OKEA ASA - Second quarter 2025 financial results

(Trondheim, 16 July 2025) - OKEA ASA (OSE: OKEA) delivered operating income of USD 206 (271) million and EBITDA of USD 98 (183) million in the second quarter of 2025. The net cash position was USD 42 (120) million. With new wells sanctioned, guidance has been updated.

(Amounts in parentheses refer to previous quarter)

"I am pleased to report that we completed another quarter with no serious incidents. We continue to develop our assets, with several milestones achieved during the last months. On Brage, we continue to drill new wells and production from Sognefjord East commenced on 1 July. We also spudded the Talisker well early in July. The Garn West South production well at Draugen has been sanctioned with production expected already from medio 2026. With the new wells in our plans, we expect production next year to increase by about 5,000 boepd and we are lifting our guidance accordingly", stated OKEA CEO, Svein J. Liknes.

Second quarter 2025 summary

Net production was 31.7 (34.2) kboepd. The lower production was mainly due to delay in drilling of new wells to offset decline at Statfjord.

Sold volumes amounted to 33.0 (39.1) kboepd The average realised crude price was USD 68.4 (77.7) per boe. Average realised NGL price was USD 41.2 (47.0) resulting in an average realised liquids price of USD 63.1 (72.8) per boe. The average realised price for gas was USD 71.4 (84.4) per boe, of which a gain of USD 5.6 (loss of -0.6) per boe was attributable to hedging. Total income from sale of petroleum products amounted to USD 196 (266) million.

Total operating expenses comprised of production expenses at USD 74 (62) million, corresponding to USD 23.5 (18.6) per boe. The increased cost was mainly due to maintenance work at Statfjord and Brage and well maintenance at Draugen. Changes in over-/underlift positions and production inventory resulted in an expense of USD 8 (13) million as sold volumes exceeded produced volumes.

Impairment of technical goodwill amounted to USD 32 (12) million mainly due to lower forward prices. Impairment of technical goodwill is a non-cash expense and is not tax deductible.

Tax expense was USD 26 (101) million and net loss after tax ended at USD 21 (net profit of 21) million.

Following issuance of the OKEA06 bond in June, cash and cash equivalents increased to USD 423 (343) million. In addition, USD 41 (24) million was placed in money market funds. Interest-bearing bond loans amounted to USD 422 (247) million, comprising the OKEA04, OKEA05 and OKEA06 bonds, which brings the net cash position to USD 42 (120) million. Repayment of the OKEA04 bond, with nominal value USD 125 million, was settled in early July.

Updated guidance

Based on the solid production during the first half of the year, and the plans for the second half, production guidance for 2025 is narrowed towards the high end of the range, up to 30-32 kboepd from 28-32 kboepd. Based on sanctioning of new wells (Talisker at Brage and Garn West South at Draugen), production guidance for 2026 is lifted by 5 kboepd, up to 31-35 kboepd from 26-30 kboepd.

Sanctioning of Garn West South, is a key driver for the increase in capex guidance for 2025 by USD 30-40 million, to USD 350-380 million from USD 310-350 million. Capex guidance for 2026 remains unchanged at USD 300-360 million.

Webcast and audio conference

A presentation of the results will be held today through a webcast and audio conference starting 10:00 CEST. The presentation will be held by Svein J. Liknes (CEO) and Birte Norheim (CFO).

The webcast can be followed at www.okea.no

or [OKEA Webcast Q2 2025 (royalcast.com)]

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About OKEA

OKEA ASA is a leading mid- and late-life operator on the Norwegian continental shelf (NCS). OKEA finds value where others divest and has an ambitious strategy built on growth, value creation and capital discipline.

OKEA is listed on the Oslo Stock Exchange (OSE:OKEA)

More information at www.okea.no