

INTERIM REPORT

for the fourth quarter 2020



north
energy

Quarterly highlights

North Energy reports result of NOK 70.5 million.

North Energy recorded a result of NOK 70.5 million in the quarter due to the positive development seen in the market value of the company's main investments, Touchstone Exploration and Reach Subsea. The cash position remains high at NOK 119.3 million.

Dividend announcement

In accordance with the new dividend policy announced in the report for second quarter 2020, the Board of North Energy intends to distribute a dividend of NOK 0.45 per share to shareholders. The proposed dividend will be made as a redemption of paid-in capital and is subject to approval at the AGM in April 2021.

Reach Subsea reports result of NOK 13.9 million.

Reach Subsea recorded a comprehensive income of 13.9 million in the fourth quarter, and a record high full year comprehensive income of NOK 43.8 million. The strong results are driven by high utilization and successful project execution.

The Board of Reach Subsea proposes a dividend of NOK 0.15 per share, in accordance with its dividend policy. North Energy consolidates NOK 4.5 million of the result in its fourth quarter financial figures.

Touchstone Exploration continues exploration success and secure gas sales agreement.

The company reported two new major discoveries, Chinook-1 and Cascadura Deep, during the fourth quarter. Both discoveries exceeded pre-drill expectations, while production testing to determine the potential will be finalized during Q1 2021.

The gas sales agreement with the Natural Gas Company of Trinidad and Tobago was also executed in the fourth quarter. With this in place Touchstone has now secured offtake for all future gas production from the Ortoire license.

Touchstone raised USD 30 million in November in a private placement in which North Energy participated with GBP 0.4 million. The Company's shareholding in TXP is 6.0% per year end.

Wind Catching Systems - with an innovative technology for offshore wind. In November, North Energy signed an agreement to invest NOK 5.0 million in Wind Catching Systems AS, which holds a new

innovative technology for floating offshore wind systems.

Key figures

NOK mln	Q4 2020	Q4 2019	Year 2020	Year 2019
Operating profit	86.3	12.5	135.5	-14.0
Profit/loss after tax	70.5	12.7	120.4	-16.1
Investments	302.8	275.5	302.8	275.5
Total assets	424.1	309.1	424.1	309.1
Equity ratio (%)	94.8 %	98.0 %	94.8 %	98.0 %
Interest bearing debt	0	0	0	0

Financial information

After completion of the intra-group merger between North Energy ASA and North Energy Capital AS in the third quarter 2020, North Energy ASA is the only remaining Company in the former Group. Figures presented for 2019 are the consolidated figures for the Group. Figures presented in the income statement for 2020 are the consolidated figures for the Group up until the merger, and the figures for North Energy ASA for the period after the merger.

Fourth quarter 2020 result

North Energy recorded a comprehensive income of NOK 70.5 million in the fourth quarter of 2020, compared with a comprehensive income of NOK 12.7 million in the corresponding quarter of 2019. The income reported this quarter is driven by a significant increase of NOK 66.9 million in the valuation of the investment in Touchstone Exploration and a NOK 24.8 million income effect from the holding in Reach Subsea. NOK 20.3 million of the Reach Subsea income effect stem from reversal of previous impairments, due to the share price increase in the quarter, while NOK 4.5 million represent North Energy's share of Reach Subsea's fourth quarter comprehensive income.

Payroll and related expenses in the fourth quarter were NOK 1.0 million, which is down from NOK 1.3 million in the same quarter last year. The saving is due to a reduction in staff with 1 FTE.

Other operating expenses are reported at NOK 3.2 million, which is up from NOK 2.7 million compared to the same quarter last year.

Net financial items of NOK 0.3 million in the fourth quarter consist mainly of interest on bank accounts and interest received on bonds.

Preliminary full year 2020 result

North Energy recorded a comprehensive income of NOK 120.4 million for 2020, compared with a comprehensive loss of NOK 16.1 million for 2019. The income reported this year is driven by a significant increase of NOK 136.6 million in the valuation of the investment in Touchstone Exploration and a NOK 26.2 million income effect from our holding in Reach Subsea. NOK 12.1 million of the Reach Subsea income effect stem from reversal of previous impairments, due to the share price increase in 2020, while NOK 14.1 million represent our share of Reach Subsea's 2020 comprehensive income.

Payroll and related expenses in 2020 were NOK 4.0 million, which is down from NOK 4.8 million in 2019.

Other operating expenses are reported at NOK 12.2 million, which is down from NOK 15.1 million in 2019.

Net financial items of NOK 2.7 million in 2020 consist mainly of interest on bank accounts and interest received on bonds, up from NOK 1.0 million in 2019.

At the end of the quarter, total investments amounted to NOK 302.8 million, compared to NOK 275.5 million at the end of the fourth quarter 2019 and NOK 202.2 million last quarter. The increase in investments compared to last year is partly due to the significant growth in the value of the main investments while partly offset by the sale of bond funds in the first quarter this year. The increase in investments from last quarter is due to the higher market values of the investments in Reach Subsea and Touchstone Exploration.

The share price of Reach ended the quarter at NOK 2.22, which gives North Energy's shareholding a market value of NOK 102.4 million. The investment in Reach is accounted for as an associated company. Thus, North Energy consolidates its share of the net result from Reach, adjusted for any impairment or reversal of impairment due to share price fluctuations. The NOK 24.8 million result effect in the fourth quarter consist of NOK 4.5 million as share of Reach Subsea's result, and a

NOK 20.3 million reversal of previous impairments. As the market value is higher than the book value (defined as the sum of historical cost plus our share of accumulated result since investment) at the end of the fourth quarter, the investment is reported at book value NOK 99.5 million.

Total assets at the end of the quarter were NOK 424.1 million, up from NOK 309.1 million at the end of the same quarter last year. The increase is mainly due to higher value of the investments and a higher cash balance.

Total equity at the end of the fourth quarter was NOK 401.9 million, up from NOK 302.7 million at the end of the same quarter last year. The increase is explained by total comprehensive income of NOK 120.4 million last twelve months offset by dividend paid from subsidiary to no-controlling interests of NOK 21.3 million. The Company's equity ratio stood at 94.8 percent at the end of the quarter.

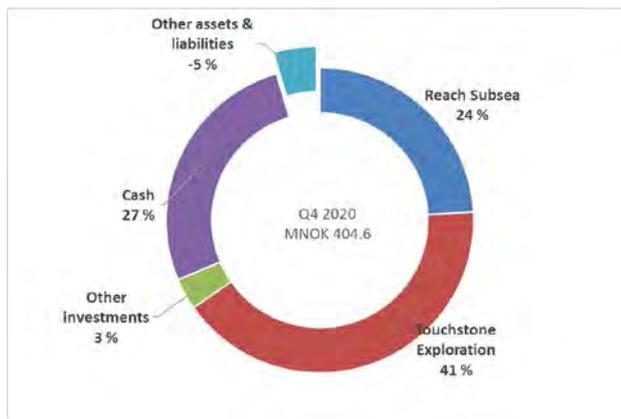
The Company has no interest-bearing debt.

North Energy recorded NOK 119.3 million in cash and cash equivalents at the end of the fourth quarter. The decrease in cash of NOK 13.4 million from last quarter is due to the new investment in Wind Catching systems AS of NOK 5 million, participation in a private placement in Touchstone with NOK 4.7 million and operating expenses of NOK 3.7 million during the quarter.

The Board regards the Company's financial position as strong.

Net asset value composition

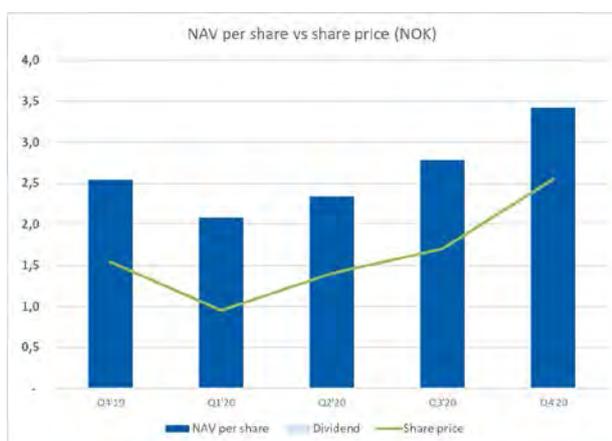




Total market value of the investment portfolio was NOK 305.5 million at the end of the fourth quarter. Including cash of NOK 119.3 million and other assets and liabilities of negative NOK 17.4 million the net asset value was NOK 407.1 million at the end of the quarter.

The net asset value per share was NOK 3.4 while the share price at the end of the quarter was NOK 2.55, representing a discount of 25% compared to the net asset value per share.

NAV per share vs. share price



Investments

During the first half year of 2020, the global economy was significantly impacted by the Covid-19 pandemic and the dramatic drop in oil prices. However, financial markets recovered rapidly during the second half year with market values coming back to levels seen before these two events. This has partly impacted North Energy's investment portfolio. However, there are other, more direct events that have a bigger impact on the company's investments.

Industrial holdings

Reach Subsea ASA

The main industrial investment is the 32% shareholding in Reach Subsea ASA where North is represented on the Board of Directors. The Company expects to continue as the largest shareholder in Reach Subsea ASA and further develop the company as a leading subsea service provider, offering solutions to survey the seabed and solutions for maintaining the integrity of the client's subsurface equipment and infrastructure.

On the 18th of January Reach announced a new project called "Reach Remote", which is a new and future-proof, sustainable solution for subsea services. The project is carried out in cooperation with the renowned industrial partners Kongsberg Maritime and Massterly and is also supported by a grant from Innovation Norway. The company highlights that this solution is expected to significantly reduce the cost, and virtually eliminate the carbon footprint, associated with subsea services. Reach plans to bring the solution to market in 2022.

As of the fourth quarter 2020, the investment in Reach is accounted for at a book value of NOK 99.5 million, up from NOK 49.8 million last quarter. The increase is due to Reach's positive fourth quarter result, as well as a higher share price, resulting in a full reversal of previous impairments.

For the fourth quarter, Reach reported comprehensive income of NOK 13.9 million, and a record high full year comprehensive income of NOK 43.8 million representing an EPS of NOK 0.31. The strong result is driven by high utilization and successful project execution. In accordance with the company's dividend policy, the Board of Reach has proposed a dividend of NOK 0.15 per share.

Reach has had a good start to the year 2021, announcing a new three-year contract with Nord Stream AG for inspection of the Nord Stream pipelines. This award follows on from the original contract awarded in 2017.

In addition, Reach has secured several other contracts and call-offs under frame agreements for 2021 execution. Approximately 550 project days are now secured for 2021 execution, which is an improvement from the 400 days secured at the same time last year.

The company is listed on the Oslo Stock Exchange and as of the end of the fourth quarter, the company had a market capitalization of NOK 318.7 million.

Wind Catching Systems AS

During the fourth quarter, North Energy invested NOK 5.0 million in Wind Catching Systems AS, which holds a new innovative technology for floating offshore wind systems ("WCS technology"). Together with its key technology partner Aibel AS, and with support from Innovasjon Norge, the company intends to finalize and commercialize the WCS technology.

Subject to technical and commercial milestones being met, the WCS technology has substantial potential for reducing the cost of floating offshore wind systems. North Energy and Ferd AS each hold approximately 25% of Wind Catching Systems AS, and an option to invest an additional NOK 10 million each.

Financial investments

Touchstone Exploration Inc.

The Company's key financial investment is in Touchstone Exploration with an ownership interest of 6.0 per cent by the end of the fourth quarter.

In October the company announced a discovery in the exploration well, Chinook-1, and in December a discovery in Cascadura Deep was announced. Both discoveries exceeded the pre-drill expectations. Further testing is required to determine the economic viability and potential of the wells, and Touchstone plans to finalize completion and production testing operations during the first quarter of 2021.

In H1 2021 the company plans to drill the Royston well located further east in the Ortoire block. The structure targeted by the Royston well is a legacy natural gas discovery, which was drilled in 1965 but never tested. Royston is the last well to be drilled in the current 5 well programme on the Ortoire Block, where the 4 completed wells have all been discoveries.

The company aims to bring the Coho-1 discovery onto production H1 2021. Coho-1 was the first well drilled in the 5-well programme on the Ortoire Block. The company estimates the gross future production rate from Coho-1 to be in the range from 1,300 - 1,600 barrels of oil equivalent (boe) per day. Touchstone expects this to increase cash flow significantly and

contribute to a substantial reduction in volatility of future earnings.

Furthermore, Touchstone reported in December that the company entered into a natural gas sales agreement with the National Gas Company of Trinidad and Tobago. With this agreement in place, Touchstone has secured offtake for all gas produced from the Ortoire license.

Touchstone announced 3 November a private placement of 24.3 million new shares at a price of 95 pence per share resulting in a capital raise of approximately USD 30.0 million. The placing will allow the company to continue their exploration and development activities planned for the Ortoire block. North Energy took part in the placement with 404,858 shares resulting in a total ownership in Touchstone Exploration Inc. of 6.0 per cent post transaction.

Other financial investments

As of fourth quarter 2020 the Company has several minor investments in shares and bonds as part of its liquidity management, with a total value of NOK 14.8 million.

Strategy and outlook

The year 2020 was challenging given the unprecedented and unpredictable shock of Covid-19 that resulted in a record-large global recession. The Board expects that uncertainty will linger into 2021 and that full economic normalisation will take several quarters yet, although the capital markets have already discounted a full recovery. North Energy will continue with the strategy outlined in the interim report from the second quarter 2020. The Company will seek to maintain optionality in order to successfully execute the long-term strategy and actively seek opportunities to develop and expand the industrial portfolio. However, in light of the significant uncertainties the Board expect to take a cautious approach in the time to come. North Energy will remain focused on protecting health of employees and communities and continue to follow advice from public health officials.

For further elaboration of the Company's strategy, reference is made to the quarterly report from Q2 2020 and to the Company's webpage: www.northenergy.no

Financial statements fourth quarter 2020

CONSOLIDATED INCOME STATEMENT

NOK 1 000	Note	Q4 2020 (unaudited)	Q4 2019 (unaudited)	YTD Q4 2020 (unaudited)	YTD Q4 2019 (audited)
Sales		69	0	112	883
Payroll and related expenses		(1 003)	(1 275)	(4 207)	(4 828)
Depreciation and amortisation		(420)	(417)	(1 466)	(1 748)
Other operating expenses		(3 176)	(2 652)	(12 223)	(15 100)
Change in fair value of financial investments		65 822	22 079	126 883	30 222
Net result from investments in associates	11	25 007	(5 192)	26 391	(23 462)
Operating profit/(loss)		86 300	12 544	135 490	(14 033)
Financial income		256	131	2 931	1 647
Financial costs		4	(117)	(210)	(600)
Net financial items		260	14	2 720	1 046
Profit/(loss) before income tax		86 560	12 558	138 210	(12 986)
Income taxes	8	(16 050)	123	(17 783)	(3 131)
Profit/(loss) for the period		70 510	12 680	120 427	(16 117)
Attributable to:					
Owners of North Energy ASA		70 510	12 531	122 048	(15 413)
Non-controlling interests		0	149	(1 621)	(704)
		70 510	12 680	120 427	(16 117)
Earnings per share (NOK per share)					
- Basic		0,60	0,11	1,04	(0,13)
- Diluted		0,60	0,11	1,04	(0,13)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK 1 000	Q4 2020 (unaudited)	Q4 2019 (unaudited)	YTD Q4 2020 (unaudited)	YTD Q4 2019 (unaudited)
Profit/(loss) for the period	70 510	12 680	120 427	(16 117)
Other comprehensive income, net of tax				
Total other comprehensive income, net of tax	0	0	0	0
Total comprehensive income/(loss) for the period	70 510	12 680	120 427	(16 117)
Attributable to:				
Owners of North Energy ASA	70 510	12 531	122 048	(15 413)
Non-controlling interests	0	149	(1 621)	(704)
	70 510	12 680	120 427	(16 117)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK 1 000	Note	31.12.2020 (unaudited)	31.12.2019 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		131	0
Right-of-use assets	3,12	1 374	3 752
Other receivables		258	350
Investments in associates	11	111 369	80 733
Deferred tax asset	8	0	0
Total non-current assets		113 132	84 836
Current assets			
Trade and other receivables		181	1 422
Financial investments, current	9	191 422	194 791
Cash and cash equivalents		119 332	28 013
Total current assets		310 935	224 226
Total assets		424 067	309 061
EQUITY AND LIABILITIES			
Equity			
Share capital	5	119 047	119 047
Treasury shares	5	(3 411)	(3 411)
Share premium		903 141	903 141
Other paid-in capital		30 691	30 691
Retained earnings		(647 575)	(732 070)
Non-controlling interests		0	(14 653)
Total equity		401 893	302 746
Liabilities			
Non-current liabilities			
Deferred tax liability	8	18 383	600
Leasing liabilities	3,12	304	2 068
Total non-current liabilities		18 687	2 668
Current liabilities			
Leasing liabilities, current	3,12	1 163	1 805
Trade creditors		30	48
Tax payable	8	0	0
Other current liabilities		2 296	1 795
Total current liabilities		3 488	3 648
Total liabilities		22 175	6 316
Total equity and liabilities		424 067	309 061

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK 1 000	Share capital	Treasury Shares	Share premium	Other paid-in capital	Retained earnings	Non-controlling interests	Total equity
Equity at 1 January 2019	119 047	0	936 010	30 691	(709 227)	8 476	384 997
Acquired treasury shares		(18 020)					(18 020)
Paid dividend from North Energy ASA		14 608	(32 869)		(2 307)		(20 567)
Paid dividend from subsidiary to non-controlling interests						(17 000)	(17 000)
Paid dividend from liquidated subsidiary to non-controlling interests						(10 605)	(10 605)
Change in non-controlling interests					(5 123)	5 123	0
Share issue in subsidiary						57	57
Total comprehensive income for 01.01.19-31.12.19					(15 413)	(704)	(16 117)
Equity at 31 December 2019	119 047	(3 411)	903 141	30 691	(732 070)	(14 653)	302 746
Paid dividend from subsidiary to non-controlling interests *						(21 280)	(21 280)
Change in non-controlling interests *					(37 553)	37 553	0
Total comprehensive income for 01.01.20-31.12.20					122 048	(1 621)	120 427
Equity at 31 December 2020	119 047	(3 411)	903 141	30 691	(647 575)	0	401 893

* On 8 April 2020 the General Meeting in North Energy Capital AS, a company owned 80% by North Energy ASA, approved a proposal for distribution of dividend of NOK 106.4 million, representing the total available equity in the company. Subsequent to the dividend distribution, an agreement was signed where North Energy ASA acquired the remaining 20% interest in North Energy Capital AS. From this date North Energy Capital AS was owned 100% by North Energy ASA. In August 2020 North Energy Capital AS was merged with North Energy ASA.

CONSOLIDATED CASH FLOW STATEMENT

NOK 1 000	Q4 2020 (unaudited)	Q4 2019 (unaudited)	YTD Q4 2020 (unaudited)	YTD Q4 2019 (audited)
Cash flow from operating activities				
Profit/(loss) before income tax	86 560	12 558	138 210	(12 986)
Adjustments:				
Tax refunded/paid	0	0	0	0
Depreciation	420	417	1 466	1 748
Pensions	34	102	92	148
Change in fair value of financial investments	(65 822)	(22 079)	(126 883)	(30 222)
Net result from investments in associates	(25 007)	5 192	(26 391)	23 462
Changes in current payables, receivables, and other accruals	124	(35)	(3 295)	(3 740)
Net cash flow from operating activities	(3 692)	(3 845)	(16 800)	(21 591)
Cash flow from investing activities				
Purchase of property, plant and equipment	0	0	0	0
Proceeds from sales of property, plant and equipment	0	0	0	0
Investments in associates	(5 045)	0	(5 045)	(8 971)
Dividends from associates	0	0	800	3 229
Purchase of financial investments	(4 723)	(45 700)	(25 285)	(176 135)
Proceeds from sales of financial investments	5	46 886	158 930	47 757
Proceeds/payments from other non-current receivables	0	0	0	1 417
Net cash flow from investing activities	(9 763)	1 186	129 399	(132 703)
Cash flow from financing activities				
Dividends paid from North Energy ASA	0	0	0	(20 567)
Dividends paid from subsidiary to non-controlling interests	0	0	(21 280)	(17 000)
Dividends paid from liquidated subsidiary to non-controlling interests	0	0	0	(10 605)
Purchase of treasury shares	0	0	0	(18 020)
Net proceeds from share issues	0	0	0	0
Share issues in subsidiary, contribution from non-controlling interests	0	57	0	57
Net cash flow from financing activities	0	57	(21 280)	(66 134)
Net change in cash and cash equivalents	(13 455)	(2 602)	91 319	(220 428)
Cash and cash equivalents at beginning of the period	132 787	30 615	28 013	248 441
Cash and cash equivalents at end of the period	119 332	28 013	119 332	28 013

Notes to the interim consolidated financial statements fourth quarter 2020

Note 1 - General and corporate information

These financial statements are the unaudited interim condensed consolidated financial statements of North Energy ASA and its subsidiaries (hereafter "the Group") for the fourth quarter of 2020. North Energy ASA is a public limited company incorporated and domiciled in Norway, with its main office located in Oslo. North Energy ASA's shares were, on 5 February 2010, listed on former Oslo Axess (converted to Euronext Expand Oslo in 2020), an exchange regulated by the Euronext Stock Exchange. The company's ticker is NORTH.

After completion of the intra-group merger between North Energy ASA and North Energy Capital AS in third quarter 2020, North Energy ASA is the only remaining Company in the former Group. Figures presented for 2019 is the consolidated figures for the Group. Figures presented in the income statement for 2020 is the consolidated figures for the Group up until the merger, in addition to the figures for North Energy ASA for the period after the merger.

Note 2 - Basis of preparation

The interim accounts have been prepared in accordance with IAS 34 Interim Financial Reporting and the supplementary requirements in the Norwegian Securities Trading Act (Verdipapirhandelloven). The interim accounts do not include all the information required in the annual accounts and should therefore be read in conjunction with the annual accounts for 2019. The annual accounts for 2019 were prepared in accordance with the EU's approved IFRS.

Note 3 - Accounting policies

The accounting policies adopted in the preparation of the interim accounts are consistent with those followed in the preparation of the annual accounts for 2019. New standards, amendments, and interpretations to existing standards effective from 1 January 2020 did not have any significant impact on the financial statements.

Note 4 - Critical accounting estimates and judgements

The preparation of the interim accounts entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the company's accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2019.

Note 5 - Share capital

Number of outstanding shares at 1 January 2019	119 047 065
New shares issued during the period	0
Number of outstanding shares at 31 December 2020 *	119 047 065
Nominal value NOK per share at 31 December 2020	1
Share capital NOK at 31 December 2020	119 047 065

* Inclusive 1,795,472 treasury shares.

Note 6 - Business segments

The Group reports only one business segment which includes the investment activities.

Note 7 - Related parties

The company's transactions with related parties:

Purchase of services from	Description of services	YTD Q4 2020	YTD Q4 2019
North Advisors AS	Consultancy services	3 705	8 501
Celisa Capital AS	Consultancy services	1 875	0
Isfjorden AS	Consultancy services	1 875	0

Note 8 - Income taxes

On 2 April 2020 North Energy received a letter from the Petroleum Taxation Office ("OTO") informing that all outstanding tax issues related to possible changes of North E&P AS' tax returns from the years 2014 and 2015 are closed, and that the tax returns as originally submitted by North E&P AS are accepted without any changes. Based on this the subsidiary North E&P AS has been liquidated in second quarter 2020.

On 6 May 2020 North Energy received a notice from the Norwegian Tax Administration informing that they are starting a control of North Energy ASA's accounts for the years 2016 up to and including 2019. The control is currently ongoing and North Energy has not received any report nor any claim from the Tax administration. To conservatively cover possible tax implications a minor provision is made in the accounts.

Specification of income tax	YTD Q4 2020	YTD Q4 2019
Tax payable	0	0
Change deferred tax	(17 783)	(3 131)
Of this, deferred tax asset related to equity transactions recognised directly in equity	0	0
Total income tax credit	(17 783)	(3 131)

Specification of temporary differences, tax losses carried forward, deferred tax	31.12.2020	31.12.2019
Property, plant and equipment and Right-of-use assets	1 116	3 427
Pensions	390	532
Leasing liabilities	(1 466)	(3 873)
Financial investments	151 220	30 523
Tax losses carried forward, onshore	(67 701)	(75 777)
Total basis for deferred tax asset	83 559	(45 169)
Deferred tax asset/(liability) before valuation allowance	(18 383)	9 937
Not capitalised deferred tax asset (valuation allowance)	0	(10 537)
Deferred tax asset/(liability)	(18 383)	(600)

Reconciliation of effective tax rate	YTD Q4 2020	YTD Q4 2019
Profit/(loss) before income tax	138 210	(12 986)
Expected income tax 22%	(30 406)	2 857
Adjusted for tax effects (22%) of the following items:		
Permanent differences	4 586	(5 708)
Adjustments previous years	(2 500)	(1 924)
Changed tax rates	0	0
Change in valuation allowance for deferred tax assets	10 537	1 644
Total income taxes	(17 783)	(3 131)

Note 9 - Financial investments

Financial investments are investments in shares and bonds. The main investments at 31 December 2020 consist of shares in Touchstone Exploration and bonds in InterOil Exploration. The bond funds (DnB and Pareto funds) were sold in first quarter 2020, and the shares in Polarcus were sold in second quarter 2020.

Note 10 - Fair value of financial instruments

The carrying amount of cash and cash equivalents and other current receivables is approximately equal to fair value, since these instruments have a short term to maturity. Similarly, the carrying amount of trade creditors and other current liabilities is approximately equal to fair value, since the effect of discounting is not significant, due to short term to maturity.

Fair value of the stock exchange-listed shares is the stock market price at the balance sheet date (level 1 in the fair value hierarchy). Fair value of bonds is based on quoted market prices at the balance sheet date (level 2 in the fair value hierarchy). Fair value of other non-listed investments is valued using the best information available in the circumstances including the entities' own data. (level 3 in the fair value hierarchy).

Specification of financial instruments based on level in the fair value hierarchy

Fair Value 31.12.2020	Level 1	Level 2	Level 3	Total
Shares	185 572		0	185 572
Bonds		5 850		5 850
Total fair value	185 572	5 850	0	191 422

There has been no transfer between level 1 and level 2 during 2020.

Reconciliation of level 3 in the fair value hierarchy	Level 3
Opening balance	0
Movement during the quarter	0
Closing balance	0

Note 11 - Investment in an associate

Reconciliation and specification of carrying amount of investment in associates:

	31.12.2020	31.12.2019
Opening balance carrying amount of investments in associates	80 733	98 453
Acquisition cost additional shares acquired, Reach Subsea	0	8 971
Acquisition cost shares acquired, Wind Catching Systems AS	5 045	0
Impairment of investment, Reach Subsea	12 108	(12 108)
Share of net result in investment, Reach Subsea	14 068	(11 698)
Share of net result in investment, Tyveholmen AS	215	344
Dividend received, Reach Subsea	0	(3 229)
Dividend received, Tyveholmen AS	(800)	0
Total carrying amount of investments in associates at balance date	111 369	80 733

Specification of net result from investment in an associate recognised in the income statement:

	YTD Q4 2020	YTD Q4 2019
Impairment / reversal of impairment of investment, Reach Subsea	12 108	(12 108)
Share of net result in investment, Reach Subsea	14 068	(11 698)
Share of net result in investment, Tyveholmen	215	344
Net result from investments in associates	26 391	(23 462)

Note 12 - Leases

Right-of-use assets:

The Group leases office facilities. The Group's right-of-use assets are categorised and presented in the table below:

Right-of-use assets	Office facilities
Acquisition cost at initial application 1 January 2020	5 420
Addition of right-of-use assets	0
Disposals of right-of-use assets	(782)
Acquisition cost 31 December 2020	4 638
Accumulated depreciation and impairment 1 January 2020	(1 668)
Depreciation	(1 597)
Impairment	0
Accumulated depreciation and impairment 31 December 2020	(3 264)
Carrying amount of right-of-use assets 31 December 2020	1 374

Lower of remaining lease term or economic life	3.25 years
Depreciation method	Linear

Leasing liabilities:

Lease liabilities at initial application 1 January 2020	3 873
Additions new lease contracts	0
Disposals lease contracts	(782)
Accretion lease liabilities	(135)
Payments of lease liabilities	(1 490)
Total leasing liabilities 31 December 2020	1 466
Break down of lease debt:	
Short-term	1 163
Long-term	304
Total lease debt	1 466

Maturity of future undiscounted lease payments under non-cancellable lease agreements:

	31.12.2020
Within 1 year	1 221
1 to 5 years	313
After 5 years	-
Total	1 534

The leases do not impose any restrictions on the Company's dividend policy or financing opportunities.

Note 13 - Events after the balance sheet date

There are no subsequent events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report that are not already reflected or disclosed in these interim financial statements.

North Energy ASA

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