Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	919 496 649
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HARBOUR ENERGY NORGE AS
Forretningsadresse:	4th floor
	Haakon VIIs gate 1
	0161 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Michael Spanggaard Haagaard
Dato for fastsettelse av årsregnskapet:	05.05.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 20.06.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Exploration and evaluation expenditure	3	137 422 000	483 094 000
General and administrative costs	4,5	63 637 000	22 740 000
Sum kostnader		**201 059 000**	**505 834 000**
Driftsresultat		**-201 059 000**	**-505 834 000**
Finansinntekter og finanskostnader			
Finance income	6	2 452 000	38 000
Sum finansinntekter		**2 452 000**	**38 000**
Finance expenses	6	20 558 000	35 253 000
Sum finanskostnader		**20 558 000**	**35 253 000**
Netto finans		**-18 106 000**	**-35 215 000**
Ordinært resultat før skattekostnad		**-219 165 000**	**-541 049 000**
Tax credit	7	-159 227 000	-394 554 000
Ordinært resultat etter skattekostnad		**-59 938 000**	**-146 495 000**
Årsresultat		**-59 938 000**	**-146 495 000**
Overføringer og disponeringer			
Udekket tap		-59 938 000	-146 495 000
Sum overføringer og disponeringer		**-59 938 000**	**-146 495 000**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Exploration and evaluation assets	8	327 263 000	254 204 000
Sum immaterielle eiendeler		**327 263 000**	**254 204 000**
Varige driftsmidler			
Right-of-use assets	10	2 608 000	6 095 000
Furniture, fixtures and fittings	9	1 486 000	2 921 000
Sum varige driftsmidler		**4 094 000**	**9 016 000**
Sum anleggsmidler		**331 357 000**	**263 220 000**
Omløpsmidler			
Varer			
Fordringer			
Tax refund	7	206 055 000	453 700 000
Debtors: amounts falling due within one year	12	26 749 000	32 199 000
Sum fordringer		**232 804 000**	**485 899 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	13	59 888 000	117 792 000
Sum bankinnskudd, kontanter og lignende		**59 888 000**	**117 792 000**
Sum omløpsmidler		**292 692 000**	**603 691 000**
SUM EIENDELER		**624 049 000**	**866 911 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Called up share capital	21	30 000	30 000
Overkurs	21	464 789 000	191 447 000

Balanse

Beløp i: NOK	Note	2022	2021
Ikke registrert kapitalforhøyelse	21		273 342 000
Sum innskutt egenkapital		**464 819 000**	**464 819 000**
Opptjent egenkapital			
Udekket tap		285 270 000	225 332 000
Sum opptjent egenkapital		**-285 270 000**	**-225 332 000**
Sum egenkapital		**179 549 000**	**239 487 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7	224 772 000	177 939 000
Lease liability	17		2 681 000
Sum avsetninger for forpliktelser		**224 772 000**	**180 620 000**
Annen langsiktig gjeld			
Sum langsiktig gjeld		**224 772 000**	**180 620 000**
Kortsiktig gjeld			
Exploration loan	15	103 000 000	392 646 000
Kortsiktig konserngjeld	16	39 616 000	
Lease liability	17	2 684 000	4 071 000
Creditors: amounts falling due within one year	14	74 428 000	50 087 000
Sum kortsiktig gjeld		**219 728 000**	**446 804 000**
Sum gjeld		**444 500 000**	**627 424 000**
SUM EGENKAPITAL OG GJELD		**624 049 000**	**866 911 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 403561

Enheten

Organisasjonsnummer:	919 496 649
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HARBOUR ENERGY NORGE AS
Forretningsadresse:	4th floor Haakon VIIs gate 1 0161 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Nei

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Michael Spanggaard Haagaard
Dato for fastsettelse av årsregnskapet:	05.05.2023

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

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År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

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Brønnøysundregistrene, 24.05.2023

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: 919 496 649
HARBOUR ENERGY NORGE AS

RESULTATREGNSKAP

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Organisasjonsnr: 919 496 649
HARBOUR ENERGY NORGE AS

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Organisasjonsnr: 919 496 649
HARBOUR ENERGY NORGE AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
4

Antall årsverk i regnskapsåret
29.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note
4

Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

Harbour Energy Norge AS

Registered Company Number 919 496 649

Report and Financial Statements

31 December 2022

Harbour Energy Norge AS

Index

Corporate information

Directors

Alexander Krane

Howard Landes

Michael S. Haagaard

Independent Auditors

Ernst & Young AS
Dronning Eufemias Gate 6A
0107 Oslo
Norway

Registered Office

Haakon VII's Gate 1
0161 Oslo
Norway

Company No. 919 496 649

Harbour Energy Norge AS

Directors' report

THE BUSINESS

The original shelf company was incorporated in August 2017 and subsequently acquired and renamed as Chrysaor Norge AS (CNAS) in March 2018 and further renamed as Harbour Energy Norge AS (HENAS) in October 2022 (the 'Company') as a company engaged in oil and gas exploration and exploitation on the Norwegian Continental Shelf. For the year ended 31 December 2022, Harbour Energy Norge AS was part of the Harbour Energy group of companies (the Group). The Company's immediate parent company is Chrysaor E&P Limited (CEPL) and its ultimate parent company is Harbour Energy plc. The Company is incorporated in Norway with Company Number 919 496 649 and has its primary place of business at Haakon VII's gate 1, 0161 Oslo.

REVIEW OF BUSINESS AND OPERATIONS

The significant events during the year were:

- In January 2022, CNAS was awarded four (4) production licenses by the Ministry of Petroleum and Energy (MPE) in relation to the Awards in Predefined Areas (APA) 2021 Offshore Licensing Round; PL 1138 (blocks 15/9 and 16/4 & 7) where the Company's working interest is 40%, PL 1155 (blocks 6407/10 & 11) where the Company's working interest is 20%, PL 1162 (block 6407/2) where the Company's working interest is 30% and PL 1164 (block 6507/11) where the Company's working interest is 30%.
- In February 2022, Equinor (Operator) completed well 6407/9 – 13 designed to test the Ginny Prospect in PL 1060 comprising four (4) prospective levels in the Upper Jurassic (Rogn/Spekk Fm. and Melke Fm.) and Middle Jurassic (Garn Fm. and Ile Fm.) respectively with the following result:
  (i) The well encountered a sandstone of approximately 40 m in the Upper Jurassic Melke Fm. with excellent reservoir quality but water wet.
  (ii) The well encountered a sandstone of approximately 87 m in the Middle Jurassic Garn Fm. with excellent reservoir quality but water wet.
  (iii) The well encountered a sandstone of approximately 39 m in the Middle Jurassic Ile Fm. with good reservoir quality but water wet.
  (iv) The well is classified as dry.
- In February 2022, the licence partners in PL 1058 unanimously decided to drill an exploration well and enter into the second licence phase.
- In February 2022, the licence partners relinquished PL 1033.
- In June 2022, the Norwegian Parliament enacted a change to the Petroleum Tax Act on the NCS allowing immediate deduction of investments against the special tax base making the Petroleum Tax Act a cash-flow based tax system. There will be no changes to the temporary changes to the Petroleum Tax Act enacted by Parliament in June 2020 which will be phased out as planned.
- In June 2022, the licence partners relinquished PL 038D.
- In June 2022, the licence partners relinquished PL 974.
- In August 2022, the licence partners relinquished PL 1046.
- In September 2022, CNAS participated in the APA 2022 Offshore Licensing Round.
- In October 2022, CNAS changed its name to Harbour Energy Norge AS (HENAS).
- As of 31st December 2022, the Company holds working interests in eighteen (18) licences on the Norwegian Continental Shelf.

Directors' report (continued)

The Company worked actively in 2022 to expand its portfolio via a combination of organic and acquisition based growth and has identified several opportunities that may materialise during 2023.

The Company's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

FINANCIAL RESULTS

The Company presents the accounts for the period from 1 January 2022 to 31 December 2022 ('the period').

The Company had no operating income generated from production during the period. The operating costs consist mainly of write-downs of assets, exploration and pre-development costs, salaries and personnel related costs and administrative costs. The total operating costs in period were NOK 201,1 million (2021: NOK 505,8 million), whereof NOK 137,4 million (2021: NOK 483,1 million) were related to write-down of assets, exploration, pre-development and evaluation expenditures, and NOK 63,7 million (2021: NOK 22,7 million) to general and administrative costs.

The write-down costs in the period were NOK 90,9 million (2021: NOK 338,1 million) and consist of write-down of the dry well costs for the 6407/9-13 (Ginny) in addition to impairment of the PL 038 D/PL 974/PL 973/PL 973B/PL 1033/PL 1034/PL 1046 licences.

The Company's net financial items amounted to a charge of NOK 18,1 million (2021: NOK 35,2 million) and consisted mainly of interest costs related to the parent company loan, foreign exchange losses and interest costs related to the Exploration Financing Facility with Skandinaviska Enskilda Banken AB (SEB)/ING Bank N.V.

In June 2022, the Norwegian Parliament enacted changes in the Norwegian Petroleum Tax Act with effect from 1 January 2022. For companies in the exploration phase the changes represent a replacement of the exploration tax refund with an annual tax refund based on offshore tax losses. The exploration tax refund has historically been based on eligible exploration costs multiplied with the effective tax rate of 78%. The new tax loss refund is based on offshore tax losses multiplied with a new special tax rate of 71,8%. In addition, as a transitional provision, the tax value of historical offshore tax losses will also be refunded. The total tax loss refund, together with changes in deferred tax resulted in a net tax credit of NOK 159,2 million in the income statement (2021: credit NOK 394,6 million).

The Company's net result after tax is a loss of NOK 59,9 million (2021: loss NOK 146,5 million).

The net cash outflow was NOK 57,9 million (2021: NOK 88,0 million inflow). The net cash outflow from financing activities was NOK 272,9 million (2021: NOK 507,2 million inflow), as a result of repayment of the Exploration Financing Facility debt partly offset by parent company funding and new drawdown of the Exploration Financing Facility, whilst the net cash inflow from operating activities was NOK 385,1 million (2021: NOK 3,3 million outflow) which mainly consists of the loss before tax, offset by tax refund received and write-off of exploration assets. The net cash outflow from investing activities was NOK 170,1 million (2021: NOK 416,0 million) and consisted of investments in exploration and evaluation assets.

Directors' report (continued)

BALANCE SHEET AND FINANCING

Total assets at 31 December 2022 were NOK 624,0 million (2021: NOK 866,9 million). Total assets consisted mainly of cash and cash equivalents, capitalised exploration and evaluation assets, right-of-use assets related to the office lease and the calculated tax refund from the Norwegian Tax Authorities which is due for reimbursement in Q4 2023.

In 2022, the Company was financed through funding from the parent company, draw down of the Exploration Financing Facility in addition to available cash and has a positive equity position of NOK 179,5 million, compared to a positive position of NOK 239,5 million in 2021. The total liabilities in the company is NOK 444,5 million (2021: NOK 627,4 million) mainly related to the drawdown of the Exploration Financing Facility, the deferred tax liability position and current short-term liabilities.

A Letter of Support provided by the parent company, confirms the shareholder's continued support and the funding commitment is regulated by a shareholder loan agreement formalised in July 2019.

Based on the above, the Board considers that the conditions for a going concern are fulfilled, and the financial statements have been prepared accordingly.

FINANCIAL RISKS

The Company considers the main financial risk factors to be the commodity prices and foreign exchange rates.

Despite the fact that the Company currently holds no interest in any producing assets, it considers the commodity prices to be an important parameter which will directly influence the overall cost level and competition within the industry and valuation of exploration assets which in turn will have a direct impact on the Company's ability to implement its strategy and objectives including acquisition of assets and ultimately the Company's further development.

The Company expect the domestic interest rate level will slightly increase but this will have a limited impact on the Company's overall financing costs for the medium term.

The Norwegian Krone weakened compared to the US Dollar throughout 2022 but the currency exposure to the US Dollar has a limited impact of the financing costs.

WORKING ENVIRONMENT, STAFF AND HEALTH, SAFETY, ENVIRONMENT AND SUSTAINABILITY (HSES)

As of 31 December 2022, the Company employed a total of twenty-nine (29) employees (2021: thirty (30) employees). The highly competent team with comprehensive and diversified experience allows the Company to effectively manage all aspects of an exploration and production (E&P) business. Our commitment and continuous focus on a diverse, equitable and inclusive working environment is foundational to our values and behaviours. With more than 10 nationalities and 1/3

Directors' report (continued)

of the staff being women, we meet to a large degree our strategic goal to create an organisational culture build around Diversity, Equity and Inclusion (DE&I).

The absence due to sickness, including children's sickness, amounted to 1,17 % of total working hours in 2022 (2021: 1,09%).

A primary goal for HENAS is to further develop a culture of openness with no barriers related to all aspects of HSES both within the Company and when working with stakeholders in order to secure a safe working environment, high level of quality and minimal impact on the environment. HENAS is reporting on environmental data according to the regulations, expectations and formats set out by the relevant authorities and its parent company Harbour Energy Plc.

The Company was part of the successful re-certification of the ISO14001:2015 Environmental Management System standard during Q2 2022.

The first six weeks of 2022 started with home office for a majority of the employees due to the ongoing Covid-19 pandemic. Post-pandemic the Company introduced a flexible working arrangement for employees allowing remote working for up to two (2) days a week.

Health and wellbeing have received increased focus throughout 2022. Ergonomic training and individual work-place adjustments, first aid training and individual health checks have been provided and the Global HSES day focused on stress handling and healthy eating.

2022 has been a less active year without any operated exploration activities. However, our experiences and lessons learned from the operated drilling campaigns in 2021 as well as non-operated drilling in 2022, have been captured and implemented in a more comprehensive business management system, and by implementing changes to the Group Management System following the formation of Harbour Energy Plc.

The Harbour Group has identified four focus areas within its Back 2 Basic program for 2022 and going forward;

- Dropped objects and lifting;
- Control of work simplification;
- Hazard identification and risk mitigation;
- Contractor engagement

In addition to the four elements above, Major Accident Hazard is always a focus area, and awareness training were given to all employees and main consultants using Virtual Reality (VR) simulating gas leakages and explosions following engagement and discussions in smaller groups.

REPORTING NORWEGIAN GENDER EQUALITY ACT

Harbour Energy Norge AS is committed to gender equality and the Board of Directors will ensure that this is promoted in the organisation by developing a range of procedures for internal publication which will promote gender equality in the Company. These procedures will include but are not limited to Equal Opportunities and Anti-Harassment and Bullying. Out of the twenty-nine (29) employees as of 31 December 2022, nine (9) are female. The Board of Director's consists of three (3) males.

Directors' report (continued)

RESEARCH AND DEVELOPMENT

Harbour Energy Norge AS continued participating in the Digital Cuttings Project managed by Norwegian Oil and Gas Association (NOROG) until its completion at the end of Q2 2022. The overall goal of the project was to analyse cutting samples from 1,500 wells during a three (3) year period and make the results available to the contributing companies through the national database DISKOS. The project ended at more than 1,900 wells and analyzed more than 715 000 cuttings samples resulting in more than 3,5 million files of data. The project makes all wells back to 1965 available for modern analytics like Machine Learning and Artificial Intelligence based on input data from photos, XRF, XRD, TOC, Chemscan and Speccam. The data is utilised in regional G&G projects as well as for ongoing license work in the Company.

The Company also participated in the Crustal Onshore-Offshore project phase (COOP3). The COOP3 project is a strategic project for the greater Draugen/Frøya High area and important for the basement understanding on the Norwegian shelf. Several wells have been drilled on basement targets in the neighbourhood of the Company's Frøya area licenses and the project participation is a part of the license commitment in the PL 1058 license. NGU is the leading project institution, and the project was delivered in early 2022.

A study managed by Exploro, entitled Oil-source Correlation in the Norwegian Sea using Nuclear Magnetic Resonance (NMR) was delivered in March 2022. The study analyzed 144 petroleum samples and 33 rock extracts aiming to identify the various source rocks contributing to the hydrocarbon populations in Company's key license areas in Mid-Norway. The source rock of gas and condensate is impossible to distinguish by classical biomarkers in this area and this alternative way of looking at hydrocarbons are being used in the Company's regional and semi-regional license evaluations.

CORPORATE GOVERNANCE

The Company has prepared and implemented a management system, which is monitored actively and continuously improved and updated by all relevant stakeholders. Three (3) General Meetings and six (6) Board Meetings were conducted during 2022.

FINANCIAL STATEMENTS AND ALLOCATIONS

It is the Board of Directors' opinion that the financial statement including the income statement, the balance sheet including notes, the statement of changes in equity and the cash flow statement gives a true and fair view of the state of the affairs of the Company. The Board of Directors is not aware of any material matters regarding the Company's financial statement and affairs that are not reflected in the income statement and balance sheet.

The net loss for the year was NOK 59,9 million. The Board proposes that the net result is transferred to accumulated loss. The Company's equity position is positive by NOK 179,5 million, compared to a position of NOK 239,5 million as of 31 December 2021.

Harbour Energy Norge AS

Directors' report (continued)

SUBSEQUENT EVENTS

In January 2023, HENAS was awarded three (3) production licenses by the Ministry of Petroleum and Energy (MPE) in relation to the Awards in Predefined Areas (APA) 2022 Offshore Licensing Round; PL 1066 B (block 6507/3) where the Company's working interest is 50%, PL 1155 B (blocks 6407/10) where the Company's working interest is 20% and PL 1190 (blocks 6507/10 & 11) where the Company's working interest is 50%.

In January 2023, HENAS entered into a Sales and Purchase Agreement with Neptune Energy Norge AS under which HENAS will take over the operatorship and acquire an additional 20% working interest in PL 1113, increasing HENAS working interest to 50%. The transaction was approved by the authorities in March 2023.

In February 2023, HENAS terminated and repaid the existing four (4) year Exploration Financing Facility with Skandinaviska Enskilda Banken (SEB) and ING Bank N.V.

In February 2023, the licence partners relinquished PL 1034.

In March 2023, the licence partners relinquished PL 973 & PL 973 B.

MARKET OUTLOOK AND FUTURE PROSPECTS

The Board's view is that global energy demand will continue to increase, which in turn will lead to a stable demand for hydrocarbons despite the increased access to and demand for renewable energy. The Company's stated strategy of creating a full cycle E&P Company via safe and sustainable growth and being a visible and active player on the Norwegian Continental Shelf, in combination with an active farm-in market, leads the Board to be optimistic about the potential to acquire attractive producing assets through acquisition based growth.

Oslo, 5 May 2023

Alexander Krane
Alexander Krane (May 5, 2023 10:15 GMT+1)

Alexander Krane
Chairman of the Board

H Landes
H Landes (May 5, 2023 16:35 GMT+1)

Howard Landes
Board Member

Michael S. Haagaard
Board Member / Country Manager

Company Registered No. 919 496 649

Income statement

for the period ending 31 December

	Note	2022 NOK 000	2021 NOK 000
Revenue		-	-
Exploration & evaluation expenditure	3	(137 422)	(483 094)
General and administrative costs	4,5	(63 637)	(22 740)
Operating loss		(201 059)	(505 834)
Finance income	6	2 452	38
Finance expenses	6	(20 558)	(35 253)
Loss before taxation		(219 165)	(541 049)
Tax credit	7	159 227	394 554
Loss for the period		(59 938)	(146 495)

Statement of comprehensive income

	2022 NOK 000	2021 NOK 000
Loss for the period	(59 938)	(146 495)
Total comprehensive loss for the financial period	(59 938)	(146 495)

The notes on pages 13 to 36 form part of these financial statements.

Harbour Energy Norge AS

Balance sheet

as at 31 December

	Note	2022 NOK 000	2021 NOK 000
Non-current assets			
Furniture, fixtures & fittings	9	1 486	2 921
Right-of-use assets	10	2 608	6 095
Exploration and evaluation assets	8	327 263	254 204
Total non-current assets		331 357	263 220
Current assets			
Tax refund	7	206 055	453 700
Debtors: amounts falling due within one year	12	26 749	32 199
Cash and cash equivalents	13	59 888	117 792
Total current assets		292 692	603 691
Total assets		624 049	866 911
Current liabilities			
Creditors: amounts falling due within one year	14	(74 428)	(50 087)
Lease liability	17	(2 684)	(4 071)
Intercompany loan	16	(39 616)	-
Exploration loan	15	(103 000)	(392 646)
Total current liabilities		(219 728)	(446 804)
Non-current liabilities			
Lease liability	17	-	(2 681)
Deferred tax	7	(224 772)	(177 939)
Total non-current liabilities		(224 772)	(180 620)
Total liabilities		(444 500)	(627 424)
Net assets		179 549	239 487
Capital and reserves			
Called up share capital	21	30	30
Share premium account	21	464 789	191 447
Unregistered share capital	21	-	273 342
Accumulated losses		(285 270)	(225 332)
Total equity		179 549	239 487

The notes on pages 13 to 36 form part of these financial statements.

The financial statements on pages 9 to 36 were approved by the Board of Directors on 5 May 2023 and signed by:

Alexander Krane
Alexander Krane (May 5, 2023 10:15 GMT+1)

H Landes
H Landes (May 5, 2023 16:35 GMT+1)

Alexander Krane
Chairman of the Board

Howard Landes
Board Member

Michael Haagaard
Board Member / Country Manager

Company Registration No: 919 496 649

Harbour Energy Norge AS

Statement of changes in equity

for the period ended 31 December

	Share capital	*Share premium account*	*Unregistered share capital*	*Accumulated losses*	*Total*
	NOK 000	*NOK 000*	*NOK 000*	*NOK 000*	*NOK 000*
At 1 January 2021	30	191 447	-	(78 837)	112 640
Total comprehensive loss for the period	-	-	-	(146 495)	(146 495)
Conversion of debt	-	-	273 342	-	273 342
At 31 December 2021	30	191 447	273 342	(225 332)	239 487
Total comprehensive loss for the period	-	-	-	(59 938)	(59 938)
Registration of share issue	-	273 342	(273 342)	-	-
At 31 December 2022	30	464 789	-	(285 270)	179 549

Harbour Energy Norge AS

Cash flow statement

for the period ended 31 December

	Note	2022 NOK 000	2021 NOK 000
Cash flow from operating activities			
Loss before tax		(219 165)	(541 049)
Adjusted for:			
Tax refund received in the period		453 706	173 120
Depreciation and amortisation	9, 10	5 250	5 625
Exploration costs written off	3, 8	90 850	338 082
Finance expenses, excluding foreign exchange	6	20 206	17 980
Impact of changes in exchange rates without cash effect		(1 321)	16 395
Changes in working capital:			
Decrease/(increase) in accounts receivables and other receivables		5 450	(22 077)
Increase in trade creditors and other accruals		30 106	8 639
Net cash flow from operating activities		385 082	(3 285)
Cash flow from investing activities			
Purchase of fixed assets	9	(328)	(158)
Investment in exploration and evaluation assets		(169 740)	(415 799)
Net cash flow from investing activities		(170 068)	(415 957)
Cash flow from financing activities			
Proceeds from drawdown of bank loans, net of transaction costs incurred		104 000	393 000
Interest paid		(17 510)	(9 859)
Repayment of debt to credit institutions		(396 000)	(124 000)
Proceeds from intercompany borrowings	16	40 660	251 540
Payment of lease liability		(4 068)	(3 468)
Net cash flow from financing activities		(272 918)	507 213
Net cash flow (used in)/from the period		(57 904)	87 971
Cash and cash equivalents at beginning of period		117 792	29 821
Cash and cash equivalents at end of period		59 888	117 792

Notes to the financial statements

for the year ended 31 December 2022

1. Authorisation of financial statements and corporate information

The financial statements of Harbour Energy Norge AS for the year ended 31 December 2022 were authorised for issue by the board of directors on 5 May 2023. The Company is a private company limited by share capital and domiciled in Norway. The Company's principal place of business is Oslo, Norway and its registered office is Haakon VII's Gate, 0161 Oslo, Norway.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and in accordance with the additional requirements following the Norwegian Accounting Act.

The financial statements have been prepared under the assumption of a going concern and on a historical cost basis.

Balance sheet classification

Current assets and current liabilities include items due less than a year from the balance sheet date, and items related to the operating cycle, if longer. Other assets and liabilities are classified as non-current. The current portion of non-current debt is included under current liabilities.

Going concern

The Directors have adopted the going concern basis of accounting for the preparation of the financial statements as the Company's parent company, Harbour Energy plc, is undertaking to directly provide the necessary financial support to the Company as and when required, to meet all liabilities for a period of at least 12 months from the date of signing these financial statements.

Segment reporting

The Company's activities consist of one class of business - the acquisition, exploration, development and production of oil and gas reserves and related activities in a single geographical area, the Norwegian Continental Shelf.

Joint arrangements

A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Exploration and production operations are usually conducted through joint arrangements with other parties. The Company reviews all joint arrangements and classifies them as either joint operations or joint ventures depending on the rights and obligations of each party to the arrangement and whether the arrangement is structured through a separate vehicle. All interests in joint arrangements held by the Company are classified as joint operations.

In relation to its interests in joint operations, the Company recognises its:

- assets, including its share of any assets held jointly;
- liabilities, including its share of any liabilities incurred jointly;
- revenue from the sale of its share of the output arising from the joint operation;

Notes to the financial statements

for the year ended 31 December 2022 (continued)

- share of the revenue from the sale of the output by the joint operation; and
- expenses, including its share of any expenses incurred jointly.

Foreign currency translation

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

Transactions recorded in foreign currencies are initially recorded in the Company's functional currency by applying an average rate of exchange. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the Income statement. Non-monetary assets and liabilities denominated in foreign currencies are measured at historic cost based on exchange rates at the date of the transaction and subsequently not retranslated.

Oil and gas assets

(a) Intangible assets

Exploration and evaluation assets

Exploration and evaluation expenditure is accounted for using the successful efforts method of accounting having regard to the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources.

Pre-licence costs

Pre-licencing costs are expensed in the year in which they are incurred.

Licence and property acquisition costs

Licence and property acquisition costs paid in connection with a right to explore in an existing exploration area are capitalised as exploration and evaluation costs within intangible assets.

Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds that recoverable amount. If no future activity is planned or the related licence has been relinquished or has expired, the carrying value of the property acquisition costs is written off through the Income statement. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties within development and production assets.

Exploration and evaluation costs

Once the legal right to explore has been acquired, costs directly associated with the exploration are capitalised as exploration and evaluation intangible non-current assets until the exploration is complete and the results have been evaluated. If no potential commercial resources are discovered, the exploration asset is written off.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least annually. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the Income statement.

When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties within development and production assets. No amortisation is charged during the exploration and evaluation phase.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

Farm-outs – in the exploration and evaluation phase

The Company does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

(b) Property, plant and equipment - Oil and gas development and production assets

Oil and gas development and production assets are accumulated generally on a field-by-field basis. This represents expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells including Exploration & Evaluation (E&E) expenditures incurred in finding commercial reserves transferred from intangible E&E assets, as outlined in accounting policy (a) above, which is capitalised as oil and gas properties within development and production assets. unsuccessful development or delineation wells, is capitalised as oil and gas properties within development and production assets.

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 the decommissioning obligation and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

An item of development and production expenditure and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income statement.

Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written-off is replaced and it is probable that future economic benefits associated with the item will flow to the Company, the expenditure is capitalised. All other day-to-day repairs and maintenance costs are expensed as incurred.

Depreciation of producing assets

All costs relating to a development are accumulated and not depreciated until the commencement of production. Depreciation is provided using the unit of production method based on proven and probable reserves. When there is a change in the estimated total recoverable proven and probable reserves of a field, that change is accounted for prospectively in the depreciation charge over the revised remaining proven and probable reserves.

(c) Acquisitions, asset purchases and disposals

Acquisitions of oil and gas properties are accounted for using the acquisition method when the assets acquired and liabilities assumed constitute a business. Transactions involving the purchase of an individual field interest, or a group of field interests, that do not constitute a business, are treated as asset purchases irrespective of whether the specific transactions involve the transfer of the field interests directly or the transfer of an incorporated entity. Accordingly, no goodwill and no deferred tax gross up arises, and the consideration is allocated to the assets

Notes to the financial statements

for the year ended 31 December 2022 (continued)

and liabilities purchased on an appropriate basis. Proceeds on disposal are applied to the carrying amount of the specific intangible asset or oil and gas properties disposed of and any surplus is recorded as a gain on disposal in the income statement.

Non-oil and gas assets

(a) Property, plant and equipment - fixtures and fittings and office equipment

Fixtures and fittings and office equipment is stated at cost less accumulated depreciation and impairment. Depreciation is provided for on a straight-line basis at rates sufficient to write off the cost of the assets less any residual value over their estimated useful economic lives. The depreciation periods for the principal categories of assets are as follows:

- Fixtures and fittings: up to 10 years.
- Office furniture and equipment: 3-5 years.

(b) Intangible assets

Intangible assets, which principally comprise IT software, are carried at cost less any accumulated amortisation. These assets are amortised on a straight-line basis over their useful economic lives of up to three years.

Impairment of non-current assets (excluding goodwill)

In accordance with IAS 36, impairment tests are carried out on items of property, plant and equipment and intangible assets where there is an indicator of impairment, or an indicator identified that a prior year impairment may have reversed or decreased. Such indications may be based on events or changes in the market environment, or on internal sources of information.

Property, plant and equipment and intangible assets with finite useful lives are only tested for impairment when there is an indication that they may be impaired. This is generally the result of significant changes to the environment in which the assets are operated or when asset performance is significantly lower than expected.

Financial Instruments

(a) ***Financial Assets***

The Company uses two criteria to determine the classification of financial assets: the Company's business model and contractual cash flow characteristics of the financial assets. Where appropriate the Company identifies three categories of financial assets: amortised cost, fair value through profit or loss (FVTPL), and fair value through other comprehensive income (FVOCI).

Financial assets held at amortised cost

Financial assets held at amortised cost are initially measured at fair value except for trade debtors which are initially measured at cost. Both are subsequently carried at amortised cost using the effective interest rate (EIR) method, less impairment. The EIR amortisation is presented within finance income in the Income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

Impairment of financial assets
The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

(b) ***Financial liabilities***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Borrowings and Loans
Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

(c) Derivative financial instruments

Derivative financial instruments are initially recognised and subsequently re-measured at fair value. Certain derivative financial instruments are designated as cash flow hedges in line with the Company's risk management policies. Changes in the fair value of cash flow hedges are recognised in OCI. When derivatives do not qualify for hedge accounting or are not designated as accounting hedges, changes in the fair value of the instrument are recognised within the Income statement.

(d) Fair Values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques such as option pricing models and estimated discounted values of cash flows.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

Inventories
All inventories, except for petroleum products, are stated at the lower of cost and net realisable value. The cost of materials is the purchase cost, determined on a first-in, first-out basis. Petroleum products and underlift and overlift positions are measured at net realisable value using an observable year-end oil or gas market price, and are included in other debtors or creditors respectively.

Employee Benefits

(a) Pensions

According to Norwegian law employees are mandatory members of the Company's Pension Scheme ("obligatorisk tjenestepensjon"). The scheme is based on a contribution plan. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

(b) Share-based payment

Warrants and other equity instruments in the ultimate parent company granted to employees are measured by reference to the fair value of the warrants or other equity instruments at the date on which they are granted. The fair value of the warrants or other equity instruments is estimated on the grant date and expensed over the vesting period. The vesting period is the period in which the performance conditions are fulfilled, ending on the date on which they become entitled to the award ('vesting date').

Leases
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of lease term and useful life.

Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis reflecting the net present value of the fixed lease payments and amounts expected to be payable by the Company assuming leases run to full term. The lease payments are discounted using the Company's incremental borrowing rate.

Payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Provisions for liabilities
A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs in the Income statement.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

The estimated cost of dismantling and restoring the production and related facilities at the end of the economic life of each field is recognised in full at the commencement of oil and gas production. The amount provided is the present value of the estimated future restoration cost. A non-current asset is also recognised. Any changes to estimated costs or discount rates are dealt with prospectively.

Taxes

(a) ***Current tax***

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax related to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or directly in equity not in the income statement.

In June 2022, the Norwegian Parliament has enacted changes in the Norwegian Petroleum Tax Act with effect from 1 January 2022. For companies in the exploration phase the changes represents a replacement of the exploration tax refund with an annual tax refund based on tax offshore losses. The exploration tax refund has historically been based on eligible exploration costs multiplied with the effective tax rate of 78%. The new tax loss refund is based on offshore tax losses multiplied with a new special tax rate of 71.8%. In addition, as a transitional provision, the tax value of historical offshore tax losses will also be refunded.

(b) ***Deferred tax***

Deferred taxation is recognised in respect of all timing differences arising between the tax bases of the assets and liabilities and their carrying amounts in the financial statements with the following exceptions:

- Deferred income tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary difference, carried forward tax credits or tax losses can be utilised.
- Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of the deferred income tax asset is reviewed at each balance sheet date.
- Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to be offset current assets against current tax liabilities, the deferred income tax relates to the same tax authority and that same tax authority permits the Company to make a single net payment.

The carrying amount of deferred income tax assets are reviewed at each balance sheet date. Net deferred income tax assets are only recognised to the extent that there is sufficient future taxable profit available to allow the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Interest income

Interest income is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rate applicable.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective assets.

Cash flow statement
The cash flow statement is prepared using the indirect method for operating activities and the direct method for investing and financing activities.

Related parties
Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial or operational decisions. Parties are also related if they are subject to common control.

Transactions between related parties are transfers of resources, services or obligations, regardless of whether a price is charged. All transactions between related parties are made based on the principle of 'arm's length', which is the estimated market price.

New accounting standards and interpretations
The Company adopted new and revised accounting standards and interpretations relevant to its business and effective for accounting periods beginning on or after 1 January 2022 but none of these had any significant impact on the Company's financial statements.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023. None of these new standards and amendments to standards and interpretations have been applied in preparing these financial statements and they are not expected to have any significant impact on the Company's financial statements upon implementation.

Critical judgements and estimates
The preparation of the Company's financial statement requires management to make judgements, estimates and assumptions at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

In particular the Company has identified the following areas where significant judgement, estimates and assumptions are required:

Exploration and evaluation expenditure
The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in the Income statement in the period when the new information becomes available.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

Climate Change
The Group 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 and alignment with Harbour Energy's Net Zero goal, taking into consideration both GHG volumes and intensity. Emissions reduction incentives are part of staff remuneration and annual bonus schemes.

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.

Property, plant and equipment - depreciation and expected useful lives
The energy transition has the potential to reduce the expected useful lives of assets and consequently accelerate depreciation charges. No changes have been identified or recognised to date.

Intangible assets - exploration and evaluation assets
The energy transition has the potential to affect the future development or viability of exploration and evaluation prospects. Any portion of the Group's exploration and evaluation assets relates to prospects that could be tied back to existing infrastructure and hence require less capital investment and are less exposed to the impacts of the energy transition compared to large frontier developments. At each balance sheet date, all exploration and evaluation prospects are reviewed against the Group's financial framework to ensure that the continuation of activities is planned and expected.

3. Exploration and evaluation expenditure

	2022	*2021*
	NOK 000	*NOK 000*
Exploration costs written off (see note 8)	90 850	338 082
Pre-licence seismic and other direct pre-licence purchases	27 642	108 550
Allocation of indirect costs	18 930	36 462
	137 422	483 094

Notes to the financial statements

for the year ended 31 December 2022 (continued)

4. Salary and personnel costs

(a) Personnel costs

	2022 NOK 000	2021 NOK 000
Salaries	63 233	46 521
Social security tax	7 913	7 603
Pension expenses	4 602	4 273
Other benefits	13 973	2 639
Allocation to operated licences, exploration expenditure and capitalised exploration	(52 961)	(52 140)
Total salary and personnel costs	36 760	8 896
Total other operating expenses, see note 5	26 877	13 844
Total general and administrative costs	63 637	22 740
Average number of man-years during the period	29	28

The pension arrangements fulfil the requirements in the Norwegian law of mandatory occupational pension ("lov om obligatorisk tjenestepensjon").

From 2021 the Harbour Group introduced a Long Term Incentive Plan ("LTIP") whereby personnel in specified categories are awarded rights to potential shares in the ultimate parent company, Harbour Energy PLC. The vesting of the potential shares in the LTIP is conditional of the performance of the share value of the ultimate parent company and of benchmarking with the performance of a selection of comparable companies. In addition, a Restricted Share Unit plan ("RSU") has been introduced, where certain employees are awarded potential shares in the ultimate parent company.

(b) Remuneration of Country Manager

	2022 NOK 000	2021 NOK 000
Salary	2 390	2 298
Bonus	569	1 064
Pension	225	220
Other benefits	10	15
	3 194	3 597

The Country Manager has a 6 month contractual notice period. There is no agreement regarding severance pay on termination of employment to the Country Manager. No loans have been granted and no guarantees have been issued to the Country Manager. The Country Manager has an agreement regarding bonus, given certain criteria, and is also included in the Long Term Incentive Plan described above.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

(c) Compensation to Board of Directors

There has been no remuneration to the Board of Directors in 2022 or 2021. There is no agreement regarding severance pay on termination and no loans have been granted and no guarantees have been issued to any member of the Board of Directors.

5. Other operating expenses

	2022	*2021*
	NOK 000	*NOK 000*
Hired personnel and services	8 656	10 201
Intercompany services *	19 968	25 189
Depreciation, amortisation and write-downs	5 250	5 626
Other operating expenses	15 505	8 071
Allocation to operated licences, exploration expenditure and capitalised exploration	(22 502)	(35 243)
Total other operating expenses	26 877	13 844
Total salary and personnel costs, see note 4	36 760	8 896
Total general and administrative costs	63 637	22 740

* The majority of the intercompany services relates to the re-invoicing of 3rd party services related to IT, including IT hardware/software, as well as travel expenses as the Harbour Energy Group purchases such services at a central level.

Remuneration to auditor is allocated as specified below:

	2022	*2021*
	NOK 000	*NOK 000*
Auditors' remuneration	660	295
Other attestation services	104	88
	764	383

6. Finance income and finance expenses

	2022	*2021*
	NOK 000	*NOK 000*
Finance income		
Interest receivable	2 452	38
	2 452	38

Notes to the financial statements

for the year ended 31 December 2022 (continued)

Finance expenses		
Intercompany interest payable	(277)	(5 407)
Other interest payable	(19 466)	(11 974)
Other financial expenses	(463)	(599)
Foreign exchange loss	(352)	(17 273)
	(20 558)	(35 253)
Net Finance expenses	(18 106)	(35 215)

7. Tax credit

(a) Tax credit in the income statement

The major components of income tax credit for the periods below:

	2022 NOK 000	*2021 NOK 000*
Current income tax:		
Tax refund current year	206 055	462 493
Adjustment current tax prior year	6	155
Changes in deferred tax	(46 834)	(68 094)
Tax credit in the Income statement	159 227	394 554

(b) Reconciliation of the total tax credit

	2022 NOK 000	*2021 NOK 000*
Loss before taxation	(219 165)	(541 049)
Expected income tax, 78.004% (2021: 78%)	170 957	422 018
Permanent differences and valuation allowance	(145)	(6 334)
Financial items	(11 722)	(21 654)
Adjustments prior year and other	137	524
Total tax credit reported in the income statement	159 227	394 554
Effective tax rate	73%	73%

Harbour Energy Norge AS

Notes to the financial statements

for the year ended 31 December 2022 (continued)

(c) Deferred tax included in the balance sheet is as follows:

	2022 *NOK 000*	*2021* *NOK 000*
Non-current assets	(254 058)	(197 350)
Other timing differences	8 842	(568)
Tax losses carried forward, corporate tax 22%	20 444	9 163
Tax losses carried forward, offshore 56%	-	10 816
Deferred tax liability in the balance sheet	(224 772)	(177 939)

Deferred tax is calculated based on tax rates applicable on the balance sheet date. From 1 January 2022 the corporate tax rate is unchanged at 22% and the special petroleum tax rate is increased from 56% to 71.8% with a deduction in the special tax basis of a calculated corporate tax. With this deduction the total effective tax rate is 78.004%.

In June 2022, the Norwegian Parliament enacted changes in the Norwegian Petroleum Tax Act with effect from 1 January 2022. For companies in the exploration phase the changes represent a replacement of the exploration tax refund with an annual tax refund based on offshore tax losses. The exploration tax refund has historically been based on eligible exploration costs multiplied with the effective tax rate of 78%. The new tax loss refund is based on offshore tax losses multiplied with a new special tax rate of 71.8%. In addition, as a transitional provision, the tax value of historical offshore tax losses will also be refunded.

There is no time limit on the right to carry tax losses forward in Norway.

Specification of tax refund in the balance sheet

	2022 *NOK 000*	*2021* *NOK 000*
Tax refund current year income statement	206 055	462 493
Tax received related to refund of tax losses during the year	-	(9 241)
Tax refund recorded on acquisition of licence	-	448
Tax refund in the balance sheet	206 055	453 700

Notes to the financial statements

for the year ended 31 December 2022 (continued)

8. Exploration and evaluation assets

	Exploration & evaluation assets NOK 000
At 1 January 2022	254 204
Additions	163 909
Amounts written off	(90 850)
At 31 December 2022	327 263

	NOK 000
At 1 January 2021	173 362
Additions	418 924
Amounts written-off	(338 082)
At 31 December 2021	254 204

The following prospects have been written off in 2022:
- The Ginny well in PL 1060 which was characterised as a dry well;
- PL 038D, PL 973, PL 1033, PL 1034, PL 1046 have either been relinquished or there is a firm decision to relinquish, and the remaining net book values have been written off.

The Company has assessed whether there are any impairment indicators present at year end 31 December 2022 for the remaining prospect portfolio. These prospects are either in an early stage or they are prospects that the Company plans to mature with further exploration activities in the coming periods. For these prospects, the Company has therefore concluded that no impairment indicators are present at year end.

The Company's share of committed capital expenditure in 2023 is NOK 301 million.

Harbour Energy Norge AS

Notes to the financial statements
for the year ended 31 December 2022 (continued)

9. Property, plant and equipment

	Furniture, fixtures and office machines *NOK 000*
Cost:	
At 1 January 2022	7 662
Additions	328
Disposals	-
At 31 December 2022	7 990
Accumulated Depreciation:	
At 1 January 2022	(4 741)
Charge for the year	(1 763)
At 31 December 2022	(6 504)
Net book value:	
At 31 December 2022	1 486

	NOK 000
Cost:	
At 1 January 2021	7 504
Additions	158
Disposals	-
At 31 December 2021	7 662
Accumulated Depreciation:	
At 1 January 2021	(2 602)
Charge for the year	(2 139)
At 31 December 2021	(4 741)
Net book value:	
At 31 December 2021	2 921

Economic life	3-5 years
Depreciation method	Straight line

Notes to the financial statements

for the year ended 31 December 2022 (continued)

10. Right-of-use-assets

	Right of Use Assets NOK 000
Cost:	
At 1 January 2022	15 750
Additions	-
Disposals	-
At 31 December 2022	15 750
Accumulated Depreciation:	
At 1 January 2022	(9 655)
Charge for the year	(3 487)
At 31 December 2022	(13 142)
Net book value:	
At 31 December 2022	2 608

	NOK 000
Cost:	
At 1 January 2021	15 750
Additions	-
Disposals	-
At 31 December 2021	15 750
Accumulated Depreciation:	
At 1 January 2021	(6 168)
Charge for the year	(3 487)
At 31 December 2021	(9 655)
Net book value:	
At 31 December 2021	6 095

Depreciation period	Lease period
Depreciation method	Straight line

The right-of-use assets are offices that the Company leases.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

11. Jointly controlled assets

The Company accounts for jointly controlled assets by recognising its share of the arrangement's asset, liabilities and cash flows. At year end the Company holds the follow licence interests:

	Working interest	Operator	End of concession period
PL 973	50%	Harbour Energy Norge AS	March 2026
PL 973 B	50%	Harbour Energy Norge AS	March 2026
PL 1034	60%	Harbour Energy Norge AS	February 2027
PL 1087	50%	Harbour Energy Norge AS	February 2028
PL 1093	50%	Harbour Energy Norge AS	February 2028
PL 1114	40%	Harbour Energy Norge AS	February 2028
PL 1138	40%	Harbour Energy Norge AS	March 2028
PL 956	15%	Vår Energi AS	March 2027
PL 1032	40%	Aker BP ASA	February 2027
PL 1058	40%	Equinor Energy AS	February 2027
PL 1060	20%	Equinor Energy AS	February 2025
PL 1066	50%	Aker BP ASA	February 2027
PL 1089	50%	Aker BP ASA	February 2028
PL 1092	50%	Aker BP ASA	February 2028
PL 1113	30%	Neptune Energy Norge AS	February 2028
PL 1155	20%	Wintershall DEA Norge AS	March 2029
PL 1162	30%	Aker BP ASA	March 2029
PL 1164	30%	Aker BP ASA	March 2029

In January 2023 the Company was awarded three additional production licences by the Ministry of Petroleum and Energy (MPE) in relation to the APA 2022 Offshore Licensing Round, see note 23.

12. Debtors: amounts falling due within one year

	2022	*2021*
	NOK 000	*NOK 000*
Trade debtors	-	384
Intercompany receivable	1 429	2 583
Prepayments	14 873	5 594
VAT receivable	1 583	1 684
Overcall, joint operations	8 672	21 834
Oher items from joint interest billing	192	120
	26 749	32 199

Trade receivables are non-interest bearing and are generally on 20 to 30 days' terms. As at 31 December 2022, there were no (2021: nil) trade receivables that were past due but not impaired.

Harbour Energy Norge AS

Notes to the financial statements

for the year ended 31 December 2022 (continued)

13. Cash and cash equivalents

	2022	2021
	NOK 000	NOK 000
Cash at bank and in hand, unrestricted	57 219	112 916
Bank deposit, employee taxes	2 669	4 876
	59 888	117 792

14. Creditors: amounts falling due within one year

	2022	2021
	NOK 000	NOK 000
Trade creditors	15 797	13 269
Intercompany payable	2 421	-
Accrued holiday pay and employee benefit provision	37 789	11 474
Public duties payable	4 617	4 551
Accruals	13 804	20 793
	74 428	50 087

All liabilities fall due within 12 months from the balance sheet date.

15. Current borrowings, exploration loan

	2022	2021
	NOK 000	NOK 000
Exploration financing facility, funds drawn	104 000	396 000
Exploration financing facility, transaction costs	(1 000)	(3 354)
	103 000	392 646

In July 2019, the Company entered into an Exploration Financing Facility agreement with Skandinaviska Enskilda Banken (SEB) of NOK 750 million with an accordion option of NOK 250 million. The expiry date of the facility was 31 December 2021 with an option to extend to 31 December 2022. In March 2021 the agreement was extended to 31 December 2022, the available amount was increased to NOK 1 000 million, and the accordion option was increased to NOK 600 million. In addition, ING Bank N.V. was added as a lender with 25% of the available amount. Available amount for funding will at all times be 95% of the tax value of the eligible costs which have not already been refunded by tax authorities. Interest rate is NIBOR 3 months + 1.5%.

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

In February 2023, the Company terminated and repaid the Exploration Financing Facility with Skandinaviska Enskilda Banken (SEB) and ING Bank N.V. See note 23.

Harbour Energy Norge AS

Notes to the financial statements

for the year ended 31 December 2022 (continued)

16. Intercompany loan

The Company is funded by its immediate parent company Chrysaor E&P Limited. All funds drawn have been denominated in USD and interest has been calculated at a rate of 3.5% p.a.

	2022	*2021*
	NOK 000	*NOK 000*
Intercompany loan period beginning	-	-
Cash flows:		
Proceeds from intercompany borrowings	40 660	251 540
Total cash flows	40 660	251 540
Non-cash changes:		
Accrued interest	277	5 407
Foreign exchange	(1 321)	16 395
Conversion of loan to equity	-	(273 342)
Total intercompany loan period end	39 616	-

17. Lease liabilities

The Company implemented IFRS 16 Leases from 1 January 2019 and recognised a right-of-use asset related to leasing of offices, see note 10.

Lease liability

	2022	*2021*
	NOK 000	*NOK 000*
Lease liability 1 January	6 752	10 220
Accretion lease liability, included in finance cost	398	603
Cash payments, lease liability and interest	(4 466)	(4 071)
Lease liability 31 December	2 684	6 752
Current lease liability	2 684	4 071
Non-current lease liability	-	2 681
Lease liability 31 December	2 684	6 752

Future minimum lease payments under non-cancellable lease agreement (undiscounted):

	2022	*2021*
As at 31 December	*NOK 000*	*NOK 000*
Within 1 year	3 170	4 071
1 to 5 years	-	3 170
	3 170	7 241

Notes to the financial statements

for the year ended 31 December 2022 (continued)

18. Financial risk management

Overview

The Company is exposed to a variety of risks, including credit risk, liquidity risk, interest rate risk and currency risk. This note presents information about the Company's exposure to each of the above-mentioned risks, and the Company's objectives, policies and processes for managing such risks. The note also presents the Company's objectives, policies and process for managing capital.

Credit risk

The Company has no significant credit risk. The Company is exposed to credit risk related to trade receivables and cash and cash equivalents. Sales are only made to customers that have not experienced any significant payment problems. Cash and cash equivalents are receivables from banks.

Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. 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, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below shows a maturity analysis for financial liabilities:

The cash flows below assume repayment on the latest date available, even if expected repayment may be earlier.

As at 31 December 2022	*Carrying amount NOK 000*	*Cash flow NOK 000*	*< 1 year NOK 000*	*1-5 years NOK 000*
Trade and other payables	18 218	18 218	18 218	-
Intercompany loan	39 616	39 616	39 616	
Current borrowings, exploration loan	103 000	108 843	108 843	-
Total financial liabilities	160 834	166 677	166 677	-

With reference to intercompany loan, please see note 16.

As at 31 December 2021	*Carrying amount NOK 000*	*Cash flow NOK 000*	*< 1 year NOK 000*	*1-5 years NOK 000*
Trade and other payables	13 269	13 269	13 269	-
Current borrowings, exploration loan	392 646	404 894	404 894	-
Total financial liabilities	405 915	418 163	418 163	-

Notes to the financial statements

for the year ended 31 December 2022 (continued)

The table below shows a maturity analysis for financial assets:

As at 31 December 2022	*Carrying amount NOK 000*	*Cash flow NOK 000*	*< 1 year NOK 000*	*1-5 years NOK 000*
Trade and other receivables	10 101	10 101	10 101	-
Cash and cash equivalents	59 888	59 888	59 888	-
Total financial assets	69 989	69 989	69 989	-

As at 31 December 2021	*Carrying amount NOK 000*	*Cash flow NOK 000*	*< 1 year NOK 000*	*1-5 years NOK 000*
Trade and other receivables	24 801	24 801	24 801	-
Cash and cash equivalents	117 792	117 792	117 792	-
Total financial assets	142 593	142 593	142 593	-

Interest rate risk
The Company has external borrowings with floating interest rate conditions and is consequently exposed to interest rate risk to borrowings.

Sensitivity analysis at 31 December 2022:

Interest rate sensitivity is calculated based on the exposure to interest-bearing debt with floating interest rate conditions on the balance sheet date.

- If 3-month NIBOR had been 50 basis points higher / lower, the Company's net loss would have been NOK 0.4 million (in 2021; NOK 1.5 million) higher / lower respectively.

Currency risk
The Company is exposed to foreign exchange rate risk related to the value of NOK relative to other currencies. Throughout 2022, the Company's main exposure to currency risk has been the intercompany loan which has been denominated in US Dollar.

Sensitivity analysis at 31 December 2022:

- If the NOK had gained 10% against the US Dollar, the Company's net loss would have been NOK 1.3 million lower.
- If the NOK had weakened 10% against the US Dollar, the Company's net loss would have been NOK 1.3 million higher.

Sensitivity analysis at 31 December 2021:

- If the NOK had gained 10% against the US Dollar, the Company's net loss would have been NOK 0.2 million higher.
- If the NOK had weakened 10% against the US Dollar, the Company's net loss would have been NOK 0.2 million lower.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

Capital management
The overall objective of the Company is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions.

19. Financial instruments

Financial instruments by category

Financial assets *As at 31 December 2022*	*Amortised cost* *NOK 000*	*Total carrying amount* *NOK 000*
Debtors: amounts falling due within one year	10 101	10 101
Cash and cash equivalents	59 888	59 888
Total	69 989	69 989

Financial liabilities *As at 31 December 2022*	*Amortised cost* *NOK 000*	*Total carrying amount* *NOK 000*
Creditors: amounts falling due within one year	18 218	18 218
Intercompany loan	39 616	39 616
Current borrowings, exploration loan	103 000	103 000
Total	160 834	160 834

Prepaid expenses, VAT receivable, accrued receivables and accrued expenses are not included.

Financial assets *As at 31 December 2021*	*Amortised cost* *NOK 000*	*Total carrying amount* *NOK 000*
Debtors: amounts falling due within one year	24 801	24 801
Cash and cash equivalents	117 792	117 792
Total	142 593	142 593

Financial liabilities *As at 31 December 2021*	*Amortised cost* *NOK 000*	*Total carrying amount* *NOK 000*
Creditors: amounts falling due within one year	13 269	13 269
Current borrowings, exploration loan	392 646	392 646
Total	405 915	405 915

Notes to the financial statements

for the year ended 31 December 2022 (continued)

Prepaid expenses, VAT receivable, accrued receivables and accrued expenses are not included.

Fair value of financial instruments

It is assessed that the carrying amounts of financial assets and creditors and intercompany loan is approximately equal to its fair values. For current borrowings, exploration loan it is assessed that the fair value is approximately equal to nominal value of NOK 104 million at year end 2022 (2021: NOK 396 million).

20. Contingent liabilities and other commitments

The Company has not been involved in any legal or financial disputes in 2022 or 2021.

Minimum work programmes

The Company is required to participate in the approved work programmes for the licences. See note 8 for a specification of future committed capital expenditure.

Liability for damages / insurance

The Company's operations involve risk for damages, including pollution. The operations are covered by an operation insurance policy.

Seismic uplift/seismic transfer fee

The Company has entered into contracts for purchase of seismic data that will entitle the vendors to additional amounts ("seismic uplift") if the Company is awarded exploration licences in the area of the seismic data. See note 23.

21. Called up share capital

	2022	*2021*
Ordinary shares of NOK 1 each	30 002	30 001

Harbour Energy Norge AS has one class of shares with equal rights for all shares. No dividends have been proposed or paid in 2022 or 2021. All shares are owned by Chrysaor E&P Limited.

The share capital was increased by one share at NOK 1 nominal value and NOK 273 341 578 share premium in December 2021 by conversion of debt to the shareholder, see note 16. The capital increase was registered in 2022.

22. Related party disclosure

See note 4 for information about compensation to Country Manager and Board of Directors.

The Company has also purchased services from the group company Harbour Energy Services Limited (formerly Chrysaor E&P Services Limited). The amount is specified in note 5.

See note 16 for information about loan from parent company Chrysaor E&P Limited. Interest expense relating to this loan is specified in note 6.

See note 12 for information about short-term receivable and note 14 for information about short-term payable from/to the group company Chrysaor Finance Limited.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

23. Post balance sheet events

In January 2023, the Company was awarded three (3) production licenses by the Ministry of Petroleum and Energy (MPE) in relation to the Awards in Predefined Areas (APA) 2022 Offshore Licensing Round; PL 1066 B (block 6507/3) where the Company's working interest is 50%, PL 1155 B (blocks 6407/10) where the Company's working interest is 20% and PL 1190 (blocks 6507/10 & 11) where the Company's working interest is 50%.

The awards of the licences listed above has triggered additional payments related to seismic uplift to vendors in accordance with and regulated by the existing Master Licence Agreements. See note 20. The additional payments of seismic uplift amount to approximately NOK 15 million and will be accounted for in 2023.

In January 2023, the Company entered into a Sales and Purchase Agreement with Neptune Energy Norge AS under which HENAS will take over the operatorship and acquire an additional 20% working interest in PL 1113, increasing HENAS working interest to 50%. The transaction was approved by the authorities in March 2023.

In February 2023, the Company terminated and repaid the existing Exploration Financing Facility with Skandinaviska Enskilda Banken (SEB) and ING Bank N.V. See note 15.

In February 2023, the licence partners relinquished PL 1034.

In March 2023, the licence partners relinquished PL 973 & PL 973 B.

24. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Chrysaor E&P Limited. The ultimate and controlling parent is Harbour Energy plc, a company incorporated in Great Britain and registered in Scotland. Harbour Energy plc is the parent undertaking of the largest and smallest group of which the company is a member and for which group financial statements are prepared. Copies of these consolidated financial statements are available upon request from Harbour Energy plc, 23 Lower Belgrave Street, London SW1W 0NR.

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Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6a, 0191 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

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Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Harbour Energy Norge AS

Opinion

We have audited the financial statements of Harbour Energy Norge AS (the Company), which comprise the balance sheet as at 31 December 2022, income statement, statement of comprehensive income, cash flow statement 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 2022 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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 managing director) 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 International Financial Reporting Standards as adopted by the EU, 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

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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.

Oslo, 5 May 2023
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The auditor's report is signed electronically

Erik Søreng
State Authorised Public Accountant (Norway)

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Erik Søreng
State Authorised Public Accountant (Norway)
On behalf of: Ernst & Young AS
Serial number: 9578-5999-4-1529830
IP: 83.241.xxx.xxx
2023-05-05 14:10:15 UTC

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Penneo document key: L7VXK-NEUQ7-516IK-V3KVI-58FWT-3EZNJ

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
22.01.2019	21.12.2018	Torstein Kinden Helleland
800 80 000 Skatteetaten.no	Din/Deres referanse Marit Brastad	Telefon 22078139
Org.nr 974761076	Vår referanse 2019/5232102	Postadresse Postboks 9200 Grønland 0134 OSLO

SUMIT UP AS
Bankveien 7
1383 ASKER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Chrysaor Norge AS, org.nr. 919 496 649

Det vises til deres brev av 21. desember 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Chrysaor Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Chrysaor Norge AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge 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
Chrysaor Norge AS er et heleid datterselskap av det engelske Chrysaor E&P Ltd. Selskapet har som formål å drive virksomhet relatert til produksjon og leting etter hydrokarbon og virksomhet relatert til dette. Selskapets arbeidsspråk er engelsk. Selskapet opererer i sektorer, der engelsk er det klart dominerende språket. All kommunikasjon med selskapets primære kunder og kreditorer foregår på engelsk.

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 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets er eiet av et utenlandsk selskap. Virksomheten er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Henning Stokke
seniorrådgiver
Juridisk avdeling
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.