6

Figures for 2023

Annual accounts SDFI

Troll A.
Photo: Øyvind Granås/Even Kleppa - Woldcam/©Equinor

Management comment regarding the SDFI annual accounts

Purpose

Since its establishment in 2001, Petoro has served as the licensee for the state's participating interests in production licences, fields, pipelines and land-based facilities. Petoro is charged with managing the SDFI portfolio on the basis of sound business principles. As of the end of 2023, the portfolio consisted of 175 production licences, three fewer than at the beginning of the year. Twelve production licences were relinquished in 2023. In January 2023, the Ministry of Petroleum and Energy completed its Awards in Pre-defined Areas (APA 2023), where an additional 20 production licenses were awarded with SDFI participation.

Confirmation

The annual accounts are presented in accordance with the Provisions on Financial Management in Central Government, circular R-115 from the Ministry of Finance, and requirements in the instructions on financial management of the SDFI in Petoro, with the exceptions granted for the SDFI. The board hereby confirms that the annual accounts, which comprise the appropriation and capital accounts prepared on a cash basis, provide a true and fair picture in accordance with the cash basis. The general ledger accounts report presents accounting figures for the SDFI as reported to the government accounts in accordance with the standard chart of accounts for state-owned undertakings.

The Board confirms that the company accounts have been prepared in accordance with the Accounting Act and Norwegian generally-accepted accounting principles (NGAAP), and provide a true and fair picture of the SDFI's assets, obligations and financial results at 31 December 2023.

Assessment of significant factors

Appropriation and capital accounts

In accordance with the supplemental allocation letter dated 21 December 2023, the SDFI's appropriation for investments[1] totalled NOK 30.0 billion. The appropriation for operating income[2] totalled NOK 287.1 billion. The appropriation for interest on the state's capital[3] totalled NOK 2.7 billion. Operating income in accordance with the cash basis is affected first and foremost by the price of oil and gas and the volume of the SDFI's production sold. Equinor handles marketing and sale of SDFI's products through the Marketing and Sale Instructions issued by the Ministry of Petroleum and Energy.

The general ledger accounts report on the cash basis shows net reported revenues including financial income totalling NOK 355.2 billion in 2023, compared with NOK 630.1 billion in 2022. The revenues are greatly affected by lower oil and gas prices in 2023. Expenses reported in the appropriation accounts comprise payments of NOK 30.4 billion as investments and NOK 53.3 billion as operating expenses. Payments in 2022 amounted to NOK 28.4 billion related to investments and NOK 75.0 billion related to operations. Payments to operations were primarily related to the operation of fields and facilities, processing and transport costs, as well as exploration and field development expenses. This is in addition to payments of financial expenses. Depreciation of fields and facilities amounted to NOK 27.2 billion in 2023, compared with NOK 26.3 billion the previous year.

The SDFI accounts include a number of significant estimates which are subject to uncertainties and rely on discretionary assessments. These e.g. include capitalised exploration costs, estimates of reserves as the basis for depreciation, decommissioning expenses based on estimates for costs to be incurred far into the future, and assessment of impairment charges on tangible fixed assets.

Net cash flow to the state from the SDFI at year-end amounted to NOK 277 billion, 251 billion lower than the previous year. The cash flow was mainly affected by a decline in oil and gas prices from the extraordinary levels of the year before, as well as lower gas sales. The decline was partly offset by increased cash flow as a result of lower costs associated with third-party gas purchases and a reduction in working capital. In spite of the significant reduction compared with 2022, the cash flow for the year is still the second-highest in Petoro's history.

Total production reached 994 thousand barrels of oil equivalent per day (kboed), a reduction of 50 kboed compared with the previous year.

Gas production amounted to 102 million standard cubic metres (mill. scm) per day, a reduction of seven per cent compared with the year before. The decline was primarily caused by a turnaround on Troll, as well as the temporary shutdown of fields tied back to the process plant at Nyhamna. The reduction was partly offset by production from Snøhvit, which was shut down during the first half of 2022, and Dvalin, which came on stream in 2023. The average realised gas price was NOK 5.76, compared with NOK 11.95 per scm the previous year. The reason for the lower gas prices is complex, but this was mainly caused by historically high

[1] Ch./item 2440.30
[2] Ch./item 5440.24
[3] Ch./item 5440.80

LNG imports and filling up inventories in Europe, combined with lower demand.

Liquids production amounted to 354 kboed, a reduction of 5 kboed compared with the previous year. The decline in liquids production was primarily caused by natural production decline on several mature fields and a turnaround on Troll C, partly offset by increased production from Johan Sverdrup phase 2. The average realised oil price was USD 83, compared with USD 104 per barrel in 2022. However, the reduction measured in Norwegian kroner was somewhat offset by a weak NOK exchange rate, leading to an achieved oil price of NOK 876, compared with NOK 988 per barrel in the same period last year. The oil price reduction was caused by lower demand growth than expected due to rising interest rates, lower economic growth and a fear of recession in several parts of the world. This effect was offset by increased geopolitical unrest and persistent cuts from OPEC+.

Investments came to NOK 30 billion, NOK 1.6 billion higher than the previous year. The increase in investments was caused by high activity on several fields with projects in the implementation phase, partly offset by lower production drilling on Troll.

Total operating expenses amounted to NOK 86 billion, NOK 17 billion lower than the year before. The reduction was caused by lower costs for purchasing third-party gas, which was partly offset by impairment on operating fields.

Costs for purchasing third-party gas amounted to NOK 15 billion, NOK 21 billion lower than the previous year. This decline was caused by significantly lower gas prices in combination with lower volumes.

Production costs amounted to NOK 23 billion, which is on par with the previous year. CO_2 costs and operating and maintenance expenses have increased in 2023, however, but the effect was offset by reduced electricity costs.

Transport costs came to just under NOK 12 billion, which is NOK 0.7 billion lower than the year before.

Fixed assets were impaired by a total of NOK 5.2 billion in 2023. Martin Linge, Valemon and Nøkken have been impaired by NOK 4.5, 0.5 and 0.2 billion, respectively. The primary drivers for the impairments are updates to production profiles and cost estimates.

Overall exploration costs during the period amounted to NOK 1.7 billion, while expensing of dry wells drilled during the year accounted for NOK 0.4 billion of this, and previously capitalised exploration expenses prior to 2023 amounted to NOK 0.7 billion.

Net income after financial items came to NOK 266 billion, NOK 273 billion lower than the previous year. This reduction was mainly caused by lower income as a result of substantially lower prices, as well as a lower volume of gas sales.

The book value of assets at 31 December 2023 was NOK 295 billion. The assets mainly consist of fixed assets related to field installations, pipelines and onshore plants, as well as current debtors. Equity at year-end came to NOK 187 billion, which is a reduction of NOK 11 billion compared with the year before. This reduction was caused by the transfer to the state being NOK 11 billion higher than the annual result for accounting purposes. Overall debt amounted to NOK 107 billion, while NOK 75 billion of this was related to estimated future removal obligations. Removal obligations increased by NOK 6 billion compared with 2022, primarily as a result of updated removal estimates.

The portfolio's estimated remaining reserves totalled 4,475 million boe at the end of the year, down by 304 million boe compared with the end of 2022. Reserve growth came to 59 million boe, and this mainly comes from the Snorre and Visund fields as a result of somewhat extended economic tail-end production. With a production of 363 million boe, this yielded a reserve replacement rate of 16 per cent, compared with 49 per cent in 2022 and 80 per cent in 2021.

Additional information

The Office of the Auditor General (OAG) is the external auditor, and approves the annual accounts for the SDFI. On completing its annual audit, the OAG issues a final audit letter (report) which summarises the conclusion of its audit work. The result of the audit will be reported by 1 May 2024.

The Board has appointed PwC to conduct a financial audit of the SDFI accounts as part of Petoro's internal audit process. As internal auditor, PwC submits its audit report to the Petoro AS board regarding the annual accounts pursuant to the accounting principles on a cash basis and in accordance with international auditing standards.

Stavanger, 8 March 2024

Gunn Wærsted
Chair

Brian Bjordal
Deputy chair

Trude J. H. Fjeldstad
Director

Kristin Skofteland
Director

Arne Sigve Nylund
Director

Jonas Olsson
Director,
elected by the employees

May Linda Glesnes
Director,
elected by the employees

Kristin Fejerskov Kragseth
President and CEO

Accounts on cash basis, SDFI
Note on accounting principles for the accounts on a cash basis

The annual accounts for the SDFI have been prepared and presented in accordance with detailed guidelines stipulated in the Provisions on Financial Management in Central Government ("the Provisions"). The accounts accord with the requirements in Section 3.4 of the Provisions and more detailed provisions in circular R-115 of December 2022 from the Ministry of Finance, with the exceptions that apply for the SDFI.

The presentation of reporting to the appropriation accounts and general ledger accounts is prepared on the basis of Section 3.4.2 of the Provisions, the basic principles for the annual accounts:

a) the accounting year matches the calendar year
b) the accounts present all expenses and revenues for the accounting year
c) the accounts are prepared in accordance with the cash basis.
d) expenses and revenues are shown gross in the accounts

The reporting presentations of the appropriation accounts and general ledger accounts are prepared on the basis of the same principles, but are grouped in different charts of accounts. These principles correspond with requirements in Section 3.5 of the Provisions on how enterprises shall report to the government accounts. The item "net reported to appropriation accounts" is identical in both presentations.

Pursuant to the requirements in Section 3.7.1 of the Provisions, the enterprise is affiliated with the government's group account scheme for state-owned companies in Norges Bank.

Appropriation reporting

The presentation of reporting to the appropriation accounts comprises an upper section with the appropriation reporting and a lower section, which shows the enterprise's listed balances in the capital accounts. The appropriation reporting presents accounting figures reported by the enterprise to the government accounts. These are posted in accordance with the chapters and items in the appropriation accounts the enterprise has at its disposal. The column "Total allocation" shows what the enterprise has at its disposal in the letter of assignment for each government account (chapter/item). The presentation also shows all financial assets and liabilities entered against the enterprise in the government's capital accounts.

The SDFI receives estimated appropriations. No authorisations have been received or issued to charge from/to chapters/items in other undertakings.

General ledger accounts report

The general ledger accounts report is formatted with an upper part which shows what has been reported to the government accounts in accordance with the standard chart of accounts for state-owned enterprises and a lower part which presents assets and liabilities included in the open account with the state. The general ledger accounts report presents accounting figures reported to the government accounts in accordance with the standard chart of accounts for state-owned enterprises. The general ledger accounts report is not set up in accordance with the methodology from the Norwegian Agency for Public and Financial Management (DFØ) due to adaptations for special circumstances that apply for the SDFI.

Accounts on cash basis – SDFI Appropriation accounts

Presentation of appropriation accounts reporting 31 Dec. 2023

Expense chapter	Chapter name	Category	Description	Total allocation	2023 accounts	(Increase)/ decrease in expenses
2440	Expenses	30	Investments	30,000,000,000	30,396,449,395	(396,449,395)
5440	Expenses	24.02	Operating expenses	56,700,000,000	55,109,741,265	1,590,258,735
5440	Expenses	24.03	Exploration and field development expenses	1,700,000,000	1,476,141,141	223,858,859
5440	Expenses	24.04	Depreciation	27,600,000,000	27,206,411,972	393,588,028
5440	Expenses	24.05	Interest	2,700,000,000	2,696,659,333	3,340,667
Total expensed				**118,700,000,000**	**116,885,403,105**	**1,814,596,895**

Revenues chapter	Chapter name	Category	Description	Total allocation	2023 accounts	Excess revenue and (lower revenue)
5440	Revenues	24.01	Operating revenue	375,800,000,000	363,492,331,081	(12,307,668,920)
5440	Expenses	30	Depreciation	27,600,000,000	27,206,411,972	(393,588,028)
5440	Expenses	80	Interest on fixed capital	2,700,000,000	2,707,840,333	7,840,333
5440	Expenses	85	Interest on open accounts	0	(11,181,000)	(11,181,000)
Total recognised				**406,100,000,000**	**393,395,402,385**	**(12,704,597,615)**
5440		**24**	**Operating profit**	**287,100,000,000**	**277,003,377,370**	**(10,096,622,630)**
Net reported to appropriation accounts					**(276,509,999,280)**	

Capital accounts

0677.03.04693	Settlement account Norges Bank - paid in	374,385,636,017
0677.03.08710	Settlement account Norges Bank - paid in	16,863,225,088
0677.04.05015	Settlement account Norges Bank - paid out	(114,343,880,145)
	Change in open accounts	(394,981,680)
Total reported		0

Holdings reported to the capital accounts (31 Dec)

Account	Text	2023	2022	Change
	Open accounts with the Treasury	(914,132,678)	(1,309,114,358)	394,981,680

Accounts on cash basis - SDFI Appropriation accounts

NOTE A Explanation of total allocation

Type and category	Transferred from the previous year	Allocation for the year	Total allocation
2440.30		30,000,000,000	30,000,000,000
5440.24.02		56,700,000,000	56,700,000,000
5440.24.03		1,700,000,000	1,700,000,000
5440.24.04		27,600,000,000	27,600,000,000
5440.24.05		2,700,000,000	2,700,000,000
5440.24.01		375,800,000,000	375,800,000,000
5440.30		27,600,000,000	27,600,000,000
5440.80		2,700,000,000	2,700,000,000
5440.85		0	0
5440.24		287,100,000,000	287,100,000,000

NOTE B Explanation for authorisations used and calculation of possible amount to be transferred to next year

Petoro has been given authority to post payments and disbursements for the SDFI against the open accounts with the Treasury. The open accounts comprise over/under calls of cash from the operating companies (difference between cash calls and settlements from operators), working capital, settlements from operators, VAT and open accounts with payment providers, etc. As regards other authorisations, please refer to the Allocation Letter for 2023 issued to Petoro from the Ministry of Trade, Industry and Fisheries.

There will be no need to calculate a potential roll-over amount for next year, as the SDFI receives estimated appropriations.

Accounts on cash basis – SDFI
Capital accounts – specified

SDFI capital accounts 2023 – Figures in NOK

	Items			
	Open account state			914,132,678
	Fixed assets before impairment		206,679,638,535	
	(Impairment) / reversal (+)		(5,176,723,109)	
	Fixed asset account		201,502,915,426	201,502,915,426
Total	**Total**			**202,417,048,104**
	Open account state at 1 Jan. 2023		(1,309,114,358)	
	Total expenses	30,396,449,395		
	Total revenue	(306,906,448,675)		
	Cash flow	(276,509,999,280)	(276,509,999,280)	
	Net transfer to the state		276,904,980,961	
Open account state at 31 Dec. 2023			**(914,132,678)**	**(914,132,678)**
	Fixed assets at 1 Jan. 2023		(203,489,601,112)	
	Investments for the year		(30,396,449,395)	
	Depreciation for the year		27,206,411,972	
	Impairment (+) / (Reversal)		5,176,723,109	
	Fixed assets at 31 Dec. 2023		(201,502,915,426)	(201,502,915,426)
Total				**(202,417,048,104)**

Stavanger, 8 March 2024

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Deputy chair

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Accounts on cash basis – SDFI
General ledger accounts report

Specification of the general ledger accounts report 31. Dec. 2023		
	2023	**2022**
Operating revenues reported to the appropriation accounts		
Sales and lease payments received	312,016,148,644	646,148,095,491
Other amounts paid in	43,186,328,447	(16,095,982,525)
Total paid in from operations	**355,202,477,091**	**630,052,112,965**
Operating expenses reported to the appropriation accounts		
Depreciation	27,206,411,972	26,314,129,664
Other disbursements for operations	53,264,561,076	75,002,734,960
Total disbursed to operations	80,470,973,048	101,316,864,624
Net reported operating expenses	**(274,731,504,043)**	**(528,735,248,341)**
Investment and financial income reported to the appropriation accounts		
Financial income paid in	8,289,853,990	3,973,199,253
Total investment and financial income	**8,289,853,990**	**3,973,199,253**
Investment and financial expenses reported to the appropriation accounts		
Paid out for investment	30,375,210,977	28,347,890,748
Paid out for share purchases	7,183,689	28,582,627
Paid out for financial expenses	6,032,035,391	3,990,308,275
Total investment and financial expenses	**36,414,430,057**	**32,366,781,650**
Net reported investment and financial expenses	**28,124,576,067**	**28,393,582,398**
Collection activity and other transfers to the state		
Contribution management and other transfers from the state		
Revenues and expenses reported under common chapters		
Depreciation (see Ch. 5440 revenue)	(27,206,411,972)	(26,314,129,664)
Interest on the government's capital and open accounts with the Treasury (see Ch. 5440 revenue)	(2,696,659,333)	(2,377,551,850)
Net reported expenses under joint chapters	**(29,903,071,305)**	**(28,691,681,513)**
Net expenses reported to the appropriation accounts	**(276,509,999,280)**	**(529,033,347,457)**

Accounts on cash basis – SDFI
General ledger accounts report

Open accounts with the Treasury

Assets and liabilities	**2023**	**2022**	**Endring**
O/U call	6,377,448,460	5,223,091,183	1,154,357,277
AP nonop	(3,130,003,302)	(2,360,814,695)	(769,188,607)
AR nonop	999,193,720	824,799,820	174,393,900
Inventory nonop	1,565,195,990	1,655,026,657	(89,830,667)
Prep exp nonop	733,876,464	553,817,712	180,058,751
Working cap - nonop	(5,635,085,292)	(4,593,947,580)	(1,041,137,712)
VAT	3,506,917	7,141,540	(3,634,622)
Agio	(278)	(278)	0
Total open accounts with the Treasury	**914,132,678**	**1,309,114,358**	**(394,981,680)**

*)
O/U call - prepayments calculated net of JV cash call and settlement from operators
AP nonop - accounts payable in settlements from operators
AR nonop - accounts receivable in settlements from operators
Inventory nonop - inventory in settlements from JV operators
Prep exp nonop – prepaid expenses to operators – settlements
Working cap - nonop - primarily accruals in monthly settlements from operators
VAT - balance of VAT payments
Agio - rounding-off related to currency translation (agio/disagio)

Comment on open account from 2022 to 2023:
The change was mainly caused by an increase in accounts payable and working capital in licences, but is partly offset by increased cash calls from operators.

Accounts based on Accounting Act, SDFI
Income statement pursuant to NGAAP - SDFI

All figures in NOK million	Notes	2023	2022
OPERATING REVENUE			
Operating revenue	2, 3, 13, 10	**352,690**	**640,426**
Total operating revenue		**352,690**	**640,426**
OPERATING EXPENSES			
Exploration expenses		**1,668**	**1,461**
Production expenses	4	**23,362**	**23,489**
Transport and processing expenses	4	**11,771**	**12,478**
Depreciation and impairment	9	**33,504**	**27,484**
Costs gas purchases, storage and administration	4, 12, 13	**15,804**	**37,912**
Total operating costs		**86,109**	**102,823**
Operating profit		**266,581**	**537,603**
FINANCIAL ITEMS			
Financial income	7	**7,494**	**10,691**
Financial expenses	7, 15	**7,903**	**9,086**
Net financial items	7	**(409)**	**1,605**
NET INCOME FOR THE YEAR	14	**266,172**	**539,208**

Accounts based on accounting act SDFI balance sheet at 31 December

All figures in NOK million	Notes	2023	2022
Intangible fixed assets	9	**45**	**49**
Tangible fixed assets	1, 9, 21, 22	**221,982**	**220,649**
Financial assets	9, 10	**15,016**	**24,668**
Fixed assets		**237,042**	**245,366**
Inventory	11	**2,080**	**3,013**
Accounts receivable	12,13	**55,266**	**79,963**
Bank deposits		**162**	**100**
Current assets		**57,508**	**83,076**
TOTAL ASSETS		**294,551**	**328,442**
Equity at 1 Jan.		**198,227**	**187,190**
Paid from/(to) the state during the year		**(276,905)**	**(528,171)**
Net profit		**266,172**	**539,208**
Equity	14	**187,494**	**198,227**
Long-term decommissioning liabilities	15, 21	**74,800**	**68,677**
Other long-term liabilities	16	**2,787**	**22,331**
Long-term liabilities		**77,587**	**91,008**
Trade creditors		**3,729**	**2,860**
Other current liabilities	13, 17, 18	**25,741**	**36,346**
Current liabilities		**29,470**	**39,206**
TOTAL EQUITY AND LIABILITIES		**294,551**	**328,442**

Stavanger, 8 March 2024

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Accounts based on accounting act SDFI Cash flow statement

All figures in NOK million	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operations	2, 3	363,492	634,025
Cash disbursements from operations	4, 15	(56,580)	(76,617)
Change in working capital in the licences		1,608	(485)
Change over/under call in the licenses		(1,154)	(334)
Net interest payments		(2)	(1)
Cash flows from operating activities		**307,364**	**556,588**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments	9, 10	(30,396)	(28,378)
Cash flow from investment activities		**(30,396)**	**(28,378)**
CASH FLOW FROM FINANCING ACTIVITIES			
Net transfer to the state		(276,905)	(528,171)
Cash flow from financing activities		**(276,905)**	**(528,171)**
Increase in bank deposits of partnerships with shared liability		63	39

Note information for accounts based on the Accounting Act

General

As of 31 December 2023, Petoro AS acted as licensee on behalf of the SDFI for interests in 175 production licences and 16 joint ventures for pipelines and terminals, including the company's management of commercial interests in Mongstad Terminal DA and Vestprosess DA, and the shares in Norsea Gas AS and Norpipe Oil AS. The SDFI is also entitled to potential profits in production licences with net profit agreements. Petoro has the same rights and obligations as other licensees, and manages the SDFI on the Norwegian shelf on the basis of sound business principles.

Petoro's administration of the portfolio is subject to the Regulations on Financial Management in Central Government and instructions for financial management of the SDFI. Accounts for the portfolio are presented both on the cash basis used by the government and in accordance with the (Norwegian) Accounting Act. The company maintains separate accounts for all transactions relating to its participating interests, so that revenue and costs from production licences and joint ventures are kept separate from operation of the company. Cash flow from the portfolio is transferred to the central government's own accounts with Norges Bank. Petoro prepares separate annual accounts for the SDFI, with an overview of the participating interests managed by the company and associated resource accounting.

Accounting principles for the company accounts

The principal difference between the profit based on the Accounting Act and on a cash basis is that the latter includes cash payment for investments and operating expenses. Adjustments are also made for accruals of income and expenses on a cash basis, with a corresponding adjustment of debtors and creditors in the balance sheet. Realised currency loss/gain related to operating expenses and income is classified on the cash basis as operating expenses and income. The accounts based on the Accounting Act present realised currency loss/gain as financial expenses/income, and these items are accordingly not included in the operating profit. Differences between the accounts prepared in accordance with the Accounting Act (NGAAP) and on a cash basis are indicated in the notes below.

The SDFI's interests in partnerships with shared liability relating to the production of petroleum are included under the respective items in the income statement and recorded in the balance sheet based on relative ownership interest for the SDFI's share of income, expenses, assets and liabilities. The same applies to licence interests in oil and gas activities, including pipeline transport, which are not organised as companies.

SDFI's participation in Equinor's investments that fall under the marketing and sale instruction, are assessed as investments in associated companies or jointly controlled enterprises and are recorded pursuant to the equity method. The SDFI's share of the equity is recorded in the balance sheet under financial fixed assets and its share of the profit/loss is recorded as operating revenue in the income statement.

SDFI's ownership interests in limited companies are recorded in the balance sheet in accordance with the cost method and any dividend is recorded as a financial item. In addition, revenue from production licences with net profit agreements (concerns licences awarded in the second licensing round) is recorded as other income.

The functional currency is the Norwegian krone.

Revenue recognition principles
The SDFI records revenue from the production of oil, NGL and gas using the sales method. This means that sales are recorded in the period when the volumes are lifted and sold to the customer.

Revenue from ownership in transport and process facilities is recorded when the service is rendered.

Gas swap and borrowing agreements where settlement takes the form of returning volumes are, as a general rule, accrued using the sales method. At the same time, a provision is made for the associated production costs in the event that the SDFI has lent/swapped gas. When lending gas from the SDFI, the lower of production expense and estimated net present value of the future sales price is capitalised as a pre-paid expense at the date of the loan. The SDFI's share of location swaps associated with the purchase or sale of third-party gas is recorded net as operating revenue. The SDFI's share of timeswaps is recorded gross.

Liabilities arising because too much crude oil has been lifted in relation to the SDFI's share of the production partnership are valued at production cost, while receivables from the other partners in the production partnerships are valued at the lower of production cost and the estimated present value of the future sales price.

Purchases of third-party gas for resale and gas for inventory are recorded gross as operating expenses. The corresponding revenue is included in sales income.

Purchases and sales between fields and/or transport systems
Internal expenses and revenues are eliminated in purchases

and sales between fields and/or transport systems in which the SDFI is both owner and shipper, so that only costs paid to third parties appear as net transport costs.

Foreign currencies
Transactions in foreign currencies are recorded at the transaction rate. Monetary items in foreign currencies are valued at the exchange rate prevailing on the balance sheet date. Unrealised currency losses and realised currency losses/gains are recorded as financial income or financial expenses.

Classification of assets and liabilities
Assets intended for ownership or use over a longer period are classified as fixed assets. Other assets are classified as current assets. Debts due within one year are classified as current assets. Equivalent criteria are applied for classification of current and long-term liabilities.

Research and development
Research and development costs are expensed on a continuous basis. In addition to expenses for direct research and development in each joint venture, the operator also charges expenses for general research and development to the partnership in accordance with the extent of exploration, development and operating expenses in the joint venture.

Exploration and development costs
Petoro employs the successful efforts method to record exploration costs for SDFI oil and gas operations. This means that costs related to geological and geophysical surveys are expensed. However, expenses linked to the drilling of exploration wells are recognised in the balance sheet in anticipation of evaluation. Such costs are expensed if the evaluation determines that the discovery is not commercially viable. Considerable time can elapse between the drilling of a well and a final development decision. Capitalised exploration well expenses are accordingly assessed quarterly to determine whether sufficient progress is being made in the projects so that the criteria for capitalisation continue to be met. Dry wells or those where progress is insufficient are expensed.

Expenses linked to development, including wells, platforms and equipment, are capitalised. Costs for operational preparations are expensed on a continuous basis.

Tangible fixed assets
Tangible fixed assets and investments are carried at acquisition cost with deduction for planned and contingent depreciation. Fixed assets under construction are carried at historical cost.

Fixed assets leased on terms which largely transfer the financial risk and control to the SDFI (financial leasing) are capitalised under tangible fixed assets and the associated lease obligation is recognised as an obligation under long-term interest-bearing debt at the net present value of the lease charges. The fixed asset is subject to planned depreciation, and the obligation is reduced by the lease payment after deduction of calculated interest costs.

The SDFI does not take up loans, and incurs no interest expenses associated with the financing of development projects.

Ordinary depreciation of oil and gas production facilities is calculated for each field and field-dedicated transport system using the unit of production method. This means that the acquisition cost is depreciated in line with the ratio between volume sold during the period and reserves at the start of the period. Investments in wells are depreciated in line with the reserves made available by the wells drilled.

Petoro determines the reserve base for depreciation purposes on the basis of estimated remaining reserves per field, which are adjusted by a factor calculated as the ratio between the Norwegian Petroleum Directorate's total of low reserves in production and the sum of expected reserves in production. This is done for both oil and gas reserves. This reserve adjustment factor amounted to 76 per cent of expected remaining oil reserves in 2023, while the corresponding figure for gas reserves was 89 per cent. The reserve estimates are revised annually, and any changes affect only future depreciation expenses.

Ordinary depreciation for onshore facilities and transport systems as well as riser platforms used by multiple fields, is calculated on a straight-line basis over the remaining licence period at 31 December.

Other tangible fixed assets are depreciated on a straight-line basis over their expected economic lifetime.

Intangible fixed assets
Intangible fixed assets are carried at their fair value at the time of acquisition. They are depreciated over the expected contract period or their expected economic lifetime, and any impairment charges are deducted.

Impairment
When the accounts are prepared, tangible fixed assets and intangible assets are reviewed for indications of a decline in value. Producing fields or installations are normally treated as separate entities for the purposes of assessing impairment. Should the recoverable value be lower than the book value, and this decline is not expected to be temporary, the asset is written down to its recoverable value, which is the higher of the asset's fair value less sales costs and its utility value. The utility value is calculated using expected future cash flows, which are discounted using a discount rate based on the weighted average cost of capital (WACC) calculated for the company.

The impairment charge will be reversed if the conditions for writing down the asset no longer apply, limited to what the value would have been if no impairment was undertaken.

Maintenance expenses
Expenses related to repair and maintenance are expensed on a continuous basis. Expenses for major replacements and renovations that significantly extend the economic life of the tangible fixed assets are capitalised.

Abandonment and decommissioning expenses
Under the terms of a licence, the authorities can require the licensees to remove offshore installations when their production life comes to an end. The estimated fair value of obligations for decommissioning and removal is recorded in the accounts in the period when the liability arises, normally when wells are drilled and installations are built and ready for use. The obligation is capitalised as part of the acquisition cost of wells and installations, and depreciated therewith. Changes to estimated cessation and decommissioning costs are recorded and capitalised in the same manner and depreciated over the remaining economic life of the assets. The discount rate is based on the discount rate for corporate bonds (OMF) as stated in NRS 6.

A change in the liability relating to its time value — the effect of the decommissioning date having come one year closer — is recorded as a financial expense.

Inventories
Inventories of spare parts and operating materials are valued at the lower of acquisition cost according to the FIFO principle, or net realisable value. Spare parts of insignificant value for use in connection with operating oil or gas fields are expensed at the time of acquisition. Spare parts of significant value are recorded as inventory at the time of acquisition and expensed when they are used in operations. Petoro takes a point of departure in the operators' assessments in monthly settlements (billings) as regards which materials should be capitalised and which expensed.

Accounts receivable
Accounts receivable are recognised at face value in the balance sheet less a provision for expected loss. This provision is based on an individual assessment of each debtor.

Bank deposits
Bank deposits include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase. Cash flows from oil and gas sales are transferred to the state on a daily basis. Booked bank deposits thus include the SDFI's share of bank deposits in companies with apportioned liability in which the SDFI has an interest, and in which the proportionate consolidation method is used.

Current liabilities
Current liabilities are recognised at face value.

Taxes and fees
The SDFI is exempt from income tax in Norway. The SDFI is registered for value-added tax (VAT) in Norway. Virtually all the SDFI's sales of oil and gas products from its activity take place outside the geographic scope of Norway's VAT legislation (continental shelf and exports). The SDFI invoices these sales to the buyer free of tax. At the same time, the SDFI can deduct any VAT incurred on invoiced costs relevant to its activity.

Financial instruments
The SDFI is covered by the state's overall risk management. Financial instruments are used as part of Equinor's optimisation of gas sales.

Financial instruments are valued according to the lowest value principle, unless stated criteria have been met. Unrealised losses relating to financial instruments are recorded as expenses. Portfolio valuations are used as a basis where this, based on the financial instruments, is considered to be the most sensible approach, and where the portfolio is balanced in volume and time. Eliminations are carried out where legal rights exist to offset unrealised losses and gains, or where deposits/margins that correspond with the market value of the derivatives have been paid and capitalised. Gains are otherwise recognised upon realisation.

Financial instruments that are not current assets follow the valuation rules for fixed assets.

Uncertain obligations and contingent assets
Probable and quantifiable losses are expensed. Contingent assets are not included unless the asset is reasonably certain to be settled. Liabilities related to legal disputes are reflected when there is a preponderance of evidence indicating that the SDFI is on the losing side or when a judgement is pronounced, regardless of whether the judgement is appealed and the dispute is still making its way through the legal system.

NOTE 1 Asset transfers and changes

In January 2023, the Ministry of Petroleum and Energy (now Ministry of Energy) completed its Awards in Predefined Areas (APA 2022), where nine production licences were awarded with SDFI participation. Twelve production licences were relinquished in 2023. In January 2023, the Ministry of Petroleum and Energy completed its Awards in Pre-defined Areas (APA 2023), where an additional 20 production licences were awarded with SDFI participation.

NOTE 2 Specification of operating revenue by area

All figures in NOK million	2023	2022
Licence	**311,158**	591,764
Infrastructure and Market	**44,609**	52,911
Net profit agreements	**1,051**	1,245
Elimination internal sales	**(4,128)**	(5,494)
Total operating revenue (NGAAP)	**352,690**	**640,426**
Conversion to cash basis	**10,803**	(6,401)
Total cash basis	**363,492**	**634,025**

Infrastructure and Market generally consists of revenues from the resale of gas, tariff revenues for transport and processing, unrealised losses and revenues from trading inventory. Trading inventory mainly relates to physical volumes.

NOTE 3 Specification of operating revenue by product

All figures in NOK million	2023	2022
Crude oil, NGL and condensate	**106,685**	121,144
Gas	**231,597**	503,924
Transport and processing revenue	**12,688**	13,689
Other revenue	**670**	425
Net profit agreements	**1,051**	1,245
Total operating revenue (NGAAP)	**352,690**	**640,426**
Conversion to cash basis	**10,803**	(6,401)
Total cash basis	**363,492**	**634,025**

All oil, NGL and condensate from SDFI is sold to Equinor. All gas is sold by Equinor through the Marketing and Sale Instructions issued to Equinor at SDFI's expense and risk. Virtually all gas is sold to customers in Europe under bilateral contracts, or over the "trading desk". Under gas revenues in 2023, the company allocated NOK 1.1 billion in net unrealised losses on outstanding financial derivatives associated with gas volumes. The corresponding figure in 2022 was NOK 7.3 billion. For more information, see Note 18 on financial instruments.

NOTE 4 Specification of production and other operating expenses by area

All figures in NOK million	**2023**	**2022**
PRODUCTION EXPENSES		
Licence	**17,988**	17,050
Infrastructure and Market	**5,374**	6,439
Total production expenses	**23,362**	**23,489**
TRANSPORT AND PROCESSING EXPENSES		
Licence	**15,813**	17,814
Infrastructure and Market	**86**	158
Elimination internal purchases	**(4,128)**	(5,494)
Total transport and processing expenses	**11,771**	**12,478**
OTHER OPERATING EXPENSES		
Expenses for gas purchases, storage and administration	**15,804**	37,912
Total other operating expenses	**15,804**	**37,912**
Total operating costs	**50,937**	**73,878**
Conversion to cash basis	4,173	779
Total cash basis	**55,110**	**74,658**

Production costs were on par with previous years. CO_2 costs and operating and maintenance expenses have increased in 2023, however, but the effect was offset by reduced electricity costs.

The reduction in transport and processing costs was mainly caused by lower volumes.
Reduced costs related to gas purchases, storage and administration are primarily caused by lower gas prices in combination with reduced volumes.

Over / underlift is included in the figure for Infrastructure and Market under production expenses. Gassled and other gas infrastructure are organisationally placed under Infrastructure and Market as regards reporting of production expenses and transport- and processing expenses.

NOTE 5 Research and development

Petoro contributes to research and development (R&D) through the SDFI meeting its share of the operator's costs for general research and development pursuant to the Accounting Agreement. NOK 703 million was expensed by the SDFI for R&D in 2023 as regards charges from the operators during the accounting year.

NOTE 6 Auditors

The SDFI is subject to the Appropriations Regulations, as well as the Regulations and Provisions on Financial Management in Central Government. In accordance with the Act relating to the Office of the Auditor General (OAG) of 7 May 2004, the OAG is the external auditor for the SDFI. The audit takes place during the period from 1 May 2023 – 30 April 2024, and the result of the audit will be reported in the form of an auditor's report by 1 May 2024.

PricewaterhouseCoopers AS (PwC) has also been engaged by Petoro's board of directors to perform a financial audit of the SDFI as part of the internal audit function. As internal auditor, PwC submits its audit report to the Board in accordance with international auditing standards. PwC's fee is charged to the accounts of Petoro AS.

NOTE 7 Net financial items

All figures in NOK million	**2023**	**2022**
Interest income	**195**	1
Other financial revenue	**1**	2
Currency gain	**7,298**	10,688
Currency loss	**(3,479)**	(7,375)
Currency loss/gain - unrealised	**(1,544)**	(70)
Interest expenses	**(856)**	(153)
Other financial expenses	**0**	0
Interest on decommissioning liability	**(2,024)**	(1,488)
Net financial items	**(409)**	**1,605**

Not relevant to the accounts on a cash basis.

NOTE 8 Interest included in the SDFI's appropriation accounts

Interest on the state's fixed capital is incorporated in the accounts on a cash basis. Interest amounts are calculated in accordance with the requirements in the 2023 letter of assignment to Petoro from the Ministry of Trade, Industry and Fisheries.

Interest on the state's fixed capital is charged to operations in order to take account of capital costs and to provide a more accurate picture of the use of resources. This is a calculated expense without cash effect.

The accounts on a cash basis include an open account with the state which represents the difference between the recorded amount in the chapter/item in the appropriation accounts and ingoing and outgoing payments in the settlement accounts in Norges Bank.

Interest on the open account with the state is calculated in accordance with the 2023 letter of assignment to Petoro from the Ministry of Trade, Industry and Fisheries. The interest rate applied is linked to the interest rate on short-term government securities and corresponds to the interest rate applied to short-term loans to the Treasury, calculated on the basis of the average monthly balance in the open account with the government.

Not relevant to the accounts based on the Accounting Act (NGAAP).

NOTE 9 Specification of fixed assets

All figures in NOK million	Book value at 31 Dec. 2022	Historical acquisition cost at 1 Jan. 2023	Accumulated depreciation 1 Jan. 2023	Addition	Impair-ment	Dis-posal	Trans-fers*	Depre-ciation	Book value at 31 Dec. 2023
Fields under development	18,502	18,502	0	6,172	0	0	(9,347)	0	15,326
Operating fields	173,295	680,451	(507,157)	25,686	(5,177)	0	9,516	(25,356)	177,964
Pipelines and onshore facilities	23,741	78,501	(54,761)	3,049	0	0	0	(2,968)	23,822
Capitalised exploration expenses	5,112	5,112	0	994	0	(1,068)	(169)	0	4,870
Total tangible fixed assets	**220,649**	**782,566**	**(561,917)**	**35,901**	**(5,177)**	**(1,068)**	**0**	**(28,323)**	**221,982**
Intangible fixed assets	49	288	(239)	0	0	0	0	(4)	45
Financial assets	24,668	24,668	0	(9,652)	0	0	0	0	15,016
Total fixed assets (NGAAP)	**245,366**	**807,522**	**(562,156)**	**26,249**	**(5,177)**	**(1,068)**	**0**	**(28,327)**	**237,042**
Conversion to cash basis	(41,876)	(92,296)	50,420	4,148	0	1,068	0	1,121	(35,540)
Total fixed assets on cash basis	**203,490**	**715,226**	**(511,737)**	**30,396**	**(5,177)**	**0**	**0**	**(27,206)**	**201,503**

**Transfers apply for the Dvalin and Breidablikk fields, which came on stream during 2023*

Operating fields have been impaired by a total of NOK 5,177 million, primarily as a result of updated production profiles and cost estimates. The Martin Linge, Valemon and Nøkken fields have been impaired by NOK 4,462, 455 and 259 million, respectively.

Impairment tests are based on Petoro's best estimate of cash flows (market prices, production, investments, costs and exchange rate assumptions). The real discount rate in the calculation of utility value is 7-8 per cent. Inflation is estimated at 2 per cent annually. When the utility value is assessed to be lower than the book value, the assets are written down to their utility value.

The following price assumptions have been used to calculate impairment for 2023:

Real prices/year	2024	2027	2030	2050
Oil NOK/bbl	946	648	612	540
Gas price NOK/scm	6.9	3.7	2.7	2.5

Multiple different scenarios are taken into account in the preparation of price forecasts, including scenarios developed by the International Energy Agency (IEA) in the World Energy Outlook report.

However, the risk of periods with lower and higher prices is still significant, and volatility can be expected.

Sensitivity analysis

The table below shows alternative calculations of what the impairment and marginal change would have been in 2023 under various assumptions, given that all other assumptions remain constant. A price reduction of 10% on all products would have yielded an additional total impairment of NOK 1,641 million for the SDFI portfolio.

		Alternative calculations of impairment for 2023		Increase / (reduction) in impairment for 2023	
Assumptions	**Change**	**Increased assumptions**	**Reduced assumptions**	**Increased assumptions**	**Reduced assumptions**
Gas and liquids prices	+/- 10%	3,530	6,818	(1,647)	1,641
Discount rate	+/- 1%	5,419	4,924	243	(252)

The SDFI portfolio has also been tested for loss in value based on scenarios from the IEA. Prices from these scenarios are stated in actual 2023 terms for 2030 and 2050. Future expected prices have been applied for 2024, and they have been linearly interpolated from the price for 2024 to the IEA's scenario price for 2030, and then linearly interpolated from the IEA's scenario prices for 2030 to the IEA's scenario prices for 2050. The figures on the left represent alternative impairment calculations, and the figures on the right express changes from reported impairment for 2023 of NOK 5,177 million.

IEA scenario	Prices for 2030 and 2050	Alternative calculations of impairment for 2023	Increase / (reduction) in impairment for 2023
Net zero	Oil 395-235 NOK/bbl, gas 1.5-1.5 NOK/scm	7,459	2,282
Announced pledges	Oil 696-564 NOK/bbl, gas 2.3-1.9 NOK/scm	3,812	(1,365)
Stated policies	Oil 799-781 NOK/bbl, gas 2.5-2.5 NOK/scm	3,730	(1,446)

Only the "net zero" scenario will result in increased impairment compared with the current base scenario for the SDFI portfolio. On the other hand, the two other scenarios will result in a reduced loss of value. The analysis indicates that the risk of potential stranded assets in the SDFI portfolio is limited under current market assumptions.

Financial assets totalling NOK 15,016 million include capacity rights for regasification of LNG at the Cove Point terminal in the US with an associated agreement regarding the sale of LNG from Snøhvit to Equinor Natural Gas LLC (ENG) in the US, as well as SDFI's share of Equinor's investment in Danske Commodities (DC). The SDFI participates in ENG under the Marketing and Sale Instructions with regard to activities related to the marketing and sale of the state's LNG from Snøhvit. Cash flows from ENG are settled continuously on a monthly basis in connection with the purchase and sale of LNG. SDFI's share of DC is linked to gas activities under the Marketing and Sale Instructions. These activities are assessed as investments in associated companies and recorded according to the equity method (see also Note 10).

NOTE 10 Investments in associated companies

As of 1 January 2009, the SDFI's participation in Equinor Natural Gas LLC (ENG) in the US has been treated as an investment in an associate, which is recognised in accordance with the equity method. At the time it was established in 2003, the investment was recorded at the original acquisition cost of NOK 798 million.

The company's business office is located in Stamford in the US and it is formally owned 56.5 per cent by Equinor Norsk LNG AS, which reflects the SDFI's ownership interest under the marketing and sale instruction. The remaining 43.5 per cent is owned by Equinor North America Inc. As a result of the merger of former Statoil and Hydro's petroleum activities in 2007, the profit/loss is allocated in accordance with a disproportionate distribution model which gives 48.4 per cent to the SDFI.

The SDFI participates in ENG under the marketing and sale instruction with regard to activities related to the marketing and sale of the state's LNG from Snøhvit. Cash flows from ENG are settled continuously on a monthly basis in connection with the purchase and sale of LNG.

In 2023, the SDFI recognised an investment associated with Equinor's financial trading activity, including Global Financial Trading (GFT). GFT is operated from the United Kingdom and is formally owned by Equinor, but the SDFI participates in the investment through the Marketing and Sale Instructions for a share of the activities which affects the European gas market. The SDFI's participation in GFT is assessed as an investment in an associated company and is recorded in accordance with the equity method.

The SDFI recognised an investment associated with Equinor's acquisition of Danske Commodities (DC) under the marketing and sale instruction in 2019. DC is one of Europe's largest companies within short-term electricity trading. The company's activities also include short-term gas trading. The company is headquartered in Aarhus, Denmark. The company is formally owned by Equinor, but the SDFI participates in the investment through the marketing and sale instruction for the part of the enterprise related to gas activities. The acquisition agreement was finalised on 1 February 2019. The SDFI's participation in DC is assessed as an investment in an associated company and is recorded in accordance with the equity method. After the transaction date, the SDFI is entitled to a share of the result from gas activities that fall under the Marketing and Sale Instructions. At the time of acquisition in 2019, the investment was recorded at the original acquisition cost of NOK 1,190 million. The SDFI's share of investments in gas activities in DC are recognised as increased acquisition cost and short-term liabilities vis-à-vis Equinor. See Note 17 for more information.

	2023			2022	
All figures in NOK million	**DC**	**GFT**	**ENG**	**DC**	**ENG**
Financial assets 1 Jan.	**24,516**	**0**	**152**	1,704	123
Share of profit for the year in associated company	**1,902**	**126**	**2,838**	6,122	5,631
Dividend	**0**	**0**	**(2,957)**	0	(5,602)
Net additions	**(11,561)**	**0**	**0**	16,690	0
Financial assets 31 Dec*	**14,857**	**126**	**33**	**24,516**	**152**

** The book value of the shareholding in Norpipe Oil AS constitutes zero kroner and is therefore not included in the table above.*

NOTE 11 Inventories

All figures in NOK million	**2023**	**2022**
Petroleum products	**515**	1,358
Spare parts	**1,565**	1,655
Total inventories	**2,080**	**3,013**

Petroleum products comprise LNG and natural gas. The SDFI does not hold inventories of crude oil, as the difference between produced and sold volumes is included in over/underlift. Not relevant to the accounts on a cash basis.

NOTE 12 Accounts receivable

Accounts receivable and other receivables are recorded at nominal value in NGAAP following deduction for foreseeable losses.

NOTE 13 Close associates

The state owns 67 per cent of Equinor through the Ministry of Trade, Industry and Fisheries, and 100 per cent of Gassco through the Ministry of Energy. These companies are classified as close associates of the SDFI. Petoro, as the SDFI licensee, has significant participating interests in pipelines and terminals operated by Gassco.

Equinor is the buyer of the state's oil, condensate and NGL. Sales of oil, condensate and NGL from the SDFI to Equinor totalled NOK 106 billion (corresponding to 130 million boe) for 2023, compared with NOK 121 billion (130 million boe) for 2022.

Equinor markets and sells the state's natural gas at the state's expense and risk, but in Equinor's name and along with its own production. The state receives the market value for these sales. The state sold dry gas directly to Equinor at a value of NOK 817 million in 2023, compared with NOK 2,447 million in 2022. Equinor is reimbursed by the state for its relative share of costs associated with the transport, storage and processing of dry gas, the purchase of dry gas for resale and administrative expenses relating to gas sales. These reimbursements amounted to NOK 27.0 billion in 2023, compared with NOK 48.7 billion in 2022. Open accounts with Equinor totalled NOK 11.2 billion in favour of the SDFI, converted at the exchange rate on the balance sheet date, compared with NOK 16.0 billion in 2022.

Pursuant to the Marketing and Sale Instructions, the SDFI participates with a financial interest in Equinor Natural Gas LLC (ENG) in the US. Cash flows from ENG are settled continuously on a monthly basis in connection with the purchase and sale of LNG. The SDFI is also a participant in Equinor's investment in Danske Commodities (DC) and Global Financial Trading (GFT) under the Marketing and Sale Instructions for the part assigned to gas activities. This participating interest entitles Petoro to a share of future results. The investments are addressed in more detail in Note 10.

Open accounts and transactions relating to activities in the production licences are not included in the above-mentioned amounts. Hence, no information has been included with regard to open accounts and transactions relating to licence activities with Equinor or Gassco. The SDFI participates as a partner in production licences on the NCS. These are accounted for in accordance with the proportionate consolidation method.

NOTE 14 Equity

All figures in NOK million	2023	2022
Equity at 1 Jan.	**198,227**	187,190
Net profit	**266,172**	539,208
Cash transfers to the government	**(276,905)**	(528,171)
Equity at 31 Dec.	**187,494**	**198,227**

Not relevant to the accounts on a cash basis.

NOTE 15 Shutdown/decommissioning

This liability comprises future abandonment and decommissioning of oil and gas installations. Norwegian authority requirements and the Oslo-Paris (OSPAR) Convention for the Protection of the Marine Environment of the North-East Atlantic provide the basis for determining the extent of the decommissioning liability.

The liability is calculated on the basis of estimates from the respective operators. A number of factors underlying the decommissioning estimate are associated with significant uncertainty, including assumptions for decommissioning and estimating methods, as well as technology and the removal date. The removal date is expected largely to occur one or two years after cessation of production. See Note 24.

Interest expense on the liability is classified as a financial expense in the income statement. The discount rate is based on the discount rate for corporate bonds (OMF) as stated in NRS6. In 2023, the discount rate was 3.1%, compared with 3.0% in 2022.

The estimate for decommissioning costs has been reduced by a net of NOK 10.0 billion as a result of changes in future estimated costs from operators, alterations to cessation and decommissioning dates, as well as a change in the discount rate.

All figures in NOK million	**2023**	**2022**
Liability at 1 Jan	**68,677**	78,734
New liabilities	**80**	4,321
Actual decommissioning	**(417)**	(782)
Change in estimate	**5,734**	(940)
Change in discount rate	**(1,298)**	(14,144)
Interest expense	**2,024**	1,488
Liability at 31 Dec	**74,800**	**68,677**

NOK 417 million has been accrued for cessation and decommissioning in 2023, and is included in the accounts on a cash basis under operating expenses. The SDFI's share of estimated expenses for 2024 associated with shutdown and amounts to NOK 877 million.

NOTE 16 Other long-term liabilities

Other long-term liabilities pursuant to NGAAP comprise:

- Debt related to financial lease agreements for three LNG carriers delivered in 2006
- Income not yet earned in anticipated repayment of profit shares in licences with net profit agreements

Three financial leasing contracts were entered into in 2006 on the delivery of three ships to transport LNG from Snøhvit. These contracts run for 20 years, with two options for five-year extensions. Future discounted minimum payment for financial leasing totals NOK 414 million as of 31 December 2023. Of this, NOK 252 million will be disbursed in 2024 and 162 million will be paid the following year. The disbursement for 2024 is classified as current liabilities in the balance sheet.

Repayment liabilities for previously paid-up profit shares in licences with net profit agreements linked to decommissioning are included in long-term liabilities and amount to NOK 1,963 million.

Other long-term liabilities amount to NOK 663 million.

Not relevant to the accounts on a cash basis.

NOTE 17 Other current liabilities

The following other current liabilities fall due in 2024:

- Provisions for accrued unpaid costs, adjusted for cash calls in December, amounting to NOK 15,100 million as of year-end 2023, compared with NOK 14,479 in 2022.
- Open account vis-à-vis Equinor related to financial instruments under the Marketing and Sale Instructions amounting to NOK 1,062 million as of year-end 2023, compared with NOK 15,436 million in 2023.
- Outstanding debt vis-à-vis Equinor related to investment in Danske Commodities amounted to NOK 8,135 million as of year-end 2023. This liability is classified as short-term this year, as settlement is expected to take place in 2024.
- Other provisions for accrued unpaid costs not included in the accounts received from operators amounted to NOK 1,444 million in 2023, compared with NOK 6,431 million in 2022.

Accounts receivable vis-à-vis licence operators are classified as current assets in the report.

Not relevant to the accounts on a cash basis.

NOTE 18 Financial instruments and risk management

The Marketing and Sale Instructions issued to Equinor utilise derived financial instruments (derivatives) to manage risk in the SDFI portfolio. The SDFI does not have significant interest-bearing debt, and primarily sells oil, gas and NGL at current prices. Instruments used to manage price risk for sales at fixed prices or for deferred gas production are linked to forwards and futures.

At 31 December 2023, the market value of the derivatives was NOK 5,079 million in assets and NOK 6,141 million in liabilities. The comparable figures at the end of 2022 were NOK 12,406 million in assets and NOK 19,684 million in liabilities. These figures include the market value of listed “futures”, unlisted instruments and embedded derivatives. The market value of embedded derivatives is linked to contracts entered into with end-user customers on the Continent. This amounted to NOK 104 million in assets and NOK 666 million in liabilities in 2023. The comparable figures in 2022 were NOK 239 million in assets and NOK 219 million in liabilities, respectively. Net unrealised losses on outstanding positions at 31 December 2023 were carried to expense under the (Norwegian) Accounting Act and generally accepted accounting principles (NGAAP).

Price risk

The SDFI’s most significant price risk is related to future market prices for oil and natural gas. The SDFI is also exposed to both positive and negative price developments through the Marketing and Sale Instructions issued to Equinor. Equinor enters into raw materials-based derivatives contracts on behalf of the joint portfolio in an effort to manage price risk associated with natural gas. These contracts include futures, unlisted (over-the-counter – OTC) forwards and various types of swap agreements. The contracts entered into normally have a maturity of less than three years. The bilateral gas sales portfolio is exposed to various price indices and to a combination of long and short-term price points. Equinor purchases all oil, NGL and condensate from the SDFI at market-based prices.

Currency risk

The majority of the company’s revenue from the sale of oil and gas is invoiced in USD, EUR or GBP. Parts of its operating expenses and investments are also billed in equivalent currencies. When converting to NOK, currency fluctuations will affect the SDFI’s income statement and balance sheet. Petoro does not utilise currency hedging in relation to future sales of the SDFI’s petroleum, and its exposure in the balance sheet at 31 December 2023 was largely related to a single month’s outstanding revenue.

Interest risk
The SDFI is primarily exposed to credit risk through financial leasing contracts. These are recognised in the SDFI accounts in accordance with the (Norwegian) Accounting Act and generally accepted accounting principles (NGAAP). Alongside Equinor, the company has a financial liability related to leasing contracts for LNG ships pursuant to the Marketing and Sale Instructions. The SDFI has no other interest-bearing debt exposed to interest rate fluctuations.

Credit risk
SDFI's sales take place vis-à-vis a limited number of counterparties which are considered to have high creditworthiness, and all oil, NGL and condensate is sold to Equinor. In accordance with the Marketing and Sale Instructions, financial instruments for the SDFI's operations are purchased from buyers with sound credit ratings. Financial instruments are only established with large banks or financial institutions within pre-approved exposure levels and margin requirements. The SDFI's credit risk in current transactions is accordingly regarded as limited.

Liquidity risk
The SDFI generates a significant positive cash flow from its operations. Internal guidelines have been established to manage the flow of liquidity.

NOTE 19 Leases/contractual liabilities

All figures in NOK million	Leases	Transport capacity and other liabilities
2024	1,170	1,571
2025	926	1,088
2026	276	874
2027	112	593
2028	99	260
Beyond	117	709

Leases represent operations-related contractual liabilities for the chartering/leasing of rigs, supply ships, production ships, helicopters, standby vessels, bases and so forth as specified by the individual operator.

Transport capacity and other liabilities are associated with gas sales activities and mainly consist of transport and storage obligations in the United Kingdom and continental Europe. The SDFI's share of installations and pipelines on the NCS is generally higher than or equal to the transport share. Hence, no liabilities are calculated for these systems.

Other liabilities
In connection with the award of licences to explore for and produce petroleum, licensees may be required to commit to drill a certain number of wells. Licensees are also committed to undertake exploration activities through approved budgets and work programmes. The SDFI was committed at year-end to participate in 14 wells with an expected cost to the SDFI in 2024 of NOK 1.3 billion.

The SDFI has also accepted contractual liabilities relating to investments in new and existing fields. Overall, this amounts to NOK 12 billion for 2024 and NOK 14 billion for subsequent periods, totalling NOK 26 billion. The SDFI also committed itself to operating and investment expenses for 2024 through approved budgets and work programmes. The mentioned liabilities are included in work programmes and budgets for 2024.

In connection with the sale of the SDFI's oil and gas, Equinor has issued guarantees to suppliers and owners of transport infrastructure with operations in the US, the UK and continental Europe. Guarantees issued in connection with trading activities are provided as security for lack of financial settlement. In total, the guarantees amount to NOK 894 million for the SDFI's share.

The SDFI and Equinor deliver gas to customers under joint gas sale agreements. SDFI gas reserves will be utilised in accordance with the SDFI's share of production from the fields selected to deliver the gas at any given time.

Not relevant to the accounts on a cash basis.

NOTE 20 Other liabilities

The SDFI could be affected by possible ongoing legal actions or unresolved disputes and claims as a participant in production licences, pipelines and onshore facilities, and in the joint sale of the SDFI's gas together with Equinor. The final scope of the SDFI's liabilities or assets associated with such disputes and claims cannot be reliably estimated at this time. The SDFI's financial standing is not expected to be significantly impacted by the outcome of such disputes. Provisions are made in the accounts for issues where a negative outcome for the SDFI portfolio is thought to be more likely than not, or when a judgement has been pronounced and SDFI is on the losing side, regardless of whether the judgement is appealed and the dispute will advance through the legal system. No provisions have been made for such issues in the annual accounts for 2023.

Some long-term gas sales agreements contain price review clauses that may lead to claims that become the subject of arbitration. The SDFI's exposure associated with ongoing price reviews is not considered to have a significant effect on the SDFI's net income or financial position. Based on the SDFI's assessments, no substantial provisions have been made for price reviews in the annual accounts for 2023.

Not relevant to the accounts on a cash basis.

NOTE 21 Significant estimates

The SDFI accounts are presented in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP), which means that the management makes assessments and exercises judgement in a number of areas. Changes in the underlying assumptions could have a significant effect on the accounts. Where the SDFI portfolio is concerned, it is presumed that assessments of the book values of tangible fixed assets, reserves, shutdown and decommissioning of installations, exploration expenses and financial instruments could have the greatest significance.

Substantial investments in tangible fixed assets have been made in the SDFI portfolio. Each time the accounts are prepared, these investments are reviewed for indications of a decline in value. The assessment of whether an asset must be impaired is primarily based on judgements and assumptions about future market prices. The valuation is inherently uncertain due to the discretionary nature of the underlying estimates. In recent years, this risk has increased as a result of the current market conditions with rapid fluctuations in supply and demand for oil and gas, which causes more volatility in prices.

Recoverable reserves include volumes of crude oil, NGL (including condensate) and dry gas as reported in resource classes 1-3 in the classification system used by the Norwegian Petroleum Directorate (NPD). Only reserves for which the licensees' plan for development and operation (PDO) has been approved in the management committee and submitted to the authorities are included in the portfolio's expected reserves. A share of the field's remaining reserves in production (resource class 1) is used as a basis for depreciation. A share of oil and gas, respectively, is calculated annually for the portfolio to represent the relationship between low and expected reserves in production. This joint share is used to calculate the depreciation basis for each field. The reduced expected reserves forming the basis for the depreciation expenses are of great significance for net income, and adjustments to the reserve base can cause major changes to the SDFI's profit.

As regards shutdown and removal obligations, there will be significant estimate uncertainty linked to multiple factors in the removal estimates, including assumptions for removal and the method of estimation, as well as technology and the time of removal. Changes in the discount rate and the currency exchange rates used may also have a substantial impact on the estimates, and the subsequent adjustment of the obligation thus involves significant discretionary assessment.

Drilling expenses are capitalised temporarily until an assessment has been made of whether oil or gas reserves have been found. Assessments of the extent to which these expenses should remain capitalised or be written down in the period will affect results for the period.

Reference is otherwise made to the description of the company's accounting principles and to Notes 15 and 18, which describe the company's treatment of exploration expenses, uncertainties related to decommissioning and financial instruments.

Not relevant to the accounts on a cash basis

NOTE 22 Expected remaining oil and gas reserves – unaudited

	2023		2022		2021	
Oil* in million bbls, gas in billion scm	**oil**	**gas**	**oil**	**gas**	**oil**	**gas**
Expected remaining reserves at 1 Jan.	**1,271**	**558**	**1,400**	**568**	**1,463**	**569**
Change in reserves	41	3	2	30	79	35
Production	(129)	(37)	(131)	(40)	(142)	(37)
Expected remaining reserves at 31 Dec	**1,183**	**523**	**1,271**	**558**	**1,400**	**568**

* *Oil includes NGL and condensate.*

The portfolio's estimated remaining reserves totalled 4,475 million boe at the end of the year, down by 304 million boe compared with the end of 2022. Reserve growth came to 59 million boe, and this mainly comes from the Snorre and Visund fields as a result of somewhat extended economic tail-end production. With a production of 363 million boe, this yielded a reserve replacement rate of 16 per cent, compared with 49 per cent in 2022 and 80 per cent in 2021.

NOTE 23 Events after the balance sheet date

There were no significant events after the balance sheet date which will affect the reported figures in the accounts.

NOTE 24 SDFI overview of interests

Production licence	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)
018	5.00000	5.00000
018 B	5.00000	5.00000
028 C	30.00000	30.00000
034	40.00000	40.00000
036 BS	20.00000	20.00000
036 E	20.00000	20.00000
036 F	20.00000	20.00000
037	30.00000	30.00000
037 B	30.00000	30.00000
037 E	30.00000	30.00000
038 C	30.00000	30.00000
040	30.00000	30.00000
043	30.00000	30.00000
043 BS	30.00000	30.00000
043 FS	30.00000	-
050	30.00000	30.00000
050 B	30.00000	30.00000
050 D	30.00000	30.00000
050 DS	30.00000	30.00000
050 ES	30.00000	30.00000
050 FS	30.00000	30.00000
050 GS	30.00000	30.00000
050 HS	30.00000	30.00000
050 IS	30.00000	30.00000
052	37.00000	37.00000
053	33.60000	33.60000
054	40.80000	40.80000
055 C	33.60000	33.60000
057	30.00000	30.00000
062	19.95000	19.95000
064	30.00000	30.00000
074	19.95000	19.95000
074 B	19.95000	19.95000
074 CS	19.95000	19.95000
074 DS	19.95000	19.95000
074 ES	19.95000	19.95000

Production licence	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)
077	30.00000	30.00000
078	30.00000	30.00000
079	33.60000	33.60000
085	62.91866	62.91866
085 B	62.91866	62.91866
085 C	56.00000	56.00000
089	30.00000	30.00000
093	47.88000	47.88000
093 B	47.88000	47.88000
093 C	47.88000	47.88000
093 D	47.88000	47.88000
094	14.95000	14.95000
094 B	34.53000	35.69000
095	59.00000	59.00000
097	30.00000	30.00000
099	30.00000	30.00000
100	30.00000	30.00000
102	30.00000	30.00000
102 C	30.00000	30.00000
102 D	30.00000	30.00000
102 E	30.00000	30.00000
102 F	30.00000	30.00000
102 G	30.00000	30.00000
102 H	30.00000	30.00000
104	33.60000	33.60000
104 B	33.60000	33.60000
107 B	7.50000	7.50000
107 D	7.50000	7.50000
110	30.00000	30.00000
110 B	30.00000	30.00000
120	16.93548	16.93548
120 B	16.93548	16.93548
120 CS	16.93548	16.93548
124	27.08962	27.08962
128	24.54546	24.54546
128 B	54.00000	54.00000
128 D	24.54546	24.54546
128 E	24.54546	24.54546

Production licence	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)
134	13.55000	13.55000
134 E	13.55000	-
152	30.00000	30.00000
153	30.00000	30.00000
153 B	30.00000	30.00000
153 C	30.00000	30.00000
158	47.88000	47.88000
169	30.00000	30.00000
169 B1	37.50000	37.50000
169 B2	30.00000	30.00000
171 B	33.60000	33.60000
176	47.88000	47.88000
190	40.00000	40.00000
193	30.00000	30.00000
193 B	30.00000	30.00000
193 C	30.00000	30.00000
193 D	30.00000	30.00000
193 E	30.00000	30.00000
193 FS	30.00000	30.00000
193 GS	30.00000	30.00000
195	35.00000	35.00000
195 B	35.00000	35.00000
199	27.00000	27.00000
208	30.00000	30.00000
209	35.00000	35.00000
209 BS	-	35.00000
211	35.00000	35.00000
211 CS	35.00000	35.00000
237	34.53000	35.69000
248	40.00000	40.00000
248 B	40.00000	40.00000
248 C	40.00000	40.00000
248 D	40.00000	40.00000
248 E	40.00000	40.00000
248 F	40.00000	40.00000
248 GS	40.00000	40.00000
248 I	40.00000	40.00000
248 K	40.00000	-

Production licence	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)
250	45.00000	45.00000
255	30.00000	30.00000
255 B	30.00000	30.00000
255 C	30.00000	30.00000
263 C	19.95000	19.95000
265	30.00000	30.00000
275	-	5.00000
277	30.00000	30.00000
309 C	33.60000	33.60000
318	20.00000	20.00000
318 B	20.00000	20.00000
318 C	20.00000	20.00000
327	20.00000	20.00000
327 B	20.00000	20.00000
327 C	20.00000	-
393	20.00000	20.00000
435	35.00000	35.00000
448	30.00000	30.00000
473	19.95000	19.95000
475 BS	30.00000	30.00000
475 CS	30.00000	30.00000
479	34.53000	14.95000
489	20.00000	20.00000
502	33.33333	33.33333
532	20.00000	20.00000
537	20.00000	20.00000
537 B	20.00000	20.00000
608	20.00000	20.00000
815	20.00000	20.00000
830	-	20.00000
885	-	20.00000
886	20.00000	20.00000
886 B	20.00000	20.00000
894	20.00000	20.00000
896	-	20.00000
923	20.00000	20.00000
923 B	20.00000	20.00000
935	20.00000	20.00000

Production licence	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)
958	20.00000	20.00000
968	-	20.00000
970	-	20.00000
973	-	20.00000
973 B	-	20.00000
976	20.00000	20.00000
985	20.00000	20.00000
1025 S	20.00000	20.00000
1025 SB	20.00000	20.00000
1049	20.00000	20.00000
1049 B	-	20.00000
1049 C	-	20.00000
1051	-	20.00000
1078	20.00000	20.00000
1079	20.00000	20.00000
1080	20.00000	20.00000
1083	30.00000	30.00000
1085	20.00000	20.00000
1086	20.00000	20.00000
1090	20.00000	20.00000
1091	20.00000	20.00000
1093	30.00000	30.00000
1096	20.00000	20.00000
1106	20.00000	20.00000
1128	20.00000	20.00000
1131	20.00000	20.00000
1133	20.00000	20.00000
1134	20.00000	20.00000
1155	20.00000	20.00000
1155 B	20.00000	-
1162	20.00000	20.00000
1169	20.00000	20.00000
1170	20.00000	20.00000
1174 S	20.00000	-
1188	34.53000	-
1189	34.53000	-
1197	20.00000	-

Net profit licences*		
027		
027 C		
027 FS		
027 HS		
028		
028 B		
028 S		
029		
029 B		
029 C		
033		
033 B		

Agreement area	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)
Breidablikk Unit	22.20000	22.20000
Brime Unit	25.34000	-
Fram H-Nord Unit	11.20000	11.20000
Gimle Unit	-	24.18630
Grane Unit	28.90500	28.90500
Haltenbanken Vest Unit	22.52000	22.52000
Halten Øst Unit	5.90000	5.90000
Heidrun Unit	57.79339	57.79339
Johan Sverdrup Unit	17.36000	17.36000
Martin Linge Unit	30.00000	30.00000
Norne Inside	54.00000	54.00000
Ormen Lange Unit	36.48500	36.48500
Oseberg Area Unit	33.60000	33.60000
Sindre Unit	-	27.09000
Snorre Unit	30.00000	30.00000
Snøhvit Unit	30.00000	30.00000
Statfjord Øst Unit	30.00000	30.00000
Sygna Unit	30.00000	30.00000
Tor Unit	3.68744	3.68744
Troll Unit	56.00000	56.00000
Tyrving	26.84000	26.84000
Valemon Unit	30.00000	30.00000
Vega Unit	31.20000	31.20000
Verdande Unit	22.40670	-
Visund Inside	30.00000	30.00000
Åsgard Unit	34.53000	35.69000

Field	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)	Remaining production period	Licence period
Breidablikk	22.20000	22.20000	2060	2030
Draugen	47.88000	47.88000	2040	2024
Dvalin	35.00000	35.00000	2039	2041
Ekofisk	5.00000	5.00000	2048	2048
Eldfisk	5.00000	5.00000	2048	2048
Embla	5.00000	5.00000	2028	2048
Fram H-Nord	11.20000	11.20000	2032	2024
Gimle	25.34000	24.18630	2040	2026
Gjøa	30.00000	30.00000	2031	2028
Grane	28.90500	28.90500	2060	2030
Gullfaks	30.00000	30.00000	2040	2036
Gullfaks Sør	30.00000	30.00000	2040	2025
Halten Øst	5.90000	5.90000	2032	2027
Heidrun	57.79339	57.79339	2046	2024
Irpa	20.00000	-	2039	2041
Johan Castberg	20.00000	20.00000	2054	2049
Johan Sverdrup	17.36000	17.36000	2054	2036
Kristin	22.52000	22.52000	2042	2027
Kvitebjørn	30.00000	30.00000	2034	2031
Maria	30.00000	30.00000	2042	2036
Martin Linge	30.00000	30.00000	2036	2027
Norne	54.00000	54.00000	2036	2026
Ormen Lange	36.48500	36.48500	2046	2040
Oseberg	33.60000	33.60000	2040	2031
Oseberg Sør	33.60000	33.60000	2040	2031
Oseberg Øst	33.60000	33.60000	2026	2031
Rev	30.00000	30.00000	2025	2026
Sindre	25.34000	27.09000	2040	2026
Skuld	24.54546	24.54546	2036	2026
Snorre	30.00000	30.00000	2050	2040
Snøhvit	30.00000	30.00000	2049	2035
Statfjord Nord	30.00000	30.00000	2038	2026
Statfjord Øst	30.00000	30.00000	2038	2026
Svalin	30.00000	30.00000	2060	2030
Sygna	30.00000	30.00000	2038	2026
Tor	3.68744	3.68744	2048	2028
Tordis	30.00000	30.00000	2040	2040
Troll	56.00000	56.00000	2054	2030

Tune	40.00000	40.00000	2040	2031
Tyrving	26.84000	26.84000	2040	2025
Urd	24.54546	24.54546	2036	2026
Valemon	30.00000	30.00000	2028	2031
Vega	31.20000	31.20000	2035	2024
Verdande	22.40670	-	2035	2023
Vigdis	30.00000	30.00000	2041	2040
Visund	30.00000	30.00000	2042	2034
Visund Sør	30.00000	30.00000	2040	2034
Åsgard	34.53000	34.53000	2038	2027

PIPELINES AND ONSHORE FACILITIES

Oil infrastructure	At 31 Dec. 2023 Participating interest (%)	At 31 Dec. 2022 Participating interest (%)	Licence period
Oseberg Transport System (OTS)	48.38379	48.38379	2031
Troll Oil Pipeline I + II	55.76808	55.76808	2030/2040
Grane Oil Pipeline	42.06310	42.06310	2030
Kvitebjørn Oil Pipeline	30.00000	30.00000	2031
Norpipe Oil AS (ownership)	5.00000	5.00000	2028
Mongstad Terminal DA	35.00000	35.00000	-
Johan Sverdrup Eiendom DA	17.36000	17.36000	-
Gas infrastructure			
Gassled**	46.69700	46.69700	2028
Haltenpipe	57.81250	57.81250	2024
Mongstad Gas Pipeline	56.00000	56.00000	2030
Nyhamna	26.13840	26.13840	2041
Polarled	11.94600	11.94600	2041
Valemon Rich Gas Pipeline	30.00000	30.00000	2031
Dunkerque Terminal DA	30.35317	30.35317	2028
Zeepipe Terminal J.V.	22.88161	22.88161	2028
Vestprosess DA	41.00000	41.00000	-
Ormen Lange Eiendom DA	36.48500	36.48500	-

The SDFI also has intangible fixed assets relating to gas storage capacity in the UK and Germany, and financial fixed assets related to an associate in the US (ENG).

* Production licences where the SDFI is not a licensee, but is entitled to a share of possible profit

** Gassled has multiple transport licences with various licence periods

Resource accounts 2023 - unaudited

The tables below present remaining reserves in resource classes 1 to 3, as well as resources in classes 4 to 8.

	Resource classes 1-8	Remaining recoverable reserves: Oil, NGL and condensate mill scm	Gas bn scm	Oil equivalents mill scm
RC 1-3	Reserves	188.0	523.5	711.5
RC 4	Resources in the planning phase	9.9	15.6	25.4
RC 5	Recovery likely but not clarified	47.7	62.3	110.0
RC 6	Development unlikely	4.2	0.3	4.5
RC 7	Resources in new discoveries not evaluated and potential future IOR measures	50.3	48.7	99.1
RC 8	Prospects	24.5	17.5	42.0
	Total	**324.7**	**667.9**	**992.5**

	Original reserves			Remaining reserves		
Field	**Oil, NGL, cond.** mill scm o.e	**Gas** bill scm	**Oil equivalent** mill scm o.e	**Oil, NGL, cond.** mill scm o.e	**Gas** bill scm	**Oil equivalent** mill scm o.e
Breidablikk	6.71	0.00	6.71	6.66	0.00	6.66
Brime Unit	1.02	0.35	1.37	0.17	0.11	0.28
Draugen	76.23	1.76	77.98	4.24	0.93	5.17
Dvalin[1]	0.57	10.88	11.45	0.56	10.63	11.19
Ekofisk[2]	38.14	12.00	50.14	3.07	0.33	3.40
Fram H-Nord	0.08	0.00	0.08	0.00	0.00	0.00
Gjøa	10.49	13.57	24.06	0.43	1.53	1.96
Grane	43.83	0.00	43.83	4.62	3.67	8.28
Gullfaks[3]	145.22	38.43	183.66	6.41	5.94	12.35
Halten Øst	0.35	0.54	0.88	0.35	0.54	0.88
Haltenbanken Vest	10.29	8.38	18.67	1.63	2.12	3.75
Heidrun	121.77	30.32	152.09	19.49	13.70	33.19
Irpa 6705/10-1	0.08	4.01	4.09	0.08	4.01	4.09
Johan Castberg	17.79	0.00	17.79	17.79	0.00	17.79

Johan Sverdrup	68.83	1.87	70.71	46.19	1.11	47.30
Kvitebjørn	11.85	32.95	44.80	0.80	3.78	4.58
Maria	5.35	0.51	5.86	3.52	0.34	3.86
Martin Linge	2.93	4.92	7.85	1.48	3.30	4.78
Norne	52.29	6.65	58.93	0.96	0.85	1.81
Norne satellites[4]	3.66	0.23	3.89	0.50	0.07	0.57
Nøkken 34/11-2 S	0.02	0.00	0.02	0.02	0.00	0.02
Ormen Lange	7.16	122.13	129.28	0.89	28.10	28.99
Oseberg	179.58	53.80	233.38	8.05	29.67	37.72
Rev	0.28	0.81	1.09	0.00	0.00	0.00
Snorre	98.52	2.00	100.51	22.98	0.00	22.98
Snøhvit	12.32	62.51	74.84	7.04	40.54	47.58
Statfjord Nord	13.88	0.71	14.59	1.15	0.07	1.22
Statfjord Øst	13.59	1.72	15.32	1.03	0.30	1.32
Svalin	3.17	0.00	3.17	0.86	0.00	0.86
Sygna	3.44	0.00	3.44	0.11	0.00	0.11
Tor	1.24	0.43	1.67	0.17	0.02	0.19
Tordis/Vigdis	46.32	2.05	48.37	4.22	0.09	4.31
Troll	196.35	799.47	995.82	10.91	350.68	361.59
Tune	1.50	7.61	9.11	0.01	0.08	0.09
Tyrving	1.01	0.01	1.01	1.01	0.01	1.01
Valemon	0.74	4.44	5.18	0.10	0.42	0.52
Vega	7.06	8.61	15.67	1.37	2.82	4.19
Verdande	0.99	0.19	1.18	0.99	0.19	1.18
Visund[5]	18.58	23.24	41.82	2.76	8.15	10.91
Åsgard[6]	72.38	83.43	155.81	5.43	9.36	14.78
	1295.6	**1340.5**	**2636.1**	**188.0**	**523.5**	**711.5**

1) The Dvalin group consists of Dvalin and Dvalin Nord
2) The Ekofisk group consists of Ekofisk, Eldfisk, Embla (producing), as well as Vest Ekofisk, Cod and Edda (shut down)
3) The Gullfaks group consists of Gullfaks and Gullfaks Sør
4) The Norne satellites consist of Skuld and Urd
5) The Visund group consists of Visund and Visund Sør
6) The Åsgard group consists of Åsgard and Blåbjørn
* Remaining reserves in Atla, Skirne, Heimdal, Veslefrikk are 0, which is why they are not included in the list

Vår referanse: 2023/00933-33

Riksrevisjonen

Riksrevisjonens beretning

Konklusjon

Riksrevisjonen har revidert årsregnskapsoppstillingene for Statens direkte økonomiske engasjement for regnskapsåret 1. januar - 31. desember 2023. Årsregnskapsoppstillingene består av oppstilling av bevilgnings- og artskontorapportering, virksomhetsregnskap og noter, herunder sammendrag av viktige regnskapsprinsipper.

Oppstilling av bevilgnings- og artskontorapporteringen viser at - 276 509 999 280 kroner er rapportert netto til bevilgningsregnskapet. Oppstilling av virksomhetsregnskapet viser et årsresultat på 266 172 000 000 kroner.

Etter Riksrevisjonens mening

- oppfyller årsregnskapsoppstillingene gjeldende krav,
- gir oppstilling av bevilgnings- og artskontorapporteringen med noter et dekkende bilde av virksomhetens disponible bevilgninger, inntekter og utgifter for 2023 og kapitalposter per 31. desember 2023, i samsvar med regelverket for økonomistyring i staten, og
- gir oppstilling av virksomhetsregnskapet med noter et dekkende bilde av virksomhetens resultater for 2023 og av eiendeler, gjeld og statens kapital per 31. desember 2023, i samsvar med statlige regnskapsstandarder (SRS).

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med *lov om Riksrevisjonen, instruks om Riksrevisjonens virksomhet* og internasjonale standarder for offentlig finansiell revisjon (ISSAI-ene). Våre oppgaver og plikter i henhold til lov, instruks og disse standardene er beskrevet nedenfor under Riksrevisjonens oppgaver og plikter ved revisjonen. Vi er uavhengige av virksomheten i samsvar med kravene i lov og instruks om Riksrevisjonen og ISSAI 130 Code of Ethics utstedt av International Organisation of Supreme Audit Institutions (INTOSAIs etikkregler), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon i årsrapporten

Ledelsen er ansvarlig for informasjonen i årsrapporten. Øvrig informasjon består av ledelseskommentarer (i del VI) og annen øvrig informasjon (del I–V) i årsrapporten. Riksrevisjonens konklusjon ovenfor om årsregnskapsoppstillingene dekker ikke informasjonen i øvrig informasjon.

I forbindelse med revisjonen av årsregnskapsoppstillingene er det vår oppgave å lese øvrig informasjon i årsrapporten. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen, årsregnskapsoppstillingene og kunnskapen vi har opparbeidet oss under revisjonen av årsregnskapsoppstillingene, eller hvorvidt den øvrige informasjonen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom den øvrige informasjonen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at den øvrige informasjonen i årsrapporten:

- er konsistent med årsregnskapsoppstillingene og
- inneholder de opplysninger som skal gis i henhold til gjeldende regelverk

Ledelsens, styrets og det overordnede departementets ansvar for årsregnskapet

Ledelsen og styret er ansvarlige for å utarbeide årsregnskapet som gir et dekkende bilde i samsvar med regelverket for økonomistyring i staten og de statlige regnskapsstandardene (SRS). Ledelsen og styret er også ansvarlige for slik intern kontroll som de finner nødvendig for å kunne utarbeide årsregnskapet som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Det overordnede departementet og styret har det overordnede ansvaret for at virksomheten rapporterer relevant og pålitelig resultat- og regnskapsinformasjon og har forsvarlig intern kontroll.

Riksrevisjonens oppgaver og plikter ved revisjon av årsregnskapsoppstillingene
Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapsoppstillingene som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som gir uttrykk for Riksrevisjonens konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med *lov om Riksrevisjonen, instruks om Riksrevisjonens virksomhet* og internasjonale standarder for offentlig finansiell revisjon, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den, enkeltvis eller samlet, med rimelighet kan forventes å påvirke de beslutningene brukerne foretar på grunnlag av årsregnskapsoppstillingene.

Som del av en revisjon i samsvar med *lov om Riksrevisjonen, instruks om Riksrevisjonens virksomhet* og internasjonale standarder for offentlig finansiell revisjon, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoene for vesentlig feilinformasjon i årsregnskapsoppstillingene, enten det skyldes misligheter eller utilsiktede feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes utilsiktede feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av internkontroll som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av virksomhetens interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige, og om tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- dersom vi gjennom revisjonen av årsregnskapsoppstillingene får indikasjoner på vesentlige brudd på administrative regelverk med betydning for økonomistyring i staten, gjennomfører vi utvalgte revisjonshandlinger for å kunne uttale oss om hvorvidt det er vesentlige brudd på slike regelverk.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapsoppstillingene, inkludert tilleggsopplysningene, og hvorvidt årsregnskapsoppstillingene gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et dekkende bilde i samsvar med regelverket for økonomistyring i staten og de statlige regnskapsstandardene (SRS).

Vi kommuniserer med ledelsen og styret blant annet om det planlagte innholdet i og tidspunkt for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen. Vi informerer overordnede departementet om funn og svakheter.

Uttalelse om øvrige forhold

Konklusjon om etterlevelse av administrative regelverk for økonomistyring
Vi uttaler oss om hvorvidt vi er kjent med forhold som tilsier at virksomheten har disponert bevilgningene på en måte som i vesentlig grad strider mot administrative regelverk med betydning for økonomistyring i staten. Uttalelsen gis med moderat sikkerhet og bygger på ISSAI 4000 for etterlevelsesrevisjon. Moderat sikkerhet for uttalelsen oppnår vi gjennom revisjon av årsregnskapsoppstillingene som beskrevet ovenfor, og kontrollhandlinger vi finner nødvendige.

Basert på revisjonen av årsregnskapsoppstillingene og kontrollhandlinger vi har funnet nødvendige i henhold til ISSAI 4000, er vi ikke kjent med forhold som tilsier at virksomheten har disponert bevilgningene i strid med administrative regelverk med betydning for økonomistyring i staten.

Oslo, 2.mai 2024

Etter fullmakt

Tor Digranes
ekspedisjonssjef

Lisbeth Nybøe
avdelingsdirektør

Beretningen er godkjent og ekspedert digitalt.