

Q4 2017

AKER BP ASA

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Key events in Q4-17

Operations

- Q4 production 135.6 mboepd – 2017 production 138.8 mboepd
- High drilling and maintenance activity
- Fatal accident on Maersk Interceptor

Financial results

- Q4 EBITDA USD 509 million, EPS USD 0.10
- Q4 Free cash flow* of USD 235 million (USD 0.68 per share)
- Quarterly dividend of USD 112.5 million (DPS of USD 0.31) to be disbursed in February

Business development

- Three PDOs submitted
- Valhall/Hod interest increased to 90% following transactions with Hess and Pandion

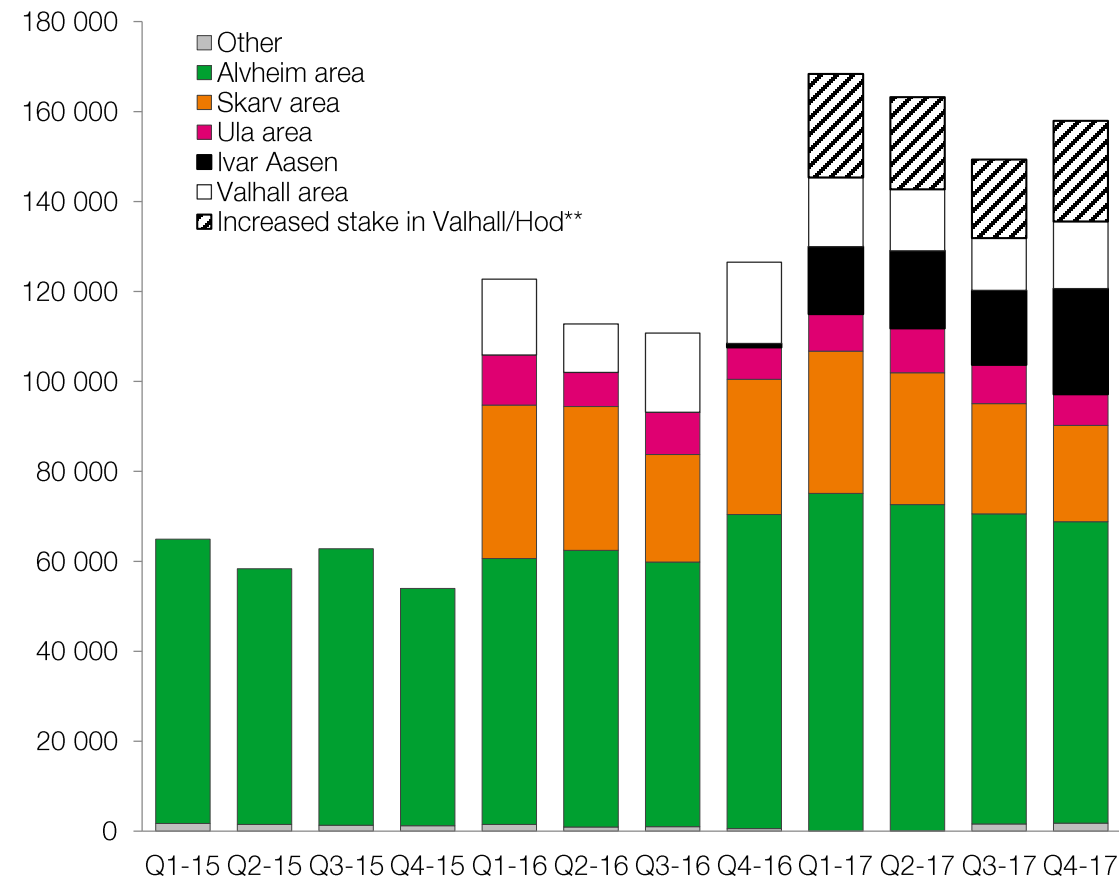


OPERATIONS

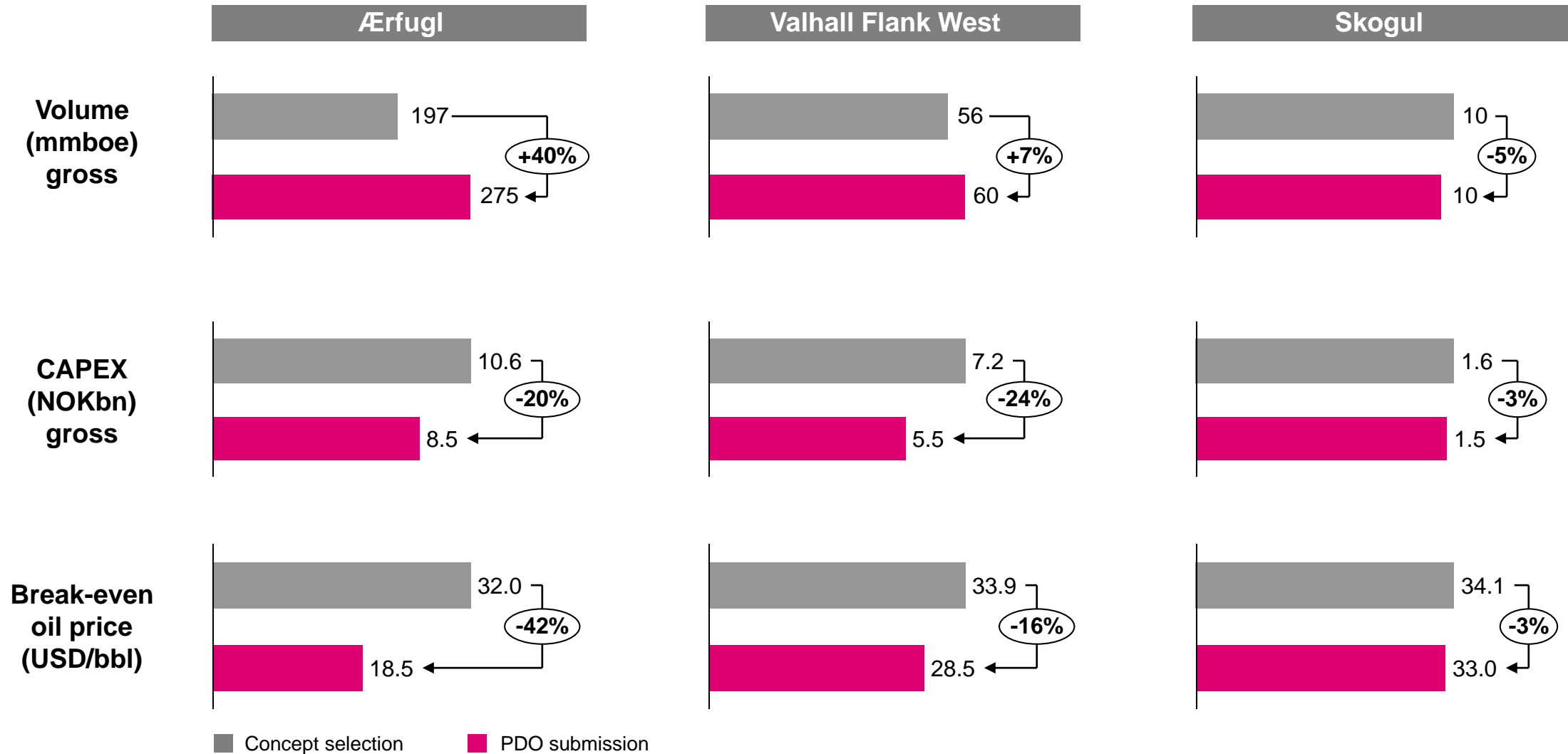
Oil and gas production

- **Q4 production 135.6 mboepd (157.9 pro forma)**
- **2017 production 138.8 mboepd (159.6 pro forma)**
- **Ivar Aasen at plateau – one year ahead of plan**
 - High drilling efficiency
 - Strong operational performance
 - Edvard Grieg processing capacity
- **Valhall production increased**
 - Positive contribution from new wells
 - Maintenance in Q3
- **Skarv production below plan in Q4**
 - Three wells shut in due to technical issues – one was repaired during the quarter
 - Pressure build-up test on Ærfugl test producer

Net production* (boepd)



Three PDOs submitted – significant improvements delivered



Financials

Q4 2017



FINANCIALS

Statement of income

| (USD million) | Q4 2017 | Q4 2016 | 2017 | 2016 |
|-------------------------------------|------------|-------------|--------------|--------------|
| Total operating income | 726 | 656 | 2,563 | 1,364 |
| Production costs | 147 | 121 | 523 | 227 |
| Other operating expenses | 14 | 5 | 28 | 22 |
| EBITDAX | 565 | 529 | 2,012 | 1,115 |
| Exploration expenses | 56 | 44 | 226 | 147 |
| EBITDA | 509 | 485 | 1,786 | 968 |
| Depreciation | 183 | 160 | 727 | 509 |
| Impairment losses | 21 | 45 | 52 | 71 |
| Operating profit/loss (EBIT) | 305 | 281 | 1,007 | 387 |
| Net financial items | (57) | (71) | (196) | (97) |
| Profit/loss before taxes | 248 | 210 | 811 | 290 |
| Tax (+) / Tax income (-) | 214 | 277 | 536 | 255 |
| Net profit/loss | 34 | (67) | 275 | 35 |
| EPS (USD) | 0.10 | -0.20 | 0.81 | 0.15 |

FINANCIALS

Statement of financial position

| Assets (USD million) | 31.12.17 | 31.12.16 |
|------------------------------------|-----------------|-----------------|
| Goodwill | 1,860 | 1,847 |
| Other intangible assets | 1,982 | 1,728 |
| Property, plant and equipment | 5,582 | 4,442 |
| Receivables and other assets | 775 | 722 |
| Calculated tax receivables (short) | 1,586 | 401 |
| Cash and cash equivalents | 233 | 115 |
| Total Assets | 12,019 | 9,255 |

| Equity and liabilities (USD million) | 31.12.17 | 31.12.16 |
|---|-----------------|-----------------|
| Equity | 2,989 | 2,449 |
| Other provisions for liabilities incl. P&A (long) | 2,942 | 2,335 |
| Deferred tax | 1,307 | 1,046 |
| Bonds | 622 | 510 |
| Bank debt | 2,767 | 2,030 |
| Other current liabilities incl. P&A (short) | 1,041 | 792 |
| Tax payable | 351 | 93 |
| Total Equity and liabilities | 12,019 | 9,255 |

Fourth quarter cash flow and liquidity

■ **Strong cash flow in Q4-17**

- Free cash flow (ex M&A effects) USD 235 million
- Acquisition of Hess Norge AS, sale to Pandion

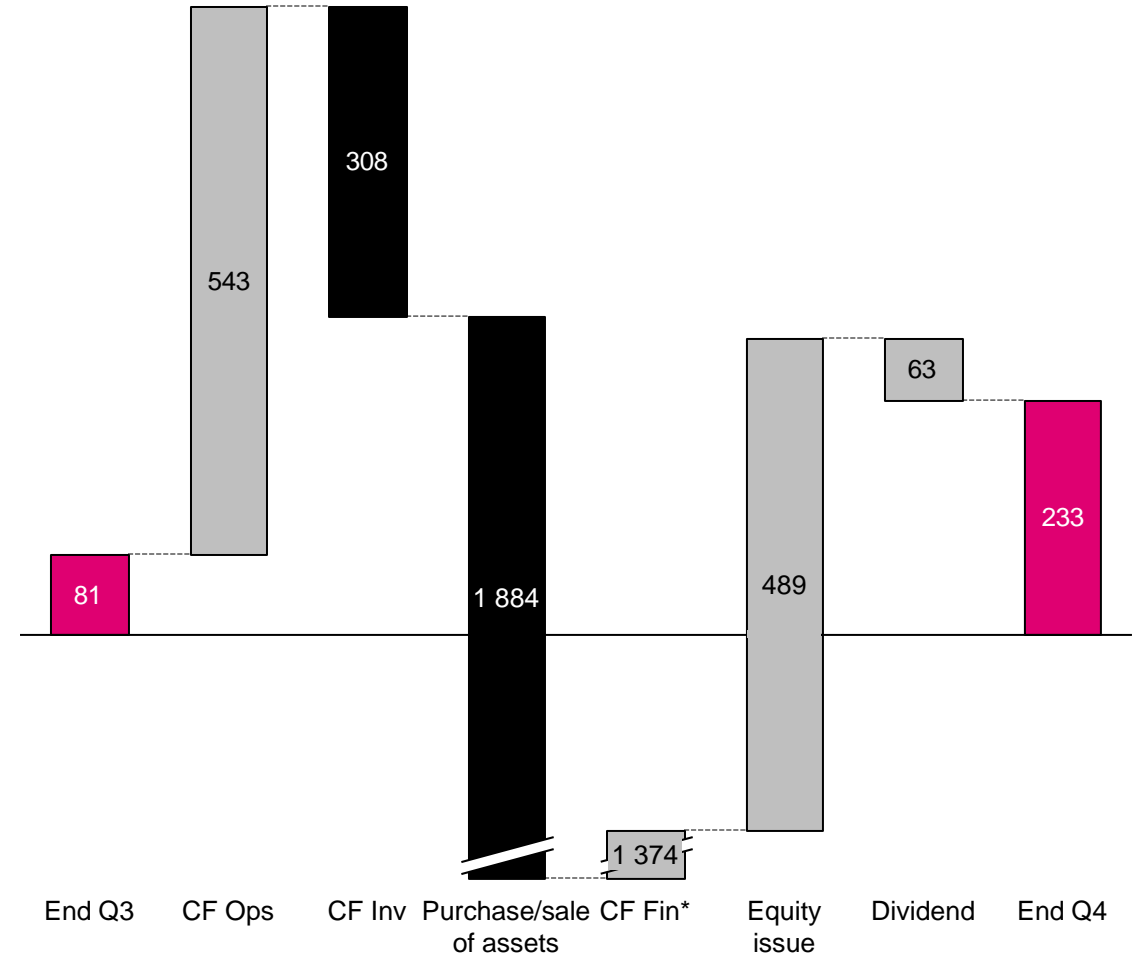
■ **Attractive M&A deals**

- Hess Norge acquired for USD 2.0 billion
- Included refundable tax loss worth USD ~1.5 billion
- Fully funded with USD 500 million in new equity and USD 1.5 billion in bridge loan at Libor + 1.5%
- Sold 10% of Valhall/Hod to Pandion for USD 170 million
- Net cost of increasing Aker BP's interest in Valhall/Hod from ~36% to 90% was USD ~330 million (USD 2.6/boe*)

■ **Robust balance sheet per year end 2017**

- Net interest-bearing debt (book value) USD 3.16 billion
- Hess tax loss expected to be disbursed in 2018
- Leverage ratio of 1.4x
- Cash and undrawn credit of USD 2.9 billion

Cash flow (USDm)



* Including FX effects on cash held

** Based on 2P reserves booked per end-2016

FINANCIALS

Guidance

| Item | 2017 actual | 2017 guidance | 2018 guidance |
|-----------------------------|------------------|-----------------------|------------------|
| CAPEX | 888 million | USD 900 – 950 million | USD ~1.3 billion |
| EXPEX | 262 million | USD 280 – 300 million | USD ~350 million |
| Production | 138.8 mboepd | 135 – 140 mboepd | 155 – 160 mboepd |
| Production cost | USD 10.3 per boe | USD ~10 per boe | USD ~12 per boe |
| Decommissioning cost | 86 million | USD 80 – 90 million | USD ~350 million |

Note: Guidance based on USD/NOK 8.0

2018 plans



Investing to maximize value of existing production hubs

High activity in 2018 – maturing more opportunities



Alvheim

- Frosk exploration well
- Boa wells on stream
- Infill drilling
- Skogul development

Valhall

- 4 IP wells
- Flank West development
- P&A
- Flank North

Ula

- Tambar wells on stream
- Oda development

Ivar Aasen

- Hanz appraisal
- 2 water injectors

Skarv

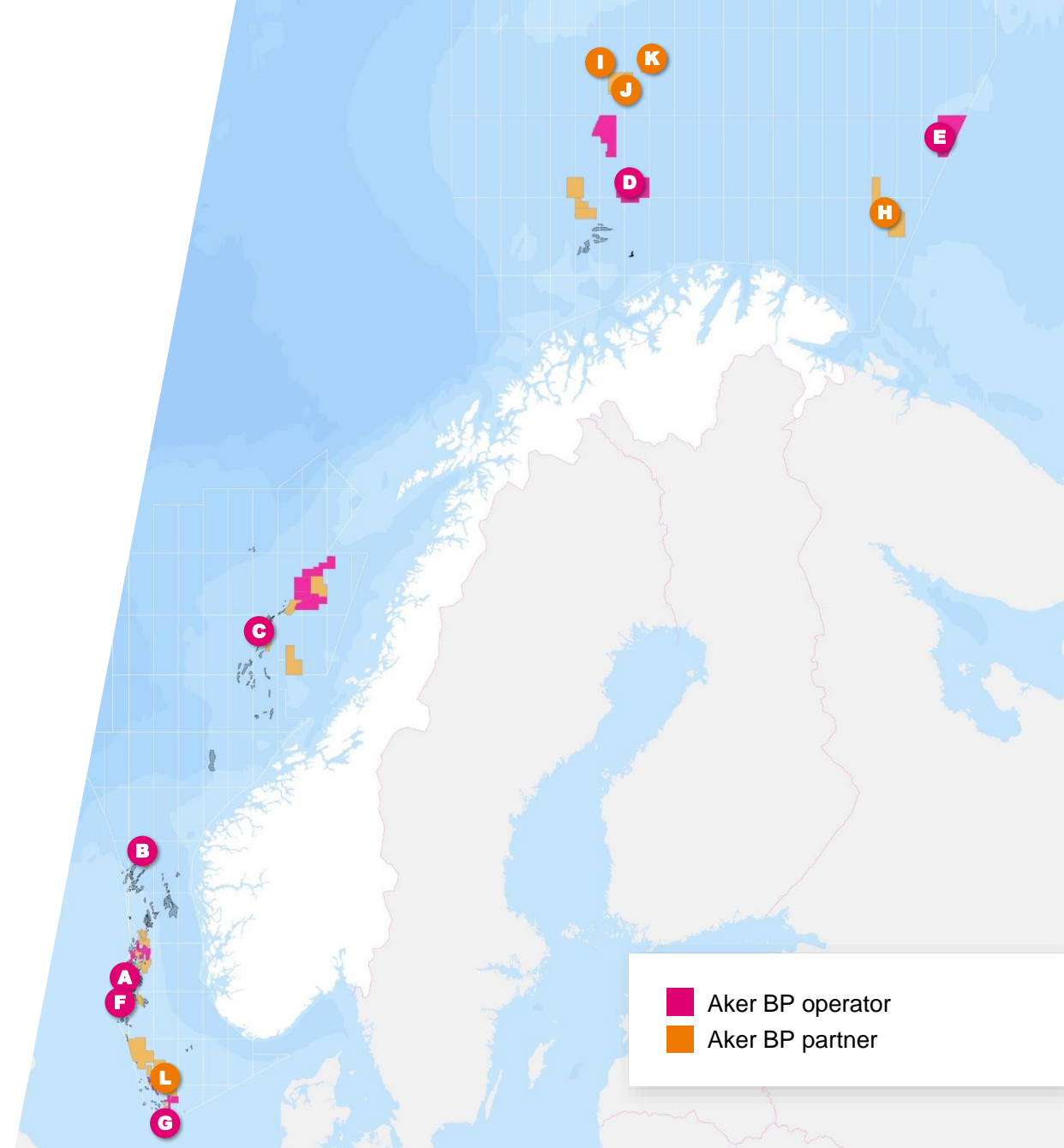
- Kvitungen Tumler exploration well
- Repair 1-2 wells
- Ærfugl development

EXPLORATION

2018 exploration schedule

| License | Prospect name | Operator | Aker BP share | Pre-drill mmmboe* | Time | |
|---------|------------------|----------|---------------|-------------------|------|----------|
| PL340 | Frosk | Aker BP | 65 % | 3 - 21 | Q1 | A |
| PL790 | Raudåsen | Aker BP | 30 % | 9 - 74 | Q1 | B |
| PL839 | Kvitungen Tumler | Aker BP | 24 % | 37 - 269 | Q1 | C |
| PL659 | Svanefjell | Aker BP | 50 % | 17 - 331 | Q2 | D |
| PL858 | Stangnestind | Aker BP | 40 % | 30 - 190 | H2 | E |
| PL777 | Hornet | Aker BP | 40 % | 17 - 166 | Q4 | F |
| PL033 | Hod Appraisal | Aker BP | 90 % | - | Q4 | G |
| PL857 | Gjøkåsen | Statoil | 20 % | 26 - 1427 | Q3 | H |
| PL721 | Gråspett | DEA | 40 % | 32 - 263 | Q4 | I |
| PL852 | Scarecrow | Spirit | 40 % | 83 - 245 | Q4 | J |
| PL722 | Shenzhou | Statoil | 20 % | 40 - 295 | Q4 | K |
| PL405 | Cassidy | Spirit | 15 % | 5 - 48 | Q4 | L |

* Preliminary volume span (gross)

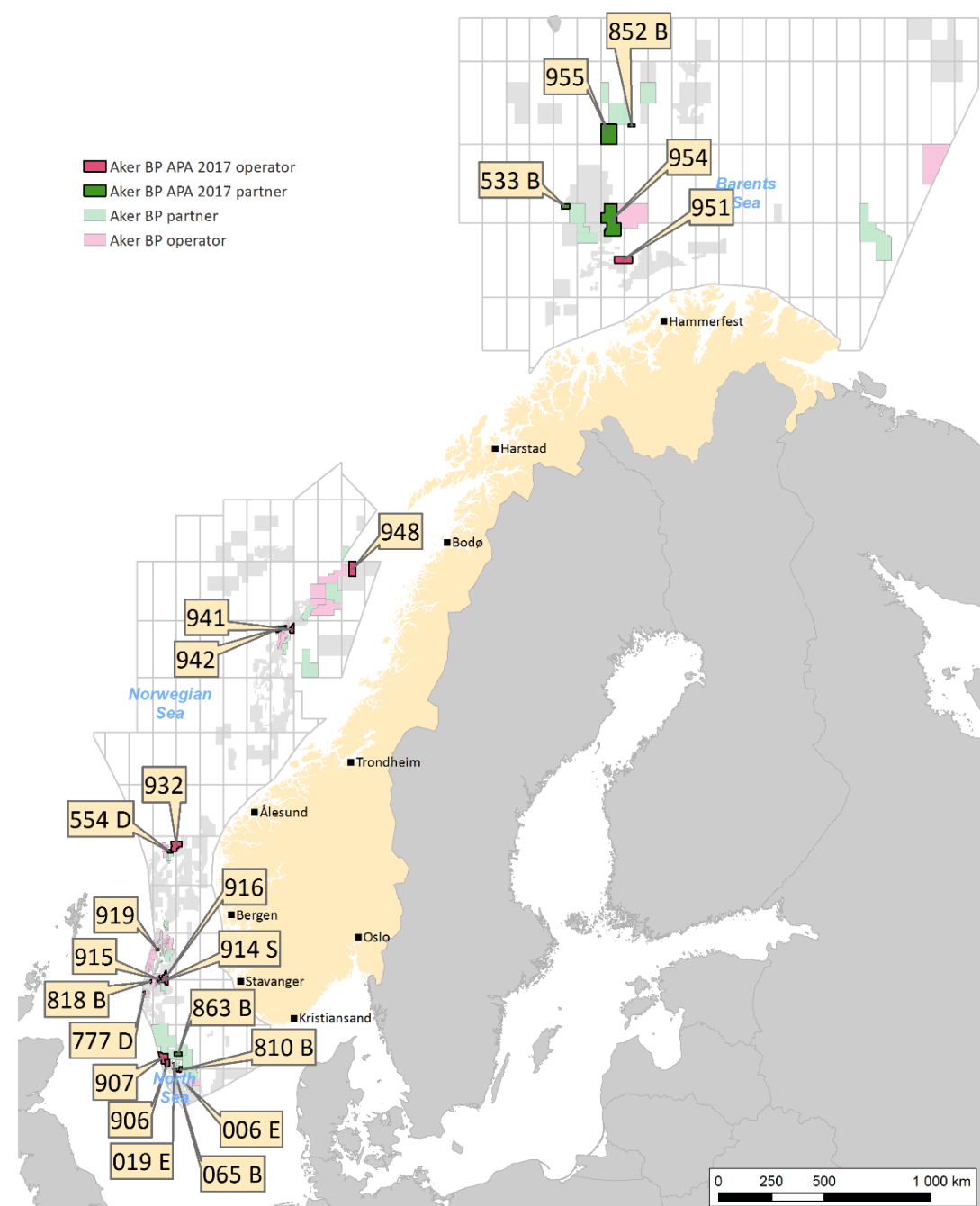


■ Aker BP operator
■ Aker BP partner

EXPLORATION

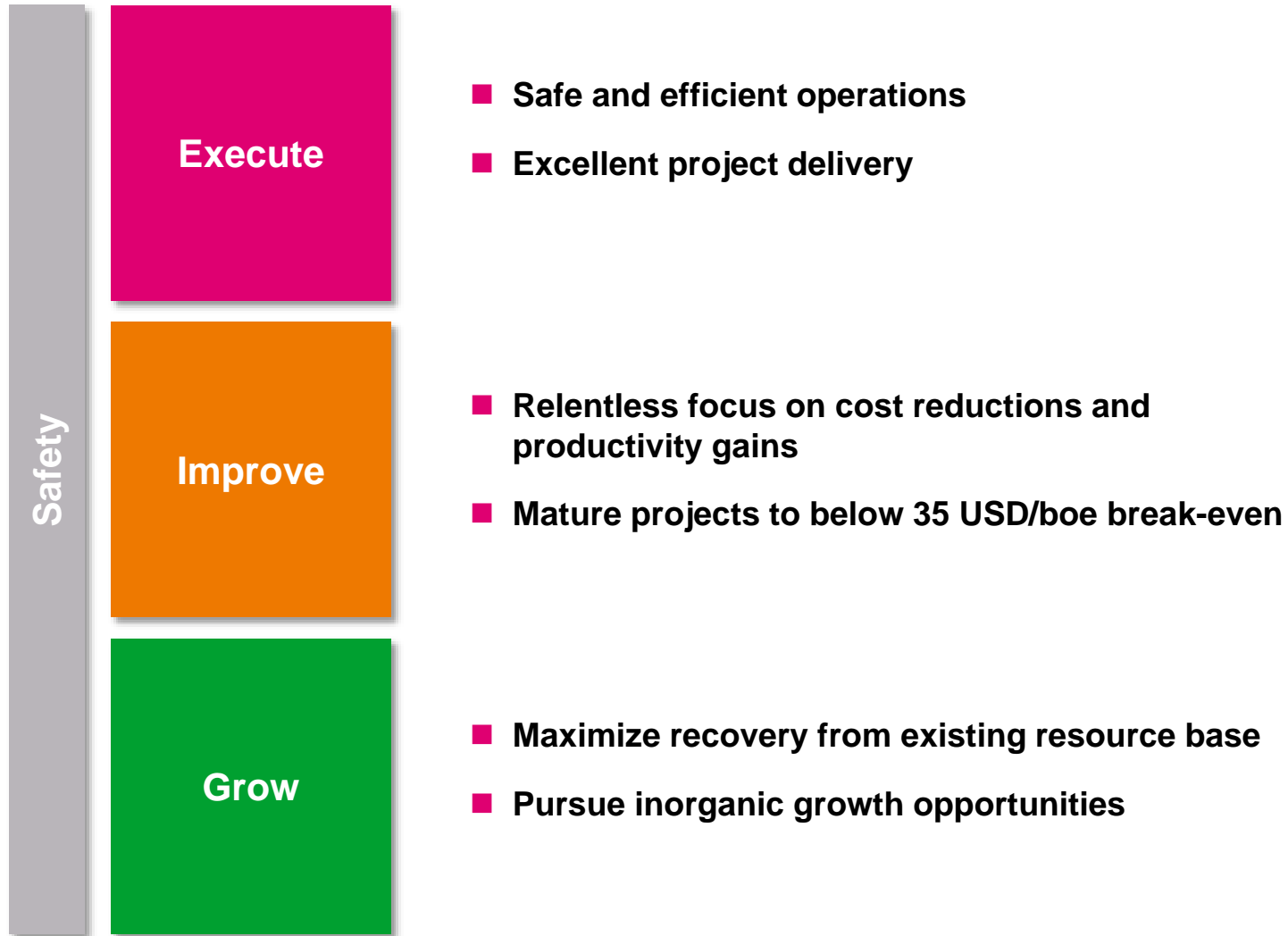
APA 2017 license awards

- Awarded 23 new licenses – 14 as operator
- Adding growth opportunities
 - North Sea (3 licenses)
 - Norwegian Sea (1 license)
 - Barents Sea (3 licenses)
- Strengthening position around existing hubs
 - Alvheim area (1 license)
 - Ivar Aasen/Johan Sverdrup area (5 licenses)
 - Skarv area (2 licenses)
 - Ula area (7 licenses)
 - NOAKA (1 license)
- Two licenses with firm well commitments
 - PL 916 – near Johan Sverdrup – Aker BP 40% and operator
 - PL 942 – west of Skarv – Aker BP 30% and partner



CONCLUDING REMARKS

Priorities going forward





www.akerbp.com