



Vår Energi reports first quarter 2022 results

Sandnes, Norway, 27 April 2022: Vår Energi ASA (OSE: VAR) today reported USD 2 491 million in total income for the first quarter of 2022, an increase of 10% from the previous quarter, primarily driven by higher oil and gas prices. EBIT was USD 1 674 million (+36%) and cash flow from operations (CFFO) was USD 2 182 million (+137%) in the quarter.

The Company raised its dividend guidance for 2022 to USD 1 billion, under current market conditions, from the previously communicated USD 800 million. This includes USD 225 million to be paid in May for the first quarter and guidance for a further USD 260 million to be paid for the second quarter.

Highlights:

- One actual serious incident in the first quarter of 2022, a subsea leakage on Balder based on hydrocarbons release rate, however the environmental impact was minor
- Production of 242 kboepd, a decrease from 259 kboepd in the fourth quarter of 2021 due to the adjustment of the gas conversion factor, minor operational impacts and natural decline
- Average weighted realised price of USD 119.8 per boe in the quarter (oil USD 99.6 per boe and gas 164.3 per boe)
- Production cost of USD 12.1 per boe, down from USD 13.4 per boe in the previous quarter due to lower maintenance activities with full-year 2022 guidance maintained at USD 12.5 to 13.5 per boe
- Major development projects progressing according to schedule, increased macro and supply chain uncertainties
- USD 3 799 million in available liquidity (cash and undrawn facilities)
- Leverage ratio further reduced to 0.6x at the end of the quarter from 1.1x at end 2021 on strong cash flow from operations, increased cash and lower debt
- Board of Directors declares dividend of USD 0.09 per share for the first quarter, totalling USD 225 million to be distributed in May

“The current commodity price environment reflects the significant uncertainties created by Russia’s invasion of Ukraine in February. The war comes on top of already tight energy markets as global demand recovers from the Covid-19 pandemic. Combined with increased inflation and disturbances in global supply chains, this adds uncertainty with regards to the future global economic development. Against this backdrop, Vår Energi leveraged its leading position on the NCS and maintained a solid operational performance with material gas volumes delivered to customers in Europe. This is reflected in exceptional cash flow generation for the quarter and in our raised dividend guidance for 2022 of USD 1 billion.” said Torger Rød, the CEO of Vår Energi.

Webcast and conference call

The company will today hold a webcast and conference call followed by Q&A at 10:00 CET hosted by CEO Torger Rød and CFO Stefano Pujatti.

You can follow the webcast with supporting slides, available on:

<https://streams.eventcdn.net/vaarenergi/2022q1>

To access the conference call, please pre-register at:

<https://www.incommglobalevents.com/registration/q4inc/10778/v%C3%A5r-energi-q1-2022-presentation/>

You will receive your access details via email.

The report, presentation and webcast will be available at www.varenergi.no.

About Vår Energi

Vår Energi is a leading independent upstream oil and gas company on the Norwegian continental shelf (NCS). We are committed to deliver a better future through responsible value driven growth based on over 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects, and a strong exploration track record. Our ambition is to be the safest operator on the NCS, the partner of choice, an ESG leader and a net-zero producer (Scope 1 and 2) by 2030.

Vår Energi has more than 900 employees and equity stakes in 36 fields producing net 246,000 boe per day in 2021. We have our headquarters outside Stavanger, Norway, with offices in Oslo and Hammerfest. To learn more, please visit varenergi.no.

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This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange release was published by Ida Fjellheim, Head of Investor Relations at Vår Energi ASA, on 27 April 2022 at 07:00 CET.

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