



MIME
PETROLEUM

Investor update

1 September 2021



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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
- ESG focus and proactive M&A strategy

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

- Balder & Ringhorne East delivering 24 kboepd (average H1 2021) from a 2P reserve base of 270 mmboc (gross) tapping into multiple reservoirs from interconnected infrastructure hubs serving 30+ wells
- Revitalisation campaign sanctioned in 2019, growing gross production to ~120 kboepd in 2024, extending field life to 2047. The new King/Prince discovery demonstrates the area's attractiveness.
- Low opex of USD 13-15/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 136m cash equity invested to date of a commitment up to USD 300m
- USD 97.5m RBL facility in place with DNB, BNP Paribas and SEB, with USD 30m accordion option
- USD 32.4m unsecured bond issued in Feb-2020 with five year maturity

Norwegian tax system

- Revised NCS tax system ensures refund of tax losses for the fiscal years 2020 and 2021, app NOK 1.4 bn to be received
- The temporary tax system is operational and functioning, tax refund of NOK 768m received to date since Aug. 2020
- The petroleum tax system proposed 31 August provides more liquidity to Mime in the short term through tax refunds

Mime is committed to the NCS emission reduction targets

Activities to reduce CO₂ emissions

Balder/Ringhorne at NCS average

- CO₂ emission intensity is expected to decrease down to the NCS average from 2023 and onwards before implementation of new initiatives

Energy management

- Mime is set to review all measures that have potential of energy savings and reduced CO₂ emissions in cooperation with the Operator. Mime will aim at identifying all potential business cases including investments.

Balder FPU lifetime evaluations

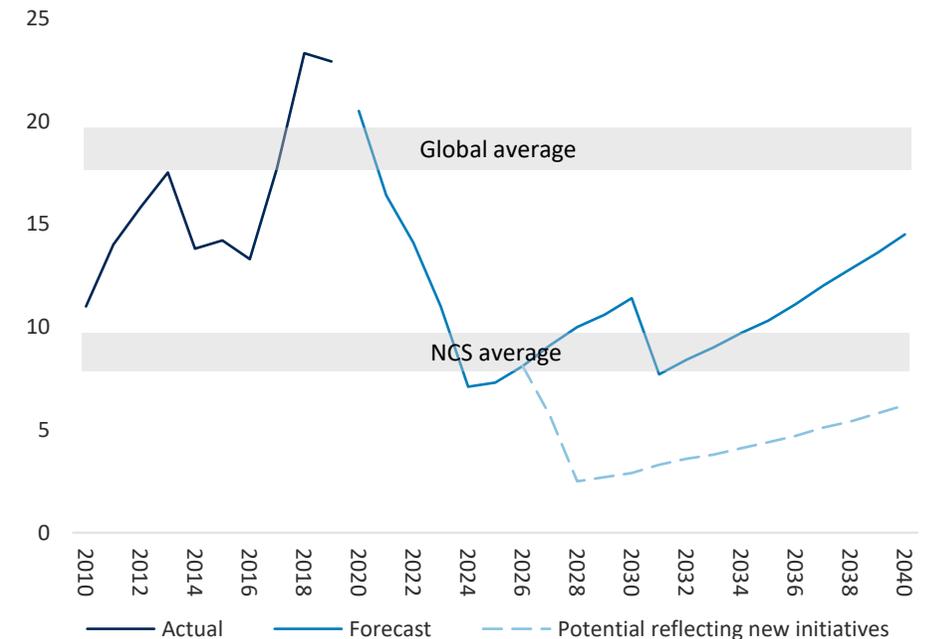
- The optimal economic lifetime of Balder FPU is being evaluated and replacing the FPU with subsea tie-backs of wells to Jotun FPSO. This will reduce CO₂ emission of approximately 100 000 tonnes per year.

Greater Balder area electrification

- Joint industry studies have been initiated to evaluate concept solutions for electrification of the greater Balder area. Electrification can further reduce CO₂ emissions with approximately 100 000 tonnes per year at Balder/Ringhorne.

Mime's CO₂ intensity

Kg CO₂ per boe



Mime Petroleum – Current status



Operations

Production and operational activities

- Safe operations on the Balder floating production unit (FPU) and the Ringhorne platform have been prioritized during the Covid-19 epidemic. No confirmed infection on the offshore facilities.
- Successful King Prince exploration well announced in June, initial estimates showing recoverable volumes of 60-135 mmboe
- Ongoing drilling activity from the Ringhorne platform (11 new production wells). Campaign delayed due to drilling challenges related to the two first wells.
- Production from existing wells delivering according to plan, while first infill well from Ringhorne came in lower than anticipated
- Balder FPU lifetime extension granted by Petroleum Safety Authority in March

Balder Future projects

- The Balder Future PDO was approved on June 18, 2020
- Covid 19 has impacted equipment deliveries and available workforce at yard due to closed borders. In addition, increased work scope has impacted project schedule, further affecting construction and progress.
- Timing of first oil delayed from H2 2022 to beyond first half of 2023
- Detailed work and assessments to evaluate the impact of the current situation are ongoing
- West Phoenix rig arrived at the field late August

Financing

Equity

- Up to USD 300m equity commitment from Blue Water Energy, whereof USD 136m injected to date
- Equity to catalyse growth through M&A and development projects

Debt financing

- RBL facility amount of USD 97.5m with DNB, BNP Paribas and SEB (entered in September 2020).
 - H1 2021 redetermination finalised in May
- NOK 300m unsecured bond completed in February 2020
- Per end August 2021: RBL drawn USD 97.5m / Cash balances of about USD 45m

Oil price hedging

- Brent swaps of 20 000 barrels per month for 2021 (\$52.5/bbl) and 2022 (\$61.2/bbl)
- Regularly evaluating further oil price hedging derivatives

Other items

- Temporary tax refund functioning according to plan
- A new petroleum tax system was proposed 31 August; provides more liquidity to Mime in the short term through tax refunds, but awaiting a more detailed proposal and further process in the Parliament

Verified reserves and long production



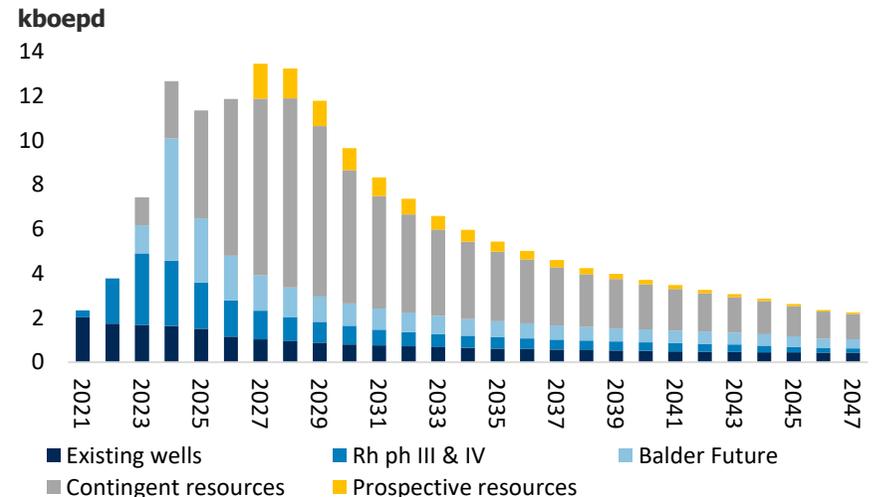
Overview of reserves and resources

- 1 Existing wells
 - 30 wells in 6 different reservoirs
 - Excellent reservoir properties, proven production performance
 - Recovery factor of 28%, vs 50-60% for comparable fields
- 2 Ringhorne phase III and IV
 - Phase III: 7 new wells (ongoing), 2 work-overs completed and 1 injector
 - Phase IV: 5 platform wells connected to Ringhorne platform
- 3 Balder Future
 - PDO approved in June 2020 and with first oil 2023
 - Substantially increasing production and field lifetime to 2047
 - Jotun FPSO has been taken to shore for refurbishment
 - 14 new subsea wells connected to Jotun FPSO
- 4 Contingent resources
 - Large remaining potential. Recovery factor of ~35% with sanctioned projects (point 1-3); comparable fields have 50-60%
 - Balder Phase V: 8 new wells planned after Balder Future drilling campaign. DG1 passed in 2019.
 - King / Prince discovery announced in June, 60-135 mmboe
 - Additional drilling targets identified focusing on injectite systems and production optimisation, targeting a recovery factor similar to comparable fields
- 5 Prospective resources
 - Additional King / Prince segments

Net reserves and resources per 1 Jan 2021



Net production profile



Statements of Income per June 30, 2021



(NOK 1 000)	Note	YEAR TO DATE		FULL YEAR
		YTD 30.06.21	YTD 30.06.20	2020
Sale of petroleum		243 246	131 194	246 274
Other revenue		-12 562	83 622	91 191
Total operating revenue		230 685	214 816	337 464
Operating expenses		-138 466	-178 381	-291 332
Ordinary depreciation		-60 072	-49 135	-106 336
Impairment		-	-	-26 286
Exploration costs		-351	-651	-1 240
Total operating expense		-198 889	-228 167	-425 193
Profit / (loss) from operating activities		31 796	-13 351	-87 729
Net financial items	8	-46 174	-70 129	-11 001
Net financial items		-46 174	-70 129	-11 001
Profit / (loss) before income tax		-14 378	-83 480	-98 731
Income tax	9	23 823	110 577	151 819
Net profit / (loss)		9 444	27 097	53 088
Allocation of net profit / (loss):				
Retained earnings		9 444	27 096	53 088
Uncovered loss				

Statements of Financial Position per June 30, 2021



		Unaudited		Audited
(NOK 1 000)	Note	30.06.2021	30.06.2020	31.12.2020
ASSETS				
FIXED ASSETS				
Intangible fixed assets				
Capitalized exploration wells		52 816	1 162	4 392
Other intangible assets		9 913	12 952	11 433
Total intangible fixed assets	2	62 729	14 115	15 825
Tangible fixed assets				
Production facilities		3 006 193	2 372 207	2 531 263
Other property, plant and equipment		450	633	587
Total tangible fixed assets	1	3 006 643	2 372 840	2 531 851
Financial fixed assets				
Other financial assets		8 312	5 196	6 621
Total financial fixed assets		8 312	5 196	6 621
TOTAL FIXED ASSETS		3 077 684	2 392 150	2 554 297
Current assets				
Inventory and underlift		7 760	28 828	20 955
Trade and other receivables	3	94 638	68 650	48 949
Tax receivable	9	330 600	274 880	282 806
Other current assets		70 932	67 555	60 436
Cash and cash equivalents		254 961	45 730	213 467
TOTAL CURRENT ASSETS		758 891	485 643	626 613
TOTAL ASSETS		3 836 575	2 877 793	3 180 910

		Unaudited		Audited
(NOK 1 000)		30.06.2021	30.06.2020	31.12.2020
EQUITY AND LIABILITIES				
EQUITY				
Paid-in capital				
Share capital		11 917	11 321	11 321
Share premium		1 179 748	1 120 743	1 120 743
Not registered sharecapital		-	0	0
Total paid-in capital		1 191 665	1 132 063	1 132 063
Retained earnings/(uncovered loss)		65 203	29 767	55 758
TOTAL EQUITY		1 256 868	1 161 830	1 187 822
Non-current liabilities				
Deferred tax liability	9	876 917	248 861	525 239
Interest bearing loans and borrowings	7	947 020	650 199	733 729
Other long term liabilities		2 727	1 104	1 904
Asset retirement obligation	6	554 796	652 747	560 516
TOTAL NON CURRENT LIABILITIES		2 381 461	1 552 910	1 821 388
Current liabilities				
Trade payables	4	73 906	31 818	21 726
Short term part of long term debt		-	-	-
Public duties payable		1 727	1 802	2 468
Tax payable		4 653	19 974	9 729
Other current liabilities and overlift	4	117 960	109 459	137 778
TOTAL CURRENT LIABILITIES		198 247	163 053	171 701
TOTAL LIABILITIES		2 579 707	1 715 963	1 993 088
TOTAL EQUITY AND LIABILITIES		3 836 575	2 877 793	3 180 910