– A SHARP EYE FOR NCS OPPORTUNITIES –

ANNUAL REPORT 2024

PANDION ENERGY

Pandion Energy is an independent, full-cycle oil and gas company driving value by maturing resources to reserves in high quality assets on the Norwegian continental shelf.


ABOUT
PANDION ENERGY


DIRECTORS'
REPORT & FINANCIAL
STATEMENTS

ABOUT PANDION ENERGY

From management buyout to full-cycle oil and gas company

Pandion Energy was established in November 2016 following a management buyout of Tullow Oil Norge AS, backed by Kerogen Capital. Since then, it has evolved into a full-cycle oil and gas company, actively engaged in exploration, appraisal, development, and production on the Norwegian continental shelf (NCS).

Over the past eight years, Pandion Energy has built a strong exploration track record, with seven discoveries out of ten exploration wells drilled. The company has established a balanced portfolio of producing assets, development projects, and exploration opportunities, all located in mature areas with existing infrastructure.

In 2024, production remained stable at close to 8,000 barrels of oil equivalent per day, while key projects advanced. The Valhall PWP-Fenris development progressed as planned, with installation of the PWP jacket set for Q3 2025. The Ofelia discoveries moved towards development, with a Plan for Development and Operation (PDO) expected by year-end 2025. In early March 2025, the company also confirmed a commercial discovery in PL 1119, Mistral, in the Norwegian Sea, located close to several other producing fields including Åsgard and Kristin. Looking ahead, 2025 will be another active year, with important milestones across the value chain, as Pandion Energy continues to unlock value and drive sustainable growth. The company remains strategically focused on key areas, including the greater Valhall and Gjøa regions in the North Sea and the Halten Bank area of the Norwegian Sea.

Getting started

Pandion Energy prequalified as a licensee and completed the management buyout from Tullow Oil Norge in 2017, with Duva as its first development asset.

The first year was dedicated to organisational development and regulatory approvals. The company has built a strong culture, based on short decision lines, a high level of competence, professionalism and active interdisciplinary cooperation. From the very start, the management group has had an equal ratio of men to women.

Building the business

Late in 2017, Pandion Energy became a 10 per cent partner in the producing Valhall and Hod fields, thereby becoming a full-cycle oil and gas company much earlier than planned.

In 2018, a robust financial platform was secured, including a reserve based lending facility (RBL) of USD 150 million and a senior unsecured bond, listed on the Nordic ABM of NOK 400 million. The debt financing package enabled continued development of the company's assets and expansion of our portfolio. The Duva plan for development and operation (PDO) was approved in 2019, and the company's 20 per cent interest in the field was divested in November the same year. The Duva development demonstrated the core of Pandion Energy's strategy of adding value to high-quality assets and maturing them – in this case with an increase in recoverable resources of more than 50 per cent since the initial discovery. With this divestment some of the value created in the portfolio to date was crystallised, and further strengthened the company's capacity to take advantage of future opportunities on the NCS.

In 2020, a 20 per cent interest in the Slagugle discovery was the largest addition to the company's resource base and also the biggest discovery on the NCS that year.

During the spring of 2020, investment activity was resumed as a direct consequence of the temporary amendments to the Petroleum Tax Act enacted by the Storting (Norwegian Parliament) in the wake of the COVID-19 pandemic.

The Hod field redevelopment became the first project realised under the temporary tax changes. A PDO for Hod, where Pandion Energy holds a 10 per cent equity interest, was submitted in June 2020 and approved that December. In the summer of 2021, the Hod B platform was installed on the field at the southern end of Norway's North Sea sector.

About Pandion Energy

During this period Pandion Energy had formulated its own ambitions related to the digitalisation drive in the industry. In 2021, Pandion Energy officially launched Wellify, a digital visualisation tool for analysing geochemical and mineralogical data from drill cuttings. These data contain valuable information for companies exploring for oil and gas, and can be further utilised to improve efficiency and safety in drilling operations. The Wellify tool also has potential to be utilised to identify reservoir zones suitable for CO_2 storage.

Net zero and further expansion
In 2020, Pandion Energy became one of the first E&P companies to achieve carbon neutrality for scopes 1 and 2 emissions.[1] Pandion Energy is committed to maintaining a low carbon footprint and has been a proponent of electrification since its inception. Ranging between 1.1 – 3.4 kilograms of CO_2e per barrel of oil equivalent, the company's carbon intensity levels per barrel are amongst the lowest in the Norwegian and global E&P industry. All of the producing fields in the portfolio are powered by electricity from shore.

In March 2022, the acquisition of ONE Dyas Norge AS, including a 10 per cent share of the Nova field and a total of ten exploration licences, was a significant milestone and represented a leap forward in the Pandion Energy story constituting a solid foundation for further growth.

Maturing the asset protfolio
In December 2022, Pandion Energy partnered in its fourth Plan for Development and Operation (PDO) when Aker BP submitted a revised PDO for Valhall, a joint development with the Fenris field. As the second-largest PDO project in Norway that year, the development project underscores Pandion Energy's commitment to maximising value from high-quality assets. The Norwegian Parliament approved the PDO in June 2023, paving the way for full-scale execution. Fabrication and construction progressed steadily during 2024, keeping the project on track for the arrival of the jacket for a new central platform at Valhall in Q3 2025. By leveraging Valhall's existing power-from-shore system, the project is designed to minimise emissions, aligning with Pandion Energy's net-zero carbon strategy. As a partner in the Valhall licence, operated by Aker BP, Pandion Energy remains committed to ensuring efficient and sustainable production growth in the years ahead.

At the same time, exploration efforts continued to deliver results. In early 2025, Pandion Energy announced a discovery at the Mistral exploration well, operated by Equinor. The well confirmed commercially viable resources of between 19 and 44 mmboe, further strengthening Pandion Energy's position in the Norwegian Sea.

Progress was also made in other key projects. The Ofelia discoveries moved closer to development, reaching DG1 in December 2024. A PDO is expected by the end of 2025, marking another step toward bringing new resources into production. The Slagugle discovery in the Halten Bank area in the Norwegian Sea is preparing for an appraisal campaign during 2025.

Pandion Energy enters 2025 from a position of strength, having delivered solid operational and financial results in 2024. The company's s focus

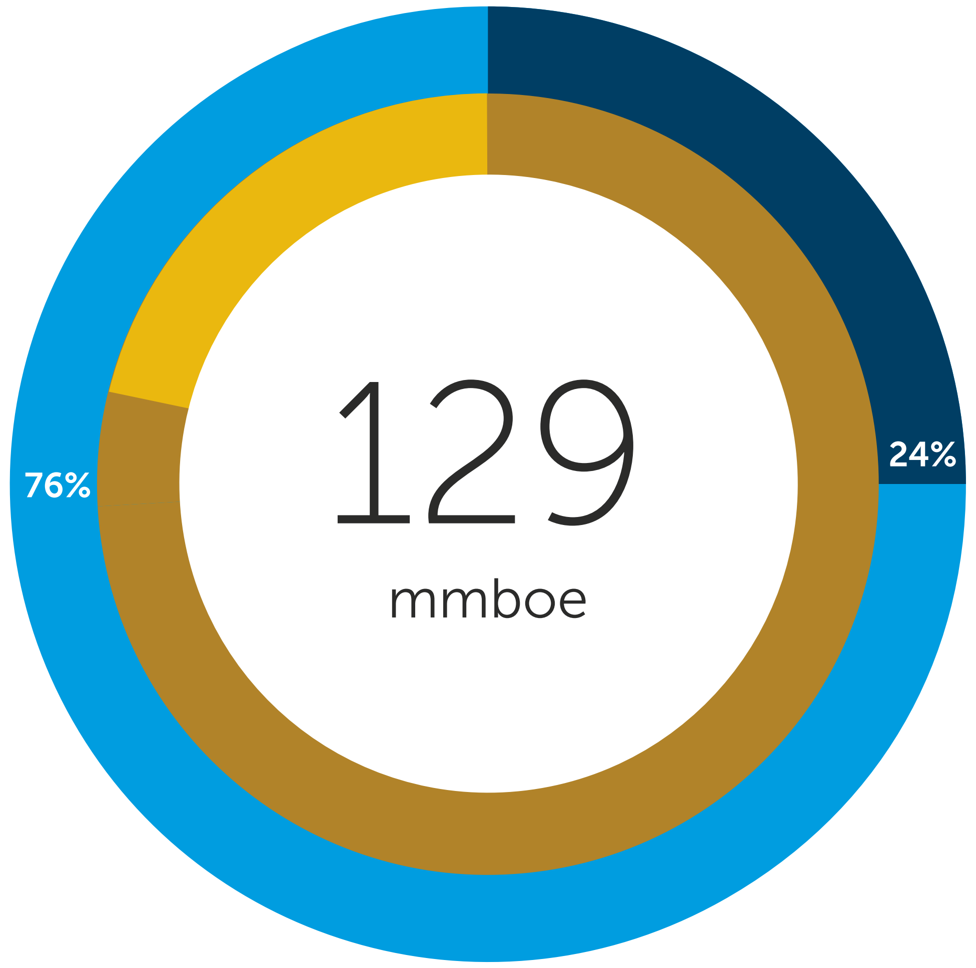
remains on enhancing production efficiency at Valhall, Hod, and Nova, and advancing its discoveries towards development.

With an active drilling program ahead and key project milestones, Pandion Energy is well-positioned for continued growth. The company remains committed to its strategy of being an active, responsible partner and a full-cycle oil and gas company with long-term ambitions.

[1] The commitment to carbon neutrality has been achieved initially by offsetting re remaining balance of hard-to-abate CO_2e emissions through programmes that are aligned with the UN Sustainable Development Goals. The use of offsets is seen as part of an overall plan to reduce carbon impact of its operations with the continued focus on reducing remaining absolute emissions further towards near zero over time.

Key figures end 2024

Reserves & Resources[1]



Financial summary

	2024	2023[4]
Production in boepd[5]	7,946	8,304
Net sales in boepd	7,454	7,462
Average realised price oil (USD/boe)	84.9	84.8
Average realised price gas (USD/boe)	68.5	77.7

(USD` 000)		
Revenues	222,693	223,385
EBITDAX	187,441	182,687
Total assets	821,528	816,742
Total equity	97,318	105,467
Total interest bearing debt	93,500	108,000

[1] Operator data, independent third-party review and company estimates, year end 2024
[2] Net proven and probable (2P) reserves for Valhall, Hod and Nova fields
[3] Net contingent resources (2C) for Valhall, Hod and Nova fields, including reported estimates for the discoveries in Ofelia Agat and Ofelia Kyrre (PL 929), Slagugle (PL 891), Sierra/Solberg (PL 263) and Calypso (PL 938). The recently announced Mistral discovery (PL 1119) is not included. Projects in resource category 7 have also been included in the net contingent resoruces for Pandion Energy.
[4] Restated numbers due to change in accounting policy for abandonment provisions, more details are provided in Note 2.
[5] Redelivery volumes from Nova to Gjøa/Vega included in production.

Letter from our CEO

As we close another year in Pandion Energy's journey, 2024 stands out as a year of improving operational efficiency, maturing our portfolio of assets, and laying the groundwork for an active and ambitious 2025.

2024 marked eight years into our history, and we focused on refining and maturing the assets in our portfolio to unlock their full potential. It has been a year of stable operations, disciplined financial performance, and significant milestones achieved across our projects, positioning us for exciting opportunities ahead.

2024 marked eight years into our history, and we focused on refining and maturing the assets in our portfolio to unlock their full potential.

Operational highlights
The Valhall and Hod fields have delivered another year of outstanding production efficiency, overcoming some initial well-related issues, and exceeding our expectations. I wish to thank our partner Aker BP in their efforts, the production performance towards the year end has been exceptional. Valhall received the Improved Recovery Award by the Offshore Directorate during ONS in August 2024, a testament to the excellent work being done on Valhall.

On the Nova field, production remained robust in the first half of the year, but faced challenges with water injection issues during second half. Despite this, we maintained solid output, and a new water injector well completed in February 2025 is expected to enhance field performance further.

The Ofelia discoveries reached a key milestone in 2024, with the DG1 decision achieved before year-end and the Decision to concretize submitted to the authorities. The PDO is planned for submission by the end of 2025, aligning with our strategy to advance high-quality projects within our portfolio. The outlook for Ofelia remains promising, and we see this as a vital development for the coming years.

In terms of exploration, our activity has been steady. The APA 2024 round brought three extensions to our existing licences. We remain active participants on the Norwegian continental shelf and continue to focus on high-quality opportunities in and around our core areas.

Delivering financially
Our production averaged 7,946 barrels of oil equivalent per day in 2024, generating revenues of USD 223 million, well within our expectations. Production costs were kept low at USD 11 per barrel, reflecting our commitment to cost-efficient operations. Additionally, we received an average premium for our oil of USD 4 per barrel, underlining the attractiveness of our high-quality crude to refineries.

We are also proud to report that our CO_2 intensity remains low. This reflects our continuous commitment to maintain sustainable and responsible operations while contributing to the net-zero agenda.

Electrification remains a cornerstone of our approach, with all producing fields in our portfolio powered by electricity from shore.

The road ahead
One of the highlights of 2024 has been the progress on the Valhall PWP-Fenris project. The project continues to meet its milestones, with the installation of the jacket planned for summer 2025, marking a significant step forward in this major development. Once installed, the licence will commence drilling of 15 new wells. Upon completion of the PWP-Fenris project, Valahall will be prepared for sustained production beyond 2050.

With two wildcat wells concluded during Q1 and key project milestones ahead, 2025 is poised to be one of the most active years in our history.

Exploration activities have also seen notable progress. While some drilling campaigns were delayed due to weather, others progressed steadily. The Mistral well, spudded in December, revealed a commercially viable discovery. While the Horatio well, which began drilling in February 2025, was unfortunately reported dry. A second appraisal campaign on the Slagugle discovery started late March 2025 and will continue through the summer, with the goal of demonstrating connectivity and producibility.

Looking forward, 2025 will be a pivotal year. In addition to the new well on Nova, the Slagugle appraisal campaign and the continued maturation of the Ofelia discoveries, we will advance the PWP project and have already added a new discovery to our portfolio. With two wildcat wells concluded during Q1 and key project milestones ahead, 2025 is poised to be one of the most active years in our history.

Driving success together
None of this year's achievements would have been possible without our dedicated team and trusted partners. I am immensely proud of the Pandion Energy team for their commitment and expertise, which drive our success.

As we reflect on 2024, it is clear that we have laid a solid foundation for the future. We remain committed to unlocking the full potential of our portfolio, maintaining safe and efficient operations, and contributing to the sustainable development of the Norwegian continental shelf. With an ambitious program ahead, we enter 2025 with confidence, determination, and a clear vision for continued growth.

Thank you for your continued trust and support.

Jan Christian Ellefsen
CEO

Creating value based on a full cycle strategy with focus on asset quality

Net reserves & resources [1)]

~ 129 mmboe 2P & 2C

Low cost production [4)]

~ 11 USD/boe

Net production [2)]

~ 8 000 boepd

Strong balance sheet [4)]

0.4x Net debt/EBITDAX

Exploration success [3)]

>7 discoveries

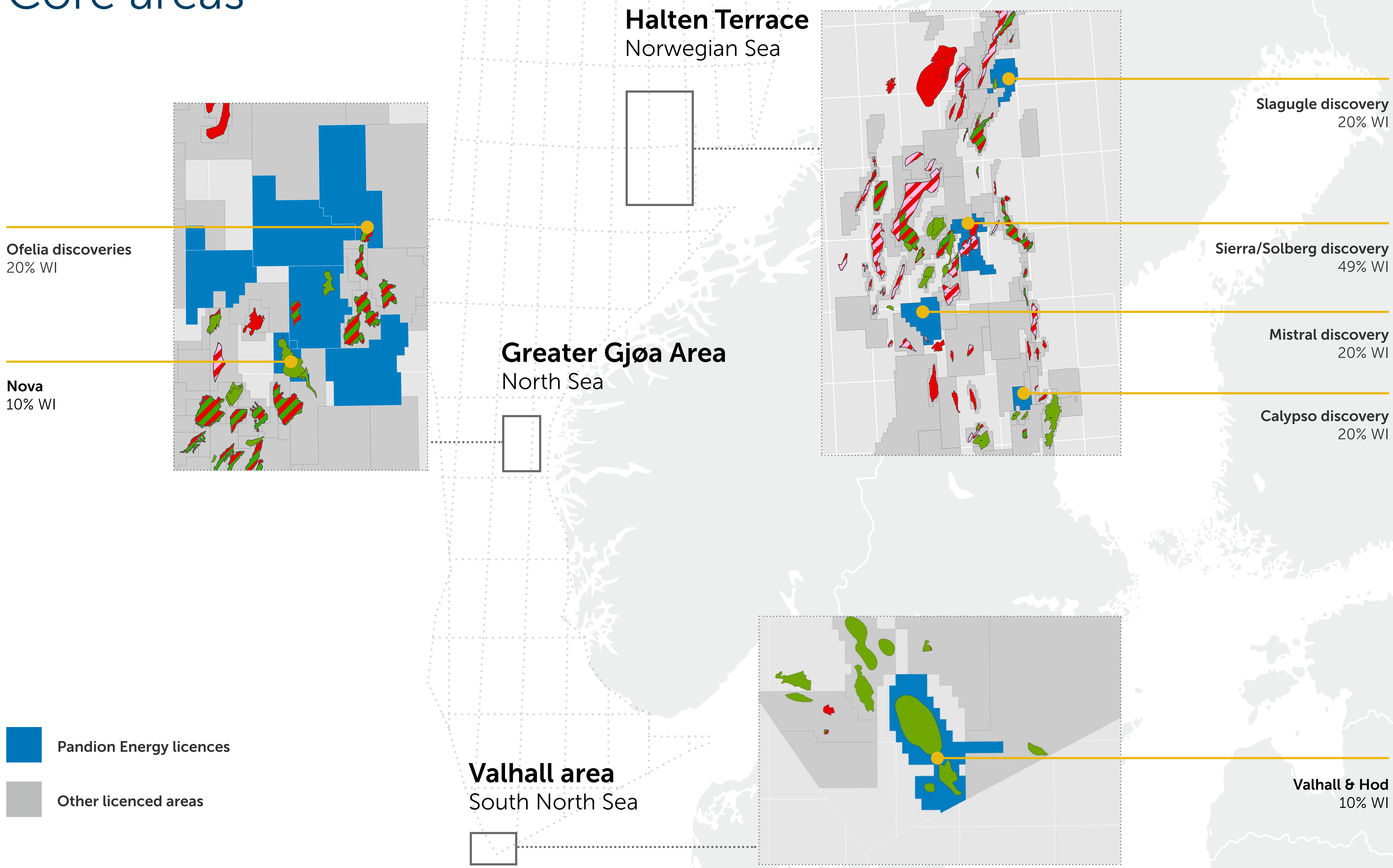
Premium to brent [5)]

+4 USD/boe

1) Operator data, independent third-party review and company estimates, year end 2024
2) Redelivery volumes from Nova to Gjøa/Vega included in production
3) Iving, Sierra, Slagugle, Ofelia Agat, Calypso, Ofelia Kyrre, Mistral
4) Year end 2024
5) Valhall and Nova oil to North Sea Brent crude

Licence overview

Core areas



About Pandion Energy

The board of directors

Alan Parsley
Chairman

Dr. Alan Parsley is an advisory board member and chair of the technical committee at Kerogen. He has more than 40 years of industry experience, predominantly at Shell, where he held senior positions including global head of exploration, head of new business ventures, and chair of Shell Australia. He formerly served as a member of the board at Woodside Petroleum Ltd.

Jason Cheng
Non-executive director

Jason Cheng is the CEO and Managing Partner of Kerogen, he co-founded Kerogen and its predecessor Ancora Capital in 2007. He has around 30 years' commercial experience across investing, operations and investment banking. He was formerly Managing Director of Jade International Capital Partners Limited in Beijing, and had previously worked in energy investment banking at J.P. Morgan and Schroders.

Roberta Wong
Non-executive director

Roberta Wong is a managing director on the Investment and portfolio management team at Kerogen. Before joining Kerogen, she worked with members of the Kerogen team at J.P. Morgan's Energy and natural resources group in Hong Kong since 2008, specialising in energy M&A and capital raisings including advising Asian NOCs in relation to their international acquisition strategies.

Jan Christian Ellefsen
CEO
Executive director

Jan Christian Ellefsen leads the Pandion Energy team with more than 30 years of managerial, commercial and technical experience from the oil and gas industry. His background includes a broad range of managerial positions in both oil services and exploration and production companies, mainly in development and operations.

Hege Peters
VP Finance & Business Support
Executive director

Hege Peters has more than 25 years of diversified experience with managing finance functions, accounting, budgeting, liquidity, tax and compliance processes, in both oil and gas and other industries. She initially qualified as a senior auditor at Arthur Andersen.

The management team

Jan Christian Ellefsen
CEO
MSc Mechanical Offshore Engineering

Jan Christian Ellefsen leads the Pandion Energy team with more than 30 years of managerial, commercial and technical experience with the oil and gas industry. He has held a broad range of managerial positions in both oil service and exploration and production companies, mainly in development and operations.

Helge L. Nordtorp
Deputy CEO & VP Business Development
MSc Economics

Helge L Nordtorp has more than 20 years of experience with the E&P industry from managing regulatory processes as a civil servant in the Ministry of Petroleum and Energy, and from strategy and business development projects as a management consultant. He also has vast experience with mergers and acquisitions and capital market transactions.

Hege Peters
VP Finance & Business Support
Executive director

Hege Peters has more than 25 years of diversified experience with managing finance functions, accounting, budgeting, liquidity, tax and compliance processes, in both oil and gas and other industries. She initially qualified as a senior auditor at Arthur Andersen.

The management team

Bente Flakstad Vold
VP Exploration & Appraisal
MSc Applied Geophysics

Bente Flakstad Vold has more than 25 years of managerial and technical experience from the oil and gas industry on the NCS. Her extensive background covers all aspects of subsurface portfolio management, including prospect generation and maturation, as well as business development and management of exploration and appraisal activities in licences.

Kjetil Steen
VP Development & Production
MSc Mechanical Engineering

Kjetil Steen has more than 25 years of experience in upstream development projects in Norway and internationally, as well as production and asset management. His expertise lies in taking discoveries to final investment decision, with a concentration on technical feasibility, concept selection and engineering design through to execution.

Oksana Karpenko Hillervik
VP HSE & Operations
MSc Industrial Economics & Technical Management

Oksana Karpenko Hillervik has 18 years of experience holding various advisory and managerial positions in HSE and quality for the oil and gas industry on the NCS. She has broad experience with planning and execution of operational activities on NCS, risk and HSE management, as well as a wide remit of ESG, compliance and regulatory processes.

DIRECTORS' REPORT & FINANCIAL STATEMENTS

Directors' report

In 2024, the company reported another year of solid financial performance, with total revenues and income of USD 223.5 million (2023: USD 223.9 million) and an operating profit of USD 91.7 million (restated 2023: USD 77.7 million). Pandion Energy remained committed to challenging and supporting the operators' HSE programs, attaining positive safety and environmental results throughout the year. Total production was close to 8,000 boepd and exceeded expectations.

The Valhall & Hod fields concluded the year with high production efficiency, driven by strong uptime and enhanced well maintenance. This positive trend has continued into 2025. The Valhall PWP project is on track, with fabrication and construction activities advancing at multiple sites. The Ofelia discoveries are maturing towards a development decision, a Concretisation decision (BOK) was reached and submitted to the authorities in December with PDO planned for submission by the end of 2025. At the Nova field, a new water injector well was spudded at the end of the year and successfully delivered in February 2025, with the goal of further improving field performance. Furthermore, the Mistral discovery well, spudded in December 2024 and announced in March 2025, indicated recoverable resources of 19 to 44 mmboe. This well marks the seventh discovery for Pandion Energy out of a total of ten exploration wells drilled since the company's inception in 2016.

ABOUT PANDION ENERGY AS

Business and location

Pandion Energy AS (Pandion Energy or the company) is a Norwegian company with its head office at Lysaker, Oslo. Pandion Energy is an independent, fullcycle oil and gas company, participating in the discovery, appraisal, development and production of oil and gas resources on the Norwegian continental shelf (NCS). The company was established in November 2016 based on the operational platform and licences acquired from Tullow Oil Norge AS.

The company is owned by Pandion Energy Holding AS, a holding company owned by the management team and Kerogen Capital, an independent private equity fund manager specialising in the international energy sector.

Pandion Energy has developed a focused portfolio of producing assets, discoveries, and exploration opportunities near existing infrastructure. As of 31 December 2024, the company holds 15 licences. In 2024, Pandion Energy's average daily production was 7,946 barrels of oil equivalent (boe), sourced from the Valhall, Hod, and Nova fields.

As of 31 December 2024, the portfolio includes 31 million barrels of oil equivalent (mmboe) of net proven and probable (2P) reserves and 98 mmboe of net contingent resources (2C), including reported estimates for the discoveries in Slagugle (PL 891), Ofelia Agat/Ofelia Kyrre (PL 929), Calypso (PL 938) and Sierra/Solberg (PL 263).

Business model and strategy

Pandion Energy's business model is to be a fullcycle exploration and production company, participating in the discovery, appraisal, development and production of oil and gas resources on the NCS.

The company's strategy going forward is to be an active and responsible non-operating partner, driving value by further development of its producing fields and discoveries and maturing new exploration upsides near infrastructure. Supported by a solid capital structure, the company will also search for and evaluate opportunities to make valueaccretive investments through acquisitions, farmins, licencing rounds, swaps and to seek business combinations that may lead to further profitable growth.

The company's ability to generate longterm, lasting value also rests on maintaining high standards of governance, safe operations, and sustainable business practices. Since its inception, Pandion Energy has maintained a low carbon footprint compared to our industry – demonstrated by carbon intensity levels per barrel which are amongst the lowest in the Norwegian and global E&P industry, ranging from 1.1 – 3.4 kilograms of CO_2 per barrel of oil equivalent for its net production. In 2021, Pandion Energy launched its strategy to achieve net zero carbon emissions and became one of the first E&P companies in the industry to achieve carbon neutrality for CO_2e emissions in scopes 1 and 2. This includes maintaining the low carbon footprint of its operations by only pursuing exploration and appraisal opportunities in areas with existing or plausible future access to renewable energy sources, incorporating greenhouse gas (GHG) emissions and the potential for future emission reduction as a key investment criterion for developments and producing assets, and incorporating the future cost of carbon emissions when evaluating new investments. Pandion Energy sees the use of offsets as part of an overall plan to achieve carbon neutrality for the remaining balance of its hard-to-abate equity based Scope 1 and Scope 2

CO_2e emissions while committing to the target of reducing the remaining balance of Scope 1 and 2 absolute emissions over further time.

OPERATIONAL REVIEW

Production and field development

Valhall and Hod fields

The Valhall area has been in production since 1982 and consists of the Valhall and Hod fields in the southern part of the Norwegian sector of the North Sea. Since 2013, the Valhall area has received electrical power from shore via Lista in Southern Norway, thereby keeping its emissions to air very low during normal operations. Pandion Energy holds a 10 per cent interest in the Valhall area, which is operated by Aker BP.

Production from Valhall and Hod averaged 5,271 barrels of oil equivalent per day (boepd) net to Pandion in 2024, The field had a drop in production efficiency in the first half of the year due to a combination of planned well intervention activities and unplanned well-related issues. In the second half of the year the Valhall and Hod fields operated with a high plant uptime and continued production with a very short backlog of well interventions.

In 2024, only one new well was brought into production – an infill well on Valhall Flank North. Production from this N-11 well commenced in January.

The PWP-Fenris project, with development of a new, centrally located processing and wellhead platform (PWP), commenced with fabrication and construction activities advancing at multiple sites. During the year, fabrication started for both the PWP utility module at Worley Parson Rosenberg in Stavanger, the wellbay module at Dry Docks World in Dubai, and the PWP jacket at Aker Solutions' yard in Verdal. In addition, offshore modifications work, to prepare for hook-up and integration of PWP, started at the Valhall field center. The Valhall PWP project is a joint development project together with the Fenris field.

The reserves for Valhall PWP are estimated at 7.2 mmboe net to Pandion Energy. The development includes 24 new well slots and the necessary processing capacity, modernising Valhall to ensure continued operation of the field as parts of the old infrastructure are phased out in 2028. Upon completion of the PWP project, Valhall will be prepared for sustained production beyond 2050.

During the second quarter, the rig Noble Invincible successfully completed a campaign to permanently plug and abandon (P&A) eight legacy wells at the Hod A platform. The final phase of this P&A campaign with removal of the conductors will be performed as part of the final removal of the Hod A topside and jacket during Q2 2025.

The partnership continues to identify and mature upside potential in the area, and two new infill targets are being matured towards an investment decision in the first quarter of 2025. These two wells are also planned to be the first field tests of chalk screens at Valhall which could be key to unlock future tie-ins. Development and testing of new technology is important for the future of Valhall and together with AkerBP, Pandion won the IRA (Improved Recovery Award) at ONS in August 2024, a testament to the excellent and continuous work being done at Valhall.

Nova field

The Nova field was discovered in 2012 and approved for development in 2018. Production from the field started on 29 July 2022. The Nova field development consists of two subsea templates, with four well slots for water injection and four well slots for production. The field is tied-back to the existing Gjøa floating production unit located 17 kilometres north east of the field.

Pandion Energy holds a 10 per cent interest in the Nova field following its ONE-Dyas Norge acquisition in 2022. The field is operated by Harbour Energy after their acquisition of Wintershall Dea Norge AS. The resources from Nova are being extracted with minimal environmental impact, with use of existing infrastructure partially powered from shore.

In 2024, production from Nova averaged 2,676 barrels of oil equivalent per day (boepd) net to Pandion Energy. Production from Nova was constrained during 2024 due to issues with the water injection system. This system was periodically shut in and held back due to operational constraints, with subsequent impact on production. Initiatives to mitigate this have been implemented. An additional perforation of water injector W-1 AH was performed in the second quarter of 2024 to increase the injectivity at the field. A fourth water injector well at Nova was spudded in December and completed in February 2025. The well has started injection with very good response so far. This is expected to enhance field performance further.

Appraisal activities
The PL 929 joint venture is currently maturing the Ofelia discoveries towards a development decision. DG1 (BOK) was reached in December 2024. A Plan for Development and Operation (PDO) is planned for submission by the end of 2025. With its proximity to Gjøa, this is potentially a fast track, cost-effective and low-carbon development. The company holds a 20 per cent interest in the Ofelia discoveries.

The partners in PL 891 prepared for a second appraisal well of the Slagugle discovery, started in March 2025. The operator has secured the Deepsea Yantai semisubmersible rig for the drilling operations. The company holds a 20 per cent interest in the discovery.

The partners in PL 938 are evaluating options to develop the Calypso discovery utilizing nearby infrastructure. The company holds a 20 per cent interest in this discovery.

In PL 263 (Sierra/Solberg discovery) the joint venture is assessing options to develop the discovery as a tie-back to existing infrastructure on Haltenbanken. Potential commercial development is under review. The company holds a 49 per cent interest in the discovery.

Exploration activities
In January 2024, the company was awarded licence PL 1101 B in the 2023 Norwegian APA (awards in predefined areas) Licensing Round on the Norwegian Continental Shelf. PL 1101 B is an additional acreage to PL 1101 located in the northern North Sea. PL 1101 and PL 1101 B were relinquished in August 2024 based on a negative drill decision.

In PL 1119, operated by Equinor, the partnership secured the semisubmersible rig Deepsea Atlantic for drilling of an exploration well on the Mistral South prospect. The well was spudded late December 2024 and the results were announced on 5 March 2025. Preliminary estimates indicate a discovery of between 3 and 7 million standard cubic meters (Sm^3) of recoverable resources (gas/condensate), equivalent to 19 to 44 mmboe. The well represents Pandion Energy's seventh discovery out of a total of ten exploration wells drilled since the company's inception in 2016. The Mistral discovery is located near the Tyrihans field in the Norwegian Sea, in proximity to several producing fields, including Åsgard and Kristin. The company holds a 20 per cent interest in the licence.

The PL 1109 joint venture prepared for drilling on the Horatio prospect with the semi-submersible drilling unit Transocean Norge. The well spudded early February 2025 and has been concluded dry. The company holds a 20 per cent interest in the licence.

In December 2024, Pandion Energy signed an agreement with Vår Energi ASA to divest its 7.5% participating interest in PL 820S and PL 820BS with effective date 1 January 2025. The transaction has been approved by the Ministry of Energy.

FINANCIAL REVIEW

The going concern assumption
Pursuant to Section 2-2 (8) of the Norwegian Accounting Act, the board has performed a robust assessment of the company's cash flow and its financial and liquidity positions, including several downside scenarios, and confirms that the conditions for continued operation as a going concern are present and that the annual financial statements have been prepared on that basis. The board confirms that the annual financial statements represent a true and fair view of the company's financial position and that it is not aware of any factors that would materially affect the assessment of the company on 31 December 2024.

Accounting policies
The company's financial statements have been prepared in accordance with the simplified IFRS, pursuant to Section 39 of the Norwegian Accounting Act and regulations regarding the simplified application of the IFRS issued by the Norwegian Ministry of Finance on 7 February 2022.

The accounting policies used in the financial statements for 2024 are consistent with those used in the 2023 financial statements except from the change in accounting policy for asset retirement obligations (ARO). The discount rate used for calculating ARO does no longer include a credit element. This change is in line with the development in industry interpretation of relevant guidelines (IAS 37). Comparative figures have been restated accordingly. As a result, the company has recorded the difference between the remeasured ARO and the historical asset retirement obligations at 1 January 2023 as an adjustment to property, plant and equipment. The increased property, plant and equipment has led to an impairment charge of goodwill in the income statement in 2023.

Statement of income

Revenues

In 2024, the company generated revenues of USD 222.7 million from the sale of liquids and natural gas (2023: USD 223.4 million). The stable revenue reflects consistent sales volumes and steady oil and gas prices compared to the previous year.

Average net production for Pandion Energy decreased to 7,946 boepd in 2024, compared to an average of 8,304 boepd in 2023. Valhall and Hod net production to Pandion was 5,271 boepd, down from 5,561 boepd in 2023. Nova net production to Pandion was 2,676 boepd compared to 2,743 boepd in 2023.

The Nova field licence group is obligated to compensate the Gjøa licence group for deferred production due to the tie-in operations. The compensation will be paid in kind from the Nova group's own production. The compensation volume in 2024 was 216 boepd (2023: 583 boepd) net from Pandion Energy.

Average net sales for Pandion Energy amounted to 7,454 boepd (2023: 7,462 boepd). The net sales were lower than production due to the above mentioned compensation volume partly offset by change in over-/underlift.

Before hedging, the average oil price achieved by Pandion Energy in 2024 for its net sales of oil was USD 85 (2023: USD 85) per boe. The average realised gas price was USD 69 (2023: USD 78) per boe. The combined average realised price for oil, gas and NGL during 2024 was USD 82 (2023: USD 82) per boe.

Expenses

Operating expenses, including inventory movements and changes in the value of deferral settlements on Nova, totalled USD 36.2 million in 2024 (2023: USD 41.2 million). The decrease was primarily driven by changes in over-/underlift, partially offset by fluctuations in the value of deferral settlements.

The production cost for the year amounted to USD 11 per boe (2023: USD 10 per boe). The increase was primarily driven by lower production volumes.

Depreciation amounted to USD 72.6 million (2023:61.9 million). Net impairment losses amounted to USD 14.9 (Restated 2023:36.5) million linked to the Nova field. The 2023 impairment was linked to technical goodwill related to the interest in the Valhall fields following a change in the accounting policy for asset retirement obligations. For more information about the impairment charges, see Note 8 in the financial statements.

Exploration expenses in the income statement for 2024 amounted to USD 8.2 million (2023: USD 6.6 million). Exploration and appraisal costs are capitalised as they are incurred. When exploration and appraisal drilling is unsuccessful or licences are relinquished owing to lack of prospectivity, the capitalised costs are expensed. In addition to previously capitalised exploration costs, exploration expenses in the income statement comprise costs related to new venture activities (licensing rounds, farmin activities, and digitalisation). Further details may be found in Note 5. The increased exploration expenses for 2024 were mainly attributable to higher write-downs of previously capitalised exploration costs.

The company recorded net financial expenses of USD 25.2 million for 2024, compared to USD 27.6 million for 2023. Details are provided in Note 11. Net financial expenses mainly comprised interest expenses of USD 16.2 million (2023: USD 17.2 million), which is related to the company's unsecured bond and the reserve-based lending (RBL) facility, as well as accretion expenses of USD 8.6 million (2023: USD 7.1 million) related to asset retirement obligations. The decrease in interest expenses in 2024 is mainly due to reduced debt.

Results

The company generated an EBITDAX* of USD 187.4 million in 2024 (2023: USD 182.7 million). The increase in EBITDAX from 2023 is mainly a reflection of lower operating expenses.

The company reported a profit from operating activities of USD 91.7 million (restated 2023: USD 77.7 million). The increase was mainly driven by lower operating expenses and a reduced impairment loss compared to the previous year.

Pandion Energy recorded a profit before income tax of USD 66.5 million for 2024 (restated 2023: USD 50.2 million) The income tax expense amounted to USD 74.6 million for the year, compared to USD 88.0 million in 2023. This resulted in a net loss of USD 8.1 million for 2024 (restated 2023: net loss of USD 37.9 million). The main reasons for the effective tax rate above 78% are financial items only deductible in corporate tax and depreciation of the assets acquisition value with no deferred tax. Tax rules and tax calculations are described in notes 2 and 12 to the financial statements.

** For definitions of Alternative Performance Measures (APM), please refer to page 52.*

Statement of financial position
The company's total assets as of 31 December 2024 amounted to USD 821.5 million (restated 2023: USD 816.7 million).

Property, plant, and equipment amounted to USD 599.0 million (restated 2023: USD 624.6 million). Investments (USD 81.7 million) were mainly linked to the PWP project on the Valhall field, the sidetrack water injection well drilled on the Nova field as well as contingent consideration payments offset with depreciation (USD 72.7 million), impairment loss (USD 14.9 million) and changed estimate for asset retirement obligations (USD 19.7 million).

Intangible assets and goodwill amounted to USD 123.8 million as of 31 December 2024 (2023: USD 111.9 million). The increase from 2023 is primarily due to activities related to the maturation of the Ofelia discoveries toward a development decision, as well as planning activities for the drilling of an appraisal well on the Slagugle discovery and the Mistral and Horatio exploration wells.

Pandion Energy has a robust and diversified capital structure, made up of committed equity and a debt financing package.

The company's major shareholder is Kerogen Capital, an independent private equity fund manager, which has invested USD 109 million in equity into the company. Kerogen Capital has committed an additional USD 46 million in equity which can be drawn upon approval of the board of directors. Further, the Pandion Energy team has invested around USD 6.5 million in equity into the company.

Total equity as of 31 December 2024 amounted to USD 97.3 million, down from USD 105.5 million (restated) a year earlier. The company's equity ratio as of 31 December 2024 was 12 per cent. The total share capital issued as of 31 December 2024 was USD 13.6 million.

The debt financing package at the end of 2024 included a reserve based lending facility of USD 200 million and a senior unsecured bond loan of USD 75 million. The company's interestbearing debt totalled USD 93.5 million as of 31 December 2024, down from USD 108.0 million a year earlier. The net debt was reduced by USD 5.3 million during the year down to USD 72.2 million at year end. Overall, the company maintains its strong financial position with a leverage ratio of 0.4x net debt/EBITDAX. In 2024 the company began preparation for a refinancing process to address maturity of the financing package. More details of debt financing are provided in Note 22.

Statement of cash flows
Net cash flow from operating activities in 2024 was USD 123.6 million, compared to USD 194.7 million in 2023. The decrease was primarily due to the settlement of historical tax losses in 2023, whereas a tax payment was made in 2024. The difference between cash flow and profit from operating activities mainly reflects depreciation, impairments, tax payments, and interest expenses.

Investing activities in 2024 resulted in a net cash outflow of USD 118.3 million, up from USD 102.0 million in 2023. The main investments in 2024 were related to the PWP project on the Valhall field, the sidetrack water injection well on the Nova field, contingent consideration payments, and the maturation of discoveries and planning for exploration drilling in 2025. Additionally, the plugging and abandonment of eight old wells on the Hod A platform was completed in 2024.

Financing activities in 2024 involved a net cash outflow of USD 14.5 million (2023: net cash outflow of USD 83.5 million). This figure comprises repayment of borrowings under the RBL facility.

Cash and cash equivalents reduced by USD 9.2 million during 2024 to USD 21.3 million as of 31 December.

Subsequent events
In January 2025, Pandion Energy AS was awarded three licences in the 2024 Norwegian APA (Awards in Predefined Areas) Licensing Round on the Norwegian Continental Shelf:

- PL 006G – additional acreage to the Valhall & Hod fields where Pandion Energy holds a 10 percent interest.
- PL 263H – additional acreage to the Sierra & Solberg discoveries where Pandion Energy holds a 49 percent interest.
- PL 1151B – located in the Greater Gjøa area in the North Sea where Pandion Energy holds several licences. The company has been offered a 20 percent interest.

In first quarter 2025, the partnership in PL 1119 drilled an exploration well on Mistral South prospect. A gas/condensate discovery was confirmed, and preliminary estimates indicate that the discovery contains between 3 and 7 million standard cubic meters (Sm3), which corresponds to between 19 and 44 million barrels. The licence group will now evaluate the commerciality of the discovery by studying options for effective development using existing infrastructure in the area. Pandion holds a 20 per cent interest in the licence.

In first quarter 2025, the partnership in PL 1109 drilled an exploration well on Horatio prospect. The well was reported dry and has been plugged and abandoned. Pandion holds a 20% interest in the licence and has capitalised exploration cost amounting to USD 4 million as per 31 December 2024.

ALLOCATION OF NET PROFIT/LOSS

Pandion Energy AS recorded a net loss of USD 8.1 million for the 2024 fiscal year. The board proposes to allocate the net loss to retained earnings.

RISKS AND RISK MANAGEMENT

Pandion Energy is subject to various controllable and uncontrollable risks associated with the nature of oil and gas operations. Companies operating in this sector, including Pandion Energy, are exposed to a variety of operational, financial, and external risks which may not be entirely possible to eliminate, even with robust risk management procedures and experience.

Pandion Energy's board of directors works with the company to develop risk management strategies and processes that enable management to prevent potential incidents and to handle them efficiently when they do occur. The board is also responsible for overseeing the implementation of these strategies by ensuring that the framework for identification, control and monitoring of risk areas is in accordance with industry standards, and that adequate systems and procedures are in place to address these risks. Pandion Energy's approach to risk management includes assessing and managing risk with a focus on achieving the highest riskadjusted returns for its shareholders.

Directors' and officers' liability insurance has been secured by the company to cover the potential personal liability of a director or the CEO in accordance with applicable law.

Operational risks

The board recognises the risks associated with the company's operational assets. The regulation of activities on the NCS provides a sound framework for handling these risks and, as a licence partner, the company takes an active and responsible approach. The future production of oil and gas is dependent on the company's ability to find or acquire reserves, and to develop them.

The risk of major operational incidents is always present, since drilling, production and decommissioning activities will never be completely free of risk. There are also risks associated with the integrity of the company's assets, the reported reserves and resources, and thirdparty contractors or operators, since the company is not the operator of its assets. Development and exploration costs are also uncertain.

As a result of these risks, the company may incur costs which could adversely affect its financial position or its reputation as a licensee on the NCS. The company intends to be a sound, responsible and technically competent partner across the whole spectrum of activities in all its operations. Pandion Energy works actively with operators and has established processes and mitigating measures to reduce the probability of operational incidents. The company's risk management also includes contingency plans to minimise the potential impact should an operational incident occur.

Financial risks

The company is exposed to market fluctuations in commodity prices, foreign exchange rates and interest rates. These fluctuations could affect the company directly or indirectly since they may influence the appetite of banks and investors to lend to or invest in the company. The company considers its credit risk to be low since its licence partners are creditworthy oil companies, and cash and cash equivalents are receivables from banks.

Pandion Energy engages in active risk management through hedging and focuses on liquidity and insurance. The company has insured its prorata liability on the NCS in line with the best industry practices, and has offshore insurance programmes covering the following risks (nonexhaustive):

- loss of production income
- physical damage to assets
- well control
- third-party liability.

Commodity price risk
Pandion Energy operates in the crude oil and natural gas market. Fluctuations in hydrocarbon prices may therefore affect its revenue. Commodity price risks represent the company's most important market risk going forward. To manage this, Pandion Energy secures cash flows from the sale of crude oil through commodity price hedging. However, a downturn in oil prices could still dampen the enthusiasm of market players to invest in exploration and new developments, which, in turn, could adversely affect the company's growth ambitions.

To reduce risk related to oil price fluctuations, Pandion Energy has established an oil price hedging programme. At yearend 2024, the hedging programme was based on put options.

As of 31 December 2024, 68 per cent of aftertax (19 per cent of pretax) crude oil production volumes had been hedged for January to December 2025 at an average floor price of USD 54 per boe (USD 52.0 per boe net of costs). Additional positions may be added to the programme in the future. However, the structure, amount and levels of any further hedging will depend on developments in the market for commodity derivatives.

Currency risk
Multicurrency cash flows in Pandion Energy create currency risks. The company is exposed to foreign exchange risk on its purchases and sales, including financing costs denominated in currencies other than USD. After the refinancing of the senior unsecured bond and repayment of the exploration finance facility (EFF) in 2022, the company's debt portfolio only comprises borrowings in USD.

The company's functional and presentation currency is USD, based on an evaluation of the company's primary economic environment and related cash flows. Cash flows from ordinary sales and financing activities are mainly generated in USD. The currencies that influence costs are a mix of NOK and USD, in which NOK is the main currency. To reduce the risk associated with exposure to fluctuations in USD/NOK, the company has purchased forward contracts in which the underlying transaction is to sell USD and buy NOK.

Interest-rate risk
The company's interestrate risk arises from its interestbearing borrowings. Borrowings at floating interest rates expose the company to interestrate risk. The new senior unsecured bond was issued at fixedrate terms, thereby reducing the company's exposure to interestrate risk.

Liquidity risk
Pandion Energy's future capital requirements depend on multiple factors, and the company may need additional funds to fulfil its commitments and further develop exploration and development programmes to support its strategic direction.

Liquidity risk is the risk that the company will be unable to meet its financial liabilities when they fall due. Pandion Energy develops shortterm (12 month) and long-term forecasts to plan its liquidity. These forecasts are updated regularly for various scenarios, and form part of the decisionmaking basis for the company's management and board.

Climate-related risk
The response to climate change presents both opportunities and potential risks for the company.

The evolving response to climate change may impact market dynamics and investor behaviour which, in turn, may affect the business operations and financial performance of the company. It may also affect external risks related to regulatory and policy changes, either directly through costs and taxes or indirectly because of technological developments. The negative public perception of oil and gas companies may also have reputational effects.

In the long term, the company's assets may face potential exposure to physical climate risks. These include increased frequency and/or strength of extreme weather conditions that could disrupt operations or threaten the technical integrity of offshore installations. These risks are currently managed by adhering to design standards and regulatory requirements.

Pandion Energy is committed to maintaining a lowcarbon impact within the industry and remaining carbon neutral for Scopes 1 and scope 2 carbon emissions. The company's net zero carbon strategy involves evaluating new growth opportunities based on GHG considerations and climate risk to sustain a resilient asset portfolio.

While the company mitigating measures aim to limit exposure, the transition risk remains, with a potential impact on the financial performance of the company. Pandion Energy employs scenario analysis to assess potential impacts of the climate change and energy transition on its business, financial performance, and long-term strategy. To illustrate the potential impact on financial performance, the company has conducted sensitivity analyses in some areas. See Notes 3 and 7.

External risks
The business landscape in which the company operates can change rapidly. The risk of fluctuations in commodity prices is addressed under financial risks, but the company also faces other external risks that could affect its financial position over time. There can be no assurance, for instance, that legislation, including tax regulations, will not change in a manner that could adversely affect the company.

Geopolitical risk
Recent geopolitical tensions have significantly increased uncertainty within the E&P sector, affecting supply chains and contributing to global economic volatility. Sudden geopolitical developments can influence energy markets, potentially impacting regulatory environments, trade agreements, and geopolitical stability. Despite no direct exposure to the regions of armed conflicts or sanctions, the board acknowledges that economic uncertainty due to geopolitical instability may have an impact on the company's business and its markets in the future.

These uncertainties may impact market predictability, influencing both short-term decisions and long-term strategic planning, ultimately affecting business performance.

Incidents such as the sabotage of Nord Stream, drone sightings, and various other events have raised security concerns and led to substantial enhancements in security measures and an increase in the national security threat level. In response, the company aims to monitor the situations and offers close collaboration on implementation of security measures to relevant authorities, industry partners and asset operators.

HEALTH, SAFETY AND THE ENVIRONMENT
Health, safety, and environment (HSE) issues are critical in the oil and gas industry, where operations can affect the environment, communities and the workforce. Thus, devoting attention to HSE and governance issues is of key importance and a prerequisite to Pandion Energy. The company integrates HSE aspects together with technical and economic considerations in its decision-making and operational processes in order to achieve long-term sustainability of the business and to reduce risk.

The board of directors has adopted an HSE policy to ensure responsible operations, minimising harm to people involved and adhering to sustainable development practices that aim to minimise environmental impact. The HSE policy applies to all employees and contractors.

The company has a comprehensive HSE management system that shall ensure compliant operations through rigorous planning and executions standards, providing a framework for effective risk management.

The board has established an Environmental, Social and Governance (ESG) committee. The role of the ESG committee is to proactively identify and address ESG risks and opportunities, including community impacts, climate change and environmental effects, ensuring alignment with the company's values and strategy.

The company has no operated assets in its portfolio. As a licensee, Pandion Energy collaborates closely with the asset operators to identify, control and monitor risks. It proactively and constructively challenges the HSE policies, procedures, and activities of the operators.

During the reporting period, no major incidents or environmental claims were reported that involved any of the operating assets in which Pandion Energy participated. Also, the company did not experience any injuries.

All of Pandion Energy's production assets are powered by onshore electricity, leading to some of the industry's lowest production carbon intensities. All the company's exploration and appraisal licences, with offshore activities conducted in 2024 or planned in 2025, meet the criteria established in the company's net zero carbon strategy, as they are in regions with current or plausible future access to renewable energy sources. The company's equitybased Scope 1 and Scope 2 GHG emissions from activities in 2024 will be disclosed in a separate sustainability report.

GOVERNANCE AND SUSTAINABILITY

Pandion Energy is committed to rigorous corporate governance practices that create confidence in the company and thereby contribute to good longterm value creation for shareholders and other stakeholders. The objective of the company's corporate governance framework is to regulate the division of roles between shareholders, the board and executive management.

The company is currently owned by funds managed by Kerogen Capital and by the management team. The company has a bond listed on the Nordic Alternative Bond Market (Nordic ABM), which adheres to the rules set by the Oslo Stock Exchange (Oslo Børs) in consultation with market participants. The company encourages transparency and aims for fair and equal treatment of all existing and future shareholders. It will strive to provide investors with the necessary information needed to assess the company's fair value and understand the associated risks.

In relation to the Norwegian Transparency Act, Pandion Energy has performed a strategic level due diligence, identified measures to mitigate risks, as well as areas that require further evaluation. The annual account of the company's due diligence process in relation to the reporting obligations of the Transparency Act was published in June 2024. An updated account will be made available on the company's website by 30 June 2025.

Further details of governance practices and sustainability results will be published in a separate sustainability report.

RESEARCH AND DEVELOPMENT

The company invested USD 1.1 million in research and development in 2024 (2023 USD 0.8 million).

In addition to contributions to general and specific R&D activities undertaken by the operators of the fields in which the company has a vested interest, Pandion Energy has been working on the digitalisation of its subsurface capabilities through the application of digital solutions to geological and geophysical data.

PAYMENTS TO GOVERNMENTS

According to Section 2-10 of the Norwegian Accounting Act and Section 55a of the Norwegian Securities Trading Act, companies engaged in activities in the extractive industries must annually disclose payments to governments, by country and by project. The Ministry of Finance has issued a regulation (F20.12.2013 no 1682) stipulating that the reporting obligation only applies to reporting entities above a certain size and to payments above a certain threshold. Pandion Energy interprets the Act and the regulation to mean that only payments made directly by the company to governments are to be reported. Pandion Energy is a nonoperating licensee, and all payments by nonoperators in licences will be cash calls transferred to the operator. As such, Pandion Energy will make no payments to governments.

The company made no payments to governments other than application fees for the APA licensing round, and no payments were above the threshold of NOK 800,000.

ORGANISATION

As of 31 December 2024, the company had 24 employees.

The working environment at Pandion Energy is considered good. Sickness absence in 2024 was 2.1 per cent, compared to 2.1 per cent the year before. However, since Pandion Energy has relatively few employees, sickness absence by just one or two people could significantly affect the overall percentage.

Pandion Energy aims to reduce sickness by constantly improving working conditions. The company also aims to maintain a working environment with equal opportunities for all, based on performance and irrespective of gender, age, culture, nationality, ethnicity, physical ability, political or religious beliefs, sexual orientation, or any other attribute.

As of 31 December 2024, 33 per cent of employees were female, down from 36 per cent previous year. Women made up 50 per cent of the management team, while two in five directors are female.

In close cooperation with the management team, Pandion Energy's board of directors has drawn up a code of conduct which sets out requirements for everyone who works for or on behalf of Pandion Energy. The code of conduct applies to the board, senior management and all employees and consultants. Pandion Energy also expects all business partners and suppliers to act in a manner that is consistent with the principles of the code. The code of conduct is available on the company's website at www.pandionenergy.no.

OUTLOOK

Pandion Energy is entering 2025 with a strong balance sheet and ready to meet its commitments as a non-operator partner driving value in high-quality assets. In 2024 the company began planning a refinancing process to optimise capital structure, maintain financial flexibility and address maturity. Several financing options are available and will be considered.

Operationally, delivering on production targets and driving value creation on the Nova, Valhall and Hod fields continues to be a major priority for Pandion Energy and the board. An important part of this is the joint development of Valhall and Fenris, in which engineering, and procurement activities are on schedule and fabrication has started at several locations both in Norway and abroad. The company will proceed with the maturing of the discoveries on Ofelia, Slagugle, Calypso, Sierra/Solberg and the latest announced Mistral discovery. Ofelia discoveries reached DG1 decision in 2024 and PDO is planned for submission by the end of 2025.

The company remains committed to its strategy of being an active and responsible partner on the NCS. As part of this, the company is actively searching for and evaluating new investment opportunities (through acquisitions, farmins, licensing rounds and swaps, etc.) and to divesting assets to realise the value of its existing portfolio (through sale, farmdowns and swaps, etc.), and/or to seek business combinations that may lead to further profitable growth.

Oslo, Norway, 10 April 2025

The board of directors and CEO of Pandion Energy AS

Alan John Parsley
Chairman of the board

Jan Christian Ellefsen
CEO/Board member

Jason Aun Minn Cheng
Board member

Roberta Wong
Board member

Hege Peters
Board member

Responsibility statement

We confirm that, to the best of our knowledge, the financial statements for the period from 1 January to 31 December 2024 have been prepared in accordance with the simplified IFRS, pursuant to section 3-9 of the Norwegian Accounting Act and generally accepted accounting practice in Norway, and give a true and fair view of the assets, liabilities, financial position and results of Pandion Energy AS.

The notes form an integral part of the financial statements.

We also confirm that, to the best of our knowledge, the directors' report provides a true and fair overview of the development, performance and financial position of Pandion Energy AS, together.

Oslo, Norway, 10 April 2025

The board of directors and CEO of Pandion Energy AS

Alan John Parsley
Chairman of the board

Jan Christian Ellefsen
CEO/Board member

Jason Aun Minn Cheng
Board member

Roberta Wong
Board member

Hege Peters
Board member

Statement of comprehensive income

(USD` 000)	Note	2024	Restated 2023*
Revenues		222,693	223,385
Other income		818	550
Total revenues and income	4	**223,511**	**223,935**
Operating expenses	5, 9, 10	(36,151)	(41,246)
Depreciation, amortisation and net impairment losses	6, 7, 8	(87,492)	(98,363)
Exploration expenses	5, 9	(8,210)	(6,629)
Total expenses		**(131,853)**	**(146,239)**
Profit from operating activities		**91,658**	**77,695**
Interest income		1,101	2,002
Interest expenses		(16,631)	(18,996)
Other financial items		(9,640)	(10,556)
Net financial items	11	**(25,170)**	**(27,550)**
Profit before income tax		**66,489**	**50,145**
Income tax	12	(74,638)	(88,009)
Net loss		**(8,149)**	**(37,864)**

(USD` 000)	2024	Restated 2023*
Other comprehensive income:		
Items that may be reclassified subsequently to income statement	-	-
Items that will not be reclassified subsequently to income statement	-	-
Other comprehensive income for the year	-	-
Other comprehensive income/ (loss)	**-**	**-**
Total comprehensive loss	**(8,149)**	**(37,864)**

** Restated 2023 figures due to a policy change affecting asset retirement obligation leading to an impairment charge of goodwill. See note 2 Significant accounting policies, note 6 Property, plant and equipment, note 7 Intangible assets, note 8 Impairments and note 21 Asset retirement obligation.*

Statement of financial position

Assets

(USD` 000)	Note	2024	Restated 2023*
Goodwill	7	26,638	26,638
Intangible assets	7	97,133	85,230
Property, plant and equipment	6	599,006	624,637
Prepayments and financial receivables		1	119
Right-of-use assets	14	1,081	775
Total non-current assets		**723,858**	**737,398**
Inventories	16	18,078	7,881
Trade and other receivables	17	58,331	39,528
Financial assets at fair value through profit or loss	18	-	1,507
Cash and cash equivalents	19	21,262	30,428
Total current assets		**97,670**	**79,344**
Total assets		**821,528**	**816,742**

Equity and liabilities

(USD` 000)	Note	2024	Restated 2023*
Share capital		13,591	13,591
Other paid-in capital		100,640	100,640
Other equity		(16,912)	(8,763)
Total equity	20	**97,318**	**105,467**
Deferred tax liability	12	335,144	293,203
Long-term asset retirement obligations	21	200,114	216,803
Borrowings	22	75,586	106,619
Long-term lease debt	14	797	530
Long-term provision		-	2,189
Total non-current liabilities		**611,642**	**619,344**
Short-term asset retirement obligations	21	7,563	22,778
Trade, other payables and provisions	23	52,607	47,415
Borrowings - short term	22	16,941	-
Tax payable	12	33,395	21,189
Financial liabilities at fair value through profit or loss	18	1,933	363
Short-term lease debt	14	130	185
Total current liabilities		**112,569**	**91,931**
Total liabilities		**724,210**	**711,275**
Total equity and liabilities		**821,528**	**816,742**

** Restated 2023 figures due to a policy change affecting asset retirement obligation leading to an impairment charge of goodwill. See note 2 Significant accounting policies, note 6 Property, plant and equipment, note 7 Intangible assets, note 8 Impairments and note 21 Asset retirement obligation.*

Oslo, Norway, 10 April 2025

The board of directors and CEO of Pandion Energy AS

Alan John Parsley Chairman of the board	**Jan Christian Ellefsen** CEO/Board member	**Jason Aun Minn Cheng** Board member
Roberta Wong Board member		**Hege Peters** Board member

Statement of cash flows

(USD` 000)	Note	2024	Restated 2023*
Profit before income tax		66,489	50,145
Depreciation, amortisation and net impairment losses	6	87,492	98,363
Expensed capitalised exploration expenses	7	3,870	2,463
Accretion of asset retirement obligation	11, 21	8,644	7,111
Decrease in value of financial assets		(66)	(414)
Net financial expenses	11	16,526	20,439
Interest and fees paid		(16,146)	(16,102)
Decrease in working capital		(23,904)	(14,837)
Net income tax (paid) received		(19,305)	47,554
Net cash flow from operating activities		**123,599**	**194,723**

(USD` 000)	Note	2024	Restated 2023*
Payment for removal and decommissioning of oil fields	21	(20,836)	(17,421)
Investments in furniture, fixtures and office machines	6	-	(138)
Investments in oil and gas assets	6	(81,657)	(60,078)
Investments in exploration and evaluation assets	7	(15,772)	(24,355)
Net cash flow from investing activities		**(118,265)**	**(101,992)**
Proceeds from borrowings		18,000	-
Repayments of borrowings		(32,500)	(83,500)
Net cash flow from financing activities		**(14,500)**	**(83,500)**
Net change in cash and cash equivalents		**(9,166)**	**9,231**
Cash and cash equivalents - beginning of period		30,428	21,197
Cash and cash equivalents - end of period		21,262	30,428

** Restated 2023 figures due to a policy change affecting asset retirement obligation leading to an impairment charge of goodwill. See note 2 Significant accounting policies, note 6 Property, plant and equipment, note 7 Intangible assets, note 8 Impairments and note 21 Asset retirement obligation.*

Notes to the financial statements

NOTE 1 ORGANISATION

Pandion Energy AS ("Pandion Energy" or "the company") was established in November 2016 based on the operational platform and licences acquired from Tullow Oil Norge AS. The company is incorporated and domiciled in Norway and has its registered office at Lilleakerveien 8, 0283 Oslo, Norway. Pandion Energy AS is a private oil and gas company focusing on exploration, appraisal, development and production opportunities on the Norwegian continental shelf.

The company's financial statements for the period ending 31 December 2024 were authorised for issue in accordance with a resolution of the board of directors on 10 April 2025.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements of the company have been prepared in accordance with simplified IFRS, pursuant to Section 3-9 of the Norwegian Accounting Act and regulations regarding the simplified application of the IFRS issued by the Norwegian Ministry of Finance on 7 February 2022.

Basis of preparation

The financial statements have been prepared on a historical cost basis with some exceptions, as detailed in the accounting policies set out below. Based on an evaluation of the company's primary economic environment and related cash flows, the company has adopted the United States dollar (USD) as its functional and presentation currency. Cash flows from ordinary sales and financing activities are mainly generated in USD. Costs are influenced by a mix of NOK and USD, with NOK as the main currency. The subtotals and totals in some of the tables may not equal the sum of the amounts shown, due to rounding.

Expenses related to operating activities in the statement of income are presented as a combination of function and nature, in conformity with industry practice. Depreciation, amortisation and net impairment losses are presented on separate lines, based on their nature, while operating expenses and exploration expenses are presented on a functional basis. Operating expenses and exploration expenses, as presented in the statement of income include a share of salaries and related expenses reclassified using allocation keys based on time writing. Remuneration costs (salaries, pensions, etc.) are presented separately in the notes to the financial statements.

The statement of cash flows has been prepared in accordance with the indirect method.

Interests in joint operations (arrangements in which Pandion Energy and other participants have joint control, and each of the parties has rights to the assets and obligations for the liabilities in proportion to their respective share of the arrangement) and similar arrangements (licences) outside the scope of IFRS 11 are recognised on a line-by-line basis, reflecting the company's share of assets, liabilities, income and expenses.

Changes in accounting policies

The Company has, with effect from 1 January 2024, changed the accounting policy for asset retirement obligation (ARO). The discount rate for calculating ARO has historically included a credit element in addition to a risk-free rate. In line with the development in industry practice with regards to the interpretation of the relevant guidelines in IAS 37, the company has changed the discount rate so that this no longer includes a credit element. Comparative figures have been restated accordingly. As a result, the company has recorded the difference between the remeasured ARO and the historical ARO at 1 January 2023 as an adjustment to property, plant and equipment. The increased property, plant and equipment has led to an impairment charge of goodwill in the income statement in 2023.

There have not been any other significant changes to the accounting policies adopted for the 2024 financial year compared to those followed in the financial statements for 2023.

Certain new accounting standards and interpretations that have been published but are not mandatory for the reporting period ending 31 December 2024 have not been adopted early by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods, except for IFRS 18 Presentation and Disclosure in Financial Statements, expected to be effective from 2027, which may impact certain presentation items and associated disclosures in the income statements.

Foreign currency translation

Transactions in foreign currencies are translated into USD at the exchange rate in effect on the transaction date. Foreign exchange differences arising on translation are recognised in the statement of income as net financial items. Monetary balance sheet items are translated into USD according to the exchange rates prevailing on the balance sheet date, while profit or loss items are translated according to exchange rates on the transaction date. Non-monetary balance sheet items that are measured at historical cost are translated using the exchange rate on the transaction date. Equity transactions are also translated at the exchange rate on the transaction date.

Revenue recognition
Revenue from the sale of oil and gas is recognised upon delivery of products and customer acceptance, which normally is when title passes at point of delivery (sales method). This is usually at the time of loading oil or NGL on vessels used for transport, or at the agreed point of delivery for dry gas.

Lifting or offtake arrangements for oil and gas produced in the company's jointly owned operations are such that each participant may not receive and sell its precise share of the overall production in each period. Where Pandion Energy has lifted and sold more than its ownership interest, an accrual is recognised for the cost of the overlift. Where Pandion Energy has lifted and sold less than its ownership interest, costs are deferred for the underlift. Under- and overlift are valued at production cost including depreciation and are presented as an adjustment to cost.

Income tax
The components of income tax are current and deferred. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is tax that is to be paid or received for the year in question and also includes adjustments in current tax attributable to previous periods. Tax value of losses in the special tax base (71.8%) is refunded in connection with the tax assessment the following year.

The tax rates and tax laws used to compute the amount payable are those that are enacted or substantially enacted at the reporting date.

Deferred tax is calculated using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is a non-cash charge.

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits and unused tax losses carried forward, to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and unused tax credits and unused tax losses carried forward can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority/tax regime. Timing differences are taken into account.

Oil and gas exploration, evaluation and development expenditures
The company uses the 'modified successful efforts' method to account for exploration and evaluation costs. Pre-licence costs are expensed in the period in which they are incurred. All licence acquisition, exploration and evaluation costs, as well as directly attributable administration costs, are initially capitalised in cost centres by well, field or exploration area, as appropriate.

Capitalised exploration costs and evaluation expenditures that relate to wells in which proved reserves are found are transferred from intangible assets to property, plant and equipment when the plan for development and operation (PDO) is approved by the Norwegian authorities, or by licence partners, if no government approval is required. This also applies to expenditures to acquire mineral interests in oil and gas properties. All field development costs are capitalised as property, plant and equipment.

Property, plant and equipment
Property, plant and equipment is recognised at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation, if any, an exploration cost transferred from intangible assets and, for qualifying assets, borrowing costs.

Expenditure on major maintenance programmes or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will flow to the company, the expenditure will be capitalised. Inspection and overhaul costs associated with regularly scheduled major maintenance programmes planned and carried out at recurring intervals exceeding one year will be capitalised and amortised over the period to the next scheduled inspection and overhaul. All other maintenance costs will be expensed as they are incurred.

Oil and gas producing properties are depreciated individually using the unit-of-production ("UOP") method as proved and probable developed reserves are produced. The rate of depreciation is equal to the ratio of oil and gas production for the period to the estimated remaining proved and probable reserves expected to be recovered at the beginning of the period. Any changes in the reserve estimate that affect unit-of-production calculations are accounted for prospectively over the revised remaining reserves. Oil and gas-producing assets are depreciated on a field level. A field during development would not be amortised until production from that field commences. The company includes undeveloped reserves (proved and probable reserves but not contingent resources) in the denominator, and consequently includes the future development expenditures necessary to bring those reserves into production in the basis for depreciation.

The estimated useful lives of property, plant and equipment are reviewed on an annual basis and changes in useful lives are accounted for prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in other income or operating expenses, respectively, in the period the item is derecognised.

Intangible assets and goodwill
Intangible assets are stated at cost, less accumulated amortisation and accumulated impairment losses. Intangible assets include expenditure on the exploration for and evaluation of oil and natural gas resources and goodwill.

Intangible assets relating to expenditures on the exploration for and evaluation of oil and natural gas resources are not amortised. When the plan for development and operation (PDO) is approved by the Norwegian authorities, or by licence partners if no government approval is required, its intangible exploration and evaluation assets are reclassified to property, plant and equipment.

Goodwill is measured initially as the excess of the aggregate of the consideration transferred and the amount recognised for any non-controlling interest over the fair value of the identifiable assets acquired and the liabilities assumed in a business combination on the acquisition date.

Goodwill is also recognised as the offsetting accounting entry for the deferred tax liability recorded on the differences between the assigned fair value of an asset and the related tax base acquired in a business combination.

Goodwill acquired is allocated to each cash-generating unit (CGU), or group of CGUs, expected to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Financial assets
Trade and other receivables are recognised at the original invoice amount, less a provision for doubtful receivables. Such a provision is made when there is objective evidence that the company will be unable to recover the balances in full.

Financial assets are presented as current if these will contractually expire or are otherwise expected to be recovered less than 12 months after the reporting date, or if these are held for the purpose of being traded. Financial assets and financial liabilities are shown separately in the statement of financial position, unless Pandion Energy has both a legal right and a demonstrable intention to settle net certain balances payable to and receivable from the same counterparty, in which case they are shown net in the balance sheet.

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

The carrying amount of trade and other receivables and cash and cash equivalents is approximately equal to fair value since these instruments have a short term to maturity.

Impairment of property, plant and equipment and intangible assets other than goodwill
The company assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Individual

assets are grouped based on the lowest level of separately identifiable and largely independent cash inflows. Normally, separate cash-generating units (CGUs) are individual oil and gas fields or plants. For capitalised exploration expenditures, the CGUs are individual wells. In Pandion Energy AS's line of business, judgement is involved in determining what constitutes a CGU. Developments in production, infrastructure solutions, markets, product pricing, management actions and other factors may over time lead to changes in CGUs, such as the division of one original CGU into several.

When assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. The recoverable amount of an asset is the higher of its fair value less the cost of disposal and its value in use. Fair value less the cost of disposal is determined on the basis of comparable recent arm's length market transactions, or on Pandion Energy's estimate of the price that would be received for the asset in an orderly transaction between market participants. Value in use is determined using a discounted cash flow model. The estimated future cash flows applied are based on reasonable and supportable assumptions and represent management's best estimates of the range of economic conditions that will exist over the remaining useful life of the assets. Pandion Energy takes an approach that involves regular updates of assumptions and economic conditions when establishing long-term forecasts. These are reviewed by corporate management and updated at least annually. For assets and CGUs with an expected useful life or timeline for production of expected reserves extending beyond five years, the forecasts reflect the expected production volumes for oil and natural gas, and the related cash flows include project or asset-specific estimates reflecting the relevant period.

Unproved oil and gas properties are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, and at least once a year. Exploratory wells that have found reserves, but where classification of such reserves as proved depends on whether major capital expenditure can be justified or where the economic viability of that major capital expenditure depends on the successful completion of further exploration work, will remain capitalised during the evaluation phase for the exploratory finds. Thereafter, an impairment evaluation of the well may be triggered if no development decision is planned for the near future and there are no firm plans in the licence for future drilling.

At each reporting date, an assessment is made of whether there is any indication that previously recognised impairment losses may no longer be relevant or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss will only be reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such cases the carrying amount of the asset will be increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Impairment losses and reversals of impairment losses are presented in the statement of income as exploration expenses or depreciation, amortisation and net impairment losses, on the basis of their nature as either exploration assets (intangible exploration assets) or development and producing assets (property, plant and equipment and other intangible assets).

Impairment of goodwill
Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the CGU, or group of CGUs, to which the goodwill relates. Where the recoverable amount of the CGU, or group of CGUs, is less than the carrying amount, an impairment loss is recognised. Once recognised, impairments of goodwill will not be reversed in future periods.

Financial liabilities
Interest-bearing loans and borrowings are recognised initially at cost and subsequently measured at amortised cost using the effective interest method. The calculation of amortised cost includes any issue costs as well as discount or premium on settlement.

Financial liabilities are presented as current if the liabilities are due to be settled less than 12 months after the reporting date, or if these are held for the purpose of being traded. The carrying amount of trade and other payables, liabilities to related parties and borrowings is approximately equal to fair value, since the effect of discounting is not significant.

Derivative financial Instruments
Pandion Energy uses derivative financial instruments to manage certain exposures to fluctuations in foreign currency exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which the contracts are entered into and are subsequently re-measured at fair value through profit or loss. The impact of commodity-based derivative financial instruments is recognised in the income statement

as other income. The impact of derivative financial instruments is reflected under net financial items.

Borrowing costs and capitalisation of interest
Interest expenses and arrangement fees on borrowings intended to finance the construction of property, plant and equipment are capitalised during the period that is required to complete and prepare the asset for its intended use, which is defined as the development phase. Other borrowing costs are expensed when incurred. The capitalisation of borrowing costs is recognised monthly on the basis of the company's annual average interest expense. The monthly capitalisation is based on the capitalised assets for each project.

Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised under interest and other financial expenses in net financial items.

Asset retirement obligations (ARO)
Provisions for ARO costs are recognised when the company has an obligation (legal or constructive) to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reasonable estimate of that liability can be made. The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. Cost is estimated based on current regulations and technology, taking account of relevant risks and uncertainties. The discount rate used in the calculation of the ARO is determined using an estimated risk-free interest-rate. Normally, an obligation arises for a new facility, such as an oil and natural gas production or transportation facility, upon construction or installation. An obligation may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations, or may be based on commitments associated with the company's ongoing use of pipeline transport systems, where removal obligations rest with the volume shippers. The provisions for ARO are classified on a separate line in the statement of financial position.

When a provision for ARO costs is recognised, a corresponding increase in the related property, plant and equipment is also recognised. This is subsequently depreciated as part of the costs of the facility or item of property, plant and equipment. Any change in the present value of the estimated expenditures is reflected as an adjustment to the provision and the corresponding item of property, plant and equipment. When a decrease in the ARO provision related to a producing asset exceeds the carrying amount of the asset, the excess is recognised as a reduction of depreciation, amortisation and net impairment losses in the statement of income. When an asset has reached the end of its useful life, all subsequent changes to the ARO provision are recognised, as they occur in operating expenses in the statement of income.

Critical accounting estimates and judgements
Preparation of the financial statements requires the company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as contingency disclosures. The actual results may ultimately differ from the estimates and assumptions used. The estimates and the underlying assumptions are reviewed on an ongoing basis. Changes in estimates will be recognised when new estimates can be determined with certainty.

The matters described below are the most important in understanding the key sources of estimation uncertainty that are involved in preparing the financial statements, and the uncertainty that could most significantly impact the amounts reported for operating profit/loss, financial position and cash flows.

Proven and probable oil and gas reserves
Proven and probable oil and gas reserves have been estimated based on industry standards. The estimates are based on internal information, together with independent third-party review and information received from the operators. Proven and probable oil and gas reserves comprise the estimated quantities of crude oil, natural gas and condensates shown by geological and technical data to be recoverable with reasonable certainty from known reservoirs under existing economic and operational conditions, i.e. on the date the estimates are prepared. Current market prices are used in the estimates, with the exception of existing contractual future price changes. Proven and probable reserves and production volumes are used to calculate the depreciation of oil and gas fields by applying the unit-of-production method. Reserve estimates are also used as the basis for testing impairment of licence-related assets. Changes in petroleum prices and cost estimates may change reserve estimates and, accordingly, the economic cut-off, which may impact the timing of assumed

decommissioning and removal activities. Changes to reserve estimates can also be caused by updated production and reservoir information.

Future changes to proven and probable oil and gas reserves can have a material effect on depreciation, field life, impairment of licence-related assets and operating results.

Carrying value of intangible exploration and evaluation assets
Where a project is sufficiently advanced, the recoverability of intangible exploration assets is assessed by comparing the carrying value to internal and operator estimates of the net present value of projects. The value of intangible exploration assets is inherently a matter of judgement. The amounts for intangible exploration and evaluation assets represent active exploration projects. These amounts will be written off and recognised in the income statement as exploration expenses, unless commercial reserves are established, or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

Goodwill
The company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of each cash-generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. Where the recoverable amount of a CGU, or group of CGUs, is less than the carrying amount, an impairment loss is recognised.

Asset retirement obligations (ARO)
The company has obligations to decommission and remove offshore installations at the end of the production period. The costs of these decommissioning and removal activities must be revised, due to changes in current regulations and technology, as well as relevant risks and uncertainties. Most of the removal activities will take place many years into the future, and removal technology and costs are constantly changing. The estimates include assumptions of the time required and the day rates for rigs, marine operations and heavy-lift vessels, which may vary considerably depending on the projected removal complexity. As a result, the initial recognition of the liability and the capitalised cost associated with decommissioning and removal obligations, and the subsequent adjustment of these balance sheet items, require significant discretionary judgement.

Tax
The company may incur significant amounts of tax payable or receivable, and recognises significant changes to deferred tax liabilities or deferred tax assets. These figures are based on management's interpretation of the applicable laws and regulations, and on relevant court rulings. The quality of these estimates is highly dependent on management's ability to properly apply a complex set of rules and identify changes to the existing legal framework.

Climate effects on estimation uncertainty
The effects of the initiatives to limit climate changes and the potential impact of the energy transition are relevant to some of the economic assumptions in our estimations of future cash flows. The results of the development of such initiatives, and the degree to which Pandion Energy's operations will be affected by them, are sources of uncertainty. Estimating global energy demand and commodity prices in the future is a challenging task, as this comprises assessing the future development in supply and demand, technology change, taxation, tax on emissions, production limits and other important factors. The assumptions may change over time, which could result in different outcomes from the current projected scenarios. This could lead to significant changes to accounting estimates, such as economic useful life (affects depreciation period and timing of asset retirement obligations), value-in-use calculations (affects impairment assessments) and measurement of deferred tax assets.

NOTE 3 FINANCIAL RISK MANAGEMENT

General information relevant to financial risks
Pandion Energy's activities expose the company to market risk (including commodity price risk, currency risk and interest-rate risk) liquidity risk and credit risk. The company's approach to risk management includes assessing and managing risk with a focus on achieving the highest risk-adjusted returns for its shareholders.

Commodity price risk
Pandion Energy operates in the crude oil and natural gas market. Fluctuations in hydrocarbon prices can therefore have an effect on the company's revenue. Commodity price risks represent the company's most important market risk going forward. To manage this, Pandion Energy secures cash flows from the sale of crude oil through commodity price hedging. However, a downturn in oil prices could still discourage market players from investing in exploration and new developments. That, in turn, could adversely affect the company's growth ambitions.

To reduce risk related to oil price fluctuations, Pandion Energy has established an oil-price hedging programme. At year-end 2024, the hedging programme was based on put options. At 31 December 2024, 68 per cent of after-tax (19 per cent of pre-tax) crude oil production volumes had been hedged for January–December 2025 at an average floor price of USD 54 per boe (USD 52.0 per boe net of costs). Additional positions may be added to the programme, but the structure, amount and levels of any further hedging will depend on how the market for commodity derivatives develops.

Currency risk

Currency risks arise from multi-currency cash flows in Pandion Energy. The company is exposed to foreign exchange risk on its purchases and sales, including financing costs denominated in currencies other than USD. The company will therefore preferably raise funding in USD. In 2024 and 2023 the company's debt portfolio has only comprised borrowings in USD.

Based on an evaluation of the company's primary economic environment and related cash flows, the company has adopted the USD as its functional and presentation currency. Cash flows from ordinary sales and financing activities are mainly generated in USD. The currencies that influence costs are a mix of NOK and USD, with NOK the main currency. To reduce the risk related to its exposure to USD/NOK fluctuations, the company has purchased forward contracts in which the underlying transaction is to sell USD and buy NOK.

Interest-rate risk

The company's interest-rate risk arises from its interest-bearing borrowings. Borrowings at floating interest rates expose the company to interest-rate risk. The new senior unsecured bond was issued at fixed-rate terms, thereby reducing the company's interest-rate risk exposure. See Note 24 for information about the floating interest-rate conditions on the reserve-based lending (RBL) facility.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations when they fall due. The purpose of liquidity management is to make certain that the company always has sufficient funds available to cover its financial liabilities. To identify current and future financing needs, Pandion Energy develops short-term (12-month) and long-term forecasts to plan its liquidity. These forecasts are updated regularly for various scenarios and are used to support the decisions of the company's management and Board.

At 31 December 2024, Pandion Energy's debt financing included a reserve-based lending (RBL) facility in the amount of USD 200 million, with an additional uncommitted accordion of USD 200 million, and a senior unsecured bond of USD 75 million. Please refer to Note 22 in the financial statements for further details.

Credit risk

Credit risk arises from cash and cash equivalents; contractual cash flows from debt investments carried at amortised cost and at fair value through profit or loss (FVTPL); favourable derivative financial instruments; and deposits with banks and financial institutions. There is also a minor credit risk exposure related to trade receivables and overcall in licences. The company's licence partners are creditworthy oil companies, and cash and cash equivalents are receivables from banks.

Climate-related risk

Pandion Energy employs scenario analysis to assess potential impacts of the climate change and energy transition on its business, financial performance, and long-term strategy.

The risks and opportunities are defined in short (zero to three years), medium (three to 10 years), and long-term (10 to 25 years) perspectives, with a focus on transitioning to a low-carbon economy and reducing GHG emissions. The climate related risks are grouped into two major categories:

- Transition risk related to anticipated transition to a lower-carbon economy
- Physical risk related to the physical impacts of climate change

Pandion Energy assesses physical risks from climate change as less material to its business and more manageable and transition risk is deemed most relevant for financial reporting. The assessment of physical climate-related risks as less material is informed by the expectation that such risks will intensify over a longer term. Future production in the long-term view (beyond 2035) is planned to involve the Valhall and Hod fields and production from discoveries in the current portfolio. The latter is likely to involve newer infrastructure designed to withstand evolving weather conditions, incorporating updated data and structural design limits. While the Valhall and Hod fields have been subject to modernisation over several years with removal of old infrastructure and planned installation of a new central platform, aiming to mitigate these risks and extend the fields' operational lifespan.

Selected scenarios are evaluated to assess possible shifts in the macroeconomic outlook, technology developments, policy and legal implications, and projected demand for the company's petroleum products. Each energy-transition scenario yields a range of commodity prices for power, gas, oil and so forth, and environmental taxes and fees. These assumptions are applied to refine the understanding of climate-related risks and opportunities and to assess the resilience of the company's portfolio. Pandion Energy's scenario analysis includes the scenarios from the most recent World Energy Outlook (WEO) published by IEA. These scenarios are commonly used by our industry peers and can help investors and other stakeholders assess portfolio resilience across companies.

In order to minimise the exposure to transition risk, Pandion Energy has committed to sustaining its low-carbon-impact position in the industry and to remaining carbon neutral (on scope 1 and scope 2 basis). Pandion Energy's strategy for net-zero carbon rests on four key pillars:

- working with industry to meet the GHG emission targets set by national regulators
- committing to net-zero carbon operations by offsetting the remaining hard-to-abate CO_2 equivalent emissions
- aligning investment criteria to maintain a low carbon footprint in its portfolio
- promoting transparency and accountability

Although the above mitigating actions could limit the exposure, the company's financial performance may be significantly impacted by the transition risk. To illustrate the potential impact on financial performance, the company has included sensitivity analyses in the following areas:

- Impairment (Note 8): Impairment sensitivity on oil and gas prices in selected IEA scenarios
- Asset retirement obligations (Note 21): The impact on book value of asset retirement obligation if cease of production were accelerated by 10 years on fields with an estimated lifetime after 2040.

As part of the transition to a lower-carbon economy it is possible that the environmental taxes can increase faster and rise higher than what its anticipated. The company`s sensitivity to the carbon prices is further described in Note 8.

NOTE 4 REVENUES AND OTHER INCOME

All revenues are generated from activities on the Norwegian continental shelf and derive from the sale of oil, gas and NGL. Pandion Energy has therefore decided not to include segment information, as this would only state the same figures already presented in the statement of income and the statement of financial position.

The company's revenue is disaggregated as follows:

(USD '000)	**2024**	**2023**
Oil	196,399	197,795
Gas	23,747	21,259
NGL	2,547	4,330
Total revenues	**222,693**	**223,385**

(USD '000)	**2024**	**2023**
Realised gain/(loss) on oil derivaties	(646)	(1,016)
Unrealised gain/(loss) on oil derivates	(19)	423
Other*	1,482	1,143
Total other income	**818**	**550**

** "Other" mainly comprises a change in the estimate of contingent considerations.*

Directors' report & financial statements

NOTE 5 OPERATING AND EXPLORATION EXPENSES

(USD '000)	**2024**	**2023**
Production costs	30,997	30,716
Tariff and transportation costs	9,326	10,593
Other costs	3,919	5,111
Operating expenses based on produced volumes	**44,243**	**46,421**
Adjustment for over-/(underlift)	(6,037)	586
Change in value of deferral settlements	(2,055)	(5,760)
Operating expenses based on sold volumes	**36,151**	**41,246**
Total produced volumes (boe '000)	2,908	3,031
Production costs per boe produced (USD/boe)	11	10
Operating expenses per boe produced (USD/boe)	15	15

(USD '000)	**2024**	**2023**
Expensed costs, seismic and studies	290	140
Expensed costs, general and administrative	4,050	4,026
Expensed exploration expenditures previously capitalised	3,870	2,463
Total exploration expenses	**8,210**	**6,629**

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

(USD '000)	**Oil and gas assets**	**Tools and equip-ment***	**Total**
Cost at 1 January 2023	683,257	315	683,573
Asset retirement obligation - change in accounting policy**	41,751	-	41,751
Additions	46,363	138	46,501
Asset retirement obligation - New or increased provisions	2,618	-	2,618
Asset retirement obligation - change of estimate	42,932	-	42,932
Cost at 31 December 2023 (restated)	816,922	453	817,375
Accumulated depreciation and impairments 1 January 2023	(130,578)	(225)	(130,803)
Depreciation	(61,863)	(73)	(61,936)
Accumulated depreciation and impairments 31 December 2023	(192,441)	(298)	(192,739)
Carrying amount at 31 December 2023 (restated)	**624,482**	**155**	**624,637**
Cost at 1 January 2024	816,922	453	817,375
Additions	81,657	-	81,657
Asset retirement obligation - change of estimate	(19,713)	-	(19,713)
Cost at 31 December 2024***	878,866	453	879,319
Accumulated depreciation and impairments 1 January 2024	(192,441)	(298)	(192,739)
Depreciation	(72,592)	(83)	(72,674)
Impairment	(14,900)	-	(14,900)
Accumulated depreciation and impairments 31 December 2024	(279,932)	(380)	(280,313)
Carrying amount at 31 December 2024	**598,933**	**73**	**599,006**
Estimated useful lives (years)	UoP	1-2	

* *Depreciation of tools and equipment is allocated to development, operational and exploration activities on the basis of the registered technical and administrative assistance provided (so-called time writing).*

** *Reference is made to the description of change in the accounting principle for asset retirement obligation. Following the change in accounting principle, the comparative figures have been restated accordingly*

*** *Legal ownership of incremental equipment amounting to USD 15.7 million has been transferred from Nova to Gjøa*

NOTE 7 INTANGIBLE ASSETS

(USD '000)	**Technical Goodwill***	**Exploration evaluation**	**Total**
Cost at 1 january 2023	124,785	114,638	239,423
Capitalised licence costs	-	24,355	24,355
Cost at 31 December 2023	124,785	138,993	263,778
Accumulated depreciation and impairments 1 january 2023	(61,647)	(51,300)	(112,947)
Impairment - change in accounting policy**	(36,500)	-	(36,500)
Expensed exploration expenditures previously capitalised***	-	(2,463)	(2,463)
Accumulated depreciation and impairments 31 December 2023 (restated)	(98,147)	(53,763)	(151,910)
Carrying amount at 31 December 2023 (restated)	**26,638**	**85,230**	**111,868**
Cost at 1 january 2024	124,785	138,993	263,778
Capitalised licence costs	-	15,772	15,772
Cost at 31 December 2024	124,785	154,765	279,550
Accumulated depreciation and impairments 1 January 2024	(98,147)	(53,763)	(151,910)
Expensed exploration expenditures previously capitalised***	-	(3,870)	(3,870)
Accumulated depreciation and impairments 31 December 2024	(98,147)	(57,633)	(155,779)
Carrying amount at 31 December 2024	**26,638**	**97,133**	**123,771**

* *"Technical Goodwill" relates entirely to the acquisition of interests in the Valhall and Hod oil fields.*

** *Reference is made to the description of change in the accounting principle for asset retirement obligation. Following the change in accounting principles, the comparative figures have been restated accordingly.*

*** *Expensed exploration expenditures relate to licence relinquishment decisions and a lack of prospectivity in licences not yet relinquished.*

NOTE 8 IMPAIRMENT

Individual cash-generating units (CGUs) are tested for impairment when impairment triggers are identified. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Two categories of impairment tests have been performed as at 31 December 2024:
- Test for impairment of oil and gas assets and related intangible assets
- Test for impairment of goodwill

An impairment of Nova amounting to USD 14.9 million has been charged during 2024. The impairment is partly offset by a change in deferred tax of USD 5.0 million. No impairments of any other oil and gas assets and related intangible assets or technical goodwill were recognised in 2024.

The amount of goodwill recognised in the statement of financial position as technical goodwill relates entirely to the acquisition of interests in the Valhall and Hod fields. Technical goodwill arises from the requirement to recognise a deferred tax liability for the difference between the assigned fair values and the related tax base. Technical goodwill was recognised as the counter entry for deferred tax on oil fields deriving from the acquisition.

Technical goodwill is tested for impairment separately for the Valhall and Hod fields. The carrying value of the Valhall and Hod fields comprises the carrying values of the oil and gas field assets plus associated technical goodwill. When deferred tax liabilities from the acquisitions decrease as a result of depreciation, more technical goodwill is exposed to impairment. This may lead to future impairment write-downs even if other assumptions remain unchanged.

Following the change in principle regarding the discount rate that is used for calculating the value of the asset retirement obligation, the company has recognised an impairment of technical goodwill related to the Valhall and Hod fields in restated numbers for 2023 amounting to USD 36.5 million.

When assessing whether an impairment is required at 31 December 2024, Pandion Energy has used a combination of Brent forward curve from the beginning of 2025 to the end of 2026, a mean of market participant view from 2027 to 2030, and 70 USD per boe in real terms from 2031 and onwards. An inflation rate of 2 per cent per annum and a discount rate of 9 per cent have been applied to calculate the future post-tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as at 31 December 2024:

Year	Brent oil price* USD/boe	Currency rates USD/NOK
2025	72	11.4
2026	71	11.3
2027	68	11.1
2028	72	10.8
2029	68	10.5
2030	70	10.3
From 2031	70	10.0

** Prices in real 2024 terms.*

The table below shows how the impairment of the Nova and the Valhall and Hod fields including goodwill would be affected by changes in the various assumptions, given that the remaining assumptions are constant. The impairment amounts will partly be offset by changes in deferred tax.

(USD '000)	Change	Impairment
Commodity prices forward period (2025-2026) reduced by	10 %	4,790
Commodity prices long term (from 2027) reduced by	10 %	8,410
Production profile (reserves) reduced by	5 %	6,860
Discount rate increased by	1 %	2,390
Inflation reduced by	1 %	3,430
Currency rate, USD/NOK reduced by	1 NOK/USD	1,100

Climate-related risk

As described in Note 3 on climate-related risk, sensitivity analyses have been performed on various scenarios from the International Energy Agency (IEA) and have been included in a separate sensitivity test as presented below.

IEA scenarios:

- **Net zero emissions by 2050 scenario (NZE2050)** outlines a pathway for the global energy sector to achieve net zero CO_2 emissions by 2050 to fulfil the Paris agreement and limit global warming to 1.5°C from pre-industrial level by 2100. The scenario aligns with the best practice recommended by the TCFD to assess the company's resilience to a 2°C or lower scenario. NZE2050 is a normative scenario first published by the IEA in 2021, as it has been updated for the 2024 WEO it starts from a higher level of fossil fuel demand and emissions than the previous versions, and has a shorter time span to achieve global net zero target by 2050. In NZE2050, oil and gas demand declines by almost 80 per cent in 2050 from current level.
- **Announced pledges scenario (APS)** which assuming all energy and climate targets made by governments and industries are met in full and on time. The scenario includes all recent major national announcements, both 2030-targetrs and longer-term net zero or carbon neutrality pledges, regardless of whether these announcements have been anchored in legislation or in updated Nationally Determined Contributions (NDCs), irrespective of whether those commitments are underpinned by specific policies to secure their implementation. In the APS, global oil demand to peak prior to 2030, marginally down from the current level. Oil demand is projected to fall by more than 40 per cent from current level towards 2050, while global natural gas demand declines at a slower rate.
- **Stated policies scenario (STEPS)** provides an outlook for the future direction of the energy system based on a review of the current policy landscape. The scenario takes into consideration policies and measures that have been put in place, as well as those under development, without assuming that all announced goals and energy-related objectives will be achieved. The STEPS provides a more conservative benchmark than the NXE and APS. Similarly to the APS, it is not designed to achieve a particular outcome. In STEPS, both global demand for oil and natural gas continues to grow before peaking around 2030 and then slightly start declining towards the end of the forecast period.

The scenario price-sets have been retrieved from the IEA's dataset for World Energy Outlook 2024. Prices are adjusted for inflation and presented in real 2024 terms. When preparing these illustrative scenarios, we have linearly interpolated between current prices and the prices disclosed in the table below for the different scenarios:

Brent oil price, USD/boe, in real 2024 terms	Management assumptions	NZE 2050	APS	STEPS
2025	72	72	72	72
2030	70	43	73	81
2040	70	31	64	79
2050	70	26	59	77

Gas price, USD/mcf, in real 2024 terms	Management assumptions	NZE 2050	APS	STEPS
2025	15	15	15	15
2030	9	4	6	7
2040	9	4	5	8
2050	9	4	5	8

The table below summarises how the impairment charge would increase (+) or decrease (-) using the oil and gas price assumptions in the different scenarios. The impairment amounts will partly be offset by changes in deferred tax.

USD million	NZE 2050	APS	STEPS
Technical goodwill	26,683	-	-
Valhall and Hod assets	209,318	-	-
Nova asset	25,924	1,633	(6,227)

There is significant uncertainty in climate change policies and initiatives, and the degree to which Pandion Energy's operations will be affected by them. Estimating global energy demand and commodity prices towards 2050 is a challenging task, as it comprises assessing the future development in supply and demand, technology change, taxation, tax on emissions, production limits and other important factors. The assumptions may change over time, which could result in different outcomes from the current projected scenarios.

Sensitivity to increased carbon cost

In addition to the national Norwegian carbon tax, petroleum operations on the NCS are subject to the European Union Allowances (EUA) for emissions traded under the EU ETS. In accordance with the Norway's Climate Action Plan for 2021 – 2030 issued in January 2021, a target was set to gradually increase the total cost per tonne of CO_2 to 2,400 NOK in 2030 (in real 2024 terms). This target is reflected in the company's planning assumptions.

Relative carbon price assumptions	Management assumptions	NZE 2050	APS	STEPS
2030	100 %	61 %	59 %	61 %
2050	100 %	106 %	85 %	67 %

Pandion Energy's' carbon price assumptions significantly exceed prices assumed under the IEA's scenarios in 2030 and is in line with the most severe scenario in 2050. Due to the company`s low carbon intensity the NPV of future carbon costs is limited.

NOTE 9 PAYROLL EXPENSES AND REMUNERATION

(USD '000)	**2024**	**2023**
Salaries & bonuses	2,201	6,926
Employer's National Insurance Contributions (NICs)	809	809
Pension expenses	491	490
Other remuneration	191	161
Total payroll expenses	**3,692**	**8,386**

The company had an average of 24.5 employees in 2024, compared to 25 employees in 2023. The number of employees at year-end was 24, compared to 25 at the close of 2023.

The decrease in salaries in 2024 is primarily due to a reduced accounting provision related to the long-term incentive plan. The size of the provision is based on several assumptions, which may vary from year to year. See below for more information about the long-term incentive plan. Salaries include bonuses in addition to base salary and holiday pay.

If certain objectives are met, the employees will be granted an annual bonus as a percentage of their total base salary in the range of 0-50 per cent. It will be up to the Board to decide whether to pay bonuses on the basis of the previous year's performance.

As part of the company's bonus scheme, employees may receive phantom shares that follow the pricing of the company's real shares. Phantom shares are accounted for as a cash-settled share-based payment. The fair value of phantom shares at the exit date is calculated on the basis of the fair value of mandatory shares on the grant date and the estimated probability of each employee remaining employed at the exit event. The amount is recognised over the estimated vesting period. The fair value of the liability for phantom shares, including employer's

National Insurance Contributions (NICs) and holiday pay, is recalculated at the end of each financial year and at the date of settlement, based on a valuation prepared by Kerogen (the majority shareholder). Any changes in fair value are recognised in profit or loss for the period. When an exit event occurs, the value of the phantom shares will be paid as a cash settlement to the employees (as salary).

In addition, the management team and key employees are part of a long-term incentive plan that offers rewards should an exit event occur in the company. A liability related to the long-term incentive plan is calculated at the end of the reporting period and is recognised over the estimated vesting period. The fair value depends on several assumptions related to factors such as exit value, discount rate and estimated probability of each employee remaining employed when the hypothetical exit event takes place. The company is required to have an occupational pension scheme in accordance with the Norwegian Mandatory Occupational Pensions Act ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirements of the Act. Contributions are paid according to pension insurance plans. The company operates a defined contribution pension plan for its employees. With a defined contribution plan, the company pays contributions to an insurance company. After the contribution has been made, the company has no further payment obligation. The contribution is recognised as a payroll expense. Prepaid contributions are reflected as an asset (pension fund) to the degree that the contribution can be refunded or will reduce future payments.

Compensation to the chief executive officer (CEO)

(USD '000)	2024	2023
Salaries	339	319
Bonuses	139	117
Pension expenses	20	19
Other remuneration	2	4

Like other company employees, the CEO is part of a bonus scheme and receives annual benefits ranging from 0-50 per cent of base salary, depending on certain performance-related criteria. In addition, the CEO is part of a long-term incentive plan offering rewards should an exit event occur in the company. The CEO is entitled to 15 months' severance pay if certain conditions are met.

The compensation paid to the Chairman of the Board totalled USD 50,000 in 2024 and USD 50,000 in 2023.

No loans have been granted by Pandion Energy and no guarantees have been issued to the CEO or any member of the board of directors.

Jan Christian Ellefsen (the CEO) and Hege Peters (VP Finance & Business Support) are both members of the board of directors and indirectly own 0.74 per cent and 0.32 per cent, respectively, of the shares in Pandion Energy AS.

NOTE 10 AUDITOR'S REMUNERATION

(USD '000)	2024	2023
Audit fee	106	99
Other services	28	20
Total remuneration to auditor	**134**	**119**

NOTE 11 FINANCIAL ITEMS

(USD '000)	2024	2023
Interest income	1,101	2,002
Total interest income	**1,101**	**2,002**
Interest expenses	(16,193)	(17,242)
Interest on lease debt	(240)	(80)
Capitalised interest cost, development projects	247	121
Amortised loan costs	(446)	(1,795)
Total interest expenses	**(16,631)**	**(18,996)**
Net foreign exchange gains/(losses)	1,299	(4,467)
Foreign exchange gains/(losses) on derivative financial instruments	(2,302)	1,143
Accretion expenses	(8,644)	(7,111)
Other financial items	7	(121)
Total other financial items	**(9,640)**	**(10,556)**
Net financial items	**(25,170)**	**(27,550)**

The decrease in total interest expenses in 2024 is attributable to reduced debt resulting in reduced interest and amortised loan costs. Net foreign gains/losses are reduced. Accretion expenses have increased due to an increased average asset retirement obligation through 2024 compared to 2023.

The company has entered into derivative contracts during the financial year. These contracts are forward foreign exchange contracts, executed as over-the-counter (OTC) transactions with the company's RBL facility banks as counterparties. The purpose of these contracts is to hedge currency exposure. To mitigate the risk associated with USD/NOK exchange rate fluctuations, the company has purchased forward contracts where the underlying transaction involves selling USD and buying NOK.

NOTE 12 TAXES

(USD '000)	**2024**	**2023**
Tax payables	31,230	20,730
Change deferred tax balance sheet	41,967	67,263
Adjustments related to prior periods	1,440	17
Income tax	**74,638**	**88,009**

Reconciliation of statutory tax rate to effective tax rate

(USD '000)	**2024**	**Restated 2023**
Profit before income tax	66,489	50,145
Calculated income taxes at		
Corporate tax rate 22%	14,627	19,062
Special petroleum tax rate 71.8%*	37,236	48,525
Tax effect of permant differences	(2,071)	(2,280)
Tax effect of financial and other Items allocated onshore	13,049	13,829
Tax effect of change in temporary differences with no deferred tax	12,568	11,280
Tax effect of uplift	(3,231)	(1,232)
Tax effect of adjustments prior period	1,440	17
Tax effect of deferred tax assets not recognised	10	39
Tax effect of currency translation differences	1,007	(1,230)
Income tax	**74,638**	**88,009**
Effective tax rate	112.3 %	175.5 %

** Norwegian petroleum income is taxable at a nominal tax rate of 71.8 per cent.*

The difference in the effective tax rate in 2024 compared to the total statutory tax rate of 78 per cent is mainly related to financial items that are only deductible in corporate tax and depreciation/impairment of the asset acquisition value with no deferred tax.

Significant components of deferred tax assets and liabilities were as follows

(USD '000)	**2024**	**2023**
Deferred tax assets on		
Losses and uplift carried forward	375	830
Asset retirement obligations	161,996	154,316
Other items	2,274	2,652
Deferred tax asset not recognised	(417)	(455)
Total deferred tax assets	164,228	157,343
Deferred tax liabilities on		
Property, plant and equipment	(490,868)	(447,882)
Capitalised exploration expenditures and capitalised interest	(2,698)	(2,505)
Other items	(5,806)	(160)
Total deferred tax liabilities	(499,372)	(450,547)
Net deferred tax liabilites in balance sheet	**(335,144)**	**(293,203)**

Change in net deferred tax liabilities during the year

(USD '000)	**2024**	**2023**
Net deferred tax liability at 1 January	(293,203)	(225,903)
Charged to the statement of income	(41,967)	(67,300)
Deferred tax related to prior periods	26	-
Net deferred tax liability at 31 December	**(335,144)**	**(293,203)**

Reconciliation of tax receivable (payable)

(USD '000)	**2024**	**2023**
Tax receivable (payable) at 1 January	(21,189)	51,433
Current period payable taxes	(31,230)	(20,730)
Net tax payment/ (refund)	19,305	(51,900)
Prior period adjustments	(1,466)	(220)
Currency translation effects	1,185	229
Tax payable at 31 December	**(33,395)**	**(21,189)**

NOTE 13 INTERESTS IN LICENCES

Interests in licences on the Norwegian Continental Shelf:

Licence	Field/discoveries/ firm wells	Licence source	31.12.2024	31.12.2023
PL 006	Valhall field	Acquisition	10 %	10 %
PL 033 B	Valhall field	Acquisition	10 %	10 %
PL 033	Hod field	Acquisition	10 %	10 %
PL 418/ PL 418 B	Nova field	Acquisition	10 %	10 %
PL 378	Nova field	Acquisition	12.12 %	12.12 %
PL 891/ PL 891 B	Slagugle discovery	Acquisition/ APA 2020	20 %	20 %
PL 263 D/E/F/G	Sierra/Solberg discoveries	Acquisition/ APA 2020/2021	49 %	49 %
PL 938	Calypso discovery	Acquisition	20 %	20 %
PL 929	Ofelia discoveries	APA 2017	20 %	20 %
PL 1109	Horatio firm well	Acquisition	20 %	20 %
PL 1119	Mistral South firm well	APA 2020	20 %	20 %
PL 1108		APA 2020	30 %	30 %
PL 1151		Acquisition	20 %	20 %
PL 1180		APA 2022	30 %	30 %
PL 820 S/ PL 820 SB		Acquisition/ APA 2020	7.5 %	7.5 %
PL 1149/ PL 1149 B		Acquisition/ APA 2022	30 %	30 %
PL 985		APA 2018	0 %	20 %
PL 1101/ PL 1101 B		Acquisition/ APA 2023	0 %	20 %
PL 976		Acquisition	0 %	10 %
PL 1117		Acquisition	0 %	20 %

The company holds a total of 15 licences as of 31 December 2024.

On 9 December 2024, Pandion entered into an agreement with Vår Energy ASA to sell 7.5 per cent working interest in PL 820 S and PL 820 SB, with effect from 1 January 2025. The transaction was approved by Ministry of Energy 26 February 2025.

In 2024, the relinquishment of PL 985, PL 1101 and PL 1101 B was recognised following a decision to relinquish these licences. In addition, the relinquishment of PL 1149 was recognised. The actual relinquishment of PL 1149 took place in 2025.

In 2023, the relinquishment of PL 976 and PL 1117 was recognised following a decision to relinquish these licences. The actual relinquishment of the licences took place in 2024.

NOTE 14 LEASES

Pandion Energy has recognised a lease related to its office premises as a lease under IFRS 16. The original contract ran from 2018 and was renewed in January 2024 until 20 January 2029. The lease does not contain any restriction on the company's dividend policy or financing. The company applies an exemption for short-term leases (12 months or less) and low-value leases. Extension options are included when management judges exercising of such options to be reasonably certain. The incremental borrowing rate applied to discounting the nominal lease liability is 7 per cent. Right-of-use assets are depreciated in a straight line over the lifetime of the related lease contract.

(USD '000)	
Total lease debt after IFRS 16 at 1 January 2023	926
Remeasurement of lease liability	47
Lease payments	(279)
Interest expense	80
Currency adjustments	(58)
Total lease debt after IFRS 16 at 31 December 2023	**715**
Remeasurement of lease liability	511
Lease payments	(299)
Interest expense	240
Currency adjustments	(240)
Total lease debt after IFRS 16 at 31 December 2024	**927**

(USD '000)	**2024**	**2023**
Within 1 year	331	307
1 to 5 years	994	615
Total nominal lease debt	**1,326**	**922**

Pandion Energy is a non-operator and recognises its proportionate share of a lease when the company is considered to share the primary responsibility for a licence-committed liability. This includes contracts in which Pandion Energy has co-signed a lease contract, or external lease contracts for which the operator has been given a legally binding mandate to sign on behalf of the licence partners. Pandion Energy has assessed the lease contracts in its licences and, based on the company's judgement, no leases have been recognised in the statement of financial position as at 31 December 2024.

NOTE 15 COMMITMENTS

Pandion Energy's net share of capital commitments and other contractual obligations in the table below represent minimum capital commitments related to rigs not recognised as lease liabilities, and minimum contractual commitments related to development projects on the Valhall field and oil and gas transportation capacity on the Valhall, Hod and Nova fields. In addition to minimum capital commitments, there is a variable element in rig and transportation capacity commitments that will depend on use of the rig and oil and gas transportation.

Pandion Energy's rig commitments at year-end, which are not recognized as lease liabilities, relate to the lease of Noble Invincible and Noble Integrator for operations on the Valhall and Hod fields. Additionally, rig agreements have been entered into by the operators on behalf of partners in PL 891 for the appraisal drilling of the Slagugle discovery, as well as in PL 1119 and PL 1109 for the exploration drilling of the Mistral and Horatio wells. Furthermore, a rig agreement has been made by the operator of the Nova field for an infill drilling operation planned in 2025.

(USD '000)	**2024**	**2023**
Within 1 year	12,493	42,020
1 to 5 years	11,924	10,578
After 5 years	397	1,081
Total commitments	**24,814**	**53,679**

NOTE 16 INVENTORIES

The inventories mainly consist of drilling equipment.

(USD '000)	**2024**	**2023**
Inventories - measured at cost	11,432	9,087
Provision of obsolete equipment	(1,387)	(1,569)
Underlift of petroleum products	8,033	363
Total inventories	**18,078**	**7,881**

NOTE 17 TRADE AND OTHER RECEIVABLES

(USD '000)	**2024**	**2023**
Trade receivables	22,163	13,536
Accrued income from sale of petroleum products	7,966	9,387
Value deferral profiles	6,518	4,463
Other receivables, mainly balances with licence operators	21,684	12,141
Total trade and other receivables	**58,331**	**39,528**

Trade receivables are recognised in the statement of financial position at nominal value with no provision for credit losses as historically there have been no credit losses. The company's customers are mainly large, financially sound oil companies. Trade receivables consist of receivables related to the sale of oil, gas and NGL. Accrued income from sale of petroleum products comprises lifted oil production that was not due for invoicing at the reporting date. The value of deferral profiles comprises the net present value of compensation volumes to be redelivered to Nova from Gjøa and Vega partners.

NOTE 18 FINANCIAL ASSETS (LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

The company has focused on securing liquidity and has therefore entered into an oil price hedging programme to reduce the risk related to oil prices. At the end of 2024, Pandion Energy put in place a hedging programme until 31 December 2025. The outstanding hedges at year-end comprised put options. The negative fair value of the options at 31 December 2024 is due to the options being purchased with a deferred premium.

(USD '000)	**Oil derivatives**	**Currency futures**
Financial assets (liabilities) at 1 January 2023	(786)	951
Expired contracts at cost	(1,016)	-
Value increase	1,439	556
Financial assets (liabilities) at 31 December 2023	**(363)**	**1,507**
Expired contracts at cost	(646)	-
Value increase	627	(3,058)
Financial assets (liabilities) at 31 December 2024	**(381)**	**(1,551)**

.

NOTE 19 RESTRICTED BANK DEPOSITS

(USD '000)	**2024**	**2023**
Withheld employee taxes	301	323

NOTE 20 EQUITY AND SHAREHOLDERS

(USD '000)	**Share capital**	**Other paid in capital**	**Retained earnings**	**Total equity**
Shareholders' equity as of 1 January 2023	13,591	100,640	29,103	143,333
Net income for the period	-	-	(37,864)	(37,864)
Shareholders' equity as of 31 December	**13,591**	**100,640**	**(8,761)**	**105,467**
Net income for the period	-	-	(8,149)	(8,149)
Shareholders' equity as of 31 Desember	**13,591**	**100,640**	**(16,912)**	**97,318**

Share capital of NOK 9,119,212.94 comprises 911,921,294 shares at a nominal value of NOK 0.01 per share.

Pandion Energy Holding AS ("the holding company") owned all 911,921,294 shares in Pandion Energy AS at 31 December 2024. The company is included in the consolidated financial statements of the parent company Pandion Energy Holding AS. The consolidated financial statements of the parent company, Pandion Energy Holding AS, are available at the company's registered address: Lilleakerveien 8, 0283 Oslo, Norway.

The holding company's major shareholder is Kerogen Capital, an independent private equity fund manager, which has invested USD 109 million in equity into the company. Kerogen Capital has committed an additional USD 46 million in equity which can be drawn upon approval of the board of directors of the company. Further, the Pandion Energy team has invested around USD 6.5 million in equity into the holding company.

NOTE 21 ASSET RETIREMENT OBLIGATIONS

(USD '000)	
Asset retirement obligations at 1 January 2023	162,591
Effects of change in the accounting policy	41,751
New or increased provisions	2,618
Asset retirement obligation - change of estimate	42,932
Incurred removal cost	(17,421)
Accretion expenses	7,111
Asset retirement obligations at 31 December 2023 (restated)	**239,582**
New or increased provisions	1,375
Asset retirement obligation - change of estimate	(21,088)
Incurred removal cost	(20,836)
Accretion expenses	8,644
Asset retirement obligations at 31 December 2024	**207,677**
Non-current portion at 31 December 2024	200,114
Current portion at 31 December 2024	7,563

The calculations assume an inflation rate of 2.0 per cent and a nominal rate before tax of 4.6 per cent (2023 restated: 4.0 per cent). The discount rate for calculating asset retirement obligation (ARO) has historically included a credit element in addition to a risk-free rate. In line with the development in industry practice with regards to the interpretation of the relevant guidelines in IAS 37, the company has changed the discount rate so that this no longer includes a credit element. Comparative figures have been restated accordingly.

The decrease in estimated ARO is mainly due to increased discount rate as result of increased risk free rate.

Climate-related risk

As described in note 3 on climate-related risk, a sensitivity analysis has been performed to show the impact on the book value of ARO as at 31 December 2024, if cease of production of fields with estimated lifetime after 2040 were accelerated by ten years. Such acceleration would result in an increase in the book value of ARO of USD 39.5 million, and an impairment of Valhall and Hod fields including goodwill of USD 13 million.

NOTE 22 BORROWINGS

(USD '000)	Facility currency	Utilised amount	Undrawn facility	Interest	Maturity	Carrying amount
At 31 December 2024	USD	18,500	181,500	SOFR +3.5%	April 2029	16,941
At 31 December 2023	USD	33,000	167,000	SOFR +3.5%	April 2029	31,486

** Calculated based on a facility size of USD 200 million. The credit-approved borrowing base as at 31 December 2024 was USD 102 million..*

The reserve based lending (RBL) facility was established in 2018 and is a senior secured facility. In June 2022, the company signed an amendment and extension of the facility, with a final maturity date defined as the earlier of 1 April 2029 and the date falling six months prior to the maturity date of the current unsecured USD 75 million bond. The maturity date of the bond is on 3 June 2026. The RBL facility is at USD 200 million with an additional uncommitted accordion option of USD 200 million.

The interest rate is a floating 1-6 month SOFR, with a 3.5 per cent margin. In addition, a commitment fee is paid for unused credits.

At year-end, the RBL facility is classified as current liabilities due to its final maturity date being defined as the earlier of 1 April 2029 or six months prior to the maturity date of the current bond debt (10 December 2025), unless the current bond loan is refinanced. Such refinancing will find place after the reporting period and is considered a non-adjusting event.

The financial covenants are as follows:
- Net debt to EBITDAX not to exceed 3.5x
- Corporate sources to corporate uses applying a ratio of 1.1 to 1 for the next 12-month period
- Corporate sources to corporate uses applying a ratio of 1 to 1 for the period up to estimated first oil of any development assets
- Minimum cash balance of USD 10 million
- Exploration spending after tax on an annual basis restricted to the higher of USD 20 million and 10 per cent of EBITDAX, unless such spending is funded by new cash equity or subordinated shareholder loan

Carrying amount of assets provided as security for the RBL:

(USD '000)	**2024**	**2023**
Bank accounts	*21,262*	*30,428*
*Borrowing base assets**	*366,561*	*399,321*
Trade receivables	*36,647*	*27,387*
Over/underlift	*4,763*	*(1,274)*
Hedging agreements	*(381)*	*(363)*
Total	**428,851**	**455,498**

** The carrying amount of the assets includes working capital and retirement obligations related to the assets, but does not include associated goodwill and tax values.*

The company's obligations to the lenders under the RBL facility are secured by a first priority security over: i) shares in and any shareholder loans to the company, (ii) bank accounts, (iii), licence interests in all borrowing base assets, (iv) hedging agreements, (v) any claims under RBL insurance, as well as (vi) floating charges over trade receivables and inventory.

Unsecured Bond:

(USD '000)	**Facility currency**	**Utilised amount**	**Interest**	**Maturity**	**Carrying**
At 31 December 2024	USD	75,000	9.75 %	June 2026	74,586
At 31 December 2023	USD	75,000	9.75 %	June 2026	73,680

The financial covenants are as follows:
- Leverage ratio: Net debt to EBITDAX not to exceed 3.5x
- Minimum liquidity: Not less than USD 10 million

Fair value of the bond and debt is not disclosed when the carrying amount is a reasonable approximation of fair value. Issued bonds and debt are classified in level 2 in fair value hierarchy, since the valuation is based on observable market data in the form of interest rate curves, exchange rates and credit margins.

Non-current liabilities to related parties

By entering into a subscription agreement with Kerogen Investments No.28 (UK) Limited, Pandion Energy has agreed to pay a commitment fee as listed below:

(USD '000)	**Facility currency**	**Loan Amount**
Kerogen Investment no. 28 Limited	USD	1 000

Kerogen Investments no.28 Limited's rights and claims for such a commitment fee is subordinate to the rights and claims of the RBL banks and holders of the Pandion Energy Bond.

Maturity profile based on contractual undiscounted cash flows:

(USD '000)	**2024**	**2023**
Less than 12 months	18,500	-
1 to 5 years	76,000	109,000
Over 5 years	-	-
Total	**94,500**	**109,000**

NOTE 23 TRADE AND OTHER PAYABLES AND PROVISIONS

(USD '000)	**2024**	**2023**
Trade payables	945	1,107
Share of payables in licences	36,767	23,279
Overlift of petroleum	3,271	1,637
Other non-trade payables, accrued expenses and provisions*	11,624	21,392
Total trade, other payables and provisions	**52,607**	**47,415**

** Other non-trade payables include accrued public charges, indirect taxes and payroll liabilities.*

NOTE 24 OTHER COMMITMENTS AND CONTINGENCIES

The company has a secondary obligation for offshore installation removal cost relating to a 20 per cent interest in the divested Duva field. The obligation is limited to approximately USD 6 million. No provision has been made for the potential obligation.

In July 2023, Pandion received a request for arbitration. Based on management's best judgement of probability, no provision has been made for potential liability related to the claim. In 2024, the company received the final arbitral award, which included a liability for the company to pay contingent considerations. The liability has been paid, and the company maintains its strong financial position following the payment.

NOTE 25 RESERVES (UNAUDITED)

	million barrels of oil equivalent (mmboe)
Balance at 1 January 2024	35.8
Revision of previous estimates	(2.2)
Discoveries, additions and extentions	0.7
Year 2024 production	(2.9)
Total reserves at 31 December 2024	**31.4**

At the end of 2024, the company's proved and probable oil and gas reserves (2P) were estimated at approximately 31.4 mmboe compared to approximately 35.8 mmboe in 2023. The estimated reserves represent the company's share of reserves in accordance with the Society of Petroleum Engineer's (SPE's) "Petroleum Resources Management System" based on figures received from the operators, together with independent third-party review and internal information.

NOTE 26 SUBSEQUENT EVENTS

In January 2025, Pandion Energy AS was awarded three licences in the 2024 Norwegian APA (Awards in Predefined Areas) Licensing Round on the Norwegian Continental Shelf:

- PL 006G – additional acreage to the Valhall & Hod fields where Pandion Energy holds a 10 percent interest.
- PL 263H – additional acreage to the Sierra & Solberg discoveries where Pandion Energy holds a 49 percent interest.
- PL 1151B – located in the Greater Gjøa area in the North Sea where Pandion Energy holds several licences. The company has been offered a 20 percent interest.

In first quarter 2025, the partnership in PL 1119 drilled an exploration well on Mistral South prospect. A gas/condensate discovery was confirmed, and preliminary estimates indicate that the discovery contains between 3 and 7 million standard cubic meters (Sm3), which corresponds to between 19 and 44 million barrels. The licence group will now evaluate the commerciality of the discovery by studying options for effective development using existing infrastructure in the area. Pandion holds a 20 per cent interest in the licence.

In first quarter 2025, the partnership in PL 1109 drilled an exploration well on Horatio prospect. The well was reported dry and has been plugged and abandoned. Pandion holds a 20% interest in the licence and has capitalised exploration cost amounting to USD 4 million as per 31 December 2024.

Auditor's report

Deloitte.

Deloitte AS
Dronning Eufemias gate 14
Postboks 221
NO-0103 Oslo
Norway

+47 23 27 90 00
www.deloitte.no

To the General Meeting of Pandion Energy AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Pandion Energy AS (the Company), which comprise the statement of financial position as at 31 December 2024, statement of comprehensive income, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9.

Basis for Opinion

We conducted our audit in accordance with 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly to the report on payments to governments.

Deloitte AS and Deloitte Advokatfirma AS are the Norwegian affiliates of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Registrert i Foretaksregisteret
Medlemmer av Den norske Revisorforening
Organisasjonsnummer: 980 211 282

Deloitte Norway conducts business through two legally separate and independent limited liability companies; Deloitte AS, providing audit, consulting, financial advisory and risk management services, and Deloitte Advokatfirma AS, providing tax and legal services.

Deloitte.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable 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 and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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 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 a true and fair view.

We communicate with the Board of Directors 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.

Oslo, 10 April 2025
Deloitte AS

Lars Atle Lauvsnes
State Authorised Public Accountant
(electronically signed)

Alternative performance measures

Pandion Energy may disclose alternative performance measures as part of its financial reporting as a supplement to the interim financial statements prepared in accordance with simplified IFRS and believes that the alternative performance measures provide useful supplemental information to stakeholders.

Net debt
Gross interest-bearing debt less cash and cash equivalents and current financial investments

EBITDAX
Earnings before interest, tax, depreciation, amortisation and exploration

Corporate sources
Cash balance, revenues, equity and external funding

Corporate uses
Operating expenditures, capital expenditures, abandonment expenditures, general and administration costs, exploration costs, acquisition costs and financing costs

Scope 1 GHG emissions
Direct emissions from owned or controlled sources.

Scope 2 GHG emissions
Indirect emissions from the generation of purchased energy.

Abbreviations

ABM	Alternative Bond Market
APA	Awards in Predefined Areas
APS	Announced Pledges Scenario
ARO	Asset Retirement Obligations
boe	Barrels of oil equivalents
boepd	Barrels of oil equivalent per day
CEO	Chief Executive Officer
CGU	Cash-Generating Unit
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide Equivalent
E&P	Exploration and Production
EFF	Exploration Finance Facility
EBITDAX	Earnings Before Interest, Taxes, Depreciation, Amortization, and Exploration expenses
ESG	Environmental, Social, and Governance
EU ETS	European Union's Emissions Trading System
EUA	European Union Allowances
GHG	Greenhouse Gas
HSE	Health, Safety, and Environment
IAS	International Accounting Standards
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
mmboe	Million Barrels of Oil Equivalents
NCS	Norwegian Continental Shelf
NGL	Natural Gas Liquids
NICs	National Insurance Contributions
NOK	Norwegian Krone
NZE2050	Net Zero Emissions by 2050 Scenario
ONS	Offshore Northern Seas
OTC	Over-the-counter
PDO	Plan for Development and Operation
PL	Production Licence
RBL	Reserve Based Lending
Sm^3	Standard Cubic Meters
SOFR	Secured Overnight Financing Rate
STEPS	Stated Policies Scenario
TCFD	Task Force on Climate-Related Financial Disclosure
UN	United Nations
USD	United States Dollar
VP	Vice President
WI	Working Interest

Design
Elleve AS

Photo
Bård Gudim
Aker BP
Unsplash
Adobe Stock