



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 913 120 981
Organisasjonsform: Aksjeselskap
Foretaksnavn: INPEX NORGE AS
Forretningsadresse: Strandveien 50
1366 LYSAKER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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: Toshiaki Sakata
Dato for fastsettelse av årsregnskapet: 20.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

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, 21.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Operating income			
Kostnader			
Exploration expenses	4	28 806 000	83 780 000
Payroll and related cost	5	40 909 000	41 541 000
Depreciation and amortisation	6,7	2 999 000	3 026 000
Other operating expenses	8	8 693 000	8 894 000
Sum kostnader		81 407 000	137 241 000
Driftsresultat		-81 407 000	-137 241 000
Finansinntekter og finanskostnader			
Finance income	9	373 000	3 592 000
Sum finansinntekter		373 000	3 592 000
Finance costs	9	235 000	1 412 000
Sum finanskostnader		235 000	1 412 000
Netto finans		138 000	2 180 000
Ordinært resultat før skattekostnad		-81 269 000	-135 061 000
Calculated refund tax value of exploration costs	10	-63 621 000	-106 731 000
Change deferred tax	10	138 000	212 000
Ordinært resultat etter skattekostnad		-17 786 000	-28 542 000
Årsresultat		-17 786 000	-28 542 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Exploration and evaluation assets	11	0	0
Utsatt skattefordel	10	31 458 000	31 596 000
Sum immaterielle eiendeler		31 458 000	31 596 000
Varige driftsmidler			
Property, plant and equipment	6	1 082 000	1 862 000
Right-of-use assets	7	4 180 000	6 321 000
Sum varige driftsmidler		5 262 000	8 183 000
Sum anleggsmidler		36 720 000	39 779 000
Omløpsmidler			
Varer			
Fordringer			
Prepayments and other receivables	13	7 142 000	4 406 000
Tax receivable refund tax value exploration expenses	10	20 569 000	64 483 000
Konsernfordringer	12	374 220 000	357 889 000
Sum fordringer		401 931 000	426 778 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	14	11 283 000	28 171 000
Sum bankinnskudd, kontanter og lignende		11 283 000	28 171 000
Sum omløpsmidler		413 214 000	454 949 000
SUM EIENDELER		449 934 000	494 728 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Balanse

Beløp i: NOK	Note	2021	2020
Share capital	15	55 130 000	55 130 000
Overkurs		610 900 000	610 900 000
Sum innskutt egenkapital		666 030 000	666 030 000
Opptjent egenkapital			
Udekket tap		235 209 000	217 423 000
Sum opptjent egenkapital		-235 209 000	-217 423 000
Sum egenkapital		430 821 000	448 607 000
Gjeld			
Langsiktig gjeld			
Leasing liabilities	7	2 307 000	4 438 000
Sum avsetninger for forpliktelser		2 307 000	4 438 000
Annen langsiktig gjeld			
Sum langsiktig gjeld		2 307 000	4 438 000
Kortsiktig gjeld			
Leverandørgjeld	16	4 702 000	709 000
Kortsiktig konserngjeld	12,16	1 598 000	2 154 000
Other current liabilities	17	10 507 000	38 819 000
Sum kortsiktig gjeld		16 807 000	41 682 000
Sum gjeld		19 114 000	46 120 000
SUM EGENKAPITAL OG GJELD		449 935 000	494 727 000



DIRECTORS' REPORT 2021 INPEX NORGE AS

About Inpex Norge AS

The Company's main business is to explore, develop and produce oil and natural gas on the Norwegian Continental Shelf.

The Company is located at Lysaker, Norway, and is a 100% owned subsidiary of Inpex Corporation, Japan. The Company was established 7 January 2014.

Going Concern

The Board of Directors confirms that the conditions for continued operations as a going concern are present for the Company and that the annual financial statements for 2021 have been prepared under this presumption.

The financial statements

The Company is not exposed to particular risk factors other than those that are common for oil companies in the exploration phase.

The Company had in 2021 total operating expenses of TNOK 81,407, and net financial items (profit) of TNOK 138. Loss before income taxes was TNOK 81,407. After a tax income of TNOK 63,483, the Company had an annual loss of TNOK 17,786.

The Company made no investments in new licenses on the Norwegian Continental Shelf in 2021.

The Company had a net tax refund receivable of TNOK 20,569 at year end 2021.

The Company has an equity ratio of 95.7 % as at 31 December 2021. The operations of the Company are primarily financed through equity from the parent company.

Health, safety and environment/equal opportunity

As of 31 December 2021 the Company had 5 employees on secondment from the parent company, all males, and 12 local employees, 9 males and 3 females. No actions have been implemented or are planned related to work environment or to equal opportunity, but the Company work actively to increase the numbers of female employees. At present there are no female members of the Board of Directors.

External environment

The operations of the Company could potentially pollute the external environment. The Company together with its parent company and future Joint Venture partners will work actively on measures that can reduce any negative impact on the environment.

Lysaker, 20th June 2022

Shinya Tauchi
Chairman of the Board

Yukihiko Machida
Managing Director
Board Member



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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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Inpex Norge AS

Opinion

We have audited the financial statements of Inpex Norge AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2021 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 the general manager) 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, 22 June 2022
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The auditor's report is signed electronically

Erik Søreng
State Authorised Public Accountant (Norway)

Independent auditor's report - Inpex Norge AS 2021

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Erik Søreng

State Authorised Public Accountant (Norway)

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Note 1. General information

The Financial statements of INPEX Norge AS for 2021 were approved by the Board of directors and the Managing Director at 20.06.2022.

INPEX Norge AS is a private limited company incorporated and domiciled in Norway, with its main office in Lysaker. The company was incorporated 7 January 2014.

The company's only business segment is exploration for oil and gas on the Norwegian continental shelf.

Note 2. Summary of significant accounting policies

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

Basis for preparation

The financial statements 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 on a historical cost basis.

Foreign currency

Functional currency and presentation currency

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

Transactions in foreign currency

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

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment charges. Depreciations are calculated on a straight line basis over the assets expected useful life and adjusted for any impairment charges. Expected useful lives of long-lived assets are reviewed annually and where they differ from previous estimates, depreciation periods are changed accordingly.

Property, plant and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount.

Intangible assets

Exploration costs for oil and gas properties

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



Drilling cost for exploration wells are temporarily capitalised pending the evaluation of potential discoveries of oil and gas reserves. If no reserves are discovered, or if recovery of the reserves is not considered technically or commercially viable, expenses relating to the drilling of exploration wells are charged to income statement. Such costs can remain capitalised for more than one year. The main criteria are that there must be definite plans for future drilling in the licence or that a development decision is expected in the near future.

Leases (as lessee)

Until 2018, leases in which most of the risks and rewards of ownership were retained by the lessor were classified as operating leases. Payments made under operating leases were charged to the income statement on a straight-line basis over the period of the lease.

The Company adopted IFRS 16 – Leases from 1 January 2019. IFRS 16 sets out the principles for recognition, measurement, presentation and disclosures of leases and replaces IAS 17 and other previous guidance on lease accounting within IFRS. IFRS 16 defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract that meets this definition, IFRS 16 requires lessees to recognize a right-of-use asset and a lease liability in the balance sheet with certain exemptions for short term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the shorter of the lease term and the assets' useful life. Lease liabilities are measured at the present value of remaining lease payments, discounted using the Company's calculated borrowing rate. Right-of-use assets are measured at an amount equal to the lease liability at initial recognition.

Receivables

Receivables are initially recognised at fair value plus any transaction costs. The receivables are subsequently carried at amortised cost using the effective interest method.

Cash and cash equivalents

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

Taxes

Income taxes for the period comprise tax payable, refundable tax from refund tax value of exploration expenses and changes in deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

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



Trade creditors

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

Contingent liabilities

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

Segment reporting

The company's only business segment is exploration for oil and gas on the Norwegian continental shelf. Based on this no segment note is presented and this is in accordance with management's reporting.

Cost of equity transactions

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

Cash flow statement

The cash flow statement is prepared by using the indirect method.

Events after the balance sheet date

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

Changes in accounting policies and disclosures

New and amended standards and interpretations issued but not adopted by the Company

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020, and have not been applied in preparing the Financial statements. None of these new standards and amendments to standards and interpretations are expected to have any significant impact on the Company's financial statements.



Note 3. Financial risk management

Financial risks

Exploration for oil and gas involves a high degree of risk, and the company is subject to the general risk factors pertaining to this business, such as (i) volatility of oil and gas prices, (ii) uncertainty pertaining to estimated oil and gas reserves, (iii) operational risk related to oil and gas exploration and (iv) volatility in exchange rates. Furthermore, only few prospects that are explored are ultimately developed into production.

Furthermore, the company is exposed to certain types of financial risks. Management involves receivables, loans, accounts payable and drawing rights to financial institutions. The business activities of the company involve exposure to credit risk, interest rate risk, liquidity risk and currency risk.

Critical accounting estimates and judgements

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

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

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

- *Tax receivable from refund tax value exploration expenses:*
The Norwegian taxation authorities may have a different understanding than the Company regarding the definition of exploration expenses according to the Norwegian Petroleum Tax Act. See note 8.

Critical judgements in applying the company's accounting policies

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

- *Accounting policy for exploration expenses:*
The Company uses the successful efforts method to account for exploration costs. All exploration costs, with the exception of acquisition costs of licenses and drilling costs of exploration wells, are expensed as incurred.



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Note 4. Exploration Expenses

<i>(Amounts in NOK thousand)</i>	2021	2020
Share of exploration expenses from participation in licences	10 982	61 032
Drilling cost expensed from participation in licences	0	2 587
Other direct seismic costs and field evaluation	8 489	5 563
Other operating exploration expenses ¹⁾	9 335	14 598
Total exploration expenses	28 806	83 780

1) Fees includes payments to related parties. See note 17 for further information.



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Note 5. Payroll and related cost

<i>(Amounts in NOK thousand)</i>	2021	2020
Salaries	31 589	33 085
Payroll tax	6 356	5 663
Pension costs	2 460	2 237
Other employee related expenses	504	556
Total	40 909	41 541
Number of FTS's	17	17

Remuneration to board of directors and management:

See information in Note 17 "Related parties" regarding remuneration of key management.

Pensions

Inpex Corporation, the parent company of the Company, has a defined benefit pension plan and a defined contribution pension plan based in Japan for its employees. It is applied to Japanese expatriates who are employees of Inpex Corporation and secondees to the Company, and the pension cost incurred in Japan is invoiced to INPEX Norge AS. The pension plan is assumed to satisfy the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

For the Norwegian employees the Company has a defined contribution pension plan which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").



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Note 6. Property, plant and equipment*(Amounts in NOK thousand)*

	Furniture, fixtures and data equipment	Intangible asset (software)
2021		
Cost:		
At 1 January 2021	4 371	6 688
Additions	78	0
Disposals	0	0
Cost at 31 December 2021	4 449	6 688
Depreciation, amortisation and impairment:		
At 1 January 2021	-2 509	-6 686
Depreciation this year	-858	0
Impairment this year	0	0
Disposals	0	0
Accumulated depreciation, amortisation and impairment at 31 December 2021	-3 367	-6 686
Carrying amount at 31 December 2021	1 082	0
2020		
Cost:		
At 1 January 2020	4 343	6 688
Additions	27	0
Disposals	0	0
Cost at 31 December 2020	4 371	6 688
Depreciation, amortisation and impairment:		
At 1 January 2020	-1 627	-6 243
Depreciation this year	-882	-445
Impairment this year	0	0
Disposals	0	0
Accumulated depreciation, amortisation and impairment at 31 December 2020	-2 509	-6 686
Carrying amount at 31 December 2020	1 861	0
Economic life	3 - 5 years	3 years
Depreciation method	linear	linear



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Note 7. Leases (IFRS 16)

Right-of-use assets:

The Company leases office facilities, parking and equipment. The Company's right-of-use assets are categorised and presented in the table below:

2021

(Amounts in NOK thousand)

Right-of-use assets	Total
Acquisition cost at 1 January 2021	10 425
Addition of right-of-use assets (new lease contracts)	0
Disposal of right-of-use assets	0
Acquisition cost 31 December 2021	10 425
Accumulated depreciation and impairment 1 January 2021	-4 104
Depreciation	-2 141
Impairment	
Disposal	
Accumulated depreciation and impairment 31 December 2021	-6 245
Carrying amount of right-of-use assets 31 December 2021	4 180

Lower of remaining lease term or economic life	4 years
Depreciation method	Linear

Leasing liabilities:	Total
Lease liabilities at 1 January 2021	6 907
Additions (new lease contracts)	0
Disposal (buy out of lease contracts)	0
Accretion lease liabilities	215
Payments of lease liabilities	-2 469
Total leasing liabilities 31 December 2021	4 653

Break down of lease debt:	
Short-term	2 346
Long-term	2 307
Total lease debt	4 653

Maturity of future undiscounted lease payments under non-cancellable lease agreements:	31.12.2021
Within 1 year	2 346
1 to 5 years	4 846
After 5 years	-
Total	7 191

The leases do not impose any restrictions on the Company's dividend policy or financing opportunities.

2020

Right-of-use assets	Total
Acquisition cost at initial application 1 January 2020	0
Addition of right-of-use assets (new lease contracts)	10 425
Disposal of right-of-use assets	0
Acquisition cost 31 December 2020	10 425
Accumulated depreciation and impairment 1 January 2020	-1 963



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Depreciation	-2 141
Impairment	0
Disposal	0
Accumulated depreciation and impairment 31 December 2020	-4 104

Carrying amount of right-of-use assets 31 December 2020 **6 321**

Lower of remaining lease term or economic life	5 years
Depreciation method	Linear

Leasing liabilities:	Total
Lease liabilities at 1 January 2020	9 091
Additions (new lease contracts)	0
Disposal (buy out of lease contracts)	0
Accretion lease liabilities	285
Payments of lease liabilities	-2 469
Total leasing liabilities 31 December 2020	6 907

Break down of lease debt:	
Short-term	2 469
Long-term	4 438
Total lease debt	6 907

Maturity of future undiscounted lease payments under non-cancellable lease agreements:	31.12.2020
Within 1 year	2 469
1 to 5 years	4 846
After 5 years	-
Total	7 315

The leases do not impose any restrictions on the Company's dividend policy or financing opportunities.



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Note 8. Other operating expenses

Other operating expenses include:

<i>(Amounts in NOK thousand)</i>	2021	2020
Office rental and other lease expenses	1 696	1 547
Travelling expenses	163	578
Consultant's and other fees ¹⁾	2 737	2 942
Other administrative expenses	4 096	3 827
Total	8 693	8 894

1) Fees includes payments to related parties. See note 17 for further information.

Remuneration to auditor is allocated as specified below:

<i>(Amounts in NOK thousand)</i>	2021	2020
Audit	128	123
Attestations	0	0
Other assistance	0	0
Total, excl. VAT	128	123



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Note 9. Finance income and costs

Finance income:

<i>(Amounts in NOK thousand)</i>	2021	2020
Interest income	257	3 592
Net foreign exchange effects	116	0
Total finance income	373	3 592

Finance costs:

<i>(Amounts in NOK thousand)</i>	2021	2020
Net foreign exchange effects	0	1 059
Lease finance costs (IFRS 16)	215	285
Other finance costs	20	67
Total finance costs	235	1 412



INPEX NORGE AS

Note 10. Tax

Specification of income tax:

(Amounts in NOK thousand)

	2021	2020
Calculated refund tax value of exploration costs and other costs this year	63 621	106 731
Change deferred tax	-138	-212
Total income tax credit	63 483	106 519

Specification of tax receivable refund tax value exploration and other expenses:

(Amounts in NOK thousand)

Calculated refund tax value of exploration costs and other costs this year	63 621	106 731
Received prepaid payable tax, short term ("negativ terminskatt")	-43 052	-42 247
Total tax receivable refund tax value exploration and other expenses	20 569	64 483

Oil-exploration companies operating on the Norwegian Continental Shelf may claim a 78 % refund of their exploration costs limited to taxable losses of the year. The refund is paid out in November the following year.

Specification of tax effects on temporary differences, tax losses carried forward and deferred tax:

(Amounts in NOK thousand)

	2021	2020
Property, plant and equipment	1 038	1 073
Right-of-use assets	-3 260	-4 930
Leasing liability	3 157	5 035
Tax losses carried forward, offshore 22 % basis	9 402	9 423
Tax losses carried forward, offshore both 22% and 56% basis	21 122	20 996
Deferred tax liability (-) / tax asset (+)	31 458	31 596
Not capitalised deferred tax asset (valuation allowance)	0	0
Deferred tax liability (-) / tax asset (+) in balance	31 458	31 596

Deferred tax is calculated based on tax rates applicable on the balance sheet date. Ordinary income tax is 22%, to which is added a special tax for oil and gas companies at the rate of 56%, giving a total tax rate of 78%.

Companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim the tax value of any unused tax losses or other tax credits related to its offshore activities to be paid in cash (including interest) from the tax authorities when operations cease. Deferred tax assets that are based on offshore tax losses carried forward are therefore normally recognised in full.

Reconciliation of effective tax rate:

(Amounts in NOK thousand)

	2021	2020
Profit (loss) before tax	-81 269	-135 061
Expected income tax credit 78%	63 390	105 348
Adjusted for tax effects (22%-78%) (23%-78% in 2018) of the following items:		
Permanent differences	-167	-98
Interest on tax losses carried forward offshore	183	397
Finance items	77	1 207
Expensed acquisition of licence net of tax	0	-335
Total income tax credit	63 483	106 519



INPEX NORGE AS

Note 11. Exploration and evaluation assets

<i>(Amounts in TNOK)</i>	2021	2020
Cost:		
At 1 January	0	429
Additions	0	0
Disposals	0	0
Cost at 31 December	0	429
Amortisation and impairment losses		
At 1 January	0	0
Amortisation this year	0	0
Impairment this year	0	429
Disposals	0	0
Accumulated amortisation and impairment at 31 December	0	429
Carrying amount at 31 December	0	0

License portfolio	31.12.2021	31.12.2020
	Inpex Norge's share	
PL 950	30.0 %	30.0 %
PL 1016	40.0 %	40.0 %
PL 1027	20.0 %	20.0 %
PL 1129	30.0 %	0.0 %
PL 1130	60.0 %	0.0 %



INPEX NORGE AS

Note 12. Related party disclosure

(Amounts in NOK thousand)

a) Purchases from related parties

Purchase of services from	Description of services	2021	2020
Inpex Corporation	Technical Service fee and Outsourcing fee	1 706	2 368
Inpex Corporation	Cost sharing agreement	4	0

The amount of invoiced fee includes a 10 % mark-up on some of the costs included.

b) Balances with related parties (trade payables)

Related party	2021	2020
Inpex Corporation	1 598	2 154

c) Balances with related parties (receivables)

Related party	2021	2020
Inpex Corporation	374 220	357 889

The amount pertains to a Global Cash Management System (GCMS).

d) Compensation to key management

NOK thousands	2020			2021		
	Salary/ Board fee	Other benefits	Total 2020	Salary/ Board fee	Other benefits	Total 2021
Yukihiro Mahcida, (CEO)	2 950	311	3 261	2 939	249	3 188
Board of Directors	0	0	0	0	0	0

The Chairman of the Board has not received any compensation from INPEX Norge AS.

As at 31 December 2021 there is no agreement of bonus or any other future compensation to the key management.

Loans and guarantees related to key management

INPEX Norge AS has as at 31 December 2021 not issued any loans or guarantees in favour of any employees, members of the Board or the shareholder.



INPEX NORGE AS

Note 13. Prepayments and other receivables

Prepayments and other receivables include:

<i>(Amounts in NOK thousand)</i>	2021	2020
Prepaid expenses	3 838	810
VAT receivables	947	259
Working capital and overcall, joint venture	1 800	3 337
Other short term receivables	557	0
Total	7 142	4 406

Note 14. Cash and cash equivalents

<i>(Amounts in NOK thousand)</i>	2021	2020
Bank deposits	11 283	28 171
Total cash and cash equivalents	11 283	28 171

Of this:

Restricted cash for deposits for rent of apartments to employees	281	362
Restricted cash for deposits for office rent	1 453	1 452
Restricted cash for withheld taxes from employees salaries	3 200	3 200



INPEX NORGE AS

Note 15. Share capital and shareholder information

Movements in share capital

(Amounts in NOK thousand)

	Number of shares	Share capital
Issued at 1 January 2020	551 300	55 130
Capital increase in 2020	0	0
End balance at 31 December 2020	551 300	55 130
Capital increase in 2021	0	0
End balance at 31 December 2021	551 300	55 130

The share capital is denominated in NOK, and the nominal value per share as of 31 December 2021 was NOK 100. All issued shares are of equal rights. No potential shares, such as share options, were issued as of 31 December 2021.

Shareholders as of 31 December 2021	Shares	Ownership
Inpex Corporation, Japan	551 300	100 %
Total number of shares	551 300	100 %

Managing Director, Yukihiro Machida owns indirectly less than one thousandth of INPEX Norge AS.



INPEX NORGE AS

Note 16. Financial instruments

Financial instruments by category (Amounts in NOK thousand)

At 31 December 2021

Financial assets	Amortized cost	Total carrying amount
Other financial assets, deposits	0	0
Intercompany receivables	374 220	374 220
Other receivables ¹⁾	0	0
Cash and cash equivalents	11 283	11 283
Total	385 504	385 504

¹⁾ Prepayments and VAT receivables are not included.

Financial liabilities	Amortized cost	Total carrying amount
Liabilities to group companies	1 598	1 598
Trade creditors	4 702	4 702
Other current liabilities ¹⁾	2 374	2 374
Total	8 674	8 674

¹⁾ Public duties payable and accruals are not included.

At 31 December 2020

Financial assets	Amortized cost	Total carrying amount
Other financial assets, deposits	0	0
Intercompany receivables	357 889	357 889
Other receivables ¹⁾	0	0
Cash and cash equivalents	28 171	28 171
Total	386 059	386 059

¹⁾ Prepayments and VAT receivables are not included.

Financial liabilities	Amortized cost	Total carrying amount
Liabilities to group companies	2 154	2 154
Trade creditors	709	709
Other current liabilities ¹⁾	2 068	2 068
Total	4 931	4 931

¹⁾ Public duties payable and accruals are not included.

Financial risk management



INPEX NORGE AS

Overview

The Company has some exposure to risks from its use of financial instruments, 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. At the end of this note, information regarding the Company's capital management is provided.

Foreign currency risk

The Company has an exposure to currency risk only through trade creditors in USD. As at 31 December 2021 the debt in USD was 400 106 (at 31 December 2020 the debt in USD was 0). The Company has no receivables of nominal value in USD.

An increase in the exchange rate of USD of 10 % would have resulted in a finance loss pre tax of MNOK 0.6 (MNOK 0 in 2020).

Credit risk

The carrying amounts of financial assets represents the Company's maximum credit exposure. The counterparty to the cash and cash equivalents and other financial assets are large banks with solid credit ratings. The Company monitors the credit ratings of its main counterparties on a regular basis.

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. Prudent liquidity risk management implies maintaining sufficient cash and the availability of appropriate funding.

The following table details the contractual maturities for the Company's financial liabilities. The tables includes amounts for both principal and interest payments. The contractual amounts were estimated based on closing exchange rate at balance sheet date.

Per 31 December 2021

<i>(Amounts in NOK thousand)</i>	Less than 3 months	3 to 12 months	1 to 5 years	Total
Borrowings, long term	0	0	0	0
Trade creditors and other short term liabilities	8 674	0	0	8 674
Total liabilities	8 674	0	0	8 674

Per 31 December 2020

<i>(Amounts in NOK thousand)</i>	Less than 3 months	3 to 12 months	1 to 5 years	Total
Borrowings, long term	0	0	0	0
Trade creditors and other short term liabilities	4 931	0	0	4 931
Total liabilities	4 931	0	0	4 931

Capital management



INPEX NORGE AS

A key objective in relation to capital management is to ensure that the Company maintains a sufficient capital structure in order to support its business development and to maintain a strong credit rating. The Company evaluates its capital structure in light of current and projected cash flows, potential new business opportunities and the Company's financial commitments. In order to maintain or adjust the capital structure, the Company may issue new shares or obtain new loans.



INPEX NORGE AS

Note 17. Other current liabilities

<i>(Amounts in NOK thousand)</i>	2021	2020
Public duties payable	3 752	3 519
Salary and vacation payable	2 374	2 068
Working capital and undercall, joint venture	1 375	30 338
Short-term leasing debt	2 346	2 469
Other accruals for incurred costs	660	424
Total	10 507	38 819



INPEX NORGE AS

Note 18. Contingent liabilities

The company has not been involved in any legal or financial disputes in 2021 where adversely outcome is considered more likely than remote.

Note 19. Shares in licenses and obligations

The company's obligations for 2022 related to the license portfolio, c.f. note 9, as at year end are estimated to a total of NOK 27 million. This forecast is based on the approved license budgets.

Note 20. Events after the balance sheet date

As of 27th October 2021, it was announced that INPEX Corporaton will acquire majority share of Idemitsu Petroleum Norge AS. This deal was successfully completed as of 31st January 2022. In this relation, INOR is planning to transfer all assets to INPEX Idemitsu Norge AS (change its name from Idemitsu Petroleum Norge to INPEX Idemitsu Norge AS as of 31st January 2022) within this year.



INPEX NORGE AS

INCOME STATEMENT

<i>(Amounts in NOK thousand)</i>	Note	2021	2020
Operating income		0	0
Exploration expenses	4	-28 806	-83 780
Payroll and related cost	5	-40 909	-41 541
Depreciation and amortisation	6,7	-2 999	-3 026
Other operating expenses	8	-8 693	-8 894
Operating profit (loss)		-81 407	-137 241
Finance income	9	373	3 592
Finance costs	9	-235	-1 412
Net financial items		138	2 180
Profit (loss) before income tax		-81 269	-135 061
Calculated refund tax value of exploration costs		63 621	106 731
Change deferred tax		-138	-212
Net Income tax credit	10	63 483	106 519
Profit (loss) for the year		-17 786	-28 542

STATEMENT OF COMPREHENSIVE INCOME

<i>(Amounts in NOK thousand)</i>	Note	2021	2020
Profit (loss) for the year		-17 786	-28 542
Other comprehensive income, net of tax:		0	0
Total other comprehensive income, net of tax		0	0
Total comprehensive income for the year		-17 786	-28 542



INPEX NORGE AS

BALANCE SHEET

<i>(Amounts in NOK thousand)</i>	Note	31.12.2021	31.12.2020
ASSETS			
Non-current assets			
Exploration and evaluation assets	11	0	0
Deferred tax asset	10	31 458	31 596
Property, plant and equipment	6	1 082	1 862
Intangible asset	6	0	0
Right-of-use assets	7	4 180	6 321
Total non-current assets		36 720	39 779
Current assets			
Intercompany receivables	12	374 220	357 889
Prepayments and other receivables	13	7 142	4 406
Tax receivable refund tax value exploration expenses	10	20 569	64 483
Cash and cash equivalents	14	11 283	28 171
Total current assets		413 215	454 949
Total assets		449 935	494 728
EQUITY AND LIABILITIES			
Equity			
Share capital	15	55 130	55 130
Premium paid-in capital		610 900	610 900
Uncovered loss		-235 209	-217 423
Total equity		430 821	448 607
Liabilities			
Non-current liabilities			
Leasing liabilities	7	2 307	4 438
Total non-current liabilities		2 307	4 438
Current liabilities			
Liabilities to group companies	12,16	1 598	2 154
Trade creditors	16	4 702	709
Other current liabilities	17	10 507	38 819
Total current liabilities		16 806	41 682
Total liabilities		19 114	46 120
Total equity and liabilities		449 935	494 728

Lysaker, 20.06.2022

Shinya Tauchi

Chairman of the Board

Yukihiko Machida

Managing Director

Board Member



INPEX NORGE AS

STATEMENT OF CHANGES IN EQUITY

<i>(Amounts in NOK thousand)</i>	Share capital	Premium paid-in capital	Uncovered loss	Total equity
Equity at 1st of January 2020	55 130	610 900	-188 880	477 150
Profit (loss) for the year			-28 542	-53 766
Other comprehensive income for the year			0	0
<i>Total comprehensive income for the year</i>			-28 542	-28 542
Equity at 31st of December 2020	55 130	610 900	-217 423	448 607
Equity at 1st of January 2021	55 130	610 900	-217 423	448 607
Profit (loss) for the year			-17 786	-17 786
Other comprehensive income for the year			0	0
<i>Total comprehensive income for the year</i>			-17 786	-17 786
Equity at 31st of December 2021	55 130	610 900	-235 209	430 821



INPEX NORGE AS

CASH FLOW STATEMENT

<i>(Amounts in NOK thousand)</i>	Note	2021	2020
Cash flow from operating activities			
Profit (loss) before income tax		-81 269	-135 061
Adjustments:			
Tax refunded	10	107 535	235 359
Depreciation and amortisation	6,7	2 999	3 468
Changes liabilities to group companies		-557	488
Changes in trade creditors		3 993	-4 373
Changes in other accruals		-33 179	28 332
Net cash flow from operating activities		-477	128 212
Cash flow from investing activities			
Investment in exploration and evaluation assets		0	0
Purchase of property, plant and equipment	6	-78	-27
Purchase of intangible asset (software)	6	0	0
Net cash flow from investing activities		-78	-27
Cash flow from financing activities			
Intercompany receivables (GCMS)	12	-16 332	-107 653
Proceeds from share issues		0	0
Net cash flow from financing activities		-16 332	-107 653
Net change in cash and cash equivalents		-16 887	20 532
Cash and cash equivalents at 1st January		28 171	7 639
Cash and cash equivalents at 31st of December		11 283	28 171



Norwegian Directorate of Taxes

Inquiries to Geir Johannessen	Your date 04.02.2015	Our date 12.02.2015
Telephone 22 07 73 25/2266 11 14	Your reference Arne Dale	Our reference 2015/94109

TMF NORWAY AS
P.O. Box 2334
3003 DRAMMEN

Permission to prepare the annual account and directors' report in English language for INPEX Norge AS, org.nr. 913 120 981

- With reference to your letter of 4 February 2015, you apply for permission to keep annual accounts and directors' report in English language for INPEX Norge AS, beginning from 2014.

Conclusion

Based on a total evaluation, the view of The Directorate of Taxes is that INPEX Norge AS may make the directors' report and annual accounts in English language from 2014 according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background

INPEX Norge AS is a wholly owned subsidiary of the Japanese oil company INPEX Corporation. INPEX Norge AS is a Norwegian oil company carrying out exploration activities for hydrocarbons on the Norwegian Continental Shelf. The common working language for INPEX employees in Norway is English. All contact with the Company's vendors and other creditors is in English. The members of the Board of Directors are not Norwegian citizens and do not have any knowledge of the Norwegian language. The annual financial statements and the directors' report therefore have to be prepared and reviewed by the Board of Directors in English. All the users and potential users of the annual financial statements and the director's report are proficient in English. In our opinion it would be in the interest of the users of the financial statements if the official version could be prepared in English.

Permission to make the annual accounts and the directors' report in Norway in English language

According to the Norwegian Accounting Act § 3-4, third paragraph shall "*the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language*".

Postal address
P.O. Box 9200 Grønland
0134 Oslo

Visiting address:
See www.skatteetaten.no
Org.nr: 996250318
E-mail: skatteetaten.no/sendepost

Telephone
800 80 000
Telefax
22 17 08 60



Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

“The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information.”

Hence, one of the main aims of the Accounting Act is to contribute to “informative accounts for different users of accounts”. The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors’ report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is 100 % owned by a Japanese company. The working language is English. Further, the company operates internationally, and English is the preferred language for all significant users.

Please state “our reference” (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Tostein Kinden Helleland
Senior Adviser
Rettsavdelingen, foretaksskatt
Norwegian Directorate of Taxes

Geir Johannessen

This document has been electronically approved and contains therefore no handwritten signatures