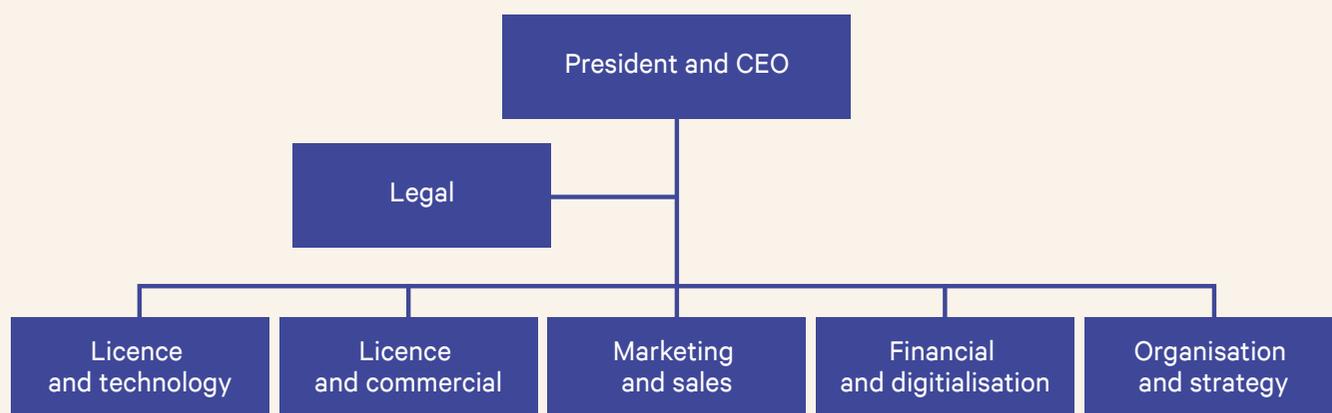


Petoro as

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 64 employees.



The Ministry of Petroleum and Energy, 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.

Key figures for Petoro AS			
	2020	2019	2018
Total allocation/ administration grant (NOK million)*	288	287	280
Employees at 31 December	64	65	64
Full-time equivalents (average number of full-time equivalents employed)	62.8	62.9	64.2
Payroll share of administration grant (per cent)**	37	37	38
Payroll costs per full-time equivalents (NOK million)**	1.71	1.71	1.64
Percentage of consultants in administration grant (per cent)	19	20	16
ICT expenses (NOK million)	30	35	33
Office lease expenses incl. overhead costs	10.7	10.8	11.2

*) excluding VAT

**) Payroll in Note 3, excl. provision agreed on one year's severance pay as well as salary and pension for two months' remaining notice period in 2021 for the former CEO

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 covers 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 2020, the portfolio consisted of 194 production licences, 36 producing fields and 16 pipelines and terminals, as well as follow-up of 13 production licences with net profit agreements.

The SDFI portfolio represents about one-third of Norway's overall oil and gas reserves and yielded a cash flow of NOK 59 billion in 2020.

Key figures for SDFI			
	2020	2019	2018
Net cash flow (in NOK million)	58,711	96,184	119,666
Operating revenue (NOK million) (NGAAP)	108,940	153,395	177,431
Production expenses (million NOK) (NGAAP)	14,074	13,690	17,440
Net income for the year (in NOK million) (NGAAP)	47,754	95,647	114,210
Investment (in NOK million) – capital accounts	27,601	26,331	22,555
Production — oil and NGL (thousand bbl/d)	374	349	370
Production - dry gas (million scm/d)	98	98	113
Production - total (thousand boe/d)	988	964	1,084
Remaining reserves (million boe)	5,045	5,335	5,544
Reserve replacement rate (annual percentage)	20	40	16
Reserves added (million boe)	72	142	62
Oil price (USD/bbl)	40	65	71
Oil price (NOK/bbl)	376	572	573
Gas price (NOK/scm)	1.25	1.92	2.17

Key figures 2020

Cash flow



Result



Oil and gas prices



Production expenses



Production



Investments (cash)

