# FIRST HALF 2026

## SDFI

# Cash flow of 138 billion from the SDFI in the first half of 2026

The State's Direct Financial Interest (SDFI) delivered a net cash flow to the Norwegian state of NOK 137.5 billion and net income after financial items of NOK 133.2 billion in the first half of 2026. The financial results were on par with the corresponding period last year. Higher oil prices and increased production contributed positively, while lower gas prices and higher operating costs had a negative impact.

| | First half | | Full year |
|---|---|---|---|
| (NOK million) | 2026 | 2025 | 2025 |
| **Cash flow** | **137,517** | **139,088** | **243,238** |
| Operating revenues | **181,995** | 190,686 | 338,776 |
| Operating expenses | **47,036** | 43,211 | 88,394 |
| Operating profit | **134,959** | 147,475 | 250,382 |
| Net financial items | **-1,802** | -2,565 | -3,476 |
| **Net income** | **133,156** | **144,911** | **246,906** |
| **Investments** | **16,214** | **15,614** | **33,267** |
| Average oil price (USD/bbl) | **96** | 71 | 69 |
| NOK/USD exchange rate | **9.57** | 10.81 | 10.46 |
| Average oil price (NOK/bbl) | **918** | 764 | 720 |
| Average gas price (NOK/Sm³) | **5.18** | 5.42 | 4.86 |
| **Production (thousand boe per day)** | **1,060** | **1,034** | **1,049** |
| Oil, condensate and NGL (thousand boe per day) | 375 | 352 | 366 |
| Gas (million Sm³ per day) | 109 | 108 | 109 |
| **Sales (thousand boe per day)** | **1,078** | **1,043** | **1,056** |


Johan Castberg. Photo: Ole Jørgen Bratland / ©Equinor

# Financial results for the first half of 2026

Net cash flow from the SDFI to the Norwegian state amounted to NOK 137.5 billion, NOK 1.6 billion lower than in the same period last year. The decrease was mainly driven by lower gas prices and higher operating costs. This was partly offset by significantly higher oil prices, increased sales volumes, lower costs related to purchases of third-party gas for resale, and improved net financial items.

Total production was 1,060 thousand barrels of oil equivalent per day (kboed), an increase of 26 kboed compared with the same period last year.

Gas production averaged 109 million standard cubic metres ($Sm^3$) per day, in line with the corresponding period last year. The average realised gas price was NOK 5.18 per $Sm^3$, compared with NOK 5.42 per $Sm^3$ in the first half of 2025. European gas prices remained volatile throughout the period. Increased LNG supply helped ease market balances, while the conflict in the Middle East and uncertainty regarding LNG shipments through the Strait of Hormuz supported higher prices during the period.

Liquids production averaged 375 kboed, an increase of 22 kboed from the corresponding period last year. The increase was mainly driven by the start-up of Johan Castberg and Verdande in 2025, partly offset by lower production from Johan Sverdrup and Troll. The average realised oil price was USD 96 per barrel, compared with USD 71 per barrel in the first half of 2025. Measured in Norwegian kroner, the realised oil price was NOK 918 per barrel, compared with NOK 764 per barrel in the same period last year. Oil prices were volatile during the first half of the year and increased significantly following the conflict in the Middle East and the temporary closure of the Strait of Hormuz.

Net income after financial items amounted to NOK 133.2 billion, which was NOK 11.8 billion lower than in the first half of 2025. The reduction was mainly due to lower operating revenues and higher operating expenses, partly offset by improved net financial items. Operating profit was NOK 135.0 billion, down NOK 12.5 billion from the same period last year.

Operating revenues amounted to NOK 182.0 billion, NOK 8.7 billion lower than in the first half of 2025. The decline mainly reflects significantly higher other income in 2025, resulting from an accounting gain related to Heidrun in connection with the asset swap agreement with Equinor. Underlying product revenues developed positively, driven by higher oil prices and increased oil production.

Total operating expenses amounted to NOK 47.0 billion, an increase of NOK 3.8 billion compared with the same period last year. The increase was primarily due to higher production costs and depreciation.
Production costs amounted to NOK 17.4 billion, up NOK 1.7 billion from the previous year, mainly due to higher electricity costs associated with Gassled, Nyhamna and Troll.

Total depreciation amounted to NOK 22.6 billion, NOK 3.8 billion higher than in the same period last year. The increase primarily reflects the start-up of Johan Castberg and Verdande during 2025, as well as increased depreciation in Gassled resulting from new investments depreciated over the remaining licence period.

Costs related to purchases of third-party gas amounted to NOK 1.9 billion, NOK 1.7 billion lower than in the corresponding period of 2025, mainly due to lower gas prices and volumes. Transportation costs totalled NOK 4.0 billion, an increase of NOK 0.4 billion from the previous year.

Total gross exploration costs amounted to NOK 1.2 billion, NOK 0.3 billion higher than in the same period last year. Net exploration expenses after capitalisation were NOK 0.7 billion, broadly in line with the previous year. Six exploration wells were drilled during the first half of the year. Minor discoveries were made in Granat, Omega Sør and Tubåen, while Vikingskipet, Skoll and Heidrun Cellar were concluded as dry wells and expensed.

Investments in joint ventures amounted to NOK 16.2 billion, an increase of NOK 0.6 billion compared with the first half of 2025. The increase mainly reflects higher investments in Troll, Johan Sverdrup and Dvalin. This was partly offset by lower investments in Verdande, Snøhvit, Maria, Breidablikk and Irpa. Activity levels for production drilling were higher than in the previous year, while development and operational investments were lower due to the completion of several projects.

# Observations and events during the first half of 2026

- Eight serious incidents were recorded across the SDFI portfolio during the first half of 2026, compared with seven during the same period in 2025. The Serious Incident Frequency (SIF) improved to 0.5 from 0.6 the previous year, while the Total Recordable Injury Frequency (TRIF) increased to 5.9 from 5.1. The results indicate an improvement in serious incident frequency compared with the previous year, while underlining the continued need for strong attention to safe operations and risk management.

- In June, a decision was made to execute the TWIN project (Troll West Increased Gas Recovery North) at the Troll field. The project includes investments of approximately NOK 4 billion and is expected to deliver around 11 billion standard cubic metres of gas. The investment contributes to increased resource recovery and continued value creation from Troll, the SDFI's largest gas producing field and a significant part of the remaining gas reserves on the Norwegian continental shelf.

- A concept selection decision has been made for Ringvei Vest, an area development project in the Troll area comprising seven discoveries and one prospect with combined resources estimated at approximately 240 million barrels of oil equivalent. The project facilitates profitable development of smaller discoveries through the use of existing infrastructure and contributes to increased resource utilisation and value creation.

- New discoveries and appraisal results in the Tonjer and Geitungen areas support further maturation of Johan Sverdrup Phase 4. The resource base is currently estimated at between 20 and 30 million barrels of oil equivalent. The development is based on existing infrastructure and may contribute to maintaining production and value creation from one of the SDFI's most significant assets.

- The redetermination process for the Johan Sverdrup field was completed during the first half of 2026. Updated resource estimates resulted in revised ownership interests among the licensees, including a reduction in the SDFI ownership share.

- Development plans for Gjøa Subsea Projects (GSP), comprising Gjøa Nord, Ofelia and Cerisa, were submitted in June. The project includes investments of approximately NOK 14 billion and expected recoverable resources of 76 million barrels of oil equivalent. The development will contribute to enhanced resource recovery, extended lifetime for existing infrastructure and continued value creation in the Gjøa area.

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