



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 913 561 473  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: WELLESLEY PETROLEUM AS  
Forretningsadresse: Reidar Berges gate 9  
4013 STAVANGER

### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Ja  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Stine Haugland  
Dato for fastsettelse av årsregnskapet: 21.03.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 04.07.2025



### Resultatregnskap

Beløp i: NOK	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Other operating income	4	3 368 586 000	1 062 001 000
<b>Sum inntekter</b>		<b>3 368 586 000</b>	<b>1 062 001 000</b>
<b>Kostnader</b>			
Exploration expenses	5	128 874 000	480 722 000
Payroll and related expenses	6,23	40 564 000	52 180 000
Depreciation and amortisation	11	1 753 000	1 753 000
Other operating expenses	7,22	14 615 000	15 117 000
<b>Sum kostnader</b>		<b>185 806 000</b>	<b>549 772 000</b>
<b>Driftsresultat</b>		<b>3 182 780 000</b>	<b>512 229 000</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	8	259 330 000	53 447 000
<b>Sum finansinntekter</b>		<b>259 330 000</b>	<b>53 447 000</b>
Finance costs	8	102 510 000	62 600 000
<b>Sum finanskostnader</b>		<b>102 510 000</b>	<b>62 600 000</b>
<b>Netto finans</b>		<b>156 820 000</b>	<b>-9 153 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>3 339 600 000</b>	<b>503 076 000</b>
Income tax credit	9	-122 661 000	-414 610 000
<b>Ordinært resultat etter skattekostnad</b>		<b>3 462 261 000</b>	<b>917 686 000</b>
<b>Årsresultat</b>		<b>3 462 261 000</b>	<b>917 686 000</b>
Other comprehensive income/loss (-)		0	0
<b>Totalresultat</b>		<b>3 462 261 000</b>	<b>917 686 000</b>



### Balanse

Beløp i: NOK	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Exploration and evaluation assets	10	787 874 000	1 433 088 000
<b>Sum immaterielle eiendeler</b>		<b>787 874 000</b>	<b>1 433 088 000</b>
<b>Varige driftsmidler</b>			
Property plant and equipment	11	5 269 000	7 021 000
<b>Sum varige driftsmidler</b>		<b>5 269 000</b>	<b>7 021 000</b>
<b>Sum anleggsmidler</b>		<b>793 143 000</b>	<b>1 440 109 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade and other receivables	12	52 986 000	35 036 000
Tax receivable from tax loss refund	9	417 509 000	541 198 000
<b>Sum fordringer</b>		<b>470 495 000</b>	<b>576 234 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	13	232 619 000	738 709 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>232 619 000</b>	<b>738 709 000</b>
<b>Sum omløpsmidler</b>		<b>703 114 000</b>	<b>1 314 943 000</b>
<b>SUM EIENDELER</b>		<b>1 496 257 000</b>	<b>2 755 052 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	14	270 130 000	270 130 000
Overkurs		728 406 000	1 015 684 000
<b>Sum innskutt egenkapital</b>		<b>998 536 000</b>	<b>1 285 814 000</b>



## Balanse

Beløp i: NOK	Note	2023	2022
<b>Opptjent egenkapital</b>			
Udekket tap		117 573 000	99 548 000
<b>Sum opptjent egenkapital</b>		<b>-117 573 000</b>	<b>-99 548 000</b>
<b>Sum egenkapital</b>		<b>880 963 000</b>	<b>1 186 266 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	9	560 439 000	1 053 383 000
Lease liability	18	3 327 000	5 041 000
<b>Sum avsetninger for forpliktelser</b>		<b>563 766 000</b>	<b>1 058 424 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>563 766 000</b>	<b>1 058 424 000</b>
<b>Kortsiktig gjeld</b>			
Interest bearing loans and borrowings	15	0	411 000 000
Public duties payable		8 250 000	8 948 000
Trade and other payables	16	43 278 000	90 414 000
<b>Sum kortsiktig gjeld</b>		<b>51 528 000</b>	<b>510 362 000</b>
<b>Sum gjeld</b>		<b>615 294 000</b>	<b>1 568 786 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 496 257 000</b>	<b>2 755 052 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 636736

#### Enheten

Organisasjonsnummer: 913 561 473  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: WELLESLEY PETROLEUM AS  
Forretningsadresse: Reidar Berges gate 9  
4013 STAVANGER

#### Regnskapsår

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#### Konsern

Morselskap i konsern: Nei

#### Regnskapsregler

Regler for små foretak benyttet: Ja  
Benyttet ved utarbeidelsen av  
årsregnskapet til selskapet: Forenklet IFRS

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Stine Haugland  
Dato for fastsettelse av årsregnskapet: 21.03.2024

#### Revisjon

Årsregnskapet er utarbeidet av ekstern  
autorisert regnskapsfører: Ja  
Ekstern autorisert regnskapsfører har i  
løpet av regnskapsåret bistått ved den  
løpende regnskapsføringen eller utført  
andre tjenester for selskapet enn å  
utarbeide årsregnskapet: Ja

#### Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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Brønnøysundregistrene, 17.07.2024

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Brønnøysundregistrene  
Postadresse: Postboks 900, 8910 Brønnøysund  
Telefon: 75 00 75 00  
E-post: firmapost@brreg.no Internett: www.brreg.no  
Organisasjonsnummer: 974 760 673



Organisasjonsnr: 913 561 473  
WELLESLEY PETROLEUM AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Other operating income	4	3 368 586 000	1 062 001 000
<b>Sum inntekter</b>		<b>3 368 586 000</b>	<b>1 062 001 000</b>
<b>Kostnader</b>			
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<b>Årsresultat</b>		<b>3 462 261 000</b>	<b>917 686 000</b>
Other comprehensive income/loss (-)		0	0
<b>Totalresultat</b>		<b>3 462 261 000</b>	<b>917 686 000</b>



Organisasjonsnr: 913 561 473  
WELLESLEY PETROLEUM AS

## BALANSE

<u>Beløp i: NOK</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Exploration and evaluation assets	10	787 874 000	1 433 088 000
<b>Sum immaterielle eiendeler</b>		<b>787 874 000</b>	<b>1 433 088 000</b>
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<b>Sum anleggsmidler</b>		<b>793 143 000</b>	<b>1 440 109 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Trade and other receivables	12	52 986 000	35 036 000
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<b>SUM EIENDELER</b>		<b>1 496 257 000</b>	<b>2 755 052 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	14	270 130 000	270 130 000
Overkurs		728 406 000	1 015 684 000
<b>Sum innskutt egenkapital</b>		<b>998 536 000</b>	<b>1 285 814 000</b>
<b>Opptjent egenkapital</b>			
Udekket tap		117 573 000	99 548 000
<b>Sum opptjent egenkapital</b>		<b>-117 573 000</b>	<b>-99 548 000</b>
<b>Sum egenkapital</b>		<b>880 963 000</b>	<b>1 186 266 000</b>



<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	9	560 439 000	1 053 383 000
Lease liability	18	3 327 000	5 041 000
<b>Sum avsetninger for forpliktelser</b>		<b>563 766 000</b>	<b>1 058 424 000</b>
<b>Annen langsiktig gjeld</b>			
<b>Sum langsiktig gjeld</b>		<b>563 766 000</b>	<b>1 058 424 000</b>
<b>Kortsiktig gjeld</b>			
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<b>Sum gjeld</b>		<b>615 294 000</b>	<b>1 568 786 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>1 496 257 000</b>	<b>2 755 052 000</b>



Organisasjonsnr: 913 561 473  
WELLESLEY PETROLEUM AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
6

Antall årsverk i regnskapsåret  
16.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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## Annual Report 2023 Wellesley Petroleum AS



## Wellesley Petroleum AS

### Statement of Comprehensive Income

Amounts in NOK `000	Note	2023	2022
Other operating income	4	3 368 586	1 062 001
Exploration expenses	5	-128 874	-480 722
Payroll and related expenses	6, 23	-40 564	-52 180
Depreciation and amortisation	11	-1 753	-1 753
Other operating expenses	7, 22	-14 614	-15 118
<b>Total operating expenses</b>		<b>-185 805</b>	<b>-549 772</b>
<b>Profit / loss (-) from operating activities</b>		<b>3 182 780</b>	<b>512 229</b>
Finance income	8	259 330	53 447
Finance costs	8	-102 511	-62 600
<b>Net financial items</b>		<b>156 820</b>	<b>-9 153</b>
<b>Profit / loss (-) before income tax</b>		<b>3 339 600</b>	<b>503 076</b>
Income tax credit	9	122 661	414 610
<b>Net profit / loss (-) for the year</b>		<b>3 462 261</b>	<b>917 686</b>
Other comprehensive income / loss (-):		-	-
<b>Total comprehensive income / loss (-) for the year</b>		<b>3 462 261</b>	<b>917 686</b>



## Wellesley Petroleum AS

### Statement of Financial Position

Amounts in NOK '000	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Exploration and evaluation assets	10	787 874	1 433 088
<b>Total intangible assets</b>		<b>787 874</b>	<b>1 433 088</b>
<b>Tangible assets</b>			
Property, plant and equipment	11	5 269	7 021
<b>Total tangible assets</b>		<b>5 269</b>	<b>7 021</b>
<b>Total non-current assets</b>		<b>793 143</b>	<b>1 440 109</b>
<b>Current assets</b>			
Trade and other receivables	12	52 987	35 036
Tax receivable from tax loss refund	9	417 509	541 198
Cash and cash equivalents	13	232 619	738 709
<b>Total current assets</b>		<b>703 114</b>	<b>1 314 943</b>
<b>TOTAL ASSETS</b>		<b>1 496 257</b>	<b>2 755 052</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	14	270 130	270 130
Share premium		728 406	1 015 684
<b>Total paid-in capital</b>		<b>998 536</b>	<b>1 285 814</b>
<b>Retained earnings</b>		<b>-117 573</b>	<b>-99 548</b>
<b>Total equity</b>		<b>880 963</b>	<b>1 186 266</b>
<b>Non-current liabilities</b>			
Lease liability	18	3 327	5 041
Deferred tax liability	9	560 439	1 053 383
<b>Total non-current liabilities</b>		<b>563 766</b>	<b>1 058 424</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	15	-	411 000
Trade and other payables	16	43 278	90 414
Public duties payable		8 250	8 948
<b>Total current liabilities</b>		<b>51 528</b>	<b>510 362</b>
<b>Total liabilities</b>		<b>615 294</b>	<b>1 568 786</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 496 257</b>	<b>2 755 052</b>

Stavanger, 21 March 2024

Peter Mellbye  
Chairman

Graeme David Sword  
Board member

Christopher James Elliott  
Board member

Olivier Patrick Hopkes  
Board member

Callum Macqueen Smyth  
Board member

Kari Langvik Østhus  
General Manager & Board member



## Wellesley Petroleum AS

### Statement of Cash Flow

<i>Amounts in NOK `000</i>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Cash flow from operating activities</b>			
Profit / loss (-) before income tax		3 339 600	503 076
Adjustments:			
Tax refunded	9	541 198	536 240
Gain on sale of oil and gas properties	4	-3 368 586	-1 061 373
Depreciation	11	1 753	1 753
Financial items		-149 664	-2 621
Impairment exploration and evaluation assets	10	-	24 147
Changes in working capital		-96 198	-129 509
<b>Net cash flow from operating activities</b>		<b>268 103</b>	<b>-128 287</b>
<b>Cash flow from investing activities</b>			
Investment in exploration and evaluation assets		-467 397	-122 198
Investment in oil & gas properties		-	-26 596
Sale of oil & gas properties		3 940 294	1 122 669
<b>Net cash flow from investing activities</b>		<b>3 472 896</b>	<b>973 875</b>
<b>Cash flow from financing activities</b>			
Drawdown loans, net of transaction costs incurred	15	296 800	454 600
Repayments of borrowings	15	-711 000	-497 600
Payments right-to-use assets	18	-1 714	-1 714
Proceeds from share issues	14	-	554 022
Dividend paid	14	-3 686 848	-743 243
<b>Net cash flow from financing activities</b>		<b>-4 102 762</b>	<b>-233 935</b>
<b>Net change in cash and cash equivalents</b>		<b>-361 762</b>	<b>611 653</b>
Cash and cash equivalents at 1 January		738 709	119 710
Effect of exchange rate fluctuation on cash held		-144 328	7 346
<b>Cash and cash equivalents at 31 December</b>		<b>232 619</b>	<b>738 709</b>



## Wellesley Petroleum AS

### Statement of Changes in Equity

<i>Amounts in NOK '000</i>	Note	Share capital	Share premium	Retained earnings	Total equity
Equity at 1 January 2022		207 315	627 491	-377 009	457 797
<i>Transactions with owners:</i>					
Share issue	14	62 815	491 211	-	554 026
Dividend		-	-103 018	-640 225	-743 243
<i>Comprehensive income:</i>					
Total comprehensive income / loss (-) for the year		-	-	917 686	917 686
<b>Equity at 31 December 2022</b>		<b>270 130</b>	<b>1 015 684</b>	<b>-99 548</b>	<b>1 186 266</b>
Equity at 1 January 2023		270 130	1 015 684	-99 548	1 186 266
<i>Transactions with owners:</i>					
Dividend		-	-287 278	-3 480 286	-3 767 564
<i>Comprehensive income:</i>					
Total comprehensive income / loss (-) for the year		-	-	3 462 261	3 462 261
<b>Equity at 31 December 2023</b>		<b>270 130</b>	<b>728 406</b>	<b>-117 573</b>	<b>880 963</b>



## Note 1 General information

Wellesley Petroleum AS (hereafter "the Company") is a limited company incorporated and domiciled in Norway. Its registered office is at Reidar Berges gate 9, 4013 Stavanger, Norway.

The Company's business is exploration for oil and gas on the Norwegian Continental Shelf (NCS).

## Note 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### 2.1 Basis for preparation

The financial statements have been prepared in accordance with the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of International Financial Reporting Standards (IFRS) issued by the Ministry of Finance on 7 February 2022 ("Norwegian Simplified IFRS"). The Company has not applied any simplifications from the Norwegian Simplified IFRS compared to full IFRS with regards to recognition and measurement.

The financial statements have been prepared on a historical cost basis with no exceptions.

### 2.2 Current versus non-current classification

The Company presents assets and liabilities in the Statement of Financial Position based on a current or non-current classification.

An asset is classified as current when it is expected to be realised, sold or consumed in normal operating cycle. Furthermore, if it is held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period. Cash and cash equivalent assets are current unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in normal operating cycle, is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.3 Foreign currency

The Company's presentation currency and functional currency is Norwegian kroner (NOK).

Foreign currency transactions are translated into NOK using the exchange rate at the transaction date. Monetary balances in foreign currencies are translated into NOK at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income as financial items.

### 2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment charges. Depreciation is calculated on a straight-line basis over the asset's expected useful life, adjusted for impairment charges. Expected useful lives of long-lived assets are reviewed



annually, and where they differ from previous estimates, depreciation periods are changed accordingly. Ordinary repairs and maintenance costs are charged to the Statement of Comprehensive Income during the financial period in which they are incurred. The costs of major renovations are included in the asset's carrying amount when it is probable that the Company will derive future economic benefits. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components. Each component is depreciated on a straight-line basis over its expected useful life.

Property, plant and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs required to sell the asset and its value in use. The value in use is determined by reference to discounted future net cash flows expected to be generated by the asset. The difference between the asset's carrying amount and its recoverable amount is recognised in the Statement of Comprehensive Income as impairment. Property, plant and equipment that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.5 Capitalised exploration and evaluation assets

The Company uses the successful efforts method to account for exploration costs. All exploration expenditures, with the exception of acquisition expenditure of licences and drilling expenditure of exploration wells are expensed as incurred.

Drilling expenditure for exploration wells are temporarily capitalised pending the evaluation of potential discoveries of oil and gas resources. Such costs can remain capitalised for more than one year. The main criteria are that there must be firm plans for future drill decisions in the licence or that a development decision is expected in the near future. If no resources are discovered, or if recovery of the resources is considered technically or commercially unviable, expenses related to the drilling of exploration wells are charged in the Statement of Comprehensive Income as exploration expense. When exploration drilling is ongoing in a period after a reporting date and the result of the drilling is subsequently not successful, the capitalised exploration costs as of the reporting date are expensed if the evaluation of the well is completed before the date when the financial statement is authorised for issue.

Capitalised exploration drilling expenditures are capitalised as intangible assets and will be reclassified to tangible assets when entering the development phase. For accounting purposes, a field or licence is considered to enter development when the technical feasibility and commercial viability of extracting hydrocarbons from the field are demonstrable, normally at the time of concept selection. Acquired licence rights are recognised as intangible assets at the time of acquisition. Acquired licence rights related to fields in the exploration phase will remain as intangible assets also when the related fields enter the development or production phase.

Capitalised exploration and evaluation assets and development assets will be reclassified to producing assets and depreciated using the unit-of-production method as reserves are produced.

Capitalised expenditures from licence acquisitions and drilling exploration wells are assessed for impairment when facts and circumstances suggest that criteria for capitalisation is no longer present. Reference is made to second para in this section for criteria for capitalisation. The economic unit used for assessment of impairment of such assets is evaluated on a well-by-well basis. If the main well bore and any side tracks are using the same wellhead these are considered as one cash generating unit. If criteria for capitalisation is no longer present, capitalised exploration expenditures are recognised as impairment in the Statement of Comprehensive Income.

## 2.6 Interests in oil and gas licences

The Company's interests in oil and gas licences are accounted for by recognising the Company's share of the licences' individual expenses, assets, liabilities and cash flows. Each item is classified and presented in its respective line-items in the financial statements.



For cost allocation to operated licences the Company uses a no gain, no loss principle. Costs not directly charged to the licences, are allocated based on a reasonable allocation key.

## 2.7 License transactions

Ordinary transactions of working interests in licenses are considered as either a business combination or transfer of assets. Exploration phase licenses are normally classified as transfer of assets.

In connection with a license transaction between the Company and a third party, the parties will agree on an effective date and a completion date for the transaction. The effective date will be the cut-off date for transfer of net cash flow from the licence and will also normally be considered as the transaction date for tax purposes. For accounting purposes, the completion date will normally be considered as the transaction date and expenditures from the license will be included in the seller's financial statement till this date. Vice versa, expenditures will first be included in buyer's financial statement after this date. In the period between the effective date and the completion date, a Pro & Contra settlement will take into account the net cash flow in the period and will be part of the settlement in the transaction.

Licence transactions are conducted on a post-tax basis due to provisions in the Petroleum Taxation Act. Licence acquisition expenditure will be capitalised net after tax. Licence disposal settlements will be recognised as other income. If the disposed licence holds associated capitalised exploration or development expenditure, this amount net after taxes, will offset other income.

### *Farm-in agreements*

Farm-in agreements are usually acquisitions of working interests in exploration phase licences and are characterised by the seller waiving future economic benefits, such as reserves, in exchange for reduced future funding obligations, e.g. transfer of a working interest in exchange for carry of future drilling expenditure.

This well carry/carried interest is accounted for by the farmee as expenses occur and is classified in accordance with the policy for treatment of the exploration expenses. A farm-in agreement is recognised when risks and rewards of ownership are transferred.

## 2.8 Leases (as lessee)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of all fixed and variable lease payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

Right-to-use assets are measured at cost comprising the amount of the of the initial measurement of the lease liability in addition to other relevant costs, if any. Right-to-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

## 2.9 Receivables

Receivables are initially recognised at fair value. The receivables are subsequently carried at amortised cost using the effective interest method. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition and this loss event (or events) has an impact on the estimated future cash flows that can be reliably estimated. The amount of the loss is measured as the difference between the carrying amount and the present value of estimated future cash. The asset's carrying amount is reduced and the amount of the loss is recognised in the Statement of Comprehensive Income. If, in a subsequent



period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

## 2.10 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

## 2.11 Loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction/issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the consideration received net of transaction/issue costs associated with the borrowing and the redemption value, is recognised in the Statement of Comprehensive Income over the term of the loan.

## 2.12 Taxes

As an oil company, Wellesley Petroleum is subject to the special provisions of the Petroleum Taxation Act. Revenues, and costs correspondingly, from activities on the Norwegian Continental Shelf are liable to ordinary company tax and special tax.

Income taxes for the period comprises tax receivable and changes in deferred tax.

In 2022, the Norwegian Parliament enacted changes in the Norwegian Petroleum Tax Act with effect from 1 January 2022. A new tax loss refund was introduced, based on offshore tax losses multiplied with a special tax rate of 71.8%.

Taxes is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the taxes are also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated on the basis of the tax rates and tax legislation that are expected to exist when the assets are realised, or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that the deferred tax asset can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

## 2.13 Pension plans

The Company has a defined contribution plan for its employees. The Company's payments are recognised in the Statement of Comprehensive Income as payroll and related expenses.

## 2.14 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provisions are measured at the



present value of the expenditures expected to be required to settle the obligation. The increase in the provision owing to passage of time is recognised as a financial cost.

## 2.15 Trade creditors

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2.16 Contingent liabilities

Contingent liabilities are not recognised in the financial statements. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

## 2.17 Segment reporting

The Company's only business segment is exploration for oil and gas on the NCS. Based on this, no segment note is presented, and this is in accordance with management's reporting.

## 2.18 Cost of equity transactions

Transaction costs directly linked to an equity transaction are recognised directly in equity, net after deducting tax.

## 2.19 Statement of Cash Flow

The Statement of Cash Flow is prepared by using the indirect method.

## 2.20 Events after the reporting period

The financial statements are adjusted to reflect events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date (adjusting events). The financial statements are not adjusted to reflect events after the balance sheet date that are indicative of conditions that arose after the balance sheet date (non-adjusting events). Non-adjusting events are disclosed if significant.

## Note 3 Critical accounting estimates and judgements

### 3.1 Critical accounting estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires management to make judgements and use estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Estimates and assumptions which represent a considerable risk for material changes in carrying amounts of assets and liabilities during the next fiscal year are presented in the following:

#### *Capitalised exploration and evaluation assets*

Capitalised exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that criteria for capitalisation is no longer present. The main criteria are that there must be plans for future drill decisions in the licence or that a development decision is expected



in the near future. The economic unit used for assessment of impairment of exploration and evaluation assets is assessed on a well-by-well basis.

### 3.2 Critical judgements in applying the Company's accounting policies

Management has made judgements also in the process of applying the Company's accounting policies. Such judgements with the most significant effect on the amounts recognised in the financial statements are presented in the following:

#### *Accounting policy for exploration expenses*

The Company uses the successful efforts method to account for exploration costs. All exploration costs, with the exception of acquisition costs of licences and drilling costs of exploration wells are expensed as incurred. Costs related to drilling of exploration wells are temporarily capitalised pending the evaluation of the potential existence of oil and gas reserves. If reserves are not found, or if discoveries are assessed not to be commercially recoverable, the drilling costs of exploration wells are expensed.

#### *Climate Change*

The Company monitors global climate change and energy transition developments and plans accordingly. Management recognises there is a general high level of uncertainty about the speed and scale of impacts which, together with limited historical information, provides significant challenges in the preparation of forecasts and plans with a range of possible future scenarios.

All new economic investment decisions include the cost of carbon and opportunities are assessed on their climate-impact potential.

As a result, climate change and the energy transition have the potential to significantly impact the accounting estimates adopted by management and therefore the valuation of assets and liabilities reported on the balance sheet. On an ongoing basis management continues to assess the potential impacts on the significant judgements and estimates used in the financial statements. Estimates adopted in the preparation of the financial statements reflect management's best estimate of future market conditions where, in particular, commodity prices can be volatile. Notwithstanding the challenges around climate change and the energy transition, it is management's view that the financial statements are consistent with the disclosures in this report.



## Note 4. Other operating income

Amounts in NOK '000	2023	2022
Gain on sale of licenses	3 368 586	1 061 373
Other operating income	-	629
<b>Total operating income</b>	<b>3 368 586</b>	<b>1 062 001</b>

Gain on sale of licenses in 2023 is related to the sale of the Company's 40% of PL 878, 878B and 878C, 20% of PL 923 and PL923B, 45% of PL630 and 630CS, 15% fo PL248I and 45% of PL925 to Equinor Energy AS.

Gain on sale of licenses in 2022 is related to the sale of the Company's 40% share in PL942 Ørn to PGNiG Upstream Norway AS.

## Note 5. Exploration expenses

Amounts in NOK '000	2023	2022
G&G. seismic costs and studies	38 895	52 914
Field evaluations	39 093	29 343
Expensed drilling costs previous years	-	24 147
Expensed drilling costs this year	9 833	347 967
Seismic and other exploration costs, outside billing	41 053	26 350
<b>Total exploration expenses</b>	<b>128 874</b>	<b>480 722</b>

Expensed drilling cost is mainly dry hole costs in PL248C (2022: PL685 and PL885).

## Note 6. Payroll and related expenses, remuneration to GM and Board of Directors

### Payroll and related expenses

Amounts in NOK '000	Note	2023	2022
Salaries		67 024	59 601
Social security tax		10 331	7 703
Pension costs	17	3 272	3 320
Other benefits		2 429	2 163
Payroll expenses allocated to partners		-42 491	-20 607
<b>Total payroll and related expenses</b>		<b>40 564</b>	<b>52 180</b>
Average number of employees		16	17

### Remuneration to General Manager

Amounts in NOK '000	2023	2022
Salaries	2 154	2 145
Bonus	504	907
Pension costs	414	536
Other benefits	121	22
<b>Total</b>	<b>3 193</b>	<b>3 610</b>

### Remuneration to Board of Directors

Amounts in NOK '000	2023	2022
Directors' fees	212	191
<b>Total</b>	<b>212</b>	<b>191</b>

No loans have been granted or guarantees pledged to General Manager, Board of Directors or other related parties.



## Note 7. Other operating expenses and remuneration to auditor

### Other operating expenses

Amounts in NOK `000	2023	2022
Consultant and other fees	5 323	5 364
IT costs	12 768	10 448
Other administrative expenses	6 292	6 581
Other operating expenses allocated to partners	-9 768	-7 275
<b>Total other operating expenses</b>	<b>14 614</b>	<b>15 118</b>

### Remuneration to auditor

Amounts in NOK `000	2023	2022
Statutory audit	401	325
Other assurance services	60	-
<b>Total excl. VAT</b>	<b>461</b>	<b>325</b>

## Note 8. Finance income and costs

### Finance income

Amounts in NOK `000	2023	2022
Interest income bank deposits	65 853	20 208
Interest income on tax refund	13 619	2 406
Interest income from group companies	-	147
Foreign exchange gain	179 858	30 686
<b>Total finance income</b>	<b>259 330</b>	<b>53 447</b>

### Finance costs

Amounts in NOK `000	2023	2022
Interest expenses and transaction costs on borrowings	33 370	34 441
Interest expenses to group companies	8	-
Foreign exchange loss	29 550	17 486
Other finance costs	39 583	10 673
<b>Total finance costs</b>	<b>102 511</b>	<b>62 600</b>



## Note 9. Tax

### Income tax credit

Amounts in NOK `000	2023	2022
Refund tax value of tax losses this year	417 509	541 198
Of which derecognized on sale of licenses	16 952	-
Adjustment current taxes previous years	-	5
Change in deferred tax	-311 799	-126 593
<b>Total income tax credit</b>	<b>122 661</b>	<b>414 610</b>

### Tax receivable from tax loss refund

Amounts in NOK `000	2023	2022
Tax receivable from tax loss refund - current	417 509	541 198
<b>Total tax receivable</b>	<b>417 509</b>	<b>541 198</b>

In June 2022, the Norwegian Parliament enacted changes in the Norwegian Petroleum Tax Act with effect from 1 January 2022. The new tax loss refund is based on offshore tax losses multiplied with a new special tax rate of 71.8%.

### Tax effects on temporary differences and tax losses carried forward

Amounts in NOK `000	2023	2022
Exploration and evaluation assets	-609 100	-1 098 267
Property, plant and equipment	236	327
Interest-bearing loans and borrowings	-352	-
Trade and other payables	-	4 312
Tax losses carried forward, offshore 22%	73 785	40 245
Valuation allowance deferred tax asset	-25 008	-
<b>Total deferred tax liability (-) / asset recognised</b>	<b>-560 439</b>	<b>-1 053 383</b>

### Reconciliation of income tax credit

Amounts in NOK `000	2023	2022
Profit / loss (-) before income tax	3 339 600	503 076
Expected income tax (-)/income tax credit 78,004%	-2 605 021	-392 419
Adjusted for tax effects of the following items:		
Sale of oil and gas properties	2 606 205	818 100
Permanent differences	-215	-5 776
Financial items, only subject to ordinary tax rate	146 700	-5 327
Valuaton allowance	-25 008	-
Adjustment previous years and other	-	32
<b>Total income tax credit</b>	<b>122 661</b>	<b>414 610</b>
Effective tax rate	-4 %	-82 %



## Note 10. Exploration and evaluation assets

Amounts in NOK `000	2023	2022
Acquisition cost:		
At 1 January	1 565 750	1 642 551
Additions, capitalised exploration and licence costs *	404 566	122 198
Reclassification to development **	-	-198 999
Disposals ***	-1 049 780	-
At 31 December	920 536	1 565 750
Impairment and disposals:		
At 1 January	-132 662	-108 515
Impairment this year	-	-24 147
Disposals	-	-
At 31 December	-132 662	-132 662
<b>Carrying amount at 31 December</b>	<b>787 874</b>	<b>1 433 088</b>

\* Additions mainly relate to drilling of well in PL1148 (2022; drilling of wells in PL630 and PL923 and preparations for drilling in PL1148).

\*\* Reclassification of PL942 Ørn to development. See note 11.

\*\*\* Disposal of licenses to Equinor. See note 4.



## Note 11. Property, plant and equipment

2023

Amounts in NOK '000	Oil and gas properties	Right-of-use assets; Offices	Furniture, fixtures and office equipment	Total
Acquisition cost:				
At 1 January		9 712	3 773	13 485
Additions	-	-	-	-
Acquisition cost at 31 December	-	9 712	3 773	13 485
Depreciation and impairment:				
Accumulated at 1 January		-2 857	-3 607	-6 464
Depreciation this year		-1 714	-39	-1 753
Accumulated 31 December	-	-4 571	-3 646	-8 217
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>5 142</b>	<b>127</b>	<b>5 269</b>

Economic life  
Depreciation method

Lease period  
linear

5 years  
linear

2022

Amounts in NOK '000	Oil and gas properties	Right-of-use assets; Offices	Furniture, fixtures and office equipment	Total
Acquisition cost:				
At 1 January		9 712	3 773	13 485
Additions	26 596	-	-	26 596
Reclassification from exploration and evaluation assets	198 999			198 999
Disposals *	-225 596	-	-	-225 596
Acquisition cost at 31 December	-	9 712	3 773	13 485
Depreciation and impairment:				
Accumulated at 1 January		-1 143	-3 569	-4 711
Depreciation this year		-1 714	-39	-1 753
Impairment this year		-	-	-
Disposals		-	-	-
Accumulated 31 December	-	-2 857	-3 607	-6 464
<b>Carrying amount at 31 December</b>	<b>-</b>	<b>6 855</b>	<b>166</b>	<b>7 021</b>

Economic life  
Depreciation method

Lease period  
linear

5 years  
linear

\* The Company has divested its 40% share in PL942 Øm to PGNiG Upstream Norway AS in 2022.

## Note 12. Trade and other receivables

Amounts in NOK '000	2023	2022
Prepaid expenses	9 709	6 075
VAT receivable	2 296	1 049
Receivables, from interests in licences	33 251	27 432
Receivables from group companies *	3 603	313
Other items	4 127	167
<b>Total trade and other receivables</b>	<b>52 987</b>	<b>35 036</b>

\* Receivables from Wellesley Midco Ltd and Wellesley Holdco Ltd.



## Note 13. Cash and cash equivalents

Amounts in NOK `000	2023	2022
Bank deposits	232 619	738 709
<b>Total cash and cash equivalents</b>	<b>232 619</b>	<b>738 709</b>
Of this:		
Restricted cash for withheld taxes from employees salaries	5 189	6 323

## Note 14. Share capital and shareholder information

	2023	2022
Number of shares at 1 January	270 129 919	207 315 063
New shares issued during the year:		
Issued in exchange for cash	-	62 814 856
<b>Number of shares at 31 December</b>	<b>270 129 919</b>	<b>270 129 919</b>
Nominal value NOK per share at 31 December	1,00	1,00
Share capital NOK at 31 December	270 129 919	270 129 919
Unregistered share capital NOK at 31 December	-	-

All shares at 31 December 2023 are owned by Wellesley Holdco Ltd. There is only one class of shares, with equal rights for all shares. A dividend of NOK 3 767.6 million was proposed and paid in 2023 based on an audited interim balance sheet.

The parent company Wellesley Holdco Ltd has its registered offices in 20 Eastbourne Terrace, London, United Kingdom, where the consolidated accounts which include the company can be obtained.

## Note 15. Interest-bearing loans and borrowings

Amounts in NOK `000	2023	2022
Exploration financing facility, funds drawn at 31 December	-	411 000
<b>Total interest-bearing loans and borrowings</b>	<b>-</b>	<b>411 000</b>

The Company had during 2022 an Exploration Facility Agreement of NOKmm 1,800 with a further accordion option of NOKmm 700. The agreement expired on 31 December 2022.

On 23 December 2022 the Company entered into a Facility Agreement of NOKmm 500. Available amount for funding will at all times be 95% of the tax value of deficit amount, less interests which have not already been refunded by tax authorities. Interest rate is NIBOR 3 months + 3.0%.

The loan is secured by a first priority pledge of the tax receivable from the deficit pursuant to the Norwegian Petroleum Tax Act.

## Note 16. Trade and other payables

Amounts in NOK `000	2023	2022
Trade creditors	9 955	7 244
Payables and accruals, from interests in licences	20 841	66 942
Lease liability, current	1 815	1 815
Payables to group companies *	4 671	3 014
Holiday pay	4 957	4 161
Other accruals for incurred costs	1 040	7 239
<b>Total trade and other payables</b>	<b>43 279</b>	<b>90 414</b>

\* Payable to Wellesley Holdco Ltd.



## Note 17. Pensions

The company is required to have an occupational pension scheme in accordance with the Norwegian Act on mandatory occupational pensions (lov om obligatorisk tjenestepensjon). The company's pension scheme fulfills the requirements of that law.

The company's pension scheme covers all employees. The scheme is a defined contribution plan.

Amounts in NOK `000	2023	2022
Pension cost	3 272	3 320
Social security tax	461	468
<b>Net pension costs</b>	<b>3 733</b>	<b>3 789</b>

## Note 18. Leases

The company implemented IFRS 16 from 1 January 2019 and recognised a right-to-use asset related to leasing of offices. See note 11.

### Lease liability

Amounts in NOK `000	Note	2023	2022
Lease liability 1 January		6 856	8 569
Accretion lease liability, included in finance cost		101	101
Cash payments for the interest portion of the lease liability		-101	-101
Cash payments for the principal portion of the lease liability		-1 714	-1 714
<b>Total lease liability 31 December</b>		<b>5 142</b>	<b>6 856</b>
Current lease liability	16	1 815	1 815
Non-current lease liability		3 327	5 041
<b>Lease liability 31 December</b>		<b>5 142</b>	<b>6 856</b>

### Future minimum lease payments under non-cancellable lease agreements (undiscounted)

Amounts in NOK `000	2023	2022
Within one year	1 815	1 815
After one year, less than five years	3 629	5 444
After five years	-	-
<b>Total</b>	<b>5 444</b>	<b>7 258</b>



## Note 19. Financial instruments

### (a) Categories of financial instruments

Financial assets:

Amounts in NOK `000	Category	2023	2022
Trade and other receivables *	Amortised cost	40 981	27 912
Cash and cash equivalents	Amortised cost	232 619	738 709
<b>Total financial assets</b>		<b>273 600</b>	<b>766 621</b>

Financial liabilities:

Amounts in NOK `000	Category	2023	2022
Interest-bearing loans and borrowings	Amortised cost	-	411 000
Trade and other payables **	Amortised cost	36 508	84 439
<b>Total financial liabilities</b>		<b>36 508</b>	<b>495 439</b>

\* Prepaid expenses and VAT receivable are excluded since they are not defined as financial instruments.

\*\* Accruals for public duties payable are excluded since they are not defined as financial instruments.

### (b) Fair value of financial instruments

The carrying amount of current receivables and cash and cash equivalents is approximately equal to fair value, since these instruments have a short term to maturity. Similarly, the carrying amount of trade creditors, other current payables and interest bearing loans and borrowings is approximately equal to fair value, since the effect of discounting is not significant.

### (c) Creditworthiness of financial assets

The company does not have a system that separates receivables and loans on counterparty credit rating. Cash and cash equivalents are receivables from banks. See further detail below regarding credit risk.

### (d) Financial risk

The most significant financial risks which affect the company are listed below. The management performs a continuous evaluation of these risks and determines policies related to how these risks are to be handled.

#### Credit risk:

Carrying amounts of financial assets presented above represents the maximum exposure to credit risk. The company is mainly exposed to credit risk related to bank deposits and receivables from interests in licences. The exposure to credit risk is monitored on an ongoing basis. There are no expectations that any of the counterparties will not be able to fulfil their liabilities. The company has not provided any guarantees for third parties' liabilities.

#### Liquidity risk:

The company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances.

#### Foreign exchange rate risk:

The company is exposed to currency risk related to its activities as the value of potential discoveries is correlated with USD and parts of the company's expenses are in other currencies than the functional currency (NOK). The company has not entered into any agreements to reduce its exposure to foreign currencies. At 31 December 2023 the company is exposed to exchange rate risk mainly due to cash and cash equivalents in USD and working capital from interests in licences in USD.

#### Interest rate risk:

The company's exposure to interest rate risk is related to usage of the loan facility, with floating interest rate conditions. See note 15 for information about the loan facility.



## Note 20. Related parties

### Purchases of services from related parties

Amounts in NOK `000	2023	2022
Wellesley Holdco Ltd (shareholder)	21 034	20 228
<b>Total purchases of services from related parties</b>	<b>21 034</b>	<b>20 228</b>

Services are priced in accordance with the arm's length principle.

Remuneration to General Manager and Board of Directors is disclosed in note 6, and balances with group companies is disclosed in note 12 and 16.

## Note 21. Interests in licenses and commitments

### Interests in non operated licenses at 31 December

	Operator	2023	End of concession period
PL090JS	Equinor Energy AS	5 %	June 2025
PL159F	Equinor Energy AS	40 %	March 2029
PL248C	Equinor Energy AS	30 %	June 2035
PL248I	Equinor Energy AS	5 %	June 2035
PL630, PL630CS	Equinor Energy AS	5 %	February 2042
PL925	Equinor Energy AS	5 %	June 2025

### Interests in operated licenses at 31 December

	2023	End of concession period
PL1148, PL1148B	50 %	March 2027
PL1183S	50 %	February 2030
PL1184S	10 %	January 2030

### Commitments at 31 December 2023

The Company had at year end 2023 not committed to any investments in 2024 through interests in licences.



#### **Note 22. Contingent liabilities**

The Company has not been involved in any legal or financial disputes in 2023 or 2022, where an adverse outcome is considered more likely than remote.

#### **Note 23. Share-based payment**

The Company has entered into a share-based payment arrangement with a group of the Company's employees. The arrangement was settled and terminated in 2023.

#### **Note 24. Going concern**

The financial statements have been prepared under the assumption of going concern and the Board of Directors confirms this assumption.

#### **Note 25. Events after the reporting period**

The Company was during the APA'23 licence round awarded 1 new licence.

Subsequent to year end a well drilled in the Harden prospect in PL248C was found to be dry. Accordingly, capitalized costs related to this well accrued in 2023 has been written off in these financial statements.

**SIGNATURES****ALLEKIRJOITUKSET****UNDERSKRIFTER****SIGNATURER****UNDERSKRIFTER**

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## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Wellesley Petroleum AS

### Opinion

We have audited the financial statements of Wellesley Petroleum AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and The Board of Directors and Chief Executive Officer) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 26 March 2024  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Tor Inge Skjellevik  
State Authorized Public Accountant (Norway)

Independent auditor's report - Wellesley Petroleum AS 2023

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## Tor Inge Skjellevik

Statsautorisert revisor

På vegne av: Ernst & Young AS

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**Skattedirektoratet**

Saksbehandler  
Rune Tystad

Deres dato  
30.08.2015

Vår dato  
16.09.2015

Telefon  
977 59 464

Deres referanse  
Callum Smyth

Vår referanse  
2015/839466

WELLESLEY PETROLEUM AS  
Reidar Berges gate 9  
4013 STAVANGER

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Wellesley Norway Midco AS og Wellesley Petroleum AS

Vi viser til deres brev av 30. august 2015 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for

Wellesley Norway Midco AS, org.nr. 913 561 686 og  
Wellesley Petroleum AS, org.nr. 913 561 473.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Wellesley Norway Midco AS og Wellesley Petroleum AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

### Bakgrunn

Fra deres søknad gjengis:

*Wellesley Norway Midco AS (913 561 686) og Wellesley Petroleum AS (913 561 473) søker med dette om adgang til å avlegge årsregnskap fra og med regnskapsåret 2015 på engelsk. All intern regnskapsrapportering foregår på engelsk. Styret i morselskapet er ikke-norskspråklige og årsberetning/årsregnskap må derfor oversettes til engelsk i forbindelse med styrebehandlingen. Selskapene er en del av ett internasjonalt konsern og opererer i en bransje der det er vanlig både blant kunder, leverandører og andre forretningspartnere, at forretningspråket er engelsk. Av ovennevnte grunn søker det dermed om tillatelse til å avlegge årsregnskap og årsberetning på engelsk fra og med regnskapsåret 2015. Vi imøteser et snarlig svar.*

### Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

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Sentralbord  
800 80 000  
Telefaks  
22 17 08 60



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

*”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”*

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapene er en del av et datterselskap av et internasjonalt konsern og opererer i en bransje der engelsk er det er vanlige forretningsspråket. Videre er det vektlagt at styret i morselskapet er ikke-norskspråklige.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Rune Tystad

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer*