

February 2020

# E&P transactions on the NCS

The year in review: 2019



# The energy transition is shaping the M&A landscape on the NCS

How to maneuver in the energy transition is core to E&P players acquisition and divestment behaviour. Fundamentally, we see three approaches to the opportunities and threats associated with reducing the carbon footprint of the production of energy:

1. “Stick to your guns”. O&G companies that strongly believe oil and gas will be needed to fuel global requirements for energy for a long time. Companies will maintain that their core competencies are within upstream, and that E&P will continue to be an attractive and profitable business for the foreseeable future. These companies tend to be acquisitive and are looking to grow their production on the NCS.
2. “Gradual transformation” to low(er) carbon. These companies are investing into renewables, to build up a more balanced portfolio of fossil and non-fossil energy production. These companies are also more likely to be looking to divest E&P assets with particularly high carbon emissions in production to reduce their overall greenhouse gas emissions from their energy portfolio. These companies tend to be selective on E&P acquisitions and are probably looking to reduce their NCS net exposure.
3. “All in renewables”. These companies are looking to divest their E&P activity to focus fully on renewable energy production, with Orsted (former DONG E&P) as the clearest example of this strategy. These companies have already divested, or are looking to divest, their NCS E&P activity.

These overarching strategies or different perspectives on the attractiveness to continue to invest into E&P on the NCS, provide a useful filter to discuss M&A activity on the NCS in 2019 and in forming our expectations for 2020.

Following a number of years where companies looking to divest E&P all-together have been the strongest driver for corporate transactions, 2019 turned out to be a relatively quiet year for E&P transactions, in particular corporate deals. Nonetheless, we saw a number of companies, with private equity fuelled entities in particular leading the way, acquiring packages of assets. Indeed, Vår Energi's acquisition of Exxon's Norwegian portfolio was one of the largest ever E&P deals by value in Norway. Similar to Vår Energi where HitecVision is the main minority shareholder, another HitecVision portfolio company, Sval Energi (formerly known as Solveig Gas) was an active dealmaker involved in all together three acquisitions and one divestment across pipeline and terminal infrastructure and E&P assets. Shortly prior to year end, Sval acquired Cairn's Norwegian business including a team of about 50 employees.

The year kicked off with the consummation of DNO's hostile take-over of Faroe Petroleum in a transaction seen to reaffirm DNO's ambitions to grow their Norwegian presence, some 8 years since they exited the NCS.

As part of this publication we will explore these topics in greater detail, as well as focus on the numerous infrastructure transactions seen in 2019, before we set sights on 2020 to provide our expectations for transaction activity for the upcoming year.

Daniel Rennemo  
Partner PwC Deals,  
Oil & Gas Transactions leader Norway

# Achieving reductions in greenhouse gas emissions is high on the agenda through improved operations and increasingly also driving M&A

## Energy transition having a profound impact on E&P dealmaking

Fundamental to dealmaking within E&P in Norway and beyond over the last few years, has been how energy companies' strategies have evolved to address threats and opportunities arising with the energy transition. That is, the transformation of global energy supply from relying solely on fossil fuels to a mix of fossil and non-fossil sources. With time, and considering the global challenge of addressing climate change, the transformation will be fundamental to how we globally produce and use energy. Companies engaged in upstream oil and gas activity have responded to this, in broad terms, in three different ways:

**“Stick to your guns”.** O&G companies that strongly believe oil and gas will be needed to fuel global energy consumption for a long time. Companies will maintain that their core competencies are within upstream, and that E&P will continue to be an attractive and profitable business for the foreseeable future. The strategy may

also be coupled with an emphasis on reducing the carbon footprint of its assets' production.

These companies tend to be acquisitive and looking to grow their production on the NCS. Based purely on M&A activity up to year end 2019, companies like AkerBP, DNO, Vår Energi, Neptune Energy and Sval Energi may be considered as examples of a “stick to your guns” strategy. At the core, these are oil and gas companies with no, or limited, exposure to energy markets in a broader sense. As strategies evolve over time and are refined with changing circumstances, this could well change. For example, with Vår Energi part of the ENI Group which is gradually evolving their business to being a broader energy business, and Sval Energi also an investor in midstream assets.

**“Gradual transformation”** to low(er) carbon. These companies are investing into renewables, to build up a more balanced portfolio of fossil and non-fossil energy production.

**Figure 1: IOC Strategies in Low Carbon**  
(Selected examples)

|   | Biofuels | Wind | Solar | Geo-thermal | Hydrogen | EV Related | Carbon Capture & Storage | Energy storage | Dedicated new energies unit | Power Gen/ supply |
|---|----------|------|-------|-------------|----------|------------|--------------------------|----------------|-----------------------------|-------------------|
|  | ✓        | ✓    | ✓     | ✗           | ✓        | ✓          | ✗                        | ✓              | ✓                           | ✓                 |
|  | ✓        | ✓    | ✓     | ✗           | ✓        | ✓          | ✓                        | ✗              | ✓                           | ✓                 |
|  | ✗        | ✓    | ✓     | ✗           | ✓        | ✓          | ✓                        | ✓              | ✓                           | ✗                 |
|  | ✓        | ✓    | ✓     | ✗           | ✓        | ✓          | ✓                        | ✓              | ✓                           | ✓                 |
|  | ✓        | ✓    | ✓     | ✓           | ✗        | ✓          | ✓                        | ✗              | ✗                           | ✗                 |
|  | ✓        | ✗    | ✗     | ✗           | ✗        | ✗          | ✗                        | ✗              | ✗                           | ✗                 |

# Companies looking to decarbonise and move to renewables are all but exited from the NCS

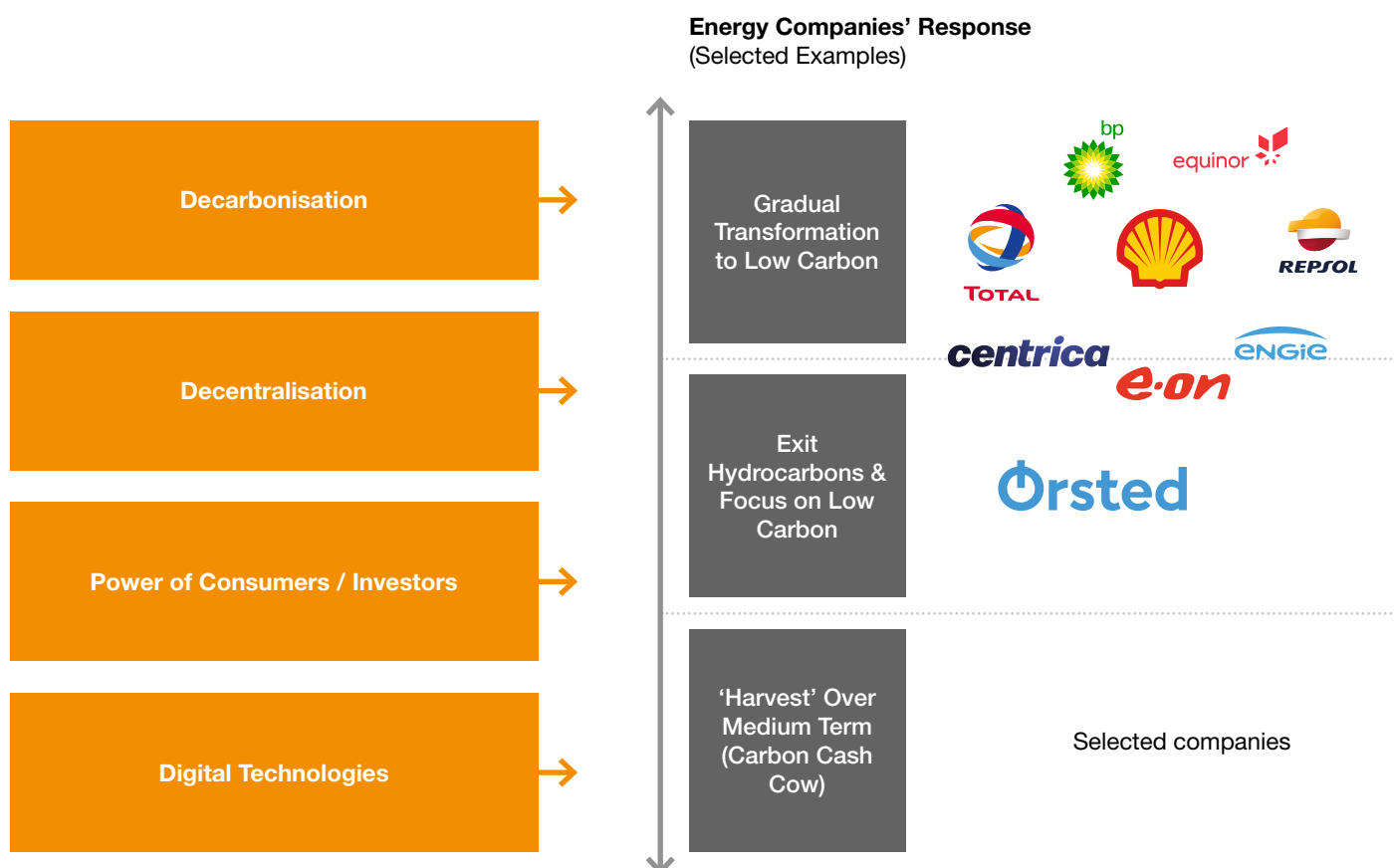
These companies are also more likely to be looking to divest E&P assets with particularly high carbon emissions in production to reduce their overall greenhouse gas emissions from their energy portfolio. These companies tend to be selective on E&P acquisitions and are probably looking to reduce their NCS net exposure.

Examples of the “Gradual Transformation” strategy include a number of the large international oil and gas companies (the IOCs) led by the European groups like Equinor, Total, Shell, and BP, with their US counterparts Chevron, ConocoPhillips and ExxonMobil seemingly slower to embrace the strategic opportunities in non-fossil fuels. Unsurprisingly, none of these, bar Equinor, have been acquiring on the NCS during 2019. Equinor upping their stake in Johan Sverdrup, a field widely recognised for its very low CO<sub>2</sub> emissions per produced boe.

**“All in renewables”** These companies are looking to divest their E&P activity altogether to focus fully on renewable energy production. Orsted (former DONG E&P) is perhaps the clearest example of this strategy, whilst others like E.ON, Centrica and Engie are on the same path. These companies have all featured as sellers of their NCS E&P activity over the last five years, with Centrica in July 2019 informing their shareholders it would look to divest its E&P business.

Ultimate controlling shareholder in Edison, the French energy giant EdF is of course undergoing a refinement of their portfolio also, electing to divest its international E&P business in entirety including Edison Norway. Edison Norway is due to be acquired by Neptune Energy from Energean. As Energean did not have a presence in the North Sea, it elected to divest the Norwegian and UK business as part of closing the Edison International E&P acquisition.

Figure 2: Core Elements of Energy Transition



# M&A on the NCS in 2019 has been dominated by private equity backed companies

## Private equity at the core of NCS deal activity but what about exit?

As utilities and IOCs have divested from the NCS, private equity backed groups have acquired. Private Equity has been at the root of a number of the highest profile transactions on the NCS also during 2019.

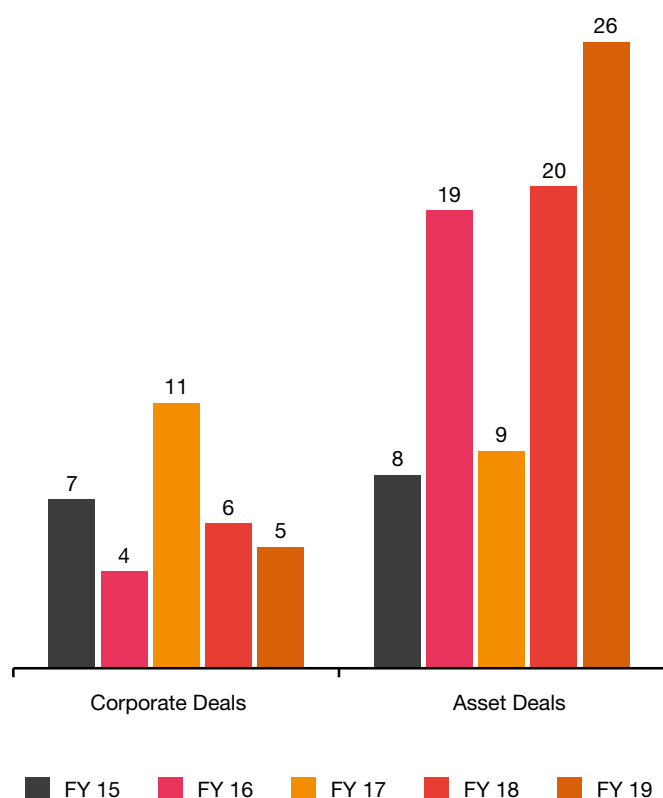
From the relatively feeble start of Point Resources from combining three, largely exploration focused, entities in 2016 through the acquisition of ExxonMobil (XOM)'s operated assets and the merger with ENI's Norwegian activities to form Vår Energi already going into 2019, the transformation had been mighty impressive. Adding Exxon's 150,000 boe per day production to that portfolio affirms Vår Energi's position as a NCS powerhouse. In a highly competitive process ran by Jeffries, Vår Energi, backed by the deal savvy HitecVision E&P team, was able to secure the acquisition for a reported USD 4.5bn. Please refer to our case focus on page 6 for further details. The deal value is the highest reported on the NCS since Statoil and Hydro merged in 2007.

As is to be expected after a number of transactions, Vår Energi has also been on the sell side to optimise its portfolio. Mime Petroleum acquired a 10 percentage stake in the Vår Energi operated Balder field. Balder, of course, being subject to a rejuvenation under Vår Energi operatorship with the PDO to increase production with 136 million barrels of oil equivalent submitted in December 2019. The transaction was the first for the Blackstone/Bluewater Energy backed team in Mime Petroleum, after it was established as a full cycle player in May 2017. The Blackstone/ Bluewater Energy combination is also active on the UKCS through their joint investment and development of Siccar Point.

One of the biggest producers on the UKCS, the highly acquisitive Chrysaor, backed by EIG, a US based private equity entered Norway in 2018. Whilst it has acquired ConocoPhillips' UK activities during 2019 in a reported USD 2.7bn deal, its Norwegian business remain more modest with a 15% stake in the Grevling development field in addition to an exploration portfolio being its footprint on the NCS as we enter 2020.

Rising from the remains of Tullow's Norwegian business in 2017, Pandion Energy announced its intentions on the NCS with the acquisition of a 10% stake in the AkerBP operated Valhall/ Hod late 2017. The management team of Pandion, backed by the energy investor, private equity Kerogen Capital, remained active also in 2019. Pandion acquired a 30% stake in exploration prospect PL842 late 2018 with effect 1 Jan 2019, before farming into the Appolonia and Slagugle prospects from Equinor and ConocoPhillips, respectively as it turned its focus on developing their exploration portfolio.

Figure 3: Transactions on NCS



Source: MergerMarket, Rystad Energy, PwC Analysis

# Case Study: Acquisition of ExxonMobil assets

Vår Energi further strengthens its position by acquiring ExxonMobil's remaining NCS assets, making Vår the third largest producer on the NCS

## Deal Description

The largest transaction in 2019 was ExxonMobil's sale of its remaining NCS assets to Vår Energi AS at a reported cash consideration of USD 4.5bn. The transaction represents the end of ExxonMobil's presence on the NCS, and makes Vår Energi the third largest oil exploration and production company present on the NCS based on daily production, after the state-controlled companies Equinor and Petoro.

Vår Energi is owned by the integrated energy company Eni International BV (69.6%) and private equity firm HitecVision (30.4%).

## Deal rationale

Following the transaction, Vår Energi further strengthened its position in the North Sea and the Norwegian Sea, obtaining minority interests in more than 20 producing fields. The ExxonMobil portfolio will approximately double the company's annual production, to 300,000 boepd, with Åsgard, Ormen Lange, Grane, Statfjord and Snorre as the biggest contributors.

*"The ExxonMobil portfolio is a perfect match for our ambitions and business strategy. It reinforces our long-term commitment to further develop the NCS, where we plan to invest NOK 65 billion in development projects and exploration across the NCS over the next four years. Our portfolio is strengthened, and we will continue to further explore, develop and produce resources and reserves in a profitable and sustainable manner"*

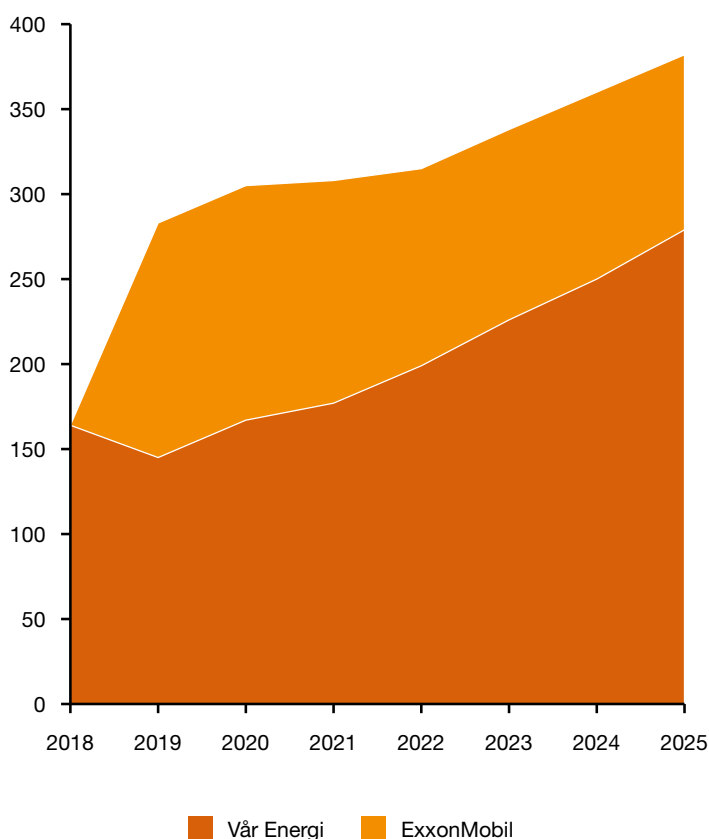
- Kristin Kragseth, CEO of Vår Energi.

In addition, the remaining employees in ExxonMobil are transferred to Vår Energi, providing the company deep insights into the acquired assets and visibility on potential development and growth of the assets in the portfolio.

| FY18 Financial Highlights     | Vår Energi | ExxonMobil |
|-------------------------------|------------|------------|
| <b>2P reserves</b> (mmboe)    | 658        | 421        |
| <b>Production</b> (boepd)     | 163,620    | 159,380    |
| <b>Reported sales</b> (NOKm)  | 22,113     | 30,239     |
| <b>Reported EBITDA</b> (NOKm) | 16,562     | 23,059     |
| <b>EBITDA margin</b>          | 74.9%      | 76.3%      |

Source: Rystad Energy, Annual Reports, ProffForvalt, PwC Analysis

Figure 4: Vår Energi production profile (kboe/day)



Source: Rystad Energy, PwC Analysis



# The midstream business model on the NCS has evolved beyond pure infrastructure assets

In two separate transactions, Pandion divested their 20% stake in the development asset Duva, a subsea tie-back to the Neptune operated Gjøa field in the Norwegian Sea to the Polish oil company PGNiG and HitecVision backed Sval Energi, at an undisclosed price. More on Sval later.

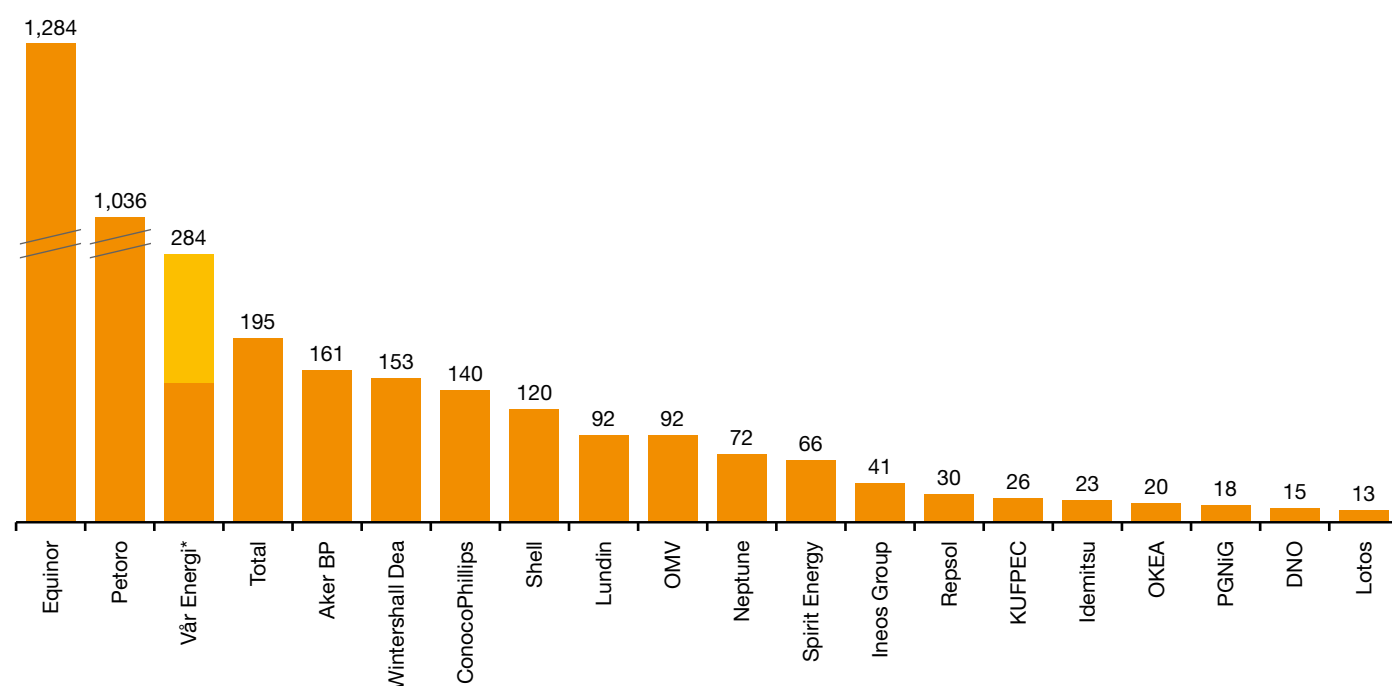
In October it was announced that another acquisitive PE backed player, Neptune Energy, would acquire Edison's UK and Norwegian businesses from Energean for a combined cash consideration of USD 250m, with Edison Norway's 10% share in Dvalin, 15% stake in Nova and an exploration portfolio including a number of operated licences to be part of a transaction expected to be closed formally in 2020. Similar to what HitecVision has done to Point Resources/Vår Energi, Carlyle and CVC funded a small management team led by former Centrica head Sam Laidlaw back in 2015 to build an Oil and Gas company with an international geographic footprint.

Through a number of transactions on the NCS and beyond including the acquisition of Engie, VNG Norge

and Edison, it's owners, which also include China Investment Corporation, has formed a top-tier E&P player on the NCS.

In an interesting development in April 2019, HitecVision agreed to acquire the midstream investor Solveig Gas shortly before it divested its portfolio company CapeOmega to Partners Group in a EUR 1.2 billion divestment. CapeOmega was, and still is, different to a number of other investors into midstream pipeline assets on the NCS combining midstream and late-life E&P assets. Early in 2020, Solveig Gas was renamed to Sval Energi with Sval undertaking a number of transformative transactions in a busy period following HitecVision obtaining control of the entity. First it divested a 10% stake in Gassled to Capeomega in a deal announced October 2019. Sval looked to expand its pipeline infrastructure portfolio by acquiring 13.26% stake in Polarled from Wintershall, before it started to add ownership in E&P assets to the fold. In November 2019 it announced the acquisition of a 10% stake in the Duva. field from Pandion Energy.

**Figure 5: Company by daily production in 2019**  
(kboe/day)



\* Sum of Vår Energi and ExxonMobil's daily production  
Source: Rystad Energy, PwC Analysis

# Case study: Infrastructure transactions

Map of who owns the strategic NCS pipelines and terminals infrastructure has been completely redrawn over the last few years

## Infrastructure transactions

Six out of 31 deals in 2019 were infrastructure or infrastructure related deals.

One of the largest infrastructure deals on the NCS is the sale of CapeOmega from HitecVision to Partners Group in April 2019, with a deal value of EUR 1.2bn.

CapeOmega was established in 2014, initially set up to invest in highly selective late life subsea tieback E&P assets. From 2015 to 2017 the company started to increase its investments in infrastructure assets, and is now a significant owner of gas infrastructures on the NCS through its ownership in the strategic assets Gassled, Polarled and Nyhamna Terminal. By employing an untraditional business model, with strong cash flow from infrastructure in addition to decommissioning expenses has enabled CapeOmega to generate robust after-tax cash flows. This provides the company opportunities for further growth through additional mid-and upstream investments. The acquisition of CapeOmega provides Partners Group access to the NCS, with the largest gas reserves and resources in the North Sea. After the transaction, CapeOmega has strengthened their position as an infrastructure company by acquiring additional 10% interest in Gassled from Solveig Gas and 5% interest in Nyhamna Terminal from Wintershall DEA. Interestingly, CapeOmega also announced a development agreement with BKK to bring renewable power from onshore hydropower plants to upstream assets by way of sea cable. The companies are considering potential offshore power supply hub, including Equinor's Oseberg and Wintershall DEA's Brage fields.

Infrastructure investments contains lower risk compared to traditional upstream oil & gas companies. Future cash flow is more predictable and less exposed to oil and gas price fluctuations.

North Sea Infrastructure, established in 2018, is another company that focuses on investment in midstream assets. The company holds a 13,7% stake in Nyhamna Joint Venture, acquired through the purchase of ExxonMobil's 3,7% stake in Q1 2018 and Shell's 10% stake in Q3 2019. The Nyhamna Joint Venture comprises of the Nyhamna Gas Processing plant, processing natural gas from the Ormen Lange field and the Polarled pipeline, which will contribute with steady cash flow to the company.

Subsequent to HitecVision's acquisition of Solveig Gas in April 2019 and rebranding, Sval Energi has increased its investments in both infrastructures and oil & gas assets on the NCS. By end of 2019, the company has major working interests in Gassled and Polarled infrastructures, in addition to working interest in the Duva and the Nova\* fields. The company aims to become an integrated infrastructure based E&P company.



Source: Gassco

\* Subject to the successful close of the Capricorn Norge acquisition



# Time for private equity to rethink their holding period and exit strategies

Shortly before year end, in December, Sval announced it had agreed to acquire Cairn's Norwegian business, Capricorn Norge, which hold a 20% stake in the Nova development. Indeed, how Sval will look to build its midstream and E&P businesses will be interesting to observe.

As discussed in this annual publication for 2017, the expectation at the time was that a number of private equities would be looking to IPO as the likely route of exiting their E&P investments. During 2019, Seacrest was the first private equity to do so, listing OKEA on the Oslo Stock Exchange on 18 June. Through the listing of OKEA, investors have access to a pure-play oil and gas company focused on the NCS, as an alternative to the more established players AkerBP and Lundin Petroleum. More companies are expected to have initial public offerings in due course. In 2019 Wintershall DEA and Neptune Energy announced their intentions to IPO, or be ready to IPO, respectively in 2020.

At the same time, we note a shift in sentiment. Investors do not have the same appetite for investing into the oil and gas sector as previously. Using a listing to obtain a premium pricing of the business appears increasingly difficult. Indeed, for smaller oil and gas entities that are unable to guarantee an attractive dividend yield, investors require a discount to invest. Faced with the choice of potentially accepting a discount to list or hold the investment longer, private equities appear more inclined to maximise cash flows and extend the holding period than they were only 12-18 months back. This implies that private equity backed players may look to structure their portfolios somewhat differently. Across the UK and Norwegian sides of the North Sea, we expect to see private equity flipping their business to a different private equity. Private equity acquiring from another private equity is a practice seen regularly in other industry segments like retail, consumer goods and services but has not been prevalent within oil and gas. Perhaps the midstream sale of CapeOmega from one private equity owner, HitecVision, to another, Partners Group, is a sign of things to come also for the upstream segment.



# What to expect in 2020?

## Expect a busy year for asset transactions, some corporate deals and a few surprises

### 2020 will likely continue to be a sellers' market

Few obvious sellers remain on the NCS. The few who are entertaining bids have time and no immediate pressure to sell, meaning that bids will need to be attractively priced to initiate processes.

As the Norwegian North Sea and Norwegian basins gradually mature, there will be nimbler operators that will likely be better to drive out costs, and to uncover additional value in late life assets. Observations from the UK shelf suggests that the IOCs will gradually leave this responsibility to others also on the NCS. We've already seen glimmers of such behaviour with Exxon's exit and Shell's Draugen divestment to OKEA.

### Low carbon energy transition

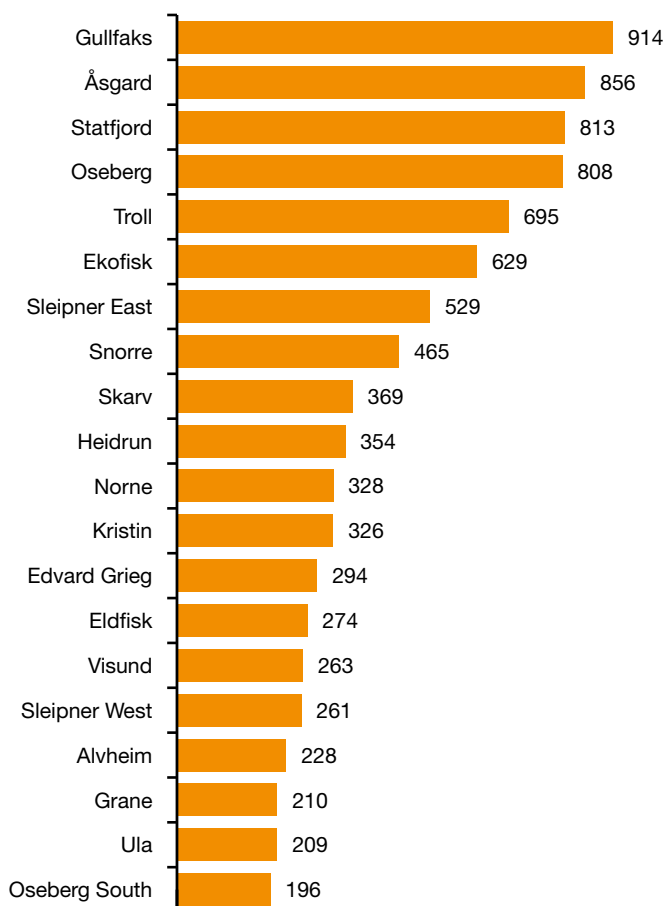
We expect companies akin to a "stick to your guns" strategy to be the more acquisitive players in 2020, with asset acquisitions the more likely deals to occur. Other than Spirit Energy, there are fewer likely candidates of corporate transactions. As for the reasonably sizable Spirit Energy Norway's portfolio, producing approx 65,600 boe per day in 2019 and comprising of assets Statfjord, Kvitebjørn and Ivar Aasen there are a couple of items to watch. First, who will be the buyer. As the portfolio includes a number of assets with great traditions it is expected to attract significant interest. Second, it remains to be seen if Centrica is able to divest the full Spirit Energy portfolio across UK, Norway, Netherlands and Denmark, or whether it will need to agree separate deals for some or all of the geographies. From a Norwegian perspective, we would expect there to be a greater number of takers for the Norwegian business alone but as it adds complexity and higher transaction risk it is likely to be the least preferred option of Centrica.

As for the "Gradual transformation" companies, it will be interesting to see if we see a sell down in assets with relatively higher carbon emissions per produced boe. With Equinor, Lundin, ConocoPhillips and others announcing aggressive plans of reducing their CO<sub>2</sub> emissions, this might trigger deals for the biggest emitters in their portfolios. Fields with the highest CO<sub>2</sub> emissions in 2018 are the Equinor operated assets Gullfaks, Åsgard, Statfjord and Oseberg.

Finally we expect private equity to remain active on the NCS in 2020. Gauging investors' interest and pricing of the Wintershall DEA listing will give us important clues about investors' willingness to invest into new public O&G vehicles. And we will expect portfolio adjustments (both acquisitions and divestments) for the other private equity backed companies on the NCS as their owners rig their investments to deliver the highest returns to their investors: be it hold for longer, IPO or flipping the investment to another private equity investor.

Ultimately we believe in a relatively busy year for asset deals, in particular, and we would never underestimate the NCS M&A market's ability to spring one or two surprises.

**Figure 6: CO<sub>2</sub> emission per field in 2018**  
(thousand tonnes)



Source: enerWE

# PwC Norway – E&P Deals practice



## **Daniel Rennemo**

Partner  
Deals  
O&G Transactions leader Norway

+47 95 26 11 16  
daniel.rennemo@pwc.com

Daniel brings a breadth of transactional experience from E&P and oil services from his +15 years with PwC in Stavanger, Norway. Daniel has lead PwC's deliveries on numerous contemplated and completed E&P transactions, advising both buyers and sellers, Norwegian based and international companies on asset and corporate deals.

Completed projects for E&P clients include financial diligence, valuation, modelling, transfer pricing and other advisory services.



## **Henrik Z. Nessler**

Partner  
Deals

+47 95 26 11 33  
henrik.z.nessler@pwc.com

Henrik is a Deals and Assurance Partner in the PwC Stavanger office, where he leads the assurance practice. He has broad experience in transaction related services, financial due diligence services, and from various IPO processes.

Henrik has more than 25 years of professional experience serving clients within oil and gas, oil services and traditional industry.



## **Torbjørn Støle**

Director  
Deals – M&A

+47 99 21 67 45  
torbjorn.stole@pwc.com

Torbjørn leads the Corporate Finance department in Stavanger. He has worked the last 14 years have been within corporate finance.

He has extensive experience of working on oil field service transactions, including M&A, IPOs and capital issuance (both bond and equity). His expertise includes structuring a company's business case, preparations (investor presentations, due diligence, forecasting), marketing, and price/SPA negotiations.



## **Kjell Richard Manskow**

Partner  
Tax & Legal Services  
O&G tax leader Norway

+47 95 26 11 76  
kjell.richard.manskow@pwc.com

Kjell Richard is an attorney-at-law and the leader of Oil and Gas Tax, International Tax and M&A Tax services in PwC Stavanger. He has more than 16 years experience with Tax and VAT due diligence processes for corporate and financial buyers.

His experience includes several listed international oil service companies, and he serves on a regular basis several major and medium sized Oil and Gas companies with their petroleum tax and corporate law affairs, structuring, disputes with the Oil Tax Office, MAP negotiations etc.



## **Ole Martinsen**

Partner  
Consulting  
O&G leader Norway

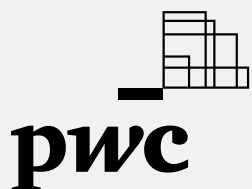
+47 95 26 11 62  
ole.martisen@pwc.com

Ole is a Consulting partner and is the Oil & Gas leader in Norway, as well as being responsible for PwC's global E&P service offerings. Ole has deep knowledge of the Oil & Gas industry, and has worked exclusively with this sector for the last 15 years.

He has hands-on experience from driving organizational change, and has been responsible for significant projects for global and national clients, including some of the most comprehensive change programmes carried out for the offshore operations on the NCS.

# E&P transactions on the NCS

Appendix



# 2019 Transactions

(1 of 3)

| Deal Type  | Buyer                     | Seller                        | Description deal/asset   | Reported deal value | Period   |
|--|---------------------------|-------------------------------|--|---------------------|----------|
| <b>Asset</b><br>• PL842 (30%)                                    | Pandion Energy AS         | AkerBP ASA                    | Pandion acquired a 30% stake in the exploration prospect PL842 in the Norwegian Sea.   | Not disclosed       | Jan - 19 |
| <b>Company</b><br>• Faroe Petroleum (72.12%)                     | DNO                       | Faroe Petroleum               | DNO acquired 72.12% of shares in Faroe, after making an unsolicited offer to buy all shares in the company   | EUR 462m            | Jan - 19 |
| <b>Asset</b><br>• Rolvsnes (30%)<br>• Goddo (20%)                | Lundin Norway AS          | Lime Petroleum Norway AS      | Lundin acquired a 30% stake in the Rolvsnes discovery (in PL338C and PL338E), and a 20% stake in the Goddo Prospect (PL815)  | EUR 39m             | Jan - 19 |
| <b>Asset</b><br>• Mikkell (7.65%)                                | Repsol Norge AS           | Total E&P Norge AS            | Repsol Norge AS acquired Total's 7.65% stake in the Mikkell field in the Norwegian Sea   | Not disclosed       | Feb - 19 |
| <b>Asset</b><br>• Various licenses                               | Mime Petroleum AS         | Vår Energi AS                 | Mime Petroleum AS acquired stakes in licenses PL001, PL027, PL027C, PL027GS, PL028 and PL028S. This leaves Mime Petroleum with 10% stake in the Balder and Ringhorne fields and 7.4% in the Ringhorne East fields. | Not disclosed       | Apr - 19 |
| <b>Company</b><br>• CapeOmega                                    | Partners Group Holding AG | HitecVision AS                | The Switzerland-based asset management company acquired CapeOmega from HitecVision. This reduced HitecVision's stake in Gassled from 41.9% to 25.6%.   | EUR 1,200m          | Apr - 19 |
| <b>Company</b><br>• Solveig Gas Norway                           | HitecVision AS            | Various                       | Hitecvision acquired Solveig Gas from CPP Investment Board European Holdings S.á r.l., Infinity Investments S.A. and Allianz Infrastructure Norway Holdco I S.á r.l.   | Not disclosed       | Apr - 19 |
| <b>Asset</b><br>• King Lear (22.2%)                              | PGNiG Upstream Norge      | Total E&P Norge               | PGNiG acquired a 22.2% stake in the King Lear gas and condensate field, through licenses PL146 and PL333.  | Not disclosed       | Jun - 19 |
| <b>Asset</b><br>• Slagugle (20%)                                 | Pandion Energy AS         | ConocoPhillips Skandinavia AS | Pandion Energy acquired a 20% stake in PL891, containing the Slagugle prospect from ConocoPhillips.  | Not disclosed       | Jul - 19 |
| <b>Asset</b><br>• Duva (30%)                                     | PGNiG Upstream Norway AS  | Wellesley Petroleum AS        | PGNiG acquired a 30% stake in the Duva development field, in licences PL636 and PL636B from Wellesley Petroleum AS   | Not disclosed       | Jul - 19 |
| <b>Asset</b><br>• Nyhamna Gas Terminal (10%)                     | North Sea Infrastructure  | A/S Norske Shell              | North Sea Infrastructure AS acquired a 10% stake in the Nyhamna Gas Terminal. Post acquisition North Sea Infrastructure has a 13.6998% ownership share in the terminal.  | Not disclosed       | Jul - 19 |
| <b>Asset</b><br>• Lundin Norway (16%)<br>• Johan Sverdrup (2.6%) | Equinor ASA               | Lundin Norway AS              | Equinor divested 16% shareholding in Lundin for a direct interest of 2.6% in the Johan Sverdrup field from Lundin. Equinor has a 42.6% ownership share in the field post completion.                               | USD 650m            | Aug - 19 |

# 2019 Transactions

(2 of 3)

| Deal Type   | Buyer                                       | Seller                  | Description deal/asset   | Reported deal value | Period   |
|---|---|-------------------------|--|---------------------|----------|
| <b>Asset</b><br>• Portfolio                                 | Vår energi AS                               | Exxon Mobil Corporation | Vår Energi AS acquired the Norwegian oil and gas assets of ExxonMobil.   | USD 4,500m          | Sep - 19 |
| <b>Company</b><br>• Edison E&P                              | Neptune Energy Group                        | Energear Oil & Gas plc  | Neptune Energy Group acquired the UK and Norway-based producing, development and exploration assets in the North Sea of Edison E&P.          | USD 250m            | Oct - 19 |
| <b>Asset</b><br>• Polarled (13.26%)                         | Solveig Gas Norway AS                       | Wintershall DEA AS      | Solveig Gas acquired a 13.26% stake in Polarled pipeline from Wintershall DEA. Post acquisition Solveig Gas has 13.255% stake in Polarled.   | Not disclosed       | Oct - 19 |
| <b>Asset</b><br>• Nyhamna Gas Terminal (5.03%)              | CapeOmega AS                                | Wintershall DEA AS      | CapeOmega acquired a 5.03% stake in Nyhamna Gas Terminal from Wintershall DEA. Post acquisition CapeOmega has 18.209% stake in the terminal. | Not disclosed       | Oct - 19 |
| <b>Asset</b><br>• Gassled (10%)                             | CapeOmega AS                                | Solveig Gas Norway AS   | CapeOmega acquired a 10% stake in Gassled pipeline from Solveig Gas. Post acquisition CapeOmega has 26.322% stake in Gassled.                | Not disclosed       | Oct - 19 |
| <b>Asset</b><br>• Duva (20%)                                | PGNiG Upstream Norge, Solveig Gas Norway AS | Pandion Energy AS       | PGNiG and Solveig Gas acquired a 10% stake each in the Duva development field (PL636 and PL636B) from Pandion Energy.                        | Not disclosed       | Nov - 19 |
| <b>Asset</b><br>• Grevling (20%)<br>• Storskrynten (18.57%) | Chrysaor Norge AS                           | OKEA ASA                | Chrysaor acquired a 20% stake in Grevling (PL038D) and a 18.57% stake in Storskrynten (PL974) from OKEA.                                     | Not disclosed       | Nov - 19 |
| <b>Company</b><br>• Capricorn Norge                         | Solveig Gas Norway AS                       | Cairn Energy Plc        | Solveig Gas acquired Capricorn Norge from Cairn Energy.  | USD 100m            | Nov - 19 |
| <b>Asset</b><br>• Appolonia (20%)                           | Pandion Energy AS                           | Equinor ASA             | Pandion Energy acquired a 20% stake in PL263D and PL263E, containing the Appolonia prospect, from Equinor.                                   | Not disclosed       | Nov - 19 |
| <b>Asset</b><br>• Various licenses                          | Equinor ASA                                 | Spirit Energy Norway AS | Equinor acquired a 13% stake in PL050ES, PL050FS, PL050GS, PL050HS, PL193B, PL193D and a 19% stake in PL 193FS from Spirit Energy.           | Not disclosed       | Nov - 19 |
| <b>Asset</b><br>• PL780 (40%)                               | AkerBP ASA                                  | Spirit Energy Norway AS | AkerBP acquired a 40% stake in PL780 from Spirit Energy.   | Not disclosed       | Nov - 19 |
| <b>Asset</b><br>• Nova (10%)                                | ONE-Dyas Norge AS                           | Capricorn Norge AS      | ONE-Dyas acquired a 10% stake in the Nova field (PL418) from Capricorn Norge.  | USD 50m             | Nov - 19 |
| <b>Asset</b><br>• PL820S (10%)                              | Lundin Norway AS                            | Wintershall DEA AS      | Lundin acquired a 10% stake in PL820S from Wintershall DEA.  | Not disclosed       | Nov - 19 |



# 2019 Transactions

(3 of 3)

| Deal Type                                      | Buyer                  | Seller                  | Description deal/asset  | Reported deal value | Period   |
|--|------------------------|-------------------------|---|---------------------|----------|
| <b>Asset</b><br>• PL050FS (6%)                 | OMV (Norge) AS         | Equinor ASA             | OMV acquired a 6% stake in PL050FS from Equinor.  | Not disclosed       | Nov - 19 |
| <b>Asset</b><br>• PL829 (30%)<br>• PL878 (20%) | Wellesley Petroleum AS | Equinor ASA             | Wellesley acquired a 30% stake in PL829 and a 20% stake in PL878 from Equinor.                            | Not disclosed       | Nov - 19 |
| <b>Asset</b><br>• Appolonia (30%)              | Equinor ASA            | Spirit Energy Norway AS | Equinor acquired a 30% stake in PL263D and PL263E, containing the Appolonia prospect, from Spirit Energy. | Not disclosed       | Des - 19 |
| <b>Asset</b><br>• PL785S (30%)                 | Equinor ASA            | Total E&P Norge AS      | Equinor acquired a 30% stake in PL785S from Total Norge.  | Not disclosed       | Des - 19 |
| <b>Asset</b><br>• PL018ES (11.654%)            | DNO Norge AS           | Petrolia NOCO AS        | DNO acquired a 11.654% stake in PL018ES from Petrolia NOCO  | Not disclosed       | Des - 19 |
| <b>Asset</b><br>• PL896 (10%)                  | Lundin Norway AS       | Wintershall DEA AS      | Lundin acquired a 10% stake in PL896 from Wintershall DEA.  | Not disclosed       | Dec - 19 |

