



MIME
PETROLEUM

Investor update

3 September 2020



Highlights



Pure-play NCS independent with strong value creation agenda

- Seasoned management team with multi-decade experience of oil & gas operations on the NCS
- Backed by Blue Water Energy, a leading energy investor with track record of building successful E&P companies
- Production and development focused strategy, pursuing low risk near-field developments, increased recovery (IOR) and infrastructure led exploration (ILX) opportunities to maximise field life and resource potential
- Proactive M&A strategy

Partner in high-quality, low cost assets in the Balder & Ringhorne area

- Balder & Ringhorne East currently delivering 23 kboepd from a 2P reserve base of 259 mmboe (gross) tapping into multiple reservoirs from interconnected infrastructure hubs serving 32 wells
- Revitalisation campaign sanctioned in 2019, growing gross production to ~120 kboepd in 2023, extending field life to 2045. CO₂-intensity at par with NCS ~8kg/boe.
- Low opex of USD 13/boe over the next five years
- Tier 1 operator in Vår Energi and former ExxonMobil operating organisation with +20 years of asset stewardship

Robust financial position and moderate leverage

- USD 129m cash equity invested to date of a commitment of USD 300m¹
- USD 65m RBL facility in place with DNB and BNP Paribas, with USD 30m accordion option. In the final process of increasing RBL to USD 97.5 mill (credit committee approval obtained).
- USD 32.4m unsecured bond issued in Feb-2020 with five year maturity
- High cash flow generation leading to rapid deleveraging

Credit enhancing Norwegian tax system

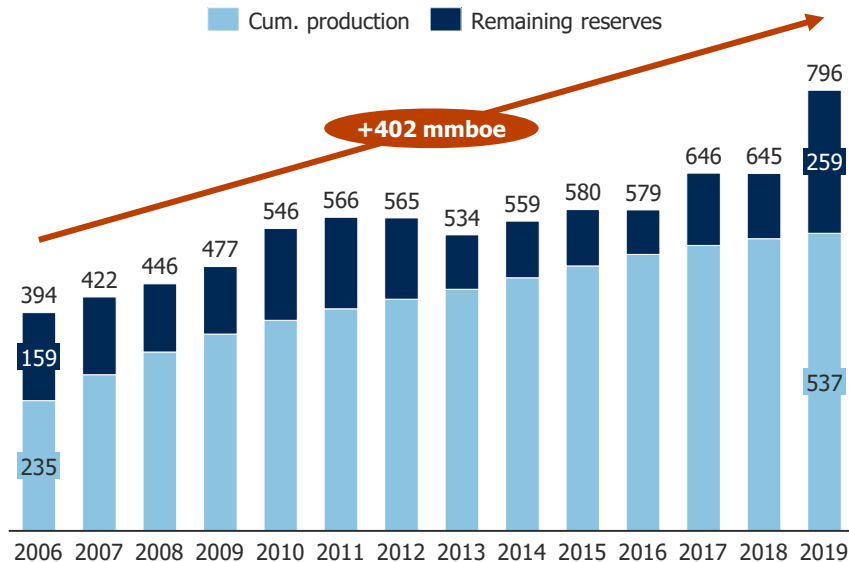
- Revised NCS tax system ensures refund of tax losses for the fiscal years 2020 and 2021, app NOK 1.3 bn to be received
- NOK 102m received 3 August, demonstrating that the temporary tax system is operational and functioning
- Fiscal regime supportive of growth through tax allowances, with about 90% recovery of capex

1) Any references to Blue Water Energy's commitment in this presentation includes the commitments from Blue Water Energy Fund II, L.P. and it's co-investor group

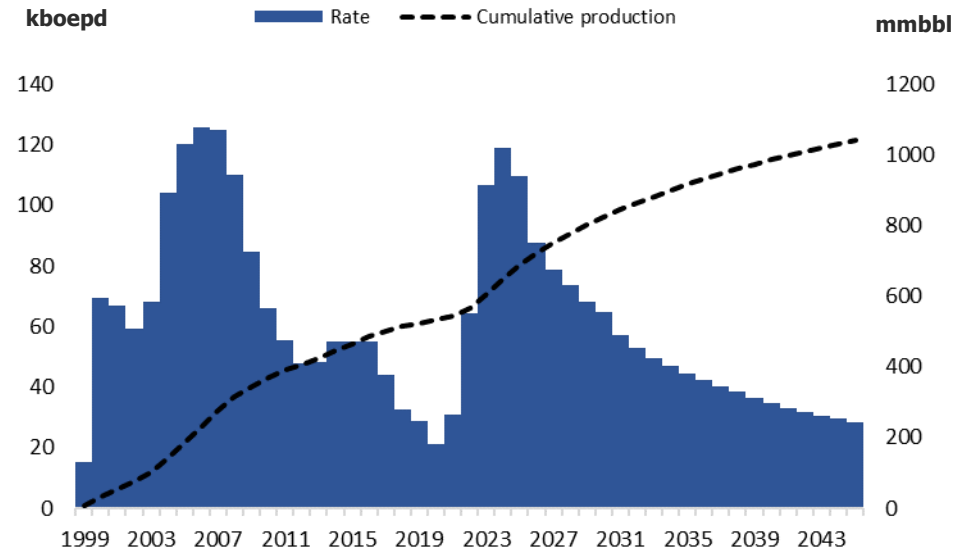
Balder & Ringhorne area reserves growth and production



Recoverable reserves has increased 2x since 2006¹



Oil production since start-up



- Continuous reserves growth in the fields (Balder, Ringhorne & Ringhorne East)
- Total recoverable reserves from the field doubled from 394 mmboe at year-end 2006 to 796 mmboe in 2019
- Balder Future project sanctioned in 2019 leading to a material increase in remaining reserves
- Operator continuously maturing new reserves. Mime expects trend to continue, doubling today's remaining reserves.

- Peak production of ~130 kboepd for the area reached in 2007
- Start-up of Ringhorne in 2003 doubled the production rate
- Several drilling campaigns after 2010 have lifted production
- Cumulative oil production per 31 December 2019 at 524 mmbbl
- Redevelopment expected to double the recoverable volumes (incl. prospective resources), additional volumes of 518 mmbbl increasing total volumes to 1043 mmbbl by year 2045

1) NPD historical resource accounts, RNB2020 for year-end 2019. 2019 NPD reserves deviate from Mime's reserves value due to the exclusion of gas in Mime's figures. All numbers are gross 100%. Recoverable reserves = cumulative production to date plus remaining reserves

Mime Petroleum – Current status



Balder X and current offshore operations

Balder X and ongoing development projects

- The Balder Future PDO was approved on June 18, 2020
- Jotun FPSO decommissioning offshore, cleaning of vessel and topside systems as well as towing to shore have been performed according to schedule during 1H2020.
- The Jotun vessel arrived quay at Rosenberg Worley yard in Stavanger end June. First oil is scheduled in 3Q2022.
- Ringhorne phase III drilling activity to commence in Q4 2020

Operations

- Safe operations on the Balder floating production unit (FPU) and the Ringhorne platform have been prioritized during the Covid-19 epidemic in 1H2020
- To minimize risks related to COVID-19, the operator has reduced the overall activity level and number of offshore personnel
- No confirmed infection on the offshore facilities

Financials and financing

Equity

- USD 300m equity commitment from Blue Water Energy, whereof USD 129m injected
- Equity to catalyse growth through M&A and development projects – Balder X important in this perspective

Debt financing

- Existing RBL facility amount of USD 65m with DNB and BNP Paribas
- In the final process of adding a third bank and increasing the RBL to USD 97.5m
- NOK 300m unsecured bond completed in February 2020
- Per end-August: RBL drawn USD 56m / Cash balances plus undrawn RBL of about USD 32m

Jotun FPSO lease-back structure being considered

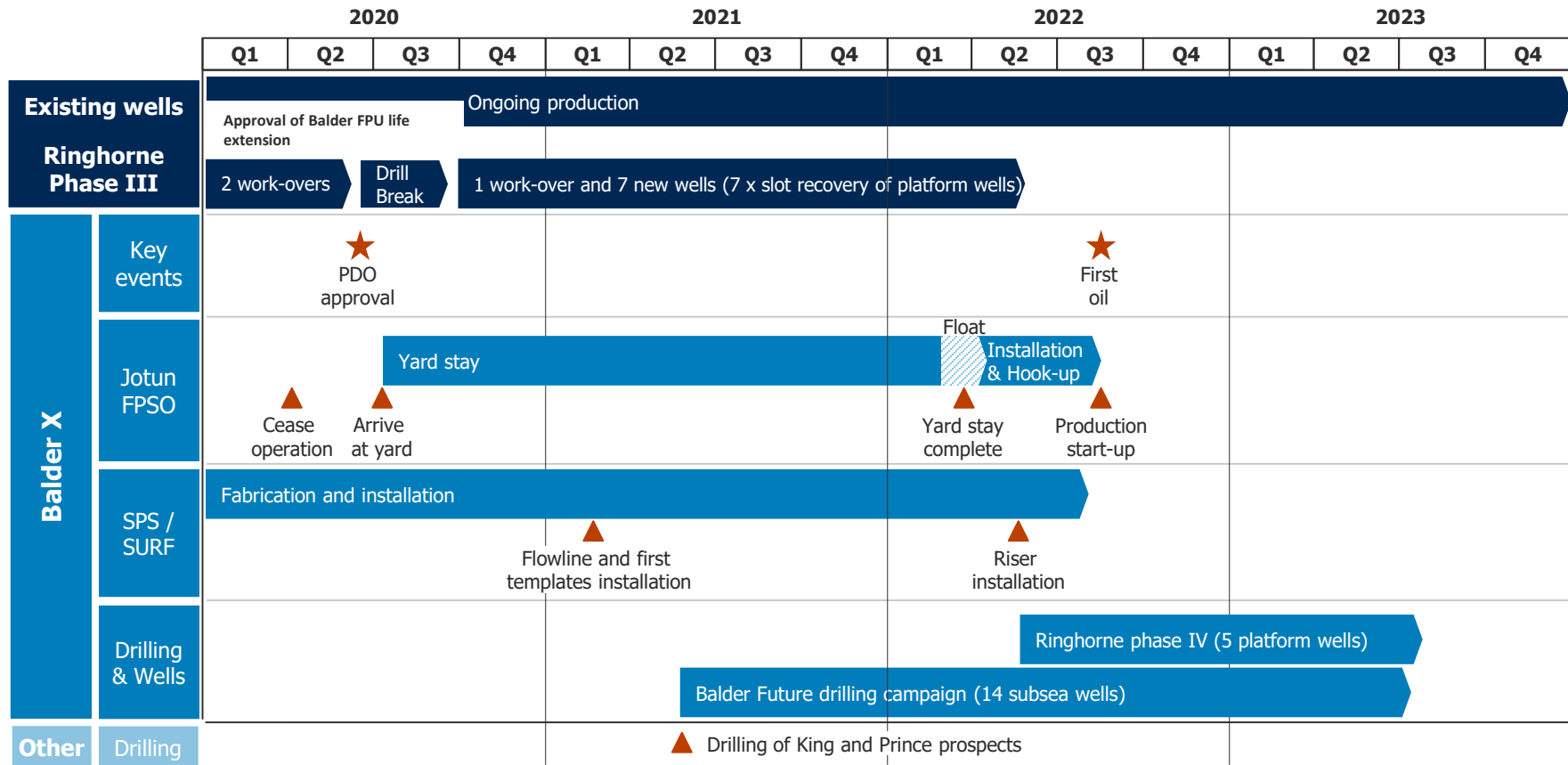
Oil price hedging

- After-tax hedging ratio about 50% for second half of 2020 at an average fixed price of USD 60.5/bbl
- Regularly evaluating further oil price hedging derivatives

Timeline and milestones



Ongoing production to fund developments with short lead time to first oil



Balder X – Current status



PDO estimate confirmed through the first project baseline update with EPCI contractors

- NCS experience has been key in the selection of main contractors;
 - Seadrill (drilling of 14 new Balder subsea wells)
 - Ocean Installer / Vetco Grey Scandinavia consortium (subsea)
 - Rosenberg Worley (FPSO)
 - Positive effect in the supplier industry (70% Norwegian content)
 - 30 000 man-years of work during development and operations
- Drilling of 14 wells in Balder Future project and five wells in Ringhorne
- Conventional subsea development with currently eight spare well slots (Five 4-slot templates plus two single satellites)
 - Tie-in of potential King/Prince subsea wells (or 3rd party) planned
- Jotun FPSO refurbishment for lifetime extension to 2045, complete with processing of new fluid, utilities and living quarter renewal
- 50% of the current contingency is related to the FPSO refurbishment
 - Contingency amount maintained through Baseline 1, except for minor contractual increase related to the FPSO

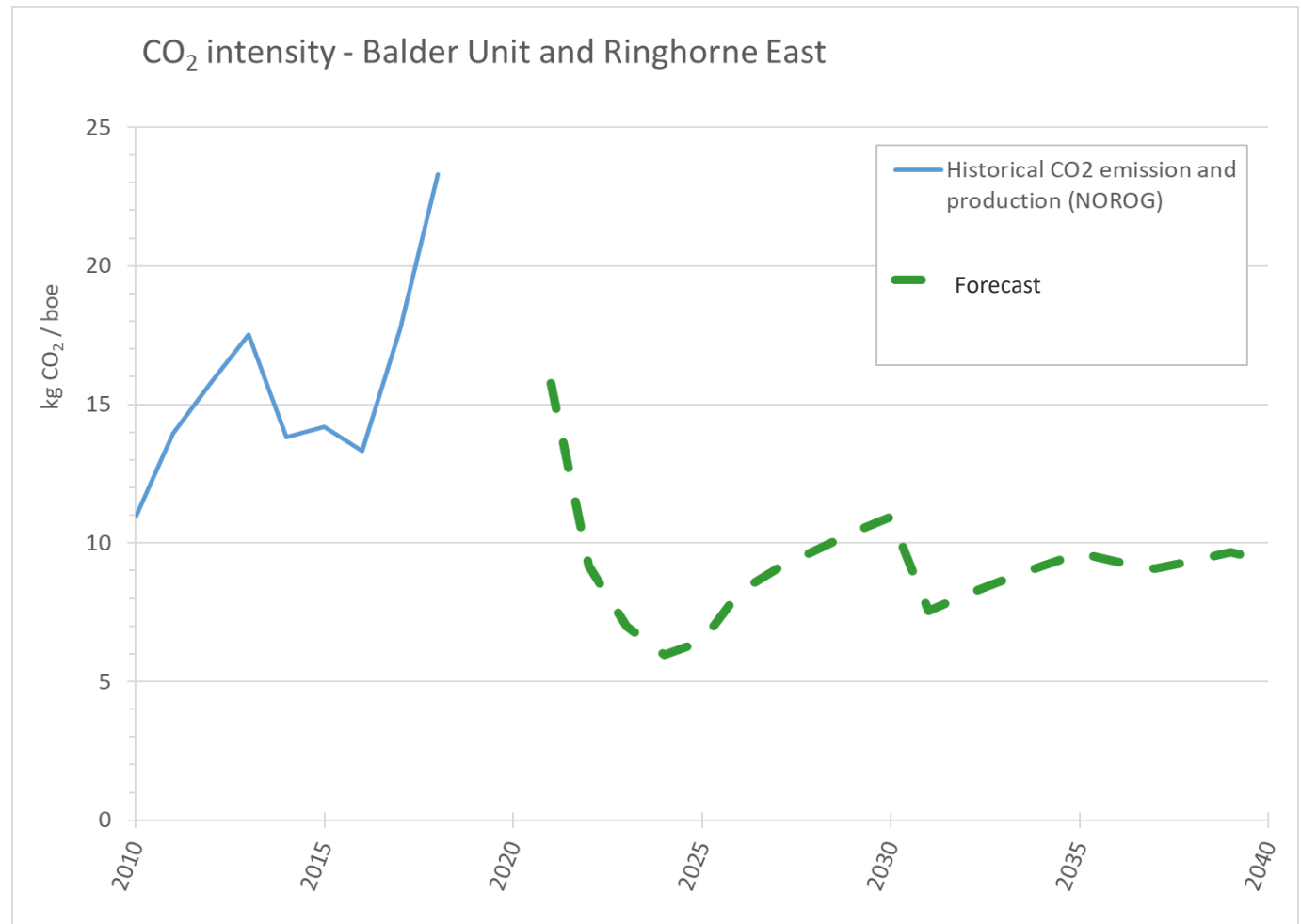
Balder X project - gross (January 2020 onwards)	NOK million (2020)
Drilling & Completion incl. RH ph IV	7,112
Subsea SPS/SURF	3,209
Jotun FPSO	5,996
Operator's Cost	1,585
Contingency	2,405
Total	20,308

Expected outlook for CO₂ intensity



The Balder re-development will reduce the CO₂-intensity

- Balder Future PDO condition; “Establish a plan for further development of the resource potential of the Balder field”
- Compared to recent historic performance for the Balder Unit and RH East, enhanced resource recovery scenarios / plans will reduce the CO₂ emission intensity to the performance level of NCS, of 8 kg CO₂/boe o.e.⁽¹⁾
- Realizing the resource recovery potential, re-use of installations (Jotun FPSO), and energy efficiency are key for reduced “CO₂ footprint”



1) Norwegian Oil Association Miljørapport 2018, CO₂ NCS emission for 2017.

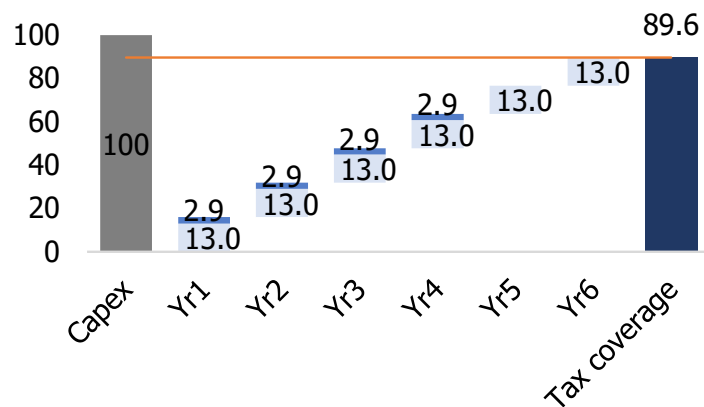
Favourable revisions to the NCS tax system



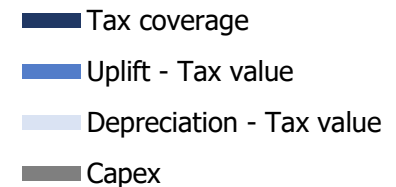
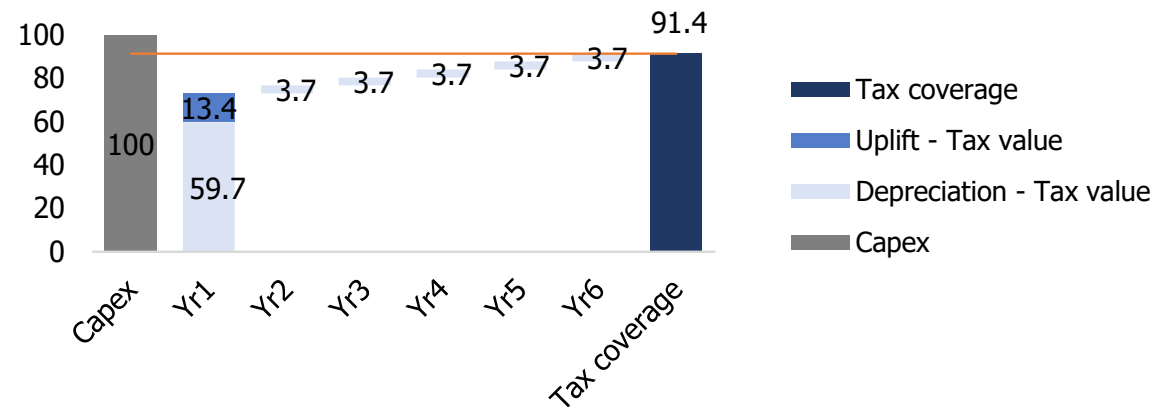
Key headlines of the temporary changes

- Changes to depreciation schedule and uplift
 - Deducting investments immediately in the special tax regime (56%). Corporate tax depreciation (22%) kept at 6 years.
 - The uplift is changed from 5.2% per year over four years to 24% for the first year
 - Changes applicable to all capex in 2020 and 2021
 - Also applicable to capex after 2021 if capex is covered by a PDO (such as Balder Future) submitted before end-2022 and approved by end-2023. Applicable to the productions start-up in the PDO.
- The tax losses for the tax years 2020 and 2021 are refunded
 - Meaning neutral tax treatment of companies in vs out of tax position
 - Mime expects to be refunded around 1.3 bill NOK for the tax years 2020 and 2021, 102 mill NOK received 3 August

Tax coverage before tax changes



Temporary tax changes



Statements of Income per June 30, 2020



(NOK 1 000)	Note	YTD 30.06.2020	YTD 30.06.2019	Audited 2019
Sale of petroleum		131 194		240 709
Other revenue		83 622	7	-1 123
Total operating revenue		214 816	7	239 585
Operating expenses		-178 381	-20 600	-186 164
Ordinary depreciation		-49 135	-2	-50 583
Exploration costs		-651		-213
Total operating expense		-228 168	-20 602	-236 960
Profit / (loss) from operating activities		-13 352	-20 595	2 625
Net financial items	8	-70 129	-193	14 197
Net financial items		-70 129	-193	14 197
Profit / (loss) before income tax		-83 481	-20 787	16 822
Income tax	9	110 577	16 502	5 848
Net profit / (loss)		27 096	-4 285	22 671
Allocation of net profit / (loss):				
Retained earnings		27 096		22 671
Uncovered loss			-4 285	

*FY 2019: The Balder/Ringhorne transaction was accounted for with effect from August 1, 2019

**Notes can be read in the Interim Financial Report published on Mime Petroleum's website

Statements of Financial Position per June 30, 2020



				Audited
(NOK 1 000)	Note	YTD 30.06.2020	YTD 30.06.2019	2019
ASSETS				
FIXED ASSETS				
Intangible fixed assets				
Capitalized exploration wells		1 162		293
Other intangible assets		12 953		14 473
Total intangible fixed assets	2	14 115	-	14 766
Tangible fixed assets				
Production facilities		2 372 207		2 191 353
Other property, plant and equipment		633	803	746
Total tangible fixed assets	1	2 372 840	803	2 192 100
Financial fixed assets				
Deferred tax asset		-	60 486	-
Other financial assets		5 196	1 024	2 976
Total financial fixed assets		5 196	61 510	2 976
TOTAL FIXED ASSETS		2 392 150	62 313	2 209 842
CURRENT ASSETS				
Inventory and underlift		28 828	-	10 793
Trade and other receivables	3	68 650	331	85 556
Tax receivable	9	274 880	-	-
Other current assets		67 555	-	58 982
Cash and cash equivalents		45 730	4 421	51 633
TOTAL CURRENT ASSETS		485 642	4 752	206 964
TOTAL ASSETS		2 877 793	67 065	2 416 806

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Statements of Financial Position per June 30, 2020



				Audited
(NOK 1 000)	Note	YTD 30.06.2020	YTD 30.06.2019	2019
EQUITY AND LIABILITIES				
EQUITY				
Paid-in capital				
Share capital		11 321	836	11 055
Share premium		1 120 743	82 767	1 094 409
Not registered sharecapital		0	-	26 600
Total paid-in capital		1 132 063	83 603	1 132 063
Retained earnings/(uncovered loss)		29 767	-24 286	2 670
TOTAL EQUITY		1 161 830	59 318	1 134 734
Non-current liabilities				
Deferred tax liability	9	248 861	-	97 153
Interest bearing loans and borrowings	7	650 199	-	398 669
Other long term liabilities		1 104	-	493
Asset retirement obligation	6	652 747	-	642 854
TOTAL NON CURRENT LIABILITIES		1 552 910	-	1 139 169
Current liabilities				
Trade payables	4	31 818	1 202	4 691
Short term part of long term debt		-	-	42 092
Public duties payable		1 802	1 085	2 194
Tax payable		19 974	-	7 331
Other current liabilities and overlift	4	109 459	5 460	86 596
TOTAL CURRENT LIABILITIES		163 053	7 748	142 903
Total liabilities		1 715 963	7 748	1 282 072
TOTAL EQUITY AND LIABILITIES		2 877 793	67 065	2 416 806

*FY 2019: The Balder/Ringhorne transaction was accounted for with effect from August 1, 2019

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Statements of Cash Flows per June 30, 2020



(NOK 1 000)	YTD 30.06.20	YTD 30.06.19	2019
Cash flows from operating activities			
Profit / loss (-) before income tax	-83 481	-20 787	16 822
<u>Adjustments:</u>			
Income tax paid	-	-	-
Depreciation, depletion and amortization	49 135	2	50 583
Interest and fees on borrowings	21 080		12 844
Accretion expense	16 993		2 649
Change in trade and other receivables	-36 272	-7 540	-128 261
Change in trade and other payables	50 200	3 876	89 608
Net cash flows from / used in (-) operating activities	17 654	-24 449	44 246
Cash flows from investing activities			
Investment in production facilities, acquisition	61		-1 143 014
Investment in production facilities, post acquisition	-235 220	-	-302 748
Other investments	-1 450		-15 753
Investment in furniture, fixtures and office machines	-	-789	-854
Net cash flows from / used in (-) investing activities	-236 609	-789	-1 462 369
Cash flows from financing activities			
Repayment of current borrowings	-151 762	-	-
Proceeds from borrowings	300 000	-	457 749
Interest and fees on borrowings, paid	-27 830	-	-24 514
Loans to shareholder	-486	-	-1 403
Proceeds from share issues	26 600	21 023	1 035 260
FX effects	66 529	-	-5 972
Net cash flows from / used in (-) financing activities	213 052	21 023	1 461 120
Net increase/ decrease (-) in cash and cash equivalents	-5 903	-4 215	42 997
Cash and cash equivalents at the beginning of period	51 633	8 636	8 636
Cash and cash equivalents at the end of the period	45 730	4 421	51 633



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