



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 918 110 127  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: CONOCOPHILLIPS SKANDINAVIA AS  
Forretningsadresse: Ekofiskvegen 35  
4056 TANANGER

### 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: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Astri Alden  
Dato for fastsettelse av årsregnskapet: 07.04.2022

### 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, 06.07.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	1,8	35 386 000 000	16 001 000 000
<b>Sum inntekter</b>		<b>35 386 000 000</b>	<b>16 001 000 000</b>
<b>Kostnader</b>			
Avskrivning på varige driftsmidler og immaterielle eiendeler	6	7 082 000 000	6 074 000 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6	0	85 000 000
Purchase of crude oil and natural gas		3 456 000 000	1 802 000 000
Underlift of crude oil, gas and NGL		-109 000 000	-234 000 000
Production and administration expenses	2,3,4,8	3 818 000 000	3 936 000 000
Processing and transportation expenses		1 014 000 000	810 000 000
Emission taxes		303 000 000	279 000 000
Decommissioning and removal costs	12	1 232 000 000	1 475 000 000
Exploration expenses		175 000 000	496 000 000
<b>Sum kostnader</b>		<b>16 971 000 000</b>	<b>14 723 000 000</b>
<b>Driftsresultat</b>		<b>18 415 000 000</b>	<b>1 278 000 000</b>
<b>Finansinntekter og finanskostnader</b>			
Inntekt på andre investeringer		23 000 000	46 000 000
Annen renteinntekt		13 000 000	20 000 000
Currency gain		66 000 000	150 000 000
<b>Sum finansinntekter</b>		<b>102 000 000</b>	<b>216 000 000</b>
Rentekostnad til foretak i samme konsern		48 000 000	88 000 000
Annen rentekostnad		2 000 000	12 000 000
<b>Sum finanskostnader</b>		<b>50 000 000</b>	<b>100 000 000</b>
<b>Netto finans</b>		<b>52 000 000</b>	<b>116 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>18 467 000 000</b>	<b>1 394 000 000</b>
Skattekostnad på ordinært resultat	11	13 901 000 000	428 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>4 566 000 000</b>	<b>966 000 000</b>
<b>Årsresultat</b>		<b>4 566 000 000</b>	<b>966 000 000</b>



## Resultatregnskap

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>Overføringer og disponeringer</b>			
Tilleggsutbytte		4 000 000 000	
Overføringer til/fra annen egenkapital		566 000 000	966 000 000
<b>Sum overføringer og disponeringer</b>		<b>4 566 000 000</b>	<b>966 000 000</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Maskiner og anlegg		64 000 000	21 000 000
Skip, rigger, fly og lignende		45 508 000 000	48 076 000 000
<b>Sum varige driftsmidler</b>	6	<b>45 572 000 000</b>	<b>48 097 000 000</b>
<b>Finansielle anleggsmidler</b>			
Investeringer i tilknyttet selskap	5	144 000 000	134 000 000
Andre fordringer		58 000 000	103 000 000
<b>Sum finansielle anleggsmidler</b>		<b>202 000 000</b>	<b>237 000 000</b>
<b>Sum anleggsmidler</b>		<b>45 774 000 000</b>	<b>48 334 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer		237 000 000	199 000 000
<b>Sum varer</b>		<b>237 000 000</b>	<b>199 000 000</b>
<b>Fordringer</b>			
Kundefordringer		1 392 000 000	337 000 000
Andre fordringer		965 000 000	927 000 000
Receivables from partners		135 000 000	36 000 000
Income tax receivables	11	0	636 000 000
Konsernfordringer	8	2 907 000 000	1 203 000 000
<b>Sum fordringer</b>		<b>5 399 000 000</b>	<b>3 139 000 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	14	7 008 000 000	2 115 000 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>7 008 000 000</b>	<b>2 115 000 000</b>
<b>Sum omløpsmidler</b>		<b>12 644 000 000</b>	<b>5 453 000 000</b>
<b>SUM EIENDELER</b>		<b>58 418 000 000</b>	<b>53 787 000 000</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	10	101 000 000	101 000 000
Overkurs		2 315 000 000	2 315 000 000
Annen innskutt egenkapital		1 476 000 000	1 476 000 000
<b>Sum innskutt egenkapital</b>		<b>3 892 000 000</b>	<b>3 892 000 000</b>
<b>Opptjent egenkapital</b>			
Retained Earnings		8 223 000 000	7 657 000 000
<b>Sum opptjent egenkapital</b>		<b>8 223 000 000</b>	<b>7 657 000 000</b>
<b>Sum egenkapital</b>	9	<b>12 115 000 000</b>	<b>11 549 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	11	20 178 000 000	20 477 000 000
Andre avsetninger for forpliktelser	3	28 000 000	31 000 000
Provisions for decommissioning and removal costs	12	13 648 000 000	13 389 000 000
<b>Sum avsetninger for forpliktelser</b>		<b>33 854 000 000</b>	<b>33 897 000 000</b>
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	7	0	6 223 000 000
Øvrig langsiktig gjeld		14 000 000	88 000 000
<b>Sum annen langsiktig gjeld</b>		<b>14 000 000</b>	<b>6 311 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>33 868 000 000</b>	<b>40 208 000 000</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		950 000 000	1 350 000 000
Betalbar skatt	11	10 821 000 000	
Skyldige offentlige avgifter		107 000 000	79 000 000
Kortsiktig konserngjeld	8	389 000 000	412 000 000
Annen kortsiktig gjeld		168 000 000	165 000 000
Amounts due to partners		0	24 000 000
<b>Sum kortsiktig gjeld</b>		<b>12 435 000 000</b>	<b>2 030 000 000</b>



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum gjeld		46 303 000 000	42 238 000 000
<b>SUM EGENKAPITAL OG GJELD</b>		<b>58 418 000 000</b>	<b>53 787 000 000</b>



Statsautoriserte revisorer  
Ernst & Young AS

Vassbotnen 11a Forum, 4313 Sandnes  
Postboks 8015, 4068 Stavanger

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

www.ey.no  
Medlemmer av Den norske Revisorforening

## INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of ConocoPhillips Skandinavia AS

### Opinion

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

In our opinion the financial statements 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 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) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

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

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

### Responsibilities of management for the financial statements

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

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



Building a better  
working world

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 skepticism 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, 8 April 2022  
ERNST & YOUNG AS

*The auditor's report is signed electronically*

Tor Inge Skjellevik  
State Authorised Public Accountant (Norway)

Independent auditor's report - Conocophillips Skandinavia AS 2021

A member firm of Ernst & Young Global Limited

Perneo Dokumentnøkkel: DV2AE-P4HW7-7JXHE-8MQQ-QE4TK-2WK2N



# PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo"™ - sikker digital signatur.  
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

## Tor Inge Skjellevik

Statsautorisert revisor

Serienummer: 9578-5997-4-259359

IP: 145.62.xxx.xxx

2022-04-08 13:19:32 UTC



Penneo Dokumentnøkkel: DV2AE-P4HW7-7JXHE-J8MQQ-QE4TK-2WK2N

Dokumentet er signert digitalt, med **Penneo.com**. Alle digitale signatur-data i dokumentet er sikret og validert av den datamaskin-utregnede hash-verdien av det opprinnelige dokument. Dokumentet er låst og tids-stemplet med et sertifikat fra en betrodd tredjepart. All kryptografisk bevis er integrert i denne PDF, for fremtidig validering (hvis nødvendig).

### Hvordan bekrefter at dette dokumentet er originalen?

Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

Adobe Reader, skal du kunne se at dokumentet er sertifisert av **Penneo e-signature service <penneo@penneo.com>**. Dette garanterer at innholdet i dokumentet ikke har blitt endret.

Det er lett å kontrollere de kryptografiske beviser som er lokalisert inne i dokumentet, med Penneo validator - <https://penneo.com/validate>



# ConocoPhillips Skandinavia AS

Annual Report  
2021





## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021

### INTRODUCTION

ConocoPhillips Skandinavia AS explores for, produces, transports and sells oil and gas from the Norwegian Continental Shelf ("NCS").

ConocoPhillips Skandinavia AS ("the company" or "we") was established in Norway in 1964 and participated in the first licensing round on the NCS in 1965, in which the company was awarded three production licenses. After several years of exploration drilling activities, a discovery was made in 1969. This resulted in the development of the Ekofisk field, the first commercial oil field offshore Norway. Today, the company is both an operator and partner in 11 producing fields on the NCS, from which it derives the majority of its revenues.

ConocoPhillips Skandinavia AS is a wholly owned subsidiary of ConocoPhillips Norge. The operations of the company are conducted by employees from the Norwegian branch of ConocoPhillips Norge. The headquarters of ConocoPhillips Skandinavia AS are located in Tananger, in the municipality of Sola.

ConocoPhillips ("the group") is an international, independent exploration and production (E&P) company. Headquartered in Houston, Texas, ConocoPhillips had operations and activities in 14 countries, \$91 billion of total assets, and approximately 9,900 employees at December 31, 2021.

As referenced in the health, safety, and environment section of this report, the global Covid-19 pandemic had limited impact on activities throughout 2021. Despite some restrictions, our operated and partner-operated activities were carried out as planned.

### FINANCIAL RESULTS

#### *Production*

Total net production was 49.3 million barrels of oil equivalents in 2021. This corresponds to an average of 135 thousand barrels of oil equivalents per day. In comparison, 2020 average production was 127 thousand barrels of oil equivalents per day.

Net crude production was 29.5 million barrels in 2021, compared to 28.5 million barrels in 2020. Net natural gas production was 3.1 billion standard cubic meters in 2021, up 0.3 billion standard cubic meters from 2020. Net natural gas liquids (NGL) production was 1.6 million barrels in 2021, unchanged compared to 2020.

#### *Net Income*

Net income for 2021 amounted to NOK 4,566 million, an increase of NOK 3,600 million from 2020.

#### *Operating Revenues*

Total operating revenues in 2021 were NOK 35,386 million, an increase of 121 percent compared to NOK 16,001 million in 2020. The increase was largely due to higher realized commodity prices, partially offset by exchange rate movements.

The majority of the company's revenues are generated from the sale of oil and gas, with 51 percent of total revenues related to the sale of oil. The average realized crude oil price was USD 71.28 per barrel during 2021, compared to an average realized price of USD 40.66 per barrel in 2020. The average realized natural gas price in 2021 was NOK 4.26 per standard cubic meter compared to NOK 1.17 in 2020.

Revenues derived from the sale of oil are primarily received in US dollars (USD). The Norwegian Kroner (NOK) strengthened against the USD during the year and the



## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021

average USD/NOK exchange rate in 2021 was 8.58, compared to USD/NOK 9.31 in 2020. Revenues derived from the sale of gas are mainly comprised of Euros (EUR) and British Pounds (GBP). The average EUR/NOK exchange rate in 2021 was 10.10 vs. 10.69 in 2020. We saw a similar movement in the GBP, which had an average GBP/NOK exchange rate in 2021 of 11.85 vs. 12.06 in 2020.

### **Operating Expenses**

Total operating expenses were NOK 16,971 million in 2021, compared to NOK 14,723 million in 2020. The 15 percent increase was largely the result of higher purchases of gas from third parties and higher depreciation, partly offset by lower exploration expenses and lower decommissioning and removal costs in 2021 compared to 2020.

### **Balance Sheet**

Total assets increased to NOK 58,418 million in 2021, from NOK 53,787 million in 2020. The increase was largely due to higher cash and cash equivalents and higher receivables from related parties and trade accounts. The higher cash and receivables were partly offset by a reduction in tangible fixed assets as depreciation outpaced new capital investment.

Total liabilities at the end of 2021 were NOK 46,303 million, an increase of NOK 4,065 million compared to 2020. The increase was driven primarily by higher income taxes, which for 2021 shifted to a liability versus a receivable in 2020. Higher taxes were partly offset by repayment of all loans from affiliated companies of NOK 6,223 million in 2021.

Total equity increased by NOK 566 million, reflecting 2021 net income of NOK 4,566 offset a NOK 4,000 million dividend distribution in 2021.

### **Cash Flow**

Cash and cash equivalents at the end of 2021 were NOK 7,008 million, compared to NOK 2,115 million in 2020. Net cash from operations increased by 283 percent to NOK 19,685 million. The increase was driven primarily by higher realized commodity prices during 2021.

Net cash from financing activities was a spend of NOK 10,223 million, compared to zero in 2020. The 2021 activity includes repayments of long-term loans of NOK 6,223 million and dividend payment of NOK 4,000 million in 2021.

Based on the historical performance of the company and the 2021 results, the Board of Directors believe that the company's financial position is solid, with good liquidity and sufficient equity.

The following section provides an overview of the company outlook, describes the operated and non-operated production fields, and provides an overview of key 2021 activities.

## **COMPANY OUTLOOK**

### **Overview**

The company manages a robust and diversified portfolio of oil and gas assets on the NCS. The company is seeking new growth opportunities and is an active applicant in concession rounds on the NCS and in the secondary market for license shares.

The financial results of oil and gas production and sales are subject to fluctuations in natural gas and crude oil prices, foreign exchange rates, and other external factors beyond the company's direct control.

In 2021 we celebrated 50 years since first production from the Ekofisk field. Together with key stakeholders, the company marked the proud history as an oil producer in



## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021

Norway. The company can look back and commemorate the significant role that the Greater Ekofisk Area and the oil age has played for Norway as a country.

Several initiatives have been executed to improve and safeguard the company's competitiveness in 2021. The offshore improvement program Ekofisk 2030+ has been progressed. The program aims to contribute toward enhancing efficiency and improving the operation of all fields in the Greater Ekofisk Area and enhance production horizon far beyond 2030. The program includes a number of specific projects, such as extended use of 'digital twins', remote control of the Eldfisk 2/7 B and progressing plans to reduce offshore manning to two manned centers in the Greater Ekofisk Area. Also, the use of new well technologies such as dual laterals and coiled tubing drilling has progressed over the year, improving cost-effectiveness within operations, maintenance and drilling.

With the company's legacy position in Norway, a balanced portfolio of operated and partner-operated long-lifetime producing assets, recent exploration discoveries and license awards, and a highly qualified and experienced organization, the Board of Directors of ConocoPhillips Skandinavia AS ("the Board") firmly believes that the company is well positioned to continue its strong presence on the NCS.

### **Production Licenses**

During 2021, the company held interests in the following producing fields:

<b>FIELD</b>	<b>INTEREST</b>	<b>OPERATOR</b>
Ekofisk	35.112 %	COPSAS*
Eldfisk	35.112 %	COPSAS*
Embla	35.112 %	COPSAS*
Tor	30.658 %	COPSAS*
Tommeliten	41.88 %	COPSAS*
Tommeliten Unit	28.26 %	COPSAS*
Heidrun	23.99 %	Equinor ASA
Alvheim	20.00 %	Aker BP ASA
Aasta Hansteen	10.00 %	Equinor ASA
Visund	9.10 %	Equinor ASA
Grane	6.17 %	Equinor ASA
Oseberg	2.40 %	Equinor ASA
Troll	1.62 %	Equinor ASA

\* ConocoPhillips Skandinavia AS

The company is the operator for assets located in the Greater Ekofisk Area, which currently comprises four producing fields: Ekofisk, Eldfisk, Embla and Tor. The fields are located in the North Sea, approximately 300 kilometers southwest of Stavanger. Production in the Greater Ekofisk Area takes place through several production platforms. Water injection in the area has resulted in increased production and reserves. Moreover, the company is the operator of the Tommeliten license and the Tommeliten Unit, also located in the Greater Ekofisk Area.

The company is a licensee in seven partner-operated producing fields on the NCS, as outlined in the table above. The company's largest partner-operated field ownership interest is in the Heidrun field, located in the Norwegian Sea, operated by Equinor. Crude oil from Heidrun is stored on a permanent floating storage unit (Heidrun B) and offloaded from the storage unit by the use of shuttle tankers. Some natural gas is injected into the reservoir to optimize oil production. The remaining natural gas is sold to the European market or used as feedstock for the methanol plant at Tjeldbergodden in Norway, where the company has an ownership interest of 18 percent.



## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021

Aker BP is the operator of Alvheim, an oil and gas field located in the northern part of the North Sea. Alvheim is developed with a Floating Production Storage and Offloading (FPSO) vessel and subsea wells. The crude oil is exported using tankers, and the natural gas is transported via pipeline to the Scottish Area Gas Evacuation (SAGE) terminal at St. Fergus in the United Kingdom.

Crude from remaining partner-operated fields is exported via field-specific infrastructure while gas production is transported to market via the Norwegian Gassled system.

### **Greater Ekofisk Area & Operated Activities**

Greater Ekofisk Area production has been stable during 2021. Important milestones this year have been the completion of the Tor II Development Project, a final investment decision for the Tommeliten A Unit Development Project, as well as progressing major drilling programs in the Greater Ekofisk Area. The Eldfisk North Development Project has been matured and was approved for an investment early 2022. In addition, the company was awarded four new exploration licenses with three operatorships on the Norwegian shelf in January 2021.

Production from the Tor field ceased at the end of 2015. However, the field has been revitalized through a new subsea field development tied-back to the Ekofisk Complex. Production from the redeveloped Tor field started with the initial wells in December 2020, and all wells came online in 2021 with an average daily production of 15.9 MBOED. This is the first redevelopment of a shut-in field on the NCS.

The plan for development and operation (PDO) of the Tommeliten A field was submitted to the authorities in November 2021. Authority approval is expected first half

of 2022. The development concept is a two-by-six slot subsea production system. Gross resource potential for the Tommeliten A Unit field is estimated to be in the range of 80-180 million barrels oil equivalent, mainly comprising gas condensate. The new greenfield facilities will be located about 25 kilometers southwest of the Ekofisk Complex, and the total capital investment associated with the project is estimated to be approximately NOK 13 billion. First production is expected in 2024.

The partners in the Ekofisk license approved the AFE (Authority for Expenditure) for the Eldfisk North development project in first quarter 2022. The project will be developed with a seabed solution consisting of three subsea templates, each with six well slots. Two of the systems are for production of oil and gas, and the last template is for water injection. Production will be tied back to Eldfisk Complex. The resource potential for Eldfisk North is estimated at between 50 and 85 million barrels of oil equivalents. Startup of drilling is planned for fourth quarter 2022, with production start in 2024.

In 2021, the Eldfisk II drilling program on 2/7 S continued with the West Elara drilling rig, and the program was completed in early 2022.

At Ekofisk, drilling of water injection wells on 2/4 K and production wells on 2/4 X continued in 2021 by using the platform rigs. A three well campaign was performed on 2/4 Z with the rig West Linus.

In the Greater Ekofisk Area, continuous well intervention work has been carried out during 2021. This is a critical activity to maintain current production levels and will continue into 2022.



**ConocoPhillips Skandinavia AS  
BOARD OF DIRECTORS REPORT 2021**

Two Permanent Plugging and Abandonment (PP&A) Campaigns were completed 2021, on Ekofisk 2/4 B with the rig Rowan Norway and on Eldfisk 2/7 B utilizing the platform rig. In addition, a campaign was commenced on Tor 2/4 E with the drilling rig West Linus, with the objective to perform PP&A of the remaining wells.

The Ekofisk 2/4 H platform, and the Ekofisk 2/4 Q and Ekofisk 2/4 FTP jackets were removed in 2021. The Tor 2/4 E platform will follow within 2024.

**Partner-operated Assets**

Important milestones were achieved in the ConocoPhillips’ partner operated portfolio during the year.

At Alvheim, a final investment decision was made in June for the Kobra East Gekko project. First production is scheduled in 2024. A total of NOK eight billion will be invested in the field development, which will extend the field lifetime beyond the mid-2030’s.

In November, the license partners endorsed an investment decision for the Oseberg Gas Project, which includes a new compressor and partial electrification with power from shore. The primary objectives are to increase gas capacity and reduce emissions from the fields in the Oseberg area through partial electrification of the Oseberg field center and Oseberg South. The development requires approximately NOK 10 billion in investments.

The plan for development and operation of the Equinor-operated Breidablikk field in the North Sea was approved by the authorities in 2021. Field investments are anticipated to be approximately NOK 18.6 billion. Production is expected to start in 2024. Partners are ConocoPhillips (4.4 percent), Petoro (22.2 percent) and Vår Energi (34.4 percent).

**Reserves**

The company’s proved reserves according to U.S. Securities and Exchange Commission regulation at year-end 2021 were 160.7 million barrels of crude oil, 21.7 billion standard cubic meters of gas and 10.8 million barrels of natural gas liquids, a total of 299.4 million barrels of oil equivalent. During 2021, proven reserves were reduced by 24.0 million barrels of oil equivalent, or eight percent. The 2021 production of 49.6 million barrels of oil equivalents (including produced petroleum consumed in operations) was partially offset by positive reserves additions of 25.5 million barrels of oil equivalents through approval of new projects, additional planned developments, and positive field performance.

**Exploration Activities**

In 2021 the company did not participate in any exploration wells. The company was awarded two new exploration licenses, PL1122 and PL1123, and two acreage additions, PL891 B and PL1045 B. Significant planning work was done in 2021 in preparation for a four well operated exploration and appraisal drilling campaign in 2022. The campaign includes an appraisal well that will be drilled on the Slagugle discovery in license PL891 followed by exploration wells at the Peder PL1064, Bounty PL935 and Lamba PL782S / SD prospects.

License	Interest	Area	Type
PL1122*	40 %	Norwegian Sea	License award
PL1123*	40 %	Norwegian Sea	License award
PL891 B*	80 %	Norwegian Sea	Acreage addition
PL1045 B	20 %	North Sea	Acreage addition

\* ConocoPhillips Skandinavia AS as operator

**WORK ENVIRONMENT & EQUAL OPPORTUNITY**

**Employees**

The company has no employees. The company’s operations are run primarily through the provision of services by



## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021

employees of the Norwegian branch of ConocoPhillips Norge. Of the company's four board members, three, or 75 percent, are women.

The directors and officers of ConocoPhillips Skandinavia AS are covered under a corporate Directors and Officers Liability insurance program. The insurance covers personal legal liabilities including defense and legal costs. The officers and directors of the parent company and all subsidiaries globally are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.

### ***Sustainable Development***

ConocoPhillips is committed to contributing to several important aspects of sustainable development on a global basis. The group carefully considers safety and risk, environmental (climate, biodiversity and water), social and governance (ESG) in its decision-making process. These commitments establish a framework for the group's operations.

In 2021, ConocoPhillips has further developed the Energy Transition Strategy announced in 2020, including an updated climate-risk strategy and new Paris-aligned target framework with an ambition to be a Paris-aligned E&P company of choice by striving to reach net-zero emissions by 2050. ConocoPhillips in 2021 improved the greenhouse gas (GHG) intensity target to 40-50 percent by 2030 from a December 31, 2016, baseline. The previous target established in 2020 was 35-45 percent.

The company achieved the GHG intensity target for 2021 at < 15,3 kg CO<sub>2</sub> equivalents per BOE. The company also concluded on a new GHG roadmap for the Ekofisk operations including a new ambition to reduce GHG

emissions by 50 percent within 2030 compared to 2005. Since 1990 the CO<sub>2</sub> emissions are reduced by 65 percent. During the year, several new energy efficiency projects have been identified supporting the new GHG ambition.

In addition, the Ekofisk Wind Project passed the Authority for Select (AFS) milestone in December 2021, continuing work towards a final investment decision in late 2022. The project concept consists of two 10-14-megawatt wind turbines installed offshore to supply electrical power to the Ekofisk field. Project sanction is planned for Q4 2022, with first power in 2026. The wind turbines have the potential to reduce greenhouse gas emissions by approximately 60 thousand tonnes of CO<sub>2</sub> equivalents from the Ekofisk field.

The company continues to demonstrate that it takes GHG reductions seriously and manages climate-related risks and issues throughout the business. As an example, in 2021 the new flare gas recovery system on Ekofisk 2/4 J was prepared and made ready for startup after the maintenance shut down in 2022. For further information on sustainable development, please refer to [www.conocophillips.com/sustainability](http://www.conocophillips.com/sustainability).

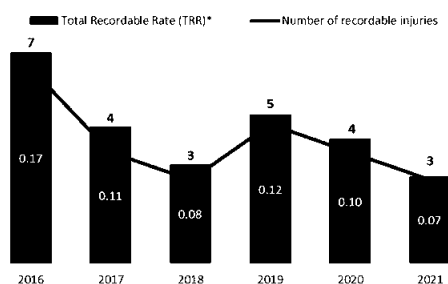
The company is also investing in emissions reduction initiatives in our partner-operated portfolio. Electrification projects were approved for the Troll and Oseberg fields in 2021.

## **HEALTH, SAFETY & ENVIRONMENT**

### ***General***

2021 was another great year in terms of health, safety and environment (HSE). The company maintained the high level of HSE performance established in recent years with no serious events since 2015.

## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021



\* The figure shows personnel injury frequency per 200.000 working hours (employees and contractors).

Safety is a core value in how the company operates across the globe and its strong HSE performance reflects its relentless effort to deeply embed safety into its culture. The company is committed to protecting the health and safety of those who are involved in its operations or live within the communities around its operations. Where the company operates, it strives to conduct its business with respect and care for both local and global environments and to systematically manage risk to drive sustainable business growth. The company's goal is to eliminate injuries, occupational illnesses, unsafe practices and incidents of environmental harm from its activities. This ambition drives managements and employees' focus on continuing to improve HSE performance and reducing major incident risk.

During 2021, the company continued to improve, clarify and simplify its work processes and procedures. The systematic efforts related to operational integrity continue through improvement of procedures, training and communication. During the year there was focus on process safety, operating integrity and crane and lifting operations. Safety defenses were enhanced through risk-based assessments and a robust asset integrity process.

Employees' and contractors' continuous focus over time on the company's Life Saving Rules has significantly contributed to the positive trend in HSE performance in later years. The Life Saving Rules define how the company expects its activities to be performed. Each life-saving rule comes with a set of minimum requirements and a verification template, used to implement and to verify safe planning and execution of tasks. This fosters visible and proactive leadership, as well as better communication about safety, expectations and risks in the workplace.

The company also has a comprehensive program to ensure suppliers meet contractual requirements, drive continuous improvement and safeguard HSE standards in their work. Regular supplier audits with emphasis on HSE, quality and operations are carried out before and after contracts are awarded. Internal audits are also conducted to verify that installations and departments operate according to internal and external requirements.

The company's partner-operated assets are monitored with focus on risks related to activities and projects, with special attention to major accident risk. The company actively contributes to sharing of best practices in the licenses.

### **Occupational Hygiene**

ConocoPhillips participates in the National Cancer Register study called the "Heliport cohort". The original "offshore cohort" cancer survey from 1998 contains 28 thousand individuals. The study aims to increase the cancer cohort with more members. Using helicopter data as a source, it is assumed that the number of members in the cohort may increase to 75 thousand individuals or higher.



## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021

### ***Emergency Preparedness***

The company continues to strengthen its capabilities in managing complex major incidents. This includes a corporate mutual assistance agreement between Equinor and ConocoPhillips. In November 2021, the company arranged a virtual Norpipe oil pipeline emergency response exercise utilizing Microsoft Teams to facilitate co-operation between the response teams in Tananger, Teesside and ConocoPhillips' Global Incident Management Assist Team, and with participation from Oil Spill Response Limited

### ***Covid-19***

When the pandemic hit, the emergency preparedness team handled the initial response, and quickly implemented communication channels and barriers to avoid infection to our operated assets and office locations. As the pandemic continued, a team with representatives across departments including a safety representative, was assembled to manage the long-term response and ensure the workforce's safety and business continuity. During the last half of 2021 the medical teams offshore managed all infections, with some assistance from the onshore medical team.

The team has actively worked together with company headquarters and other operators on the Norwegian continental shelf to align and coordinate responses to the pandemic. The team reported directly to the leadership team which allowed for rapid decisions in response to changes in infection numbers in society, and guidance from the Norwegian Government. Key focus areas have been to establish robust barriers to mitigate risk for infection to our work locations, ensure supply of critical equipment and personnel, and maintain strong communication channels to all employees, suppliers, and contractors.

Home office and deferral of non-critical activity for safety and production has been important to allow for social distancing. Hand- and cough hygiene, face masks, temperature screening and testing have also been important mitigating actions. The strong safety culture in the company has been apparent from the start of the pandemic, and important in avoiding infection to our work locations. The entire workforce has frequently adapted to changes and shown strength and integrity throughout the year.

Emergency preparedness and crises management has also been managed in a good manner onshore and offshore despite the covid situation by planning and execution of adapted mustering exercises offshore and adapted training of personnel.

### **ENVIRONMENT**

The group has implemented high environmental standards with the goal that its actions today will not only provide the energy needed to drive economic growth and social well-being, but also strive to secure a stable and healthy environment for tomorrow.

In line with these values, the company continued its efforts in environmental research during 2021 to increase the knowledge base and develop new tools for environmental management. One example is the company's further development of the SYMBIOSES model, a major industry initiative focusing on the Barents Sea and the Norwegian Sea. The project combines existing environmental risk models with population models for plankton and fish to improve impact prediction following the unlikely event of an oil spill in the area.

Phase II of the Glider Program has commenced, continuing the successful

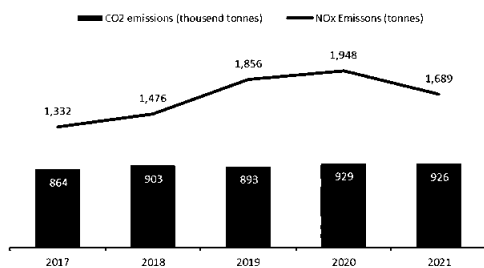


**ConocoPhillips Skandinavia AS  
BOARD OF DIRECTORS REPORT 2021**

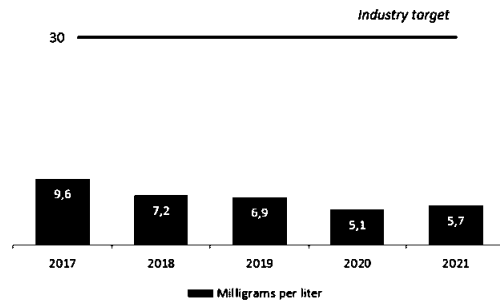
harvest of large volumes of meteorological, oceanographic, chemical, and biological data, mapping fish and marine mammals in phase I. The glider platforms have enabled data capture not possible with traditional research vessels and methods, resulting in unique and improved datasets generating groundbreaking knowledge of life at sea. Phase II is a three-year program to study impact on ecosystems from produced water and seismic activity.

The company has also contributed to a significant international project studying sea-bird distribution and migration. This will increase the knowledge of sea-bird populations in the North Atlantic and contribute to the development of methods for environmental monitoring and prediction of environmental risk for these species.

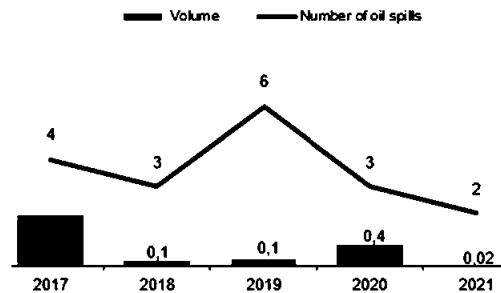
Emissions to air in the Greater Ekofisk Area were slightly lower in 2021 than 2020. The total emission of CO<sub>2</sub> in 2021 was 0.93 million tonnes. The total emission of NO<sub>x</sub> in 2021 was 1,689 tonnes.



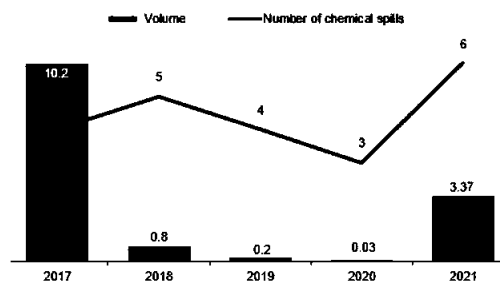
The maximum allowed oil-in-water content in produced water set by Norwegian authorities is 30 mg/l. The oil in water concentration in produced water for the Greater Ekofisk Area was 5,7 mg/l and has been below 10 mg/l for the last eight years.



The graph below reflects the number and volume of unintentional oil spills for the Greater Ekofisk Area. In 2021, there were two oil spills, which totaled 0.02 cubic meters.

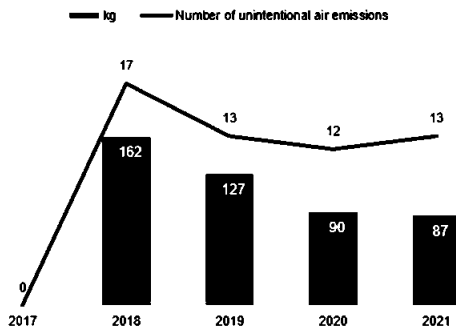


There were six chemical spills in 2021 totaling 3.37 cubic meters.

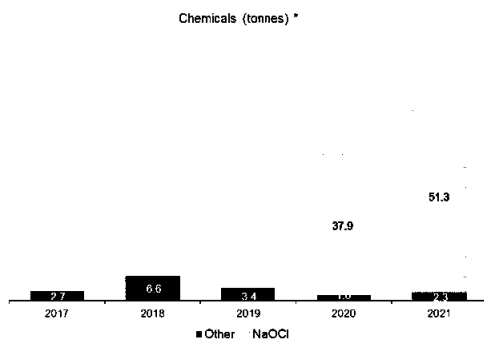


Number of unintentional air emissions was thirteen, with a total of 87 kg released.

**ConocoPhillips Skandinavia AS  
BOARD OF DIRECTORS REPORT 2021**



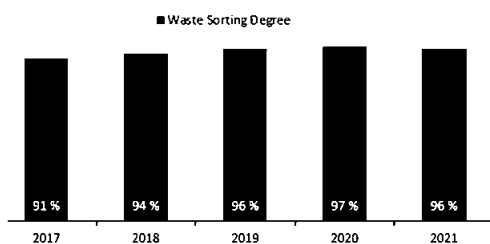
Discharges of environmentally hazardous chemicals to sea have been low over the last years.



\*Tonnes of discharge of environmentally harmful components

The large increase in 2020 and 2021 is due to new reporting requirements for Sodium Hypochlorite produced by the electro chlorination systems offshore.

Since 2005, the degree of waste sorting has stabilized at a high level, reaching 96 percent in 2021. The amount of recycled waste was 4,600 tonnes in 2021.



**RESEARCH & DEVELOPMENT**

Innovation is a core value at ConocoPhillips, and we are engaged in a continuous journey to foster a culture of innovation and harness ideas and expertise to help improve performance and enhance the value of our assets.

Research & Development (R&D) plays a significant role in this work as one of the drivers of innovation.

The R&D program generates new knowledge and experience to support our portfolio of oil and gas assets. The overall goal is to include results of the industrial research effort for improved exploration and operations performance, for growth opportunities and future requirements.

The company's 2021 R&D portfolio consisted of 60 projects. These projects help build strong relationships with our stakeholders and suppliers through trust and innovation. The company's portion of R&D cost during 2021 is NOK 20 million.

The portfolio is aligned with the company's strategies for sustainability. The projects are in support of our operating assets and exploration efforts to realize improvements in subsurface characterization, asset integrity, and safe and responsible production, drilling and decommissioning activities.

Selected projects are explained in some detail in the following sections.

The company contributes funds to the LowEmission Research Center for Low Emission Technology for Petroleum Activities on the Norwegian Continental Shelf. The vision and overall goal is to drive technology development enabling emission reductions in support of the ambition established for the



## ConocoPhillips Skandinavia AS BOARD OF DIRECTORS REPORT 2021

industry. Research areas include technology and concepts for offshore energy systems and integration with renewable power production technologies.

COREC, Center of Oil Recovery, was initiated by ConocoPhillips Skandinavia AS, IRIS (now NORCE) and Stavanger Regional College in 2003. The overall goal was to increase the oil recovery and the national improved oil recovery competence through extensive research, competence building and education of new students. The focus was on opportunities and challenges in carbonate fields, like Greater Ekofisk operated by the company. The center ceased operations in December 2021 as a success story and has contributed to the foundation of the University of Stavanger and provided increased understanding of chalk behavior during the production phase.

The DigiWells research center started up in 2021 to develop new knowledge, methodologies, technologies and innovative solutions to optimize well construction performance. The center is supported with funds from the company and five other major operators on the NCS. This eight-year program will focus on cross disciplinary and digitalized work processes for improved planning and execution of well delivery to reduce cost, ensure safe operations and reduce environmental footprint. The center has a goal of delivering four technologies yearly towards industry testing. It will make use of a new generation sensors and digital technologies as well as automation and autonomous drilling operations.

The Plugging and Abandonment (P&A) Innovation Program is a five-year program in which the company participates to further develop technologies and solutions related to P&A through laboratory work and experiments. The program focuses on fluid

migration modelling and treatment, testing of cemented casing sections and logging methods, full-scale P&A tests, infrastructure development and rig-less P&A experiments for safe operations, improved efficiency and reduced costs and greenhouse gas emissions.

### COUNTRY-BY-COUNTRY REPORTING

In accordance with section §3-3d of the Norwegian Accounting Act, the company is required to submit an annual report detailing the payments made to the authorities by country and project. This report is available at [www.conocophillips.no](http://www.conocophillips.no) under Social Responsibility.

### FINANCIAL RISK

#### *Market Risk*

The company's financial performance is highly dependent upon oil and gas commodity prices, which can fluctuate considerably. In addition, changes in foreign currency exchange rates can have a significant impact on the company's financial performance, since the majority of its revenues are in USD and EUR, which are subject to exchange rate movements when converted back to the functional currency, NOK.

The company does not hedge its cash flow for foreign exchange risk.

#### *Credit Risk*

The company's credit risk is limited as the majority of its receivables are from financially solid affiliated companies. The remainder of the company's receivables are primarily related to sales to large corporations and are based on long-term agreements.

#### *Liquidity Risk*

The company's liquidity is considered satisfactory. The company is expected to finance its future cash requirements primarily through revenues from ordinary operations,



**ConocoPhillips Skandinavia AS**  
**BOARD OF DIRECTORS REPORT 2021**

participation in the group's cash pool arrangement and intercompany loans from affiliated companies if necessary.

**GOING CONCERN**

In accordance with 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 position and the liquidity of the company are considered to be sufficient going forward.


**ALLOCATION OF NET INCOME**

The board proposes that the net income of NOK 4,566 million be transferred to retained earnings.

Tananger, December 31, 2021  
April 7, 2022


  
E.A. Oftedal

Chairman of the Board

  
S. Våge

Managing Director

  
I.M.H. Hagelin

  
E.E. Ivarjord



## ConocoPhillips Skandinavia AS INCOME STATEMENT

<i>Amounts in NOK million</i>	Notes	2021	2020
<b>Operating Revenues</b>			
Crude oil sales		17,988	10,686
Natural gas sales		16,011	4,302
NGL sales		499	358
Other income		888	655
<b>Total Operating Revenues</b>	1, 8	<b>35,386</b>	16,001
<b>Operating Expenses</b>			
Purchase of crude oil and natural gas		3,456	1,802
Underlift of crude oil, gas and NGL		-109	-234
Production and administration expenses	2, 3, 4, 8	3,818	3,936
Processing and transportation expenses		1,014	810
Emission taxes		303	279
Depreciation	6	7,082	6,074
Impairments	6	-	85
Decommissioning and removal costs	12	1,232	1,475
Exploration expenses		175	496
<b>Total Operating Expenses</b>		<b>16,971</b>	14,723
<b>Income from Operations</b>		<b>18,415</b>	1,278
<b>Financial Income and Expenses</b>			
Income from other investments		23	46
Interest income		13	20
Interest expenses to affiliated company		-48	-88
Other interest expenses		-2	-12
Currency gain		66	150
<b>Net Financial Items</b>		<b>52</b>	116
<b>Income before Taxes</b>		<b>18,467</b>	1,394
Income taxes	11	13,901	428
<b>Net Income</b>		<b>4,566</b>	966



## ConocoPhillips Skandinavia AS BALANCE SHEET

<i>Amounts in NOK million</i>	Notes	2021	2020
<b>ASSETS</b>			
<b>Tangible Fixed Assets</b>			
Production plant and equipment		43,377	46,219
Production plant under construction		965	765
Capitalized exploration costs and license transfers		1,166	1,092
Machinery, software, equipment and facilities		64	21
<b>Total Tangible Fixed Assets</b>	6	<b>45,572</b>	<b>48,097</b>
<b>Financial Assets</b>			
Investments in other companies	5	144	134
Other long-term receivables		58	103
<b>Total Financial Assets</b>		<b>202</b>	<b>237</b>
<b>Total Fixed Assets</b>		<b>45,774</b>	<b>48,334</b>
<b>Inventories</b>			
		237	199
<b>Receivables</b>			
Receivables from partners		135	36
Receivables from related companies	8	2,907	1,203
Trade accounts receivables		1,392	337
Income tax receivables	11	-	636
Other short-term receivables		965	927
<b>Total Receivables</b>		<b>5,399</b>	<b>3,139</b>
<b>Cash and Cash Equivalents</b>	14	<b>7,008</b>	<b>2,115</b>
<b>Total Current Assets</b>		<b>12,644</b>	<b>5,453</b>
<b>Total Assets</b>		<b>58,418</b>	<b>53,787</b>



## ConocoPhillips Skandinavia AS BALANCE SHEET

<i>Amounts in NOK million</i>	Notes	2021	2020
<b>EQUITY AND LIABILITIES</b>			
<b>Paid-in Equity</b>			
Common stock	10	101	101
Share premium account		2,315	2,315
Other paid-in equity		1,476	1,476
<b>Total Paid-in Equity</b>		<b>3,892</b>	<b>3,892</b>
<b>Retained Earnings</b>		<b>8,223</b>	<b>7,657</b>
<b>Total Equity</b>	9	<b>12,115</b>	<b>11,549</b>
<b>Long-term Provisions</b>			
Deferred income tax	11	20,178	20,477
Provisions for decommissioning and removal costs	12	13,648	13,389
Other provisions	3	28	31
<b>Total Long-term Provisions</b>		<b>33,854</b>	<b>33,897</b>
<b>Long-term Liabilities</b>			
Loans from affiliated companies	7	-	6,223
Other long-term liabilities		14	88
<b>Total Long-term Liabilities</b>		<b>14</b>	<b>6,311</b>
<b>Current Liabilities</b>			
Amounts due to partners		-	24
Amounts due to related companies	8	389	412
Accounts payable		950	1,350
Accrued income taxes	11	10,821	-
Taxes other than income taxes		107	79
Other current liabilities		168	165
<b>Total Current Liabilities</b>		<b>12,435</b>	<b>2,030</b>
<b>Total Liabilities</b>		<b>46,303</b>	<b>42,238</b>
<b>Total Equity and Liabilities</b>		<b>58,418</b>	<b>53,787</b>



## ConocoPhillips Skandinavia AS CASH FLOW

<i>Amounts in NOK million</i>	Notes	2021	2020
<b>Cash Flows from Operating Activities</b>			
Net income before tax		18,467	1,394
Taxes paid		-2,741	-3,851
Depreciation	6	7,082	6,074
Impairment	6	-	85
Expensed exploration wells and licenses	6	-4	280
Change in current assets		-2,934	670
Change in decommissioning and removal costs	12	259	757
Change in current liabilities		-416	-217
Other		-28	-56
<b>Net Cash Flow from Operating Activities</b>		<b>19,685</b>	<b>5,136</b>
<b>Cash Flows from Investment Activities</b>			
Capital expenditures	6	-4,559	-5,439
Return of capital from investments		-10	-7
<b>Net Cash Flow from Investing Activities</b>		<b>-4,569</b>	<b>-5,446</b>
<b>Cash Flows from Financing Activities</b>			
Dividend paid	9	-4,000	-
Repayment of long-term loans	7	-6,223	-
<b>Net Cash Flow from Financing Activities</b>		<b>-10,223</b>	<b>-</b>
<b>Net Change in Cash and Cash Equivalents</b>		<b>4,893</b>	<b>-310</b>
Cash and cash equivalents at the beginning of the year		2,115	2,345
Cash transfer merger		-	80
<b>Cash and Cash Equivalents at the end of the Year</b>		<b>7,008</b>	<b>2,115</b>



## ConocoPhillips Skandinavia AS ACCOUNTING PRINCIPLES

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

### 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.

### Ownership in Joint Venture Operations and Associated Companies

For ownership in production licenses on the NCS, and in other joint venture operations, the company's net share is reflected in the respective accounts of the financial statements based on the gross method. Ownership interests in associated companies are recorded on the balance sheet according to the cost method.

### Revenue Recognition

Operating revenues from petroleum products production are reflected in the statement of income when the title passes to the customer on the product's delivery date based on the contractual terms of the agreement. Other income is entered into the books as they are earned.

### Use of Estimates

Preparation of financial statements in accordance with GAAP require the 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.

### Exploration Costs

Geological and geophysical costs which are not related to extraction of proven reserves

are expensed as incurred. Costs for drilling and equipping exploration wells are capitalized pending further evaluation of whether economically recoverable reserves have been found. If economically recoverable reserves are not found, exploration well costs are expensed (the Successful Efforts method).

### Development Costs

Expenses associated with the development of oil and gas fields are capitalized. Expenses incurred following decision on development and expenses related to the preparation of the Plan for Development and Operation are included. Interest expenses related to major development projects are capitalized and depreciated as part of the project acquisition cost until first production.

### Maintenance and Repairs

Regular maintenance and repairs costs are expensed as incurred. Expenses for major changes and improvements that significantly increase the life of the asset, capacity or improve safety and environment, are capitalized.

### Depreciation

Depreciation of property, plant and equipment related to the development of oil and gas fields is calculated according to the unit-of-production method. Following this method, the annual depreciation rate appears as the ratio of the annual production volume and the remaining economic recoverable resources. Fixed assets are grouped in cash generating units and depreciated collectively, normally as the entire oil and gas field.

Land-based assets and pipelines are depreciated over the expected economic lifetime, according to the straight-line method.



## ConocoPhillips Skandinavia AS ACCOUNTING PRINCIPLES

### 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 after tax. Correspondingly write-downs are reversed if the basis for previous write-downs are no longer present, present, and/or the asset's future economic expectations have significantly improved.

### Replacement and Cancellation of Major Tangible Fixed Assets

When fixed assets (platforms, pipelines and production wells) that do not constitute an entire cash generating unit are replaced or discontinued, the asset's acquisition cost is charged against accumulated depreciation and is included in future depreciation according to the unit-of-production method for the cash generating unit.

### Inventories

Materials in the warehouse consist of equipment for exploration and field development and are valued at average acquisition costs.

### Over-/Underlifts

Liabilities arising from overlifts of petroleum products in relation to the company's ownership are assessed at full cost of production and are presented under other short-term liabilities in the balance sheet. Receivables arising from underlifts of petroleum products in relation to the company's ownership are assessed at the

lowest value of full cost and market value and are presented under other short-term receivables in the balance sheet.

### Natural Gas Loans, Storage and Swaps

Liabilities and credit balances will arise between partners on producing fields due to natural gas swaps, loans and storage under contracts or agreements. Liabilities and credit balances are valued at the estimated production cost at year-end. Liabilities and credit balances are calculated on the basis of the volumes expected to be returned.

### Research & Development

Research and development costs are reflected in the income statement as incurred. When commercialized projects reach a certain degree of maturity, expenses are capitalized.

### 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.

### Employee Benefit Plans

Net pension costs and projected benefit commitments are calculated in accordance with NRS 6 pension costs.

### Lease Commitments

Lease agreements with transfer of material risk and control to the lessee are considered financial leases and the corresponding assets and liabilities are recognized in the balance sheet. Other leases are classified as operational leases, where the lease expenses



**ConocoPhillips Skandinavia AS**  
**ACCOUNTING PRINCIPLES**

are reflected in the income statement as incurred.

**Provisions for Future Decommissioning and Removal Costs**

The estimated present value of future costs of decommissioning and removal of production facilities as required by the authorities, is accrued using the unit-of-production method. The provision is gradually accrued so when the field is shut in, the provision is sufficient to cover the expenses. In addition, an interest cost is calculated on the present value of the obligation and expensed annually.

The discount rate used for calculating the present value of the removal obligation is a risk-free interest rate, plus a risk margin. Estimated expenses for future decommissioning and removal are assessed annually and changes in estimates are recognized over the remaining production period.

**Cash Flow Statement**

The cash flow has been prepared according to the indirect method.

**Consolidated Financial Statements**

ConocoPhillips Skandinavia AS is included in the consolidated financial statements of ConocoPhillips, United States. The consolidated financial statements are available at [www.conocophillips.com](http://www.conocophillips.com).



## ConocoPhillips Skandinavia AS NOTES TO THE ANNUAL ACCOUNTS

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

The exchange rate as of year-end for US dollars (USD) was NOK 8.81, compared to USD/NOK 8.52 as of December 31, 2020. The exchange rate at year-end for Euros (EUR) was NOK 9.96 compared to EUR/NOK 10.46 as of year-end 2020.

### Note 1 – Operating Revenues

Total operating revenues for 2021 amounted to NOK 35,386 million.

Per Area of Operations	Crude Oil	Natural Gas	NGL	Other Revenues	Total 2021	Total 2020
Ekofisk	6,768	1,130	164	186	8,248	4,654
Eldfisk	3,414	497	103	-	4,014	2,327
Embla	98	142	17	-	257	120
Tor	612	106	16	-	734	1
Heidrun	2,907	1,235	84	133	4,359	2,045
Aasta Hansteen	82	3,705	-	-	3,787	975
Troll	325	2,611	-	11	2,947	1,015
Alvheim	1,960	532	-	149	2,641	1,466
Visund	434	2,080	83	-	2,597	897
Oseberg	582	909	17	1	1,509	434
Grane	799	-	-	-14	785	763
Purchased from 3 <sup>rd</sup> parties	1	3,039	15	60	3,115	971
Pipelines	-	-	-	28	28	54
Methanol	-	-	-	329	329	271
Miscellaneous	6	25	-	5	36	8
<b>Total Operating Revenues</b>	<b>17,988</b>	<b>16,011</b>	<b>499</b>	<b>888</b>	<b>35,386</b>	<b>16,001</b>

Operating Revenues by Geographical Area	2021	2020
Norway	1,935	1,142
Great Britain	29,959	13,568
The EU	3,492	1,291
<b>Total Operating Revenues</b>	<b>35,386</b>	<b>16,001</b>

### Note 2 – 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.



## ConocoPhillips Skandinavia AS NOTES TO THE ANNUAL ACCOUNTS

Expensed auditors' fees for auditing services and other services in 2021 amounted to NOK 5.6 million.

### Note 3 – Pension Plans

The company has an unsecured pension obligation related to retirees who are entitled to future benefits in accordance with a German pension scheme.

<b>Estimated Pension Obligations</b>	<b>2021</b>	<b>2020</b>
Accrued pension obligations	<b>26</b>	33
Unrecognized effects of actuarial loss (+) / gain (-)	<b>1</b>	-6
<b>Estimated Pension Obligations as of Dec. 31</b>	<b>27</b>	27

<b>Actuarial Assumptions</b>	<b>2021</b>	<b>2020</b>
Discount rate	<b>0.8%</b>	0.8%
Expected regulation of pensions in effect	<b>2.0%</b>	2.0%

### Note 4 – Research & Development

The company has expensed research and development costs of NOK 20 million, compared to NOK 33 million in 2020. No research and development costs have been capitalized for 2021.

### Note 5 – Ownership Interests in Associated Companies

	<b>Ownership</b>	<b>Book Value Dec. 31</b>
Norpipe Oil AS	35.05 %	<b>64</b>
Equinor Metanol ANS	17.99 %	<b>63</b>
Vestprosess DA	2.00 %	<b>13</b>
Tjeldbergodden Luftgassfabrikk DA	11.27 %	<b>2</b>
LedaFlow Technologies DA	25.00 %	<b>2</b>
Alvheim AS	20.00 %	-
Tjeldbergodden Utvikling AS	1.60 %	-
<b>Total</b>		<b>144</b>



**ConocoPhillips Skandinavia AS**  
**NOTES TO THE ANNUAL ACCOUNTS**

**Note 6 – Tangible Fixed Assets**

	Production Plant & Equipment	Production Plant under Construction	Capitalized Exploration Costs & License Transfers	Machinery, Equipment & Facilities	Total
Acquisition cost as of Jan. 1	120,002	765	1,092	306	<b>122,164</b>
Additions	3,511	910	75	62	<b>4,559</b>
Retirements and transfers	-1,592	-711	-	-	<b>-2,303</b>
<b>Acquisition Cost as of Dec. 31</b>	<b>121,921</b>	<b>965</b>	<b>1,166</b>	<b>368</b>	<b>124,419</b>
Accum. depreciation as of Jan. 1	-73,783	-	-	-284	<b>-74,067</b>
Depreciation	-7,069	-	-	-14	<b>-7,082</b>
Retirements and transfers	2,307	-	-	-5	<b>2,302</b>
<b>Accum. Depreciation as of Dec. 31</b>	<b>-78,544</b>	<b>-</b>	<b>-</b>	<b>-303</b>	<b>-78,847</b>
<b>Book Value as of Dec. 31</b>	<b>43,377</b>	<b>965</b>	<b>1,166</b>	<b>64</b>	<b>45,572</b>

Depreciation of assets on the Norwegian Continental Shelf is calculated in accordance with the unit-of-production method. Onshore fixed assets and some pipelines are depreciated on a straight-line basis over the expected life of the asset (1-37 years).

An impairment or a reversal of an impairment assessment is performed on every field and ownership in other fixed assets. Net sales value is used as recoverable amount. Future cash flows constitute the basis for net sales value and is calculated based on estimated costs and unbiased oil and gas resources. Future prices are based on a combination of future markets, estimates from external experts and the company's own assessment. The analysis resulted in no impairments or reversal of impairments for 2021.

The acquisition cost as of December 31, 2021, includes capitalized interest of NOK 1,184 million.

**Note 7 – Loans from Affiliated Companies**

The company repaid all loans in 2021 and has no outstanding loans from affiliated companies as December 31, 2021.

Lender	2021	2020
ConocoPhillips Norway Funding Ltd.	-	6,223
<b>Total</b>	<b>-</b>	<b>6,223</b>



## ConocoPhillips Skandinavia AS NOTES TO THE ANNUAL ACCOUNTS

### Note 8 – Intercompany Balances with Related Companies

The table lists the main transactions with related companies in 2021, including payable and receivable balances as of December 31, 2021:

	Purchases	Sales	Payables	Receivables
ConocoPhillips Company	343	-	27	-
ConocoPhillips Norge - Norwegian Branch	5,065	-	361	-
ConocoPhillips (U.K.) Marketing and Trading Limited	3,091	29,856	-	2,895
Other intercompany	10	25	1	12
<b>Total</b>	<b>8,509</b>	<b>29,881</b>	<b>389</b>	<b>2,907</b>

The company purchases technical and administrative services from ConocoPhillips Company, to support operations and projects. The company also invoices project cost regarding R&D to ConocoPhillips Company.

The company purchases services from the Norwegian branch of ConocoPhillips Norge. These are mainly personnel and administration services to support the operations.

Transactions with ConocoPhillips (U.K.) Marketing and Trading Limited relate to sale of crude oil, natural gas and natural gas liquids (NGL), and purchase of CO<sub>2</sub>-quotas.

### Note 9 – Equity

	Share Capital	Share Premium Account	Other Paid-in Capital	Retained Earnings	Total Equity
Equity as of Jan. 1	101	2,315	1,476	7,657	11,549
Dividend	-	-	-	-4,000	-4,000
Net income	-	-	-	4,566	4,566
<b>Equity as of Dec. 31</b>	<b>101</b>	<b>2,315</b>	<b>1,476</b>	<b>8,223</b>	<b>12,115</b>

The company paid a dividend of NOK 4,000 million to ConocoPhillips Norge in 2021.

### Note 10 - Share Capital, Shareholders and Ownership structure

The share capital consists of one class of shares, with 101,000 shares at a nominal value of NOK 1,000 each. ConocoPhillips Norge owns 100 percent of the shares.



**ConocoPhillips Skandinavia AS**  
**NOTES TO THE ANNUAL ACCOUNTS**

**Note 11 – Income Taxes**

	Tax Rate	2021	2020
	%		
Income before taxes		<b>18,467</b>	1,394
Corporate taxes	22	<b>4,063</b>	307
Special taxes	56	<b>10,341</b>	781
Income taxes	78	<b>14,404</b>	1,087
Permanent differences		-2	10
Change fixed asset with no deferred tax		<b>41</b>	25
Uplift		<b>-585</b>	-614
Onshore revenues		<b>-62</b>	-132
Adjustment of tax from prior period		<b>105</b>	52
<b>Total Income Taxes</b>		<b>13,901</b>	428
Corporate taxes	22	<b>4,678</b>	625
Special taxes	56	<b>9,416</b>	-1,670
Adjustment of tax from prior period		<b>105</b>	29
<b>Total Taxes Payable (+) / Receivable (-)</b>		<b>14,199</b>	-1,016
Change in deferred tax		<b>-298</b>	1,444
<b>Total Income Taxes</b>		<b>13,901</b>	428
<b>Taxes Payable (+) / Receivable (-) as of Dec. 31</b>			
Current year tax payable		<b>14,094</b>	-1,045
Tax paid in installments		<b>-3,818</b>	-
Adjustment of tax from prior period		<b>545</b>	409
<b>Taxes Payable (+) /Receivable (-) in the Balance Sheet</b>		<b>10,821</b>	-636
<b>Basis for Deferred Tax as of Dec. 31</b>			
Temporary differences related to:			
- fixed assets		<b>34,494</b>	37,055
- decommissioning/removal		<b>-13,561</b>	-13,302
- other temporary differences		<b>297</b>	225
<b>Basis Deferred Corporate Tax</b>	22	<b>21,230</b>	23,978
Onshore activities		<b>-7</b>	-9
Deferred uplift		<b>-202</b>	-630
Deduction investment costs		<b>6,671</b>	3,807
<b>Basis Deferred Special Tax</b>	56	<b>27,692</b>	27,146
<b>Deferred Tax as of Dec. 31</b>			
Corporate taxes	22	<b>4,670</b>	5,275
Special taxes	56	<b>15,508</b>	15,201
<b>Deferred Tax in the Balance Sheet</b>		<b>20,178</b>	20,477



## ConocoPhillips Skandinavia AS NOTES TO THE ANNUAL ACCOUNTS

Due to the emerging Covid-19 pandemic and significant drop in oil prices in 2020, certain temporary amendments were implemented in the Petroleum Tax Act. All investments incurred in income years 2020 and 2021 including 24% uplift can be deducted against the special tax base in the year of investment. In addition, the tax value of any tax losses incurred in 2020 and 2021 will be paid out immediately on the ordinary tax instalment dates.

### Note 12 – Provisions for Decommissioning and Removal Costs

In accordance with the provisions in the Norwegian Petroleum Act, the Norwegian Government requires the licensees to remove offshore installations no longer in use. Current convention requires offshore steel platforms to be removed and brought ashore, wells must be permanently plugged, and concrete structures must be cleaned for in-place disposal. In-place disposal of pipelines buried in the seabed is permitted.

Cost estimates are developed for the decommissioning of production facilities, securing and final plugging of wells, preparation of pipelines and concrete structures for in-place disposal, in addition to the removal of redundant steel production facilities. Technological development, potential efficiency gains by removing several platforms simultaneously and future cost and interest rate development, are some of the uncertainty factors associated with the cost estimates.

<b>Provisions for Decommissioning and Removal</b>	
Provisions as of Jan 1.	13,389
Increase in allocation	1,232
Incurred costs, charged against provisions	-973
<b>Provisions as of Dec. 31</b>	<b>13,648</b>

Provisions are reported as decommissioning and removal costs in the balance sheet.



## ConocoPhillips Skandinavia AS NOTES TO THE ANNUAL ACCOUNTS

<b>Present Value as of Dec. 31</b>	<b>Present Value of Future Costs</b>	<b>Time Horizon Years</b>
Ekofisk	6,820	1-34
Eldfisk	3,778	1-34
Ekofisk Center	740	1-35
Embla	485	8-15
Tor I	481	1-4
Tor II	218	29-33
Heidrun	1,937	24-31
Alvheim	1,090	13-16
Oseberg	489	8-28
Visund	395	18-25
Troll	335	20-41
Aasta Hansteen	259	17-22
Grane	254	24-31
Huldra	-	1
Pipelines and Terminals	353	4-38
<b>Total Present Value as of Dec. 31</b>	<b>17,634</b>	

<b>Assumptions</b>	<b>2021</b>	<b>2020</b>
Escalation factor	<b>2.0%</b>	2.0%
Discount rate horizon less than 10 years	<b>2.2%</b>	1.4%
Discount rate horizon more than 10 years	<b>3.0%</b>	2.7%

### Note 13 – Rental Agreements and Leasing

The company had by year-end 2021 entered into leases for operating equipment such as drilling rigs, search and rescue (SAR) helicopters, supply and stimulation vessels, in addition to office facilities, warehouse and quay, in its roles as an operator for several licenses. As a partner in other licenses, the company has also entered into lease agreements for rigs. Several of the contracts have options for extensions.

The company's share of minimum lease liabilities as of year-end 2021, categorized by non-cancellable contract period are as follows:



## ConocoPhillips Skandinavia AS NOTES TO THE ANNUAL ACCOUNTS

	Remaining minimum liability	Expiration of contract
Rigs	104	2023
Rigs	164	2028
Helicopters and Vessels	394	2023-2025
Office, Warehouse and Quay	107	2028-2030
Other	10	2024-2025
Other	9	2028
<b>Lease Liability as of Dec. 31</b>	<b>788</b>	

As of December 31, 2021, the company had no leases classified as financial leasing.

### Note 14 – Bank Deposits

The company participates in a multi-currency cash pool arrangement with Bank of America together with other entities in the ConocoPhillips group. ConocoPhillips Company is the main guarantor, while other participants are secondary guarantors.

### Note 15 – Other Commitments

In 2021 the company committed to drilling one appraisal well in production license 891 on the Slagugle discovery where ConocoPhillips is the operator with 80% ownership. The well will be drilled in 2022 and the company's share of the estimated well cost is NOK 500 million. The company has also committed to drilling one exploration well to test the Lamba prospect in production license 782 where ConocoPhillips is the operator with 40 percent ownership. The company's share of the estimated well cost for Lamba is NOK 190 million and the well will be drilled in 2022 as the last well in a four well campaign following Slagugle appraisal. The two remaining well commitments are Peder in production license 1064, estimated company share NOK 160 million, and Bounty in production license 935, estimated company share NOK 100 million.

### Note 16 – Reserves

*Unaudited*

		2021	2020
Crude oil	million barrels	161	174
Natural gas	billion Sm <sup>3</sup>	22	23
NGL	million barrels	11	12

The reserves presented above are based on the U.S. Securities and Exchange Commission regulation of proved reserves. The amount of crude oil, natural gas and NGL that can be recovered with reasonable technical and economic certainty from known oil and gas reservoirs based on analysis of technical and geological data, and under existing economic and operating



**ConocoPhillips Skandinavia AS**  
**NOTES TO THE ANNUAL ACCOUNTS**

conditions, at prices (12 months' average) and expenses on the date the estimates were prepared. The prices can deviate from this only if they are stipulated by contract and cannot be increased based on future expected conditions.

Proven natural gas reserves include gas used for fuel. Natural gas is estimated at standard conditions (1.01325 bar, 15.56 degrees Celsius).

The proven reserves are based on production estimates from the Greater Ekofisk Area, Heidrun, Troll, Grane, Breidablikk, Oseberg, Alvheim, Visund and Aasta Hansteen.


Tananger, December 31, 2021  
April 7, 2022

  
E.A. Oftedal

Chairman of the Board

  
S. Våge  
Managing Director

  
I.M.H. Hagelin

  
E.E. Warjord



## Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	21.12.2017	29.01.2018
Telefon	Deres referanse	Vår referanse
90076012	Eli A. Oftedal	2018/955

CONOCOPHILLIPS NORGE  
Postboks 3  
4064 STAVANGER

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 21. desember 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- ConocoPhillips Norge, org.nr. 948 138 646
- ConocoPhillips Skandinavia AS, org.nr. 918 110 127
- ConocoPhillips International Well Response Company AS, org.nr. 997 627 970
- ConocoPhillips Investment Norge AS, org.nr. 988 138 037

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

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

### Bakgrunn

Fra søknaden gjengis:

*ConocoPhillips Norge er stiftet i samsvar med lovgivning i staten Delaware, USA, og er et indirekte datterselskap av det børsnoterte energiselskapet ConocoPhillips (NYSE:COP) med hovedkontori Houston. ConocoPhillips Norge har en norskregistrert filial med samme navn som utfører all virksomhet for selskapet i Norge.*

*ConocoPhillips Skandinavia AS driver med leting etter, utvinning og transport av olje og gass på den norske kontinentalsokkel.*

*Ettersom selskapene opererer i en internasjonal bransje der kommunikasjonen er engelsk, samt har en amerikansk eier, ser selskapene det hensiktsmessig å avlegge årsregnskap og årsberetning på engelsk.*

En norsk oversettelse vil kun ha til formål å tilfredsstille regnskapslovens språkkrav.

### Skattedirektoratets vurdering

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

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se <a href="http://www.skatteetaten.no">www.skatteetaten.no</a>	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	<a href="mailto:skatteetaten.no/sendepost">skatteetaten.no/sendepost</a>	



være på et annet språk.”

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

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

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

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

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene er eid av et utenlandsk selskap. Eierkretsen er begrenset. Selskapet driver virksomhet i en internasjonal bransje og arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale brukere av regnskapet behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Rettsavdelingen, foretaksskatt  
Skattedirektoratet

Jeanette Munkvold Skovholt

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