



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 145 563
Organisasjonsform: Aksjeselskap
Foretaksnavn: STATOIL KHARYAGA AS
Forretningsadresse: Forusbeen 50
4035 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Hans Petter Hybbestad
Dato for fastsettelse av årsregnskapet: 24.06.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

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, 31.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue		961 500 667	1 263 494 363
Other income		260 371 307	529 711 418
Sum inntekter	2	1 221 871 974	1 793 205 781
Kostnader			
Depreciation and impairment losses	4	-138 812 251	421 356 015
Other operating expenses	3	452 404 399	609 599 118
Sum kostnader		313 592 149	1 030 955 133
Driftsresultat		908 279 825	762 250 648
Finansinntekter og finanskostnader			
Annen renteinntekt	5	-469 652	-28 726 354
Sum finansinntekter		-469 652	-28 726 354
Netto finans		-469 652	-28 726 354
Ordinært resultat før skattekostnad			
Income tax	9	395 978 828	635 026 974
Ordinært resultat etter skattekostnad		511 831 345	98 497 320
Årsresultat		511 831 345	98 497 320
Årsresultat etter minoritetsinteresser		511 831 345	98 497 320
Totalresultat		511 831 345	98 497 320



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	9	8 840 738	
Sum immaterielle eiendeler		8 840 738	
Varige driftsmidler			
Production plants and oil and gas assets		1 925 985 925	1 326 463 280
Sum varige driftsmidler	4	1 925 985 925	1 326 463 280
Sum anleggsmidler		1 934 826 663	1 326 463 280
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables		109 083 934	149 563 544
Licence receivables	6		
Other receivables		156 315 076	161 994 341
Konsernfordringer	6	620 345 510	541 797 768
Sum fordringer		885 744 520	853 355 652
Sum omløpsmidler		885 744 520	853 355 652
SUM EIENDELER		2 820 571 182	2 179 818 932
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	11	1 001 000	1 001 000
Annen innskutt egenkapital		999 721 712	999 721 712
Sum innskutt egenkapital		1 000 722 712	1 000 722 712
Opptjent egenkapital			



Balanse

Beløp i: NOK	Note	2020	2019
Retained earnings		197 017 503	98 497 320
Sum opptjent egenkapital		197 017 503	98 497 320
Sum egenkapital	10	1 197 740 215	1 099 220 033
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	624 517 784	536 432 101
Other provisions	7	479 788 098	404 859 633
Sum avsetninger for forpliktelser		1 104 305 882	941 291 734
Annen langsiktig gjeld			
Sum langsiktig gjeld		1 104 305 882	941 291 734
Kortsiktig gjeld			
Leverandørgjeld	8		90 338
Tax payable	9		
Utbytte	8	400 000 000	
Kortsiktig konserngjeld	8	17 065 594	
Licence payable		101 459 492	139 216 827
Other current liabilities	8		
Sum kortsiktig gjeld		518 525 086	139 307 165
Sum gjeld		1 622 830 967	1 080 598 899
SUM EGENKAPITAL OG GJELD		2 820 571 182	2 179 818 932



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 13.06.2017	Vår dato 16.06.2017
Telefon 22078139	Deres referanse Unni Elisabeth Tønning	Vår referanse 2014/508346

STATOIL ASA
Postboks 8500
4035 STAVANGER

MOTT. 20.06.2017

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

— Vi viser til deres brev av 13. juli 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Statoil Kharyaga AS	org.nr. 917 145 563
Statoil Refining Nowvay AS	org.nr. 917 209 405
Hyberbar Mottaks Beredskap AS	org.nr. 979 832 818

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper 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

Selskapene det søkes om dispensasjon for er alle eiet av Statoil ASA. Statoil ASA fikk 22. september 2014 tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for 113 juridiske enheter. Det søkes nå om tillatelse til å utarbeide årsregnskap og årsberetning for ytterligere tre selskaper i tillegg til selskapene godkjent i 2014 med samme begrunnelse.

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.”*

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

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Besøksadresse:
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E-post: skatteetaten.no/sendepost

Sentralbord
800 80 000
Telefaks
22 17 08 60



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 inngår i samme konsern. Styrets sammensetning består både av norske og ikke-norske statsborgere. Arbeidsspråket er engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Jeanette M. Skovholt
seniorradgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke handskrevne signaturer



FINANCIAL STATEMENTS 2020
Statoil Kharyaga AS
Org.no. 917 145 563

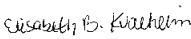



Income Statement			
Statoil Kharyaga AS			
	Note	2020	2019
Revenue and other income			
Revenue		961 500 667	1 263 494 363
Other income		260 371 307	529 711 418
Total revenue and other income	2	1 221 871 974	1 793 205 781
Operating expenses			
Depreciation and impairment losses	4	138 812 251	-421 356 015
Other operating expenses	3	-452 404 399	-609 599 118
Total operating expenses		-313 592 149	-1 030 955 133
Net operating income/(loss)		908 279 825	762 250 648
Net financial items	5	-469 652	-28 726 354
Income/(loss) before tax		907 810 173	733 524 294
Income tax	9	-395 978 828	-635 026 974
Net income/(loss)		511 831 345	98 497 320



Balance Sheet			
Statoil Kharyaga AS			
Assets	Note	2020	2019
Non-current assets			
Intangible assets			
Deferred tax assets	9	8 840 738	0
Total intangible assets		8 840 738	0
Property, plant and equipment			
Production plants and oil and gas assets		1 925 985 925	1 326 463 280
Total property, plant and equipment	4	1 925 985 925	1 326 463 280
Total non-current assets		1 934 826 663	1 326 463 280
Current assets			
Receivables			
Accounts receivables		109 083 934	149 563 544
Receivables from group companies	6	620 345 510	541 797 768
Other receivables		156 315 076	161 994 341
Total receivables		885 744 520	853 355 652
Total current assets		885 744 520	853 355 652
TOTAL ASSETS		2 820 571 182	2 179 818 932



Balance Sheet			
Statoil Kharyaga AS			
Equity and liabilities	Note	2020	2019
Equity			
Share capital	11	1 001 000	1 001 000
Additional paid-in capital		999 721 712	999 721 712
Retained earnings		197 017 503	98 497 320
Total equity	10	1 197 740 215	1 099 220 033
Liability			
Non-current liabilities			
Deferred tax liability	9	624 517 784	536 432 101
Other provisions	7	479 788 098	404 859 633
Total non-current liabilities		1 104 305 882	941 291 734
Current liabilities			
Accounts payable	8	0	90 338
Dividends payable	8	400 000 000	0
Licence payable		101 459 492	139 216 827
Liabilities to group companies	8	17 065 594	0
Total current liabilities		518 525 086	139 307 165
Total liabilities		1 622 830 967	1 080 598 899
TOTAL EQUITY AND LIABILITIES		2 820 571 182	2 179 818 932
Oslo, 23.06.2021			
The board of Statoil Kharyaga AS			
Hilde Merete Nafstad (306313)			
Hilde Merete Nafstad Member of the board	Elisabeth Birkeland Kvalheim Chairman of the board	Morten Sven Johannessen Member of the board/General Manager	
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Cash Flow Statement		
Statoil Kharyaga AS		
Cash Flow Statement	2020	2019
Cash flows from operating activities		
Profit/loss before tax	907 810 173	733 524 294
Taxes paid	52 608 145	108 841 392
Profit oil in kind	-260 371 307	-529 711 418
(Gain)/loss on foreign currency transactions and balances	21 301 822	13 813 285
Interest expense on the asset retirement obligation	17 494 540	11 564 813
Asset retirement obligation provisions	-22 800 879	3 088 967
Ordinary depreciation/impairment losses	-138 812 251	421 356 015
Increase/decrease in accounts receivables and other receivables	46 158 875	103 963 089
Increase/decrease in accounts payable and other payable	-90 338	-38 407 388
Increase/decrease in license receivables/payable	-37 757 335	-30 652 342
Increase/decrease in current intercompany accounts	16 425 291	-50 299 013
Net cash flows from operating activities	496 750 446	529 398 910
Cash flows from investment activities		
Purchase/disposal of property, plant and equipment	380 475 590	438 552 977
Net cash flows from investment activities	-380 475 590	-438 552 977
Cash flows from financing activities		
Payment of dividend	0	800 000 000
Net cash flows from financing activities	0	-800 000 000
Effect of exchange rate fluctuations on cash and cash equivalents	-21 301 822	-13 813 285
Net change in cash and cash equivalents	94 973 034	-722 967 352
Cash and cash equivalents at the start of the period	524 491 622	1 247 458 974
Cash and cash equivalents at the end of the period	619 464 656	524 491 622
Cash and cash equivalents at the end of the period in the Cash Flow Statement includes deposits in internal bank arrangement which is presented within the balance sheet item receivables/(payable) from group companies.		
Statoil Kharyaga AS		Page 5



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Note 1 - Significant accounting policies

The Financial Statements of Statoil Kharyaga AS are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles.

Statoil Kharyaga AS is part of the consolidated Financial Statements of Equinor ASA. The consolidated Financial Statements can be retrieved from www.equinor.com or copies can be ordered by inquiry to Equinor ASA, 4035 STAVANGER.

Going concern

In accordance with the Accounting Act §3-3 the Board of Directors confirm that the financial statements have been prepared under the assumption of going concern.

The Board of Directors are of the opinion that the information presented in the Financial Statements give a fair overview of the company's assets, liabilities, financial position and net results.

Use of estimates

Preparation of the Financial Statements requires the company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as disclosures of contingencies. Actual results may ultimately differ from the estimates and assumptions used.

Revenue recognition

Revenue is recognised when it is earned and cost of sales is recognised in the same period as the revenue to which they relate.

Revenues from the production of oil and gas are recognised on the basis of volume lifted and sold to customers during the period (the sales method). Where Equinor has lifted and sold more than the ownership interest, an accrual is recognised for the cost of the overlift. Where Equinor has lifted and sold less than the ownership interest, costs are deferred for the underlift.

Profit oil in kind

Under production sharing agreements (PSAs) the contracting party first gets oil for a value equal to expenses and investments (cost oil) on the terms and conditions set forth in the production sharing agreement. From the rest of the production, the contracting parties get a proportion (profit oil) that is less than their divided share, while the host country keeps the rest. The proportion that the host country keeps (profit oil in kind) is included in other income with an offset in the income tax expense (tax in kind).

Foreign currency translation

Transactions in foreign currencies are translated to NOK at the foreign exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to NOK at the foreign exchange rate at balance sheet date. Realised and unrealised exchange differences arising on translation are recognised as financial items in the Income Statement.

Classification and valuation of balance sheet items

Current assets and liabilities include items included in the operating cycle or due for payment within one year of the date of acquisition. Other assets are classified as non-current assets. Current assets are valued at the lower of cost or fair value. Current liabilities are recorded at nominal value. The group's receivables in cash pool arrangement are netted and treated as receivables/payable from/to group companies.



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Receivables

Accounts receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables.

Property, plant and equipment

Property, plant and equipment is reflected at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation, if any, exploration costs transferred from intangible assets and, for qualifying assets, borrowing costs. Property, plant and equipment include costs relating to expenditures incurred under the terms of profit sharing agreements/contracts (PSAs/PSCs) in certain countries, and which qualify for recognition as assets of Equinor. State-owned entities in the respective countries, however, normally hold the legal title to such PSA-based property, plant and equipment.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The impairment test is performed at the lowest level where one can identify independent cash flows. For assets associated with oil and gas operations, such cash-generating units will normally be the individual fields or individual development areas. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to recoverable amount. If the carrying value exceeds the asset recoverable amount, the asset or the cash-generating unit the asset belongs to, should be impaired to the recoverable amount. The recoverable amount is the higher of the net selling price and value in use.

Value in use is the present value of the future cash flows the asset is expected to generate. The estimated future cash flows are based on reasonable and supportable assumptions, and represents management's best estimate of the different economic conditions that will exist in the cash-generating asset's remaining economic lifetime. Details regarding assumptions (prices and discount rate) which have been used for impairment calculations can be found in consolidated Financial Statements for Equinor ASA. Improvements that significantly increase the capacity or economic lifetime are capitalised.

Accounting for ownership in oil and gas licences

Ownership in oil and gas licences are recognised on a line-by-line basis, reflecting Equinor 's share of assets, liabilities, income and expenses.

Depreciation

Oil and gas production facilities are depreciated using the unit of production method based on estimated proved reserves calculated as recoverable during the licence period. Depreciation on other assets is calculated on a straight-line basis over its estimated economic lifetime.

Interest

Interest is capitalised for major development projects, until the asset is ready for use. Capitalised interest is included as part of the cost and is depreciated along with the asset.

Asset retirement obligation

Provisions for ARO costs are recognised when Equinor has an obligation (legal or constructive) to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reliable estimate of that liability can be made. Equinor's ARO liability is defined in the Kharyaga PSA and equals an amount per boe of total expected production for the sanctioned projects. The amount recognized is the present value of the estimated future abandonment cost.



Statoil Kharyaga AS

Notes to the Financial Statements 2020

When a provision for ARO cost is recognised, a corresponding amount is recognised to increase the related property, plant and equipment and is subsequently depreciated as part of the costs of the facility or item of property, plant and equipment. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding property, plant and equipment. When a decrease in the ARO provision related to a producing asset exceeds the carrying amount of the asset, the excess is recognised as a reduction of Depreciation, amortisation and net impairment losses in the consolidated Income Statement. When an asset has reached the end of its useful life, all subsequent changes to the ARO provision are recognised as they occur in Operating expenses in the consolidated Income Statement. Removal provisions associated with Equinor's role as shipper of volumes through third party transport systems are expensed as incurred.

Income tax

Income tax in the Income Statement includes the period tax payable and deferred tax. Current tax liabilities and assets are recognised at 22% in fiscal year 2019 and 22% in fiscal year 2020. Deferred tax liabilities and assets are recognised at 22% in fiscal year 2019 and 22% in fiscal year 2020.

Deferred tax is calculated based on temporary differences between accounting and tax values of assets and liabilities and tax losses carried forward at year-end. Deferred tax assets are recognized only to the extent that it is probable that the company will have future taxable income, against which the asset can be utilised.

Deferred tax liabilities and deferred tax assets are calculated using the tax rules and tax rates applicable at the balance sheet date.

Taxable income from the overseas petroleum production are exempt from taxation and it is not entitled to deductions for expenses and loss related to such income. Financial items, except for debt interest, are taxable. The debt interest are divided between Norway and abroad in accordance with the Norwegian Tax law § 6-91.

The portion of the loss from activities other than overseas petroleum production can be offset by the receipt of group contributions or carried forward for deduction in a later tax year. The carried forward part of the loss will normally consist of net financial expenses, including debt interest allocated to Norway in accordance with the Norwegian Tax law § 6-91. Any remaining loss is not possible to carry forward and deferred tax assets are therefore not recognised.



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Acquisition of participating interest

The company purchased a 30% participating interest in the Kharyaga licence and Production sharing agreement from Statoil Sverige Kharyaga AB in 2017. The licence is engaged in exploration, development and production of oil in Kharyaga field in Russia. Zarubezhneft is the operator with 40% participating interest, Total participates with 20% and Nenets Oil company with 10%. The effective date for the transaction was 01.01.2016 and the transaction date was 31.12.2017. The transaction is a Equinor group internal business transfer and is accounted for with group continuity. The difference between acquisition cost and book values are posted directly towards equity as a continuity difference. Assets and liabilities transferred in the transaction are presented gross in the Financial Statements.

Cash flow

The cash flow statement has been prepared by using the indirect method according to the preliminary Norwegian accounting standard.



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Note 2 - Revenue

	2020	2019
Revenue from crude oil produced in Russia	961 500 667	1 263 494 363
Profit oil in kind	260 371 307	529 711 418
Total	1 221 871 974	1 793 205 781

1) Revenues are recognised based on volumes lifted and sold to customers during the period (the sales method). Adjustments for imbalances (overlift or underlift) between oil and gas production and sales are presented within Other operating expenses and is reflected at cost (the lowest of cost and fair value for underlift) in the balance sheet as short-term receivables or payables.

Note 3 - Other operating expenses

Auditor's remuneration (excl. VAT)	2020	2019
Audit fee Ernst & Young AS	315 000	0
Audit fee KPMG AS	0	136 718
Total	315 000	136 718

Other operating expenses consist mainly of expenses related to production and transportation in licences the company participates in.

There are no employees in the company.

There was no remuneration to the general manager this year.

There was no remuneration to members of the Board this year

The company is not required to have a mandatory pension scheme.

Note 4 - Property, plant and equipment

	Retirement assets	Production plants	Cap.interest on construction loan	Total
Cost at 01.01.	267 765 578	7 068 409 036	75 619 116	7 411 793 730
Additions	80 234 804	380 475 590	0	460 710 394
Disposals	0	0	0	0
Cost at 31.12.	348 000 382	7 448 884 626	75 619 116	7 872 504 124
Accumulated depreciation at 31.12.	-209 076 515	-5 666 284 519	-71 157 164	-5 946 518 198
Carrying amount at 31.12.	138 923 867	1 782 600 106	4 461 952	1 925 985 925
Depreciation	31 963 340	336 084 952	1 439 457	369 487 749
Impairment (reversal)		-508 300 000*		-508 300 000
Depreciation method	Unit of prod.	Unit of prod.	Unit of prod.	

Increased production volumes triggered an impairment test of the Kharyaga asset. The impairment test resulted in a recognition of NOK 508,3 million in reversal of impairment in 2020.



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Note 5 - Net financial items

	2020	2019
Foreign exchange gain (loss), net	16 687 461	-26 268 664
Interest income from group companies	412 149	9 348 407
Financial income from group companies	0	0
Other financial income	-53 160	428 579
Sum interest income and other financial income	358 989	9 776 986
Accretion expense asset retirement obligation	-17 494 540	-11 564 813
Interest expense to group companies	0	-203 516
Other interest expense	0	-21 107
Financial expense to group companies	-671	-419 632
Other financial expense	-20 892	-25 608
Sum interest and other financial expenses	-17 516 102	-12 234 675
Net financial income/(expense)	-469 652	-28 726 354

*Foreign exchange gain/(loss) is mainly related to internal bank balance denominated in USD.

Note 6 - Receivables

	2020	2019
Current receivables from group companies		
Internal bank*	619 464 656	524 491 622
Other current receivables	880 855	321 649
Statholding AS - group contribution	0	16 984 497
Total	620 345 510	541 797 768

*The company is taking part in an internal cash pool arrangement with Equinor ASA.



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Note 7 - Other provisions for liabilities

The provision includes asset retirement obligation transferred from Statoil Kharyaga AB due to acquisition.

	2020	2019
Asset retirement obligation (ARO) at 01.01.	404 859 633	326 861 370
Acquisition	0	0
Accretion expense on the liability	17 494 540	11 564 813
Changes in estimates	57 433 925	66 433 450
Asset retirement obligation at 31.12.	479 788 098	404 859 633
Non-current assets related to the retirement at 01.01.	90 652 404	43 374 259
Acquisition	80 234 804	0
Changes in estimates	0	63 344 483
Depreciation	-31 963 340	-16 066 338
Non-current assets related to the retirement at 31.12.	138 923 867	90 652 404

Note 8 - Liabilities

	2020	2019
Accounts payable		
Accounts payable	0	90 338
Total	0	90 338
Current liabilities to group companies		
Statholding AS - group contribution	17 065 594	0
Dividends payable	400 000 000	0
Total	417 065 594	0



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Note 9 - Income tax

The company has operations abroad and is taxable to both Norway and Russia.

Tax rate Norway, current tax 2020/2019 22%/22%

Tax rate Norway, deferred tax 2020/2019 22%/22%

Tax rate Russia 35%

Income tax expense comprises:	2020	2019
Current tax - Norway	5 050 947	0
Change in deferred tax - Norway	-8 840 738	- 2 440 072
Credit relief	- 1 296 517	- 1 296 517
Current tax - Russia	52 608 146	105 301 880
Tax paid in kind	260 371 307	529 711 418
(Increase)/decrease in deferred tax - Russia	88 085 683	3 750 265
Total	395 978 828	635 026 974

	2020	2019
Current tax		
Income before tax	907 810 173	733 524 294
Permanent differences relating to income from the extraction of petroleum abroad 1)	-908 279 825	-762 250 648
Other non-deductible expenses	17 535 246	11 741 858
Tariff income pipeline	5 893 260	5 893 260
Received/(submitted) group contribution	-17 065 594	16 984 497
Tax base	5 893 260	5 893 260

Tax payable in the balance sheet:

Current tax related to profit for the year - Norway	1 296 517	1 296 517
Credit relief	- 1 296 517	- 1 296 517
Tax payable - Norway	0	0

Deferred tax

The tax effect of temporary differences and loss to be carried forward that has formed the basis for deferred tax/(deferred tax asset), specified on type of temporary differences:

Temporary differences - Norway NOK	2020	2019
Non-current assets	-40 185 173	0
Total	-40 185 173	0

Deferred tax liability/(deferred tax assets) - Norway	-8 840 738	0
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Statoil Kharyaga AS

Notes to the Financial Statements 2020

Temporary differences - Russia - USD	2020	2019
Non-current assets	192 949 902	155 986 001
Retirement	- 2 145 952	485 710
Other	18 315 958	18 085 325
Total	209 119 908	174 557 036
Deferred tax liabilities/(deferred tax assets) - USD 2)	73 191 968	61 094 963
Deferred tax liabilities/(deferred tax assets) in the balance sheet are translated to NOK	624 517 784	536 432 101

Reconciliation of tax expense:	2020	2019
Income before tax	907 810 173	733 524 294
Nominal tax rate: 22%/22%	199 718 238	161 375 345
<i>Tax effect from:</i>		
Permanent difference	-195 963 807	-165 111 934
(Increase)/decrease in deferred tax - Russia	88 085 683	3 750 265
Current tax - Russia	52 608 146	105 301 880
Recognition of deferred tax Norway	- 8 840 738	0
Tax paid in kind	260 371 307	529 711 418
Total	395 978 828	635 026 974

1) See note 1 in which the rules for the tax treatment of income from the overseas petroleum production are presented.

2) Deferred tax liability relate to tax position in Russia which has been transferred from Statoil Kharyaga AB due to acquisition of the 30% participating interest in the licence.

Note 10 - Equity

	Share capital	Additional paid-in capital	Retained earnings	Total equity
Total equity at 01.01.	1 001 000	999 721 712	98 497 320	1 099 220 033
Net income			511 831 345	511 831 345
Submitted group contribution(after tax)		0	-13 311 163	-13 311 163
Provision for dividends			-400 000 000	-400 000 000
Total equity at 31.12.	1 001 000	999 721 712	197 017 503	1 197 740 215



Statoil Kharyaga AS

Notes to the Financial Statements 2020

Note 11 - Share capital and shareholder information

The share capital consists of 1 000 shares per NOK 1 001,00. All shares have the same voting rights.

Shareholder information

All shares are owned by Equinor ASA.

Note 12 - Other commitments

The company has a rig commitment estimated to NOK 30 million for 2021 and NOK 9,6 million for 2022 .

Note 13 - Oil Reserves (unaudited)

The company has signed a production sharing agreement in northwestern Russia for development and production of petroleum resources. The agreement is valid until 2031.

The company's oil reserves are estimated by the parent company reservoir engineers according to industry standards and requirements, equivalent to those imposed by the United States Securities and Exchange Commission (SEC). At year-end oil reserves was approximately 14,2 million boe.

Proved reserves are the estimated volumes of oil and NGL, the estimates are based on analyses of geological and engineering data, which can demonstrate with reasonable certainty to be recoverable in concession period from known reservoirs under existing economic and operating conditions.

Note 14 - Other

During 2020 the spread of the corona virus (Covid-19) has impacted an increasing number of countries with increasing severity. During this period countries, organizations and Equinor have taken considerable measures to mitigate the risk for communities, employees and business operations.

The impact from Covid-19 is assessed to be limited for Statoil Kharyaga AS.



Statoil Kharyaga AS

(Org.nr. 917 145 563)

The Board of Directors Report 2020

Statoil Kharyaga AS is a wholly owned subsidiary of Equinor ASA.

The company is engaged in activities connected to the Equinor Group's operations in Russia related to exploration, development, production and sale of oil and gas. The company is managed from Moscow, Stavanger and Oslo.

The Kharyaga Field is located in Timan Pechora basin in North West Russia. The field has been in production since 1999. Statoil Kharyaga AS has a 30% interest in the field, Zarubezhneft is the operator with a 40% share. The other partners in the license are Total (20%) and Nenets Oil Company (10%).

The company's business address is Forusbeen 50, 4033 Stavanger.

Operations

Equity Production was 9,4 mboe/d in 2020 compared to 9,6 mboe/d in 2019. Kharyaga project phase 4C Package 3 was sanctioned in April 2020, phases 4C Package 4, Package 5 and Phase 4B extension were sanctioned in December 2020, Phase 5 Package 1 was sanctioned in March 2021. Production for phases 4C Package 3, 4B extension is to start in 2021, production from phases 4C Package 5 and Phase 5 Package 1 is to start in 2022, production from phase 4C Package 4 is to start in 2023.

In 2020 there were two drilling rigs in operation on the field, in 2021 agreement with one of those was not extended and a second rig will start operating from July of 2021.

Comments related to the financial statements

Revenues for 2020 amounted to NOK 1 222 million compared to NOK 1 793 million in 2019. The decrease is mainly related to lower oil prices. Operating expenses amount to NOK 452 million in 2020 compared to NOK 610 million in 2019. Operating expenses consist of expenses related to production and transportation of oil in the license the company participate in and administration/follow up expenses. As a result of a reversal of impairment of NOK 508 million in 2020 due to increase in expected reserves, depreciation/impairment losses amounted to positive NOK 139 million in 2020 compared to a cost of NOK 421 million in 2019. In 2019, assets were impaired by NOK 50,6 million due to reduced oil price assumptions.

Net operating income amount to NOK 908 million compared to NOK 762 million in 2019. Lower revenues are offset by decreased operating costs and reversal of impairment.

Total non-current assets amount to NOK 1 935 million per 31.12.2020 compared to NOK 1 326 million per 31.12.2019.

Total cash flow from operating activities was NOK 497 million in 2020. Net operating income amount to NOK 908 million. The difference is mainly related to taxes and profit oil in kind. Investments in property plant and equipment were 380 million in 2020.



The company's liquidity and financial position is good. The company is taking part in an internal cash pool arrangement with Equinor ASA. The arrangement secures access to sufficient liquidity at any time.

Financial risk

The Kharyaga Oil is sold to a limited number of customers. Settlement currency for payments and disbursements is primarily USD. Financial risk is mainly related to the development in oil prices and exchange rates. The company's financial position is considered to be good and the liquidity risk is assessed accordingly to be low.

Commodity markets are currently volatile and there has been a significant reduction in oil and gas prices since the beginning of 2020. It is uncertain how long the current market situation will last. Equinor has performed a thorough and broad analysis of the expected development in drivers for the different commodity markets and exchange rates, following the recent and ongoing Covid-19 situation insight into the development of the different markets in which Equinor operates. Significant uncertainty continues to exist regarding future commodity price development due to the potential long-term impact on demand resulting from the ongoing Covid-19 pandemic and the measures taken to contain it.

The operational and economic consequences from the Covid-19 pandemic and the volatile commodity markets cannot be predicted at the time of publishing of the financial statements.

External environment

The company's activity can result in pollution or spillage harmful to the external environment. The board is not aware of any incidents in 2020 which have been harmful to external environment. There were no activities related to research and development in 2020.

Working environment

The company has no employees. The board of directors consists of two women and one man.

Going concern

In accordance with the Accounting Act § 3-3 we confirm that the financial statements have been prepared under the assumption of going concern.

The Board of Directors are of the opinion that the information presented in the Board of Directors report and in the Financial Statements give a fair overview of the company's assets, liabilities, financial position and net result.

Oslo, 23.06.2021

Elisabeth Birkeland Kvalheim
Chairman of the board

Hilde Merete Nafstad (306313)

Hilde Merete Nafstad
Member of the board

Morten Sven Johannessen
Member of the board/General Manager





Statsautoriserte revisorer
Ernst & Young AS

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Statoil Kharyaga AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Statoil Kharyaga AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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 Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors (management) is responsible for the other information. Our opinion on the audit of 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 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, we are required to report that fact. We have nothing to report in this regard.

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.

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.



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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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (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 law, regulations and generally accepted auditing principles in Norway, including 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 those charged with governance 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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - Statoil Kharyaga AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnr: SA GBE-EJUVQ-XMKE2-A4EXA-1TQ1G-XLUV08



Oslo, 24 June 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Ankit Puri
State Authorised Public Accountant (Norway)

Penneo Dokumentnrøkkef: SAGBE-E1JYQ-XMKE2-A4EXA-1TQ1G-XLJ0B

Independent auditor's report - Statoil Kharyaga AS

A member firm of Ernst & Young Global Limited



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Ankit Puri

Statsautorisert revisor

På vegne av: Ernst & Young AS

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