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Introduction to the enterprise and key figures 2023

Page 18 Introduction to the enterprise

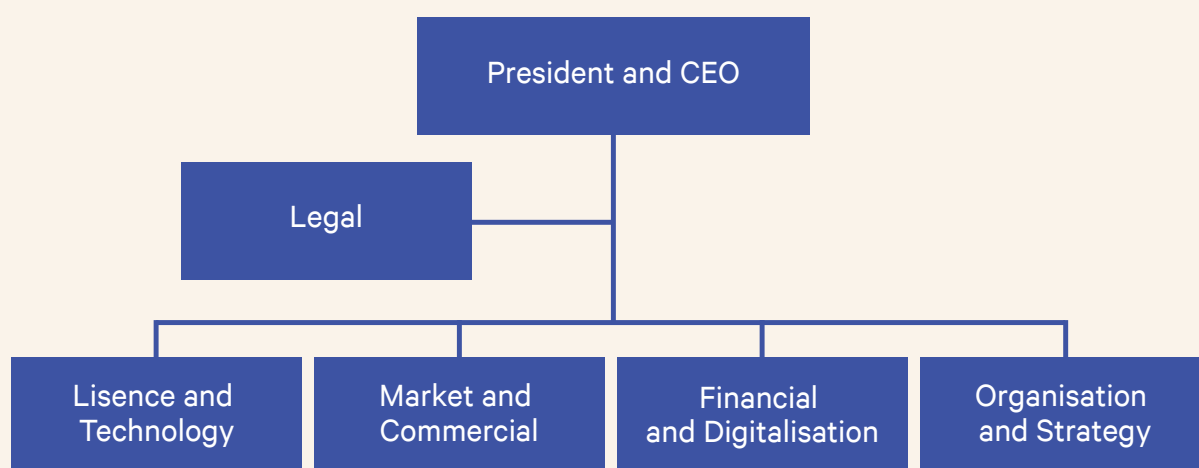
Page 21 Key figures 2023



Oseberg Field Centre
Photo: Harald Pettersen, Equinor

Petoro as

Petoro manages the State's Direct Financial Interest (SDFI). The company's principal objective is to generate the highest possible financial value from the SDFI portfolio. At year-end, the company had 73 employees.



The Ministry of Trade, Industry and Fisheries, in the person of the Minister, represents the Government as sole owner and serves as the company's general meeting and highest authority. The Board has overall responsibility for administration of the company. Petoro's organisation is shown in the figure above.

Lisence and Technology:

This department safeguards the state's participating interests in production licences that are subject to active follow-up. Along with other Petoro units, the objective is to create the greatest possible value and highest possible revenues from the state's direct participating interests in petroleum activities. The department pays particular attention to influencing developments in the production licenses through effective data application and analysis, deep professional and industrial insight, as well as its own studies for increased value creation.

Market and Commercial:

This department is responsible for following up to ensure that Equinor's marketing and sale of the state's petroleum together with its own production complies with the Marketing and Sale Instructions issued to Equinor. The primary goals of the Marketing and Sale Instructions is to achieve the highest possible value creation from the state's oil and gas production and secure equitable distribution of income and costs between Equinor and the state. The department is also responsible for market analysis, which supports both the follow-up of the Marketing and Sale Instructions and decisions related to investments in fields and infrastructure. The department safeguards the licensee role in joint ventures for infrastructure, and is also responsible for carrying out commercial negotiations.

Financial and Digitalisation:

This department is responsible for financial management of Petoro's activities and the State's Direct Financial Interest (SDFI). The department is also responsible for preparing budgets and long-term forecasts for use in the company's planning and strategy work. Profitability assessments in connection with investment decisions and analyses of other relevant commercial issues are also important parts of the department's area of responsibility.

The department is furthermore responsible for the company's digitalisation efforts both internally and externally, as well as IT operations and data management. Petoro sees digitalisation as an important instrument for increased profitability in the SDFI portfolio and to ensure efficient operation of the company.

Organisation and Strategy:

This department handles HR, communication and administrative support functions. The department is also responsible for the company's strategy and analysis work, which contributes to necessary insights as a basis for solving tasks across the entire organisation, and is a key tool in decision processes for both management and the Board.

Legal Affairs and Compliance:

This department is responsible for handling legal issues and legal advice associated with the company's needs. The EVP for Legal Affairs and Compliance is responsible for the company's compliance function, as well as the Board Secretariat.

Key figures for Petoro AS			
	2023	2022	2021
Total allocation/ administration grant (NOK million)*	304	290	285
Employees at 31 December	73	70	70
Full-time equivalents (average number of full-time equivalents employed)	71.5	68.4	65.9
Payroll share of administration grant (per cent)**	43	42	41
Payroll costs per full-time equivalent (NOK million)**	1.85	1.78	1.77
Percentage of consultants in administration contribution (per cent)	14	17	18
ICT expenses (NOK million)	34	33	31
Office lease expenses incl. overhead costs	12.6	11.6	11.1

*) excluding VAT

**) Salaries in Note 3

The State's Direct Financial Interest (SDFI)

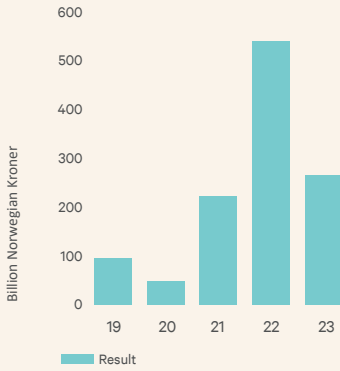
The SDFI scheme was established in 1985. Under this arrangement, the state participates as a direct investor in petroleum activities on the Norwegian continental shelf (NCS), so that the state receives revenues and meets expenses associated with SDFI's ownership interests. Petoro acts as licensee for the state's ownership interests in production licences, fields, pipelines and onshore facilities, and manages this portfolio based on sound business principles. At the end of 2023, the portfolio consisted of 175 production licences, 43 producing fields and 16 pipelines and terminals, as well as follow-up of 12 production licences with net profit agreements. The listed quantities are based on the Norwegian Offshore Directorate's definitions.

The SDFI portfolio represents about one-third of Norway's overall oil and gas reserves and yielded a cash flow of NOK 277 billion in 2023.

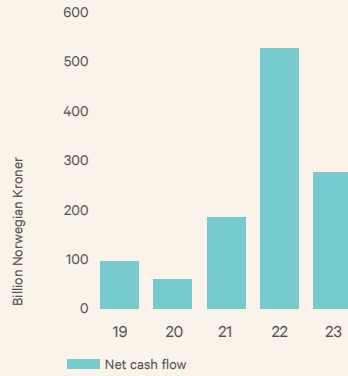
Key figures for SDFI			
	2023	2022	2021
Net cash flow (in NOK million)	276,905	528,171	186,058
Operating revenue (NOK million) (NGAAP)	352,690	640,426	286,141
Production expenses (million NOK) (NGAAP)	23,362	23,489	17,711
Net income for the year (in NOK million) (NGAAP)	266,172	539,208	222,135
Investments (in NOK million) (cash)	30,396	28,378	24,732
Production — oil and NGL (thousand bbl/d)	354	359	388
Production - dry gas (million scm/d)	102	109	101
Production - total (thousand boe/d)	994	1,044	1,026
Remaining reserves (million boe)	4,475	4,779	4,972
Reserve replacement rate (annual percentage)	16	49	80
Reserves added (million boe)	59	188	301
Oil price (USD/bbl)	83	104	70
Oil price (NOK/bbl)	876	988	603
Gas price (NOK/scm)	5.76	11.95	4.78

Key figures 2023

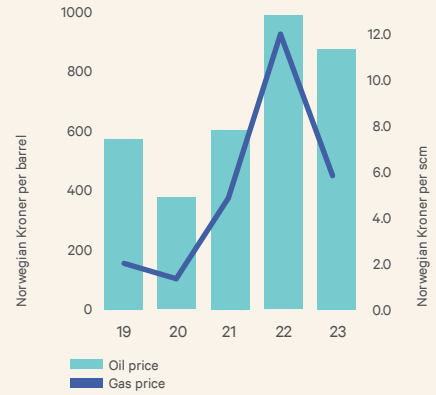
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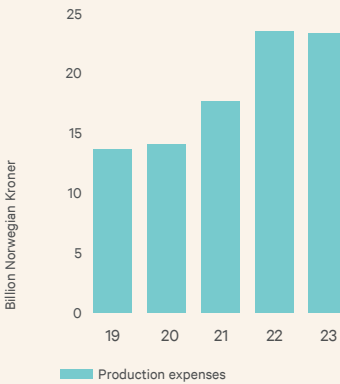
Cash flow



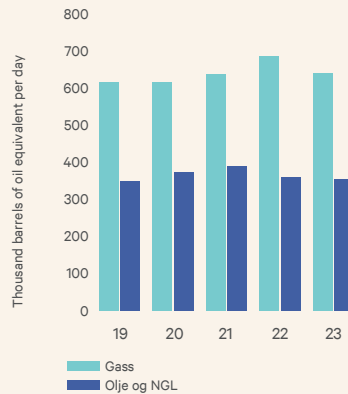
Oil and gas prices



Production expenses



Production



Investments (cash)

