



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 975 871 932
Organisasjonsform: Aksjeselskap
Foretaksnavn: NORPIPE OIL AS
Forretningsadresse: Ekofiskvegen 35
4056 TANANGER

Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Stine Haugsgjerd
Dato for fastsettelse av årsregnskapet: 18.03.2024

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 03.06.2025



Resultatregnskap

| Beløp i: NOK | Note | 2023 | 2022 |
|--|------|--------------------|--------------------|
| RESULTATREGNSKAP | | | |
| Inntekter | | | |
| Annen driftsinntekt | 1 | 264 717 000 | 253 586 000 |
| Sum inntekter | | 264 717 000 | 253 586 000 |
| Kostnader | | | |
| Avskrivning på varige driftsmidler og immaterielle eiendeler | 2 | 18 250 000 | 18 235 000 |
| Removal cost | 3 | 7 068 000 | 4 500 000 |
| Operating and administration expenses | 4 | 129 154 000 | 110 788 000 |
| Sum kostnader | | 154 472 000 | 133 523 000 |
| Driftsresultat | | 110 245 000 | 120 063 000 |
| Finansinntekter og finanskostnader | | | |
| Annen renteinntekt | | 1 433 000 | 669 000 |
| Sum finansinntekter | | 1 433 000 | 669 000 |
| Annen rentekostnad | | 343 000 | 249 000 |
| Annen finanskostnad | | 1 557 000 | 350 000 |
| Sum finanskostnader | | 1 900 000 | 599 000 |
| Netto finans | | -467 000 | 70 000 |
| Ordinært resultat før skattekostnad | | 109 778 000 | 120 133 000 |
| Skattekostnad på ordinært resultat | 5 | 87 556 000 | 100 069 000 |
| Ordinært resultat etter skattekostnad | | 22 222 000 | 20 064 000 |
| Årsresultat | | 22 222 000 | 20 064 000 |



Balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|--|------|--------------------|--------------------|
| BALANSE - EIENDELER | | | |
| Anleggsmidler | | | |
| Immaterielle eiendeler | | | |
| Varige driftsmidler | | | |
| Pipeline system | 2 | 511 352 000 | 526 591 000 |
| Sum varige driftsmidler | | 511 352 000 | 526 591 000 |
| Sum anleggsmidler | | 511 352 000 | 526 591 000 |
| Omløpsmidler | | | |
| Varer | | | |
| Varer | | 2 473 000 | 3 040 000 |
| Sum varer | | 2 473 000 | 3 040 000 |
| Fordringer | | | |
| Kundefordringer | | 23 161 000 | 20 963 000 |
| Prepaid expenses | | 1 534 000 | 1 372 000 |
| Income taxes receivable | 5 | 0 | 946 000 |
| Sum fordringer | | 24 695 000 | 23 281 000 |
| Bankinnskudd, kontanter og lignende | | | |
| Bankinnskudd, kontanter og lignende | | 43 410 000 | 53 281 000 |
| Sum bankinnskudd, kontanter og lignende | | 43 410 000 | 53 281 000 |
| Sum omløpsmidler | | 70 578 000 | 79 602 000 |
| SUM EIENDELER | | 581 930 000 | 606 193 000 |
| BALANSE - EGENKAPITAL OG GJELD | | | |
| Egenkapital | | | |
| Innskutt egenkapital | | | |
| Common Stock | 6 | 10 085 000 | 10 085 000 |
| Sum innskutt egenkapital | | 10 085 000 | 10 085 000 |



Balanse

| Beløp i: NOK | Note | 2023 | 2022 |
|--|------|--------------------|--------------------|
| Opptjent egenkapital | | | |
| Retained Earnings | | 120 389 000 | 98 167 000 |
| Sum opptjent egenkapital | | 120 389 000 | 98 167 000 |
| Sum egenkapital | 7 | 130 474 000 | 108 252 000 |
| Gjeld | | | |
| Langsiktig gjeld | | | |
| Utsatt skatt | 5 | 308 155 000 | 297 254 000 |
| Provision for removal cost | 3 | 117 450 000 | 110 382 000 |
| Sum avsetninger for forpliktelser | | 425 605 000 | 407 636 000 |
| Annen langsiktig gjeld | | | |
| Sum langsiktig gjeld | | 425 605 000 | 407 636 000 |
| Kortsiktig gjeld | | | |
| Leverandørgjeld | | 11 155 000 | 51 448 000 |
| Betalbar skatt | 5 | 5 173 000 | 0 |
| Utbytte | | 0 | 25 000 000 |
| Annen kortsiktig gjeld | 8 | 9 523 000 | 13 857 000 |
| Sum kortsiktig gjeld | | 25 851 000 | 90 305 000 |
| Sum gjeld | | 451 456 000 | 497 941 000 |
| SUM EGENKAPITAL OG GJELD | | 581 930 000 | 606 193 000 |



Statsautoriserte revisorer
Ernst & Young AS

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www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Norpipe Oil AS

Opinion

We have audited the financial statements of Norpipe Oil AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and 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 of the financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the



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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.

Stavanger, 18 March 2024
ERNST & YOUNG AS

Tor Inge Skjellevik
State Authorised Public Accountant (Norway)

Independent auditor's report - Norpipe Oil AS 2023

A member firm of Ernst & Young Global Limited



Skatteetaten

Vår dato
20.02.2020

Din/Deres dato
16.12.2019

Saksbehandler
Joakim Engebretsen

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
92251412

Org.nr
974761076

Vår referanse
2020/5158534

Postadresse
Postboks 9200 Grønland
0134 OSLO

NORPIPE OIL AS
Postboks 3
4068 STAVANGER

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til Norpipe Oil AS' søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

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

Bakgrunn

Fra søknaden siteres:

Norpipe Oil AS (organisasjonsnummer 975 871 932) søker herved om dispensasjon etter regnskapsloven § 3-4 (3) til å utarbeide årsregnskap og årsberetning på engelsk.

Norpipe Oil AS eier den 354 km lange oljerørledningen fra Ekofiskfeltet til Teesside i Storbritannia. Denne ble satt i drift i 1975 med hovedformål å transportere råolje fra Ekofisk området. De senere årene er også råolje fra Britisk side transportert gjennom rørledningen.

Ettersom selskapet opererer i en internasjonal bransje der kommunikasjonen er engelsk, samt har [...] et styre med forskjellige nasjonaliteter, ser selskapet det hensiktsmessig å avlegge årsregnskap og årsberetning på engelsk.

Skattekontorets 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 mv., 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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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 dette tilfellet er det opplyst at selskapet driver internasjonal virksomhet med interessenter både i Norge og Storbritannia og styremedlemmer med ulike nasjonaliteter. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen
underdirektør
Innsats, storbedrift
Skatteetaten

Joakim Engebretsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.

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Board Meeting: 01-24
Board Document: 05-24

NORPIPE OIL AS



ANNUAL REPORT
2023



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NORPIPE OIL AS ✎

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NORPIPE OIL AS ✂

The first section of the report will highlight the key figures and trends for 2023 as well as provide an overview of the ownership and management of Norpipe Oil AS.

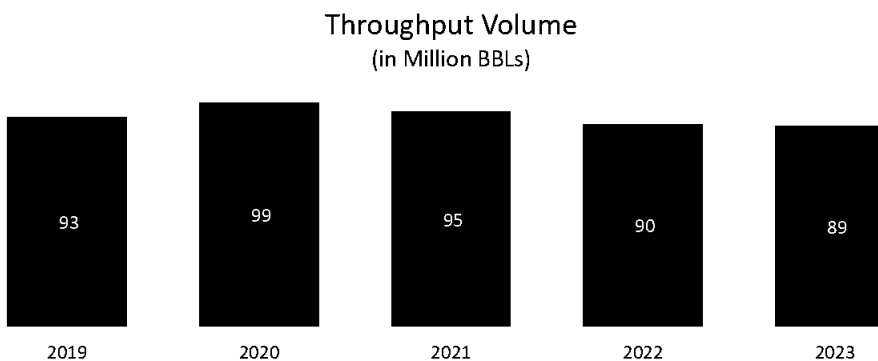
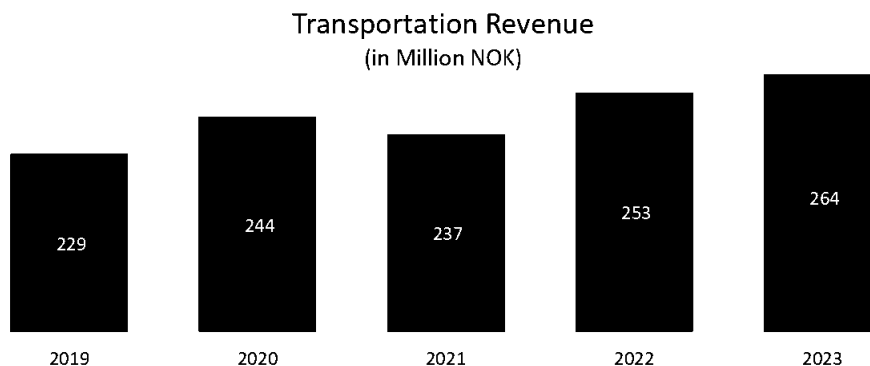
Key Figures

All figures presented in tables are stated in thousands of Norwegian Kroner (NOK).

| | 2023 | 2022 |
|---|----------------|---------|
| Transportation Revenue | 264 347 | 253 089 |
| Other Operating Revenue | 371 | 497 |
| Income from Operations | 110 245 | 120 063 |
| Tax Expense | 87 556 | 100 069 |
| Net Income | 22 222 | 20 064 |
| Net Cash Provided by Operating Activities | 18 140 | 63 586 |
| Investment | 3 011 | 70 140 |

| | | | |
|--------------------------|-----------------|-------------|------|
| Annual Throughput Volume | million barrels | 89 | 90 |
| Average Unit Tariff | NOK per barrel | 2.98 | 2.83 |

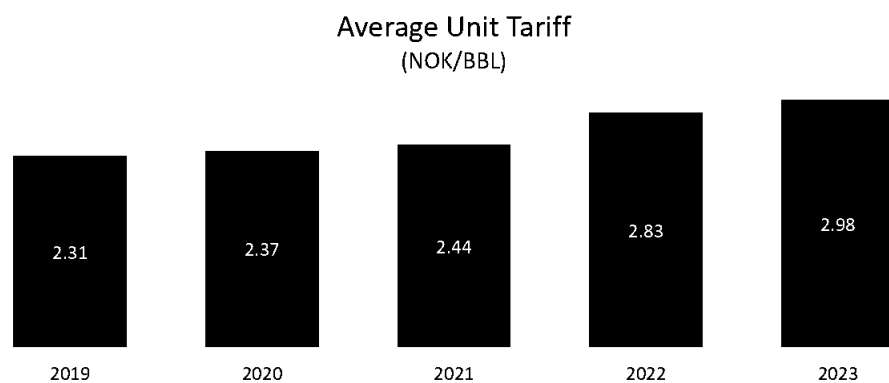
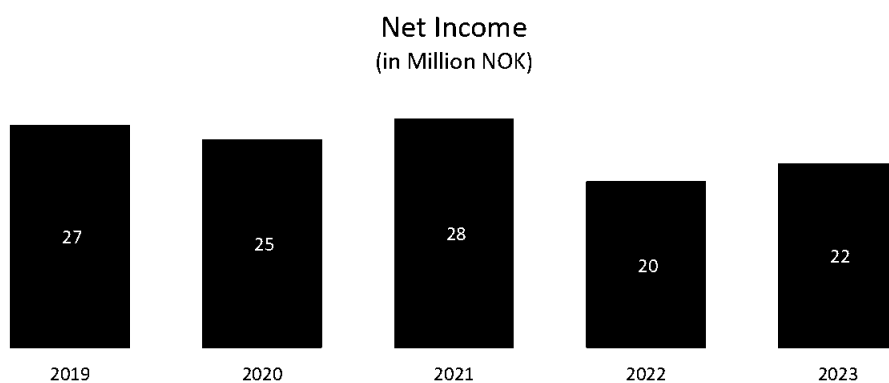
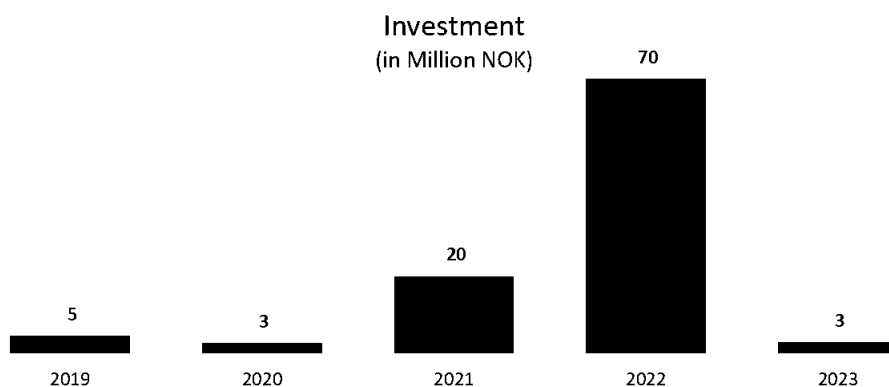
Trends





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Shareholders

| Shareholders | Interest | Each share |
|-------------------------------|-----------------|----------------|
| ConocoPhillips Skandinavia AS | 35.05 % | 35 349 |
| TotalEnergies EP Norge AS | 34.93 % | 35 228 |
| Sval Energi AS | 18.50 % | 18 658 |
| Vår Energi ASA | 6.52 % | 6 576 |
| Petoro AS | 5.00 % | 5 043 |
| Total | 100.00 % | 100 854 |

Board of Directors

The following persons are representing the Shareholders:

Board members:

| | |
|---------------------------|-------------------------------|
| J. A. Johansen (Chairman) | ConocoPhillips Skandinavia AS |
| J. K. Strøm | TotalEnergies EP Norge AS |
| O. A. Årdal | Vår Energi ASA |
| H. Skogly | Sval Energi AS |

Deputy Chairman:

| | |
|--------------------|-------------------------------|
| D. M. A. Hendicott | ConocoPhillips Skandinavia AS |
|--------------------|-------------------------------|

Deputy board members:

| | |
|-----------------|---------------------------|
| J. Klungveit | Vår Energi ASA |
| H. Nygård | Sval Energi AS |
| A. K. Jørgensen | TotalEnergies EP Norge AS |

Administration

T.E. Mæland, Managing Director

Auditors

Ernst & Young AS, Stavanger



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BOARD OF DIRECTORS REPORT 2023

Company Activities

Norpipe Oil AS (the company) owns the 354 km crude oil pipeline from the Ekofisk field to Teesside in the United Kingdom (UK).

The pipeline was taken into service in 1975 with the primary purpose of transporting crude oil from the Ekofisk Area in the Norwegian Sector.

To increase utilization of the transport capacity, a new tie-in point on the pipeline in the UK sector was installed in 1994, which allowed for several UK fields to be connected.

The current operating permit for the operation of the pipeline system expires at year-end 2028. The application to extend the permit through 2048 was submitted on October 11, 2023.

Under the terms of the transportation agreements, the company generates revenues (tariff revenues) through charges for the use of the pipeline system. The transportation agreements are either fixed fee tariffs per barrel, or cost-sharing tariffs based on share of throughput in the pipeline. Based on requirements from the Norwegian authorities, a binding capacity reservation system is in place with equal priority and ship or pay commitments. Ship or pay volume is the difference between 65 percent of the reserved volume and the transported volume for the year.

The company has no employees and ConocoPhillips Skandinavia AS is the Operator of the pipeline. The business is operated from ConocoPhillips Norge's office in Tananger, Norway.

Under the terms of the Operating Agreement between the company and the Operator, the company has the right to audit the Operator's accounts to verify the charges. Adjustments, if any, resulting from such audit will be reflected in the tariff.

The four board members and the Managing Director are men. The company has not purchased insurance on behalf of the members of the board of directors or the Managing Director.

The company will publish an updated account of due diligence pursuant to the Transparency Act on the Operator's website www.conocophillips.no by June 30, 2024.

The section below will address the technical integrity of the pipeline and the associated activities that took place during the year.



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Technical integrity

An internal Magnetic Flux Leakage (MFL) inspection was performed in March 2023. Three tiger tools were launched to clean the line prior to the inspection. The cleaning was successful. An electrical fault in the inspection tool caused the batteries to run out of power after 170 kilometers. As there are relatively few features with high significance in the last part of the pipeline, the run was accepted with the condition of a re-run if we suspected corrosion growth after analyses of the data. Maximum wall thickness loss is 30 percent in two features. Four features have a wall thickness loss of 27 percent. There is no evidence of corrosion growth between 2022 and 2023, and no evidence of corrosion growth since March 2008.

Visual inspection of the riser on Ekofisk 2/4J and selected areas on the pipeline were performed according to the long-term inspection program and revealed no significant findings. There were no findings from the inspection and monitoring program in 2023 that impact the integrity of the pipeline. The company considers the system to be in an acceptable condition.

The two isolation valves on the Norpipe Wye were installed in 1994 to facilitate tie-in of the J-block pipeline. The original valves were designed in accordance with a topside standard and are not intended to be used subsea. Replacement of the two valves is important to mitigate the risk of external leakages from either the valve stem or any of the test and injection ports. The valves are planned to be replaced during the Ekofisk Area Shutdown in 2025.

Outline of Main Activities and Risks

Transport

A total of 89 million barrels of oil were transported in 2023. Compared with 2022 this is a decrease of one percent in transported volume. In addition to oil from the Ekofisk Area, oil production from Valhall, Hod, Ula, Tambar, Oda, Tommeliten A and Tor II in the Norwegian Sector were transported. Further, oil from the UK sector were transported from J-Block, Jade, Fulmar, Auk, Blane, Flyndre, Orion, Clyde, Gannet A-D, F and G, Stella, Vorlich and Abigail.

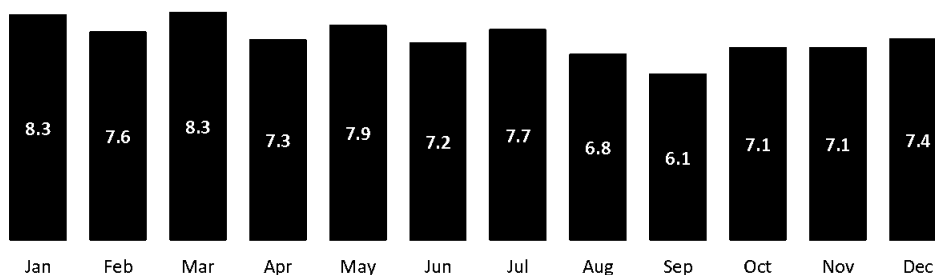
The 34-inch diameter (86 cm) oil pipeline to Teesside had an average flow of about 45 percent of the available capacity in 2023.



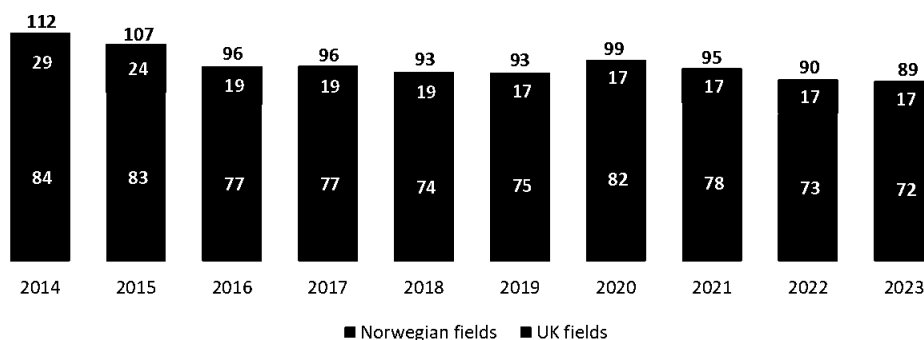
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Oil transported in 2023 - by month
(in Million BBLs)



Oil transported - by year
(in Million BBLs)



Income from Operations

Income from operations was NOK 110 million in 2023, compared to NOK 120 million in 2022. The main driver for the decrease is an increase in total operating expenses of NOK 21 million, partly offset by an increase of NOK 11 million in total revenues.

The company had total revenues of NOK 265 million in 2023, compared to NOK 254 million in 2022. This is mainly driven by a NOK 19 million increase in transportation revenue due to increased unit tariffs and new shipper groups. The increase is partly offset by a decrease in ship or pay revenue of NOK 8 million due to fewer shippers waiving their unused capacity reservation in 2023 compared to 2022.

Total operating expenses was NOK 154 million in 2023, compared to NOK 134 million in 2022. The increase is mainly driven by higher operating and administration expenses related to chemicals, metering, tiger tool and pipeline inspection, in addition to increased costs from ConocoPhillips (U.K.) Teesside Operator Ltd.



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NORPIPE OIL AS ✍

Investments

Total investments in 2023 were NOK 3.0 million. The accumulated acquisition cost in the company's pipeline system per December 31, 2023, was NOK 4.0 billion. Depreciation for the year was NOK 18.3 million and accumulated depreciation per December 31, 2023, was NOK 3.5 billion.

Financing

In August 2021 the company entered into an uncommitted short-term credit facility agreement with Citibank N.A. The company has not utilised this credit facility and had no loans at year-end 2023.

Prospects for the Future

The company's transportation system is designed and built primarily to transport oil from the Ekofisk Area. In addition, several fields from the Norwegian and British sector are connected to the pipeline.

There is available capacity in the pipeline system, and there are presently no inquiries from potential new customers for transportation agreements.

Financial Risk

There is a moderate financial risk connected to future volumes delivered from the fields under long-term contracts. Fluctuations in GBP/USD/NOK exchange rates also represent a risk for the company as some of the operating expenses are invoiced in either GBP or USD. The transportation agreements are all invoiced in NOK except for one contract that is invoiced in GBP.

Market Risk

The company's market risk relates to the performance of the fields for which the company has transportation agreements and their ability to deliver contracted volumes. In addition, there is uncertainty about future capacity utilization. The utilization of the capacity is dependent upon several factors such as crude oil price, potential field developments near the oil pipeline system and the company's ability to secure agreements with those fields.

Credit Risk

The company's credit risk is limited as the majority of its receivables are from financially solid companies.



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NORPIPE OIL AS ✍

Liquidity Risk

It is expected that the company will continue to finance its normal activity with cash from operations. Given the planned increase in investment level towards 2025, the company has entered into an uncommitted credit facility agreement with Citibank N.A. In addition, the owners' agreement includes provisions that the owners will provide any necessary funds needed to secure continued future operations.

Going Concern

In accordance with the section 3-3a of the Norwegian Accounting Act, the board confirms that the going concern assumption on which the financial statements have been prepared is fulfilled. The financial statements for 2023 have been prepared accordingly.

Environment

Different types of chemicals have been used in connection with the transportation of oil through the pipeline. In 2023, a total of 268 thousand litres of corrosion inhibitor type ChampionX CORR11413A were injected. Periodic batch treatments also required 139 thousand litres of anticorrosive type of ChampionX CORR11645A (seven times for 2023). These products have both oil and water-soluble components. In addition, biocide is used to prevent growth of bacteria in the pipeline. In 2023, 33 thousand litres of ChampionX BIOC16718A were injected.

The chemicals not used are transported to a water treatment facility at Bran Sands in Teesside for final treatment. The Operator, in cooperation with the vendors, continuously evaluates chemicals and their environmental impact. The company is committed to preventing pollution of the marine environment by maintaining a high technical standard on all equipment through systematic inspections, proper training of all personnel and maintaining and testing comprehensive emergency plans.

The company complied with all governmental regulations regarding pollution of water and air in both Norway and the UK.

Safety and Protection

The company and the Operator places great emphasis on maintaining a high safety standard. The safety aspects of the 2023 operations were carefully addressed by regular inspections and testing of all safety related equipment. No significant events were noted in 2023 with damage to personnel or property.



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Research and Development

The company has no costs related to research and development.

Net Income and Dividend Distribution

Net income for 2023 was NOK 22 million, an increase of NOK 2.2 million compared to 2022.

The Board of Directors proposes that the net income of NOK 22 222 016 be transferred to retained earnings.

Tananger,

December 31, 2023

March 18, 2024

DocuSigned by:
Jan Arne Johansen
155169B3AD5E49B

J. A. Johansen

Chairman of the Board

DocuSigned by:
Joachim Strøm
72B95E5711AD406

J. K. Strøm

Board Member

DocuSigned by:
Håken Skogly
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H. Skogly

Board Member

DocuSigned by:
Ove André Årdal
CEB4ED117EE949B

O. A. Årdal

Board Member

DocuSigned by:
Thomas Eide Mæland
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T.E. Mæland

Managing Director



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INCOME STATEMENT

| <i>Amounts in NOK thousand</i> | Note | 2023 | 2022 |
|---------------------------------------|------|----------------|---------|
| Operating Revenues | | | |
| Transportation Revenues | | 264 347 | 253 089 |
| Other Operating Revenues | | 371 | 497 |
| Total Operating Revenues | 1 | 264 718 | 253 586 |
| Operating Expenses | | | |
| Depreciation | 2 | 18 250 | 18 235 |
| Removal costs | 3 | 7 068 | 4 500 |
| Operating and administration expenses | 4 | 129 154 | 110 788 |
| Total Operating Expenses | | 154 472 | 133 523 |
| Income From Operations | | 110 245 | 120 063 |
| Financial Income and Expenses | | | |
| Interest income | | 1 433 | 669 |
| Interest and other financing expenses | | - 343 | - 249 |
| Currency loss | | - 1 557 | - 350 |
| Net Financial Items | | - 467 | 70 |
| Income Before Taxes | | 109 778 | 120 133 |
| Income Taxes | 5 | 87 556 | 100 069 |
| Net Income | | 22 222 | 20 064 |



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BALANCE SHEET

| <i>Amounts in NOK thousand</i> | Note | 2023 | 2022 |
|----------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Fixed Assets | | | |
| Pipeline System | 2 | 511 352 | 526 591 |
| Total Fixed Assets | | 511 352 | 526 591 |
| Inventories | | 2 473 | 3 040 |
| Receivables | | | |
| Accounts receivable | | 23 161 | 20 963 |
| Prepaid expenses | | 1 534 | 1 372 |
| Income taxes receivable | 5 | 0 | 946 |
| Total Receivables | | 24 695 | 23 281 |
| Cash and Cash Equivalents | | 43 410 | 53 281 |
| Total Current Assets | | 70 578 | 79 602 |
| Total Assets | | 581 930 | 606 193 |



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NORPIPE OIL AS ✂

BALANCE SHEET

| <i>Amounts in NOK thousand</i> | Note | 2023 | 2022 |
|-------------------------------------|------|----------------|---------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Common stock | 6 | 10 085 | 10 085 |
| Retained earnings | | 120 389 | 98 167 |
| Total Equity | 7 | 130 474 | 108 252 |
| Long-term Provisions | | | |
| Deferred income tax | 5 | 308 155 | 297 254 |
| Provision for removal costs | 3 | 117 450 | 110 382 |
| Total Long-term Provisions | | 425 605 | 407 636 |
| Current Liabilities | | | |
| Accounts payable | | 11 155 | 51 448 |
| Accrued income taxes | 5 | 5 173 | 0 |
| Dividend payable | | 0 | 25 000 |
| Other current liabilities | 8 | 9 523 | 13 856 |
| Total Current Liabilities | | 25 851 | 90 304 |
| Total Liabilities | | 451 455 | 497 940 |
| Total Equity and Liabilities | | 581 930 | 606 193 |

Tananger, December 31, 2023

March 18, 2024

DocuSigned by:
Jan Arne Johansen
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J. A. Johansen

Chairman of the Board

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Joachim Strøm
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J. K. Strøm

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7BBC9458FE6DA4CD...

T.E. Mæland

Managing Director



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CASH FLOW

| <i>Amounts in NOK thousand</i> | Note | 2023 | 2022 |
|---|------|-----------------|-----------------|
| Cash Flows From Operating Activities | | | |
| Income before taxes | | 109 778 | 120 133 |
| Taxes paid | | - 70 537 | - 100 901 |
| Depreciation | 2 | 18 250 | 18 235 |
| Change in accounts receivable | | - 2 199 | 2 789 |
| Change in inventories | | 567 | - 1 147 |
| Change in prepaid expenses | | - 161 | 965 |
| Change in removal costs | 3 | 7 068 | 4 500 |
| Change in accounts payable | | - 40 293 | 29 036 |
| Change in other current liabilities | | - 4 333 | - 10 025 |
| Net Cash provided by Operating Activities | | 18 140 | 63 586 |
| Cash Flows From Investment Activities | | | |
| Capital expenditures | 2 | - 3 011 | - 70 140 |
| Net Cash Flow from Investment Activities | | - 3 011 | - 70 140 |
| Cash Flows From Financing Activities | | | |
| Dividend payment | | - 25 000 | - 30 000 |
| Net Cash Used in Financing Activities | | - 25 000 | - 30 000 |
| Net change in Cash and Cash Equivalents | | - 9 871 | - 36 555 |
| Cash and cash equivalents at beginning of the year | | 53 281 | 89 836 |
| Cash and Cash Equivalents at End of the Year | | 43 410 | 53 281 |



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ACCOUNTING PRINCIPLES

The annual accounts have been prepared in accordance with the provisions of the Norwegian Accounting Act and Generally Accepted Accounting Principles in Norway (GAAP).

Foreign Currency

Transactions in foreign currency are recorded at monthly exchange rates determined by the market rate at the beginning of each month. Bank deposits, receivables and liabilities in foreign currencies are translated at the exchange rate on the balance sheet date.

Revenue Recognition

Transportation revenues are recognized as the transportation services are delivered and invoiced in accordance with transportation agreements with users of the pipeline system (the shippers). Other revenue is recognized as it is earned. Any Ship or Pay volumes paid but not transported are treated as deferred revenues in the period available for transportation to the shipper and recognized as revenues when it is determined that the shipper is not able to use the booked capacity.

Use of Estimates

Preparation of financial statements in accordance with GAAP requires use of estimates and assumptions that affect the amounts reported in the financial statements and valuation of assets, liabilities and obligations on the balance sheet date. Actual results could differ from these estimates.

Pipeline System; Investment and Depreciation

Costs incurred to develop and install the pipeline system, later additions and larger improvements are capitalized. Interest expense related to the initial construction and related to large projects is capitalized and depreciated along with the capital asset. The pipeline system is depreciated on a straight-line basis until 2047, which is the expected lifetime for the pipeline.

Provisions for Future Decommissioning and Removal Costs

The company is accruing for the net present value of expected future asset removal costs after deduction of costs expected to be paid by the shippers under present transportation agreements. The discount factor used to calculate net present value of the expected removal cost is risk free interest with addition of a risk margin corresponding to the risks and duration of the removal obligation. The estimates for the removal costs are reviewed annually and estimate changes are prospectively accrued.



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Impairment of Tangible Fixed Assets

Tangible fixed assets are assessed for impairment for independent groups of assets with independent inbound cash flows. If the assessment indicates that the fair value of the fixed asset is lower than the book value, and this is not expected to be temporary, the asset is written down to the highest of the estimated net sales value and value in use. Value in use is determined based on management's expectations of future economic and operating conditions and is calculated as a present value of future cash flows. Correspondingly write-downs are reversed if the basis for previous write-downs are no longer present.

Taxes

Total income taxes reflect both tax payable and the change in deferred tax. Deferred tax is calculated using the liability method, which calculates deferred tax on all temporary differences between the financial reporting basis and the tax basis of assets and liabilities. Temporary differences within the same tax regime are recorded net. Deferred tax liabilities and deferred tax assets are calculated using nominal value and presented net on the balance sheet.



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NOTES TO THE ANNUAL ACCOUNTS

All figures presented in tables are stated in thousands Norwegian Kroner (NOK).

The exchange rate as of year-end 2023 for US dollars (USD) was NOK 10.18, compared to USD/NOK 9.85 as of year-end 2022. The exchange rate at year-end 2023 for British Pounds (GBP) was NOK 12.94 compared to GBP/NOK 11.87 as of year-end 2022.

Note 1 – Operating Revenues

| Geographical Segments | 2023 | 2022 |
|--|----------------|-------------|
| Transportation revenues Norwegian sector | 188 087 | 182 985 |
| Transportation revenues British sector | 76 260 | 70 105 |
| Other operating revenues British sector | 371 | 497 |
| Total Revenues | 264 718 | 253 586 |

Note 2 – Pipeline System

| Pipeline system movements in 2023 | Book Value January 1 | Current year additions/ depreciation | Book Value December 31 |
|--|---------------------------------|---|-----------------------------------|
| Acquisition cost | 4 000 449 | 3 011 | 4 003 461 |
| Depreciation | - 3 473 859 | - 18 250 | - 3 492 109 |
| Book Value | 526 591 | -15 239 | 511 352 |

Note 3 – Provision for Removal Costs

| Removal and in-place disposal | |
|---|----------------|
| Provisions as of January 1, 2023 | 110 382 |
| Interest on net present value of removal obligation | 4 800 |
| Increase of removal accrual | 2 268 |
| Provisions as of December 31, 2023 | 117 450 |

| Removal Costs | 2023 | 2022 |
|---|--------------|-------------|
| Adjustment of removal obligation | 2 268 | 660 |
| Interest on net present value of removal obligation | 4 800 | 3 840 |
| Total Removal Costs | 7 068 | 4 500 |



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Note 4 – Salaries, Benefits and Fees

The company does not have any employees.

No remuneration has been disbursed, no loans have been issued and no guarantees have been made on behalf of the company to the Managing Director or the Board of Directors. Remuneration of the Managing Director is paid by ConocoPhillips Norge. The company has no financial obligations to the Managing Director or the Board of Directors.

Expensed auditor's fees for auditing services in 2023 amounted to NOK 210 thousand. The fee is excluding value added tax.

Note 5 – Income Taxes

| Income Taxes | Tax rate % | 2023 | 2022 |
|---|-------------------|-----------------|-------------|
| Income before taxes | | 109 778 | 120 133 |
| Income taxes at nominal tax rate | 78 % | 85 631 | 93 709 |
| Permanent differences | | 0 | - 40 |
| Onshore revenues | | 262 | - 39 |
| Adjustment of tax from prior period | | 1 219 | 31 |
| Foreign exchange on double taxation relief | | 6 | - 436 |
| Valuation allowance | | 438 | 6 844 |
| Total Income Taxes | | 87 556 | 100 069 |
| Corporate taxes | | 26 032 | 28 973 |
| Special taxes | | 49 452 | 55 219 |
| Foreign exchange on double taxation relief | | 6 | - 403 |
| Adjustment of tax from prior period | | 1 166 | 0 |
| Total Taxes Payable | | 76 655 | 83 789 |
| Change in deferred tax | | 10 901 | 16 281 |
| Total Income Taxes | | 87 556 | 100 069 |
| Taxes Payable / (Receivable) as of December 31 | | | |
| Current year tax payable | | 75 483 | 84 192 |
| Prior years' tax | | 23 | 0 |
| Tax credits for foreign taxes | | - 38 490 | - 39 764 |
| Currency effect foreign taxes | | 9 | - 5 |
| Taxes paid | | - 31 853 | - 45 369 |
| Total Taxes Payable / (Receivable) | | 5 173 | - 946 |



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| Basis for Deferred Tax as of December 31 | 2023 | 2022 |
|---|------------------|-------------|
| Temporary differences related to: | | |
| - fixed assets | 444 500 | 481 827 |
| - decommissioning/removal | - 117 450 | - 110 382 |
| - contingent liabilities | 0 | - 35 915 |
| Basis Deferred Corporate Tax | 327 050 | 335 530 |
| Full deduction of investment costs | 66 125 | 43 173 |
| Calculated corporate tax | - 74 342 | - 77 040 |
| Basis Deferred Special Tax | 318 833 | 301 663 |
| Deferred Tax as of December 31 | | |
| Corporate taxes | 71 951 | 73 817 |
| Special taxes | 228 922 | 216 594 |
| Valuation allowance | 7 282 | 6 844 |
| Deferred Tax in the Balance Sheet | 308 155 | 297 254 |

Note 6 – Share Capital, Shareholders and Ownership Structure

The share capital consists of one class of shares, with 100 854 shares at a nominal value of NOK 100 each. Ownership structure is shown in the table below.

| Shareholders | Interest | Each share |
|-------------------------------|-----------------|-------------------|
| ConocoPhillips Skandinavia AS | 35.05 % | 35 349 |
| TotalEnergies EP Norge AS | 34.93 % | 35 228 |
| Sval Energi AS | 18.50 % | 18 658 |
| Vår Energi ASA | 6.52 % | 6 576 |
| Petoro AS | 5.00 % | 5 043 |
| Total | 100.00 % | 100 854 |

Note 7 – Equity

| | Common Stock | Retained Earnings | Total Equity |
|---------------------------------------|---------------------|--------------------------|---------------------|
| Equity as of January 1, 2023 | 10 085 | 98 167 | 108 252 |
| Net income | | 22 222 | 22 222 |
| Equity as of December 31, 2023 | 10 085 | 120 389 | 130 474 |



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Note 8 – Other Current Liabilities

Based on requirements from the authorities, a new binding capacity reservation system was agreed upon with equal priority and 'ship or pay' commitments from January 1, 1997. At year-end 2023, six fields had not utilized their reserved capacities. Volumes paid but not transported are treated as deferred revenues. Total deferred revenue is NOK 9.5 million at year-end 2023.