



# concedo

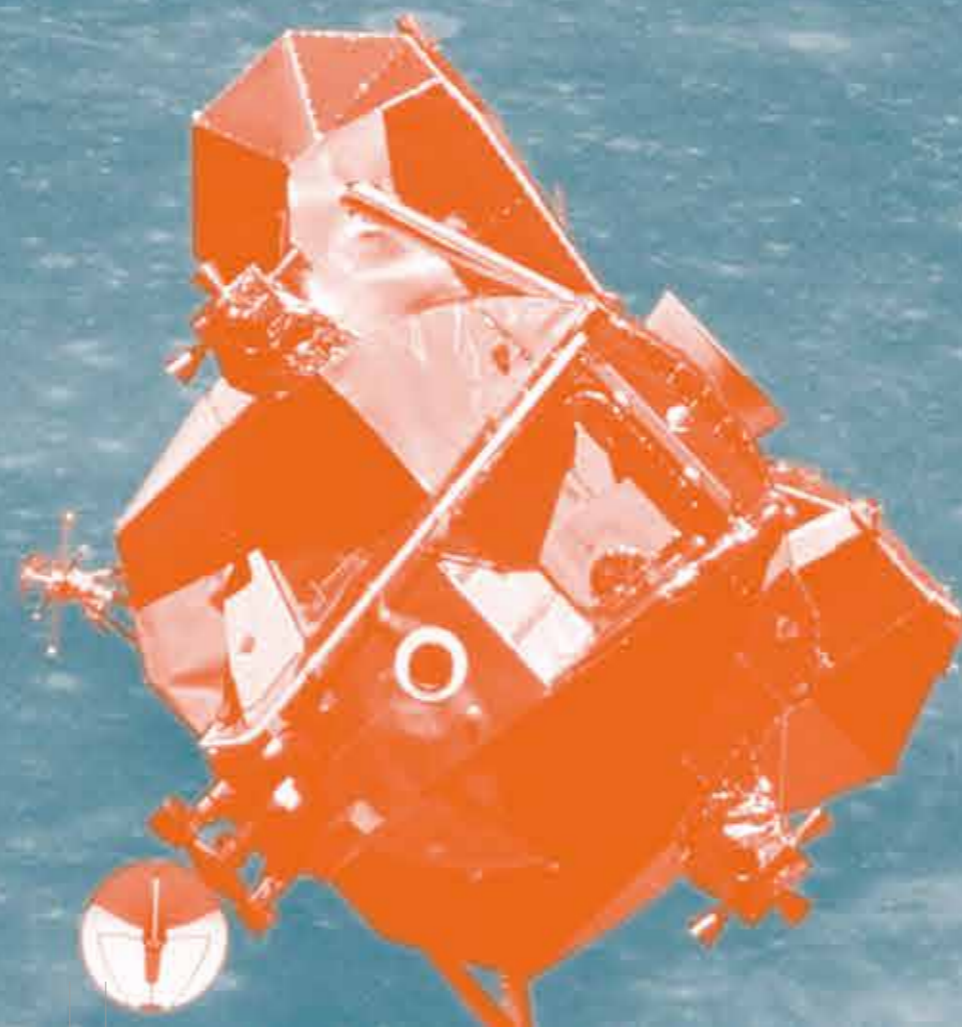
## Annual Report

# 2019

«Exploration under changing conditions  
– opportunities and threats»

## Contents

Message from CEO – Defining moment	4
Goddo discovery	8
PL 882 and Dugong	10
PL 901: decision to drill the Rødhette prospect	12
Keep it simple or go deep?	14
Team building 2019	16
Licence portfolio	20
Directors' Report 2019	24
Financial statements 2019	28
Notes	33
Annual accounts	44
The Board of Directors	50
People	52



## About Concedo

Concedo is a Norwegian oil company focusing on exploration on the Norwegian Continental Shelf. The staff are highly experienced and have contributed to many discoveries in the past. The vast majority of our staff are geologists or geophysicists, all with many years' experience from both the Norwegian and international oil industry.

Concedo is a privately held company and takes the role as partner in its licences. There are no plans to change to a role as operator, to list the company or to seek opportunities internationally.

The company's business model is to divest discoveries prior to field development. Adhering to this strategy will enable us to maintain an effective organisation and be among the best exploration environments in Norway. Our strategy has been proven by considerable value creation from our position as a licensee.

## What we do

Our key tools for identifying new discovery opportunities are seismic and well data and the staff's overall experience. The testing of new technology like electromagnetic data and special processing of seismic data may in certain situations prove very important. Our future is decided through our daily work, namely the interpretation, analysis and integration of the various data.

Concedo was pre-qualified as a licensee in 2007, and has since been awarded licence shares in the annual licensing rounds (APA) and numbered rounds. Discoveries have been successfully sold to Equinor, Wintershall and Neptune.

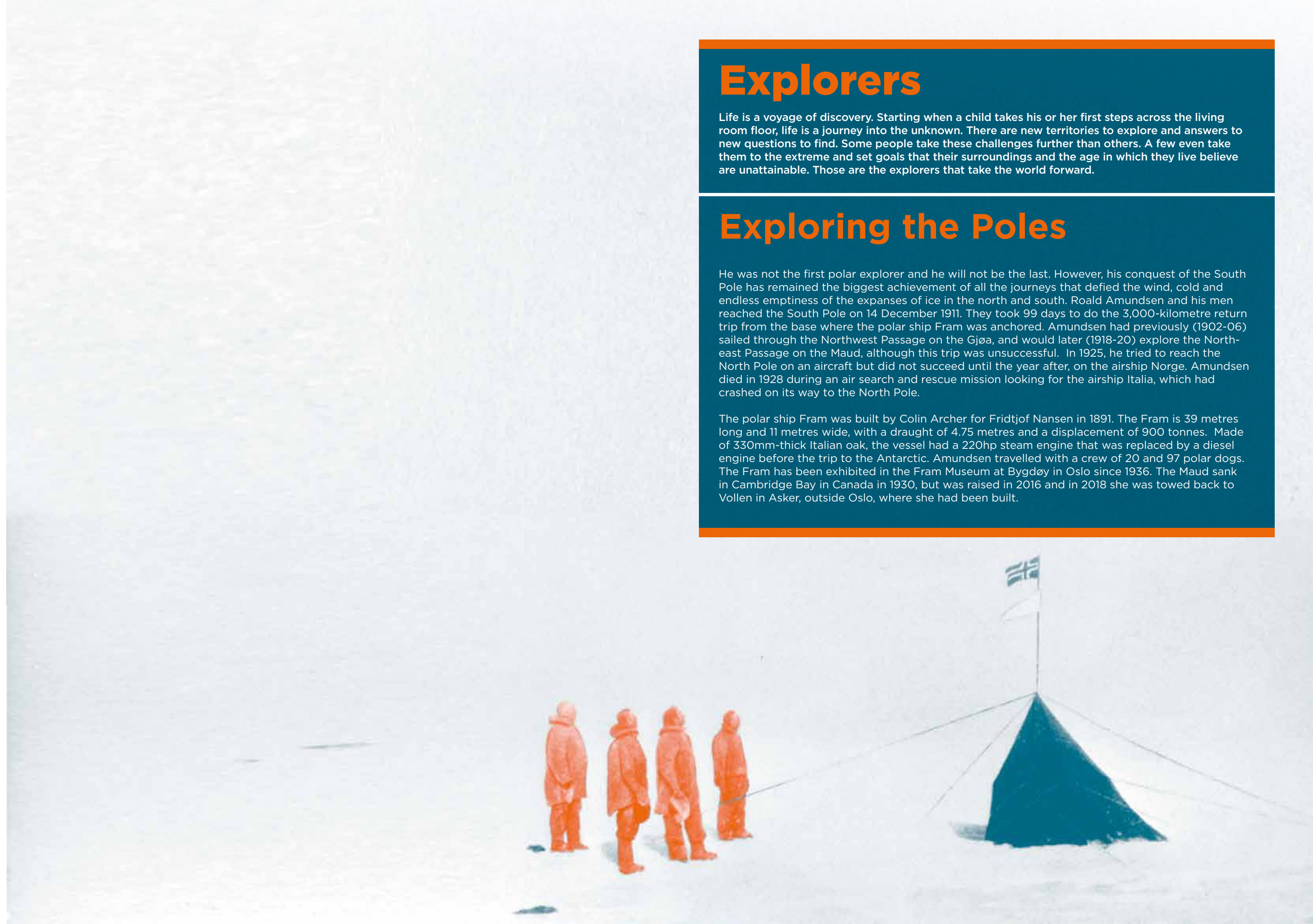
## Explorers

Life is a voyage of discovery. Starting when a child takes his or her first steps across the living room floor, life is a journey into the unknown. There are new territories to explore and answers to new questions to find. Some people take these challenges further than others. A few even take them to the extreme and set goals that their surroundings and the age in which they live believe are unattainable. Those are the explorers that take the world forward.

## Exploring the Poles

He was not the first polar explorer and he will not be the last. However, his conquest of the South Pole has remained the biggest achievement of all the journeys that defied the wind, cold and endless emptiness of the expanses of ice in the north and south. Roald Amundsen and his men reached the South Pole on 14 December 1911. They took 99 days to do the 3,000-kilometre return trip from the base where the polar ship Fram was anchored. Amundsen had previously (1902-06) sailed through the Northwest Passage on the Gjøa, and would later (1918-20) explore the North-east Passage on the Maud, although this trip was unsuccessful. In 1925, he tried to reach the North Pole on an aircraft but did not succeed until the year after, on the airship Norge. Amundsen died in 1928 during an air search and rescue mission looking for the airship Italia, which had crashed on its way to the North Pole.

The polar ship Fram was built by Colin Archer for Fridtjof Nansen in 1891. The Fram is 39 metres long and 11 metres wide, with a draught of 4.75 metres and a displacement of 900 tonnes. Made of 330mm-thick Italian oak, the vessel had a 220hp steam engine that was replaced by a diesel engine before the trip to the Antarctic. Amundsen travelled with a crew of 20 and 97 polar dogs. The Fram has been exhibited in the Fram Museum at Bygdøy in Oslo since 1936. The Maud sank in Cambridge Bay in Canada in 1930, but was raised in 2016 and in 2018 she was towed back to Vollen in Asker, outside Oslo, where she had been built.



# Defining moment

Last year was a good one for Concedo. As a result of APA applications, we were awarded three new licences in early 2019 as well as four new licences in early 2020. We generated income from the sale of assets, and we made a new oil discovery by drilling one well. By applying both traditional and new technologies, we have selected drilling targets for 2020 that we believe will lead to value creation and create the foundation for financial return to our investors.

Is it possible to significantly improve discovery rates and discovered volumes based on the clever application of technology and a very selective exploration strategy? This is a key question for Concedo. In my opinion, 2020 is a defining moment for Concedo in that respect.

Based on many years of testing technologies combined with traditional geological and geophysical evaluations, we have decided to avoid certain drilling targets for 2020/21 that we strongly interpret will give us dry wells or very small discoveries. One of these evaluations was even presented at a conference in 2019, after Concedo had left the licence. The licence will be drilled by other oil companies in early 2020. Whatever the outcome, this drilling will provide some learning experiences. On the positive side, we have selected prospects with a higher probability of discoveries than normal. These prospects have indications normally associated with hydrocarbons. The outcome of certain exploration wells drilled during 2020 will probably tell us if we are on the right track for higher success rates and discovered volumes with our selective exploration strategy. Still, after all our technical efforts we are never 100% certain, so a bit of luck is always welcome.



Seen from the outside, our gradual improvements will only be visible when they are manifested by new, high value discoveries. To me, it is easy to see these improvements through our daily work. Concedo's team spirit, which means we all try to help each other and share key knowledge in the search for good prospects and innovation, has never been better. It is especially nice to see how Jens Fredrik, who was hired straight from Oslo University, contributes so strongly to the team efforts. Annelin, Eirik and Espen in GeoCore also steadily deliver high quality work. The weekly interaction with GeoCore brings out new ideas and ensures the additional testing of our concepts. We also have a network of other key specialists that help us when needed.

Concedo is following its ambition to carry out technical work that supplements the operator's work in its licences. This allows Concedo to be a valuable partner and influence decisions in the partnerships. Elisabet, Ane, Sebastian, Anders, Enric, Odd, Tommi, Juergen, Ole Herman and Jens Fredrik all have the right combination of technical insight and ability to present and communicate in the partnerships. Our "see-to-it" duty as a licensee is especially important in the planning and operational phases of drilling activity. Morten and Erik are always key professionals in these efforts.

Seismic data is a key tool for exploration, and the variation in different types of seismic surveys is growing year-on-year. Hilde is always the person to consult when we need deeper knowledge in this area. Similarly, Enric has developed a high level of insight into electromagnetic technologies and we are now more aware of where these may be a useful tool to supplement seismic evaluation.

Seismic modelling and special seismic studies have become very important tasks in Concedo's workflow. The seismic modelling software developed by GeoCore is probably the best in the industry.

Well data is equally as important as seismic data, and it is essential to ensure a good integration of the two main data sources. Morten, Ane, Juergen, Dirk and Anders are those working most with well data and the understanding of how different sediments are distributed in each area.

Machine learning is a fairly new tool in the field of exploration. In co-operation with TIE (The Innovation Effect) and student teams consisting of geologists and IT specialists, we carried out several projects in 2019. To me, it was a very positive surprise to see how much could be obtained by combining Concedo's insights with the students' competence and enthusiasm. Ane and Anders were key Concedo employees in these projects and will also ensure that we continue to use this new tool.

I have mentioned a few aspects of our technical work and how we aim to create value. However, there are many technical areas that I have not mentioned.

Before making the Goliat and Maria discoveries, I had a similar sense of a 'defining moment' as I now have prior to the start of drilling activity in 2020. I am happy with the preparations we have made so far and look forward to an exciting 2020.

*Geir Lunde*  
Geir Lunde  
CEO

# Exploring New Worlds

The most important era of major expeditions was from the end of the 15th century until the end of the 19th century, when European seafarers travelled the world conquering new countries and cultures. However, few feats can compare to Leif Erikson's journey from Greenland westwards into unknown waters. In around 1,000 AD, he landed on the east coast of America, more specifically Newfoundland, 500 years before Columbus discovered the Caribbean Islands and thought he was in India. Leif called the newly discovered area Vinland (vin means wine in Norwegian), hardly because he found grapes and grapevines there but with a clear reference to the open meadows that characterise the landscape (in the old Norse language, the word "vin" meant a natural meadow).

## The Viking ship

We do not know any details regarding Leif Erikson's ship, but of the Viking ships we know about today, the Gokstad from the same period is regarded as the fastest and most seaworthy and ocean-going. Maybe Leif's ship was not very different to this. The Gokstad is 24 metres long, 5 metres wide and was built to be both rowed and sailed. It has a draught of 1.7m and a displacement of 30 tonnes. Leif Erikson sailed to Vinland with a crew of 35.



## Goddo discovery

The primary objectives of the 16/5-8 well in the Goddo oil discovery were to verify oil in fractured and weathered basement and also to confirm pressure communication with the Rolvsnes discovery to the west. The well encountered a potential oil column of approximately 20 metres.

Nearby discoveries support the model of a huge common hydrocarbon accumulation around the area of Goddo, including the Johan Sverdrup and Edvard Grieg fields, with a wide variety of reservoirs which includes the basement rocks found at Goddo. After drilling Goddo and the neighbouring 16/5-7 Klaff wells, the simplified assumption that any reservoir rock capped by Lower Cretaceous mudstones within the Utsira High megaclosure would share the common regional oil-water contact has been abandoned. The well results show a more complex situation in the central part of the high. The

presence of baffle zones between the basement segments generates pressure cells with individualized hydrocarbon accumulations showing separate oil-water contacts.

In 2009, a well targeting the Rolvsnes prospect at the top of the Utsira High hit a 42m oil column in fractured/weathered granite. The well test proved moderate production rates, thus confirming the potential of a new hydrocarbon play in the region. Later, the Tellus discovery, a few kilometres to the north of Goddo, managed to produce some oil from a vertical well in fractured granite. In 2018 Lundin, as operator in the Rolvsnes licence, drilled a 2.5 km-long horizontal section through the fractured and weathered granite. A ten-day-long production test proved excellent flow rates (up to 7,000 bopd). Rolvsnes' gross resources were significantly upgraded to between 14 and 78 million boe. An extended well test tied

to Edvard Grieg will be performed in 2021 to evaluate long-term performance. If successful, Rolvsnes will be produced from Edvard Grieg. This field will benefit from the additional resources of both Rolvsnes and the recently appraised Solveig discovery (57 million boe).

It has been established that Rolvsnes and Goddo are not in communication, but the production test in Rolvsnes is highly relevant for basement reservoir behaviour. Moreover, the initial conservative volume estimates for Goddo will be affected by demonstrated reservoir behaviour during production. As stated in the press release, the licensees' assessment is that there is an additional upside potential in the licence area, and further delineation of the discovery will be considered after implementing the planned long-term test of the Rolvsnes oil discovery.

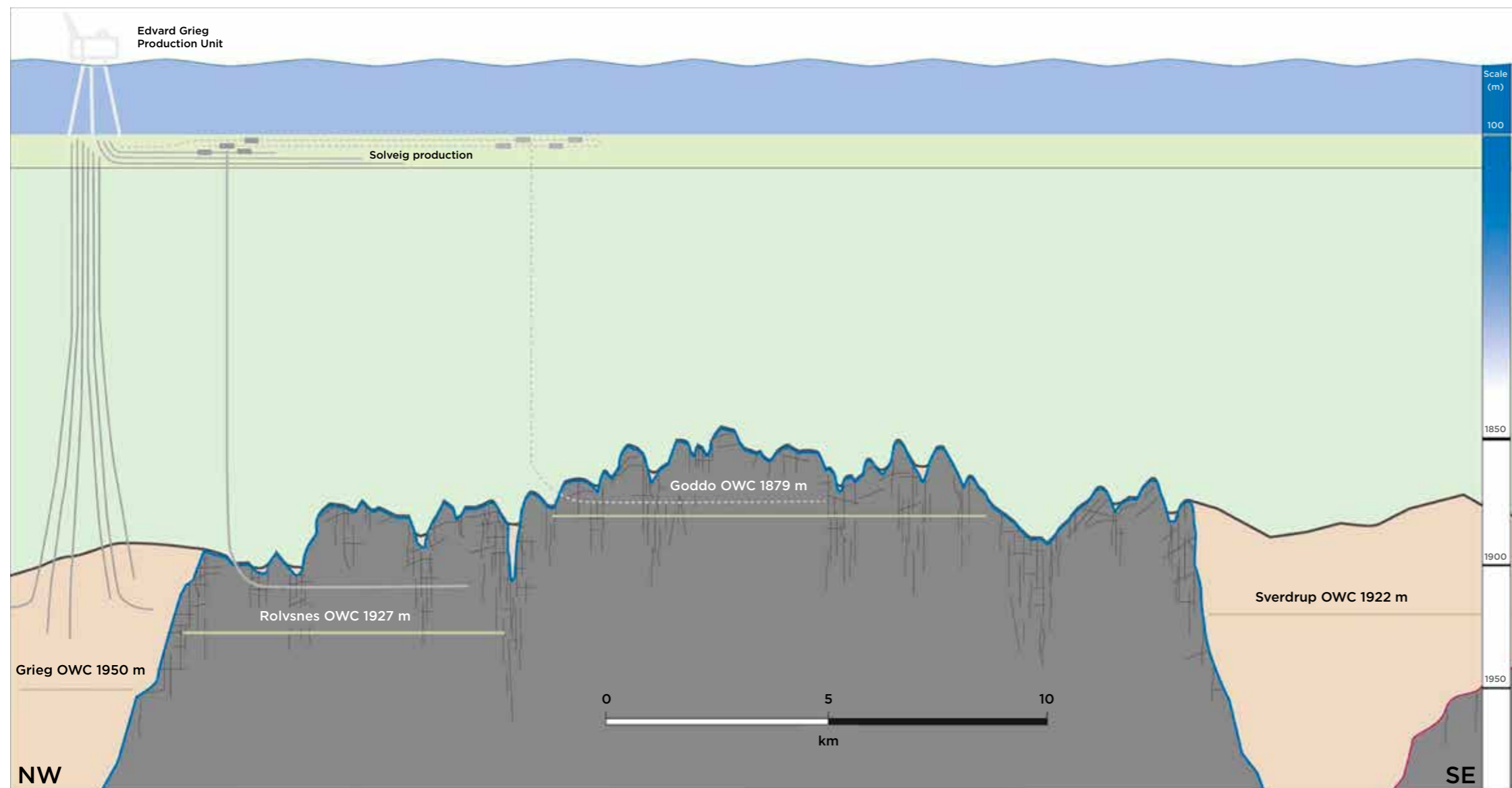
### Info:

The primary objectives of the 16/5-8 well in the Goddo prospect were to verify oil in fractured and weathered basement and also to confirm pressure communication with the Rolvsnes discovery to the west.

The well encountered a potential oil column of approximately 20 metres.

The well was not formation-tested but extensive volumes of data have been collected and samples have been taken.

The well was drilled to a measured and vertical depth of 2,443 metres and 2,068 metres below the sea surface respectively and it was terminated in granitic basement rock.





# PL 901: decision to drill the Rødhetta prospect

During the last decade, Concedo ASA has focused its exploration activity close to infrastructure in the Barents Sea. The Rødhetta prospect in PL 901 is located in the Hammerfest Basin, approximately 30 km north of the Goliat field and 10 km south of the Tornerose discovery. In addition, Concedo is an active partner in the nearby licences; PL 951, PL 953 and PL 1022. Based on the applications submitted in APA 2019, Concedo was also awarded two new licences in the area, PL 1074 and PL 1075.

### Licence history and work programme

PL 901 was applied for in APA 2016 and awarded on 10 February 2017. Equinor Energy (50%) was appointed operator, with Vår Energi (30%) and Concedo (20%) as partners. The work programme was to reprocess existing 3D surveys followed by G&G studies. A drill or drop decision was to be taken within two years. Given a drill decision, a well was to be drilled by 10 February 2021.

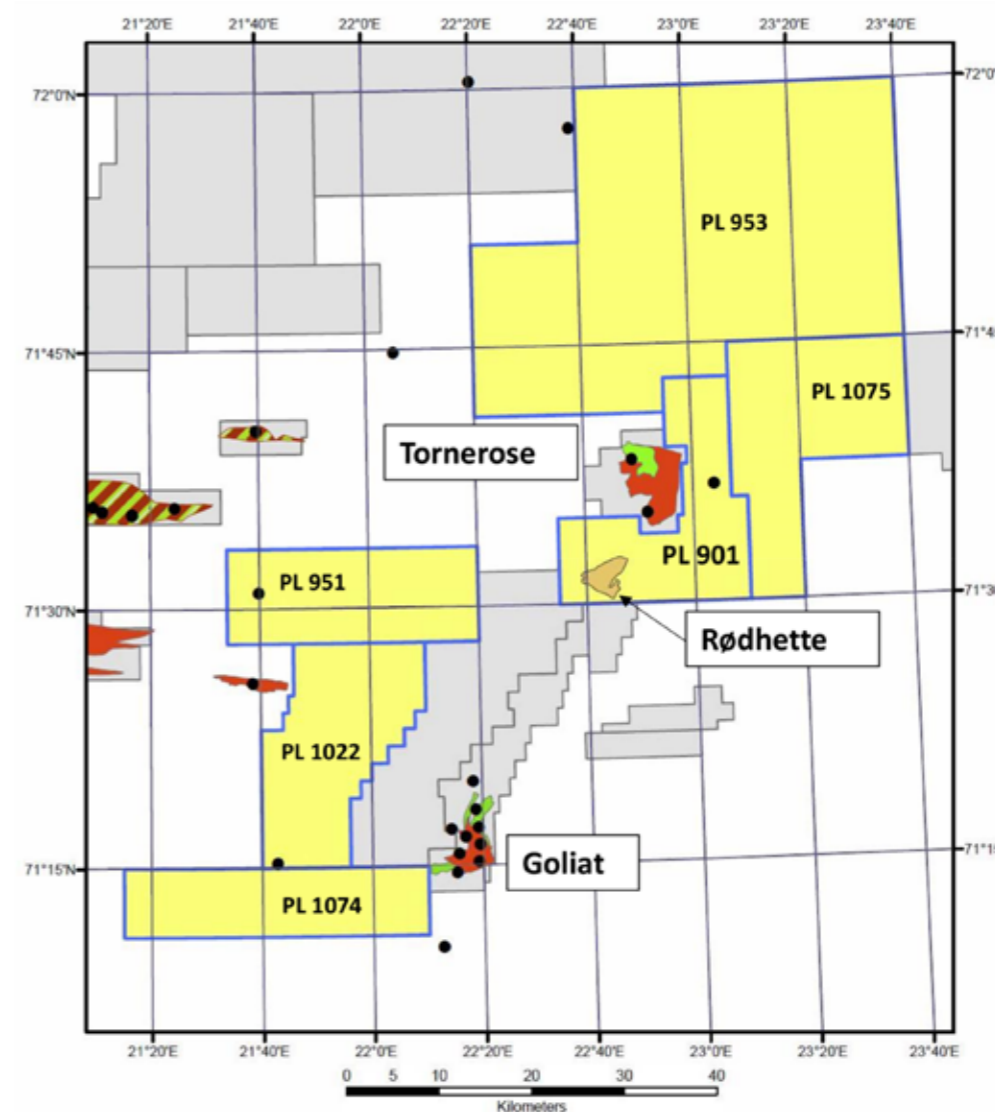
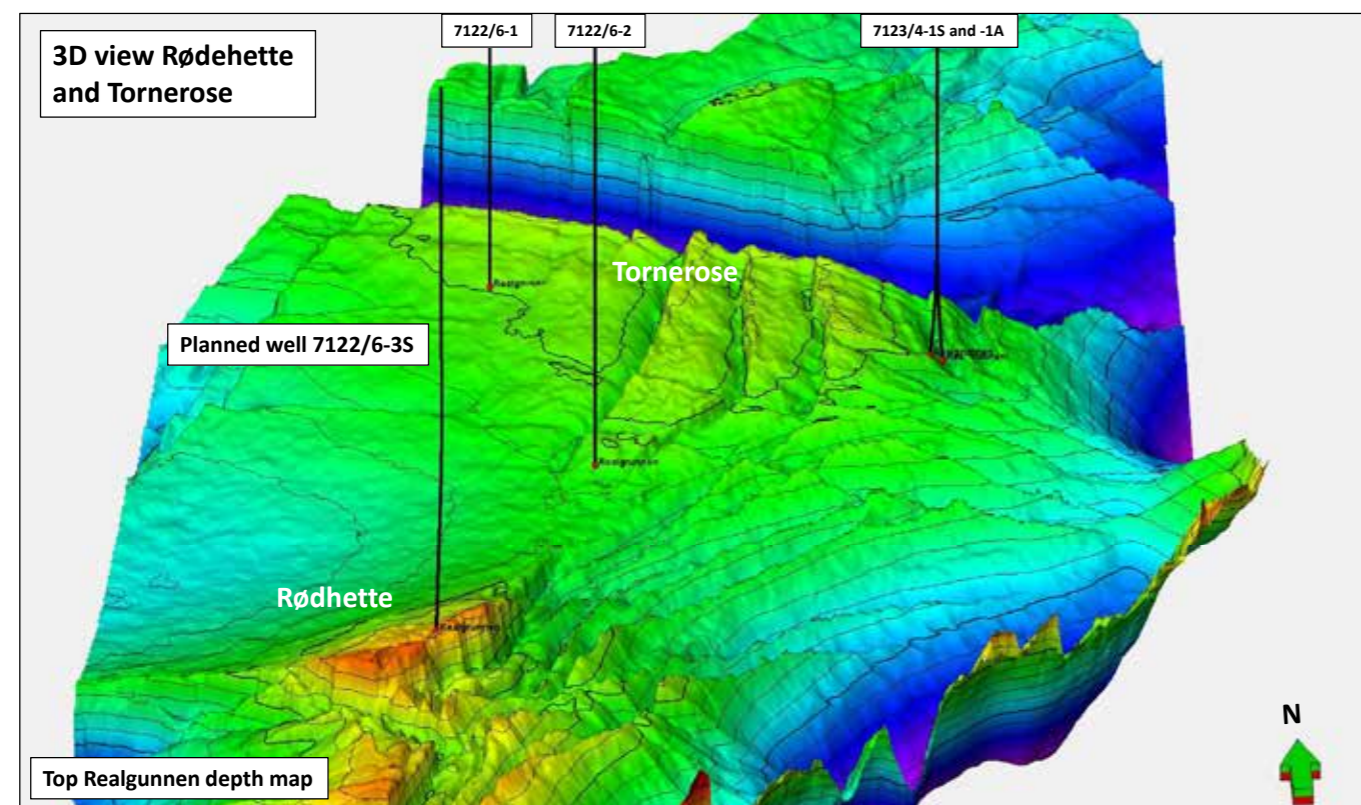
The re-processing of the seismic data, PSDM (Pre-Stack Depth Migration), was completed during the spring of 2018. The Rødhetta prospect's data quality and seismic imaging were

improved, providing a basis for new mapping and a prospect update. Early in 2019, the partnership voted to drill the main prospect. Well planning and a site survey were carried out further into the year. In late 2019, Equinor transferred its operatorship to Vår together with 20% of its share.

### Rødhetta prospect

The trap defining the Rødhetta prospect is a footwall closure at the Jurassic level. The main reservoirs consist of sandstone units within the Realgrunnen Subgroup (Stø, Nordmela, Tubåen and Fruholmen formations). At Top Realgrunnen level, the prospect apex is at about 1,800m MSL. The main source rock is the organic-rich shales of the Hekkingen formation. The hydrocarbon charge is defined by a primary kitchen area in the west, represented by a graben feature located between the Snøhvit and Albatross discoveries. In addition, a southwards hydrocarbon spill from the Tornerose discovery is also likely.

The new PSDM dataset indicates that hydrocarbons have been trapped in the prospect. Vertical gas leakage along the main faults and overburden anomalies have been identified. Further,



trapped hydrocarbons are indicated by the reservoir's AVO (Amplitude Versus Offset) response. The Realgrunnen sandstones have a high acoustic impedance compared to the soft shales of the Hekkingen formation. A dimming of the reservoir amplitude has been observed, and this is most significant within the area associated with the crest of the prospect. In general, the decrease in amplitude is relatively conformal with depth contours. However, the dimming at reservoir level may also be partly influenced by the gas leakage into the overburden.

Based on the angle stacks shown by the PSDM data, Concedo has carried out an EEI (Extended Elastic Impedance) in order to enhance the fluid response in the seismic data. This "fluid cube" indicates a possible gas column of 70m and an oil column of about 80m. The interpretation of a potential oil-water contact is based on the amplitude brightening observed at the base of the reservoir, which represents a hydrocarbon effect emphasized by Concedo. Key wells in the area document that the lower part of Fruholmen formation consists of a 25-30m thick claystone unit (Akkar Member). This acoustically "hard" unit acts as a base seal for the Rødhetta prospect.

Simulations conducted by Concedo show mean recoverable oil volumes of about 70 mmbbls, with an upside (P10) of 105 mmbbls. Due to the Neogene uplift and erosion in the Barents Sea, the Rødhetta prospect's main risk is the thickness of the oil column retained in the trap.

### Well planning 7122/6-3S

The drilling of the Rødhetta prospect was originally planned as a vertical well. Due to the potential shallow gas revealed by the site survey, the spud location was moved eastwards. The well path will be slightly deviated towards the target area in order to prove the gas-oil contact and potential oil column. Given that enough oil volumes are proven, a tie-in to the Goliat field will be evaluated.

Well 7122/6-3S was planned to be drilled by Scarabeo 8 in Q4 2020. Because of the environmental conditions in this region of the Barents Sea, drilling is not allowed between 1 March and 30 August. Due to the delays caused in the industry by the coronavirus, the licence has applied for a one-year extension in order to be able to drill within the environmental window and complete the work programme.



## Keep it simple or go deep? Students, Concedo and artificial intelligence take on digital cuttings

Discoveries in recent years, in both basement and shallow injectites, point to the fact that no stone should be left unturned in the hunt for reservoirs, so to speak.

With the Digital Cuttings Project, direct information on physical data from 1,500 historical wells will be made available within the next 2 - 3 years. As the cuttings are available for the whole well length, valuable insight may come from intervals where other data gathering is sparse. The reason for the sparse data has usually been that intervals have been considered non-prospective as reservoirs. The Digital Cuttings Project (factbox) may fill the data gap.

In anticipation of this data release, Concedo started to wonder how we best could apply this data in our exploration activities. We had some experience with photos of cuttings from Rockwash. We found these useful, but the amount of data is very large for general exploration purposes. At the same time, we were approached by a company called The Innovation Effect

(TIE). This facilitates facilitate 8-week cooperation projects between students and companies, a sprint, with the purpose of generating innovation.

Rockwash generously made cuttings pictures from some wells available for a project. In the innovation sprint, two information technology and two geology students along with Concedo were to try to assess how the cuttings pictures could be applied in exploration activities. A key point was that things should be kept simple:

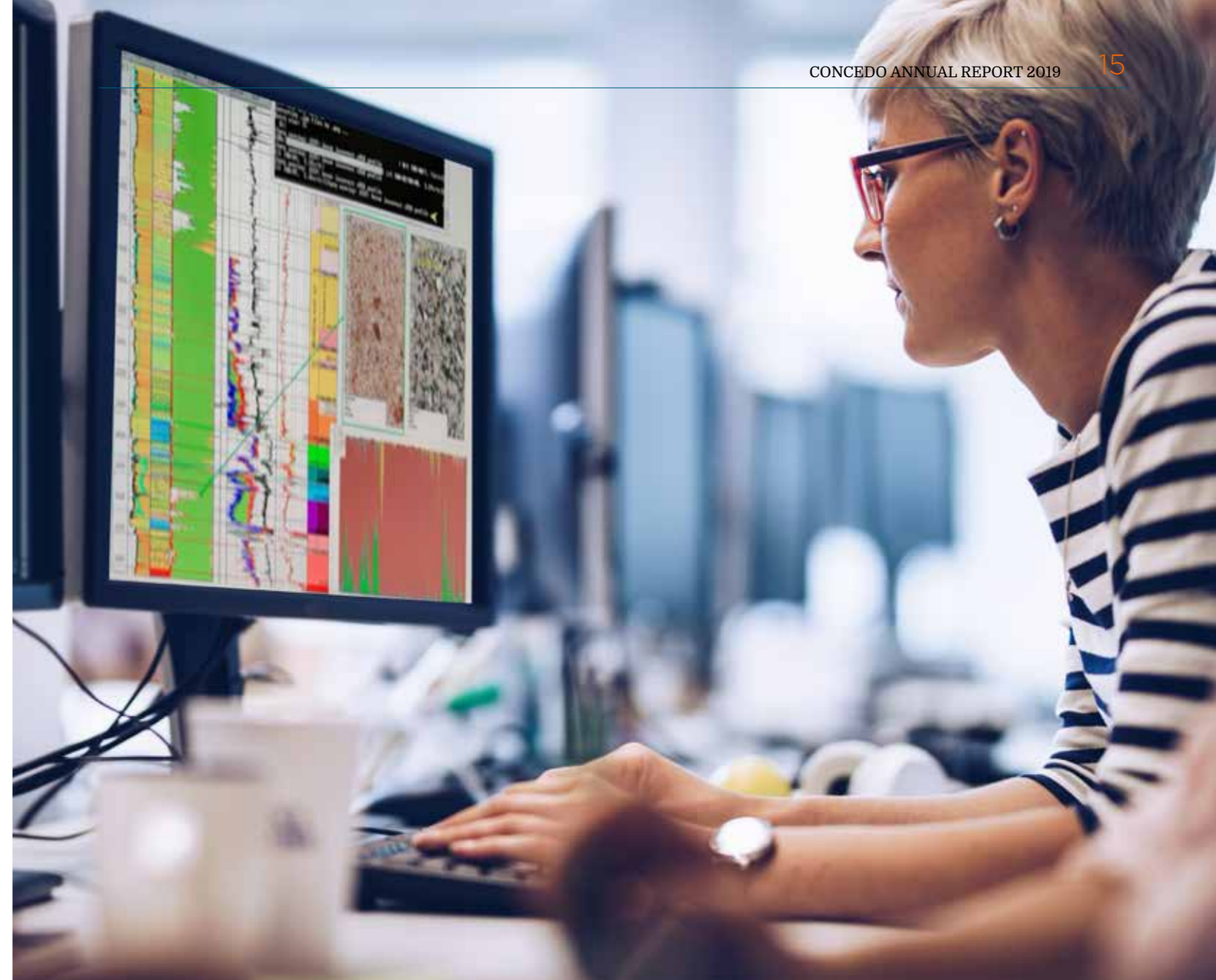
*How fast could we get data we could use from the pictures while still having reasonable accuracy?*

We decided to keep the aim narrow and that the main purpose should be identifying potential reservoirs. The project started swiftly, and by the end of the sprint the students had coded both a probabilistic and a neural network program for recognizing geological features from pictures. These were called "Keep it Simple" and "Go Deep" respectively.

All in all, three projects were carried out in cooperation with TIE in 2019 to work on the initial ideas. When the Norwegian Oil and Gas Association (NOROG) started releasing digital cuttings in January 2020, we were ready to start digitally analysing the vast amount of data arriving, as well as potentially further improving the programs with the incoming information. In addition, we had employed one of the students from the initial sprint, and we were happy with that outcome alone.

Did we go deep or keep it simple? Well, the best model proved to be "Go Deep" - the one with deep learning in the neural network - but the model itself was kept simple and with a very limited output.

*Being a small company does not keep Concedo from doing research, but means that we do compact projects that focus on getting results we can apply directly in our exploration activity.*



### Digital Cuttings project

The Digital Cuttings project will expand the NPD's open Diskos Database by adding cuttings data consisting of XRF (X-ray fluorescence) and Photo (W/UV) data from around 1,500 released wells. The project makes this data digital and available across disciplines within and between oil companies, authorities and academia. Furthermore, the same data will be reported from all upcoming wells going forward

The timeframe of the project is 2-3 years. The project is funded by contributions from participating oil companies in NOROG's Exploration Management Forum. These oil companies have access for two years before the data are made fully available through Diskos.





## Team building 2019:

### Hafjell mountain

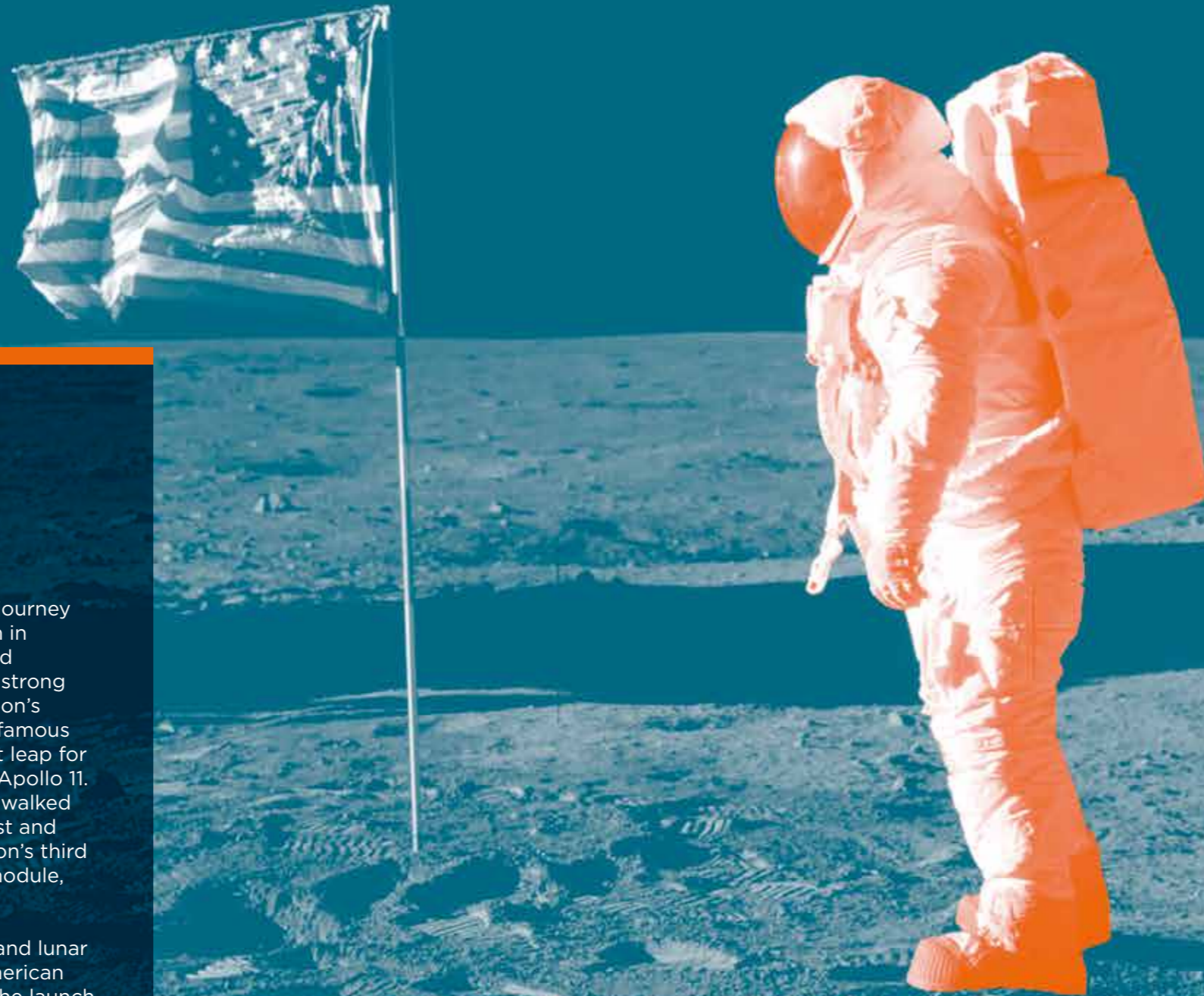
The weather gods were good this year as the Concedo exploration team set course for the picturesque winter-landscape of the Hafjell mountain terrain. Three days in beautiful surroundings filled with outdoor skiing activity and cooking, combined with a good portion portion of professional work, was good for our team spirit and gave us energy and inspiration for the hard work ahead.



## Exploring Space

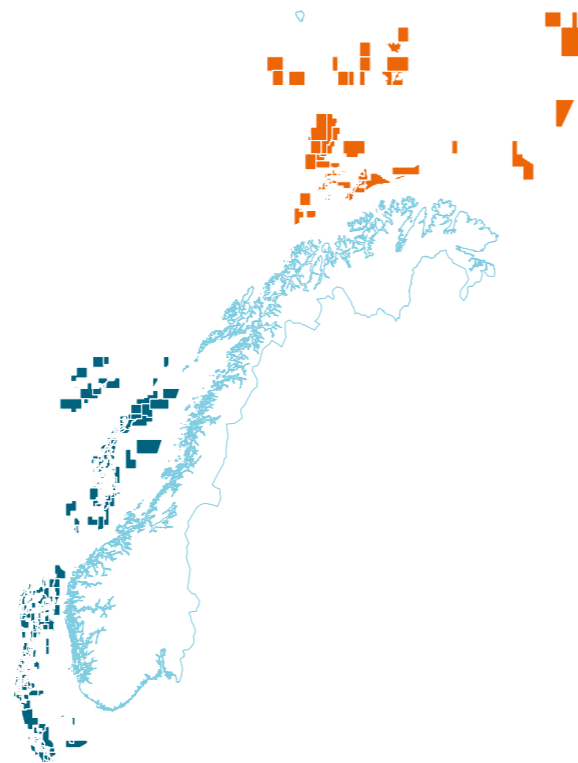
The Russians were the first. As early as in 1961, cosmonaut Yuri Gagarin made the first human journey into space by completing one orbit of the earth in Vostok 1. Nevertheless, the date the whole world remembers is 21 July 1969. At 2.56am, Neil Armstrong left the lunar module Eagle, stepped on the moon's surface on the moon's surface and uttered the famous words "That's one small step for man, one giant leap for mankind." The world was never the same after Apollo 11. Together with Edwin "Buzz" Aldrin, Armstrong walked about on the moon for 21½ hours gathering dust and stones and planted the US flag, while the mission's third man, Michael Collins, operated the command module, Columbia, in its orbit around the moon.

Apollo 11, with its command module Columbia and lunar module Eagle, was built for NASA by North American Rockwell and Grumman Aircraft Engineering. The launch of the 45.7 tonne vehicle from the Kennedy Space Center was driven by a three-stage Saturn V rocket that gave Apollo 11 a top speed of 11 kilometres a second, or 40,000 km/h.



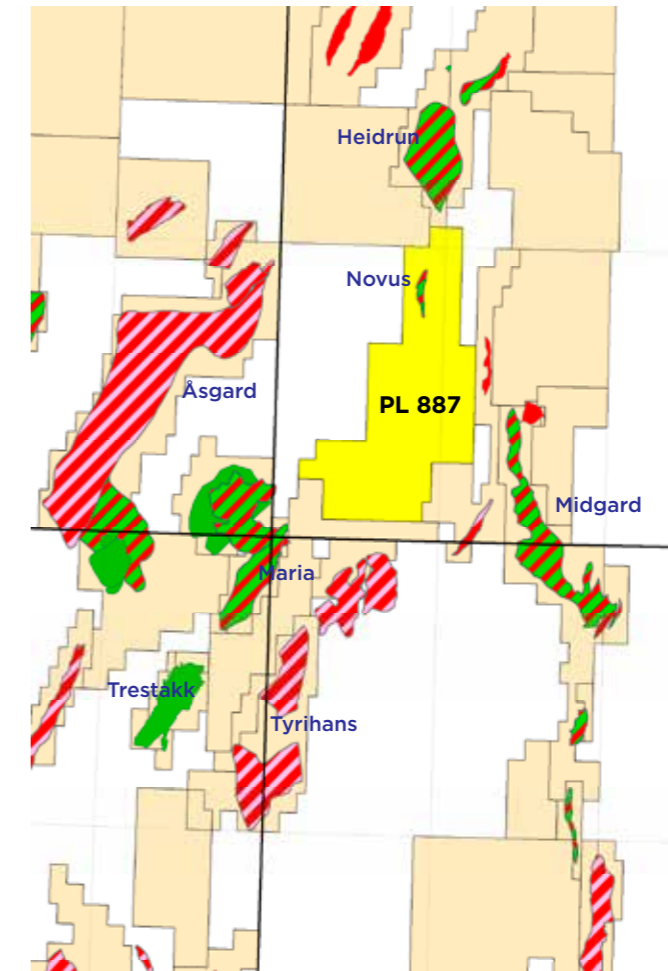
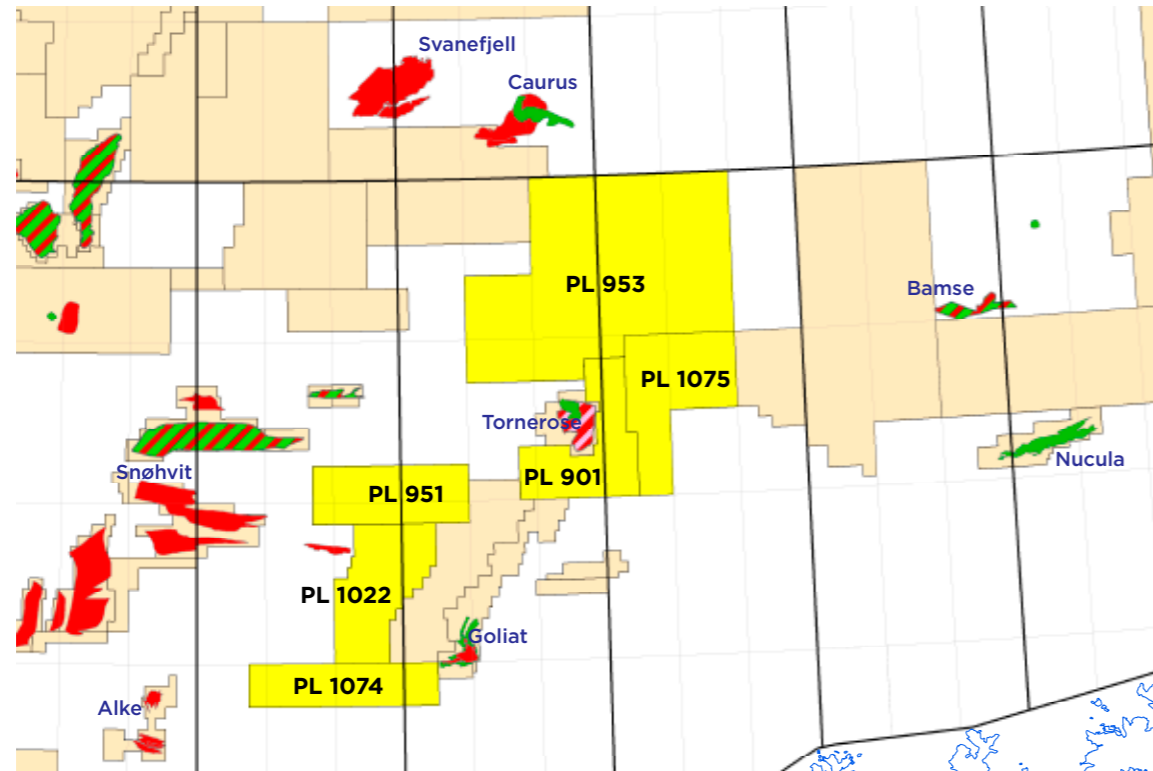
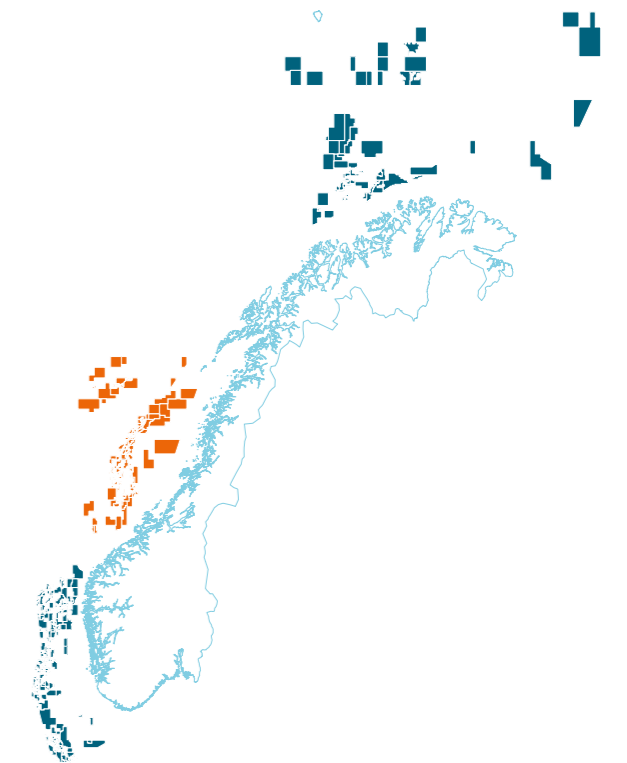
Licence portfolio  
Barents Sea

- PL 901** Concedo interest: 20%  
Operator: Equinor Norge AS  
Granted: APA 2016
- PL 951** Concedo interest: 20%  
Operator: AkerBP ASA  
Granted: APA 2017
- PL 953** Concedo interest: 30%  
Operator: WinterhallDea Norge AS  
Granted: APA 2017
- PL 1022** Concedo interest: 30%  
Operator: AkerBP ASA  
Granted: APA 2018
- PL 1074** Concedo interest: 20%  
Operator: Vår Energi AS  
Granted: APA 2019
- PL 1075** Concedo interest: 40%  
Operator: Vår Energi AS  
Granted: APA 2019



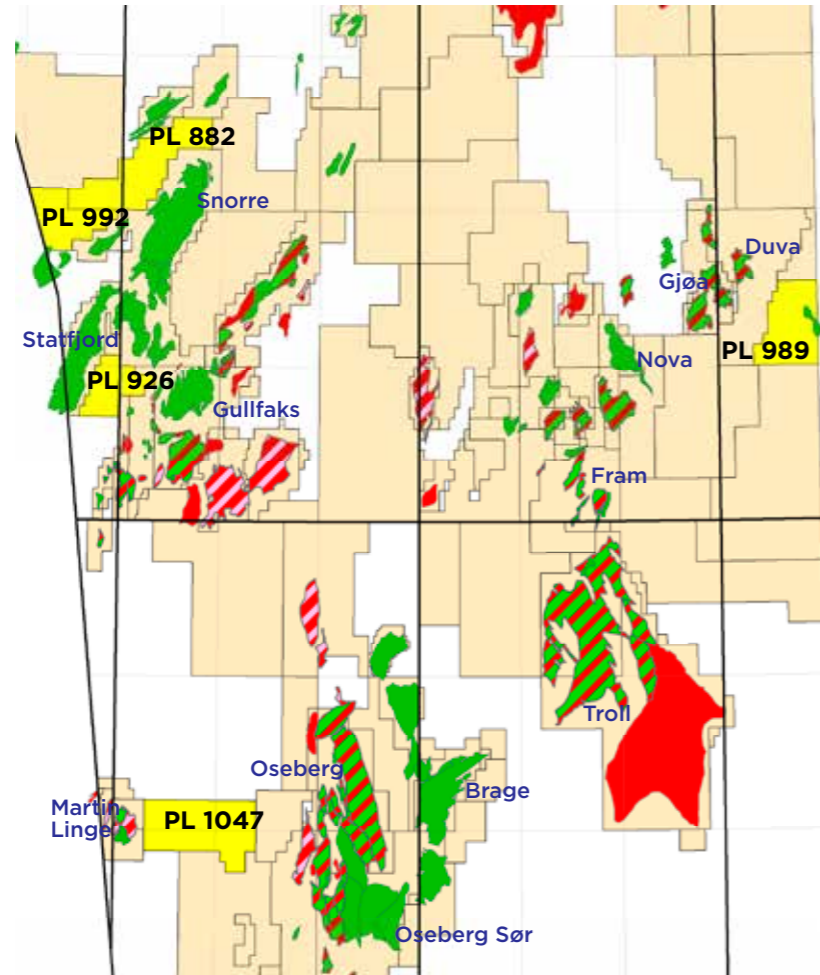
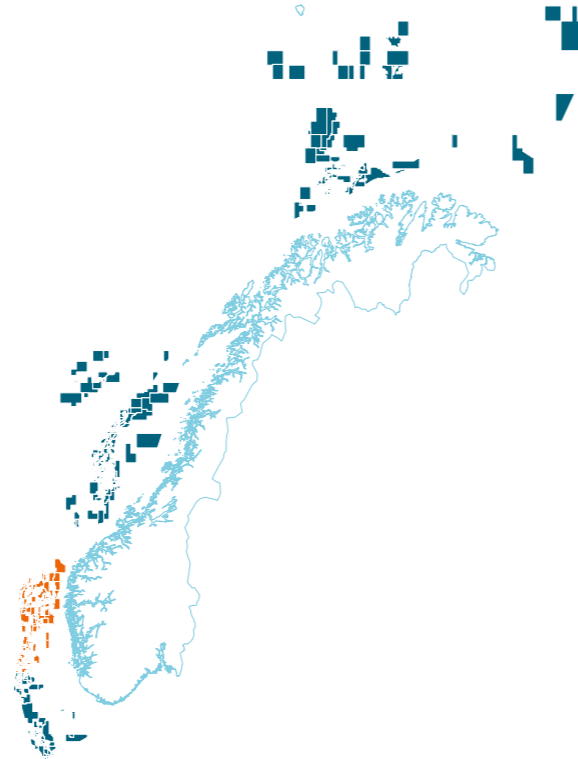
Licence portfolio  
Norwegian Sea

- PL 887** Concedo interest: 20%  
Operator: PGNIG Upstream Norge AS  
Granted: APA 2016



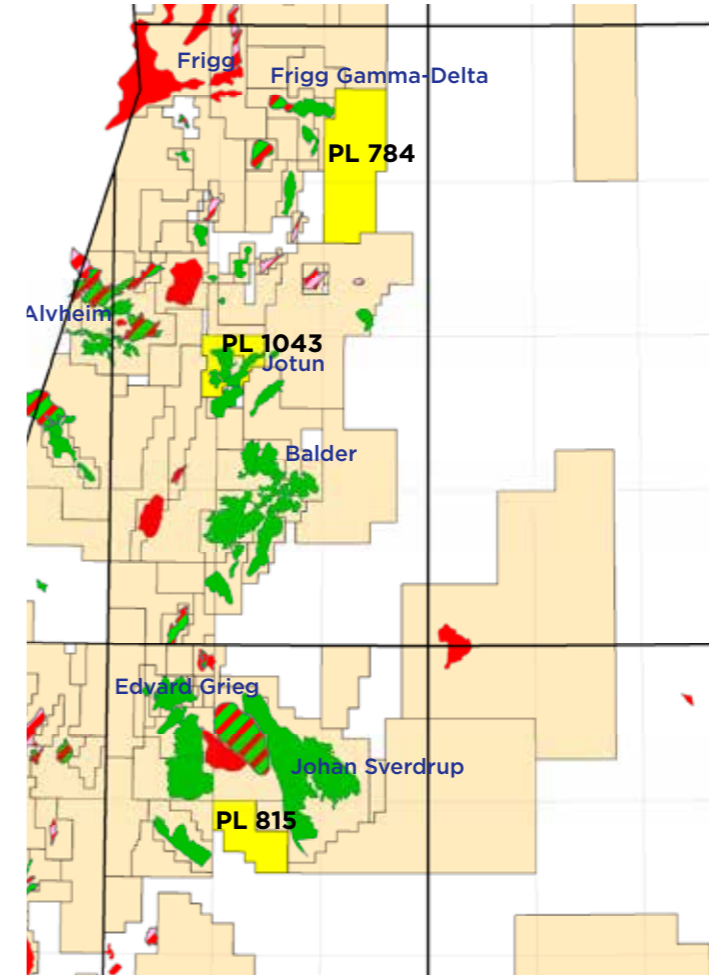
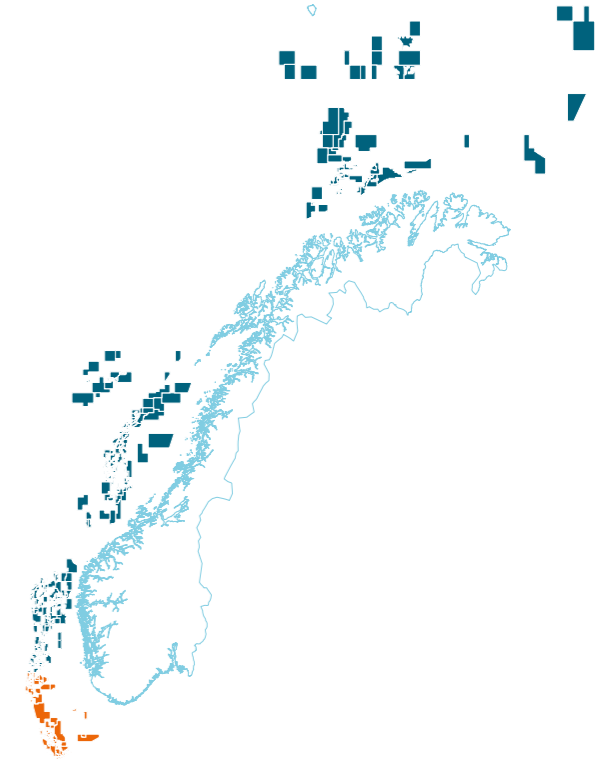
Licence portfolio  
Northern North Sea

- PL 882 Concedo interest: 20%  
Operator: Neptune Energy Norge AS  
Granted: APA 2016
- PL 992 Concedo interest: 30%  
Operator: Neptune Energy Norge AS  
Granted: APA 2018
- PL 989 Concedo interest: 30%  
Operator: WintershallDea Norge AS  
Granted: APA 2018
- PL 926 Concedo interest: 30%  
Operator: DNO  
Granted: APA 2017
- PL 1047 Concedo interest: 20%  
Operator: AkerBP ASA  
Granted: APA 2019



Licence portfolio  
Southern North Sea

- PL 815 Concedo interest: 20%  
Operator: Lundin Norge AS  
Granted: APA 2015
- PL 784 Concedo interest: 20%  
Operator: AkerBP ASA  
Granted: APA 2014
- PL 1043 Concedo interest: 30%  
Operator: Vår Energi AS  
Granted: APA 2019



# Directors' Report 2019

Concedo continued its exploration strategy in 2019.

Last year marked the 50<sup>th</sup> anniversary of the oil industry in Norway, initiated with the discovery of Ekofisk in October 1969.

The players on the Norwegian Continental Shelf (NCS) were for many years the major international oil companies and two-three Norwegian companies, including Statoil (Equinor). This changed 15 years ago, when small and medium-sized companies began entering the NCS. Recently, some large international companies have divested from the NCS and private-equity-backed companies have entered. Private-equity-backed transactions were among the largest ones in 2019. While the major international companies were following long-term strategies, the new companies have shorter investment cycles, making the E&P market more dynamic with more transactions and more diverse players. Commercial discoveries will be attractive in this dynamic market where the focus is on development and production.

In 2019, the larger oil companies invested more in renewables and divested some assets with particularly high carbon emissions. Once the Utsira High fields have electricity supplied from land, more than 40 per cent of the NCS production will be operated using shore power. The capture and storage of carbon dioxide (CO<sub>2</sub>) is another important measure to reduce emissions.

Political discussions continue on the Norwegian tax system, which currently encourages exploration, and this makes the future more uncertain for pure exploration companies.

The number of discoveries on the NCS in 2019 was about the same as 20 years earlier. However, the average size of the discoveries fell from 130 MMboe to 50 MMboe during this period. This is because most of the major discoveries have been developed. Smaller discoveries are more likely to be commercial when they can be tied into existing production facilities. Concedo has therefore a focus on near-field exploration.

When discoveries become smaller, the industry must achieve commerciality with a smaller resource base. This has so far been successful. More discoveries are being developed and activity on the NCS is high. Innovation in technology and operational solutions means it is easier to make smaller discoveries commercial.

New discoveries are essential to maintaining high production in the long term. In 2019, 57 exploration wells were drilled on the NCS, resulting in 17 new discoveries. High exploration activity is also expected in 2020.

Concedo participated in one well in 2019 - in licence PL 815, the North Sea's Goddo prospect on the Utsira High, in which Concedo holds a 20% interest. This exploration well discovered oil, and further work in the licence will be done during 2020 and 2021 in order to evaluate the recoverable resources and whether the discovery can be developed into proven reserves. The Goddo discovery is in an area with infrastructure close to it and can be tied into the nearby Edvard Grieg field. The timing depends on the Edvard Grieg's production capacity and the long-term test production of the Rolvsnes discovery, which will start in mid-2021. The Rolvsnes reservoir is the same type as Goddo, thus providing useful insight. The well cost capitalised in PL815 is NOK 85 million before tax.

Concedo sold its 10% share in PL 925 to Neptune Energy in 2019. PL 925 contains part of the Grosbeak discovery. Wellesley Petroleum announced the successful appraisal of this discovery in 2018 by wells 35/11-21S and 35/11-21A.

Several of the licences in our portfolio are subject to ongoing drill-or-drop decisions. A drilling decision has been made on the Dugong prospect in PL 882, in which Concedo holds a 20% interest, and this will be drilled this summer. If a commercial discovery is made, this is a candidate for a tie-in to the Snorre field.

A drilling decision has also been made on the Rødhette prospect in PL 901, just north of the Goliat field in the Barents Sea. Rødhette will be drilled in the autumn of 2020.

Concedo was awarded four new licences in the annual licensing round APA 2019 - two in the North Sea and two in the Barents Sea, close to the Goliat field.

Concedo will continue to focus on exploration on the NCS and submit applications in the annual licensing rounds, targeting participation in one to three exploration wells per year. Positive results in Dugong and Rødhette may provide substantial value to Concedo.

## Objectives and strategy

Concedo's ambition is to have one of the best exploration teams on the NCS, capitalising on the team's excellent knowledge of leads and unmapped resources on the NCS and working in areas aligned with the team's strengths. We create value by selling discoveries prior to development, thus avoiding capital-intensive investments in field development. Concedo's strategy is to preserve its financial strength so it can sell discoveries at the best possible time and be regarded as an attractive partner by other oil companies. In 2012, Concedo returned the capital initially invested in 2006 to its investors in the form of dividend and paid-in capital. The company has so far not required more equity, as it has been able to monetize assets.

## Highlights in 2019

The part of the Grosbeak discovery that is in PL 925 was successfully sold.

One discovery well was drilled in the Goddo prospect in PL 815. This took place without any incidents that could cause damage, injuries or environmental impact.

Concedo was awarded three licences in the APA 2018 licensing round and a further four licences in APA 2019. Seven licences have been relinquished, bringing the company's total to 15 licences at the end of the first quarter 2020.

Concedo divested one-third of a 30% share in licence PL 882 with effect from 1 January 2019. This was part of a well carry cost agreement with Idemitsu Petroleum.

Concedo is maintaining its support agreement with Geocore AS, giving us additional capacity in the licensing rounds and for evaluating our own licences.

A young geoscientist, Jens Fredrik Kolnes, joined Concedo in 2019.

## Financing

A new MNOK 350 exploration facility with Sparebank 1 SR Bank was established in 2019, replacing the DNB facility. This will provide the level of working capital needed for the exploration programme going forward to the end of 2020.

## Business office

Concedo has a five-year lease on its existing offices in Asker, up to the end of 2021, and this can be renewed.

## History

Concedo was established as an exploration company in 2006 and pre-qualified as a licensee on the NCS in 2007. From the beginning, the company had a strong team of eight experienced employees. The team grew in pace with assignments and the number of licences in the company's portfolio.

The first discovery (gas) was made in 2008 - the Galtvort prospect - and in 2009 oil was found in what is now known as the Hyme field, both in licence PL 348. Concedo's interest in this licence was sold to Statoil in 2010.

In 2010, the Maria discovery, just south of the Smørbukk South

field, was proven to be oil-bearing. Concedo sold the Maria discovery to the operator Wintershall in 2011.

The Novus discovery was made in early 2014, but was declared non-commercial.

The Kallåsen discovery (well 35/12-6S) and Grosbeak appraisal drilled by the adjacent licence took place in 2018. Concedo divested part of the Grosbeak discovery in licence PL 925.

The Goddo discovery was made in 2019.

## Research and development

Concedo is a member of FORCE (Forum for Reservoir Characterization, Reservoir Engineering and Exploration), which was set up by the Norwegian Petroleum Directorate to stimulate industrial cooperation, improve exploration processes and enhance the recovery of resources on the NCS. Concedo is an active contributor and its representatives are members of the technical committee, sedimentology committee and structural geology group.

Over the years, the company has tested out many new exploration technologies and chosen the ones most suitable for the different exploration areas.

Concedo has also been an active participant in the Norwegian Oil and Gas Association's network for Exploration Managers and the Norwegian Oil Company Scout Group.

During 2019, Concedo worked actively with TIE (The Innovation Effect) and a student team on a machining learning project.

## Health, safety and the environment

The company ensures that all its activities are carried out without causing harm to humans or the environment. Safeguarding people, the environment and financial assets is an integral part of our management system and daily operations. Our activities caused no spills, injuries or accidents in 2019.

As a licensee on the NCS, Concedo bears responsibility for, and makes conscious choices designed to minimise, risks to itself and its partners. Concedo actively supports operators by providing expertise and experience in preventing undesirable incidents while participating in drilling operations. Concedo has been actively involved in risk assessments and audit meetings.

The working environment is considered good and we make continuous efforts to improve it further. In 2019, our employees participated in health and environment training to further prevent injuries. The sick leave in 2019 was 45 days or 1.5% of the total working hours.

## Gender equality

At the end of 2019, Concedo had 14 employees, three women and 11 men. The Board of Directors has five members, two women and three men. Concedo is committed to gender equality, equal conditions, respect for cultural diversity and the equal treatment of all employees.

### Sustainability and responsibility

It is an integral part of our business to ensure respect for human rights, take responsibility as an employer, minimise our impact on the environment, fight corruption and ensure a transparent corporate culture when dealing with all our stakeholders. We consider this a necessary and natural part of the way we carry out our business operations. Corporate Social Responsibility (CSR) is part of the company's management system. The company has reviewed its management system with respect to the new EU General Data Protection Regulation (GDPR) and to Corporate Social Responsibility (CSR).

### Corporate governance

Concedo's management system is based on the Norwegian Code of Practice for Corporate Governance (NUES).

The Board of Directors held 13 meetings in 2019. Key strategic and operational issues that were discussed include:

- A review of the impact of the oil price and political situation, both domestic and international, on the oil industry.
- An evaluation of the capital situation and capital requirements in the coming years.
- Liquidity risks.
- Close monitoring of the company's operational and financial performance, including Quality, Health, Safety and the Environment. Lessons-learned discussions after the completion of important activities, such as the drilling of the wells in PL815 and awards in licensing rounds.
- Strategic balancing of the portfolio of exploration licences and assessment of licence applications in APA 2019.
- An assessment of investment and divestment opportunities.
- Supervision of risk management processes and internal control reporting.
- A review and updating of remuneration models for the management and employees.

### Management and employee salaries

In accordance with section 6-16a of the Norwegian Public Limited Companies Act, the Board of Concedo ASA has prepared guidelines for determining the salaries and other remuneration of the company's management and employees.

### Financial performance 2019

Financial statements are prepared in accordance with the Public Limited Companies Act, the Accounting Act and generally accepted accounting principles in Norway. To the best of the Directors' knowledge, there are no circumstances of significance for assessing the company's position as of 31 December 2019 or the result for 2019 that are not set forth in the annual report and financial statements.

The Directors believe that the annual accounts give a true presentation of Concedo's financial position as of 31 December 2019 and of the result and cash flows for the fiscal year.

### Revenues and profits

Concedo made an operating loss of NOK 52 million in 2019. The year's profit after tax was NOK 11.3 million. The profit

includes the sale of licences. The company received NOK 137.5 million as a refund of the tax value of exploration costs. The exploration costs consist of the company's operating expenses and the costs of licences. Costs related to preparations for drilling exploration wells are recognised in the balance sheet. The capitalised cost related to drilling depends on whether or not commercial resources are discovered. The exploration costs connected to the well in PL 815 have been capitalised.

### Balance sheet and liquidity

At year-end 2019, the company's book equity amounted to NOK 114 million, equal to an equity ratio of 38.4%. The company's interest-bearing debt is from the NOK 350 million loan facility, of which NOK 127.5 million was utilised as of 31 December 2019.

### Cash flow

The net cash flow from operating activities in 2019 was NOK (8) million. This includes a tax refund of NOK 100 million. The net cash flow from financing activities was NOK 30 million.

### Distribution of profit

No dividend was paid in 2019.

### Payments/refund of tax and payments to governments

In accordance with section 3-3 d) of the Norwegian Accounting Act, companies engaged in activities within the extractive industries shall, annually, prepare and publish information about their payments to governments at country and project level, ref Note 20 in the annual statement.

### Operational, financial and market risks

Our strategy is to obtain revenues through the sale of interests in discoveries. Key risks and uncertainties in our operations are related to the results of exploration work and the potential earnings from this work.

The company is exposed to market risks relating to the oil price and US dollar exchange rate. The company has interest-bearing debts and is exposed to changes in interest levels. At present, Concedo does not have any contracts to hedge market risks.

### Credit risks

The company has few receivables, so the risk of our debtors or partners being unable to fulfil their obligations to Concedo is low.

### Political risks

Activity on the Norwegian Continental Shelf has created huge values, helped by a stable and predictable political framework for 50 years, with supportive governments and broad parliamentary backing for the oil industry.

In recent years, we have experienced growing scepticism to the oil industry among politicians, especially related to new acreage and the favourable exploration tax regime. There is therefore a risk that the regulatory scheme for the oil industry may change, although the current government is clear that it will not make changes. Concedo has considered ways to

mitigate the risk of potential changes in the exploration refund system.

### Liquidity risks

The company has cash reserves, and an exploration facility is providing financial flexibility through to the end of 2020. The Directors are monitoring the company's liquidity as it becomes more critical and have a close dialogue with shareholders to minimise the liquidity risk.

### Currency risks

Some of the exploration costs are in USD. The Board has evaluated the situation related to USD versus NOK and decided not to hedge the currencies. Large parts of the company's costs are in NOK. Revenues from the sale of discoveries are often oil-linked, with an indirect USD exposure. Currently, the USD is rising relative to the NOK.

### Risk of low oil price

A short-term low oil price has some positive effects for Concedo, as exploration costs tend to be significantly reduced, e.g. lower rig rates. However, the low oil price has lessened the price obtained for new discoveries.

In the longer term, a higher oil price is desirable, as this will increase the value of the oil and gas discovered.

### Going concern

The financial statements have been prepared based on the going concern assumption. In compliance with section 3-3a of the Accounting Act, we confirm that the requirements for a going concern have been satisfied.

Part of Concedo's strategy is to always have a strong balance

sheet. Following a period of several years with no sales of major discoveries, the Board is now considering alternative ways of strengthening the balance sheet, e.g. sale of assets or raising new equity. The company has capital to finance its activities in 2020, but equity is needed for additional reserves and further activities.

### Future prospects

The potential Dugong and Rødhette discoveries and the promising development of Goddo may give Concedo substantial recoverable resources. We believe these assets can be sold at attractive prices, giving Concedo additional financial strength.


Concedo's exploration portfolio normally contains 15-20 licences due to annual licensing round awards and drop decisions. New opportunities appear continuously. The Concedo team is constantly converting its licence portfolio prospects into drilling decisions. The company will continue to pursue its existing strategy, as there is still potential for success with new discoveries.

The licences in our portfolio are favourable with regard to commercialisation as they are candidates for tie-ins to existing fields.

The future work towards the commercial development of Goddo is promising. We will continue the annual licensing round work to maintain a good portfolio. Financially, our strategy will still be to maintain strength and flexibility, making it possible to optimise the company's assets.

The Concedo team has had a good year and is enthusiastic and motivated by our current and future opportunities.


Asker, 4 March 2020

  
Olav Fjell  
Chairman of the Board

  
Erik Klausen  
Director

  
Karen Sund  
Director

  
Hege Wullum  
Director

  
Nirav Dagli  
Director

  
Geir Lunde  
CEO

# Financial statements 2019



Concedo ASA

## Profit and Loss Account 2019

Figures are given in the Norwegian currency NOK

	Note	2019	2018
Sales revenue		180 500	0
Other operating revenues	6	40 937 614	3 409 370
<b>Total operating revenues</b>		<b>41 118 114</b>	<b>3 409 370</b>
Depreciation on fixed and intangible assets	3	-202 204	-168 567
Exploration expenses	2,10,14,15	-92 974 532	-130 648 898
<b>Total operating expenses</b>		<b>-93 176 736</b>	<b>-130 817 466</b>
<b>Operating profit/loss</b>		<b>-52 058 623</b>	<b>-127 408 096</b>
Other interest received		1 612 093	1 088 275
Other financial income		1 526 556	1 067 305
<b>Total financial income</b>		<b>3 138 649</b>	<b>2 155 580</b>
Other interest paid		-8 252 979	-5 083 865
Other financial expenses		-1 416 621	-704 581
<b>Total financial expenses</b>		<b>-9 669 600</b>	<b>-5 788 446</b>
<b>Net financial items</b>		<b>-6 530 951</b>	<b>-3 632 867</b>
<b>Pre-tax profit/loss on ordinary activities</b>		<b>-58 589 574</b>	<b>-131 040 963</b>
Tax cost on profit on ordinary activities	7	69 819 087	101 366 952
<b>Ordinary profit/loss</b>		<b>11 229 514</b>	<b>-29 674 011</b>
<b>Income/loss for the year</b>		<b>11 229 514</b>	<b>-29 674 011</b>
<b>Allocations</b>			
Other reserves	5	11 229 514	-29 674 011
<b>Total</b>		<b>11 229 514</b>	<b>-29 674 011</b>

Concedo ASA

## Balance Sheet as of 31 December 2019

Figures are given in the Norwegian currency NOK

ASSETS	Note	2019	2018
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	7	0	22 950 064
Capitalised exploration expenses and licences	3	91 261 296	2 234 074
<b>Total intangible assets</b>		<b>91 261 296</b>	<b>25 184 138</b>
<b>Tangible fixed assets</b>			
Furniture, fixtures & machinery	3	594 982	326 903
<b>Total tangible fixed assets</b>		<b>594 982</b>	<b>326 903</b>
<b>Total fixed assets</b>		<b>91 856 278</b>	<b>25 511 041</b>
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables	9	148 343 208	102 146 394
<b>Total receivables</b>		<b>148 732 219</b>	<b>102 146 394</b>
Bank deposits, cash-in-hand etc.	8	55 244 649	77 858 485
<b>Total bank deposits, cash-in-hand etc.</b>		<b>55 244 649</b>	<b>77 858 485</b>
<b>Total current assets</b>		<b>203 976 868</b>	<b>180 004 880</b>
<b>Total assets</b>		<b>295 833 146</b>	<b>205 515 921</b>

Concedo ASA

## Balance Sheet as of 31 December 2019

Figures are given in the Norwegian currency NOK

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	2019	2018
<b>EQUITY</b>			
<b>Paid-in capital</b>			
Share capital	4,5	2 430 066	2 430 066
Treasury shares	5	-158 379	-158 379
Share premium	5	4 567 126	4 567 126
Other paid-in capital	5	3 152 055	2 726 048
<b>Total paid-in capital</b>		<b>9 990 868</b>	<b>9 564 861</b>
<b>Retained earnings</b>			
Other reserves	5	103 603 375	92 373 862
<b>Total retained earnings</b>		<b>103 603 375</b>	<b>92 373 862</b>
<b>Total equity</b>		<b>113 594 243</b>	<b>101 938 723</b>
<b>Long-term liabilities</b>			
<b>Provisions for liabilities and charges</b>			
Deferred tax	7	44 770 364	0
<b>Total provisions for liabilities and charges</b>		<b>44 770 364</b>	<b>0</b>
<b>Total long-term liabilities</b>		<b>44 770 364</b>	<b>0</b>
<b>Current liabilities</b>			
Owed to credit institutions	11,13	127 573 982	97 326 680
Trade creditors		5 018 938	1 887 327
Unpaid government charges etc.		1 970 405	1 895 314
Other current liabilities	12	2 905 213	2 467 877
<b>Total current liabilities</b>		<b>137 468 538</b>	<b>103 577 198</b>
<b>Total liabilities</b>		<b>182 238 902</b>	<b>103 577 198</b>
<b>Total Equity and Liabilities</b>		<b>295 833 146</b>	<b>205 515 921</b>


Asker, 4 March 2020

  
 Olav Fjell  
 Chairman of the Board

  
 Erik Klausen  
 Director

  
 Karen Sund  
 Director

  
 Hege Wullum  
 Director

  
 Nirav Degli  
 Director

  
 Geir Lunde  
 CEO



Concedo ASA

## Cash Flow Statement

OPERATING ACTIVITIES	Note	2019	2018
Pre-tax result		-58 589 574	-131 040 963
<b>Adjustments for reconciling the current year's result with cash flow from operating activities:</b>			
Gain from sale of licence interests		-40 937 614	-3 409 370
Depreciation, amortisation and write-downs	3	202 204	168 567
Capitalised exploration costs expensed		-	2 740 351
Other items having no cash effect – subscription rights		426 007	800 599
Tax reimbursement received in period	7	99 816 705	116 332 033
<b>Change in working capital (except for cash and cash equivalents):</b>			
(Increase) reduction in trade debtors and other receivables		-8 863 015	4 571 229
Increase (reduction) in trade creditors and other current debts		258 798	1 807 116
<b>Cash flow from operating activities</b>		<b>-7 686 488</b>	<b>-8 030 438</b>
<b>INVESTMENT ACTIVITIES</b>			
Investments in fixed assets	3	-470 283	-260 326
Capitalised exploration expenses	3	-89 027 222	-1 126 659
Sale of assets		44 322 854	-
<b>Cash flow from investment activities</b>		<b>-45 174 651</b>	<b>-1 386 985</b>
<b>FINANCING ACTIVITIES</b>			
New interest-bearing short-term debt	11	121 595 504	77 800 000
Repayments short-term debt	11	-91 348 202	-96 886 662
<b>Cash flow from financing activities</b>		<b>30 247 302</b>	<b>-19 086 662</b>
Net increase (reduction) in cash and cash equivalents		-22 613 836	-28 504 085
Cash and cash equivalents at beginning of year		77 858 485	106 362 570
<b>Cash and cash equivalents at end of year</b>		<b>55 244 649</b>	<b>77 858 485</b>

Note 1

## Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

### Main principles for valuing and classifying assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Classification of current and long-term liabilities is based on the same criteria.

Fixed assets are carried at historical cost net of accumulated depreciation. Fixed assets that have a limited economic life are depreciated according to a reasonable schedule. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Current assets are valued at the lower of historical cost and fair value.

Other long-term and current liabilities are valued at their nominal value.

### Interests in oil and gas licences

Ownership in oil and gas licences are recognised by including Concedo's share of assets, liabilities, income and expenses in the licence on a line by line basis (gross method).

### Accounting for exploration costs

The company follows the «successful efforts» method of accounting for exploration costs in oil and gas operations. The costs of acquiring mineral interests in oil and gas areas and of drilling exploration wells are capitalised pending determinations of whether recoverable reserves have been found. The costs of drilling exploration wells where no recoverable reserves are found, geological and geophysical costs and other exploration costs are expensed.

Exploration wells that have shown reserves, but where classification as proven reserves depends on whether substantial investments are justified, may remain capitalised for more than one year. Capitalised exploration wells and acquisition costs are reviewed continuously for impairment.

### Receivables

Trade receivables and other receivables are recognised at their nominal value less provision for expected losses.

### Bank deposits, cash in hand, etc.

Bank deposits, cash in hand and cash equivalents include cash in hand, bank deposits and other means of payment having maturity of less than three months from the date of purchase.

### Revenue

Revenue is recognised when it is earned, i.e. when both the risk and control have been transferred to the customer.

### Expenses

Expenses are generally entered in the same period as the corresponding income.

### Leasing agreements

Significant lease contracts that are classified as financial leases are recognised as assets and depreciated using the straight-line method based on the estimated useful life. Operational leases are expensed as incurred.

### Pensions

The company is required to maintain an occupational pension scheme in accordance with the Norwegian Act relating to mandatory pensions ("Lov om obligatorisk tjenestepensjon"). The company's pension scheme satisfies the requirements of that Act.

Contribution plans are accounted for according to the matching principle. The year's contribution to the pension scheme is expensed.

### Share-based remuneration

The company has a remuneration plan based on payment in shares. The fair value of the services the company has received from the employees in return for the awarded subscription rights is entered as an expense. The total sum expensed over the earning period is calculated on the fair value of the subscription rights awarded.

At each balance sheet date, the company re-estimates the number of subscription rights likely to be exercised. The company enters the effect of any change in the original estimates in the P/L account, along with a corresponding adjustment of equity capital. After deduction of attributable transaction costs, payments received are credited to share capital (nominal value) and the share premium account when subscription rights are exercised.

### Taxes

Tax expenses are matched with book income before tax. Tax expenses consist of the tax payable (tax on the year's direct taxable income), change in net deferred tax and anticipated refunds related to exploration costs.

Deferred tax and deferred tax benefits in the same tax regime are presented net in the balance sheet. Deferred tax benefit is recognised in the balance sheet provided that the future use is rendered probable.

### Cash flow analysis

The cash flow analysis is prepared using the indirect method.

Note 2

## Payroll costs, number of employees, benefits etc.

Company payments and pension costs for employees are presented in the following table:

Payroll costs	2019	2018
Salaries	19 024 921	18 404 077
Employers' payroll tax	2 979 035	2 883 032
Pension costs	1 629 294	1 571 090
Share-based remuneration	426 007	800 599
Other benefits	199 931	238 294
<b>Total</b>	<b>24 259 189</b>	<b>23 897 092</b>
Number of man-years employed during the financial year	14	13

\*) Employers' payroll tax comprises tax on the payroll and exchange of subscription rights as part of the incentive scheme.

Concedo ASA has adopted a contribution-based pension scheme, which has an individual choice of investment. The scheme covers a total of 14 employees.

Remuneration paid to directors and management	Salary	Pension costs	Other remuneration
Geir Lunde (CEO)	1 614 758	101 959	285 341
Olav Fjell (Chairman)			150 000
Erik Klausen (Director and HSE Manager)	1 545 476	87 450	25 346
Hege Wullum (Director)			100 000
Karen Sund (Director)			100 000
Nirav Dagli (Director)			100 000

The CEO has a severance pay contract under which he, if he leaves at the company's request, is entitled to salary for 6 months after his period of notice expires. For subscription rights awarded to the CEO and directors in connection with the incentive scheme, see Note 5. Consultancy services of NOK 250 000 excl. VAT were purchased from Fjellvit AS, a company owned by the Chairman of the Board.

### Guidelines and adherence to the guidelines in 2019

In 2019, the company's remuneration policy was in accordance with the guidelines described in the Annual Report for 2018, except that the incentive and bonus schemes was not in effect in 2019 according the description given.

### Guidelines for 2020

The Board has established guidelines for 2019 for salaries and other remuneration to the Chief Executive Officer and other senior executives. The guidelines will be reviewed at the company's annual general meeting in 2020.

Senior executives receive a basic salary, adjusted annually. The company's senior executives participate in the general arrangements applicable to all the company's employees as regards pension plans and other payments in kind, such as subsidized fitness centre fees. No incentive or bonus scheme has been established for 2020.

### Share-based remuneration

The 2019 AGM did not approve the issue of employee subscription rights proposed by the board of directors. Consequently the employee incentive system has been terminated and no subscription rights were granted for 2019 or proposed for 2020.

In 2019, NOK 426 007 was expensed in the profit and loss statement related to vested subscription rights in this period. At December 31 2019, the estimated amount of share-based remuneration costs yet to be expensed throughout the vesting period is NOK 202 006.

The fair value of the subscription rights awarded and outstanding as of 31.12.2019, calculated according to the Black & Scholes option pricing model, was NOK 2 282 970

The calculation is based on a risk-free interest rate (government bonds with 3-5 years' maturity), and expected exercise of subscription rights after 48 months. The volatility rate used has been between 50-60%.

Number of subscription rights	2019	2018
Outstanding as of 1 January	1 067 077	436 533
Awarded during year	0	650 322
Forfeited during year	0	0
Cancelled during year	-650 322	0
Exercised during year	0	0
Expired during year	-78 991	-19 778
<b>Outstanding as of 31 December</b>	<b>337 764</b>	<b>1 067 077</b>

### Auditor

Remuneration to Deloitte AS is as follows (excl. VAT):	2019	2018
Statutory audit	200 000	169 000
Audit-related services	0	0
Certification services	0	0

Note 3

## Tangible/ intangible assets

	Furniture & Fixtures	Plant & Machinery	License interests, exploration wells	Total
Cost at 1 January	3 900 269	77 725	2 234 074	6 212 068
Additions	470 283	-	89 027 222	89 497 505
Expensed dry wells, previously capitalised			-	-
Disposals			-	-
<b>Cost 31 December</b>	<b>4 370 552</b>	<b>77 725</b>	<b>91 261 296</b>	<b>95 709 572</b>
Acc. depreciation at 1 January	3 573 366	77 725		3 651 091
Current year's depreciation	202 204	-		202 204
<b>Acc. depreciation 31 December</b>	<b>3 775 570</b>	<b>77 725</b>		<b>3 853 295</b>
<b>Book value as of 31 December</b>	<b>594 982</b>	<b>-</b>	<b>91 261 296</b>	<b>91 856 278</b>

Note 4

## Share capital and shareholders

As of 31.12.19, the company's share capital consisted of one class of shares, all of which bear the same voting rights. The acquisition of shares by purchase or as a gift or by any other means requires board approval.

	Number of shares	Nominal value	Book value
Shares	11 718 893	0.2073631	2 430 066
<b>Total</b>	<b>11 718 893</b>		<b>2 430 066</b>

### Subscription rights

The right to exercise subscription rights lapses in the event of the company being listed on the stock exchange. The subscription rights may be exercised during a period of from 3 to 5 years from the date of allocation.

An overview of the subscription rights in the company is shown below.

Name	Number of rights	Subscription Price (NOK)	Total Price (NOK)	Allocation date
Employees and Directors	110 743	16	1 771 888	13 December 2015
Employees and Directors	110 743	16	1 771 888	15 December 2016
Employees and Directors	116 278	13	1 511 614	19 December 2017
<b>Total</b>	<b>337 764</b>		<b>5 055 390</b>	

The above figures include 28 967 subscription rights allocated to Geir Lunde, 27 724 to Erik Klausen, and 7 092 to Olav Fjell,

### Ownership structure

The ten largest shareholders as of 31.12.2019

Name	Quantity of shares	Percentage interest	Home country
H. M. STRUCTURES LIM	3 220 682	29.4%	CYP
EUROCLEAR BANK S.A./	2 580 000	23.6%	BEL
MEGABAS AS	2 176 449	19.9%	NOR
BANK JULIUS BÄR & CO. AG	570 000	5.2%	CHE
HEATHLANDS HOLDINGS	503 967	4.6%	CYP
KNUTSEN JOHN ERIC TA	250 000	2.3%	GBR
KOCHAR KHANNA	170 000	1.6%	GBR
FJELLVIT AS	154 529	1.4%	NOR
GILBO INVEST AS	120 924	1.1%	NOR
CREMONESI TOMASO	115 000	1.0%	ESP
OTHER SHAREHOLDERS	1 093 565	10.0%	Miscellaneous
<b>Total</b>	<b>10 955 116</b>	<b>100%</b>	

In addition to the above, Concedo holds 763 777 own shares (treasury shares).

### Shares owned by Directors and CEO

Name	Position	Number of shares
Olav Fjell through 100% in Fjellvit AS	Board Chairman	154 529
Geir Lunde through 22.4% in Megabas AS	CEO	487 525
Erik Klausen through 16.4% in Megabas AS	Director	356 938
Geir Lunde	CEO	22 000
Nirav Dagli	Director	12 000
Erik Klausen through Catellas AS	Director	24 796
Karen Sund through Sund Energy AS	Director	2 307

Note 5

## Equity

	Share capital	Treasury shares	Share premium	Other paid in capital	Other	Total
<b>Equity at 1 January</b>	<b>2 430 066</b>	<b>-158 379</b>	<b>4 567 126</b>	<b>2 726 048</b>	<b>92 373 862</b>	<b>101 938 723</b>
Subscription rights				426 007		426 007
Share issue	-		-			-
Transfer	-		-			-
Treasury shares purchased			-			-
Dividends and repayment of paid-in capital				-	-	-
Current year's profit/(loss)				11 229 514		11 229 514
<b>Equity at 31 December</b>	<b>2 430 066</b>	<b>-158 379</b>	<b>4 567 126</b>	<b>3 152 055</b>	<b>103 603 375</b>	<b>113 594 243</b>

The value of subscription rights expensed in 2019 - NOK 426 007 - has been calculated according to the Black-Scholes formula.

The share capital at the year-end is NOK 2 430 066, consisting of 11 718 893 shares at a nominal value of NOK 0.207363131 including 763 777 treasury shares.

Note 6

## Other operating revenue

Other operating revenue	2019	2018
Gain on sale licences	40 937 614	3 409 370
<b>Other operating revenue</b>	<b>40 937 614</b>	<b>3 409 370</b>

Note 7

## Income tax

Income tax for the current year is calculated as follows:	2019	2018
Adjustment for tax refund in earlier years	-	-
Change in deferred tax	67 720 428	-1 550 246
Tax value of exploration costs (See Note 8)	-137 539 515	-99 816 706
<b>Tax on ordinary income</b>	<b>-69 819 087</b>	<b>-101 366 952</b>
Reconciling nominal and actual tax rates:	2019	2018
Pre-tax profit/loss	-58 589 574	-131 040 963
Anticipated income tax at nominal rate (22%/23%)	-12 889 706	-30 139 421
Anticipated income tax at special surtax rate (56%/55%)	-32 810 161	-72 072 529
Tax effect of following items:		
Adjustment for tax earlier years	0	0
Non-deductible expenses	423 276	-304 894
Non taxable income, 78%	-28 177 500	0
Tax effect of interest on loss carryforwards (23%/54%)	-219 732	-162 987
Change in tax rate	0	56 642
Effect of surtax (56%/55%)	3 854 736	1 256 237
<b>Income tax</b>	<b>-69 819 087</b>	<b>-101 366 952</b>
Effective tax rate	119,2 %	77,4 %

### Specification of tax effect of temporary differences and loss carryforwards:

	2019		2018	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Exploration expenses and licence costs	0	71 005 422	0	1 464 392
Provisions for liabilities	0	0	0	0
Loss carryforwards	26 235 058	0	24 414 456	0
<b>Total</b>	<b>26 235 058</b>	<b>71 005 422</b>	<b>24 414 456</b>	<b>1 464 392</b>
Of which netted	-26 235 058	-26 235 058	-1 464 392	-1 464 392
<b>Net deferred tax asset/liability</b>	<b>0</b>	<b>44 770 364</b>	<b>22 950 064</b>	<b>0</b>

Profit from oil and gas operations on the Norwegian shelf is taxed in accordance with the Norwegian Petroleum Tax Act. A special 56% (2018: 55%) surtax is levied in addition to the ordinary 22% (2018 23%) corporate tax. The taxpayer may claim payment from the government for the tax value of direct and indirect expenses (with the exception of financing expenses) for petroleum exploration, provided that the sum does not exceed the year's loss on, respectively, ordinary income in the shelf tax district and the basis for surtax.

Shelf loss may be utilized against a possible future shelf gain. Alternatively, the tax value of loss carryforwards connected to operations on the Norwegian shelf will be received in the event of a possible termination of the business.

The deferred tax effect has been capitalised to the extent future realisation is deemed probable.

Note 8

## Bank deposits

Bank deposits, cash in hand etc. include non-distributable withheld tax of NOK 1 128 605 (2018: NOK 1 106 056) and a rental deposit of NOK 968 129 (2018: NOK 962 833)

Note 9

## Other receivables

For the 2019 tax assessment the company claims reimbursement of the tax value of petroleum exploration costs totalling NOK 137 539 516 (2018: NOK 99 816 706), see section 3c(5) of the Petroleum Tax Act.

Outstanding accounts with operators and others are also stated in the financial line item "Other receivables".

Note 10

## Leasing agreements

The annual rent for non-capitalised assets amounts to NOK 1 634 450 (2018: 1 564 368), which relates to rent for the office premises in Asker.

The tenancy was renewed until 30 October 2021; the remaining period of tenancy being 2 years.

Note 11

## Debt to financial institutions

The company has a credit line of NOK 350 000 000 in SpareBank 1 SR-Bank ASA. The interest rate is NIBOR plus a margin of 1.9%.

Withdrawals are limited to 95% of the tax value of the petroleum exploration expenses. Repayments coincide with the reimbursement of exploration expenses from the tax authorities. At the beginning of 2019, Concedo signed a new two-year loan agreement with an option to extend it for another year.

As of 31 December 2019 withdrawals totalled NOK 127 573 982. According to the loan agreement, 95% of the estimated tax reimbursement amounts to NOK 130 662 540. The tax reimbursement is estimated to NOK 137 539 516, see notes 6 and 8.

The loan is secured by the tax reimbursement scheme and balances thereon, and monetary claims in respect of all present and future insurances.

Note 12

## Other current liabilities

	2019	2018
Working capital liabilities in joint ventures	0	155 262
Wages, holiday pay and bonus	2 133 856	2 063 592
Accrued expenses	771 358	249 023
Other current liabilities	0	0
<b>Total</b>	<b>2 905 213</b>	<b>2 467 877</b>

Note 13

## Financial market risk

The company employs financial instruments such as bank loans and deposits. The purpose of these instruments is to procure capital for the investments required for the company's activities. Other financial instruments are trade debtors etc. that are directly linked with everyday operations. The company does not trade in derivatives.

The most significant financial risks the company is exposed to are related to oil prices, interest rates, capital needs and loan terms. The risk of trade debtors and partners being unable to fulfil their obligations towards Concedo is considered to be low. The company is to a limited degree exposed to currency risk. The company has not entered into any contracts to offset the risks.

Note 14

## Exploration costs

Exploration costs in the profit and loss statement consist of the following:

	2019	2018
<b>Payroll costs, ref note 2</b>	24 259 189	23 897 092
Seismic, drilling and general licence expenses	52 954 978	92 571 055
Other operating costs linked to exploration	15 760 365	14 180 753
<b>Total</b>	<b>92 974 532</b>	<b>130 648 900</b>

Exploration expenses eligible for tax refunds amount to NOK 176 332 712 in 2019 (2018: NOK 127 970 135 ).

Note 15

## Sponsorships

According to the company's anti-bribery and corruption procedures, information on sponsorships is to be given in the notes to the annual accounts. In 2019 the company sponsored the following:

Natteravnmagasinet Gatelangs NOK 20 000  
Asker Fotball NOK 10 000  
Norsk Geologisk Forening NOK 10 000  
Støtteforeningen for kreftrammede, Asker: NOK 10 000

Asker Skøyteklubb NOK 6 000  
Petroleumskvelden NOK 5 000  
Redningselskapet NOK 5 000  
Frelsesarmeen NOK 2 500

Note 16

## Licences

### North Sea

**PL 815 (20%):** in block 16/5. Lundin Norway AS is Operator. Well 16&5/8S was drilled into the Goddo prospect in August 2019 and proved oil in weathered basement. The discovery will be further evaluated, in particular, in relation to the results of the long-term test of the 16/1-12 (Rolfnes) oil discovery.

**PL 784 (20%):** in blocks 25/3 and 25/6. Operator is Aker BP ASA. G&G work ongoing. It was decided to apply for a one-year extension of the DoD until February 2021.

**PL 882 (20%):** in blocks 33/6 and 34/4. Neptune Energy Norge AS is Operator. Awarded in APA 2016. New 3D seismic data has been acquired and reprocessed. A drilling decision has been made in the licence. Well 34/4-15S is planned to be drilled into the Dugong prospect in the summer of 2020.

**PL 926 (30%):** in blocks 33/9, 33/12 and 34/10. DNO Norge AS is the operator. Awarded in APA 2017. The work programme includes acquiring and/or reprocessing 3D seismic data. The DoD deadline was February 2020. It was decided to extend the DoD deadline for one year until March 2021.

**PL 989 (30%):** in block 36/7. Wintershall DEA Norge AS is Operator. Acquisition of broadband seismic before the DoD in February 2021.

**PL 992 (30%):** in blocks 33/6 and 33/9. Neptune Energy AS is Operator. Acquire and reprocess 3D seismic data before the DoD in 2021.

Note 17

## Relinquished Licences

### North Sea

**PL 746S (30%):** in block 29/3. Vår Energi AS is Operator. The licence was relinquished 07.02.19.

**PL 768 (10%):** in blocks 7123/5, 6, 7, 8 and 9 and 7124/4, 7 and 8. Wintershall DEA Norge AS is Operator. The licence was relinquished November 2019.

**PL 768B (10%):** in blocks 7122/8 and 9. Wintershall DEA Norge AS is Operator. The license was relinquished November 2019.

**PL775 (20%):** in blocks 16/7 and 16/8. Operator is Conoco-Phillips Scandinavia AS. A two-year extension of the initial period. The licence was relinquished 06.02.19.

**PL 775B (20%):** in blocks 16/4 and 5. Operator is ConocoPhillips Scandinavia AS. Extension to PL 775 awarded in APA 2017. The licence was relinquished 06.02.19.

**PL 776 (20%):** in blocks 16/5, 6 and 8 and 16/9. Wintershall

### Norwegian Sea

**PL 887 (20%):** in blocks 6507/7, 8, 10 and 11. PGNiG Upstream Norge AS is Operator. Awarded in APA 2016. 3D seismic data has been acquired. Applied for extension of DoD deadline decision to February 2020.

### Barents Sea

**PL 901 (20%):** in blocks 7122/5, 7122/6 and 7123/4. Equinor Norge AS is Operator. Awarded in APA 2016. 3D seismic data has been acquired and reprocessed (2018). It has been decided to drill. The Rødhette prospect will be drilled in the autumn of 2020.

**PL 951 (20%):** in blocks 7121/5, 6, 8 and 9 and 7122/4 and 7. Aker BP ASA is Operator. Awarded in APA 2017. Acquire and/or reprocess 3D seismic data. The licence has applied for the DoD deadline to be extended by six months to September 2020, and this has been approved by the authorities.

**PL 953 (30%):** in blocks 7122/2, 3, 5 and 6 and 7123/1, 2 and 4. Wintershall DEA Norge AS is Operator. Awarded in APA 2017. Acquire new 2D seismic data and then make a decision on 3D seismic data before the DoD deadline in 2022.

**PL 1022 (30%):** in blocks 7121/9 and 7122/7. Aker BP ASA is Operator. Reprocess 3D seismic data before the DoD in February 2021.

DEA Norge AS is Operator. Well drilled on the Rome prospect in 2016. The well was dry. Applied for extension of BOK decision to August 2019. The licence was relinquished 06.08.19.

**PL 826 (30%):** in blocks 29/3, 30/1 and 33/12. Vår Energi AS is Operator. Reprocessing of 3D seismic is finalised. The licence was relinquished in February 2019.

### Barents Sea

**PL 697 (10%):** in block 7122/10. Vår Energi AS is Operator. The Goliat Eye prospect was drilled in 2017. The well was dry. Applied for one year extension of BOK decision to February 2019. The licence was relinquished in February 2019.

**PL 900 (10%):** in blocks 7122/8 and 9. Vår Energi AS is Operator. Awarded in APA 2016. 3D seismic data has been acquired. Negative DoD decision in February 2019. The licence was relinquished February 2019.

Note 18

## Transferred interests in 2019

### North Sea

**PL 925 (10%):** in blocks 35/9 and 12. Wellesley Petroleum AS is Operator. Awarded in APA 2017. Two firm wells and a side track were drilled in 2018. Part of the Grosbeak discovery is situated within PL925. The Concedo share was sold to Neptun Energy Norge AS.

**PL 882 (20%):** Concedo divested a 10% interest, part of a 30% interest in the licence PL 882 with effective date 01.01.2019. This was part of a well-carry cost agreement with Idemitsu Petroleum.

### Norwegian Sea

**PL 889 (40%):** in blocks 6507/8 and 6507/9. Neptune Energy Norge AS is Operator. Concedo transferred its interest to Neptune as Concedo considered it to be high risk

Note 19

## New awarded licences in 2020 (APA 2019)

### North Sea

**PL 1043 (30%):** in blocks 25/7 and 25/8. Operator is Vår Energi. Acquire modern 3D seismic data. DoD within 2 years.

**PL 1047 (20%):** in blocks 30/4, 5 and 7 and 30/8. Aker BP is Operator. Acquire and reprocess modern 3D seismic data. EM feasibility. DoD February 2022.

### Barents Sea

**PL 1074 (20%):** in blocks 7121/10, 11 and 12 and 7122/10. Operator is Vår Energi. Reprocessing 3D/acquisition of new 3D seismic data. DoD within two years

**PL 1075 (40%):** block 7123/4, 5. Operator is Vår Energi. Acquire 3D seismic data before DoD within two years.

Note 20

## Payments/refund of tax and payments to Government

According to section 3-3 d) of the Norwegian Accounting Act, companies engaged in activities within the extractive industries shall annually prepare and publish information about their payments to governments at country and project level. The Company has only activity on the Norwegian Continental Shelf and taxes in Norway are levied on a company basis and not project basis. The table set out below,

shows the payments to and refunds from the Norwegian Government, related to taxes and other fees, derived from the Company's business on the Norwegian Continental Shelf. Payments from a joint venture in which the Company participates are made by the operator, are done by the operator, and are not included in the payments below.

	2019	2018
Tax refund received	99 816 705	116 332 033
Interest on tax refund, received	680 941	527 478
Payments of other fees	-806 204	-898 000
<b>Total payments/refunds to/from the Norwegian Government</b>	<b>99 691 442</b>	<b>115 961 511</b>

For information about investments, revenue and purchases of goods and services, reference is made to the Profit and Loss Account and the related notes. The Company has no production or petroleum revenue.

## Annual accounts

**Deloitte.**

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To the General Meeting of Concedo ASA

## INDEPENDENT AUDITOR'S REPORT

**Report on the Audit of the Financial Statements***Opinion*

We have audited the financial statements of Concedo ASA showing a profit of NOK 11 229 514. The financial statements comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement 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 2019, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

*Basis for Opinion*

We conducted our audit in accordance with 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.

*Other information*

Management is responsible for the other information. The other information comprises the Board of Directors' report, statement on Corporate Social Responsibility and 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.

*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 in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable

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Den norske Revisorforening  
Organisasjonsnummer: 980 211 282

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Page 2  
Independent Auditor's Report -  
Concedo ASA

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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

#### *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 fair presentation.

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 the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements on Corporate Social Responsibility concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

**Deloitte.**

Page 3  
Independent Auditor's Report -  
Concedo ASA

#### *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 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.

Oslo, 4 March 2020  
Deloitte AS

**Mette Herdlevær**  
State Authorised Public Accountant (Norway)





## Exploring the deep

The most remote places on earth were reached and explored as far back as 100 years ago. The world's highest mountain tops were more or less conquered in the 1950s, with Everest and K2 as the high points, quite literally, in 1953 and 1954. Now, only the deepest oceans remained. In 1960, a manned vessel, the Trieste, set an unbeatable record by diving an incredible 10,916 metres down to the bottom of the Challenger Deep in the western Pacific Ocean's Mariana Trench. This is the world's deepest oceanic trench, two kilometres deeper than the height of Mount Everest, and the water column exerts a pressure that is 1,100 times the standard atmospheric pressure at sea level. The Trieste pilots were Jacques Piccard from Switzerland and Don Walsh from the USA.

The Trieste is a deep-water submarine, a so-called bathyscaphe, built in Switzerland in 1952 and launched in Italy the year after. The United States Navy bought it in 1958 for research purposes, including the famous record dive. The Trieste is 18 metres long, weighs 150 tonnes and is run by two electrical engines that give it a speed of around 1 knot when travelling horizontally and around 2 knots when travelling vertically.

## The Board of Directors



**OLAV FJELL**

Olav Fjell is the Chairman of the Board of Directors. He has held a number of leading positions in Norwegian corporations, including being President and CEO of Statoil (Equinor). Mr Fjell has retired from executive positions and is currently serving on the non-executive boards of several companies.



**KAREN SUND**

Karen Sund, Director, is a partner in Sund Energy. She has long international experience as a strategic advisor to and board member of oil and gas companies. Currently, she is developing biogas operations in the Oslo Fjord region. She has a master's degree in international management and petroleum economics from BI Norwegian School of Management.



**ERIK KLAUSEN**

Erik Klausen, Executive Director, has long managerial experience from international oil service companies and offshore projects. He has held positions as Vice President in Aker and Prosafe/Consafe. He graduated in engineering from Heriot-Watt University and has a post graduate education in Business Administration.



**HEGE WULLUM**

Hege Wullum, Director, is the Director of Market and Organisation at Abelia. She has more than 10 years' experience from the media business. Ms Wullum also has seven years' international experience in the oil and gas industry, from Norsk Hydro and the Norwegian Ministry of Petroleum & Energy. She graduated in economics from NHH, the Norwegian School of Economics and Business Administration.



**NIRAV DAGLI**

Nirav Dagli, Director, is managing partner of Spinnaker LLC and founder and CEO of Spinnaker Analytics. He has 20 years of experience advising senior executive management on performance improvement, strategy and execution. Previously, he was partner at Oliver Wyman. He has an M.Sc in electrical engineering and has taught courses in signal processing at Boston University. Mr Dagli served as chairman of the board of directors at the Better Business Bureau of eastern Massachusetts, Maine, Rhode Island and Vermont until 2018.

## People 2019



**GEIR LUNDE**  
Managing Director

CEO, has more than 30 years' experience in exploration, geology and seismic interpretation. He graduated in petroleum prospecting from NTH, the Norwegian University of Science and Technology, in 1978.



**ERIK KLAUSEN**  
Manager HSE

HSE manager, has more than 30 years' experience in developing oil and gas projects on the Norwegian shelf. He graduated in engineering from Heriot-Watt University in 1976.



**ODD EIRIK BAGLO**  
Chief Geophysicist

Geophysical advisor, has wide experience in exploration activities and seismic interpretation. He graduated in applied geophysics from the University of Oslo in 1989.



**ENRIC LEON**  
Senior Geologist

Geologist, has experience in exploration activities. He graduated as a geologist from Barcelona University in 1992. He took his master's degree in petroleum geology/geophysics at the University of Oslo in 2007.



**DIRK VAN DER WEL**  
Principal Production Geologist

Principal production geologist in reservoir evaluation, has experience in prospect valuation, reservoir evaluation and applied geostatics. He graduated in geology and mineralogy from the University of Oslo in 1974.



**ANDERS G. FINSTAD**  
Senior Geophysicist

Senior geophysicist, has 15 years' experience in the oil industry. He graduated from the Royal School of Mines, London and University of Oslo.



**MORTEN HEDEMARK**  
Operations Manager

Operations manager, has a background in well operations and petroleum technology. Mr Hedemark graduated from Heriot-Watt University in 1987.



**JENS FREDRIK KOLNES**  
Exploration Geophysicist

Jens Fredrik Kolnes recently graduated from the department of geoscience at the University of Oslo. Jens has been with us since the summer of 2019, and has mainly been working on geophysical related topics.



**OLE HERMAN FJELLTUN**  
Chief Reservoir Geologist

Chief Reservoir Geologist, has over 25 years' experience as an exploration and reservoir geologist. He graduated in geology from NTH, the Norwegian University of Science and Technology, in 1981.



**JUERGEN SCHLAF**  
Senior Geologist

Juergen Schlaf has 15 years' experience from the industry and has worked for a range of companies. He has an academic background in carbonate sedimentology and sequence stratigraphy from the University of Vienna (Austria).



**ELISABET MALMQUIST**  
Geological Advisor

Elisabet Malmquist has more than 25 years' experience from the oil and gas industry. She has worked as a geologist within exploration covering the whole Norwegian shelf. Ms Malmquist graduated with a MSc degree in Geology from Stockholm University in 1983.



**HILDE ALNÆS**  
Senior Geophysicist

Hilde Alnæs has a broad background in geology and geophysics from the University of Tromsø, Svalbard, and the University of Oslo which she holds a master's degree in applied Geophysics.



**TOMMI RAUTAKORPI**  
Senior Geologist

Tommi Rautakorpi has an academic background from Åbo Akademi University and the University of Oslo. He has 15 years of experience from the industry, covering both mineral and oil exploration.



**ANE MARTA SKAUG RASMUSSEN**  
Senior Geologist

Ane Rasmussen has a master's degree in petroleum geology and geophysics from the University of Oslo. She has experience of exploration and prospect evaluation, applications for both numbered and TFO licensing rounds as well as licence work on the Norwegian continental shelf.



**SEBASTIAN SCHEEL REY**  
Senior Geologist

Sebastian Scheel Rey graduated with a master's degree in applied geophysics from the University of Oslo in 2003, and has 15 years of experience as an exploration geoscientist.

