Total E&P Norge AS

Board of Directors' Report 2020

1 Introduction

Total E&P Norge AS (Total or the Company) is involved in exploration and production of oil and gas and the storage of CO_2 on the Norwegian Continental Shelf. The Company is a wholly owned subsidiary of TOTAL SE and forms part of the Total Group.

TOTAL SE is a global, integrated energy company committed to supplying affordable energy to a growing population, addressing climate change and meeting new customer expectations. With operations in more than 130 countries worldwide, TOTAL SE is a leading oil and gas company and a major player in low-carbon energy, with the ambition of becoming the responsible energy major. Total SE is becoming a broad energy company contributing to the energy transition, with a goal of reaching Net Zero emissions within 2050.

Total has been present in Norway for more than 50 years and has its office in Stavanger. The Company is responsible for Total Group's exploration and production activities in Norway. In 2020, the average production was 216,700 barrels of oil equivalents per day (Kboe/d). Total continues to be a significant player and has a long-term perspective on its activities in Norway.

2 Activities on the Norwegian Continental Shelf

2.1 Licence Portfolio

Total has continued the optimization of its portfolio in Norway during 2020 and exited non-core assets as well as applying for licenses in the 2020 Awards in Pre-defined Areas (APA) round. By the end of 2020, the Company had interests in 63 licenses on the Norwegian Continental Shelf.

2.2 Exploration and Licensing rounds

The Company continued the search for attractive new exploration acreage in 2020. Total still sees exploration potential on the NCS. Total is focusing on material exploration prospects which have the potential for stand-alone economic development and aiming to increase the value of the portfolio through nearby exploration and tie-backs to existing infrastructure.

Total applied in the 2020 APA round and in early 2021 the Company was awarded three licenses. The awards were in line with the Company´s application and strategy:

- Licence PL1127 (Total 30%) is located in the Northeast part of the Vøring Basin. In this area, Total is chasing new concepts with potential for standalone oil development.

- Licence PL 1039B (Total 50%) is an extension of the PL1039 licence awarded the year before, covering the remaining identified prospectivity.
- Licence PL785SB (TEPN 50%) is a vertical extension of the PL785S licence.

2.3 Producing fields and development

Ekofisk area, the North Sea
Ekofisk celebrated 50 years in 2019 and Total and affiliated companies is proud to have been involved since the beginning. The Greater Ekofisk Area contributed almost a third of the Company's production, in total 67 Kboe/d (the Company's share) during 2020, where the most important contributors were the Ekofisk and Eldfisk fields (Total 39.90%).

Total has been instrumental in the partnership in instigating a review of Ekofisk with a view to sustaining it for the long term. Production levels are falling lower than initially forecast which puts pressure on costs if more barrels cannot be economically added. Total is working with the partnership to transfer methods and technology to maintain Ekofisk through efficiencies and further investment.

Johan Sverdrup, the North Sea
The Johan Sverdrup field (Total 8.44%) continues to produce with costs and CO_2 emissions per barrel significantly below industry standards. Due to power from shore, the CO_2 emissions are below 0.7 kg per boe (vs the global average of around 18). The field contributed to 18% of the Company´s production in 2020 with 38.3 Kboe/d.

Total is extremely grateful to the strong project delivery from the operator's team, but Total is also proud of the work it has done in the licence to aid project delivery and subsurface definition for this huge project and field.

Troll area, the North Sea
The Troll area (Total 3.69 % in Troll Unit, 5% in Kristin) contributed to 14% of the Company's production in 2020, with 31.1 Kboe/d. The Troll field provides a significant share of the natural gas requirements of continental Europe.

As part of the work performed in 2020, the Company has together with its Troll partners matured plans to provide Troll B and C with power from shore and a significant milestone was achieved in April 2021 when the Troll partners sanctioned the project and delivered their plan for development to the authorities.

Atla and Skirne/Byggve operated fields, the North Sea
The Skirne gas and condensate field (Total 40%) includes the two subsea wells Skirne and Byggve which are both connected to the Heimdal facilities. The Atla field (Total 40%) has one production well and is also connected to Heimdal.

The fields are in late life and during 2020 only Skirne and intermittently Atla have been producing. Going into 2021 there is still tail production, boosted by a low pressure modification performed at Heimdal. Preparations for decommissioning have started and Total is active in ensuring the partnership do this in the most environmentally friendly manner.

Oseberg, the North Sea

In 2020, the Oseberg assets contributed with 13% of the Company´s production with 28.5 Kboe/d. The fields in production are Oseberg Main, Oseberg East and Oseberg South, (Total 14.7%). Projects under maturation are gas compression upgrade and power from shore (electrification).

Haltenbanken, the Norwegian Sea

The main themes for the Company's interests in the Haltenbanken/Åsgard area is to keep up production by maturing new projects and drilling targets and to reduce the costs, as the assets are in their mid to late life cycle.

The Åsgard unit (Total 7.68%) contributed in 2020 to 16% of the Company's production – on average 34.7 Kboe/d.

Snøhvit, the Barents Sea

In 2020, the Snøhvit unit in the Barents Sea (Total 18.4%) contributed with 7% of the Company's production – on average 16.0 Kboe/d. The Hammerfest LNG plant has however been shut down since 28 September 2020 due to a fire incident. The operator´s estimated start-up date is end of the first quarter 2022. Total participates in the work to get the plant up again as soon as possible, including with two secondees at Hammerfest contributing directly to the operator´s organisation.

3 Health, Safety and the Environment (HSE)

3.1 HSE performance

The Company continues its efforts in order to reach the ambition of being a benchmark company in HSE performance, based on safe and environmentally friendly operations. Safety is a core value.

There was no recordable or Lost Time Injury (LTI) recorded within the Company's HSE perimeter in 2020. The Lost Time Injury Frequency (LTIF) was hence 0.00, with a target of 0.00. The number of worked hours within the Company's perimeter was 0.18 million hours, compared to 0.21 million budgeted hours.

The Company also met its objective when it comes to high potential incidents in 2020, with zero high potential incidents and zero spills recorded during the year.

The annual HSE program for 2020 included several activities to improve the HSE standards in operated and non-operated activities. 100% of the HSE program was completed at year end.

Absences due to illness in the Company have been low and on a downwards trend and ended at an average of 2.4% in 2020. The Company has a Rehabilitation Committee which is responsible for providing relevant assistance to employees suffering from long-term illness. During 2020, four employees were on long-term sick leave beyond four weeks. This number was reduced to one at year-end.

3.2 Environmental accounts and impact

The Company focuses on limiting its energy consumption, atmospheric emissions, discharges to sea and waste production in line with the Total Group's commitments. Our environmental performance is measured through key indicators established annually in order to measure and continuously improve our performance. Environmental verifications are performed throughout the year to follow up on compliance with regulatory and internal requirements.

Detailed information on our environmental accounts can be found in the annual discharge report submitted through the joint electronic reporting format for the Norwegian Environment Agency, the

Norwegian Petroleum Directorate and the Norwegian Oil and Gas Association. The direct Environmental impact of the Company´s activities is small but we actively contribute to schemes within the licenses to reduce GHG emissions, including evaluation of several electrification projects across assets. The Johan Sverdrup field has also led to a step change in the carbon intensity of our production.

3.3 Northern Lights carbon transport and storage

The Company participates in the Northen Lights CO_2 transport and storage project which is the first industrial scale project of its kind.

A final investment decision to develop Northern Lights Phase 1a was made by the three partners on 6 May 2020. Further to European Free Trade Agreement Surveillance Authority (ESA) approval of state aid on 17 July 2020, the Norwegian Parliament approved financial state support of "Longship" full-scale CCS project on 14 December 2020.

Further to merger clearance obtained from relevant national competition authorities, the company Northern Lights Joint Venture DA (1/3 Equinor, 1/3 Shell, 1/3 Total) was established in February 2021. It will own and operate Northern Lights facilities and hold the storage license.

Northern Lights Phase 1a construction started in January 2021 and operations are scheduled to start in Q3 2024.

Northern Lights is the first open source merchant project to offer CO2 shipping and permanent storage service to European emitters. Northern Lights partners have been actively marketing additional transport and storage capacities to third party customers in Europe. Overall European context is supportive thanks to:

- various source of subsidies to develop capture facilities, and
- upwards trend of ETS and national carbon taxes.

Studies initiated late 2020 are evaluating best development scenario to further increase capacities from 1.5 to 5 Mtpa (Phase 2).

3.4 HSE incidents affecting production

The fire at the Hammerfest LNG plant on 28 September 2020 leading to shut-down of production from Snøhvit is the only HSE incident that has significantly affected the Company´s production in 2020. No loss of life or serious injuries have been reported by the operator Equinor as resulting from the accident.

Total participates in the work to get the plant up again as soon as possible, including with two secondees at Hammerfest contributing directly to the operator´s organisation. The operator´s estimated start-up date is end of the first quarter 2022.

4 Financial Highlights

4.1 - Comments to the Income Statement

Production volumes

In 2020, the average daily quantities produced were 216,7 thousand barrels of oil equivalents per day (Kboe/d). In total, 48% of the annual production came from gas production.

The production increased compared to 2019, mainly due to the first full production year of Johan Sverdrup after its start-up in Q4 2019. Snøhvit contributed less to Company's production in 2020. The asset had some unplanned shut-downs during the year and remains shut-in since a fire incident on September 28, where a turbine air intake caught fire. Latest operator communication indicates that the plant might be shut-in until the end of first quarter 2022. Ekofisk area remained the largest contributor to production, representing almost a third of Company's overall production.

Revenues
The revenues in 2020 were NOK 23 661 million, compared to NOK 30 628 million in 2019, down 23%. Liquids and gas sales amounted to NOK 23 160 million, while the figure for 2019 was NOK 29 415 million. The decrease was due to 33% lower average liquids and gas prices. The average price achieved for liquids in 2020 was USD 40.1 per barrel compared to USD 60.0 per barrel in 2019. The average gas sales price was 3.1 $/MMBtu in 2020 and 4.7 $/MMBtu in 2019. Revenues from liquids were NOK 17 945 million compared to NOK 20 439 million in 2019. Booked gas revenues (excluding trading) reached NOK 5 121 million, down 42% from NOK 8 869 million in 2019, primarily due to lower selling prices.

In 2020, the value of the NOK has been affected by the oil and gas price trends. The Company's accounts are denominated in NOK, while liquids sales are invoiced in USD and gas sales predominantly in EUR, Pound Sterling or USD. The average exchange rate for NOK/USD was 9.39, up 6.7% compared to 8.8 in 2019. The average NOK/EUR exchange rate was 9.85, up 2.6% from 9.60 in 2019.

The amount shown as other income includes, if any, gains on disposals of assets, insurance claim settlements and other income attached to licenses. The main contributer to the amount in 2020 shown as other income, comes from the disposal of Total E&P Norge's interest in Vestprocess to NSI with completion date on 30/04/2020 (and economic and fiscal effective date on 1/1/2020). The disposal resulted in a gain of NOK 136 million. Disposal of own houses during 2020 contributed to a gain of NOK 17 million and NOK 46 million related to recharge of license cost for different projects.

Operating expenses
After the deduction of charges to partners, net operating costs in 2020 were down 6% at NOK 17 964 million, compared to NOK 19 021 million in 2019. This decrease is mainly due to the variation in product stock, lower provisions for well plugging, dismantlement and removal as well as lower production and transportation expenses.

Net income
The pre-tax profit was NOK 5 597 million in 2020, compared to NOK 11 430 million in 2019. This decrease was driven by lower oil and gas prices, partially offset by higher production and lower operating expenses. The temporary tax regime for special petroleum tax introduced in 2020, accelerates tax depreciation for investments in 2020 and improves tax income due to a higher uplift rate. Current and deferred tax cost decreased to NOK 3 851 million in 2020 from NOK 7 333 million in 2019. After taking into account current and deferred taxes, the net profit of the year 2020 was NOK 1 746 million compared to NOK 4 097 million in 2019.

4.2 - Comments to the Cash Flow Statement

Cash Flows
Cash flow from operations was NOK 13 092 million, compared to NOK 11 300 million in 2019. After

working capital variation, the net cash flow provided by operating activities was NOK 10 116 million, down 6% when compared to the net cash flow of NOK 10 732 million in 2019.

Investments

Investments totaled NOK 7 484 million (including exploration, appraisal, development expenditures and acquisitions) and were on the same level as the NOK 7 421 million in 2019.

The largest part of investments was linked to activities in the Greater Ekofisk Area and Johan Sverdrup. In addition, Total incurred a NOK 177 million exploration effort in 2020 compared to NOK 277 million in 2019.

Sales of assets

Total completed a few smaller transations during 2020. The main transactions were the sale of its interest in Vestprocess to NSI with completion date on 30 April 2020 (and economic and fiscal effective date on 1 January 2020) and the sale of own houses during 2020.

The Company has received claims related to transactions prior to 2020. None of them have been assessed by the board as likely to involve legal liability for the Company.

Financing

As per end of 2020, Total E&P Norge AS has one term loan for the amount of NOK 10 000 million and one revolving credit facility for the maximum amount of NOK 2 000 million with Total Treasury. During 2020, both of the two loans were reduced with NOK 2 000 million. The revolving credit fascility was further reduced to NOK 1 000 million in January 2021. The interest rate applicable on the long-term loans from associated companies are based on a floating market rate.

4.3 - Comments to the Balance Sheet

Fixed Assets

Total fixed assets have decreased to NOK 63 024 million from NOK 63 530 million in 2019. The producing assets are decreased to NOK 56 997 million from NOK 57 617 million at year-end 2019.

Current assets

Total current assets are at NOK 5 344 million, down 45% compared to NOK 9 724 million booked at year-end 2019. This is relating to a decrease in cash and cash equivalents.

Equity and Liabilities

Total equity has decreased slightly in 2020 to NOK 12 636 million from NOK 12 657 million in 2019, including the proposed dividend distribution for 2020.

The proposed dividend for 2020 is NOK 1 746 million.

The total long-term provisions have increased to NOK 39 601 million in 2020, compared to NOK 36 014 million in 2019, mainly because of the higher deferred tax position triggered by the introduction of the temporary special petroleum tax regime which accelerates tax depreciation. During 2020, TEPN has restructured its organization with the result of reduction in manning. As a result, pension obligations decreased to NOK 776 million at year-end 2020, compared to NOK 827 million at year-end 2019.

Total liabilities have decreased from NOK 60 597 million to NOK 55 732 million in 2020, mainly due to decrease in payable tax liabilities and repayment of loan.

Proposed Dividend

Taking into account the current and forecasted income and cash flow development of the Company for the coming year, it is recommended to distribute a dividend of NOK 1 746 million. The shareholder's equity together with the continuation of the funding support provided by the shareholder and other related affiliates and external financing capacity of the Company is ensuring a sound equity and liquidity for the Company.

4.4 - Comments as regards the Financial Risks

Market risk

The Company is exposed to changes in oil and gas prices, and to changes in currency exchange rates, in particular USD and EUR, as the Company's revenues are largely in these two currencies. The Company hedges the exposure on recognized crude oil sales in foreign currencies and on a significant portion of its gas sales. Some capital expenditures and operating costs are incurred in other currencies than NOK, mainly USD. The Company is exposed to changes in interest rate levels, as the Company's debt is subject to floating interest rates.

Credit risk

Risk associated with the inability of counterparties to fulfil their obligations is considered low, as the Company's sales are mainly to group companies and other large corporations. The Company has not realized losses on receivables in previous years.

Liquidity risk

The Company's liquidity is considered satisfactory. It is anticipated that the Company will be able to fund its future cash requirements through cash flows from operations and loans within the Total Group.

4.5 – Report on payments to authorities

According to the Accounting Act Section 3-3d, the Company shall issue a yearly report detailing payments made to the Authorities. The Company contributed to the Total Group´s transparency reporting which was consolidated by TOTAL S.A. and submitted according to similar obligations under the French Law which transposed the EU reporting requirements.

The contribution from the Company is accessible through the Total Group Registration Document (available on the www.total.com Group web site) in the chapter 11 referring to "Supplemental oil and gas information (unaudited)", in the "Report on the payments made to governments".

5 Employees and Organisation

At the end of 2020, the total number of staff employed by the Company was 84. This figure includes 71 local employees, 13 impatriated staff. In addition, 26 employees were assigned abroad or to partners in Norway.

At year end, the workforce represented 13 different nationalities with women making up 37% of the organisation. At senior position levels of local employees, 14% were women.

At year end, 37% of the local employees were union members belonging to Tekna or IndustriEnergi (avd. 268). The Company is a member of the Norwegian Oil and Gas Association. The association is affiliated with the Confederation of Norwegian Enterprises (NHO).

As part of the preparation for the 2021 salary campaign a salary analysis to review gender equality related to remuneration was presented to the Managing Director. The purpose of this analysis was to verify if any individual adjustments had to be made to avoid gender differences.

6 Applied Research

The R&D centre situated in the Company's offices is one of fourinternational Total Group R&D centres outside France within the Exploration & Production branch of the Total Group. The Company has incurred R&D expenses of NOK 166 million during 2020.

The R&D centre plays a key role within an integrated research strategy strongly linked to Total Group's overall technology development vision and committed to better energy. The Company's R&D objectives focus on specific challenges associated with the NCS, covering four technical domains: subsurface including drilling and well technology, CCUS, deep offshore and the environment.

The Total Group provides the Company access to the substantial research undertaken in France and elsewhere in the world. In line with Total Group's ambition to deliver responsible energy that is reliable, affordable and clean, the Company is increasingly involved in the development of Carbon, Capture, Utilization and Storage (CCUS) technologies through its participation in the Norwegian CCS Research Centre (NCCS) and the Technology Centre Mongstad (TCM).

The Research Council of Norway runs two major R&D initiatives aligned with OG21 priorities. The PETROMAKS program covers basic research whilst DEMO2000 addresses the development and demonstration of new technologies. The Company plays an active role in both programs, providing technical expertise, pilot testing opportunities and financial support for projects.

In addition to supporting the Research Council of Norway, the Company's R&D strategy includes active participation and collaboration within the wider Norwegian technology innovation ecosystem including Joint Industry Projects managed by the SINTEF and NORCE research institutes. The Company also participates in R&D activities related to offshore wind and the use of hydrogen.

Further, the Company invests in the training of young professionals coming from both French and Norwegian higher education institutions. Through R&D cooperation with the Norwegian universities, the Company continues to support and evaluate opportunities for PhD projects in 2021 and beyond.

7 Company Outlook

The Company will continue to be a significant player in Norway and maintain its strong presence on the NCS after more than 50 years of activity, key to the E&P branch of the Total Group. The Company currently ranks as number four in Norway in terms of equity production and reserves, after Equinor, Petoro (representing the State's Direct Financial Interest) and Vår Energi.

Total has a strong and diversified portfolio of licences on the NCS. Nearly all the production comes from assets operated by others. The Company works with the operators and other license partners in order to maximize value creation from the asset portfolio.

The Norwegian portfolio continues to be well aligned with Group strategy which involves a presence in the North Sea, and to become the responsible energy major, both aspects offered by a continued substantial presence in Norway. The Norwegian portfolio and the Company´s work focused on reducing emissions are well aligned with the Total Group´s goal to reach Net Zero emissions within 2050.

The COVID-19 epidemic that began in December 2019 has been impacting demand since the beginning of the first quarter 2020 and has caused oil prices to fall significantly. The markets are seeing a positive trend going into 2021.

Despite the uncertainties related to COVID-19 and oil supply policies, Total Group's fundamentals remain strong. The Company has not observed material impact to its NCS production related to COVID-19 and continue normal business activities focusing on sustainability.

8 Accounts

The 2020 accounts and explanatory notes are presented in this annual report.

We are not aware of any matters not dealt with in this report or the accompanying accounts that could be of significance when evaluating the Company's position at 31 December 2020 and the results of the year just ended.

Taking into account legal requirements and other relevant considerations, it is proposed that the Company's net profit shall be distributed as follows:

2020 net income	NOK	1 746 million
To retained earnings	NOK	0 million
Dividend	NOK	1 746 million

The Board of Directors of Total E&P Norge AS, 20 May 2021

Morten Stage
Chairman

Philip James Cunningham
Board member and MD

Dimitri Maxime Lobadowsky
Board member

Henning Eide
Board member

Heinz Ulrich Bollhauer
Board member

Ann-Cathrin Knutzen Vetaas
Board member

Trine Boyer
Board member

INCOME STATEMENT

(all amounts in million NOK)

	Notes	2020	2 019	Variance
REVENUES				
Liquids and gas sales	1	23 160	29 415	(6 255)
Tariff income		298	326	(28)
Other income	2	203	887	(684)
TOTAL REVENUES		23 661	30 628	(6 967)
OPERATING EXPENSES				
Purchases of gas		250	316	(66)
Salaries and employee benefits	3,4	353	294	59
Licence fees, royalties and governmental expenses		565	669	(104)
Production and transportation expenses	5,6	7 119	7 362	(243)
Exploration expenses		66	107	(41)
General and administrative expenses		124	129	(5)
Provisions for well plugging, dismantlement and removal	7	1 132	1 456	(324)
Depreciation, depletion and amortization	10	7 934	7 677	257
Variation of product stock		421	1 011	(590)
OPERATING EXPENSES		17 964	19 021	(1 057)
OPERATING PROFIT		**5 697**	**11 607**	**(5 910)**
FINANCIAL INCOME AND (EXPENSES)				
Financial income	8	16	52	(36)
Financial expenses	8	(257)	(137)	(120)
Income from subsidiary and related companies		50	9	41
Net exchange gains/(losses)		91	(102)	193
FINANCIAL INCOME/(EXPENSES) - NET		(100)	(177)	77
ORDINARY NET INCOME BEFORE TAXES		**5 597**	**11 430**	**(5 833)**
Taxes payable	9	345	7 434	(7 089)
Deferred taxes	9	3 506	(101)	3 607
NET INCOME		**1 746**	**4 097**	**(2 351)**
ALLOCATION				
Dividend	13	1 746	4 095	(2 349)
Retained earnings	13	0	2	(2)
TOTAL ALLOCATION		**1 746**	**4 097**	**(2 351)**

BALANCE SHEET

(all amounts in million NOK)

FIXED ASSETS	Notes	31 Des 2020	31 Des 2019	Variance
INTANGIBLE ASSETS				
Licence acquisitions	10	979	1 111	(132)
TOTAL INTANGIBLE ASSETS		979	1 111	(132)
PROPERTY, PLANT AND EQUIPMENT	8,10			
Buildings		99	135	(36)
Producing assets - completed		56 997	57 617	(620)
Producing assets - in progress		2 967	2 432	535
Exploration wells		896	1 034	(138)
Transport - and other equipment		850	945	(95)
TOTAL PROPERTY, PLANT AND EQUIPMENT		61 809	62 163	(354)
FINANCIAL INVESTMENTS				
Shares	11	208	217	(9)
Long-term receivables	3	28	39	(11)
TOTAL INVESTMENTS		236	256	(20)
TOTAL FIXED ASSETS		**63 024**	**63 530**	**(506)**

CURRENT ASSETS	Notes	31 Des 2020	31 Des 2019	Variance
INVENTORIES				
Material and supplies		309	293	16
Oil/Gas underlift		458	1 090	(632)
TOTAL INVENTORIES		767	1 383	(616)
ACCOUNTS RECEIVABLE				
Customers	12	3 034	3 266	(232)
Other		30	132	(102)
TOTAL ACCOUNTS RECEIVABLE		3 064	3 397	(333)
CASH AND CASH EQUIVALENT	12	1 513	4 944	(3 431)
TOTAL CURRENT ASSETS		**5 344**	**9 724**	**(4 380)**
TOTAL ASSETS		**68 368**	**73 254**	**(4 886)**

(all amounts in million NOK)

EQUITY	Notes	31 Des 2020	31 Des 2019	Variance
PAID-IN CAPITAL				
Share capital (4 201 000 shares à 1 000.00)	13	4 201	4 201	0
Share premium	13	4 255	4 255	0
TOTAL PAID-IN CAPITAL		8 456	8 456	0
RETAINED EARNINGS				
Retained earnings	13	4 180	4 201	(21)
TOTAL RETAINED EARNINGS		4 180	4 201	(21)
TOTAL EQUITY		**12 636**	**12 657**	**(21)**
LIABILITIES				
LONG-TERM PROVISIONS				
Pension obligations	4	776	827	(51)
Deferred taxes	9	22 001	18 574	3 427
Well plugging, dismantlement and removal	7	16 553	16 254	299
Other provisions	4	271	359	(88)
TOTAL LONG-TERM PROVISIONS		39 601	36 014	3 587
OTHER LONG-TERM LIABILITIES				
Long-term loans from associated companies	14	10 000	12 000	(2 000)
Long-term loans from other companies	14	1 376	1 542	(166)
TOTAL LONG-TERM LIABILITIES		11 376	13 542	(2 166)
CURRENT LIABILITIES				
Oil/Gas overlift		368	579	(211)
Accounts payable and accrued expenses	12	1 685	1 540	145
Taxes other than income taxes		55	2	53
Income taxes payable	9	794	4 709	(3 915)
Proposed dividend	13	1 746	4 095	(2 349)
Other short term debt		107	115	(8)
TOTAL CURRENT LIABILITIES		4 755	11 041	(6 286)
TOTAL LIABILITIES		**55 732**	**60 597**	**(4 865)**
TOTAL EQUITY AND LIABILITIES		**68 368**	**73 254**	**(4 886)**

STATEMENT OF CASH FLOWS

	2020	2 019	Variance
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income before taxes	5 597	11 430	(5 833)
Current taxes on income	(345)	(7 434)	7 089
Depreciation, depletion and amortisation	7 934	7 677	257
Long-term provisions	59	481	(422)
Loss / (gain) on sales of property, plant and equipment	(154)	(853)	699
Cash flows from operations	**13 092**	**11 300**	**1 792**
Cash increase/(decrease) from variations in:			
Accounts receivable and prepaid expenses	333	196	137
Inventories	406	1 009	(603)
Accounts payable and accrued liabilities	188	81	107
Accrued taxes	(3 915)	(1 870)	(2 045)
Long-term receivables	11	16	(5)
NET CASH PROVIDED BY OPERATING ACTIVITIES	10 116	10 732	(616)
CASH FLOWS FROM/(TO) INVESTING ACTIVITIES			
Capital expenditures	(7 484)	(7 421)	(63)
Proceeds from sales of property, plant and equipment	197	723	(526)
NET CASH USED IN INVESTING ACTIVITIES	(7 287)	(6 698)	(589)
CASH FLOWS FROM/(TO) FINANCING ACTIVITIES			
Increase/(decrease) in associated long-term liabilities	(2 000)	0	(2 000)
Increase/(decrease) in other long-term liabilities	(165)	(105)	(60)
Dividend paid to shareholder	(4 095)	(5 000)	905
NET CASH FLOWS FROM/(TO) FINANCING ACTIVITIES	(6 260)	(5 105)	(1 155)
Net increase/(decrease) in cash and cash equivalents	**(3 431)**	**(1 071)**	**(2 360)**
Cash and cash equivalents at 01.01	4 944	6 015	(1 071)
CASH AND CASH EQUIVALENTS AT 31.12	**1 513**	**4 944**	**(3 431)**

Note 1 Liquid and gas sales

Million NOK	2020	2019
Crude oil	16 306	18 571
NGL	1 267	1 542
Gas	5 215	8 976
Condensate	372	326
Total	23 160	29 415

Note 2 Other Income / Other operating costs

The amount shown as other income includes if any gains on disposals of assets, insurance claim settlements and other income attached to licenses. The main contributer to the amount in 2020 shown as other income, comes from the disposal of Total E&P Norge's 100% participating interest in Vestprocess to NSI with completion date on 30/04/2020 (and economic and fiscal effective date on 1/1/2020). The disposal resulted in a gain of NOK 136 million. In addition, ongoing disposal of own houses during 2020 contributed to a gain of NOK 17 million and NOK 46 million related to recharge of license cost for different projects.

Note 3 Salary, employee benefits, number of employees

Million NOK	2020	2019
Salaries (incl restructuring cost)	252	180
Social security and other benefits	66	88
Pension cost	26	(7)
Other	9	33
Total salaries and employee benefits	353	294
Average number of full-time employees	97	113

Fees paid to the Board of Directors in 2020 amounted to NOK 180 000. Full cost incurred by Total E&P Norge for salaries and remunerations to the Managing Directors amounted to NOK 6 995 232 in 2020. The Managing Director is formally employed and part of a pension agreement in another group company. There are no agreements with the Managing Director or the Board of Directors for special bonuses or separate remuneration in connection with termination.

The General Assembly of Shareholders of TOTAL S.A. has decided restricted share plans and share subscription option plans. The restricted shares plan is subject to certain conditions of economic performance of the TOTAL S.A. Group after a vesting period. Certain employees of Total E&P Norge AS were invited to participate in the plans. Given the immaterial value of the benefits, no expense has been recognized in the accounts.

Long-term receivables contain loans to employees of NOK 5 million. Total E&P Norge AS have also issued a guarantee to Nordea for loans to Total E&P Norge AS employees of total NOK 76 million as per 31.12.2020.
No company loans were granted to the Managing Director.

Note 4 Employee retirement plans

All employees of Total E&P Norge AS born in 1963 or later are included in a defined contribution plan, and employees born before 1963 (as per 01.01.2015) are included in a closed collective benefit retirement plan. Defined contribution plan above 12G are unfunded and paid when employee is retired or leave the Company. The Company has a pension compensation scheme for those employees between 40-52 years (as per 01.01.2015), that were previously part of the closed collective defined benefit plan. This scheme is included in unfunded plan. Employees born in 1962 or earlier will still have a part of the Company's collective benefit retirement plan with DNB. In addition, this plan also include retired personnel who receive defined future pensions.

Million NOK	2020	2019
Benefit and unfunded contribution plans:		
Current service cost	25	36
Interest cost	41	58
Interest on plan assets	(23)	(31)
Loss (gain) from curtailment or settlement	(20)	(62)
Net periodic pension cost *	23	1
Contribution plans:		
Defined contribution cost	19	18
Total periodic pension cost	42	19

* Pension cost includes associated social security tax.

The following statement presents the status of the plans at 31 December 2020:

Million NOK	Net funded pension plans	Net unfunded pension plans	Total all plans
Projected benefit obligation	901	450	1 351
Pension plan assets	575	0	575
Net pension assets (obligation)	(326)	(450)	(776)

Net unfunded plans are presented under long-term provisions.

Social security tax is calculated based on the pension plan`s net funded status and is included in the defined benefit obligation.

The actuarial present value has been calculated using the following assumptions:	2020	2019
Discount rate	1,3 %	2,1 %
Projected wage increases	2,00 %	2,25 %
Projected pension regulation	1.75% / 1.50%	2.0% / 1.50%

The calculation is based on the mortality table K2013FT.

Total E&P Norge AS is obliged to follow the Act on mandatory pension obligations. The pension scheme satisfies the requirement in this Act.

Note 5 Auditor

The audit fee for work performed in 2020 amounted to NOK 4 574 159 excl VAT, of which NOK 3 194 087 was for audit related services and NOK 1 380 072 for income tax and VAT advice and documentation.

Note 6 Research and Development

In 2020 the Company has incurred expenses of NOK 101 million on Research and Development activities. The Company's R&D program is a part of the TOTAL Group plan and is aimed at improving the value of our current and future investments on the Norwegian Continental Shelf. The focus is on improving understanding, developing new methodologies, models and hardware in the areas of enhanced oil recovery, reservoir/well monitoring, flow assurance, power supply and distribution on seabed, technology for subsea separation and fluid treatment for transport on long distances, and environmental assessment/monitoring. The program of work is accomplished through joint industry projects collaboration with Norwegian universities and institutes. The program also recognizes technical challenges set out in the national technology strategy, OG21.

Note 7 Provisions for future well plugging, dismantlement and removal costs

Under the terms of the oil and gas licenses, the State may require full or partial dismantlement and removal of offshore oil and gas installations, or assume ownership at no charge when production finally ceases or upon the expiration of the licenses, and also if the license is surrendered or recalled. In the event of take over, the State will assume responsibility for dismantlement and removal of installations. If the Norwegian Government should require dismantlement and removal of the installations, removal costs will be fully tax deductible for the licensees.

The change in provision in 2020 for future well plugging, dismantlement and removal costs has been calculated at NOK 1 132 million using the unit-of-production method. Incurred expenses in 2020 amounting to NOK 982 million have been offset to previous year's provisions. The net discounted value of the total obligations expected to be paid for removal activities, are estimated to NOK 16 553 million (including the retirement asset).

Note 8 Financial income and expenses

Million NOK

Financial income	2020	2019
Interest income from group companies	16	52
Total financial income	16	52

Financial expenses	2020	2019
Interest expenses to group companies	(219)	(260)
Other interest expenses	(84)	(106)
Capitalized financial interest	46	229
Total financial expenses	(257)	(137)

Note 9 Income taxes

Taxes include both current and deferred taxes on income. The special petroleum tax has been calculated after the deduction of the available uplift allowance.

The basis for the current tax provisions is calculated as follows:

Million NOK	2020	2019
Net income before taxes	5 597	11 430
Permanent differences *	23	(1 602)
Change in timing differences	935	1 753
Basis for current tax calculation	6 555	11 581
Onshore loss (income)	74	155
Uplift Carried Forward	(6 055)	-
Uplift Usable Current Year	(2 891)	(1 509)
Basis for Special Offshore Tax	(2 317)	10 227
Corporate Tax 22% (23%)	1 442	2 548
Special Revenue Tax 56% (55%)	(1 298)	5 727
Previous years' adjustment	200	(841)
Tax cost on interim result for Sale and Acquisitions of assets	2	795
Deferred tax	3 506	(896)
This year's tax cost	3 853	7 333
Taxes payable in the income statement	345	7 434
Previous years' adjustment	(200)	841
This year's taxes payable	145	8 275
Instalments of income taxes paid	-	(3 921)
Other payable taxes related to previous years	649	355
Total taxes payable in the balance sheet	794	4 709

Deferred tax liabilities are provided on all temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities :

Million NOK	2020	2019
Property, plant and equipment	43 702	43 928
Pensions	(1 047)	(1 186)
Other	(1 545)	(1 231)
Provision for well plugging and decommissioning	(16 318)	(15 950)
Basis for deferred ordinary taxes 22%	24 792	25 561
Deferred Uplift	(1 091)	(2 220)
Additional Special tax depreciation transitional rules	6 055	
Onshore assets	(205)	(215)
Basis for deferred special taxes 56%	29 551	23 126
Deferred tax:		
Corporate Tax	5 454	5 623
Special Revenue Tax	16 549	12 951
Deferred tax liabilities	22 003	18 574
OCI Deferred Tax Opening Adjustment to Equity	(77)	
Change in deferred tax	3 506	(896)
Tax Proof:		
Income before taxes	5 597	11 430
Marginal tax rate 78%	4 366	8 915
Tax effect of:		
- Permanent and other differences	204	(691)
- Tax interimperiod related to sale and acquisition of participating interest in licenses	2	796
- Earned uplift	(987)	(846)
- Previous years' adjustment	268	(841)
This years tax cost	3 853	7 333

** Mainly related to disposal of the Vestprocess Deal*

Payable taxes are calculated based on 22% corporate tax and 56% special tax which were the applicable rates for 2020.

Deferred tax is calculated based on 22% corporate tax and 56% special tax which are the applicable rates valid from 1. January 2020 onwards.

Note 10 Intangible assets, property, plant and equipment

Million NOK	Prod. inst. completed	Transport- & other equipments	Buildings	Construction in progress	Exploration wells	License acquisitions	Total all assets
At cost 01.01.20	169 572	2 135	247	2 432	2 103	5 124	181 613
Additions**	5 982	1	0	1 484	18	0	7 485
Transfers	949	0	0	(949)	0	0	0
Retirements and sales*	(88)	(3)	(52)	0	0	0	(143)
Accumulated investments at 31.12.20	176 415	2 133	195	2 967	2 121	5 124	188 954
Accumulated depreciation	119 418	1 282	96	0	1 225	4 145	126 166
Book value 31.12.20	56 997	850	99	2 967	896	979	62 788

* Asset Retirement of removed assets from prior periods

** Capitalized financial interests are included in the additions with 46 mnok

2020 depreciation	7 539	95	5	0	156	132	7 927
Estimated useful life of assets		10-20 years	30 - 50 years	Evaluation	Evaluation	Unit-of-prod	
Depreciation plan	Unit-of-prod	Decl bal / linear	Decl bal	-	-		

Fixed assets include the following amounts for capital leasing agreements per 31. December:

Million NOK	31.12.2020	31.12.2019
Transport- & Other equipments	1 544	1 544
Accumulated depreciation	701	615
Book value year end	843	929

The financial leasing is reflecting a contract with a fixed capital cost for initial charter period of 18 years. Total E&P Norge AS has in addition the possibility to extend this agreement by 11 more years.

Note 11 Shares

All amounts in thousand NOK	Registered Office	Ownership interest	Voting interest	Equity 31.12.2020	Profit (loss) 2020	Book value
Shares in subsidiaries and associated companies:						
Total Etzel Gaslager GmbH	Düsseldorf	100 %	100,00 %	16 255	310	-
Total Gass Handel Norge AS *	Stavanger	100 %	100,00 %	70 003	29 493	300
Norpipe Oil AS	Sola	34.93%	34.93%	31 598	9 379	178 347
Total subsidiaries and associated companies						178 647
Shares in Other companies:						
Kunnskapsparken Nord AS		11.75%				13 002
Johan Sverdrup Eiendom DA		8,44 %				1 012
Leda Technologies DA		25,00 %				15 374
Total other companies						29 388

* According to Accounting Act §3-7 - Exemption from the obligation to prepare consolidated accounts for the parent company in a subgroup;
Total Gass Handel Norge AS wholly owned by Total E&P Norge AS, are both subsidiaries of TOTAL HOLDINGS EUROPE S.A.S, a company in the Total Group domiciled in France. The parent company TOTAL S.A. prepares the consolidated accounts comprising its subsidiaries, and these consolidated accounts are prepared and audited in accordance with the legislation of this state.
The consolidated accounts of TOTAL S.A. are available on www.total.com.

Note 12 Transaction and current balances with group companies

Total E&P Norge AS has different transactions with Group companies. All the transactions, are part of the normal business and with arm's-length prices. Except for the group internal loan described in note 14, the major transactions in 2020 are:

Million NOK

Group companies	Type	Sales	Costs
TOTAL S.A.	Services		169
Total Gas & Power Ltd	Sale of Gas	2 856	
Total Oil Trading SA	Sale of Oil/ NGL/ Condensates	17 927	

Receivables	2020	2019
Intercompany customers	2 655	2 732
Total	2 655	2 732

Payables	2020	2019
Intercompany accounts payable	88	151
Total	88	151

The cash deposit is integrated into a group cash pooling agreement.

Note 13 Equity

Million NOK	Share capital	Share premium	Retained earnings	Total
Equity at 31.12.2019	4 201	4 255	4 201	12 657
Net income	0	0	1 746	1 746
Dividend	0	0	(1 746)	(1 746)
Changes in actuarial assumptions for pensions	0	0	(21)	(21)
Equity at 31.12.2020	4 201	4 255	4 180	12 636

At 31.12.20 Total E&P Norge AS was a wholly owned subsidiary of TOTAL HOLDINGS EUROPE S.A.S, a company in the Total Group. The consolidated accounts of TOTAL S.A. are available on www.TOTAL.com. Share capital consist of 4 201 000 shares of NOK 1 000.

Note 14 Other long-term liabilities

LONG-TERM LOANS FROM ASSOCIATED COMPANIES
As per end of 2020, Total E&P Norge AS has one term loan for the amount of NOK 10 000 million and one revolving credit facility for the maximum amount of NOK 2 000 million with Total Treasury. During 2020, both of the two loans were reduced with NOK 2 000 million. The interest rate applicable on the long-term loans from associated companies are based on a floating market rate.

LONG-TERM LOANS FROM OTHER COMPANIES
As of 31 December 2020, the long-term loans from other companies is linked to the booked financial leasing commitment.

(million NOK)	1 year	2 - 5 years	5 years +
Long term debt related to leasing commitment	124	547	705

Note 15 Liabilities, lease agreements and other commitments

LEASES
As an Operator, Total E&P Norge AS has lease contracts for rental of LNG carrier vessels (charter party) for the transportation of LNG production share of the Snøhvit field, and a rental contract of an office building.

As a non operating Partner in the fields under development and operation, the Company has leasing agreements for helicopters, FSO's, storage and vessels. Leasing payments for Total E&P Norge AS was in 2020 NOK 566 million. Total future leasing costs for Total E&P Norge AS are NOK 4 804 million.

Million NOK	1 year	2-3 years	4-5 years	5 years +
Leasing agreements	600	1 220	1 241	1 743

OTHER COMMITMENTS
As a non operating partner Total E&P Norge AS has several commitments to purchase goods and services related to development of different projects for an amount of NOK 1 161 million.

Note 16 Oil and Gas Reserves (not audited)

The estimation of oil and gas reserves is based on the Norwegian Petroleum Directorate's (NPD) resource classification system. Reserves are defined as oil and gas resources, which are associated to fields in production or to projects which are approved or decided for production. This corresponds to resource classes 1 to 3 in the NPD's classification.

The base estimates of these reserves provided to the Revised National Budget (RNB) are reported and are given in company group entitlement. They reflect the current understanding, properties and recovery rate of the reservoir and correspond to the best estimates of petroleum volumes that are expected to be recovered from a project.

Reserves 31.12.2020	Oil and Condensate (millions of bbls)	NGL (millions of tons)	Natural Gas (billions of Sm3)	Oil Equivalents (millions of bbls)
Developed and undeveloped reserves (base estimates)	478,0	4,4	78,8	1025,6

Note 17 License portfolio 31.12.2020

TOTAL NORGE ASSETS	SHARE (%)	OPERATOR	COMPRISED OF
EKOFISK AREA			
EKOFISK	39,90	CONOCOPHILLIPS	PL 018, PL 018 B
TOR	48,20	CONOCOPHILLIPS	PL 006
HEIMDAL AREA			
ATLA & SKIRNE	40,00	TOTAL	PL 102 C, PL 102, PL 102 E
HEIMDAL (reservoir)	26,33	EQUINOR	PL 036 BS
ÅSGARD AREA			
KRISTIN	6,00	EQUINOR	PL 134 D, PL 199
TYRIHANS	23,15	EQUINOR	PL 073, PL 073 B
ASGARD	7,68	EQUINOR	PL 062, PL 094, PL 094 B, PL 134, PL 237, PL 479
YTTERGRYTA ***	24,50	EQUINOR	PL 263 C
OSEBERG AREA			
OSEBERG	14,70	EQUINOR	PL 053, PL 053 C, PL 055 C, PL 079, PL 104, PL 104 B, PL 171 B
TUNE	10,00	EQUINOR	PL 034, PL 190
ISLAY*	100,00	TOTAL	PL 043 CS, PL 043 DS
FLYNDRE**	88,35	TOTAL	PL 018 C
SNØHVIT AREA			
SNØHVIT	18,40	EQUINOR	PL 064, PL 099, PL 077, PL 078, PL 100, PL 110, PL 110 B, PL 448
TROLL AREA			
TROLL	3,69	EQUINOR	PL 054, PL 085, PL 085 B, PL 085 C
KVITEBJØRN	5,00	EQUINOR	PL 193, PL 193 C, PL 193 E
GIMLE	4,90	EQUINOR	PL 120 B
SINDRE	4,95	EQUINOR	PL 193 FS
JOHAN SVERDRUP			
JOHAN SVERDRUP	8,44	EQUINOR	PL 501, PL 501 B
SUM FIELDS			49 Licenses
DISCOVERIES			
TOMMELITEN ALPHA	20,23	CONOCOPHILLIPS	PL 044
LINNORM	20,00	SHELL	PL 255
NØKKEN	4,95	EQUINOR	PL 193 GS
ERLEND AND RAGNFRID	6,00	EQUINOR	PL 257
EXPLO LICENSES			
PL 255 B, PL 255 C, PL 255 D	40,00	EQUINOR	
PL 219	15,00	EQUINOR	
PL 275	40,00	CONOCOPHILLIPS	
PL 785 S	50,00	EQUINOR	
PL 982	60,00	TOTAL	
PL 983	20,00	EQUINOR	
PL 1039	40,00	EQUINOR	
PL 1070	40,00	TOTAL	
SUM DISCOVERIES AND EXPLO LICENSES			14 Licenses
SUM PORTFOLIO			63 Licenses

*Operated from the U.K., Norwegian share of 5.51% of the field
**Operated from the U.K., Norwegian share of 6.26% of the field
*** Ceased production - P&A and removal when Åsgard is removed

BALANCE SHEET

	Notes	2020	2019	Million NOK Increase/ (decrease)
FIXED ASSETS				
INTANGIBLE ASSETS				
Licence acquisition	10	979	1 111	(132)
TOTAL INTANGIBLE ASSETS		979	1 111	(132)
PROPERTY, PLANT AND EQUIPMENT	8, 10			
Buildings		99	135	(36)
Producing assets - completed		56 997	57 617	(620)
Producing assets - in progress		2 967	2 432	535
Exploration wells - in progress		896	1 034	(138)
Transport- and other equipment		850	945	(95)
TOTAL PROPERTY, PLANT AND EQUIPMENT		61 809	62 163	(354)
FINANCIAL INVESTMENTS				
Shares	11	208	217	(9)
Long-term receivables	3	28	39	(11)
TOTAL INVESTMENTS		236	256	(20)
TOTAL FIXED ASSETS		63 024	63 530	(506)
CURRENT ASSETS				
INVENTORIES				
Material and supplies		309	293	16
Oil/Gas underlift		458	1 090	(632)
TOTAL INVENTORIES		767	1 383	(616)
ACCOUNTS RECEIVABLE				
Customers	12	3 034	3 266	(232)
Other		30	132	(102)
TOTAL ACCOUNTS RECEIVABLE		3 064	3 397	(333)
CASH AND CASH EQUIVALENT	12	1 513	4 944	(3,431)
TOTAL CURRENT ASSETS		5 344	9 724	(4,380)
TOTAL ASSETS		68 368	73 254	(4,886)

	Notes	2020	2019	Million NOK Increase/ (decrease)
EQUITY				
PAID-IN CAPITAL				
Share capital	13	4 201	4 201	0
Share premium	13	4 255	4 255	0
TOTAL PAID-IN CAPITAL		8 456	8 456	0
RETAINED EARNINGS				
Retained earnings	13	4 180	4 201	(21)
TOTAL RETAINED EARNINGS		4 180	4 201	(21)
TOTAL EQUITY		12 636	12 657	(21)
LIABILITIES				
LONG-TERM PROVISIONS				
Pension obligations	4	776	827	(51)
Deferred taxes	9	22 001	18 574	3,427
Well plugging, dismantlement and removal	7	16 553	16 254	299
Other provisions	4	271	359	(88)
TOTAL LONG-TERM PROVISIONS		39 601	36 014	3,587
OTHER LONG-TERM LIABILITIES				
Long-term loans from associated companies	14	10 000	12 000	(2,000)
Other long-term liabilities	14	1 376	1 542	(166)
TOTAL LONG-TERM LIABILITIES		11 376	13 542	(2,166)
CURRENT LIABILITIES				
Overdraft facilities	12			(23)
Accounts payable and accrued expenses	12	1 685	1 540	145
Taxes other than income taxes		55	2	53
Income taxes payable	9	794	4 709	(3,915)
Proposed dividend	13	1 746	4 095	(2,349)
Other short term debt		107	115	(8)
TOTAL CURRENT LIABILITIES		4 755	11 041	(6,286)
TOTAL LIABILITIES		55 732	60 597	(4,865)
TOTAL EQUITY AND LIABILITIES		68 368	73 254	(4,886)
Guarantees	3	76	215	

Morten Stage
Chairman

Henning Eide
Board member

Trine Boyer
Board member

Philip James Cunningham
Board member and Managing Director

Heinz Ulrich Bollhauer
Board member

Dimitri Maxime Lobadowsky
Board member

Ann-Cathrin Knutzen Vetaas
Board member

Accounting Policies
The financial statements are presented in accordance with the regulations in the Accounting Act and Norwegian Generally Accepted Accounting Principles.

Revenue recognition
Revenues associated with sales and transportation of hydrocarbons is recognised when title passes to the customer at the point of delivery of the goods based on the contractual terms of the agreements. Other services are recognized at the time of delivery.

Joint operations
The Company's shares in joint operations are booked under the respective lines in the profit and loss statement and the balance sheet.

Balance sheet classification
Current assets and short-term liabilities consist of receivables and payables due within one year after transaction date. Other balance sheet items are classified as fixed assets / long-term liabilities.

Current assets are valued at the lowest of acquisition cost and fair value. Short term liabilities are recognized at nominal value.

Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Foreign currency translation
Transactions in foreign currency are translated at the rate applicable on the transaction or invoicing date. Monetary items in a foreign currency are translated into NOK using the exchange rate applicable on the balance sheet date or, if covered by forward currency exchange contracts, at the contract rate. Changes to exchange rates are recognized in the income statement as they occur during the accounting period.

Cash and Cash equivalents
Cash and cash equivalents includes cash, bank deposits and other short term highly liquid investments with maturities of three months or less.

Intangible assets, property, plant and equipment
Costs related to intangible assets, property, plant and equipment are capitalized and depreciated linearly over the estimated useful life. Maintenance is expensed as incurred, whereas costs for improving and upgrading property plant and equipment are added to the acquisition cost and depreciated with the related asset.

The proven and probable reserves are used for calculation of depreciation of E&P assets (such as for licence acquisitions, offshore and onshore production installations, booked under operating expenses) by applying the unit of production method. Other onshore property, plant and equipment are depreciated by use of the linear or declining balance method.

If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the discounted estimated future cash flows from the asset are used.

Incurred interest cost related to substantial development projects are capitalized as part of the development cost.

Exploration

Exploration costs are treated in accordance with the successful effort method, with the well as basis for the evaluation. Exploratory drilling costs are capitalized pending the determination of whether the wells found proved reserves. If the wells are determined commercially unsuccessful costs are expensed as depreciation. Geological and geophysical costs are expensed as incurred.

Research and development

Research and development costs are expensed as incurred.

Leasing commitments

Leases transferring substantially all the risks and rewards incidental to ownership from the lessor to the lessee are treated as financial leases. These contracts are capitalized as assets at fair value, or if lower, at the present value of the minimum lease payments according to the contract. A corresponding financial debt is recognized. These assets are depreciated over the shortest of the estimated economical life time of the asset and the leasing period.
Leasing agreements without transfer of substantially all the risk and control to the lessee are considered as operating leases. The Company's leasing costs in operating leases are reflected as operating expenses.

Shares

The investment is valued as at cost of the shares in the subsidiary, less any impairment losses. An impairment loss is recognized if the impairment is not considered temporary, in accordance with generally accepted accounting principles. Impairment losses are reversed if the reason for the impairment loss disappears in a later period.

The operations of the subsidiaries are considered immaterial compared to the level of the company's business, and consolidated accounts have therefore not been prepared. Group accounts are prepared by the holding company TOTAL S.A resident in France.

The Group's parent company in France prepares consolidated financial statements that include Total E&P Norge AS and its subsidiary Total Gass Handel Norge AS. Consolidated accounts can be found on the group's website www.total.com.

Accounting Act §3-7 Exemption from the obligation to prepare consolidated accounts for the parent company in a subgroup

The obligation to prepare consolidated accounts shall not apply to an enterprise, which is itself a subsidiary, if its parent company is domiciled in an EEA state and prepares consolidated accounts comprising the enterprise and its subsidiaries, and these consolidated accounts are prepared and audited in accordance with the legislation of this state.

Inventories

Consumable inventories consist of equipment for exploration and field development, and are calculated at average purchase prices. Spare parts are charged to operations when acquired.

Over-/Underlifting

Overlifts or underlifts of petroleum products in relation to the company's ownership, is valued at market value.

Future well plugging, abandonment and removal costs

Annual provisions are made to meet future costs for decommissioning, abandonment and removal of installations. Provision requirements are reviewed on an individual field basis, and the net present value of future costs is the basis for the recognized obligation. Changes in time element (net present value) of the abandonment provisions are expensed annually and increase the obligations in the balance sheet. Changes in estimates are recognized over the remaining production period, unless the production is for material purposes completed. In such a case the changes in estimate is recognized immediately.

Pensions

Defined benefit plans- are valued at the present value of accrued future pension benefits at the balance sheet date. Pension plan assets are valued at their fair value.

Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period.

The company follows the revised IAS19, also valid in NRS 6. The accumulated effects of the changes in estimates in financial and actuarial assumptions are recognized in full in the "Changes in actuarial assumptions for pensions" in equity. These are incorporating revisions of costs of previous years' contributions, changes in interest costs, expected return on the pension funds and in discount rates used to calculate the pension obligations and assets.

The net pension cost for the period is classified in salaries and personnel costs.

Defined contribution plan – Contribution to the defined contribution scheme is recognized in the income statement in the period in which the contribution amounts are earned by the employees.

Income tax

Income taxes reflect both current taxes and taxes payable in the future as a result of the current year's activity. When calculating the deferred taxes, the company uses the liability method, under which deferred taxes are calculated applying legislated tax rates in effect at the closing date. Earned future deductible uplift allowance is offset against the special tax when calculating deferred taxes.

Cash flow statement

The statement of cash flow has been prepared in accordance with the indirect method as per the temporary Norwegian accounting standard.

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To the General Meeting of Total E&P Norge AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Total E&P Norge AS showing a profit of NOK 1 746 000 000. The financial statements comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Stavanger, 3 June 2021
KPMG AS

Mads Hermansen
State Authorised Public Accountant

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Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Mads Aleksander Hermansen
Partner
På vegne av: KPMG AS
Serienummer: 9578-5997-4-280077
IP: 80.232.xxx.xxx
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