



Semi-Annual Report  
**2022**

Interim Financial Statements  
for the six months and full year  
ended 31 December 2022  
(unaudited)

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## General information

These interim financial statements for Lime Petroleum AS ("the Company" or "Lime") have been prepared to comply with the Bond Terms for the senior secured NOK 1,250,000,000 Bonds 2022/2025 ISIN NO0012559246 dated July 4, 2022. These interim financial statements have not been subject to review or audit by independent auditors.

In 2022, Lime Petroleum AS's most significant transaction was its acquisition of a 10 per cent interest in the producing Yme Field, further strengthening the Company's position as a full-fledged exploration and production player in the Norwegian Continental Shelf, following its acquisition of a 33.8434 per cent interest in the producing Brage Field in 2021. To partly finance the transaction, a three-year senior secured bond issue of NOK 1 250 million was raised.

Pursuant to § 3-3 of the Norwegian Accounting Act, the Board of Directors of Lime Petroleum AS confirm that the financial statements for 2021 have been prepared on a going concern basis. The audited financial statements for 2022 will be approved by the Board of Directors of Lime Petroleum AS in April 2023 in due time to report the 2022 Annual Financial Statements in accordance with Bond Terms no later than four months after the end of the financial year.

## Financial review

Lime delivered revenues from sale of crude oil and gas amounting to NOK367.2 million in H2 2022. The revenue (NOK 160.7 million) in H2 2021, resulted from purchase transaction related to the acquisition of 33.3484 per cent share in the Brage Field. The purchase gain in 2021 was a consequence of the oil market moving favourably compared to the market outlook at the time of the Brage bid.

On 10 August 2022, Lime signed an agreement with Kufpec Norway AS to acquire a 10 per cent share in the oil producing Yme Field, the transaction was completed 23 December 2022. The purchase transaction resulted in a total goodwill of NOK 353.0 million recognised as non-current asset in the balance sheet. Through its purchase of the Yme share of 10 per cent, the Company acquired its second recurrent cash-generating asset.

Operating expenses totalled NOK 563 million in H2 2022 (NOK 63.8 million in H2 2021). The increase in cost is mainly due to the operating cost (NOK 280.1 million) and depreciation (NOK 73.2 million) as a result of Lime acquiring 33.8434 per cent share in the Brage Field in 2021. Moreover, net impairment following the relinquishment of license PL433 (Fogelberg) and PL1111 (Kings Canyon) amounted to NOK 152.9 million in H2 2022. No impairment was made in H2 2021.

Net financial costs in H2 2022 were NOK 114.7 million (NOK 29.8 million in H2 2021). The high-level financial cost in 2022 compared to 2021 was primarily related to the senior secured initial bond issue at year-end of NOK 950 million and the shareholder loan facility.

The interest-bearing debt was NOK 918.3 million at the end of 2022 compared to NOK 508.5 million end of 2021. The Yme purchase prompted the establishment of a series of bonds up to the maximum amount of NOK 1.250 million, put in place 4 July 2022. By the end of the year, the initial bond issue amount of 950 million was released. Former bond of NOK 500 million was repaid in July 2022.

The loan facility agreement with the Company's main shareholder Rex International Investments Pte Ltd ("Rex"), had a balance of NOK 152.1 million including interest, end of 2022 (NOK 93.4 million end of 2021).

## Financial review

Profit before taxes in H2 2022 was NOK -310.6 million (NOK 67.1 million in H2 2021). Tax income amounted to NOK 184.0 million in H2 2022 (NOK 61.1 million in H2 2021). The tax refund related to 2021 received in 2022 amounted to NOK 355.5 million. The tax refund earned in 2022 and to be received in 2023 is calculated to NOK 556.2 million. Loss for the full year amounted to NOK 80.5 million while there was an annual profit amounted to NOK 119.6 million in 2021.

During the year, the Company capitalized costs worth NOK 1088.2 million on its oil and gas properties and exploration activities of which the bigger part was linked to the Brage infill drilling program (NOK 428.5 million) and the acquisition of the Yme share of 10 per cent (NOK 538.6 million).

The Yme transaction has been determined to constitute a business combination and has been accounted for using the acquisition method of accounting as required by IFRS 3. The capitalized cost related to exploration activity was mainly driven by the PL867 Gjegnalunden well operation.

As a result of the Yme acquisition the Company re-shaped its financing. The current borrowing base is the senior secured NOK 1.250 million bonds 2022/2025 including a tap issue option of NOK 300 million. The bonds may be issued on different issue dates, and at year-end the Company had issued the initial bond issue amount of NOK 950 million. Furthermore, the Company strengthened its capital structure by a shareholder loan from its shareholder Rex of NOK 49 million in December 2022.

The share capital was NOK 216.9 million at the year-end of 2022. The total equity was NOK 376.4 million at the year-end of 2022 compared to NOK 448.0 million in 2021.

## Financial risk Management

In order to reduce the risk related to oil price fluctuations, the Company has renewed the oil price hedging program established in 2022.

Lime Petroleum AS has effective from 1st February 2023 a hedging program based on put options that will protect the company from significant reductions in crude oil prices through January 2024. The crude oil production was hedged at strike price of 35 USD/bbl and USD 0.45 average cost per barrel.

Additional positions may be added to the hedging program going forward, hedging for currency risk will be considered.

The hedge was facilitated by ABG Sundal Collier.

## Other activities

Lime Petroleum AS continues to stay focused on its business strategy increasing the license portfolio of exploration and producing assets, to achieve an even stronger position on the Norwegian Continental Shelf. Lime is continuously looking for new opportunities to expand its activities for further value creation; organically through exploration, and inorganically through farm-ins and acquisitions.

Lime Petroleum AS aims to be an active responsible partner, performing its see-to duty as a licensee, and now also ensuring its business activities comply with human rights standards by creating procedures to identify, report and mitigate transgressions.

The Company is actively taking part in initiatives that mitigate the footprint of our activities by participating in a CO<sub>2</sub> carbon storage project. The project worked through 2022 with subsurface studies that identified a secure location for CO<sub>2</sub> injection on the NCS.

## Operational review

Through 2022, the industry has seen significant uncertainties regarding global political and economic stability, and experienced oil and gas prices reaching levels never seen before. Even though the energy markets seem to have stabilized into 2023, the level of prices going forward is still subject to uncertainty. The extent to which the impacts the Company's results will depend on future developments and thus difficult to predict.

Through 2022, the Brage field for the most part produced well. OKEA successfully took over operatorship of Brage from WintershallDEA 1 November, 2022. No serious HSE incidents occurred on 2H 2022. The scheduled maintenance stop was postponed from May to September. No significant issues with the facility were found during the maintenance stop, however bringing production levels back up after the shut down proved to be more time consuming than anticipated, especially for gas production. The production efficiency for December 2022 was back up to pre-shut down levels; 98%. The Brage South well was concluded in July 20 days ahead of schedule, and the targets were found to be dry. The well is now planned to be sidetracked to a Fensfjord Formation production target in Q1 2023. After the maintenance stop, drilling of the A-11 well with multiple targets in the Talisker area (proven in 2021) was initiated.

On 23 December 2022, Lime closed on the transaction with KUFPEC Norway AS for 10 per cent share in the Yme Field, thus adding an additional producing asset to the Lime portfolio. Throughout 2022, Yme went through an extended commissioning process due to several unexpected shut-down periods. The field was shut in for most of the month of September. As a result of this, the overall production volumes on Yme were 1/3 of the forecast for the year and production drilling from the Yme MODPU is delayed. Plateau production was initially expected to be reached in Q4 2022, however is now expected in mid 2023. Yme production improved significantly

through December, reaching a monthly average of 14,000 bopd, from 4 wells, with a peak production level reached late in December of 29,680 bopd from, 8 wells. Drilling on the Beta structure concluded at the end of the year, while drilling on the Gamma structure from the Yme Inspirer (MODPU) rig is ongoing and will continue in 2023 with three further wells.

On 31 October 2022, Lime closed on a transaction with MOL Norge AS. In this transaction Lime purchased 40 per cent interest in PL820S and PL820 SB, adding an additional development project to the portfolio. Later in the year, Lime farmed down 10 per cent of the licenses to Vår Energi, with Vår becoming the Operator of the license.

The license partnership on PL433 (Fogelberg) decided to relinquish the license rather than move forward with a PDO in 2022. The license was fully impaired by the end of 2022. Similarly, PL1111 was relinquished and fully impaired.

As part of the green transition, Lime is participating in a Joint Industry Project aiming at securing a CCS (Carbon Capture and Sequestration) license on the Norwegian Continental Shelf. Lime sees a growing market for carbon storage, which aligns with Lime's technical skills and business interests. Lime is also actively participating in projects to reduce CO<sub>2</sub> emissions from operations in which Lime is involved.

To accommodate the increased portfolio, Lime has over the past 6 months upgraded the business management system and has further strengthened the team with technical and financial competency.

## Income Statement (condensed)

<i>(Amounts in TNOK)</i>	Note	H2 2022	H2 2021	2022	2021
Gain from bargain purchase	2		160 684		160 684
Revenues from crude oil and gas sales		367 197		947 527	
Other operating income / loss (-)				-1 221	
<b>Total operating income</b>		<b>367 197</b>	<b>160 684</b>	<b>946 306</b>	<b>160 684</b>
Production expenses		-280 078		-436 663	
Exploration expenses	3	-21 645	-25 319	-46 701	-38 673
Payroll and related cost	4	-19 470	-28 178	-36 121	-35 843
Depreciation and amortisation		-73 150	-782	-180 028	-1 570
Impairment (-) / reversal of impairment		-152 912		-232 156	
Other operating expenses		-15 778	-9 486	-28 498	-13 078
<b>Total operating expenses</b>		<b>-563 032</b>	<b>-63 765</b>	<b>-960 168</b>	<b>-89 164</b>
<b>Profit / loss (-) from operating activities</b>		<b>-195 835</b>	<b>96 919</b>	<b>-13 862</b>	<b>71 521</b>
Finance income		9 753	185	21 490	427
Finance costs		-124 487	-30 011	-155 008	-34 068
<b>Net financial items</b>	5	<b>-114 734</b>	<b>-29 826</b>	<b>-133 518</b>	<b>-33 641</b>
<b>Profit / loss (-) before income tax</b>		<b>-310 569</b>	<b>67 093</b>	<b>-147 380</b>	<b>37 880</b>
Taxes (-) / tax income (+)	6	184 010	61 135	66 876	81 785
<b>Profit / loss (-) for the period / year</b>		<b>-126 560</b>	<b>128 227</b>	<b>-80 505</b>	<b>119 664</b>

## Statement of Comprehensive Income (condensed)

<i>(Amounts in TNOK)</i>	Note	H2 2022	H2 2021	2022	2 021
<b>Profit (loss) for the period</b>		<b>-126 560</b>	<b>128 227</b>	<b>-80 505</b>	<b>119 664</b>
<b>Other comprehensive income, net of tax:</b>					
<b>Total comprehensive income for the year</b>		<b>-126 560</b>	<b>128 227</b>	<b>-80 505</b>	<b>119 664</b>

## Balance Sheet as at 31 December 2022 (condensed)

<i>(Amounts in TNOK)</i>	Note	31/12/2022	31/12/2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	1	353 018	
Exploration and evaluation assets	7	240 360	355 010
Oil and gas properties	7	1 563 944	727 670
Property, plant and equipment		718	583
Intangible asset		58	78
Right-of-use assets		7 282	2 256
Non-current receivables		1 331 363	1 473 184
<b>Total non-current assets</b>		<b>3 496 742</b>	<b>2 558 780</b>
<b>Current assets</b>			
Prepayments and other receivables		257 234	51 623
Inventory and spareparts		134 918	104 539
Tax refund receivable	6	556 235	355 488
Other current assets - restricted cash	8	87 500	84 500
Cash and cash equivalents	8	405 898	146 262
<b>Total current assets</b>		<b>1 441 784</b>	<b>742 412</b>
<b>Total assets</b>		<b>4 938 526</b>	<b>3 301 193</b>

## Balance Sheet as at 31 December 2022 (condensed)

(Amounts in TNOK)

	Note	31/12/2022	31/12/2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		216 900	130 320
Other paid-in capital		125 471	12 052
Capital increase pending registration			200 000
Retained earnings		25 145	105 650
<b>Total equity</b>	9	<b>367 516</b>	<b>448 022</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Asset retirement obligations		1 790 703	1 674 828
Deferred tax liabilities	6	742 382	359 777
Leasing liabilities		5 396	969
Interest-bearing loans and borrowings	10	918 290	508 489
<b>Total non-current liabilities</b>		<b>3 456 771</b>	<b>2 544 063</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	10	137 156	75 000
Trade creditors		43 713	24 652
Other current liabilities		933 369	209 456
<b>Total current liabilities</b>		<b>1 114 238</b>	<b>309 108</b>
<b>Total liabilities</b>		<b>4 571 009</b>	<b>2 853 171</b>
<b>Total equity and liabilities</b>		<b>4 938 526</b>	<b>3 301 193</b>

## Statement of changes in equity (condensed)

<i>(Amounts in TNOK)</i>	Share capital	Not registered capital increase	Other paid in capital	Retained earnings / Uncovered loss	Total equity
Equity at 1 January 2021	130 320		11 386	-14 014	127 692
Profit / loss (-) for the year				119 664	119 664
Other comprehensive income for the year	-			-	
<i>Total comprehensive income for the year</i>				119 664	119 664
Share-based payment			665		665
Shares issued in 2021, registered in 2022		200 000			200 000
<b>Equity at 31 December 2021</b>	<b>130 320</b>	<b>200 000</b>	<b>12 052</b>	<b>105 650</b>	<b>448 022</b>
Equity at 1 January 2022	130 320	200 000	12 052	105 650	448 022
Profit / loss (-) for the year				-80 505	-80 505
Other comprehensive income for the year	-			-	
<i>Total comprehensive income for the year</i>				-80 505	-80 505
Shares issued in 2021, registered in 2022	86 580	-200 000	113 420		
<b>Equity at 31 December 2022</b>	<b>216 900</b>		<b>125 471</b>	<b>25 145</b>	<b>367 517</b>

## Cash Flow Statement (condensed)

(Amounts in TNOK)

	Note	2022	2021
<b>Cash flow from operating activities</b>			
Profit / loss (-) before income tax		-147 380	37 880
Adjustments:			
Gain from bargain purchase			-160 684
Tax refunded	6	375 393	170 848
Depreciation		180 028	1 637
Impairment/disposals exploration assets	7	232 705	8 745
Changes in trade creditors		19 061	17 116
Changes in other current receivables and liabilities		247 219	41 616
<b>Net cash flow from operating activities</b>		<b>907 027</b>	<b>117 157</b>
<b>Cash flow from investing activities</b>			
Investment in exploration and evaluation assets	7	-121 130	-126 446
Net cash paid in business combination	2	-538 582	-364 889
Investment in oil and gas properties	7	-428 462	0
Brage abandonment liability - restricted cash		-3 000	-84 500
Purchase of property, plant and equipment		-6 903	-51
<b>Net cash flow from investing activities</b>		<b>-1 098 077</b>	<b>-575 885</b>
<b>Cash flow from financing activities</b>			
Funds drawn current borrowings, net of transaction costs incurred		0	25 000
Net proceeds from borrowings, bond loan	10	903 335	486 875
Repayments of borrowings, bond loan	10	-425 000	
Repayments of current borrowings	10	-75 000	-180 000
Repayments of lease liabilities		-1 685	-1 370
Loans from shareholder	10	49 036	129 148
Repayments of loans from shareholder		0	
Proceeds from share issues		0	128 000
<b>Net cash flow from financing activities</b>		<b>450 686</b>	<b>587 653</b>
<b>Net change in cash and cash equivalents</b>		<b>259 636</b>	<b>128 925</b>
Cash and cash equivalents at 1st January 2022/2021		146 262	17 337
<b>Cash and cash equivalents at 31st of December</b>		<b>405 898</b>	<b>146 262</b>
Interest paid		64 603	14 769

## Note 1 Accounting principles

(All figures in TNOK unless otherwise stated)

These condensed interim financial statements (“interim financial statements”) for the six months period ending 31 December 2022, have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (“IFRS”) IAS 34 Interim Financial Reporting. The interim financial statements do not include all the information and disclosure required by IFRS and should be read in conjunction with the Company’s Annual Financial Statements for 2021. These interim financial statements have not been subject to review or audit by independent auditors.

On 10 August 2022, the Company signed a sales and purchase agreement with Kufpec Norway AS to acquire their 10 per cent participating share in the PL316 and PL316B licenses that constitute the oil producing Yme Unit. Approval for the transaction was received from the Ministry of Petroleum and Energy and the Ministry of Finance on 24 November 2022. Completion took place 23 December 2022. The transaction has the nature and financial effect of business combination in accordance with the requirements of IFRS 3.

The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021.

The Company uses a “modified full cost method” to account for exploration costs. All exploration costs directly related to areas where Lime holds an interest is capitalized. As a rule, each license constitutes one cost area, but in areas where two or more licences have boundaries against each other, it may be natural to view multiple licences together as a separate cost area. A cost area will be tested for impairment if facts and circumstances suggest that the carrying amount of the asset(s) on the area may exceed its recoverable amount. Typical facts and circumstances that would indicate that a cost area should be tested for impairment are: • the right to explore in the specific area has expired or will expire in the near future and is not expected to be renewed; • further exploration in the specific area is neither budgeted or planned; • commercially viable reserves have not been discovered and the company plans to discontinue activities in the specific area, and • existing data shows that the carrying amount of the asset(s) will not be recovered in full through development activity.

For the purpose of identification and valuation of assets related to the Yme acquisition made in 2022, IFRS 3 has been applied.

For further detailed information on accounting principles, please refer to the Financial Statements for 2021.

## Note 2 Business Combination IFRS 3

On 23 December 2022, the Company completed the acquisition of a 10.00 per cent working interest in Yme from KUFPEC Norway AS. The acquisition was financed through the issuance of a NOK 950 million secured bond loan in July 2022. The transaction has been determined to constitute a business combination and has been accounted for using the acquisition method of accounting as required by IFRS 3. The economic date of the transaction, which will be used for tax purposes, is 1 January 2022. The acquisition date for accounting purposes (transfer of control) has been determined to be 31 December 2022.

A preliminary purchase price allocation (PPA) has been performed and all identified assets and liabilities have been measured at their acquisition date fair values in accordance with the requirements of IFRS 3. The agreed purchase price is USD 68.1 million (NOK 670.8 million). Adjusted for interim period adjustments and working capital, the total cash consideration is estimated to USD 84.1 million (NOK 828.5 million).

At this stage, the purchase price allocation is preliminary due to the complexity of the transaction and the fact that Lime is in the process of performing a detailed review of the final completion statement prepared by the seller. As a result, the final PPA and the impact on the financial statements from the transaction may differ. The final PPA will be completed within 12 months of the acquisition at the latest. The fair values of the identifiable assets and liabilities in the transaction as at the date of the acquisition have been estimated as follows:

Amounts in:	USD '000	NOK '000
<b>Purchase</b>	<b>84 052</b>	<b>828 522</b>
Yme oil field	59 465	586 168
Abandonment retirement obligation	(22 445)	(221 244)
Deferred tax liability	(7 130)	(70 281)
Tax receivable	19 232	189 575
Stocks	3 956	38 994
Prepayments	127	1 254
A/P, VAT and Accruals	(11 550)	(113 856)
Over-/undercall	1 680	16 564
Over/Underlift	4 903	48 330
<b>Total allocated to assets and liabilities</b>	<b>48 239</b>	<b>475 504</b>
<b>Goodwill (residual) <sup>(1)</sup></b>	<b>35 813</b>	<b>353 018</b>
"Ordinary" goodwill	14 211	140 082
"Technical" goodwill	21 602	212 936

The ordinary goodwill consists largely of elements from the existing business plan and expected future development of the acquired oilfield. Technical goodwill arising from the special tax rules for oilfields. Lime will receive the majority of the cash flow in 2023 and 2024, after which there will be no goodwill left on the field. An impairment of the goodwill is likely to happen within that period.

The acquired licenses did not contribute to any income or profit before tax in 2022, other than the recognition of "Negative" Goodwill, because the acquisition took place 31 December 2022. A preliminary estimation of the impact from the transaction indicates that if the acquisition had taken place at the beginning of the year, total revenues for the year would have been approximately NOK 291.5 million higher and loss before tax would have been approximately NOK 18.5 million higher.

## Note 3 Exploration expenses

*(Amounts in TNOK)*

	<b>2022</b>	<b>2021</b>
Expensed capitalized exploration (1)		8 745
Direct seismic costs and field evaluation	7 546	3 752
G&G costs, Virtual Drilling	15 044	13 657
Consultants, exploration	3 063	3 103
<u>Other operating exploration expenses</u>	<u>21 049</u>	<u>5 084</u>
<u>Total exploration expenses</u>	<u>46 701</u>	<u>38 673</u>

(1) Expensed capitalized exploration in 2021 is related to impairment of licence PL1062.

## Note 4 Payroll and related cost

*(Amounts in TNOK)*

	<b>2022</b>	<b>2021</b>
Salaries employees (1)	24 909	15 810
Director's fee (2)	4 498	15 059
Consultancy fees, hours invoiced to other companies	-1 461	-1 628
Social security	4 553	4 546
Pension costs	2 804	1 275
Share-based payment	0	665
Other employee related expenses	819	115
<b>Total</b>	<b>36 121</b>	<b>35 843</b>
Average number of employees	17	10

1) Including option settlement for several years.

2) Including accumulated payment for several years in 2021.

## Note 5 Finance income and costs

### **Finance income:**

<i>(Amounts in TNOK)</i>	<b>2022</b>	<b>2021</b>
Interest income	5 446	20
Net Foreign exchange effects	7 850	407
Other finance income	8 195	
<b>Total finance income</b>	<b>21 490</b>	<b>427</b>

### **Finance costs:**

<i>(Amounts in TNOK)</i>	<b>2022</b>	<b>2021</b>
Interest expense on loan from group companies	9 662	5 445
Interest expenses other loans and borrowings	98 875	28 418
Other finance costs	46 471	205
<b>Total finance costs</b>	<b>155 008</b>	<b>34 068</b>

<b>Net financial items</b>	<b>-133 518</b>	<b>-33 641</b>
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## Note 6 Tax

### Specification of income tax:

*(Amounts in TNOK)*

	<b>2022</b>	<b>2021</b>
Calculated refund tax this year	556 235	150 252
Calculated tax refund due to the temporary change in the tax rules this year		213 332
Of this refund not recognized in income statement (acquisition of licenses recognized net of tax)	-192 650	-197 454
Correction refund previous years	15 615	14
Change deferred tax	-312 324	-84 360
<b>Total income tax credit</b>	<b>66 876</b>	<b>81 785</b>

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

*(Amounts in TNOK)*

Calculated refund tax this year	556 235	363 584
Received prepaid payable tax, short term ("negativ terminskatt")		-8 096
<b>Total tax receivable refund</b>	<b>556 235</b>	<b>355 488</b>

## Note 6 Tax

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

*(Amounts in TNOK)*

	<b>2022</b>	<b>2021</b>
Capitalised exploration and licence costs	-272 167	-332 263
Capitalised fields in production	-525 846	-183 616
Temporary differences other non-current assets	-7 539	-2 505
Temporary differences current assets	-141 507	-31 711
Provisions, ARO, leasing liabilities	155 168	128 433
Non-current borrowings	-10 266	
Tax losses carried forward, onshore	165	165
Tax losses carried forward, offshore 22% basis	59 776	27 995
Tax losses carried forward, 56% basis		33 889
Deferred tax liability (-) / tax asset (+)	-742 217	-359 612
Not capitalised deferred tax asset (valuation allowance)	-165	-165
<b>Deferred tax liability (-) / tax asset (+) in balance sheet</b>	<b>-742 382</b>	<b>-359 777</b>

### Change in deferred taxes:

*Correction refund previous years, assessed but not settled (amounts in TNOK)*

	<b>2022</b>	<b>2021</b>
Deferred taxes recorded in income statement	-312 324	-84 360
Deferred taxes recorded in balance sheet on sale of licences		
Deferred taxes recorded in balance sheet on acquisition of licences	-70 281	-162 852
<b>Total change in deferred taxes</b>	<b>-382 605</b>	<b>-247 213</b>

## Note 6 Tax

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

### Reconciliation of effective tax rate:

*(Amounts in TNOK)*

	<b>2022</b>	<b>2021</b>
Profit (loss) before tax	-147 380	37 880
Expected income tax credit 78%	114 962	-29 546
Adjusted for tax effects (22%-78%) of the following items:		
Permanent differences; Non-taxable income	-5 781	124 745
Permanent differences; capitalized deferred tax as part of acquisition cost	-3 075	-2 045
Effect of uplift	17 274	
Finance items	-68 168	-11 405
Adjust previous years and other	11 686	16
Effect of new tax rates on deferred tax	-23	
<b>Total income tax credit</b>	<b>66 876</b>	<b>81 785</b>

## Note 7 Investments in oil and gas licenses

<i>(Amounts in TNOK)</i>	Exploration and evaluation assets	Oil and gas properties		
<b>2022</b>			<b>2021</b>	
<b>Cost:</b>			<b>Cost:</b>	
At 1 January 2022	934 683	727 670	At 1 January 2021	817 441
Additions	118 055	1 014 630	Additions	225 768
Disposals			Disposals	-108 526
<u>Cost at 31 December 2022</u>	<u>1 052 739</u>	<u>1 742 300</u>	<u>Cost at 31 December 2021</u>	<u>934 683</u>
				<u>727 670</u>
<b>Depreciation and impairment:</b>			<b>Depreciation and impairment:</b>	
At 1 January 2022	579 674		At 1 January 2021	570 928
Depreciation this year		178 356	Depreciation this year	
Impairment this year	232 705		Impairment this year	8 745
Disposals			Disposals	
<u>Accumulated amortisation and impairment at 31 December 2022</u>	<u>812 379</u>	<u>178 356</u>	<u>Accumulated amortisation and impairment at 31 December 2021</u>	<u>579 674</u>
<b>Carrying amount at 31 December 2022</b>	<b>240 360</b>	<b>1 563 944</b>	<b>Carrying amount at 31 December 2021</b>	<b>355 010</b>
				<b>727 670</b>

## Note 8 Cash and cash equivalents

<i>(Amounts in TNOK)</i>	<b>2022</b>	<b>2021</b>
Bank deposits	405 898	146 262
<b>Total cash and cash equivalents</b>	<b>405 898</b>	<b>146 262</b>
Of this:		
Restricted cash for "Tax Refund Threshold" according to Bond Terms		77 556
Restricted cash for withheld taxes from employees' salaries	1 772	3 467
Restricted cash for deposit office lease	869	868
<b>Other financial asset - restricted cash</b>	<b>87 500</b>	<b>84 500</b>
The amount is related to Brage abandonment liability.		

## Note 9 Equity and shareholder information

(Amounts in TNOK)

	Share capital	Not registered capital increase	Other paid in capital	Retained earnings / Uncovered loss	Total equity
Equity at 1 January 2021	130 320		11 386	-14 014	127 692
Profit / loss (-) for the year				119 664	119 664
Other comprehensive income for the year					
<i>Total comprehensive income for the year</i>				119 664	119 664
Share-based payment			665		665
Shares issued in 2021, registered in 2022		200 000			200 000
<b>Equity at 31 December 2021</b>	<b>130 320</b>	<b>200 000</b>	<b>12 052</b>	<b>105 650</b>	<b>448 022</b>
Equity at 1 January 2022	130 320	200 000	12 052	105 650	448 022
Profit / loss (-) for the year				-80 505	-80 505
Other comprehensive income for the year					
<i>Total comprehensive income for the year</i>				-80 505	-80 505
Shares issued in 2021, registered in 2022	86 580	-200 000	113 420		
<b>Equity at 31 December 2022</b>	<b>216 900</b>		<b>125 471</b>	<b>25 145</b>	<b>367 517</b>

### Shareholders as of 31 December 2022

	Shares	Ownership
Schroder & Co Banque SA	18 107 068	8,35%
Rex International Investments Pte. Ltd	198 793 019	91,65%
<b>Total number of shares</b>	<b>216 900 087</b>	<b>100,00%</b>

## Note 10 Borrowings

<i>(Amounts in TNOK)</i>	<b>Presentation in balance</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Bond loan, nominal amount drawn	Non-current	950 000	500 000
Bond loan, short-term	Non-current	-137 156	-75 000
Credit facility; Capitalised arrangement fee (subject to amortisation)	Non-current	-46 665	-9 923
Shareholder loan incl. capitalized interest, nominal amount drawn in NOK	Non-current	152 111	93 412
<b>Carrying amount</b>		<b>918 290</b>	<b>508 489</b>

<i>(Amounts in TNOK)</i>	<b>Presentation in balance</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Bond loan, short-term	Current	137 156	75 000
<b>Carrying amount</b>		<b>137 156</b>	<b>75 000</b>

## Note 10 Borrowings

### **Senior Secured NOK 1,250,000 Bonds 2022/2025 ISIN NO0012559246**

In July 2022 Lime Petroleum AS ("Lime") resolved to issue a series of bonds up to a maximum issue amount of NOK 1,250,000 with different issue dates. On 4 July 2022, Lime Petroleum AS completed the issuance of NOK 950,000,000 worth of 3-year senior secured bonds. The first release of NOK 500,000,000 took place in July 2022 and the proceeds was used for repayment of the current bond at that time as Lime terminated and repaid the Senior Secured Bond Issue 2021/2024 ISIN NO0011037343 established in July 2021. The greenshoe auction was carried out in October 2022, no offers were made and NOK 100,000,000 was transferred to Lime. The final release of NOK 350,000,000 took place at Yme Closing in December 2022. The bonds bear an interest rate of 3 months Norwegian interbank offered rate ("NIBOR") plus margin of 9.25 per annum. The bonds were issued at 97 per cent of the nominal amount. Interests and redemption of bonds are repayable in quarterly instalments, with first repayment in July 2023. The final maturity date of the bonds is 7 July 2025.

The conversion rights in relation to the put option and call option set out in the Bond Terms are considered to be embedded derivatives but evaluated to be immaterial so not bifurcated and accounted for separately.

### **Redemption of Bonds**

On each Interest Payment Date from and including the Interest Payment Date in July 2023 to and including the Interest Payment Date in April 2025 (i.e., 8 consecutive quarterly instalments) with an amount equal to 7.5 per cent. of the Net Issued Amount; and on the Maturity Date, the remaining Outstanding Bonds will be redeemed in full, in each case at a price of 100.00 per cent of Nominal Amount of Bonds being redeemed (plus, accrued interest on the redeemed Bonds).

From the closing date of the Yme transaction, the Company shall ensure to comply with the following covenants related to the Senior Secured Bond Issue 2022/2025 ISIN NO0012559246:

(i) Minimum Liquidity: The Issuer shall at all times maintain a minimum Liquidity of no less than 10 per cent. of the Outstanding Debt.

(ii) Maximum Leverage Ratio: The Issuer shall, in respect of any Calculation Date, maintain a Leverage Ratio not exceeding 2.25:1. The Leverage Ratio means the ratio of Net Debt to EBITDA. The calculation Date means each 30 June and 31 December.

## Note 10 Borrowings

### Covenants

#### (i) Minimum liquidity per 31.12.2022 (TNOK)

Aggregate amount standing on Accounts excluding Escrow Account **110 897,9**  
 (NOK 950 million x 10% = NOK 95 million)

#### (ii) Leverage Ratio per 31.12.2022 (TNOK)

##### EBITDA 31.12.2022

Operating profit (-loss)	- 13 862,3
Depreciation	180 118,0
Amortisation	<u>232 156,1</u>
EBITDA Lime	<b>398 411,7</b>
Proforma EBITDA Yme Assets acc. to Bond Terms (ref. specification in table*)	52 569,0
<b>EBITDA 31.12.2022</b>	<b>450 980,7</b>

##### NET DEBT 31.12.2022

Bond loan principle amount	950 000,0
Cash deposit Decommissioning Security Agreement	- 87 500,0
Total cash and cash equivalents	<u>- 110 897,9</u>
<b>NET DEBT 31.12.2022</b>	<b>751 602,1</b>

Leverage Ratio: Net Debt/EBITDA <2.25 **1,67**

**Net debt** means the aggregate amount of all obligations of the Company for or in respect of any Financial Indebtedness at that time but excluding shareholders loan and less cash deposits on the Escrow Account and any liquidity of the Company.

* (TNOK)	Yme per Dec
Oil sales license ref. December billing	- 164,498
Underlift per 31.12 (no lifting in December)	- 48,300
Oil sales cargoes ref. completion settlement	- 126,994
OPEX ref. December billing	<u>287,223</u>
	<b>- 52,569</b>

## Note 10 Borrowings

### **Senior Secured NOK 1 250,000,000 Bonds 2022/2025 ISIN NO0012559246**

The Senior Secured Bond NOK 500,000,000 established 9 July 2021 with maturity in January 2024 was terminated and repaid in July 2022 when the new Senior Secured Bond NOK 1,250,000 bonds was resolved. The repayment of the bonds was made in full pursuant to the applicable provisions according to Bond Terms "Early Redemption" and "Make Whole". The make whole rate was calculated to 108.34409%.

### **Credit facility**

The Company had until August 2021 a Revolving Exploration Financing Facility (EFF) agreement of NOK 350 000 000 with Skandinaviska Enskilda Banken AB (SEB). The facility ran until December 2021, under the condition that the debt 31 December 2021 should be repaid in December next year following receipt of tax refund. The debt was therefore classified as current liability. The agreed interest rate was three-month NIBOR + 2.0 %. The EFF with Skandinaviska Enskilda Banken AB originally dated in November 2013, was repaid and cancelled 31 August 2021.

### **Shareholder loan agreement**

Lime has shareholder loan agreements with Rex International Investments Pte. Ltd. Conditional to the bond, the shareholder loan agreements still stands. By the amendment of shareholder loan facility agreements dated 20 December 2022, the maturity date was further extended to 25 July 2025. The total loan facility agreements had a balance of NOK 152.1 million on 31 December 2022.

### **Assets pledged as security**

The Bond loan is for the lender secured by a first priority assignment of all shares issued by the Company, monetary claims under the Shareholder Loan Agreement, mortgage over the interest in the hydrocarbon licenses, monetary claims under the Company's insurances, first priority charge over the bank accounts, and floating charges over the trade receivables, operating assets and inventory, and the DSRA (Debt Service Reserve Account).

### **Guarantee**

Rex International Investments Pte. Ltd has provided a parent company guarantee to the Ministry of Petroleum and Energy on basis of the Norwegian Petroleum Act sec. 10-7.

Lime Petroleum AS has provided a Letter of Credit issued by Skandinaviska Enskilda Banken AB of the amount of NOK 87,500,000 to Repsol Norge AS according to the Decommissioning Security Agreement (DSA) dated 15.06.2021. The amount was increased from NOK 84,500,000 to NOK 87,500,000 in 2022.

## Note 11 Subsequent Events

On 10<sup>th</sup> January 2023 Lime was awarded two additional licenses from the APA round, 50% in PL1178 and 30% in PL1190.

On 18<sup>th</sup> January 2023 Lime successfully raised NOK 250 million through the tap mechanism in its existing Senior Secured Bond. After the tap issue is carried out, the total outstanding amount is NOK 1,200 million.

24<sup>th</sup> February 2023 marked one year since Russia invaded Ukraine. Battles in Ukraine are on-going, but the energy markets have stabilized since the invasion began.



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