



NORGE
MEMBER OF MOL GROUP

MOL GROUP

WHO ARE WE ??

WHAT HAVE WE ACHIEVED IN
NORWAY??

BJARNE SYRSTAD - MSc, MBA

DRILLING MANAGER MOL NORGE

09.09.2021 STAVANGER NFLB - CONFERENCE





NORGE
MEMBER OF MOL GROUP

AGENDA

- **MOL GROUP**
- **MOL NORGE AS**
- **PREPARATIONS TO OPERATE**
- **WHAT WE HAVE ACHIEVED AND WHY...**
- **QUESTIONS**



NORGE
MEMBER OF MOL GROUP

► WHO WE ARE

INTRODUCTION OF MOL GROUP

A leading integrated Central European oil and gas company



① EXPLORATION

② PRODUCTION
(INCLUDING EOR WITH CO₂ INJECTION)

③ REFINING AND CO-PROCESSING
(OF BIO FEEDSTOCK)

④ PETROCHEMICALS
AND PLASTIC RECYCLING

⑤ CONSUMER SERVICES
(INCLUDING RETAIL AND MOBILITY)

SHAPE
TOMORROW

**24 EMPLOYER
BRAND AWARDS**
in 2020

**"FAMILY
FRIENDLY
COMPANY"**
prize in Hungary

**ESG AWARD,
1ST PLACE**
Budapest Stock Exchange

**DOW JONES
SUSTAINABILITY
INDEX**
Constituent fifth year in a row

47 | **~25,000**
nationalities | employees

30+ | **USD ~6 BN**
countries | Market capitalization
(end-2020)



NORGE
MEMBER OF MOL GROUP

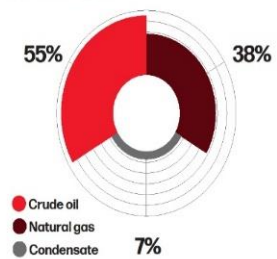
► UPSTREAM

INTRODUCTION OF E&P

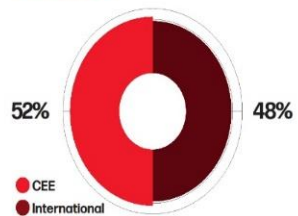
Exploration & Production

PORTFOLIO ELEMENTS

SPE 2P RESERVES (2020)
364 MMBOE

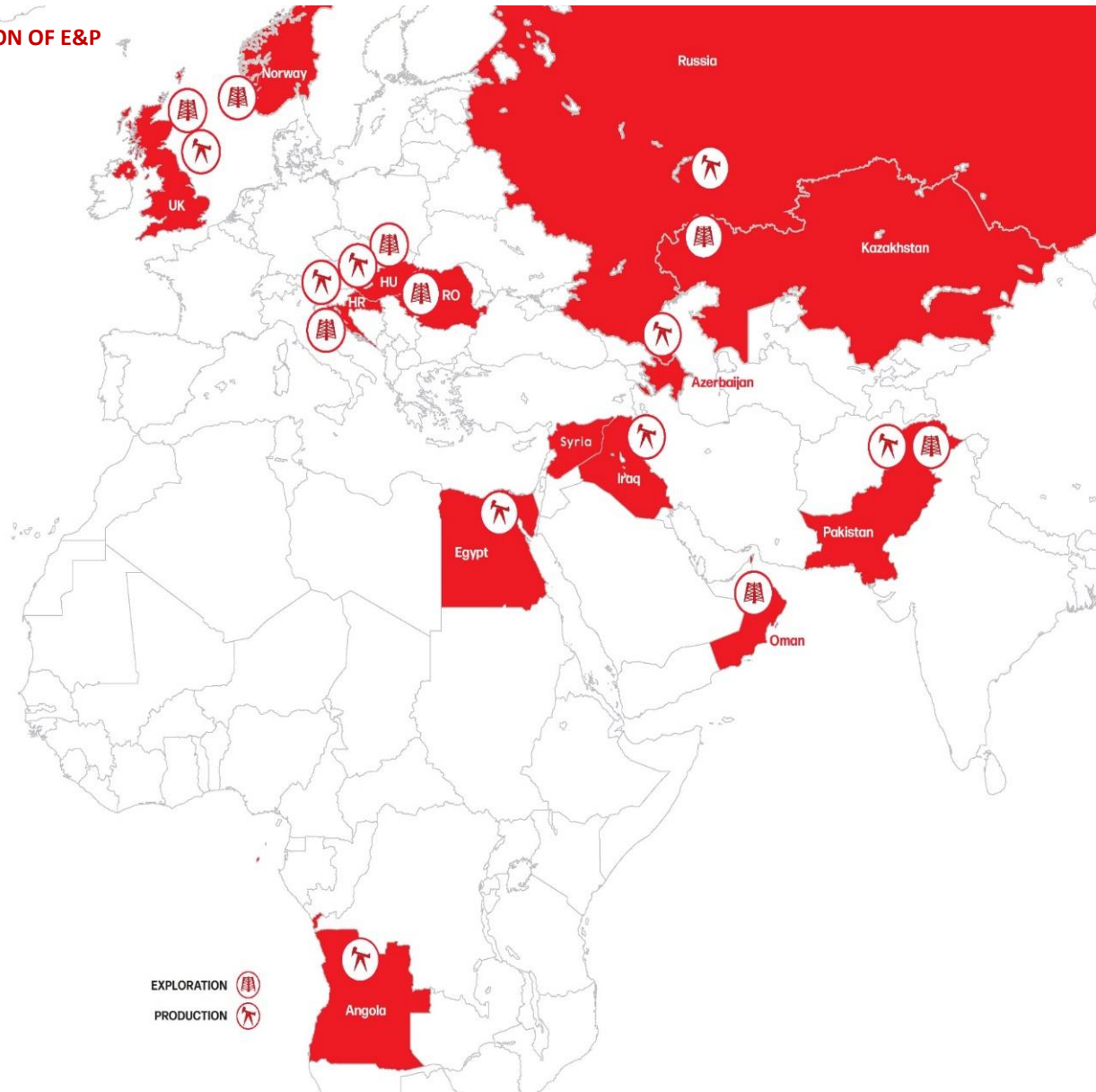


PRODUCTION (2020)
120 MBOEPD



EXPLORATION

PRODUCTION



SHAPE
TOMORROW

9 YEARS

reserve life

~2700

employees

80+ YEARS

Upstream experience

~120 MBOEPD

production

Assets in

14 COUNTRIES

**CARBON
NEUTRAL
BY 2030**

in both Scope 1+ Scope 2
emission



NORGE
MEMBER OF MOL GROUP

► UPSTREAM

INTRODUCTION OF E&P 2030+ STRATEGY

Strong cash generation in 2021-25 and start investing in CCUS

GUIDANCE FOR 2021-25

~90-110 MBOEPD

production guidance

Strong cost control, keeping
Unit Direct Production Cost at

USD ~6-8/BOE

USD ~1.9 BN

CAPEX to be spent

Simplified free cash flow

USD ~1.8 BN

to be generated

@ USD 50/bbl Brent oil price

CCUS

We will look for Carbon Capture, Utilization and Storage (CCUS) opportunities to leverage our geological knowledge of the Pannonian basin and become a leading player in CEE



► SHAPE
TOMORROW

E&P 2030 vision



**BOOST CEE
SYNERGIES
AND MANAGE
DECLINE**



**FURTHER
IMPROVE QUALITY
OF INTERNATIONAL
PORTFOLIO**



**CARBON NEUTRAL
OPERATION UNTIL
2030 (SCOPE 1 AND
SCOPE 2)**

MOL NORGE

MAIN OFFICE IN OSLO

- MOL Group acquired Ithaca Norway in 2015
- Had the role as a Licensee
- MOL Norway was pre-qualified as an Operator (secured in Ithaca acquisition)
- Approx. 30 employees
- Comprehensive regulatory requirements in Norway
- MOL Norge organisation **not** set up to operate in 2017



MOL NORGE

GOAL:

BUILDING A SUSTAINABLE E & P COMPANY

CORE AREA CONCEPT

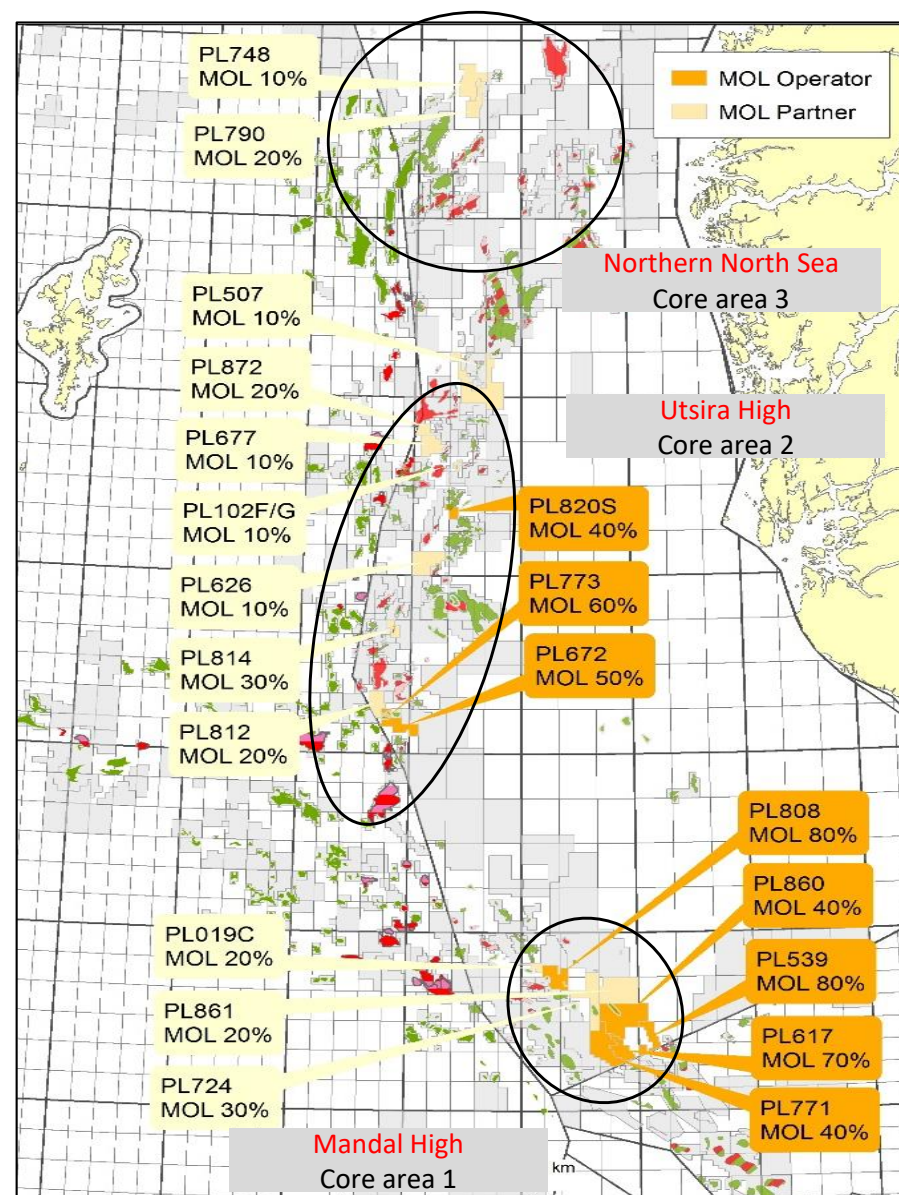
Positions in key geological areas that have acted as focal points for hydrocarbon migration and trapping

BUILDING A PROSPECT INVENTORY

Access to the highest quality seismic, area knowledge and competence, acreage positions from farm-ins and APA license rounds.

DRILLING 4-6 WELLS PR. YEAR

Aim to exercise influence and control through 1-2 operated wells/year. Partnering focus.



MOL NORGE 2017 OBJECTIVES

- Secure Authority approvals and Consent to operate
- Drill one well in the Oppdal/Driva prospect in the PL-860 license
- No serious incidents, no injuries to personnel, no harm to environment
- Prove resources in license PL-860
- Establish MOL as a prudent Operator in Norway



WELL PROJECT 2/6-6S (OPPDAL/DRIVA)

PROJECT STRATEGY

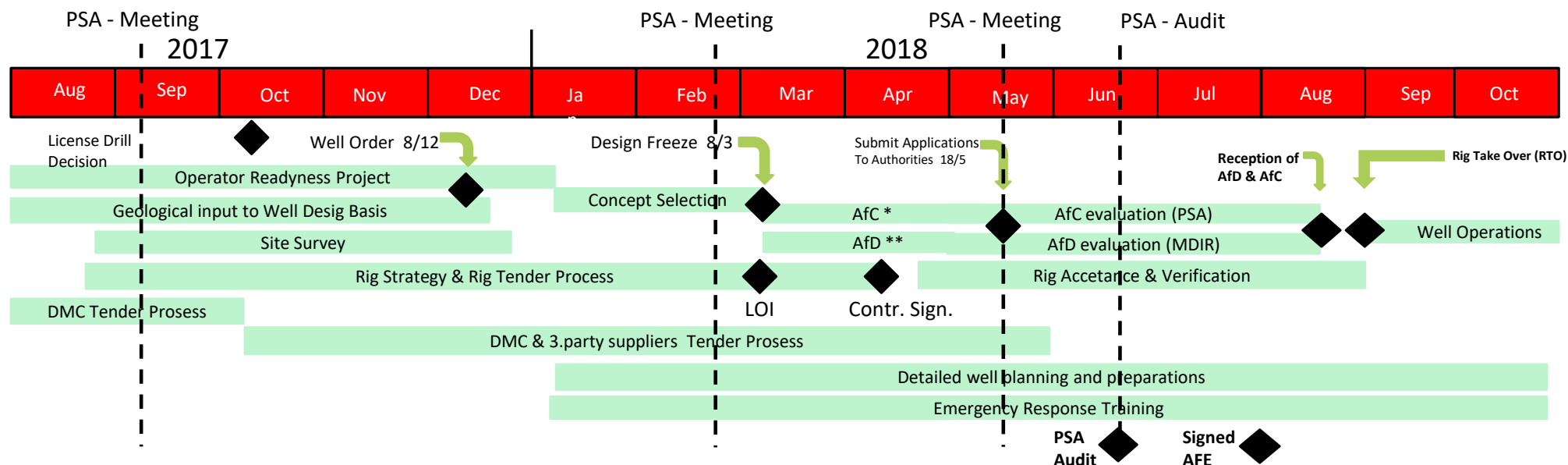
- ▶ Secure very experienced team
- ▶ Known and proven organizational setup and systems
- ▶ Overall risk management
- ▶ Robustness in well design and operations
- ▶ No well testing planned
- ▶ Secured solid and experienced contractors
- ▶ Use “off the shelf” technology



SAFETY AND ROBUSTNESS IN EVERYTHING WE DO

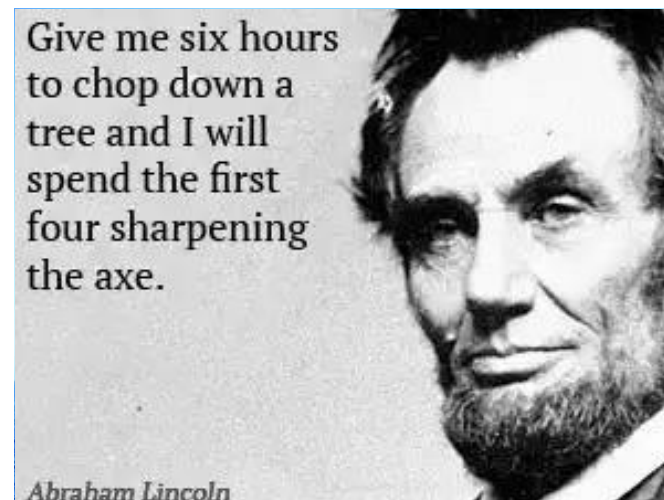
Well Project Plan

IMPORTANT MILESTONES THAT NEED TO BE REACHED TO BE ABLE TO DRILL IN Q3-2018



► Time estimate for the Oppdal/Driva well is:

- Dry well (TVD 3700 m; 66 days)
- No testing
- No sidetracks planned for



* AfC – Application for Consent
** AfD – Application for Discharge

BUILDING A DRILLING ORGANISATION

PERSONELL & COMPETENCE



Bjarne Syrstad

Drilling Manager
26 years experience



Øystein Eliassen

HSE Manager
38 years experience



Jan Gorgas

Senior Drilling Advisor
46 years experience



Inge Myhre

Senior Drilling Advisor
46 years experience



Rune B Vik

Senior HSE Advisor
38 years experience



Torsten Jørgensen

Operations Geologist
22 years experience



Hermund Aasberg

Environmental Advisor
20 years experience

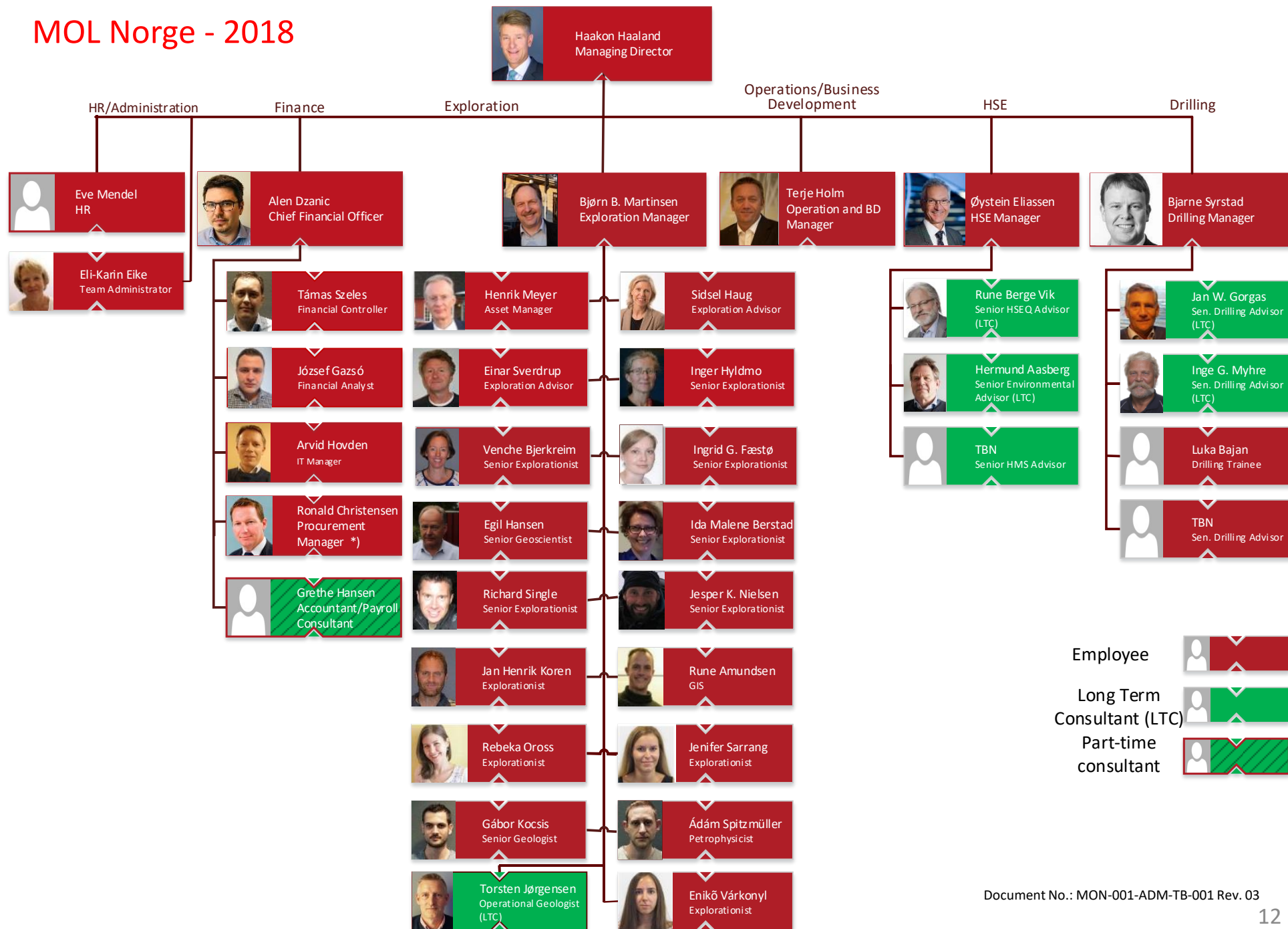


Totally 236 years experience

PEOPLE

► **MOLGROUP**

MOL Norge - 2018

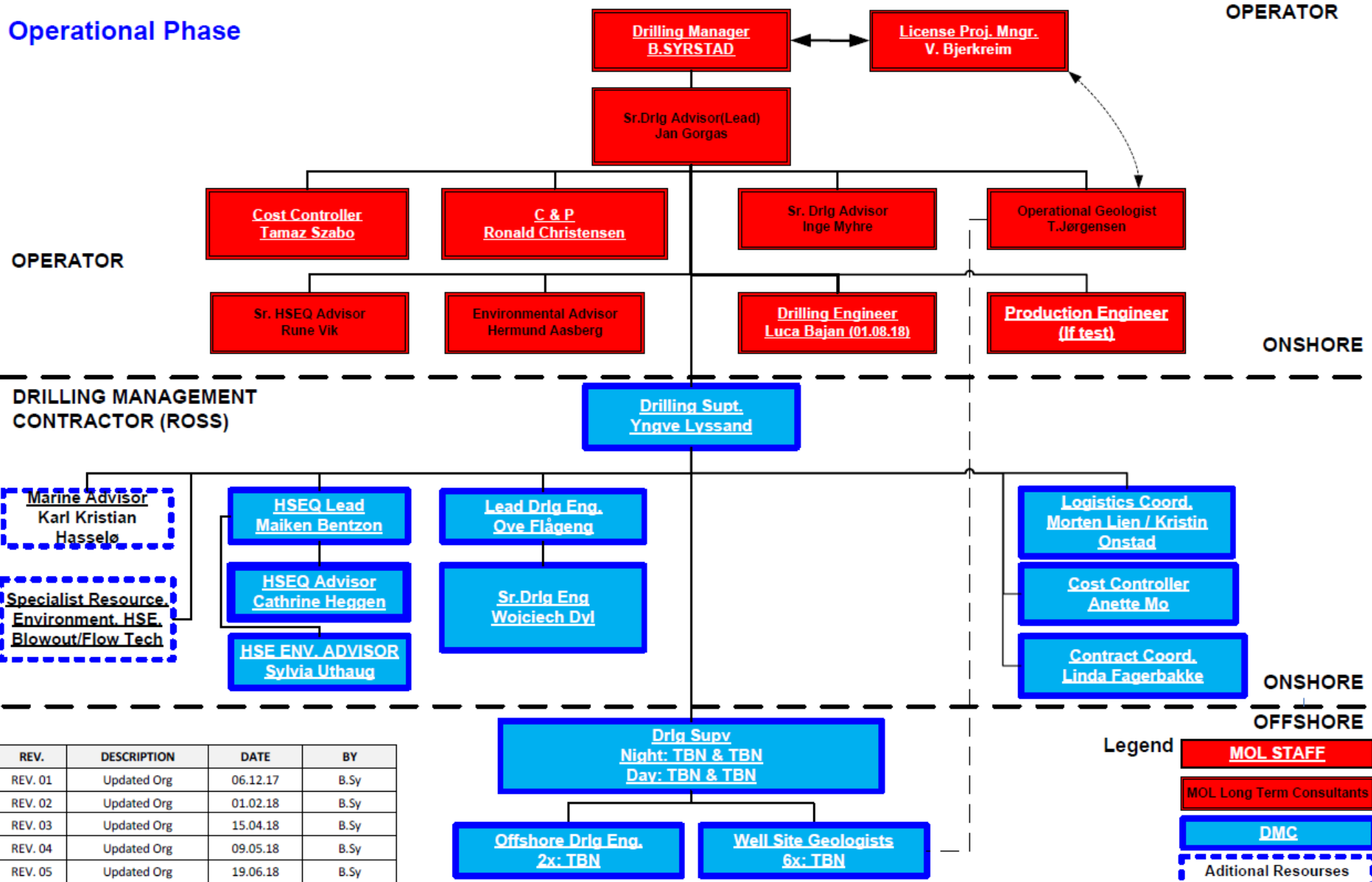


MOL Norge AS (MOL) Drilling Team

Operational Phase



OPERATOR

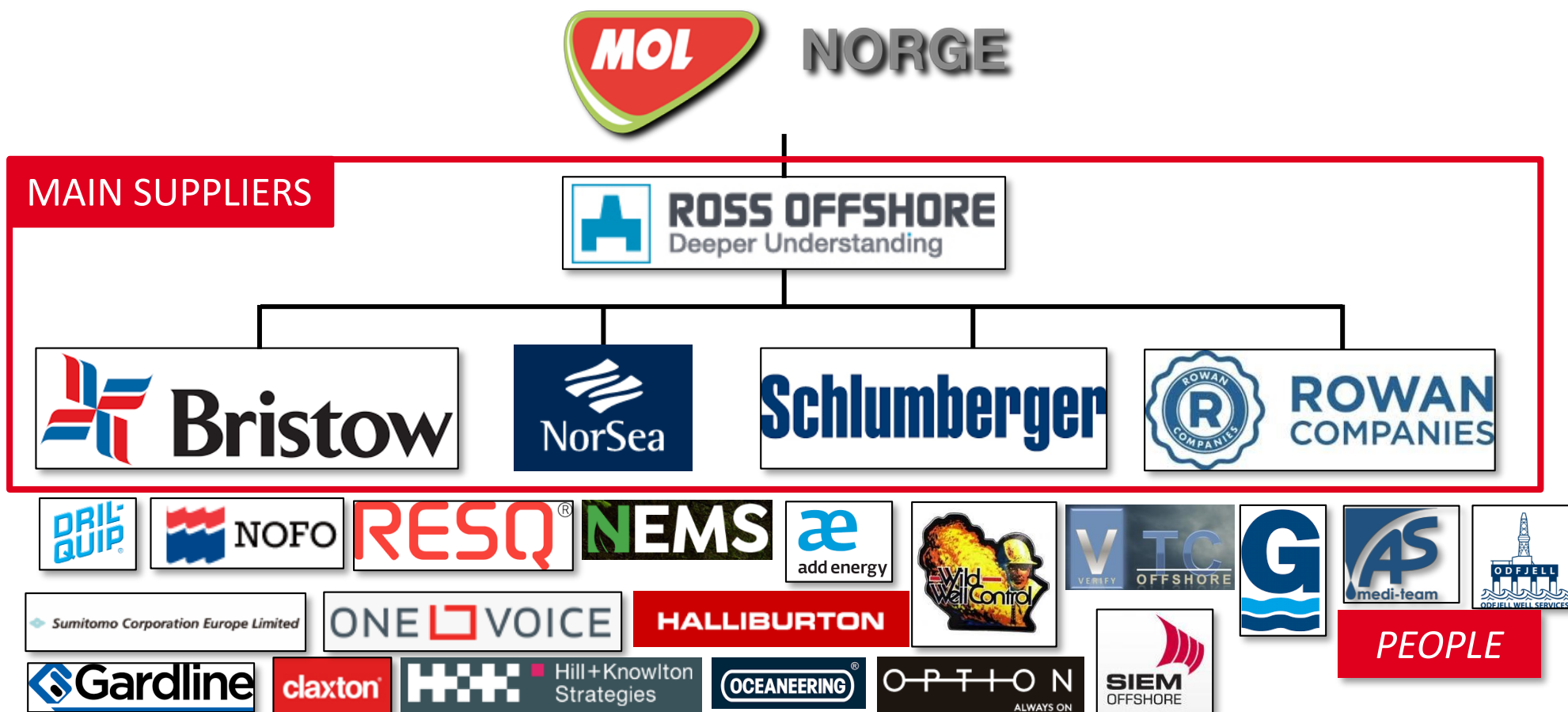


REV.	DESCRIPTION	DATE	BY
REV. 01	Updated Org	06.12.17	B.Sy
REV. 02	Updated Org	01.02.18	B.Sy
REV. 03	Updated Org	15.04.18	B.Sy
REV. 04	Updated Org	09.05.18	B.Sy
REV. 05	Updated Org	19.06.18	B.Sy

WELL PROJECT – SECURING 3.PARTY SUPPLIERS

RESOURCES INVOLVED

25 COMPANIES
650 PERSONS



MONAS Well Project Management System (WPMS)

WPMS; Consists of the following elements:

Project Interface Manual (PIM); describes all the interfaces between MONAS and the DMC that will be used as a framework for planning, executing and follow-up of individual MONAS operated drilling projects

Applicable MONAS Documents; those elements of the MOMS that will be incorporated into the specific WPMS

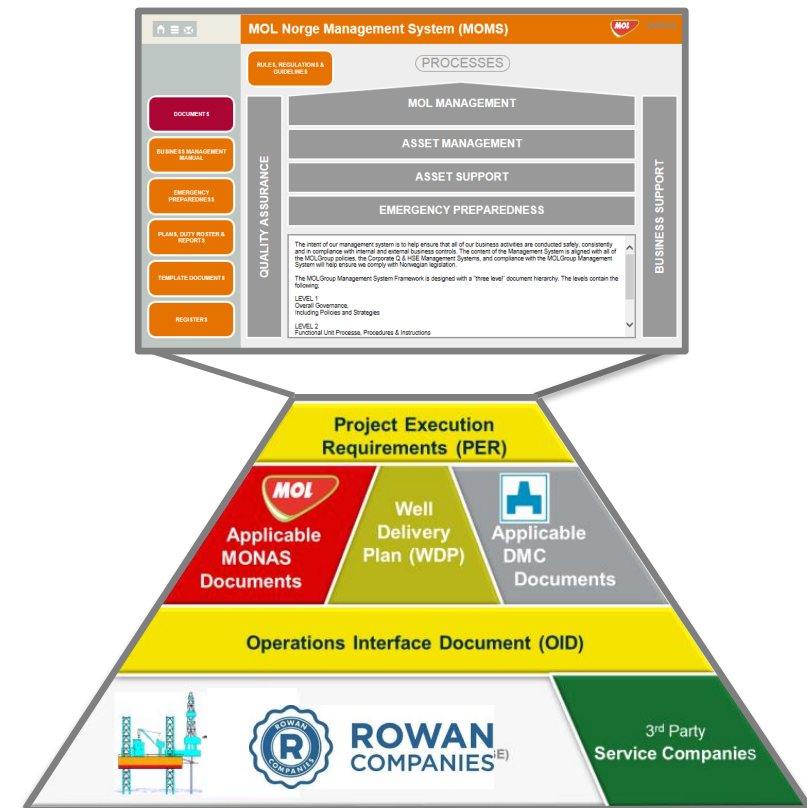
Applicable DMC Documents; those elements of the DMC's management system that will be incorporated into the specific WPMS

Well Delivery Plan (WDP); all project specific items/action to be carried out, roles and responsibilities, project deliverables, milestones, schedule, action register and relevant reports

Operational Interface Manual ; all operational interfaces between Company, the DMC and the individual drilling/rig contractor

3rd Party Service Companies; which 3rd Party Service Agreements MONAS is obliged to enter into and which the DMC shall provide as part of a contract/assignment agreement

Main Contractor; the rig contractor with its management system and operational procedures



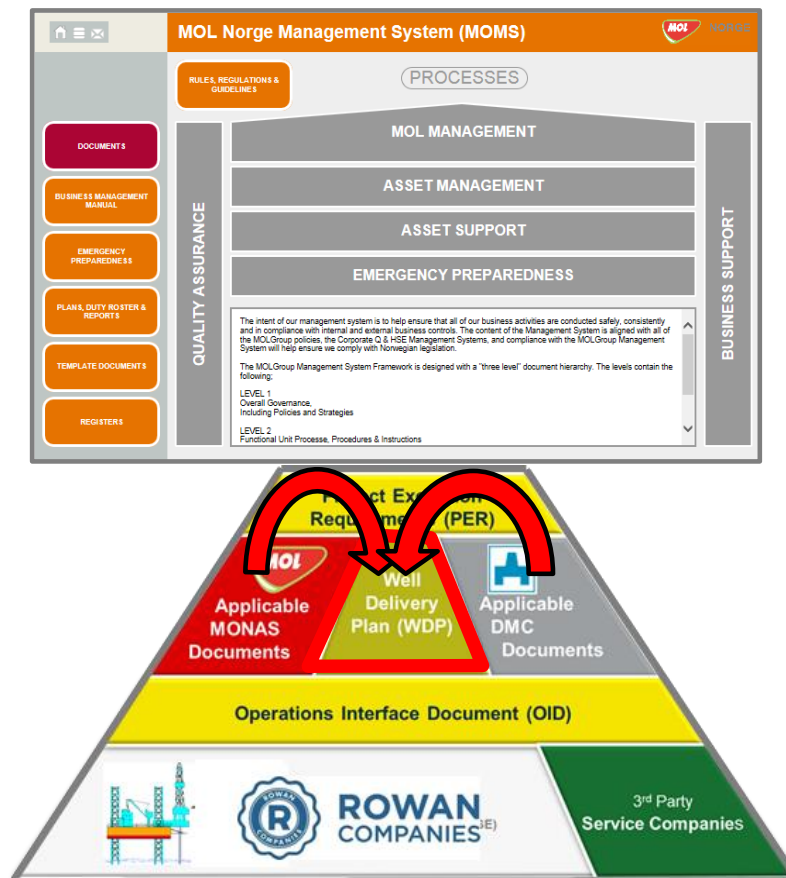
- The application for Consent is based on the WPMS

Well Delivery Plan (WDP)

- main tool for follow up, verification and approval

3.1 Well Delivery Plan (WDP)

A "Well Delivery Plan" (WDP) shall be established outlining all project activities and deliverables, based on the relevant drilling processes within MOL Norge Management System (MOMS). All project activities shall be initiated according to the schedule and responsibilities set out in the WDP, i.e. the WDP shall be the main tool for follow-up, verification and approval of all project activities.

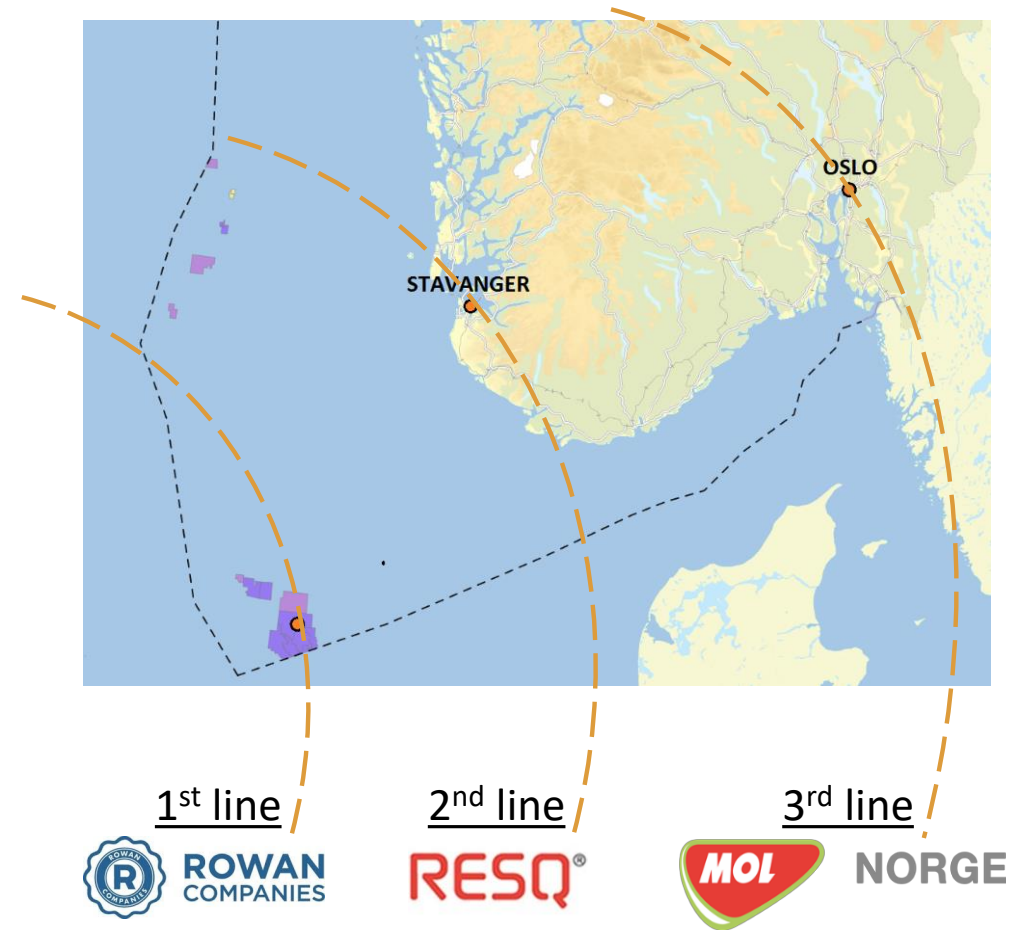
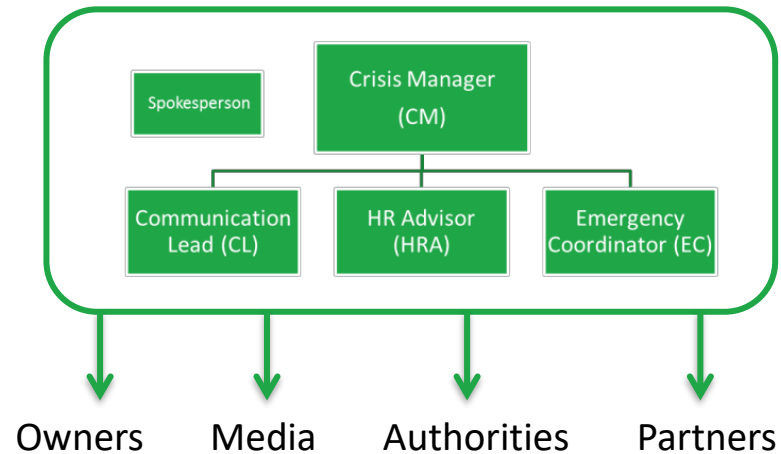


- ✓ Deliverables, Documents & Schedule
- ✓ Roles and Responsibilities
- ✓ Project Action Log
- ✓ Project Risk Register
- ✓ Audit & Verification Plan
- ✓ HSE Activity Plan
- ✓ Management of Change (MoC) Register
- ✓ Lessons Learned Register
- ✓ Contractors List
- ✓ KPI

CRISIS MANAGEMENT ORGANISATION

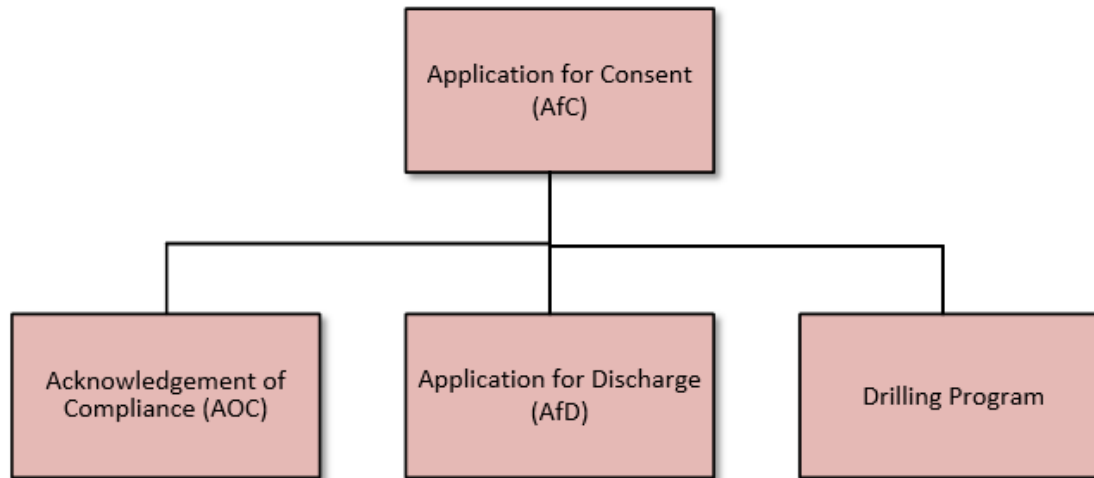
Time consuming to establish, train and run the organisation

- ▶ MOL Norge ER requirements defined in the Management System
- ▶ Except for communications/media, primarily MOL Norge resources used in 3rd line



GOOD DIALOG WITH AUTHORITIES

APPLICATION FOR CONSENT (AFC)



“By issuing a consent, the regulator indicates its confidence that the operator can execute the activity within regulatory parameters and in line with the details provided in the consent application.”

“Consents are a prerequisite for all activities on the Norwegian continental shelf.”

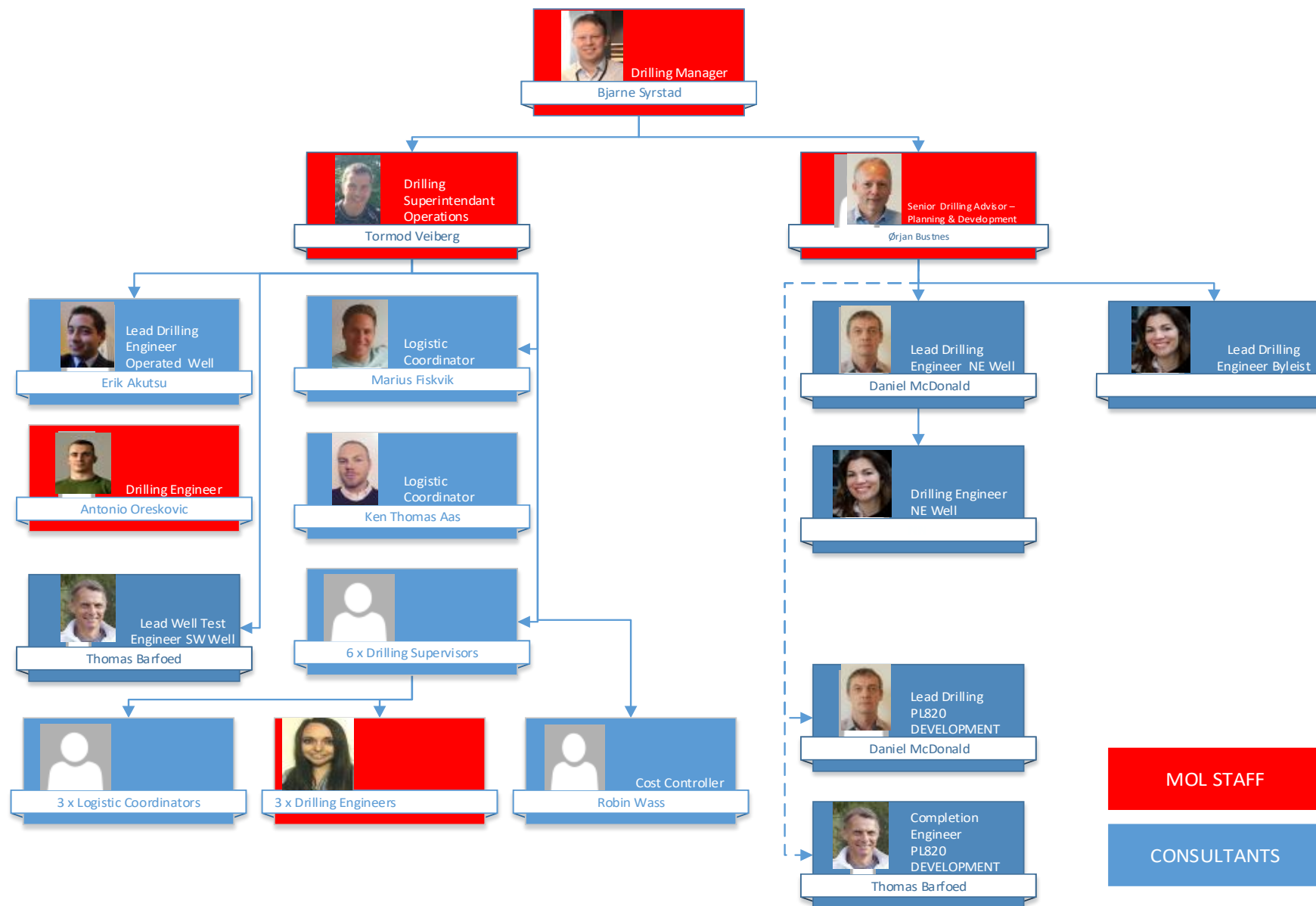
Source: www.otil.no



- **AfC - HUGE MILESTONE**
 - Received - 23.08.2018
 - Done in 12 months
- **Normally time needed:**
 - 18 - 24 months
- **Frequent meetings and good dialog**

CUSTOMER FOCUS

MOL Norge Drilling Department 2020 - 2021



WELLS OPERATED 2018 - 2021

Thank You to Valaris (Rowan), Odfjell Drilling, Maersk Drilling & Transocean



Rowan Viking

Drilled the wells:

- 2/6-6S (2018)
- 3/7-11S (2019)



Deep Sea Bergen

Drilled the wells:

- 25/8-19S (2019)
- 25/8-19A (2020)
- 25/8-19AT2 (2020)



Maersk Integrator

Drilled the well:

- 2/9-6S (2020)



Transocean Barents

Drilled the wells:

- 25/8-21S (2021)
- 25/8-22S (2021)

Drilled and tested 6 wells with excellent HSE statistics and operational performance

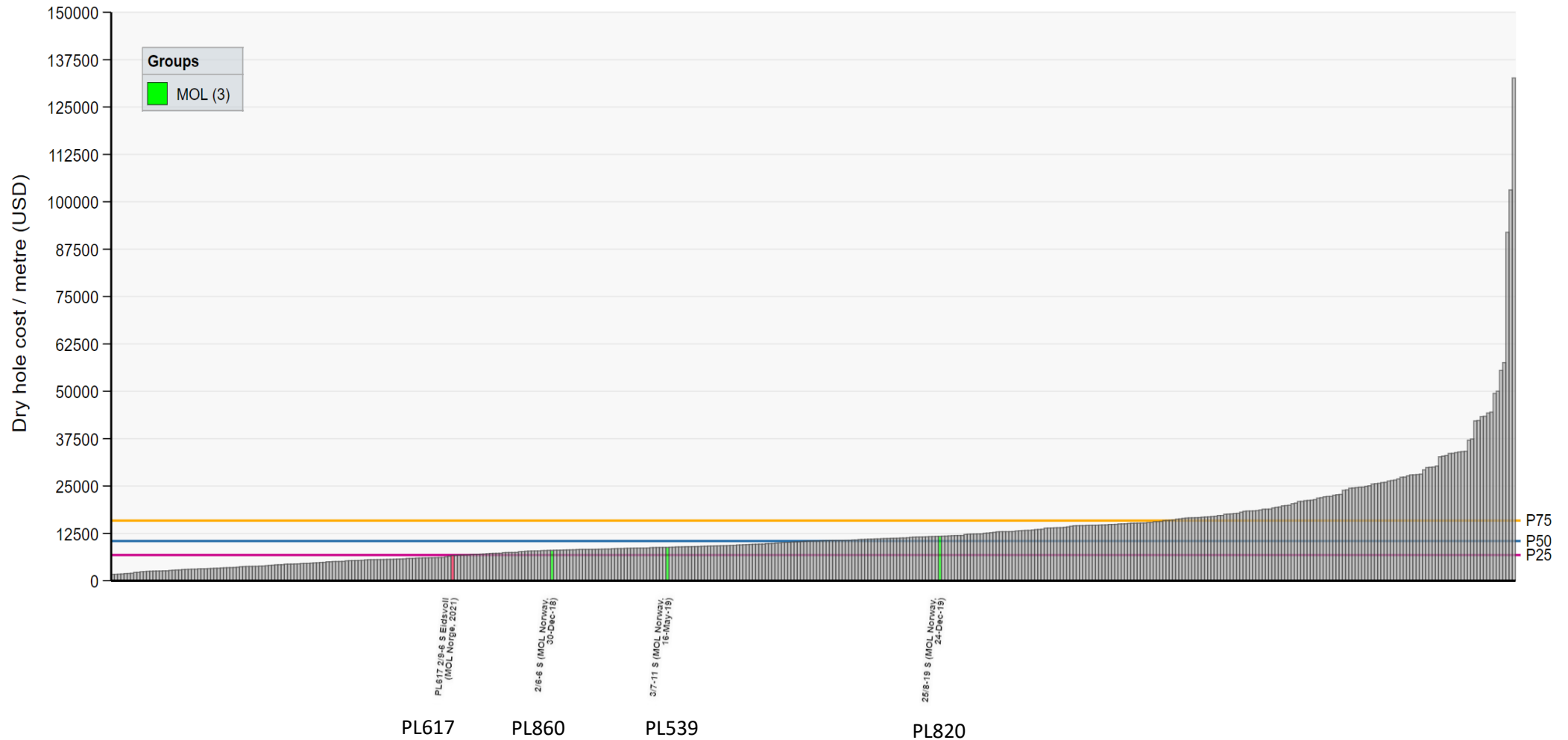
.... And we made a discovery.....

Rushmore Benchmark Performance

Dry hole cost normalized per meter

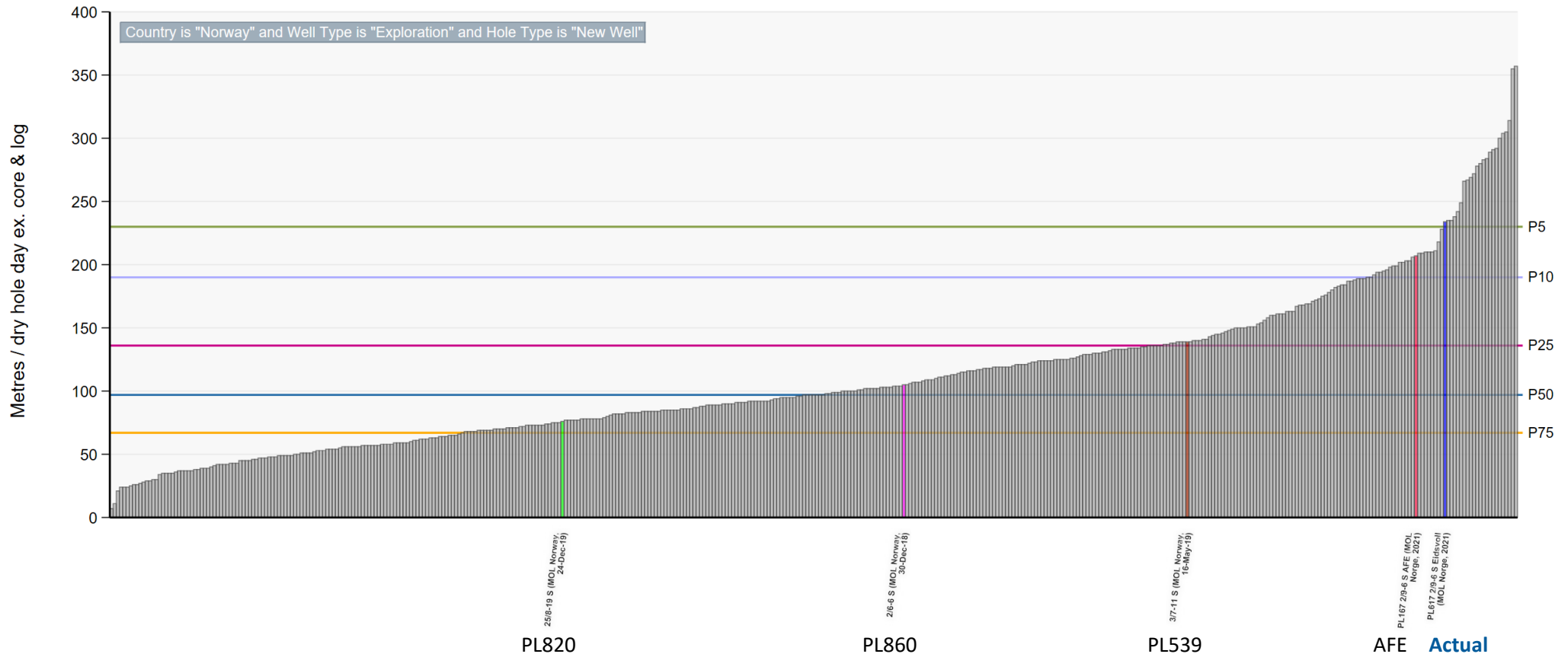
Dry hole cost / metre (USD) by Well (438 Wells including 1 planned Well)
sorted by Value

Country is "Norway" and Well Type is "Exploration" and Hole Type is "New Well"



Rushmore benchmark performance – m/day.

All exploration wells reported from year 2000, excluding sidetracks (435 wells)



PL617 Actual

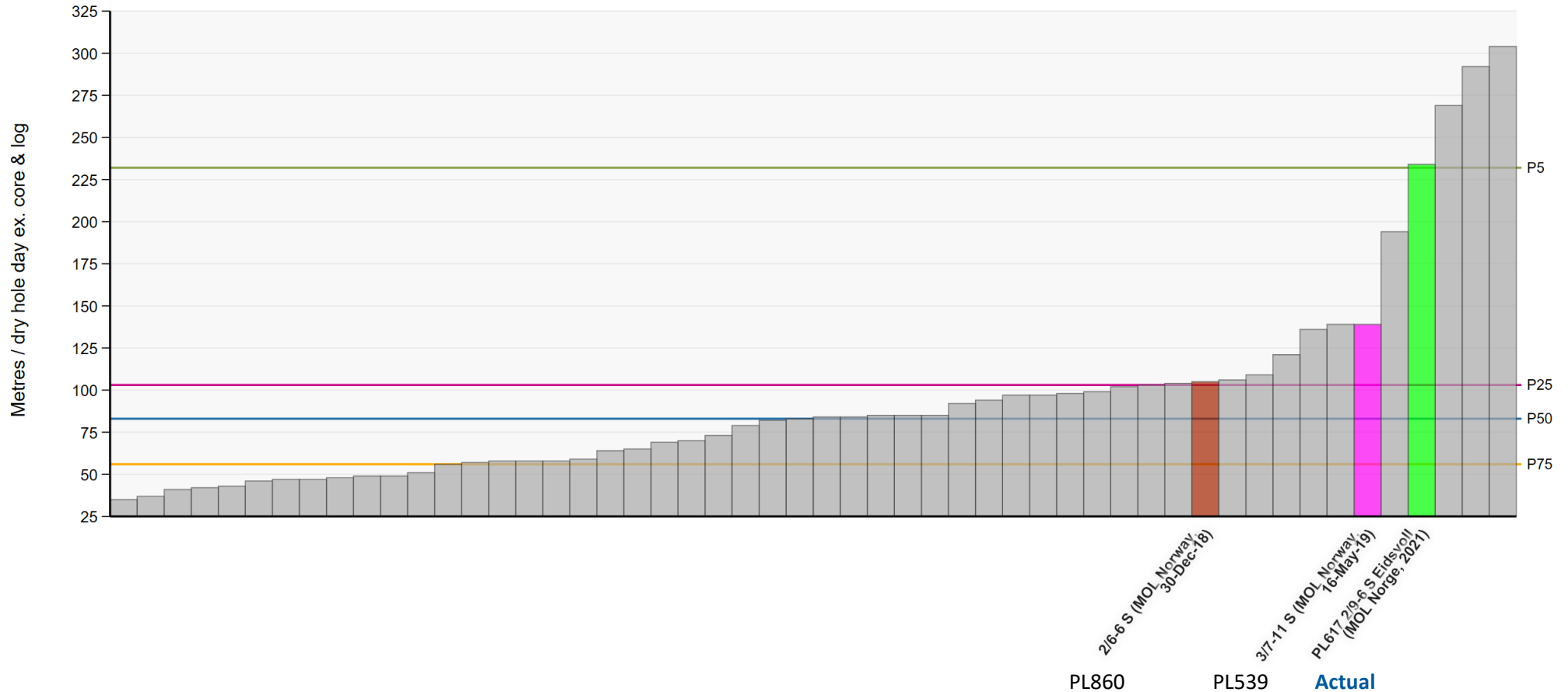
Top 5 percentile performance among all exploration wells in Norway since 2000.

$$\frac{\text{meter drilled [m]}}{\text{Dry Hole Days excl. coring and logging [d]}} = X \text{ [m/d]}$$

$$\frac{4330\text{m} - 126\text{m}}{24.2\text{d} - 6.4\text{d}} = \mathbf{236 \text{ m/d}}$$

Rushmore benchmark performance.

Counting only jack-up exploration wells since 2000 (52 wells)



PL617 Actual

$$\frac{\text{meter drilled [m]}}{\text{Dry Hole Days excl. coring and logging [d]}} = X \text{ [m/d]}$$

$$\frac{4330\text{m} - 126\text{m}}{24.2\text{d} - 6.4\text{d}} = \mathbf{236 \text{ m/d}}$$

Top 5 percentile performance among all exploration wells in Norway since 2000.

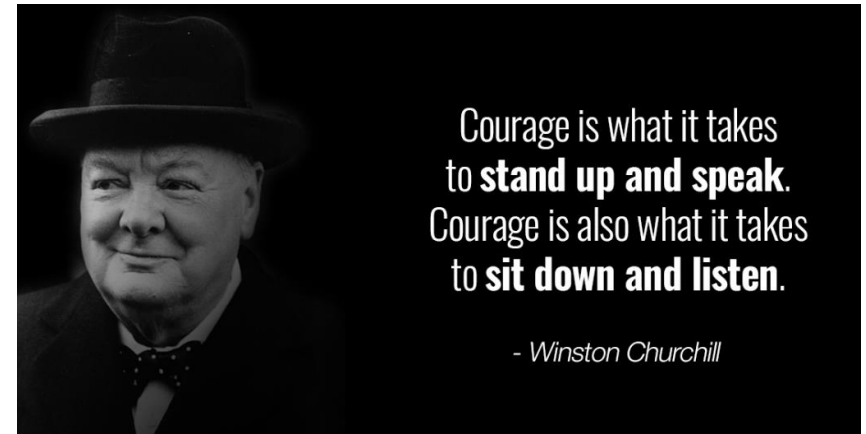
RESULTS DUE TO EXCELENT TEAM WORK:

RESPECT ALL IDEAS AND PROPOSALS - GOOD COMMUNICATION



Offshore Rowan Viking

- 3. PARTY SUPPLIERS LOCATED IN MOL OFFICE'S
- INTEGRADTED TEAMS ONSHORE & OFFSHORE
- GOOD DIALOG WITH PARTNERS & AUTHORIES




AGILITY

WELL PROJECTS ORGANISATION

INTEGRATED TEAMS

MOL NORGE

MONAS Drilling & Wells Integrated Teams
Resource Requirements incl. Service Companies
Drilling Campaign 1.1.2018 - 1.1.2020



Etter at koronaen traff, har 300 ansatte måttet gå fra Schlumberger Norge, men regjeringens skattepakke har gitt mer jobb. Kunder som har utsatt prosjekter til 2021, har kommet tilbake og sagt at de likevel vil sette i gang i år. - Jeg har tro på at vi vil se en økende aktivitet framover, sier koordinerende hovedverneombud Sigbjørn Lundal i Schlumberger. (Foto: Jonas Haarr Friestad)

integrrert og inkludert i sin organisasjon, så har de heller ikke noe **One team**, mener Lundal.

Som eksempler på selskaper som har skjønt hvordan det skal gjøres, trekker han fram Aker BP og det ungarske selskapet **MOL**.

Før litt over ett år siden inngikk Aker BP en allianse med Schlumberger og Stimwell Services.

løsningene de skal levere, og har mye de skulle sagt. De har et godt arbeidsmiljø, og det er lite sykefravær blant de som jobber i alliansen.

Forbløffet Da den økonomiske nedturen traff oljesektoren i 2014, var Karl Johnny Hersvik sjef i Det norske oljeselskap (Det norske), som var

Synergi effects:

- Better utilisation of resources
- Secures continuity
- Lessons learned transferred between projects and people
- Improves working environment and flow of information

AGILITY



HAPPY DRILLING MANAGER

THANK YOU FOR
LISTENING !

QUESTIONS ?



09.09.2021 STAVANGER NFLB - CONFERENCE

► MOLGROUP