South	This discovery is a southern extension of the producing Valdemar field. Valdemar Bo South has been confirmed by the Bo-3X and Jude-1X exploration well and further by the VBA-6E horizontal well drilled in 2012. The discovery will be tied back to Tyra E via the Valdemar BA platform with a 2.5km pipeline from a newly-built wellhead platform with five horizontal wells. Field Development Plan submitted to DEA in 2020.
Adda	The Adda discovery was made in 1977 by the Adda-1 well. The discovery well found gas condensate in the lower Cretaceous Tuxen Formation and oil in the overlying Upper Cretaceous Hod Formation. The discovery will be tied back to Tyra East with an 11km pipeline from a newly-built wellhead platform with seven horizontal producer wells. Field Development Plan submitted to DEA in 2021.
Svend	Production from the Svend field ceased in 2016 due to well integrity issues. Due to dependencies on the production life of the Harald hub, Svend is currently categorised as a potential addition to the Long-Term Plan, subject to HEMJ success.

Net cash flow from operating activity

$250m

Effective oil price

$67.8
USD/bbl

BlueNord performance in 2023 was strong

The Company delivered five percent above budget despite production from the first Halfdan well being delivered in 2024 (rather than 2023). Production during the year benefitted from an increased level of well-optimisation activity and higher uptime than planned due to the reduced duration of planned shutdowns.

However, the safe delivery of the Tyra restart and Tyra ramp-up is the most significant ongoing development.

Following construction in Singapore, Indonesia, Italy and Denmark, the world's largest ever lift from a floating crane – of 17,000 tonnes – took place in October 2022. The subsequent offshore hook-up and commissioning period involved more than 1500 offshore and 250 onshore workers.

During 2023 and the first quarter of 2024, a huge scope of offshore work has been completed enabling the Tyra facilities to process and export gas to Denmark.

During the middle of the year, the commissioning strategy was optimised and entailed extensive use of Nitrogen rather than natural gas. This change of strategy offered the benefits of less construction work after the commencement of gas production and also a significantly reduced fuel consumption during start-up. This new strategy for start-up caused a slightly delay of gas in and restart of Tyra but could offer a significantly quicker ramp-up to full processing capacity. The new commissioning strategy was enabled by generation of Nitrogen on Tyra and this Nitrogen generation has also increased efficiency for reinstatement of wells.

The Tyra East and Tyra West wells reinstatement has progressed well with the phase 1 scope of installing refurbished Xmas trees have been installed on all Tyra East and West wells. The phase 2 scope of removing temporary plugs have been completed for all wells on the Tyra West B installation and work is commencing well on Tyra West C with 18 out of 23 Tyra West wells re-instated as of end March. A Wireline unit is being mobilised on Tyra East B.

The onshore control room has been operational since June 2023 and has been actively used for collaboration between the onshore and offshore teams during commissioning. In parallel with the hook-up and commissioning activities on Tyra East and West, the Tyra Satellite fields that have also been shut in since 2019 are being prepared for start-up.

Tyra production will be ramped up according to the following sequence

- Gas in from Dan (achieved 16 March 2024).
- Gas export to Nybro (achieved 21 March 2024).
- Gas in from Harald (achieved 25 March 2024).
- Opening on valves in Nybro and export of gas to the Danish market.
- Gas in from Tyra South East.
- Start-up of gas lift system.
- Two gas export trains in operation.
- Gas in from Valdemar.
- Gas in from Roar.
- Tyra West commencement of production.
- Tyra East commencement of production.

With production from the Harald field, a significant step has been taken towards reaching the full processing capacity at Tyra. To find out more about the landmark Tyra story, see page 4 of this report.

The outlook for 2024 is extremely strong with an expected doubling of the BlueNord production throughout the year.

From the base assets, the production from the Halfdan Tor North East infill well commenced late March 2024 while Final Investment Decisions on the Halfdan Ekofisk wells is expected during the years while WROM on Halfdan will continue throughout the year.

The investment in the Harald East Middle Jurassic well was approved in January 2024 and in a success case, this well could provide a production upside in the last quarter of 2024.

Work is ongoing to mature the major projects towards Investment Decisions in 2025 which will contribute to maintaining the BlueNord production around 50 000 mboepd. BlueNord has built a stable business that is underpinned by our position and expertise on the DUC Assets and reservoirs.

Marianne Eide
Chief Operating Officer

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2023 – Annual performance

The production performance in 2023 was excellent and resulted in the upper production guidance given at the beginning being exceeded. It should also be noted that the 2023 production performance was achieved without the start-up of new wells. The Halfdan North Tor North East infill well commenced production in late March 2024. This excellent performance was caused by a high level of well intervention and restimulation activities, as well as a high operational efficiency. In particular, the production benefited from the optimisation campaign on the Dan field which started in mid-2022 and continued throughout 2023. In this campaign, a total of 50 well interventions were carried out on Dan with the rig Noble Reacher, and resulted in the 2023 production from the Dan Hub being two percent higher than the 2022 production. In 2024, Noble Reacher will move to Halfdan, where 17 well interventions are planned to be carried out.

The delivered operational efficiency was 86 percent, which was in line with BlueNord's expectation for 2023. The forecasted high operational efficiency was delivered despite two production loss incidents at the beginning of the year. In general the Company has seen excellent operational performance by the operator and quick response to these loss events. With respect to brown-field modification execution, the Dan-Halfdan re-route work was completed ahead of schedule with lower than expected impact on Dan and Halfdan production.

As a response to the strong production performance of the Gorm Hub, life extension activities were initiated by the partnership in 2023 to ensure longer-term integrity of the installation to ensure maximum recovery of reserves.

	PRODUCTION PERFORMANCE 2023	PRODUCTION OUTLOOK 2024
Dan Hub	Production performance was **high** in 2023 mainly attributed to: • 18 well interventions carried out with the rig Noble Reacher. • Six restimulations carried out in March and eight restimulations in May. • Stable well-count throughout the year.	To keep production high in 2024 the plan is to: • Carry out two proactive workovers by rig Shelf Drilling Winner. • Maintain the high operational efficiency to benefit from the increased production potential resulting from the 2022/23 optimisation campaign. • Carry out restimulation campaign during the summer months.
Gorm Hub	Production performance was **high** in 2023 mainly attributed to: • Restimulation of 13 wells carried out in the Gorm field. • Available gas production capacity has been increased through gas reinjection into the Rolf field and also by storing excess gas in the Gorm Halfdan pipeline. In late 2023, gas export from Gorm was established which will also increase gas production capacity and reduce flaring.	To keep production high in 2024 the plan is to: • Fully implement the Skjold Gas Acceleration Project Pilot, where the recovery mechanism is changed from water injection to depletion in parts of the Skjold field, which is expected to increase the production gas to oil ratio, as well as accelarate reserves. Start water injection in the two newly reinstated water injectors in the Gorm field. • Perform restimulation campaign during the summer months. • Utilise the gas export that was established late 2023.
Halfdan Hub	Production performance was **high** in 2023 mainly attributed to: • Arrest of the production decline of the Halfdan field by keeping the well-count high and stable. • Exceptionally high operating efficiency of 90.7 percent. • Continued high gas production as a result of the restimulation of eight HCA wells in 2022.	To keep production high in 2024 the plan is to: • Carry out 17 well interventions with the rig Noble Reacher. The interventions include water shut-off treatments, as well as zone shifting of the wells for optimisation of the water flood efficiency. • Carry out restimulations on nine wells. • The Halfdan Tor NE infill well HBA-27B commenced production in April 2024. • Maintain the high operational efficiency at this hub.
Tyra Hub		To ensure safe and efficient start-up: • ensure tailored re-start and ramp-up for each individual well to protect the productivity of each well. • analyse pressure buildup during production shut-in to understand more about the potential of each reservoir. • commence studies for identification of well optimisation opportunities.

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Financial Review

Effective oil price
$67.8
USD/bbl

Net cash flow from operating activity
$250m

Effective gas price
75.7
EUR/MWh

Cost per boe
$32.5

Total revenue
$795m

"We have had a strong year driven by excellent underlying operating performance which exceeded expectations and led to a strong and stable financial result in 2023. When comparing with 2022, the commodity price environment in 2023 was less volatile and on average lower overall pricing was realised.

With revenues of USD 795 million and EBITDA of USD 421 million for the full year, this has resulted in significant cash generation from operating activities of USD 250 million, ending the year with total liquidity of USD 317 million, comprising of cash on balance sheet of USD 167 million and undrawn RBL capacity of USD 150 million.

Our capital structure remains robust supported by our liquidity position and net debt, with no principal maturities prior to Tyra first gas. The RBL facility has successfully remained at the same level of USD 1.1 billion, with maximum cash drawing capacity of USD 1.0 billion.

We also continue to maintain a hedging policy that provides visibility over future cash flow, adding volumes where it makes sense to do so, thereby supporting our balance sheet and capital structure through this continued uncertain price environment.

Jacqueline Lindmark Boye
Chief Financial Officer

The Company had revenues of USD 795.0 million in 2023 (2022: USD 966.9 million) mainly related to oil and gas sales from the DUC fields. The decrease is related to lower realised commodity prices, with a decrease of 23.2 percent on gas and 10.2 percent on oil, respectively, net of hedging effects, in addition to 2.9 percent lower oil volumes, offset by 1.2 percent higher gas volumes.

Production expenses of USD 295.9 million in 2023 (2022: 308.5 million) were directly attributable to the lifting and transport of the Company's oil and gas production, which equates to USD 32.5 per boe (2022: USD 31.6 per boe). Adjusted for insurance and changes in stock and inventory, total production expenses amounted to USD 340.1 million in 2023 (2022: USD 323.4 million). Current year is influenced by the production enhancing WROM and the Integrity Recovery Project ('IRP') project which started in 2022.

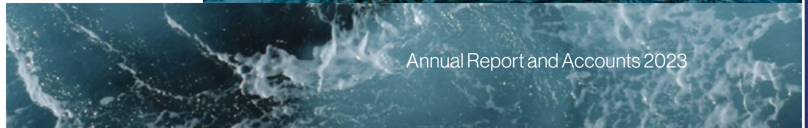
Personnel expenses were USD 18.0 million in 2023 (2022: USD 12.5 million). The increase is mainly due to the increased number of FTE's and implementation in 2022 of the share-based long-term incentive ('LTI') programme; the LTI is valued and accounted for according to International Financial Reporting Standards ('IFRS®') 2. For more information related to the LTI, see page 64 in the Remuneration Committee Report.

Other operating expenses amounted to USD 14.1 million in 2023 (2022: USD 19.1 million). The decrease is due to lower consultant and legal fees.

Operating result (EBITDA) for 2023 was a profit of USD 421.4 million (2022: USD 611.2 million). This decrease is mainly attributable to lower revenue.

EBITDA
$421m

Total liquidity
$317m



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Financial Review continued

Net financial items amounted to an expense of USD 75.2 million in 2023 (2022 restated: USD 168.7 million). This is primarily driven by the decrease in the negative fair value adjustment on NOR13's embedded derivative in 2023 compared to 2022, the value of which is influenced by changes in BlueNord's share price, and the unwinding and fair-value adjustment of the interest swap. In addition, 2022 was influenced by a positive effect from the extinguishment of the NOR13 bond loan, that was partly offset by higher interest income related to restricted cash. The net financial items for 2022 have been restated due to capitalisation of borrowing cost on qualifying assets under construction, for more details see note 10 on page 92.

Income Tax for the Group amounted to a current tax cost of USD 145.5 million and deferred tax movements amounted to USD 11.8 million (income), which corresponds to a statutory tax rate of 64 percent on result before tax on hydrocarbon income, adjusted with the effects of investment uplift, foreign exchange adjustment of tax losses and interest limitation. Current tax is impacted by the temporary EU-solidarity tax charge; however, this is offset by an equivalent reduction in hydrocarbon tax deferred tax charge, hence not increasing the effective tax rate from the statutory 64 percent. Effective tax is 0 percent on result before tax in Norway and UK and 22 percent tax on result before tax on ordinary income in Denmark.

Reference is made to note 14 in the consolidated financial statements for further details to the taxes this period.

The Group's net result for the year of USD 109.8 million (2022 restated: loss of USD 8.8 million).

Total non-current assets amounted to USD 3.0 billion at the end of 2023, of which USD 2.4 billion related to property, plant and equipment, intangible assets of USD 151.6 million, deferred tax assets of USD 218.5 million, derivatives related to the RBL interest swap and gas hedges of USD 14.0 million and USD 213.9 million in restricted cash, relating to security for DUC cash-call obligations pledged to TotalEnergies, and security against Nini/Cecilie abandonment costs.

Total current assets amounted to USD 381.9 million at the end of 2023. USD 59.9 million in trade receivables and accrued revenue, mainly related to oil and gas revenue, USD 24.8 million in prepayments primarily offshore and non-payment insurance premiums, USD 166.7 million of cash and USD 54.7 million of inventory.

Equity amounted to USD 813.6 million at the end of 2023 (2022 restated: 664.2 million). The increase in equity is mainly related to the net result of the year and the positive fair value adjustment of hedges.

Interest-bearing debt amounted to USD 1.2 billion at the end of 2023 (2022: USD 1.1 billion). The increase mainly relates to the draw-down of USD 50 million on the RBL facility. Most of the BNOR13 convertible bond loan was converted to BNOR15 in the beginning of 2023; the remaining value was converted to shares by end of 2023. BNOR15 convertible bond loan had a book value of USD 202.0 million at the end of 2023. The bond loans are valued at amortised cost and the embedded derivatives are accounted for as a derivative liability at fair value through profit and loss. BlueNord's USD 1.1 billion RBL facility, drawn at USD 850.0 million on 31 December 2023 and with maximum cash drawing capacity of USD 1.0 billion, had a book-value of USD 820.8 million at the end of 2023, of which USD 125.0 million is classified as current liability as it is due for payment in the second half of 2024. The senior unsecured bond loan BNOR14 had a book value of USD 169.1 million at the end of 2023. The RBL facility and the unsecured bond loan are valued at amortised cost.

Asset retirement obligations amounted to USD 1,049 million at the end of 2023 (2022: USD 955.8 million). The increase is driven primarily by accretion of the provision during 2023, updated exchange rates and some minor changes in cut-off years. USD 981.4 million is related to the DUC assets, USD 64.3 million to Nini/Cecilie, USD 1.5 million to Lulita and USD 1.9 million to the Tyra F-3 pipeline. The Nini/Cecilie asset retirement obligation is secured through a cash escrow account of USD 64.3 million.

Net cash flow from operating activities amounted to USD 249.9 million at the end of 2023 (2022: USD 561.3 million). The decrease is mainly driven by higher tax payments in 2023 of USD 229.8 million that relate in large part to the 2022 taxable income, as well as lower revenue mainly from lower commodity prices net of hedging. Cash flow from operations excluding changes in taxes paid amounted to USD 479.7 million in 2023 compared to USD 572.9 million in 2022.

Cash flow used in investing activities amounted to an outflow of USD 347.6 million at the end of 2023 (2022: USD 259.0 million). The cash flow used in investing activities related to DUC investments of USD 311.0 million, of which USD 254.7 million was spent on Tyra redevelopment (including preparation work related to Tyra satellites and excluding capitalised interest). USD 31.2 million was spent on drilling the infill well on Halfdan; in addition, USD 25.0 million was spent on projects such as Gorm lifetime extension, gas acceleration project, 4D seismic survey and other minor projects. USD 25.0 million in deferred consideration, USD 8.7 million in paid decommissioning, issue of a long-term loan of USD 2.8 million and USD 0.1 million in exploration and evaluation assets.

Cash flow from financing activities amounted to an outflow of USD 3.9 million at the end of the year (2022: USD 156.5 million). The cash outflow in the current year is mainly related to USD 53.6 million in paid interest net of interest swap and financing costs, offset by USD 50.0 million drawdown on the RBL facility, compared to last year's voluntary repayment of USD 100.0 million on the RBL facility.

Net change in cash and cash equivalents amounted to a cash outflow of USD 101.6 million in 2023 (2022: positive cashflow of USD 145.8 million). Cash and cash equivalents were in total USD 166.7 million at the end of 2023.

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Delivering secure, affordable and locally produced energy to Denmark and EU

We recognise climate change and support Denmark and EU net zero goals by working to reduce our carbon footprint.

SUSTAINABLE DEVELOPMENT GOALS

BlueNord continues to identify our solutions to contribute to the UN SDGs as we aim to address various environmental, social and economic challenges facing our world today. Examples of our actions, programmes and the SDGs to which they relate are demonstrated throughout this report and are summarised in Appendix 2.

Our goals

We recognise climate change science as set out by the United Nations Intergovernmental Panel on Climate Change ('IPCC') and support the global climate change goals outlined in the United Nations Framework Convention on Climate Change ('UNFCCC') and the Paris Agreement. We also recognise that hydrocarbons are expected to remain an important part of the energy mix for the foreseeable future, and that we have a responsibility to play an active role in the energy transition. Our strategy is to produce affordable and reliable energy for Denmark and the wider EU, whilst managing climate-related risks and opportunities, by assessing operational emissions reduction activities in conjunction with the Operator and partners.

Whilst our overall emissions will increase in 2024 as Tyra is brought back on-stream, emissions will be lower than in 2018 during Tyra's last full year of production prior to shut down. Tyra's new modern and efficient facilities will result in a 30 percent emissions reduction compared to the old facilities. Tyra signals the start of a new era, minimising emissions in the most efficient way possible while contributing positively to the growing demand for energy. Tyra enables us to produce locally sourced hydrocarbons, displacing imported hydrocarbons which have higher emissions intensities.

Investment in CarbonCuts is another commitment from BlueNord to take an active role in the energy transition and support Denmark and EU ambitions for Carbon Storage deployment and contribute to the Paris Agreement's goal of arresting global warming.

In this report

Commitments, stakeholder engagement and materiality

We are **committed to the following:**

- As a responsible partner in the DUC, BlueNord is committed along with the operator TotalEnergies to:
  - Ensuring people's safety and upholding Human Rights in our operations and those of our suppliers.
  - Reducing scope 1 and scope 2 emissions by 40 percent from DUC assets by 2030 compared to 2015 levels. Taking an active role in Denmark's target to reduce its emissions by 70 percent by 2030 compared to 1990 levels, as part of Denmark's commitment to the Paris Agreement.
  - Helping EU reduce emissions by at least 55 percent by 2030 compared to 1990 levels, as part of the European Green Deal.
  - Reducing methane emissions by using state-of-the-art technology to detect leaks and subsequently repair them.
  - Being a player in the circular economy.
  - Preserving biodiversity.
  - Sharing the economic value we create.
- We will do this by:
  - Reducing DUC GHG emissions intensity by bringing Tyra II on stream.
  - Investing in methane detection and reduction, and flare reduction initiatives.
  - Evaluating and executing further Carbon Footprint Reduction ('CFR') opportunities. Electrification of the DUC operations is currently being studied.
  - Supporting DUC to locally recycle obsolete infrastructure, such as Tyra, and plan for further recycling during future decommissioning activities.
  - Investing in the CCS value chain with CarbonCuts.
  - Conducting transparent Environmental Impact Assessments.
  - Complying with EU reporting standards and regulatory requirements during operations, by adopting Corporate Sustainability Reporting Directive ('CSRD') by 2025.
  - Maintaining our social licence to operate by engaging with stakeholders, including local communities, regulatory authorities, and industry partners.
  - Returning value through taxation to the Danish government to enable further state investment in the Energy Transition.
- The impacts of which will drive:
  - Secure access to affordable and locally produced energy.
  - Economic growth and job opportunities for Denmark.
  - Delivery of environmental, social and governance ('ESG') considerations into financial decision making with the aim of promoting long-term sustainable development.
  - Continuous improvement of DUC environmental footprint.

> **BlueNord initiated a double materiality assessment in 2023 as it makes progress to comply with CSRD by 2025.**

During 2023, BlueNord aligned with the Norwegian Transparency Act and the Equality and Anti-Discrimination Act. We developed a separate report from each committee (ESG, Remuneration, Audit, and Nomination), conducted a materiality assessment, and established reporting against the Task Force on Climate-related Financial Disclosures ('TCFD'). BlueNord also established a risk register and has requested monthly emissions data from the Operator.

In 2022, the EU Council gave final approval to the CSRD, to which BlueNord is required to report in accordance with the new standards, ESRS, from next year (2025). The Company has therefore taken steps to prepare for this.

TCFD and CSRD reporting standards integration is a reflection of the changing landscape and the expectations of investors, governments and external stakeholders. We rely on their guidance to continually evaluate and improve our governance and working practices.

BlueNord engages both directly and indirectly with internal and external stakeholders in a continuous dialogue throughout the year to obtain their feedback on 'our energy-efficient emission reduction activities to reduce the footprint from our value chain'. Key stakeholders are employees, investors, lenders, business partners, government agencies, local communities, and suppliers. In the context of the RBL facility redetermination process, ESG performance is regularly monitored by BlueNord lenders.

40%

Reduction in scope 1 and scope 2 emissions by 40% from DUC assets by 2030 compared to 2015 levels

Environment

Emissions

Emissions to the environment includes atmospheric emissions and discharge to sea as a result of the company's activities. Greenhouse and non-greenhouse gases (GHG and non-GHG) are emitted to the atmosphere as a result of fuel combustion, flaring and fugitive emissions.

BlueNord scope 1 emissions arise from its partnership in the DUC, mostly linked to fuel combustion for powering the offshore installations. Flaring of natural gas occurs on all DUC hubs to allow for safe operations during production upsets and non-routine activities.

Routine flaring has been eliminated in 2023 following the re-route of Halfdan production. Fugitive emissions can occur via venting for safety reasons, partial combustion or leaks and are surveyed regularly. Scope 2 emissions are linked to energy consumption at BlueNord offices.

As a non-operator BlueNord works to protect the environment where possible, both in its own operations and through the Company's partnership with the DUC. We support the goals of the Paris Agreement by reducing the carbon footprint of our operations, for example by improving energy efficiency, reducing venting, and eliminating the routine flaring of gas.

We are committed to provide transparency on greenhouse gas emissions across all scopes, our emission reduction activities, and climate-related risks and opportunities. In 2023 we initiated a double materiality assessment of impacts, risks and opportunities in line with EFRAG guidelines, and we are continuously working alongside the Operator to provide transparent emissions data. Whilst currently the key framework which guides our reporting is the TCFD (Task Force on Climate-related Financial Disclosures, now IFRS S2), we shall be moving towards CSRD disclosure compliance by reporting year 2025.

In 2023 we worked alongside the Operator to provide a transparent set of metrics covering atmospheric emissions, chemical usage, and discharges to sea and spills. CO_2 emissions have increased slightly (+3%) from 2022 to 2023 mainly due to higher activity on Dan and commissioning activities at Tyra, and partially offset by CO_2 emissions decrease linked to CFR activities on Halfdan and Gorm. Methane (CH4) emissions have reduced because of the drone campaign and the subsequent reconciliation of reported versus measured emissions. The GHG emissions intensity increase is linked to natural production decline from 2022 to 2023 (-6%) and the increase in CO_2 emissions.

BlueNord recognises that air quality can affect public health and the environment. Traditional air pollutants in the oil and gas E&P industry can include ammonia, carbon monoxide, sulphur oxides, nitrous oxides, non-methane volatile organic compounds and particulate matter.

As part of our environmental management, we work alongside the Operator to continuously monitor our non-GHG air emissions and put measures in place to reduce the impact of our activities.

Emissions, chemical usage, and discharge to the sea are regulated with permits issued by the regulatory body.

> **Routine flaring has been eliminated in 2023 following the re-route of Halfdan production.**

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KEY Higher Unchanged Lower

Performance status 2023: Atmospheric emissions[3]

Ospar reporting perimeter (includes drilling and logistics)[1]

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE[3]	CHANGE
CO_2 emissions	Total CO_2 emissions 290 kt	Total CO_2 emissions 303 kt	Higher
CH_4 emissions	Total CH_4 emissions 703 tonnes	Total CH_4 emissions 434 tonnes	Lower
nmVOC	555 tonnes	215 tonnes	Lower
NOx and SOx emissions	NOx 1,515 tonnes	NOx 1,156 tonnes	Lower
	SOx 17 tonnes	SOx 31 tonnes	Higher

1. Numbers have been verified and submitted by the DUC operator to DEA for OSPAR reporting. Awaiting Approval from OSPAR
2. Numbers have been submitted by the DUC operator to External Auditors for verification
3. Numbers are net to BlueNord unless stated otherwise

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
Contribution to total GHG emissions	Fuel consumption – Fuel Gas 76%	Fuel consumption – Fuel Gas 75%	Lower
	Fuel consumption – Diesel 10%	Fuel consumption – Diesel 14%	Higher
	Flare 10%	Flare 9%	Lower
	Fugitive emissions 4%	Fugitive emissions 2%	Lower
GHG intensity (CO_2eq/boe)	29.6	32.2	Higher

ETS reporting perimeter[2]

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
EU ETS CO_2 emissions	Total CO_2 emissions 263 kt	Total CO_2 emissions 271 kt	Higher
EU ETS CO_2 intensity (CO_2/boe)	24.8	27.3	Higher

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KEY: Higher / Unchanged / Lower

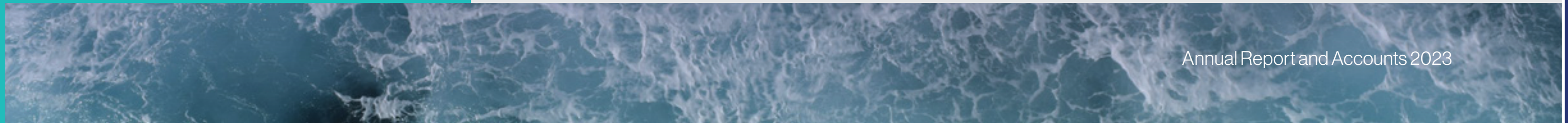
Performance status 2023: Discharge to sea[3]

Ospar reporting perimeter[1]

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
Discharge to sea	Discharged produced water 6.5 mm m³	Discharged produced water 6.8 mm m³	Higher
	Volume of oil discharged 44.6 tonnes	Volume of oil discharged 48.0 tonnes	Higher
	Oil concentration in water 6.9 mg/L	Oil concentration in water 7.0 mg/L	Higher
Spills	Number of oil and diesel spills[2] 6	Number of oil and diesel spills[2] 15	Higher
	Oil and diesel spills 0.25 tonnes	Oil and diesel spills 0.02 tonnes	Lower
	Number of chemical spills[2] 32	Number of chemical spills[2] 20	Lower
	Chemical spills 3.33 tonnes	Chemical spills 0.05 tonnes	Lower

1. Numbers have been verified and submitted by the DUC operator to DEA for OSPAR reporting. Awaiting Approval from OSPAR
2. Number of spills is 100% DUC.
3. Numbers are net to BlueNord unless stated otherwise

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
Chemical usage	Green chemicals 1,496 tonnes	Green chemicals 1,904 tonnes	Higher
	Yellow chemicals 2,812 tonnes	Yellow chemicals 3,082 tonnes	Higher
	Red chemicals 26 tonnes	Red chemicals 27 tonnes	Higher
	Black chemicals 0 tonnes	Black chemicals 0 tonnes	Unchanged
	Total chemicals 4,333 tonnes	Total chemicals 5,014 tonnes	Higher
Chemical discharge	Green chemicals 296 tonnes	Green chemicals 1,119 tonnes	Higher
	Yellow chemicals 1,575 tonnes	Yellow chemicals 1,848 tonnes	Higher
	Red chemicals 5 tonnes	Red chemicals 6 tonnes	Higher
	Black chemicals 0 tonnes	Black chemicals 0 tonnes	Unchanged
	Total chemicals 1,876 tonnes	Total chemicals 1,876 tonnes	Higher



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Emissions reduction initiatives

In 2023 BlueNord initiated an inventory of its Scope 1, 2, and 3 emissions, and is working alongside the Operator to set out an emissions reduction roadmap with GHG emissions reduction targets founded upon cost-effective CFR initiatives on an asset-by-asset basis.

We acknowledge that we have indirect emissions related to upstream and downstream activities. Under Scope 3, Category 11 of the GHG Protocol ('Use of sold product') constitutes the bulk of BlueNord scope 3 emissions. We are working to define the boundaries of our scope 3 emissions and to collect the data.

Carbon Capture and Storage

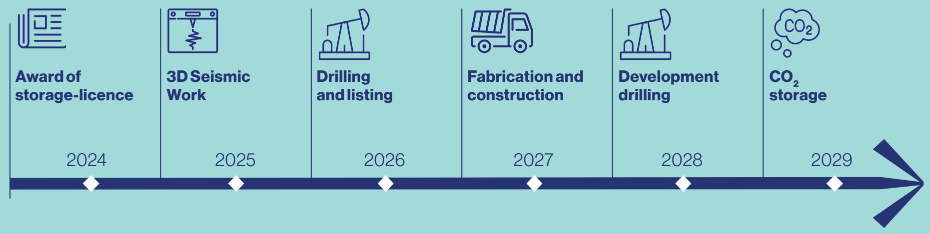
To support climate targets and reduce carbon emissions globally, 'CCS' technologies will have to be deployed at scale. CCS is a means by which hard-to-abate industries can mitigate climate change, by reducing/avoiding carbon emissions and even reducing atmospheric CO_2 concentration, when linked to energy production from biomass or CO_2 capture from the air.

It involves the separation, treatment and transportation of CO_2 from industrial sources to a long-term storage location. As noted in the International Energy Agency ('IEA')'s report Net Zero by 2050: A Roadmap for the Global Energy Sector, CCS can facilitate the transition to net zero by tackling emissions from existing assets and providing a way to address emissions from challenging sectors. BlueNord is involved in two CCS projects: Bifrost and Ruby.

Carbon Cuts

BlueNord has made a strategic investment in CarbonCuts A/S, intending to establish an onshore CO_2 storage location in Denmark and address Denmark's ambitions for onshore storage of CO_2.

Timeframe until the beginning of CCS operations for the Ruby project.



The Company will contribute to the Paris Agreement's goal of arresting global warming, with its core business to build, own and operate permanent geological sites for CO_2 storage. The target for the first storage of CO_2 is 2029. CarbonCuts' first project in the Rødby area has received local support and has attracted national and international political interest.

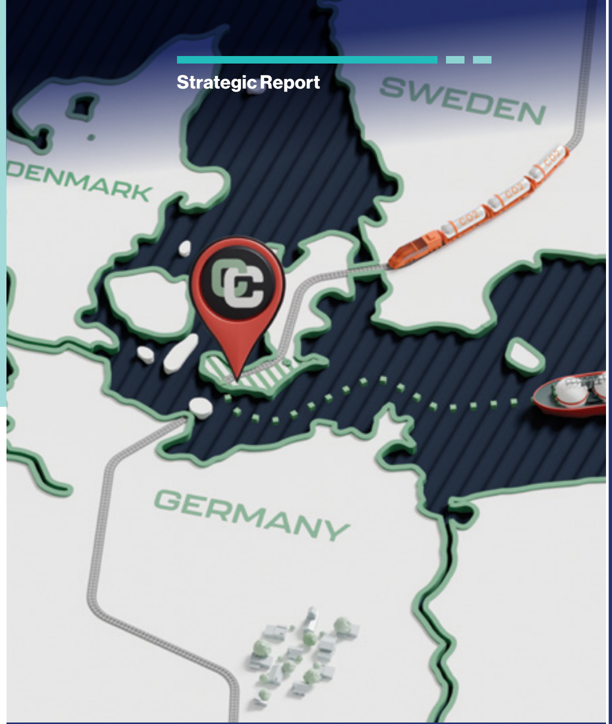
CarbonCuts A/S was registered as a legal entity in August 2022, specifically to explore the opportunity of CO_2 storage in the Rødby area. CarbonCuts A/S is a wholly owned subsidiary of the BlueNord Group, which has funded its activities since October 2022.

CarbonCuts and the municipality of Lolland have collaborated since early 2022 to mature the CO_2 storage site. The Ruby Project covers CO_2 receiving facilities, intermediate storage, pumping and injection facilities as well as a number of wells for injection and observation. Several CO_2 import options are being investigated to allow flexibility and optionality in terms of pace, customer requirements and volume. A phased development approach is being considered with CO_2 injection anticipated to commence by 2029.

CarbonCuts has gained solid political support via weekly contact with the local business association, Business Lolland-Falster. Obtaining public acceptance is of the highest priority, and CarbonCuts continues to actively engage with stakeholders, including local communities, regulatory authorities, and industry partners, seeking input and feedback to inform our strategic decisions, and to ensure our social licence to operate.

CarbonCuts is preparing for the next phases of 'Ruby', including seismic surveys expected to be conducted next winter should CarbonCuts be awarded the license. The focus remains firm on the goal: to launch a sustainable storage solution with accompanying infrastructure that can contribute to fulfilling Denmark's CO_2 goals and serve as an inspiration for CO_2 storage globally.

Headquartered in Kgs. Lyngby and as a subsidiary of BlueNord, CarbonCuts has access to extensive knowledge of the energy sector and the Danish subsurface. BlueNord's insights and capital strengthen CarbonCuts' position as a CO_2 storage operator.



"CarbonCuts provides a fit-for-purpose opportunity for BlueNord to drive strategic and effective sustainability activities, which can be scaled appropriately. We recognise the important role that we have to play in Denmark, and the Ruby project is crucial for both the climate and Denmark's CO_2 storage ambitions, and we look forward to advancing with CarbonCuts in a strong position as a full member of the BlueNord group.

Euan Shirlaw
Chief Executive Officer, BlueNord

Bifrost

Project Bifrost is developing a concept for storing CO_2 in a depleted reservoir in the Harald field. This partnership is between the DUC, Ørsted and the Technical University of Denmark ('DTU'). This project assesses the potential for transporting CO_2 – captured onshore – via specialised shipping or existing pipelines, and finally injected into the empty gas reservoirs at the Harald field.

With a storage capacity of several million tonnes per year, the Harald-field was the perfect location for the partnership to study a future concept.

Efficiency optimisation

Reducing fuel gas consumption plays an important role in reducing DUC GHG emissions. In 2023, several projects have been carried out to improve energy efficiencies. New air filters have been installed on Dan DFG gas turbine and DFF compressor resulting in 1.3 kt CO_2eq reduction. Dan aftercooler pressure drop was reduced, which led to emissions reduction of 2.7 kt CO_2eq. HBD compression train cooling optimisation reduced emissions by 1.6 kt CO_2eq at Halfdan. Optimisation of lift gas with the setup of the Carbon Intensity Manager resulted in an estimated 4.2 kt CO_2eq reduction in 2023. More projects are being matured to further reduce fuel consumption at DUC's operations, such as air filters replacement at Dan and Halfdan power generators.

Electrification

Powering the DUC installation with renewable energy would substantially reduce scope 1 emissions. The DUC partnership is investigating whether electrification of the Oil and Gas operations can be technically feasible and economically viable. Options assessed include various renewable energy sources, different types of electricity transport technology, various designs of electrical substations, and scoping of brownfield work to convert directly driven machinery to electrically powered ones.

Flaring reduction and elimination

Following the re-routing of Halfdan oil production from Gorm to Dan over the course of 2023, routine flaring has been eliminated from DUC operations. The estimated reduction in emissions is 20 ktonCO_2e/yr. Remaining flaring is taking place either for safety reasons or during adhoc maintenance, testing or repair. Flaring reduction opportunities are being reviewed continuously. As an example, during 2023, a feasibility study on flare gas recovery from Gorm processing with the potential of reducing flaring on the Gorm facility by ~25% has been completed. The project is expected to be implemented by end 2024 with an estimated reduction in emissions of 9 ktonCO_2e/y.

Methane reduction

Methane is a potent GHG, with a 100-year global warming potential 28-34 times that of CO_2. Methane can be emitted because of incomplete gas combustion (fuel gas and flare), process release or leaks. In order to measure and monitor methane emissions, LDAR (Leak Detection and Repair) campaigns are carried out with platform Optical gas imaging (OGI) cameras or through drones campaigns.

The 2023 drone campaign led to a decrease in venting and fugitive emissions from the reconciliation of reported versus measured methane emissions, as flares were found to have better combustion efficiency than originally assumed. The DUC partnership is committed to reducing methane emissions in line with EU targets.

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Technology and innovation

BlueNord aims to be a meaningful participant in the energy transition. The Company has a focus on facilitating improved technical, commercial, and economic framing of environmental initiatives.

Together with DUC partners, BlueNord invests in research and development through the Technical University of Denmark ('DTU'), University of Copenhagen, Aarhus University, Aalborg University, and the Geological Survey of Denmark and Greenland. In 2014 DUC founded a research centre, the Danish Offshore Technology Centre ('DOTC'), which conducts research into responsible and efficient oil and gas production from the Danish North Sea with a reduced environmental and climate footprint.

In 2023 the DUC contributed funding amounting to DKK118 million to DOTC. The DOTC focuses on the following areas;

- Abandonment of offshore oil and gas fields, including the monitoring of abandoned installations in reference to an environmental baseline for long-term protection.
- CO_2 storage in old oil and gas fields.
- Produced water management; developing new technologies to optimise water treatment processes, with a view to achieving our vision of zero harmful discharge.
- Operations and maintenance technologies, including modular architecture for planning maintenance in a cost-effective way.

In addition to the research and development studies conducted at DTU, BlueNord is also participating in the INNO-CCUS partnership which is developing and maturing technology relating to the capture, storage and utilisation of CO_2.

Artificial Intelligence

BlueNord is utilising the power of AI to extract information from historical and real-time operations and production data. This enables us to optimise decision making processes and improve operational efficiencies by reducing data search times. It will improve real-time decision support during drilling operations and help us evaluate field development strategies based on field performance.

Looking to the future, AI will enable us to improve:

- Detection of emissions and monitoring of emissions performance and metrics.
- Identification of environmental risks associated with our operations, underlining our commitment to responsible and sustainable business practices.

In this report

Water and biodiversity

Biodiversity is a priority for our stakeholders, and we are committed to engaging in research and dialogue to enhance further understanding of potential impacts and how we can contribute, including by leveraging natural climate solutions.

In partnership with the DTU and DOTC, BlueNord is investigating the role and importance of subsea structures, such as platforms, for cod stocks in the Danish North Sea. The current project – to evaluate the environmental baseline of cod populations around offshore structures – started with offshore data collection in summer 2023, and is due to complete with a further survey in 2024.

Also in partnership with the DTU and DOTC, BlueNord is devising ways to improve the treatment and disposal of the water produced alongside hydrocarbons. The current Produced Water Management Programme uses technology which purifies water to an exceptional standard, such that the water being let out to sea is of greater purity than that which legislation and discharge permits require. Nevertheless, our vision is to go further, and to completely eliminate harmful discharges associated with produced water.

We are improving and stabilising water treatment processes with new instrumentation and advanced process control technology. Biological treatment methods and advanced oxidation will be tested and, if found to be feasible, further developed. Projects to demonstrate the technology in offshore applications will be undertaken.

Circular Economy

We support DUC's ambition to locally recycle obsolete infrastructure. During the dismantling of the old platforms and structures from the Tyra field, 98.5% of the material was either directly reused or recycled at local Danish recycling yards. For example, a few of the generators were used again elsewhere, and other parts were processed and traded on the international market. We will use the wealth of knowledge gained during Tyra redevelopment over the coming decades to reduce the impact upon the environment from decommissioning and abandonment of offshore installations and pipelines relating to DUC operations. In partnership with the DOTC, BlueNord is researching cost-effective abandonment options that will deliver robust environmental protection.

"Biodiversity is a priority for our stakeholders, and we are committed to engaging in research and dialogue.

Task Force on Climate-related Financial Disclosures ('TCFD')

There is a growing demand for decision-useful, climate-related information, and creditors and investors are increasingly demanding access to risk information that is consistent, comparable, and clear.

For this reason the Financial Stability Board, the international body established by the G20 in 2009 to monitor and make recommendations about the global financial system, has created TCFD, to improve and widen reporting of climate-related financial information.

In line with TCFD recommendations, a report in accordance with TCFD is, as of 2022, an integral part of BlueNord's annual financial reporting. The report is reviewed annually by our Audit Committee, ESG Committee, and the Board.

TCFD encourages a standardised reporting structure for financially material climate-related risks and opportunities to give investors, lenders, and insurers enhanced comparability when assessing and pricing pertinent companies.

The TCFD framework is made up of 11 recommended disclosures divided into four pillars that represent core elements of how organisations operate. The four pillars are: governance, strategy, risk management, and metrics and targets.

Moreover, the framework separates into three main categories: risks related to the physical impacts of climate change, risks related to the transition to a lower-carbon economy, and climate-related opportunities. TCFD has also incorporated financial impact as an integral part of its disclosure recommendations.

For more about TCFD see the Appendix to this report from page 143.

"At BlueNord we have identified the most significant climate-related risks and opportunities we face.

GOVERNANCE	RECOMMENDED DISCLOSURES		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate related risks and opportunities.	b) Describe the management's role in assessing and managing climate-related risks and opportunities.	
STRATEGY	**RECOMMENDED DISCLOSURES**		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
RISK MANAGEMENT	**RECOMMENDED DISCLOSURES**		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	b) Describe the organisation's processes for managing climate-related risks.	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.
METRICS & TARGETS	**RECOMMENDED DISCLOSURES**		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

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Social

We strive for zero accidents, zero incidents, and zero impact to the environment.

0
Work-related accidents or injuries in 2023[1]

0.41%
Total sick leave[1]

1. Excluding non-operational DUC interests

The BlueNord health, safety and environment (HSE) policy has been revised and updated as of October 2023. Our vision of 'zero accidents, zero incidents, and zero impact to the environment' underpins our commitment to:

- Ensuring safe and efficient operations.
- Compliance with regulatory standards.
- Striving to reduce climate and other environmental impacts to as low as reasonably practicable.

BlueNord is ultimately accountable for the contribution of all our people to health, safety and environmental outcomes, and continuous improvement in these areas.

By complying with applicable standards and regulations and continually improving our management system we make positive progress towards the key goal of zero fatalities and zero recordable work-related accidents.

As a partner in DUC, we take responsibility for HSE by actively supporting the good HSE work of the Operator, and proactively participating in meetings and initiatives. Further to constructive dialogue regarding the offshore working environment issues on Total Energies platforms in DUC which began in 2022, we have built robust relations and trust, with our Lead Operations Engineer participating regularly in Tyra offshore meetings.

Planning of preventative safety and environmental work involves the participation of local health and safety representatives to maximise employee welfare and minimise our already low rates of sickness absence. In addition, all employees are offered annual on-site first aid and defibrillator courses, and ergonomic assessments as applicable.

Total sick leave in the BlueNord group was reported to be 0.41 percent in 2023. No work-related illness was reported.

Supply chain

Outside the DUC, our vendors are mostly in the Nordic and North Europe areas. They provide consultancy, legal and financial services, which are judged to involve minor risk. However, when considering new investments or when tendering for goods and services, due diligence and monitoring of prospective partners (as well as existing ones) is undertaken wherever applicable.

We also consider how we can ensure that our operations do not come into conflict with any fundamental human rights principles. As part of tender processes and when concluding contracts, we seek to confirm that all parties adhere to human rights, sound working conditions, employment terms, and our Code of Conduct.

For more information see the Governance section of this report from page 54.

Diversity, equity and inclusion

BlueNord believes embracing diversity, equity and inclusion ('DE&I') positively impacts recruitment and retention and drives performance across the Company.

BlueNord is an equal opportunity employer, committed to fostering DE&I in the workplace. We welcome and embrace a variety of skillsets and perspectives, and we value differences between people of different cultural backgrounds, ethnicity, age, gender, gender identification, gender expression, sexual orientation, functional ability, religion, and philosophies of life. These principles apply to all employment practices at BlueNord, including recruitment, hiring, compensation and benefits, promotion, training and development, and leave of absence.

BlueNord DE&I index

79.1
January 2022

80.5
January 2023

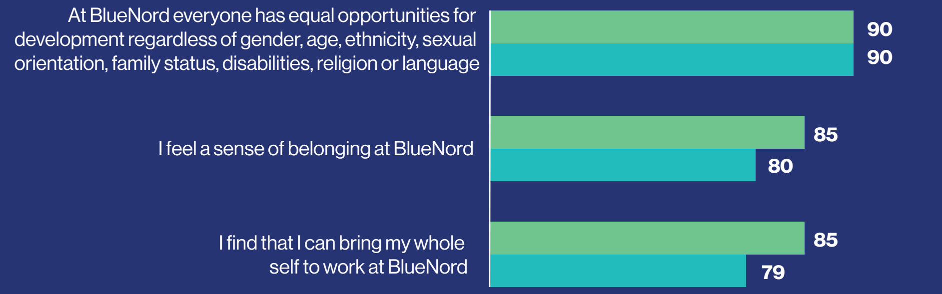
The Norwegian Equality and Anti-Discrimination Act stipulates that organisations must identify and address challenges regarding equality and diversity in the workplace before any incidents or discrimination take place. The Act's general activity duty applies to BlueNord; in addition, we are implementing the working method that the Act prescribes for specific activity duty: Investigate, Analyse, Implement and Evaluate results.

An initial assessment of challenges was carried out at the end of 2022. Gender-equalising terms for duration and payment of parental leave were implemented as part of BlueNord's leave policy. As of 2023, a set of questions to establish whether BlueNord is considered a safe, inclusive, and healthy workplace with equal opportunities and zero tolerance for harassment were included in our annual Employee Engagement and Working Environment survey.

Following the survey, inclusion was considered one of the topics to be further highlighted in the programme for our culture journey 2023. The survey performed in January 2024 proves that initiatives taken have had a positive impact.

As part of our culture journey 2023, sessions and activities involving all staff were undertaken to understand, recognise, and embrace diversity and its impact on our multinational teams and organisation. This has helped to foster a sense of belonging and integration within the BlueNord team. Correspondingly, we have enhanced the awareness of bias and blind-spots, cultural differences, and cross-cultural communication.

Extract from DE&I Index



Extract of responses from BlueNord's annual Employee Engagement and Working Environment survey included in BlueNord DE&I index. Responses on a 7-point Likert scale converted into a 0–100 index scale

As part of the performance management process involving annual performance dialogue, mid-term review and personal development planning, performance evaluations are assessed and calibrated jointly by leaders to avoid the risk and impact of biases and discrimination.

BlueNord champions the hybrid working model, work-life balance, and support for our team across different stages of their lives. In addition, we support our employees with leave schemes to take care of children and close relatives, payment during sickness, and we have implemented gender-equalising terms for duration and payment of parental leave.

Channels and procedures are in place for reporting concerns about harassment of any kind, whether experienced by or witnessed by a staff member. Appropriate handling of any potential discrimination issue is detailed in the Company's harassment policy, supplementing the grievance process, and the existing Whistleblowing procedure and its related integrity channel.

No whistleblowing incidents have been reported since the implementation of our integrity channel in 2020. BlueNord will continue to improve its systematic approach to promoting equality and preventing discrimination in the workplace in 2024.

Our people and values

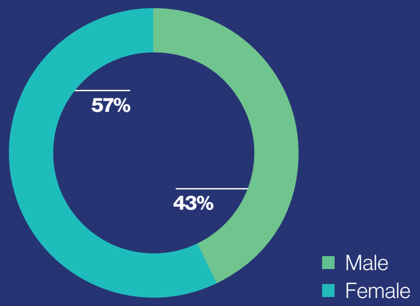
We believe that each and every one of our people makes a difference. We work as one team across our three locations, with forty employees and three in-house consultants at year end 2023.

BlueNord supports the principle of freedom of association and collective bargaining. We fully respect the right of employees to form and join trade unions, as well as the right to remain non-unionised. There are no trade unions currently represented at BlueNord. Thus, the Company is not bound by any collective bargaining agreements, except for what may follow from local legislation, case law and legal practice.

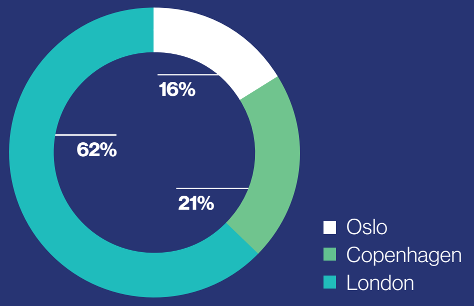
25 percent of the team works in a managerial role. However, BlueNord operates an essentially flat management structure, with just one leadership level in support of the Executive Team.

As an organisation, BlueNord is growing organically, focusing on and prioritising the presence of the best-qualified person in every role, regardless of their gender. This applies to both the recruitment of new employees and the assessment of performance and capabilities for internal advancement.

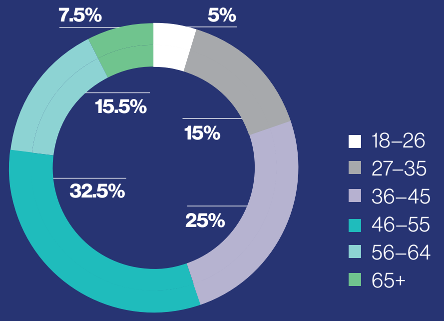
Gender split



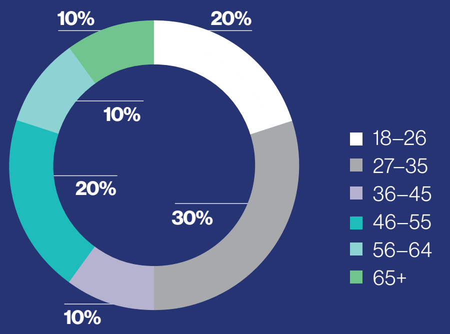
Full Time Equivalent 37.32



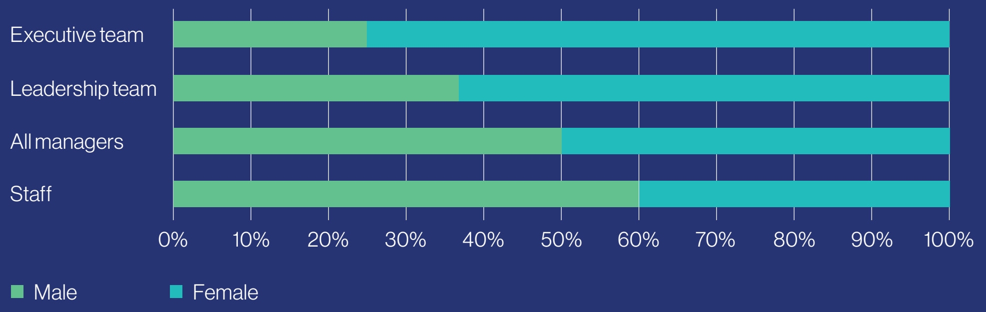
Age distribution



New employees



Leadership – gender distribution



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> **"The best thing about working in BlueNord is that we are a small organisation with great colleagues.**

bold.
purposeful.
dependable.

Building culture is a collective effort at BlueNord. We strive for an inclusive culture with full employee engagement, where everyone feels empowered, respected, and has a strong sense of belonging. With commitment from the Executive Team and active involvement from our team of Culture Ambassadors, the whole organisation has participated in our culture journey 2023, through Company-wide camps, team discussions, and one-to-one activities throughout the year.

Our team represents ten different nationalities and a wide range of ages, background, experiences, and ways of thinking. These are some of the reasons why many of our employees look forward to going to work every morning.

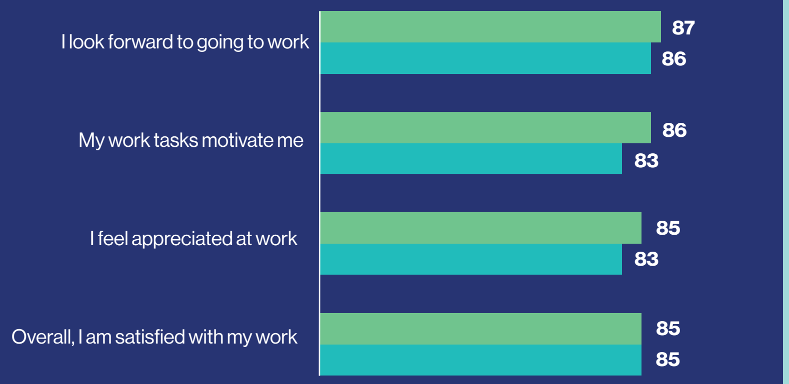
BlueNord Employee Engagement index

64.8
January 2022

79.1
January 2023

80.5
January 2024

Extract from Employee Engagement survey



Extracts of responses from BlueNord annual Employee Engagement and Working Environment survey. Responses on a 7-point Likert scale converted into a 0–100 index scale

The BlueNord values

In April 2023, the Company changed its name to BlueNord to better reflect the focus on the Danish North Sea, and its mission to provide Europe with energy towards a net-zero future. As part of this we revisited and revitalised our values, which are integral to our culture and vision of becoming a leading independent producer of gas in Europe.

Our values reflect our Company and our people. They serve as our compass, guiding us today, and towards the Company we want to be. They provide a framework for how we think, act and interact. Our values influence how we operate, lead, and make decisions.

Bold

We are determined, using our creativity and technical expertise to challenge the status quo, willing and unafraid to explore alternative paths.

Purposeful

We are ambitious, moving forward with purpose and a focus on value and results. Our people are connected, contributing to the bigger picture.

Dependable

We deliver on what we promise, sharing ideas and possibilities. We are in this together, supporting each other throughout.

In this report

To enhance individual as well as team growth and high performance, our culture journey 2023 focused on the fundamentals for developing a positive and robust safety culture, and a learning organisation.

Our culture initiatives are rooted in our core values and have concentrated on the elements that foster psychological safety, trust and a sense of belonging, as well as open communication and feedback.

> **"With commitment from the Executive Team and active involvement from our team of Culture Ambassadors, the whole organisation has participated in our culture journey 2023.**

Meet our Culture Ambassadors

As a Culture Ambassador Network ('CAN') we are committed to support the integration of BlueNord's culture, in our day-to-day business.

We will be proactive in promoting our values and will operate with integrity and confidentiality.

We aim to role model the core values of the Company and uphold psychological safety and inclusivity in our workplace.

We will highlight the elements that BlueNord wants to characterise our culture by:

- Speaking about our previous, ongoing and upcoming culture initiatives.
- Encouraging colleagues to learn more about our culture initiatives, initiate and facilitate discussions.
- Role modelling.
- Pointing out to the management positive examples of good cultural behavior demonstrated by BlueNord team members.
- In addition to upskilling in our CAN meetings,we share experiences and lessons learned in facilitation, reflect and discuss relevant topics.
- In our encounters with the organisation, we identify culture and change challenges in our respective geographic areas, and support and help resolve these.

We work to continuously support and improve our culture.

In this report

Education and training

Learning is part of our Company's culture. Continuous improvement and sharing knowledge and ideas are considered to be vital for the business to thrive. Employees at all levels are encouraged to consider how they upgrade their knowledge and skills, and development activities are included in every personal development plan. As of 2024, all training activity is to be recorded, to enable KPIs to be set for competence management and people development.

Experience and on-the-job training are a primary source of learning. This is backed by competence development and coaching, both individually and in teams, together with mentoring, job-shadowing, and formal training courses and sessions. Participation in seminars and conferences is also supported, as a means to keep abreast of industry trends and developments, update professional expertise, and to build and manage networks.

This activity has been further supplemented by new initiatives this year, including lunch-and-learn sessions which have been initiated by employees, inviting other professions to meetings to gain new insight into cross-disciplinary topics that impact our business.

3

Internships in 2023

Upskilling activities regarding giving and receiving feedback, and joint discussions around how to define our feedback culture, were also an essential part of our culture journey 2023 training programme, and this activity will be extended in the future.

To make sure all employees adhere to governing documents and the standards for business conduct at BlueNord, our Code of Conduct is among the mandatory documents for all employees to read and understand. This training forms part of our on-boarding process.

Handling insider information was a mandatory session with our legal advisers for all employees in 2023. This safeguards BlueNord, not only as a listed company, but also because most of our permanently-employed people are participating in our Long-Term Incentive ('LTI') programme and can become shareholders themselves.

An e-learning course related to our Code of Conduct and other governing documents, which will include subsequent annual refreshers and updates, is being developed for implementation in 2024.

Community engagement

We are committed to respecting local values and norms, performing our business activities with integrity and in an ethical manner, in full compliance with the laws and regulations of all countries in which we operate.

BlueNord is not a large employer, but through the business we carry out as partner in DUC, our operations generate a positive impact on communities. The economic multiplier effect of our engagement with contractors, and the purchasing of services and equipment, creates a platform for wider growth, employment and prosperity.

During 2023, we increased our number of interns from one to three. Two of these interns are working part-time in Operations until they complete their degrees in 2025. An international student worked for five months full-time in Finance, and was followed by a master's student now engaged until their degree is complete, also in 2025. Further internships are to be assessed this year, including the development of a structure for short-term summer internships. In 2024, we also plan to offer an IT apprenticeship at our Copenhagen office.

BlueNord helps socially vulnerable people to participate in society through our ties with Pant-for-Pant (Pledge-by-Pledge), a non-profit bottle collection service that employs socially disadvantaged and homeless people. BlueNord's recyclable bottles are donated to Pant-for-Pant service workers to help them build an everyday life with a real job, while working together for the environment.

BlueNord is proud to have raised funds in 2023 for, amongst others, The Norwegian Childhood Cancer Society and its corresponding foundations in Denmark and the UK. Our charitable giving policy is being developed for implementation in 2024. The policy aims to be a reflection of BlueNord's values of Bold, Purposeful, Dependable, and a commitment to our social responsibility.

Governance

Governance, systems and processes

BlueNord believes that effective corporate governance is critical for ensuring accountability, achieving strategic goals and generating value for stakeholders.

The Company sets high standards of performance and professionalism based on honesty, integrity and fairness in its business practices. BlueNord works together with partners and contractors on the basis of the same principles of integrity and fairness, with zero tolerance for bribery and corruption.

Read our **Corporate Governance policy**

Code of Conduct

BlueNord is committed to conducting our business in a responsible, ethical and lawful manner. We aim always to be a trusted partner for customers, shareholders, colleagues, business partners and neighbours.

The BlueNord Code of Conduct forms the basis for the high standards of integrity in our business. The Code of Conduct applies to all Directors, officers, and employees, including subsidiaries in which BlueNord holds (directly or indirectly) an ownership interest. The Code of Conduct also applies to those acting for or on behalf of BlueNord. BlueNord expects our business partners, such as suppliers, subcontractors, joint venture partners, and other contracting parties, to adhere to standards consistent with this Code of Conduct.

Read our **Code of Conduct**

ESG Committee

Our ESG Committee was established in 2020 to support the BlueNord commitment to ESG and to evolve our contribution to the energy transition.

The Chief Corporate Affairs Officer reports directly to the Chief Executive Officer, and is supported by executive management, who are responsible for risk and opportunity identification, and for ensuring effective processes and mitigation efforts, including ESG matters, within managers' respective areas of responsibility.

Read our latest **ESG Committee report**

Anti-bribery and corruption

BlueNord has zero tolerance regarding bribery and corruption.

The Company expects the local management of each Group subsidiary to promote 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 challenging situations.

Read our **Anti-Corruption and Bribery policy**

Human rights

BlueNord is committed to respecting fundamental human and labour rights, both in operations and in relations with business partners, and to complying with applicable laws and regulations.

We conduct our business in a manner that respects the rights and dignity of all people. We support and acknowledge the fundamental principles of human and labour rights as defined in the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

Our human rights work is also guided by the OECD Guidelines for Multinational Enterprises. Our human rights commitments are set out in our **Code of Conduct.**

Read our **Human and Working Rights & Diversity and Inclusion Policy**

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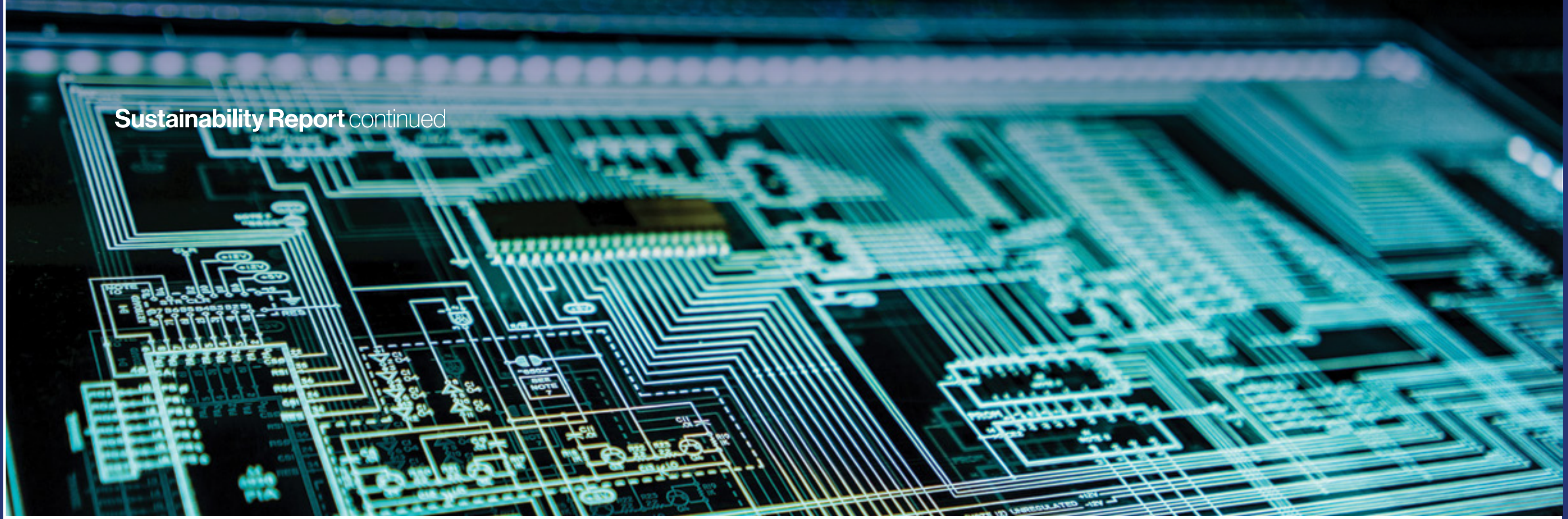

Cyber security

BlueNord maintains an in-house IT department with overall responsibility for IT operations, security, governance, and strategy. Day-to-day IT operations are outsourced to a provider with extensive experience in the oil and gas industry, supplying infrastructure and general/industry-specific applications. BlueNord's IT environment also incorporates third-party SaaS applications.

Although situated in relatively safe and politically stable countries, BlueNord acknowledges that we are not immune to the rising risk of cyber attacks. To bolster our cyber security capabilities, BlueNord has partnered with a recognised firm of security experts, providing cyber security management, including risk assessments, endpoint security, round-the-clock monitoring of security events, and incident response. Procedures for handling cyber security incidents have been established and form part of the BlueNord Incident Management plan.

All staff are required to familiarise themselves with our Incident Management plan. This plan is in place to ensure personnel safety, environmental protection, safe recovery, and business continuity in the event of incidents, while also facilitating necessary communication with our stakeholders.

Our focus on security covers both external threats and internal risks. Internal measures include restricting access to our offices, conducting background checks, and requiring ID control for all new hires. IT security campaigns are run on a continuous basis. All staff and consultants working with our IT systems must confirm in writing that they have read and will adhere to BlueNord's End-user IT instruction.

This document includes both IT security requirements and acceptable-use policies. As new technology is acquired, the instruction and our IT security policy will be updated accordingly. In late 2023, BlueNord embarked on a private AI pilot project, which has in turn driven recent policy updates on the adoption of AI technology and the Company's stance on the use of public AI.

Business management system

BlueNord's business management system is guided by regulatory requirements, international, national and industry-specific standards. In close collaboration with a highly experienced team from Det Norske Veritas ('DNV') providing best practice in the oil and gas industry, further development of BlueNord's existing business management system was initiated in 2023 and is to be finalised in 2024.

Our management system ensures safe and efficient business operations, a joint way of working which is easily and efficiently accessible for anyone joining or partnering with BlueNord, and compliant with internal and external requirements for operations in the North Sea. All relevant business processes, governing documents and regulatory requirements for respective BlueNord disciplines are documented in the management system.

> **"Our management system ensures safe and efficient business operations.**

Whistleblowing, harassment and grievance

Our Whistleblowing procedure and integrity channel, which is accessible on our corporate website and intranet, is managed by PricewaterhouseCoopers ('PwC'). The 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 behalf of BlueNord must also comply with the Whistleblowing procedure.

The procedure is mandatory reading for all new employees during on-boarding. We encourage employees, hire-ins and external parties to raise concerns and report suspected violations of applicable laws and regulations to our integrity channel. All reports made in good faith will be dealt with expeditiously, with persons reporting assured of no adverse consequences for themselves.

No whistleblowing incidents have been reported since the integrity channel was first implemented in 2020.

Employees and consultants are also encouraged to speak up about all other issues of concern in the workplace, and are supported to seek advice if they are in doubt. Our Harassment policy sets out protected channels for notification in the event that an individual has experienced behaviour that falls short of the exemplary standards we expect from all employees.

This policy also refers to the Grievance process in our management system, which can be initiated if a concern or a complaint is seen as appropriate for raising on a more formal basis. Correspondingly, any appeal process, where applicable, will be carried out according to local legislation.

> **The KPIs of the variable pay programmes include emission reduction targets.**

Remuneration

Remuneration for executives and employees is based on the following principles:

- A clear and transparent compensation policy.
- Compliance with regulatory requirements and principles of good business conduct.
- Fair treatment of all employees.
- Sustainable pay linking remuneration to performance, actual results and stakeholder value creation.

BlueNord's compensation policy includes Short-Term Incentives ('STI') and Long-Term Incentives ('LTI').

STI is a variable pay component, in the form of an annual bonus programme that rewards high performance based on the achievement of operational and financial targets. Targets are set annually and are tied to the execution of business strategy, including environmental metrics which for 2023 was related to emission intensity reductions.

LTI includes our Performance Shares programme. This uses a set of weighted KPIs which measure share price performance on both an absolute and relative basis (70 percent), emissions reduction performance (20 percent), and tenure (10 percent).

For more information about Executive Remuneration, see our **Executive Remuneration Report 2023**

Risk management framework

Effective risk management is essential to successfully delivering our strategy. The risk management process needs to identify and determine the nature and extent of risk the Company is exposed to and the extent to which mitigation is required and thus, the level of risk that is acceptable.

Board of Directors
The Board is responsible for the Company's risk framework.

Meet the Board on page 55

The internal control framework supports the management and mitigation of risk. The process is designed to manage, mitigate and communicate, rather than eliminate, the risk of failure to achieve strategic priorities.

Risk management and internal control are given high priority by the Board of Directors. The Board is responsible for identifying principal risks and determining the nature and extent of those risks the Company is willing to take. The impact of climate-related risks are also taken into account and specific detail can be seen on page 52.

The Board is also responsible for monitoring the Company's risk management framework and for reviewing its effectiveness. The Audit Committee assists the Board of Directors on an ongoing basis in monitoring the Company's system for risk management and internal control.

Risk management process

The Company faces various risks which may impact the Company and not all these risks are necessarily in the Company's control. For this reason, the Company has established a risk management process to identify and assess how to respond to risks. That response can include acceptance, an action plan with mitigating factors to reduce the risk, transfer to third parties, or terminating the risk by ceasing certain activities.

The Executive Team sets the tone and is responsible for monitoring and managing the most significant risks, and identified risk owners are responsible for ensuring risks within their area are being appropriately managed.

Internal control

The Company's management is responsible for establishing and maintaining sufficient internal control over financial reporting. The Company's specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the Group. The Chief Executive Officer 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 IFRS and International Accounting Standards as adopted by the EU. The cyclical process works in practice as follows:

Strategic objectives and risk appetite sets the context at Board-level

Risk assessment includes risk identification through review meetings held with key personnel in the organisation on a quarterly basis. This includes an evaluation of likelihood and impact considering both quantitative and qualitative factors. The collated risks are maintained in the Company risk register and matrix.

Risk monitoring occurs on a quarterly basis through an Executive Team evaluation, monitoring and review of the risk register and matrix, which is to be presented to the Audit Committee along with the quarterly financial statements.

Risk mitigation requires an assessment of mitigation plans and controls based on risk appetite. Risk mitigation plans are developed between risk owners and with feedback from the Executive Team considering the risk appetite and context set at Board-level.

Status of the risk assessment is presented annually and reviewed with the Board and updated as required based on the current risk appetite and context, both internal and external.

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The risks and uncertainties described in this section are the material known risks and uncertainties faced by BlueNord at the time of publication.

KEY Increasing Unchanged Decreasing

Oil and gas production and reserves

Risk	Impact	Mitigation	Movement
Geographical concentration and field interdependency	Production of oil and gas is concentrated in a limited number of offshore fields in a limited geographical area of the Danish continental shelf. Consequently, the concentration of fields and infrastructure may result in incidents or events in one location affecting a significant part of BlueNord business. **Material influencing factors** • Four producing hubs that are interconnected and utilise the same infrastructure. • The fields within one hub are interconnected and one field can depend on another to extract hydrocarbons. • All gas produced on the different hubs is processed and transported to shore via the Tyra Hub or the Northern Offshore Gas Transport ('NOGAT') pipeline. • The Gorm Hub receives liquids from all the other hubs and sends it to shore via pipeline from Gorm E.	The Operator has ongoing inspection and maintenance plans in place to proactively maintain assets and minimise the risk of incidents. Where events occur, activities are adjusted to respond to specific issues as they arise, and isolated where possible to minimise the impact.	Unchanged
Actual reserves may differ from reported reserves estimates	The reported reserves and resources represent significant estimates based on several factors and assumptions made as of the reported date, all of which may vary considerably from actual results. Further, oil and gas production could also vary significantly from reported reserves and resources. 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 and cash flow from operations. **Material influencing factors** • Assumptions on which the reserves estimates are determined include geological and engineering estimates (which have inherent uncertainties), historical production, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs. • 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 that have an impact on oil and gas production.	Reported reserves are based on independent technical expert's reports, which are carried out at least annually. BlueNord has a subsurface team with appropriate technical expertise that monitors and reviews production and reserves in addition to the external reserves reporting. This provides oversight of performance and expectations throughout the year to enable response and follow up on a timely basis should concerns arise.	Unchanged

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Oil and gas production and reserves continued

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Ongoing investment in developments	The Company makes and expects to continue to make substantial investments in its business for the development and production of oil and natural gas reserves. Such projects require substantial investments to bring into production, which come with several inherent risks. **Material influencing factors** • Development projects have inherent execution risks, including cost overruns and delays, in addition to the impact of commodity prices on the economics of a project. • The Company may also 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 intends to finance future investments with cash flow from operations and borrowings under its RBL facility and other equity and debt facilities. The Company regularly monitors liquidity, borrowing base, and other financial ratios. Projects are screened for technical and non-technical risks with economics reviewed at multiple price scenarios.	Unchanged
Tyra redevelopment project	The Tyra redevelopment project is, to date, the largest project carried out on the Danish continental shelf. The project is now nearing completion, but the risk of delay remains, particularly with regards to the ramp-up of production and further uncertainty of performance once wells are unplugged. Such risks may have an adverse effect on BlueNord's financial position. **Material influencing factors** • The scope of the project includes removal of old facilities, modifying existing ones, and installing new features; there are inherent risks with such significant projects, including risks of cost overruns and delays. • The project has been delayed twice to date; the first in November 2020 due to the Covid-19 pandemic, and again in August 2022 driven by global supply chain challenges.	BlueNord maintains a regular dialogue with the Operator's key personnel on the project in addition to a review of weekly and monthly progress reporting. BlueNord's internal technical experts are closely involved with this review and have an established feedback process with the Operator.	Decreasing
Decommissioning estimates	There are significant uncertainties and significant estimation risks relating to the cost and timing for decommissioning of offshore installations and infrastructure. A significant deviation from such estimates may have a material adverse effect on the Company's results of operations, tax position, cash flow and financial condition. This includes the timing of when security may need to be put in place. **Material influencing factors** • Within the DUC, the partners are primarily liable to each other on a pro-rata basis and, secondarily, jointly and severally liable for all decommissioning obligations. • There is an obligation for participants to provide security for their respective share of any decommissioning liabilities ahead of actual decommissioning based on calculations as set out in the joint operating agreement.	Decommissioning estimates are reviewed at least on an annual basis and updated every five years in detail based on technological, regulatory and any other relevant information at the time. The need for decommissioning security is assessed annually.	Unchanged

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Market risks

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Commodity prices	The Company's main business is to produce and sell oil and gas, therefore future revenues, cash flow, profitability, financing, and rate of growth depend substantially on prevailing 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. 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 also lead to impairments of the Company's assets. **Material influencing factors** • During 2023, volatility and uncertainty remained in the commodity market, however the spikes of 2022 did not recur, and global supply risks have been managed. The impact of conflict in various regions continues to have some impact but markets have tended to adapt to this situation. • The hydrocarbons produced from specific fields may also have a premium/discount in relation to benchmark prices, such as Brent, which may vary over time. • The majority of the natural gas produced by the Company is sold at Trading Hub Europe ('THE') prices. THE closely follows the Dutch Title Transfer Facility ('TTF') price. The Company is more exposed to additional price volatility deriving from proposed responses by the European Commission, as seen with the proposed Market Correcting Mechanism, however this has not recurred in 2023.	The Company actively seeks to reduce this risk through the establishment of hedging arrangements. BlueNord has to date executed this policy in the market through forward contracts. BlueNord enters hedging contracts on both oil and gas that mitigate the short-term impact of price volatility. Further detail on BlueNord's hedging policy can be found in note 2 to the financial statements and note 19 on financial instruments.	Unchanged
Foreign currency exposure	The Group is exposed to market fluctuations in foreign exchange rates. Significant fluctuations in exchange rates between euros and Danish kroner to US dollars, may materially adversely affect the reported results. **Material influencing factors** • Revenues are in US dollars for oil and in euros for gas, while operational costs, taxes and investments are primarily in US dollars, euros and Danish kroner. • The Company's financing is primarily in US dollars.	The Company considers currency risk to 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 and/or hedged.	Unchanged

Cyber security

KEY: Increasing, Unchanged, Decreasing

Risk	Impact	Mitigation	Movement
Key infrastructure, networks or core systems are compromised or are otherwise rendered unavailable	A compromised network or infrastructure would seriously impair the Company's ability to maintain regular operations, including being able to continue reporting, regulatory and financial obligations if required information were not available. **Material influencing factors** • As in 2022, ongoing global tensions continue to raise IT security risks around cyber crime and similar threats. • Protection and monitoring of critical infrastructure continues to be a high priority in the Danish energy sector.	The Company has in place IT controls and processes, including preventative security routines, disaster recovery and business continuity plans. The Company elevated its IT security-related routines and IT systems to protect against cyber criminality and similar threats.	Unchanged

Financial liabilities

Risk	Impact	Mitigation	Movement
Available funding to meet the Company's financial liabilities	The Company has several debt instruments which expose it to interest rate risk and obligations to meet certain covenants. The Company's material hedging programme provides significant visibility over its 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 BlueNord to ultimately fulfil its obligations. The availability of funding and the nature and diversity of lenders being used can pose third party liquidity risk. **Material influencing factors** • Exposure to floating interest rates through the Company's USD 1.1 billion RBL. • Exposure to fixed interest rates through a USD 208.0 million convertible bond and a USD 175.0 million senior unsecured note. • Under these financing instruments, the Company is subject to several covenants, including maximum leverage relative to earnings and demonstration of a minimum level of liquidity.	The Company has fixed USD 1.0 billion of RBL interest rate exposure until 30 June 2024. The Company restructured the NOR13 convertible bond into the new NOR15 convertible bond with revised terms, including a later conversion date. The Group monitors its liquidity and covenant coverage continuously to ensure it will be able to meet its financial obligations as they fall due. As of the date of this report, the Company is in an ongoing refinancing process as part of the continuous review and optimisation of the capital structure.	Decreasing

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Financial liabilities continued

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Future capital requirements	BlueNord'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 cash flow is insufficient to fund the business plan at the time additional external capital may be required. BlueNord 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, BlueNord 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.	BlueNord maintains a strong relationship with its banking syndicate through continual engagement to underpin its borrowing position and has an active investor relations strategy to support access to the capital markets.	Decreasing
Insurance risk	The Company maintains liability insurance in an amount that it considers adequate and consistent with industry standards. However, 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 an adverse effect on its financial condition, results of operation and cash flow. **Material influencing factors** • Due to the ongoing geopolitical situation, 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. No such event was noted during 2023. • 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.	The Company annually reviews the adequacy of insurance coverage.	Unchanged

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Third-party risk

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Third-party risk	The Company does not have a majority interest in any of its licences and consequently cannot solely control such assets. Nor does the Company have operatorship over any of its assets. The Company therefore has limited control over management of such assets. 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 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. The Company may not have the resources to meet these obligations.	The Company has consultation rights or right to withhold consent in relation to significant operational and development matters, depending on: the importance of the matter, the level of its interest in the licence, or which licence the contractual arrangements for the licence apply to. The structure of engagement with the Operator is contractually set out in the joint operating agreement.	Unchanged

Politics, regulation and compliance

Risk	Impact	Mitigation	Movement
Changes in obligations arising from operating in markets that are subject to a high degree of regulatory, legislative and political intervention and uncertainty	Exploration and development activities in Denmark are dependent on receipt of government approvals and permits to develop assets. There is no assurance that future political conditions in Denmark will not result in the government adopting new or different policies and regulations relating to exploration, development, operation and ownership of oil and gas, environmental protection, and labour relations. Any of the above factors may have a material adverse effect on the Company's business, results of operations, cash flow and financial condition. **Material influencing factors** • Future political conditions in Denmark could result in government adopting new or different policies, meaning that the Company may be unable to obtain, maintain or renew required drilling rights, licences and permits resulting in work being halted. • Due to the Russian invasion of Ukraine, new regulations have been imposed by the EU, 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 result in governments adopting new regulations that could affect the assets and the operations of the Group.	The Company maintains a regular dialogue with the Danish Energy Agency as well as relevant government ministries. This ensures an up-to-date understanding is in place in order to act and respond on a timely basis to any impact on the business.	Unchanged

Politics, regulation and compliance continued

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Danish taxation and regulations	All of BlueNord'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 those currently in place. **Material influencing factors** The law proposal on the Solidarity Contribution was enacted in 2023 and its impact on the Company is known and accounted for. No new exposures have been identified during 2023 As taxation has a major impact on the Company's results, such amendments may significantly impact the Group's cash flow and financial condition. A further tax yet to be adopted is regarding additional CO_2 duties. The proposal as currently presented would be implemented from 2025 but as it is still in proposal stage, the timing and extent of impact remains uncertain.	Dialogue is maintained with industry bodies and the relevant government ministries to understand proposed legislations before they are enacted and provide full impact analysis. There is a Compensation Agreement between the Danish state and the DUC such that the Companies participating in the DUC are entitled to compensation for tax increases. Due to the Agreement, any alterations in present legislation to the disadvantage of the DUC licencees can be challenged for compensation. The compensation would be determined with a view to the impact of the changes on the DUC, however these cannot exceed the net advantage deemed to have been obtained by the state.	Unchanged
Financial reporting risk	While BlueNord has in place internal controls covering the Company's financial reporting function, any material error or omission could significantly impact the accuracy of reported financial performance and expose the Company to a risk of regulatory or other stakeholder action.	Internal controls over financial reporting are designed and in operation.	Unchanged
Reputational risks	BlueNord may be negatively affected by adverse market perception as it depends on a high level of integrity to maintain the 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.	Clear code of conduct, ethical guidelines and Whistleblower procedure are in place. See more on Governance on page 54.	Unchanged

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Climate risk

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Changes to and impacts of environmental 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. 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. **Material influencing factors** • 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. • 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 GHGs. • 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. • With all assets on the Danish continental shelf, the Company is highly exposed to changes in Danish law.	The Company maintains a regular dialogue with the Danish Energy Agency as well as relevant government ministries. This ensures an up-to-date understanding is in place to act and respond on a timely basis to any impact on the business. The Operator has a framework and controls in place to manage within regulatory requirements. BlueNord maintains an overview of the requirements and dialogue with the Operator through the appropriate joint committees.	Unchanged

See also climate risks outlined under TCFD on page 34.

Governance Report

In this report

Chair's Introduction

Good corporate governance is key for a successful, sustainable business

"

This section of the report demonstrates that BlueNord maintains robust systems and practices that support the Board, Company and the Executive Team in making good decisions for the future of the business, in the interest of all stakeholders.

Riulf Rustad
Executive Chair

The stakeholders of the Company include employees, contractors, suppliers, partners, regulators, end users, and others who interact with or are affected by the environment in the vicinity of the Company's assets and operational areas.

The Board believes that good corporate governance is an essential building block for the development of a successful and sustainable business. This belief is rooted in the understanding that sound governance structures, clear roles and responsibilities, and robust accountability mechanisms are instrumental in driving business success and resilience over the long term.

To support the Board and as a framework for the Company to adhere to, BlueNord seeks to comply with the Norwegian Code of Practice, which is available on the Norwegian Corporate Governance Committee website (**www.nues.no**).

The Company's corporate values and code of conduct also provide a framework on which the Company acts and decisions are made. The code of conduct describes the Company's ethical commitments and requirements related to business practice and personal behaviour.

BlueNord has a diverse board, with the relevant experience and skills to support the Company and best practice. The composition of the Board is such that it can operate independently of any special interests.

The Executive Team also has extensive and relevant experience, applicable to supporting best practice, including technical, operational, financial, financial market and other wider corporate skills. The CEO and other members of the Executive Team report to the Board on Company activities on a monthly basis.

The Board shall hold at least five ordinary proceedings each year. During 2023, attendance at Board meetings was 96.4 percent. Board meetings are based around a formal agenda. The Board will annually seek to define and evaluate the Company's objectives, main strategies and risk profiles to ensure it continues to create value.

To ensure a more detailed assessment and of key areas of the business, the Board is supported by various committees, which include audit, nominations, remuneration and ESG. With an exception from the Nomination Committee, the committees are made up of members of the Board. Designated representatives from the administration participate in the respective committee meetings as required, depending on their relevant position and skills.

Board committees meet regular during the year, and the average attendance during 2023 was 91.7 percent. Committee meetings are held in person or online and are based around a formal agenda, with the saliant points reported to the wider Board.

The Board aims to ensure there is the opportunity for continuous and transparent dialogue with shareholders. This includes key decisions being put to shareholders on an annual basis through an Annual General Meeting ('AGM'). The meeting is held virtually to encourage attendance and participation, with the option to vote and asking questions.

Corporate and Social Responsibility
Find out more in our **Sustainability Report**.

Find out more on page 25

Leadership

Board of Directors

COMMITTEE MEMBERSHIP KEY

- Ⓒ Chair
- Ⓡ Remuneration Committee member
- Ⓔ ESG Committee member
- Ⓐ Audit Committee member

Riulf Rustad Ⓒ

Executive Chair

Riulf Rustad is a Norwegian businessman with a long track record from investments in sectors such as oil and 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 of Directors of BlueNord in 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Marianne Lie Ⓡ Ⓐ

Board member

Marianne Lie is the owner of Fajoma Consulting AS and is the founder and Managing Director of Forum for Miljøteknologi (FFM). She holds/has held several Board positions both in listed and unlisted companies. Lie has served as a member of the Board of Directors in BlueNord since 26 May 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Tone Kristin Omsted Ⓐ

Board member

Tone Omsted holds a BA Hons. in Finance from the 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 BlueNord since 26 May 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Colette Cohen Ⓔ

Board member

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 and Kazakhstan. Colette was SVP for Centrica Energy's E&P UK/NL was the CEO of The Net Zero Technology Centre for seven years until 2023. Ms. Cohen has served as member of the Board of Directors of BlueNord since 7 August 2019, and was re-elected at the AGM of 25 April 2023 for a period of two years.

Robert J. McGuire Ⓔ

Board member

Robert McGuire is the founder of Longwing Partners LLC, a strategic advisory firm. He has a 30-year global track record as an adviser, 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. Mr. McGuire was elected as member of the Board of Directors of BlueNord at an Extraordinary General Meeting held on 2 March 2020, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Peter Coleman Ⓐ

Board member

Peter Coleman joined Taconic, a shareholder in BlueNord, 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 has served as member of the Board of Directors of BlueNord since 19 May 2021, and was re-elected at the AGM of 25 April 2023 for a period of two years.

Jan Lernout Ⓡ

Board member

Jan Lernout is a partner and portfolio manager at Kite Lake Capital Management (UK) LLP, a shareholder in BlueNord, 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 has served as member of the Board of Directors of BlueNord since 19 May 2021, and was re-elected at the AGM of 25 April 2023 for a period of two years.

Riulf Rustad

Marianne Lie

Tone Kristin Omsted

Colette Cohen

Robert J. McGuire

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Executive Team

Euan Shirlaw

Chief Executive Officer

Euan has served as the Chief Executive Officer of BlueNord since May 2022. He initially joined the company as the Chief Financial Officer in 2019 and additionally held the role of Acting Managing Director from November 2021. 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 BlueNord, Euan was a senior member of the oil and 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 an MSc in Business and Accountancy from the University of Edinburgh.

Jacqueline Lindmark Boye

Chief Financial Officer

Jacqueline joined BlueNord in 2019 and was appointed Chief Financial Officer in October 2023, after being a member of the Executive Team 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 BlueNord, Jacqueline has held various roles, including leadership with Shell, AGL Energy, EY and PwC. She holds a Bachelor in Commerce and Bachelor in Arts from Monash University in Australia and is a member of the Chartered Accountants Australia and New Zealand.

Marianne Eide

Chief Operating Officer

Marianne joined BlueNord in 2022 and holds the position of Chief Operating Officer. She has 30 years of experience in the upstream oil and gas industry. Prior to joining BlueNord, 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 an MSc in Petroleum Engineering from the Norwegian Institute of Technology in Trondheim.

Cathrine F. Torgersen

Chief Corporate Affairs Officer

Cathrine joined BlueNord in 2020 and holds the position of Chief Corporate Affairs Officer. She previously had the role as Senior Account Director in Hill+Knowlton, where she advised a wide range of oil and 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.

Euan Shirlaw

Jacqueline Lindmark Boye

Marianne Eide

Cathrine F. Torgersen

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Corporate Governance Report

BlueNord ASA ('the Company') has made a strong commitment to ensure trust in the Group and to enhance value creation for 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', 'Board of Directors') and the shareholders of the Company, represented by the AGM.

The Company's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Company's resources 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 ('Corporate Governance Code'), which is available on the Norwegian Corporate Governance Committee website: **www.nues.no**.

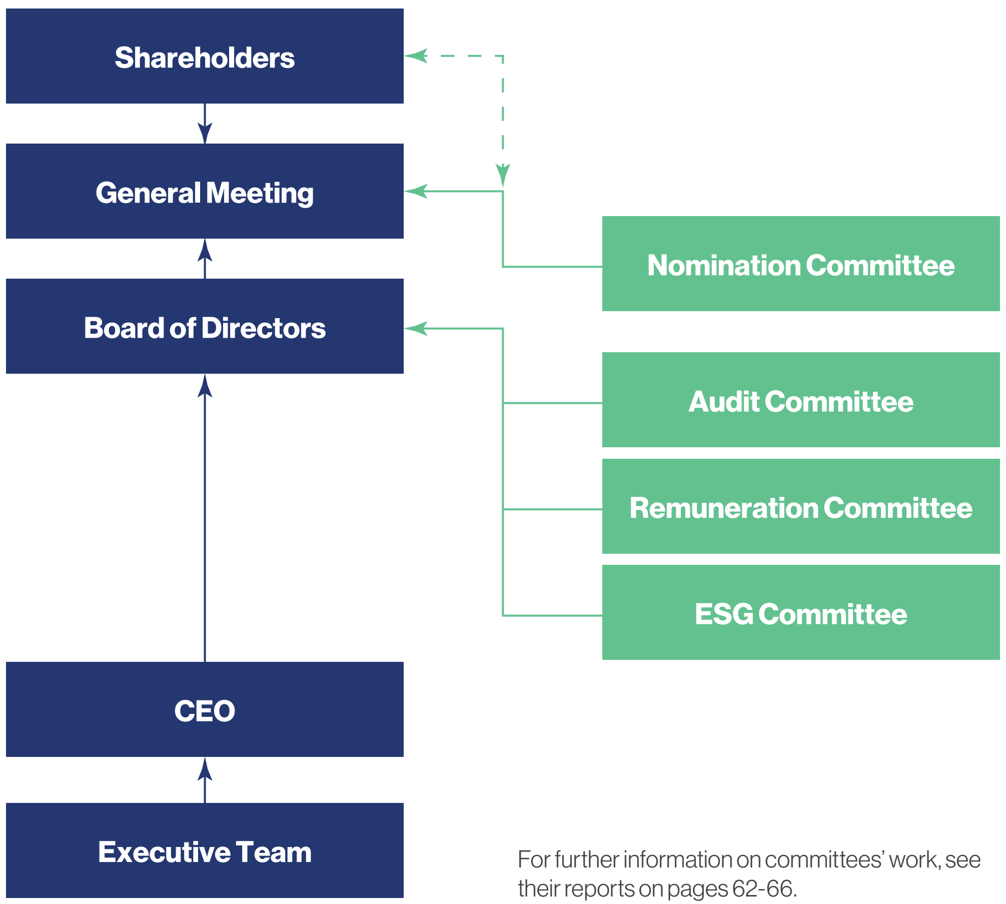
The principal purpose of the Corporate Governance Code is to ensure: (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the Board of Directors and executive management more comprehensively than that which is required by legislation; and (ii) 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, 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' Rule Book II section 4.4. 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 review by the Board of Directors.

According to the Company's own evaluation, the Company deviates from the Corporate Governance Code on the following points:

- **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 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.
- **Item 11:** Options have been granted to members of the Board of Directors through the share option programme of the Company, first implemented at an extraordinary general meeting in October 2018 and later extended and expanded.
- **Item 14:** Due to the unpredictable nature of takeover situations, the Company has decided not to implement detailed guidelines on takeover situations. 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.

Governance operating model – Organisational design and Committee Structure



For further information on committees' work, see their reports on pages 62-66.

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1. Implementation and reporting on corporate governance

The Board of BlueNord is responsible for compliance with corporate governance standards. BlueNord is a Norwegian public limited Company ('ASA'), listed on the Oslo Stock Exchange and established under Norwegian law.

In accordance with the Norwegian Accounting Act, section 3-3b, BlueNord 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 in 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, section 3: 'The object of the Company is direct and indirect ownership of 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 2023, the Company's consolidated equity was USD 813.6 million, which is equivalent to approximately 26 percent 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 established in February 2024 its distribution policy for the period 2024 to 2026.

3.3 Share capital increases and issuance of shares

At the AGM held on 25 April 2023, The Board of Directors was authorised to increase the Company's share capital by up to NOK 1,414,463 (this represents 2,620,203 shares at a nominal value of NOK 0.5398295) valid until the AGM in 2024, but in no event later than 30 June 2024.

Outstanding shares as of 11 April 2024 were 26,205,849, which is an increase of 497,425 shares compared to year-end 2022. During the year, 494,853 shares were issued following conversion of BNOR13 and 2,572 shares issued following conversion of parts of BNOR15.

3.4 Purchase of own shares

The Board of Directors of the Company has been authorised to acquire and dispose own shares with a total nominal amount up to NOK 1,414,462 (this represents 2,620,203 shares), valid until the AGM in 2024, however in any event no later than 30 June 2024. 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 21 March 2024, the Company holds 100,521 of its own shares, approximately 0.38 percent.

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 programme will be carried out either through the trading system at Oslo Børs or at prevailing prices at Oslo Børs and in accordance with the Market Abuse Regulation ('MAR'). In the event of such a programme, 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 non-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 that 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, include 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

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 no later than 21 days prior to the date of the general meeting on the Company's website: **www.bluenord.com/general-meetings**.

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 chair 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 to 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 for and governed by the Articles of Association, in addition to instructions for the Nomination Committee. For more information relating to the Nomination Committee, read the Nomination Committee report on page 66.

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 seven members, which are shareholders' elected members in accordance with a decision by the AGM.

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 Chair of the Board of Directors should be elected by the AGM.

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 a shorter term by the AGM. 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 Rules of procedures 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 provide further regulation on, inter alia, the duties of the Board of Directors and the Chief Executive Officer, the division of work between the Board of Directors and the Chief Executive Officer, 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 Chief Executive Officer 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 Chair 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 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. To read the latest Audit Committee Report, please see page 63 of this report.

9.3 Remuneration Committee

The Company's Remuneration Committee is governed by an instruction adopted by the Board of Directors. To read the latest Remuneration Committee Report, please see page 64 of this report.

9.4 ESG Committee

The Environment, Social & Governance (ESG) Committee is governed by an instruction adopted by the Board of Directors. To read the latest ESG Committee report, please see page 65 of this report.

10. Risk management and internal control

Risk management and internal control are given high priority by the Board of Directors, which ensures that adequate systems for risk management and internal control are in place. For more information about how risks are managed, please see the risk report on page 44.

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors shall be decided by the AGM, and reflects the Board of Directors' responsibilities, expertise, time commitment and the complexity of the Company's activities. For more detail, on the Board's remuneration, please refer to the Executive Remuneration Report 2023 on **www.bluenord.com**.

12. Remuneration of the executive management

The Board of Directors has in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 prepared a policy for executive management remuneration. The policy includes the main principles applied in determining the salary and other remuneration of executives as further set out in the regulation on policies and reports on remuneration for executive management (Nw. Forskrift om retningslinjer og rapport og godtgjørelse for ledende personer). The Company shall annually prepare a report on remuneration to executive management in accordance with the Norwegian Public Limited Liability Companies Act section 6-16b. For more detail, please refer to the Guidelines on Executive Remuneration adopted by the AGM on 19 May 2022 on **www.bluenord.com**.

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 same time as it is sent to shareholders, at the latest.

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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 characterised 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.

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Board Activities

The Board has responsibility for the overall management of the Company, including strategic priorities, identifying and assessing principal risks, as well as the level of risk deemed appropriate for the Company to take. The Board is responsible for establishing and thereafter monitoring the risk and internal control framework. The Board delegates a level of day-to-day management to the CEO and Executive Team; however, the Board retains the ultimate decision-making authority.

The Board held eight meetings during 2023. A further three meetings were held in 2024, one related to the Tyra update and two prior to the publication of Q4 and this Annual Report and Accounts. In addition, three written resolutions were approved related to approval of the 2024 budget/Tyra CCE4, CarbonCuts license application submission and Harald East Middle Jurassic Investment proposal.

Name	Attendance							
Riulf Rustad (Chair)	✓	✓	✓	✓	✓	✓	✓	✓
Marianne Lie	✓	✓	✓	✓	✓	✓	✓	✓
Tone Omsted	✓	✓	✓	✓	✓	✓	✓	✓
Colette Cohen	✓	✓	✓	✓	✓	✓	✓	✓
Robert McGuire	✓	✓	✓	✓	✓	✓	✓	✓
Jan Lernout		✓	✓	✓	✓	✓	✓	✓
Peter Coleman		✓	✓	✓	✓	✓	✓	✓

The areas of focus covered through Board meetings during 2023 has included:

- Established strategic priorities, including ESG strategy and rebranding.
- Operational and performance updates, including regular monitoring of the Tyra redevelopment project, Health, Safety, Security and Environment ('HSSE'), capital structure and liquidity outlook.
- Reviews and considers forecast medium-term liquidity position of the Company.
- Approval of restructuring of the NOR13 convertible bond loan and approval of the voluntary exchange offer into the new BNOR15 convertible bond loan.
- Annually review of the ten top risks in the Company's enterprise risk matrix.
- Review of executive management structure and performance, including the appointment of Jacqueline Lindmark Boye as CFO.
- Approval of the tax protection principles related to Global position.
- Review of executive management remuneration, the Company's Short Term and Long-Term Incentive programmes and their KPIs and awards as endorsed by the Remuneration Committee.
- Approval of the Halfdan Ekofisk infill investment decision.
- Review of the various Board committees' performance and confirmation of membership and continued committee structure.

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Audit Committee Report

The Audit Committee consists of the following Board members:

- Marianne Lie (Chair)
- Tone Omsted
- Peter Coleman

All members are independent of the Company's executive management and all three committee members sit on the Board of Directors of BlueNord ASA.

Committee meeting attendance

Name	Attendance					
Marianne Lie	✓	✓		✓	✓	✓
Tone Omsted	✓	✓	✓	✓	✓	✓
Peter Coleman		✓	✓	✓		✓

BlueNord has established an Audit Committee with formally delegated duties and responsibilities within written terms of reference.

Marianne Lie
Audit Committee Chair

Work of the Audit Committee

- Support the Board's responsibilities relating to the integrity of financial reporting and the financial reporting process.
- Evaluate the risk management of financial reporting and monitor the systems for internal controls.
- Review the external auditors' independence and objectivity and review the effectiveness and quality of the annual audit plan.
- Develop and implement policy for any engagement of external auditors to supply non-audit services.

Activities during the year

The committee held six scheduled meetings during 2023. A further two meetings were held in 2024, prior to the publication of Q4 and this Annual Report and Accounts. In addition to the members of the committee listed on this page, meetings of the Committee were also attended by the CFO and the Head of Group Reporting. The Company's auditor works closely with the Audit Committee and attended all meetings during the year.

The committee spent considerable time during the year reviewing all interim and annual reports before they are reviewed by the Board of Directors and then published. Any identified risks and their effects on financial reporting are discussed on a quarterly basis; in addition, the management give a quarterly update on compliance.

Every quarter, the Audit Committee reviews the memorandum for tax and impairment triggers. New accounting effects and issues are monitored on a quarterly basis by the committee. Prior to the year-end closing, the committee reviews key assumptions and accounting principles, and discusses early warning and key issues.

During the year, the Audit Committee has worked together with executive management and the auditor to further develop the already strong cooperation and improve the processes and internal control environment related to material financial reporting lines.

In 2023 the Audit Committee also held a joint session with the ESG Committee to discuss and agree how to work together regarding sustainability reporting to ensure both Committees contribute effectively as this develops within the Company. The Audit Committee has a key role in ensuring non-financial data is properly integrated into the risk and control framework whilst the ESG Committee focuses on strategy development and performance. The two committees will regardless have overlapping responsibilities and will remain coordinated as sustainability reporting and performance assessment develops.

2023 meeting summary

In the course of eight meetings during FY2023/24, the Audit Committee has continued to work on a range of audit matters.

These include overall performance and tax issues, compliance, reviews of policy documentation, updates to delegated authority, and liquidity forecasts. Reviews have also taken place regarding internal controls and business continuity planning ('BCP').

The committee received updates from KPMG regarding the final report on the inspection from the Financial Supervisory Authority of Norway (FSA). In addition, the committee was informed of the new era of sustainability reporting triggered by CSRD, and half-year accounting issues. Discussions were held on impairment triggers and accounting effects, as well as tax effects.

A review of the updated finance process descriptions and risk and control matrix was undertaken, as well as a review of the new internal materiality assessment. The committee reviews the Enterprise risk matrix on a quarterly basis. In addition, the committee discussed the financial reporting risks and the proposed distribution policy.

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Remuneration Committee Report

The Remuneration Committee consists of the following Board members:

- Marianne Lie (Chair)
- Jan Lernout

These members are independent of the Company's executive management, and both committee members sit on the Board of Directors of BlueNord ASA (since May 2016 and May 2021, respectively).

Committee meeting attendance

Name	Attendance				
Marianne Lie	✓	✓	✓	✓	✓
Jan Lernout	✓	✓	✓	✓	✓

The Remuneration Committee is a preparatory and advisory committee which supports the Board with regard to executive management compensation.

Marianne Lie
Remuneration Committee Chair

Role of the Remuneration Committee

- Prepare the annual executive remuneration report and, at least annually, review and recommend any amendments to the guidelines for executive remuneration, to be proposed by the Board for adoption by the AGM;
- monitor, evaluate and approve the application of the guidelines for the remuneration provided to executive management;
- request information and assistance from executive management which is deemed relevant for the Remuneration Committee to carry out its tasks; and
- seek advice and recommendations from sources outside of the Company if relevant and subject to appropriate confidentiality.

2023 meeting summary

The committee convened for five scheduled meetings in 2023, with the CEO and EVP People and Capability invited to attend where relevant.

The executive remuneration guidelines were reviewed, with no changes made from those approved by the AGM in May 2022. The audited Executive Remuneration Report, which was prepared in line with the Public Limited Liability Companies Act § 6-16b and best practices in remuneration disclosure, was endorsed.

In Q2 2023 and upon the Board's request, a benchmarking exercise for executive remuneration was conducted by Mercer. After a comprehensive review of the report, the committee recommended no changes to BlueNord's total compensation policy or the executive remuneration structure.

The committee reviewed and recommended the proposed annual salary increase for eligible executives and employees in 2023. It also endorsed and recommended employment terms for the new CFO, appointed in October 2023, and the promotion of the previous EVP of Investor Relations and ESG to Chief Corporate Affairs Officer, which involved no change in employment terms.

The committee reviewed and endorsed the 2023 KPIs for the Company's Short Term Incentive programme. It also examined and endorsed the programme's 2022 KPIs' achievement and the proposed annual performance bonus payment for executives and employees.

The committee reviewed and endorsed the achievement of KPIs for the first performance period of the 2022 LTI programme, which involves annual vesting. It then recommended the first award of performance shares to eligible executives and employees. The committee also reviewed and endorsed the grant and KPIs for the 2023 LTI programme's three-year performance and vesting period. However, due to the executive remuneration benchmark exercise conducted in Q2, the Board did not approve the grant for the performance period 1 January 2023 to 31 December 2025, until July 2023.

In Q4 2023, the Committee evaluated its own structure and performance. Measures were set with the Company's management to ensure the KPIs for variable pay are endorsed and available for the Board's approval at the first month of each programme's performance period.

Executive Remuneration Report 2023

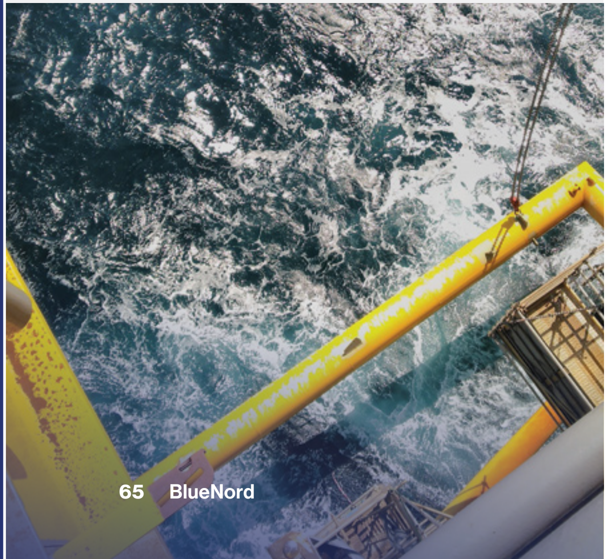
For more details on the executive remuneration, please read the full report here: **www.bluenord.com/reports-and-presentations.**

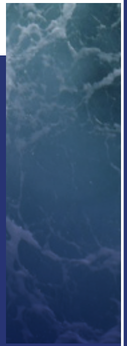
In this report

ESG Committee Report

The Company's ESG Committee is a preparatory and advisory committee to the Board, established in 2020 to support the commitment to ESG and to evolve the Company's role as a contributor in the energy transition.

Colette Cohen
ESG Committee Chair





The ESG Committee consists of the following Board members:

- Colette Cohen (Chair)
- Robert McGuire

All members are independent of the Company's executive management and all committee members sit on the Board of Directors of BlueNord ASA.

Committee meeting attendance

Name	Attendance			
Colette Cohen	✓	✓	✓	✓
Robert McGuire	✓	✓	✓	✓

The ESG Committee shall:

- support the development of the Company's overall environmental, social and governance strategy;
- oversee the Company's ESG activities and assess if any developments or investments are compatible with, and supportive of, the strategic objectives of the Company;
- ensure that the Board is informed on material relevant topics or events related to the Company's work on ESG;
- review the Company's ability to address and mitigate risks related to ESG; and
- ensure that the Company strives for transparency and high standards in its ESG reporting.

Activities during the year

The committee held four scheduled meetings during 2023. A further meeting was held in 2024, prior to the publication of this Annual Report. In addition to the members of the committee listed on this page, meetings of the committee were also attended by the CEO, the Chief Corporate Affairs Officer and by invitation, the CFO or other members of the leadership team for specific topics.

The committee has worked closely with key members from the Executive Team during 2023 to develop the ESG strategy of the Company, to identify material topics and to assess risks and opportunities that are relevant to the Company. The committee has also been involved in improvements of the standards and transparency of the ESG reporting of BlueNord.

In addition, during 2023 the Committee was involved in developments and recommendations made to the Board in relation to CarbonCuts and the eventual license application for onshore CO_2 storage in Denmark completed in January 2024.

The ESG Committee also held a joint session with the Audit Committee to discuss and agree how to work together regarding sustainability reporting to ensure both Committees contribute effectively as this develops within the Company. The ESG Committee focuses on strategy development and performance and it is acknowledged that the two committees will have overlapping responsibilities and will remain coordinated as sustainability reporting and performance develops.

Following the committee's work during 2023 and to date in 2024, the Company is today reporting against the TCFD framework and it has taken measures to adapt to the Norwegian Transparency Act and the Anti-Discrimination Act. In addition, the Company has further progressed in its preparations to align itself to report against the new ESRS, which is expected from 2025 including establishing responsibilities within teams to work on and understand future reporting requirements, double materiality assessment, gap analysis and prepare the reporting structure going forward. This work will continue during 2024 to establish baselines from which targets can be set and measured and processes and controls for the gathering of data to support performance reporting.

Nomination Committee Report

The Nomination Committee in BlueNord consists of:

- Richard Sjøqvist (Chair)
- Kristian Utkilen
- Annette Malm Justad

All members were elected in 2022 for two years and are consequently up for election in 2024.

Committee meeting attendance

Name	Attendance				
Richard Sjøqvist	✓	✓	✓	✓	✓
Kristian Utkilen	✓	✓	✓	✓	✓
Annette Malm Justad	✓	✓	✓	✓	✓

According to the Articles of association § 6 the Nomination Committee shall consist of three members.

The term of office shall be two years unless the AGM determines that the term shall be shorter. The Nomination Committee shall prepare a motion for the Annual General Meeting relating to:

- Election of 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.
- Any amendments of the Nomination Committee's Mandate and Charter.

Richard Sjøqvist
Nomination Committee Chair

Work of the Nomination Committee:

The Chair of the Nomination Committee is responsible for the committee's work and call of meetings, however each member can request a committee meeting. The Nomination Committee shall regularly review the structure and composition of the Board, including the knowledge, skills, experience and diversity of the Board. It shall keep under regular review that the needs of the Company are reflected in the Board composition and give full consideration to succession planning for the Board members. The Nomination Committee shall also ensure that there is a formal and transparent procedure for the appointment of new Directors to the Board.

The Nomination Committee has contact with the Company's shareholders, Board of Directors and the Company's executive personnel. All shareholders of BlueNord have the possibility to propose candidates. If a candidate is proposed, the Nomination Committee shall consider the experience, competence and capacity of each candidate.

The Nomination Committee's proposal for the 2024 Annual General Meeting will be published and made available on **www.bluenord.com/general-meetings/** at the Annual General Meeting at latest.

Activities during the period

The committee has taken note of the paragraph 5 of the Articles of Association in which it is stated that the Board of Directors shall have from three to seven shareholders elected members and that such Board members are elected to a two-year period unless the general meeting decides upon a shorter term.

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Directors' Report

> **"The Tyra II field start-up will lead to a step-change in BlueNord's future performance.**

BlueNord ASA (BlueNord, '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, BlueNord ASA holds a 36.8 percent non-operated interest in the DUC and is the second largest oil and gas producer in Denmark. DUC is a joint venture between TotalEnergies (43.2 percent), BlueNord (36.8 percent) and Nordsøfonden (20.0 percent), and comprises four hubs (Halfdan, Tyra, Gorm and Dan) and 11 producing fields. It is operated by TotalEnergies, which has extensive offshore experience in the region and worldwide.

Since the acquisition in 2019, BlueNord has built a meaningful presence in Denmark and established good relationships with its partners TotalEnergies and Nordsøfonden, as well as other stakeholders including the DEA.

Production assets and field developments

The Company delivered strong production from the Halfdan, Dan and Gorm hubs in 2023 with a yearly average of 24.9 mboepd and an overall operational efficiency at approximately 86.1 percent. Production during the year benefitted from an increased level of well optimisation activity and higher uptime than planned due to reduced duration of planned shutdowns.

The Tyra redevelopment project was completed in March 2024, with production start-up 21 March 2024. The Tyra redevelopment project is the largest project ever carried out on the Danish continental shelf. As the offshore installation campaign for Tyra II was completed in 2022, the main work in 2023 has been related to testing and commissioning and the tie-in of facilities. This work included testing the gas turbine generators, reconnecting the export pipeline to Denmark, completion of subsea work, reconnecting all satellite fields and completion of leak testing.

The annual revision of reserves, performed by an independent organisation (ERCE) in accordance with SPE PRMS 2018 standards, resulted in total 2P reserves at year end 2023 of 185.6mmboe.

Capital structure

Convertible bond (BNOR13)

The main part of the convertible bond loan (BNOR13) was transferred into the convertible bond loan (BNOR15) in 2022, the opening value in 2023 was USD 0.2 million with an eight-year tenor and a mandatory conversion to equity after five years was issued in 2019. BNOR13 has paid in kind ('PIK') interest with additional bonds at a coupon rate of 8.0 percent.

In December 2023, the remaining convertible bond loan was converted into equity in December 2023.

Convertible bond (BNOR15)

USD 228.4 million convertible bond with a five-year tenor and a conversion to equity or cash settlement after three years. BNOR15 consists of USD 151.4 million converted from BNOR13 plus additional compensation bonds of USD 56.2 million. BNOR15 has PIK interest with additional bonds at a coupon rate of 8.0 percent.

BlueNord may alternatively, at its own discretion, pay cash interest of 6.0 percent. Should the instrument be in place beyond the three-year conversion period, the interest rate of BNOR15 will be reduced to 0.0 percent for the remaining period subject to approval from RBL lenders.

Reserve-based lending facility

The BlueNord RBL facility is a seven-year, first lien, senior secured RBL with a total facility amount of USD 1.1 billion, including a Letter of Credit sub-limit of USD 100.0 million.

At the end of 2023, USD 850.0 million was drawn under the RBL, with an additional USD 100.0 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 secured overnight financing rate ('SOFR') and a margin of 4.0–4.5 percent. In October 2023, BlueNord made a drawdown of USD 50.0 million. In addition, the Company hedged the SOFR rate on USD 1.0 billion of principal from 1 November 2021 to 30 June 2024 at a rate of 0.4041 percent.

Senior unsecured note (BNOR14)

USD 175.0 million senior unsecured note with a coupon rate of 9.0 percent and a maturity in June 2026. In order to reduce exposure to future market volatility, BlueNord ASA successfully reached an agreement with its bondholders in 2021, adding additional headroom to certain financial covenants.

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Group financial results for 2023

The consolidated financial statements of BlueNord have been prepared in accordance with IFRS and interpretations from the IFRS interpretation committee ('IFRIC'), as endorsed by the EU.

See the section on the Financial Review, on pages 23 and 24.

Risk mitigation

The Company actively seeks to reduce the risk it is exposed to regarding fluctuating commodity prices through the establishment of hedging arrangements.

Currently all the Company's commodity price hedging arrangements are executed solely in the market through forward contracts. At the time of this report, the Company had purchased the following:

Oil		Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
Volumes	(bbl)	900,000	900,000	957,000	957,000	795,000	795,000
Price	(USD/bbl)	61.3	61.3	72.5	72.5	74.5	74.5
Equiv. daily production	(mbblpd)	9.9	9.9	10.4	10.4	8.8	8.7

Oil		Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26
Volumes	(bbl)	900,000	900,000	525,000	525,000	225,000	225,000
Price	(USD/bbl)	73.7	73.7	74.5	74.5	71.1	71.1
Equiv. daily production	(mbblpd)	9.8	9.8	5.8	5.8	2.4	2.4

Gas		Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
Volumes	(MWh)	420,000	495,000	495,000	450,000	450,000	345,000
Price	(EUR/MWh)	99.4	41.4	41.4	45.6	45.6	33.9
Equiv. daily production	(mboepd)	2.7	3.2	3.2	2.9	2.9	2.2

Gas		Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26
Volumes		345,000	255,000	255,000	60,000	60,000	–
Price		33.9	32.2	32.2	27.5	27.7	–
Equiv. daily production		2.2	1.6	1.7	0.4	0.4	–

In addition, the Company has a swap transaction with a group of banks to fix the Company's floating interest rate exposure under the RBL facility. See the section on risk factors and risk management on pages 84 to 87, and note 19 in the consolidated financial statements.

Principal risks and uncertainties

The Company is required to give a description of the principal risks and uncertainties which it faces. These principal risks and uncertainties are included as part of the risk report and can be found on page 44.

Going concern assumption

Pursuant to the Norwegian Accounting Act section 3-3a, the BlueNord Board confirms that the requirements of the going concern assumption are met and that the annual accounts have been prepared on that basis.

Our financial integrity, and our working capital and cash position, are considered satisfactory in relation to the planned activity level for the next 12 months.

Health, environment and safety

BlueNord 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 2023, BlueNord 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.

BlueNord 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 health, safety, environment and quality ('HSEQ') and safe business practice are an integral part of BlueNord operations and business performance.

For more information, see the Sustainability section on pages 25 to 43.

Personnel resources and working environment

As at end 2023, the Group had 40 employees equal 37.32 FTE, including 3 interns, and 43.0 percent of the employees were women. The total growth rate in 2023 was 13.9 percent and the rolling 12 months retention rate 91.9 percent and attrition rate 5.2 percent per December 2023. In October 2023, Jacqueline Lindmark Boye was appointed as CFO and Cathrine Torgersen promoted to Chief Corporate Affairs Officer.

As at end 2023, 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. As at end 2023, more than 40.0 percent of the Board members are women.

BlueNord is an equal opportunity employer, committed to fostering diversity and inclusion in the workplace. We welcome and embrace a variety of skillsets, perspectives, and we value differences between people of different cultural backgrounds, ethnicity, age, gender, gender identification, gender expression, sexual orientation, functional ability, religion, and philosophies of life. These principles apply to all employment practices at BlueNord, including recruitment, hiring, compensation and benefits, promotion, training and development, and leave of absence.

Management compensation is described in the Executive Remuneration Report. Sick leave in the Group was 0.41 percent in 2023.

For more information, see the sustainability section on pages 25 to 43.

Research and development

BlueNord invests in research and development to support and further grow its exploration and production ('E&P') and energy transition activities.

For more information, see the Sustainability section on page 25.

Corporate governance

The Board wishes to maintain an appropriate standard of corporate governance and to fulfil the recommendations in the Norwegian Code of Practice for Corporate Governance. Corporate governance in BlueNord is based on equal treatment of all shareholders, a principle which is reflected in the decisions taken at the general assembly.

For more information about the Board's composition and activities during the year, see the section on corporate governance on page 57 in this report.

AGM

The AGM held on 25 April 2023 re-elected Colette Cohen, Jan Lernout and Peter Coleman. All matters on the agenda were approved.

For more information about corporate governance and corporate social responsibility, see the relevant sections of this report. Also, see **www.bluenord.com/corporate-governance** and **www.bluenord.com/csr**.

Directors' and officers' 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 (Nw. 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 BlueNord ASA. The Company currently has approximately 2,600 shareholders and 23.59 percent of the shares are held by residents of Norway.

BlueNord ASA

In 2023, 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, partly offset by interest received from Group companies.

For more information about financial risk and market conditions, and a statement regarding going concern, please see the relevant sections above. These comments are also valid for the parent Company.

Parent Company financial results for 2023

Personnel expenses were USD 5.8 million in 2023 (2022: USD 4.4 million), with the increase mainly due to an increase in average full-time equivalents and full-year cost related to the LTIP, which is valued and accounted for according to IFRS 2. Other operating expenses amounted to USD 3.5 million in 2023 (2022: USD 4.1 million); the decrease is related to lower consultant and legal fees. The net operating result for 2023 was a loss of USD 5.7 million (2022: USD 6.0 million).

Net financial items amounted to an expense of USD 4.7 million in 2023 (2022: USD 76.5 million). The decreased financial expense mainly related to the effect in 2022 of the extinguishment of the BNOR13 bond loan, in addition to decreased write-down of loans to subsidiaries, increased interest income from intercompany loans and lower foreign exchange losses compared to 2022.

The Company's net result for the year amounted to a loss of USD 10.4 million (2022: USD 82.5 million).

Allocations

The result for the year for BlueNord ASA in 2023 was a loss of USD 10.4 million. The Board proposes the following allocations:

- allocated from other equity: USD 10.4 million; and
- total appropriation: USD 10.4 million.

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Outlook

BlueNord ASA has a stable business, underpinned by the Company's position in the DUC and further supported by risk mitigations. The volatility in prices has been significant and management is continuously assessing the market to mitigate commodity price volatility. The Company has during 2023 entered into fixed-price swap contracts for additional oil and gas volumes from 2024 to 2026.

The Company monitors global as well as local political and economic conditions that may affect future results. The Company has not identified any negative impact on the Company's assets or income. See further detail on this issue and mitigations as outlined in the section Principal Risks and Uncertainties on page 45.

First gas from the Tyra II field was achieved 21 March 2024, with ramp-up to maximum technical capacity expected within four months. This will lead to a step-change in performance for BlueNord, with a doubling of production combined with a lowering of lifting cost per boe and emissions intensity. Direct field operating expenditure is expected to decrease to USD 13 per barrel on average in 2025.

BlueNord ASA has a cash position with total liquidity of USD 316.7 million at the end of 2023 with cash on balance sheet of USD 166.7 million and undrawn RBL capacity of USD 150.0 million. The Company has a solid basis for executing the strategy and the ambition to deliver material shareholder returns and significant value creation.

Activity to progress value additive organic DUC investment projects also continues, and we will seek to sanction projects as they are sufficiently matured. BlueNord ASA believes economic investments in these projects will help to replace produced reserves and provide strong financial returns benefitting the Company's shareholders.

The Company expects increased production from Q2 2024; the increase is driven by the Tyra production start-up.

Guidance 2024	Unit	Base	Tyra	Total
Q1	mboepd	22.0–23.0	–	22.0–23.0
Q2	mboepd	23.0–26.0	3.0–7.0	26.0–33.0
Q3	mboepd	23.0–25.0	20.0–29.0	43.0–54.0
Q4	mboepd	23.0–25.0	27.0–29.0	50.0–54.0

The following sections of BlueNord ASA Annual Report constitute part of the Director's Report.

Annual Report Chapter Reference	Content	Page Reference
Strategic Report	Financial Review	23–24
Strategic Report	Sustainability Report	25–43
Strategic Report	Principal Risks and Uncertainties	45–52
Governance Report	Corporate Governance Report	57–61
Appendix 4	Norwegian Transparency Act Statement	153–154

Oslo
11 April 2024

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
Chief Executive Officer

In this report

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 BlueNord ASA has applied judgement 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 licences are to be reported, as all payments within the licence 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 BlueNord ASA 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 a corporate level and is therefore reported for the whole Company rather than licence-by-licence. The income tax payment in 2023 is a USD 40.0 million second instalment repayment for 2022 pertaining to the special tax incentives implemented in 2017. This repayment 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 implemented.

Further, in 2023 BlueNord paid USD 141.0 million of 25 %-chapter 2 hydrocarbon tax pertaining to 2022 earnings and USD 16.0 million pertaining to prior years. The Group also paid Danish corporate tax for income 2022 of USD 9.0 million. In addition, BlueNord paid the first instalment of the temporary EU-solidarity contribution, which is calculated at 33.0 percent of 2023 earnings. The instalment amounted to USD 24.0 million.

Other information required to be reported

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

- Total net investments amounted to USD 347.6 million, as specified in the cash flow analysis in the financial statements.
- Sales income (petroleum revenues) in 2023 amounted to USD 791.5 million, as specified in note 4 to the financial statements.
- Total production in 2023 was 9.1 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.

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Consolidated Statement of Comprehensive Income
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USD million	Note	2023	2022 restated[1]
Total revenues	4	**795.0**	966.9
Production expenses	5	**(340.1)**	(323.4)
Exploration and evaluation expenses	6	**(1.4)**	(0.7)
Personnel expenses	7	**(18.0)**	(12.5)
Other operating expenses	8	**(14.1)**	(19.1)
Total operating expenses		**(373.6)**	(355.7)
Operating result before depreciation, amortisation and impairment ('EBITDA')		**421.4**	611.2
Depreciation/amortisation/impairment	11	**(102.6)**	(133.5)
Net operating result ('EBIT')		**318.8**	477.7
Financial income	13	**23.1**	61.3
Financial expenses	13, 10	**(98.3)**	(230.0)
Net financial items		**(75.2)**	(168.7)
Result before tax ('EBT')		**243.6**	309.0
Income tax benefit/(expense)	14, 10	**(133.7)**	(317.8)
Net result for the year[2]		**109.8**	(8.8)
Other comprehensive income:			
Items that are or may be subsequently reclassified to profit or loss:			
Realised cash flow hedge	19	**(49.1)**	224.7
Related tax – realised cash flow hedge	14, 19	**19.1**	(151.2)
Changes in fair value cash flow hedges	19	**107.8**	(40.4)
Related tax – changes in fair value cash flow hedges	14, 19	**(66.8)**	48.2
Currency translation adjustment		**1.4**	(2.0)
Total other comprehensive income for the year		**12.4**	79.3
Total comprehensive income for the year[2]		**94.2**	48.8
Basic earnings/loss USD per share	15	**4.2**	(0.4)
Diluted earnings/loss USD per share	15	**4.2**	(0.4)

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.
(2) 100 percent attributable to equity holders of the parent company

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Consolidated Statement of Financial Position
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USD million	Note	31.12.2023	31.12.2022 restated[1]	01.01.2022 restated[1]
Non-current assets				
Intangible assets	9	**151.6**	160.4	166.0
Deferred tax assets	14, 10	**218.5**	239.1	455.2
Property, plant and equipment	11, 10	**2,427.9**	2,083.3	2,009.8
Right of Use asset		**1.4**	0.9	0.7
Restricted bank deposits	18, 19	**213.9**	203.7	205.5
Receivables non-current	16	**3.7**	0.8	–
Derivative instruments	19	**14.0**	33.7	9.7
Total non-current assets		**3,031.0**	2,721.8	2,846.9
Current assets				
Derivative instruments	19	**71.7**	130.9	–
Trade receivables and other current assets	16	**88.7**	128.6	108.9
Inventories	17	**54.7**	55.9	51.4
Cash and cash equivalents	18	**166.7**	268.4	122.6
Total current assets		**381.9**	583.9	283.0
Total assets		**3,412.9**	3,305.7	3,129.9

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Consolidated Statement of Financial Position continued
As of 31 December

USD million	Note	31.12.2023	31.12.2022 restated[1]	01.01.2022 restated[1]
Equity				
Share capital	20	**1.7**	1.7	29.5
Other equity	10	**811.9**	662.5	502.7
Total equity		**813.6**	664.2	532.2
Non-current liabilities				
Asset retirement obligations	22	**1,033.7**	946.1	1,003.0
Convertible bond loans	19,23	**201.7**	188.7	157.1
Bond loan	19,23	**169.1**	166.9	164.9
Reserve-based lending facility	19,23	**695.8**	764.0	857.3
Derivative instruments	19	**56.3**	90.4	100.9
Other non-current liabilities		**1.1**	0.7	25.4
Total non-current liabilities		**2,157.7**	2,156.8	2,308.6
Current liabilities				
Reserve-based lending facility	19,23	**125.0**	–	–
Asset retirement obligations	22	**15.4**	9.8	26.2
Tax payable	14	**140.0**	209.0	16.0
Derivative instruments	19	**35.9**	125.3	116.3
Trade payables and other current liabilities	24	**125.3**	140.6	130.5
Total current liabilities		**441.6**	484.7	289.1
Total liabilities		**2,599.3**	2,641.5	2,597.7
Total equity and liabilities		**3,412.9**	3,305.7	3,129.9

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.

Oslo
11 April 2024

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** Chief Executive Officer

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Consolidated Statement of Changes in Equity
As of 31 December

All figures in USD million	Share capital	Share premium fund	Treasury share reserve	Currency translation fund	Cash flow hedge reserve	Other equity	Total equity
2022							
Equity on 01.01.2022 as previously reported	29.5	707.0	(0.5)	2.6	(67.5)	(178.9)	492.2
Impact of restatement 01.01.2022 (note 10)						40.0	40.0
Restated equity 01.01.2022						(138.9)	532.2
Net result for the period						(30.5)	(30.5)
Impact of restatement 2022 (note 10)						21.7	21.7
Other comprehensive income							
Realised cash flow hedge	–	–	–	–	224.7	–	224.7
Related tax – realised cash flow hedge	–	–	–	–	(151.2)	–	(151.2)
Changes in fair value cash flow hedges	–	–	–	–	(40.4)	–	(40.4)
Related tax – changes in fair value cash flow hedges	–	–	–	–	48.2	–	48.2
Currency translation adjustments	–	–	–	(2.0)	–	–	(2.0)
Total other comprehensive income	–	–	–	(2.0)	81.4	–	79.3
Issue of shares	1.4	32.2	–	–	–	–	33.6
Capital reduction, approved and registered	(29.3)	29.3	–	–	–	–	–
Settlement derivatives/conversion bonds	–	–	–	–	–	21.0	21.0
Share-based incentive program	–	–	0.3	–	–	6.6	6.9
Total transactions with owners for the period	(27.8)	61.4	0.3	–	–	27.6	61.6
Equity as of 31.12.2022 restated	1.7	768.4	(0.1)	0.5	13.9	(120.1)	664.2
2023							
Equity as of 01.01.2023 restated	**1.7**	**768.4**	**(0.1)**	**0.5**	**13.9**	**(120.1)**	**664.2**
Net result for the period						**109.8**	**109.8**
Other comprehensive income							
Realised cash flow hedge	**–**	**–**	**–**	**–**	**(49.1)**	**–**	**(49.1)**
Related tax – realised cash flow hedge	**–**	**–**	**–**	**–**	**19.1**	**–**	**19.1**
Changes in fair value cash flow hedges	**–**	**–**	**–**	**–**	**107.8**	**–**	**107.8**
Related tax – changes in fair value cash flow hedges	**–**	**–**	**–**	**–**	**(66.8)**	**–**	**(66.8)**
Currency translation adjustments	**–**	**–**	**–**	**1.4**	**–**	**–**	**1.4**
Total other comprehensive income	**–**	**–**	**–**	**1.4**	**11.0**	**–**	**12.4**
Issue of shares	**0.0**	**14.5**	**–**	**–**	**–**	**–**	**14.6**
Settlement derivatives/conversion bonds[1]	**–**	**–**	**–**	**–**	**–**	**8.3**	**8.3**
Share-based incentive program	**–**	**–**	**0.0**	**–**	**–**	**4.3**	**4.4**
Total transactions with owners for the period	**0.0**	**14.5**	**0.0**	**–**	**–**	**12.6**	**27.2**
Equity as of 31.12.2023	**1.7**	**782.9**	**(0.1)**	**2.0**	**24.9**	**2.2**	**813.6**

(1) For further information see Borrowings note 22.

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Consolidated Statement of Cash Flows
For the year ended 31 December

USD million	Note	2023	2022 restated[1]
Cash flows from operating activities			
Net result for the year	10	**109.8**	(8.8)
Adjustments for:			
Income tax benefit/(expense)	14, 10	**133.7**	317.8
Net financial items	13, 10	**75.2**	168.7
Depreciation/impairment	11	**102.6**	133.5
Share-based payments expenses		**5.2**	1.4
Interest received[2]	13	**9.6**	2.0
Other financial items paid		**(8.4)**	(3.4)
Net gain on sale of assets	13	**–**	(0.2)
Changes in:			
Trade receivable	16	**34.1**	(7.8)
Trade payables	24	**11.5**	(15.6)
Inventories and spare parts	17	**1.2**	(4.5)
Prepayments	16	**(0.6)**	(4.2)
Over/under-lift	16	**6.3**	(7.7)
Other current balance sheet items[3]		**(0.6)**	1.6
Cash flow from operating activities		**479.7**	572.9
Tax (paid)/received		**(229.8)**	(11.6)
Net cash flow from operating activities		**249.9**	561.3
Cash flows from investing activities			
Long-term loan provided	16	**(2.8)**	(0.8)
Consideration sale of asset		**–**	0.3
Deferred consideration		**(25.0)**	–
Investment in oil and gas assets (excluding capitalised interest)	11	**(311.0)**	(241.6)
Investment in exploration and evaluation assets	9	**(0.1)**	(2.4)
Payments for decommissioning of oil and gas fields	22	**(8.7)**	(14.4)
Net cash flow from investing activities		**(347.6)**	(259.0)
Cash flows from financing activities			
Drawdown long-term liability	23	**50.0**	–
Repayment long-term liability	23	**–**	(100.0)
Lease payments		**(0.4)**	(0.4)
Sale of shares		**0.2**	5.4
Interest and fees external loan		**(53.6)**	(61.6)
Net cash flow from financing activities		**(3.9)**	(156.5)
Net change in cash and cash equivalents		**(101.6)**	145.8
Cash and cash equivalents at the beginning of the year		**268.4**	122.6
Cash and cash equivalents at end of the year		**166.7**	268.4

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.
(2) Excluding interest received from restricted bank accounts.
(3) Mainly currency adjustments balance sheet items.

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1 Summary of material accounting policies

BlueNord ASA ('BlueNord', '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, the Netherlands and the United Kingdom. The Company is listed on the Oslo Stock Exchange.

The consolidated financial statements for 2023 were approved by the Board of Directors on 11 April 2024 and will be presented for approval at the Annual General Meeting on 14 May 2024.

The material 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 BlueNord ASA have been prepared in accordance with the IFRS® Accounting Standards, as endorsed by the EU. The Group also provides information required in accordance with the Norwegian Accounting Act and associated NGAAP standards.

The preparation of financial statements in accordance with IFRS® Accounting Standards 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.

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 material accounting policies and disclosures

No change in 2023.

Amendments to standards

Standards and amendments to standards issued are either not expected to impact BlueNord's consolidated financial statements materially, or are not expected to be relevant to the consolidated financial statements upon adoption.

1.2 Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2023. Subsidiaries are all entities over which the Group has control. Control is achieved where the Group has the power over the subsidiary, has rights, or is exposed to variable returns from the subsidiary and has the ability to use its power to affect its returns. All subsidiaries are 100 percent owned by the Group and there are no non-controlling interests. There has not been any change in the Group's structure and ownership in 2023 compared to 2022.

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1 Summary of material accounting policies continued

The Group had the following subsidiaries on 31 December 2023:

Name	Country of incorporation and place of business	Nature of business	Ordinary shares directly held by parent (%)	Ordinary shares held by the Group (%)
BlueNord Denmark A/S	Denmark	Intermediate holding company		100%
BlueNord Energy Denmark A/S	Denmark	Exploration and production activity		100%
BlueNord Gas Denmark A/S	Denmark	Exploration and production activity		100%
BlueNord Energy 8/06 Denmark B.V	Netherlands	Exploration and production activity		100%
BlueNord Pipeline Denmark Aps	Denmark	Infrastructure oil and gas		100%
BlueNord UK Ltd	Great Britain	Exploration activity	100%	100%
BlueNord Energy UK Ltd	Great Britain	Exploration activity		100%
Altinex AS	Norway	Intermediate holding company	100%	100%
BlueNord AS	Norway	Dormant Company	100%	100%

Joint arrangements

BlueNord has interests in licences on the Danish Continental Shelf. A joint arrangement is defined as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Under IFRS 11 Joint Arrangements, a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. BlueNord recognises investments in joint operations (oil and gas production licences) by reporting its share of related revenues, expenses, assets, liabilities and cash flows under the respective items in the company's financial statements.

1.3 Segment reporting

The whole Group is considered a single operating segment.

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1 Summary of material accounting policies continued

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

All currency translation adjustments are recognised in other comprehensive income ('OCI').

1.5 Property, plant and equipment

Property, plant and equipment include the asset under construction ('AUC'), production facilities, pipelines, machinery and equipment. Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

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.

Direct and indirect expenditures related to the asset under construction are capitalised. The development phase commences when the licence partners have decided field evaluation.

Production facilities are depreciated in accordance with the unit-of-production method ('UoP') based on proven and probable reserves (the ratio between annual production quantity and the reserves). If realisation of probable reserves demands further future investments, these are added to the basis of depreciation.

Acquired assets used for extraction and production of petroleum deposits, are depreciated using the UoP method based on proven and probable reserves.

Onshore assets are depreciated over the estimated useful life, according to the straight-line method: three to five years. Pipelines are depreciated to the expiry of the licence, according to the straight-line method.

Depreciation methods, useful lives, residual values and reserves are reviewed at each reporting date and adjusted if appropriate.

1.6 Intangible assets

Licence rights

Licence rights acquired in a business combination are measured on initial recognition at cost. Following initial recognition, licence rights are depreciated using the UoP method based on proven and probable reserves.

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Notes continued

1 Summary of material accounting policies continued

1.7 Impairment of non-financial assets

The Group has no goodwill, no intangible assets with indefinite useful life or intangible assets not yet available for use and is therefore not required to perform impairment tests annually.

The Group's judgement is that the smallest identifiable assets or group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets is the DUC assets as a total. The Group's judgement is consequently that it has only one cash-generating unit ('CGU').

If there is any indication that the CGU may be impaired, recoverable amount shall be estimated for the CGU, and compared to its carrying amount. The recoverable amount is the higher of the fair value less costs of disposal and the value in use.

In estimating value in use, expected future cash flows are discounted to the net present value applying a discount rate after tax that reflects the current market valuation of the time value of money and risks specific to the CGU. The discount rate is derived from a weighted average cost of capital ('WACC') for a market participant. For the purpose of impairment testing the lifetime of the field is normally determined to be the time when the operating cash flows from the field become negative.

As the Company's shares are listed on the Oslo Stock Exchange, the market capitalisation is regarded as a good approximation of the fair value of the Group's equity. The Group's judgement is that it can make a reliable estimate of the fair value of its equity and thereby the CGU, based on its market capitalisation. Adjusted for any estimated differences between the carrying amounts and fair value of assets and liabilities not included in the CGU, the difference between its market capitalisation and carrying amount of equity is a reliable estimate of the difference between the estimated fair value and the carrying amount of the CGU ("headroom"). Adjusted for cost of disposal, if this gives a positive headroom, the CGU is not impaired and it is not necessary to estimate value in use, should and impairment test be required.

1.8 Financial instruments

The Group has financial instruments at fair value through profit or loss and at amortised cost. See note 19 Financial instruments.2 for overview of the categories.

The Group has designated derivatives as cash flow hedging instruments, see note 1.10, with the change in fair value temporarily to other comprehensive income.

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 amortised cost (note 3.1).

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 drawdown 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. For hybrid (combined) instrument that includes a non-derivative host contract that is not accounted for fair value though profit or loss ('FVTPL') and an embedded derivative that is accounted for at FVTPL such as the convertible bond, the Company has elected an accounting policy 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.

Further details on fair values of financial instruments are provided in note 19 Financial instruments.

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1 Summary of material accounting policies continued

1.9 Impairment of financial assets

The Group applies a simplified approach in calculating expected credit losses ('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 on future sale of oil and gas. The Group has elected to apply cash flow hedge accounting designating these derivatives. These derivative financial instruments are subsequently re-measured 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.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and short-term liquid placements, that immediately and with insignificant risk of changes in value can be converted to known cash amounts and with a remaining maturity less than three months from the date of acquisition.

1.12 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 over-lifting is measured at production expenses and the value of under-lifting is measured at the lower of production expenses and the estimated sales value, less estimated sales costs. 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 reporting date.

1.13 Borrowing costs

The Group capitalise borrowing costs that are directly attributable to the construction of qualifying assets. The Group identifies qualifying assets as those that necessarily takes 12 months or more to construct and get ready for its intended use. For the periods presented this is only the Tyra development project.

The Group calculates an annual weighted average interest rate based on general borrowings and multiplies with the average carrying amount of assets under construction. The amount of borrowing costs eligible for capitalisation each year is limited to the actual interest expense before capitalisation less interest income and gains on extinguishment of bond loans. See also note 10 Reclassification of borrowing cost.

Other borrowing costs are included as financial expenses in the consolidated statement of comprehensive income in the period in which they are incurred.

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1 Summary of material accounting policies continued

1.14 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 OCI or directly in equity. In this case, the tax is also recognised in OCI 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 reporting date in the countries where the Company and its subsidiaries operate and generate taxable income.

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 percent. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 percent. The 64 percent is calculated as the sum of the 'Chapter 2' tax of 25 percent plus a specific hydrocarbon tax (chapter 3A) of 52 percent, in which the 25 percent tax payable is deductible in the tax basis. When calculating the 52 percent tax, the Company is allowed to deduct an uplift (i.e., increased depreciation basis for tax purposes) of 30 percent of the investments in property, plant and equipment ('PP&E') over a period of 6 years. Through an agreement from 2017, licence holders on the Danish continental shelf have had the possibility of applying temporary new rules whereby the Company will have the possibility of increased uplift by 9 percent and accelerated depreciation during the period from 2017 to 2025. At the same time, an additional tax was introduced which will materialize from 2022 through 2037 if the oil price for the year (indexed from 2017) exceeds USD 75.0. The accumulated additional tax in the years 2022 through 2037 can not exceed the benefit received in previous years related to the increased uplift and accelerated depreciation. The additional tax is accounted for in the year the oil price exceed the thresholds.

1.15 Pensions

The Group only has defined contribution plans as of 31 December 2023 and 31 December 2022. The contributions are recognised as employee benefit expense for the periods they relate to.

1.16 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 or shares) of the Group. The fair value of the employee services received in exchange for the grant of the options or shares is recognised as an expense with a corresponding amount recognised to equity. The total amount to be expensed is determined by reference to the fair value of the options or shares granted.

1.17 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 recognised liability. Payments for decommissioning of oil and gas fields are included in investing activities in the cash flow statement, as the Group's judgement is that the nature of this expenditure is payment for an item of property, plant and equipment.

1.18 Revenue recognition

Revenue is recognised when the customer obtains control of the hydrocarbons, which is ordinarily at the point of delivery (lifting and sales) when title passes (sales method).

See note 1.12 for a description of accounting for over/under-lifting of hydrocarbons in the statement of financial position.

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1 Summary of material accounting policies continued

1.19 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.

1.20 Consolidated statement of cash flows

The consolidated statement of cash flows is prepared according to the indirect method. See note 1.11 for the definition of "Cash and cash equivalents".

Payments for decommissioning of oil and gas fields are included in investing activities, see note 1.17.

For payment of deferred consideration, the Group's judgement is that amounts that relates to obtaining control in a business combination is included in investing activities.

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 RBL facilities and 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 that 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 US dollars, euros, British pounds and Danish kroner. 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 Norwegian kroner and US dollars, Danish kroner and US dollars, euros and US dollars and British pounds and US dollars. The Group's statement of financial position includes significant assets and liabilities, which are recorded in other currencies than the Group's presentation currency. As such, the Group's equity is sensitive to changes in foreign exchange rates. See note 16 Non-current receivables, trade receivables and other current receivables, note 18 Restricted bank deposits, cash and cash equivalents, note 19 Financial instruments, note 22 Asset retirement obligations, note 23 Borrowings, note 24 Trade payables and other payables, and note 27 Contingencies and commitments. A decrease in the closing rate of Norwegian kroner, euros and Danish kroner with 10 percent compared to US dollars would have the following impact on financial assets, financial liabilities and equity:

USD million	NOK	DKK	EUR
Financial assets	0	52	3
Financial liabilities	0	8	(1)
Effect net result/equity	0	44	4

The Company considers the currency risk relating to the different financial instruments as 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.

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2 Financial risk management continued

(b) Price risk

BlueNord 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 2023, BlueNord 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 on 31 December 2023 of 10 percent 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
Net book value 31.12.23	9	9	0
Commodity price +10%	(22)	(22)	0
Commodity price -10%	22	22	0

The effect on equity shown in the table would be equal to the change in value of the commodity derivatives after tax. 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 BlueNord'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 1.2 billion (2022: USD 1.1 billion) in interest-bearing debt (carrying amount), the principal amount was USD 1.3 billion. The Group's RBL facility has a floating interest rate comprising the aggregate of SOFR and 4.0 percent per annum, while the Group's Bond debt (NOR 13 and NOR 14) have a fixed interest rate exposure. The RBL facility is linked to the SOFR rate as set at the time of redetermination. A variance of + 1 percent in the SOFR rate would result in USD 9.0 million of interest charges to BlueNord per annum, however the Company has hedged this interest rate until 30 June 2024 at a rate of 0.40 percent to cover any increase in SOFR rate. For further information about the Group's interest-bearing debt, see note 23.

All bank deposits (USD 380.7 million) are at floating interest rates. See note 18 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 2023, USD 125.0 million of the reserve-based lending facility is to be paid within the next 12 months.

Credit risk

The Group's 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 Natural gas liquids ('NGL's') 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.

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2 Financial risk management continued

2.2 Management of capital

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 percent of the Group's net profit after tax for the previous year. See further information regarding borrowings and covenants in note 23.

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 is one financial instrument, the embedded derivatives in the 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*	(14)	13
Effect Net result/Equity	*USD million*	(14)	13

The embedded derivatives are in jurisdictions where there are tax loss carried forward where no deferred tax assets are recognised. Therefore, it is concluded that there is no tax effect of the changes in fair value. See note 19 for fair value hierarchy and further information.

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3 Critical accounting estimates and judgements

3.1 Critical judgements in applying the entity's accounting policies

a) Accounting for convertible bond loan

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 convertible bond is either a financial liability (including certain embedded derivative features which may require separation) or a compound instrument (i.e., 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 have been assessed to not be readily separable and independent of each other, and as such are treated as a single compound embedded derivative. 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.

3.2 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 bond have been recognised separately at FVTPL. 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 more details, see note 2.3 and 19 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. Tax calculations are based on management's best assessment and interpretation of tax rules in place guided by industry tax practitioners. If it is expected that a sustainable tax position may be challenged by the tax authorities due to uncertainty in law interpretation, a provision is made to account for such uncertainty. Tax authorities can be of a different opinion than the Company. See also note 14.

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 22 Asset retirement obligations for further details about decommissioning and removal obligations.

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3 Critical accounting estimates and judgements continued

d) Depreciation and impairment of fixed assets

The Group has at 31 December 2023 not identified any impairment indicators. To substantiate that the additions to the carrying amount of its CGU due to capitalisation of interest (see note 10 Reclassification of borrowing cost) did not give rise to impairment, the Group has relied on its market capitalisation to arrive at an estimate of the headroom of the CGU. If the market capitalisation should decrease materially compared to the carrying amount of equity, this could become an impairment indicator and an impairment test in such a scenario could give rise to impairment of the CGU.

If the Group should have to estimate the recoverable amount based on estimated future cash flows, it would have to make significant judgements which could lead to significant estimation uncertainty. Estimation of future cash flows require long-term assumptions concerning a number of often volatile economic factors, including future oil and gas prices, production, commercially depletable reserves, levels of capex and opex, currency exchange rates and discount rates.

Unit of Production depreciations are amended on a prospective basis following regular reserves estimation updates performed by the Group.

See also note 1.7 Impairment of non-financial assets and note 12 Impairments related to impairment reviews and note 11 Property, plant and equipment for depreciation charges.

4 Revenue

USD million	2023	2022
Sale of oil	**485.6**	552.1
Sale of gas and NGL	**306.0**	408.4
Other income	**3.5**	6.4
Total Revenue	**795.0**	966.9
Oil – lifted volumes (mmbbl)	**7.16**	7.32
Effective oil price USD/bbl	**67.8**	75.5
Gas – lifted volumes (mmboe)	**2.20**	2.25
Effective gas price EUR/MWh	**75.7**	101.9
Effective gas price USD/boe	**139.1**	181.1

In 2023, sale of oil amounted to USD 485.6 million and sale of gas amounted to USD 306.0 million, realised prices were USD 67.8 per bbl of oil and USD 139.1 per boe gas lifted during the year, adjusted for settlement of price hedges in place with financial institutions.

During 2023, BlueNord 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 and gas. 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. For the year 2023, only a minor part of the price hedges exceeded the physical sale of oil and were recognised as financial cost.

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4 Revenue continued

Revenue per customer	2023	2022
Shell Trading International	**75.8%**	77.7%
Ørsted Salg & Service AS	**17.4%**	32.6%
Natixis(1)	**6.4%**	-8.0%
Shell Energy Europe Limited	**3.2%**	16.2%
BNP Paribas(1)	**2.4%**	-4.2%
Macquarie Bank Europe(1)	**2.1%**	0.0%
Crossbidge Energy A/S	**0.2%**	0.0%
Lloyds Bank Corporate Markets PLC(1)	**-2.2%**	-10.0%
SEB Skandinaviska Enskilda Banken AB(1)	**-2.3%**	-2.4%
CommonwealthBank(1)	**-3.0%**	-1.9%
Total Revenue	**100.0%**	100.0%

(1) Settlement of commodity hedges in place with financial institutions.

5 Production expenses

USD million	2023	2022
Direct field opex	**(243.8)**	(233.1)
Tariff and transportation expenses	**(34.9)**	(43.3)
Production general and administrative	**(17.3)**	(32.1)
Field operating cost	**(295.9)**	(308.5)
Total produced volumes (mmboe)	**9.1**	9.8
In USD/boe	**(32.5)**	(31.6)
Adjustments for:		
Concept studies	**(6.2)**	(1.5)
Change in inventory position	**(6.7)**	4.0
Over/under-lift of oil and NGL	**(6.3)**	7.7
Insurance and other	**(21.9)**	(19.4)
Stock scrap	**(3.0)**	(5.6)
Production expenses	**(340.1)**	(323.4)

Production expenses for the year directly attributable to the lifting and transportation to market of BlueNord's oil and gas production is in total USD 295.9 million, which equates to USD 32.5 per boe produced during 2023 (2022: USD 31.6 per boe produced). Actual production expenses in 2023 were in line with the expectation. To maintain high base production, activity on workovers and well work continued in 2023.

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6 Exploration and evaluation expenses

USD million	2023	2022
Other exploration and evaluation expenses	**(1.4)**	(0.7)
Total exploration and evaluation expenses	**(1.4)**	(0.7)

7 Personnel expenses

USD million	Note	2023	2022
Salaries		**(10.3)**	(9.2)
Social security tax		**(1.4)**	(1.0)
Pension costs	21	**(0.7)**	(0.5)
Costs relating to share-based payments		**(5.2)**	(1.4)
Other personnel expenses		**(0.4)**	(0.4)
Total personnel expenses		**(18.0)**	(12.5)
Average number of employees		**37.3**	30.5

Long-term Performance Share Programme

In 2022, an annual Long-term Performance Share Programme was implemented with effect from 1 January 2022, replacing the Share Option Programme as BlueNord's LTI plan for executives and employees. The programme applies to all permanent employees. More details on the Long-term performance share programme see the Executive remuneration report for 2023.

Key management personnel compensation

Key management personnel compensation comprises the following:

USD 1 000	2023	2022
Short-term employee benefits	**2,239**	1,898
Post-employment benefits	**98**	70
Share-based payments	**787**	5,303
Total remuneration to key management	**3,124**	7,271

Please see the Executive Remuneration Report 2023 for compensation to key management and Board of Directors in the period 2019-2023.

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8 Other operating expenses

USD million	2023	2022
Consultant fees	**(9.4)**	(15.3)
Other operating expenses	**(4.7)**	(3.8)
Total other operating expenses	**(14.1)**	(19.1)

USD 1000, excl. VAT	2023	2022
Auditor's fees	**(580.0)**	(625.8)
Other assurance service	**(6.9)**	–
Other service	**(86.1)**	(84.6)
Total audit fees	**(673.0)**	(710.4)

9 Intangible assets

Intangible assets at 31 December 2023

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
Book value 31.12.22	**1.8**	**1.9**	**156.6**	**160.4**
Acquisition costs 31.12.22	**1.8**	**1.9**	**186.0**	**189.8**
Additions	**0.1**	**–**	**–**	**0.1**
Reclassified to operating expenses	**–**	**(1.9)**	**–**	**(1.9)**
Acquisition costs 31.12.23	**1.9**	**–**	**186.0**	**187.9**
Accumulated depreciation, amortisation and write-downs 31.12.22	**–**	**–**	**(29.4)**	**(29.4)**
Depreciation/amortisation	**–**	**–**	**(6.9)**	**(6.9)**
Accumulated depreciation, amortisation and write-downs 31.12.23	**–**	**–**	**(36.3)**	**(36.3)**
Book value 31.12.23	**1.9**	**–**	**149.7**	**151.6**

Intangible assets at 31 December 2022

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
Book value 31.12.21	1.4	–	164.7	166.0
Acquisition costs 31.12.21	1.4	–	186.0	187.4
Additions	0.5	1.9	–	2.4
Acquisition costs 31.12.22	1.8	1.9	186.0	189.8
Accumulated depreciation and write-downs 31.12.21	–	–	(21.3)	(21.3)
Depreciation/amortisation	–	–	(8.0)	(8.0)
Accumulated depreciation and write-downs 31.12.22	–	–	(29.4)	(29.4)
Book value 31.12.22	1.8	1.9	156.6	160.4

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10 Restatement of borrowing cost

In preparing the financial statements for 2023, the Group discovered that it had not capitalised borrowing costs on qualifying assets under construction. This relates to the Tyra redevelopment project. The project had started already when the Group acquired Shell's Danish upstream Assets medio 2019. The Group has not borrowed funds specifically for the purpose of the development project. The Group did not identify that it should have capitalised borrowing costs based on its general borrowings.

The Group identifies qualifying assets as those that takes over 12 months to get ready for its intended use. For the periods presented this is only the Tyra redevelopment project. The Group calculates a weighted average interest rate per year based on outstanding borrowings (the bond loans and the RBL). It uses the effective interest rates in these calculations. The interest rates used for capitalisation have been:

2019	2020	2021	2022	**2023**
7.4%	8.6%	8.1%	8.5%	**8.4%**

The average carrying amount of assets under construction each year have been multiplied by these interest rates to arrive at the borrowing costs that could be capitalised. The amount of borrowing costs eligible for capitalisation has been calculated as the actual interest expense before capitalisation less interest income and gains on extinguishment of bond loans. Tyra II started production 21 March 2024 hence the qualifying assets were ready for its intended use early 2024, consequently it is not expected any capitalisation of borrowing costs going forward.

Based on this, the Group has calculated the amounts of borrowing costs to be capitalised each year in USD million:

2019	2020	2021	2022	**2023**
12.4	40.2	58.5	60.3	**78.0**

The capitalised amounts have increased the carrying amounts of the Group's assets.

The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summaries the impacts on the Group's consolidated financial statement.

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10 Restatement of borrowing cost continued

Consolidated Statement of Comprehensive Income:

USD million	Note	2022	Adj.	2022 restated
Operating result before depreciation, amortisation and impairment ('EBITDA')		611.2	–	611.2
Depreciation/amortisation/impairment	11	(133.5)		(133.5)
Net operating result ('EBIT')		477.7	–	477.7
Financial income	13	61.3	–	61.3
Financial expenses	13	(290.3)	60.3	(230.0)
Net financial items		(229.0)	60.3	(168.7)
Result before tax ('EBT')		248.7	60.3	309.0
Income tax benefit/(expense)	14	(279.2)	(38.6)	(317.8)
Net result for the year[(1)]		(30.5)	21.7	(8.8)
Basic earnings/loss USD per share	15	(1.2)		(0.4)
Diluted earnings/loss USD per share	15	(1.2)		(0.4)

(1) 100 percent attributable to equity holders of the parent company

Consolidated Statement of Financial position:

Year ended 31.12.2022 USD million	Note	As previously reported	Adjustments	As restated
Non-current assets				
Intangible assets	9	160.4	–	160.4
Deferred tax assets	14	348.8	(109.7)	239.1
Property, plant and equipment	11	1,911.9	171.4	2,083.3
Right of Use asset		0.9	–	0.9
Restricted bank deposits	18, 19	203.7	–	203.7
Receivables non-current	16	0.8	–	0.8
Derivative instruments	19	33.7	–	33.7
Total non-current assets		2,660.1	61.7	2,721.8
Total current assets		583.9	–	583.9
Total assets		3,244.0	61.7	3,305.7
Equity				
Share capital	20	1.7	–	1.7
Other equity		600.8	61.7	662.5
Total equity		602.5	61.7	664.2
Total liabilities		2,641.5	–	2,641.5
Total equity and liabilities		3,244.0	61.7	3,305.7

Notes continued

10 Restatement of borrowing cost continued

01.01.2022 USD million	Note	As previously reported	Adjustments	As restated
Non-current assets				
Intangible assets	9	166.0	–	166.0
Deferred tax assets	14	526.3	(71.1)	455.2
Property, plant and equipment	11	1,898.7	111.1	2,009.8
Right of Use asset		0.7	–	0.7
Restricted bank deposits	18, 19	205.5	–	205.5
Receivables non-current	16	–	–	–
Derivative instruments	19	9.7	–	9.7
Total non-current assets		2,806.9	40.0	2,846.9
Total current assets		283.0	–	283.0
Total assets		3,089.9	40.0	3,129.9
Equity				
Share capital	20	29.5	–	29.5
Other equity		462.7	40.0	502.7
Total equity		492.2	40.0	532.2
Total liabilities		2,597.7	–	2,597.7
Total equity and liabilities		3,089.9	40.0	3,129.9

There is no impact on the net cash flows from operating, investing or financing activities for the year ended 31 December 2022.

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11 Property, Plant and Equipment

Property, plant and equipment at 31 December 2023

USD million	Asset under construction[2]	Production facilities	Other assets	Total
Book value 31.12.22 restated[1]	**1,222.3**	**859.6**	**1.4**	**2,083.3**
Acquisition costs 31.12.22 restated	**1,222.3**	**1,252.5**	**3.1**	**2,477.9**
Sale of assets	–	–	(0.0)	(0.0)
Additions[3]	322.7	65.9	0.4	388.9
Reclassification from AUC to production facilities	(122.2)	122.2	–	–
Reclassification from capex to opex	–	1.5	–	1.5
Revaluation abandonment assets	–	49.4	–	49.4
Disposals	–	–	(0.3)	(0.3)
Currency translation adjustment	–	0.1	0.0	0.1
Acquisition costs 31.12.23	**1,422.8**	**1,491.5**	**3.1**	**2,917.4**
Depreciation and write-downs 31.12.22	–	**(392.9)**	**(1.7)**	**(394.6)**
Sale of asset, reversal depreciation	–	–	0.0	0.0
Depreciation	–	(94.9)	(0.2)	(95.1)
Disposals	–	–	0.2	0.2
Currency translation adjustment	–	(0.0)	(0.0)	(0.0)
Depreciation and write-downs 31.12.23	–	**(487.9)**	**(1.7)**	**(489.5)**
Book value 31.12.23	**1,422.8**	**1,003.7**	**1.4**	**2,427.9**

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.
(2) Mainly related to Tyra redevelopment.
(3) Includes capitalisation of borrowing cost, se note 13.

Property, plant and equipment at 31 December 2022

USD million	Asset under construction	Production facilities	Other assets	Total
Book value 31.12.21 as previously reported	818.5	1,078.5	1.7	1,898.7
Impact of restatement 01.01.2022	111.1	–	–	111.1
Book value 01.01.2022 restated	929.6	–	–	2,009.8
Acquisition costs 01.01.2022 restated	929.6	1,346.6	3.1	2,279.4
Sale of assets	–	(0.2)	(0.2)	(0.4)
Additions	292.7	9.1	0.2	301.9
Revaluation abandonment asset	–	(102.8)	–	(102.8)
Currency translation adjustment	–	(0.1)	(0.1)	(0.2)
Acquisition costs 31.12.22 restated	1,222.3	1,252.5	3.1	2,477.9
Accumulated depreciation and write-downs 01.01.2022	–	(268.2)	(1.4)	(269.6)
Sale of asset, reversal depreciation	–	0.1	–	0.1
Depreciation	–	(124.8)	(0.3)	(125.1)
Currency translation adjustment	–	0.0	0.0	0.0
Accumulated depreciation and write-downs 31.12.22	–	(392.9)	(1.7)	(394.6)
Book value 31.12.22 restated	1,222.3	859.6	1.4	2,083.3

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12 Impairments

Impairment reviews

See note 1.7 for the accounting policies related to impairment of non-financial assets.

The Group's judgement is that it has only one cash-generating unit (CGU). The Group has not identified any impairment triggers in 2023 or 2022. It is consequently not required to perform any impairment tests.

In its annual financial statements for 2022 the Group disclosed that it had made an estimate of value in use of its CGU. This amount was materially lower than an estimate of fair value less cost of disposal based on market capitalisation. In 2023, the Group has corrected an error, see note 10, and capitalised accumulated borrowing costs on assets under construction. The estimated value in use would not exceed the carrying amount including capitalised borrowing costs.

However, the market capitalisation which can be used to reliably estimate the fair value of the CGU shows a good headroom also including capitalised borrowing costs on 31 December 2023 and 2022. Market capitalisation was USD 1,281.6 million and USD 1,028.9 million on 31 December 2023 and 2022, respectively, based on US dollar and Norwegian kroner rates at these points in time. Carrying amount of equity, after capitalisation of borrowing costs, was USD 813.6 million and USD 664.2 million on 31 December 2023 and 2022, respectively.

The Group also notes that IAS 36.23 states that estimates and computational short cuts may provide reasonable approximations of the detailed computations for determining fair value less costs of disposal.

Consequently, the Group has not recognised any impairments in 2022 or 2023. It also do not present any sensitivity analysis. If the market capitalisation should decrease materially compared to the carrying amount of equity, this could become an impairment indictor and an impairment test in such a scenario could give rise to impairment of the CGU.

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13 Financial income and expenses

Financial income

USD million	2023	2022
Total interest income	**17.8**	4.0
Value adjustment interest swap unrealised(1)	**–**	12.7
Volume protection true-up	**0.6**	–
Extinguishment of bond loans	**1.0**	33.7
Foreign exchange gains	**3.7**	11.0
Total other financial income	**5.3**	57.3

Financial expenses

USD million	2023	2022 restated(3)
Interest expense from bond loans	**(44.9)**	(46.5)
Interest expense from bank debt(2)	**(51.9)**	(51.4)
Less capitalised borrowing cost(3)	**78.0**	60.3
Total interest expenses	**(18.9)**	(37.6)
Value adjustment interest swap unrealised(1)	**(0.7)**	–
Value adjustment of embedded derivatives(4)	**(14.1)**	(132.3)
Utilisation of derivatives	**(0.1)**	–
Accretion expense related to asset retirement obligations	**(49.3)**	(48.0)
Foreign exchange losses	**(12.3)**	(8.5)
Other financial expenses	**(3.0)**	(3.4)
Total other financial expenses	**(79.5)**	(192.3)
Net financial items	**(75.2)**	(168.7)

(1) Fair value adjustment of the ineffective part of the interest swap related to RBL facility
(2) Net of the effective part of the realised interest swap, related to RBL facility
(3) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost
(4) Fair value adjustment of the embedded derivatives of the convertible bonds

14 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 percent. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 percent. The 64 percent is calculated as the sum of the 'Chapter 2' tax of 25 percent plus a specific hydrocarbon tax (chapter 3A) of 52 percent, in which the 25 percent tax payable is deductible. Income generated in Norway and United Kingdom is subject to regular corporate tax at 22 percent.

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14 Tax continued

Tax expense

USD million Income tax in profit/loss (Danish corporate income tax and hydrocarbon tax)	2023	2022 restated*
Income tax current year	**(63.3)**	(139.9)
Solidarity contribution, current(1)	**(72.2)**	–
Repayment of tax benefit related to chapter 3b	**–**	(62.7)
Income tax for prior years	**(10.1)**	(2.0)
Current income tax	**(145.5)**	(204.6)
Deferred tax movements	**(65.8)**	(65.9)
Deferred tax movements, impact of restatement 2022		(38.6)
Solidarity contribution, deferred(1)	**70.5**	–
Prior year adjustment, deferred tax	**7.1**	(8.6)
Deferred tax expense	**11.8**	(113.1)
Tax (expense)/income	**(133.7)**	(317.8)

(1) The current tax accrual includes 33 percent 'solidarity contribution', the EU-regulated temporary tax to be levied on fossil fuel companies in 2023 in Denmark. As this contribution may be offset against hydrocarbon tax, the charge does not lead to an increase in the overall tax percentage applied.

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 percent hydrocarbon tax.

Tax (expense)/income related to OCI	2023	2022
Cash flow hedges	**(47.7)**	(102.9)
Tax (expense)/income related to OCI	**(47.7)**	(102.9)

Income tax on OCI is related to the 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 percent hydrocarbon tax.

	Hydrocarbon tax 64%		Corporate tax 22%		
Reconciliation of nominal to actual tax rate	**2023**		**2023**		**In total**
Result before tax	**237.2**		**6.3**		**243.6**
Expected tax on profit before tax	**151.8**	**64%**	**1.4**	**22%**	**153.2**
Tax effect of:					
Prior year adjustment	**4.2**	**2%**	**(1.3)**	**-20%**	**2.9**
FX adjustment of net operating losses carried forward in DKK(1)	**(24.6)**	**-10%**	**–**	**0%**	**(24.6)**
Investment uplift on CAPEX projects(2)	**(42.6)**	**-18%**	**–**	**0%**	**(42.6)**
Permanent differences(3)	**37.9**	**16%**	**3.0**	**48%**	**40.9**
No recognition of tax assets in Norway and UK	**–**	**0%**	**3.8**	**61%**	**3.8**
Tax expense (income) in profit/loss	**126.8**	**53%**	**7.0**	**110%**	**133.7**

(1) Impact of changes in USD/DKK exchange rate on loss carried forward as the tax losses are carried forward in DKK.
(2) The tax cost in the hydrocarbon tax regime is positively impacted by the 39 percent investment uplift on the Tyra Redevelopment project.
(3) This is related to the portion of interest cost not deductible under the Danish interest limitation rules.

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14 Tax continued

Reconciliation of nominal to actual tax rate, continues	Hydrocarbon tax 64% 2022 restated*		Corporate tax 22% 2022		In total
Result before tax	424.4		(115.4)		309.0
Expected tax on profit before tax	271.6	64%	(25.4)	22%	246.2
Tax effect of:					
Prior year adjustment	9.6	2%	0.2	0%	9.8
FX adjustment of net operating losses carried forward in DKK[1]	37.3	9%	–	0%	37.3
Repayment of tax benefit related to chapter 3b[2]	30.1	7%	–	0%	30.1
Investment uplift on CAPEX projects[3]	(36.8)	-9%	–	0%	(36.8)
Permanent differences	–	0%	29.1	-25%	29.1
No recognition of tax assets in Norway and UK	–	0%	2.0	2%	2.0
Tax expense (income) in profit/loss	311.8	73%	6.0	5%	317.8

(1) Impact of changes in USD/DKK exchange rate on loss carried forward as the tax losses are carried forward in DKK.
(2) From 2022 and onwards, an additional tax cost related to the special 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 additional tax levied cannot exceed the accumulated tax benefit achieved from the special tax incentive rules during the development period. The received benefit is estimated at USD 92 million by year end 2023. For 2023 the estimated additional tax is nil (2022: USD 30.1 million).
(3) The cost in the hydrocarbon tax regime is positively impacted by the 39 percent investment uplift on the Tyra Redevelopment project.

	Hydrocarbon tax 64% 2023		**Corporate tax 22% 2023**		**In total**
OCI before tax	**82.8**	**–**	**(22.7)**	**–**	**60.1**
Expected tax on OCI before tax	**(53.0)**	**64%**	**5.0**	**22%**	**(48.0)**
Tax effect of:					
Non-taxable currency translation adjustment	**–**	**–**	**0.3**	**–**	**0.3**
Tax in OCI	**(53.0)**	**64%**	**5.3**	**22%**	**(47.7)**

	Hydrocarbon tax 64% 2022		Corporate tax 22% 2022		In total
OCI before tax	148.5	–	33.7	–	182.3
Expected tax on OCI before tax	(95.1)	64%	(7.4)	22%	(102.5)
Tax effect of:					
Non-taxable currency translation adjustment	–	–	0.4	–	0.4
Tax in OCI	(95.1)	64%	(7.9)	22%	(102.9)

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14 Tax continued

Current income tax payable	2023	2022
Tax payable relates to the Group's entities in Denmark. The amounts payable as of 31.12.23 were:		
Corporate tax for 22% (Denmark)	**(4.6)**	(13.9)
Hydrocarbon tax (Denmark)	**(73.7)**	(126.3)
Hydrocarbon tax for prior years (Denmark)	**(12.9)**	(12.7)
Hydrocarbon tax pertaining to pre-acquisition period 2019 not indemnified by the Seller	**–**	(10.2)
Solidarity contribution	**(48.8)**	–
Repayment of tax benefit related to chapter 3b	**–**	(45.9)
Tax payables	**(140.0)**	(209.0)

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 140.0 million, which includes USD 131.0 million actual cash payable to be paid in 2024 and USD 9.0 million in provision for uncertain tax positions.

Deferred tax

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

The recognised deferred tax asset is allocated 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	01.01.23 restated*	Effect recognised in profit/loss	Effect recognised in OCI	31.12.2023
Property, plant and equipment	**745.9**	**67.0**	**–**	**812.8**
Intangible assets, licences	**25.1**	**4.3**	**–**	**29.4**
Inventories and receivables	**29.3**	**4.6**	**–**	**33.8**
Asset retirement obligation ('ARO') provision	**(564.5)**	**(59.5)**	**–**	**(623.9)**
Other assets and liabilities	**(2.8)**	**(0.1)**	**–**	**(2.9)**
Tax loss carryforward, corporate tax (22%)	**–**	**–**	**–**	**–**
Tax loss carryforward, chapter 2 tax (25%)	**(0.1)**	**0.1**	**–**	**–**
Tax loss carryforward, chapter 3a tax (52%)	**(471.9)**	**(28.1)**	**32.3**	**(467.7)**
Deferred tax asset, net	**(239.1)**	**(11.7)**	**32.3**	**(218.5)**

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14 Tax continued

USD million Deferred tax and deferred tax asset	01.01.22 restated*	Effect recognised in profit/loss	Effect recognised in OCI	31.12.2022 restated
Property, plant and equipment	624.0	12.1	–	636.1
Property, plant and equipment, impact of restatement 2022	71.1	38.6	–	109.7
Intangible assets, licences	17.2	7.9	–	25.1
Inventories and receivables	26.7	2.6	–	29.3
Asset retirement obligation ('ARO') provision	(611.1)	46.7	–	(564.5)
Other assets and liabilities	–	(2.8)	–	(2.8)
Tax loss carryforward, corporate tax (22%)	(2.0)	0.1	1.9	–
Tax loss carryforward, chapter 2 tax (25%)	(22.8)	(14.4)	37.1	(0.1)
Tax loss carryforward, chapter 3a tax (52%)	(558.3)	28.5	57.9	(471.9)
Deferred tax asset, net	(455.2)	119.2	96.9	(239.1)

Tax loss carryforwards

Tax losses are recognised 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 capitalised.

Tax losses in Denmark and UK under the hydrocarbon tax regime may be carried forward indefinitely and the utilisation is not subject to an annual cap. Losses are carried forward in Danish kroner and British pound.

Tax losses carried forward, Denmark. In million DKK	2023	2022
Corporate tax (22%)	**–**	–
Chapter 2 Hydrocarbon tax (25%)	**–**	–
Chapter 3a Hydrocarbon tax (52%)	**5,523.2**	5,773.0

Tax losses carried forward, Norway. In million NOK	2023	2022
Corporate tax Norway (22%)	**1,204.2**	1,071.0

Tax losses carried forward, UK. In million GPB/USD	2023	2022
Trade losses, UK (hydrocarbon s 330 (2)), USD	**78.0**	75.0
Trade losses, UK (hydrocarbon), USD	**100.1**	96.0
Pre-trading capital expenditure, UK (hydrocarbon), GBP	**41.6**	41.0

* The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.

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15 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.

USD million	2023	2022 restated[1]
Profit (loss) attributable to ordinary shareholders from operations	**109.8**	(8.8)
Adjustment amortisation convertible bond loans	**26.9**	28.8
Adjustment fair value embedded derivatives	**14.1**	132.3
Profit (loss) basis for fully diluted shareholders from operations	**178.9**	174.0
Number of shares outstanding at the beginning of the year	**25,571,262**	24,110,852
Conversion part of convertible bond	**497,425**	1,159,411
Sale of treasury shares	**36,641**	300,999
Number of shares outstanding at the end of the year	**26,105,328**	25,571,262
Weighted average number of shares (basic)	**26,043,859**	25,004,296
Adjustment convertible bond loan[2]	**4,809,743**	5,822,649
Adjustment option schemes	**378,869**	391,868
Weighted average number of shares (diluted)	**31,232,471**	31,218,813
Earnings per share in USD	**4.2**	(0.4)
Earnings per share in USD diluted	**4.2**	(0.4)

(1) The comparative information is restated on account of correction of error. See note 10 Reclassification of borrowing cost.
(2) The BNOR15 convertible bond loan is converted to number of shares by dividing the principal amount at year end (USD 228.4 million, 2022: USD 207.6 million) with the conversion price (47.5 USD/share, 2022: 38.8 USD/share) as this is less favourable. The conversion price is 99 percent of the volume-weighted average price ('VWAP') for the last 20 days (483.1 NOK/share, 2022: 382.9 NOK/share) converted to USD by using the closing rate at year end (10.17 NOK/USD, 2022: 9.86 NOK/USD).
In 2022, the BNOR13 convertible bond loan was converted to number of shares by dividing the principal amount at year end (USD 13.8 million) with the strike price (28.97 USD share) as this was less favourable.

16 Non-current receivables, trade receivables and other current assets

USD million	2023	2022
Non-current assets		
Convertible loan CarbonCuts	**1.1**	0.2
Loan CarbonCuts	**2.6**	0.6
Total non-current receivables	**3.7**	0.8
Current assets		
Trade receivables	**59.9**	94.4
Under-lift of oil/NGL	**2.6**	8.9
Prepayments	**24.8**	24.2
Other receivables	**1.4**	1.1
Total trade receivables and other current receivables	**88.7**	128.6

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16 Non-current receivables, trade receivables and other current assets continued

Aging analysis of trade receivables on 31 December 2023

USD million	Total	Not past due	Past due > 30 days	Past due 30–60 days	Past due 61–90 days	Past due 91–120 days	Past due > 120 days
Trade receivables	**59.9**	**59.9**	–	–	–	–	–
Total	**59.9**	**59.9**	–	–	–	–	–

Aging analysis of trade receivables on 31 December 2022

USD million	Total	Not past due	Past due > 30 days	Past due 30–60 days	Past due 61–90 days	Past due 91–120 days	Past due > 120 days
Trade receivables	94.4	94.4	–	–	–	–	–
Total	94.4	94.4	–	–	–	–	–

17 Inventories

USD million	2023	2022
Product inventory, oil	**15.0**	21.6
Other stock (spares and consumables)(1)	**39.7**	34.3
Total inventories	**54.7**	55.9

(1) As of 31.12.2023 there is no provision for obsolete stock.

18 Restricted bank deposits, cash and cash equivalents

USD million	2023	2022
Non-current assets		
Restricted bank deposits pledged as security for abandonment obligation related to Nini/Cecilie	**64.3**	61.1
Restricted bank deposits pledged as security for cash call obligations towards TotalEnergies(1)	**149.6**	142.5
Total non-current restricted bank deposits	**213.9**	203.7
Current assets		
Unrestricted cash and cash equivalents	**166.7**	268.4
Restricted bank deposits(2)	**0.1**	0.1
Total current cash and cash equivalents	**166.9**	268.4
Total bank deposits	**380.7**	472.1

(1) BlueNord has made a USD 140.0 million bank deposit into a security account to secure future requests for anticipated payments related to capital and operating expenditures in accordance with the security agreement with TotalEnergies E&P Denmark A/S as operator of the DUC. No further transfer to the security account will be made, except that interest earned will be accrued in the account.
(2) Tax Withholding Account.

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19 Financial instruments

19.1 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 31.12.23

USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Derivative instruments interest swap, ineffective part	–	1.2	–	1.2
Financial assets at fair value hedging instruments				
– Derivative instruments interest swap	–	20.4	–	20.4
– Derivative instruments price hedge	–	64.1	–	64.1
Total assets	–	85.7	–	85.7
Liabilities				
Financial liabilities at fair value through profit or loss				
– Embedded derivatives convertible bond BNOR15[(1)]	–	–	53.0	53.0
Financial liabilities at fair value hedging instruments				
– Derivative instruments price hedge	–	39.2	–	39.2
Total liabilities	–	39.2	53.0	92.2

(1) For more information see section 18.2, 18.3 and note 2.3.

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19 Financial instruments continued

On 31.12.2022

USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Derivative instruments interest swap, ineffective part	–	11.1	–	11.1
Financial assets at fair value hedging instruments				
– Derivative instruments interest swap	–	44.6	–	44.6
– Derivative instruments price hedge	–	108.9	–	108.9
Total assets	–	164.6	–	164.6
Liabilities				
Financial liabilities at fair value through profit or loss				
– Embedded derivatives convertible bond BNOR13	–	–	10.0	10.0
– Embedded derivatives convertible bond BNOR15	–	–	38.9	38.9
Financial liabilities at fair value hedging instruments				
– Derivative instruments price hedge	–	166.8	–	166.8
Total liabilities	–	166.8	48.9	215.7

19.2 Financial instruments by category

On 31.12.23

USD million	**Financial assets at amortised cost**	**Assets at fair value through profit or loss**	**Hedging instruments at fair value**	**Total**
Assets				
Convertible loan CarbonCuts	**1.1**	**–**	**–**	**1.1**
Loan CarbonCuts	**2.6**	**–**	**–**	**2.6**
Derivative instruments interest swap	**–**	**–**	**21.6**	**21.6**
Derivative instruments price hedge	**–**	**–**	**64.1**	**64.1**
Trade receivables and other current assets	**88.7**	**–**	**–**	**88.7**
Restricted bank deposits	**214.0**	**–**	**–**	**214.0**
Cash and cash equivalents	**166.7**	**–**	**–**	**166.7**
Total	**473.1**	**–**	**85.7**	**558.8**

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19 **Financial instruments** continued

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Hedging instruments at fair value	Total
Liabilities				
Derivative instruments price hedge	**–**	**–**	**39.2**	**39.2**
Embedded derivatives convertible bond BNOR15[1]	**–**	**53.0**	**–**	**53.0**
Convertible bond loan	**201.7**	**–**	**–**	**201.7**
Senior unsecured bond loan	**169.1**	**–**	**–**	**169.1**
Reserve-based lending facility	**820.8**	**–**	**–**	**820.8**
Trade payables and other current liabilities	**125.3**	**–**	**–**	**125.3**
Total	**1,316.9**	**53.0**	**39.2**	**1,409.1**

(1) For more information see section 18.1, 18.3 and note 2.3.

On 31.12.2022 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Hedging instruments at fair value	Total
Assets				
Convertible loan CarbonCuts	0.2	–	–	0.2
Loan CarbonCuts	0.6	–	–	0.6
Derivative instruments interest swap	–	–	55.7	55.7
Derivative instruments price hedge	–	–	108.9	108.9
Trade receivables and other current assets	128.6	–	–	128.6
Restricted bank deposits	203.7	–	–	203.7
Cash and cash equivalents	268.4	–	–	268.4
Total	601.5	–	164.6	766.1

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Hedging instruments at fair value	Total
Liabilities				
Derivative instruments price hedge	–	–	166.8	166.8
Embedded derivatives convertible bond BNOR15	–	38.9	–	38.9
Embedded derivatives convertible bond BNOR13	–	10.0	–	10.0
Convertible bond loans	188.7	–	–	188.7
Senior unsecured bond loan	166.9	–	–	166.9
Reserve-based lending facility	764.0	–	–	764.0
Deferred consideration	25.0	–	–	25.0
Trade payables and other current liabilities	115.6	–	–	115.6
Total	1,260.2	48.9	166.8	1,476.0

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19 Financial instruments continued

19.3 Financial instruments – fair values

Set out below is a comparison of the carrying amounts and fair value of financial instruments on 31 December 2023:

USD million	Total amount outstanding(1)	Carrying amount	Fair value
Financial assets			
Convertible loan CarbonCuts		1.1	1.1
Loan CarbonCuts		2.6	2.6
Derivative instruments interest swap		21.6	21.6
Derivative instruments price hedge		64.1	64.1
Trade receivables and other current assets		88.7	88.7
Restricted bank deposits		214.0	214.0
Cash and cash equivalents		166.7	166.7
Total		**558.8**	**558.8**
Financial liabilities			
Derivative instruments price hedge		39.2	39.2
Embedded derivative convertible bond BNOR15(2)		53.0	53.0
Convertible bond loan	228.4	201.7	175.4
Senior unsecured bond loan	175.0	169.1	175.0
Reserve-based lending facility	850.0	820.8	850.0
Trade payables and other current liabilities		125.3	125.3
Total	**1,253.4**	**1,409.1**	**1,417.9**

(1) Total amount outstanding on the bonds and under the RBL facility.
(2) For more information see section 19.1, 19.2 and note 2.3.

The RBL facility is measured at amortised cost. Transaction costs are deducted from the amount initially recognised and are expensed over the period during which the debt is outstanding under the EIR method. The capital outstanding is USD 850 million on 31 December 2023.

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

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19 Financial instruments continued

The BNOR15 instrument has been determined to contain embedded derivatives which are accounted for separately as derivatives at FVTPL, while the loan element subsequent to initial recognition is measured at amortised cost and transaction costs are included in the amortised cost. The embedded derivative is valued on an option valuation basis; the carrying value as on 31 December 2023 was USD 53.0 million. The assumptions in establishing the option value as on 31 December 2023 are shown below.

The following tables list the inputs to the model used to calculate the fair value of the embedded derivatives:

BNOR15		2023
Valuation date	(date)	**31 Dec 23**
Agreement execution date	(date)	**30 Dec 22**
Par value of bonds	(USD)	**228,427,464**
Reference share price at time of agreement	(NOK)	**413**
Share price at 31.12.2023	(NOK)	**498**
Fair value at grant date	(USD)	**38,928,552**
Fair value at 31.12.2023	(USD)	**53,038,213**
PIK interest rate	(%)	**8.00%**
Expected remaining life	(years)	**2.0**
Number of options	(#)	**4,441,461**
Conversion price	(NOK)	**537**
Fixed FX rate of agreement	(USD:NOK)	**10.440**
Risk-free rate (based on government bonds)	(%)	**3.36%**
Expected volatility	(%)	**45.39%**
Model used		**Black – Scholes – Merton**

19.4 Hedging

The Group actively seeks to reduce the market-related risks it is exposed to, including (i) commodity prices, (ii) market-linked floating interest rates and (iii) foreign exchange rates.

The Company has a rolling hedge requirement under its RBL facility based on a minimum level of production corresponding to the RBL's production forecast. The requirement is for the following volumes and time periods: (i) Year 1: 50% of oil volume and 20% of gas volume, or 50% of oil equivalent volume; (ii) Year 2: 40 percent oil volume; and (iii) Year 3: 10 percent oil volume. The Company's hedges are compliant with this requirement. Currently all the Company's commodity price hedging arrangements are forward contracts.

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 November 2021 until 30 June 2024. From 1 January until 30 June 2024 the swap transaction is USD 900 million. As a result, the Company pays interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin (4.5% from February 2023) until expiry of the hedge contracts.

As a result of the agreement to acquire Shell Olie- og Gasudvinding Danmark B.V. on 31 July 2019, BlueNord 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 could have been required if actual production exceeded the pre-agreed level. The production level at which any recovery payment would be made to Shell has consistently been above actual production and therefore the Company does not have any payments due from this agreement as of 31 December 2023.

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During Q1 and Q3 2023 the Company entered foreign exchange hedges to secure fixed US dollar to Danish kroner exchange rates for selected future payments in relation to taxes, VAT and cash calls related to the Company's forecast cash flows.

Hedge accounting is applied to all the Company's hedging arrangements. To the extent more than 100 percent of the market-related risk is hedged, the portion above 100 percent is considered ineffective, and the value adjustment is treated as a financial item in the Income Statement. In 2023, the majority of the Company's arrangements in relation to commodity prices were effective; the minor part that exceeded the physical sale of oil was recognised as financial cost. No part of the foreign exchange hedge was considered ineffective. However, the Company's interest rate hedge above the drawn amount of the RBL, of USD 850 million, on 31 December 2023 was considered ineffective and the value adjustment is treated as a financial item in the Income Statement. Time Value related to commodity hedging arrangements is considered insignificant and generally the valuation of the instruments do not take into consideration the time value.

	Maturity					
As at 31.12.2023	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 oil:						
Notional quantity (in mbbl)	–	**900.0**	**900.0**	**882.0**	**882.0**	**3,540.0**
Notional amount (in USD million)	–	**55.2**	**55.2**	**63.3**	**63.3**	**259.8**
Average hedged sales price (in USD/bbl)	–	**61.3**	**61.3**	**71.7**	**71.7**	**73.4**
Commodity forward sales contracts gas:						
Notional quantity (in mMWh)	–	**420.0**	**285.0**	**285.0**	**270.0**	**450.0**
Notional amount (in EUR million)	–	**41.8**	**14.6**	**14.6**	**14.8**	**22.9**
Average hedged sales price (in EUR/MWh)	–	**99.4**	**51.3**	**51.3**	**54.7**	**50.9**

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)
Realised cash flow hedge on revenue	242.2
Realised cash flow hedge on financial items	(17.5)
Related tax – realised cash flow hedge	(151.2)
Changes in fair value cash flow hedge	(40.4)
Related tax – changes in fair value cash flow hedge	48.2
Balance as of 31.12.2022	13.9
Realised cash flow hedge on revenue	**(19.7)**
Realised cash flow hedge on financial items	**(29.3)**
Related tax – realised cash flow hedge	**19.1**
Changes in fair value cash flow hedge	**107.8**
Related tax – changes in fair value cash flow hedge	**(66.8)**
Balance as of 31.12.2023	**24.9**

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20 Share capital

BlueNord owns 100.521 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 January 2022	24,549,013	29.5
Issue of shares	1,159,411	1.4
Capital reduction, approved and registered	–	(29.3)
Number of shares and share capital as of 31 December 2022	25,708,424	1.7
Issue of shares	**497,425**	**0.0**
Number of shares and share capital as of 31 December 2023	**26,205,849**	**1.7**

	No. of shares	Treasury share reserve*
Number of treasury shares and treasury share reserve as of 01 January 2022	(438,161)	(0.5)
Sale of treasury shares	300,999	0.3
Number of treasury shares and treasury share reserve as of 31 December 2022	(137,162)	(0.1)
Sale of treasury shares	**36,641**	**0.0**
Number of treasury shares and treasury share reserve as of 31 December 2023	**(100,521)**	**(0.1)**

* In USD million.

Changes in 2023

The Company received conversion notice from bondholders holding BNOR13 and BNOR15 bonds for total principal amount of USD 14.6 million in 2023, which pursuant to the bond terms are convertible into 497,425 new shares in the Company. The BNOR13 conversion in January had a conversion price of USD 28.9734, the following conversions had a conversion price of USD 51.4307 according to the new bond terms. Following such conversions, the share capital is increased with NOK 268.5/USD 32.7 thousands.

The Company sold 36,641 of its own shares during the year, of which 23,641 shares was related to first award of the LTI programme. The shares price at transfer date was 475 NOK/share. In addition, 13.000 shares were sold to cover exercise of options held by former employees at strike price 160 NOK/share.

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20 Share capital continued

Changes in 2022

The Company received conversion notice from bondholders holding NOR13 Bonds for total principal amount of USD 33.6 million, which pursuant to the bond term was convertible into 1,159,411 new shares in the Company at a conversion price of USD 28.9734. Following such conversions, the share capital was increased with NOK 11.6/USD 1.4 million.

The share capital was reduced with NOK 243.2/USD 29.3 million by reducing the nominal value of the shares. The reduction amount was transferred to the share premium fund. The share capital reduction was registered in the Norwegian Registry of Business Enterprises on 28 December 2022. Following the share capital reduction, the Company's share capital was NOK 13.9/USD 1.7 million divided on 25,708,424 shares, each with a nominal value of NOK 0.5398295.

The Company sold 300,999 of its own shares in relation to exercise of options held by former Director of the Board and former members of the Executive Team.

Overview of shareholders at 02 April 2024:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,815,172	26.0%	26.0%
Goldman Sachs International	5,096,153	19.4%	19.4%
Barclays Bank PLC	2,105,007	8.0%	8.0%
SOBER AS	1,850,000	7.1%	7.1%
J.P. Morgan Securities LLC	1,459,883	5.6%	5.6%
The Bank of New York Mellon SA/NV	949,183	3.6%	3.6%
BNP Paribas	621,520	2.4%	2.4%
CLEARSTREAM BANKING S.A.	509,620	1.9%	1.9%
Citibank, N.A.	499,653	1.9%	1.9%
State Street Bank and Trust Comp	494,195	1.9%	1.9%
Sbakkejord AS	425,500	1.6%	1.6%
FINSNES INVEST AS	313,000	1.2%	1.2%
SOSYFR INVEST AS	308,070	1.2%	1.2%
HANASAND	263,150	1.0%	1.0%
ALTO HOLDING AS	238,300	0.9%	0.9%
VELDE HOLDING AS	230,000	0.9%	0.9%
Morgan Stanley & Co. Int. Plc.	210,055	0.8%	0.8%
JPMorgan Chase Bank, N.A., London	200,872	0.8%	0.8%
OUSDAL AS	200,000	0.8%	0.8%
SONGA CAPITAL AS	185,735	0.7%	0.7%
Total	**22,975,068**	**87.7%**	**87.7%**
Other owners (ownership <0.67%)	3,230,781	12.3%	12.3%
Total number of shares at 02 April 2024	**26,205,849**	**100.0%**	**100.0%**

* Nominee holder.

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21 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 amount to USD 732.2 thousand for 2023. For 2022, the corresponding costs were USD 512.9 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.

22 Asset retirement obligations

USD million	31.12.2023	31.12.2022
Balance on 01.01.	**955.8**	1,029.2
Provisions and change of estimates made during the year	**52.6**	(107.0)
Accretion expense	**49.2**	48.1
Incurred cost removal	**(8.7)**	(14.4)
Currency translation adjustment	**0.1**	(0.1)
Total provision made for asset retirement obligations	**1,049.0**	955.8
Breakdown of short-term and long-term asset retirement obligations		
Short-term	**15.4**	9.8
Long-term	**1,033.7**	946.1
Total provision for asset retirement obligations	**1,049.0**	955.8

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 5.5 percent. The credit margin included in the discount rate is 2.9 percent.

The change in estimate during the year includes an increase of USD 24 million due to change in expected timing of close in of production from Gorm and Harald and a change to cost estimates of USD 9 million mainly in relation to Dan. Further, the asset retirement estimate from the operator includes both US dollar and Danish kroner costs and as a result there is an increase of USD 16 million due to the strengthening of Danish kroner to US dollar. The liability towards Nini and Cecilie licence partners increased by USD 3 million due to currency adjustment. 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 BlueNord's share of the Nini/Cecilie licences, however BlueNord remains liable for the asset retirement obligation towards the licence partners. The liability related to Nini/Cecilie is capped at the escrow amount, which is currently USD 64.3 million/DKK 433.6 million.

The balance as per 31 December 2023 is USD 981.4 million for DUC, USD 64.3 million for Nini/Cecilie, USD 1.5 million for Lulita (non-DUC share) and USD 1.9 million for Tyra F-3 pipeline.

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22 Asset retirement obligations continued

Sensitivity analysis

The table below shows how the asset retirement obligation excluding Nini/Cecilie 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	984.7	
Abandonment Cost Estimate increase +40.0%	1,376.0	40.0%
Abandonment Cost Estimate increase +10.0%	1,081.1	10.0%
Abandonment Cost Estimate decrease -10.0%	884.6	-10.0%
Abandonment Cost Estimate decrease -30.0%	688.0	-30.0%
Discount rate +1.0%	859.1	-13.0%
Discount rate -1.0%	1,128.8	15.0%
Inflation rate +1.0%	1,127.1	15.0%
Inflation rate -1.0%	859.1	-13.0%

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Notes continued

23 Borrowings

23.1 Summary of borrowings

USD million	31.12.2023 Principal amount	31.12.2023 Book value	31.12.2022 Principal amount	31.12.2022 Book value
BNOR13 Convertible Bond(1)	**–**	**–**	13.8	13.1
BNOR15 Convertible Bond(2)	**228.4**	**201.7**	207.6	175.7
BNOR14 Senior Unsecured Bond(3)	**175.0**	**169.1**	175.0	166.9
Total non-current bonds	**403.4**	**370.8**	396.5	355.6
Reserve-based lending facility(4)	**725.0**	**695.8**	800.0	764.0
Total non-current debt	**725.0**	**695.8**	800.0	764.0
Reserve-based lending facility(4)	**125.0**	**125.0**	–	–
Deferred Consideration(5)	**–**	**–**	25.0	25.0
Total current debt	**125.0**	**125.0**	25.0	25.0
Total borrowings	**1,253.4**	**1,191.6**	1,221.5	1,144.6

Note: Book values reported on the basis of amortised cost for BNOR14, the RBL facility and the convertible bond loan element of BNOR13 and BNOR15.

(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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. In December 2022, the majority of the remaining convertible loan was transferred into the new convertible instrument, BNOR15 and, of the remaining USD 13.8 million outstanding on 31 December 2022, USD 14.2 million was converted into equity by 26 January 2023, which includes conversion of USD 0.5 million in accumulated interests. The remaining BNOR13 bond was then subject to the amendments as proposed by the Company in November 2022 and USD 48.2 thousand compensation bonds were issued on 26 January. The amendment to BNOR13 terms aligns the terms of the remaining bond with that of the BNOR15 bond. In December 2023, USD 195,723 was converted into equity and so the outstanding value of BNOR13 is USD 63 as per 31 December 2023. Given the insignificant amount outstanding on BNOR13, this has been assumed as nil in the reporting.

(2) The Company issued a convertible bond loan of USD 207.6 million in December 2022, with a five-year tenor and a conversion to equity or cash settlement after three years (31 December 2025). BNOR15 is made up of a transfer from BNOR13 of USD 151.4 million plus additional compensation bonds of USD 56.2 million. In the same way as BNOR13, 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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. Conversion price of USD 51.4307 per share. In Q1 2023, USD 0.1 million was converted into equity. For more information on the bond terms see **www.bluenord.com/debt**.

(3) The Company issued a senior unsecured bond of USD 175 million in 2019, due in June 2026. The bond carries an interest of 9 percent p.a., payable semi-annually. In July 2021, BlueNord'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 BNOR14 bondholders. Based on this written resolution, the maximum Leverage Ratio has been amended to 7.0x (from 5.0x) 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, BlueNord's minimum bank deposits 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). Both the leverage covenant and minimum liquidity threshold have been satisfied as at end of 2023. Leverage is 2.18x (against a threshold of 5.0x).

(4) The Company entered into an increased RBL 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 percent per annum, 4.5 percent per annum from February 2023. The amount outstanding as at 31 December is USD 850 million.

(5) In accordance with the Sales Purchase Agreement USD 25 million of the consideration was paid in March 2023. Included in Trade payables and other current liabilities, see note 24.

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23 Borrowings continued

Movements in interest-bearing liabilities	31.12.22	Cash flows: Receipts/payments	Cash flows: Interest and financing cost	Non–cash changes: Conversion to shares	Non–cash changes: Move from LT to ST	Non–cash changes: Amortisation	**31.12.23**
BNOR13 Convertible Bond	13.1	–	–	(13.2)	–	0.1	**(0.0)**
BNOR15 Convertible Bond	175.7	–	–	(0.1)	–	26.2	**201.7**
BNOR14 Senior Unsecured Bond	166.9	–	(15.8)	–	–	17.9	**169.1**
Reserve-based lending facility[1]	764.0	50.0	(37.9)	–	(125.0)	44.6	**695.8**
Total movement non-current interest-bearing liabilities	1,119.6	50.0	(53.6)	(13.3)	(125.0)	88.9	**1,066.6**
Reserve-based lending facility	–	–	–	–	125.0	–	**125.0**
Deferred Consideration[2]	25.0	(25.0)	–	–	–	–	**–**
Total movement current interest-bearing liabilities	25.0	(25.0)	–	–	125.0	–	**125.0**
Total movement in interest-bearing liabilities	1,144.6	25.0	(53.6)	(13.3)	–	88.9	**1,191.6**

(1) The cash outflow from interest and financing cost of USD 37.9 million and the change in amortisation of USD 44.6 million on the reserve-based lending facility is net of realised gain on interest swap of USD 46.4 million.
(2) Classified as investing activity in the Cash Flow as it is related to the acquisition in 2019.

Movements in interest-bearing liabilities	31.12.21	Cash flows: Receipts/payments	Cash flows: Interest and financing cost	Conversion to shares	Non-cash changes: Conversion BNOR15	Non-cash changes: Amortisation	31.12.22
BNOR13 Convertible Bond	157.1	–	–	(29.6)	(143.3)	28.8	13.1
BNOR15 Convertible Bond	–	–	(4.4)	–	180.1	–	175.7
BNOR14 Senior Unsecured Bond	164.9	–	(15.8)	–	–	17.7	166.9
Reserve-based lending facility	857.3	(100.0)	(41.4)	–	–	48.1	764.0
Total movement non-current interest-bearing liabilities	1,179.3	(100.0)	(61.6)	(29.6)	36.8	94.6	1,119.6
Deferred Consideration	25.0	–	–	–	–	–	25.0
Total movement current interest-bearing liabilities	25.0	–	–	–	–	–	25.0
Total movement in interest-bearing liabilities	1,204.3	(100.0)	(61.6)	(29.6)	36.8	94.6	1,144.6

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23 Borrowings continued

23.2 Details on borrowing

Details on borrowings outstanding on 31 December 2023

Reserve based lending facility

In April 2021, BlueNord 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 licence and security over insurances, hedging contracts, project accounts, intercompany loans and material contracts. The pledged assets on 31 December 2023 amounted to USD 1,355 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, BlueNord Denmark A/S, BlueNord Energy Denmark A/S, BlueNord Gas Denmark A/S by BlueNord ASA.

BNOR13

In July 2019, BlueNord 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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. Should the instrument be in place beyond the five-year conversion period, the interest rate on BNOR13 will be reduced to 0.0 percent for the remaining term of the loan.

In November 2022, BlueNord had proposed for some amendments to the BNOR13 bond which includes a two-year delay in the mandatory conversion date (8 November 2023 to 31 December 2025) following the expected Tyra first gas date and an inclusion of a call option to allow the Company to redeem the BNOR13 bond with cash in December 2025. To reflect the premium of the then share price relative to the BNOR13 previous conversion price, the principal amount has been updated from approximately USD 165 million to approximately USD 227 million by way of issuance of compensation bonds. Conversion price has been reset to USD 51.4307 per share and interest rate remains unchanged.

In December 2022, the majority of the convertible was transferred into a new convertible instrument, BNOR15, with the remaining BNOR13 bond still being subject to the amendments proposed by the Company in November 2022. The value of the BNOR13 convertible bond at year end is USD 63.

BNOR14

In December 2019, BlueNord 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 percent p.a., payable semi-annually, with a six and a half-year tenor.

BNOR15

In December 2022, BlueNord launched an exchange offer for the BNOR13 bondholders in exchange for a new subordinated convertible bond of USD 208 million, with revised terms and a later and more flexible conversion date in 2025. The Company issued a total of 207,641,201 new BNOR15 bonds, each with a nominal value of USD 1. The BNOR15 bond terms mirror the amendments of the BNOR13 bond except that, inter alia, a tap issue mechanism has been included. Interest payments are on similar terms with BNOR13, which is an interest of 8 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually.

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Notes continued

23 Borrowings continued

23.3 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 BlueNord ASA. BlueNord must also demonstrate minimum liquidity on a look forward basis of USD 50 million during the relevant period, which is the latest of completion of the Tyra redevelopment project and following 12-month period. 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. BlueNord is in compliance with these covenants at the end of 2023.

BNOR14

In July 2021, BlueNord'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 BNOR14 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, BlueNord'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). BlueNord is in compliance with the covenants at the end of 2023.

23.4 Payment structure

Payment structure (USD million) at 31.12.2023:

Year	BNOR15[1]	BNOR14	Reserve–Based Lending Facility	Total
2024	–	–	125.0	125.0
2025	–	–	275.0	275.0
2026	–	175.0	275.0	450.0
2027	–	–	137.5	137.5
2028	–	–	37.5	37.5
Total	**–**	**175.0**	**850.0**	**1,025.0**

(1) Any redemption and repurchase of bonds are acted by BlueNord as Issuer. The Bondholders will have the right of a mandatory redemption but only in a case of a Change of Control event (which will be notified by BlueNord). In the table it is assumed that it will be no cash payments on BNOR15.

Notes continued

23 Borrowings continued

Year	BNOR15	BNOR14	Reserve-Based Lending Facility	Total
Interest rate	**–**	**9.0%**	**SOFR****	
2024	–	15.8	85.5	101.3
2025	–	15.8	63.4	79.2
2026	–	7.9	36.0	43.9
2027	–	–	9.6	9.6
2028	–	–	0.3	0.3
Total	**–**	**39.4**	**194.9**	**234.3**

* BNOR13/BNOR15 carries a variable interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum PIK cumulative interest, rolled up semi-annually, to add to BNOR13/BNOR15 capital on conversion at expiry of the bond. Currently, the Company has elected the PIK interest of 8 percent and is therefore forecasting no cash interest payments on BNOR13/BNOR15 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. BlueNord will, as a result, pay interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin.

23.5 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	2023	2022
BlueNord ASA shares in Altinex AS	**396.8**	393.5
Altinex AS shares in BlueNord Energy 8/06 Denmark B.V and other companies	**614.7**	614.7
Loans from Parent to subsidiaries	**343.2**	308.3
Total net book value	**1,354.7**	1,316.5

24 Trade payables and other payables

USD million	2023	2022
Trade payable	**17.5**	17.0
Liabilities to operators relating to joint venture licences	**70.9**	66.8
Accrued interest	**1.3**	3.3
Salary accruals	**2.4**	2.5
Public duties payable	**12.8**	8.3
Deferred consideration	**–**	25.0
Other current liabilities	**20.3**	17.7
Total trade payables and other current liabilities	**125.3**	140.6

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24 Trade payables and other payables continued

Trade and other payables held in currency

USD million	2023	2022
USD	**40.2**	54.7
DKK	**70.3**	71.2
EUR	**12.3**	11.3
GBP	**0.8**	0.8
NOK	**1.7**	2.6
Total	**125.3**	140.6

25 Guarantees

Overview of issued guarantees on 31 December 2023

The parent company of the Group, BlueNord ASA ('BlueNord'), has issued a parent company guarantee to the Danish Ministry of Climate, Energy and Building on behalf of its subsidiary BlueNord Energy Denmark A/S and BlueNord Gas Denmark A/S.

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 Danish continental shelf, including BlueNord's participation in the Tyra West Pipeline 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. BlueNord has also provided a parent company guarantee to Shell Energy Europe Limited in relation to its subsidiary BlueNord Energy Denmark A/S's obligations under a gas offtake and transportation agreement capped at EUR 30 million.

Furthermore, the Company has provided a parent company guarantee to Total E&P Denmark A/S for its obligations under the JOA together with a guarantee from Shell. BlueNord 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 BlueNord's historic operations in the UK North Sea, the Company has issued a parent company guarantee on behalf of its subsidiaries BlueNord UK Ltd and BlueNord Energy UK Limited.

On 31 December 2012, BlueNord issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. BlueNord guarantees that, if any amounts become payable by Noreco Norway AS to the Norwegian Secretary of State under the licences and the company does not repay those amounts on first demand, BlueNord shall pay to the Norwegian Secretary of State on demand an amount equal to all such amounts. Noreco Norway AS was liquidated in 2018, however as per 31 December 2023, the guarantee has not been withdrawn.

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26 Investments in jointly owned assets

Investments in jointly own assets are included in the accounts by recognising the Group's share of the assets, liabilities, revenues and expenses related to the joint operation.

The Group holds the following licence equities on 31 December 2023:

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 the DUC, the Company has a 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 for BlueNord is expected to be around USD 310 million per year. Capital and abandonment expenditure for individual projects, such as Tyra, are approved separately.

BlueNord'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 which in 2024 has been increased to DKK 27.4 billion of which DKK 24.8 billion had been incurred by the end of 2023. Based on the current project schedule, BlueNord will be required to fund its proportional share of DKK 2.6 million of this remaining expenditure over the coming year. Further, BlueNord has capital commitments to a well to be drilled on Harald East in 2024 with a gross DUC budget of DKK 506 million.

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 19 million per year (2023: USD 19 million) BlueNord share.

In addition to the above and in order to obtain the consent of TotalEnergies EP Danmark A/S to the acquisition, BlueNord Energy Denmark A/S agreed to deposit cash in a secured cash call security account in favour of TotalEnergies EP Danmark A/S (the concessionaire in respect of the Sole Concession). On 31 December 2023, the escrow account was USD 149.6 million. All payment obligations from BlueNord 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 following 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.

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27 Contingencies and commitments continued

Contingent liabilities

In relation to the Nini and Cecilie fields, BlueNord 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 BlueNord, but the liability is in any and all circumstances limited to a maximum amount equal to the restricted cash account of USD 64.3 million (DKK 433.6 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, BlueNord 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 recognised 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 judgement.

BlueNord 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

Other than fees to Directors of the Board the Group did not have any transactions with related parties during 2023.

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.

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Income Statement for BlueNord ASA (Parent Company) for the year ended 31 December

USD million	Note	2023	2022
Total revenues	2, 13	**3.7**	2.6
Personnel expenses	10, 13	**(5.8)**	(4.4)
Other operating expenses	12, 13	**(3.5)**	(4.1)
Total operating expenses		**(9.3)**	(8.5)
Operating result before depreciation, amortisation and impairment ('EBITDA')		**(5.6)**	(5.9)
Depreciation, amortisation and impairment		**(0.1)**	(0.0)
Net operating result ('EBIT')		**(5.7)**	(6.0)
Reversal of financial assets	10	**0.5**	–
Interests received from Group companies		**34.7**	25.1
Interest income		**1.2**	0.2
Foreign exchange gains		**2.0**	0.1
Total financial income		**38.4**	25.4
Extinguishment of bond loans	5	**(1.7)**	(57.5)
Amortised cost from bond loans		**(36.5)**	(32.8)
Interest expenses current liabilities		**(0.0)**	(0.0)
Issue of compensation bonds		**(0.0)**	–
Foreign exchange losses		**(1.7)**	(11.5)
Impairment of financial assets	10	**(0.5)**	(2.7)
Other financial expenses		**(2.7)**	2.5
Total financial expenses		**(43.1)**	(101.9)
Net financial items		**(4.7)**	(76.5)
Result before tax ('EBT')		**(10.4)**	(82.5)
Tax	11	**–**	–
Net result for the year		**(10.4)**	(82.5)
Appropriation:			
Allocated to/(from) other equity		**(10.4)**	(82.5)
Total appropriation		**(10.4)**	(82.5)

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Balance Sheet for BlueNord ASA (Parent Company) for the year ended 31 December

USD million	Note	31.12.23	31.12.22
ASSETS			
Non-current assets			
Financial non-current assets			
Investment in subsidiaries	3	**396.8**	393.5
Loan to Group companies	10	**342.1**	311.0
Restricted bank deposits	4	**64.3**	61.1
Machinery and equipment		**0.0**	0.1
Other non-current assets		**0.0**	0.0
Total non-current assets		**803.2**	765.7
Current assets			
Trade receivables		**0.0**	0.0
Other current receivables		**0.3**	0.7
Total current receivables		**0.3**	0.7
Financial current assets			
Restricted bank deposits		**0.1**	0.1
Cash and cash equivalents		**0.3**	6.0
Total financial current assets		**0.5**	6.1
Total current assets		**0.8**	6.9
Total assets		**804.0**	772.5

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Balance Sheet for BlueNord ASA continued (Parent Company) for the year ended 31 December

USD million	Note	31.12.23	31.12.22
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital		**1.7**	1.7
Share premium fund		**782.9**	768.4
Treasury share reserve		**(0.1)**	(0.1)
Total paid-in capital		**784.5**	769.9
Retained earnings			
Other equity		**(395.6)**	(390.7)
Total retained earnings		**(395.6)**	(390.7)
Total equity	7	**388.9**	379.2
Non-current liabilities			
Convertible bond loans	5	**228.4**	223.2
Bond loan	5	**169.1**	166.9
Other non-current liabilities		**0.0**	–
Total non-current liabilities		**397.5**	390.1
Current liabilities			
Trade payables		**16.1**	1.6
Other current liabilities		**1.4**	1.7
Total current liabilities		**17.6**	3.3
Total liabilities		**415.1**	393.3
Total equity and liabilities		**804.0**	772.5

Oslo
11 April 2024

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
Chief Executive Officer

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Cash Flow for BlueNord ASA
(Parent Company) for the year ended 31 December

USD million	Note	2023	2022
Net result for the period		**(10.4)**	(82.5)
Adjustments for:			
Depreciation/impairment	10	**0.1**	0.0
Share-based payments expenses		**1.9**	0.5
Net financial cost/(income)		**4.7**	76.5
Interest received		**0.1**	0.2
Other financial items paid		**(0.0)**	(0.2)
Changes in:			
Trade receivable		**0.1**	(0.1)
Trade payables		**14.6**	1.8
Prepayments		**0.0**	(0.2)
Other current balance sheet items		**(0.6)**	(0.9)
Net cash flow from operations		**10.6**	(4.7)
Cash flows from investing activities			
Loans to Group companies		**(0.7)**	7.6
Investment in furniture, equipment and machinery		**(0.0)**	(0.0)
Net cash flow from investing activities		**(0.7)**	7.6
Cash flows from financing activities			
Sale of shares	7	**0.2**	5.4
Interest and financing costs		**(15.8)**	(20.2)
Net cash flow from (used) in financing activities		**(15.5)**	(14.8)
Net change in cash and cash equivalents		**(5.7)**	(11.9)
Cash and cash equivalents at the beginning of the period		**6.0**	17.9
Cash and cash equivalents at end of the year		**0.3**	6.0

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1 Accounting principles

BlueNord ASA is a public limited liability company registered in Norway, with headquarters in Oslo (Nedre Vollgate 1, 0158 Oslo).

The annual accounts for Blue Nord ASA ('BlueNord' 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 2023.

The Company is listed on the Oslo Stock Exchange under the ticker 'BNOR'. The financial statements for 2023 were approved by the Board of Directors on 11 April 2024 and will be presented for approval at the Annual General Meeting on 14 May 2024.

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 12 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 judgement. Areas, which to a great extent contain such judgements, 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 BlueNord 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 to book value.

Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

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1 Accounting principles continued

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 non-current 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.

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.

Interest-bearing bond loans, convertible bond loans and other debt to financial institutions

Interest-bearing bond loans, convertible bond loans and borrowings are initially recognised at fair value, net of transaction costs incurred and the conversion option is not separated. Subsequently, loans and borrowings are measured at amortised cost using the EIR 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 carryforward 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 recognised 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 and shares) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

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1 Accounting principles continued

The total amount to be expensed is determined by reference to the fair value of the options and shares granted:

Fair value:

- includes any market performance conditions; and
- 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 and shares 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 and shares 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 and shares are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

2 Revenue

USD million	2023	2022
Management fee subsidiaries	**3.7**	2.6
Total revenue	**3.7**	2.6

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%	287.3	(3.4)	396.8
BlueNord UK Ltd	Great Britain	100%	(2.0)	(0.4)	–
BlueNord AS	Oslo	100%	0.0	(0.0)	–
Book value 31.12.23					**396.8**

The impairment test as of 31 December 2023 justifies the overall value of Altinex and its subsidiaries.

4 Restricted bank deposits

USD million	2023	2022
Restricted bank deposits pledged as security for abandonment obligation related to Nini/Cecilie[1]	**64.3**	61.1
Other restricted bank deposits[2]	**0.1**	0.1
Total restricted bank deposits	**64.4**	61.2

(1) In connection to the asset retirement obligation of USD 64.3 million (DKK 434 million) in the Group Company BlueNord Energy Denmark.
(2) Tax Withholding Account.

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5 Borrowings

5.1 Summary of borrowings

USD million	2023	2022
BNOR13 Convertible Bond	–	14.2
BNOR15 Convertible Bond	**228.4**	209.0
BNOR14 Senior Unsecured Bond	**169.1**	166.9
Total non-current bonds	**397.5**	390.1
Total borrowings	**397.5**	390.1

Details on borrowings outstanding on 31 December 2023

BNOR13

In July 2019, BlueNord 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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. Should the instrument be in place beyond the five-year conversion period, the interest rate on BNOR13 will be reduced to 0.0 percent for the remaining term of the loan.

In November 2022, BlueNord had proposed for some amendments to the BNOR13 bond which includes a two-year delay in the mandatory conversion date (08 November 2023 to 31 December 2025) following the expected Tyra first gas date and an inclusion of a call option to allow the Company to redeem the BNOR13 bond with cash in December 2025. To reflect the premium of the then share price relative to the BNOR13 previous conversion price, the principal amount has been updated from approximately USD 165 million to approximately USD 227 million by way of issuance of compensation bonds. Conversion price has been reset to USD 51.4307 per share and interest rate remains unchanged.

In December 2022, the majority of the remaining convertible loan was transferred into the new convertible instrument, BNOR15 and, of the remaining USD 13.8 million outstanding on 31 December 2022, USD 14.2 million was converted into equity by 26 January 2023, including conversion of USD 0.5 million in accumulated interests. The remaining BNOR13 bond was then subject to the amendments as proposed by the Company in November 2022 and USD 48.2 thousand compensation bonds were issued on 26 January. The amendment to BNOR13 terms aligns the terms of the remaining bond with that of the BNOR15 bond. In December 2023, USD 195,723 was converted into equity and so the outstanding value of BNOR13 is USD 63 in Q4 2023. Given the insignificant amount outstanding on BNOR13, this has been assumed as nil in the reporting.

BNOR14

The Company issued a senior unsecured bond of USD 175 million in 2019, due in June 2026. The bond carries an interest of 9 percent p.a., payable semi-annually. In July 2021, BlueNord'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 BNOR14 bondholders. Based on this written resolution, the maximum Leverage Ratio has been amended to 7.0x (from 5.0x) 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, BlueNord's minimum bank deposits 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).

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5 Borrowings continued

BNOR15

The Company issued a convertible bond loan of USD 207.6 million in December 2022, with a five-year tenor and a conversion to equity or cash settlement after three years (31 December 2025). BNOR15 is made up of a transfer from BNOR13 of USD 151.4 million plus additional compensation bonds of USD 56.2 million. Similarly, to BNOR13, 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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. In Q1 2023, USD 0.1 million was converted into equity.

5.2 Covenants

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 BlueNord ASA. BlueNord must also demonstrate minimum bank deposits on a look forward basis of USD 50 million during the relevant period, which is the latest of completion of the Tyra redevelopment project and following 12-month period. 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. BlueNord is in compliance with these covenants at the end of 2023.

BNOR14

In July 2021, BlueNord'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 BNOR14 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, BlueNord's minimum bank deposits 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). BlueNord is in compliance with the covenants at the end of 2023.

5.3 Payment structure

Principal	BNOR14	Total
2026	175.0	175.0
Total	**175.0**	**175.0**

Interest payments at 31.12.2023	BNOR15*	BNOR14	Total
Interest rate	–	9.00%	
2024	–	15.8	15.8
2025	–	15.8	15.8
2026	–	7.9	7.9
Total	**–**	**39.4**	**39.4**

* BNOR15 carries a variable interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum PIK cumulative interest, rolled up semi-annually, to add to BNOR15 capital on conversion at expiry of the bond. Currently, the Company has elected the PIK interest of 8 percent and is therefore forecasting no cash interest payments on BNOR15 in the above table.

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5 Borrowings continued

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 23 in the Consolidated financial statements.

6 Guarantees

Overview of issued guarantees on 31 December 2023

The parent company of the Group, BlueNord ASA ('BlueNord'), has issued a Parent Company guarantee to the Danish Ministry of Climate, Energy and Building on behalf of its subsidiary BlueNord Energy Denmark A/S and BlueNord Gas Denmark A/S.

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 Danish continental shelf, including BlueNord's participation in the Tyra West Pipeline 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. BlueNord has also provided a parent company guarantee to Shell Energy Europe Limited in relation to its subsidiary BlueNord Energy Denmark A/S's obligations under a gas offtake and transportation agreement capped at EUR 30 million.

Furthermore, the Company has provided a parent company guarantee to Total E&P Denmark A/S for its obligations under the JOA together with a guarantee from Shell. BlueNord 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 BlueNord's historic operations in the UK North Sea, the Company has issued a parent company guarantee on behalf of its subsidiaries BlueNord UK Ltd and BlueNord Energy UK Limited.

On 31 December 2012, BlueNord issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. BlueNord guarantees that, if any amounts 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 amounts on first demand, BlueNord shall pay to the Norwegian Secretary of State on demand an amount equal to all such amounts. Noreco Norway AS was liquidated in 2018, however as per 31 December 2023, the guarantee has not been withdrawn.

7 Shareholders' equity

Changes in equity All figures in USD million	Share capital	Share premium	Treasury reserve	Other equity	Total
Equity 31 December 2022	1.7	768.4	(0.1)	(390.7)	379.2
Issue of shares	**0.0**	**14.5**	**–**	**–**	**14.6**
Conversion bonds	**–**	**–**	**–**	**0.5**	**0.5**
Share-based incentive program	**–**	**–**	**0.0**	**5.0**	**5.1**
Net result for the period	**–**	**–**	**–**	**(10.4)**	**(10.4)**
Equity 31 December 2023	**1.7**	**782.9**	**(0.1)**	**(395.6)**	**388.9**

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8 Share capital and shareholder information

	2023	2022
Ordinary shares	**26,205,849**	25,708,424
Treasury shares	**(100,521)**	(137,162)
Total shares	**26,105,328**	25,571,262
Par value in NOK	**10**	10

BlueNord owns 100,521 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 1 January 2022	24,549,013	29.5
Issue of shares	1,159,411	1.4
Capital reduction, approved and registered	–	(29.3)
Share capital as of 31.12.22	25,708,424	1.7
Issue of shares	**497,425**	**0.0**
Share capital as of 31.12.23	**26,205,849**	**1.7**

	No. of shares	Treasury share reserve*
Treasury shares as of 1 January 2022	(438,161)	(0.5)
Sale of Treasury shares	300,999	0.3
Treasury shares as of 31.12.22	(137,162)	(0.1)
Sale of Treasury shares	**36,641**	**0.0**
Treasury shares as of 31.12.23	**(100,521)**	**(0.1)**

* In USD million.

Changes in 2023

The Company received conversion notice from bondholders holding BNOR13 and BNOR15 bonds for a total principal amount of USD 14.6 million in 2023, which pursuant to the bond terms are convertible into 497,425 new shares in the Company. The BNOR13 conversion in January had a conversion price of USD 28.9734, the following conversions had a conversion price of USD 51.4307 according to the new bond terms. Following such conversions, the share capital is increased with NOK 268.5/USD 32.7 thousands.

The Company sold 36,641 of its own shares during the year, of which 23,641 shares was related to first award of the Long-Term Incentive program (LTI). The shares price at transfer date was 475 NOK/share. In addition, 13,000 shares were sold to cover exercise of options held by former employees at strike price 160 NOK/share.

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8 Share capital and shareholder information continued

Overview of shareholders at 02 April 2024:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,815,172	26.0%	26.0%
Goldman Sachs International	5,096,153	19.4%	19.4%
Barclays Bank PLC	2,105,007	8.0%	8.0%
SOBER AS	1,850,000	7.1%	7.1%
J.P. Morgan Securities LLC	1,459,883	5.6%	5.6%
The Bank of New York Mellon SA/NV	949,183	3.6%	3.6%
BNP Paribas	621,520	2.4%	2.4%
CLEARSTREAM BANKING S.A.	509,620	1.9%	1.9%
Citibank, N.A.	499,653	1.9%	1.9%
State Street Bank and Trust Comp	494,195	1.9%	1.9%
Sbakkejord AS	425,500	1.6%	1.6%
FINSNES INVEST AS	313,000	1.2%	1.2%
SOSYFR INVEST AS	308,070	1.2%	1.2%
HANASAND	263,150	1.0%	1.0%
ALTO HOLDING AS	238,300	0.9%	0.9%
VELDE HOLDING AS	230,000	0.9%	0.9%
Morgan Stanley & Co. Int. Plc.	210,055	0.8%	0.8%
JPMorgan Chase Bank, N.A., London	200,872	0.8%	0.8%
OUSDAL AS	200,000	0.8%	0.8%
SONGA CAPITAL AS	185,735	0.7%	0.7%
Total	**22,975,068**	**87.7%**	**87.7%**
Other owners (ownership <0.67%)	3,230,781	12.3%	12.3%
Total number of shares at 02 April 2024	**26,205,849**	**100.0%**	**100.0%**

* Nominee holder.

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9 Payroll expenses and remuneration

USD million	2023	2022
Salaries (incl. Directors' fees)	**(2.6)**	(3.1)
Social security tax	**(0.9)**	(0.5)
Pension costs[1]	**(0.1)**	(0.1)
Costs relating to share-based payments	**(1.9)**	(0.5)
Other personnel expenses	**(0.2)**	(0.2)
Total personnel expenses	**(5.8)**	(4.4)
Average number of employees	**8.0**	7.6

(1) Norwegian companies are obliged to have an occupational pension in accordance with the Norwegian Act related to mandatory occupational pension. BlueNord ASA meets the Norwegian requirements for mandatory occupational pension ('obligatorisk tjenestepensjon').

For further information on remuneration to key management personnel and Board of Directors, please see note 7 in the Consolidated financial statements.

10 Write-down and reversal of financial assets

USD million	2023	2022
Net impairment loans to subsidiaries	**(0.5)**	(2.7)
Net reversal of prior years' impairments on loans to subsidiaries	**0.5**	–
Net impairment of financial assets	**(0.0)**	(2.7)

Write-down of loans to subsidiaries in 2023 consists of impairment of loans in BlueNord UK Ltd. The reversal of previous years' impairment is related to BlueNord Energy UK Ltd. The intercompany loans to the UK investment are impaired to zero.

Write-down of loans to subsidiaries in 2022 consists of impairment of loans to BlueNord UK Ltd. and BlueNord Energy Ltd. The intercompany receivables to the UK investment are impaired to zero.

11 Tax

Reconciliation of nominal to actual tax rate:

USD million	2023	2022
Result before tax	**(10.4)**	(82.5)
Corporation income tax of income (loss) before tax -22%	**(2.3)**	(18.2)
Calculated tax expense	**(2.3)**	(18.2)
Permanent differences	**1.0**	12.5
Changes in deferred tax assets – not recognised	**1.3**	3.7
Prior year adjustments	**–**	2.0
Income tax expense	**–**	–

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11 Tax continued

Deferred tax liability and deferred tax assets:

USD million	2023	2022
Net operating loss deductible	**98.1**	98.8
Interest limitation carried forward	**34.7**	35.8
Fixed assets	**0.0**	0.0
Current assets	**(24.2)**	(21.8)
Liabilities	**34.5**	18.1
Tax base deferred tax liability/deferred tax asset	**143.1**	130.9
Net deferred tax liability/(deferred tax asset) (22%)	**(31.5)**	(28.8)
Unrecognised deferred tax asset	**31.5**	28.8

12 Other operating expenses and audit fees

USD million	2023	2022
Lease expenses	**(0.1)**	(0.2)
IT expenses	**(0.7)**	(0.2)
Travel expenses	**(0.2)**	(0.2)
General and administrative costs	**(0.2)**	(0.1)
Consultant fees	**(1.8)**	(2.9)
Other operating expenses	**(0.5)**	(0.5)
Total other operating expenses	**(3.5)**	(4.1)

Expensed audit fee:

USD 1000, excl. VAT	2023	2022
Auditor's fees	**(232.7)**	(313.0)
Other services	**(86.1)**	(65.4)
Total audit fees	**(318.8)**	(378.4)

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13 Related party transactions

Transactions with related party USD million	2023	2022
a) Allocation of cost to Group companies, Management fee	**3.7**	2.6
b) Allocation of cost to Group companies, IT expenses	**0.7**	0.5
c) Purchases of services	**–**	–
d) 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 4.4 million for 2023.

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.

BlueNord did not have any other transactions with any other related parties during 2023. Please see the Executive Remuneration Report 2023 for Director's fee paid to shareholders and remuneration to management.

Independent Auditor's Report
Report on the Audit of the Financial Statements

To the General Meeting of BlueNord ASA

Opinion
We have audited the financial statements of BlueNord ASA, which comprise:
- the financial statements of the parent company BlueNord ASA (the Company), which comprise the balance sheet as at 31 December 2023, 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 BlueNord ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, 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 material accounting policy information.

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 2023, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting 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 relevant laws and regulations in Norway 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 16 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.

Impairment trigger assessment
Refer to note 3.2, critical accounting estimates and assumptions (section d), note 9 Intangible assets, note 11 Property, plant and equipment and note 12 Impairments.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2023, the Group has Property, plant and equipment of USD 2,427.9 million and intangible assets of USD 151.6 million. The Group did not recognise any impairment charge in 2023. The recoverable amounts of producing assets and assets under construction are sensitive to changes in assumptions, in particular oil and gas prices, potential cost overruns, discount rate and oil and gas reserves. Any negative developments in these assumptions and forecasts may be an impairment trigger. Significant auditor judgment is required when evaluating managements impairment trigger assessment.	For the cash-generating unit we critically assessed and challenged the assumptions used in managements impairment trigger assessment, including: • comparison of the Group equity against market capitalisation including an assessment as to how much of the headroom should be contributed to the cash-generating unit • Assessed whether the capitalisation of interest for the current and previous years should be considered an impairment trigger We also evaluated the adequacy and appropriateness of the disclosures in the financial statements.

Assets retirement obligations

Refer to note 3.2 Critical accounting estimates (section c) and assumptions and note 22 Assets retirement obligations.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2023, the Group has non-current Assets retirement obligations of USD 1,033.7 million and current Asset retirement obligations of USD 15.4 million. 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 asset retirement obligations 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 evaluated 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 information accompanying the financial statements 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 statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company 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 of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible 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.

Independent Auditor's Report continued

Report on the Audit of the Financial Statements

- 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 and 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's 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 Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of BlueNord ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name bluenordasa-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance 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 about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data 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 2024
KPMG AS

Mona Irene Larsen
State Authorised Public Accountant
(This document is signed electronically)

Strategic Report
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Statement of Compliance

Board and management confirmation

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Board of Directors' Report and the BlueNord ASA consolidated and separate annual financial statements as of 31 December 2023.

To the best of our knowledge, we confirm that:

- the BlueNord ASA consolidated annual financial statements for 2023 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, and additional Norwegian disclosure requirements in the Norwegian Accounting Act;
- the financial statements for BlueNord ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian Accounting Standards;
- 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;
- 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 2024

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** Chief Executive Officer

Strategic Report
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Alternative Performance Measures

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

EBITDA Earnings before interest, taxes, depreciation, depletion, amortisation and impairments. EBITDA assists in comparing performance on a consistent basis without regard to depreciation and amortisation, 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.

Adj. EBITDA is EBITDA adjusted for the cost based on fair value of the share-options programme and Non-payment insurance as these costs are related to the DUC acquisition and not directly related to the operational result for the year.

USD million	2023	2022
EBITDA	**421.4**	611.2
Non-payment insurance	**6.4**	4.7
Share-option programme[1]	**0.0**	0.1
Adj. EBITDA	**427.8**	616.0

(1) Corrected prior year to only include the share option programme awarded after the DUC acquisition, hence the LTI Programme is not adjusted for.

Cash flow from operations is defined as Net cash flow from operating activities excluding tax payments.

USD million	2023	2022
Cash flow from operating activities	**479.7**	572.9
Tax received/(paid)	**(229.8)**	(11.6)
Net cash flow from operating activities	**249.9**	561.3

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

USD million	31.12.2023	31.12.2022
Convertible bond loans	**(201.7)**	(188.7)
Senior Unsecured bond loan	**(169.1)**	(166.9)
Reserve-based lending facility	**(820.8)**	(764.0)
Other interest-bearing debt	**-**	(25.0)
Interest-bearing debt	**(1,191.6)**	(1,144.6)

Net interest-bearing debt is defined by BlueNord 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.

USD million	31.12.2023	31.12.2022
Cash and cash equivalents	**166.7**	268.4
Convertible bond loan	**(228.4)**	(221.5)
Senior Unsecured bond loan	**(175.0)**	(175.0)
Reserve-based lending facility	**(850.0)**	(800.0)
Other interest-bearing debt	**-**	(25.0)
Net interest-bearing debt	**(1,086.7)**	(953.1)

Supplementary oil and gas information (unaudited)

In March 2024, the Group reported oil and gas 2P reserves and near-term 2C resources, the report is reported separately from the Annual Report 2023. The Reserves Evaluator ERC Equipoise Ltd ('ERCE') has carried out an independent evaluation of the hydrocarbon Reserves and certain Contingent Resources held by BlueNord Energy Denmark A/S in the DUC Sole Concession area, offshore Denmark. ERCE has carried out this work in accordance with the June 2018 SPE/WPC/AAPG/ SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System ('PRMS') as the standard for classification and reporting.

In line with the Annual Statement of Reserves and Resources, the reported reserves include remaining volumes expected to be recovered based on reasonable assumptions about future technical, economic, fiscal, and financial conditions based on year end 2023 data. The calculations of recoverable volumes are associated with significant uncertainties. The 2P estimate represents a best estimate of reserves.

The reported contingent resources (near-term 2C) are potentially recoverable volumes from known accumulations for which development plans are being matured or further evaluation is under way with a view to development in the near term. This does not include the full portfolio of BlueNord's 2C resources.

The 2P reserves and near-term 2C resources for the DUC portfolio are shown below using the figures from the Annual Statement of Reserves and Resources issued in March 2024 as basis.

Total reserves as of 31.12.2023

Field	Hub	Status	Liquids (mmbbl)	Gas (mmboe)	Oil Eq. (mmboe)	Interest %	Oil Eq. (mmboe)
Dan	Dan	On Production	60.4	4.5	64.9	36.8%	23.9
Kraka	Dan	On Production	6.9	0.1	7.1	36.8%	2.6
Gorm	Gorm	On Production	14.4	–	14.4	36.8%	5.3
Skjold	Gorm	On Production	22.4	1.2	23.7	36.8%	8.7
Rolf	Gorm	On Production	2.4	–	2.4	36.8%	0.9
Halfdan (incl. Halfdan North East)	Halfdan	On Production	77.6	24.9	102.6	36.8%	37.7
Tyra	Tyra	Under Development	31.6	83.2	114.8	36.8%	42.2
Valdemar	Tyra	Under Development	38.4	21.3	59.7	36.8%	22.0
Roar	Tyra	Under Development	7.0	16.1	23.1	36.8%	8.5
Harald	Tyra	Under Development	1.0	5.5	6.7	36.8%	2.5
Lulita	Tyra	Under Development	1.1	0.6	1.6	28.4%	0.4
Halfdan HCA Gas Lift Project	Halfdan	Approved for Development	0.6	7.4	8.0	36.8%	2.9
Halfdan Ekofisk Infills	Halfdan	Justified for Development	5.7	5.1	10.8	36.8%	4.0
Valdemar Bo South	Tyra	Justified for Development	17.2	7.7	24.9	36.8%	9.2
Adda (Phase 1)	Tyra	Justified for Development	17.2	23.0	40.2	36.8%	14.8
Total 2P reserves			**304.0**	**200.6**	**504.6**		**185.6**
Field							
Halfdan Tor NE Infill #2			1.4	1.0	2.4	36.8%	0.9
Adda (Phase 2)			3.4	10.5	14.0	36.8%	5.1
Svend			311.4	1.7	13.1	36.8%	4.8
Halfdan North			38.4	5.9	44.3	36.8%	16.3
Total 2C resources			**54.7**	**19.0**	**73.7**		**27.1**
Total 2P reserves and near-term 2C Resources			**358.7**	**219.7**	**578.3**		**212.7**

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD')

BlueNord's TCFD reporting is fully compliant with the requirements shown below.

There is a growing demand for decision-useful, climate-related information, and creditors and investors are increasingly demanding access to risk information that is consistent, comparable, and clear.

The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information. Additionally, TCFD encourages the standardised reporting structure for financially material climate-related risks and opportunities to give investors, lenders, and insurers enhanced comparability when assessing and pricing pertinent companies.

The TCFD framework is made up of 11 recommended disclosures divided into four pillars that represent core elements of how organisations operate. The four pillars are: governance, strategy, risk management, and metrics and targets. Moreover, the framework separates into three main categories: risks related to the physical impacts of climate change, risks related to the transition to a lower-carbon economy, and climate-related opportunities. TCFD has also incorporated financial impact as an integral part of its disclosure recommendations.

In line with the TCFD recommendations, a report in accordance with TCFD is as of 2022 an integrated part of BlueNord's annual financial reporting, and the report is reviewed annually by the Audit Committee, ESG Committee and the Board.

Core elements of recommended Climate-related Financial Disclosures

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

Risk management
The processes used by the organisation to identify, assess and manage climate-related risks.

Metrics and targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Governance	Recommended Disclosures		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	**Recommended Disclosures**		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°c or lower scenario.
Risk management	**Recommended Disclosures**		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	b) Describe the organisation's processes for managing climate-related risks.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.
Metrics and targets	**Recommended Disclosures**		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

1. Governance

a. Board-level oversight

The Board fully supports the recommendations of the TCFD. The Board Chair has overall responsibility for the management of climate-related issues at BlueNord, and the Board is responsible for ensuring that climate-related targets are defined and addressed as part of Company strategy.

The Board receives regular updates from management, and will ensure that our risk management and internal control systems are adequate in relation to the regulations governing the business.

The Board reviews the Group's main risk areas and internal control systems annually. This includes the Group's values, Code of Conduct and corporate responsibility policy. The Board reports annually on climate impacts and any risks that the Company faces.

b. Management-level oversight

Executive management is responsible for identifying risks and opportunities, and for implementing effective processes and mitigation efforts. This includes climate-related issues, risks and opportunities within the managers' respective areas of responsibility.

The Chief Corporate Affairs Officer has responsibility for ESG strategy, and reports directly to the CEO. In 2020, an ESG Committee was established to support BlueNord's commitment to ESG and to evolve our contribution to the energy transition.

Climate risks are also assessed as part of BlueNord's risk management process. For more information on BlueNord's risk management processes, including the assessment of climate-related risks, see the relevant sections of this report.

See Governance Framework on page 53.

2. Strategy

a. and b. Identified climate-related risks and opportunities

In line with the recommendations laid out in the TCFD framework, BlueNord has conducted a process to assess how, and to what extent, the Company is exposed to climate risk. Management representatives for Finance and Corporate Affairs participated in a workshop to identify significant physical risk, transition risk, and opportunities created by climate change.

In the workshop, risks and opportunities were assessed in a strategic and financial context, against three different time horizons and four different climate scenarios. This assessment was reviewed again in January 2024.

The following time horizons were used:

- Short term – 2023–25.
- Medium term – 2025–30.
- Long term – 2030–50.

These four International Energy Agency ('IEA') climate scenarios were used:

- Net Zero Emissions by 2050 scenario ('NZE').
- Stated Policies scenario ('STEPS').
- Sustainable Development scenario ('SDS').
- Announced Pledges scenario ('APS').

For BlueNord it is important to identify the most significant climate-related risks and opportunities we face, as this can help us to make informed decisions about how to mitigate, or take advantage of, these factors.

To identify the most critical risk factors, the management representatives assessed factors that could potentially impact the operations negatively and the probability of occurrence.

To identify the opportunities with the highest potential, the management representatives assessed how the factors could potentially impact the Company positively, and the degree of difficulty posed by taking advantage of any opportunity.

Risk factor defined as most critical:

1. High/increased CO_2 tax.

Opportunities defined with greatest potential:

1. Resource efficiency.
2. Evolution of financial markets.
3. Relatively flexible BlueNord investments.
4. Sector already strictly regulated and well-prepared for harsh weather conditions.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Acute physical risk

Through our acute physical risk identification process, we identified extreme weather due to increased frequency and intensity of strong wind, storms, and hurricanes as most significant to BlueNord. Such events may impact BlueNord's direct operations, or cause disruptions in the supply chain. Any events delaying production have a financial implication.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Increased frequency and intensity of strong wind, storms, and hurricanes	Climate change and temperature increases may lead to more extreme weather. The wind speed is expected to increase, and the air will contain more moisture. This will lead to increased occurrences of strong winds, storms, and hurricanes in the future.	• Inability to have people safely Offshore. • Inability to transport people and equipment, as this is done by helicopter and supply ships. • Weakened production capacities due to shortage of supplies, employees and possible damage to the equipment.	Reduced revenue and increased costs associated with asset repair and additional labour. Potential impact on production.	BlueNord sees the greatest consequences in STEPS, but the negative effects may be more relevant for the supply chain at an earlier stage.	Long term.	BlueNord is constantly working to strengthen our work on human rights and decent working conditions, by reviewing and revising our Corporate Social Responsibility Guidelines. This helps us establish governance documents, routines and instructions related to due diligence processes and our supply chain to ensure that we apply to the highest standards of professional and ethical standards in the conduct of our business affairs. In addition, Total Energies has in 2023 provided a letter of comfort related to their compliance program, with this the main part of the companies supply chain has been assessed.

Chronic physical risk

Chronic physical risks refer to longer-term shifts in climate patterns, such as sustained higher temperatures that may cause sea level rise or chronic heat waves.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Rising sea levels	Sea levels may rise due to expanding ocean volumes from temperature increases and from melting glaciers and ice sheets.	• High waves which hit the infrastructure on the platform causing damage.	• Increased cost due to adaption of platforms in order to handle rising sea level.	Most relevant in STEPS.	Long term.	The platforms have already been reconstructed or assessed to meet the risk of sinking seabeds. This has prepared them more for extreme weather events and rising sea levels.

Transition risk – Policy and Legal

Transitioning to a lower-carbon economy may entail extensive policy and legal changes to address mitigation and adaptation requirements related to climate change. We have identified the following policy actions and climate-related litigation claims as the most significant for BlueNord.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Uncertainty related to the EU Taxonomy and how this will impact BlueNord	Increasing need to demonstrate that economic activities are environmentally sustainable.	• More difficult and more expensive to raise support from a capital market perspective and debts perspective.	• Limited access to capital. • Increased cost of capital.	Most relevant in NZE/SDS.	Medium and long term.	Focus on having a close dialogue with investors. Transparency is crucial when it comes to climate risk. BlueNord focuses on being as transparent as possible towards investors and other stakeholders.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Transition risk – Policy and Legal continued

Transitioning to a lower-carbon economy may entail extensive policy and legal changes to address mitigation and adaptation requirements related to climate change. We have identified the following policy actions and climate-related litigation claims as the most significant for BlueNord.

Increased carbon pricing and taxes	Carbon tax is an instrument for cost-effective cuts in GHG emissions. Other extraordinary taxes or measures to affect the operations of high-emission sectors could also be put in place as solidarity measures.	• Low emissions and being part of the energy transition will play a bigger part in the licence to operate.	• Increase cost of the business and shorten life of assets, and increase likelihood of stranded assets.	Most relevant in NZE/SDS.	Short, medium and long term.	Reducing emissions as much as possible on current and future operations.

Transition risk – Technology

Technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system can have a significant impact on organisations.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Transition to lower emission technology	Gas has a role and opportunity in the transition. In the long run, the need for oil and gas will change/decrease. Technology also represents an opportunity in identifying, addressing, and reducing risks.	Changes in demand due to: • Declining cost on renewables. • Electrification of industries and transportation. • Advanced technology, which makes it possible to monitor and detect possible spills and reduce impact, and consequently, identify and reduce emissions.	• Decrease in revenue, due to reduced oil and gas demand • Technology for monitoring will provide more precise measures, ability to respond immediately and potentially reduce financial impact.	Most relevant in NZE.	Medium and long term.	CCS projects, both onshore and offshore to support hard to abate emissions.

Transition risk – Market

While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Changes in gas demand	The transition to a zero-emissions society is expected to decrease the demand for gas in the long run. The speed of transition is uncertain. The current geopolitical situation has increased the focus on energy security where gas plays a part, but also where the transition to renewables has increased in pace.	• Declining demand based on new technology. For instance, electric vehicles, heat pumps, an increasingly circular economy and less use of plastic.	• Decreased revenues.	Most relevant in NZE.	Medium and long term.	BlueNord focuses on gas as the transition fuel to decrease carbon intensity.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Transition risk – Reputation

Climate change has been identified as a potential source of reputational risk tied to changing customer or community perceptions of an organisation's contribution to or detraction from the transition to a lower-carbon economy.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Reputation risk in the era of ESG	Fossil fuel is not a renewable energy source and leaves a large carbon footprint. Still, gas will play a role in the future energy mix. Abandonment of infrastructure needs to be done in a safe and sustainable manner thus contributing to circularity of these materials.	• Oil and gas producers generally have a poor reputation in the field of ESG. BlueNord needs to demonstrate the required accountability and responsibility to maintain its social licence to operate. • Increased requirements for sustainable abandonment.	• Reduced revenue from decreased demand for goods/services. • Reduction in capital availability and higher cost of capital. • Increased cost related to abandonment/recycling.	Most relevant in NZE, SDS.	Medium and long term.	Presenting a balanced view of both our production activities and energy transition initiatives and projects, for example Carbon Cuts CCS project. BlueNord is working diligently to recycle materials. The Company is also assessing sustainable decommissioning strategies which leave infrastructure on the seabed based on value to sealife.

Resource efficiency

There is growing evidence that it is possible for organisations to reduce operating costs by improving efficiency across production and distribution processes, buildings, machinery/appliances, and transport/mobility.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Efforts to increase resource efficiency	More efficient operations can lower cost and reduce emissions intensity. Good for both business and the environment.	• Increased operational productivity leads to increased revenue and reduced unit costs.	• Increased interest from investors. • Easier access to capital. • Increased revenue.	All.	Short, medium, and long term.	Reducing emissions from our facilities in collaboration with the Operator. We work actively to reduce flaring and to improve production optimisation to reduce emissions and energy (fuel) use.

Energy sources

The trend toward decentralised clean energy sources, rapidly declining costs, improved storage capabilities, and subsequent global adoption of these technologies is significant. Organisations that shift their energy usage toward low-emission energy sources could potentially save on annual energy costs.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Use of alternative energy in operations	The world is switching to renewable energy and electrical operating solutions that reduce the emission of CO_2. BlueNords platforms are gas-fired or fired by diesel generators. There is a potential to develop the approach to alternative energy sources.	• Emissions reduction.	• Easier access to capital.	Most relevant in NZE.	Medium and long term.	Dialogue with the Operator on alternative energy sources and potential electrification of facilities remains an opportunity if economic to do so.

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Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Products and services

Organisations that innovate and develop new low-emission products and services may improve their competitive position and capitalise on shifting consumer and producer preferences.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
New products	To reach the climate targets and reduce carbon emissions internationally, CCS technologies need to be deployed on a large scale and will be increasingly important.	• CCS represents a benefit for the climate which does not involve the sacrifice of crucial energy sources.	• Increased interest from new investors and easier access to capital.	Most relevant in NZE.	Medium and long term.	Two CCS projects: Project Bifrost and CarbonCuts.

Markets

Organisations that proactively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a lower-carbon economy. In particular, opportunities exist for organisations to access new markets through collaborating with governments, development banks, small-scale local entrepreneurs, and community groups in developed and developing countries as they work to shift to a lower-carbon economy. BlueNord has addressed the following opportunity.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Financial markets evolvement	ESG and climate risk is increasingly seen as an important risk in the financial markets.	• Shift from the typical funding sources to more targeted structures.	• For those not addressing this – higher risk and costs. • Changed interest rate market.	Relevant in all scenarios.	Short, medium and long term.	Various measures to be more suited for a changed financial market.

Resilience

The concept of climate resilience involves organisations developing adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. Opportunities related to resilience may be especially relevant for organisations with long-lived fixed assets or extensive supply or distribution networks; those that depend critically on utility and infrastructure networks or natural resources in their value chain; and those that may require longer-term financing and investment.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Strictly regulated sector	The energy transition will result in stricter regulations.	Changes in regulations, CO_2 taxes.	• For those that are already in line with the regulations it can decrease the demand for mitigation and adjustment of strategy.	Most relevant in STEPS.	Short, medium, and long term.	BlueNord is already part of a strictly regulated sector that operates in harsh weather conditions. Many precautions and adaptations are therefore already in place and could be a competitive advantage.
Flexible future investments	Future market developments will greatly affect the return on investments in fossil fuels.	Increase in future profits by being dynamic and adjusting investment strategy.	• Less risk of being locked in outdated solutions and demand scenarios; flexibility to diversify and increase profitability.	Most relevant in STEPS.	Short, medium, and long term.	BlueNord can choose to invest in more gas-weighted projects or CCS depending on how the market is evolving. Currently, the market for gas remains attractive and continues to be a value fuel along with oil.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

c. Scenario analysis

In line with the recommendations laid out by the TCFD, BlueNord conducted a qualitative scenario analysis in 2023 of all identified risks and opportunities as part of the climate risk assessment.

The Net Zero Emissions by 2050 Scenario ('NZE')	Limiting the global temperature rise to 1.5°C without a temperature overshoot (with a 50 percent probability). The NZE is a normative scenario, meaning it starts with a defined goal to achieve net-zero CO_2 emissions by 2050, and shows an example of a pathway that could get the world to that target. In this scenario, demand for oil falls by more than 2 mbpd per year between 2020 and 2050. Demand for natural gas grows to 2025, drops after 2025 and falls well below 2020 levels by 2030.
The Sustainable Development Scenario ('SDS')	IEA's Sustainable Development Scenario ('SDS') is compatible with the Paris Agreement's less ambitious 'well-below 2°C' goal. It assumes all energy-related SDGs and all current net-zero pledges are achieved, with advanced economies reaching net-zero emissions by 2050, China by 2060 and all others by 2070 at the latest. It has a 50 percent probability of limiting global temperature rise to 1.65°C, assuming no extensive net negative emissions. With some net negative emissions after 2070, temperature rise could be reduced to 1.5°C by 2100.
The Announced Pledges Scenario ('APS')	This scenario appears for the first time in the World Economic Outlook 2021. It assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions and longer-term net-zero targets as of mid-2021, will be met in full and on time. In the APS, global oil demand peaks soon after 2025 and then falls by around 1 mbpd per year to 2050. Demand for natural gas also reaches its maximum level soon after 2025 and then declines slowly.
The Stated Policies Scenario ('STEPS')	Rather than assuming that governments will reach all announced goals, this scenario reflects a sector-by-sector assessment of the specific policies that have been put in place, as well as those that have been announced by governments around the world. This scenario provides a more conservative benchmark for the future. In the STEPS, global oil demand exceeds 2019 levels by 2023 before peaking in the mid-2030s and then declining very gradually to 2050. Demand for natural gas continues to rise after 2025 and is around 15 percent higher in 2030 than in 2020.

3. a., b., and c. Risk management

The identification, assessment and management of climate-related risks and opportunities is an integral part of BlueNord's multidisciplinary risk and opportunity management. The BlueNord Board and management will conduct regular reviews of the Group's activities for identifying, assessing, and responding to climate-related risks and opportunities. The risk management process will be reviewed on an annual basis.

2023 was the first year of implementation of the climate-risk management process recommended by TCFD. A material risk and opportunity matrix system developed by Tavler AS was used as a foundation for this process. The identification and assessment processes were conducted through a workshop with EVP Finance and EVP Investor Relations, and ESG representatives from different organisational levels and functions, providing a balanced picture of the risks and opportunities faced by BlueNord.

In the matrix, the impact (large, relatively large, relatively easy, easy) and likelihood (high/low) of each risk and opportunity are determined. Based on each risk's categorisation, BlueNord will develop, review, and implement response plans to mitigate risks and maximise opportunities.

4. a., b., and c. Metrics and targets

BlueNord works to reduce our carbon footprint while contributing to energy security. Our commitment is to a 50 percent reduction in emissions by 2027, and to achieving 80 percent power from renewables by 2029. BlueNord will also focus on investing in suitable and earlier-stage CCS projects.

As a non-operator, BlueNord will work to protect the environment to the greatest possible extent, both in its own operations and through the Company's partnership in the DUC. The data reported on climate and nature have been supplied by the Operator Total Energies for the DUC. BlueNord will monitor and report on performance year-on-year as part of our sustainability strategy, which will be established later this year. BlueNord is committed to independently verifying its direct and indirect emissions in 2024. The following metrics are used to assess climate-related risks and opportunities: CO_2 emissions, fuel consumption, flaring, fugitive emissions, nitrogen oxides ('NOx') and sulphur oxides ('SOx') emissions, GHG emissions, and GHG intensity related to DUC operations.

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UN Sustainable Development Goals

The United Nations Sustainable Development Goals ('SDGs') provide a blueprint for achieving a better and more sustainable future for all by addressing global challenges such as poverty, inequality, climate change, environmental degradation, peace, and justice. BlueNord continues to identify our best solutions to contribute to the SDGs as we aim to address various environmental, social and economic challenges facing our world today. Examples of our actions, programmes and the SDGs to which they relate are demonstrated here and throughout this report.

Sustainability impact area		SDGs	2023 focus
People	BlueNord promotes the welfare and rights of employees, communities, and other stakeholders.	3 Good health and well-being; 4 Quality education; 5 Gender equality; 10 Reduced inequalities	• Ensure safe operations along with DUC operator. • Promote healthy and safe working environment. • Respect Human and Labour Rights. • Foster Diversity and Inclusion (D&I). • Deliver continuous professional development for our employees. • Create awareness and provide training in HSE, D&I and Feedback culture.
Climate and sustainable energy	BlueNord identifies and invests in initiatives that reduce emissions and ensure secure access to locally produced energy.	9 Industry, innovation and infrastructure; 7 Affordable and clean energy; 11 Sustainable cities and communities; 13 Climate action	• Reduce GHG emissions (reduce and eliminate flaring, detect and reduce methane). • Improve energy efficiency at DUC operations with pressure loss reductions and increased uptime. • Continue investing in CarbonCuts to contribute to Denmark's CCS ambition and net-zero target. • Ensure access to locally produced, affordable, reliable, and secure energy for EU.
Environment	BlueNord identifies and invests in initiatives that reduce environmental impact and promote sustainability.	12 Responsible consumption and production; 14 Life below water	• Support DUC's ambition to locally recycle obsolete infrastructure (similarly to Tyra). • Assess water biodiversity by evaluating cod populations around Offshore infrastructures. • Reduce DUC operations' atmospheric emissions by 40 percent in 2030 compared to 2015. • Minimise chemicals and hydrocarbons from produced water discharged to sea in strict adherence with discharge permits and environmental regulations.
Responsible and ethical business	BlueNord's Board of directors and executives are expected to demonstrate integrity, honesty, and accountability in their decision-making.	8 Decent work and economic growth; 10 Reduced inequalities; 16 Peace, justice and strong institutions	• Promote Board diversity and independence. • Demonstrate ethical leadership. • Maintain transparency in market communication and disclosures. • Comply with local legislations, reporting requirements and standards. • Create shared economic value.
Partnerships	BlueNord collaborates with DUC's partners, governmental bodies, civil society, businesses, academia, and NGOs to address challenges effectively.	9 Industry, innovation and infrastructure; 17 Partnerships for the goals	• Engage with local communities. • Build partnerships. • Cultivate technology and innovation within DUC and via funding of DOTC.

BlueNord's contribution to the UN's 2030 sustainable development agenda.

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Appendix 3. Environment – Climate

Performance status 2023: Atmospheric emissions

TOPIC	DESCRIPTION
CO_2 emissions	Main CO_2 source is the fuel gas for production. Figure also includes flaring and other fuels contribution.
Fuel consumption	Fuel is consumed primarily by single cycle gas turbine powering generators, gas compressors, and pumps. Diesel generators are being used when power cannot be generated with fuel gas. This is typically the case on drilling rigs, during production shutdown or on platforms without processing capacities and without power supply from adjacent platforms.
Flaring	Flaring of natural gas is occurring on all hubs when required to allow safe operation during production upsets and non-routine operation.
Fugitive emissions	Venting of gas from production facilities is to ensure safe operation. Venting is primarily relevant for systems operating at atmospheric pressure, but it also occurs during facilities maintenance.
NOx and SOx emissions	The operation of gas turbine drives and diesel engines offshore causes emissions of nitrogen oxides and sulphur oxides.
CH4	CH4 and non-methane volatile organic compounds ('nmVOC') come directly from our gas. They can originate from unburned parts of our fuel gas or flare gas (they do not burn at 100 percent efficiency) or from releases, i.e. process vents or tiny leaks that are below threshold limits of our safety detection systems.
nmVOC	CH4 and nmVOC come directly from our gas. They can originate from unburned parts of our fuel gas or flare gas (they do not burn at 100 percent efficiency) or from releases, i.e. process vents or minor leaks that are below threshold limits of our safety detection systems.
GHG emissions	Greenhouse gases that are released to the atmosphere as a result of the operations. Green house gases are gases that trap heat in the atmosphere and are responsible for global warming. The following gases are considered GHG: Carbon dioxide (CO_2), Methane (CH4), Nitrous Oxide (N2O), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF6), Hydrofluorocarbons (HCFs), Chlorofluorocarbons (CFCs), nitrogen oxides (NOx).
GHG intensity	GHG intensity corresponds to total GHG emissions in CO_2 equivalent over total production expressed in barrel of oil equivalent.
ETS reporting perimeter	DUC offshore fixed installations are subject to the EU Emissions Trading System. The emissions included in the system are currently limited to CO_2, which is emitted as a result of fuel combustion (gas and diesel) and flaring.

Table 1.

Appendix 3. continued. Environment – Nature

Performance status 2023: Discharge to sea

TOPIC	DESCRIPTION
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 and cleaning. In the fields Gorm and Skjold, the water is reinjected. The water produced is partly formation water and partly injected sea water. In 2023, 25.1 percent of the produced water was reinjected. Oil is discharged to sea as part of the produced water and the efficiency of oil/water separation is a key factor for the oil in water concentration. The increase in concentration of oil in water and the higher discharge from 2022 to 2023 is mainly due to separator issues on Dan. The level of discharge is within the legal limit.
Spills	Spills from closed systems and from handling of various liquids are reported in accordance with environmental regulation. In 2023, 15 oil and diesel spills and 20 chemical spills were reported, compared with 6 oil and diesel spills and 32 chemical spills in 2022. Ongoing efforts are made to minimise the number and level of spills that occur.
Chemical usage	Chemicals are used for various purposes in the oil and gas industry. They are used to drill, complete, stimulate and operate wells, as well as to enhance oil recovery. Some of the chemicals help protect the production equipment and pipelines from corrosion, scaling, souring etc. Each chemical is categorised with a colour according to OSPAR representing how harmful the chemicals are to the environment.
Chemical discharge	Some chemicals will be discharged to sea with the discharged produced water after separation or unintentionally through spills. The discharge of chemicals is highly regulated through discharge permits and operators must follow regulation and best practices to minimise the environmental impact.

Table 2.

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Appendix 4. BlueNord | Transparency Act Report

Account of the due diligence assessment

BlueNord ASA ('BlueNord') is committed to respecting fundamental human and labour rights, both in operations and in relations with business partners. At BlueNord, we comply with all applicable laws and regulations, including the Norwegian Transparency Act, entered into force on 1 July 2022. The Act's intention is to promote companies' respect for fundamental human rights and decent working conditions. We recognise that our activities can cause, contribute, or be linked to negative human rights and other social impacts. BlueNord operates in a low-risk environment regarding human rights abuse, as all our operations are in Denmark. Furthermore, most of our vendors are based in Denmark or other low-risk countries. However, we are aware of potential human and labour rights risks that may occur in our operations or further up or down in our supply chain.

In cases where BlueNord operations might have caused or contributed to adverse human rights impact, we will provide or cooperate in providing appropriate remediation to affected stakeholders.

Organisation

BlueNord is a material independent E&P company with a 'see to it' duty, meaning an obligation to ensure that the operator carries out its work in accordance with the regulatory requirements while reducing risks and environmental impact to a minimum.

The executive management is responsible for overall risk management with the Chief Corporate Affairs Officer responsible for the work carried out regarding the Transparency Act. This work is included in BlueNord's ESG work. In 2020, an ESG Committee was established to support BlueNord's commitment to ESG and to evolve its contribution in the energy transition.

Guidelines and routines

BlueNord has developed guidelines to prevent violations of human rights, indecent working conditions, damage to the environment, and involvement with corruption. The relevant guidelines are described in Corporate Social Responsibility Guidelines, including the Code of Conduct as well as HSE policy, approved by the Board of Directors.

In October 2022, BlueNord conducted an overall due diligence assessment in accordance with the requirements of the Transparency Act based on a methodology including ISO Standard 31000 for managing risks. The due diligence is an on going risk management process to identify, assess, prevent, and mitigate human rights risks across the entire value chain of the business. This process applies to BlueNord's operation including subsidiaries, where BlueNord has operational control, associated activities within the value chain, and relevant stakeholders e.g., employees, suppliers, and subcontractors. The Company is committed to perform an annual review of the due diligence assessments on these topics to monitor and manage actual and potential adverse impacts on human rights and working conditions.

Findings as of 2023

BlueNord performed an overall strategic risk assessment including risks associated with its operator. The Company only holds interest in the DUC, which is operated by TotalEnergies.

In the risk assessment, BlueNord focused on the following five categories and related activities in their business value chain: exploration, appraisal, development, production, and abandonment. Business partners who provide the Company with goods and services that are not a direct part of the value chain were also part of the assessment. These non-negligible expenditures are related to acquisition of seismic data, IT and digitalisation services, office services, such as cleaning and canteen services, and professional services, such as insurance, accounting, legal and other commercial or technical advisers and hire of in-house technical specialists.

No negative consequences were discovered during the recent due diligence assessment, given that BlueNord has limited activity in the various categories and operates within strong sector regulations. When prioritising risks while identifying uncertainties, BlueNord highlighted yard activities, input factors used in construction, and dismantling and managing steel and waste disposal when brought to shore, as the most severe risks that may occur.

Measures

Concrete measures and initiatives have been identified to manage the identified severe risks that may occur. Therefore, BlueNord approves all contractors proposed by the operator with a contract value above DKK 100 million. If the contractor is based outside the EEA or the UK, the operator shall demonstrate the contractor adheres to human rights and working conditions prior to such approval. In addition, BlueNord shall visit the relevant yards when applicable. For the time being, BlueNord is not involved in any activities which was highlighted during the due diligence assessment. In the case of new activities or projects within one of these categories, there will be a need for assessing risks of human rights and decent working conditions.

Results

BlueNord is constantly working to strengthen our work on human rights and decent working conditions. We aim to review and revise our Corporate Social Responsibility Guidelines in accordance with OECD's guidelines and clarify our expectations to business partners. Furthermore, the measures will help us establish governance documents, routines and instructions related to due diligence processes and our supply chain to ensure that we apply the highest standards of professional and ethical standards in the conduct of our business affairs. In addition, Total Energies has in 2023 provided a letter of comfort related to their compliance programme. The main part of the Company's supply chain has been assessed with this.

The operator did not enter any major contracts, i.e. above 100 MDKK, with contractors outside EEA or UK in 2023.

Appendix 4. BlueNord | Transparency Act Report continued

The overview below indicates where to find more relevant information to cover the reporting requirements according to Section 5 of the Act in the Sustainability.

Requirement	Page reference
A general description of the enterprise's structure and area of operations.	6-8
Guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions.	39-43
Information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence.	35
Information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.	41, 43

Oslo
11 April 2024

Riulf Karsten Rustad
Executive Chair

Marianne Lie
Board member

Robert J. McGuire
Board member

Peter Coleman
Board member

Tone Kristin Omsted
Board member

Colette Cohen
Board member

Jan Lernout
Board member

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Information about BlueNord

ESEF information:

Name of reporting entity or other means of identification	BlueNord 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	BlueNord ASA
Name of ultimate parent of group	BlueNord ASA

Head Office BlueNord

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Telephone	+47 22 33 60 00
Internet	www.bluenord.com
Organisation number	NO 987 989 297 MVA

Financial Calendar 2024

14 May	Annual General Meeting
07 May	Q1 2024 Report
10 July	Q2 2024 Report
31 October	Q3 2024 Report

Board of Directors

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

Management

Euan Shirlaw	Chief Executive Officer
Jacqueline Lindmark Boye	Chief Financial Officer
Marianne Eide	Chief Operating Officer
Cathrine Torgersen	Chief Corporate Affairs Officer

Investor Relations

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E-mail	investorrelations@bluenord.com

Annual Reports
Annual reports for BlueNord are available on www.bluenord.com

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

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

BlueNord
Org. number: 987 989 297
LEI Code: 5967007LIEEXZXGE3C16
Photographs provided courtesy of TotalEnergies, Helena Lopes and Tom Jersø'

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BlueNord

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BlueNord

BlueNord
Annual Report and Accounts 2022

Delivering progress

Providing energy for Europe today, tomorrow and for our net zero future

Welcome to the BlueNord* Annual Report for 2022. BlueNord is the proposed new name for Norwegian Energy Company ASA, also known as Noreco, ("BlueNord"). We are a strategically important European oil and gas company that specialises in producing and developing resources, and in activities which support the energy transition. BlueNord helps deliver the energy security that millions of people rely on, while creating value for all of our stakeholders.

Highlights of the Year

Revenue

$967m

+71%

EBITDA

$611m

+145%

Operating cash flow 2021 adjusted VAT 2020, paid 2021

$561m

+172%

Total liquidity (cash and undrawn facilities)

$468m

+110%

Investing in vital assets

During 2022, our assets helped to provide Europe with energy for heating, electricity generation and for powering industry. By focusing our investment on further growing gas production, we will continue to meet consumer needs during 2023 and beyond. We will also support the energy transition by helping to offset higher carbon intensive sources of energy (e.g. coal), and by participating in carbon capture and storage (CCS) projects that will support the global journey to net zero.

Find out more **on page 18**

Operational highlight

BlueNord delivered strong production in 2022 with a yearly average of 26.7 mboepd compared with 26.9 mboepd in 2021. Natural reservoir decline was mitigated by well interventions, well stimulations and restoration of inactive wells. Operational efficiency was 90 percent (excluding third-party shutdown) compared with 84 percent in 2021. This was achieved through focus on maintenance and robust operational procedures.

Find out more **on page 30**

* The Company's formal, legal name is "Norwegian Energy Company ASA" – often referred to as "NORECO" or "Noreco". The Board of Directors has proposed that the name is changed to "BlueNord". The change of name will become effective following, and subject to, approval by the Annual General Meeting in the Company, expected to be held on or about 25 April 2023. In anticipation of the aforementioned approval, the Company has used "BlueNord" for the purposes of this document.

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> We are well placed to deliver on our plans for 2023 and drive value for all stakeholders in the short, medium and longer-term.

Strategic Report

Balancing energy security with the energy transition

Ownership of vital assets

BlueNord is currently listed on the Oslo Stock Exchange. We operate in the Danish North Sea with a 36.8 percent interest in the Danish Underground Consortium (DUC), producing oil and gas from three operational hubs. A fourth, Tyra, is being redeveloped and is set to start production in winter 2023-24.

Our strategy and purpose

At our core, our objective is to balance energy security and the demands of the energy transition. From a corporate perspective, we believe doing this best enables us to deliver long-term value for our shareholders and maximise BlueNord's contribution to our broader set of stakeholders.

BlueNord will produce oil and gas within Europe while it is required. We will make the investments in supply required to help ensure energy prices are affordable to consumers, both residential and industrial. We will invest in the near-term acceleration of gas to help balance supply and demand. We will seek to lower overall emissions by producing more gas which will offset higher carbon intensive sources of energy like coal, investing in emissions reduction initiatives for existing producing assets, and investing in activities that support a net zero society.

Ultimately, our purpose is to provide Europe with the energy it needs today, tomorrow, and in the net zero future to come.

2019

BlueNord completes the acquisition of Shell's Danish upstream assets, establishing us as the second largest oil and gas producer in Denmark

36.8%

Size of the interest held by BlueNord in DUC, the DUC is a key contributor to EU energy security with direct export routes to continental Europe

20+ yrs

Lifespan of production from the Tyra field when redevelopment is complete in winter 2023-24 and constrained only by concession expiry

BNOR

The company is currently trading under the ticker "NOR" and will, subject to, and shortly following a shareholder approval in the Annual General Meeting, be trading under the ticker "BNOR"

~90%

Expected increase of net production with redeveloped Tyra

30%

Expected reduction in field emissions intensity with redeveloped Tyra

220 million

BlueNord has 2P reserves and near-term 2C contingent resources of 220 million barrels of oil equivalent (mmboe) as of 31 December 2022


TYRA
HALFDAN
DAN
GORM
Denmark

Focused on delivery

Since 2019, we have been working to maximise returns on our investment in the DUC and today our Company is going from strength to strength.

2019

- Successful completion of acquisition of Shell's Danish upstream assets which makes BlueNord the second largest oil- and gas producer in the Danish North Sea, raised gross proceeds of c. USD 550 million in a private placement, convertible bond issue (NOR13) and a subsequent offering.
- Temporary shut-in of Tyra.
- Issuance of senior unsecured NOR14 bonds.

Year End 2P reserves (boe)
209 million

Year End net production (boe)
5.5 million
from acquisition 1 August 2019

2020

- Share buyback of 438,161 own shares.
- Safe removal of the old Tyra platforms.
- Installation of new Tyra II jackets.

Year End 2P reserves (boe)
201 million

Year End net production (boe)
10.4 million

2021

- Successful closing of USD 1.1 billion RBL with ESG-linked KPIs.
- Sail away and offshore installation of three Tyra East platforms.
- Enters into CCS partnership Project Bifrost.
- Successful grant of EUDP funding for Project Bifrost.

Year End 2P reserves (boe)
200 million

Year End net production (boe)
9.8 million

2022

- Completion of offshore installation campaign of the four Tyra West- and accommodation- and utility platforms.
- Successful offshore lift and installation of the Tyra II TEG, bridges and flare tower – all eight platforms in place.
- Tyra II HUC milestone: Safe access and temporary power.
- Amendment and improvement of NOR13 with a successful voluntary exchange offer into USD 208 million NOR15 convertible bonds.
- Entered into CarbonCuts.

Year End 2P reserves and near-term 2C resources (boe)
220 million

Year End net production (boe)
9.8 million

A robust business with strong long-term growth potential

BlueNord has built a strategically important portfolio of energy assets and today, as part of the DUC, this includes four hubs and 15 fields on the Danish continental shelf with over 50 years history of oil and gas production.

BlueNord has a differentiated business model, being entirely non-operated with a clear focus on maximising shareholder returns through a meaningful and sustainable distribution profile, which makes it an excellent platform for creating future value.

BlueNord's growth oriented business model and strategy

Find out more on page 16

Growth

– The near-complete Tyra redevelopment, which will more than double our net production, means material growth is embedded in our portfolio. Our substantial reserve and resource base supports our long-term production profile to at least 2042 and there exists highly attractive short-cycle infill drilling opportunities to develop resources, and ample long-term growth potential.

Energy transition

– BlueNord has a balanced commitment to energy security and the energy transition. We continue to focus on reducing emissions intensity through investments, while producing the gas required by the current supply-demand landscape, and supporting the journey to net zero with fit-for-purpose investments.

Cash flow

– Significant cash flow is expected once Tyra is onstream, and we are fully committed to meaningful shareholder distributions. This will also further augment our robust balance sheet with significant liquidity, and long-term visibility will remain through commodity price hedging.

Experience

– Our senior team is highly experienced and has a proven operational track record throughout our organisation. As an engaged DUC partner, we play a meaningful role in DUC direction and activity, ensuring a well-managed portfolio (operated by TotalEnergies) with high uptime, and with significant potential for further near-term optimisation.

$468m

Total liquidity
(cash and undrawn facilities)

2nd

Largest oil and gas producer in Denmark

33

Highly skilled employees

Solid foundations for shareholder value creation

Since the acquisition of Shell's upstream assets in Denmark in 2019, BlueNord has transformed into a business with solid foundations supporting near and longer-term returns for shareholders. This has been achieved by a consistent focus on capital discipline and maximising long-term capital returns, reflecting the dedication, commitment, and ability of the team in place.

Riulf Rustad
Executive Chair

“As BlueNord we are in pole position to become a leading European independent gas producer and to continue to create value for the Company’s stakeholders.

Volatility in commodity prices continued into 2022, particularly in gas, with European economies seeking to shore up supplies, following the Russian invasion of Ukraine early in the year. Prices dropped from their peak later in 2022, as the effects of a milder autumn across Europe resulted in higher than anticipated stocking levels. However, while writing this, we are still facing high prices in a historical context due to the fundamental underinvestment in supplies during the past ten years and a continued strong demand-side.

A year of challenge and growth

2022 was characterised by deglobalisation, the continued effect of COVID-19, and the invasion of Ukraine, resulting in countries scrambling to secure supplies of key resources, including energy. As geopolitical tensions remain, the focus on shorter and more secure supply lines is expected to continue in 2023. This only serves to emphasise the importance of projects such as our infill drilling campaigns and Tyra II, which will make meaningful contributions to energy security in Denmark and Europe more widely.

Against the background of these global events, BlueNord will continue to assess its options for growth. Based on a strong performance in 2022, operationally and financially, BlueNord is in a strong position, giving the Company flexibility, and helping to ensure it can continue to maximise the return on capital employed.

The growing strength of BlueNord is supported by a diverse and cash generative asset base. Whereas the focus has been on maximising output from the existing producing assets, BlueNord is heading towards becoming a dividend-paying company with a more balanced exposure to both gas and liquids.

This has already been recognised in the Company’s financial performance, with record revenues and EBITDA in 2022, that enabled the Company to voluntarily repay USD 100 million of its debt facility in Q3. It also means the Company is fully funded for Tyra despite the shift in schedule with increased headroom and lower leverage, which increases our options to maximise shareholder value.

Significant reductions in emissions

BlueNord continually evaluates how to appropriately manage its responsibilities towards the environment and other stakeholders. The CCS projects Bifrost and CarbonCuts are investments with potential for both medium and long-term tangible contributions to just that. Alongside other measures to minimise emissions, and as production pivots towards gas over the next 12 months, the Company will see emissions intensity reduce significantly.

While the world is rightly heading towards net zero, gas is expected to remain a key transition fuel, supporting energy security and quality of life. With Tyra II on stream, the BlueNord contribution towards keeping people warm and the economic wheels turning will be material. We will also support wider regional emissions reduction, by replacing emissions heavy LNG imports and coal with locally produced gas, in line with Danish and EU ambitions.

In conclusion

I, along with the rest of the Board, would like to take this opportunity to thank the management team for all their hard work in guiding BlueNord to where it is today. I would also like to congratulate Euan on his permanent appointment as CEO of the Company, during what has been a very good year for the business.

With a clear line of sight to production more than doubling and an increasingly strong financial position, the options open to us for further value creation are greater now than they have ever been. Following several transformational years, the Board and I have high expectations and ambitions for the future of the Company. As we step into the future, we would like to do so in a way that is reflective of our overall strong position, and the upcoming step-change in gas production we will see with Tyra II. While we will always treasure yesterday, we are today facing the future as a forward-leaning and exciting company, which will be named BlueNord. As BlueNord, we are in pole position to become a leading European independent gas producer and to continue to create value for the Company’s stakeholders.

Riulf Rustad
Executive Chair

Voluntary debt repayment in 2022 made possible by record revenues (USD)

$100m

Delivering across the portfolio

BlueNord had an exceptionally strong 2022, successfully delivering both operationally and financially. The Company is well positioned for 2023 and beyond.

Euan Shirlaw
Chief Executive Officer

When I joined Noreco in 2019, immediately following the acquisition of Shell's upstream assets in Denmark, we knew we had a very strong base however were naturally still finding our feet as a revived company. Now, with significant progress made, we confidently know who we are, what we represent, our purpose and what values are important to us.

It is against that backdrop that we introduce to you today BlueNord, the new name for Noreco. BlueNord is reflective of our values; bold, purposeful and dependable, while it also represents our purpose to maximise gas production for as long as required – an act balancing both the needs for Energy Security and the Energy Transition.

It is also my pleasure to report that BlueNord begins its life in an excellent position, following a year of consistent delivery and with a clear plan that will enable a continued strong performance.

During 2022, we delivered strong operational performance across our three currently producing hubs, showcasing the strength of our assets and the substantial de-risking of Tyra with all eight modules now successfully and safely installed offshore. Today, BlueNord is a multi-asset platform that offers attractive exposure to a profitable and growing production base.

On the back of strong production performance and a supportive commodity price environment, BlueNord delivered a record financial performance in 2022. Revenue increased by 71 percent and EBITDA increased 145 percent. BlueNord also generated free cash flow of USD 246 million during the year and was able to use part of this to repay USD 100 million of its Reserve based lending (RBL) facility, resulting in year-end total liquidity of USD 468 million.

BlueNord exits the year with a strengthened financial position and a robust balance sheet that, in turn, increases flexibility as we move into 2023. Going forward, we will continue to act based on our disciplined approach to capital allocation, prioritising returns to shareholders through a meaningful and sustainable distribution profile. Future opportunities for organic investment will be viewed through this lens, and considered on the basis of how they contribute to our overall objective of maximising both shareholder value and capital returns.

Production

Production in 2022 was at the top end of expectations, resulting in guidance being increased on five separate occasions during the year. For 2022 overall, production was 26.7mboepd, which represents a one percent decline when compared with 2021 (26.9mboepd). Comparison with our initial guidance of 23.5 to 25.5mboepd at the start of 2022 demonstrates the extent to which the assets outperformed during the period.

This performance was the result of our concerted focus, along with the operator, to drive higher production levels. In addition to specific activities that added volumes, the operator also delivered high operational efficiency by significantly reducing the maintenance backlog.

Production levels were supported by work that began in H2 2021, including the successful completion of workovers, well scale squeezes, wells being brought back into production and the material success of the HCA restimulation campaign, which took place in Q3 and saw production from those wells increase by approximately three times and led to a reweighting of our overall production towards high value gas. Broadly flat production year-on-year was achieved despite the planned shutdown of the NOGAT pipeline in Q3, for its ten-year maintenance.

The production performance and work undertaken over the last 12 months further reaffirms the opportunity presented by the Company's existing producing assets.

In the near to medium-term, seven infill well opportunities have been identified. Final Investment Decision (FID) was taken on two of these wells in December 2022, with the first well to be drilled, by Shelf Drilling Winner, in spring. These wells are expected to increase gas production from the Halfdan field, with initial production of 3mboepd and plateau production in the autumn. These are short-cycle investment opportunities with attractive economics, that benefit from the existing infrastructure we have within the DUC.

Workover and well optimisation and management programmes will continue in 2023, supporting ongoing production volumes.

Revenue increase in 2022

71%

EBITDA increase in 2022

145%

There is also the opportunity to support our medium-term production profile with the Adda, Valdemar Bo South and Halfdan North development projects. Adda is a gas-weighted opportunity, with net 2C resources of 19mmboe, while Valdemar Bo South and Halfdan North are oil weighted, net 2P reserves of 11mmboe and net 2C resources of 14mmboe respectively.

Tyra II

2022 saw the significant de-risking of the Tyra asset and clear line of sight to first gas in winter 2023/24, with a P50 estimate of December. Tyra II at plateau will contribute to a more than doubling of the Company's production to c. 55,000boepd. It will also substantially reweight production to gas, reduce lifting cost by more than 40 percent to USD 13 per barrel of oil equivalent, and reduce the Company's emissions intensity by 30 percent in line with our sustainability objectives.

The inflection point for the project was the successful installation of the Tyra East G (TEG) module in October. The lift was undertaken by the world's largest offshore crane vessel, the Heerema Marine Contractors' Sleipnir, less than 24 hours from arrival, significantly ahead of expectations. At 17,000 tonnes, it broke a world record for the heaviest crane lift conducted at sea.

"Tyra gas production will make a material contribution to energy security in Denmark and the wider region... providing enough energy to power the equivalent of 1.5m homes.

Shortly thereafter, with the installation of the two remaining bridges and a flare stack, Tyra II was in final form, with all eight platforms installed. This is a significant achievement and reflects the hard work and dedication of the people involved.

Strategically, Tyra II is a key asset to European energy security with net 2P reserves of 74.4mmboe to 2042, it will provide enough gas to power the equivalent of 1.5 million homes and allow Denmark to become a net gas exporter. Gas is forecast to remain a key transition fuel across many markets for some considerable time, resulting in continued strong demand in Europe and further afield.

Carbon Capture and Storage

BlueNord is actively assessing the long-term potential for CCS, both within its existing asset base in the DUC and beyond. Through Project Bifrost, where we are partner alongside TotalEnergies and the NSF, we are undertaking early-stage studies to determine the feasibility of CO_2 transport and storage using existing infrastructure at the Harald reservoir.

During 2022, BlueNord also made a strategic investment in CarbonCuts, a start-up company focused on assessing the potential for onshore CCS in Denmark. Combined with Bifrost, BlueNord has a portfolio of opportunities that will allow us, in the future, to progress those that best fit our profile at the time.

Reserves

At the end of 2022, BlueNord has audited 2P reserves and near-term 2C contingent resources of 220mmboe, compared to our 2P reserves of 200mmboe at the end of 2021. Our reserve and resource base as audited by RISC now reflects the planned development activities for the DUC, with four infill wells and two projects (HCA gas lift and Valdemar Bo South) included in 2P reserves and a further two infill wells and two projects (Adda and Halfdan North) included in near-term contingent resources. The inclusion of near-term contingent resources in RISC's evaluation for 2022 with a committed operator and attractive, identified investment opportunities driving significant volume additions.

HSE and Sustainability

HSE and sustainability are core themes to BlueNord. The Company aims to undertake its activities and to support the operation of the DUC assets to the highest of industry standards and to conduct business with integrity at all levels.

Health and safety form a core part of the Company's culture and is central to every decision. This is made possible by the strength and depth of the BlueNord team, allowing HSE to be properly considered at every level.

The Company is committed to reducing emissions from the DUC operations by 400-500 thousand tonnes towards 2030. Emissions per barrel of oil equivalent are expected to decrease by 30 percent once Tyra is onstream, while at the same time the Company's production will materially reweight to the transition fuel of gas.

Tyra gas production will make a material contribution to energy security in Denmark and the wider region. It will keep consumers warm while powering industry and the wider economy, supporting jobs and living standards. While gas remains an important economic and social enabler, it will drive the social value and sustainability of our business.

Team

I would like to thank the entire BlueNord team for their efforts over the last 12 months: across all of our departments, they have consistently demonstrated the value of their underlying technical, operational, financial and wider corporate skills to deliver for us as a Company. A strong 2022 that I look forward to being repeated in 2023 and beyond.

Financials

Revenue increased significantly during the year to USD 967m (2021: USD 565m). The increase in revenue reflected a strong production performance, combined with a supportive commodity price environment an increased production weighting to gas, post the HCA restimulation campaign.

EBITDA for the year of USD 611m (2021: USD 250m). The drivers for this higher outcome are in line with those that impacted our revenue.

Despite the shift in first production for Tyra, the Company has seen its balance sheet position improve during 2022, with USD 100m of the RBL being repaid in Q3 on the back of strong cash flows. With current liquidity of USD 468m, BlueNord has more than sufficient headroom to deliver on Tyra, and with continued strong cash flows and a year end cash position of USD 268m, it is increasingly well placed to deliver further and consider distributions in due course.

In order to simplify and enhance BlueNord's capital structure, in Q4 we amended the NOR13 bond. This resulted in various changes including an increase in the principal to reflect the change in value of NOR13 due to the Company's strong share price performance in 2022, a higher conversion price and also an extended maturity to December 2025 from November 2023. Post approval, this resulted in an exchange offer into a new USD 208m subordinated convertible bond, NOR15.

The Company's hedging policy has focused on ensuring the necessary level of forward cash flow visibility. During 2022, we successfully amended our hedging requirements under our RBL facility, reducing the levels that are required to be hedged and ensuring we maximise our flexibility to put price hedge volumes only where we believe it is in the best interest of all our stakeholders. The gas price hedging we put in place in H2 2022 at levels significantly above current spot prices is a strong demonstration of this.

Outlook

Looking ahead to 2023, the focus will remain on maximising the value from the existing producing assets, while also ensuring first production from Tyra as planned in winter 2023/24. To maximise the opportunity from existing assets there is a clear plan in place, consisting of infill wells, workovers and reservoir optimisation. Rigs necessary to undertake this work are on long-term contracts and the various work programmes are progressing as planned.

BlueNord therefore remains well placed to continue to deliver on its plans and guidance for this year and to drive value for all stakeholders in the short, medium and longer term. We will provide further reports as additional progress is made throughout the year and we look forward to the rest of 2023 and beyond with confidence.

Euan Shirlaw
Chief Executive Officer

Assets overview
Find out more about our assets.

Find out more **on page 18**

A robust business with strong long-term growth potential

With over 50 years of oil and gas production from the DUC and at least 20 years remaining, BlueNord has a strategically important portfolio of energy assets.

> **Our approach is founded on our vision: to become one of the leading independent producers of gas in Europe.**

Our approach to creating value for all of our stakeholders

BlueNord stakeholders include our partners, our shareholders, our lenders, the communities in which we operate, and our outstanding team of professional people. We bring these groups together to provide Europe with the energy it needs, while in the process delivering long-term value and cash-flow generation.

Our approach is founded on our vision: **to become one of the leading independent producers of gas in Europe.**

In practice, this means that we have a very clear focus on maximising the value and cash flow potential of our portfolio, combined with a disciplined approach to allocating capital in order to ensure that we best meet the objectives of all of our stakeholder groups.

BlueNord also has a clear commitment to prioritising returning capital to shareholders once the Tyra II project is on stream and, going forward, we will ensure that future investments are balanced and focused on our goal of maximising the long-term cash generation of the business.

Our approach can be summarised as a two-step process:

Step 1: Maximise cash generated by the BlueNord portfolio

We will utilise our technical expertise to optimise production and make selective investment in short-cycle development and drilling projects, leveraging our existing infrastructure position in the DUC.

Step 2: Allocate capital according to our disciplined framework

Maintaining a robust balance sheet on a through cycle basis, we will prioritise capital returns to shareholders. We will also make measured and selective further investments in more material, longer-term projects that provide organic growth and are in line with our overall objective of maximising cash flow and shareholder value.

BlueNord's strategic priorities for 2022:

01

Deliver maximum contribution from the base business

02

Deliver Tyra II

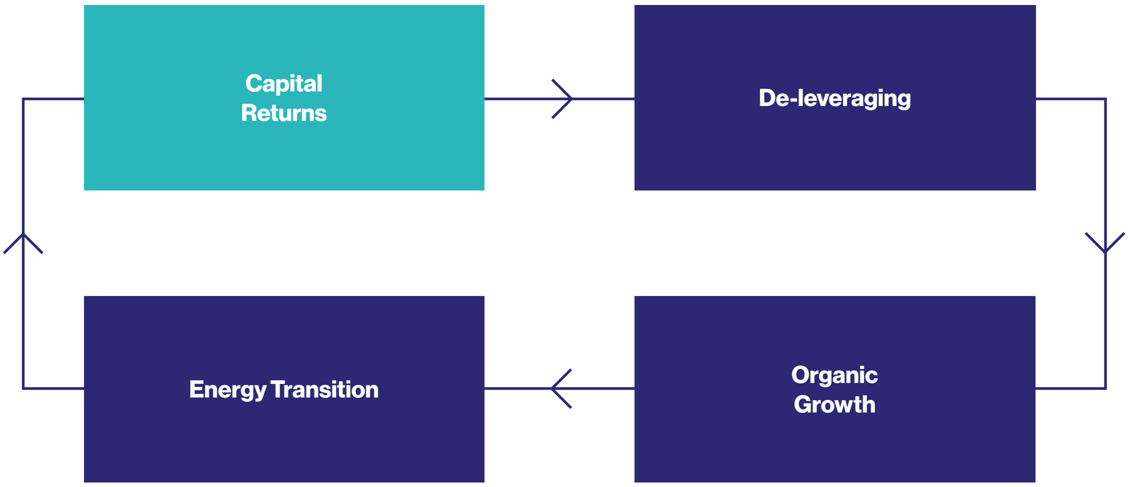
03

Deliver the long-term potential of the portfolio, while also continuing to balance the complementary objectives of energy security and energy transition

BlueNord's core values are Bold, Purposeful and Dependable.

Find out more **on page 52**

Disciplined Capital Allocation



A year of strong progress towards our strategic priorities

To achieve BlueNord's strategic priorities we worked with the operator to support optimisation of the three hubs currently operating in the DUC. At the same time, redevelopment of Tyra continued, working towards first gas in winter 2023-24.

We also invested to deliver further gas production and activities that support the transition to net zero, recognising that these opportunities must be fit for purpose and appropriate for the BlueNord balance sheet. In summary, in 2022, we:

- delivered net production of 26.7mboe/d, above the top end of expectations at the start of the year; as a result of the positive commodity price environment during 2022, this production also resulted in significant cash flow generation;
- successfully advanced and substantially de-risked the Tyra II project, with all eight offshore modules installed by the end of October 2022;
- strengthened our position in Denmark, in part a recognition of the important role the business has to play in supporting energy security;
- participated in Project Bifrost, the ongoing study of the potential for CCS using the DUC infrastructure; and
- supported CarbonCuts, an onshore CCS opportunity which provides BlueNord optionality with regards to future activities in this area.

Factors that supported our successful 2022

- Exercising BlueNord control and leveraging **internal capabilities**, including our role and engagement within the DUC where we continued to positively influence and support our stakeholders, thanks to our active, capable and motivated team, and a supportive capital structure.
- Progressing opportunities for **creating value** and maximising cash-flow generation, accelerating short-cycle, gas-weighted projects, and considering selective investment in longer-term, larger-scale developments.
- Continued to **enhance and strengthen our balance sheet** through proactive steps to simplify the capital structure, optimise hedging requirements and reduce finance costs.
- **Focused decision making** based on a clear capital allocation framework; always looking through the lens of prioritising value to support distributions to shareholders and ensuring that we are disciplined in allocating capital, today and tomorrow.

Find out more about our success factors on **pages 8 and 9.**

A year of strong progress has positioned BlueNord well for 2023 and beyond. At the start of 2023, the Company is continuing to work with the operator to optimise the Tyra II hook-up and commissioning programme that is currently underway, and which will support first gas in winter 2023-24.

Overview of Assets

Our asset portfolio includes four hubs and 15 producing fields. Three hubs are currently producing and one hub is under redevelopment.

Information about the hubs

The Danish Underground Consortium (DUC), which started production in 1972, are located in the Central Graben sector of the North Sea. The DUC is comprised of 15 fields, four export pipelines and significant infrastructure. Production is routed via four hubs: Halfdan, Tyra, Dan and Gorm. The four export pipelines secure exports from the hubs to the Danish mainland and the international market.

The DUC accounts for nearly 90 percent of the oil and gas that is produced in the Danish North Sea.

Information about the pipeline

The DUC is the owner of the Danish North Sea's key infrastructure points. The bulk of Denmark's oil and gas production is transported onshore via the Gorm and Tyra hubs.

The Tyra Gas pipeline runs between the Tyra platform and the F3/FB platform in the Dutch part of the North Sea. From here the gas is fed into the NOGAT pipeline, which carries it to the Netherlands and the Dutch supply system.

87%

of Danish oil and gas production

26.7

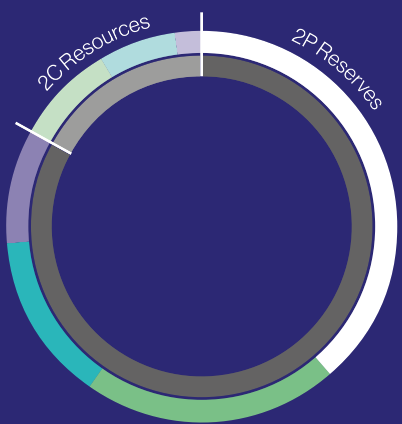
Production mboepd (net)

220

2P reserves and near-term 2C contingent resources mmboe (net)

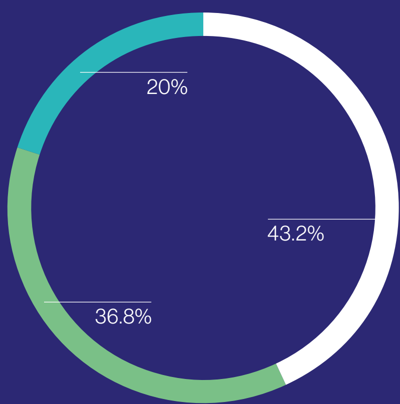
Commodity mix of 2P reserves and near-term 2C contingent resources: total = 220mmboe

2P reserves by hub and near-term 2C resources by project (total 220 mmboe)



- 2P Reserves 182.4
- Tyra Hub (2P) 85.03
- Halfdan Hub (2P) 46.28
- Dan Hub (2P) 30.84
- Gorm Hub (2P) 20.25
- 2C Resources 37.2
- Adda Hub (2C) 18.56
- Halfdan North Hub (2C) 13.76
- Infills (2C) 4.84

DUC Partners and interest

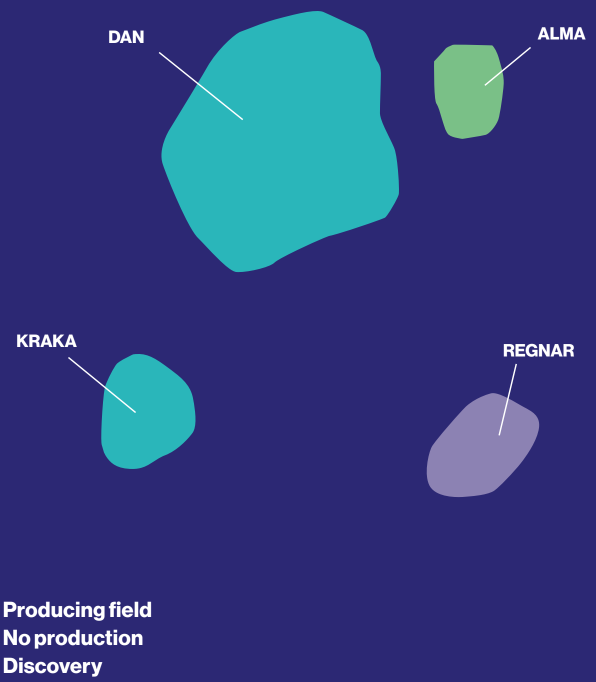


- TotalEnergies 43.2%
- BlueNord 36.8%
- Nordsøfonden 20%


Norway
1 Oil pipeline to Fredericia
2 Gas pipeline to Nybro
3 Gas pipeline to Den Helder
Gas cross-border points
Sweden
TYRA
HALFDAN
Denmark
DAN
GORM
Netherlands
Germany
Belgium

Dan Hub

The Dan Hub is a core asset on the Danish continental shelf. Discovered in 1971 and brought on production in 1972, Dan was the first field in production in Denmark and close to 26 percent of total Danish oil production has been extracted from the Dan field.



93.4%
Net oil reserves

7.7
Net production mboepd

30.8
Net 2P reserves mmboe

87.4%
Operational efficiency

Dan Hub

The Dan field is one of the largest North Sea chalk fields, part of the Ekofisk and Tor formations, both with oil rims overlying gas caps and with communication between the two formations. The reservoirs are high porosity, 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 (brought on stream in 1991) and Regnar (1993).

The Dan process centre consists of the Dan F complex, the old Dan complex, and the satellites Kraka and Regnar. Oil production from Dan is transported to Gorm, and gas is transported to Tyra.

The Dan field is one of the largest North Sea chalk fields, part of the Ekofisk and Tor formations.

Production outlook 2023

You can find out more about the production outlook for the Dan Hub in our Operational Review.

Find out more on page 31

Net production of the Kraka field

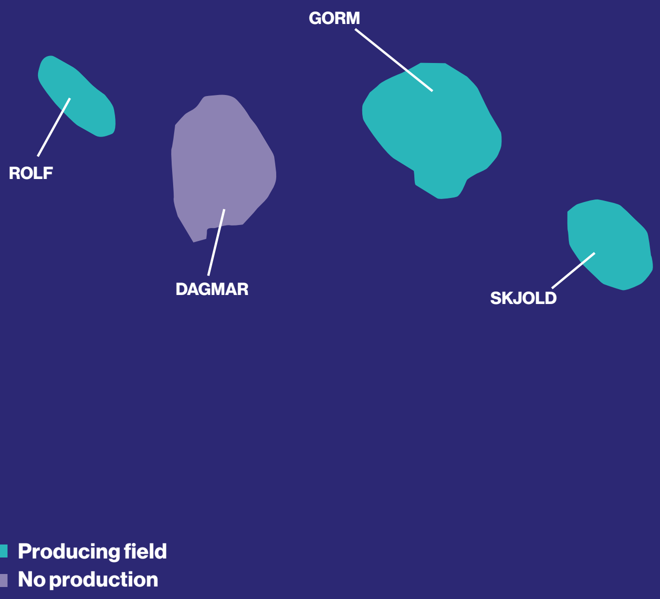
0.6 mboepd

Kraka

Kraka is a tie-back to the Dan field and is an oil field located eight kilometres to the southeast of the Dan field. The field produces oil and gas from the Ekofisk chalk; ten wells have been drilled and currently seven wells are producing. Well A-11C on Kraka has been reinstated after being used as a swing producer.

Gorm Hub

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



100%
Oil reserves

4.8
Net production mboepd

20.2
Net 2P reserves mmboe

82.4%
Operational efficiency

Gorm Hub

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 17 producers currently active, and six 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 and gas is sent to Tyra. While Tyra is not producing due to the ongoing redevelopment, gas is exported through the NOGAT pipeline to the Netherlands.

In total 46 wells have been drilled, with 17 producers currently active, and six active water injectors.

Production outlook 2023

You can find out more about the production outlook for the Gorm Hub in our Operational Review.

Find out more **on page 31**

Net production of the Skjold field

2.6 mboepd

Net production of the Rolf field

0.3 mboepd

Skjold

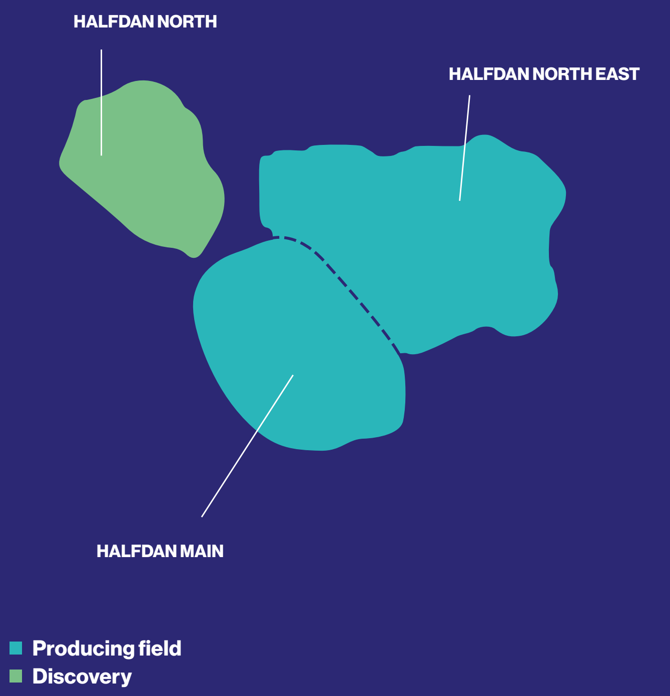
The Skjold field is an oil satellite tie-back to Gorm, which was discovered in 1977 and brought on production in 1982. The field is a dome-shaped structure with a relatively thin chalk reservoir on the crest, which thickens towards the outer crest and flank areas. In total, 30 wells have been drilled, with 16 oil producers currently active and eight active water injectors.

Rolf

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.

Halfdan Hub

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



79.3%
Oil reserves

14.2
Net production mboepd

46.3
Net 2P reserves mmboe

90.6%
Operational efficiency

Halfdan Hub

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 35 oil producers currently active and 26 active water injectors.

Halfdan North East has been developed in three phases and 21 wells have been drilled, with 16 gas producers currently active. Halfdan consists of two main groups of platforms, Halfdan A and Halfdan B, in addition to an unmanned wellhead platform, Halfdan CA (North East).

Oil is transported by pipeline to Gorm and gas is transported to Tyra West. Gas can also be imported (for injection) and exported to Dan. Injection water is supplied from Dan.

Halfdan development projects

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. More information on projects and studies on page 28-29.

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

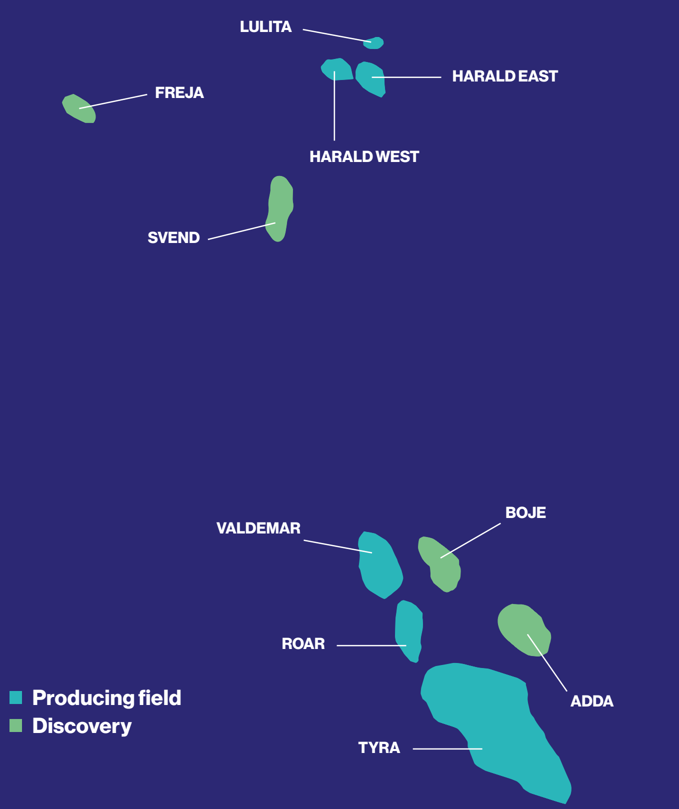
Production outlook 2023

You can find out more about the production outlook for the Halfdan Hub in our Operational Review.

Find out more on page 31

Tyra Hub

Tyra represents the largest redevelopment project to be carried out on the Danish continental shelf to date. As the largest gas field in the DUC, the redevelopment will extend the field's life by 20 years.



~90%

Expected increase of net production with redeveloped Tyra

30%

Expected reduction in emissions intensity with redeveloped Tyra

83.1

Net 2P reserves mmboe

Tyra Hub

The main 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 heart of Denmark's energy infrastructure for more than 30 years, processing more than 90 percent of the nation's natural gas production.

The Tyra field consists of two main process centres, Tyra East and Tyra West, which are linked to five unmanned satellite fields: Tyra South East, Harald, Valdemar, Svend and Roar. Gas is exported to shore and oil is exported to Gorm E.

Tyra South East is an oil-dominated field, 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 47 oil and gas producers currently active.

Due to subsidence, a decision was made to redevelop the Tyra field and production was temporarily suspended in September 2019.

All wells on Tyra and its satellites are safely suspended and abandoned for the extended shutdown, and the project made significant progress during 2022.

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, unlocking gross reserves in excess of 200mmboe.

Tyra redevelopment – Tyra II

A FID was made in 2017, following approval by the Danish authorities, with plans to temporarily 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 metres over a period of at least 30 years of production.

The redevelopment project was necessary to ensure both crew and equipment safety, as well as to maintain an optimal level of production.

The execution of the Tyra redevelopment project is both a global and local effort. In addition to fabricating installations in 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 were replaced in 2022 by one new process platform and one new accommodation platform. The four wellhead platforms and two riser platforms will have had their jackets extended by 13 metres, and the current topsides replaced.

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, unlocking gross reserves in excess of 200mmboe. Tyra II will decrease opex significantly and lower emissions intensity by 30 percent.

In addition, the completed project will extend field life by at least 20 years and produce enough gas to power the equivalent of 1.5 million homes.

Valdemar

The Valdemar field is an oil and gas field discovered in 1977, 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 22 oil and gas producers currently active.

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 reservoirs. Four gas producer wells have been drilled, with all currently 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 formations. Four wells have been drilled, two on Harald West and two on Harald East, and all four wells are currently active.

Lulita field

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

Redeveloped Tyra will extend its production by
20 years

DUC Long-Term Plan

A Long Term Plan has been developed in the DUC, with an outline of development activities up to 2030. The Plan is based on the current technical and economic landscape of the DUC, and projects will be revised and optimised in light of any findings from technical studies, production, or changing macroeconomic conditions.

Long-Term Plan ("the Plan") will endeavour to have seven infill wells drilled between 2023 and 2025. Of the seven infill wells, four oil wells will be drilled from Halfdan, one gas near-field exploration well from Harald, while the two last well slots are still under consideration.

Execution of the major developments is planned to commence when the work on the Tyra redevelopment is complete. After delivery of the seven infill wells, the three main developments will be executed. Subject to further analysis and conclusions, we will be starting with five wells on Valdemar Bo South in 2026, then moving on to Adda with seven wells, and then finally the nine Halfdan North wells to be drilled.

In addition to the projects outlined here, work is ongoing to mature additional developments that could be executed with an additional rig in parallel with these projects.

7 infill wells

to be drilled between 2023 and 2025

7 wells

on Adda

5 wells

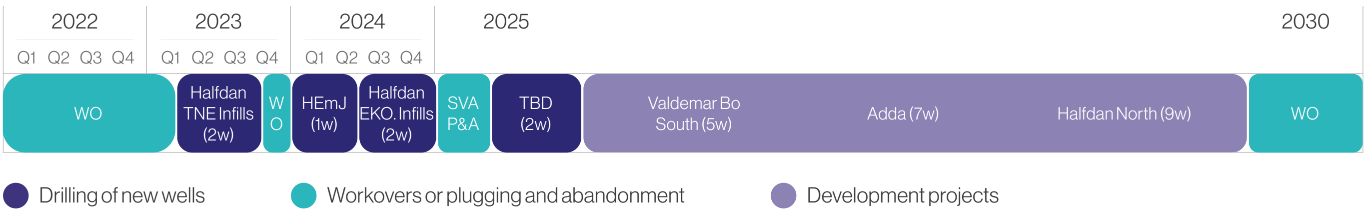
on Valdemar Bo South

9 wells

on Halfdan North

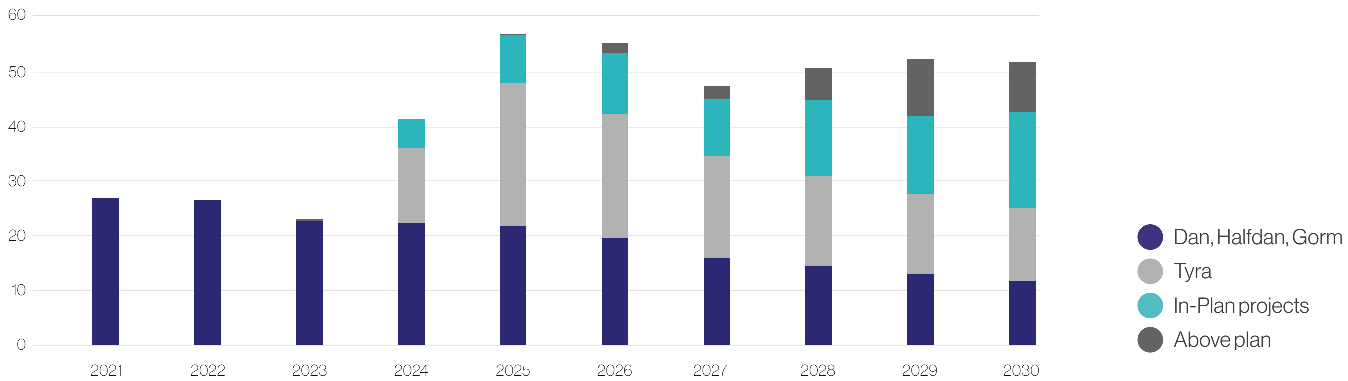
Estimated Rig Activity Schedule

(subject to further technical studies and FID on the individual projects)



Expected Long-Term Plan production profile

(subject to further technical studies and FID on the individual projects)



Key projects included the 2023 DUC Long-Term Plan

Halfdan Hub

Halfdan Infill
The Halfdan infill wells are planned as a continuation of the Halfdan field development. A final investment decision was made in 2022 for two infill wells, planned to be drilled in the Halfdan Upper Cretaceous Tor formation and with an expected first oil/gas in 2023. Further two wells are planned. A field development plan was submitted to the DEA in December 2022.

HCA Gas Lift
The HCA gas lift project is planned for 2024. The gas lift is required to support well production and thereby increase production potential. Project scope comprises modifications to Halfdan B topside facilities as well as a gas lift manifold to be installed at Halfdan C.

Halfdan North
The Halfdan North Upper Cretaceous discovery is a northern extension of the producing Halfdan field. Halfdan North was confirmed by the well HDN-2X and later in 2016 by the Tyra SE, TSB-3A well. The discovery will be tied back to the Halfdan HBD processing platform with a 7 km pipeline from a new built wellhead platform with 9 horizontal wells, 5 producers and 4 water injectors. A Field Development Plan was submitted to the DEA in 2020.

HCA gas lift project is planned for

2024

Tyra Hub

Harald East Middle Jurassic
Harald East Middle Jurassic is a gas well drilled from the Harald platform into Jurassic reservoir which has significantly better production properties than the chalk reservoirs present in Dan, Halfdan and Gorm hubs. The well is classified as a near field exploration well and has a large range of subsurface outcomes. FID has not been taken yet but is expected in first half of 2023 with first gas in 2024.

Valdemar Bo South
The Valdemar Bo South Lower Cretaceous discovery is a southern extension of the producing Valdemar field. Valdemar Bo South has been confirmed by the Bo-3X and Jude-1X exploration well and further by the VBA-6E horizontal well drilled in 2012. The discovery will be tied back to Tyra E via the Valdemar BA platform with a 2.5 km pipeline from a new built wellhead platform with five horizontal wells. A Field Development Plan was submitted to the Danish Energy Agency (DEA) in 2020.

Adda
The Adda discovery was made in 1977 by the Adda-1 well. The discovery well found gas condensate in the lower Cretaceous Tuxen Formation and oil in the overlying Upper Cretaceous Hod Formation. The discovery will be tied back to Tyra East with a 11 km pipeline from a new built wellhead platform with 7 horizontal producer wells. A Field Development Plan was submitted to the DEA in 2021.

Svend
Production from the Svend field ceased in 2016 due to well integrity issues. Due to dependencies on other projects, Svend is currently categorised as a potential addition to the Long-Term plan.

FID on Harald East Middle Jurrasic gas well is expected in first half of

2023

BlueNord's production performance in 2022 was strong, at nine percent above forecast. Production during the year benefitted from from an increased level of well activity and higher uptime, of the production facilities.

Marianne Eide
Chief Operating Officer

Production	Unit	2022	Guidance 2023
Q1	mboepd	**28.5**	25.0-26.5
Q2	mboepd	**26.5**	20.0-21.5
Q3	mboepd	**25.1**	22.5-24.0
Q4	mboepd	**26.9**	24.5-26.0

A highlight of the year was the HCA restimulation campaign in summer 2022, which involved the restimulation of eight Halfdan wells using technology that enabled new areas of the reservoir to be reached, resulting in production from those wells increasing by circa three times and a reweighting in overall production to gas. The positive effect of this stimulation is expected to last for 30 months.

Well reinstatement work on the Dan field saw an increase in the well count and five wells delivered significantly higher production than planned. Gorm also had a higher production level than expected throughout 2022 due to the well stimulations performed in late 2021, and again in November 2022.

The BlueNord assumption for operational efficiency in 2022 was 86 percent and an operational efficiency of 90 percent was delivered (excluding third party NOGAT shutdown) and 88 percent including third party shutdown. This exceptional performance was achieved through systematic work on operational efficiency by the operator, with detailed analysis of unplanned shortfalls from the previous two years and addressing the causes of the greatest shortfalls.

Production loss was also limited during the planned NOGAT pipeline shutdown, carried out once a decade, by temporary injection of gas into producing wells.

Tyra Outlook for 2023

The operator TotalEnergies reported in August 2022 that the first gas date of the project has been revised from June 2023 to winter 2023/24.

This delay is driven by global supply chain challenges that have impacted the extent to which fabrication work on the process module (TEG) was completed prior to sail away from the McDermott yard in Indonesia, as well as a revised plan for offshore hook-up and commissioning.

Tyra 2022 milestones

During 2022, numerous important milestones were reached, moving the Tyra project closer towards what will be a state-of-the-art North Sea production and export facility. During 2022, all yard construction activity completed and all eight platform topsides have been successfully installed.

10 January 2022

- The three Tyra West wellhead and riser topsides were successfully delivered from the Sembcorp Marine Ltd yard in Singapore.

16 March 2022

- Sail away of the new Tyra II utility and living quarters (the "accommodation unit" or the "TEH") from Ravenna in Italy; the unit was fabricated at the Piomboni yard by EPC contractor Rosetti Marino, and Heerema Marine Contractors Barge H-408 safely sailed the 5,400 tonne unit to the Tyra field in the Danish North Sea.
- The utility and living quarters unit is 32.5m tall and has seven levels, including a helideck, and an area of 3,500m^2 – in addition to housing 80 offshore crew, the unit has a state-of-the-art control room, and a system that turns sea water into drinking water; all firefighting water and emergency power for Tyra II will be run from the unit.

13 April 2022

- The accommodation unit and the three Tyra West topsides were successfully installed by the world's largest crane vessel, Sleipnir, during a ten-day installation campaign.

The probabilistic range of first gas export is as follows:
- P10: October 2023
- P50: December 2023
- P90: March 2024

Progress on the offshore hook-up and commissioning phase (HUC) work has started, with offshore installation completed, key milestones for 2023 include start-up of the gas turbine generators and first gas introduced to the process module.

Outlook for 2023

BlueNord has built a stable business that is underpinned by the Company's position in the DUC. BlueNord 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 through business and IT continuity plans, price hedging arrangements and proactive steps taken by the operator of the DUC. Once onstream, Tyra II will significantly enhance BlueNord's base production, and the Company also expects direct field operating expenditure to decrease below USD 13 per barrel. The Company expects reduced production driven by high maintenance and activity levels in Q2 and Q3 2023.

	PRODUCTION PERFORMANCE 2022	PRODUCTION OUTLOOK 2023
Dan Hub	Production performance was high in 2022, mainly based on: • successful reinstatement of five producers (DFA-15, DFB-15, DFB-16, DFB-17 and DFF-22A); • increase of two percent in operational efficiency due to reduction in unplanned shortfalls; and • 10 well interventions completed with the rig Maersk Reacher.	To keep production high in 2023 we will: • carry out three reactive workovers with the rig Shelf Drilling Winner, (previously called Noble Sam Turner); • maintain high operational efficiency; and • carry out 20 well interventions with the rig Noble Reacher (previously called Maersk Reacher).
Gorm Hub	Production performance was high in 2022, mainly based on: • increase of two percent in operational efficiency due to reduction in unplanned shortfalls; • successful scale squeeze campaign on Gorm wells at end 2021 supporting production in 2022; and • successful scale squeeze and restimulation campaign at end October 2022.	To keep production high in 2023 we will: • carry out scale squeeze and restimulation; • maintain high operational efficiency; and • enable gas export from Gorm to Halfdan.
Halfdan Hub	Production performance was high in 2022, mainly based on: • successful restimulation of eight HCA wells resulting in a significant increase in gas production, and an addition to reserves; • increase of three percent in operational efficiency due to reduction in unplanned shortfalls; and • successful proactive workovers and restimulations keeping the well count high and stable.	To keep production high in 2023 we will: • continue proactive workovers; • maintain high operational efficiency; • reroute stabilisation of Halfdan oil to Dan instead of Gorm resulting in reduced flaring and elimination of routine flaring; and • drill two infill wells in the Halfdan Tor North East, expected to be in production from September 2023.

31 August 2022
- The 80-bed TEH living quarter commenced its regular use.

1 September 2022
- The Tyra Process module (TEG) sails away from the Batam yard in Indonesia with all leak-testing complete.

3 October 2022
- Arrival at the offshore location.

4 October 2022
- World record offshore lift of the 17,000 metric tonne process module completed.

9 October 2022
- All lifts completed and offshore installation complete.

8 November 2022
- Safe access and temporary power in place enables efficient start-up of offshore HUC campaign on TEG. Despite challenges with cranes and offshore productivity, all milestones have been met according to plan.

21 December 2022
- TEG permanent crane in operation.

Remaining activity on the Tyra redevelopment project in 2023 is offshore hook-up and commissioning to achieve first gas and then ramp up of production to achieve full design processing capacity.

Financial Review

We have had a strong year driven by excellent underlying operating performance and the benefit of a supportive commodity price environment in 2022. With record revenues of USD 967 million and EBITDA of USD 611 million for the full year, this has resulted in significant cash generation from operating activities of USD 561 million, ending the year with total liquidity of USD 468 million, comprising of cash on balance sheet of USD 268 million and undrawn RBL capacity of USD 200 million.

Our capital structure remains robust and fully funded to deliver Tyra, as supported by our liquidity position and net debt, with no principal maturities prior to Tyra first gas. The significant cash generation in 2022 enabled a voluntary repayment of USD 100 million of the RBL facility, which in addition to our interest rate hedge, allows for significant savings on borrowing costs.

Other highlights include a successful refinancing of the NOR13 convertible bond that was exchanged into the new USD 208 million NOR15 convertible bond, with revised terms and a later, more flexible, conversion date in 2025. We also continue to maintain a hedging policy that provides visibility over future cash flow, adding volumes where it makes sense to do so, and in doing so, supporting our balance sheet and capital structure through this continued uncertain price environment.

Jacqueline Lindmark Boye
EVP Finance

The Company had revenues of USD 966.9 million in 2022 (2021: USD 565.3 million) mainly related to oil and gas sales from the DUC fields. The increase is due to higher realised commodity prices, with an increase of 30.6 percent on oil and 194.5 percent on gas respectively, net of hedging effects.

Production expenses: of USD 308.5 million in 2022 (2021: 297.0 million) was directly attributable to the lifting and transport of the Company's oil and gas production, which equates to USD 31.6 per boe (2021: USD 30.2 per boe). Adjusted for insurance and changes in stock and inventory, total production expenses amounted to USD 323.4 million in 2022 (2021: USD 292.7 million). Current year is influenced by the start-up of the production enhancing WROM and the IRP, in addition to the Halfdan well restimulation campaign.

Personnel expenses were USD 12.5 million in 2022 (2021: USD 11.5 million). The increase is mainly related to the long-term incentive plan (LTIP), which is valued and accounted for according to IFRS 2. For more information related to the LTIP, see page 80 in the Remuneration Committee Report.

Other operating expenses amounted to USD 19.1 million in 2022 (2021: USD 10.9 million). The increase is related to higher consultant and legal fees.

Operating result (EBITDA) for 2022 was a profit of USD 611.2 million (2021: USD 249.5 million). This increase mainly relates to higher revenue.

Net financial items amounted to an expense of USD 229.0 million in 2022 (2021: USD 132.3 million). This was primarily driven by the negative fair value adjustment on NOR13's embedded derivative, the value of which is influenced by the increase in BlueNord's share price, and an increase in the discount rate related to abandonment provision. This was partially offset by the extinguishment of the NOR13 bond loan, positive fair value adjustment on the RBL interest swap and higher interest income related to restricted cash.

Income Tax for the group amounted to a current tax cost of USD 204.6 million and deferred tax movements amounted to USD 74.5 million, which corresponds to a statutory tax rate of 64 percent on result before tax on hydrocarbon income, adjusted with the effects of investment uplift, foreign exchange adjustment of tax losses and the estimated repayment of the special tax incentives implemented in 2017. This repayment 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 implemented. Effective 0 percent tax on result before tax in Norway and UK and effective 22 percent tax on result before tax on ordinary income in Denmark.

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 30.5 million (2021: loss of USD 53.2 million).

Total non-current assets amounted to USD 2.7 billion at the end of 2022, of which USD 1.9 billion related to property, plant and equipment, intangible assets of USD 160.4 million, deferred tax asset of USD 348.8 million, derivatives related to the RBL interest swap and gas hedges of USD 33.7 million and USD 203.7 million in restricted cash, relating to security for DUC cash call obligations pledged to TotalEnergies, and security against Nini/Cecilie abandonment costs.

Total current assets amounted to USD 583.9 million at the end of 2022. USD 94.4 million in trade receivables and accrued revenue, mainly related to oil and gas revenue, USD 24.2 million in prepayments primarily offshore and non-payment insurance premiums, USD 268.4 million of cash and USD 55.9 million of inventory.

Equity amounted to USD 602.5 million at the end of 2022. Increase in equity mainly related to the positive fair value adjustment of hedges and issuance of shares.

Interest-bearing debt amounted to USD 1.1 billion at the end of 2022. The decrease relates to the repayment of USD 100 million on the RBL facility, partly offset by the NOR15 exchange offer, which had no cash effect. The NOR13 convertible bond loan had a book value of USD 13.1 million at the end of 2022, following the conversion of USD 151.4 million to NOR15. The new NOR15 convertible bond loan had a book value of USD 175.7 million at the end of 2022, which includes compensation bonds of USD 56.2 million. The bond loans are valued at amortised cost and the embedded derivatives are accounted for as a derivative liability at fair value through profit and loss. BlueNord's USD 1.1 billion RBL facility, drawn at USD 800.0 million on 31 December 2022 and with maximum cash drawing capacity of USD 1.0 billion, had a book value of USD 764.0 million at the end of 2022. The voluntary repayment of USD 100.0 million on the RBL facilities occurred in Q3 2022. The senior unsecured bond loan NOR14 had a book value of USD 166.9 million at the end of 2022. The RBL facility and the unsecured bond loan are valued at amortised cost. In addition, interest-bearing debt includes deferred consideration with a book value of USD 25 million.

Asset retirement obligations amounted to USD 955.8 million at the end of 2022 (2021: USD 1,029 million). The decrease is driven primarily by updated exchange rates and a 0.5 percent increase in the discount rate. USD 890.8 million is related to the DUC assets, USD 61.1 million to Nini/Cecilie, USD 2.3 million to Lulita and USD 1.6 million to the Tyra F-3 pipeline. The Nini/Cecilie asset retirement obligation is secured through an escrow account of USD 61.1 million.

Cash flow from operating activities amounted to USD 561.0 million at the end of 2022 (2021: USD 49.8 million). The increase is mainly related to higher revenue from favourable oil and gas commodity prices and strong operational performance in the current year. In addition, 2021 was negatively influenced by the payment of 2020 VAT liability of USD 156.7 million in 2021. Cash flow from operating activities excluding changes in working capital amounted to USD 600.8 million in 2022 (2021: USD 244.9 million).

Cash flow used in investing activities amounted to an outflow of USD 258.2 million at the end of 2022 (2021: USD 246.5 million). The cash flow used in investing activities were related to DUC investments of USD 241.6 million, of which USD 228.3 million related to the Tyra redevelopment, USD 14.4 million in abandonment expenditure, and USD 2.4 million in exploration and evaluation assets.

Cash flow from financing activities amounted to an outflow of USD 157.1 million at the end of the year (2021: USD 60 million). The cash outflow in current year is mainly related to a USD 100 million voluntarily repayment on the RBL facility, compared to a drawdown of USD 148.8 million last year. In addition, USD 61.6 million in paid interest and financing cost and a positive cash flow of USD 5.4 million related to sale of treasury shares.

Net change in cash and cash equivalents amounted to positive cash flow of USD 145.8 million in 2022 (2021: outflow of USD 136.7 million). Cash and cash equivalents were in total USD 268.4 million at the end of 2022.

Effective oil price
$75.5
USD/bbl

Cash flow from operating activity
561 million

Effective gas price
101.9
EUR/Mwh

Cost per boe
$31.6

Total revenue
966.9 million

EBITDA
611.2 million

Total liquidity
468.4 million

Interest bearing debt
1.1 billion

Ensuring energy security

Climate change is one of the biggest threats the world faces. At BlueNord we work to actively reduce our carbon footprint while contributing to energy security.

Over the next seven years, global greenhouse gas (GHG) emissions must be halved to succeed in mitigating global climate change. At the same time, hydrocarbons are expected to remain an important part of the energy mix for the foreseeable future. BlueNord recognises that it has a responsibility to be an active participant in the energy transition. As part of the DUC, BlueNord is committed to reducing emissions by 400-500 thousand tonnes by 2030, and thereby contributing to the delivery of the Danish 70 percent CO_2 reduction target by 2030.

We believe that CCS is a key enabler to combat climate change and are committed to two projects: Project Bifrost offshore and CarbonCuts onshore. You can read more about these on page 36.

BlueNord has continued to support its employees and partners, through operating sustainably and safely while also behaving in a way that recognises the importance of diversity. You can read more about this on page 52.

During the year, BlueNord put several initiatives in place to improve overall performance related to Environmental, Social, & Governance (ESG) issues, and to increase the transparency of the Company's ESG activities. Following the materiality assessment which was conducted in October 2022, BlueNord is working on a sustainability strategy in 2023.

Our commitments

30%

Reduction in emissions intensity by 2025

80%

Power from renewables by 2029

Stakeholder engagement and materiality

During 2022, BlueNord took measures to align themselves with the Norwegian Transparency Act and the Equality and Anti-Discrimination Act. The Company developed a separate report from each committee (ESG, remuneration, audit, and nomination), conducted a materiality assessment, and established reporting against the Taskforce for Climate-related Disclosures (TCFD). BlueNord also established a risk register and has requested monthly emissions data from the operator.

In 2022 the EU Council gave its final approval to the Corporate Sustainability Reporting Directive (CSRD) and according to CSRD, BlueNord is required to report in accordance with the new European sustainability standard (ESRS) from 2025. The company has therefore taken steps to prepare for the ESRS.

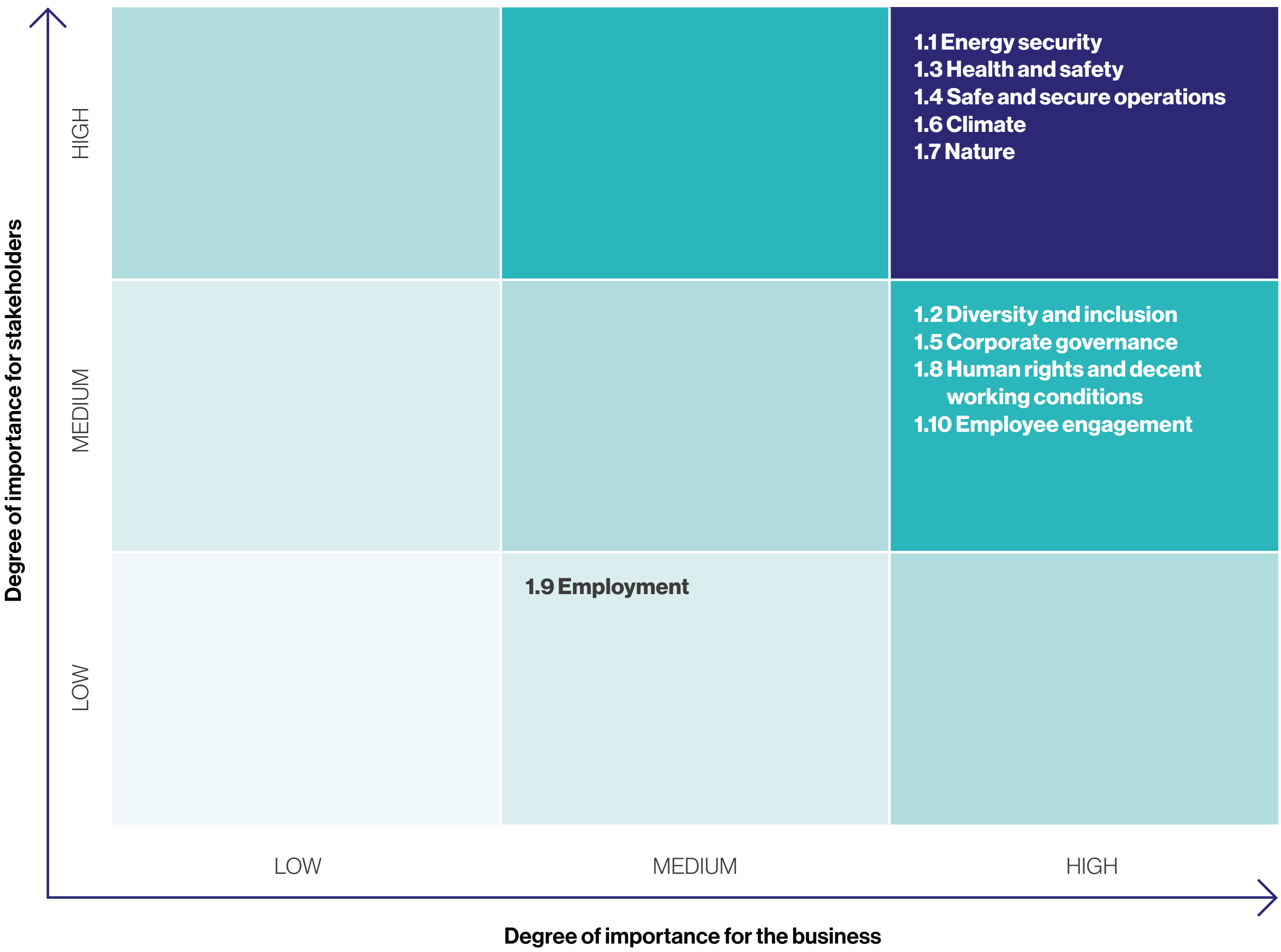
As a preparation for ESRS, we have used elements from the draft principles of ESRS to prepare this year's sustainability report. We have focused on conducting a materiality assessment and from 2025 we will include the full ESRS approach.

BlueNord engages both directly and indirectly with internal and external stakeholders in a continuous dialogue throughout the year to obtain their insights on sustainability topics. Key stakeholders are employees, investors, business partners, government agencies, local communities, NGOs and suppliers.

In October 2022, the Company conducted a materiality assessment with members of the management team. The purpose was to identify and prioritise material topics regarding ESG.

Several factors in the Company's ESG approach have been assessed. The Company's core business, who the Company's most important stakeholders are, and what is to be defined as sustainability in the Company was examined. An assessment of the most relevant megatrends within ESG and the industry's concerns was also carried out, in addition to a stakeholder assessment.

The material issues are shown in the chart below.



Our sustainability commitments

BlueNord is committed to a balanced approach, where energy security and the energy transition are both key themes.

01

1. Deliver Tyra

Energy Security: reliable, affordable and politically stable gas

- Produces enough energy to power equivalent of c. 1.5m homes
- Key gas producer in the EU
- Unlock additional low emissions, high-value resources

BlueNord investment in delivering gas redevelopment project

>$1bn

02

2. Reduce Emission Intensity

Emissions lowered with Tyra and end-of-routine flaring

- Mainly driven by Tyra II's modern, efficient facilities
- Routine flaring in the DUC to end by August 2023
- Improved efficiency and monitoring on producing assets

Estimated emissions in 2025 reducing from c.30kg/boe in 2022 to c.21kg/boe

30% reduction

03

3. ESG-Linked RBL Facility

Funding cost linked to delivery against ambitious objectives

- KPIs linked to emissions and power from renewable sources
- Investigating potential to change to a KPI more reflective of current strategy

Emissions to be reduced by 2027

50%

Power from renewables by 2029

80%

04

4. Carbon Capture Storage

Assessing potential for CCS through Bifrost and CarbonCuts

- Strategic involvement through the DUC (Bifrost) and an exclusive CCS project
- Bifrost a larger scope outside of the DUC, with potential for farm-in on Harald
- CarbonCuts is BlueNord-only backed with a fit-for-purpose size and scope

Investment for feasibility study

c. USD 3 million

Energy security

2022 increased the awareness and importance of energy security. BlueNord is and will continue to be a considerable European contributor of energy supply through our existing and future business.

With hydrocarbons, and in particular natural gas, expected to remain an important part of the energy mix for the foreseeable future, BlueNord will play an important role for energy security.

By delivering Tyra, BlueNord will both secure energy supply for Denmark and materially reduce our emissions intensity profile. Redeveloped Tyra will reduce emissions intensity by 30 percent while at the same time supply gas to power the equivalent of 1.5 million Danish homes.

Achievements and near-term focus: climate

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 lower emissions intensity by 30 percent, and in addition lower the flaring by 90 percent.
Routine-flaring reduction	The Company has planned a step-wise implementation of the Halfdan reroute for final oil stabilisation to remove routine flaring. The first step was completed in February 2022, and reduced the flaring, corresponding to a reduction in CO_2 emissions of 4.3 thousand tonnes CO_2 e/year. The second step to be completed in 2023 will remove the routine flaring and reduce the CO_2 emissions by a further 5.9 thousand tonnes CO_2 e/year.
Fuel reductions	12 CFR initiatives are planned to be implemented in the period 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 thousand tonnes CO_2 e/year with approximately 4,8 thousand tonnes CO_2 e/year in 2022. The use of onshore smart room monitoring of fuel consumption helps reduce the fuel consumption.
Emission monitoring	Improvements are being made to emissions 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.

Achievements and near-term focus: nature

Chemicals	Chemicals are being phased out and replaced by green chemicals in a continued dialogue with the Danish Environmental Protection Agency.

The environment

As a non-operator, BlueNord will work to protect the environment where possible, both in its own operations, and through the Company's partnership with the DUC.

In 2022, BlueNord had improved operational efficiency and higher activity related to the ongoing HUC on Tyra II. As 2022 was a transitional year towards bringing Tyra II on stream, which will reduce emissions intensity by 30 percent, this resulted in higher emissions than in 2021. However, with several measures, BlueNord reduced the routing flaring which will be completely eliminated during 2023.

Performance status 2022: climate

TOPIC	DESCRIPTION	2021 PERFORMANCE	2022 PERFORMANCE	CHANGE
CO_2 emissions	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 increase from 2021 to 2022 stems from higher operational efficiency on producing platforms, and higher activity related to the ongoing HUC on Tyra.	**Total CO_2 emissions** **0.27 mill. tonnes**	**Total CO_2 emissions** **0.29 mill. tonnes**	Higher
Fuel consumed in production at platforms*	Fuel is consumed primarily by single cycle gas turbine powering generators, gas compressors, and pumps. The increase from 2021 to 2022 stems from higher operational efficiency on producing platforms.	**Gas fuel CO_2 emissions** **76%** **Diesel:** **7%**	**Gas fuel CO_2 emissions** **76%** **Diesel:** **10%**	Unchanged Higher
Flaring at platforms*	Flaring of natural gas is occurring on all hubs when required to allow safe operation during production upsets and non-routine operation. The reduction from 2021 to 2022 is due to the measures initiated to reduce and eventually stop routine flaring, including the reroute of Halfdan.	**Flaring CO_2 emissions** **13%**	**Flaring CO_2 emissions** **10%**	Lower
Fugitive emissions at platforms*	Venting of gas from production facilities is to ensure safe operation. Venting is primarily relevant for systems operating at atmospheric pressure, but it also occurs during facilities maintenance.	**Venting CO_2 emissions** **4%**	**Venting CO_2 emissions** **4%**	Unchanged
NOx and SOx emissions	The operation of gas turbine drives and diesel engines offshore causes emissions of nitrogen oxides and sulphur oxides. The increase from 2021 to 2022 stems from higher operational efficiency on producing platforms, and higher activity related to the ongoing HUC on Tyra.	**NOx** **1.262 tonnes** **SOx** **14.4 tonnes**	**NOx** **1.515 tonnes** **SOx** **16.9 tonnes**	Higher Higher
CH4	CH4 and nmVOC come directly from our gas. They can originate from unburned parts of our fuel gas or flare gas (they do not burn at 100 percent efficiency) or from releases, i.e. process vents or tiny leaks that are below threshold limits of our safety detection systems.	**736 tonnes**	**669 tonnes**	Lower

* figures relate to the percentage of emissions stemming from production at platforms.

KEY
Increased | Unchanged | Decreased

Performance status 2022: climate continued

TOPIC	DESCRIPTION	2021 PERFORMANCE	2022 PERFORMANCE	CHANGE
nmVOC	CH4 and nmVOC come directly from our gas. They can originate from unburned parts of our fuel gas or flare gas (they do not burn at 100 percent efficiency) or from releases, i.e. process vents or minor leaks that are below threshold limits of our safety detection systems.	590 tonnes	555 tonnes	Lower
GHG (CO_2e)	GHG emissions consist of all the above-mentioned emissions. The increase from 2021 to 2022 stems from higher operational efficiency on producing platforms, and higher activity related to the ongoing HUC on Tyra.	0.30 mill. tonnes	0.31 mill. tonnes	Higher
GHG intensity (CO_2e/Mboe)	—	28.0	29.7	Higher

Performance status 2022: nature

TOPIC	DESCRIPTION	2021 PERFORMANCE	2022 PERFORMANCE	CHANGE
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 2022, 26.3 percent of the produced water was reinjected. Oil is discharged to sea as part of the produced water and the efficiency of oil/water separation is a key factor for the oil in water concentration. The increase in concentration of oil in water from 2021 to 2022 is due to more separation issues. The higher volume of oil discharged has increased due to the concentration level increase in addition to more discharged produced water. The level of discharge is within the legal limit.	Discharged produced water 6.2 mm m3 Volume of oil discharged 33.8 tonnes Oil concentration in water 5.5 mg/L	Discharged produced water 6.5 mm m3 Volume of oil discharged 45.0 tonnes Oil concentration in water 6.9 mg/L	Higher Higher Higher
Spills	Spills from closed systems and from handling of various liquids are reported in accordance with environmental regulation. In 2022, 6 oil and diesel spills and 32 chemical spills were reported, compared with 8 oil and diesel spills and 29 chemical spills in 2021. Ongoing efforts are made to minimise the number and level of spills that occur.	Oil and diesel spills 0.33 tonnes Chemical spills 0.98 tonnes	Oil and diesel spills 0.25 tonnes Chemical spills 33.3 tonnes	Lower Higher

The environment continued

Carbon Capture Storage (CCS)

To support the Danish climate targets and reduce carbon emissions globally, CCS technologies need to be deployed on a large scale.

CCS is a means of mitigating carbon emissions and climate change while allowing energy consumption from fossil fuels and biomass. It involves the separation, treatment and transportation of CO_2 from industrial sources to a long-term storage location. As noted in the IEA report "Net Zero by 2050: A Roadmap for the Global Energy Sector", CCS can facilitate the transition to net-zero CO_2 emissions by tackling emissions from existing assets and providing a way to address emissions from some of the most challenging sectors. BlueNord is involved in two CCS projects.

Project Bifrost

Project Bifrost is developing a concept for storing CO_2 in a depleted reservoir in the Harald field. This partnership is between the DUC, Ørsted and the Technical University of Denmark (DTU).

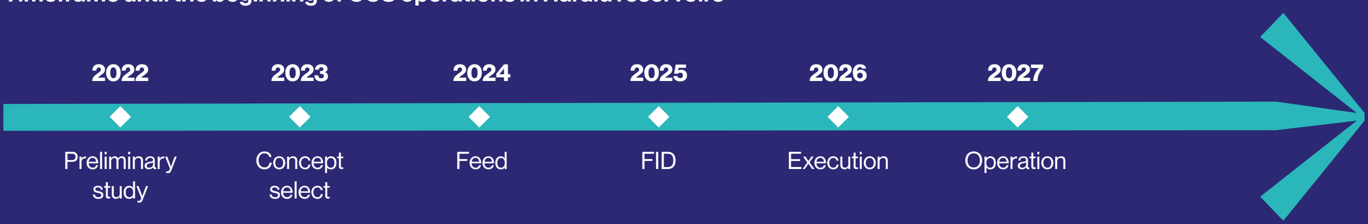
This project assesses the potential for transporting and storing CO_2 underground offshore in the Harald field – from the CO_2 being captured on land, to the transportation offshore via specialised shipping or existing pipelines, and finally injected into the empty gas reservoirs at the Harald field.

The site was chosen because of the Danish geology. Situated 3650 meters below the surface, the depleted Harald-West sandstone reservoir is suitable for permanently and safely storing CO_2 due to its good containment and strong shale seal. With a storage capacity of several million tons per year, the Harald-field was the perfect location for the partnership to begin its development.

The project will also assess the potential reuse of additional DUC infrastructure as they become available, in addition to the use of existing pipelines for transportation, connecting the DUC fields to Denmark as a national CO_2 transportation system which can later connect to a future European cost and climate-efficient CO_2 transportation system.

Project Bifrost has received public funding from the Energy Technology Development and Demonstration Programme (EUDP), a subsidy granted as part of the Danish state's national climate strategy towards a zero-emission society. CCS has been chosen for this strategic public investment as the technology is estimated to deliver a significant part of the reductions Denmark needs to meet the 70 percent reduction target. If the development and demonstration program proves successful, Project Bifrost will be matured towards a final investment decision (FID).

Timeframe until the beginning of CCS operations in Harald reservoirs



CarbonCuts

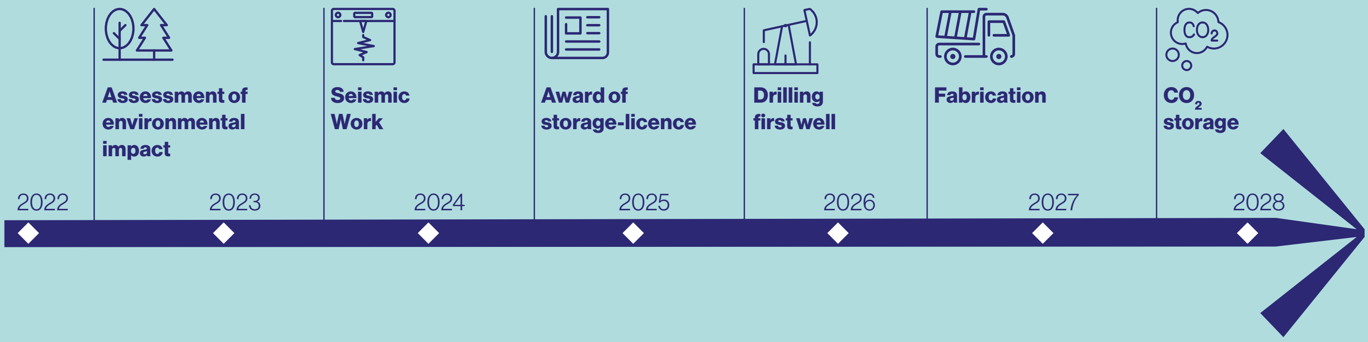
CarbonCuts is a newly established early-stage initiative with the goal of establishing an onshore CO_2 storage location. CarbonCuts is key to addressing Denmark's ambitions for onshore storage of CO_2.

BlueNord provides financial, technical, and commercial support. The Danish Energy Agency has previously selected the relevant areas with geological structures suitable for CO_2 storage. There is currently a feasibility study underway for a CO_2 storage facility at the Rødby coastline, onshore Denmark with the project name Ruby. BlueNord is funding this phase with approximately USD 3 million.

The first storage for CO_2 is expected in 2027. The project has quickly received local support and has attracted national and international political interest.

> **BlueNord made a strategic investment in CarbonCuts, a start-up company focused on assessing the potential for onshore CCS in Denmark.**

Timeframe until the beginning of CCS operations for the Ruby project.



Research to reduce environmental impact

Together with its partners in the DUC, BlueNord invests in research and development to support and grow its exploration and production activities. The DUC has a partnership with the Technical University of Denmark and together have established the Danish Offshore Technology Centre ('the Centre').

The Centre conducts research to improve future production of oil and gas from the Danish North Sea and seeks to both improve cost efficiency and reduce environmental impact. An additional focus and overall objective of the Centre is to secure qualified researchers and potential employees essential for sustaining and further increasing the recovery of the Danish oil and gas resources. One of BlueNord's employees carried out a PhD-study at the Centre, including a four month internship at BlueNord during spring 2022.

In 2022, the DUC contributed funding amounting to DKK 95 million. The Centre has the following areas of focus:

- Abandonment of offshore oil and gas fields. Monitoring of abandoned installations in reference to an environmental baseline, for long-term protection.
- CO_2 storage in old oil and gas fields. No showstoppers have been identified for storage in chalk.
- Produced water management. Developing new technologies to optimise the water treatment process (zero harmful discharge vision).
- Operations and maintenance technology. Modular architecture for planning maintenance in a cost-effective way.

In addition to the Research and Development studies conducted at DTU Offshore, BlueNord is also participating in the Inno-CCUS partnership which is developing and maturing technology relating to capture, storage and utilisation of CO_2.

95m DKK

Funding contributed in 2022

Task Force on Climate-related Financial Disclosures (TCFD)

Introduction to framework

There is a growing demand for decision-useful, climate related information, and creditors and investors are increasingly demanding access to risk information that is consistent, comparable, and clear.

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. Additionally, TCFD encourages the standardised reporting structure for financially material climate-related risks and opportunities to give investors, lenders, and insurers enhanced comparability when assessing and pricing pertinent companies.

The TCFD framework is made up of 11 recommended disclosures divided into four pillars that represent core elements of how organisations operate. The four pillars are: governance, strategy, risk management, and metrics and targets. Moreover, the framework separates into three main categories: risks related to the physical impacts of climate change, risks related to the transition to a lower-carbon economy, and climate-related opportunities. TCFD has also incorporated financial impact as an integral part of its disclosure recommendations.

In line with the TCFD recommendations, a report in accordance with TCFD is as of 2022 an integrated part of BlueNord's annual financial reporting, and the report is reviewed annually by the audit committee, ESG committee and the board.

Core Elements of Recommended Climate-Related Financial Disclosures

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

Risk management
The processes used by the organisation to identify, assess and manage climate-related risks.

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

GOVERNANCE	RECOMMENDED DISCLOSURES		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate related risks and opportunities.	b) Describe the management's role in assessing and managing climate-related risks and opportunities.	

STRATEGY	RECOMMENDED DISCLOSURES		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

RISK MANAGEMENT	RECOMMENDED DISCLOSURES		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	b) Describe the organisation's processes for managing climate-related risks.	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.

METRICS & TARGETS	RECOMMENDED DISCLOSURES		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

“

In BlueNord we have identified the most significant climate-related risks and opportunities we face.

Task Force on Climate-related Financial Disclosures (TCFD) continued

01 Governance

Board level oversight

The board recognises the importance of steering the impact of potential climate-related risks and opportunities on BlueNord's business and strategy. The board therefore supports the recommendations of the Task Force on Climate-related Financial Disclosures.

The board of directors has the ultimate responsibility for the company management, including oversight of climate-related strategic planning, and risk and opportunity management. The chair of the board has the overall responsibility for the management of climate-related issues in BlueNord. The board has a responsibility to ensure that BlueNord's activities regarding climate issues are included in the company's strategy, and climate-related targets are defined. The board will receive regular updates from the ESG committee and the management group in BlueNord. The board is responsible for ensuring that the BlueNord's risk management and internal control systems are adequate in relation to the regulations governing the business.

The board reviews the group's main risk areas and internal control systems annually, including the group's values, code of conduct and corporate responsibility. The board reports yearly on climate impacts and risks that the company faces, in the non-financial section of the board of directors' report.

Management level oversight

The executive management is responsible for risk and opportunity identification and for ensuring effective processes and mitigation efforts, including climate-related issues, risks and opportunities within the managers' respective areas of responsibility. The EVP for Investor Relations & ESG reports directly to the CEO.

In 2020, an ESG committee was established to support BlueNord's commitment to ESG and to evolve its contribution in the energy transition. Read more about the ESG committee's work in the ESG committee report on page 80.

02 Strategy

Identified climate-related risks and opportunities

In line with the recommendations laid out in the TCFD framework, BlueNord has in February 2023 conducted a process to assess how – and to what extent – the company is exposed to climate risk. Management representatives for Finance and Investor Relations & ESG participated in a workshop to identify significant physical risk, transition risk, and opportunities caused by climate change. In the workshop, the identified risks and opportunities were assessed in a strategic and financial context, in three different time horizons and in four different climate scenarios (more information about the scenario analyses is disclosed in chapter 2c).

As climate-related risks and opportunities influence BlueNord's strategic and financial planning differently in the short, medium, and long-term, BlueNord considered these three time horizons in the workshops. The following definitions of three time horizons are applied:

Time horizon	Year
Short-Term	**2023-2025**
Medium-Term	**2025-2030**
Long-Term	**2030-2050**

For BlueNord, it is important to identify the most significant climate-related risks and opportunities we face, as it can help us to make informed decisions about how to mitigate or take advantage of these factors.

To identify the most critical risk factors, the management representatives assessed factors that could potentially impact the operations negatively and the probability of occurrence. To identify the opportunities with the highest potential, the management representatives assessed how the factors could potentially impact the company positively and the degree of difficulty to take advantage of the opportunity.

Risk factors defined as most critical:

- Increased/high CO_2 tax

Opportunity defined with highest potential:

- Resource efficiency
- Financial markets evolvement
- BlueNord has relatively flexible investments
- The sector is already strictly regulated and already prepared for harsh weather conditions

Acute physical risk

Through our acute physical risk identification process, we identified extreme weather due to increased frequency and intensity of strong wind, storms, and hurricanes as most significant to BlueNord. Such events may impact BlueNord's direct operations, or cause disruptions in the supply chain. Any events delaying production have a financial implication.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	Most relevant scenario	Time horizon	Mitigation strategy
Increased frequency and intensity of strong wind, storms, and hurricanes interdependency	Climate change and temperature increases may lead to more extreme weather. The wind speed is expected to increase, and the air will contain more moisture. This will lead to increased occurrences of strong winds, storms, and hurricanes in the future.	Inability to have people safely offshore. Inability to transport people and equipment, as this is done by helicopter and supply ships. Weakened production capacities due to shortage of supplies, employees and possible damage to the equipment.	Reduced revenue and increased costs associated with asset repair and additional labour. Potential impact on production.	BlueNord sees the greatest consequences in STEPS, but the negative effects may be more relevant for the supply chain at an earlier stage.	Long-term	The sector is already strictly regulated and, prepared for risks related to harsh environment. Furthermore, we continuously assess equipment for drilling and supply to make sure it stands changes in climate.

Chronic physical risk

Chronic physical risks refer to longer-term shifts in climate patterns, such as sustained higher temperatures that may cause sea level rise or chronic heat waves.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	Most relevant scenario	Time horizon	Mitigation strategy
Rising sea levels	Sea levels may rise due to expanding ocean volumes from temperature increases and from melting glaciers and ice sheets.	High waves which hit the infrastructure on the platform causing damage.	Increased cost due to adaption of platforms in order to handle rising sea level.	Most relevant in STEPS	Long-term	The platforms have already been reconstructed or assessed to meet the risk of sinking seabeds. This has prepared them more for extreme weather events and rising sea levels.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Transition risk – Policy and Legal

Transitioning to a lower-carbon economy may entail extensive policy and legal changes to address mitigation and adaptation requirements related to climate change. We have identified the following policy actions and climate-related litigation claims as the most significant for BlueNord:

Identified risk	Description of risk	Potential impacts	Potential financial impacts	Most relevant scenario	Time horizon	Mitigation strategy
Uncertainty related to the EU Taxonomy and how this will impact BlueNord	Increasing need to demonstrate that economic activities are environmentally sustainable.	More difficult and more expensive to raise support from a capital market perspective and debts perspective.	Limited access to capital.	Most relevant in NZE/SDS	Medium, and long-term	Focus on having a close dialogue with investors. Transparency is crucial when it comes to climate risk. BlueNord focuses on being as transparent as possible towards investors and other stakeholders.
Increased carbon pricing and taxes	Carbon tax is an instruments for cost-effective cuts in greenhouse gas emissions. Other extraordinary taxes or measures to affect the operations of high emission sectors could also be put in place as solidarity measures.	Low emissions and being part of the energy transition will play a bigger part in the licence to operate.	Increase cost of the business and shorten life of assets.	Most relevant in NZE/SDS	Short, medium and long-term	Reducing emissions as much a as possible on current and future operations. Possible offset through storing CO_2.

Transition risk – Technology

Technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system can have a significant impact on organisations.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	Most relevant scenario	Time horizon	Mitigation strategy
Transition to lower emission technology	Gas has a role and opportunity in the transition. In the long run, the need for oil and gas will change/ decrease. Technology also represents an opportunity in identifying, addressing, and reducing risks.	Changes in demand due to: • declining cost on renewables • electrification of industries and transportation • advanced technology, which makes it possible to monitor and detect possible spills and reduce impact, and consequently, identify and reduce emissions.	Decrease in revenue, due to reduced oil and gas demand. Technology for monitoring will provide more precise measures, ability to respond immediately and potentially reduce financial impact.	Most relevant in NZE	Medium, and long-term	CCS projects, both on shore and off shore.

Transition risk – Market

While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	Most relevant scenario	Time horizon	Mitigation strategy
Changes in gas demand	The transition to a zero-emissions society is expected to decrease the demand for gas in the long run. It is uncertain how fast the transition will go. At the moment, it is going slower than expected – all sectors still depend on gas. The current geopolitical situation has increased the focus on energy security where gas plays a part, but also where the transition to renewables has increased its pace.	Declining demand based on new technology. For instance, EVs, circular economy and less use of plastic.	Decreased revenues	Most relevant in NZE	Medium and long-term	BlueNord focuses on gas as transition fuel.

Transition risk – Reputation

Climate change has been identified as a potential source of reputational risk tied to changing customer or community perceptions of an organisation's contribution to or detraction from the transition to a lower-carbon economy.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	Most relevant scenario	Time horizon	Mitigation strategy
Reputation risk in the era of ESG	Fossil fuel is not a renewable energy source and leaves a large carbon footprint. Still, gas will play a role in the future energy mix. Abandonment of infrastructure needs to be done in a safe and sustainable manner and thus contributing to circularity of these materials.	Oil and gas producers do not have a good reputation in the field of ESG. Will need to demonstrate that one takes the expected responsibility. Increased requirements for abandonment and be stricter going forward.	Reduced revenue from decreased demand for goods/services. Reduction in capital availability and higher cost of capital. Increased cost related to abandonment/recycling.	Most relevant in NZE, SDS	Medium and long-term	Presenting a balanced view of our activities. As a producer of natural gas, we are part of the transition by investing in for example carbon capture projects. BlueNord is working diligently to recycle materials. The company is also assessing leave equipment on seabed vs removal based on value for sealife, and reuse of infrastructure etc in order to abandon infrastructure in a sustainable manner.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Resource efficiency

There is growing evidence that it is possible for organisations to reduce operating costs by improving efficiency across production and distribution processes, buildings, machinery/appliances, and transport/mobility.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	Most relevant scenario	Time horizon	Mitigation strategy
Efforts to increase resource efficiency	More efficient operations can lower cost and be good for both business and environment.	Increased productivity of production, which leads to higher income and lowering unit cost.	Increased interest from investors. Easier access to capital. Increased revenue.	All	Short, medium, and long-term	Reducing emissions from our facilities in collaboration with the operator. We work actively to reduce flaring and optimising our process to reduce emissions and energy use by for example having facilities linked more closely.

Energy sources

The trend toward decentralised clean energy sources, rapidly declining costs, improved storage capabilities, and subsequent global adoption of these technologies are significant. Organisations that shift their energy usage toward low emission energy sources could potentially save on annual energy costs.

Identified opportunities	Description of opportunity	Potential impacts of exploring the opportunity	Potential financial impacts	Most relevant scenario	Time horizon	Positioning strategy
Use of alternative energy in operations	The world is switching to renewable energy and electrical operating solutions that reduce the emission of CO_2. BlueNords platforms are gas-fired or fired by diesel generators. There is a potential to develop the approach to alternative energy sources.	Emissions reduction	Easier access to capital	Most relevant in NZE	Medium and long-term	Dialogue with the operator on alternative energy sources. We have made major investments in accordance with the strategic project: 100 percent electric solutions (hydropower) by 2025.

Products and Services

Organisations that innovate and develop new low-emission products and services may improve their competitive position and capitalise on shifting consumer and producer preferences.

Identified opportunities	Description of opportunity	Potential impacts of exploring the opportunity	Potential financial impacts	Most relevant scenario	Time horizon	Positioning strategy
New products	To reach the climate targets and reduce carbon emissions internationally, carbon capture storage (CCS) technologies need to be deployed on a large scale and will be increasingly important.	CCS represents a benefit for the climate which does not involve the sacrifice of crucial energy sources.	Increased interest from new investors and easier access to capital.	Most relevant in NZE	Medium and long-term	Two CCS projects: Project Bifrost and CarbonCuts.

Markets

Organisations that pro-actively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a lower-carbon economy. In particular, opportunities exist for organisations to access new markets through collaborating with governments, development banks, small-scale local entrepreneurs, and community groups in developed and developing countries as they work to shift to a lower-carbon economy. BlueNord has addressed the following opportunity:

Identified opportunities	Description of opportunity	Potential impacts of exploring the opportunity	Potential financial impacts	Most relevant scenario	Time horizon	Positioning strategy
Financial markets evolvement	ESG and climate risk is increasingly seen as an important risk in the financial markets	Shift from the typical funding sources to more targeted structures.	For those not addressing this – higher risk and costs. Changed interest rate market.	Relevant in all scenarios	Short, medium and long-term	Various measures to be more suited for a changed financial market.

Resilience

The concept of climate resilience involves organisations developing adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. Opportunities related to resilience may be especially relevant for organisations with long-lived fixed assets or extensive supply or distribution networks; those that depend critically on utility and infrastructure networks or natural resources in their value chain; and those that may require longer-term financing and investment.

Identified opportunities	Description of opportunity	Potential impacts of exploring the opportunity	Potential financial impacts	Most relevant scenario	Time horizon	Positioning strategy
Strictly regulated sector	The energy transition will cause stricter regulations.	Changes in regulations, CO_2 taxes.	For those that are already in line with the regulations it can decrease the demand for mitigation and adjustment of strategy.	Most relevant in STEPS	Short, medium and long-term	BlueNord is already part of a strictly regulated sector that operates in harsh weather. Many precautions and adaptations are therefore already conducted and can be a competitive advantage.
Flexible future investments	Future market developments will greatly effect the return on investments in fossil fuels.	Increase in future profits by being dynamic and adjusting investment strategy.	Less risk of being locked in outdated solutions and demand scenarios, flexibility to diversify and increase profitability.	Most relevant in STEPS	Short, medium and long-term	BlueNord can choose to invest in more gas-weighted projects or CCS depending on how the market Is evolving. Currently, the market for gas and the value is increasing, and that's where BlueNord is focusing its business decisions to take advantage of those changes.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Scenario analysis
In line with the recommendations laid out by the TCFD, BlueNord conducted a qualitative scenario analysis in 2023 of all identified risks and opportunities as part of the climate risk assessment.

The following scenarios were applied in the assessment:

Scenario

The Net Zero Emission by 2050 Scenario (NZE)	Limiting the global **temperature rise to 1.5°C** without a temperature overshoot (with a 50 percent probability). The NZE is a normative scenario, meaning it **starts with a defined goal to achieve net zero CO_2 emissions by 2050,** and shows an example of a pathway that could get the world to that target. In this scenario, **demand for oil falls by more than 2 mb/d per year between 2020 and 2050. Demand for natural gas grows to 2025, drops after 2025 and falls well below 2020 levels by 2030.**
The Sustainable Development Scenario (SDS)	IEA's Sustainable Development Scenario (SDS) is compatible with the **Paris Agreement's less ambitious "well-below 2°C" goal.** It assumes all energy-related SDGs and all current net-zero pledges are achieved, with advanced economies reaching net zero emissions by 2050, China by 2060 and all others by 2070 at the latest. **It has a 50 percent probability of limiting global temperature rise to 1.65°C,** assuming no extensive net negative emissions. With some net negative emissions after 2070, temperature rise could be reduced to 1.5°C by 2100.
The Announced Pledges Scenario (APS)	This scenario appears for the first time in the WEO -2021. It **assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions and longer term net zero targets as of mid-2021, will be met in full and on time.** In the APS, global oil demand peaks soon **after 2025 and then falls by around 1 mb/d per year to 2050. Demand for natural gas also reaches its maximum level soon after 2025 and then declines slowly.**
The Stated Policies Scenario (STEPS)	Rather than assuming that governments will reach all announced goals, **this scenario reflects a sector-by-sector assessment of the specific policies that have been put in place, as well as those that have been announced by governments around the world.** This scenario provides a more conservative benchmark for the future. **In the STEPS, global oil demand exceeds 2019 levels by 2023 before peaking in the mid-2030s and then declining very gradually to 2050. Demand for natural gas continues to rise after 2025 and is around 15 percent higher in 2030 than in 2020.**

03

Risk management

The identification, assessment, and management of climate-related risks and opportunities is an integral part of BlueNord's multidisciplinary risk and opportunity management. BlueNord's board of directors, its ESG committee and management will conduct regular reviews of the group's activities for identifying, assessing, and responding to climate-related risks and opportunities. The risk management process will also be reviewed on an annual basis.

2023 was the first year of implementation of the climate-risk management process recommended by TCFD, and a material risk and opportunity matrix system developed by Tavler AS was used as a foundation for this process. The identification and assessment process were conducted through a workshop with EVP Finance and EVP Investor Relations & ESG representing different organisational levels and functions (internally), thus providing a balanced picture of the risks and opportunities faced by BlueNord.

In the matrix, the impact (large, relatively large, relatively easy, easy) and likelihood (high/low) of each risk and opportunity are determined. Based on each risk's categorisation, BlueNord will develop, review, and implement response plans to mitigate risks and maximise opportunities.

04

Metrics and Targets

BlueNord works actively to reduce our carbon footprint while contributing to energy security. Our commitments are 30 percent reduction in emissions intensity by 2025 and 80 percent power from renewables by 2029. BlueNord will also focus on investing in suitable and earlier stage CCS projects.

As a non-operator, BlueNord will work to protect the environment where possible, both in its own operations, and through the company's partnership in the DUC. The data reported on climate and nature have been supplied by the operator TotalEnergies for the DUC. Going forward, BlueNord will monitor and report on performance year-on-year as part of our sustainability strategy which will be established later this year.

BlueNord's ambition is to report on scope 1 and 2 for 2023.

The following metrics are used by BlueNord to assess climate-related risks and opportunities: CO_2 emissions, Fuel consumed, Flaring, Fugitive emissions, NOx and SOx emissions, GHG, CH4 emissions, nmVOC emissions, GHG intensity. The company aims to add further metrics and indicators to track mitigation on transition risk and this will be added as part of the work with the sustainability strategy in 2023.

Our commitment to emissions intensity reductions by 2025

30%

Our commitment to using power from renewables by 2029

80%

Social impact

Health and safety
We strive to create a safe and healthy work environment which is embedded through our health, safety, and the environment (HSE) Policy.

The Danish Offshore Safety Act ('the Act') is the legal framework for health and safety offshore and enables companies to solve offshore health and safety issues themselves. The Act applies to all offshore activities related to hydrocarbon facilities, infrastructure and connected pipelines.

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 "as low as reasonably practicable principle". Furthermore, the licencee shall ensure that operators are able to fulfil the safety and health obligations in accordance with the Danish Offshore Safety Act.

In 2022 there were no recorded work-related accidents or injuries. Safe and secure operations are the utmost priority for BlueNord and we will continue to focus on this in 2023.

Diversity, equality, and inclusion
The requirement of the Norwegian Equality and Anti-Discrimination Act stipulates that organisations must identify and address challenges regarding equality and diversity in the workplace before any incidents or discrimination take place.

Following the Norwegian Equality and Anti-Discrimination Act, BlueNord has undertaken a longer process related to the activity requirement and has conducted extensive work to investigate risks of discrimination and other barriers to equality. Based on this risk analysis, BlueNord has set goals, implemented measures, and established a plan for work.

BlueNord is perceived to have satisfactory processes related to recruitment, determination of wages and benefits, career opportunities and corporate ladder, workplace facilitation, work-life balance, and handling findings identified through employee surveys and interviews. Measures related to findings have been identified and reviewed in collaboration with the EVP People & Capability to ensure that the measures are put into practice.

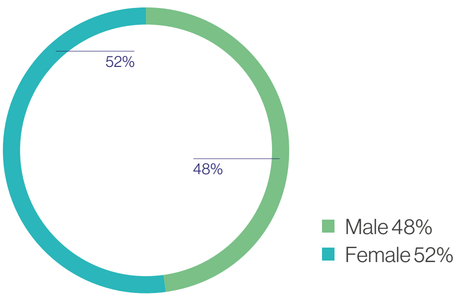
BlueNord's core values have been reviewed and revitalised, the parental leave schemes on all locations have been reviewed. A new HR system was implemented in 2022 with data gathering and specific KPI dashboards for diversity, equity, and inclusion to be further matured. Channels for handling any potential discrimination issues, have been formalised in the company's harassment policy supplementing the existing Whistleblowing procedure and its integrity channel. In 2022 a culture programme that continues throughout 2023 with key topics related to DE&I was introduced as well.

BlueNord believes embracing and fostering diversity and inclusion positively impacts employer attractiveness, employee retention and drives performance across the company.

On basis of the new results from the organisational survey, relevant DE&I goals and further initiatives for 2023 will be set for BlueNord to be recognised as an equal opportunity employer, committed to promoting diversity and inclusion in the workplace. BlueNord aims for an inclusive organisational culture with high employee engagement and where all people find that they are empowered, respected, and have a strong sense of belonging.

BlueNord has introduced an internal DE&I index as part of its active work to identify and counteract any discrimination and promote diversity and equity in the workplace. The index is based on 15 statements extracted from the comprehensive annual employee engagement survey. The index result, based on a 94 percent response rate, will be the benchmark for coming surveys and an efficacy indicator when efforts based on findings are implemented and to be evaluated.

DE&I gender split



Human rights and decent working conditions
BlueNord is 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. BlueNord will continue to champion 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. See appendix 2, Transparency Act Statement, for more details on BlueNord's work to safeguard human rights and decent working conditions.

Our values

Bold
we are determined, using our creativity and technical expertise to challenge the status quo, willing and unafraid to explore alternative paths

Purposeful
we are ambitious, moving forward with purpose and a focus on value and results. Our people are connected, contributing to the bigger picture.

Dependable
we deliver on what we promise, sharing ideas and possibilities. We are in this together, supporting each other throughout.

DE&I Index
79%

Work-related accidents or injuries in 2022
0

Governance

BlueNord believes that effective corporate governance is critical in ensuring accountability, achieving strategic goals and generating value for stakeholders. The Company seeks high standards of performance and professionalism based on honesty, integrity and fairness in its business practices. BlueNord works together with partners and contractors on the basis of the same principles of integrity and fairness, with zero tolerance for bribery and corruption.

BlueNord is committed to respecting fundamental human and labour rights, both in operations and in relations with business partners. At BlueNord, we comply with all applicable laws and regulation.

Roles and responsibilities

The executive management is responsible for risk and opportunity identification and for ensuring effective processes and mitigation efforts, including ESG matters within the managers' respective areas of responsibility. The EVP for Investor Relations and ESG reports directly to the CEO. In 2020, an ESG Committee was established to support BlueNord's commitment to ESG and to evolve its contribution in the energy transition.

Responsible business and code of conduct

BlueNord is committed to conducting our business in a responsible, ethical and lawful manner. We want to be a trusted partner – to our customers, shareholders, colleagues, business partners, and neighbours.

BlueNord's code of conduct forms the basis for the high standards of integrity in our business. The code of conduct applies to all Directors, officers, and employees, including subsidiaries in which BlueNord holds (directly or indirectly) a 50 percent ownership interest. The code of conduct also applies to those acting for or on behalf of BlueNord. BlueNord also expects our business partners, such as suppliers, subcontractors, joint venture partners, and other contracting parties, to adhere to standards consistent with this code of conduct.

Corporate social responsibility (CSR) policy

BlueNord shall respect human and labour rights, establish good HSE standards, facilitate good dialogue with stakeholders, and generally operate in accordance with applicable regulatory frameworks and good business practice.

At the core of the group's CSR policy is the Group's five corporate values: bold, purposeful and dependable. The values define who we are, how we act and what employees of the Company and Group stand for.

> **In 2020 an ESG committee was established to support BlueNord's contribution to the energy transition.**

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 adopted a compliance manual that provides detailed information regarding the professional and ethical standards and compliance requirements of all Group companies.

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.BlueNord.com/csr.

Whistleblowing

The Company established a whistleblowing procedure in 2019, which is handled by PriceWaterhouseCoopers (PwC). 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. The Company has made sure to communicate the whistleblowing process to everyone in the organisation.

Anyone doing business for or on the Company's behalf must comply with the Group's whistleblowing policy. Further details about the whistleblowing policy can be found in the Group's compliance manuals https://www.BlueNord.com/whistleblowing.

Anti-corruption and bribery

BlueNord has zero tolerance regarding corruption and bribery. The Company expects that the 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.

CSR policy

You can find out more in our Corporate Social Responsibility policy.

Find out more at
BlueNord.com/csr

ESG Committee

Read our latest ESG Committee Report.

Find out more on
page 80

Norwegian Transparency Act Statement

Account of the due diligence assessment

Norwegian Energy Company ASA (BlueNord) is committed to respecting fundamental human and labour rights, both in the operations and in relations with business partners. At Norwegian Energy Company ASA (BlueNord), we comply with all applicable laws and regulations, including the Norwegian Transparency Act, entered into force on 1 July 2022. The Act's intention is to promote companies' respect for fundamental human rights and decent working conditions.

Organisation

Norwegian Energy Company ASA (BlueNord) is a material independent E&P company with a "see to it" obligation, meaning an obligation to ensure that the operator carries out its work in accordance with the regulatory requirements while reducing risks and environmental impact to a minimum.

The executive management is responsible for overall risk management with the EVP Investor Relations & ESG responsible for the work carried out regarding the Transparency Act. This work is included in BlueNord's ESG work. In 2020, an ESG committee was established to support BlueNord's commitment to ESG and to evolve its contribution in the energy transition.

Guidelines and routines

Norwegian Energy Company ASA (BlueNord) has developed guidelines to prevent violations of human rights, indecent working conditions, damage to the environment, and involvement with corruption. The relevant guidelines are described in the corporate social responsibility guidelines, including the code of conduct as well as the HSE policy, approved by the board of directors. In October 2022, Norwegian Energy Company ASA (BlueNord) conducted an overall due diligence assessment in accordance with the requirements of the Transparency Act based on a methodology in accordance with ISO Standard 31000 for managing risks. The company is committed to perform annual due diligence assessments on these topics to monitor and manage actual and potential adverse impacts on human rights and working conditions.

Findings in 2022

Norwegian Energy Company ASA (BlueNord) performed an overall strategic risk assessment including risks associated with its operator. For the time being, the company only holds interest in the Danish Underground Consortium (DUC), which is operated by TotalEnergies.

In the risk assessment, Norwegian Energy Company ASA (BlueNord) focused on the following five categories and related activities in its value chain: exploration, appraisal, development, production, and abandonment. Business partners who provide the company with goods and services that are not direct parts of the value chain were also part of the assessment. These non-negligible expenditures are mainly related to acquisition of seismic data, IT and digitalisation services, office services such as cleaning- and canteen services and professional services such as insurance, accounting, legal and other commercial or technical advisors and hire of in-house technical specialists.

No negative consequences were discovered in the due diligence assessment. This is not surprising, given that Norwegian Energy Company ASA (BlueNord) has limited activity in the various categories and operates within strong sector regulations.

When prioritising risks while identifying uncertainties, Norwegian Energy Company ASA (BlueNord) highlighted yard activities, input factors used in construction, and dismantling and managing steel and waste disposal when brought to shore, as the most severe risks that may occur.

CSR policy

You can find out more in our Corporate Social Responsibility policy.

Find out more at
BlueNord.com/csr

Oslo

28 March 2023

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** Chief Executive Officer

Measures

Concrete measures and initiatives have been identified to manage the identified severe risks that may occur. These measures involve that Norwegian Energy Company ASA (BlueNord) will investigate and approve contractors regarding human rights and working conditions, request information from the operator concerning processes on these topics, follow projects closely, and visit the yards.

For the time being, Norwegian Energy Company ASA (BlueNord) is not involved in abandonment and only involved in redevelopment. In the case of new activities or projects within one of these categories, there will be a need for assessing risks of human rights and decent working conditions.

Results

Norwegian Energy Company ASA (BlueNord) is constantly working to strengthen our work on human rights and decent working conditions. We aim to review and revise our corporate social responsibility guidelines in accordance with OECD's guidelines and to clarify our expectations to business partners. Furthermore, the measures will help us establish governance documents, routines, and instructions related to due diligence processes and our supply chain to ensure that we align to the highest professional and ethical standards in the conduct of our business.

"During the fabrication of the Tyra II process module in Batam, Norwegian Energy Company ASA (BlueNord) provided donations to help establish the Agape Orphanage

Risk Management Framework

Effective risk management is essential to successfully delivering our strategy. The risk management process needs to identify and determine the nature and extent of risk the Company is exposed to and the extent to which mitigation is required and thus, the level of risk that is acceptable.

The internal control framework supports the management and mitigation of risk. The process is designed to manage, mitigate and communicate, rather than eliminate, the risk of failure to achieve our strategic priorities.

Risk management and internal control are given high priority by the board of directors. The Board is responsible for identifying principal risks and determining the nature and extent of those risks the Company is willing to take.

The Board is also responsible for monitoring the Company's risk management framework and for reviewing its effectiveness. The Audit Committee assists the Board of Directors on an ongoing basis in monitoring the Company's system for risk management and internal control.

Risk management process

The Company faces various risks which may impact the Company and not all these risks are necessarily in the Company's control. For this reason, the Company has established a risk management process to identify and assess how to respond to risks. That response can include acceptance, an action plan with mitigating factors to reduce the risk, transfer to third parties, or terminating the risk by ceasing certain activities. The cyclical process works in practice as follows:

- Strategic objectives and risk appetite sets the context at Board level.
- **Risk assessment** includes risk identification through review meetings held with key personnel in the organisation on a quarterly basis. This includes an evaluation of likelihood and impact considering both quantitative and qualitative factors. The collated risks are maintained in the Company risk register and matrix.
- **Risk mitigation** requires an assessment of mitigation plans and controls based on risk appetite. Risk mitigation plans are developed between risk owners and with feedback from the Executive Team considering the risk appetite and context set at Board level.
- **Risk monitoring** occurs on a quarterly basis through an Executive Team evaluation, monitoring and review of the risk register and matrix, this is to be presented to the Audit Committee and Board along with the quarterly financial statements.
- **Status** of the risk assessment is presented annually and reviewed with the Board and updated as required based on the current risk appetite and context both internal and external.

The Executive Team sets the tone and is responsible for monitoring and managing the most significant risks and identified risk owners are responsible for ensuring risks within their area are being appropriately managed.

Internal control

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 Chief Executive Officer and EVP Finance 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.

Board of Directors
Our Board is responsible for the Company's risk framework.

Meet our Board **on page 70**

Principal Risks and Uncertainties

The risks and uncertainties described in this section are the material known risks and uncertainties faced by BlueNord at the time of publication.

RISK TREND
- Increasing
- Unchanged
- Decreasing

Oil and gas production and reserves

Risk	Impact	Mitigation	Movement
Geographical concentration and field interdependency	Production of oil and gas is concentrated in a limited number of offshore fields in a limited geographical area of the Denmark continental shelf. Consequently, the concentration of fields and infrastructure may result in incidents or events on one location affecting a significant part of BlueNord business. **Material influencing factors** • Currently four production hubs, of which three hubs are in production, that are interconnected and utilise the same infrastructure. • The fields within one hub are interconnected and one field can depend on another to extract hydrocarbons. • All gas produced on the different hubs is currently sent directly through the NOGAT pipeline; once the Tyra hub is redeveloped gas will be processed and transported to shore via the Tyra hub or the NOGAT pipeline. • The Gorm hub receives liquids from all the other hubs and sends it to shore via pipeline from Gorm E.	The operator has ongoing inspection and maintenance plans in place to proactively maintain assets and minimise the risk of incidents. Where events occur, activities are adjusted to respond to specific issues as they arise and minimise the impact.	Unchanged
Actual reserves may differ from reported reserves estimates	The reported reserves and resources represent significant estimates based on several factors and assumptions made as of the reported date, all of which may vary considerably from actual results. Further, oil and gas production could also vary significantly from reported reserves and resources. 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 and cash flow from operations. **Material influencing factors** • Factors and assumptions on which the reserves estimates are determined include geological and engineering estimates (which have inherent uncertainties), historical production, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs. • 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 that has an impact on oil and gas production.	Reported reserves are based on independent technical expert's reports, which are carried out at least once per annum. BlueNord has a subsurface team with appropriate technical expertise that monitors and reviews production and reserves in addition to the external reserves reporting. This provides oversight of performance and expectations throughout the year to enable response and follow up on a timely basis should concerns arise.	Unchanged

RISK TREND
- Increasing
- Unchanged
- Decreasing

Oil and gas production and reserves continued

Risk	Impact	Mitigation	Movement
Ongoing investment in developments	The Company makes and expects to continue to make substantial investments in its business for the development and production of oil and natural gas reserves. Such projects require substantial investments to bring into production, which comes with a number of inherent risks. **Material influencing factors** • Development projects have inherent execution risks including cost overruns and delays, in addition to the impact of commodity prices on the economics of a project. • The Company may also 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 intends to finance future investments with cash flow from operations and borrowings under its RBL facility and other equity and debt facilities. The Company regularly monitors liquidity, borrowing base, and other financial ratios. Projects are screened for technical and non-technical risks with economics reviewed at multiple price scenarios.	Unchanged
Tyra redevelopment project	The Tyra redevelopment project is, to date, the largest project carried out on the Denmark continental shelf. The project may be further delayed, or the planned costs associated with the project may increase from what has been previously assumed and any such delay may have an adverse effect on BlueNord's financial position. **Material influencing factors** • The scope of the project includes removal of old facilities, modifying existing ones, and installing new features; there are inherent risks with such significant projects, including risks of cost overruns and delays. • The project has been delayed twice to date; the first in November 2020 due to the COVID-19 pandemic, and again in August 2022 driven by global supply chain challenges.	BlueNord maintains a regular dialogue with the operator's key personnel on the project in addition to a review of weekly and monthly progress reporting. BlueNord's internal technical experts are closely involved with this review and have an established feedback process with the operator.	Unchanged
Decommissioning estimates	There are significant uncertainties and significant estimation risks relating to the cost and timing for decommissioning of offshore installations and infrastructure. A significant deviation from such estimates may have a material adverse effect on the Company's results of operations, cash flow and financial condition. This includes the timing of when security may need to be put in place. **Material influencing factors** • Within the DUC, the partners are primarily liable to each other on a pro-rata basis and, secondarily, jointly and severally liable for all decommissioning obligations. • There is an obligation for participants to provide security for their respective share of any decommissioning liabilities ahead of actual decommissioning based on calculations as set out in the joint operating agreement.	Decommissioning estimates are reviewed at least on an annual basis and updated every five years in detail based on technological, regulatory and any other relevant information at the time. The need for decommissioning security is assessed annually.	Unchanged

RISK TREND
- Increasing
- Unchanged
- Decreasing

Market risks

Risk	Impact	Mitigation	Movement
Commodity prices	The Company's main business is to produce and sell oil and gas, therefore future revenues, cash flow, profitability, financing, and rate of growth depend substantially on prevailing 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. 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 also lead to impairments of the Company's assets. **Material influencing factors** • During 2022, the Ukraine conflict resulted in material changes to oil and gas supply and prices, and it is not possible to predict the future developments in the supply/demand market and the prices related thereto. • The hydrocarbons produced from specific fields may also have a premium/discount in relation to benchmark prices, such as Brent, which may vary over time. • The majority of the natural gas produced by the Company is sold at Trading Hub Europe (THE) prices. THE closely follows the Dutch Title Transfer Facility (TTF) price. The Company is more exposed to additional price volatility deriving from proposed responses by the European Commission, as seen with the proposed Market Correcting Mechanism.	The Company actively seeks to reduce this risk through the establishment of hedging arrangements. BlueNord has to date executed this policy in the market through forward contracts. BlueNord enters hedging contracts on both oil and gas that mitigates the short-term impact of price volatility. Further detail on BlueNord's hedging policy can be found in note 2 to the financial statements and note 18 on financial instruments.	Unchanged
Foreign currency exposure	The Group is exposed to market fluctuations in foreign exchange rates. Significant fluctuations in exchange rates between euros and Danish kroner, and US dollars and Danish kroner, may materially adversely affect the reported results. **Material influencing factors** • Revenues are in US dollars for oil and in euros and Danish kroner for gas, while operational costs, taxes and investments are in several other currencies, including Danish kroner. • The Company's financing is primarily in US dollars.	The Company considers currency risk to 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 and/or hedged.	Unchanged

RISK TREND
- Increasing
- Unchanged
- Decreasing

Cyber security

Risk	Impact	Mitigation	Movement
Key infrastructure, networks or core systems are compromised or are otherwise rendered unavailable	A compromised network or infrastructure would seriously impair the Company's ability to maintain regular operations, including being able to continue reporting, regulatory and financial obligations if required information were not available. **Material influencing factors** • Russia's invasion of Ukraine in February 2022 has elevated IT security risks around cyber crime and similar threats. • Sabotage on the Nord Steam 1 and 2 pipelines in September 2022 caused the Danish Energy Agency (Energistyrelsen) to raise the preparedness level of the Danish energy sector.	The Company has in place IT controls and processes, including preventative security routines, disaster recovery and business continuity plans. The Company elevated its IT security related routines and IT systems to protect against cyber criminality and similar threats. The heightened preparedness level of the Danish energy sector, was immediately implemented by the operator of the DUC.	Higher

Financial liabilities

Risk	Impact	Mitigation	Movement
Available funding to meet the Company's financial liabilities	The Company has several debt instruments which expose it to interest rate risk and obligations to meet certain covenants. The Company's material hedging programme provides significant visibility over its 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 BlueNord to ultimately fulfil its obligations. **Material influencing factors** • Exposure to floating interest rates through the Company's USD 1.1 billion RBL. • Exposure to fixed interest rates through a USD 208 million convertible bond and a USD 175 million senior unsecured note. • Under these financing instruments, the Company is subject to several covenants, including maximum leverage relative to earnings and demonstration of a minimum level of liquidity.	The Company has fixed USD 1.0 billion of RBL interest rate exposure until 30 June 2024. The Company restructured the NOR13 convertible bond into the new NOR15 convertible bond with revised terms including a later conversion date. The Group monitors its liquidity and covenant coverage continuously to ensure it will be able to meet its financial obligations as they fall due. As of 31 December 2022, none of the Group's interest-bearing debt falls due within the next 12 months.	Lower

RISK TREND

- Increasing
- Unchanged
- Decreasing

Risk	Impact	Mitigation	Movement
Future capital requirements	BlueNord'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 cash flow is insufficient to fund the business plan at the time, and in particular the Tyra redevelopment project, additional external capital may be required. BlueNord 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, BlueNord 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.	BlueNord maintains a strong relationship with its banking syndicate through continual engagement to underpin its borrowing position and has an active investor relations strategy to support access to the capital markets.	Lower
Insurance risk	The Company maintains liability insurance in an amount that it considers adequate and consistent with industry standard. However, the nature of the risks inherent in oil and gas industry generally, and on the Denmark 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. **Material influencing factors** • 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.	The Company annually reviews the adequacy of insurance coverage.	Unchanged

RISK TREND
- Increasing
- Unchanged
- Decreasing

Third-party risk

Risk	Impact	Mitigation	Movement
Third-party risk	The Company does not have a majority interest in any of its licences and consequently cannot solely control such assets. Nor does the Company have operatorship over any of its assets. The Company therefore has limited control over management of such assets. 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 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. The Company may not have the resources to meet these obligations.	The Company has consultation rights or right to withhold consent in relation to significant operational and development matters, depending on: the importance of the matter, the level of its interest in the licence, or which licence the contractual arrangements for the licence apply to. The structure of engagement with the operator is contractually set out in the joint operating agreement.	Unchanged

RISK TREND
- Increasing
- Unchanged
- Decreasing

Politics, regulation and compliance

Risk	Impact	Mitigation	Movement
Changes in obligations arising from operating in markets that are subject to a high degree of regulatory, legislative and political intervention and uncertainty	Exploration and development activities in Denmark are dependent on receipt of government approvals and permits to develop assets. There is no assurance that future political conditions in Denmark will not result in the government adopting new or different policies and regulations relating to exploration, development, operation and ownership of oil and gas, environmental protection, and labour relations. Any of the above factors may have a material adverse effect on the Company's business, results of operations, cash flow and financial condition. **Material influencing factors** • Future political conditions in Denmark could result in government adopting new or different policies, meaning that the Company may be unable to obtain, maintain or renew required drilling rights, licences, permits resulting in work being halted. • Due to the Russian invasion of Ukraine, new regulations have been imposed by the EU, 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 result in governments adopting new regulations that could affect the assets and the operations of the Group.	The Company maintains a regular dialogue with the Danish Energy Agency as well as relevant government ministries. This ensures an up-to-date understanding is in place in order to act and respond on a timely basis to any impact on the business.	Higher

RISK TREND
- Increasing
- Unchanged
- Decreasing

Politics, regulation and compliance continued

Risk	Impact	Mitigation	Movement
Danish taxation and regulations	All of BlueNord'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 those currently in place. **Material influencing factors** As an oil and gas producer in Denmark, the Company is exposed to risk relating to the EU imposed Solidarity Contribution and a law proposal for the implementation is currently being presented in the Danish parliament. As taxation has a major impact on the Company's results, such amendments may significant impact the group's cash flow and financial condition. A further proposal yet to be adopted is regarding additional CO_2 duties. The proposal as currently presented would be implemented from 2025 but as it is still in proposal stage, the timing and extent of impact remains uncertain.	Dialogue is maintained with industry bodies and the relevant government ministries in order to understand proposed legislations before they are enacted and provide full impact analysis. There is a Compensation Agreement between the Danish state and the DUC such that the companies participating in the DUC are entitled to compensation for tax increases. Due to the Agreement, any alterations in present legislation to the disadvantage of the DUC licencees can be challenged for compensation. The compensation would be determined with a view to the impact of the changes on the DUC, however these cannot exceed the net advantage deemed to have been obtained by the state.	Higher
Financial reporting risk	While BlueNord has in place internal controls covering the Company's financial reporting function, any material error or omission could significantly impact the accuracy of reported financial performance and expose the Company to a risk of regulatory or other stakeholder action.	Internal controls over financial reporting are designed and in operation.	Unchanged
Reputational risks	BlueNord may be negatively affected by adverse market perception as it depends on a high level of integrity to maintain the 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.	Clear code of conduct, ethical guidelines and whistleblower procedure in place. See more on governance on page 5.	Unchanged

RISK TREND

- Increasing
- Unchanged
- Decreasing

Climate risk

Risk	Impact	Mitigation	Movement
Changes to and impacts of environmental 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. 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. **Material influencing factors** • 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. • 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 GHGs. • 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. • With all assets on the Denmark continental shelf, the Company is highly exposed to changes in Danish law.	The Company maintains a regular dialogue with the Danish Energy Agency as well as relevant government ministries. This ensures an up-to-date understanding is in place in order to act and respond on a timely basis to any impact on the business. The operator has a framework and controls in place to manage within regulatory requirements. BlueNord maintains an overview of the requirements and dialogue with the operator through the appropriate joint committees.	Unchanged

See also climate risks outlined under TCFD on page 42.

02

> BlueNord has a diverse board, with the relevant experience and skills to support the Company and best practice.

Governance Report

Chair's introduction

This section of the report demonstrates that BlueNord maintains robust systems and practices that support the Board, Company and the management team in making good decisions for the future of the business, in the interest of all stakeholders. The Board believes that good corporate governance is an essential building block for the development of a successful and sustainable business.

Riulf Rustad
Executive Chair

“The Board believes that good corporate governance is an essential building block for the development of a successful and sustainable business.

Stakeholders include, for example, employees, contractors, suppliers, partners, regulators, end users and of course other users of the environment around the Company's assets and areas of operation.

To support the Board and as a framework for the Company to adhere to, BlueNord seeks to comply with the Norwegian Code of Practice, which is available on the Norwegian Corporate Governance Committee website (**www.nues.no**).

The Company's corporate values and code of conduct also provide a framework on which the Company acts and decisions are made. The code of conduct describes the Company's ethical commitments and requirements related to business practice and personal behaviour.

BlueNord has a diverse board, with the relevant experience and skills to support the Company and best practice. The composition of the Board is such that it can operate independently of any special interests.

The management team also has extensive and relevant experience, applicable to supporting best practice, including technical, operational, financial, financial market and other wider corporate skills. The CEO and other members of the management team report to the Board on Company activities on a monthly basis.

The Board shall hold at least five ordinary proceedings each year. During 2022, attendance at Board meetings was 92.9 percent. Board meetings are based around a formal agenda. The Board will annually seek to define and evaluate the Company's objectives, main strategies and risk profiles to ensure it continues to create value.

To ensure a more detailed assessment and of key areas of the business, the Board is supported by various committees, which include audit, nominations, remuneration and ESG. With an exception from the nomination committee, the committees are made up of members of the Board and management team, in accordance with their relevant skills and position.

Board committees meet regular during the year, and the average attendance during 2022 was 93.4 percent. Committee meetings are held in person or online and are based around a formal agenda, with the saliant points reported to the wider Board.

The Board aims to ensure there is the opportunity for continuous and transparent dialogue with shareholders. This includes key decisions being put to shareholders on an annual basis through an Annual General Meeting (AGM). The meeting is held virtually to encourage attendance and participation, with the option to vote and asking questions.

Corporate and Social Responsibility
Find out more in our Sustainability Report.

Find out more **on page 34**

Leadership

Board of Directors

1. Riulf Rustad

Executive Chair

Riulf Rustad is a Norwegian businessman with a long track record from investments in sectors such as oil and 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 of Directors of BlueNord in 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

2. Marianne Lie

Board member, member of the Audit Committee and Chair of the Remuneration Committee

Marianne Lie is the owner of Fajoma Consulting AS and is the founder and Managing Director of Forum for Miljøteknologi (FFM). She holds/has held several Board positions both in listed and unlisted companies. Lie has served as a member of the Board of Directors in BlueNord since 26 May 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

3. Tone Kristin Omsted

Board member and member of the Audit Committee

Tone Omsted holds a BA Hons. in Finance from the 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 BlueNord since 26 May 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

4. 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 and 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 BlueNord since 7 August 2019, and was re-elected at the AGM of 19 May 2021 for a period of two years.

5. Robert J. McGuire

Board member and member of the ESG Committee

Robert McGuire is the founder of Longwing Partners LLC, a strategic advisory firm. He has a 25-year global track record as an adviser, 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. Mr. McGuire was elected as member of the Board of Directors of BlueNord at an Extraordinary General Meeting held on 2 March 2020, and was re-elected at the AGM of 19 May 2022 for a period of two years.

6. Peter Coleman

Board member and member of the Audit Committee

Peter Coleman joined Taconic, a shareholder in BlueNord, 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.

7. 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, a shareholder in BlueNord, 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.

Management Team

8. Euan Shirlaw

Chief Executive Officer, Chief Financial Officer

Euan became Chief Executive Officer of BlueNord in 2022, having joined the Company as Chief Financial Officer in 2019 and having been appointed Acting Managing Director in November 2021. 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 BlueNord, Euan was a senior member of the oil and 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 an MSc in Business and Accountancy from the University of Edinburgh.

9. Marianne Eide

Chief Operating Officer

Marianne joined BlueNord in 2022 and holds the position of Chief Operating Officer. She has 30 years of experience in the upstream oil and gas industry. Prior to joining BlueNord, 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 an MSc in Petroleum Engineering from the Norwegian Institute of Technology in Trondheim.

10. Cathrine F. Torgersen

EVP Investor Relations & ESG

Cathrine joined BlueNord in 2019 and holds the position of EVP Investor Relations & ESG. She previously had the role as Senior Account Director in Hill+Knowlton, where she advised a wide range of oil and 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.

11. Jacqueline Lindmark Boye

EVP Finance

Jacqueline joined BlueNord 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 BlueNord, Jacqueline has held various roles, including leadership with Shell, AGL Energy, EY and PwC. She holds a Bachelor in Commerce and Bachelor in Arts from Monash University in Australia and is a member of the Chartered Accountants Australia and New Zealand.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Corporate Governance Report

Norwegian Energy Company ASA ("BlueNord", "the Company") has made a strong commitment to ensure trust in the Group and to enhance value creation for 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", "Board of Directors") and the shareholders of the Company, represented by the AGM.

The Company's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Company's resources 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 ("Corporate Governance Code"), which is available on the Norwegian Corporate Governance Committee 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, 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 4.4. 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 review by the Board of Directors.

According to the Company's own evaluation, the Company deviates from the Corporate Governance Code on the following points:

- 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 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.
- Item 11: Options have been granted to members of the Board of Directors through the share option program of the Company, first implemented at a general meeting of 21 January 2016 and later extended and expanded.
- Item 14: Due to the unpredictable nature of takeover situations, the Company has decided not to implement detailed guidelines on takeover situations. 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.

Governance framework

Accountability

Delegation

Board

- Sets the Company's purpose, values and strategy, and satisfies itself that these are aligned with culture.
- Provides entrepreneurial leadership, promoting long-term sustainable success and shareholder value creation.
- Oversees the Group's risk management processes and internal control environment.
- The Board delegates certain matters to its three permanent committees.

Audit Committee

- Reviews and reports to the Board on the Company's financial reporting, internal controls, whistleblowing, internal audit and the independence and effectiveness of the external auditors.

Read the Audit Committee report on pages 78.

Remuneration Committee

- Responsible for all elements of the remuneration of Executive Directors, the Chair and the Executive Management Team.
- Reviews diversity, talent development and succession planning.

Read the Remuneration Committee report on page 79.

ESG Committee

- Support the development of the Company's overall environmental, social and governance strategy.
- Ensure that the Board is informed on material relevant topics or events related to the Company's work on ESG.

Read the ESG Committee report on page 80.

Nomination Committee

- Reviews the structure, size and composition of the Board and its committees, and makes recommendations to the Board.
- Reviews diversity, talent development and succession planning.

Read the Nomination Committee report on page 81.

Executive Team

- Led by the CEO, who is supported by COO, EVP IR & ESG and EVP Finance.
- Responsible for the development and delivery of BlueNord's strategy.
- Responsible for day-to-day management of the Company's operations.

1. Implementation and reporting on corporate governance

The Board of BlueNord is responsible for compliance with corporate governance standards. BlueNord is a Norwegian public limited liability Company (ASA), listed on the Oslo Stock Exchange and established under Norwegian law.

In accordance with the Norwegian Accounting Act, section 3-3b, BlueNord 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 in 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, section 3: "The object of the Company is direct and indirect ownership of 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 2022, the Company's consolidated equity was USD 602 million, which is equivalent to approximately 19 percent 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 AGM held on 19 May 2022, The board of directors was authorised to increase the Company's share capital by up to NOK 245,490 (this represents 454,754 shares at a nominal value of NOK 0.5398295) until the AGM in 2023, but in no event later than 30 June 2023.

On 28 December 2022, the share capital reduction was registered in the Norwegian registry of Business Enterprises, following the AGM resolution the share capital was decreased by reducing the nominal value of the shares to NOK 0.5398295.

Outstanding shares as of 28 March 2023 were 26,199,472, which is an increase of 1,650,459 shares compared to year end 2021. During the year, 1,159,411 shares were issued following conversion of parts of NOR13. Additional 491,048 shares were issued to NOR13 bondholders in January 2023.

3.4 Purchase of own shares

The Board of Directors of the Company has been authorised to acquire and dispose own shares with a total par value of NOK 245,490 (this represents 454,754 shares), valid until the AGM in 2023, however in any event no later than 30 June 2023. 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 28 March 2023, the Company holds 137,162 of its own shares, approximately 0.52 percent.

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 programme will be carried out either through the trading system at Oslo Børs or at prevailing prices at Oslo Børs. In the event of such a programme, 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 non-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 that 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

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 no later than 21 days prior to the date of the general meeting on the Company's website: www.BlueNord.com/general-meetings.

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 chair 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 for and governed by the articles of association, in addition to instructions for the Nomination Committee. For more information relating to the Nomination Committee, read the Nomination Committee report on page 81.

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 AGM.

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 Chair of the Board of Directors should be elected by the AGM.

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 f or shorter term by the AGM. 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 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 Chair 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 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. To read the latest Audit Committee Report, please see page 78 of this report.

9.3. Remuneration Committee

The compensation for members of the Board of Directors for their service as Directors is determined annually by the shareholders of the Company at the shareholder AGM, on the basis of a motion from the Nomination Committee. To read the latest Remuneration Committee Report, please see page 80 of this report.

9.4 ESG Committee

The Company's ESG Committee was established to support the commitment to ESG and to evolve the Company's role as a contributor in the energy transition. To read the latest ESG Committee report, please see page 80 of this report.

10. Risk management and internal control

Risk management and internal control are given high priority by the Board of Directors, which ensures that adequate systems for risk management and internal control are in place. For more information about how risks are managed, please see the risk report on page 56.

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors shall be decided by the Company's shareholder AGM, and reflects the Board of Directors' responsibilities, expertise, time commitment and the complexity of the Company's activities. For more detail, please refer to the Remuneration Committee Report on page 80.

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. For more detail, please refer to the Remuneration Committee Report on page 80.

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 same time as it is sent to shareholders, at the latest.

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 characterised 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.

Board activities

The Board has responsibility for the overall management of the Company, including strategic priorities, identifying and assessing principal risks, as well as the level of risk deemed appropriate for the Company to take. The Board is responsible for establishing and thereafter monitoring the risk and internal control framework. The Board delegates a level of day-to-day management to the CEO and Executive Team; however, the Board retains the ultimate decision-making authority.

The Board held eight meetings during 2022. A further two meetings were held in 2023, prior to the publication of Q4 and this Annual Report and Accounts. In addition, two written resolutions were approved related to drilling of two infill wells on Halfdan North East and approval of the 2023 budget.

Name	Attendance							
Riulf Rustad (Chair)	✓	✓	✓	✓	✓	✓	✓	✓
Marianne Lie	✓	✓	✓	✓	✓	✓	✓	✓
Tone Omsted	✓	✓	✓	✓	✓	✓	✓	✓
Colette Cohen	✓	✓	✓	✓	✓	✓	✓	✓
Robert McGuire	✓	✓	✓	✓	✓	✓	✓	✓
Jan Lernout	✓	✓	✓	✓	✓	✓		
Peter Coleman	✓	✓	✓	✓	✓	✓		

The areas of focus covered through Board meetings during 2022 has included:

- Established strategic priorities, including ESG strategy.
- Operational and performance updates, including regular monitoring of the Tyra redevelopment project, Health, Safety, Security & Environment (HSSE), capital structure and liquidity outlook.
- Reviews and considers forecast medium-term liquidity position of the Company.
- Review of executive management structure and performance, including the permanent appointment of Euan Shirlaw as CEO.
- Established the short-term incentive and long-term incentive programmes, as well as the executive retention scheme as endorsed by the Remuneration Committee.
- In-depth consideration and ultimate approval of restructuring of the NOR13 convertible bond loan, including regular dialogue with the Executive Management team as the restructuring progressed and finally the approval of the voluntary exchange offer into the new NOR15 convertible bond loan.
- Review of the various Board committees' performance and confirmation of membership and continued committee structure.

Audit Committee Report

BlueNord has established an Audit Committee with formally delegated duties and responsibilities within written terms of reference.

Marianne Lie
Audit Committee Chair

The Audit Committee consists of the following board members:

- Marianne Lie (Chair)
- Tone Omsted
- Peter Coleman

All members are independent of the Company's executive management and all three committee members sit on the Board of Directors of Norwegian Energy Company ASA.

Committee meeting attendance

Name	Attendance					
Marianne Lie	✓	✓	✓	✓	✓	✓
Tone Omsted	✓	✓	✓	✓	✓	✓
Peter Coleman	✓	✓		✓	✓	

Work of the Audit Committee

- Support the Board's responsibilities relating to the integrity of financial reporting and the financial reporting process.
- Evaluate the risk management of financial reporting and monitor the systems for internal controls.
- Review the external auditors' independence and objectivity and review the effectiveness and quality of the annual audit plan.
- Develop and implement policy for any engagement of external auditors to supply non-audit services.

Activities during the year

The committee held five scheduled meetings during 2022. A further two meetings were held in 2023, prior to the publication of Q4 and this Annual Report and Accounts. In addition to the members of the committee listed on this page, meetings of the committee were also attended by the CFO and the Head of Group Reporting. The Company's auditor works closely with the Audit Committee and attended all meetings during the year.

The committee spent considerable time during the year reviewing all interim and annual reports before they are reviewed by the Board of Directors and then published. Any identified risks and their effects on financial reporting are discussed on a quarterly basis; in addition, the management give a quarterly update on compliance.

Every quarter, the Audit Committee reviews the memorandum for tax and impairment triggers. New accounting effects and issues are monitored on a quarterly basis by the committee. Prior to the year-end closing, the committee reviews key accounting principles, and discusses early warning and key issues.

During the year, the Audit Committee has worked together with executive management and the auditor to further develop the already strong cooperation, and improve the processes and internal control environment related to material financial reporting lines.

2022 meeting summary

In the course of eight meetings during FY2022-23, the Audit Committee has continued to work on a range of audit matters.

These include overall performance and tax issues, compliance, reviews of policy documentation, updates to delegated authority, and liquidity forecasts. Reviews have also taken place regarding internal controls and business continuity planning (BCP).

The committee received updates from KPMG regarding inspection from the Financial Supervisory Authority of Norway (FSA), and half-year accounting issues. Discussions were held on impairment triggers and accounting effects from NOR13 fair value adjustments and debt conversion, as well as tax effects and share capital reduction compliance.

A review of the update process and control environment was undertaken, as well as an impairment test due to a trigger event (the shift in expected start-up of the Tyra redevelopment). The committee also reviewed the accounting effects related to reduction of tax losses due to FX changes, new LTIP scheme and NOR13 conversions and restructuring.

The expected impact of the EU Solidarity Contribution was also reviewed on an initial basis, and the risk picture related to the Nord Stream incident and the drone activity offshore was also discussed.

Remuneration Committee Report

Established in 2021, the Remuneration Committee is a preparatory and advisory committee which supports the Board with regard to executive management compensation.

The Remuneration Committee consists of the following Board members:

- Marianne Lie (Chair)
- Jan Lernout

These members are independent of the Company's executive management, and both committee members sit on the Board of Directors of Norwegian Energy Company ASA (since May 2016 and May 2021 respectively).

The Remuneration Committee:
- is responsible for preparing the annual executive remuneration report and, at least annually, reviewing and recommending any amendments to the guidelines for executive remuneration, to be proposed by the board for adoption by the AGM;
- shall monitor, evaluate and approve the application of the guidelines for the remuneration provided to executive management;
- may request information and assistance from executive management which is deemed relevant for the remuneration committee to carry out its tasks; and
- may seek advice and recommendations from sources outside of the Company, subject to appropriate confidentiality.

Committee meeting attendance

Name	Attendance				
Marianne Lie	✓	✓	✓	✓	✓
Jan Lernout	✓	✓	✓	✓	✓

2022 meeting summary

The committee held five scheduled meetings during 2022. A further two meetings have taken place in 2023 prior to the publication of the 2022 Annual Report and Accounts. In addition to the members of the Remuneration Committee, the CEO and EVP People and Capability have been invited to attend committee meetings where appropriate.

On the basis of the proposed total compensation policy for BlueNord, the committee reviewed and updated the 2022 guideline on executive remuneration, later approved by the AGM in May. The audited Executive Remuneration Report was approved simultaneously in accordance with the new regulations in the Public Limited Liability Companies Act § 6-16b. The report was prepared for the first time in the context of the latest guidelines on Company law requirements for listed companies and general best practice trends in executive remuneration disclosure.

In 2021, the committee reviewed the proposal for BlueNord's total compensation policy. Due to changes in the Company's strategic priorities for 2021, the amended annual performance bonus programme and its key performance indicators for 2021 were delayed, but approved in 2022. The work and discussion initiated on a new long-term incentive (LTI) programme for executives and employees to replace the existing programme continued into 2022 and included support from the Company's legal advisers. The new long-term incentive programme, aligned with the approved Executive Remuneration Policy, was approved by the Board of Directors and implemented in September. Existing options issued to members of the Executive Team were cancelled and translated into retention shares.

The Remuneration Committee endorsed and recommended terms upon employment when the CFO, serving as acting Managing Director since November 2021, was appointed CEO in May.

The committee has reviewed and recommended the proposed annual salary increase for eligible employees in 2022 and correspondingly the proposed annual performance bonus payment applicable for executives and employees.

Executive Remuneration Report 2022

For more details on the Executive Remuneration, please read the full report here.

Download the report at **www.BlueNord.com/reports-and-presentations**

ESG Committee Report

BlueNord established in 2020 an ESG Committee, which formally oversees the Company's ESG activities and strategy.

The ESG Committee consists of the following Board members:

- Colette Cohen (Chair)
- Robert McGuire

All members are independent of the Company's executive management and all committee members sit on the board of directors of Norwegian Energy Company ASA.

Committee meeting attendance

Name	Attendance				
Colette Cohen	✓	✓	✓	✓	✓
Robert McGuire	✓	✓	✓	✓	✓

The ESG Committee shall:

- support the development of the Company's overall environmental, social and governance strategy;
- oversee the Company's ESG activities and assess if any developments or investments are compatible with, and supportive of, the strategic objectives of the Company;
- ensure that the Board is informed on material relevant topics or events related to the Company's work on ESG;
- review the Company's ability to address and mitigate risks related to ESG; and
- ensure that the Company strives for transparency and high standards in its ESG reporting

Activities during the year

The committee held five scheduled meetings during 2022. A further meeting was held in 2023, prior to the publication of this Annual Report. In addition to the members of the committee listed on this page, meetings of the committee were also attended by the CEO and the EVP, Investor Relations and ESG.

The committee has worked closely with key members from the Executive Team during 2022 to develop the ESG strategy of the Company, to identify material topics and to assess risks and opportunities that are relevant to the Company. The committee has also been involved in improvements of the standards and transparency of the ESG reporting of BlueNord.

Following the committee's work during 2022 and to date in 2023, the Company is today reporting against the TCFD framework and it has taken measures to adapt to the Norwegian Transparency Act and the Anti-Discrimination Act. In addition, the Company has initiated preparations to aligned itself to report against the new ESRS, which is expected from 2025.

Nomination Committee Report

According to the articles of association § 7 the Nomination Committee shall consist of three members.

The term of office shall be two years unless the annual general meeting determines that the term shall be shorter. The Nomination Committee shall prepare a motion for the annual general meeting relating to:

a) Election of members of the Board of Directors and the chairperson of the Board of Directors.
b) Election of the members of the Nomination Committee and the chairperson of the Committee.
c) The remuneration of the Directors and the members of the Nomination Committee.
d) Any amendments of the Nomination Committee's Mandate and Charter.

Sections 6-7 and 6-8 of the Public Limited Companies Act apply correspondingly in relation to the members of the Nomination Committee.

Richard Sjøqvist
Audit Committee Chair

The nomination committee in BlueNord consists of:

- Richard Sjøqvist (Chair)
- Kristian Utkilen
- Annette Malm Justad

Work of the Nomination Committee:

The Chair of the Nomination Committee is responsible for the committee's work and call of meetings, however each member can request a committee meeting. The Nomination Committee shall regularly review the structure and composition of the Board, including the knowledge, skills, experience and diversity of the Board. It shall keep under regular review that the needs of the Company is reflected in the Board composition and give full consideration to succession planning for the Board members. The Nomination Committee shall also ensure that there is a formal and transparent procedure for the appointment of new Directors to the Board.

The Nomination Committee will have contact with the Company's shareholders, Board of Directors and the Company's executive personnel. All shareholders of BlueNord have the possibility to propose candidates. If a candidate is proposed, the Nomination Committee shall consider the experience, competence and capacity of each candidate.

The Nomination Committee's proposal for the 2023 annual general meeting will be published before the AGM and made available on www.BlueNord.com/general-meetings

Activities during the period

The committee has taken note of the paragraph 5 of the articles of association in which it is stated that the Board of Directors shall have from 3 to 7 shareholders elected members and that such board members are elected to a two year period unless the general meeting decides upon a shorter term.

For the annual general meeting. The table below identifies those up for re-election among all the board members:

Riulf Karsten Rustad	(Chair, not for election)
Marianne Lie	(board member, not for election)
Tone Kristin Omsted	(board member, not for election)
Robert J. McGuire	(board member, not for election)
Colette Cohen	(board member, for re-election)
Jan Lernout	(board member, for re-election)
Peter Coleman	(board member, for re-election)

During the period the nomination committee has particularly focused on the board members whom are up for re-election. Additionally, the nomination committee has also considered the remuneration of the board members and members of the Nomination Committee.

The Nomination Committee has delivered its proposal on 27 March 2023.

Director's Report

Norwegian Energy Company ASA ("BlueNord", "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, Norwegian Energy Company ASA (BlueNord) holds a 36.8 percent non-operated interest in the DUC and is the second largest oil and gas producer in Denmark. DUC is a joint venture between TotalEnergies (43.2 percent), Norwegian Energy Company ASA (36.8 percent) and Nordsøfonden (20.0 percent), and comprises four hubs (Halfdan, Tyra, Gorm and Dan) and 11 producing fields. It is operated by TotalEnergies, which has extensive offshore experience in the region and worldwide.

Since the acquisition in 2019, Norwegian Energy Company ASA (BlueNord) has built a meaningful presence in Denmark and established good relationships with its partners TotalEnergies and Nordsøfonden, as well as other stakeholders including the DEA.

Production assets and field developments

Norwegian Energy Company ASA (BlueNord) delivered strong production from the Halfdan, Dan and Gorm hubs in 2022 with a yearly average of 26.7 mboepd and an overall operational efficiency at approximately 88.0 percent. The strategic ambition to improve operational efficiency to 90.0 percent for DUC overall in 2022 by reducing unplanned shortfalls and optimising the schedule for planned shortfalls was achieved in the year, excluding the planned NOGAT gas export pipeline shutdown.

Production remained robust as a result of proactive workovers and well restimulations. In Q4, the planned ten-year maintenance of the NOGAT pipeline were successfully completed. The jack-up rig Noble Sam Turner (renamed Shelf Winner) were extended with two years and the well reservoir opportunity management campaign started.

The Tyra redevelopment is an ongoing project within the DUC and is the largest project ever that is carried out on the Danish continental shelf. During 2022, several important project milestones were reached. Successful completion of offshore installation campaign for Tyra II, which now has its final shape with all major lifts and installations completed. In 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.

The annual revision of reserves, performed by an independent organisation (RISC) in accordance with SPE PRMS 2018 standards, resulted in total 2P reserves at year end 2022 of 182.4mmboe.

Capital structure

Convertible bond (NOR13)

USD 158 million convertible bond with an eight-year tenor and a mandatory conversion to equity after five years was issued in 2019. NOR13 has paid in kind (PIK) interest with additional bonds at a coupon rate of 8.0 percent.

Norwegian Energy Company ASA (BlueNord) may alternatively, at its own discretion, pay cash interest of 6.0 percent subject to approval from the RBL lenders. The Company has PIK coupon interest of 8.0 percent 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 percent for the remaining period.

In December 2022, the majority of the remaining convertible loan was transferred into the new convertible instrument, NOR15. Of the remaining USD 13.8 million outstanding on NOR13 at 31 December 2022, USD 13.6 million was converted into equity by 13 January 2023.

Convertible bond (NOR15)

USD 207.6 million convertible bond with a five year tenor and a conversion to equity or cash settlement after three years. NOR15 consist of USD 151.4 million converted from NOR13 plus additional compensation bonds of USD 56.2 million. NOR15 has PIK interest with additional bonds at a coupon rate of 8.0 percent.

Norwegian Energy Company ASA (BlueNord) may alternatively, at its own discretion, pay cash interest of 6.0 percent. Should the instrument be in place beyond the three-year conversion period, the interest rate of NOR15 will be reduced to 0.0 percent for the remaining period subject to approval from RBL lenders.

Reserve-based lending facility

In Q2 2021, the Company amended, extended and increased its previous facility, which had been entered into in Q2 2019. The Norwegian Energy Company ASA (BlueNord) RBL facility is a seven-year, first lien, senior secured RBL with a total facility amount of USD 1.1 billion, including a letter of credit sub-limit of USD 100 million.

At the end of 2022, USD 800 million was drawn under the RBL, 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 secured overnight financing rate (SOFR) and a margin of 4.0-4.5 percent. In July 2022, Norwegian Energy Company ASA (BlueNord) made a voluntary repayment of USD 100 million. In addition, the Company hedged the SOFR rate on USD 1.0 billion of principal from 1 November 2021 to 30 June 2024 at a rate of 0.4041 percent.

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. The ESG targets are assessed based on two sustainability targets: (i) the relative carbon emissions intensity, assessed from 2024 onwards, and (ii) progress towards powering offshore activities from renewable electricity sources, assessed from 2021 onwards. The targets do not currently include the Company's investments in CCUS activities, which could be subject to change with RBL lenders' consent. ESG target (ii) assessments for years 2021 and 2022 are based on investment levels in front-end studies for renewable power. Through various working groups meetings and third-party evaluations commissioned by the DUC, these potential projects were deemed uneconomical, which resulted in a lower level of investment in 2021 than set by the target and a consequent 3bps (0.03 percent) margin increase in the RBL facility throughout 2022.

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

Group Financial Results for 2022

The consolidated financial statements of Norwegian Energy Company ASA (BlueNord) have been prepared in accordance with IFRS and interpretations from the IFRS interpretation committee (IFRIC), as endorsed by the EU.

See the section on financial review, on pages 32 and 33.

Risk mitigation

The Company actively seeks to reduce the risk it is exposed to regarding fluctuating commodity prices through the establishment of hedging arrangements.

Currently all the Company's commodity price hedging arrangements is executed solely in the market through forward contracts. At the time of this report, the Company had purchased the following:

Oil		Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
Volumes	(bbl)	1,200,000	1,200,000	840,105	840,105	900,000	900,000	432,000	432,000	315,000	315,000
Price	(US$/bbl)	51.7	51.7	54.8	54.8	61.3	61.3	68.0	68.0	74.7	74.7
Equiv. daily production	(mbbl/d)	13.3	13.2	9.1	9.1	10.0	9.9	4.7	4.7	3.5	3.5

Gas		Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
Volumes	(MWh)	419,992	255,000	255,000	165,000	165,000	0	0	0	0	0
Price	(EUR/MWh)	162.1	155.6	155.6	170.1	170.1	0.0	0.0	0.0	0.0	0.0
Equiv. daily production	(mboe/d)	2.8	1.7	1.6	1.1	1.1	0.0	0.0	0.0	0.0	0.0

In addition, the Company has a swap transaction with a group of banks to fix the Company's floating interest rate exposure under the RBL facility. See the section on risk factors and risk management on pages 103 and 104, and note 18 in the consolidated financial statements.

Principal risks and uncertainties

The Company is required to give a description of the principal risks and uncertainties which it faces. These principal risks and uncertainties are included as part of the risk report and can be found on page 56.

Going concern assumption
Pursuant to the Norwegian Accounting Act section 3-3a, the Norwegian Energy Company ASA (BlueNord) Board confirms that the requirements of the going concern assumption are met and that the annual accounts have been prepared on that basis.

Our financial integrity, and our working capital and cash position, are considered satisfactory in relation to the planned activity level for the next 12 months.

Health, Environment and Safety
Norwegian Energy Company ASA (BlueNord) 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 2022, Norwegian Energy Company ASA (BlueNord) 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.

Norwegian Energy Company ASA (BlueNord) 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 Norwegian Energy Company ASA (BlueNord) operations and business performance.

For more information, see the sustainability section on pages 34 to 55.

Personnel resources and working environment
As at end 2022, the Group had 33 employees. 51.52 percent of the employees were women. In May 2022, Euan Shirlaw was appointed as CEO in addition to his existing role as CFO. Euan Shirlaw had been Acting Managing Director since December 2021. In addition, Marianne Eide was promoted to Chief Operating Officer and in November 2022, Jacqueline Lindmark Boye was promoted to EVP Finance.

As at end 2022, 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. As at end 2022, more than 40 percent of the Board members are women.

Norwegian Energy Company ASA (BlueNord) strives to maintain a working environment with equal opportunities for all, based on qualifications, and 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, sexual orientation or disability.

Management compensation is described in the Executive Remuneration Report. Sick leave in the Group was 1.37 percent in 2022.

Research and development
Norwegian Energy Company ASA (BlueNord) invests in research and development to support and further grow its E&P activities. For more information, see ESG section on page 34.

Corporate governance
The Board wishes to maintain an appropriate standard of corporate governance and to fulfil the recommendations in the Norwegian Code of Practice for Corporate Governance. Corporate governance in Norwegian Energy Company ASA (BlueNord) is based on equal treatment of all shareholders, a principle which is reflected in the decisions taken at the general assembly.

For more information about the Board's composition and activities during the year, see the section on corporate governance on page 72 in this report.

AGM
The AGM held on 19 May 2022 re-elected Riulf Rustad, Tone Omsted and Marianne Lie. All matters on the agenda were approved.

In 2022 the Company held two extraordinary general meetings (EGM). The purpose of the EGM held on 30 November 2022 was to consider the board's proposal to amend the NOR13 bond terms. The purpose of the EGM held on 28 December was to consider the Board's proposal to issue a new subordinated convertible bond, NOR15, as an exchange offer to NOR13 bondholders. Both proposals were shareholder approved.

For more information about corporate governance and corporate social responsibility, see the relevant sections of this report. Also, see www.BlueNord.com/corporate-governance and www.BlueNord.com/csr.

Directors' and officers' 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 (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 Norwegian Energy Company ASA (BlueNord). The Company currently has approximately 2,500 shareholders and 16.35 percent of the shares are held by residents of Norway.

Norwegian Energy Company ASA (BlueNord)

In 2022, 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 more information about financial risk and market conditions, and a statement regarding going concern, please see the relevant sections above. These comments are also valid for the parent Company.

Parent Company financial results for 2022

Personnel expenses were USD 4.4 million in 2022 (2021: USD 3.7 million), increase mainly due to increase in average full-time equivalents and related to the LTIP, which is valued and accounted for according to IFRS 2. Other operating expenses amounted to USD 4.1 million in 2022 (2021: USD 3.2 million), the increase is related to higher consultant and legal fees. The net operating result for 2022 was a loss of USD 6.0 million (2021: USD 5.0 million).

Net financial items amounted to an expense of USD 76.5 million in 2022 (2021: USD 24.8 million). The increased financial expense mainly related to the extinguishment of the NOR13 bond loan, increased write-down of loans to subsidiaries, partly offset by increased interest income from intercompany loans.

The Company's net result for the year amounted to a loss of USD 82.5 million (2021: USD 29.8 million).

Allocations

The result for the year for Norwegian Energy Company ASA in 2022 was a loss of USD 82.5 million. The Board proposes the following allocations:

- allocated from other equity: USD 82.5 million
- total appropriation: USD 82.5 million

Outlook

Norwegian Energy Company ASA (BlueNord) has a stable business, underpinned by the Company's position in the DUC and further supported by risk mitigations. The volatility in prices has been significant and management is continuously assessing the market to mitigate commodity price volatility. The Company has during 2022 entered into fixed-price swap contracts for additional oil and gas volumes from 2023 to 2024.

The Company monitors the Russia-Ukraine conflict closely and has not identified any negative impact on the Company's assets or income. See further detail on this issue and mitigations as outlined in the section Principal Risks and Uncertainties on page 57.

The Tyra redevelopment is progressing and will significantly enhance Norwegian Energy Company ASA (BlueNord) production on start-up. The Company also expects direct field operating expenditure to decrease to USD 13 per barrel when Tyra is back in production winter 2023-24.

Norwegian Energy Company ASA (BlueNord) cash position has strengthened significantly during 2022 and the Company has a solid basis for executing the strategy and the ambition to deliver material shareholder returns and significant value creation.

Activity to progress value additive organic DUC investment projects also continues, and we will seek to sanction projects as they are sufficiently matured. Norwegian Energy Company ASA (BlueNord) believes economic investments in these projects will help to replace produced reserves, and provide strong financial returns benefiting the Company's shareholders.

The Company expects reduced production driven by high maintenance and activity levels in Q2 and Q3 2023.

Production	Unit	Guidance 2023	2022
Q1	mboepd	25.0-26.5	28.5
Q2	mboepd	20.0-21.5	26.5
Q3	mboepd	22.5-24.0	25.1
Q4	mboepd	24.5-26.0	26.9

The following sections of Norwegian Energy Company ASA (BlueNord) Annual Report constitute part of the Director's Report.

Annual Report Chapter Reference	Content	Page Reference
Strategic Report	Financial Review	32-33
Strategic Report	Sustainability Report	34-55
Strategic Report	Norwegian Transparency Act Statement	54
Strategic Report	Principal Risks and Uncertainties	57-65
Governance Report	Corporate Governance Report	72-76

Oslo

28 March 2023

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
Chief Executive Officer

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 Norwegian Energy Company ASA (BlueNord) has applied judgement 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 licences are to be reported, as all payments within the licence 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 Norwegian Energy Company ASA (BlueNord) 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 licence-by-licence. The income tax payment in 2022 is a USD 17 million first instalment repayment for 2022 pertaining to the special tax incentives implemented in 2017. This repayment 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 implemented. This is set-of by a refund of approximately. USD 6 million pertaining to a settlement of a minor tax dispute concerning income year 2011.

Other information required to be reported

In accordance with the regulation (F20.12.2013 nr 1682), Norwegian Energy Company ASA (BlueNord) is also required to report on investments, operating income, production volumes and purchases of goods and services. All reported information is relating to Norwegian Energy Company ASA (BlueNord) activities within the extractive industries on the Danish continental shelf:

- Total net investments amounted to USD 258.2 million, as specified in the cash flow analysis in the financial statements.
- Sales income (petroleum revenues) in 2022 amounted to USD 960.5 million, as specified in note 4 to the financial statements.
- Total production in 2022 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.

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> We have had a strong year driven by excellent underlying operating performance and the benefit of a supportive commodity price environment in 2022.

Financial Statements

Contents for Consolidated Statements

Consolidated Statement of Comprehensive Income

Income statement

USD million	Note	2022	2021
Revenue	4	**966.9**	565.3
Total revenues		**966.9**	565.3
Production expenses	5	**(323.4)**	(292.7)
Exploration and evaluation expenses	6	**(0.7)**	(0.7)
Personnel expenses	7	**(12.5)**	(11.5)
Other operating expenses	8	**(19.1)**	(10.9)
Total operating expenses		**(355.7)**	(315.8)
Operating result (EBITDA)		**611.2**	249.5
Depreciation/amortisation	10	**(133.5)**	(112.3)
Net operating result (EBIT)		**477.7**	137.3
Financial income	12	**58.8**	27.8
Financial expenses	12	**(287.8)**	(160.2)
Net financial items		**(229.0)**	(132.3)
Result before tax (EBT)		**248.7**	4.9
Income tax benefit/(expense)	13	**(279.2)**	(58.1)
Net result for the year		**(30.5)**	(53.2)
Basic earnings/loss USD per share	14	**(1.2)**	(2.2)
Diluted earnings/loss USD per share	14	**(1.2)**	(2.2)

Statement of comprehensive income

USD million	Note	2022	2021
Net result for the year		**(30.5)**	(53.2)
Other comprehensive income (net of tax):			
Items that may be subsequently reclassified to profit or loss:			
Realised cash flow hedge		**242.2**	134.8
Related tax – realised cash flow hedge		**(155.0)**	(86.3)
Changes in fair value		**(57.9)**	(372.2)
Related tax – changes in fair value		**52.1**	241.8
Currency translation adjustment		**(2.0)**	(3.1)
Total other comprehensive income for the year (net of tax)		**79.3**	(84.9)
Total comprehensive income for the year (net of tax)		**48.8**	(138.1)

Consolidated Statement of Financial Position
As of 31 December

All figures in USD million	Note	31.12.2022	31.12.2021
Non-current assets			
Exploration and evaluation assets	9	**160.4**	166.0
Deferred tax assets	13	**348.8**	526.3
Property, plant and equipment	10	**1,911.9**	1,898.7
Right-of-use asset		**0.9**	0.7
Restricted cash	17, 18	**203.7**	205.5
Receivables non-current	15	**0.8**	–
Derivative instruments	18	**33.7**	9.7
Total non-current assets		**2,660.1**	2,806.9
Current assets			
Derivative instruments	18	**130.9**	–
Trade receivables and other current assets	15	**128.6**	108.9
Inventories	16	**55.9**	51.4
Bank deposits, cash and cash equivalents	17	**268.4**	122.6
Total current assets		**583.9**	283.0
Total assets		**3,244.0**	3,089.9
Equity			
Share capital	19	**1.7**	29.5
Other equity		**600.8**	462.7
Total equity		**602.5**	492.2
Non-current liabilities			
Asset retirement obligations	21	**946.1**	1,003.0
Convertible bond loans	18, 22	**188.7**	157.1
Bond loan	18, 22	**166.9**	164.9
Reserve-based lending facility	18, 22	**764.0**	857.3
Derivative instruments	18	**90.4**	100.9
Other non-current liabilities	22	**0.7**	25.4
Total non-current liabilities		**2,156.8**	2,308.6
Current liabilities			
Asset retirement obligations	21	**9.8**	26.2
Tax payable	13	**209.0**	16.0
Derivative instruments	18	**125.3**	116.3
Trade payables and other current liabilities	23	**140.6**	130.5
Total current liabilities		**484.7**	289.1
Total liabilities		**2,641.5**	2,597.7
Total equity and liabilities		**3,244.0**	3,089.9

Oslo
28 March 2023

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
Chief Executive Officer

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 on 1 January 2021	29.5	707.0	(0.5)	5.6	14.3	(126.0)	629.9
Net result for the period						(53.2)	(53.2)
Other comprehensive income							
Realised cash flow hedge	–	–	–	–	134.8	–	134.8
Related tax – realised cash flow hedge	–	–	–	–	(86.3)	–	(86.3)
Changes in fair value	–	–	–	–	(372.2)	–	(372.2)
Related tax – changes in fair value	–	–	–	–	241.8	–	241.8
Currency translation adjustments	–	–	–	(3.1)	–	–	(3.1)
Total other comprehensive income	–	–	–	(3.1)	(81.8)	–	(84.9)
Share-based incentive programme	–	–	–	–	–	0.3	0.3
Total transactions with owners for the period	–	–	–	–	–	0.3	0.3
Equity as of 31 December 2021	29.5	707.0	(0.5)	2.6	(67.5)	(178.9)	492.2
2022							
Equity as of 1 January 2022	**29.5**	**707.0**	**(0.5)**	**2.6**	**(67.5)**	**(178.9)**	**492.2**
Net result for the period						**(30.5)**	**(30.5)**
Other comprehensive income							
Realised cash flow hedge	**–**	**–**	**–**	**–**	**242.2**	**–**	**242.2**
Related tax – realised cash flow hedge	**–**	**–**	**–**	**–**	**(155.0)**	**–**	**(155.0)**
Changes in fair value	**–**	**–**	**–**	**–**	**(57.9)**	**–**	**(57.9)**
Related tax – changes in fair value	**–**	**–**	**–**	**–**	**52.1**	**–**	**52.1**
Currency translation adjustments	**–**	**–**	**–**	**(2.0)**	**–**	**–**	**(2.0)**
Total other comprehensive income	**–**	**–**	**–**	**(2.0)**	**81.4**	**–**	**79.3**
Issue of shares	**1.4**	**32.2**	**–**	**–**	**–**	**–**	**33.6**
Capital reduction, approved and registered	**(29.3)**	**29.3**	**–**	**–**	**–**	**–**	**–**
Settlement derivatives/conversion NOR13	**–**	**–**	**–**	**–**	**–**	**21.0**	**21.0**
Share-based incentive programme	**–**	**–**	**–**	**–**	**–**	**1.5**	**1.5**
Sale of shares	**–**	**–**	**0.3**	**–**	**–**	**5.1**	**5.4**
Total transactions with owners for the period	**(27.8)**	**61.4**	**0.3**	**–**	**–**	**27.6**	**61.6**
Equity as of 31 December 2022	**1.7**	**768.4**	**(0.1)**	**0.5**	**13.9**	**(181.9)**	**602.5**

Consolidated Statement of Cash Flows
For the year ended 31 December

All figures in USD million	Note	**2022**	2021
Cash flows from operating activities			
Net result for the year		**(30.5)**	(53.2)
Adjustments for:			
Income tax benefit/(expense)	13	**279.2**	58.1
Tax paid		**(11.6)**	(10.3)
Depreciation	10	**133.5**	112.3
Share-based payments expenses		**1.4**	0.3
Net financial items	12	**229.0**	137.7
Net gain on sale of assets	12	**(0.2)**	–
Changes in:			
Trade receivable	15	**(7.8)**	(29.4)
Trade payables[1]	23	**(15.6)**	(142.5)
Inventories and spare parts	16	**(4.5)**	(11.9)
Prepayments	15	**(4.2)**	2.7
Over/under-lift	15	**(7.7)**	(14.0)
Other current balance sheet items		**(0.0)**	(0.1)
Net cash flow from operating activities		**561.0**	49.8
Cash flows from investing activities			
Consideration sale of asset		**0.3**	–
Volume guarantee		**–**	14.6
Tax paid/received[2]		**–**	2.4
Investment in oil and gas assets	10	**(241.6)**	(228.1)
Investment in exploration assets	9	**(2.4)**	0.5
Abandonment paid		**(14.4)**	(21.2)
Changes in restricted cash accounts	17	**–**	(14.6)
Net cash flow from investing activities		**(258.2)**	(246.5)
Cash flows from financing activities			
Long-term loans	22	**(100.0)**	148.8
Issue of long-term loans	22	**(0.8)**	–
Lease payments		**(0.4)**	(0.7)
Sale of shares		**5.4**	–
Interest and financing costs		**(61.6)**	(82.0)
Settled hedges		**–**	(1.5)
Other financial items		**0.2**	(4.6)
Net cash flow from financing activities		**(157.1)**	60.0
Net change in cash and cash equivalents		**145.8**	(136.7)
Cash and cash equivalents at the beginning of the year		**122.6**	259.3
Cash and cash equivalents at end of the year		**268.4**	122.6

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 that was attributable to the period before the acquisition of Shell Olie-og Gasudvinding Danmark B.V. on 31 July 2019 is classified as investing activities.

Notes

1 Summary of significant accounting policies

Norwegian Energy Company ASA (BlueNord, "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, the Netherlands and the United Kingdom. The Company is listed on the Oslo Stock Exchange.

The consolidated financial statements for 2022 were approved by the Board of Directors on 28 March 2023.

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 (BlueNord) have been prepared in accordance with the IFRS and interpretations from the IFRIC, as endorsed by the EU. The Group also provides information required in accordance with the Norwegian Accounting Act and associated NGAAP 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 12 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 2022, 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 2022.

Amendments to standards

Amendments to standards, issued are either not expected to impact Norwegian Energy Company ASA (BlueNord)'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 2022, all consolidated subsidiaries are 100 percent controlled by the parent company, Norwegian Energy Company ASA (BlueNord) 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.

1 Summary of significant accounting policies continued

1.2 Consolidation continued

Subsidiaries continued

The Group had the following subsidiaries on 31 December 2022:

Name	Country of incorporation 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 fair value through profit and loss (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. Intercompany 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 recognises 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 Chief Executive Officer. 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); and

iii) all currency translation adjustments are recognised in other comprehensive income (OCI). 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 UoP 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: three to five 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.

1 Summary of significant accounting policies continued

1.6 Intangible assets continued

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 note 1.6 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: amortised cost, fair value through OCI and fair value through profit and loss (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 amortised cost or at fair value through OCI. 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 OCI 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 1.11 and 1.12).

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 recognised 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 re-measured at fair value and the effective portion of the gain or loss on the hedging instrument is recognised in 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 non-financial asset. The volume hedging agreement with Shell ended on 31 December 2020 and is not relevant in 2022.

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 non-current assets.

Trade receivables are measured at amortised 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 risk of changes in value 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 Summary of significant accounting policies continued

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 non-current 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 FVTPL 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 the 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 amortised 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 drawdown 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 derecognition 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 are incurred.

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 OCI or directly in equity. In this case, the tax is also recognised in OCI 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 tax 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 percent. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 percent. The 64 percent is calculated as the sum of the (chapter 2) tax of 25 percent plus a specific hydrocarbon tax (chapter 3a) of 52 percent, in which the 25 percent tax payable is deductible. When calculating the 52 percent tax, the Company is allowed to deduct an uplift (i.e. increased depreciation basis for tax purposes) of 30 percent of the investments in property, plant and equipment (PP&E) over a period of six years. Through an agreement from 2017, licence holders on the 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 utilising the benefit are also liable for a repayment of the tax benefits previously received, this will materialise from 2022 through 2037 with an oil price (indexed from 2017) above USD 75. The repayment cannot exceed the indexed benefit from the applied rules.

1.19 Pensions

The Group only has defined contribution plans as of 31 December 2022. 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 or shares 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 or shares 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.

1 Summary of significant accounting policies continued

1.20 Share-based payments continued

Fair value continued

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 recognised 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 recognised 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 a 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 1.12 for the definition of "cash and cash equivalents".

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 that 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 presentation 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	48	11
Financial liabilities	0	15	–1
Effect net result/equity	1	33	13

The Company considers the currency risk relating to the different financial instruments as 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 and/or hedged. With regards to trade receivables and payables, the Company deems the risk to be immaterial.

b) Price risk

Norwegian Energy Company ASA (BlueNord) 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 2022, Norwegian Energy Company ASA (BlueNord) 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 2022 of 10 percent 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%	-25	-25	0
Commodity price -10%	25	25	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 Norwegian Energy Company ASA (BlueNord)'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 1.1 billion (2021: USD 1.2 billion) in interest-bearing debt (carrying amount), the principal amount was USD 1.2 billion. The Group's RBL facility has a floating interest rate comprising the aggregate of SOFR and 4.0 percent per annum, while the Group's Bond debt (NOR13 and NOR14) 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 percent in the SOFR rate would result in USD 9.0 million of interest charges to Norwegian Energy Company ASA (BlueNord) per annum, however the Company has hedged this interest rate until 30 June 2024 at a rate of 0.40 percent to cover any increase in SOFR rate. For further information about the Group's interest-bearing debt, see note 22.

All bank deposits (USD 472.1 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.

2 Financial risk management continued

2.1 Financial risk factors continued

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 2022, none of the Group's interest-bearing debt were falling due within the next 12 months.

Credit risk

The Group's 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 natural gas liquids (NGLs) 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 percent 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; and
- 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 in the 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*	(11)	10
Effect net result/equity	*USD million*	(11)	10

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. 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. UoP depreciations are amended on a prospective basis following regular reserves estimation updates performed by the Group. For more details, see 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 (i.e. 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, and as such is 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	2022	2021
Sale of oil	**552.1**	416.0
Sale of gas and NGL	**408.4**	142.4
Other income	**6.4**	6.9
Total revenue	**966.9**	565.3
Oil-lifted volumes (mmbbl)	**7.32**	7.20
Effective oil price USD/bbl	**75.5**	57.8
Gas lifted volumes (mmboe)	**2.3**	2.3
Effective gas price EUR/MWh	**101.9**	30.4
Effective gas price USD/boe	**181.1**	61.5

In 2022, sale of oil amounted to USD 552.1 million and sale of gas amounted to USD 408.4 million, realised prices were USD 75.5 per bbl of oil and USD 181.1 per boe gas lifted during the year, adjusted for settlement of price hedges in place with financial institutions.

During 2022, Norwegian Energy Company ASA (BlueNord) 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 and gas. 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	2022	2021
Shell Trading International	**77.7%**	90.1%
Ørsted Salg & Service AS	**32.5%**	28.4%
Shell Energy Europe Limited	**16.2%**	8.2%
CommonwealthBank[1)]	**-1.9%**	-4.7%
SEB Skandinaviska Enskilda Banken AB[1)]	**-2.4%**	0.0%
BNP Paribas[1)]	**-4.2%**	-10.2%
Natixis[1)]	**-8.0%**	-11.9%
Lloyds Bank Corporate Markets PLC[1)]	**-10.0%**	0.0%
Total revenue	**100.0%**	100.0%

1) The negative percentages represent the settlement of commodity hedges in place with financial institutions.

5 Production expenses

USD million	2022	2021
Direct field opex	**(233.1)**	(210.9)
Tariff and transportation expenses	**(43.3)**	(44.3)
Production general and administrative (G&A)	**(32.1)**	(41.8)
Field operating cost	**(308.5)**	(297.0)
Total produced volumes (mmboe)	**9.8**	9.8
In USD per boe	**(31.6)**	(30.2)
Adjustments for:		
Concept studies	**(1.5)**	–
Change in inventory position	**4.0**	(0.7)
Over/under-lift of oil and NGL	**7.7**	14.0
Insurance & other	**(19.4)**	(21.6)
Stock scrap	**(5.6)**	12.6
Production expenses	**(323.4)**	(292.7)

Production expenses for the year directly attributable to the lifting and transportation to market of Norwegian Energy Company ASA (BlueNord)'s oil and gas production is in total USD 308.5 million, which equates to USD 31.6 per boe produced during 2022 (2021: USD 30.2 per boe produced). Actual production expenses in 2022 was in line with the expectation. The increase compared with 2021 is mainly driven by the high activity on workovers to maintain base production in with some increased costs from inflation.

6 Exploration and evaluation expenses

USD million	2022	2021
Other exploration and evaluation costs	**(0.7)**	(0.7)
Total exploration and evaluation costs	**(0.7)**	(0.7)

7 Personnel expenses

USD million	Note	2022	2021
Salaries		**(9.2)**	(9.5)
Social security tax		**(1.0)**	(0.8)
Pension costs	20	**(0.5)**	(0.6)
Costs relating to share-based payments	24	**(1.4)**	(0.3)
Other personnel expenses		**(0.4)**	(0.3)
Total personnel expenses		**(12.5)**	(11.5)
Average number of employees		**30.5**	27.4

Please see the Executive Remuneration Report 2022 for compensation to key management and Board of Directors in the period 2018-2022.

8 Other operating expenses

USD million	2022	2021
Consultant fees	**(15.3)**	(8.2)
Other operating expenses	**(3.8)**	(2.7)
Total other operating expenses	**(19.1)**	(10.9)

USD, 1000 excl. VAT	2022	2021
Auditor's fees	**(625.8)**	(575.1)
Other assurance service	**(84.6)**	(5.4)
Total audit fees	**(710.4)**	(580.5)

9 Intangible assets

Intangible assets at 31 December 2022

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
Book value 31 December 21	**1.4**	**–**	**164.7**	**166.0**
Acquisition costs 31 December 21	**1.4**	**–**	**186.0**	**187.4**
Additions	**0.5**	**1.9**	**–**	**2.4**
Acquisition costs 31 December 22	**1.8**	**1.9**	**186.0**	**189.8**
Accumulated depreciation, amortisation and write-downs 31 December 21	**–**	**–**	**(21.3)**	**(21.3)**
Depreciation/amortisation	**–**	**–**	**(8.0)**	**(8.0)**
Accumulated depreciation, amortisation and write-downs 31 December 22	**–**	**–**	**(29.4)**	**(29.4)**
Book value 31 December 22	**1.8**	**1.9**	**156.6**	**160.4**

9 Intangible assets continued

Intangible assets at 31 December 2021

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
Book value 31 December 20	1.9	–	172.7	174.6
Acquisition costs 31 December 20	1.9	–	186.0	187.8
Additions	(0.5)	–	–	(0.5)
Acquisition costs 31 December 21	1.4	–	186.0	187.4
Accumulated depreciation and write-downs 31 December 20	–	–	(13.3)	(13.3)
Depreciation/amortisation	–	–	(8.0)	(8.0)
Accumulated depreciation and write-downs 31 December 21	–	–	(21.3)	(21.3)
Book value 31 December 21	1.4	–	164.7	166.0

10 Property, plant and equipment

Property, plant and equipment at 31 December 2022

USD million	**Asset under construction**	**Production facilities**	**Other assets**	**Total**
Book value 31 December 21	**818.5**	**1,078.5**	**1.7**	**1,898.7**
Acquisition costs 31 December 21	**818.5**	**1,346.6**	**3.1**	**2,168.2**
Sale of assets	**–**	**(0.2)**	**(0.2)**	**(0.4)**
Additions	**232.4**	**9.1**	**0.2**	**241.6**
Revaluation abandonment assets	**–**	**(102.8)**	**–**	**(102.8)**
Currency translation adjustment	**–**	**(0.1)**	**(0.1)**	**(0.2)**
Acquisition costs 31 December 22	**1,050.9**	**1,252.5**	**3.1**	**2,306.4**
Depreciation and write-downs 31 December 21	**–**	**(268.2)**	**(1.4)**	**(269.6)**
Sale of asset, reversal depreciation	**–**	**0.1**	**–**	**0.1**
Depreciation	**–**	**(124.8)**	**(0.3)**	**(125.1)**
Currency translation adjustment	**–**	**0.0**	**0.0**	**0.0**
Depreciation and write-downs 31 December 22	**–**	**(392.9)**	**(1.7)**	**(394.6)**
Book value 31 December 22	**1,050.9**	**859.6**	**1.4**	**1,911.9**

Property, plant and equipment at 31 December 2021

USD million	Asset under construction	Production facilities	Other assets	Total
Book value 31 December 20	607.7	1,093.9	2.5	1,704.1
Acquisition costs 31 December 20	607.7	1,258.7	3.2	1,869.6
Additions	210.8	17.5	0.1	228.4
Acquisition of abandonment asset	–	70.6	–	70.6
Disposal	–	–	–	–
Currency translation adjustment	–	(0.2)	(0.1)	(0.3)
Acquisition costs 31 December 21	818.5	1,346.6	(0.1)	2,168.3
Accumulated depreciation and write-downs 31 December 20	–	(164.9)	(0.1)	(165.9)
Depreciation	–	(103.3)	(0.1)	(103.7)
Currency translation adjustment	–	0.0	0.0	0.1
Accumulated depreciation and write-downs 31 December 21	–	(268.2)	(0.2)	(269.6)
Book value 31 December 21	818.5	1,078.5	1.3	1,898.7

11 Impairments

Impairment testing

Impairment testing of our asset base is performed periodically and/or when impairment triggers are identified. In Q4 2022, Norwegian Energy Company ASA (BlueNord) carried out a periodical impairment test for the fixed assets and related tangible assets. 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 2022, 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 five years.

Commodity prices

Future commodity price levels are a key assumption and have a significant impact on the net present value (NPV). 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 2023 to the end of 2025. From 2026, 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
2023	80.0
2024	75.0
2025	70.0
From 2026 onwards	65.0

Nominal gas prices applied in the impairment test are as follows:

Year	EUR/MWH
2023	60.0
2024	60.0
2025	50.0
From 2026 onwards	30.0

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 9.2 percent.

Exchange rates

The exchange rate from US dollar to Danish kroner is a blended rate of 7.02 throughout the forecast period. The applied blended rate is taken as 75 percent of the market rate at 6.87 and 25 percent of the Operator's Budget Book rate at 7.46. The US dollar to euro exchange rate is 0.92 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 two 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.

11 Impairments continued

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%	**11%**	–
Long-term price -10%	**-12%**	(207.4)
USD:DKK FX rate +10%	**-2%**	–
USD:DKK FX rate -10%	**3%**	–
WACC +1.0%	**-5%**	(49.1)
WACC -1.0%	**5%**	–
Inflation rate +1.0%	**6%**	–
Inflation rate -1.0%	**-5%**	(63.1)

12 Financial Income and Expenses

Financial income

USD million	2022	2021
Value adjustment interest swap unrealised[1]	**10.2**	1.0
Value adjustment of embedded derivatives[2]	**–**	6.0
Interest income	**4.0**	0.0
Extinguishment of bond loan	**33.7**	–
Foreign exchange gains	**11.0**	20.9
Total financial income	**58.8**	27.8

Financial expenses

USD million	2022	2021
Value adjustment of embedded derivatives[2]	**(132.3)**	–
Value adjustment of FX contract	**–**	(1.0)
Value adjustment amortised cost RBL	**–**	(5.3)
Utilisation of derivatives	**–**	(3.7)
Unrealised loss derivatives	**–**	(7.5)
Interest expense from bond loans	**(46.5)**	(43.7)
Interest expense from bank debt[3]	**(48.9)**	(45.3)
Interest expenses current liabilities	**(0.1)**	(0.0)
Accretion expense related to asset retirement obligations	**(48.0)**	(34.9)
Foreign exchange losses	**(8.5)**	(15.3)
Other financial expenses	**(3.4)**	(3.5)
Total financial expenses	**(287.8)**	(160.2)
Net financial items	**(229.0)**	(132.3)

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

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 percent. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 percent. The 64 percent is calculated as the sum of the "Chapter 2" tax of 25 percent plus a specific hydrocarbon tax (chapter 3a) of 52 percent, in which the 25 percent tax payable is deductible. Income generated in Norway and United Kingdom is subject to regular corporate tax at 22 percent.

Tax expense
USD million

Income tax in profit/loss (Danish corporate income tax and hydrocarbon tax)	2022
Income tax current year	**(139.9)**
Repayment of tax benefit related to chapter 3b	**(62.7)**
Income tax for prior years	**(2.0)**
Current income tax	**(204.6)**
Deferred tax movements	**(65.9)**
Prior year adjustment, deferred tax	**(8.6)**
Deferred tax expense	**(74.5)**
Tax (expense)/income	**(279.2)**

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 percent hydrocarbon tax.

Tax (expense)/income related to OCI	
Cash flow hedges	(102.9)
Tax (expense)/income related to OCI	**(102.9)**

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, results from cash flow hedges are subject to 64 percent hydrocarbon tax.

Reconciliation of nominal to actual tax rate	Hydrocarbon tax 64%		Corporate tax 22%		In total
Result before tax	**364.1**		**(115.4)**		**248.7**
Expected tax on profit before tax	233.0	64%	(25.4)	22%	207.6
Tax effect of:					
Prior year adjustment	9.6	3%	0.2	0%	9.8
FX adjustment of net operating losses carried forward in DKK[1]	37.3	10%	–	0%	37.3
Repayment of tax benefit related to chapter 3b[2]	30.1	8%	–	0%	30.1
Investment uplift on CAPEX projects[3]	(36.8)	(10%)	–	0%	(36.8)
Permanent differences	–	0%	29.1	(25%)	29.1
No recognition of tax assets in Norway and UK	–	0%	2.0	2%	2.0
Tax expense (income) in profit/loss	**273.2**	**75%**	**6.0**	**5%**	**279.2**

1) Deferred tax movement no cash effect.
2) From 2022 onwards, an additional tax cost related to the special 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 special tax incentive rules during the development period. For 2022, Norwegian Energy Company ASA (BlueNord) estimates USD 30.1 million year to date.
3) The cost in the hydrocarbon tax regime is positively impacted by the 39 percent investment uplift on the Tyra Redevelopment project.

Reconciliation of nominal to actual tax rate, continues	Hydrocarbon tax 64%		Corporate tax 22%		In total
OCI before tax	**148.5**		**35.8**		**184.3**
Expected tax on OCI before tax	(95.1)	64%	(7.9)	22%	(102.9)
Tax effect of:					
Non-taxable currency translation adjustment	–		–		–
Tax in OCI	**(95.1)**	**64%**	**(7.9)**	**22%**	**(102.9)**

Current income tax payable	
Tax payable relates to the Group's entities in Denmark. The amounts payable as of 31 December 22 were:	
Hydrocarbon tax pertaining to pre-acquisition period 2019 not indemnified by the Seller	**(10.2)**
Hydrocarbon tax for prior years (Denmark)	**(12.7)**
Hydrocarbon and corporate tax for 2021 and 2022 (Denmark)	**(126.3)**
Corporate tax for 22%	**(13.9)**
Repayment of tax benefit related to chapter 3b	**(45.9)**
Tax payables	**(209.0)**

13 Tax continued

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 209.0 million, of which USD 191 million is an actual cash payable to be paid in 2023.

As of 31 December 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 recognised 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	01.01.22	Effect recognised in profit/loss	Effect recognised in OCI	31.12.2022
Property, plant and equipment	**624.6**	**11.5**	**–**	**636.1**
Intangible assets, licences	**17.2**	**7.9**	**–**	**25.1**
Inventories and receivables	**26.7**	**2.6**	**–**	**29.3**
Asset retirement obligation (ARO) provision	**(611.1)**	**46.7**	**–**	**(564.5)**
Other assets and liabilities	**–**	**(2.8)**	**–**	**(2.8)**
Tax loss carryforward, corporate tax (22%)	**(2.0)**	**0.1**	**1.9**	**–**
Tax loss carryforward, chapter 2 tax (25%)	**(22.8)**	**(14.4)**	**37.1**	**(0.1)**
Tax loss carryforward, chapter 3a tax (52%)	**(558.3)**	**28.5**	**57.9**	**(471.9)**
Deferred tax asset, net	**(525.7)**	**80.0**	**96.9**	**(348.8)**

Tax loss carry forwards

Tax losses are recognised 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 capitalised.

Tax losses in Denmark and UK under the hydrocarbon tax regime may be carried forward indefinitely and the utilisation is not subject to an annual cap. Losses are carried forward in Danish kroner and British pounds.

Tax losses carried forward, Denmark	Million DKK
Corporate tax (22%)	–
Chapter 2 Hydrocarbon tax (25%)	–
Chapter 3a Hydrocarbon tax (52%)	5,773.5

Tax losses carried forward, Norway	Million NOK
Corporate tax Norway (22%)	1,071.4

Tax losses carried forward, UK	Million GBP/USD
Trade losses, UK (hydrocarbon s 330(2))	75.0
Trade losses, UK (hydrocarbon), USD	96.0
Pre-trading capital expenditure, UK (hydrocarbon), GBP	41.0

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.

USD million	2022	2021
Profit (loss) attributable to ordinary shareholders from operations	**(31)**	(53)
Profit (loss) basis for fully diluted shareholders from operations	**131**	(33)
Weighted average number of shares (basic)	**25,004,296**	24,110,852
Adjustments convertible bond loan	**5,822,649**	11,149,488
Adjustments option schemes	**391,868**	–
Weighted average number of shares (diluted)	**31,218,813**	35,260,340
Earnings per share in USD	**(1.2)**	(2.2)
Earnings per share in USD diluted	**(1.2)**	(2.2)

15 Trade receivables and other current receivables

USD million	2022	2021
Non-current assets		
Convertible loan CarbonCuts	**0.2**	–
Loan CarbonCuts	**0.6**	–
Total non-current receivables	**0.8**	–
Current assets		
Trade receivables	**42.1**	40.4
Accrued revenue	**52.3**	47.1
Under-lift of oil/NGL	**8.9**	1.2
Prepayments	**24.2**	20.1
Other receivables	**1.1**	0.2
Total trade receivables and other current receivables	**128.6**	108.9

Ageing analysis of trade receivables on 31 December 2022

			Past due				
USD million	**Total**	**Not past due**	**> 30 days**	**30-60 days**	**61-90 days**	**91-120 days**	**> 120 days**
Trade receivables	**42.1**	**42.1**	**–**	**–**	**–**	**–**	**–**
Total	**42.1**	**42.1**	**–**	**–**	**–**	**–**	**–**

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	40.4	38.2	–	–	–	–	2.2
Total	40.4	38.2	–	–	–	–	2.2

16 Inventories

USD million	2022	2021
Product inventory, oil	**21.6**	17.7
Other stock (spares and consumables)*	**34.3**	33.8
Total inventories	**55.9**	51.4

* As of 31.12.2022 there are no provisions for obsolete stock.

17 Restricted cash, bank deposits, cash and cash equivalents

USD million	2022	2021
Non-current assets		
Restricted cash pledged as security for abandonment obligation related to Nini/Cecilie	**61.1**	65.0
Restricted cash pledged as security for cash call obligations towards TotalEnergies[1)]	**142.5**	140.5
Total non-current restricted cash	**203.7**	205.5
Current assets		
Unrestricted cash, bank deposits, cash equivalents	**268.4**	122.7
Total bank deposits	**472.1**	328.1

1) Norwegian Energy Company ASA (BlueNord) has made a USD 140 million deposit into a cash call security account in accordance with a cash call security agreement with TotalEnergies E&P Denmark A/S as operator of the DUC. All payment obligations from Norwegian Energy Company ASA (BlueNord) 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 December 2022 USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
- Derivative instruments interest swap	**–**	**11.1**	**–**	**11.1**
Financial assets at fair value hedging instruments				
- Derivative instruments interest swap	**–**	**44.6**	**–**	**44.6**
- Derivative instruments price hedge	**–**	**108.9**	**–**	**108.9**
Total assets	**–**	**164.6**	**–**	**164.6**
Liabilities				
Financial liabilities at fair value through profit or loss				
- Embedded derivatives convertible bond NOR13	**–**	**–**	**10.0**	**10.0**
- Embedded derivatives convertible bond NOR15	**–**	**–**	**38.9**	**38.9**
Financial liabilities at fair value hedging instruments				
- Derivative instruments price hedge	**–**	**166.8**	**–**	**166.8**
Total liabilities	**–**	**166.8**	**48.9**	**215.7**

On 31 December 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 NOR13	–	–	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

18.2 Financial instruments by category

On 31 December 2022 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value – hedging instruments	Total
Assets				
Convertible loan CarbonCuts	**0.2**	**–**	**–**	**0.2**
Loan CarbonCuts	**0.6**	**–**	**–**	**0.6**
Derivative instruments interest swap	**–**	**–**	**55.7**	**55.7**
Derivative instruments price hedge	**–**	**–**	**108.9**	**108.9**
Trade receivables and other current assets	**128.6**	**–**	**–**	**128.6**
Restricted cash	**203.7**	**–**	**–**	**203.7**
Bank deposits, cash and cash equivalents	**268.4**	**–**	**–**	**268.4**
Total	**601.5**	**–**	**164.6**	**766.1**

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	**–**	**–**	**166.8**	**166.8**
Embedded derivatives convertible bond NOR13	**–**	**10.0**	**–**	**10.0**
Embedded derivatives convertible bond NOR15	**–**	**38.9**	**–**	**38.9**
Convertible bond loans	**188.7**	**–**	**–**	**188.7**
Senior unsecured bond loan	**166.9**	**–**	**–**	**166.9**
Reserve-based lending facility	**764.0**	**–**	**–**	**764.0**
Deferred consideration	**25.0**	**–**	**–**	**25.0**
Trade payables and other current liabilities	**115.6**	**–**	**–**	**115.6**
Total	**1,260.2**	**48.9**	**166.8**	**1,476.0**

On 31 December 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 NOR13	–	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

18 Financial instruments continued

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 2022:

USD million	Total amount outstanding*	Carrying amount	Fair value
Financial assets			
Convertible loan CarbonCuts		0.2	0.2
Loan CarbonCuts		0.6	0.6
Derivative instruments interest swap		55.7	55.7
Derivative instruments price hedge		108.9	108.9
Trade receivables and other current assets		128.6	128.6
Restricted cash		203.7	203.7
Bank deposits, cash, cash equivalents and quoted shares		268.4	268.4
Total		766.1	766.1
Financial liabilities			
Derivative instruments price hedge		166.8	166.8
Embedded derivative convertible bond NOR13		10.0	10.0
Embedded derivative convertible bond NOR15		38.9	38.9
Convertible bond loans	221.5	188.7	211.5
Senior unsecured bond loan	175.0	166.9	175.0
Reserve-based lending facility	800.0	764.0	800.0
Deferred consideration		25.0	25.0
Trade payables and other current liabilities		115.6	115.6
Total	1,196.5	1,476.0	1,542.8

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

The NOR13 instrument 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. The embedded derivative is valued on an option valuation basis, the carrying value as of 31 December 2022 was USD 10.0 million due to the majority of the NOR13 instrument being converted into the new NOR15 instrument. On 13 January 2022, the majority of the remaining NOR13 convertible instrument was converted into equity, leaving only USD 0.2 million which will be subject to the NOR13 amendments as proposed by the company in November 2022.

The NOR15 instrument 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 4.4 million in transaction cost is included in the amortised cost. The embedded derivative is valued on an option valuation basis, the carrying value as of 31 December 2022 was USD 38.9 million. The assumptions in establishing the option value as of 31 December 2022 are shown below.

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

NOR13		2022
Valuation date	(date)	31 Dec 22
Agreement execution date	(date)	24 Jul 19
Par value of bonds	(USD)	13,810,094
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)	0.9
Number of options	(#)	476,648
Conversion price	(NOK)	238
Fixed FX rate of agreement	(USD:NOK)	8.180
Risk-free rate (based on government bonds)	(%)	3.18%
Expected volatility	(%)	48.31%
Model used		Black-Scholes-Merton

NOR15		2022
Valuation date	(date)	31 Dec 22
Agreement execution date	(date)	30 Dec 22
Par value of bonds	(USD)	207,641,201
Reference share price at time of agreement	(NOK)	395
Fair value at grant date	(USD)	38,928,552
PIK interest rate	(%)	8.00%
Expected life	(years)	3.0
Number of options	(#)	4,037,301
Conversion price	(NOK)	537
Fixed FX rate of agreement	(USD:NOK)	10.440
Risk-free rate (based on government bonds)	(%)	3.18%
Expected volatility	(%)	48.31%
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 capitalised. 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.

The senior unsecured bond loan is measured at amortised cost; 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 percent of the projected production is hedged any value adjustments to the instruments covering in excess of 100 percent are considered ineffective and the value adjustment is treated as a financial item in the income statement. In 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, Norwegian Energy Company ASA (BlueNord) has a rolling hedge requirement based on a minimum level of production corresponding to the RBL banking case forecast.

The Company has 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 RBL facility from 1 November 2021 until 30 June 2024. Norwegian Energy Company ASA (BlueNord) will as a result pay interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin. Norwegian Energy Company ASA (BlueNord) applies hedge accounting to the Company's hedging arrangements. To the extent more than 100 percent of the Company's interest under its RBL facility is hedged any value adjustments to the instruments covering in excess of 100 percent are considered ineffective and the value adjustment is treated as a financial item in the income statement. The ineffective amount in 2022 charged to financial items in the income statement were an income of USD 10.2 million.

	Maturity					
As at 31 December 2022	Less than one month	One to three months	Three to six months	Six to nine months	Nine to 12 months	More than 12 months
Commodity forward sales contracts:						
Notional quantity (in mboe)	–	1,448	1,350	990	937	3,391
Notional amount (in USD million)	–	134	104	88	76	246
Average hedged sales price (in USD per boe)	–	92	77	89	81	72

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 1 January 2022	(67.5)
Realised cash flow hedge	242.2
Related tax – realised cash flow hedge	(155.0)
Changes in fair value	(57.9)
Related tax – changes in fair value	52.1
Balance as of 31 December 2022	13.9

19 Share capital

Norwegian Energy Company ASA (BlueNord) owns 137.162 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 1 January 2021	24,549,013	29.5
Number of shares and share capital as of 31 December 2021	**24,549,013**	**29.5**
Issue of shares	1,159,411	1.4
Capital reduction, approved and registered	–	(29.3)
Number of shares and share capital as of 31 December 2022	**25,708,424**	**1.7**

	No. of shares	Treasury share reserve*
Number of treasury shares and treasury share reserve as of 1 January 2021	(438,161)	(0.5)
Number of treasury shares and treasury share reserve as of 31 December 2021	**(438,161)**	**(0.5)**
Sale of treasury shares	300,999	0.3
Number of treasury shares and treasury share reserve as of 31 December 2022	**(137,162)**	**(0.1)**

* In USD million.

Changes in 2022

The Company received conversion notice from bondholders holding NOR13 Bonds for USD 33.6 million, which pursuant to the bond term are convertible into 1,159,411 new shares in the Company at a conversion price of USD 28.9734. Following such conversions the share capital is increased with NOK 11.6/USD 1.4 million.

The share capital is reduced with NOK 243.2/USD 29.3 million by reducing the nominal value of the shares. The reduction amount was transferred to share premium fund. 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 13.9/USD 1.7 million divided on 25.708.424 shares, each with a nominal value of NOK 0.5398295.

The Company sold 300.999 of its own shares in relation to exercise of options held by former Director of the Board and former members of the Executive Team.

Overview of shareholders at 28 March 2023:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,243,331	23.8%	23.8%
Goldman Sachs International	5,189,939	19.8%	19.8%
SOBER AS	1,850,000	7.1%	7.1%
Barclays Bank PLC	1,540,368	5.9%	5.9%
J.P. Morgan Securities LLC	1,435,010	5.5%	5.5%
Bank of America	774,408	3.0%	3.0%
J.P. Morgan Securities LLC	588,649	2.7%	2.7%
BNP Paribas	585,000	2.2%	2.2%
Sbakkejord AS	341,262	2.2%	2.2%
CLEARSTREAM BANKING S.A.	586,202	2.2%	2.2%
SOSYFR INVEST AS	268,368	1.6%	1.6%
Société Générale	425,000	1.3%	1.3%
Morgan Stanley & Co. Int. Plc.	300,225	1.2%	1.2%
FINSNES INVEST AS	318,000	1.1%	1.1%
VELDE HOLDING AS	222,222	1.0%	1.0%
Barclays Bank PLC	700,216	1.0%	1.0%
Goldman Sachs & Co. LLC	203,349	0.9%	0.9%
DNB BANK ASA	257,969	0.8%	0.8%
The Bank of New York Mellon SA/NV	228,149	0.8%	0.8%
OUSDAL AS	200,000	0.8%	0.8%
Total	**22,257,667**	**85%**	**85%**
Other owners (ownership <0,42%)	3,944,377	15.1%	15.1%
Total number of shares at 28 March 2023	**26,202,044**	**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 513 thousand for 2022. For 2021, the corresponding costs were USD 558 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	**31.12.2022**	31.12.2021
Balance on 01.01.	**1,029.2**	950.3
Provisions and change of estimates made during the year	**(107.0)**	64.9
Accretion expense	**48.1**	35.2
Incurred cost removal	**(14.4)**	(21.0)
Currency translation adjustment	**(0.1)**	(0.2)
Total provision made for asset retirement obligations	**955.8**	1,029.2
Break down of short-term and long-term asset retirement obligations		
Short-term	**9.8**	26.2
Long-term	**946.1**	1,003.0
Total provision for asset retirement obligations	**955.8**	1,029.2

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 (2021: 2.0 percent) and a nominal discount rate before tax of 5.5 percent (2021: 5 percent). The credit margin included in the discount rate is 2.5 percent.

21 Asset retirement obligations continued

The change in estimate during the year includes a decrease of USD 70 million as a result of the discount rate increasing by 0.5 percent. The asset retirement estimate from the operator includes both USD and DKK costs and as a result there is a further decrease of USD 39 million due to the weakening of DKK to USD. The net remaining change in estimate is due to more minor impacts on cost estimates, additional provision for Tyra II installations offset by a change in expected timing of costs being incurred. 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 Norwegian Energy Company ASA (BlueNord)'s share of the Nini/Cecilie licences, however Norwegian Energy Company ASA (BlueNord) remains liable for the asset retirement obligation towards the licence partners. The liability related to Nini/Cecilie is capped at the escrow amount, which is currently USD 61.1 million/ DKK 426.0 million.

The balance as per 31.12.2022 is USD 890.8 million for DUC, USD 61.1 million for Nini/Cecilie, USD 2.3 million for Lulita (non-DUC share) and USD 1.6 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%	979.2	10.0 %
Abandonment Cost Estimate decrease -10%	807.0	-10.0 %
Discount rate +1.0%	768.2	-14.0 %
Discount rate -1.0%	1,042.7	17.0 %
Inflation rate +1.0%	1,041.3	17.0 %
Inflation rate -1.0%	767.1	-14.0 %

22 Borrowings

22.1 Summary of borrowings

	31.12.2022		31.12.2021	
USD million	**Principal amount**	**Book value**	Principal amount	Book value
NOR13 Convertible Bond	**13.8**	**13.1**	185.0	157.1
NOR15 Convertible Bond[2)]	**207.6**	**175.7**	–	–
NOR14 Senior Unsecured Bond[3)]	**175.0**	**166.9**	175.0	164.9
Total non-current bonds	**396.5**	**355.6**	360.0	322.1
Reserve-based lending facility[3)]	**800.0**	**764.0**	900.0	857.3
Deferred Consideration[4)]	**–**	**–**	25.0	25.0
Total non-current debt	**800.0**	**764.0**	925.0	882.3
Deferred Consideration[4)]	**25.0**	**25.0**	–	–
Total current debt	**25.0**	**25.0**	–	–
Total borrowings	**1,221.5**	**1,144.6**	1,285.0	1,204.3

		Cash flows	Non-cash changes			
Movements in interest-bearing liabilities	31.12.21	Receipts/ payments	Conversion to shares	Conversion NOR15	PIK*/ Amortisation	**31.12.22**
NOR13 Convertible Bond	157.1	–	(29.6)	(143.3)	28.8	**13.1**
NOR15 Convertible Bond	–	(4.4)	–	168.7	11.4	**175.7**
NOR14 Senior Unsecured Bond	164.9	(15.8)	–	–	17.7	**166.9**
Reserve-based lending facility	857.3	(100.0)	–	–	6.7	**764.0**
Deferred Consideration	25.0	–	–	–	–	**25.0**
Total movement non-current interest-bearing liabilities	1,204.3	(120.2)	(29.6)	25.5	64.7	**1,144.6**
Total movement in interest-bearing liabilities	1,204.3	(120.2)	(29.6)	25.5	64.7	**1,144.6**

* PIK = Payment In Kind.

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 and NOR15.

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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. In 2022, four conversions with a carrying amount of USD 36.6 million took place and USD 29.6 million of amortised cost was derecognised from the financial liability to equity. In December 2022, USD 143.3 million was transferred into the new convertible instrument NOR15. The principal amount transferred was USD 151.4 million. Of the remaining USD 13.8 million outstanding on 31 December 2022, USD 13.6 million was converted into equity by 13 January. The remaining balance of USD 0.2 million was subject to the NOR13 amendments as proposed by the Company in November 2022 on 19 January 2023.
2) The Company issued a convertible bond loan of USD 207.6 million in December 2022, made up of a transfer from NOR13 of USD 151.4 million plus additional compensation bonds of USD 56.2 million. Similarly, to NOR13, 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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually.
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 percent per annum, 4.5 percent per annum from February 2023. The amount drawn on 30 September was USD 800 million, Norwegian Energy Company ASA (BlueNord) made a USD 100 million repayment in July 2022.
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 2022

Reserve-based lending facility

In April 2021, Norwegian Energy Company ASA (BlueNord) 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 licence and security over insurances, hedging contracts, project accounts, intercompany loans and material contracts. The pledged assets on 31 December 2022 amounted to USD 1,323 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 Norwegian Energy Company ASA (BlueNord).

NOR13

In July 2019, Norwegian Energy Company ASA (BlueNord) 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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent 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.

In November 2022, Norwegian Energy Company ASA (BlueNord) proposed for some amendments to the NOR13 bond which included a two-year delay in the mandatory conversion date (8 November 2023 to 31 December 2025) and an inclusion of a call option to allow the Company to redeem the NOR13 bond with cash in December 2025. To reflect the premium of the then share price relative to the NOR13 previous conversion price, the principal amount was updated from approximately USD 165 million to approximately USD 227 million by way of issuance of compensation bonds. Conversion price was reset to USD 51.4307 per share and interest rate remains unchanged.

Following the proposed amendments, a claim arose from two minority NOR13 bondholders in which Norwegian Energy Company ASA (BlueNord) received a temporary injunction from the Oslo District Court that restricted the NOR13 amendments from being implemented (the "Ruling"). To allow the NOR13 bondholders who wanted to benefit from the commercial position represented by the amendments, Norwegian Energy Company ASA (BlueNord) proposed a new NOR15 subordinated convertible bond for the bondholders to exchange their holdings of NOR13 for NOR15 (see note below).

In December 2022, the Oslo District Court confirmed that the temporary injunction was withdrawn, and the Ruling is no longer in effect. The exchange offer for NOR15 continued as planned, with 91.6 percent of the outstanding NOR13 bonds exchanged to the new NOR15 bonds, and the remainder converted to equity or remained subject to the NOR13 amendments. The value of the NOR13 convertible bond at year end is USD 13.8 million of which USD 13.6 million converted in January 2023.

NOR14

In December 2019, Norwegian Energy Company ASA (BlueNord) 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 percent p.a., payable semi-annually, with a six and a half-year tenor.

22 Borrowings continued

NOR15

In December 2022, Norwegian Energy Company ASA (BlueNord) launched an exchange offer for the NOR13 bondholders in exchange for a new subordinated convertible bond of USD 208 million, with revised terms and a later and more flexible conversion date in 2025. The Company issued a total of 207,641,201 new NOR15 bonds, each with a nominal value of USD 1. The NOR15 bond terms mirror the amendments of the NOR13 bond except that inter alia a tap issue mechanism has been included. Interest payments are on similar terms with NOR13, which is an interest of 8 percent p.a. on a PIK basis, with an alternative option to pay cash interest at six percent p.a., payable semi-annually.

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 Norwegian Energy Company ASA (BlueNord). Norwegian Energy Company ASA (BlueNord) 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. Norwegian Energy Company ASA (BlueNord) is in compliance with these covenants at the end of 2022.

NOR14

In July 2021, Norwegian Energy Company ASA (BlueNord)'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, Norwegian Energy Company ASA (BlueNord)'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). Norwegian Energy Company ASA (BlueNord) is in compliance with the covenants at the end of 2022.

22.4 Payment structure

Payment structure (USD million)

Year	NOR13	NOR14	NOR15	Reserve-based lending facility	Deferred consideration	Total
2023	–	–	–	–	25.0	25.0
2024	–	–	–	75.0	–	75.0
2025	–	–	–	275.0	–	275.0
2026	–	175.0	–	275.0	–	450.0
2027	–	–	–	138.0	–	138.0
2028	–	–	–	38.0	–	38.0
Total	**–**	**175.0**	**–**	**800.0**	**25.0**	**1,000.0**

Interest payments (USD million):

Year	NOR13*	NOR14	NOR15*	Reserve-based lending facility	Deferred consideration	Total
Interest rate		**9.0%**	**–**	**SOFR****	**4.0%**	
2023	–	15.8	–	76.7	1.0	93.7
2024	–	15.8	–	75.8	–	91.6
2025	–	15.8	–	58.7	–	74.5
2026	–	7.9	–	33.4	–	41.3
2027	–	–	–	8.9	–	8.9
2028	–	–	–	0.3	–	0.3
Total	**–**	**55.3**	**–**	**253.9**	**1.0**	**310.2**

* NOR13/NOR15 carries a variable interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum PIK cumulative interest, rolled up semi-annually, to add to NOR13/NOR15 capital on conversion at expiry of the bond. Currently, the Company has elected the PIK interest of 8 percent and is therefore forecasting no cash interest payments on NOR13/NOR15 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 1 November 2021) exposure under its Reserve Lending Facility from November 2021 until 30 June 2024. Norwegian Energy Company ASA (BlueNord) 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	2022	2021
BlueNord shares in Altinex AS	**393.5**	392.6
Altinex AS shares in Noreco Olie-og Gasutvinding Danmark B.V and other companies	**621.5**	1,371.5
Loans from Parent to subsidiaries	**308.3**	300.1
Total net book value	**1,323.3**	2,064.3

23 Trade payables and other payables

USD million	2022	2021
Trade payable	**17.0**	5.4
Liabilities to operators relating to joint venture licences	**66.8**	73.4
Accrued interest	**3.3**	2.5
Salary accruals	**2.5**	2.1
Public duties payable	**8.3**	14.0
Deferred consideration	**25.0**	–
Other current liabilities	**17.7**	33.1
Total trade payables and other current liabilities	**140.6**	130.5

Trade and other payables held in currency

USD million	2022	2021
USD	**54.7**	82.9
DKK	**71.2**	22.5
EUR	**11.3**	21.7
GBP	**0.8**	1.9
NOK	**2.6**	1.4
Total	**140.6**	130.5

24 Share-based compensation

Please see the Executive Remuneration Report 2022 for more details on long-term incentive scheme to key management and Board of Directors in the period 2018 – 2022.

Number of	Share options	Retention shares	Performance shares
Total share options outstanding as at 1 January 2021	983,868	–	–
Share options relinquished in 2021	(235,000)	–	–
Outstanding at 31 December 2021	748,868	–	–
Granted in 2022	**122,000**	**112,825**	**188,935**
Exercised in 2022	**(301,000)**	**–**	**–**
Translated in 2022	**(178,000)**	**–**	**–**
Outstanding at 31 December 2022	**391,868**	**112,825**	**188,935**

The expense recognised during the year is shown in the following table:

USD million	2022	2021
Expense arising from equity-settled share-based payment transactions	**0.0**	0.3
Expense arising from Retention shares and Performance shares	**1.4**	–
Total expense arising from long-term incentive schemes	**1.4**	0.3

24 Share-based compensation continued

The following table list the inputs to the model used:

Weighted averages	2022
Fair value of options 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%**

25 Guarantees

Overview of issued guarantees on 31 December 2022

The parent company of the Group, Norwegian Energy Company ASA (BlueNord) has issued a parent company guarantee on behalf of its subsidiary Norwegian Energy Company UK Ltd and Noreco Oil (UK) Limited. Norwegian Energy Company ASA (BlueNord) guarantees that, if any amounts 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 amounts on first demand, Norwegian Energy Company ASA (BlueNord) shall pay to the UK Secretary of State on demand an amount equal to all such amounts. Under the forfeiture agreement Premier assumes this risk as between Premier and Norwegian Energy Company ASA (BlueNord) 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, Norwegian Energy Company ASA (BlueNord) 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, Norwegian Energy Company ASA (BlueNord) issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. Norwegian Energy Company ASA (BlueNord) guarantees that, if any amounts 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 amounts on first demand, Norwegian Energy Company ASA (BlueNord) shall pay to the Norwegian Secretary of State on demand an amount equal to all such amounts. Noreco Norway AS was liquidated in 2018, however as per 31.12.2022, the guarantee has not been withdrawn.

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 Norwegian Energy Company ASA (BlueNord)'s participation in the Tyra West Pipeline 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. Norwegian Energy Company ASA (BlueNord) 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 capped at EUR 30 million.

Furthermore, the Company has provided a parent company guarantee to TotalEnergies EP Danmark A/S for its obligations under the JOA together with a guarantee from Shell. Norwegian Energy Company ASA (BlueNord) 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 Norwegian Energy Company ASA (BlueNord)'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 BlueNord Oil (UK) Limited.

26 Investments in jointly owned assets

Investments in jointly own assets are included in the accounts by recognising the Groups share of the assets, liabilities, revenues and expenses related to the joint operation.

The Group holds the following licence equities on 31 December 2022:

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.

Norwegian Energy Company ASA (BlueNord)'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 which in 2022 was increased to DKK 26.3 billion and DKK 20.6 billion had been incurred by the end of 2022. Based on the current project schedule, Norwegian Energy Company ASA (BlueNord) will be required to fund its proportional share of this remaining expenditure over the next two years with Tyra to restart production by end of 2023. Further, Norwegian Energy Company ASA (BlueNord) has capital commitments to infill wells planned for Halfdan in 2023 with a gross DUC budget of DKK 0.6 billion.

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 (2022: USD 16 million gross).

In addition to the above and in order to obtain the consent of TotalEnergies EP 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). On 31 December 2022, the escrow account was USD 143 million. All payment obligations from Norwegian Energy Company ASA (BlueNord) 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.

Contingent liabilities

In relation to the Nini and Cecilie fields, Norwegian Energy Company ASA (BlueNord) 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 Norwegian Energy Company ASA (BlueNord). Norwegian Energy Company ASA (BlueNord) and representatives from the bondholders reached an agreement during 2015 which entails that the Danish Norwegian Energy Company ASA (BlueNord) 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 61 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, Norwegian Energy Company ASA (BlueNord) 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 recognised 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 judgement.

Norwegian Energy Company ASA (BlueNord) 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

Other than fees to directors of the board the group did not have any transactions with related parties during 2022.

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.

Contents for Statutory Accounts

Income Statement for Norwegian Energy Company ASA (BlueNord) Parent Company
For the year ended 31 December

USD million	Note	2022	2021
Revenue	2, 14	**2.6**	2.0
Total revenues		**2.6**	2.0
Personnel expenses	10, 14	**(4.4)**	(3.7)
Other operating expenses	13, 14	**(4.1)**	(3.2)
Total operating expenses		**(8.5)**	(6.9)
Operating result before depreciation and write-downs (EBITDA)		**(5.9)**	(4.9)
Depreciation		**(0.0)**	(0.0)
Net operating result (EBIT)		**(6.0)**	(5.0)
Interests received from Group companies		**25.1**	16.3
Interest income		**0.2**	0.0
Foreign exchange gains		**0.1**	0.1
Total financial income		**25.4**	16.4
Extinguishment of bond loans	5	**(57.5)**	–
Interest expense from bond loans		**(32.8)**	(32.5)
Interest expenses current liabilities		**(0.0)**	(0.0)
Interest expenses to Group companies		**–**	(0.1)
Foreign exchange losses		**(11.5)**	(7.7)
Impairment of financial assets	11	**(2.7)**	(0.6)
Other financial expenses		**2.5**	(0.4)
Total financial expenses		**(101.9)**	(41.3)
Net financial items		**(76.5)**	(24.8)
Result before tax (EBT)		**(82.5)**	(29.8)
Tax	12	**–**	–
Net result for the year		**(82.5)**	(29.8)
Appropriation:			
Allocated to/(from) other equity		**(82.5)**	(29.8)
Total appropriation		**(82.5)**	(29.8)

Balance Sheet for Norwegian Energy Company ASA (BlueNord) Parent Company
For the year ended 31 December

USD million	Note	31.12.22	31.12.21
ASSETS			
Non-current assets			
Financial non-current assets			
Investment in subsidiaries	3	**393.5**	392.6
Loan to Group companies	11	**311.0**	300.1
Restricted cash	4	**61.1**	65.0
Machinery and equipment		**0.1**	0.1
Other non-current assets		**0.0**	0.0
Total non-current assets		**765.7**	757.9
Current assets			
Receivables			
Trade receivables		**0.0**	0.0
Other current receivables		**0.7**	0.2
Total current receivables		**0.7**	0.2
Financial current assets			
Restricted cash		**0.1**	0.1
Bank deposits, cash and cash equivalents		**6.0**	17.9
Total financial current assets		**6.1**	18.0
Total current assets		**6.9**	18.2
Total assets		**772.5**	776.1
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital		**1.7**	29.5
Share premium fund		**768.4**	707.0
Treasury share reserve		**(0.1)**	(0.5)
Total paid-in capital		**769.9**	736.0
Retained earnings			
Other equity		**(390.7)**	(315.3)
Total retained earnings		**(390.7)**	(315.3)
Total equity	7, 8	**379.2**	420.7
Non-current liabilities			
Convertible bond loans	5	**223.2**	189.3
Bond loan	5	**166.9**	164.9
Total non-current liabilities		**390.1**	354.2
Current liabilities			
Trade payables		**1.6**	0.2
Other current liabilities		**1.7**	1.0
Total current liabilities		**3.3**	1.2
Total liabilities		**393.3**	355.4
Total equity and liabilities		**772.5**	776.1

Oslo
28 March 2023

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
Chief Executive Officer

Cash Flow for Norwegian Energy Company ASA (BlueNord) Parent Company
For the year ended 31 December

USD million	Note	2022	2021
Net result for the period		**(82.5)**	(29.8)
Adjustments for:			
Depreciation		**0.0**	0.0
Write-down	11	**2.7**	0.6
Share-based payments expenses	7	**0.5**	0.3
Net financial cost/(income)		**73.9**	24.2
Changes in:			
Trade receivable		**(0.1)**	0.0
Trade payables		**1.8**	(0.1)
Prepayments		**(0.2)**	–
Other current balance sheet items		**(0.0)**	(6.0)
Net cash flow from operations		**(3.8)**	(10.7)
Cash flows from investing activities			
Loans to Group companies		**7.6**	(132.7)
Investment in furniture, equipment and machinery		**(0.0)**	(0.0)
Net cash flow from investing activities		**7.6**	(132.7)
Cash flows from financing activities			
Sale of shares	7	**5.4**	–
Interest and financing costs		**(20.2)**	(21.1)
Other financial items		**(0.8)**	(0.4)
Net cash flow from (used) in financing activities		**(15.6)**	(21.5)
Net change in cash and cash equivalents		**(11.9)**	(164.9)
Cash and cash equivalents at the beginning of the period		**17.9**	182.8
Cash and cash equivalents at end of the year		**6.0**	17.9

Notes

1 Accounting principles

Norwegian Energy Company ASA (BlueNord) 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 ("BlueNord" 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 2022.

The Company is listed on the Oslo Stock Exchange under the ticker "NOR". The financial statements for 2022 were approved by the Board of Directors on 28 March 2023.

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 12 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 judgement. Areas, which to a great extent contain such judgements, 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 Norwegian Energy Company ASA (BlueNord) 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 to book value.

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 non-current 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.

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. Subsequently, loans and borrowings are 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 recognised 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 and shares) 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 and shares granted:

Fair value:
- including any market performance conditions; and
- 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 and shares 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 and shares 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 and shares are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

2 Revenue

USD million	2022	2021
Management fee subsidiaries	**2.6**	2.0
Total revenue	**2.6**	2.0

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%	221.5	(2.5)	393.5
Norwegian Energy Company UK Ltd	Great Britain	100%	(1.1)	(0.3)	–
Djerv Energi AS	Oslo	100%	0.0	(0.0)	–
Book value 31.12.22					**393.5**

The impairment test as of 31 December 2022 justifies the overall value of Altinex and its subsidiaries.

4 Restricted bank deposits

USD million	2022	2021
Restricted cash pledged as security for abandonment obligation related to Nini/Cecilie[1]	**61.1**	65.0
Other restricted cash and bank deposits	**0.1**	0.1
Total restricted bank deposits	**61.2**	65.1

1) In connection to the asset retirement obligation of USD 61.1 million (DKK 432 million) in the group company Noreco Oil Denmark.

5 Borrowings

5.1 Summary of borrowings

USD million Non-current debt	2022	2021
NOR13 Convertible Bond	**14.2**	189.3
NOR15 Convertible Bond	**209.0**	–
NOR14 Senior Unsecured Bond	**166.9**	164.9
Total non-current debt	**390.1**	354.2
Total borrowings	**390.1**	354.2

Details on borrowings outstanding on 31 December 2022

NOR13

In July 2019, Norwegian Energy Company ASA (BlueNord) 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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent 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.

In November 2022, Norwegian Energy Company ASA (BlueNord) proposed some amendments to the NOR13 bond, which included a two-year delay in the mandatory conversion date (8 November 2023 to 31 December 2025) and an inclusion of a call option to allow the Company to redeem the NOR13 bond with cash in December 2025. To reflect the premium of the then share price relative to the NOR13 previous conversion price, the principal amount was updated from approximately USD 165 million to approximately USD 227 million by way of issuance of compensation bonds. Conversion price was reset to USD 51.4307 per share and interest rate remained unchanged.

Following the proposed amendments, a claim arose from two minority NOR13 bondholders in which Norwegian Energy Company ASA (BlueNord) received a temporary injunction from the Oslo District Court that restricted the NOR13 amendments from being implemented (the "Ruling"). To allow the NOR13 bondholders who want to benefit from the commercial position represented by the amendments, Norwegian Energy Company ASA (BlueNord) proposed a new NOR15 subordinated convertible bond for the bondholders to exchange their holdings of NOR13 for NOR15 (see note below).

In December 2022, the Oslo District Court confirmed that the temporary injunction was withdrawn, and the Ruling is no longer in effect. The exchange offer for NOR15 continued as planned, with 91.6 percent of the outstanding NOR13 bonds exchanged to the new NOR15 bonds, and the remainder converted to equity or remained subject to the NOR13 amendments. The value of the NOR13 convertible bond at year end is USD 13.8 million plus USD 0.4 million accrued interest. The extinguishment of the bond resulted in a financial cost of USD 63.1 million.

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 percent p.a., payable semi-annually, with a six-and-a-half-year tenor.

NOR15

In December 2022, Norwegian Energy Company ASA (BlueNord) launched an exchange offer for the NOR13 bondholders to exchange for a new subordinated convertible bond of USD 208 million, with revised terms and a later and more flexible conversion date in 2025. The Company issued a total of 207,641,201 new NOR15 bonds, each with a nominal value of USD 1. The NOR15 bond terms mirror the amendments of the NOR13 bond except that inter alia a tap issue mechanism has been included. Interest payments are on similar terms with NOR13, which is an interest of 8 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually.

5.2 Covenants

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 Norwegian Energy Company ASA (BlueNord). Norwegian Energy Company ASA (BlueNord) 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. Norwegian Energy Company ASA (BlueNord) is in compliance with these covenants at the end of 2022.

NOR14

In July 2021, Norwegian Energy Company ASA (BlueNord)'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, Norwegian Energy Company ASA (BlueNord)'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). Norwegian Energy Company ASA (BlueNord) is in compliance with the covenants at the end of 2022.

5.3 Payment structure

Principal	NOR14	Total
2026	175.0	175.0
Total	**175.0**	**175.0**

Interest	NOR13[1]	NOR15[1]	NOR14	Total
Interest rate	–	–	9.00%	
2023	–	–	15.8	15.8
2024	–	–	15.8	15.8
2025	–	–	15.8	15.8
2026	–	–	7.9	7.9
Total	**–**	**–**	**55.3**	**55.3**

1) NOR13/NOR15 carries a variable interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum 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 percent and is therefore forecasting no cash interest payments on NOR13 in the above table.

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 Statements.

6 Guarantees

Overview of issued guarantees on 31 December 2022.

The parent company of the Group, Norwegian Energy Company ASA (BlueNord), has issued a parent company guarantee on behalf of its subsidiary Norwegian Energy Company UK Ltd and Noreco Oil (UK) Limited. Norwegian Energy Company ASA (BlueNord) guarantees that, if any amounts 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 amounts on first demand, Norwegian Energy Company ASA (BlueNord) shall pay to the UK Secretary of State on demand an amount equal to all such amounts. Under the forfeiture agreement between Harbour Energy plc (previously Premier) and Norwegian Energy Company ASA (BlueNord), 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, Norwegian Energy Company ASA (BlueNord) 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, Norwegian Energy Company ASA (BlueNord) issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. Norwegian Energy Company ASA (BlueNord) guarantees that if any amounts 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 amounts on first demand, Norwegian Energy Company ASA (BlueNord) shall pay to the Norwegian Secretary of State on demand an amount equal to all such amounts. Noreco Norway AS was liquidated in 2018, however as per 31 December 2022, the guarantee has not been withdrawn.

In connection with completion of the acquisition of Shell Olie-og Gasudvinding Denmark B.V., in 2019, Norwegian Energy Company ASA (BlueNord) 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, Norwegian Energy Company ASA (BlueNord) 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 joint venture agreement (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 2021	29.5	707.0	(0.5)	(315.3)	420.7
Correction previous year	–	–	–	(0.1)	(0.1)
Issue of shares	1.4	32.2	–	–	33.6
Capital reduction, approved and registered	(29.3)	29.3	–	–	–
Conversion NOR13	–	–	–	0.6	0.6
Share-based incentive programme	–	–	–	1.5	1.5
Sales of shares	–	–	0.3	5.1	5.4
Net result for the period	–	–	–	(82.5)	(82.5)
Equity 31 December 2022	**1.7**	**768.4**	**(0.1)**	**(390.7)**	**379.2**

8 Share capital and shareholder information

	2022	2021
Ordinary shares	**25,708,424**	24,549,013
Treasury shares	**(137,162)**	(438,161)
Total shares	**25,571,262**	24,110,852
Par value in NOK	**10**	10

Norwegian Energy Company ASA (BlueNord) owns 137.162 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 2021	**24,549,013**	**29.5**
Issue of shares	1,159,411	1.4
Capital reduction, approved and registered	–	(29.3)
Share capital as of 31 December 2022	**25,708,424**	**1.7**

	No. of shares	Treasury share reserve*
Treasury shares as of 1 January 2021	–	–
Purchase of Treasury shares	(438,161)	(0.5)
Treasury shares as of 31 December 2021	**(438,161)**	**(0.5)**
Sale of Treasury shares	300,999	0.3
Treasury shares as of 31 December 2022	**(137,162)**	**(0.1)**

* In USD million.

Changes in 2022

The company received conversion notice from bondholders holding NOR13 Bonds for USD 33.6 million, which pursuant to the bond term are convertible into 1,159,411 new shares in the Company at a conversion price of USD 28.9734. Following such the share capital is increased with NOK 11.6/USD 1.4 million.

The share capital is reduced with NOK 243.2/USD 29.3 million by reducing the nominal value of the shares. The reduction amount was transferred to share premium fund. 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 13.9/USD 1.7 million divided on 25.708.424 shares, each with a nominal value of NOK 0.5398295.

The Company sold 300.999 of its own shares in relation to exercise of options held by a former Director of the Board and former members of the Executive Team.

Overview of shareholders at 28 March 2023:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,243,331	23.8%	23.8%
Goldman Sachs International	5,189,939	19.8%	19.8%
SOBER AS	1,850,000	7.1%	7.1%
Barclays Bank PLC	1,540,368	5.9%	5.9%
J.P. Morgan Securities LLC	1,435,010	5.5%	5.5%
Bank of America	774,408	3.0%	3.0%
J.P. Morgan Securities LLC	588,649	2.7%	2.7%
BNP Paribas	585,000	2.2%	2.2%
Sbakkejord AS	341,262	2.2%	2.2%
CLEARSTREAM BANKING S.A.	586,202	2.2%	2.2%
SOSYFR INVEST AS	268,368	1.6%	1.6%
Société Générale	425,000	1.3%	1.3%
Morgan Stanley & Co. Int. Plc.	300,225	1.2%	1.2%
FINSNES INVEST AS	318,000	1.1%	1.1%
VELDE HOLDING AS	222,222	1.0%	1.0%
Barclays Bank PLC	700,216	1.0%	1.0%
Goldman Sachs & Co. LLC	203,349	0.9%	0.9%
DNB BANK ASA	257,969	0.8%	0.8%
The Bank of New York Mellon SA/NV	228,149	0.8%	0.8%
OUSDAL AS	200,000	0.8%	0.8%
Total	**22,257,667**	**85%**	**85%**
Other owners (ownership <0,42%)	3,944,377	15.1%	15.1%
Total number of shares at 28 March 2023	**26,202,044**	**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	Share options	Retention shares	Performance shares
Total share options outstanding as at 1 January 2021	983,868	–	–
Share options relinquished in 2021	(235,000)	–	–
Outstanding at 31 December 2021	**748,868**	**–**	**–**
Granted in 2022	122,000	122,825	188,935
Exercised in 2022	(301,000)	–	–
Translated in 2022	(178,000)	–	–
Outstanding at 31 December 2022	**391,868**	**122,825**	**188,935**

For more details related to share-based payment, please see the Executive Remuneration Report 2022.

10 Payroll expenses and remuneration

USD million	2022	2021
Salaries (incl. Directors' fees)	**(3.1)**	(2.8)
Social security tax	**(0.5)**	(0.4)
Pension costs[1)]	**(0.1)**	(0.1)
Costs relating to share-based payments	**(0.5)**	(0.3)
Other personnel expenses	**(0.2)**	(0.1)
Total personnel expenses	**(4.4)**	**(3.7)**
Average number of employees	**7.6**	**6.7**

1) Norwegian companies are obliged to have occupational pension in accordance with the Norwegian Act related to mandatory occupational pension. Norwegian Energy Company ASA (BlueNord) meet the Norwegian requirements for mandatory occupational pension ("obligatorisk tjenestepensjon").

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	2022	2021
Net write-down loans to subsidiaries	**(2.7)**	(0.6)
Total write-down of financial assets	**(2.7)**	(0.6)

Write-down of loans to subsidiaries in 2022 and 2021 consists of impairment of loans to Noreco Oil (UK) Ltd. and Norwegian Energy Company UK Ltd. The intercompany receivables to the UK investment are impaired to zero.

12 Tax

Reconciliation of nominal to actual tax rate:

USD million	2022	2021
Result before tax	**(82.5)**	(29.8)
Corporation income tax of income (loss) before tax -22%	**(18.5)**	(6.6)
Calculated tax expense	**(18.2)**	(6.6)
Permanent differences	**12.7**	0.0
Changes in deferred tax assets – not recognised	**3.7**	6.5
Prior year adjustments	**2.0**	–
Income tax expense	**–**	–

Deferred tax liability and deferred tax assets:

USD million	2022	2021
Net operating loss deductible	**98.8**	106.5
Interest limitation carried forward	**35.8**	36.4
Fixed assets	**0.0**	(0.0)
Current assets	**(21.8)**	8.7
Liabilities	**18.1**	(22.0)
Tax base deferred tax liability/deferred tax asset	**129.5**	129.5
Net deferred tax liability/(deferred tax asset) (22%)	**(28.5)**	(28.5)
Unrecognised deferred tax asset	**28.5**	28.5

13 Other operating expenses and audit fees

USD million	2022	2021
Lease expenses	**(0.2)**	(0.2)
IT expenses	**(0.2)**	(0.5)
Travel expenses	**(0.2)**	(0.0)
General and administrative costs	**(0.1)**	(0.0)
Consultant fees	**(2.9)**	(2.0)
Other operating expenses	**(0.5)**	(0.3)
Total other operating expenses	**(4.1)**	(3.2)

Expensed audit fee:

USD 1,000, excl. VAT	2022	2021
Audit	**(313.0)**	(204.3)
Other assurance services	**65.4**	–
Total audit fees	**378.4**	(204.3)

14 Related party transactions

Transactions with related party USD million	2022	2021
a) Allocation of cost to Group companies	**3.1**	2.5
b) Purchases of services	**–**	0.1
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 3.1 million for 2022.

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.

Norwegian Energy Company ASA (BlueNord) did not have any other transactions with any other related parties during 2022. Please see the Executive Remuneration Report 2022 for Director's fee paid to shareholders and remuneration to management.

Independent Auditor's Report
Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of Norwegian Energy Company ASA (BlueNord), which comprise:
- the financial statements of the parent company Norwegian Energy Company ASA (the Company), which comprise the balance sheet as at 31 December 2022, 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 (BlueNord) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, 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 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway; and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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 relevant laws and regulations in Norway 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 15 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 judgement, 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 judgement. In addition, the calculation of recoverable amounts requires complex financial modelling of the cash flows of each cash generating unit. Significant auditor judgement 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 we critically assessed and challenged the determined recoverable amounts, and the assumptions which drive the underlying cash flow estimates, including: • comparison of management's expected oil and gas prices to external forward curve data and benchmark data from third-party analysts and competitors; • comparison of the reserves estimates used to the assessments made by the Company's reservoir engineers to the operators assessments and certain third-party reserves certification reports; • comparison and assessment of forecasted operational expenditures and capital expenditures to historical forecasts and approved license budgets; • comparison of and assessment of managements expected economic cut-off date for fields to the operators and third-party reports; and • agreeing abandonment expenditures in this cash flow forecast with the abandonment expenditures 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.

Assets 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 judgement is required when evaluating the abandonment provisions, and to determine whether there is sufficient evidence available to support the estimates and judgements 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; and • 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.

Report on the Audit of 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 information accompanying the financial statements otherwise appear 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 statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

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 judgement 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 and 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's 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; and
- 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 Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Norwegian Energy Company ASA (BlueNord) we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name 5967007LIEEXZXGE3C16-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance 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 about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data 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, 28 March 2023
KPMG AS

Mona Irene Larsen
State Authorised Public Accountant
(This document is signed electronically)

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 (BlueNord) consolidated and separate annual financial statements as of 31 December 2022.

To the best of our knowledge, we confirm that:

- the Norwegian Energy Company ASA (BlueNord) consolidated annual financial statements for 2022 have been prepared in accordance with IFRSs and IFRICs as adopted by the EU, and additional Norwegian disclosure requirements in the Norwegian Accounting Act;
- the financial statements for Norwegian Energy Company ASA (BlueNord) have been prepared in accordance with the Norwegian Accounting Act and Norwegian Accounting Standards;
- 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;
- 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

28 March 2023

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
Chief Executive Officer

Alternative Performance Measures

Norwegian Energy Company ASA (BlueNord) chooses to disclose Alternative Performance Measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with the 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 Norwegian Energy Company ASA (BlueNord)'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.

Adjusted EBITDA is adjusted for cost from share-base payment arrangements and non-payment insurance.

Adjusted EBITDA

USD million	2022	2021
EBITDA	**611.2**	249.5
Non-payment insurance	**4.7**	7.2
Share-base payment	**0.6**	0.3
Adjusted EBITDA	**616.5**	257.1

EBITDA Earnings before interest, taxes, depreciation, depletion, amortisation and impairments. EBITDA assists in comparing performance on a consistent basis without regard to depreciation and amortisation, 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 Norwegian Energy Company ASA (BlueNord) 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	31.12.2022	31.12.2021
Convertible bond loans	**(188.7)**	(157.1)
Senior Unsecured bond loan	**(166.9)**	(164.9)
Reserve-based lending facility	**(764.0)**	(857.3)
Other interest-bearing debt	**(25.0)**	(25.0)
Interest-bearing debt	**(1,144.6)**	(1,204.3)

Net Interest-bearing debt

USD million	31.12.2022	31.12.2021
Cash and cash equivalents	**268.4**	122.6
Convertible bond loan	**(221.5)**	(185.0)
Senior Unsecured bond loan	**(175.0)**	(175.0)
Reserve-based lending facility	**(800.0)**	(900.0)
Other interest-bearing debt	**(25.0)**	(25.0)
Net interest-bearing debt	**(953.1)**	(1,162.4)

Supplementary oil and gas information (unaudited)

In March 2023, the Group reported oil and gas 2P reserves and near-term 2C resources, the report is reported separately from the Annual Report 2022. RISC UK Ltd (RISC) has independently assessed the year-end 2022 2P reserves and near-term 2C resources associated with Norwegian Energy Company ASA (BlueNord)'s interest in the DUC assets. 2P reserves and near-term 2C resources are reported according to Society of Petroleum Engineering Petroleum Resources Management System (SPE PRMS) 2018 standards.

In line with the Annual Statement of Reserves and Resources, the reported reserves include remaining volumes expected to be recovered based on reasonable assumptions about future technical, economic, fiscal, and financial conditions based on year end 2022 data. The calculations of recoverable volumes are associated with significant uncertainties. The 2P estimate represents a best estimate of reserves. The reported contingent resources (near-term 2C) are potentially recoverable volumes from known accumulations for which development plans are being matured or further evaluation is under way with a view to development in the near term. This does not include the full portfolio of BlueNord's 2C resources.

The 2P reserves and near-term 2C resources for the DUC portfolio and Lulita are shown below using the figures from the Annual Statement of Reserves and Resources issued in March as basis.

Total reserves as of 31.12.2022

Field	Hub	Status	Liquids (mill bbl)	Gas (mmboe)	Oil Eq. (mmboe)	Interest %	Oil Eq. (mmboe)
Dan	Dan	On Production	71.1	5.6	76.7	36.8%	28.2
Kraka	Dan	On Production	6.9	0.2	7.1	36.8%	2.6
Gorm	Gorm	On Production	21.8	–	21.8	36.8%	8.0
Skjold	Gorm	On Production	30.9	–	30.9	36.8%	11.4
Rolf	Gorm	On Production	2.3	–	2.3	36.8%	0.9
Halfdan (incl. Halfdan North East)	Halfdan	On Production	76.5	23.7	100.2	36.8%	36.9
Tyra	Tyra	Under Development	38.1	85.2	123.2	36.8%	45.3
Valdemar	Tyra	Under Development	38.4	18.3	56.7	36.8%	20.9
Roar	Tyra	Under Development	5.2	11.8	17.1	36.8%	6.3
Harald	Tyra	Under Development	0.7	3.5	4.3	36.8%	1.6
Lulita	Tyra	Under Development	0.6	0.4	1.0	28.4%	0.4
Halfdan Tor North East Infill	Halfdan	Approved for Development	4.8	2.9	7.7	36.8%	2.8
Halfdan HCA Gas Lift Project	Halfdan	Approved for Development	1.1	6.0	7.1	36.8%	2.6
Valdemar Bo South	Tyra	Justified for Development	20.1	8.8	28.9	36.8%	10.6
Halfdan Ekofisk Infill	Halfdan	Justified for Development	5.7	5.0	10.7	36.8%	3.9
Total 2P Reserves			**324.2**	**171.5**	**495.6**		**182.4**

Total Near-Term 2C Resources as of 31.12.2022

Field	Liquids (mill bbl)	Gas (mmboe)	Oil Eq. (mmboe)	Interest %	Oil Eq. (mmboe)
Adda	16.9	33.6	50.4	36.8%	18.6
Svend	11.4	1.7	13.2	36.8%	4.8
Halfdan North	33.1	4.3	37.4	36.8%	13.8
Total 2C Resources	**61.4**	**39.6**	**101.0**		**37.2**
Total 2P Reserves and near-term 2C Resources	**385.5**	**211.1**	**596.6**		**219.6**

Information about BlueNord

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	N/A
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	Norwegian Energy Company ASA
Name of ultimate parent of group	Norwegian Energy Company ASA

Head office BlueNord

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

Financial calendar 2023

25 April	**Annual General Meeting**
10 May	Q1 2023 Report
12 July	Q2 2023 Report
18 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	Chief Executive Officer
Marianne Eide	Chief Operating Officer
Cathrine Torgersen	EVP, Investor Relations & ESG
Jacqueline Lindmark Boye	EVP, Finance

Investor Relations

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E-mail	investorrelations@BlueNord.com

Annual Reports

Annual reports for BlueNord are available on www.BlueNord.com

Quarterly publications

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

News Releases

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

BlueNord

Org. number: 987 989 297
LEI Code: 5967007LIEEXZXGE3C16

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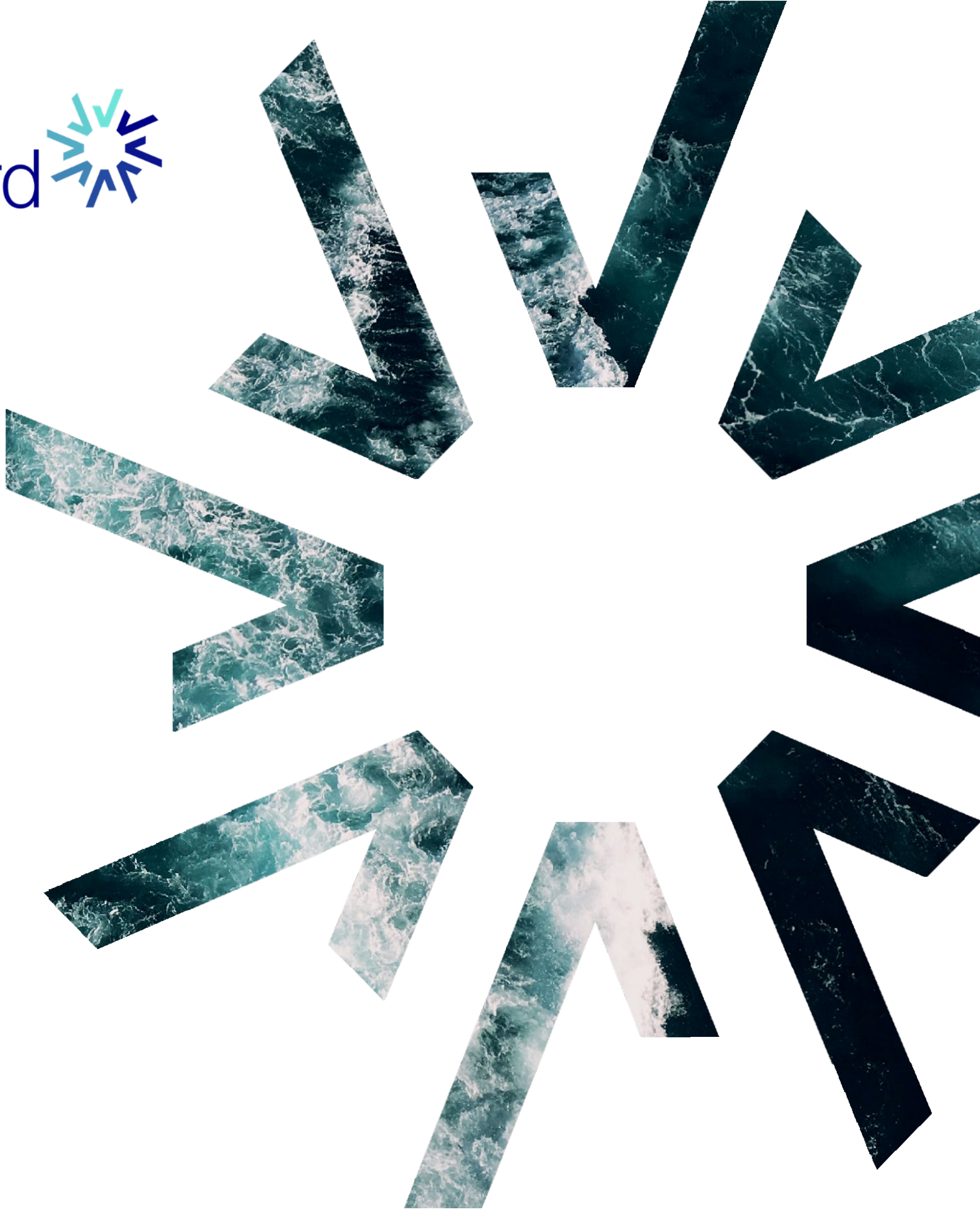
BlueNord



BlueNord ASA

Third Quarter Report 2024

Highlights of the Quarter

Compared to second quarter 2023

Revenue

$170m

-0.4 %

EBITDA

$85m

18%

Cash flow from operations (excluding tax paid)

$92m

60%

Total liquidity (cash and undrawn facilities)

$511m

79%

“During the third quarter of 2024, BlueNord achieved several significant milestones that positions our business strongly for the future. Operationally, we produced 26.1 mboe/d with 25.0 coming from the base assets which continue to deliver excellent output for the Company. The preliminary results from the Harald East Middle Jurassic well, which was spudded in June 2024, are indicating results above BlueNord’s expectations and will alongside the restart of Tyra II provide important gas volumes to Denmark and to Europe. With both the compressors repaired and lifted back onto the processing facilities on Tyra II, we expect gas export from Tyra to resume imminently and plateau production to be reached in Q4 of this year. This positions us well for the final stretch of the year where we expect, with Tyra at plateau and all covenants now consistent with the distribution policy we have announced, to start the material return of capital to shareholders.”

Euan Shirlaw, Chief Executive Officer

Contents

Introduction

01

Third Quarter 2024 Summary

Operational:

- Total production was 26.1 mboepd in the third quarter. Strong performance from Dan, Gorm and Halfdan hubs, with hydrocarbon production of 25.0 mboepd in the third quarter which is in the top end of BlueNord's quarterly guidance of 23.0-25.0 mboepd. In addition, the Harald field had stable production of 1.1 mboepd through the new Tyra facility in the third quarter.
- Onshore repair of the second transformer was successfully completed in October followed by lift back onto TEG.
- Continued ramp-up is expected in Q4 with plateau production reached by end of 2024.
- The HEMJ well has been successfully drilled, the well will be completed for production and brought on production in connection with the Tyra start-up. Based on BlueNord's assessments, the preliminary results from the well are promising and the potential volume of the well will be assessed when the well is on production.

Financial and Corporate:

- Total revenues of USD 170.2 million in the third quarter compared to USD 170.8 million in the previous quarter.
- EBITDA of USD 84.9 million in the third quarter compared to USD 72.2 million in the previous quarter.
- Cash flow from operations[2] of USD 91.9 million in the second quarter and net cash flow from operating activities of USD 86.4 million in the third quarter compared to USD 57.4 million and USD 50.1 million respectively in the previous quarter.
- Total liquidity of USD 511.2 million at the end of the period with cash on balance sheet of USD 241.2 million and undrawn RBL capacity of USD 270.0 million.
- Successful placement and settlement on 2 July of a new 5-year senior unsecured bond issue of USD 300 million and full redemption of BNOR14 bonds of USD 175 million.
- Kristin Færøvik and João Saraiva e Silva elected as new Board Members at the EGM on 16 September 2024.
- The Company's previous Options Programme expired August 2024, and BlueNord has no longer any outstanding options remaining.

Financial and operational summary	Unit	Q3 2024	Q2 2024	Q3 2023[3]	YTD 2024	YTD 2023[3]
Total revenue	USDm	170.2	170.8	200.2	509.4	611.5
EBITDA[1]	**USDm**	**84.9**	**72.2**	**106.1**	**244.8**	**326.4**
Result before tax	**USDm**	**(1.0)**	**10.6**	**50.0**	**17.8**	**193.6**
Net result for the period	USDm	11.0	(1.3)	0.2	5.1	75.1
Cash flow from operations[1)2)]	USDm	91.9	57.4	118.2	237.7	375.6
Net Cash flow from operating activities[1]	USDm	86.4	50.1	118.2	213.3	335.2
Investments in oil and gas assets	USDm	51.4	56.9	89.0	172.4	230.5
Reserve-based lending facility, drawn	USDm	880.0	880.0	800.0	880.0	800.0
Net interest-bearing debt[1]	USDm	1,176.4	1,156.6	889.1	1,176.4	889.1
Oil production	mboepd	18.1	18.0	18.8	18.0	18.9
Gas production	mboepd	7.9	6.5	5.9	6.7	6.1
Total production[4]	**mboepd**	**26.1**	**24.5**	**24.7**	**24.7**	**25.0**
Over/(under)-lift	mboepd	(1.2)	2.5	0.3	0.1	1.1
Realised Oil price	USD/boe	78.7	84.5	89.7	83.1	84.3
+/- Effect of hedges	USD/boe	(1.5)	(11.4)	(15.2)	(8.7)	(17.3)
Effective Oil price	**USD/boe**	**77.2**	**73.1**	**74.5**	**74.4**	**67.0**
Realised Gas price	EUR/MWh	33.0	26.3	37.3	28.6	39.6
+/- Effect of hedges	EUR/MWh	2.5	4.8	31.0	12.2	39.9
Effective Gas price	**EUR/MWh**	**35.6**	**31.1**	**68.3**	**40.9**	**79.5**

1) See the description of "Alternative performance measures" at the end of this report for definitions.
2) Cash flow from operations is defined as Net Cash flow from operating activities excluding tax payments.
3) Restated. The comparative information is restated on account of correction of errors. See note 10 in the Annual Report 2023.
4) Q2 2024 updated with actual production and operating efficiency. Numbers published in Q2 2024 report included estimates end of June due to early cut off.

Financial Review

Selected data from consolidated statement of comprehensive income

USD million	Q3 2024	Q2 2024	Q3 2023[1)]	YTD 2024	YTD 2023[1)]
Total revenue	170.2	170.8	200.2	509.4	611.5
EBITDA	84.9	72.2	106.1	244.8	326.4
EBIT	50.5	40.7	81.3	149.7	250.5
Result before tax	(1.0)	10.6	50.0	17.8	193.6
Net result for the period	11.0	(1.3)	0.2	5.1	75.1
Earnings per share	0.4	(0.0)	0.0	0.1	2.9

1) Restated. The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost in the Annual Report 2023.

Revenues of USD 170.2 million in the third quarter of 2024, mainly related to oil and gas sales from the Danish Underground Consortium (DUC) fields, compared to USD 170.8 million in the previous quarter. The change compared to last quarter was mainly related to decreased oil volumes of 15.9 percent, offset by 25.2 percent higher gas volumes and higher realised commodity prices net of hedging, with an increase of 14.4 percent on gas and 5.6 percent on oil.

Production expenses: In the current quarter USD 74.3 million was directly attributable to the lifting and transport of the Company's oil and gas production, equating to USD 31.3 per boe, compared to USD 74.5 million in the previous quarter, equating to USD 33.5 per boe. The decrease in cost per boe was mainly related to higher volume produced, as the production expenses were at the same level as last quarter. Adjusted for concept studies, insurance and changes in stock and oil inventory, total production expenses amounted to USD 76.5 million compared to USD 89.8 million in the previous quarter.

Operating result before depreciation, amortisation and impairment (EBITDA) in the third quarter of 2024 was a profit of USD 84.9 million, compared to USD 72.2 million in previous quarter. This increase mainly relates to improved effective prices on oil and gas sales.

Net Financial items amounted to an expense of USD 51.5 million for the third quarter of 2024, compared to an expense of USD 30.1 million in the previous quarter. Mainly influenced by net expense from derecognition of BNOR14 and increased interest expenses due to the RBL interest swap matured at the end of June 2024 and the issue of BNOR16. In addition, foreign exchange loss compared to foreign exchange gain in the previous quarter. Offset partly by higher positive effect from the fair value adjustment of embedded derivatives on BNOR15. Previous quarter also included negative value adjustment of amortised cost due to amendment of the RBL facility.

Income tax amounted to an income of USD 12.0 million for the third quarter of 2024 compared to a cost of USD 11.9 million for the previous quarter. The decrease in income tax is primarily due to change in taxable results as well as currency adjustment on the value of tax losses carried forward in DKK. Current income tax YTD 2024 amounted to a cost of USD 9.9 million offset by an adjustment (income) related to prior years of USD 68.4 million. Deferred tax movements in the year amounted to a cost of USD 1.3 million, and adjustments related to prior years a cost of USD 69.9 million. This corresponds to a statutory tax rate of 64 percent on result before tax on hydrocarbon income, adjusted for investment uplift and interest restriction as well as currency adjustment of tax losses carried forward in DKK. Effective 0 percent tax on result before tax in Norway and UK and effective 22 percent tax on result before tax on ordinary income in Denmark.

Net result for the third quarter of 2024 was a profit of USD 11.0 million, compared to USD 1.3 million loss in the previous quarter.

Selected data from the consolidated statement of financial position

USD million	30.09.2024	30.06.2024	30.09.2023[1)]
Total non-current assets	3,053.0	3,030.5	2,888.3
Total current assets	371.4	297.2	540.7
Total assets	3,424.4	3,327.7	3,429.0
Total equity	802.9	774.3	744.3
Interest bearing debt	1,352.9	1,218.4	1,137.6
Asset retirement obligations	1,074.5	1,058.8	984.5
Derivative Instruments - non-current liability	42.5	76.8	88.9
Total current liabilities	155.5	372.1	490.5

1) Restated. The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost in the Annual Report 2023.

Total non-current assets amounted to USD 3,053.0 million at the end of the third quarter of 2024 compared to USD 3,030.5 million in the previous quarter. Increase in property, plant and equipment due to higher additions related to DUC investments. Higher value on derivate instruments as part of the oil hedges moved from liability to asset due to weakening of the oil price. In addition, increase in restricted cash due to currency adjustment offset by decrease in deferred tax asset. Total non-current assets consist of property, plant and equipment of USD 2.5 billion, intangible assets of USD 149.3 million, deferred tax asset of USD 162.7 million, derivatives related to the gas hedges of USD 8.3 million and USD 220.6 million in restricted cash related to cash pledged to TotalEnergies as security for DUC cash call obligations and security against Nini/Cecilie abandonment costs.

Total current assets amounted to USD 371.4 million at the end of the third quarter of 2024 compared to USD 297.2 million at the end of the previous quarter. Increase in cash balances and higher value on derivate instruments as part of the oil hedges moved from liability to asset due to weakening of the oil price. Offset partly by decrease in trade receivable and oil inventory. Total current assets consist of USD 24.9 million in derivatives related to oil and gas hedges, USD 27.3 million in trade receivables, mainly related to oil and gas revenue, USD 12.3 million in prepayments mainly related to insurance, USD 241.2 million of cash, USD 60.5 million of stock and oil inventory and USD 5.2 million in under-lift and other receivables.

Total equity amounted to USD 802.9 million at the end of the third quarter of 2024, compared to USD 774.3 million at the end of the previous quarter. Increase in equity was mainly related to positive fair value adjustment of hedges for the period, net result and issue of new shares in relation to exercise of directors' share options and employee performance shares awarded.

Interest-bearing debt amounted to USD 1.4 billion at the end of the third quarter of 2024 compared to USD 1.2 billion the end of the previous quarter. The convertible bond loan BNOR15 had a book value of USD 224.8 million at the end of the current quarter. BlueNord's USD 1.4 billion RBL facility, drawn at USD 880.0 million on 30 September 2024, had a book value of USD 832.0 million at the end of the third quarter. The senior unsecured bond loan BNOR14 was redeemed at 110.00131 percent 2 July 2024, at the same time a new senior unsecured bond loan BNOR16 of USD 300 million was issued. BNOR16 has a book value of USD 296.1 million at the end of the period. For more information, see note 11.

Asset retirement obligations amounted to USD 1,074.5 million at the end of the third quarter of 2024, compared to USD 1,058.8 million at the end of the previous quarter. The increase is primarily due to accretion expense for the period, offset by abandonment paid in the period. USD 1,005.8 million relates to the DUC assets, USD 65.1 million to Nini/Cecilie, USD 1.6 million to Lulita and USD 2.0 million to the Tyra F-3 pipeline. The Nini/Cecilie asset retirement obligation is secured through an escrow account of USD 65.1 million.

Total current liabilities amounted to USD 155.5 million at the end of third quarter of 2024 compared to USD 372.1 million last quarter. Decrease mainly related to BNOR14 being redeemed in July 2024. In addition, decrease in tax payable, derivative liability due to weakening of the oil price in end of the quarter and decrease in trade payables. Total current liabilities consist of USD 52.8 million in taxes payable, USD 19.6 million of current derivatives related to oil price hedges, USD 53.0 million in liabilities to DUC operator, USD 2.5 million related to VAT payable, USD 22.0 million in accrued cost (including accrued interest and salary expenses) and USD 0.8 million related to trade payables.

Selected data from the consolidated statement of cash flows

USD million	Q3 2024	Q2 2024	Q3 2023[1)]	YTD 2024	YTD 2023[1)]
Cash flow from operations[1)]	91.9	57.4	118.2	237.7	375.6
Net cash flow from operating activities	86.4	50.1	118.2	213.3	335.2
Cash flow used in investing activities	(52.6)	(61.3)	(90.1)	(187.4)	(264.6)
Cash flow from financing activities	71.4	(10.5)	(7.2)	48.5	(33.4)
Net change in cash and cash equivalents	105.1	(21.7)	20.9	74.5	37.2
Cash and cash equivalents	241.2	136.0	305.6	241.2	305.6

1) Cash flow from operations is defined as Net Cash flow from operating activities excluding tax payments.

Net Cash flow from operating activities amounted to USD 86.4 million for the third quarter of 2024, compared to USD 50.1 million for the previous quarter. Increase was mainly related to lower operating expenditures and decrease in trade receivable, offset partly by decrease in liability to the DUC operator including lower accruals and other working capital movement this quarter. Cash flow from operations amounted to a cash flow of USD 91.9 million for the third quarter, compared to USD 57.4 million for the previous quarter. Current quarter had a higher positive effect from working capital of USD 5.5 million compared to negative effect of USD 17.0 million in previous quarter, this includes changes on trade receivable, trade payables, prepayments and inventories. Net Cash flow from operating activities excluding changes in working capital amounted to a cash inflow of USD 80.9 million for the third quarter of 2024, compared to cash inflow of USD 67.1 million for the previous quarter.

Cash flow used in investing activities amounted to an outflow of USD 52.6 million for the quarter, compared to USD 61.3 million for the previous quarter. The cash flow used in investing activities was mainly related to investments in the DUC asset of which USD 17.8 million related to the Tyra Redevelopment project, USD 19.7 million related to drilling of the Harald East Middle Jurassic well, USD 6.1 million related to FEED studies on Adda, USD 2.3 million related to Gorm life extension work and USD 3.2 million related to other minor projects. In addition, USD 0.8 million in abandonment costs mainly related to decommissioning of Dan Echo wells.

Cash flow from financing activities amounted to an inflow of USD 71.4 million for the third quarter of 2024, compared to an outflow USD 10.5 million for the previous quarter. The cash inflow in the current quarter was related to the issue of a new unsecured bond loan BNOR16 of USD 300.0 million, offset partly by USD 192.5 million repayment of BNOR14. In addition, interest payments related to RBL facility and BNOR16.

Net change in cash and cash equivalents amounted to positive USD 105.1 million at the end of the quarter compared to negative USD 21.7 million for the previous quarter. Cash and cash equivalents were in total USD 241.2 million at the end of third quarter 2024.

Financial Risk Mitigation

The Company actively seeks to reduce exposure to the risk of fluctuating commodity prices, in addition to interest rate and foreign exchange risk as required, through the establishment of hedging arrangements. To achieve this, BlueNord has executed a hedging policy in the market and entered into forward contracts. More details on BlueNord's hedging policy can be found in note 13.4 as well as further detail on BlueNord's financial risk management is outlined in note 2 to the financial statements in the 2023 Annual Report which is available at www.bluenord.com/reports-and-presentations/.

The Company has entered foreign exchange hedges to secure fixed USD to DKK exchange rates at a nominal amount of USD 32.6 million equivalent to DKK 225 million, for selected future payments in relation to taxes, VAT and cash calls related to the Company's forecast cash-flows.

The table below summarises the quantity of volume hedged and average price at the end of the third quarter.

	Volume hedged oil (boe)	Average hedged price ($/bbl)	Volume hedged gas (MWh)	Average hedged price (EUR/MWh)
2024 (Q4)	1,017,000	73.3	675,000	42.5
2025	3,688,002	73.4	3,600,000	36.6
2026	1,500,000	73.5	1,620,000	32.9

Operational Review

Production

Key figures	Unit	Q3 2024	Q2 2024[2)]	Q3 2023	YTD 2024	YTD 2023
Dan hub	mboepd	7.3	7.5	8.3	7.5	7.8
Gorm hub	mboepd	5.4	4.4	4.4	4.6	4.4
Halfdan hub	mboepd	12.3	12.9	12.0	12.4	12.8
Tyra hub	mboepd	1.1	(0.3)	-	0.2	-
Total production	**mboepd**	**26.1**	**24.5**	**24.7**	**24.7**	**25.0**
Over/(under)-lift	mboepd	(1.2)	2.5	0.3	0.1	1.1
Net sales	**mboepd**	**24.9**	**26.9**	**24.9**	**24.7**	**26.1**
Oil sales	mboepd	17.0	20.4	19.1	18.1	20.0
Gas sales	mboepd	7.9	6.5	5.9	6.7	6.1
Operating efficiency[1)]	**%**	**92.8 %**	**90.7 %**	**84.7 %**	**91.4 %**	**84.1 %**

1) Operating efficiency is calculated as: delivered production / (delivered production + planned shortfalls + unplanned shortfalls)
2) Production, sales and operating efficiency updated with actuals. Numbers published in Q2 2024 report included estimates end of June due to early cut off.

Average production in Q3 2024 was 26.1 mboepd of which 1.1 mboepd was from the Harald West field on the Tyra hub and 25.0 mboepd was from the base assets (Dan, Gorm and Halfdan hubs) which is at the top of the Q3 guidance for base assets of 23.0-25.0 mboepd. In this quarter, there has been stable gas production from the Harald West field since 15 July. Response is now observed for the Skjold partial gas depletion pilot (SGPAP) resulting in a production increase for the Skjold field.

Dan hub
On the Dan hub, the production has been stable throughout the quarter, with a high average operating efficiency of 91 percent. Minor shortfalls were experienced during an emergency shut down on 28-29 July, and by close-in of production from three wells due to separation optimisation issues in July and August. The issues have now been resolved.

Gorm hub
On the Gorm hub, the production potential from the Skjold field has increased since August, due to the SGPAP project (Skjold partial gas depletion pilot). However, because of water handling constraints, four production wells on the Gorm hub are temporarily closed in due to limited injection capacity. The closing in of the wells resulted in shortfalls of ca 0.5 kboepd. Work is currently being carried out to increase the injection capacity on the Gorm hub, after which the closed in production wells can be reopened.

Planned maintenance on the Gorm gas module was successfully carried out from 5–7 July with an associated reduction in production from the hub during this period.

Halfdan hub
The Halfdan production throughout the quarter has been stable with no major shortfalls and a very high average operating efficiency of 95%.

The Halfdan WROM campaign, which is performing well optimisations from the rig Noble Reacher is ongoing, and in 2024 YTD interventions on 12 Halfdan wells have been completed. In connection to the execution of the interventions, some shortfalls are experienced, as wells have to be closed in during the operations.

Tyra hub
See further details regarding Tyra status below.

Field Development

Tyra Redevelopment Q3 2024 Highlights

During the first quarter of 2024, the Tyra facilities were re-started. On 16 March, Dan gas was introduced into the Tyra facilities and on 21 March gas was exported to the Danish Nybro facility which defined the restart of the Tyra facilities. The first gas from Tyra was received at Nybro on 28 March which defined the REMIT date. On 25 March, gas was introduced from the Tyra satellite field Harald, which marked the restart of production from Tyra following the shut-in for re-development since 2019. On 10 April, gas export commenced from Harald through the Tyra facilities.

During the second quarter, work on hook-up and commissioning (HUC) progressed well. The HUC was completed on the Tyra satellites, Roar, Tyra South East and Valdemar. As communicated via REMIT by the operator on 18 April, during export of Harald gas, an incident relating to the transformer on the IP compressor occurred. This is temporarily impacting the production of hydrocarbons from Tyra and the satellites through the new Tyra facilities. On 8 July the company announced that a technical issue occurred with the LP compressor transformer.

During the third quarter, HUC activities continued, and all wells are now unplugged, and commissioning is 96% complete on TEG. Export from Harald was successfully resumed 15 July 2024, with stable production throughout the quarter. Progress has been made in relation to the issues with the two transformers. The first transformer was delivered offshore in August and has been reintegrated, and the second transformer was delivered offshore in October and is being reintegrated. The restart of Tyra is expected between 15-30 November, followed by production ramp-up to plateau level, also in Q4.

Infill drilling

The Harald East middle Jurassic (HEMJ) well has been successfully drilled. The well is expected to be completed shortly and brought on production in connection with the Tyra start-up. Based on BlueNord's assessments, the preliminary results from the well are promising and the potential volume of the well will be assessed when the well is on production.

Final Investment Decision (FID) was taken in June 2024 covering the first of two new infill wells currently planned to be drilled in the Ekofisk formation of the Halfdan main field. The well will be utilizing one of the existing slots on the Halfdan A location and the plan is to spud the well in the first quarter of 2025 after finalizing the drilling of the Harald East middle Jurassic well and two well workovers on Halfdan. The expected incremental production from the well is close to 2 mmboe of which 60% is gas.

The rig Shelf Drilling Winner alongside the Harald platform to drill the Harald East Middle Jurassic Well

Health, Safety and the Environment

BlueNord 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 BlueNord's operations and business performance.

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

At BlueNord we work actively to reduce our carbon footprint while contributing to energy security. BlueNord is currently assessing further emissions reduction initiatives for its currently producing assets and for future activities.

In January 2024 BlueNord acquired 100 percent of the shares in CarbonCuts, an early-stage CCS company in Denmark. BlueNord has been involved since 2022 by providing financial, technical and commercial support for an early-stage feasibility study for onshore CO2 storage. In January 2024 CarbonCuts submitted a license application to the Danish Energy Agency to explore and store CO2 in the geological Rødby Structure on Lolland with "Project Ruby". In June 2024, CarbonCuts was successfully awarded the licence to explore the possibility of a future onshore CO_2 storage facility on the island of Lolland. CarbonCuts expects to begin storage in 2030 or earlier following a successful exploration plan. BlueNord is also involved in offshore CCS through Project Bifrost, a partnership between Ørsted, the DUC and DTU.

For more information on the Company's work, including the work of the ESG Committee, please see the Sustainability section page 25 - 43 and ESG Committee Report on page 65 in the 2023 Annual Report available on www.bluenord.com/reports-and-presentations/.

Risks and uncertainties

The material known risks and uncertainties faced by BlueNord are described in detail in the section headed 'Risk Management Framework' on page 44 of the 2023 Annual Report which is available at www.bluenord.com/reports-and-presentations/. These have not changed materially since publication. There are several risks and uncertainties that could have a material impact on BlueNord's performance and financial position.

Key headline risks relate to the following:

- Oil and gas production and reserves
- Project delivery, including Tyra redevelopment project
- Decommissioning estimates
- Financial risks including, commodity prices, foreign currency exposure, access to capital and interest rate risk
- Cyber security
- Changes in environmental and tax legislation

Governance and organization

The number of employees was 43 at the end of the third quarter.

The governance of BlueNord ASA is described in detail in the section headed 'Governance report' on page 53 - 71 of the 2023 Annual Report which is available at www.bluenord.com/reports-and-presentations/.

Outlook

BlueNord has built a stable business that is underpinned by the Company's position in the DUC. BlueNord remains well positioned going forward to navigate global events and potentially unforeseen challenges as well as any future oil- and gas price volatility through business and IT continuity plans, price hedging arrangements and pro-active steps taken by the operator of the DUC.

As a response to the challenges in the European gas markets, BlueNord has together with its partners in the DUC identified several infill well opportunities. Final Investment Decision ("FID") taken on two infill wells in the Halfdan area with an expected capital investment of c. USD 13 per boe of reserves. FID on additional infill wells is expected during 2024. BlueNord currently expects the capital investment required for the portfolio of infill wells to be less than USD 13 per boe of reserves, however this will be further defined on sanction.

Once onstream, Tyra II will significantly enhance BlueNord's base production, and the Company also expects direct field operating expenditure to decrease below USD 13 per barrel in the first full year of production. Remaining cost on Tyra as of 30 September 2024 is USD 24 million net to BlueNord based on the latest budget received from the Operator. Latest budget from operator incorporates costs to secure the facilities to be ready to start production in Q4.

With the start-up of Tyra, the Company is for 2024 providing separate production guidance on a quarterly basis for its Base Assets (Halfdan, Dan and Gorm) and Tyra. Based on the current status of the investigation and subject to the Operator confirming a viable interim Operating Mode, export from Harald partly resumed in July, expected start-up of additional Tyra satellites during Q4. Plateau production is expected to be reached by end of Q4. These assumptions are the basis for the Company's Production Guidance for Q4 2024. Tyra guidance has been updated for Q4 based on the accelerated restart between 15-30 November 2024.

Guidance 2024	Unit	Base	Tyra	Total	2023
Q4	mboepd	23.0 - 25.0	4.0 - 11.0	27.0 - 36.0	24.9

No contribution has been included in the production guidance from the HEMJ well, which was spudded 17 June 2024.

BlueNord's policy is to distribute 50-70% of Net Operating Cashflow in shareholder returns for 2024-26. Our policy is to aim for maintaining a meaningful returns profile from 2027 onwards.

Financial Statements

Condensed Consolidated Statement of Comprehensive Income

USD million	Note	Q3 2024	Q2 2024	Q3 2023[1)]	YTD 2024	YTD 2023[1)]
Total revenues	2	**170.2**	**170.8**	**200.2**	**509.4**	**611.5**
Production expenses	3	(76.5)	(89.8)	(88.0)	(238.5)	(263.2)
Exploration and evaluation expenses		(2.5)	0.0	(0.1)	(2.8)	(0.6)
Personnel expenses		(4.8)	(5.2)	(4.4)	(14.3)	(12.2)
Other operating expenses		(1.5)	(3.7)	(1.6)	(9.1)	(9.2)
Total operating expenses		**(85.3)**	**(98.6)**	**(94.1)**	**(264.6)**	**(285.1)**
Operating result before depreciation, amortisation and impairment (EBITDA)		**84.9**	**72.2**	**106.1**	**244.8**	**326.4**
Depreciation/amortisation/impairment	7, 8	(34.4)	(31.5)	(24.8)	(95.1)	(75.8)
Net operating result (EBIT)		**50.5**	**40.7**	**81.3**	**149.7**	**250.5**
Financial income	4	33.3	16.6	7.2	40.6	20.0
Financial expenses	4	(84.8)	(46.7)	(38.5)	(172.6)	(76.9)
Net financial items		**(51.5)**	**(30.1)**	**(31.3)**	**(131.9)**	**(57.0)**
Result before tax (EBT)		**(1.0)**	**10.6**	**50.0**	**17.8**	**193.6**
Income tax benefit/(expense)	5	12.0	(11.9)	(49.8)	(12.7)	(118.5)
Net result for the period[2)]		**11.0**	**(1.3)**	**0.2**	**5.1**	**75.1**
Other comprehensive income:						
Items that are or may be subsequently reclassified to profit or loss:						
Realised cash flow hedge revenue	14	2.2	15.5	(12.8)	2.9	(23.5)
Realised cash flow hedge financial items	14	0.7	(10.8)	(9.7)	(20.2)	(24.9)
Related tax - realised cash flow hedge	5, 14	(1.9)	(7.5)	10.3	2.3	20.5
Changes in fair value cash flow hedge revenue	14	33.1	(18.4)	(72.8)	(27.7)	10.2
Changes in fair value cash flow hedge financial items	14	1.4	(0.2)	(3.1)	1.8	5.8
Related tax - changes in fair value cash flow hedge	5, 14	(21.5)	11.8	47.3	17.3	(7.8)
Currency translation adjustment		2.1	(0.5)	(1.5)	0.6	(0.5)
Total other comprehensive income		**16.2**	**(10.1)**	**(42.3)**	**(23.1)**	**(20.2)**
Total comprehensive income[2)]		**27.2**	**(11.4)**	**(42.1)**	**(18.0)**	**54.9**
Basic earnings/(loss) USD per share	6	0.4	(0.0)	0.0	0.1	2.9
Diluted earnings/(loss) USD per share	6	(0.3)	(0.1)	0.0	0.1	2.9

1) Restated. The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost in the Annual Report 2023.
2) 100 percent attributable to equity holders of the parent company.

Condensed Consolidated Statement of Financial Position

USD million	Note	30.09.2024	30.06.2024	31.12.2023	30.09.2023*
Non-current assets					
Intangible assets	7	149.3	150.6	151.6	153.3
Deferred tax assets	5	162.7	169.7	218.5	220.5
Property, plant and equipment	8	2,510.6	2,491.6	2,427.9	2,301.5
Right of Use asset		1.5	1.7	1.4	1.6
Restricted bank deposits	11, 14	220.6	215.2	213.9	208.2
Receivables non-current	9	-	-	3.7	2.3
Derivative instruments	14	8.3	1.8	14.0	0.9
Total non-current assets		**3,053.0**	**3,030.5**	**3,031.0**	**2,888.3**
Current assets					
Derivative instruments	14	24.9	16.3	71.7	86.2
Trade receivables and other current assets	9	44.8	80.9	88.7	91.4
Inventories	10	60.5	63.9	54.7	57.4
Restricted cash	11	0.1	0.1	0.1	0.1
Cash and cash equivalents	11	241.2	136.0	166.7	305.6
Total current assets		**371.4**	**297.2**	**381.9**	**540.7**
Total assets		**3,424.4**	**3,327.7**	**3,412.9**	**3,429.0**
Equity					
Share capital	16	1.7	1.7	1.7	1.7
Other equity		801.1	772.6	811.9	742.6
Total equity		**802.9**	**774.3**	**813.6**	**744.3**
Non-current liabilities					
Asset retirement obligations	15	1,069.7	1,055.1	1,033.7	966.3
Convertible bond loans	12, 14	224.8	216.8	201.7	196.1
Bond loan	12, 14	296.1	-	169.1	172.4
Reserve-based lending facility	12, 14	832.0	831.3	695.8	769.1
Derivative instruments	14	42.5	76.8	56.3	88.9
Other non-current liabilities		1.0	1.3	1.1	1.3
Total non-current liabilities		**2,466.1**	**2,181.3**	**2,157.7**	**2,194.1**
Current liabilities					
Bond loan	12, 14	-	170.2	-	-
Reserve-based lending facility	12, 14	-	-	125.0	-
Asset retirement obligations	15	4.8	3.7	15.4	18.2
Tax payable	5	52.8	54.0	140.0	255.8
Derivative instruments	14	19.6	35.9	35.9	98.2
Trade payables and other current liabilities	13	78.3	108.1	125.3	118.3
Total current liabilities		**155.5**	**372.1**	**441.6**	**490.5**
Total liabilities		**2,621.6**	**2,553.3**	**2,599.3**	**2,684.7**
Total equity and liabilities		**3,424.4**	**3,327.7**	**3,412.9**	**3,429.0**

* Restated. The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost in the Annual Report 2023.

Condensed Consolidated Statement of Changes in Equity

USD million	Share capital	Share premium fund	Treasury share reserve	Currency translation reserve	Cash flow hedge reserve	Other equity	Total equity
2023							
Equity as of 01.01.2023 restated	**1.7**	**768.4**	**(0.1)**	**0.5**	**13.9**	**(120.2)**	**664.1**
Net result for the period restated						75.1	75.1
Other comprehensive income							
Realised cash flow hedge revenue	-	-	-	-	(23.5)	-	(23.5)
Realised cash flow hedge financial items	-	-	-	-	(24.9)	-	(24.9)
Related tax - realised cash flow hedge	-	-	-	-	20.5	-	20.5
Changes in fair value cash flow hedge revenue	-	-	-	-	10.2	-	10.2
Changes in fair value cash flow hedge financial items	-	-	-	-	5.8	-	5.8
Related tax - changes in fair value cash flow hedge	-	-	-	-	(7.8)	-	(7.8)
Currency translation adjustments	-	-	-	(0.5)	-	-	(0.5)
Total other comprehensive income	**-**	**-**	**-**	**(0.5)**	**(19.7)**	**-**	**(20.2)**
Issue of shares	0.0	13.8	-	-	-	-	13.8
Settlement derivatives/conversion bonds[1)]	-	-	-	-	-	8.9	8.9
Share-based incentive program	-	-	0.0	-	-	2.5	2.6
Total transactions with owners for the period	**0.0**	**13.8**	**0.0**	**-**	**-**	**11.5**	**25.3**
Equity as of 30.09.2023 restated	**1.7**	**782.2**	**(0.1)**	**(0.0)**	**(5.7)**	**(33.7)**	**744.3**
2024							
Equity as of 01.01.2024	**1.7**	**782.9**	**(0.1)**	**2.0**	**24.9**	**2.2**	**813.6**
Net result for the period						5.1	5.1
Realised cash flow hedge revenue							
Realised cash flow hedge revenue	-	-	-	-	2.9	-	2.9
Realised cash flow hedge financial items	-	-	-	-	(20.2)	-	(20.2)
Related tax - realised cash flow hedge	-	-	-	-	2.3	-	2.3
Changes in fair value cash flow hedge revenue	-	-	-	-	(27.7)	-	(27.7)
Changes in fair value cash flow hedge financial items	-	-	-	-	1.8	-	1.8
Related tax - changes in fair value cash flow hedge	-	-	-	-	17.3	-	17.3
Currency translation adjustments	-	-	-	0.6	-	-	0.6
Total other comprehensive income	**-**	**-**	**-**	**0.6**	**(23.6)**	**-**	**(23.1)**
Issue of shares	0.0	4.2	-	-	-	-	4.2
Sale of shares	-	-	0.1	-	-	1.4	1.5
Share-based incentive program	-	-	-	-	-	1.5	1.5
Total transactions with owners for the period	**0.0**	**4.2**	**0.1**	**-**	**-**	**2.9**	**7.2**
Equity as of 30.09.2024	**1.7**	**787.2**	**-**	**2.5**	**1.3**	**10.2**	**802.9**

1) For further information see note 12

Condensed Consolidated Statement of Cash Flows

USD million	Note	Q3 2024	Q2 2024	Q3 2023[1]	YTD 2024	YTD 2023[1]
Cash flows from operating activities						
Net result for the period		11.0	(1.3)	0.2	5.1	75.1
Adjustments for:						
Income tax (benefit)/expense	5	(12.0)	11.9	49.8	12.7	118.5
Net financial items	4	51.5	30.1	31.3	131.9	57.0
Depreciation/impairment	8	34.4	31.5	24.8	95.1	75.8
Share-based payments expenses		0.5	0.5	1.2	1.9	3.5
Interest received[2]	4	2.7	1.6	2.6	6.2	7.7
Other financial items paid		(1.6)	(0.0)	(0.6)	(1.6)	(3.0)
Changes in:						
Trade receivable	9	37.2	(22.8)	1.4	31.9	18.6
Trade payables	13	(23.7)	(7.1)	1.5	(50.7)	0.1
Inventories and spare parts	10	3.4	(1.0)	(4.2)	(5.8)	(1.5)
Prepayments	9	2.0	6.0	1.1	12.6	9.7
Over/(under-lift)	9	(9.5)	6.6	6.8	(0.5)	12.5
Other current balance sheet items[3]		(3.9)	1.3	2.2	(1.0)	1.7
Cash flow from operations		**91.9**	**57.4**	**118.2**	**237.7**	**375.6**
Tax paid		(5.5)	(7.3)	(0.1)	(24.4)	(40.4)
Net cash flow from operating activities		**86.4**	**50.1**	**118.2**	**213.3**	**335.2**
Cash flows from investing activities						
Long-term loan provided		-	-	-	-	(1.4)
Acquisition of subsidiary, net of cash acquired		-	-	-	1.5	-
Deferred consideration	9	-	-	-	-	(25.0)
Investment in oil and gas assets	8	(51.4)	(56.9)	(89.0)	(172.4)	(230.5)
Investment in exploration & evaluation assets		(0.4)	0.0	(0.0)	(0.4)	(0.0)
Payments for decommissioning of oil and gas fields		(0.8)	(4.4)	(1.1)	(16.0)	(7.6)
Net cash flow from investing activities		**(52.6)**	**(61.3)**	**(90.1)**	**(187.4)**	**(264.6)**
Cash flows from financing activities						
Drawdown long-term liability	12	300.0	30.0	-	330.0	-
Repayment long-term liability	12	(192.5)	-	-	(192.5)	-
Lease payments		(0.1)	(0.1)	(0.2)	(0.4)	(0.5)
Sale of shares		-	1.5	0.1	1.5	0.1
Issue of shares		1.2	3.0	-	4.2	-
Interests and fees external loan		(37.2)	(44.8)	(7.2)	(94.2)	(33.1)
Net cash flow from financing activities		**71.4**	**(10.5)**	**(7.2)**	**48.5**	**(33.4)**
Net change in cash and cash equivalents		105.1	(21.7)	20.9	74.5	37.2
Cash and cash equivalents at the start of the period		136.0	157.7	284.7	166.7	268.4
Cash and cash equivalents at end of the period		**241.2**	**136.0**	**305.6**	**241.2**	**305.6**

[1] Restated. The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost in the Annual Report 2023.
[2] Excluding interest received from cash call security account as these interests are added to the cash call security account, hence not available cash.
[3] Mainly currency adjustments balance sheet items

Notes

03

Notes

1 Accounting principles

BlueNord ASA ("BlueNord", "the Company" or "the Group") is a public limited liability company registered in Norway, with headquarters in Oslo (Nedre Vollgate 3, 0158 Oslo). The Company has subsidiaries in Norway, Denmark, the 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) as at, and for the period ended 30 September 2024 comprise of BlueNord ASA (BlueNord) 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. These interim financial statements were approved by the Board of Directors on 29 October 2024.

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 for the next 12 months.

Reference to summary of significant accounting policies

These interim financial statements are prepared using the same accounting principles as the annual financial statements for 2023.

For the full summary of significant accounting policies, reference is made to the annual financial statements for 2023.

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 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Sales of oil	120.7	135.9	130.5	367.9	365.9
Sales of gas and NGL	48.5	34.3	68.8	139.1	243.0
Other income	1.0	0.7	0.9	2.5	2.6
Total revenue	**170.2**	**170.8**	**200.2**	**509.4**	**611.5**
Sales of oil (mmbbl)	1.56	1.86	1.75	4.94	5.46
Effective Oil price USD/bbl	**77.2**	**73.1**	**74.5**	**74.4**	**67.0**
Sales of gas (mmboe)	0.74	0.59	0.54	1.85	1.66
Effective gas price EUR/MWh	35.6	31.1	68.3	40.9	79.5
Effective gas price USD/boe	**65.3**	**57.7**	**128.3**	**75.3**	**146.6**

During the third quarter, most of BlueNord's settlement of prices 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. The part that exceeded the physical sale of oil was recognised as a financial cost.

3 Production expenses

USD million	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Direct field opex	(59.5)	(51.4)	(57.2)	(163.1)	(180.0)
Tariff and transportation expenses	(10.9)	(12.0)	(8.6)	(32.6)	(24.3)
Environmental costs	(2.6)	(4.1)	(2.2)	(10.8)	(8.2)
Production general and administrative	(1.4)	(7.0)	(4.3)	(13.2)	(10.9)
Field operating cost	**(74.3)**	**(74.5)**	**(72.3)**	**(219.7)**	**(223.5)**
Total produced volumes (mmboe)	2.4	2.2	2.3	6.7	6.8
In USD per boe	(31.3)	(33.5)	(31.8)	(32.6)	(32.8)
Adjustments for:					
Concept studies	(0.4)	0.7	(3.8)	0.1	(5.2)
Change in inventory position	(4.7)	(2.5)	2.6	(0.4)	(2.8)
Change in (over)/under-lift of oil and NGL	9.5	(6.6)	(6.8)	0.5	(12.5)
Insurance & other	(6.2)	(6.0)	(6.5)	(17.6)	(16.6)
Stock scrap	(0.3)	(1.1)	(1.2)	(1.5)	(2.5)
Production expenses	**(76.5)**	**(89.8)**	**(88.0)**	**(238.5)**	**(263.2)**

Production expenses for the third quarter directly attributable to BlueNord's oil and gas production are in total USD 74.3 million, compared to USD 74.5 million in second quarter. Approximately on the same level. The change in cost of operations was mainly related to Tyra due to phasing and a true up from the previous quarters offset partly by Adda FEED studies reallocated from opex to capex. The decrease in transportation cost is mainly due to reduced penalties related to gas nominations. Penalties are imposed if actual production deviates from nominated volumes.

The production cost equates to USD 31.3 per boe produced during the period compared to USD 33.5 per boe in Q2 2024. The decrease in current quarter were related to increased oil volumes sold.

4 Financial income and expenses

Financial income

USD million	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Total interest income	**4.7**	**3.6**	**4.5**	**12.1**	**12.9**
Value adjustment embedded derivatives[1)]	28.3	10.3	-	22.1	-
Value adjustment foreign exchange contract	-	0.1	-	0.1	-
Volume protection true-up	-	-	-	-	0.6
Realised gain interest swap RBL, ineffective part	-	-	0.6	-	3.5
Foreign exchange gains	0.3	2.6	2.1	6.5	3.0
Total other financial income	**28.6**	**13.0**	**2.7**	**28.6**	**7.1**

Financial expenses

USD million	Q3 2024	Q2 2024	Q3 2023*	YTD 2024	YTD 2023*
Interest expenses current liabilities	(0.3)	(0.0)	(0.0)	(0.3)	(0.0)
Interest expense from bond loans	(16.3)	(12.2)	(11.4)	(40.4)	(33.6)
Interest expense from bank debt[2)]	(25.7)	(13.1)	(11.1)	(52.9)	(35.9)
Less capitalised borrowing cost	-	-	18.0	-	56.6
Total interest expenses	**(42.3)**	**(25.3)**	**(4.5)**	**(93.5)**	**(12.9)**
Value adjustment embedded derivatives[1)]	-	-	(24.4)	-	(23.2)
Value adjustment foreign exchange contract	-	-	-	-	(0.6)
Value adjustment interest swap RBL, ineffective part	(0.0)	(0.1)	-	(0.1)	-
Value adjustment amortised cost RBL [3)]	-	(5.6)	-	(5.6)	-
Utilisation of derivatives, ineffective part	(0.7)	-	-	(0.7)	(0.1)
Accretion expense related to asset retirement obligations	(13.5)	(13.5)	(12.3)	(40.6)	(36.9)
Extinguishment of bonds loans	(22.3)	-	-	(22.3)	(0.0)
Foreign exchange losses	(5.3)	(1.4)	3.2	(7.8)	(0.8)
Other financial expenses	(0.6)	(0.6)	(0.6)	(1.9)	(2.4)
Total other financial expenses	**(42.5)**	**(21.4)**	**(34.0)**	**(79.0)**	**(64.0)**
Net financial items	**(51.5)**	**(30.1)**	**(31.3)**	**(131.9)**	**(57.0)**

* Restated. The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost in the Annual Report 2023.

1) Fair value adjustment of the embedded derivatives of the convertible bonds.
2) Net of effective part of realised interest swap, related to RBL facility.
3) Change in net present value due to amendment and restatement of the RBL.

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 percent. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 percent. The 64 percent is calculated as the sum of the "Chapter 2" tax of 25 percent plus a specific hydrocarbon tax (chapter 3A) of 52 percent, in which the 25 percent tax payable is deductible. Income generated in Norway and United Kingdom is subject to regular corporate tax at 22 percent.

Tax expense

USD million

Income tax in profit/loss (Danish corporate income tax and hydrocarbon tax)	Q3 2024	Q2 2024	Q3 2023*	YTD 2024	YTD 2023*
Current tax	(4.3)	(2.9)	1.9	(9.9)	(39.0)
Solidarity contribution, current [1)]	-	-	(16.2)	-	(43.7)
Repayment of tax benefit related to chapter 3b	-	-	-	-	(12.1)
Current tax, prior year [2)]	(0.0)	68.4	(12.1)	68.4	
Current tax	**(4.3)**	**65.6**	**(26.4)**	**58.5**	**(94.8)**
Deferred tax	16.4	(7.6)	(40.9)	(1.3)	(74.8)
Solidarity contribution, deferred [1)]	-	-	16.2	-	43.7
Deferred tax, prior year [2)]	-	(69.9)	1.3	(69.9)	7.3
Deferred tax	**16.4**	**(77.5)**	**(23.4)**	**(71.2)**	**(23.7)**
Tax (expense)/ income	**12.0**	**(11.9)**	**(49.8)**	**(12.7)**	**(118.5)**

1) The current tax accrual includes 33 percent "solidarity contribution", the EU-regulated temporary tax to be levied on fossil fuel companies in 2023 in Denmark. As this contribution may be offset against hydrocarbon tax, the charge does not lead to an increase in the overall tax percentage applied.
2) Mainly related to tax depreciation on Tyra II included in the tax return for 2023.

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 percent hydrocarbon tax.

Tax (expense)/income related to OCI					
Cash flow hedges	(23.4)	4.3	57.6	19.6	12.7
Tax (expense)/income related to OCI	**(23.4)**	**4.3**	**57.6**	**19.6**	**12.7**

Income tax on OCI is related to the 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 percent hydrocarbon tax.

Reconciliation of nominal to actual tax rate:	Hydrocarbon tax 64% Q3 2024		Corporate tax 22% Q3 2024		In total
Result before tax	2.0		(3.0)		(1.0)
Expected tax on profit before tax	**1.3**	**64%**	**(0.7)**	**22%**	**0.6**
Tax effect of:					
Prior year adjustment	0.0	1%	-	0%	0.0
Currency changes to tax losses carried forward in DKK [3]	(17.6)	-884%	-	0%	(17.6)
Investment uplift on CAPEX projects [4]	(4.1)	-204%	-	0%	(4.1)
Permanent differences [5]	-	0%	(6.2)	208%	(6.2)
Interest limitation	8.7	436%	-	0%	8.7
No recognition of tax assets in Norway and UK	-	0%	6.6	-219%	6.6
Tax expense (income) in profit/loss	**(11.7)**	**-586%**	**(0.3)**	**11%**	**(12.0)**

	YTD 2024		YTD 2024		In total
Result before tax	24.2		(6.4)		17.8
Expected tax on profit before tax	**15.5**	**64%**	**(1.4)**	**22%**	**14.1**
Tax effect of:					
Prior year adjustment	2.0	8%	(0.4)	7%	1.5
Currency changes to tax losses carried forward in DKK [3]	(5.2)	-22%	-	0%	(5.2)
Investment uplift on CAPEX projects [4]	(22.3)	-92%	-	0%	(22.3)
Permanent differences [5]	-	0%	(4.9)	76%	(4.9)
Interest limitation	20.0	83%	-	0%	20.0
No recognition of tax assets in Norway and UK	-	0%	9.4	-147%	9.4
Tax expense (income) in profit/loss	**9.9**	**41%**	**2.7**	**-42%**	**12.7**

	Q3 2024		Q3 2024		In total
OCI before tax	36.0		3.5		39.5
Expected tax on OCI before tax	**(23.1)**	**64%**	**(0.8)**	**22%**	**(23.8)**
Tax effect of:					
Non-taxable currency translation adjustment	-		0.5		0.5
Tax in OCI	**(23.1)**	**64%**	**(0.3)**	**22%**	**(23.4)**

	YTD 2024		YTD 2024		In total
OCI before tax	(24.0)		(18.7)		(42.7)
Expected tax on OCI before tax	**15.4**	**64%**	**4.1**	**22%**	**19.5**
Tax effect of:					
Non-taxable currency translation adjustment	-		0.1		0.1
Tax in OCI	**15.4**	**64%**	**4.2**	**22%**	**19.6**

3) Impact of changes in USD/DKK exchange rate on loss carried forward as the tax losses are carried forward in DKK.
4) The tax cost in the hydrocarbon tax regime is positively impacted by the 39 percent investment uplift on the Tyra Redevelopment project.
5) Mainly related to fair value adjustment of embedded derivatives.

Current income tax payable	31.12.2023	30.09.2024
Corporate tax 22% (Denmark)	(4.6)	(8.2)
Hydrocarbon tax (Denmark)	(73.7)	(36.8)
Hydrocarbon tax for prior years (Denmark)	(12.9)	(7.8)
Solidarity contribution	(48.8)	-
Tax payables	**(140.0)**	**(52.8)**

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 payables of USD 52.8 million, which includes USD 43.8 million actual cash payable to be paid in 2024 and USD 9.0 million in provision for uncertain tax positions.

Deferred tax

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

The recognised deferred tax asset is allocated 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**	31.12.2023	Effect recognised in P&L	Effect recognised in OCI	**30.09.2024**
Property, plant and equipment	812.9	53.5		866.4
Intangible assets, licences	29.4	4.3		33.7
Inventories and receivables	33.8	(1.3)		32.5
Asset retirement obligation (ARO)	(623.9)	(16.3)		(640.3)
Other assets and liabilities	(2.9)	(2.1)		(5.0)
Tax loss carryforward, corporate tax (22%)				-
Tax loss carryforward, chapter 2 tax (25%)	(0.1)	(0.1)		(0.2)
Tax loss carryforward, chapter 3a tax (52%)	(467.7)	33.3	(15.4)	(449.8)
Deferred tax asset, net	**(218.5)**	**71.2**	**(15.4)**	**(162.7)**

6 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 period.

USD million	Q3 2024	Q2 2024	Q3 2023 [1)]	YTD 2024	YTD 2023 [1)]
Profit (loss) from operations attributable to ordinary shareholders	**11.0**	**(1.3)**	**0.2**	**5.1**	**75.1**
Adjustment amortisation of convertible bond loans	8.0	7.7	6.9	23.1	20.2
Adjustment fair value of embedded derivatives	(28.3)	(10.3)	24.4	(22.1)	23.2
Profit (loss) from operations basis for fully diluted shareholders	**(9.2)**	**(4.0)**	**31.4**	**6.1**	**118.5**
Number of shares outstanding at the beginning of the period	**26,403,828**	**26,105,328**	**26,064,882**	**26,105,328**	**25,571,262**
Issue of new shares	94,812	197,979	-	292,791	-
Sale of treasury shares	-	100,521	31,641	100,521	31,641
Conversion part of convertible bond	-	-	-	-	493,620
Number of shares outstanding at the end of the period	**26,498,640**	**26,403,828**	**26,096,523**	**26,498,640**	**26,096,523**
Weighted average number of shares (basic)	**26,487,190**	**26,180,323**	**26,079,418**	**26,258,451**	**26,024,370**
Adjustment convertible bond loan [2)]	5,534,865	4,646,500	4,747,962	5,534,865	4,747,962
Adjustment option schemes	-	80,368	383,868	-	383,868
Weighted average number of shares (diluted)	**32,022,055**	**30,907,191**	**31,211,248**	**31,793,316**	**31,156,200**
Earnings per share in USD	**0.4**	**(0.0)**	**0.0**	**0.2**	**2.9**
Earnings per share in USD diluted	**(0.3)**	**(0.1)**	**0.0**	**0.2**	**2.9**

1) Restated. The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost in the Annual Report 2023.

2) The BNOR15 convertible bond loan is converted to number of shares by dividing the principal amount at period end (USD 237.6 million, current quarter) with the conversion price (42.9 USD/ share, current quarter) as this is less favourable compared to the strike price (51.43 USD/share). The conversion price is 99 percent of the volume-weighted average price (VWAP) for the last 20 days (455.6 NOK/share) converted to USD by using the closing rate at period end (10.51 NOK/USD).

7 Intangible assets

USD million	Capitalised exploration expenditures	Licence	Goodwill	**Total**
Book value 31.12.23	**1.9**	**149.7**	**-**	**151.6**
Acquisition costs 31.12.23	1.9	186.0	-	187.9
Additions	(0.0)	-	2.2	2.2
Currency translation adjustment	-	-	(0.0)	(0.0)
Acquisition costs 30.06.2024	**1.9**	**186.0**	**2.2**	**190.1**
Depreciation and write-downs 31.12.23	-	(36.3)	-	(36.3)
Depreciation/amortisation	-	(3.3)	-	(3.3)
Depreciation and write-downs 30.06.2024	**-**	**(39.6)**	**-**	**(39.6)**
Book value 30.06.2024	**1.9**	**146.4**	**2.2**	**150.6**
Acquisition costs 30.06.2024	1.9	186.0	2.2	190.1
Additions	0.4	-	-	0.4
Currency translation adjustment	-	-	0.1	0.1
Acquisition costs 30.09.2024	**2.4**	**186.0**	**2.3**	**190.6**
Depreciation and write-downs 30.06.2024	-	(39.6)	-	(39.6)
Depreciation/amortisation	-	(1.8)	-	(1.8)
Depreciation and write-downs 30.09.2024	**-**	**(41.3)**	**-**	**(41.3)**
Book value 30.09.2024	**2.4**	**144.7**	**2.3**	**149.3**

8 Property, plant and equipment

USD million	Asset under construction	Production facilities	Other assets	Total
Book value 31.12.23	**1,422.8**	**1,003.7**	**1.4**	**2,427.9**
Acquisition costs 31.12.23	1,422.8	1,491.5	3.1	2,917.4
Additions	4.6	116.4	0.1	121.0
Reclassification from AUC to production facilities	(1,394.6)	1,394.6	-	-
Acquisition of subsidiary	-	-	0.0	0.0
Sale of assets	-	-	(0.0)	(0.0)
Currency translation adjustment	-	(0.1)	(0.0)	(0.1)
Acquisition costs 30.06.24	**32.7**	**3,002.5**	**3.1**	**3,038.4**
Depreciation and write-downs 31.12.23	-	(487.9)	(1.7)	(489.5)
Depreciation	-	(57.1)	(0.1)	(57.2)
Acquisition of subsidiary	-	-	(0.0)	(0.0)
Sale of asset, reversal depreciation	-	-	0.0	0.0
Currency translation adjustment	-	0.0	0.0	0.0
Depreciation and write-downs 30.06.24	**-**	**(545.0)**	**(1.8)**	**(546.7)**
Book value 30.06.24	**32.7**	**2,457.5**	**1.4**	**2,491.6**
Acquisition costs 30.06.24	32.7	3,002.5	3.1	3,038.4
Additions	24.7	26.7	0.0	51.4
Reclassification from AUC to production facilities	(2.3)	2.3	-	-
Currency translation adjustment	-	0.1	0.1	0.1
Acquisition costs 30.09.24	**55.2**	**3,031.5**	**3.2**	**3,089.9**
Depreciation and write-downs 30.06.24	-	(545.0)	(1.8)	(546.7)
Depreciation	-	(32.4)	(0.1)	(32.5)
Currency translation adjustment	-	(0.0)	(0.0)	(0.0)
Depreciation and write-downs 30.09.24	**-**	**(577.4)**	**(1.8)**	**(579.3)**
Book value 30.09.24	**55.2**	**2,454.1**	**1.4**	**2,510.6**

The Group now identifies two cash-generating units (CGU), one being its upstream oil & gas assets and the other relating to CarbonCuts (new subsidiary since January 2024). The Group has not identified any impairment triggers in third quarter 2024 hence is not required to perform any impairment tests. See note 1.7 in the Annual Report 2023 for the accounting policies related to impairment of non-financial assets.

9 Non-current receivables, trade receivables and other current assets

USD million	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Non-current assets				
Convertible loan CarbonCuts	-	-	1.1	0.7
Loan CarbonCuts	-	-	2.6	1.6
Total non-current receivables	**-**	**-**	**3.7**	**2.3**
Current assets				
Trade receivables	27.3	61.6	59.9	74.4
Under-lift of oil/NGL	3.1	-	2.6	-
Prepayments	12.3	14.2	24.8	14.5
Other receivables	2.2	5.1	1.4	2.5
Total trade receivables and other current receivables	**44.8**	**80.9**	**88.7**	**91.4**

10 Inventories

USD million	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Product inventory, oil	14.6	19.3	15.0	18.8
Other stock (spares & consumables)	45.8	44.6	39.7	38.6
Total inventories	**60.5**	**63.9**	**54.7**	**57.4**

11 Restricted bank accounts, cash and cash equivalents

USD million	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Non-current assets				
Restricted bank deposits pledged as security for abandonment obligation related to Nini/Cecilie	65.1	62.3	64.3	60.5
Restricted bank deposits pledged as security for cash call obligations towards TotalEnergies[1)]	155.5	152.9	149.6	147.7
Total non-current restricted bank deposits	**220.6**	**215.2**	**213.9**	**208.2**
Current assets				
Unrestricted cash and cash equivalents	241.2	136.0	166.7	305.6
Restricted bank deposits[2)]	0.1	0.1	0.1	0.1
Total current cash and cash equivalents	**241.3**	**136.1**	**166.9**	**305.6**
Total bank deposits	**461.8**	**351.3**	**380.7**	**513.8**

1) BlueNord has made a USD 140 million bank deposit into a security account to secure future requests for anticipated payments related to capital and operating expenditures in accordance with the security agreement with TotalEnergies E&P Denmark A/S as operator of the DUC. No further transfer to the security account will be made, except that interest earned will be accrued in the account.
2) Tax Withholding Account.

12 Borrowings

	30.09.2024		30.06.2024		31.12.2023		30.09.2023	
USD million	**Principal amount**	**Book value**	Principal amount	Book value	Principal amount	Book value	Principal amount	Book value
BNOR13 convertible bond [1)]	-	-	-	-	-	-	0.2	0.2
BNOR15 convertible bond [2)]	237.6	224.8	237.6	216.8	228.4	201.7	219.5	196.0
BNOR16 senior unsecured bond [3)]	300.0	296.1	-	-	-	-	-	-
BNOR14 senior unsecured bond [4)]	-	-	-	-	175.0	169.1	175.0	172.4
Total non-current bonds	**537.6**	**521.0**	**237.6**	**216.8**	**403.4**	**370.8**	**394.7**	**368.6**
Reserve-based lending facility [5)]	880.0	832.0	880.0	831.3	725.0	695.8	800.0	769.1
Total non-current debt	**880.0**	**832.0**	**880.0**	**831.3**	**725.0**	**695.8**	**800.0**	**769.1**
BNOR14 senior unsecured bond [4)]	-	-	175.0	170.2	-	-	-	-
Reserve-based lending facility [5)]	-	-	-	-	125.0	125.0	-	-
Total current debt	**-**	**-**	**175.0**	**170.2**	**125.0**	**125.0**	**-**	**-**
Total borrowings	**1,417.6**	**1,352.9**	**1,292.6**	**1,218.4**	**1,253.4**	**1,191.6**	**1,194.7**	**1,137.6**

Note: Book values reported on the basis of amortised cost for BNOR16 (BNOR14 called upon in June 2024), the reserve-based lending facility and the convertible bond loan element of BNOR13 and BNOR15.

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 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. Over the course of 2022 and 2023, majority of the convertible loan was transferred to BNOR15 convertible with a portion converted to equity. The outstanding value of BNOR13 as of 30.09.2024 is USD 65. Given the insignificant amount outstanding on BNOR13, this has been assumed as nil in the reporting and will be repaid in the near future.

2) The Company issued a convertible bond loan of USD 207.6 million in December 2022, with a five-year tenor and a mandatory conversion to equity or cash settlement after three years (31 December 2025). BNOR15 is made up of a transfer from BNOR13 of USD 151.4 million plus additional compensation bonds of USD 56.2 million. In the same way as BNOR13, 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 percent p.a. on a PIK basis, with an alternative option for the company to pay cash interest at 6 percent p.a., payable semi-annually. Conversion price of USD 51.4307 per share. In 2023 USD 0.1 million was converted into equity. No other capital movements were recorded in 2024. For more information on the bond terms see www.bluenord.com/debt.

3) The Company issued a senior unsecured bond of USD 300 million 2 July 2024, with a maturity in July 2029. The bond carries an interest of 9.5 per cent p.a., payable semi-annually. The BNOR16 bond has been used to redeem the BNOR14 bond and for other general corporate purposes.

4) As at 14 June 2024, the Company exercised the call option to redeem all of BNOR14 at 110.00131% (plus accrued unpaid interests on the redeemed amount) on 02 July 2024.

5) The Company completed the amendment and restatement of its USD 1.1 billion reserve-based lending facility and entered into an increased reserve-based lending Facility in Q2 2024. The facility has a five and a half-year tenor with a maximum limit of USD 1.4 billion (an increase of USD 300 million), with a maximum of USD 1.15 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 4.0 percent per annum. The current capital outstanding is USD 880 million at Q3 2024.

Payment structure (USD million)
at 30.09.2024

Year	BNOR16[1]	Reserve-based lending facility[3]	**Total**
Interest rate [2]	**9,5%**	**SOFR**	
2024	-	22.5	22.5
2025	28.5	89.1	117.6
2026	28.5	91.5	120.0
2027	28.5	308.5	337.0
2028	28.5	385.2	413.7
2029	328.5	352.4	680.9
Total	**442.5**	**1,249.3**	**1,691.8**

1) BNOR16 carries as interest rate of 9.50 percent per annum, payable semi-annually.
2) BNOR15 carries an interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum payment in kind ("PIK") cumulative interest, rolled up semi-annually, to add to BNOR15 capital on conversion at expiry of the bond. Currently the Company has elected the PIK interest of 8 percent and is therefore forecasting no cash interest payments on BNOR15 in the above table.
3) RBL interest payments include drawn, undrawn and letter of credit utilisation fees. There are no active interest rate hedges to date.

13 Trade payables and other current liabilities

USD million	**30.09.2024**	30.06.2024	31.12.2023	30.09.2023
Trade payable	0.8	0.5	17.5	1.4
Liabilities to operator	53.0	53.4	70.9	72.7
Over-lift of oil/NGL	-	6.4	-	3.6
Accrued interest	4.4	4.4	1.3	2.2
Salary accruals	2.1	1.5	2.4	1.8
Public duties payable	2.5	13.6	12.8	16.8
Other current liabilities	15.5	28.3	20.3	19.9
Total trade payables and other current liabilities	**78.3**	**108.1**	**125.3**	**118.3**

14 Financial instruments

14.1 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 30.09.2024 USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value hedging instruments				
– Derivative instruments fx contracts	-	1.2	-	1.2
– Derivative instruments price hedge	-	32.0	-	32.0
Total assets	**-**	**33.2**	**-**	**33.2**
Liabilities				
Financial liabilities at fair value through profit or loss				
– Embedded derivatives convertible bond BNOR15[1)]	-	-	31.0	31.0
Financial liabilities at fair value hedging instruments				
– Derivative instruments price hedge	-	31.1	-	31.1
Total liabilities	**-**	**31.1**	**31.0**	**62.1**

1) For more information see section 14.3

14.2 Financial instruments by category

On 30.09.2024 USD million	Financial instruments at amortised cost	Financial instruments at fair value through profit or loss	Hedging instruments at fair value	Total
Assets				
Derivative instruments fx contracts	-	-	1.2	1.2
Derivative instruments price hedge	-	-	32.0	32.0
Trade receivables and other current assets	44.8	-	-	44.8
Restricted bank deposits	220.7	-	-	220.7
Cash and cash equivalents	241.2	-	-	241.2
Total assets	**506.6**	**-**	**33.2**	**539.8**
Liabilities				
Derivative instruments fx contracts	-	-	-	-
Derivative instruments price hedge	-	-	31.1	31.1
Embedded derivatives convertible bond BNOR15	-	31.0	-	31.0
Convertible bond loan	224.8	-	-	224.8
Senior unsecured bond loan	296.1	-	-	296.1
Reserve-based lending facility	832.0	-	-	832.0
Trade payables and other current liabilities	78.3	-	-	78.3
Total liabilities	**1,431.2**	**31.0**	**31.1**	**1,493.3**

14.3 Financial instruments – fair values

Set out below is a comparison of the carrying amounts and fair value of financial instruments on 30 Sep 2024:

USD million	Total amount outstanding*	Carrying Amount	Fair Value
Financial assets			
Derivative instruments fx contracts		1.2	1.2
Derivative instruments price hedge		32.0	32.0
Trade receivables and other current assets		44.8	44.8
Restricted bank deposits		220.7	220.7
Cash and cash equivalents		241.2	241.2
Total		**539.8**	**539.8**
Financial liabilities			
Derivative instruments price hedge		31.1	31.1
Embedded derivative convertible bond BNOR15		31.0	31.0
Convertible bond loans	237.6	224.8	206.6
Senior unsecured bond loan	300.0	296.1	300.0
Reserve-based lending facility	880.0	832.0	880.0
Trade payables and other current liabilities		78.3	78.3
Total	**1,417.6**	**1,493.3**	**1,526.9**

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

The RBL facility is measured at amortised cost. 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. The capital outstanding is USD 880 million in Q3 2024.

The senior unsecured bond loan is measured at amortised cost, in addition a total of USD 11.3 million in transaction costs are deducted from the amount initially recognised.

The BNOR15 instrument 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, transaction costs are included in the amortised cost. The embedded derivative is valued on an option valuation basis, the carrying value as on 30 September 2024 was USD 31.0 million. The assumptions in establishing the option value as on 30 September 2024 are shown below. The following table lists the inputs to the model used to calculate the fair value of the embedded derivatives:

		BNOR15
Valuation date	(date)	30 Sep 24
Agreement execution date	(date)	30 Dec 22
Par value of bonds	(USD)	237,564,563
Reference share price at time of agreement	(NOK)	413
Fair value at grant date	(USD)	38,928,552
PIK interest rate	(%)	8.00%
Expected life	(years)	1.3
Number of options	(#)	4,619,120
Conversion price	(NOK)	537
Fixed FX rate of agreement	(USD:NOK)	10.440
Risk-free rate (based on government bonds)	(%)	3.36%
Expected volatility	(%)	43.16%
Model used	Black - Scholes - Merton	

14.4 Hedging

The Group actively seeks to reduce the market-related risks it is exposed to including, (i) commodity prices, (ii) market-linked floating interest rates and (iii) foreign exchange rates.

The Company has a rolling hedge requirement under its newly refinanced RBL facility based on a minimum level of production corresponding to the RBL's production forecast. The requirement is for the following volumes and time periods: (i) Oil: Year 1 at 50% and Year 2 at 40%; (ii) Gas: Season 1 at 50%, Season 2 at 50%, Season 3 at 40% and Season 4 at 20% (seasons being the ensuing six-month seasons, with a season being October to March or April to September). The Company's hedges are compliant with this requirement. Currently all the Company's commodity price hedging arrangements are a mixture of forward contracts and option collars.

The company has entered foreign exchange hedges to secure fixed USD to DKK exchange rates at a nominal amount of USD 32.6 million equivalent to DKK 225 million, for selected future payments in relation to taxes, VAT and cash calls related to the Company's forecast cash-flows.

Hedge accounting is applied to all the Company's hedging arrangements. To the extent more than 100 percent of the market-related risk is hedged, the portion above 100 percent is considered ineffective, and the value adjustment is treated as a financial item in the Income Statement. In Q3 2024, most of the Company's arrangements in relation to commodity prices were effective, the part that exceeded the physical sale of oil was recognised as a financial cost. No part of the foreign exchange hedge was considered ineffective. Time value related to commodity hedging arrangements is considered insignificant and generally the valuation of the instruments do not take into consideration the time value.

	Maturity						
As of 30 September 2024	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	More than 12 months	Total
Commodity forward sales contracts oil:							
Notional quantity (in mbbl)	-	1,017.0	929.0	929.0	915.0	2,415.0	6,205.0
Notional amount (in USD million)	-	74.6	67.8	67.7	67.5	177.7	455.3
Average hedged sales price (in USD per bbl)	-	73.3	73.0	72.9	73.8	73.6	73.4
Commodity forward sales contracts gas:							
Notional quantity (in mMWh)	-	675.0	690.0	1,020.0	1,020.0	2,490.0	5,895.0
Notional amount (in EUR million)	-	28.7	29.3	35.9	35.9	84.0	213.8
Average hedged sales price (in EUR per MWh)	-	42.5	42.4	35.2	35.2	33.7	36.3
Commodity zero cost collar contracts gas:							
Notional quantity gas (in mMWh)	-	60.0	180.0	60.0	60.0	210.0	570.0
Average hedged price - floor (in EUR per MWh)	-	30.0	33.3	32.5	32.5	35.0	163.3
Average hedged price - ceiling (in EUR per MWh)	-	54.0	53.0	41.5	41.5	51.1	48.5

15 Asset retirement obligations

USD million	2024 Q3	2024 01.01.-30.06.	2023 01.01.-31.12.
Provisions as of beginning of period	1,058.8	1,049.0	955.8
Provisions and change of estimates	2.8	(2.0)	52.6
Accretion expense	13.5	27.1	49.2
Incurred removal cost	(0.8)	(15.3)	(8.7)
Currency translation adjustment	0.1	(0.1)	0.1
Total provisions made for asset retirement obligations	**1,074.5**	**1,058.8**	**1,049.0**
Break down of short-term and long-term asset retirement obligations			
Short-term	4.8	3.7	15.4
Long-term	1,069.7	1,055.1	1,033.7
Total provisions for asset retirement obligations	**1,074.5**	**1,058.8**	**1,049.0**

The balance as per 30 September 2024 is USD 1,005.8 million for DUC, USD 65.1 million for Nini/Cecilie, USD 1.6 million for Lulita (non-DUC share) and USD 2.0 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 5.5 percent. The credit margin included in the discount rate is 2.9 percent. The abandonment estimates are further guided by the annual Decommissioning Programme and Budget, approved under the DUC partnership. These are contingent on commodity prices development and field recovery assessments.

16 Shares and share capital

	No. of shares	Share capital*
Number of shares and share capital as of 31.12.2023	26,205,849	1.7
Issue of shares	292,791	0.0
Number of shares and share capital as of 30.09.2024	**26,498,640**	**1.7**

	No. of shares	Treasury share reserve*
Number of treasury shares and treasury shares reserves as of 31.12.2023	(100,521)	(0.1)
Sale of treasury shares	100,521	0.1
Number of treasury shares and treasury share reserves as of 30.09.2024	**-**	**-**

* In USD million

17 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.

BlueNord

Information

04

Alternative Performance Measures

BlueNord chooses to disclose Alternative Performance Measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with International Financial Reporting Standards. 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 BlueNord's business operations and to improve comparability between periods.

EBITDA Earnings before interest, taxes, depreciation, depletion, amortisation and impairments. EBITDA assists in comparing performance on a consistent basis without regard to depreciation and amortisation, 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.

Adj. EBITDA is EBITDA adjusted for the cost based on fair value of the share-options programme and Non-payment insurance as these costs are related to the DUC acquisition and not directly related to the operational result for the year.

USD million	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
EBITDA	**84.9**	**72.2**	**106.1**	**244.8**	**326.4**
Non-payment insurance	2.2	1.5	2.4	5.2	4.8
Share-option program[1]	2.5	-	-	2.5	0.0
Adj. EBITDA	**89.6**	**73.7**	**108.5**	**252.5**	**331.1**

1) Social security taxes related to the share-option program being exercised.

Cash flow from operations is defined as Net Cash flow from operating activities excluding tax payments.

USD million	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Cash flow from operations	**91.9**	**57.4**	**118.2**	**237.7**	**375.6**
Tax (paid)/received	**(5.5)**	(7.3)	(0.1)	(24.4)	(40.4)
Net cash flow from operating activities	**86.4**	**50.1**	**118.2**	**213.3**	**335.2**

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

USD million	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Convertible bond loans	(224.8)	(216.8)	(201.7)	(196.1)
Senior unsecured bond loan	(296.1)	(170.2)	(169.1)	(172.4)
Reserve-based lending facility	(832.0)	(831.3)	(820.8)	(769.1)
Interest-bearing debt	**(1,352.9)**	**(1,218.4)**	**(1,191.6)**	**(1,137.6)**

Net interest-bearing debt is defined by BlueNord 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. **Net interest-bearing debt as per debt covenant** is defined by BlueNord as net interest-bearing debt adjusted for convertible bond loans and letters of credit issued.

USD million	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Cash and cash equivalents	241.2	136.0	166.7	305.6
Convertible bond loans	(237.6)	(237.6)	(228.4)	(219.7)
Senior unsecured bond loan	(300.0)	(175.0)	(175.0)	(175.0)
Reserve-based lending facility	(880.0)	(880.0)	(850.0)	(800.0)
Net interest-bearing debt	**(1,176.4)**	**(1,156.6)**	**(1,086.7)**	**(889.1)**
Adjustment for convertible bond loans	237.6	237.6	228.4	219.7
Include issued letters of credit	(100.0)	(100.0)	(100.0)	(100.0)
Net interest-bearing debt as per debt covenant	**(1,038.8)**	**(1,019.0)**	**(958.3)**	**(769.4)**

Information about BlueNord

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Internet	www.bluenord.com
Organisation number	NO 987 989 297 MVA

Financial Calendar 2024

14 May	Annual General Meeting
07 May	Q1 2024 Report
10 July	Q2 and Half-year 2024 Report
30 October	Q3 2024 Report

Board of Directors

Glen Ole Rødland	Chair
Marianne Lie	
Tone Kristin Omsted	
Robert J McGuire	
Peter Coleman	
Kristin Færøvik	
João Saraiva e Silva	

Management

Euan Shirlaw	Chief Executive Officer
Jacqueline Lindmark Boye	Chief Financial Officer
Miriam Jager Lykke	Chief Operating Officer
Cathrine Torgersen	Chief Corporate Affairs Officer

Investor Relations

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E-mail	investorrelations@bluenord.com

Annual Reports

Annual reports for BlueNord are available on www.bluenord.com

Quarterly publications

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

News Releases

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

Appendix

Production and operating efficiency for Q2 2024 is updated with actuals. Numbers published in Q2 2024 Report included estimates end of June due to early cut off.

Dan hub

Key figures	Unit	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Dan	mboepd	6.7	6.8	7.7	6.8	7.3
Kraka	mboepd	0.6	0.7	0.6	0.7	0.5
Operating efficiency		92.2%	93.5 %	86.2%	91.4%	81.2%

Gorm hub

Key figures	Unit	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Gorm	mboepd	0.8	0.9	0.9	0.9	0.9
Rolf	mboepd	0.4	0.4	0.3	0.4	0.3
Skjold	mboepd	4.2	3.1	3.2	3.3	3.2
Operating efficiency		90.7%	80.9 %	78.9%	85.5%	79.1%

Halfdan hub

Key figures	Unit	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Halfdan	mboepd	12.3	12.9	12.0	12.4	12.8
Operating efficiency		94.8%	93.1 %	86.3%	93.6%	88.8%

Tyra hub

Key figures	Unit	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023
Tyra	mboepd	(0.2)	(0.3)	-	(0.2)	-
Harald	mboepd	1.3	0.0	-	0.4	-
Lulita	mboepd	-	-	-	-	-
Roar	mboepd	-	-	-	-	-
Svend	mboepd	-	-	-	-	-
Valdemar	mboepd	-	-	-	-	-
Operating efficiency	%	NA	NA	NA	NA	NA

APPENDIX 2 – BLUENORD'S RESERVE REPORT

BlueNord

Annual Statement of Reserves and Resources Year End 2023

Contents

1. Management's Discussion and Analysis (MD&A)

The reported reserves (Developed and Undeveloped) include remaining volumes expected to be recovered based on reasonable assumptions about future technical, economic, fiscal, and financial conditions based on year end 2023 data. The reported contingent resources are potentially recoverable volumes from known accumulations and includes projects that are being matured in the near term.

BlueNord has changed Reserves Evaluator for the Year End 2023 Reserves and Resources estimation. The Reserves Evaluator ERC Equipoise Ltd ("ERCE") has carried out an independent evaluation of the hydrocarbon Reserves and certain Contingent Resources held by BlueNord Energy Denmark A/S in the DUC Sole Concession area, offshore Denmark. This report has been prepared to support regulatory reporting and for financing purposes. The effective date of this report is 31 December 2023.

ERCE has carried out this work in accordance with the June 2018 SPE/WPC/AAPG/ SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System ("PRMS") as the standard for classification and reporting.

ERCE's forecasts, dated 1 January 2024, of Brent crude oil and National Balancing Point ("NBP") natural gas prices were used for the evaluation, with a long term oil price of US$/bbl 75.5, and a long term gas price of 93.6 pence/therm. These prices are in 2024 real terms and are subject to annual inflation of 2.0% to determine nominal (money of the day) prices. ERCE's NBP natural gas price forecast is converted from p/therm to EUR/MWh assuming 1 Mscf = 10.37 therm and 1 MWh = 329.4 scf.

Though the after tax NPV10 estimates as of 31 December 2023 form an integral part of fair market value estimations, without consideration for other economic criteria they are not to be construed as ERCE's opinion of fair market value. There is no assurance that the forecast production and cost profiles contained in this report will be attained and variances could be material. The recovery and estimates of the company's oil and natural gas resources are estimates only and there is no guarantee that the estimate will be recovered. Actual volumes recovered may be greater than or less than the estimates stated in this report. Further, a significant change in commodity prices may also impact the reserves and lead to reduction or extension of the currently estimated lifetime of the fields.

18.03.2024

M. W. Eide

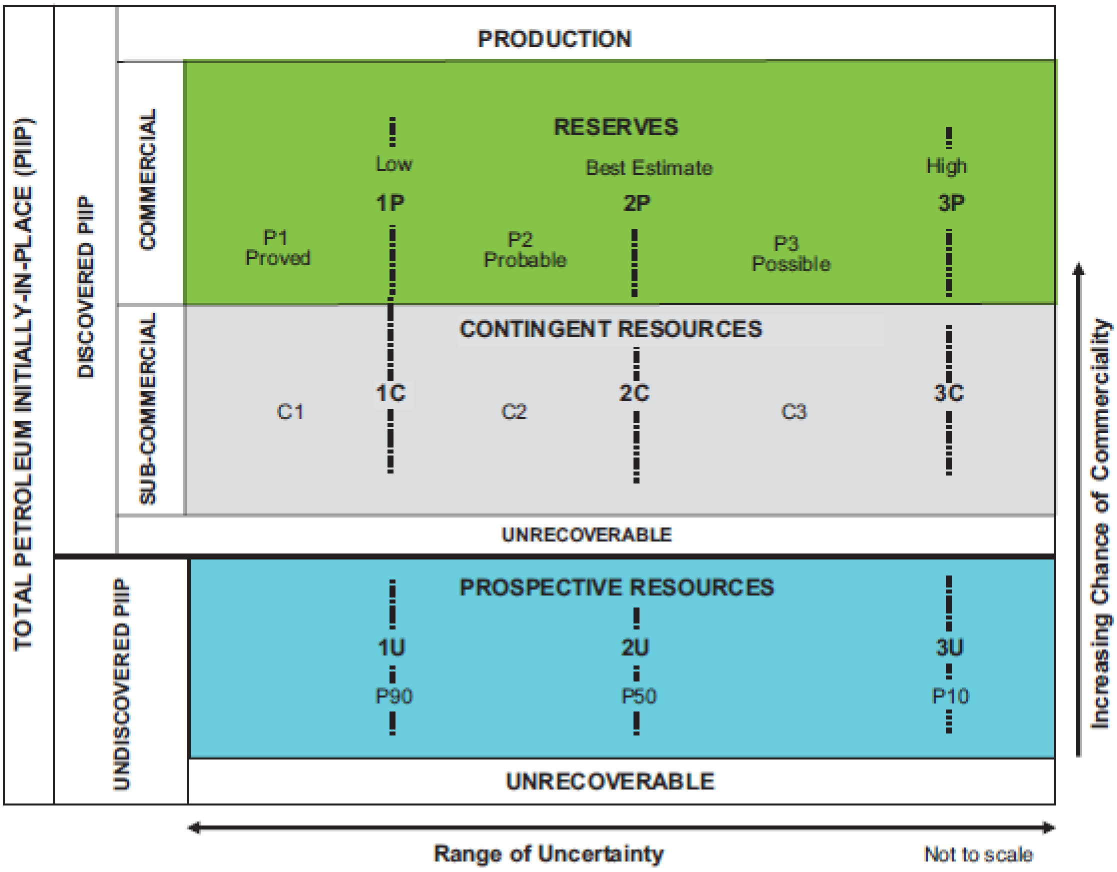
Marianne Eide

Chief Operating Officer

2. Reserves and Contingent Resources Classification

ERC Equipoise Ltd ("ERCE") has carried out an independent evaluation of the hydrocarbon Reserves and certain Contingent Resources held by BlueNord Energy Denmark A/S in the Sole Concession area, offshore Denmark. The Reserves are reported on a field gross, Company working interest and Company net entitlement basis as of 31 December 2023. Under PRMS it is the Company net entitlement that should be reported as the entity's Reserves. Both Developed and Undeveloped Reserves are reported for each hub and by product type. Gas Reserves are based on sales volumes and exclude fuel and flare. Oil equivalent Reserves are reported based on an energy equivalent conversion of the gas Reserves using a conversion of 5,200 scf per barrel of oil equivalent ("boe"). ERCE has carried out this work in accordance with the June 2018 SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System ("PRMS") as the standard for classification and reporting.

Figure 1 – PRMS Resources classification framework



This report provides an overview of Developed Reserves (on production), Undeveloped Reserves associated with the ongoing Tyra II project, one project in the sub-class Approved for Development, and three projects in the sub-class Justified for Development that have not yet been sanctioned, and four projects in Contingent Resources. The latter are only a subset of the full portfolio of development projects in the Contingent Resource class. No assessment has been made of prospective resources (in accordance with the classification table above).

The Danish Underground Consortium (DUC) is a joint venture with three partners:

TotalEnergies	43.2% equity (Operator)
BlueNord	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 license extension was granted on 29 September 2003 by the Danish Minister for Economic and Business Affairs for the period 1st January 2004 and up to 8 July 2042.

The Tyra II project was sanctioned in December 2017 because 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 31 March 2024 and a ramp-up of four months based on REMIT Notification issued 22 January 2024. All associated volumes are reported as Under Development. Once the Tyra facilities are restarted, the Undeveloped Reserves in the Tyra hub fields are expected to be reclassified as Developed Reserves.

3. Reserves Estimation

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates as Proved (1P), Proved plus Probable (2P) and Proved plus Probable plus Possible (3P).

The Reserves are reported on a field gross, Company working interest and Company net entitlement basis as of 31 December 2023. Under PRMS it is the Company net entitlement that should be reported as the entity's Reserves. Both Developed and Undeveloped Reserves are reported for each hub and by product type. Gas Reserves are based on sales volumes and exclude fuel and flare. Oil equivalent Reserves are reported based on an energy equivalent conversion of the gas Reserves using a conversion of 5,200 scf per barrel of oil equivalent ("boe").

The ERCE estimates of Developed Reserves in producing fields are based on decline curve analysis ("DCA") and a review of historical performance of recent well interventions and activities. Estimates of Undeveloped Reserves are based on hydrocarbon in place and recovery efficiency estimates, analogue type curves, stochastic historic well performance analysis and/or dynamic modelling.

In accordance with the PRMS guidelines, the Cessation of Production ("CoP") date used to estimate Reserves is defined as (a) the end of the last 12 months period that the maximum cumulative operating cash flow occurs; (b) the end of the technical field life; or (c) the end of the license period, whichever occurs soonest.

4. Reserves

The Developed Reserves include the fields on production from the Dan, Halfdan and Gorm hubs. The Undeveloped Reserves includes Reserves from the Tyra II project, two Halfdan infill wells and three other development projects.

Table 1 – BlueNord 1P, 2P and 3P Reserves as of 31.12.2023

Reserves		1P				2P				3P
		Gross	Gross	Gross	Net	Gross	Gross	Gross	Net	Net
		Liquids	Gas	boe	boe	Liquids	Gas	boe	boe	boe
as of 31.12.2023	Interest	MMstb	Mmboe	Mmboe	Mmboe	MMstb	Mmboe	Mmboe	Mmboe	Mmboe
On Production										
Dan	36.8%	30.9	1.7	32.6	12.0	60.4	4.5	64.9	23.9	33.0
Kraka	36.8%	3.5	0.0	3.5	1.3	6.9	0.1	7.1	2.6	3.6
Dan Hub	36.8%	**34.3**	**1.7**	**36.1**	**13.3**	**67.4**	**4.6**	**72.0**	**26.5**	**36.5**
Halfdan	36.8%	37.8	12.5	50.2	18.5	77.6	24.9	102.6	37.7	53.0
Halfdan hub	36.8%	**37.8**	**12.5**	**50.2**	**18.5**	**77.6**	**24.9**	**102.6**	**37.7**	**53.0**
Gorm	36.8%	8.4	-	8.4	3.1	14.4	-	14.4	5.3	7.8
Skjold	36.8%	13.4	0.1	13.5	5.0	22.4	1.2	23.7	8.7	13.3
Rolf	36.8%	1.5	-	1.5	0.5	2.4	-	2.4	0.9	1.3
Gorm hub	36.8%	**23.3**	**0.1**	**23.3**	**8.6**	**39.3**	**1.2**	**40.5**	**14.9**	**22.5**
Total		**95.4**	**14.3**	**109.7**	**40.4**	**184.3**	**30.8**	**215.1**	**79.1**	**112.0**
Under Development										
Tyra	36.8%	17.3	43.7	61.0	22.4	31.6	83.2	114.8	42.2	65.4
Valdemar	36.8%	24.6	12.6	37.3	13.7	38.4	21.3	59.7	22.0	30.4
Roar	36.8%	3.8	9.3	13.2	4.8	7.0	16.1	23.1	8.5	12.3
Lulita	28.4%	0.8	0.5	1.2	0.4	1.0	0.6	1.6	0.4	0.5
Harald	36.8%	0.6	3.5	4.1	1.5	1.1	5.5	6.7	2.5	3.3
Total		**47.1**	**69.6**	**116.8**	**42.9**	**79.0**	**126.8**	**205.8**	**75.6**	**111.9**
Approved for Development and Justified for Development										
Halfdan HCA Gas Lift	36.8%	0.2	3.8	4.0	1.5	0.6	7.4	8.0	2.9	3.2
Valdemar Bo South	36.8%	9.3	4.0	13.3	4.9	17.2	7.7	24.9	9.2	14.9
Adda (Phase 1)	36.8%	7.7	12.2	20.0	7.4	17.2	23.0	40.2	14.8	25.1
Halfdan Infill (Ekofisk)	36.8%	3.6	1.8	5.5	2.0	5.7	5.1	10.8	4.0	6.0
Total		**20.9**	**21.9**	**42.8**	**15.7**	**40.7**	**43.1**	**83.8**	**30.8**	**49.3**
On Production plus Under Development										
Total		**142.5**	**83.9**	**226.4**	**83.2**	**263.3**	**157.6**	**420.9**	**154.7**	**223.9**
On Production plus Under Development plus Justified for Development										
Total Reserves		**163.4**	**105.8**	**269.2**	**99.0**	**304.0**	**200.6**	**504.6**	**185.6**	**273.2**

Notes:

1. Gross Reserves represent 100% of the Reserves to be recovered from the licence.
2. Net Reserves are based on the working interest share of the field gross Reserves. As there are no royalties to be deducted, Net Reserves are equal to Net Entitlement Reserves.
3. Barrels of oil equivalent are calculated using a conversion of 5,200 scf/boe.
4. Gas Reserves are based on sales volumes and exclude fuel and flare. ERCE has assumed each hub provides its own fuel gas and imports fuel gas if it is fuel gas deficient.
5. The Halfdan WROM I/II programme and the recently drilled infill Well HBA-27B are included in the Halfdan Hub Developed Reserves.
6. Halfdan Hub Undeveloped Reserves include the HCA gas lift project and two Ekofisk infill wells.
7. The Gorm Hub Developed Reserves include Skjold field Developed Reserves based on the Skjold gas acceleration project.
8. Tyra Hub Undeveloped Reserves include the Valdemar Bo South and Adda (Phase 1) developments.

Table 2 – BlueNord 1P, 2P and 3P Developed plus Under Development Reserves as of 31.12.2023

Reserves per hub		1P				2P				3P
		Gross	Gross	Gross	Net	Gross	Gross	Gross	Net	Net
		liquids	gas	boe	boe	liquids	gas	boe	boe	boe
as of 31.12.2023	*Interest*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmbbl*	*mmboe*	*mmboe*	*mmboe*	*mmboe*
Dan	36.8%	30.9	1.7	32.6	12.0	60.4	4.5	64.9	23.9	33.0
Kraka	36.8%	3.5	0.0	3.5	1.3	6.9	0.1	7.1	2.6	3.6
Dan Hub		**34.3**	**1.7**	**36.1**	**13.3**	**67.4**	**4.6**	**72.0**	**26.5**	**36.5**
Halfdan	36.8%	37.8	12.5	50.2	18.5	77.6	24.9	102.6	37.7	53.0
Halfdan Hub		**37.8**	**12.5**	**50.2**	**18.5**	**77.6**	**24.9**	**102.6**	**37.7**	**53.0**
Gorm	36.8%	8.4	0.0	8.4	3.1	14.4	0.0	14.4	5.3	7.8
Skjold	36.8%	13.4	0.1	13.5	5.0	22.4	1.2	23.7	8.7	13.3
Rolf	36.8%	1.5	0.0	1.5	0.5	2.4	0.0	2.4	0.9	1.3
Gorm Hub		**23.3**	**0.1**	**23.3**	**8.6**	**39.3**	**1.2**	**40.5**	**14.9**	**22.5**
Tyra	36.8%	17.3	43.7	61.0	22.4	31.6	83.2	114.8	42.2	65.4
Valdemar	36.8%	24.6	12.6	37.3	13.7	38.4	21.3	59.7	22.0	30.4
Roar	36.8%	3.8	9.3	13.2	4.8	7.0	16.1	23.1	8.5	12.3
Harald	36.8%	0.8	0.5	1.2	0.4	1.0	0.6	1.6	0.4	0.5
Lulita	28.4%	0.6	3.5	4.1	1.5	1.1	5.5	6.7	2.5	3.3
Tyra Hub		**47.1**	**69.6**	**116.8**	**42.9**	**79.0**	**126.8**	**205.8**	**75.6**	**111.9**
Total Reserves		**142.5**	**83.9**	**226.4**	**83.2**	**263.3**	**157.6**	**420.9**	**154.7**	**223.9**

Table 3 – BlueNord 1P, 2P and 3P Reserves Development from 31.12.2022 to 31.12.2023

Reserves, net	**On production**			**Under Development**			**Approved/Justified for Develop.**			**Total**		
Units in MMboe	1P	2P	3P	1P	2P	3P	1P	2P	3P	1P	2P	3P
YE2022 Reserves	**46.5**	**88.0**	**113.7**	**56.6**	**74.4**	**84.4**	**9.7**	**20.0**	**28.3**	**112.8**	**182.4**	**226.4**
2023 Production	9.1	9.1	9.1	0	0	0	0	0	0	9.1	9.1	9.1
Acquisitions and disposals												
Revisions	3.0	0.2	7.4	-13.7	1.2	27.5	-0.9	-3.1	-2.8	-11.7	-1.6	32.1
Discovery and Extensions												
Additions												
Projects Matured							6.9	13.9	23.8	6.9	13.9	23.8
YE2023 Reserves	**40.4**	**79.1**	**112.0**	**42.9**	**75.6**	**111.9**	**15.7**	**30.8**	**49.3**	**99.0**	**185.6**	**273.2**
Delta (YE2023-YE2022)	**-6.1**	**-8.9**	**-1.7**	**-13.7**	**1.2**	**27.5**	**6.0**	**10.8**	**21.0**	**-13.9**	**3.2**	**46.8**

Notes
1. The line 'Production 2023' is the BlueNord share of sales volumes (in mmboe).

The production performance in 2023 was excellent mainly due to a high level of well intervention and restimulation activities as well as a high operational efficiency.

Through 2022 and 2023, the Operator carried out a Well Reservoir Optimisation Management I ("WROM I") campaign which included more than 40 wells across the Dan field. One well in 2024 concludes the campaign on Dan, and a WROM II campaign will be carried out on Halfdan from 2024 through to Q1 2025 with 24 planned activities.

The delivered operational efficiency was 86% which was delivered despite unplanned production losses in connection to a crack in the flare piping on Gorm C and a leak on the inlet manifold of the Haldan BD compressor. This was possible because of excellent operational performance by the Operator as well as by the Halfdan re-route work on Dan and Halfdan being completed ahead of schedule with less than expected impact on the Dan and Halfdan production.

As an acknowledgement of the good production performance of the Gorm hub, life extension activities were initiated by the partnership in 2023. The purpose of these activities is to ensure the integrity of the facilities into the future.

Routine flaring has been eliminated in DUC as of the 6 of July 2023. The routine flaring was caused by flaring of excess gas from the final stabilisation of Halfdan oil on Gorm as there was no available export route. This routine flaring was eliminated through the Halfdan reroute project, where the oil from Halfdan is now being routed to Dan for final stabilisation.

Between 2020 and 2022, eight new Tyra platforms were installed including six wellhead platforms, an accommodation platform and a processing platform. These new facilities will serve as the new hub for production from Tyra and its satellite fields. The process of unplugging Tyra and Tyra SE wells began in late 2023 and will continue through Q1 and Q2 2024. First gas is scheduled 31 March 2024 and production will be ramped up over a period of four months with full production potential expected to be achieved in Q3 2024 as per REMIT notification dated 22 January 2024

The YE 2023 2P reserves estimation resulted in a 2P reserves replacement of 135% and consists of both upward and downward revisions.

The key drivers of the revisions of **Reserves On Production** which has an overall reduction of 1.6 MMboe are related to the following:

- A downward revision on Dan field based on the Reserves Evaluator's view on production/cost.
- An upward revision on Kraka field based on the Reserves Evaluator's view on production/cost.
- An upward revision of Halfdan Main is based on the field performance in 2023 confirming a reduced reservoir production decline during 2023.
- An upward revision of Halfdan Main due to inclusion of WROM II and transfer of HBA-27B from Undeveloped to Developed Reserves
- A downward revision of Gorm, Skjold and Rolf driven mainly by a reduced economic limit of the Gorm Hub based on the Reserves Evaluator's view on production/cost.

To keep production high in 2024 and beyond, the plan for 2024 is to continue with workovers on the Dan field, maintain the high uptime with continued focus on the unplanned shortfalls, carry out well optimization through restimulations on all hubs and WROM I/II on Halfdan. Finally, one infill well in Ekofisk will be drilled in the Halfdan Main field. An exploration keeper well is planned for 2024 in Harald East Middle Jurassic area. In case of success the well will increase production through the Harald platform. This well is not included in the Reserves and Contingent Resources as it has a 70% PoS and thus sits under Exploration.

The YE 2023 reserves estimation for the **Approved and Justified for Development** has an overall increase of 13.9 MMboe, and the key drivers for the upward and downward revisions are related to the following:

- An upward revision on HCA gas lift based on the Reserves Evaluator's view on production/cost.
- Maturation of the Adda project Phase 1 from Contingent Resources into Justified for Development
- HBA-27B transferred from Approved for Development to Developed Reserves
- A downward revision of Halfdan NE due to the infill well HBA-15 being contingent on HBA-27B results and results of recently acquired 4D seismic.

5. Developed Fields

The DUC assets consist of fourteen developed fields. All fields are situated on the Danish Continental Shelf. The developments consist of four producing hubs: Dan, Gorm, Halfdan and Tyra. Production started from the Dan field in 1972. Oil is exported to shore via an oil pipeline from Gorm and during the Tyra II project, gas is exported to the Netherlands via the NOGAT pipeline. After the Tyra hub is back on production, gas will be exported both via NOGAT to Netherlands and via Tyra II to shore in Denmark.

5.1 Dan Hub

The Dan hub includes the Dan and Kraka fields.

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 waterflooding. Dan is a domal structure, where a major fault separates the NW downthrown A-block from the SE Upthrown B-block. The West Flank area of the field is located between the Dan A-block and the Halfdan field and was developed at a later stage than the A- and B-blocks.

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 have been drilled, with currently 43 active oil wells and 34 active water injectors. By end of 2023 the field has produced 759 MMstb of oil and 1001 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 2023 the field has produced 41 MMstb of oil and 65 Bscf of gas.

5.2 Halfdan Hub

The Halfdan hub includes the Halfdan Main and the Halfdan North East fields.

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 waterflooding. The Halfdan NE field was brought on production in 2000 and 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 have been drilled, with currently 33 active oil producers and 26 active water injectors. By end of 2023 the field has produced 536 MMstb of oil and 604 Bscf of gas.

In July 2023, an infill well HBA-27B was spudded and after several drill string failures, a third sidetrack successfully drilled into the Tor reservoir. The well is currently completed and is expected to be stimulated and brought on production March 2024.

Halfdan North East has been developed in three phases and 17 wells have been drilled, with currently 17 active gas producers. By end of 2023 the field has produced 17 MMstb of oil and 801 Bscf of gas.

5.3 Gorm Hub

The Gorm hub includes the Gorm, Skjold and Rolf fields.

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 15 active producers and 6 active water injectors. By end of 2023 the field has produced 403 MMstb of oil and 600 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 drive mechanism is waterflooding. 30 wells have been drilled, with currently 16 active oil producers and 8 active water injectors. By end of 2023 the field has produced 314 MMstb of oil and 160 Bscf of gas.

A gas acceleration project is planned to be implemented in 2024 in the Skjold field. The project will see 4 of the 8 injection wells turned off to enable a switch to depletion in the East and West areas of the field. The expectation is that this will lead to increased gas and oil production in the near-term. Additional gas will provide fuel gas for Gorm hub operations and following modifications to allow gas export from Gorm to Halfdan, a portion of the increased gas production is expected to be available for export.

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 field is four-way dip-closed anticline structure overlying a salt diapir. The production mechanisms are solution gas drive and aquifer support. 3 wells have been drilled, with currently 1 active oil producer. By end of 2023 the field has produced 31 MMstb of oil and 8 Bscf of gas.

5.4 Tyra Hub

The Tyra hub includes the Tyra Main, Tyra South East, Valdemar, Roar, Harald East, Harald West and Lulita fields.

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 produces 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 referred to as the Tyra II project. In that connection, production from the entire Tyra hub has been closed in since Q3 2019. The Tyra II project scope include the replacement of the existing accommodation and processing platforms by one single accommodation and one processing platform. The wellhead jackets have been raised, and topsides replaced. The estimated start-up of the new Tyra facility and the Tyra Satellites is scheduled for March 2024. A total of 93 wells have been drilled on Tyra Main and SE. In Tyra Main the plan is to reinstate 31 wells. By end of 2023, the field has produced 172 MMstb and 3,774 Bscf of gas. In the Tyra SE field, the plan is to reinstate 16 wells. By end of 2023, the field has produced 35.5 MMstb of oil and 477 Bscf of gas.

Tyra acts further as the gas gathering center and export hub for all DUC fields. During the Tyra II project, Dan acts as the temporary 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 have 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 a plan to reinstate 22 oil and gas producers. By end of 2023 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 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. 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 a plan to reinstate all 4 producers. By end of 2023 the field has produced 589 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. 4 wells have been drilled, 2 on Harald West and 2 on Harald East, and all 4 wells are planned to be reinstated. By end of 2023 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. 2 wells have been drilled, however only 1 is planned to be reinstated. By end of 2023 the field has produced 7.4 MMstb of oil and 28 Bscf of gas. DUC holds an 50% interest in the Lulita field with Ineos (40%) and BlueNord (10%) as partners.

6. Development Projects - Reserves

The development projects include reserves classified as Undeveloped Reserves as well as Reserves Justified for Development.

6.1 HCA Gas Lift Project

The Halfdan HCA platform hosts ten naturally flowing gas wells. Due to natural depletion, the gas rates are declining, and wells have experienced liquid loading problems. This will be mitigated by making gas lift available to nine of the wells to lift liquids, enabling continued steady production from the wells and reduce their technical rate limits. The HCA gas lift, although approved, has been postponed to 2025 due to the strong production performance in 2023 still driven by the successful restimulation in June 2022 and the reduction of Tubing Head Pressure (THP) in June/August 2023 resulting in improved gas production. The project will convert an 8-inch condensate export line to import gas-lift gas from the HBB platform with the HCA 16-inch gas export line converted to a multi-phase pipeline. The project is assigned Undeveloped Reserves.

6.2 Halfdan Ekofisk infill wells

The Halfdan Ekofisk Main opportunity targets oil and gas above Halfdan Main Tor development. The Ekofisk Main development potential was confirmed by the drilling of HBB-04 in 2017 and HBB-05 in 2019, respectively. There are plans to drill two Ekofisk infill wells in the Halfdan field starting in Q4 2024. The well locations will be optimised based on the results and interpretation of the 2023 4D seismic survey. The two wells are considered firm and have been assigned Undeveloped Reserves, although FID has not been taken at the date of the Evaluation.

6.3 Valdemar Bo South

The Valdemar Bo South (VBS) development targets oil from the Tuxen reservoir in the undeveloped area located south of the Valdemar BA platform. The Tuxen reservoir is part of the Lower Cretaceous (LC) hydrocarbon pool of the greater Valdemar Field. The reservoir in the development area is appraised by wells JUDE-1X, the distal part of VBA-06E and BO-3X. All wells confirmed oil-bearing Tuxen Fm reservoir.

The Valdemar Bo South FDP was submitted in 2020 and the proposed development includes five horizontal production wells drilled from a normally unmanned 6-slot wellhead platform. The platform will be tied back to the existing VCA platform via a 2.5 km 128" multiphase pipeline.

The project is currently nearing the end of the Front-End Engineering Design ("FEED") stage with the only outstanding issue being a design change on the diameter of the pipeline to the VCA platform to reduce the risk of any issues during pigging. First oil is scheduled in Q4 2027. The Valdemar Bo South Undeveloped Reserves are classified as Justified for Development.

6.4 Adda Phase 1

The Adda discovery is located ~12 km northeast of the Tyra East facility. It was discovered in 1977 and appraised by a further five wells between 1981 and 1997. Adda is a four-way dip-closed anticline structure created by salt tectonics and has a series of east-west trending faults across the field. Gas is contained in the Tuxen Formation and oil is contained in the overlying Hod Formation. The proposed Adda development project includes a greenfield normally unmanned well head platform with 8 slots and a 4-leg jacket with a fully rated pipeline back to Tyra East E platform. The development includes seven wells drilled and tied back to the platform. The project will have three phases:

- Phase 1: Crest development, 4 Tuxen wells + 1 Hod well;
- Phase 2: Flank development, 2 Tuxen wells;
- Phase 3: Potential for additional Hod well or Tuxen flank well (excluded from ERCE's assessment).

The Adda well design is similar to existing wells in the Valdemar field. The field will be produced under natural depletion (with gaslift) and drawdown limits imposed based on the geo-mechanical stability of the reservoir rock. The production mechanisms in the Tuxen are compaction and gas expansion, and for the Hod this is compaction drive and solution gas drive.

Four well tests have been carried out in the Tuxen reservoir with gas rates observed between 2.5 – 20.0 MMscf/d. Well tests and PVT analysis has determined the reservoir pressure to be very close to the dew point pressure of the gas-condensate. Two well tests have been carried out in the Hod reservoir with oil rates observed between 4,100 – 6,270 stb/d.

An FDP was submitted to the DEA in 2021 and is awaiting approval. The discovery will be developed by a normally unmanned 8-slot wellhead platform tied back to the Tyra East E platform via a 10" multiphase pipeline. Phase 1 of the Adda development includes five horizontal production wells in the Tuxen reservoir and one horizontal production well in the Hod reservoir. The current expectation is for first gas in Q2 2028. Phase 1 Undeveloped Reserves are classified as Justified for Development. The FDP includes additional development wells in Phase 2, but these are classified as Contingent Resources.

7. Contingent Resources

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates as 1C, 2C and 3C.

In addition to quantities that are classified by ERCE as Reserves, the assets include quantities that have been classified by ERCE as Contingent Resources. ERCE's estimates of Contingent Resources are based on an independent evaluation of data provided by BlueNord. Estimates are based on decline curve analysis in conjunction with volumetric methods and reviews of reports such as field development plans.

No economic analysis has been performed on the Contingent Resources and, therefore, their economic status is undetermined.

Table 4 – BlueNord 1C, 2C and 3C contingent resources as of 31.12.2023

Contingent Resources 31.12.2023	Interest	1C Gross Liquids MMstb	1C Gross Gas MMboe	1C Gross boe MMboe	1C Net boe MMboe	2C Gross Liquids MMstb	2C Gross Gas MMboe	2C Gross boe MMboe	2C Net boe MMboe	3C Net boe MMboe
Halfdan Tor NE Infill (HBA-15)		0.7	0.5	1.2	0.4	1.4	1.0	2.4	0.9	1.3
Adda Phase 2	36.8%	1.6	5.7	7.3	2.7	3.4	10.5	14.0	5.2	8.9
Halfdan North	36.8%	20.8	3.1	24.0	8.8	38.4	5.9	44.3	16.3	25.3
Svend Re-development	36.8%	5.3	0.8	6.1	2.2	11.4	1.7	13.1	4.8	7.4
Total		**28.4**	**10.1**	**38.5**	**14.2**	**54.7**	**19.0**	**73.7**	**27.1**	**42.8**

Notes:
1. Gross Contingent Resources represent 100% of the Contingent Resources of the project.
2. Net Contingent Resources are based on BlueNord's working interest share (36.80%) of the Gross Contingent Resources.
3. Contingent Resources are based on wellhead volumes prior to any shrinkage or additional recovery of liquids during processing.
4. These are unrisked Contingent Resources that have not been risked for chance of development.
5. There is no certainty that it will be economically viable to produce some, or any, of the Contingent Resources.
6. The total Contingent Resources presented are based on aggregating individual projects with different levels of risk and as such should be used with caution.

The three projects: Halfdan North, Adda and Svend Reinstatement are classified by ERCE as Contingent Resources. The Halfdan Tor NE infill HBA-15 was reclassified from Approved for Development Reserves to Contingent Resources at YE 2023, see Section 8.1. These projects are expected to be the next projects to be matured as reserves. These projects are only a subset of the full portfolio of projects in DUC.

8. Projects – Contingent Resources

8.1 Halfdan Tor North East infill wells

Within the Halfdan field an infill well (Well HBA-27B) was drilled during 2023 targeting the Tor reservoir. Original plans were to immediately follow this with a second infill well (Well HBA-15B), but this has now been deferred to Q3 2025, and this second well is contingent on the performance of Well HBA-27B and evaluation of the 4D seismic acquired in 2023 in the Dan-Halfdan area and as such has been assigned Contingent Resources and sub-classified as Development Pending.

8.2 Halfdan North

Halfdan North is an undeveloped discovery between the Halfdan field and the Tyra Southeast field, in the same geological units (Upper Cretaceous Tor formation chalk). The field was discovered by the HDN-2X well as part of the exploration and appraisal of the Halfdan field but remained undeveloped due to the thinner oil column and smaller volumes. Since that time the Halfdan field has matured, and the Operator now plans to develop this field. The Operator reported that a development well in Tyra SE (TSEB-03A) appraised the Halfdan North accumulation, confirming the Northern end of the accumulation and showed better reservoir properties than expected.

An FDP was submitted in 2020 to the DEA which proposes the discovery is developed with a 12-slot unmanned wellhead platform tied back to the HBD platform in the Halfdan field. Five horizontal production wells and four horizontal water injection wells will be drilled in an alternating, line-drive pattern. The production wells will have CAJ liner completions and injection wells will be hydraulically fractured. The Operator currently expects first oil to be in 2029 or 2030. Contingent Resources are sub-classified as Development on Hold due to the timeframe to development.

8.3 Adda Phase 2

The Adda Phase 2 project consists of two additional horizontal gas production wells in the located in the north/northeastern area of the Tuxen reservoir in the Adda discovery. The wells are contingent on the results of Phase 1 of the Adda development but are also located in a more structurally and stratigraphically complex area of the discovery which poses drilling risks.

The Contingent Resources are sub-classified as Development On Hold based on the timeframe to potential development. Production from Phase 1 of the Adda development is scheduled in Q2 2028, meaning any Phase 2 development would likely occur in late 2028 or 2029.

8.4 Svend Re-development

The Svend field is located 20 km south of the Harald field and was on production from 1996 to 2015, when it was shut-in due to well integrity issues. The wells have been abandoned and the unmanned wellhead platform has been left in "lighthouse mode" ahead of a potential re-development of the field with two new infill wells.

The Svend re-development project involves drilling two infill wells (one in the north and one in the south) and upgrading the facilities to reinstate production. A solution to address flow assurance issues by the conceptual studies will be defined following the results of the Harald East Mid-Jurassic Exploration well, which are expected in Q3 2024.

The Contingent Resources are sub-classified as Development Unclarified based on the need for further conceptual study following the results of the Harald East Mid-Jurassic exploration well.

9. ProspectiveResources

No prospective resources have been included in this report.