

**HESS NORGE AS**  
**STATEMENT OF OPERATIONS**

(Amounts in thousands NOK )

	Note	2016	2015
<b>Operating revenues</b>			
Crude oil sales	1	3,124,852	4,103,948
Gas sales	1	374,906	697,394
Natural gas liquid sales	1	65,359	99,627
Other income		<u>(136)</u>	<u>26,000</u>
<b>Total operating income</b>		<u>3,564,981</u>	<u>4,926,969</u>
<b>Operating cost and expenses</b>			
Production and transportation costs		1,965,822	2,106,767
Exploration costs		-	(1,217)
Salaries and benefits	2	121,595	147,413
Ordinary depreciation and impairment	4	2,752,808	6,108,500
Other operating costs		172,431	197,629
<b>Total operating costs and expenses</b>		<u>5,012,656</u>	<u>8,559,093</u>
<b>Income from operations</b>		<u>(1,447,675)</u>	<u>(3,632,124)</u>
<b>Financial income and (expenses)</b>			
Interest income		1,936	6,122
Interest expense	9,11	(1,458,150)	(1,525,600)
Foreign exchange gain/ (loss)		24,991	82,290
Other finance expences		<u>(88)</u>	<u>(132)</u>
<b>Net financial income/ (expenses)</b>		<u>(1,431,312)</u>	<u>(1,437,320)</u>
<b>Income before taxes</b>		<u>(2,878,986)</u>	<u>(5,069,444)</u>
Taxes	6	<u>(1,588,549)</u>	<u>(3,175,449)</u>
<b>Net income</b>		<u>(1,290,437)</u>	<u>(1,893,994)</u>
<b>Allocation of profit (loss)</b>			
Allocated to/from retained earnings	7	(137,899)	(1,893,994)
Allocated to/from share premium	7	<u>(1,152,538)</u>	<u>-</u>
<b>Total year end dispositions</b>		<u>(1,290,437)</u>	<u>(1,893,994)</u>

HESS NORGE AS

BALANCE SHEET PER 31.12

(Amounts in thousands NOK)

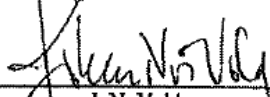
ASSETS	Note	2016	2015
<b>Fixed Assets</b>			
<i>Tangible assets</i>			
Production facilities in operation	4	33,626,392	37,264,129
Office equipment and art	4	270	41
<b>Total fixed assets</b>		<b>33,626,662</b>	<b>37,264,170</b>
<i>Financial assets</i>			
Long- term receivables		68,534	100,928
<b>Total financial assets</b>		<b>68,534</b>	<b>100,928</b>
<b>Total non current assets</b>		<b>33,695,196</b>	<b>37,365,098</b>
<b>Current assets</b>			
Spare parts		120,683	324,863
<i>Receivables</i>			
Underlift	3	72,634	135,264
Accounts receivable		626,702	279,388
Intercompany receivables		-	1,065
Prepaid expenses and other receivables	12	273,224	360,687
<b>Total receivables</b>		<b>972,561</b>	<b>776,404</b>
Cash and bank deposits	5	485,522	195,087
<b>Total current assets</b>		<b>1,578,765</b>	<b>1,296,355</b>
<b>TOTAL ASSETS</b>		<b>35,273,961</b>	<b>38,661,452</b>

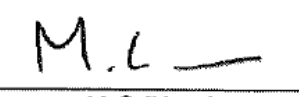
HESS NORGE AS  
BALANCE SHEET PER 31.12.  
(Amounts in thousands NOK)

**EQUITY AND LIABILITIES**

	Note	2016	2015
<b>Shareholder's equity</b>			
<i>Paid-</i>			
Capital stock	7	2,400	2,300
Share premium	7	2,212,279	2,125,145
<b>Total paid- in capital</b>		<b>2,214,679</b>	<b>2,127,445</b>
<i>Retained earnings</i>			
Other equity	7	-	137,966
<b>Total shareholder's equity</b>		<b>2,214,679</b>	<b>2,265,411</b>
<b>Long- term liabilities</b>			
<i>Long- term provisions</i>			
Deferred income taxes	6	1,041,822	2,630,270
Pension liability	10	6,267	1,899
Dismantlement provision	8	8,630,750	10,199,973
<b>Total long- term provisions</b>		<b>9,678,840</b>	<b>12,832,142</b>
<i>Other long- term liabilities</i>			
Intercompany debt	9	22,757,980	22,757,980
<b>Total other long- term liabilities</b>		<b>22,757,980</b>	<b>22,757,980</b>
<b>Total long- term liabilities</b>		<b>32,436,820</b>	<b>35,590,122</b>
<i>Current liabilities</i>			
Accounts payable and accrued liabilities		294,633	493,112
Bank overdraft	5	-	93,817
Intercompany liabilities	9	325,030	213,880
Overlift	3	-	1,732
Public duties payable		2,799	3,379
<b>Total current liabilities</b>		<b>622,462</b>	<b>805,920</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,273,961</b>	<b>38,661,452</b>

Stavanger, 8 June 2017

  
J. N. Vold  
Chairman of the Board

  
M. G. Edwards  
Managing Director and Director

  
B. D. Truelove  
Director

  
A. G. Nymann  
Director

  
M. J. Guyan  
Director

**HESS NORGE AS**

**CASH FLOW STATEMENT**

(Amounts in thousands NOK)

	Note	2016	2015
<b>Cash flow from operating activities</b>			
Income before taxes		(2,878,986)	(5,069,444)
Taxes received/ (paid)		-	30,422
Depreciation, depletion and amortisation	4	2,752,808	3,856,967
Impairment	4	-	2,251,533
Accretion on dismantlement less payments		(576,218)	(931,807)
Net change in long term receivables		32,394	(32,311)
Net change in long term accruals		4,368	925
Net change in accounts receivable		(347,314)	78,798
Net change in accounts payable		(198,480)	(168,628)
Net change in other current accounts and other changes		464,176	203,071
<b>Net cash flow from operating activities</b>		<b>(747,251)</b>	<b>219,527</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	4,8	(108,270)	(434,876)
<b>Net cash flow from investing activities</b>		<b>(108,270)</b>	<b>(434,876)</b>
<b>Cash flow from financing activities</b>			
Proceeds from new intercompany debt		-	(648,693)
Net change in overdraft	5	(93,817)	(206,773)
Proceeds from issuance of equity	7	1,239,773	1,221,445
<b>Net cash flow from financing activities</b>		<b>1,145,955</b>	<b>365,979</b>
<b>Net increase/ (decrease) in cash</b>		<b>290,434</b>	<b>150,630</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>195,087</b>	<b>44,457</b>
<b>Cash and cash equivalents at end of year</b>		<b>485,522</b>	<b>195,087</b>

**HESS NORGE AS**  
**STATEMENT OF OPERATIONS**

(Amounts in thousands NOK )

	Note	2014	Restated 2013
<b>Operating revenues</b>			
Crude oil sales	1	5,744,804	4,387,068
Gas sales	1	688,863	438,701
Natural gas liquid sales	1	151,913	102,469
Other income		142	1,757
		<u>6,585,722</u>	<u>4,929,995</u>
<b>Operating cost and expenses</b>			
Production and transportation costs		2,236,542	1,870,488
Exploration costs		105	38,173
Salaries and benefits	2	122,040	94,333
Ordinary depreciation	4	2,825,422	1,941,972
Other operating costs		115,512	124,487
		<u>5,299,620</u>	<u>4,069,453</u>
<b>Income from operations</b>		<u>1,286,101</u>	<u>860,542</u>
<b>Financial income and (expenses)</b>			
Interest income		1,272	3,254
Interest expense	8 & 9	(1,488,445)	(1,482,314)
Foreign exchange gain/ (loss)		107,808	(17,765)
Other finance expenses		(119)	(107)
		<u>(1,379,484)</u>	<u>(1,496,932)</u>
<b>Net financial income/ (expenses)</b>		<u>(1,379,484)</u>	<u>(1,496,932)</u>
<b>Income before taxes</b>		<u>(93,383)</u>	<u>(636,390)</u>
Taxes	6	462,332	93,973
<b>Net income</b>		<u>(555,715)</u>	<u>(730,364)</u>
<b>Allocation of profit (loss)</b>			
Allocated to/from retained earnings	7	(555,715)	(730,364)
<b>Total year end dispositions</b>		<u>(555,715)</u>	<u>(730,364)</u>

HESS NORGE AS

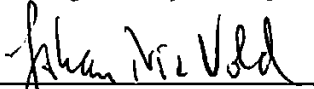
BALANCE SHEET PER 31.12  
(Amounts in thousands NOK)

ASSETS	Note	2014	Restated 2013
<b>Fixed Assets</b>			
<i>Tangible assets</i>			
Production facilities in operation	4	42,328,421	40,180,650
Production facilities under development	4	-	-
Office equipment and art	4	181	1,286
<b>Total fixed assets</b>		<b>42,328,602</b>	<b>40,181,936</b>
<i>Financial assets</i>			
Long-term receivables		68,617	68,648
<b>Total financial assets</b>		<b>68,617</b>	<b>68,648</b>
<b>Total non current assets</b>		<b>42,397,219</b>	<b>40,250,584</b>
<b>Current assets</b>			
Spare parts		381,865	448,522
<i>Receivables</i>			
Underlift	3	117,108	146,506
Accounts receivable		358,186	518,723
Intercompany receivables		1,065	399,987
Prepaid expenses and other receivables	12	345,415	445,975
<b>Total receivables</b>		<b>821,774</b>	<b>1,511,191</b>
Cash and bank deposits	5	44,457	7,427
<b>Total current assets</b>		<b>1,248,095</b>	<b>1,967,140</b>
<b>TOTAL ASSETS</b>		<b>43,645,314</b>	<b>42,217,724</b>

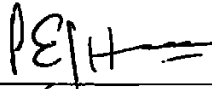
**HESS NORGE AS**  
**BALANCE SHEET PER 31.12.**  
(Amounts in thousands NOK)

<b>EQUITY AND LIABILITIES</b>	Note	2014	Restated 2013
<b>Shareholder's equity</b>			
<i>Paid-in capital</i>			
Capital stock	7	2,100	2,100
Share premium reserve	7	903,900	903,900
<b>Total paid-in capital</b>		<b>906,000</b>	<b>906,000</b>
<i>Retained earnings</i>			
Other equity	7	2,031,960	2,587,675
<b>Total shareholder's equity</b>		<b>2,937,960</b>	<b>3,493,675</b>
<b>Long-term liabilities</b>			
<i>Long-term provisions</i>			
Deferred income taxes	6	5,775,298	5,304,384
Pension liability	10	974	1,833
Dismantlement provision	8	10,522,587	8,138,135
<b>Total long-term provisions</b>		<b>16,298,858</b>	<b>13,444,353</b>
<i>Other long-term liabilities</i>			
Intercompany debt	9	23,406,673	18,705,416
<b>Total other long-term liabilities</b>		<b>23,406,673</b>	<b>18,705,416</b>
<b>Total long-term liabilities</b>		<b>39,705,532</b>	<b>32,149,769</b>
<i>Current liabilities</i>			
Accounts payable and accrued liabilities		661,740	642,278
Bank overdraft	5	300,590	1,164,348
Intercompany liabilities		35,668	4,743,307
Tax payable		-	19,056
Public duties payable		3,824	5,289
<b>Total current liabilities</b>		<b>1,001,822</b>	<b>6,574,279</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>43,645,314</b>	<b>42,217,723</b>

Stavanger, ~~13 May 2015~~ 9 June 2015



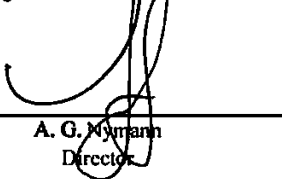
J. N. Vold  
Chairman of the Board



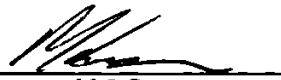
L. E. J. Huizenga  
Managing Director and Director



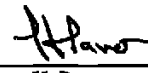
B. D. Truelove  
Director



A. G. Myrland  
Director



M. J. Guyan  
Director



H. Paver  
Director

## HESS NORGE AS

### CASH FLOW STATEMENT (Amounts in thousands NOK)

	Note	2014	2013
<b>Cash flow from operating activities</b>			
Income before taxes		(93,383)	(636,390)
Taxes received/ (paid)		(10,475)	-
Depreciation, depletion and amortisation	4	2,825,422	1,941,972
Accretion on dismantlement less payments		(608,455)	(44,583)
Net change in long term receivables		31	(68,597)
Net change in long term accruals		(859)	(40)
Net change in accounts receivable		160,537	(513,035)
Net change in accounts payable		19,462	(402,408)
Net change in other current accounts and other changes		586,433	(552,221)
<b>Net cash flow from operating activities</b>		<b>2,878,712</b>	<b>(275,302)</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	4	(1,979,181)	(2,503,098)
<b>Net cash flow from investing activities</b>		<b>(1,979,181)</b>	<b>(2,503,098)</b>
<b>Cash flow from financing activities</b>			
Proceeds from new intercompany debt		1,257	4,700,000
Net change in overdraft	5	(863,758)	(1,961,514)
<b>Net cash flow from financing activities</b>		<b>(862,501)</b>	<b>2,738,486</b>
<b>Net increase/ (decrease) in cash</b>		<b>37,030</b>	<b>(39,913)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>7,427</b>	<b>47,340</b>
<b>Cash and cash equivalents at end of year</b>		<b>44,457</b>	<b>7,427</b>