

# Petrolia Noco



We find value by working together

FINANCIAL REPORT FOR THE THIRD QUARTER OF 2024

## HIGHLIGHTS FOR Q3 2024

- Revenues of NOK 129.6 million
- Net profit of NOK 0.9 million
- Net production of 2 200 boe/day

### Key figures (NOK million)

	Q3 2024	Q2 2024	Q3 2023	2024 YTD	2023
Revenues	129.6	207.3	-0.1	555.8	9.8
Operating profit/(Loss)	24.3	36.9	-21.2	139.8	-92.1
Net profit/(Loss)	0.9	6.3	-8.1	12.9	-34.4
Equity	9.3	8.4	9.5	9.3	-3.6
Total assets	1 131	1 122	308	1 131	1 093
Cash flow from operations	72.1	47.4	-26.4	168.7	-24.3
Cash flow from investing	-54.4	-52.2	-3.0	-155.0	-153.5
Cash flow from financing	-0.3	-0.3	9.4	-0.8	152.3
Net production (boe/day)	2,200	2,319	22	2,398	16

## **ABOUT PETROLIA NOCO AS**

Petrolia NOCO AS is an independent exploration and production company leveraging new technologies and innovative collaboration models to discover and develop oil and gas resources on the Norwegian continental shelf. The Company's goal is profitable growth and value creation for shareholders, employees and society through smart reinvestment of cash flow from producing fields into new licenses through exploration, field development and acquisitions. Our strategic focus is on exploring areas near existing infrastructure for swift tie-backs while challenging traditional perspectives to revitalise legacy assets or discover new plays. The Company also takes a proactive approach towards reducing emissions through participation in carbon capture and storage and supports all lower emission initiatives on all our assets.

Petrolia NOCO has 651 shareholders as of 30.09.2024. Its shares are registered in the Norwegian Central Securities Depository (Verdipapirsentralen, VPS) with ISIN: NO0010844301. The shares are registered with the ticker PNO on the NOTC ([www.notc.no](http://www.notc.no)), a marketplace for unlisted shares. The LEI code is 5493000TY8HENWE3AL33.

## **FINANCIAL REVIEW**

Revenues in Q3 2024 were NOK 129.6 million, down from NOK 207.3 million in Q2 2024. The lower revenues are due to reduced gas production in September caused by a 23- days planned maintenance shutdown, lower sales volumes of oil as an overlift from Q2 was aligned during Q3 and general depletion. The average realised oil price in the quarter was USD 78.1 per bbl.

Production cost was NOK 21.3 million, down from NOK 45.0 million in Q2 2024. NOK 19.3 million of the reduction relates to changes in over/under lift positions.

Exploration expenses were NOK 14.5 million, compared to NOK 55.0 million in Q2 2024. While NOK 42 million of the exploration expenses in Q2 2024 was related to acquisition of seismic data, no seismic were acquired in Q3 2024.

General & administrative expenses were NOK 18.7 million up from NOK 17.2 million in Q2 2024.

Depreciation was NOK 50.8 million, down from NOK 53.2 million in Q2 2024 and is mainly related to production depreciation of oil and gas properties.

Net financial items were NOK -12.4 million, of which NOK 9.3 million were interest expenses on loans, and NOK 4.4 million were related to the net expense on accretion of asset retirement obligations. The corresponding figure in Q2 2024 was NOK -9.7 million.

Tax expenses amounted to NOK 11.0 million compared to NOK 20.8 million in Q2 2024.

The operating result was NOK 24.3 million compared to NOK 36.9 million in Q2 2024. Net profit for the quarter amounted to NOK 0.9 million, down from NOK 6.3 million in Q2 2024.

Total assets were NOK 1130.5 million on 30 September 2024 compared to NOK 1121.8 million at the end of Q2 2024.

Goodwill as of 30 September 2024 were NOK 146.2 million and is related to the Brage acquisition. The goodwill consists of NOK 215.8 million of technical goodwill and negative ordinary goodwill of NOK 63.3 million.

Oil and gas properties were NOK 316.9 million, down from NOK 321.2 million at the end of Q2 2024. Investments in the quarter amounted to NOK 54.4 compared with NOK 52.2 million in Q2 2024.

Exploration assets were NOK 162.7 million compared to NOK 154.4 million on 30 June 2024.

Cash and cash equivalents were NOK 42.7 million, up from NOK 25.2 million at the end of Q2 2024.

Book equity was NOK 9.3 million, up from NOK 8.4 million on 30 June 2024.

Interest-bearing debt was NOK 281.7 million, unchanged from the previous quarter.

Decommissioning provisions were NOK 668.8 million compared with NOK 671.1 million in Q2 2024.

## **LICENSE PORTFOLIO**

Petrolia NOCO holds interest in 10 licenses in the North Sea and the Norwegian Sea, including 2 operatorships.

### **Norwegian Sea licenses**

- PL 1013 (20%)
- PL 1013 B (20%)
- PL 935 (10%)
- PL 1221 (40%) - Operator

## North Sea Licenses

- PL 882 (20%)
- PL1210 (30%)
- PL 1181 (60%) – Operator
- PL055 Brage Unit (12.26%)
- PL 018 C (11.654%)
- PL 048 D (21.8%)

## OPERATIONAL DEVELOPMENTS

### Brage (12.26%)

The acquisition of a 12.26% interest in Brage was completed on 29 December 2023. 2P reserves on 31 December 2023 were 1.68 million boe net to PNO. Net production to PNO in Q3 2024 was 2186 boe per day. The Q3 2024 production was negatively impacted by a planned maintenance shutdown, preventing gas export for 23 days. The Fensfjord North infill well has been completed and is expected to start producing in Q4 2024. The operator, OKEA, reported production efficiency of 97% in the quarter.

### PL882 (20%) - Dugong

PL 882 was awarded as part of the APA 2016 round. Petrolia recognised that the blocks to the west of Snorre Field were underexplored and that a new broadband seismic would better image the area.

The strong partnership led to a de-risking of the Dugong prospect which was spudded towards the end of Q2 2020 and was subsequently announced as a commercial discovery.

The recoverable resources are estimated to be between 29 - 84 million barrels of oil equivalent.

The PL 882 license partnership is working on several field development scenarios. First oil is now expected in 2029.

### PL 1013 (20%)

In 1H 2022, the Company farmed down 40% of its interest in the license to Equinor. The drilling of an exploration well was concluded in November 2024. The well was determined as a technical discovery and has been permanently plugged and abandoned.

### PL 935 (10%)

The Bounty prospect in the PL 935 license was drilled in 2022 and determined as a dry well with shows. The operator and partners are now evaluating the data obtained to consider

drilling additional wells. The interpretations of the well results are positive and de-risk the up-flank high-impact prospect. It is located in the Frøya High area. A well will be drilled in the neighbouring licence in Q1 2025 that could prove up the Bounty reserves.

**PL 1181 (Operator 60%)**

The license was awarded under the APA 2022. The license is located in the northern part of the North Sea. PNO is maturing this licence to a “drill or drop” decision in Q1 2025.

**Enoch (4.36%)**

The Enoch Field is an oil and gas producing field in the central part of the North Sea, 10 km northwest of the Gina Krogh field, on the border to the British sector.

The field is operated by Repsol Sinopec North Sea Limited.

Net average production for the quarter was 14 barrels of oil equivalents per day (Boe/day).

**PL 1221 (Operator 40%)**

The license was awarded under the APA 2023. The license is located in the Norwegian Sea. The Bounty II well in Q4 would have positive impact on this licence if it's a discovery.

**PL 1210 (30%)**

The license was awarded under the APA 2023. The license is located in the North Sea. This licence has several geological levels of prospectivity which the licence group is maturing for a “drill or drop” in Q1 2026.

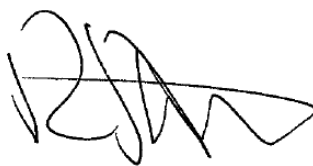
**SUBSEQUENT EVENTS**

On 26 November 2024 the Company announced that the drilling operations on the Løvmeis prospect in PL1013 had been concluded. The well was determined as a technical discovery and was permanently plugged and abandoned.

Bergen, 28 November 2024



Brede Bjøvd Larsen  
Board member



Dr Robert Arnott  
Chairman



Sjur Storaas  
Board member

## INCOME STATEMENT

(Amounts in 1,000 NOK)	Q3 2024	Q2 2024	Q3 2023	YTD 2024	Audited 2023
Operating income	129,612	207,274	-58	555,767	9,810
Production cost	-21,310	-44,955	-193	-116,756	-2,874
Exploration expenses	-14,484	-55,047	-9,538	-88,264	-58,964
Payroll and related cost	-8,460	-8,953	-6,490	-23,121	-18,657
Depreciation and amortisation	-50,762	-53,245	-256	-165,350	-1,152
Other operating expenses	-10,276	-8,216	-4,646	-22,455	-20,220
Operating profit (loss)	24,319	36,857	-21,181	139,822	-92,057
Finance income	5,010	7,556	804	14,560	2,554
Finance costs	-17,437	-17,286	-5,337	-50,071	-20,723
Net financial items	-12,427	-9,729	-4,532	-35,511	-18,169
Profit (loss) before income tax	11,893	27,127	-25,713	-104,311	-110,225
Net Income tax	-11,019	-20,786	17,622	-91,441	75,849
Profit (loss) for the period	0,873	6,342	-8,091	12,870	-34,376

STATEMENT OF FINANCIAL  
POSITION

(Amounts in 1,000 NOK)	30 Sep 2024	30 June 2024	30 Sep 2023	31 Dec 2023
<b>ASSETS</b>				
Goodwill	146,227	146,227	0	146,227
Deferred tax assets	151,263	154,319	0	187,830
Oil and gas properties	316,925	321,234	0	337,221
Exploration and evaluation assets	162,699	154,354	150,551	151,539
Right of use assets	1,369	1,597	2,281	2,053
Property, plant and equipment	1,885	2,099	14,672	2,375
Non-current receivables	80,459	79,378	0	77,216
<b>Total non-current assets</b>	<b>860,826</b>	<b>859,208</b>	<b>167,504</b>	<b>904,460</b>
Inventory	0	0	0	70,370
Prepayments and other receivables	177,824	188,932	5,191	40,227
Tax receivable refund tax value exploration expenses	49,177	48,411	138,083	48,411
Cash and cash equivalents	42,710	25,205	6,851	29,893
<b>Total current assets</b>	<b>269,711</b>	<b>262,548</b>	<b>150,126</b>	<b>188,901</b>
<b>Total assets</b>	<b>1,130,537</b>	<b>1,121,756</b>	<b>317,631</b>	<b>1,093,362</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	17,000	17,000	16,000	17,000
Other equity	-7,706	-8,580	-6,464	-20,576
<b>Total equity</b>	<b>9,294</b>	<b>8,420</b>	<b>9,536</b>	<b>-3,576</b>
Deferred taxes	0	0	104,255	0
Decommissioning provision	668,795	671,075	9,923	675,297
Lease liability	423	658	1,330	1,112
Borrowings	0	0	0	0
<b>Total non-current liabilities</b>	<b>669,218</b>	<b>671,733</b>	<b>115,509</b>	<b>676,409</b>
Trade creditors	31,440	18,516	280	8,629
Payable taxes	62,141	53,412	6,500	6,500
Lease liability – current	1,110	1,110	1,110	1,110
Other current liabilities	75,683	86,914	10,346	122,639
Borrowings	281,650	281,650	174,350	281,650
<b>Total current liabilities</b>	<b>452,025</b>	<b>441,603</b>	<b>192,586</b>	<b>420,529</b>
<b>Total equity and liabilities</b>	<b>1,130,537</b>	<b>1,121,756</b>	<b>317,631</b>	<b>1,093,362</b>



## CASH FLOW STATEMENT

(Amounts in 1,000 NOK)	Q3 2024	Q2 2024	Q3 2023	YTD 2024	Audited 2023
Profit/loss before income tax	12,065	27,127	-25,713	104,484	-110,225
Tax refund exploration cost	-172	0	0	-172	88,020
Depreciation and amortisation	50,762	53,245	256	165,350	1,152
Gain/loss on sale of asset	0	0	0	0	-17
Changes in account receivables	34,472	-3,835	482	-57,042	0
Changes in accounts payable	12,924	7,533	-5,482	22,811	-14,911
Changes in other current balance sheet items	-37,913	-36,676	4,066	-66,742	11,708
<b>Net cash flow from operating activities</b>	<b>72,137</b>	<b>47,935</b>	<b>-26,392</b>	<b>168,688</b>	<b>-24,273</b>
Proceeds from sale of assets	0	0	0	0	0
Net cash paid in business combination	0	0	0	0	-148,581
Investment in oil and gas properties	0	0	0	0	-3
Purchase of intangible assets	0	0	0	0	-2,386
Investment in exploration and evaluation assets	0	0	0	0	-2,506
Purchase of property, plant and equipment	-54,356	-52,177	-2,993	-155,039	-50
<b>Net cash flow from investing activities</b>	<b>-54,356</b>	<b>-52,177</b>	<b>-2,993</b>	<b>-155,039</b>	<b>-153,526</b>
Net capital increase	0	0	0	0	20,000
Repayment of lease liabilities	-278	-278	-833	-833	-1,110
Proceeds from issuance of long term debt	0	0	0	0	145,000
Proceeds from issuance of short term debt	0	0	0	0	22,400
Repayment of long term debt	0	0	0	0	-20,000
Repayment of short term debt	0	0	9,700	0	-14,000
<b>Net cash flow from financing activities</b>	<b>-278</b>	<b>-278</b>	<b>9,422</b>	<b>-833</b>	<b>152,290</b>
<b>Net change in cash and cash equivalents</b>	<b>17,504</b>	<b>-5,059</b>	<b>-19,962</b>	<b>12,817</b>	<b>-25,510</b>
Cash and cash equivalents at start of period	25,205	30,265	26,814	29,893	55,403
Cash and cash equivalents at end of period	42,710	25,205	6,851	42,710	29,893

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