Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 870 830
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TULLOW OIL NORGE AS
Forretningsadresse:	c/o Simonsen Vogt Wiig
	Filipstad brygge 1
	0252 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Pål Brudvik
Dato for fastsettelse av årsregnskapet:	07.06.2021

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 26.08.2022

Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Exploration costs written (off) / back	5	0	104 770 000
General and administrative expences	6	233 000	2 286 000
Provision for onerous serivice contracts	15	0	-1 625 000
Restructuring		0	0
Investment impariment	9	0	6 800 000
Sum kostnader		**233 000**	**112 231 000**
Driftsresultat		**-233 000**	**-112 231 000**
Finansinntekter og finanskostnader			
Dividend received	7	0	6 827 000
Financial income	7	27 000	6 356 000
Sum finansinntekter		**27 000**	**13 183 000**
Financial costs	7	3 000	0
Sum finanskostnader		**3 000**	**0**
Netto finans		**24 000**	**13 183 000**
Ordinært resultat før skattekostnad		**-209 000**	**-99 048 000**
Skattekostnad på ordinært resultat	8	46 000	0
Ordinært resultat etter skattekostnad		**-255 000**	**-99 048 000**
Årsresultat		**-255 000**	**-99 048 000**
Overføringer og disponeringer			
Udekket tap		-99 048 000	54 357 000
Overføringer til/fra annen egenkapital		99 048 000	-54 357 000

Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Sum anleggsmidler		**0**	**0**
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	11, 17	193 000	11 000
Sum fordringer		**193 000**	**11 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents, restricted	13, 17	0	40 000
Cash and cash equivalents, unrestricted	13, 17	0	4 781 000
Sum bankinnskudd, kontanter og lignende		**0**	**4 821 000**
Sum omløpsmidler		**193 000**	**4 832 000**
SUM EIENDELER		**193 000**	**4 832 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	14	85 266 000	85 266 000
Overkurs		154 360 000	154 360 000
Sum innskutt egenkapital		**239 626 000**	**239 626 000**
Opptjent egenkapital			
Other reserves		1 906 669 000	1 906 669 000
Udekket tap		2 463 616 000	2 463 361 000
Sum opptjent egenkapital		**-556 947 000**	**-556 692 000**

Balanse

Beløp i: NOK	Note	2020	2019
Sum egenkapital		**-317 321 000**	**-317 066 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	16, 17	407 000	261 000
Kortsiktig konserngjeld	12, 17	317 107 000	321 637 000
Sum kortsiktig gjeld		**317 514 000**	**321 898 000**
Sum gjeld		**317 514 000**	**321 898 000**
SUM EGENKAPITAL OG GJELD		**193 000**	**4 832 000**

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NO-4032 Stavanger
Norway

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To the General Meeting of Tullow Oil Norge AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tullow Oil Norge AS, which comprise the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements and the Board of Directors' report, which indicates a material uncertainty in relation to going concern. As stated in Note 2 and the Board of Directors' report, events or conditions after the statement of financial position date, along with other matters as set forth in Note 2 and the Board of Directors' report, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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 other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Board of Directors and the Managing Director for the Financial Statements
The Board of Directors and the Managing Director (management) are responsible for the preparation and a true and fair view of the financial statements in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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 a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements
Opinion on Registration and Documentation
Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has

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fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 7 June 2021
Deloitte AS

Arnstein Antonsen

Arnstein Antonsen
State Authorised Public Accountant (Norway)

Company Registration No. 991870830
Norway

Tullow Oil Norge AS

Annual Report and Audited Financial Statements

For the year ended 31 December 2020

Tullow Oil Norge AS

Annual report and financial statements

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Tullow Oil Norge AS

Officers and professional advisers

Directors

A Holland, chairman
P Brudvik, director
C Ditlev-Simonsen, director

Registered office

c/o Simonsen Vogt Wiig AS
Filipstad Brygge 1
0252 Oslo

Solicitors

Simonsen Vogt Wiig AS
Filipstad Brygge 1
0252 Oslo

Bankers

JP Morgan Chase and Co.
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Auditor

Deloitte AS
Statutory Auditor
Dronning Eufemias Gate 14
0191 Oslo
Norway

Tullow Oil Norge AS

Directors' report

The directors of Tullow Oil Norge AS (the "company") present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2020.

About Tullow Oil Norge AS

Tullow Oil Norge AS ("the company") is a 100% owned subsidiary of Tullow Overseas Holding B.V., an entity controlled by Tullow Oil plc.

Tullow Oil Norge AS was an exploration focused oil company. The company's main business was to explore and appraise oil prospects on the Norwegian Continental Shelf. The company's offices were in Oslo, Norway. The company sold or relinquished all its licences during 2017.

Going concern

The principal activity of the company was to explore and appraise oil prospects on the Norwegian Continental Shelf. The company does not expect to change its principal activity in the 2021 financial year.

The company recorded a loss NOK 255,000, for the year 31 December 2020 (2019: NOK 99,048,000). As at 31 December 2020 the company had a net liability position of NOK 317,321,000 (2019: NOK 317,066,000).

Material uncertainties on going concern
The ability to meet its obligations as they fall due is dependent on the ultimate parent company providing financial support during the period of assessment, which the directors have defined as the 12 months ending 30 April 2022. A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that this company is able to operate as a going concern for at least twelve months from the date of signing of these financial statements. However, at the time of issuing the consolidated Annual Report and Accounts of Tullow Oil plc and its subsidiaries (the "Group") on 10 March 2021, the Group disclosed material uncertainties in relation to its going concern assessment (which ran to 30 April 2022) which, if they were to arise, would mean the Group could no longer provide support to the company. The material uncertainties disclosed were as follows:

The directors noted that implementing a Refinancing Proposal or obtaining amendments or waivers in respect of covenant breaches was outside the control of the Group. If the directors were unable to implement a Refinancing Proposal or, if necessary, obtain amendments or waivers in respect of covenant breaches, the ability of the Group to continue trading would depend upon the Group being able to negotiate a financial restructuring proposal with its creditors and, if necessary, that proposal being approved by shareholders. Whilst the Board would seek to negotiate such a financial restructuring proposal with its creditors, there is no certainty that the creditors would engage with the Board in those circumstances. There would therefore be a significant risk of the Group entering into insolvency proceedings, which the directors consider would likely result in limited or no value being returned to shareholders. The directors have concluded that the uncertainties associated with implementing a Refinancing Proposal and obtaining amendments or waivers in respect of covenant breaches or, in the event a Refinancing Proposal is implemented, the revised covenants are subsequently breached, are material uncertainties that may cast significant doubt that the Group will be able to continue as a going concern.

Notwithstanding these material uncertainties, the Board's confidence in the Group's ability to implement a Refinancing Proposal supports the preparation of the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Tullow Oil Norge AS

Directors' report (continued)

The financial statements

The company is financed through debt from Tullow Group. The company's equity ratio is lower than for comparable entities operating on the Norwegian Continental Shelf. Taking into consideration that Tullow Oil Plc is guaranteeing the continued operations of Tullow Oil Norge AS, the equity is considered to be at an acceptable level.

Statement of comprehensive income

Loss from operating activities was NOK 0.2 million in 2020, compared to a NOK 112.2 million loss in 2019. The decreased operating loss in 2020 is mainly attributable to the reduction in activity due to its licences being sold or relinquished during 2017 and a write off of the contingent receivable balance in 2019.

Loss before income tax at the end of 2020 amounted to NOK 0.2 million, compared to a NOK 99.0 million loss in 2019.

In 2020, the company incurred an income tax expense of NOK nil, compared to a NOK nil income tax expense in 2019.

The net loss after tax was NOK 0.3 million in 2020, compared to a loss of NOK 99.0 million in 2019.

Statement of financial position

The total assets amounted to NOK 0.2 million at the end of 2020, of which total non-current assets represented NOK nil.

Tax receivable amounted to NOK 0.1 million at year end 2020. The year-end cash position amounted to NOK nil million.

Statement of cash flows

Cash utilised in operating activities amounted to NOK 0.3 million in 2020, compared to NOK 107.9 million generated from operating activities in 2019.

Net cash flow generated from investing activities amounted to NOK nil million in 2020, compared to the net cash flow generated from investing activities of NOK 106.3 million in 2019.

Net cash flow utilised in financing activities was NOK 4.5 million in 2020. At the end of 2020 cash and cash equivalents was NOK nil million.

Allocation of loss for the year

In 2020, Tullow Oil Norge AS posted a net loss of NOK 0.3 million. The Board of Directors proposes the following allocation (NOK million):

Transferred to retained earnings: NOK 0.3 million

Risk factors

The company was subject to a variety of inherent risks deriving from the nature of the oil and gas exploration and production business. As all licences were sold or relinquished during 2017, the risks are significantly reduced.

Risk is inherent across the company's operations, and all activities with a potential corporate or business impact are subject to an appropriate review to ensure that risks can be mitigated and controlled.

Tullow Oil Norge AS

Directors' report (continued)

Operational risks

Operational risks are dependent on the continued performance of the company's operational assets. As all licences were sold or relinquished during 2017, the risks are significantly reduced.

Credit risks

A credit risk arises if a customer or other counterparty to a financial instrument fails to meet its contractual obligations. The company has no significant exposure to credit risk from its operating activities.

Financing and liquidity risks

Liquidity risks arise from not having the necessary resources available to meet maturing liabilities with regard to timing, volume and currency structure.

Based on the company`s current available credit lines and cash contributions from production, the company regards the financing and liquidity risks as low. Nevertheless, it is important to note that failure to maintain liquidity could have an adverse financial impact on the company's performance.

Interest risks

Changes in market interest rates affect future interest payments for variable-interest-liabilities. As a result, significant interest rate increases can have an adverse effect on the company's profitability, liquidity and financial position.

Directors and their interests

The directors, who held office at the date of this report, are listed on page 2. The changes to the company's directors during the year and between the accounting and the date of this report are as follows:

- Resignation of R Rowland-Clark on 9 September 2020.

The directors did not have any interests in the shares of the company at any time during the year. In accordance with the Articles of Association, none of the directors retire by rotation.

Health, safety and environment / equal opportunities

The company aims to carry out its operations to the best health and safety standards and seek to promote a strong safety-oriented culture.

The company experienced no major accidents, injuries, incidents or any environmental claims during the year.

The company has no employees by year-end 2020, and thereby does not have a work environment to comment on.

Currently no member of the Board of Directors is female.

The company is continuously working on assuring the quality in its entire operations. With no licences, the operations of the company have a low potential of polluting the external environment.

Tullow Oil Norge AS

Directors' report (continued)

Events after the statement of financial position date

The six-monthly redetermination of the Group's Reserves Based Lending (RBL) facility was originally expected to conclude at the end of January. Tullow Oil plc and its lending banks agreed to extend the process by up to one month, which allowed for additional time to review Group's new business plan and operating strategy. The Group has now received approval for a new debt capacity amount under the facility of $1.7 billion.

On 17 May 2021, Tullow Oil plc announced that it has completed its offering of $1.8bn aggregate principal amounts of 10.250% senior secured notes due 2026. The Notes, whose net proceeds will be used to (i) repay all amounts outstanding under, and cancel all commitments made available pursuant to, the Group's existing Reserves Based Lending Facility, (ii) redeem in full the Group's senior notes due 2022, (iii) at maturity repay in full and cancel the Group's convertible bonds due 2021 and (iv) pay fees and expenses incurred in connection with the transactions, will be the general senior secured obligations of the Group and guaranteed by certain of the Group's subsidiaries.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Outlook

In January 2017 the company sold its interest in two licences to Conoco Phillips: PL 626 and PL 775. In March 2017, Statoil acquired the company's interest in licence PL 827. In June 2017, the company's interests in PL 636, PL 746S, PL 776, PL 786, PL 791 and PL 826 were sold to Pandion Energy.

During 2017, licences PL 651, PL 689, PL 750/750B and PL 774/774B were relinquished. As a result, the company holds no licences at year end 2020.

The financial statements on pages 3 to 29 were approved by the board of directors on 7 June 2021 and signed on its behalf by:

Adam Holland	Pål Brudvik	Christian Ditlev-Simonsen
Chairman of the Board	Board Member	Board Member
2021	2021	2021

Independent auditor's report to the members of Tullow Oil Norge AS

Independent auditor's report to the members of Tullow Oil Norge AS (continued)

Independent auditor's report to the members of Tullow Oil Norge AS (continued)

Tullow Oil Norge AS

Statement of comprehensive income
For the year ended 31 December

	Notes	2020 NOK'000	2019 NOK'000
Exploration costs written off	5	-	(104,770)
General and administrative expenses	6	(233)	(2,286)
Provision for onerous services contracts	15	-	1,625
Investment impairment	9	-	(6,800)
Loss from operating activities		(233)	(112,231)
Dividends received	7	-	6,827
Finance income	7	27	6,356
Finance costs	7	(3)	-
Loss for the year before tax		(209)	(99,048)
Income tax expense	8	(46)	-
Loss for the year after tax		(255)	(99,048)
Other comprehensive income		-	-
Total comprehensive loss for the year		(255)	(99,048)

All transactions in the current and previous year are derived from continuing operations.

The notes on page 13 - 29 form an integral part of these financial statements.

Tullow Oil Norge AS

Statement of financial position
At 31 December

	Notes	2020 NOK'000	2019 NOK'000
Assets			
Current assets			
Trade and other receivables	11,17	193	11
Cash and cash equivalents, restricted	13,17	-	40
Cash and cash equivalents, unrestricted	13,17	-	4,781
Total current assets		193	4,832
Total assets		193	4,832
Equity and liabilities			
Equity			
Paid-in capital			
Share capital	14	85,266	85,266
Share premium		154,360	154,360
Other reserves		1,906,669	1,906,669
Total paid-in capital		2,146,295	2,146,295
Accumulated loss		(2,463,616)	(2,463,361)
Total equity		(317,321)	(317,066)
Current liabilities			
Trade and other payables	16,17	407	261
Payables to group companies	12,17	317,107	321,637
Total current liabilities		317,514	321,898
Total liabilities		317,514	321,898
Total equity and liabilities		193	4,832

The notes on page 13 – 29 form an integral part of these financial statements.

The financial statements of the company, Tullow Oil Norge AS (company no: 991870830), on pages 3 to 29 were approved by the board of directors on 7 June 2021 and signed on its behalf by:

Adam Holland	Pål Brudvik	Christian Ditlev-Simonsen
Chairman of the Board	Board Member	Board Member
2021	2021	2021

Tullow Oil Norge AS

Statement of changes in equity
For the year ended 31 December

	Share capital NOK'000	Share premium NOK'000	Other reserves NOK'000	Accumulated loss NOK'000	Total NOK'000
Balance at 31 December 2018	85,266	154,360	1,906,669	(2,364,313)	(218,018)
Total comprehensive loss for the year	-	-	-	(99,048)	(99,048)
Balance at 31 December 2019	85,266	154,360	1,906,669	(2,463,361)	(317,066)
Total comprehensive loss for the year	-	-	-	(255)	(255)
Balance at 31 December 2020	85,266	154,360	1,906,669	(2,463,616)	(317,321)

The notes on page 13 - 29 form an integral part of these financial statements.

Tullow Oil Norge AS

Statement of cash flows
For the year ended 31 December

	Notes	2020 NOK'000	2019 NOK'000
Cash flows from operating activities			
Loss for the year before tax		(209)	(99,048)
Income tax (paid) / refunded	8	(91)	337,973
Provision onerous contract		-	(1,625)
(Increase) / decrease in trade and other receivables		(46)	18
Increase / (decrease) in trade and other payables		55	(129,404)
Net cash (outflow) / inflow from operating activities		(291)	107,914
Cash flows from investing activities			
Purchase of other investments		-	99,489
Investment in subsidiaries	9	-	6,800
Net cash inflow from investing activities		-	106,289
Cash flows from financing activities			
Borrowings from group companies	12	(4,530)	(218,561)
Net cash outflow from financing activities		(4,530)	(218,561)
Net decrease in cash and cash equivalents		(4,821)	(4,358)
Cash and cash equivalents at beginning of the year	13	4,821	9,179
Cash and cash equivalents at end of the year	13	-	4,821

The notes on page 13 – 29 form an integral part of these financial statements.

Tullow Oil Norge AS

Notes to the financial statements
For the year ended 31 December 2020

1. Corporate information

Tullow Oil Norge AS ("the company") is a private limited liability company incorporated and domiciled in Norway. Its registered office is c/o Simonsen Vogt Wiig AS, Filipstad Brygge 1, 0252 Oslo, Norway.

Tullow Oil Norge AS was established 19 October 2007 with operations commencing in March 2008. The company is an oil and gas company operating on the Norwegian Continental Shelf. The company has not prepared consolidated financial accounts for the year ending 31 December 2020, since the company and its subsidiaries are included in the consolidated accounts of the ultimate parent company.

The financial statements of Tullow Oil Norge AS for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 2021.

2. Accounting Policies

Basis of preparation

The Financial Statements of the company have been prepared in accordance with the Norwegian Accounting Act of 17 July 1998, § 3-9 and regulations regarding the simplified application of International Financial Reporting Standards (IFRS) as determined by the Ministry of Finance on 21 January 2008 ("Norwegian Simplified IFRS"). This mainly implies that recognition and measurement are in accordance with the Simplified International Financial Reporting Standards (IFRSs) pursuant to the Norwegian Act 3-9, presentation and disclosures are prepared in accordance with the Norwegian Accounting Act.

The financial statements have been prepared on the historical cost basis.

Going concern

The statutory financial statements have been prepared on the going concern basis. In order to determine whether it is appropriate for the company to report as a going concern, the directors consider financial position of the company, its business activities, principal risks and uncertainties, as well as the company's reliance on its ultimate parent company, Tullow Oil plc, providing financial support during the period of assessment. A letter of support has therefore been provided by Tullow Oil plc, which states it will provide the necessary financial support to ensure that this company is able to operate as a going concern for at least twelve months from the date of signing of these financial statements. However, at the time of issuing the consolidated Annual Report and Accounts of Tullow Oil plc and its subsidiaries (the "Group") on 10 March 2021, the Group disclosed material uncertainties in relation to its going concern assessment which, if they were to arise, would mean the Group could no longer provide support to the company. In its 2020 Annual report and accounts Tullow Oil plc stated:

Assessment period and assumptions
The Group closely monitors and carefully manages its liquidity risk. Cash flow forecasts are regularly updated, and sensitivities run for different scenarios, including, but not limited to, changes in commodity price and different forecasts for the Group's producing assets. The directors consider the going concern assessment period to be 13 months to April 2022, thereby including the maturity of the $650 million Senior Notes due in April 2022 in the assessment. Management has applied the following oil price assumptions for the going concern assessment:

• Base Case: $50/bbl for 2021 and $55/bbl for 2022, and
• Low Case: $45/bbl for 2021 and $50/bbl for 2022.

The Low Case includes, amongst other downside assumptions, an 8 per cent production decrease compared to the Base Case as well as deferred receipts from portfolio management and increased outflows associated with ongoing disputes. No mitigating actions have been included in either case.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

Going concern (continued)

The Base Case and Low Case scenarios forecast sufficient financial headroom for the 12 months from approval of the 2020 Annual Report and Accounts on 10 March 2021. However, both scenarios forecast a liquidity shortfall in April 2022 following the repayment of the $650 million Senior Notes due in April 2022, which falls within the liquidity forecast test periods in respect of the February 2021, September 2021 and March 2022 RBL redeterminations. Both cases assume amendments or waivers are received for any forecast Liquidity Forecast Test or gearing covenant breach as described below.

Refinancing Proposal
The Base Case and Low Case scenarios forecast a liquidity shortfall in April 2022, which could result in a failure to pass the Liquidity Forecast Test, as described below, in respect of the February 2021, September 2021 and March 2022 RBL redeterminations, and the gearing covenant tests, as described below, in respect of 30 June 2021 and 31 December 2021. The Group's management has therefore commenced discussions with its existing and potential new creditors, the objective of which is to raise new funding and/or agree certain amendments to the terms, including the covenants and/or maturity dates, of some or all of the RBL Facility, the Convertible Bonds, the 2022 Senior Notes and the 2025 Senior Notes with, if necessary, such amendments being approved by shareholders (Refinancing Proposal). Whilst the directors believe that a Refinancing Proposal would be in the commercial interests of all stakeholders, there can be no certainty that the creditors and, if necessary, shareholders will agree to a Refinancing Proposal, implementation of which is therefore outside the control of the Group.

Liquidity Forecast Test covenant compliance
As part of each RBL redetermination process the Group is required to demonstrate to the reasonable satisfaction of the relevant majority of its lenders under the RBL Facility that it has, or will have, sufficient funds available to meet the Group's financial commitments for a period of 18 months starting from the first month immediately following the relevant RBL redetermination (Liquidity Forecast Test).

On 26 February 2021 the Group submitted a Liquidity Forecast Test to the lenders in respect of the February 2021 RBL redetermination. The directors concluded that the information submitted to the lenders under the RBL Facility, which is different from the Base Case and the Low Case scenarios described above and includes mitigating actions, fulfilled the requirements of the Liquidity Forecast Test. At the date of approving the 2020 Annual Report and Accounts, an approval in respect of this test is yet to be received, therefore a risk remains that the Group could fail this test.

If the lenders under the RBL Facility were to conclude that the information submitted does not fulfil the requirements of the Liquidity Forecast Test and the Group was unable to cure the resulting default by the end of April 2021, there would be an event of default. Such event of default would allow the lenders under the RBL Facility, at their discretion, to cancel the RBL Facility and demand that all outstanding borrowings under the RBL Facility be repaid and/or enforce their security rights. This would in turn trigger other creditors' rights to call cross-defaults under the other financing arrangements of the Group (namely the Convertible Bonds, the 2022 Senior Notes and the 2025 Senior Notes) which could result in the entirety of the Group's borrowings potentially becoming immediately repayable by the end of April 2021. While discussions in respect of a Refinancing Proposal are continuing the directors believe that, if required, a waiver of such a potential event of default in respect of the Liquidity Forecast Test could be agreed with the lenders under the RBL Facility.

The Group is also required to submit Liquidity Forecast Tests in respect of the September 2021 and March 2022 RBL redeterminations. The Base Case and Low Case scenarios forecast, before mitigations, a potential liquidity shortfall and therefore a potential failure of these tests. However, the directors believe that a Refinancing Proposal could be implemented in time for the September 2021 RBL redetermination such that no shortfall will be forecast as part of the Liquidity Forecast Tests in September 2021 and March 2022. If no Refinancing Proposal has been implemented, and refinancing discussions were no longer continuing, by September 2021 there would be a significant risk of the Group entering into, or being in, insolvency proceedings, the implications of which are described in the section Implications and material uncertainties below.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

Going concern (continued)

Gearing covenant compliance
The RBL Facility contains a gearing covenant which is tested for each 12-month period ending on 30 June and 31 December each year, and which requires that net debt of the Group as defined in the RBL Facility agreement is lower than 3.5 times consolidated EBITDAX (earnings before interest tax, depreciation and exploration write-offs) for each relevant 12-month period. Under both the Base Case and the Low Case scenarios, the Group's gearing is forecast to be in excess of the RBL gearing covenant when calculated at 30 June 2021 and 31 December 2021, the two testing dates falling within the going concern assessment period.

The Group has requested an amendment in respect of these gearing covenant testing dates as part of the Refinancing Proposal described above. In the event that such amendments are not agreed on time for the testing date falling on 30 June 2021, the directors would expect to request a waiver or amendment for that testing date only in the first instance, and if needed for the testing date falling on 31 December 2021 in the second half of the year. The directors believe that the Group would be able to secure such amendments or waivers, which would be both consistent with past practice and the directors' reasonable expectation of the commercial interests of the Group and its lenders.

If the Group is unable to agree an amendment or waiver of the gearing covenant, if required, in respect of the 30 June 2021 testing date, the directors will deliver to the relevant lenders a notification of non-compliance, which is required to be delivered as soon as the Group's unaudited financial statements for the half year ended 30 June are available, but no later than 28 September 2021. If a subsequent 75-day period expires without the company having resolved the non-compliance there will be an event of default under the RBL Facility by mid-December 2021.

Implications and material uncertainties
The directors note that implementing a Refinancing Proposal or obtaining amendments or waivers in respect of covenant breaches is outside the control of the Group. If the directors are unable to implement a Refinancing Proposal or, if necessary, obtain amendments or waivers in respect of covenant breaches, the ability of the Group to continue trading would depend upon the Group being able to negotiate a financial restructuring proposal with its creditors and, if necessary, that proposal being approved by shareholders. Whilst the Board would seek to negotiate such a financial restructuring proposal with its creditors, there is no certainty that the creditors would engage with the Board in those circumstances. There would therefore be a significant risk of the Group entering into insolvency proceedings, which the directors consider would likely result in limited or no value being returned to shareholders.

The directors have concluded that the uncertainties associated with implementing a Refinancing Proposal and obtaining amendments or waivers in respect of covenant breaches or, in the event a Refinancing Proposal is implemented, the revised covenants are subsequently breached, are material uncertainties that may cast significant doubt that the Group will be able to continue as a going concern. Notwithstanding these material uncertainties, the Board's confidence in the Group's ability to implement a Refinancing Proposal supports the preparation of the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The directors note that subsequent to the publication of the annual report, on 17 May 2021, Tullow Oil plc announced the completion of its offering of $1,800 million senior secured notes due 2026. The net proceeds will be used to (i) repay all amounts outstanding under, and cancel all commitments made available pursuant to, the Company's existing Reserves Based Lending Facility, (ii) redeem in full the Company's senior notes due 2022, (iii) at maturity, repay in full and cancel the Company's convertible bonds due 2021 and (iv) pay fees and expenses incurred in connection with the transactions.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

The principal accounting policies are set out below.

The functional and reporting currency of the company is Norwegian krone (NOK).

Adoption of new and revised standards

Standards not affecting the reported results or the financial position

All relevant new and revised Standards and Interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the company.

Classification of expenses

Expenses are classified in the statement of comprehensive income based on their function within the entity. Exploration expenses as presented in the statement of comprehensive income include a share of salaries and related expenses and other indirect administrative expenses reclassified using allocation keys based on time writing.

Statement of financial position classification

Current assets and current liabilities include items due less than a year from the statement of financial position date, and items related to the operating cycle, if longer. Other assets and liabilities are classified as non-current. The current portion of non-current debt is included under current liabilities. Financially motivated investments in shares are classified as current assets, while strategic investments are classified as non-current assets.

Investment in subsidiaries

The investment in subsidiaries is carried in the statement of financial position valued at historical cost less any impairment losses.

Dividends, group contributions and other distributions from subsidiaries are recognised in the same year as they are recognised in the financial statement of the provider. If dividends/group contributions exceed withheld profits after the acquisition date, the excess amount represents repayment of invested capital, and the distribution will be deducted from the recorded value of the acquisition in the statement of financial position of the company.

Exploration, evaluation and production assets

The company adopts the successful efforts method of accounting for exploration and evaluation costs. Pre-licence costs are expensed in the period in which they are incurred. All licence acquisition, exploration and evaluation costs and directly attributable administration costs are initially capitalised in cost centres by well, field or exploration area, as appropriate. Interest payable is capitalised insofar as it relates to specific development activities.

These costs are then written off as exploration costs in the statement of comprehensive income, unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. All field development costs are capitalised as property, plant and equipment. Property, plant and equipment related to production activities are amortised in accordance with the company's depletion and amortisation accounting policy.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

Finance costs and debt

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Finance costs of debt are allocated to periods over the term of the related debt at a constant rate on the carrying amount. Arrangement fees and issue costs are deducted from the debt proceeds on initial recognition of the liability and are amortised and charged to the statement of comprehensive income as finance costs over the term of the debt.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL); financial assets 'at fair value through other comprehensive income (FVTOCI); 'and amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market as classified as financial assets held at amortised cost, less impairment or allowance based on the expected credit loss of the balance under IFRS 9.

Impairment of financial assets

The entity recognises lifetime expected credit losses (ECL) for other receivables and related party receivables, as the receivables are from loans with non-contractual payment terms. The expected credit losses on these financial assets are estimated using a provision matrix based on the entity's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Measurement and recognition of expected credit losses (ECL)

Under IFRS 9, lenders of intercompany loans will be required to consider forward-looking information to calculate expected credit losses, regardless of whether there has been an impairment trigger. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

As the receivables are from related party loans with non-contractual payment terms, the IFRS 9 ECL measurement will be calculated for lifetime ECL. IFRS 9 stipulates that for performing loans the ECL will only be measured for a 12 month period. A loan can only be classified as performing when contractual payments are met, which is not applicable for related party loans. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

Measurement and recognition of expected credit losses (ECL) (continued)

All the loans across the group are repayable on demand. Consequently, IFRS 9 requires that each loan is assessed for its ability to be repaid on demand at each reporting date (i.e. within a day from liquid assets such as cash and cash equivalents). Where the amount of any loan outstanding exceeds the value of the borrower's liquid assets, the loan would be in default if called. If the borrower could not repay the loan if demanded at the reporting date, the lender should consider the expected manner of recovery to measure expected lifetime credit losses.

The entity recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Foreign currency translation and transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the statement of financial position date exchange rates. Non-monetary items are translated at the historical exchange rate on the transaction date and non-monetary items that are measured at fair value are translated at the exchange rate on the date when the fair value was determined. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange differences arising in respect of operating business items are included in operating profit in the appropriate statement of comprehensive income account. Those arising in respect of financial assets and liabilities are recorded net as a financial item.

Dividends

Dividends to holders of equity instruments are recognised as a liability when it is proposed by the board of directors. This represents a GAAP difference between IFRS as adopted by the EU and "Norwegian Simplified IFRS".

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

Income taxes

The income tax expense / credit consists of current income tax (taxes payable/receivable) and changes in deferred income tax.

Current Income Tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the statement of financial position date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Oil-exploration companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim a 78% cash refund of their exploration costs, limited to taxable losses for the year. The refund is paid out in December in the following year. This tax receivable is classified as a current asset.

Deferred Income Tax
Deferred income tax is provided using the liability method on temporary differences between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes at the statement of financial position date.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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. The carrying amount of deferred income tax assets related to onshore activities are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets related to onshore activities are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against income tax liabilities and the deferred income taxes relate to the same taxable entity and the same tax authority / tax regime. Timing differences are considered.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

Provisions and contingent liabilities

A provision is recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

The amount of the provision is the present value of the risk adjusted expenditures expected to be required to settle the obligation, determined using the estimated risk free interest rate as discount rate. Where discounting is used, the carrying amount of the provision increases in each period to reflect the unwinding of the discount by the passage of time. This increase is recognised as a finance cost.

Contingent liabilities that have not been recognised based on the criteria listed above could be subject to recognition if such liabilities are acquired through a business combination. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Statement of cash flows

The statement of cash flows is prepared using the indirect method.

Segment reporting

The company has identified its reportable segments based on the nature of the risk and return within its business. The company's only business segment is oil and gas on the Norwegian Continental Shelf.

Related parties

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

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

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

2. Accounting Policies (continued)

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgments, use estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses.

Although these estimates are based on management's best knowledge of historical experience and current events, actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates will be recognised when new estimates can be determined with certainty.

Currently, the company's most important accounting estimates are related to the following items:

Impairment Indicators

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the oil price and reserves and resources assumption may change, which may then impact the estimated life of the field and may then require a material adjustment to the carrying value of tangible and intangible assets. The company monitors internal and external indicators of impairment relating to its tangible and intangible assets. See note 9.

Provisions

Provisions such as workforce reductions, onerous contracts and legal claims are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value. See note 15.

Tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

The Norwegian entities are subject to the Norwegian oil tax regime which involves an allocation of indirect costs to exploration expenses as items allowable for tax deductions and subsequent tax refunds. The allocation and the calculated tax receivable is based on judgments and understanding by the Companies regarding items allowable for tax deduction, and the view may differ from the Norwegian Authorities' practice in the final settlement of the tax refund. See Note 8.

Application of the going concern basis of accounting

The financial statements have been prepared on the going concern basis. In order to determine whether it is appropriate for the company to report as a going concern, the directors consider financial position of the company, its business activities, principal risks and uncertainties, as well as the company's reliance on its ultimate parent company, Tullow Oil plc, providing financial support during the period of assessment. The details of the going concern assessment performed and conclusion reached, including the identification of a material uncertainty related to going concern, are discussed in the Director's Report on page 3.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

3. Financial risk management

Overview

The Company is exposed to a variety of 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. The note also presents the Company's objectives, policies and processes for managing capital.

Credit risk

The Company has no significant concentration of credit risk. The Company is exposed to credit risk related to trade receivables, over call joint venture, non-current financial receivables and cash and cash equivalents. Sales are only made to customers that have not experienced any significant payment problems. Cash and cash equivalents are receivables from banks.

Liquidity risk

Liquidity risk is the risk of being unable to pay financial liabilities as they fall due. The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Company aims to maintain flexibility in funding by keeping both committed and uncommitted credit lines available. See note 16 for the maturity profile of trade and other payables.

Capital management

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

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt, or return capital to shareholders through dividend payments.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

4. Segment information

Operating segments align with internal management reporting and the segments are determined based on differences in the nature of their operations, products and geographical location of the activity. The Company has only one business segment, which is oil and gas exploration, development and production, and one geographical area which is the Norwegian Continental Shelf. The segment and geographical information will therefore be the same in the statement of comprehensive incomes, the statement of financial positions and the statements of cash flow.

5. Exploration costs written off

	2020 NOK'000	2019 NOK'000
Expensed previously capitalised other exploration expenses	-	104,770
Total exploration costs written off	-	104,770

The exploration cost written off includes contingent receivable written off due to uncertainty regarding approved Plan for Development and Operation (PDO) within 31 December 2021.

Those parts of personnel and other operating expenses that can be ascribed to exploration have been reclassified and allocated to exploration expenses.

Expenses for onerous (loss) contracts are mainly related to recognised provision and prepayments in connection with not utilised slots in Borgland Dolphin rig consortium. See also note 15.

6. General and administrative expenses

	Note	2020 NOK'000	2019 NOK'000
Consulting, legal and audit fees		220	2,180
Other operating expenses		13	106
Total general and administrative expenses in statement of comprehensive income		233	2,286

Auditor's fees	2020 NOK'000	2019 NOK'000
Auditing services	(64)	294
Total auditor's fees	(64)	294

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

7. Net financial items

	2020 NOK'000	2019 NOK'000
Interest income on bank accounts and receivables	16	91
Intercompany dividend	-	6,827
Interest income on tax refund	-	2,418
Net exchange rate gain	11	3,847
Other financial expenses	(3)	-
Net financial items	24	13,183

8. Income tax credit

Income taxes recognised in the statement of comprehensive income	2020 NOK'000	2019 NOK'000
Tax refund of Cessation/exploration costs NCS	-	-
Change in deferred tax	-	-
Total income taxes recognised in the statement of comprehensive income	-	-

Reconciliation of income taxes	2020 NOK'000	2019 NOK'000
Loss before income tax	(209)	(99,048)
Tax penalties	3	-
Taxable loss	(206)	(99,048)
Expected income tax at nominal tax rate (2020: 22% - 2019: 22%)	(46)	(21,791)
Permanent differences	-	21,791
Prior year adjustment	92	-
Total income taxes recognised in the statement of comprehensive income	46	-
Effective income tax rate	-22%	0%

Tax rates for 2020 are 22% for taxable income/ loss subject to the ordinary tax regime, and 55% for taxable income/ loss subject to the special tax regime.

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.

The Company has ceased its petroleum activity and claimed a cessation tax refund in the 2018 tax return, cf. Petroleum Tax Act section 3 c, subsection 4. The repayment of this refund was received in 2019.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

9. Impairment

Investment in subsidiaries

An impairment loss of NOK 60,598,535 was recognised to reduce the carrying amount of investment in subsidiary Tullow Oil (Bream) Norge AS to estimated fair value of NOK 6,800,334 in 2018. The impairment of shares reflects an impairment of the underlying assets in the subsidiary, and was partly offset by reversal of previously impaired receivable from Tullow Oil (Bream) Norge AS converted to equity. The remaining balance was impaired in 2019 following the liquidation of Tullow Oil (Bream) Norge AS and receipt of liquidation dividend.

10. Investments in subsidiaries

The Tullow Oil (Bream) Norge AS was dissolved on 14 March 2019.

The Company is included in the consolidated financial statements of the ultimate parent company (Tullow Oil plc), and no consolidated financial statements have been prepared for Tullow Oil Norge AS and its subsidiaries. The consolidated financial statements of Tullow Oil plc can be obtained at the company's registered office, 9 Chiswick Park, 566 Chiswick High Road, London W4 5XT, England.
Refer to note 9 for information about impairment of investment in subsidiary.

11. Trade and other receivables

	2020 NOK'000	2019 NOK'000
Tax receivable	136	-
VAT receivable	57	11
Total trade and other receivables	193	11

The receivables all mature within one year.

12. Intercompany balances

Payables from group companies	2020 NOK'000	2019 NOK'000
Tullow Oil Finance Limited	317,107	320,245
Tullow Oil Canada Ltd	-	1,392
Total payables from group companies	317,107	321,637

The loans above are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13. Cash and cash equivalents

	2020 NOK'000	2019 NOK'000
Bank deposits, restricted	-	40
Bank deposits, unrestricted	-	4,781
Total cash and cash equivalents	-	4,821

Restricted bank deposits included interest reserve account, pledge account, office rental deposit and employee taxes.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

14. Share capital and shareholder information

Number of shares issued and fully paid	Ordinary shares	Preference A shares	Preference B shares	Total
Number of shares at 1 January 2019	1,058	-	-	1,058
Number of shares at 31 December 2019	1,058	-	-	1,058
Number of shares at 31 December 2020	1,058	-	-	1,058

At 31 December 2020, the par value for ordinary shares is NOK 80,591.50. Each share has equal voting rights.

Shareholders as of end December 2020
Tullow Overseas Holding B.V. owns 100% of the shares in the company.

Dividends
No dividends are proposed for 2020.

15. Provisions for liabilities and charges

Provision for onerous contracts
Due to uncertainty related to utilisation of three of the remaining four slots in Borgland Dolphin rig consortium, a provision for onerous contract was recognised in 2015. However, the amount was released, and the company retained NOK 114,818,000 as at 31 Dec 2017. A dispute arose on the offshore rig contract and this was settled by the company agreeing to pay USD 14,000,000 equivalent of NOK 121,476,600. This was paid in February 2019.

Other provisions
The company has no other provisions at year end 2020 or 2019.

Asset retirement obligations
The company has no asset retirement obligations at year end 2020 or 2019.

16. Trade and other payables

	2020 NOK'000	2019 NOK'000
Trade creditors	64	47
Other accrued expenses [1]	343	214
Total trade and other payables	407	261

[1] Mainly related to accrued audit fees.

The payables all mature within 6 months.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

17. Financial instruments by category

2020	Loans and receivables NOK'000	Fair value through profit or loss NOK'000	Total carrying amount NOK'000
Financial assets			
Trade and other receivables	193	-	193
Financial liabilities			
Payables to group companies	317,107	-	317,107
Trade and other payables	407	-	407
Total	317,514	-	317,514

2019	Loans and receivables NOK'000	Fair value through profit or loss NOK'000	Total carrying amount NOK'000
Financial assets			
Trade and other receivables	11	-	11
Cash and cash equivalents	4,821	-	4,821
Total	4,832	-	4,832
Financial liabilities			
Payables to group companies	261	-	261
Trade and other payables	321,637	-	321,637
Total	321,898	-	321,898

Fair value measurement

It is assessed that the carrying amounts of assets and liabilities, except for interest bearing debt, is equal to its fair values. For interest-bearing debt, the fair value is estimated to be NOK nil in 2020 and NOK nil in 2019.

Tullow Oil Norge AS

Notes to the financial statements (continued)
For the year ended 31 December 2020

18. Commitments and contingencies

Carry and minimum work programmes

The company was obliged to carry parts of the sellers' shares of drilling or seismic costs for some of the acquired licences. The company was further required to participate in the approved work programmes for the licences. At year end 2020 the company held no licences, and thereby no carry or minimum work programmes.

Legal disputes

As disclosed in Note 15, the company was not subject to any legal disputes at 31 December 2020 or 2019.

Liability for damages / insurance

The company's operations involved risk of damages, including pollution. Installations and operations were covered by an operations insurance policy. At year end 2020 the company held no licences and thereby no liabilities for damages / insurance.

19. Events after the statement of financial position date

The six-monthly redetermination of the Group's Reserves Based Lending (RBL) facility was originally expected to conclude at the end of January. Tullow Oil plc and its lending banks agreed to extend the process by up to one month, which allowed for additional time to review Group's new business plan and operating strategy. The Group has now received approval for a new debt capacity amount under the facility of $1.7 billion.

On 17 May 2021, Tullow Oil plc announced that it has completed its offering of $1.8bn aggregate principal amounts of 10.250% senior secured notes due 2026. The Notes, whose net proceeds will be used to (i) repay all amounts outstanding under, and cancel all commitments made available pursuant to, the Group's existing Reserves Based Lending Facility, (ii) redeem in full the Group's senior notes due 2022, (iii) at maturity repay in full and cancel the Group's convertible bonds due 2021 and (iv) pay fees and expenses incurred in connection with the transactions, will be the general senior secured obligations of the Group and guaranteed by certain of the Group's subsidiaries.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jan Hoelstad	16.09.2010	29.09.2010
Telefon	Deres referanse	Vår referanse
22077325	Lars Husby	2010/951817

Spring Energy Norway AS
Tordenskioldsgate 6B
0160 OSLO

Søknad om tillatelse til å unnlate å utarbeide årsregnskap og årsberetning på norsk språk for Spring Energy Norway AS, org. nr: 991 870 830

Det vises til Deres søknad av 16. september 2010 hvor De søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Spring Energy Norway AS.

Bakgrunn:
Selskapene er et lete- og produksjonsfokusert olje- og gass selskap. Selskapets hovedaktivitet er å lete etter, bygge ut og produsere olje og naturgass. Selskapet henvender seg jevnlig til potensielle investorer som er utenlandsk basert, selv om hovedtyngden av aksjonærer i dag er norske. Hoveddelen av disse er likevel profesjonelle investorer. I selskapets styre er ikke alle medlemmer norsk språklig. Årsregnskap og årsberetning utarbeidet på engelsk benyttes derfor alt av styret. Selskapets arbeidsspråk er engelsk som det generelt er i bransjen. Kommunikasjon med primære långivere skjer alt i dag på engelsk språk. Da det er en engelsk versjon av årsregnskapet og -beretningen som vil bli benyttet for alle praktiske formål, og den norske kun utarbeides for å tilfredsstille regnskapslovens krav, anses nytten i forhold til kostnaden ved å utarbeide et norsk årsregnskap og – beretning som liten. Det søkes derfor om dispensasjon.

Skattedirektoratets vurdering og konklusjon
Etter regnskapsloven § 3-4 tredje ledd *skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:
"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Fredrik Selmers vei 4	800 80 000
0134 Oslo	Org. nr: 974761076	Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60

å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. Det fremgår av søknaden at selskapene opererer innen en bransje med sterk internasjonal karakter og arbeidsspråket er engelsk. Alle sentrale aktører innen de bransjer selskapene driver, antas å måtte beherske og benytte engelsk språk.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering Spring Energy Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad