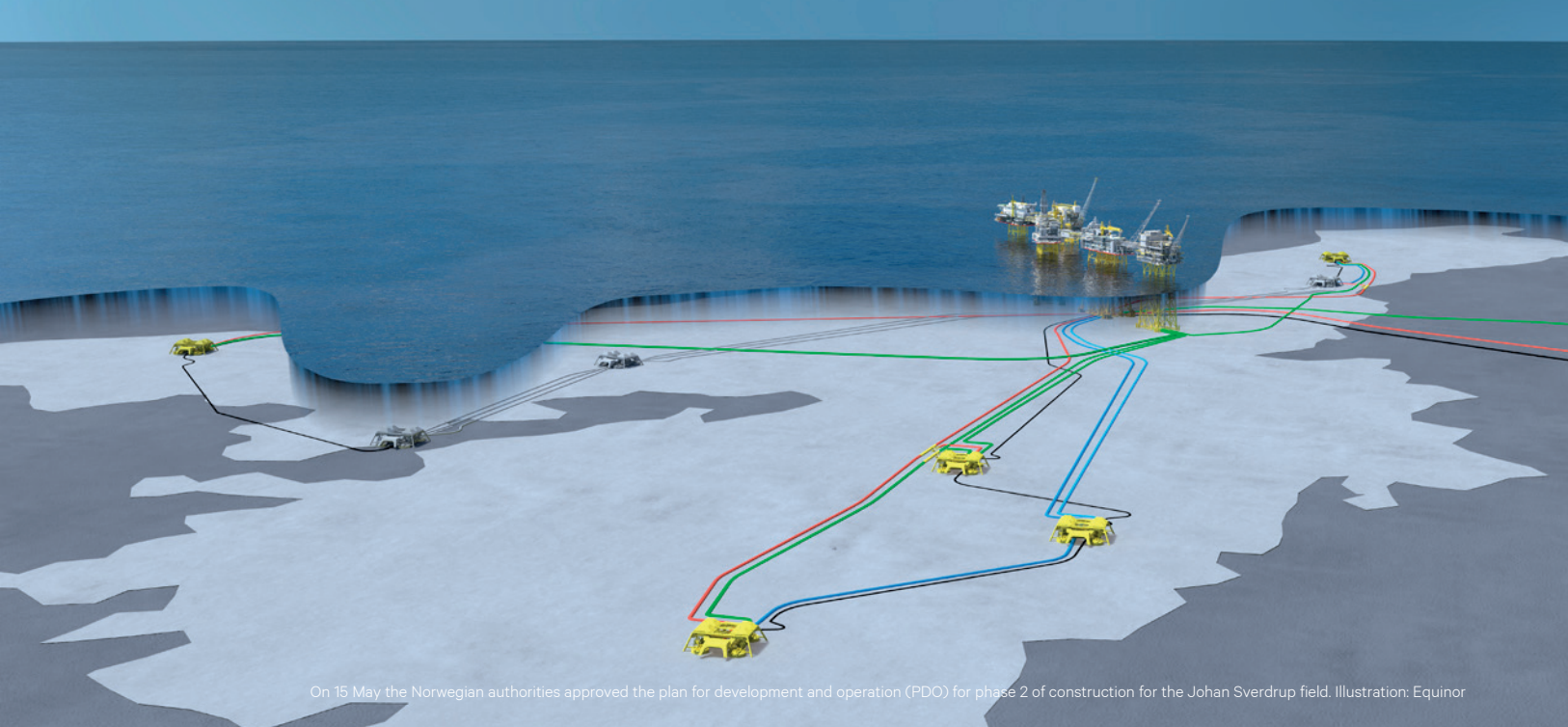


SDFI
second
quarter of
2019:

Increased cash flow from SDFI in the 1st half of 2019

Net cash flow from the State's Direct Financial Interest (SDFI) in oil and gas activities totalled NOK 59 billion in the first six months, an increase of NOK 3 billion from the same period last year.

| NOK million | First six months | | Full year |
|--|------------------|---------------|----------------|
| | 2019 | 2018 | 2018 |
| Cash flow | 58 929 | 56 028 | 119 666 |
| Operating revenue | 83 256 | 79 330 | 177 431 |
| Operating expenses | -30 321 | -28 333 | -61 890 |
| Operating profit | 52 935 | 50 996 | 115 541 |
| Financial items | -1 188 | -1 170 | -1 331 |
| Net income | 51 747 | 49 826 | 114 210 |
| Investments | 12 018 | 10 905 | 22 814 |
| Average oil price (USD/bbl) | 67 | 70 | 71 |
| Exchange rate NOK/USD | 8.60 | 7.95 | 8.12 |
| Average oil price (NOK/bbl) | 574 | 559 | 573 |
| Average gas price (NOK/scm) | 2.0 | 2.0 | 2.2 |
| Production (thousand boe per day) | 1 022 | 1 073 | 1 085 |
| Oil, condensate and NGL (thousand boe per day) | 345 | 364 | 372 |
| Gas (million scm per day) | 108 | 113 | 113 |
| Sales (thousand boe per day) | 1 046 | 1 091 | 1 099 |



On 15 May the Norwegian authorities approved the plan for development and operation (PDO) for phase 2 of construction for the Johan Sverdrup field. Illustration: Equinor

Financial results as of 1st half of 2019

Net income after financial items as of the 1st half of 2019 amounted to NOK 52 billion, 2 billion higher than the same period last year. The increase was primarily due to reversal of previous loss allocations for outstanding forward contracts in the gas market partially offset by lower production.

Overall oil and gas production totalled 1 022 thousand barrels of oil equivalent per day (kboed), 51 kboed or 5 per cent lower than the same period last year. This reduction was mainly caused by natural production decline and lower gas production from Troll.

The average realised oil price was 574 NOK/bbl, compared with 559 NOK/bbl in the same period last year. The effect of a weaker NOK exchange rate more than compensated for a slightly lower oil price in USD.

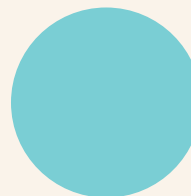
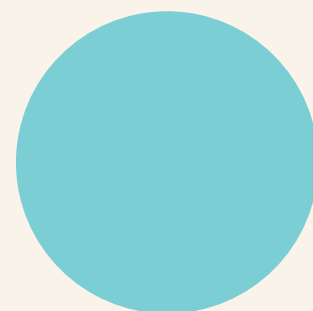
The average realised gas price in the first six months was 2.0 NOK/scm, on par with the same period last year. However, the gas price was on a downward trend in the first six

months and the average realised gas price for SDFI declined from 2.38 NOK/scm in January to 1.69 NOK/scm in June.

Total operating expenses amounted to NOK 30 billion, NOK 2 billion higher than the same period last year. The increase was primarily caused by increased costs associated with third-party gas storage as well as higher production and transportation costs.

A total of NOK 300 million was expensed in the first six months as the result of 6 completed wells being classified as dry. Exploration costs during the period totalled NOK 830 million, NOK 100 million higher than the same period last year.

Investments totalled NOK 12 billion, NOK 1 billion higher than the same period last year. The higher investments are mainly caused by increased activity in field development for projects related to Johan Castberg, Troll phase 3 and Johan Sverdrup.



Observations and incidents since reporting as of the 1st quarter

- On 15 May, the authorities approved the Plan for Development and Operation (PDO) for Johan Sverdrup phase 2, which also included the Plan for Installation and Operation of the area solution for power from shore for the Johan Sverdrup, Edvard Grieg, Ivar Aasen and Gina Krog fields.
- The second phase of production from the Shetland/Lista formation on Gullfaks was approved by the authorities on 14 June. The P1 development on GjØa was approved by the authorities on 26 June.
- On 1 July, the Tor Unit joint venture submitted PDO to the authorities for further development of the previously shut down Tor field.
- On 26 June, the partners in the Wisting license approved transfer of operatorship to Equinor for the project development phase. OMV Norge will continue as responsible operator during the field's operations phase.
- Four exploration wells were completed in the 2nd quarter, 2 of which in the Barents Sea Southeast. All these wells were classified as dry. Results from exploration drilling in the Barents Sea Southeast have been disappointing so far this year, where also Gjøkåsen, which was completed in the 1st quarter, was dry.

Stavanger, August 2019
Board of directors of Petoro AS