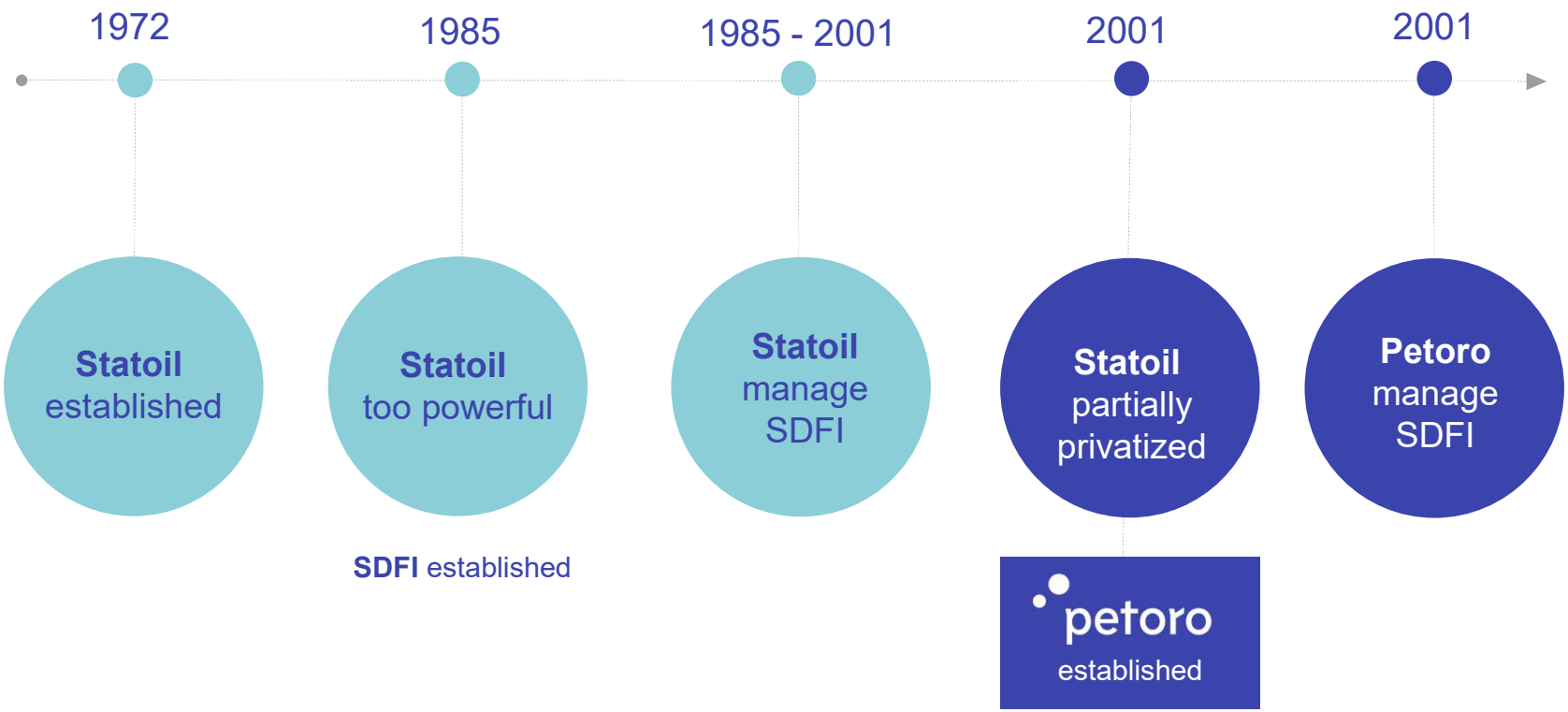
Making the most out of The Norwegian Oil and Gas Industry

ALRDC Gas Lift Workshop, 6 June 2024

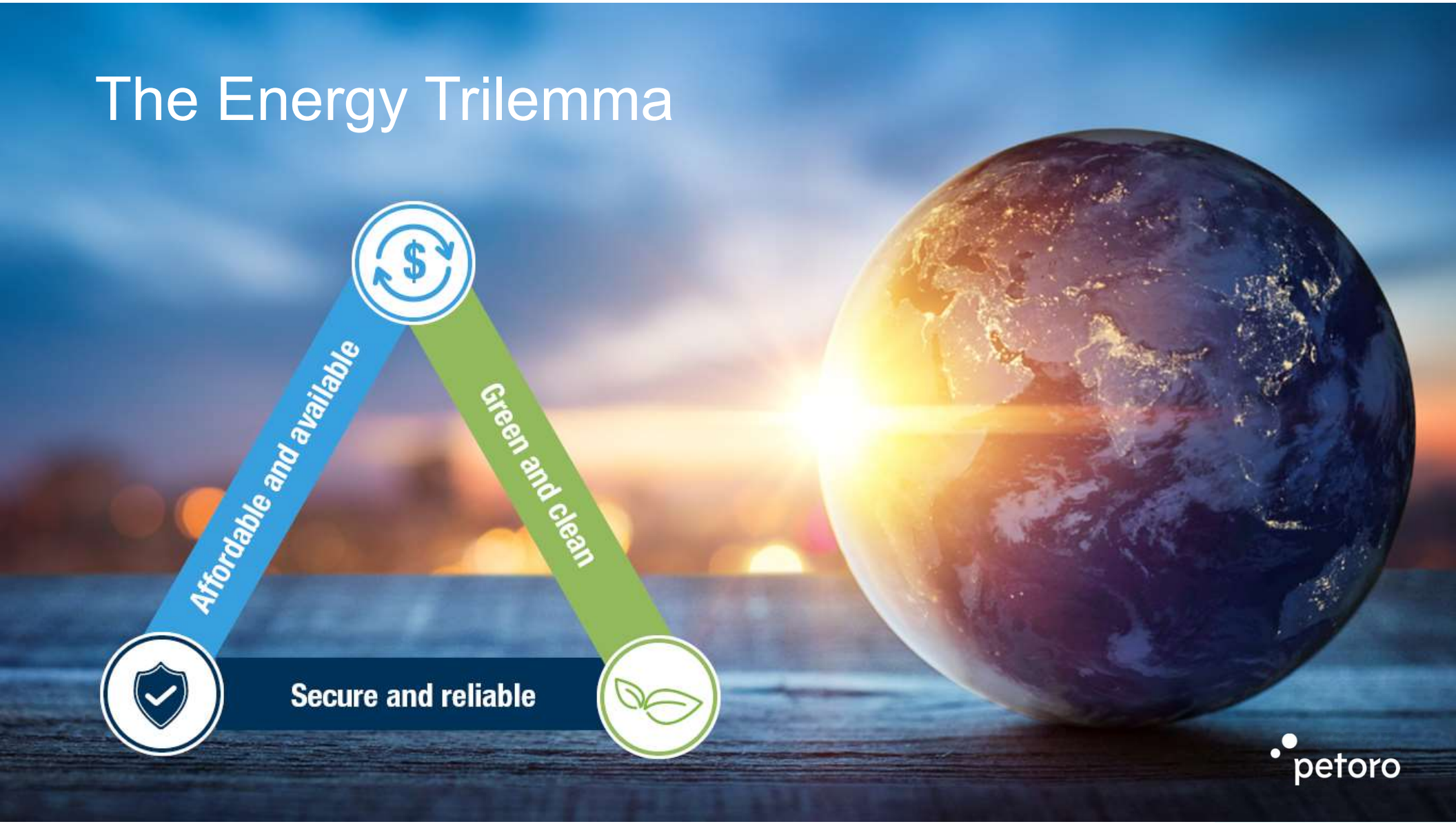
Source: Lizette Bertelsen / Johnny Engelsvoll / Equinor

The history of SDFI and Petoro



SDFI – State's Direct Financial Interest

The Energy Trilemma



Global Energy Consumption

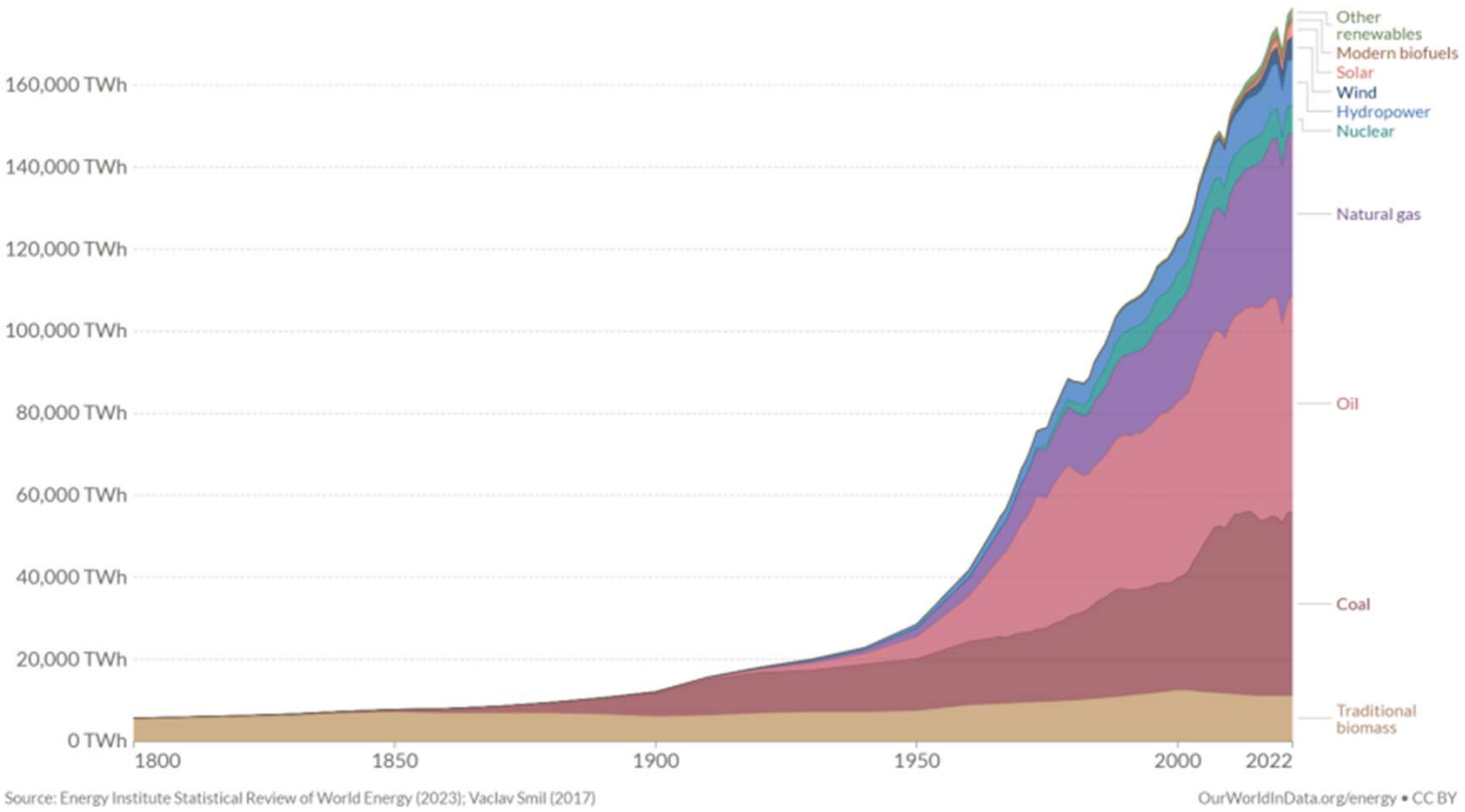


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Foto: Hayat Al-Sharif

Source: Ollie Millington / Getty Images

Reduction of CO2-footprint – Petoro portfolio

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POLAND
RUSSIA
Kyiv
UKRAINE
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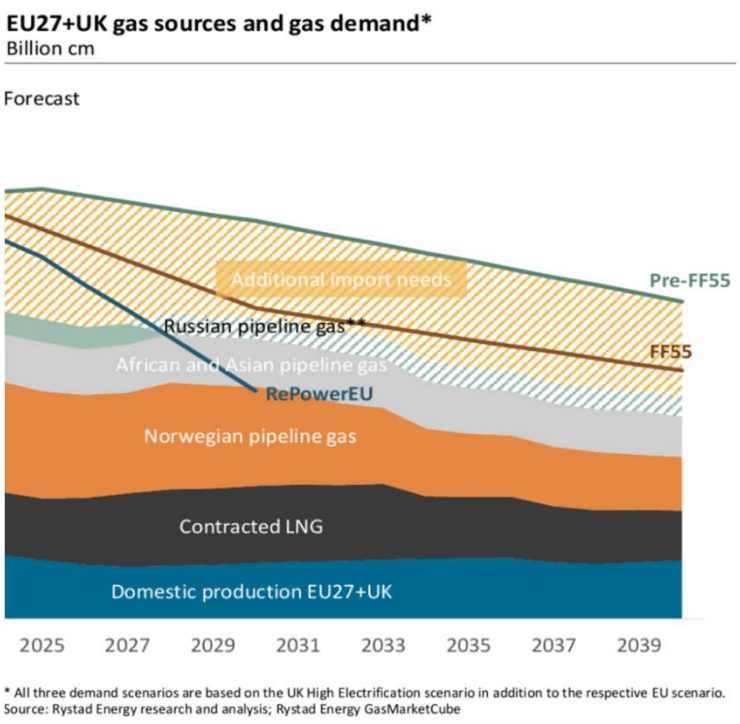
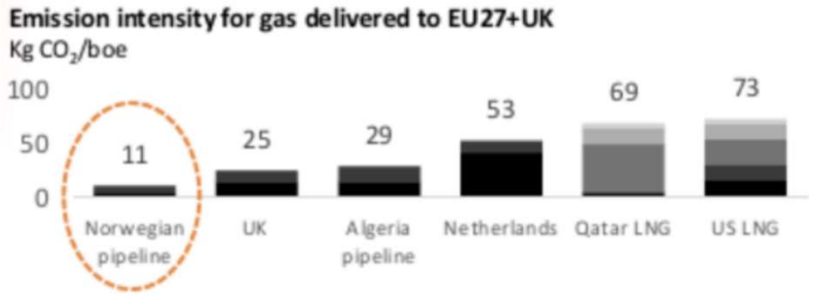
Source: FT Visual & Data Journalism Team

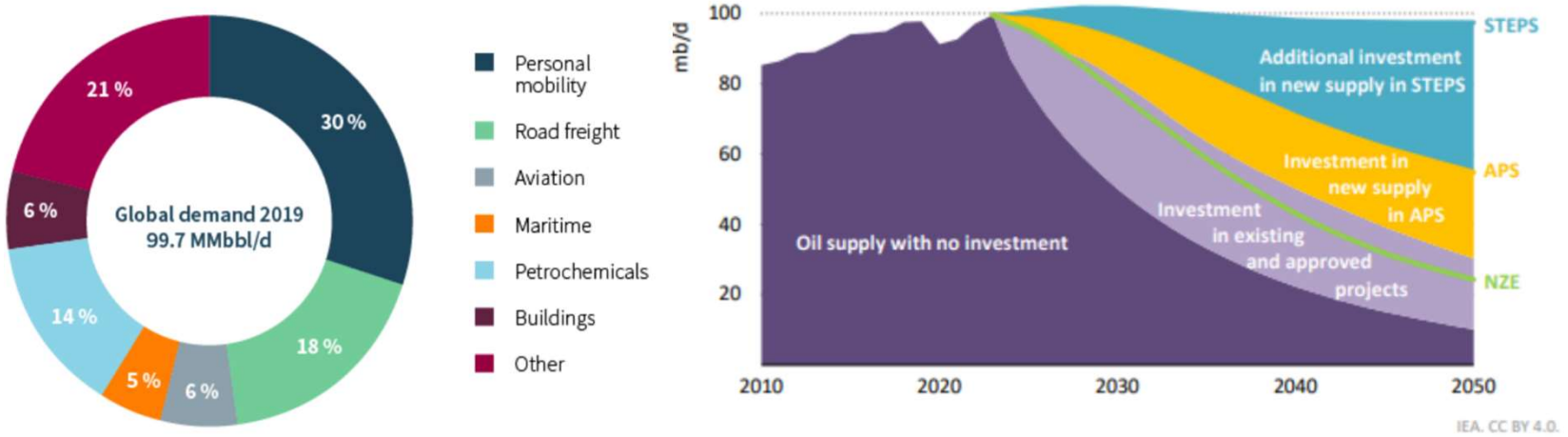
Gas demand and competiveness





Source: OG21

Oil – investments needed in all scenarios



What oil is used for (OG21, 2021)

Significant investments needed to secure sufficient oil supply (IEA, 2024).

Source: OG21

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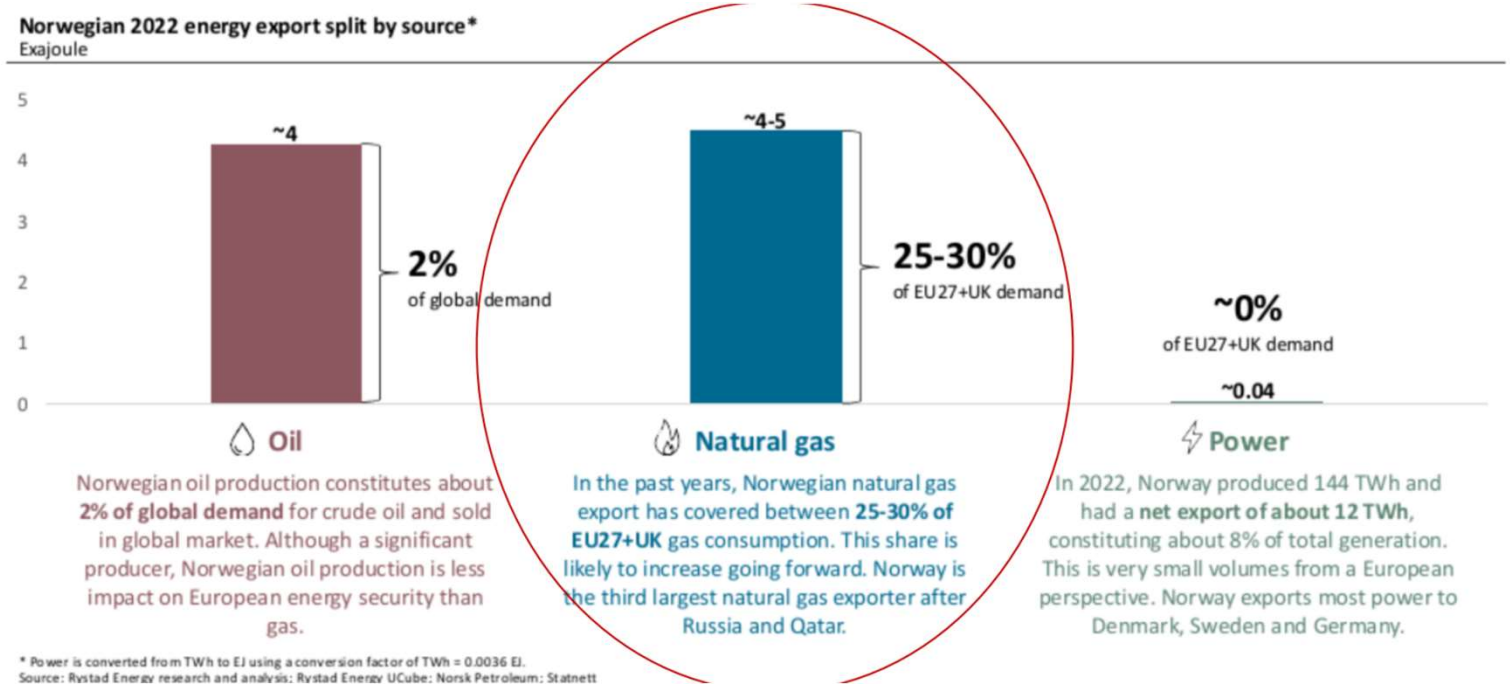
Significance of NCS petroleum



Source: OG21

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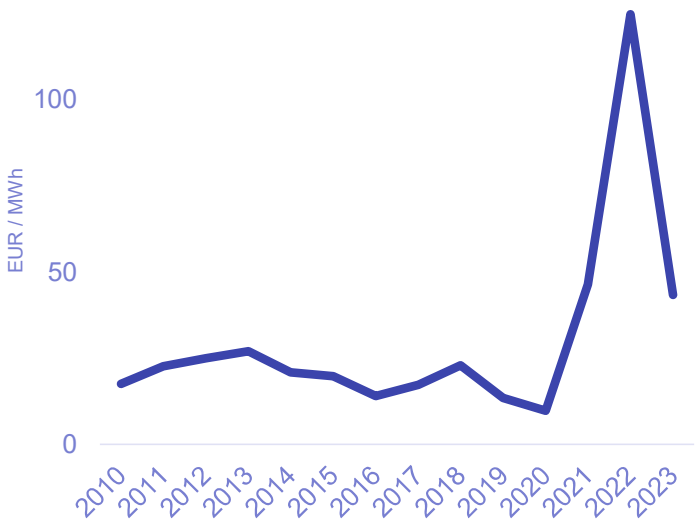
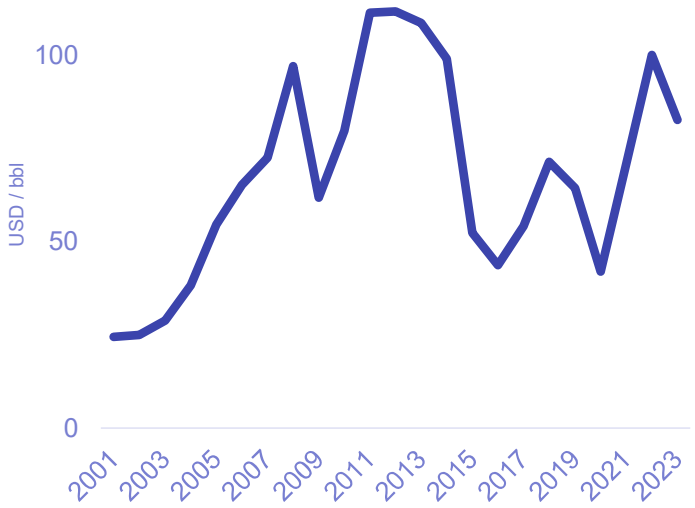
Volatility in prices

Gas price (yearly average TTF)



Oil Price (yearly average Brent)



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We manage substantial values

~21%
of the oil production at NCS

~1/3
of the gas delivered from NCS

~1/3
of the remaining reserves

~NOK 30 bill
investments in 2023

~NOK 12 bill
drilling & well investments in 2023

~NOK 277 bill
cash flow in 2023

43 of 92
fields in production

195 licenses
the largest partner on NCS

72
employees

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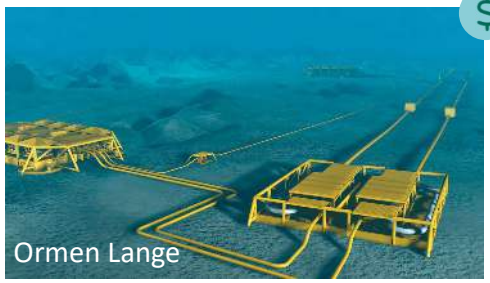
For reference !



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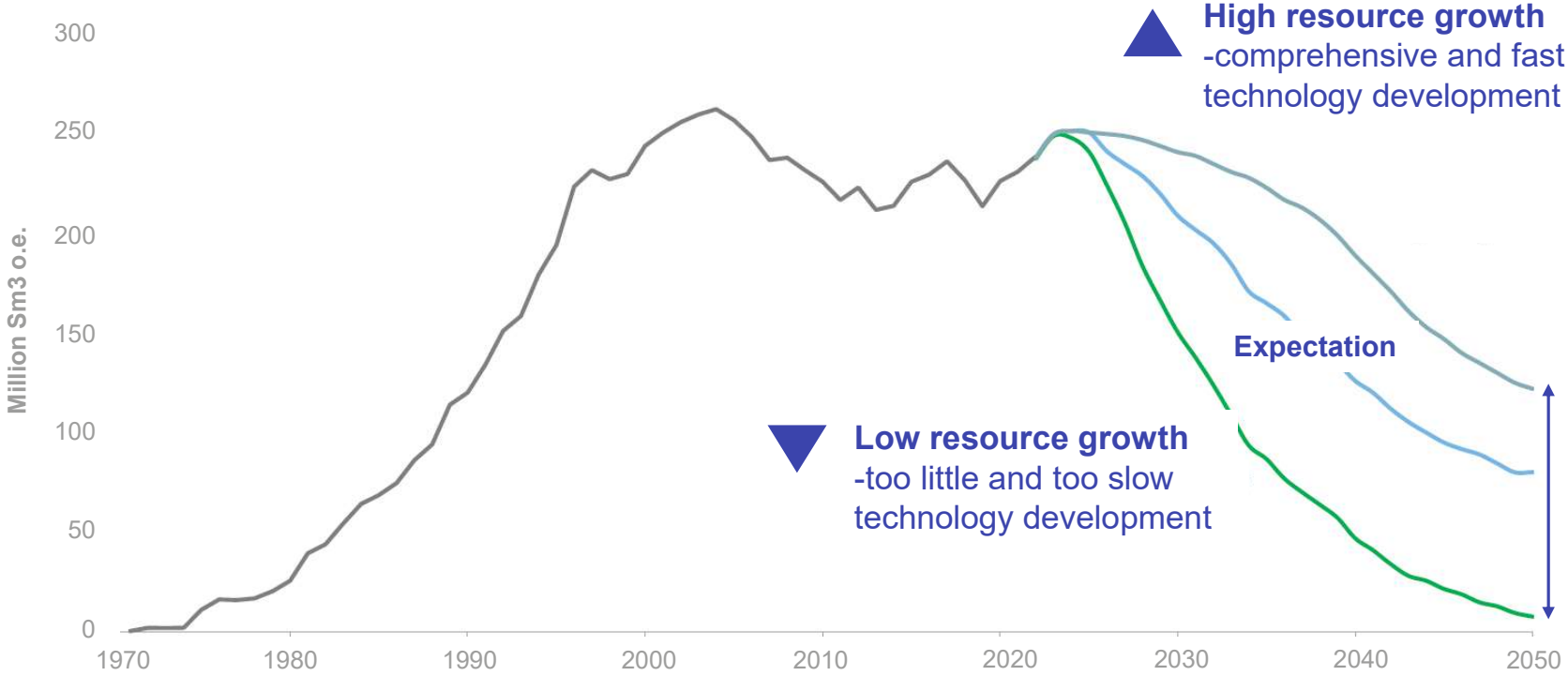
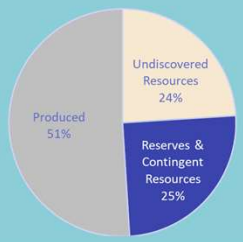
High value creation potential





Here are the **possibilities**

Source: Norwegian Offshore Directorate

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Strategy

Maximize Value

Strategic priorities	**Mature Fields**	**Area Development**	**People & Planet**
			
Strategic targets	*Create investment opportunities*	*Finding solutions across the portfolio*	*Take care of our environment*

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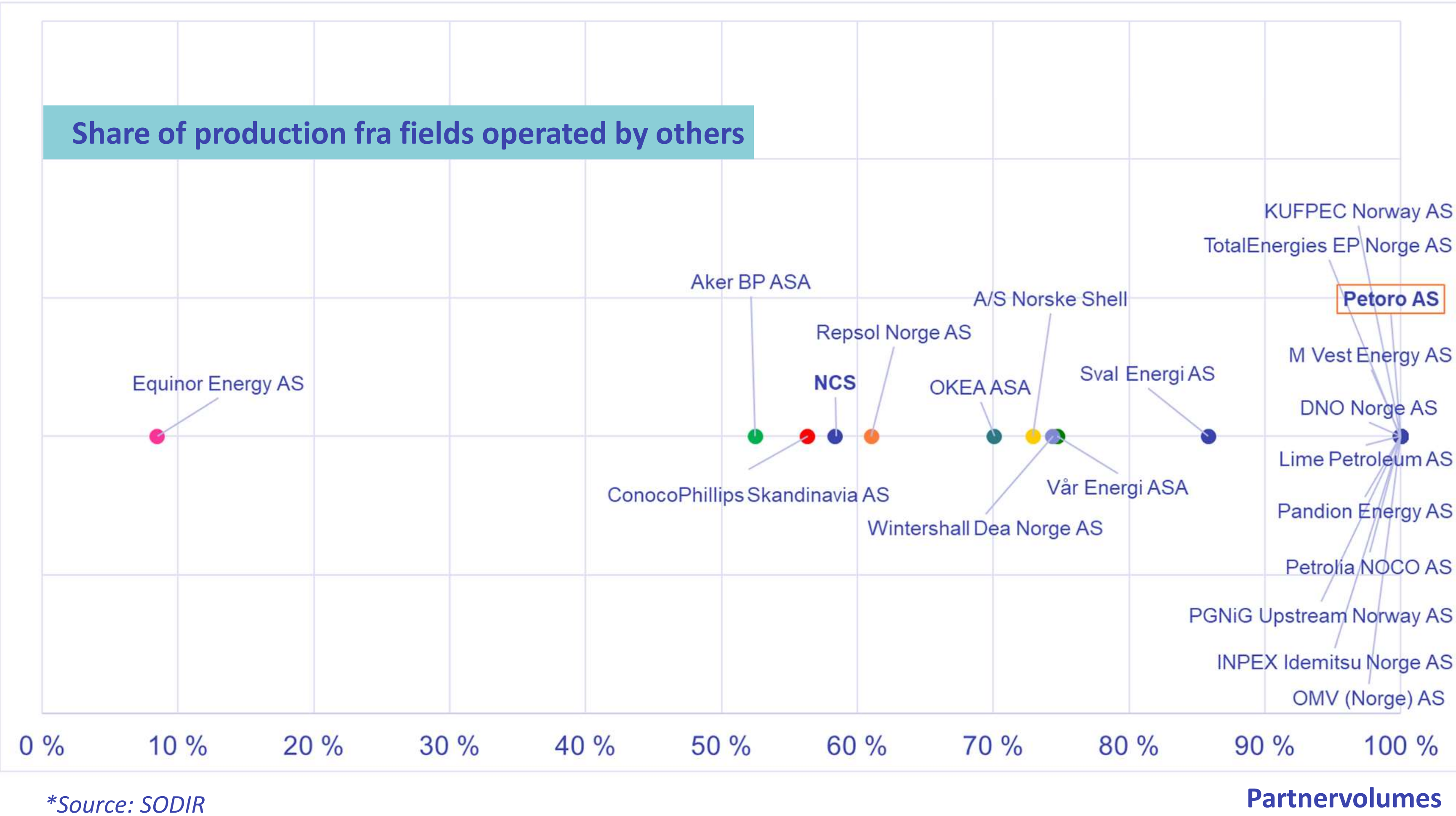
Licenses/JVs – collaboration important



**Source: SODIR*

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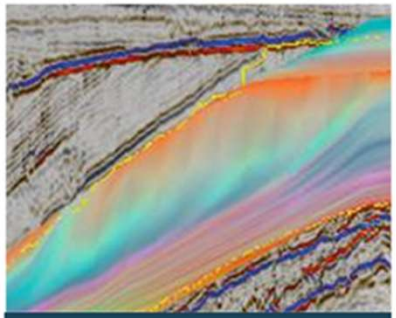
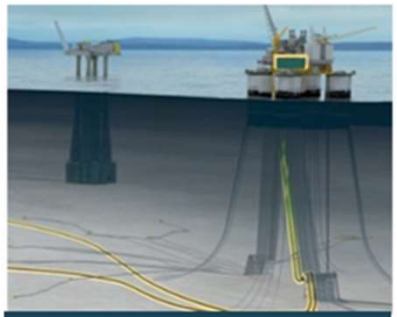
Technology needs NCS



Improved subsurface understanding

Cost-efficient drilling and P&A



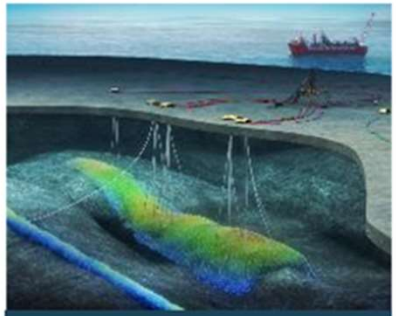
Efficient use of infrastructure

Unmanned installations and subsea tie-backs

Energy efficiency and cost-efficient electrification

Carbon capture and storage

World leading HSE and environment



Digitalization

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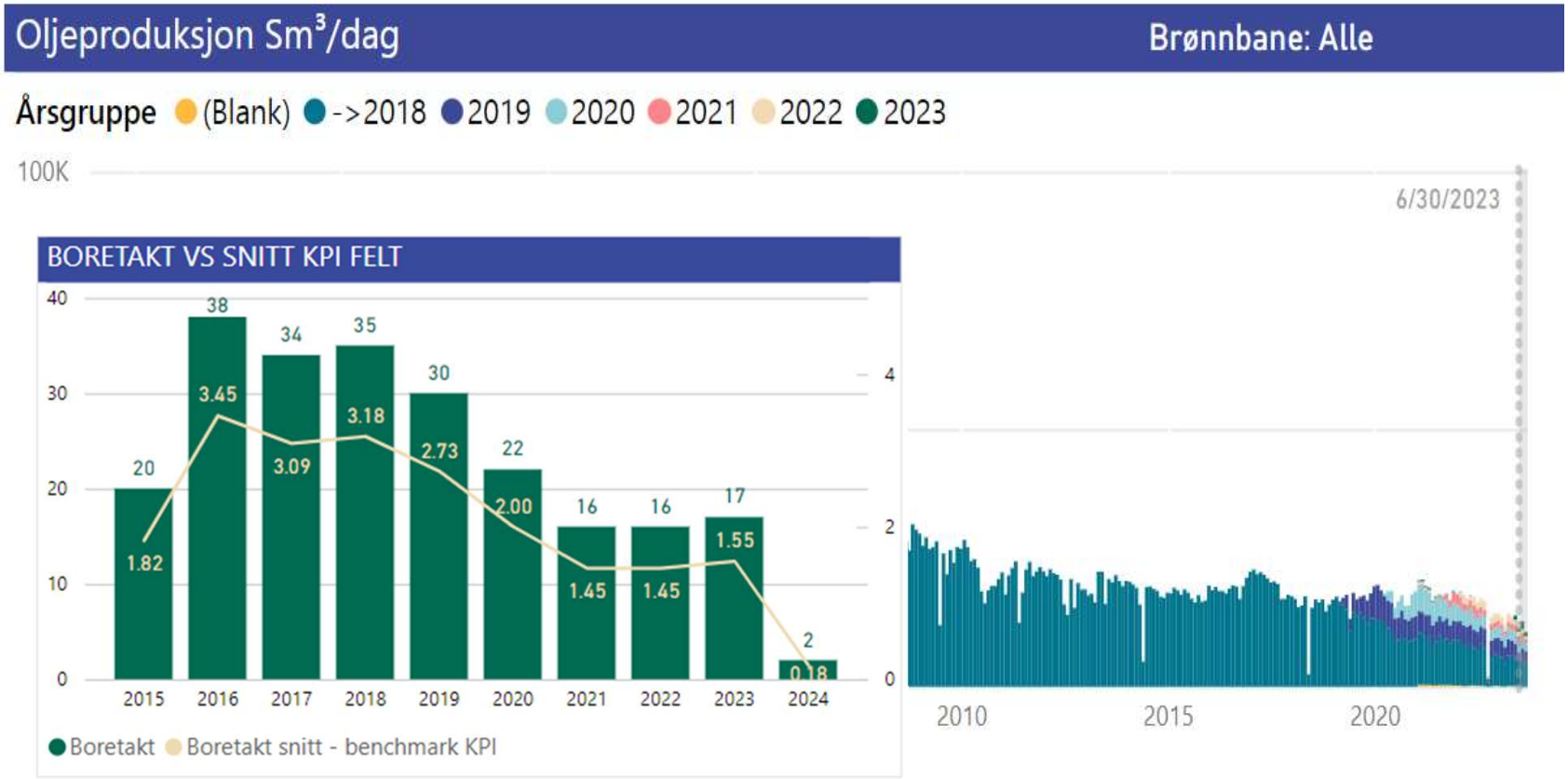
Sustained production from mature fields = lots of wells



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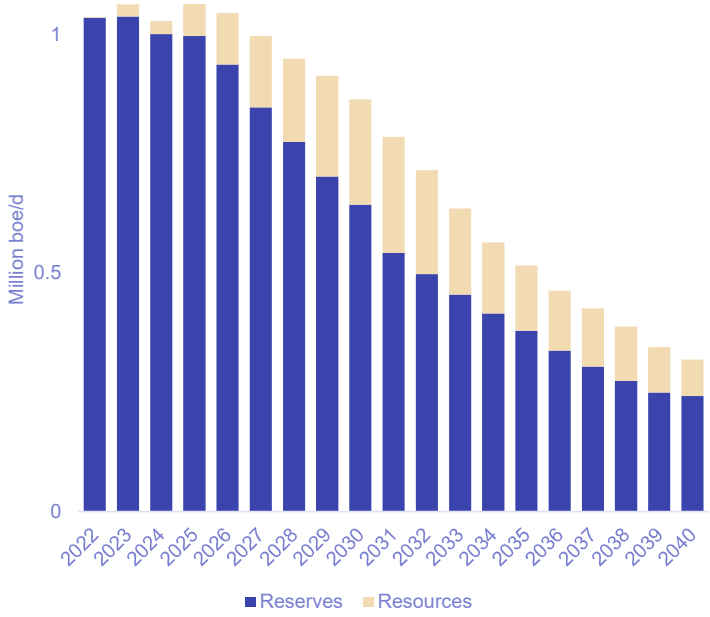
Drilling and drainage are critical themes

- Significant value in improved drainage, need more wells, faster



64

% share of wells from MOUs on NCS

50

% of current oil production comes from last 3 years drilling

40

Drilling in % of total capex next 4 years

700

# of wells to be drilled next 10 years

360

Billion NOK

Potential future Petoro revenue from unproven resources

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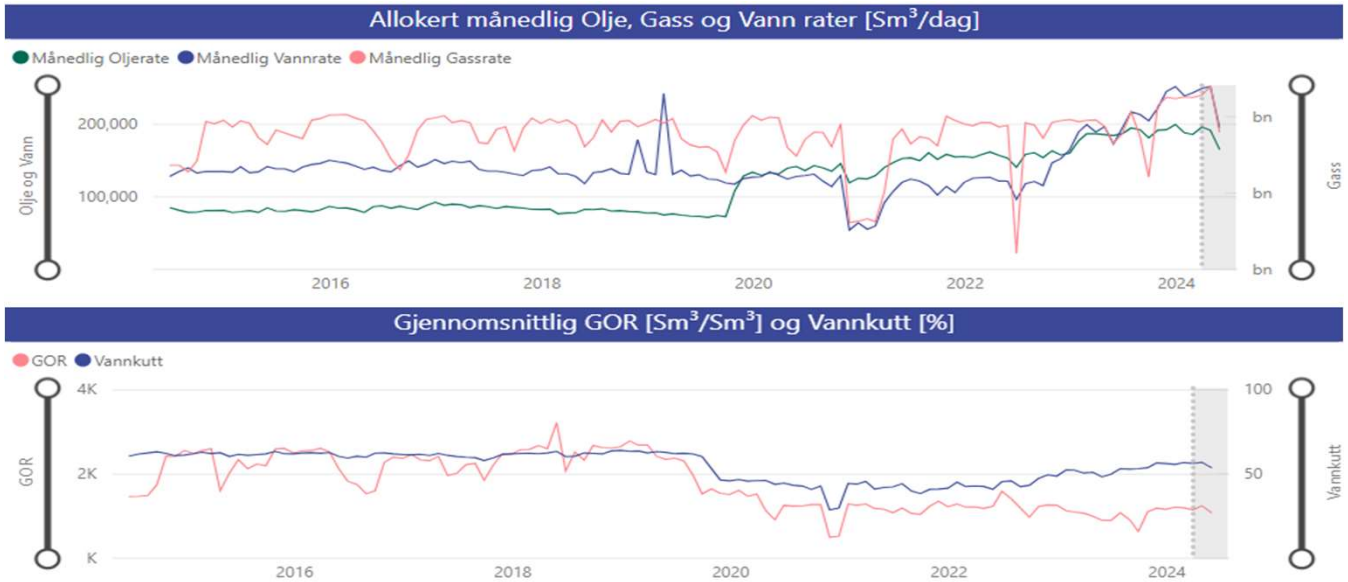
Gaslift is very important for our liquid production

>85% of Petoro oil production is dependent on gaslift



- 20 producing fields with gaslift (platform & subsea)
- ~ 1,2 million bbls/d oil and 1,5 million bbls/d water (100% of field)
- Gaslift is the dominant artificial lift method

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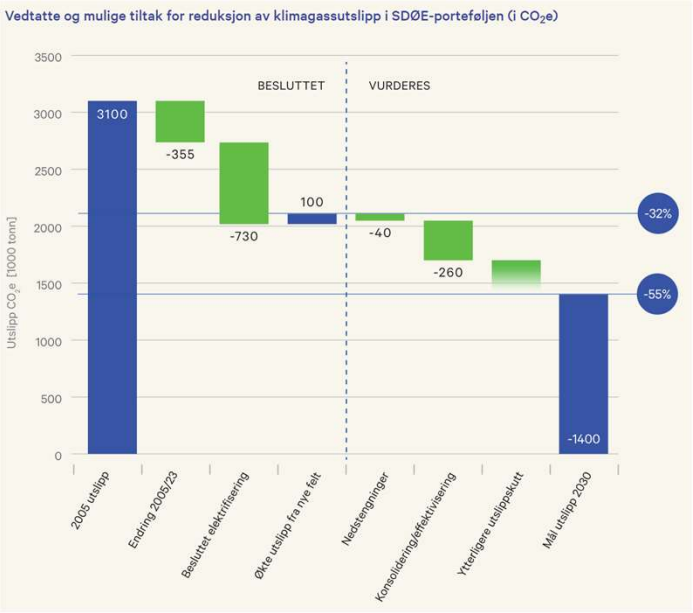
Gaslift & water injection - energy intensive



- Gaslift and associated PWRI are energy intensive
- Water cut is now over 50% on average for our gaslifted fields – and increasing
- We need energy efficient technology gains
- We need to be able to optimise for power usage

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Thank you!

Source: Øyvind Gravås and Even Kleppa/©Equinor.

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