

# INTERIM REPORT

for the fourth quarter 2019

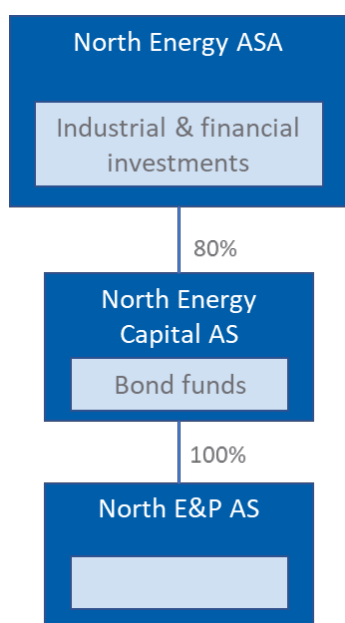


**north**  
energy

## Quarterly highlights

**Potential tax claim from the years 2014-2015.** In October 2018, North E&P received a notice from the Oil Taxation Office (OTO) of possible changes of the Company's tax returns from the years 2014 and 2015. For these two years North Energy's total expenses eligible for refund amounted to NOK 970 million. The OTO has in the notice challenged NOK 146 million of these expenses, with a corresponding exploration tax refund of around NOK 114 million. In the response submitted to OTO, North Energy strongly disputes both the content and the conclusion of the notice. The Company has taken necessary measures to ensure sufficient financial cover of a potential future tax claim, however, the Company has not made any provision for the claim in the financial accounts. The Company continues to follow up the claim with OTO while awaiting a response. There is currently no indication from OTO of the timeframe nor the outcome of the potential claim. If OTO concludes to pursue their claim, North Energy has the opportunity to either appeal the case to the Tax Appeal Board (Skatteklagenemda) or to submit the case to the District Court (Tingretten). On the other hand, if OTO waives their claim, North Energy will remove the restriction on the cash currently invested in low risk bond funds.

**Simplification of the corporate structure.** In the third quarter the Board of North Energy decided to merge North Energy Norge AS and the holding company North Energy ASA. The merger was completed during the fourth quarter.



All investment activities are carried out by the parent company, while North Energy Capital (NEC), owned 80% by North Energy, remains as a holding vehicle for North E&P with NOK 120 million invested in low risk bond funds.

**Investments.** North Energy is the largest shareholder in Touchstone Exploration Inc. with an ownership of 11.0 per cent by the end of 2019. In February 2020 Touchstone performed a private placement of GBP 9.0 million where North Energy participated with GBP 1.5 million. Thru a number of transactions, including the participation in the private placement, the ownership of North Energy is currently 9.8 per cent.

Touchstone has so far drilled two exploration wells with positive test results on the Ortoire block, onshore in the Republic of Trinidad and Tobago. The proceeds of the placing in February are to be used to accelerate the exploration drilling on the Ortoire block with two more wells and complete the second stage production testing on the Cascadura-1ST1 well.

## Key figures

NOK mln	Q4 2019	Q4 2018	Year 2019	Year 2018
Operating profit	12.5	-19.6	-14.0	-35.2
Profit/loss after tax	12.7	-15.6	-16.1	-35.0
Investments	275.5	135.9	275.5	135.9
Total assets	309.1	389.5	309.1	389.5
Equity ratio (%)	98 %	99 %	98 %	99 %
Interest bearing debt	0	0	0	0

## Financial information

The consolidated financial statements encompass North Energy ASA, North Energy Capital AS, and North E&P AS.

North Energy recorded a comprehensive income of NOK 12.7 million in the fourth quarter of 2019, compared with a comprehensive loss of NOK 15.6 million in the corresponding quarter of 2018.

The income reported this quarter is driven by increase in the value of the financial investment portfolio of NOK 22.1 million. This is partly offset by a loss on investments in associates of NOK 5.2 million and operating expenses of NOK 4.3 million. Last year's figures were impacted by a loss from the investment activities of NOK 12.6 million.

Payroll and related expenses in the fourth quarter were NOK 1.3 million, which is at the same level as fourth quarter last year. At the end of 2019, there were 3 employees in the Company, representing no change from end of last year.

At the end of the quarter, total investments amounted to NOK 275.5 million, compared to NOK 135.9 million at the end of the fourth quarter 2018 and NOK 261.1 million last quarter. The increase in investments compared to last year is mainly due to new investments in bond funds of NOK 120 million and a net increase in the market values of the investment portfolio.

The investment in Reach Subsea ASA (Reach) is accounted for as an associated company. North Energy thereby consolidates its share of the net result from Reach. This interim report includes figures from Reach up to and including the fourth quarter 2019.

The share price of Reach ended the quarter at NOK 159, which gives North Energy's share a market value of NOK 73.3 million. Since the market value is lower than the book value at the end of the fourth quarter, the investment has been written down to market value.

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

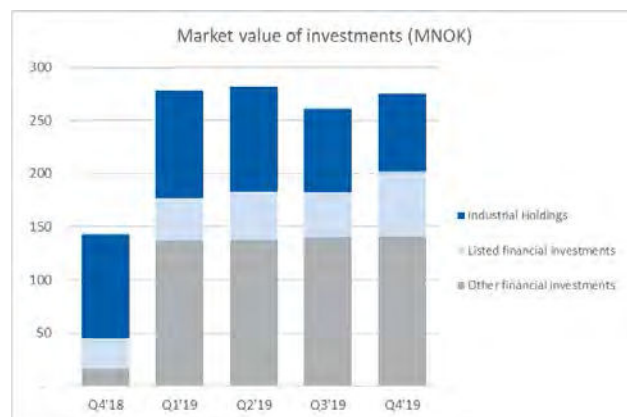
Total assets at the end of the year were NOK 309.1 million, down from NOK 389.5 million at the end of last year.

Total equity at the end of the fourth quarter 2019 was NOK 302.7 million, down from NOK 385.0 million at the end of last year. The decrease is mainly explained by dividend given to shareholders of NOK 20.6, the purchase of treasury shares of NOK 18 million, dividend of NOK 17 million paid from subsidiary to minority shareholders, liquidation proceeds of NOK 10.6 million paid to minority shareholders, and total comprehensive loss of NOK 16.1 million recorded for the year 2019. The Company's equity ratio stood at 98 percent at the end of the year.

The Company has no interest-bearing debt.

North Energy recorded NOK 28.0 30.6 million in cash and cash equivalents at the end of the fourth quarter. The decrease in cash of NOK 2.6 million from last quarter is coming from operating activities, partly offset by income from sale of financial investments.

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



## Industrial holdings

### Reach Subsea ASA

North Energy's main industrial investment is its shareholding in Reach, accounted at NOK 73.3 million, down from NOK 78.9 million last quarter. The decrease is due to a further write down of the investment due to lower market price of the share.

The investment in Reach is in line with North Energy's strategy to focus on strategic opportunities where substantial influence can be exercised. The company is listed on the Oslo Stock Exchange and as of the end of year 2019, the company had a market capitalization of NOK 228.2 million.

## Financial investments

The Company has an investment in Touchstone Exploration representing 11.0 per cent of the total number of shares in the company by the end of the year. After year-end, North Energy's position has been reduced to 9.8 per cent thru a number of transactions including the participation in Touchstone's private placement on 19 February 2020.



In December Touchstone announced the final analysis estimate on the COHO-1 well on the Ortoire exploration block. The flow test beat the expectations and the well is expected to materially contribute to Touchstone's near-term production growth. The company is targeting to bring the well on stream in the first half of 2020.

In February 2020, Touchstone announced the completion of the flowback testing of the Cascadura-1ST1 well, which is the second discovery on the Ortoire block. The test confirmed that the well is a significant liquids rich natural gas discovery. The test results are only attributable to the lower most portion of the well, and the full potential of the structure is yet to be defined. According to the company, further testing will commence in the near future.

North Energy is actively managing the portfolio of financial investments. Total market value of the investment portfolio was NOK 275.5 million at the end of the fourth quarter.

## Outlook

The market for oil and oil services has continued to be demanding. The board is not satisfied with the performance of the portfolio this year, as the ambition is to demonstrate value creation in the various investments. Full focus will remain on developing the portfolio in order to achieve positive long-term returns.



# Financial statements fourth quarter 2019

## CONSOLIDATED INCOME STATEMENT

NOK 1 000	Note	Q4 2019 (unaudited)	Q4 2018 (unaudited)	YTD Q4 2019 (unaudited)	YTD Q4 2018 (audited)
Sales		0	0	883	0
Payroll and related expenses		(1 275)	(1 318)	(4 828)	(6 034)
Depreciation and amortisation		( 417)	( 6)	(1748)	( 52)
Other operating expenses		(2 652)	(5 645)	(15 100)	(18 609)
Change in fair value of financial investments		22 079	(10 781)	30 222	(8 054)
Net result from investments in associates	11	(5 192)	(1 816)	(23 462)	(2 466)
<b>Operating profit/(loss)</b>		<b>12 544</b>	<b>(19 566)</b>	<b>(14 033)</b>	<b>(35 215)</b>
Financial income		131	1 612	1 647	3 024
Financial costs		( 117)	( 167)	( 600)	(5 529)
<b>Net financial items</b>		<b>14</b>	<b>1 445</b>	<b>1 046</b>	<b>(2 504)</b>
<b>Profit/(loss) before income tax</b>		<b>12 558</b>	<b>(18 121)</b>	<b>(12 986)</b>	<b>(37 719)</b>
Income taxes	8	123	2 530	(3 131)	2 726
<b>Profit/(loss) for the period</b>		<b>12 680</b>	<b>(15 590)</b>	<b>(16 117)</b>	<b>(34 993)</b>
Attributable to:					
Owners of North Energy ASA		12 531	(12 679)	(15 413)	(28 906)
Non-controlling interests		149	(2 912)	( 704)	(6 087)
		<b>12 680</b>	<b>(15 590)</b>	<b>(16 117)</b>	<b>(34 993)</b>
Earnings per share (NOK per share)					
- Basic		0,11	(0,11)	(0,13)	(0,24)
- Diluted		0,11	(0,11)	(0,13)	(0,24)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<b>Profit/(loss) for the period</b>	<b>12 680</b>	<b>(15 590)</b>	<b>(16 117)</b>	<b>(34 993)</b>
Other comprehensive income, net of tax				
<b>Total other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>12 680</b>	<b>(15 590)</b>	<b>(16 117)</b>	<b>(34 993)</b>
Attributable to:				
Owners of North Energy ASA	12 531	(12 679)	(15 413)	(28 906)
Non-controlling interests	149	(2 912)	( 704)	(6 087)
	<b>12 680</b>	<b>(15 590)</b>	<b>(16 117)</b>	<b>(34 993)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK 1 000	Note	31.12.2019 (unaudited)	31.12.2018 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		0	83
Right-of-use assets	3,12	3 752	0
Other receivables		350	1 916
Financial investments	9	-	30 089
Investments in associates	11	80 733	98 453
Deferred tax asset	8	0	2 530
<b>Total non-current assets</b>		<b>84 836</b>	<b>133 070</b>
<b>Current assets</b>			
Trade and other receivables		1 422	678
Financial investments, current	9	194 791	7 330
Cash and cash equivalents		28 013	248 441
<b>Total current assets</b>		<b>224 226</b>	<b>256 449</b>
<b>Total assets</b>		<b>309 061</b>	<b>389 519</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	5	119 047	119 047
Treasury shares	5	(3 411)	0
Share premium		903 141	936 010
Other paid-in capital		30 691	30 691
Retained earnings		(732 070)	(709 227)
Non-controlling interests		(14 653)	8 476
<b>Total equity</b>		<b>302 746</b>	<b>384 997</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liability	8	600	0
Leasing liabilities	3,12	2 068	0
<b>Total non-current liabilities</b>		<b>2 668</b>	<b>0</b>
<b>Current liabilities</b>			
Leasing liabilities, current	3,12	1 805	0
Trade creditors		48	2 841
Tax payable	8	0	0
Other current liabilities		1 795	1 681
<b>Total current liabilities</b>		<b>3 648</b>	<b>4 522</b>
<b>Total liabilities</b>		<b>6 316</b>	<b>4 522</b>
<b>Total equity and liabilities</b>		<b>309 061</b>	<b>389 519</b>

## 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 2018	119 047	0	936 010	30 691	(680 321)	14 562	419 990
Total comprehensive income for 01.01.18-31.12.18					(28 906)	(6 087)	(34 993)
<b>Equity at 31 December 2018</b>	<b>119 047</b>	<b>0</b>	<b>936 010</b>	<b>30 691</b>	<b>(709 227)</b>	<b>8 476</b>	<b>384 997</b>
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)
<b>Equity at 31 December 2019</b>	<b>119 047</b>	<b>(3 411)</b>	<b>903 141</b>	<b>30 691</b>	<b>(732 070)</b>	<b>(14 653)</b>	<b>302 745</b>

## CONSOLIDATED CASH FLOW STATEMENT

NOK 1 000	Q4 2019 (unaudited)	Q4 2018 (unaudited)	YTD Q4 2019 (unaudited)	YTD Q4 2018 (audited)
<b>Cash flow from operating activities</b>				
Profit/(loss) before income tax	12 558	(18 121)	(12 986)	(37 719)
Adjustments:				
Tax refunded/paid	0	233 227	0	233 227
Depreciation	417	6	1 748	52
Pensions	102	15	148	47
Transaction costs and interest on borrowings recognised in P&L	0	306	0	1 417
Change in fair value of financial investments	(22 079)	10 781	(30 222)	8 054
Net result from investments in associates	5 192	1 816	23 462	2 466
Changes in current payables, receivables and other accruals	( 35)	1 912	(3 740)	456
<b>Net cash flow from operating activities</b>	<b>(3 845)</b>	<b>229 943</b>	<b>(21 591)</b>	<b>208 000</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	0	( 28)	0	( 92)
Proceeds from sales of property, plant and equipment	0	251	0	677
Investments in associates	0	(6 994)	(8 971)	(11 599)
Dividends from associates	0	0	3 229	0
Purchase of financial investments	(45 700)	(1 700)	(176 135)	(25 032)
Proceeds from sales of financial investments	46 886	14	47 757	36 626
Proceeds/payments from other non-current receivables	0	10 541	1 417	10 541
<b>Net cash flow from investing activities</b>	<b>1 186</b>	<b>2 085</b>	<b>(132 703)</b>	<b>11 120</b>
<b>Cash flow from financing activities</b>				
Repayments of borrowings	0	(34 579)	0	(35 579)
Transaction costs and interest on borrowings paid	0	( 111)	0	( 412)
Dividends paid from North Energy ASA	0	0	(20 567)	0
Dividends paid from subsidiary to non-controlling interests	0	0	(17 000)	0
Dividends paid from liquidated subsidiary to non-controlling interests	0	0	(10 605)	0
Purchase of treasury shares	0	0	(18 020)	0
Net proceeds from share issues	0	0	0	0
Share issues in subsidiary, contribution from non-controlling interests	57	0	57	0
<b>Net cash flow from financing activities</b>	<b>57</b>	<b>(34 691)</b>	<b>(66 134)</b>	<b>(35 991)</b>
<b>Net change in cash and cash equivalents</b>	<b>(2 602)</b>	<b>197 338</b>	<b>(220 428)</b>	<b>183 129</b>
Cash and cash equivalents at beginning of the period	30 615	51 103	248 441	65 312
<b>Cash and cash equivalents at end of the period</b>	<b>28 013</b>	<b>248 441</b>	<b>28 013</b>	<b>248 441</b>



# Notes to the interim consolidated financial statements fourth quarter 2019

## 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 2019. 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 listed on Oslo Axess, an exchange regulated by the Oslo Stock Exchange, on 5 February 2010. The company's ticker is NORTH.

## 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 2018. The annual accounts for 2018 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 2018. In addition, the Group has adopted the IFRS 16 Leases effective from 1 January 2019.

IFRS 16: The implementation of IFRS 16 resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group adopted the standard using the modified retrospective approach. The implementation had no impact on net equity and resulted in an increase of NOK 5.4 million in property, plant and equipment with a corresponding increase in liabilities, of which NOK 3.6 million is classified as non-current liabilities and NOK 1.8 million is classified as current liabilities. The Group's leasing portfolio consists of leased office space.

## 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 2018.

## Note 5 - Share capital

Number of outstanding shares at 1 January 2019	119 047 065
New shares issued during the period	0
<b>Number of outstanding shares at 30 December 2019 *</b>	<b>119 047 065</b>
Nominal value NOK per share at 30 September 2019	1
Share capital NOK at 30 September 2019	119 047 065

\* Inclusive 1,795,472 treasury shares. North Energy ASA has in March 2019 purchased 9,484,038 own shares at a price of NOK 1.9 per share, and in June 7,688,566 of these shares were paid as dividend. Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

North Energy ASA has in June 2019 paid a dividend of NOK 0.30 per share. The dividend was paid in cash with NOK 20.6 million together with 7,688,566 dividend shares at NOK 1.6 per share.

## Note 6 - Business segments

The Group reports only one business segment which, after the discontinued exploration activities, only includes the investment activities.

## Note 7 - Related parties

The company's transactions with related parties:

<b>Purchase of services from</b>	<b>Description of services</b>	<b>YTD Q4 2019</b>	<b>YTD Q4 2018</b>
North Advisors AS	Consultancy services	8 501	8 142

## Note 8 - Income taxes

North E&P AS ("Company") received on 23rd October 2018 a notice from the Petroleum Taxation Office ("OTO") of possible changes of the Company's tax returns from the years 2014 and 2015. For these two years North Energy's total expenses eligible for refund amounted to NOK 970 million. OTO has in the notice challenged NOK 146 million of these expenses, with a corresponding exploration tax refund of NOK 114.2 million. In the notice, OTO claims that North Energy have incurred this cost to take advantage of the refund system and not for adequate operational reasons. North Energy strongly disputes both the content and the conclusion of the notice. The Company's judgement is that it is more likely than not that OTO will waive the potential claim. However, the Board of North E&P has taken necessary measures to ensure sufficient financial cover of the potential tax claim.

<b>Specification of income tax</b>	<b>YTD Q4 2019</b>	<b>YTD Q4 2018</b>
Tax payable	0	0
Change deferred tax asset	(3 131)	2 726
Of this, deferred tax asset related to equity transactions recognised directly in equity	0	0
<b>Total income tax credit</b>	<b>(3 131)</b>	<b>2 726</b>

<b>Specification of temporary differences, tax losses carried forward, deferred tax asset and tax receivable from refund tax value offshore tax losses</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
Property, plant and equipment	3 427	( 423)
Pensions	532	570
Prepayments and other receivables	0	(2 076)
Leasing liabilities	(3 873)	0
Financial investments	30 523	8 782
Tax losses carried forward, onshore	(75 777)	(58 359)
Tax losses carried forward, offshore 22%	0	(2 756)
Tax losses carried forward, offshore 56%	0	(3 436)
<b>Total basis for deferred tax asset</b>	<b>(45 169)</b>	<b>(57 698)</b>
Deferred tax asset before valuation allowance	9 937	13 862
Not capitalised deferred tax asset (valuation allowance)	(10 537)	(11 331)
<b>Deferred tax asset</b>	<b>( 600)</b>	<b>2 530</b>

<b>Reconciliation of effective tax rate</b>	<b>YTD Q4 2019</b>	<b>YTD Q4 2018</b>
Profit/(loss) before income tax	(12 986)	(37 719)
Expected income tax 22% (2018: 23%)	2 857	8 675
Adjusted for tax effects (22% - 78%) of the following items:		
Permanent differences	(5 708)	(4 153)
Adjustments previous years	(1 924)	( 162)
Finance items and different tax rates within the group	0	1 890
Changed tax rates	0	( 552)
Change in valuation allowance for deferred tax assets	1 644	(2 972)
<b>Total income tax credit</b>	<b>(3 131)</b>	<b>2 726</b>

## Note 9 - Financial investments

Financial investments are investments in bond funds, shares and bonds. The main investments at 30 December 2019 consist of bond funds, shares in Touchstone Exploration, and various shares and bonds.

## 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 bond funds and 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

<b>Fair Value 31.12.2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Shares	61 749		0	61 749
Bonds		9 614		9 614
Bond funds		123 428		123 428
<b>Total fair value</b>	<b>61 749</b>	<b>133 042</b>	<b>0</b>	<b>194 791</b>

There has been no transfer between level 1 and level 2 during 2019.

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

## Note 11 - Investment in an associate

Reconciliation and specification of carrying amount of investment in associates:

	<b>31.12.2019</b>	<b>31.12.2018</b>
Opening balance carrying amount of investments in associates	98 453	89 320
Acquisition cost additional shares acquired, Reach Subsea	8 971	4 605
Acquisition cost shares acquired, Tyveholmen AS	0	6 994
Impairment/reversal of impairment of investment, Reach Subsea	(12 108)	891
Share of net result in investment, Reach Subsea	(11 698)	(3 411)
Share of net result in investment, Tyveholmen AS	344	54
Dividend received, Reach Subsea	(3 229)	0
<b>Total carrying amount of investments in associates at balance date</b>	<b>80 733</b>	<b>98 453</b>

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

	<b>YTD Q4 2019</b>	<b>YTD Q4 2018</b>
Impairment / reversal of impairment of investment, Reach Subsea	(12 108)	891
Share of net result in investment, Reach Subsea	(11 698)	(3 411)
Share of net result in investment, Tyveholmen	344	54
<b>Net result from investments in associates</b>	<b>(23 462)</b>	<b>(2 466)</b>

## 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:

<b>Right-of-use assets</b>	<b>Office facilities</b>
Acquisition cost at initial application 1 January 2019	5 420
Addition of right-of-use assets	0
<b>Acquisition cost 31 December 2019</b>	<b>5 420</b>
Accumulated depreciation and impairment 1 January 2019	0
Depreciation	(1 668)
Impairment	0
<b>Accumulated depreciation and impairment 31 December 2019</b>	<b>(1 668)</b>
<b>Carrying amount of right-of-use assets 31 December 2019</b>	<b>3 752</b>

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

### Leasing liabilities:

Lease liabilities at initial application 1 January 2019	5 420
Additions new lease contracts	0
Accretion lease liabilities	217
Payments of lease liabilities	(1 763)
<b>Total leasing liabilities 31 December 2019</b>	<b>3 873</b>

Break down of lease debt:	
Short-term	1 805
Long-term	2 068
<b>Total lease debt</b>	<b>3 873</b>

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

	<b>31.12.2019</b>
Within 1 year	-
1 to 5 years	4 135
After 5 years	-
<b>Total</b>	<b>4 135</b>

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

### Note 13 - Events after the balance sheet date

No material events have occurred after the balance sheet date that impact these interim financial statements.



# North Energy ASA

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Elin Karfjell

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