Aker BP

**RESTATED** QUARTERLY REPORT Q1 2019

This report replaces the first quarter financial reporting announced by Aker BP ASA ("Aker BP" or "the company") 26 April 2019. The reissuance of these condensed consolidated interim financial statements has been triggered by a Notes offering involving the preparation of a prospectus, including an ISRE 2410 limited review performed by the Company's independent auditor. As a result, the Company evaluated events subsequent to the original approval date of 25 April 2019 by the board of directors of the Q1 2019 interim financial statements for new information that, if known at the original approval date, would have resulted in adjustment to the financial statements and for other information that would have resulted in additional disclosures. These events have been considered through the date of this report and have been disclosed in Note 19.

# FIRST QUARTER 2019 SUMMARY

**Aker BP delivered strong operational performance and exploration success in the first quarter. The company's field developments progressed as planned and remain on track for first oil from Johan Sverdrup and Valhall Flank West later this year. The company paid a dividend of USD 187.5 million (USD 0.52 per share) in the quarter.**

The company's net production in the first quarter was 158.7 (158.6) thousand barrels of oil equivalents per day ("mboepd"). Net sold volume was 162.0 (167.3) mboepd. Total income amounted to USD 836 (944) million for the quarter. Petroleum revenues and production costs for the comparative period have been restated following a change in accounting principle as described in Note 1 to the interim financial statements.

Average realised liquids price was USD 63.9 (67.4) per barrel, while the realised price for natural gas averaged USD 0.24 (0.28) per standard cubic metre ("scm"). Total income was negatively affected by USD 26 million in value adjustments on the company's oil price hedging positions.

Production costs for the oil and gas sold in the quarter amounted to USD 200 (195) million. Production cost per produced barrel oil equivalents ("boe") amounted to USD 13.4 (12.1). Exploration expenses amounted to USD 90 (55) million. Total cash spend on exploration was USD 159 (80) million. The company participated in three exploration wells in the quarter, of which the Froskelår well was a discovery.

Depreciation was USD 183 (185) million, equivalent to USD 12.8 (13.0) per boe. Impairments amounted to USD 69 (0) million related to technical goodwill, driven by changes in expected cost and production profiles for future developments in the Ula area.

Profit before taxes amounted to USD 249 (458) million. Tax expense was USD 239 (290) million, representing an effective tax rate of 96 per cent. The main reason for the high effective tax rate was the impairment of technical goodwill which is not deductible for tax purposes. Net profit was USD 10 (169) million.

Investments in fixed assets amounted to USD 364 (257) million in first quarter. All field development projects, including Johan Sverdrup, Valhall Flank West and Ærfugl, progressed according to plans.

Net interest-bearing debt was USD 2.5 (3.0) billion at the end of the quarter, including USD 0.4 billion in lease debt recognized in the financial statement due to implementation of IFRS 16 Leases. Total available liquidity at the end of the quarter was USD 3.0 (3.5) billion.

In February, the company paid a quarterly dividend of USD 0.5207 (NOK 4.41) per share. The Board has resolved to pay a quarterly dividend of USD 187.5 million (USD 0.5207 per share) in May 2019.

Forward-looking statements in his report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future.

All figures are presented in USD unless otherwise stated, and figures in brackets apply to the corresponding period in the previous year. The figures related to previous periods have been restated due to changes in accounting principles, see note 1.

# Summary of financial results

| | UNIT | Q1 2019 | Q4 2018* | Q1 2018* |
|---|---|---|---|---|
| Total income | USDm | 836 | 916 | 944 |
| EBITDA | USDm | 539 | 658 | 691 |
| Net profit | USDm | 10 | 63 | 169 |
| Earnings per share (EPS) | USD | 0.03 | 0.17 | 0.47 |
| Capex | USDm | 343 | 380 | 237 |
| Exploration spend | USDm | 159 | 84 | 80 |
| Abandonment spend | USDm | 21 | 16 | 62 |
| Production cost | USD/boe | 13.4 | 13.0 | 12.1 |
| Taxes paid | USDm | 106 | 340 | 34 |
| Net interest-bearing debt** | USDm | 2 480 | 1 973 | 3 048 |
| Leverage ratio | | 0.72 | 0.65 | 1.27 |

*Restated 2018 numbers due to the change in accounting principle for revenue recognition as described in note 1 to the interim financial statements.
**The definition of net interest-bearing debt includes Lease debt, which is recognized from Q1 2019 following the implementation of IFRS 16 Leases. The comparative figures for previous periods have not been restated. See also the description of "Alternative performance measures" at the end of this report for definitions.

# Summary of production

| | UNIT | Q1 2019 | Q4 2018 | Q1 2018 |
|---|---|---|---|---|
| Alvheim area | mboepd | 56.8 | 58.4 | 62.9 |
| Ivar Aasen | mboepd | 22.5 | 23.3 | 24.4 |
| Skarv | mboepd | 22.6 | 23.5 | 27.1 |
| Ula area | mboepd | 8.1 | 8.4 | 8.1 |
| Valhall area | mboepd | 45.8 | 39.6 | 34.5 |
| Other | mboepd | 2.8 | 2.6 | 1.6 |
| Net production | mboepd | 158.7 | 155.7 | 158.6 |
| Over/underlift | mboepd | 3.3 | -4.2 | 8.7 |
| **Net sold volume** | **mboepd** | **162.0** | **151.5** | **167.3** |
| - liquids | mboepd | 128.8 | 119.7 | 132.3 |
| - natural gas | mboepd | 33.2 | 31.8 | 35.0 |
| Realized price liquids | USD/boe | 63.9 | 67.8 | 67.4 |
| Realized price natural gas | USD/scm | 0.24 | 0.30 | 0.28 |

# FINANCIAL REVIEW

## Income statement

| (USD MILLION) | Q1 2019 | Q1 2018* |
|---|---|---|
| Total income | 836 | 944 |
| EBITDA | 539 | 691 |
| EBIT | 287 | 505 |
| Pre-tax profit | 249 | 458 |
| Net profit | 10 | 169 |
| EPS (USD) | 0.03 | 0.47 |

*restated

As described in note 1 to the interim financial statements, the accounting principle for revenue has been changed to now reflect revenue on lifted volumes, and the comparative periods have been restated accordingly.

Total income in first quarter 2019 amounted to USD 836 (944) million. The decrease was driven by lower sales volume and realized prices, and by non-cash losses on oil price hedging. Oil and gas production was nearly unchanged at 158.7 (158.6), however the sold volume decreased to 162.0 (167.3) mboepd due to lifting schedules. Realized oil and gas prices were six per cent lower in the first quarter 2019 than in the same period last year.

Other income included a loss of USD 26 million related to the company's oil price hedging programme. This programme consists of put options to provide downside protection. As oil prices increased during the quarter, the value of these options was reduced.

Production costs related to oil and gas sold in the quarter amounted to USD 200 (195) million. Production cost per produced unit in the quarter amounted to USD 13.4 (12.1) per boe. The increase was mainly caused by high maintenance activity particularly at Valhall and Ula.

Exploration expenses amounted to USD 90 (55) million, and reflected two dry exploration wells in addition to costs related to seismic, area fees, field evaluation etc. The company participated in three exploration wells in the quarter. The Froskelår well resulted in a discovery, while the Gjøkåsen and Hod Deep wells were dry.

Depreciation amounted to USD 183 (185) million, corresponding to USD 12.8 (13.0) per boe. Impairments amounted to USD 69 (0) million related to technical goodwill, driven by changes in expected cost and production profiles for future developments in the Ula area (see note 5).

Operating profit was USD 287 (505) million. Net financial expenses amounted to USD 37 (47) million.

Profit before taxes amounted to USD 249 (458) million. Taxes amounted to USD 239 (290) million for the first quarter, representing an effective tax rate of 96 (63) per cent. The high tax rate was mainly driven by the impairment of technical goodwill, which does not carry deferred tax.

This resulted in a net profit for the first quarter 2019 of USD 10 (169) million.

## Statement of financial position

| (USD MILLION) | Q1 2019 | Q1 2018* |
|---|---|---|
| Goodwill | 1 791 | 1 860 |
| Other intangible assets | 1 987 | 1 601 |
| PP&E | 5 954 | 5 665 |
| Cash & cash equivalents | 114 | 38 |
| Total assets | 11 117 | 11 943 |
| Equity | 2 799 | 3 105 |
| Net interest-bearing debt | 2 480 | 3 048 |

*restated

At the end of first quarter 2019, total intangible assets amounted to USD 4,274 (3,852) million, of which goodwill was USD 1,791 (1,860) million.

Property, plant and equipment increased to USD 5,954 (5,665) million, driven by investments in development projects, net of depreciation. Due to the implementation of IFRS 16 Leases, Right-of-use assets were recognized for the first time this quarter at a net value of USD 225 million at quarter end.

Current tax receivables decreased to USD 15 (1,666) as the tax loss acquired with Hess Norge was refunded in fourth quarter 2018.

Cash and cash equivalents were USD 114 (38) million at the end of the quarter. Total assets were USD 11,117 (11,943) million.

Equity amounted to USD 2,799 (3,105) million at the end of the first quarter, corresponding to an equity ratio of 25 (26) per cent.

Deferred tax liabilities amounted to USD 1,867 (1,337) million and are detailed in note 9 to the financial statements.

Gross bank and bond debt was USD 2,226 (3,086) million, consisting of the DETNOR02 bond of USD 226 million, the AKERBP Senior Notes (17/22) of USD 394 million, the AKERBP Senior Notes (18/25) of USD 494 million, and the Reserve Based Lending ("RBL") facility of USD 1,112 million. A bank term loan of USD 1,500 million was repaid in fourth quarter 2018 following the refund of the previously mentioned tax loss related to the Hess Norge acquisition.

At the end of the first quarter, the company had total available liquidity of USD 3.0 (3.5) billion, comprising USD 114 (38) million in cash and cash equivalents, and USD 2,850 (3,485) million in undrawn credit facilities.

## Cash flow

| (USD MILLION) | Q1 2019 | Q1 2018 |
|---|---|---|
| Cash flow from operations | 591 | 600 |
| Cash flow from investments | -511 | -378 |
| Cash flow from financing | -9 | -435 |
| Net change in cash & cash equivalents | 71 | -213 |
| Cash and cash equivalents | 114 | 38 |

Net cash flow from operating activities was USD 591 (600) million. Revenues were USD 858 million, down from USD 947 million in first quarter 2018 due to lower realized oil and gas prices, and taxes paid were USD 106 (34) million. These deviations were mitigated by changes in working capital and other current balance sheet items.

Net cash flow from investment activities was USD -511 (-378) million, of which investments in fixed assets amounted to USD 364 (257) million for the quarter, mainly related to the Valhall and Johan Sverdrup fields. Investments in intangible assets including capitalized exploration were USD 127 (39) million, and payments for decommissioning activities amounted to USD 21 (82) million in the quarter.

Net cash flow from financing activities totalled USD -9 (-435) million, reflecting USD 200 million in proceeds from issuance of debt, USD 21 million in payments on lease debt and USD 188 million in dividend disbursements.

## Risk management

The company seeks to reduce the risk related to foreign exchange rates, interest rates and commodity prices through hedging instruments. The company actively manages its exposures through a mix of forward contracts and options.

The following table shows the company's inventory of oil put options at the end of the first quarter 2019:

| OIL PUT OPTIONS | Q2 2019 | Q3 2019 | Q4 2019 |
|---|---|---|---|
| Volume (million bbl) | 2.6 | 0.8 | 0.8 |
| Share of after tax value of oil production covered (per cent) | 100 % | 25 % | 21 % |
| Average strike (USD/bbl) | 55 | 57 | 57 |
| Average premium (USD/bbl) | 1.76 | 1.44 | 1.44 |

## Dividends

At the Annual General Meeting in April 2019, the Board was authorized to approve the distribution of dividends based on the company's annual accounts for 2018 pursuant to section 8-2 (2) of the Norwegian Public Limited Companies Act.

The Board has proposed a dividend of USD 750 million in 2019 and stated a clear ambition to increase this by USD 100 million per year until 2023. Dividends are paid quarterly.

On 19 February 2019, the company disbursed dividends of USD 187.5 million, corresponding to USD 0.5207 per share.

On 25 April 2019, the Board of Directors declared a dividend of USD 0.5207 per share, to be disbursed on or about 16 May 2019.

# OPERATIONAL REVIEW

**Aker BP's net production was 14.3 (14.3) mmboe in the first quarter of 2019, corresponding to 158.7 (158.6) mboepd. Due to overlift in the quarter, net sold volume represented 162.0 (167.3) mboepd. The average realized liquids price was USD 63.9 (67.4) per barrel, while the average realized gas price was USD 0.24 (0.28) per scm.**

## Alvheim Area

| Key figures | Aker BP interest | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|---|---|---|---|---|---|
| Production, boepd | | | | | |
| Alvheim | 65 % | 43 478 | 43 406 | 38 872 | 40 091 |
| Bøyla | 65 % | 1 829 | 2 039 | 3 125 | 3 265 |
| Vilje | 46.904 % | 3 756 | 3 257 | 3 716 | 4 098 |
| Volund | 65 % | 7 757 | 9 655 | 11 016 | 12 646 |
| **Total production** | | **56 820** | **58 356** | **56 729** | **60 100** |
| Production efficiency | | 96.8 % | 98.3 % | 96.0 % | 95.3 % |

First quarter production from the Alvheim area was 56.8 mboepd net to Aker BP, representing a decrease of three per cent from the previous quarter. The main driver was natural decline and planned maintenance in February.

The Skogul project is progressing according to plan. Production start is planned for the first quarter of 2020. Skogul will be developed with a single multilateral production well tied back to the Vilje field, utilizing the existing pipeline from Vilje to the Alvheim FPSO.

Aker BP is planning to drill a new sidetrack from the Volund field (subsea tie-back to Alvheim) in the second quarter to continue the strategy of increased oil recovery from the area.

Following from last year's Frosk oil discovery near the Bøyla field a new well is now being drilled. This well will gather more information about the reservoir and will be completed as a production well which will be used for test production from mid-2019.

In connection with the drilling of the Frosk test-producer, the Froskelår North-East prospect will be tested with aim of proving up additional resources in the area.

As previously announced, the Froskelår Main discovery is estimated to contain 60-130 mmboe. A comprehensive data collection program was carried out as part of the drilling operation, and further analysis will be performed to determine the size and quality of the discovery.

As a part of the company's strategy to develop the resource base in the Alvheim area, the Rumpetroll prospect will be drilled in the third quarter.

## Valhall Area

| Key figures | Aker BP interest | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|---|---|---|---|---|---|
| Production, boepd | | | | | |
| Valhall | 90 % | 45 156 | 38 816 | 35 120 | 32 670 |
| Hod | 90 % | 677 | 802 | 872 | 1 063 |
| **Total production** | | **45 833** | **39 618** | **35 993** | **33 733** |
| Production efficiency | | 94.3 % | 91.1 % | 87.6 % | 84.5 % |

First quarter production from the Valhall area was 45.8 mboepd net to Aker BP, representing a 16 per cent increase from the previous quarter, driven by a ramp-up of production from new wells and continued high production efficiency.

The Valhall IP drilling campaign continued with the G10 well. During the drilling of this well, valuable core samples and data was gathered on the shallower Miocene play which may represent a significant development potential if economically extractable. One section of the G11 well was completed with Fishbone technology and successfully put on test production. This test will continue until the remainder of the well is stimulated and put on production later this year.

The Valhall partnership made a final investment decision for the first phase of the Wellhead Platform Production Recovery ("WPPR") project. The WPPR project consists of a water injection test and six infill producers in the Lower Hod formation and represents a continuation of drilling in the Valhall central area following the successful IP campaign.

The Maersk Invincible rig was deployed to Flank South to drill two infill targets, where the first target did not find economic volumes. The rig will now drill the second infill target.

During the first quarter a combined appraisal and exploration well was drilled at the Hod field. Both targets were dry. These results will inform future concept work for the Hod Field Development project which is currently in early phase.

The Valhall Flank West development project is progressing as planned, with excellent HSE performance. The project is preparing for the upcoming offshore installation campaign this summer and is on schedule for first oil in the fourth quarter.

## Ula Area

| Key figures | Aker BP interest | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|---|---|---|---|---|---|
| Production, boepd | | | | | |
| Ula | 80 % | 6 185 | 5 784 | 6 498 | 5 361 |
| Tambar | 55 % | 1 916 | 2 572 | 4 008 | 5 398 |
| Oda | 15 % | 102 | - | - | - |
| **Total production** | | **8 203** | **8 356** | **10 506** | **10 759** |
| Production efficiency | | 74.6 % | 64.9 % | 72.5 % | 65.4 % |

First quarter production from the Ula area was 8.2 mboepd net to Aker BP. Production was impacted by further reduced productivity from Tambar wells, and low availability on Ula due to the high ongoing activity in the area.

A flotel is in operation at the field to provide additional accommodation capacity to support the ongoing maintenance and upgrade activities at Ula. The flotel will be kept on location until mid-May.

The Oda field started production mid-March 2019, five months ahead of original schedule.

The company is working diligently to mature the opportunity set in the Ula area, which is a complex process involving a broad set of technical and commercial disciplines. This could eventually lead to the addition of a new platform at Ula in the mid-2020s.

During the first quarter, the company updated certain assumptions on production and cost profiles. This resulted in a reduction in the valuation of Ula, which triggered an impairment charge of technical goodwill of USD 69 million.

## Skarv Area

| Key figures | Aker BP interest | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|---|---|---|---|---|---|
| Production, boepd | | | | | |
| **Total production** | **23.835 %** | **22 558** | **23 454** | **23 313** | **27 579** |
| Production efficiency | | 90.6 % | 92.6 % | 90.0 % | 88.4 % |

First quarter production from the Skarv area was 22.6 mboepd net to Aker BP, down four per cent from the previous quarter. Gas injection and oil production was shut in from late January to mid-March due to failure of the gas injection compressor motor. Higher gas export and strong performance and uptime of the gas production wells partially compensated for the temporary shut in oil production. The compressor motor was replaced with a new one and oil production was re-established in late March 2019.

Phase 1 of the Ærfugl development project is progressing on plan. Currently there is high activity on engineering, procurement and fabrication of the subsea system structure, the wellheads and the vertical Xmas tree system. Offshore modification work has commenced, and subsea installation is scheduled to begin in the third quarter. The drilling campaign is planned to start by the fourth quarter.

The remaining technology qualification activities for the trace heated pipe in pipe system and the new generation of vertical Xmas trees are on plan and well underway to be ready for assembly and construction in 2019. Production start is planned for fourth quarter 2020.

Ærfugl phase 2 is progressing as planned, awaiting formal concept selection in the second quarter. The final investment decision is planned by the end of the fourth quarter this year.

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## Ivar Aasen

| Key figures | Aker BP interest | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|---|---|---|---|---|---|
| Production, boepd | | | | | |
| **Total production** | **34.7862 %** | **22 539** | **23 343** | **22 651** | **23 699** |
| Production efficiency | | 98.3 % | 93.2 % | 93.2 % | 90.4 % |

The production from Ivar Aasen was 22.5 mboepd net to Aker BP, down three per cent from the previous quarter. Production efficiency was 98 per cent in the period, a significant improvement compared to 93 per cent in the previous quarter, mainly driven by improved export availability and adequate power supply. Overall production was negatively impacted by effects of prior period adjustments and slightly lower GOR due to good pressure support.

## Johan Sverdrup

Phase 1 of the Johan Sverdrup development project is progressing steadily towards planned production start in November 2019. Offshore hook-up, commissioning and completion of the two platforms installed at the field centre last summer continued throughout the first quarter.

On the drilling platform the tie-back operations of the eight pre-drilled oil production wells continued. In March the 26,000 tonnes processing platform was successfully installed offshore at the Johan Sverdrup field centre in a single lift by the world's largest ship, Pioneering Spirit. This was the heaviest single lift ever executed offshore.

Subsequently the living quarter was also installed in a single lift, together with two bridges and a flare tower. This successful major marine operation completed the Phase 1 field centre building block installations and was an important 2019 milestone for meeting the planned production start-up.

Phase 2 of the Johan Sverdrup development is also pro¬gressing well. Detailed engineering is ongoing, and construction of the Main Support Frame (MSF) started in Thailand in March. The contract for subsea production system (SPS) was awarded to Technip-FMC.

## North of Alvheim and Krafla-Askja (NOAKA)

The North of Alvheim and Askja-Krafla («NOAKA») area consists of the discoveries Frigg Gamma Delta, Langfjellet, Frøy, Fulla, Frigg, Rind and Askja-Krafla. Gross resources in the area are estimated to be more than 500 mmboe.

Aker BP and the other partners have performed detailed studies of different development solutions for the NOAKA area. The premise defined by the authorities, and confirmed in recent dialogue, has been that a development should capture all discovered resources in the area and facilitate future tie-ins of new discoveries.

These studies have resulted in two alternative development solutions. One solution involves two unmanned production platforms («UPP») or similar concepts, supported from an existing host in the area. The other solution involves a new hub platform in the central part of the area, with processing and living quarters («PQ»).

Aker BP's recommendation is to develop the area with the PQ concept. This concept is the only alternative that allows for economic recovery of all discovered resources in the area, and provides higher resource recovery and socio-economic benefits than the alternative. The PQ concept is also the better alternative with regards to exploiting additional resources that may be discovered through future exploration.

Discussions are still ongoing between the partners on how to develop the NOAKA area.

# HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT

**HSSE is always the number one priority in all of Aker BP's activities. The company strives to ensure that all its operations, drilling campaigns and projects are carried out under the highest HSSE standards.**

| KEY HSSE INDICATORS | UNIT | Q1 2019 | Q4 2018 | Q3 2018 | Q2 2018 |
|---|---|---|---|---|---|
| Total recordable injury frequency (TRIF) | Per mill. exp. hours | 3.3 | 3.4 | 4.1 | 4.2 |
| Serious incident frequency (SIF) | Per mill. exp. hours | 0.5 | 0.5 | 0.6 | 0.6 |
| Loss of primary containment (LOPC) | Count | 0 | 0 | 1 | 0 |
| Process safety events Tier 1 and 2 | Count | 0 | 0 | 1 | 1 |
| CO2 emissions intensity | Kg CO2/boe | 7.7 | 7.6 | 7.5 | 6.8 |

Aker BP received a notice of order for Ula from the PSA related to the audit "Risk, barrier and maintenance management" in 2018. Aker BP complied with the order by the deadline 1 March 2019. In addition, Aker BP is conducting a large work program to rejuvenate the facilities at Ula in order for it to continue to be a safe and reliable operating hub for the coming decades.

# EXPLORATION

**Total exploration spend in the first quarter was USD 159 (55) million. Of this, USD 90 million was recognized as exploration expenses in the period, relating to dry wells, area fees, field evaluation and G&G costs.**

In the Alvheim area, the Froskelår Main exploration well proved oil and gas. The well was successfully completed in the first quarter and the gross resources were estimated at 60-130 mmboe. A part of the discovery may straddle the UK-Norwegian border in the North Sea. The Froskelår Main well is part of a drilling campaign in the Alvheim area launched on the back of the exploration success at Frosk in 2018. More exploration and appraisal wells in the area will follow.

During the quarter the company also completed an appraisal and exploration well southwest of the Hod Field in Central Graben. The main objective of the appraisal well was to evaluate the chalk reservoir in Hod west and secondarily test the Miocene reservoir potential. The primary exploration target in the sidetrack was the Upper Jurassic succession. The secondary target was to test the potential in the Permian succession. Both wells were classified as dry.

Drilling of the first well on the Gjøkåsen prospect in the Barents Sea was completed in February 2019. Aker BP is partner in this licence with a 20 per cent interest. The first well explored a shallow target and was classified as dry. The Gjøkåsen Deep well was completed in March 2019, and also was classified as dry.

On 15 January 2019, the Norwegian Ministry of Petroleum and Energy announced the results of the APA 2018 licensing round. Aker BP was awarded 21 new exploration licenses, of which 11 as operator.

# OUTLOOK

**Aker BP continues to build on a strong platform for further value creation through safe operations, an effective business model built on lean principles, technological competence and industrial cooperation to secure long term competitiveness.**

The company has a strong balance sheet and opportunity set with ample financial flexibility to pursue both organic and inorganic growth opportunities as well as increasing dividend distributions to its shareholders.

For 2019, the company's financial plan consists of the following main items[1]:

- Production of 155-160,000 boe per day
- Capex USD 1.6 billion – of which the main drivers are Valhall and Johan Sverdrup
- Exploration spend of USD 500 million, to cater for an extensive exploration program comprising of 15 exploration wells targeting net prospective resources of 500 mmboe
- Abandonment spend of USD 150 million, related to plugging of depleted wells and removal of the old living quarters platform at Valhall
- Production cost of around USD 12.5 per boe, slightly above 2018 due to high maintenance and modifications activity particularly at Valhall and Ula

The Board has proposed to pay USD 750 million in dividends in 2019, with an intention to increase the dividend level by USD 100 million per year until 2023. The company pays dividends each quarter. For 2019, the quarterly dividend is expected to be approximately USD 0.52 per share.

1 The majority of the company's cost elements are denominated in NOK. The estimated USD amounts are based on an USDNOK exchange rate of 8.5.

# FINANCIAL STATEMENTS WITH NOTES

## INCOME STATEMENT

| | | Group | | | |
|---|---|---|---|---|---|
| | | Q1 | | 01.01.-31.03. | |
| | | | Restated | | Restated |
| (USD 1 000) | Note | 2019 | 2018 | 2019 | 2018 |
| Petroleum revenues | | 858 105 | 946 503 | 858 105 | 946 503 |
| Other operating income | | -21 843 | -2 045 | -21 843 | -2 045 |
| **Total income** | 2 | **836 262** | **944 458** | **836 262** | **944 458** |
| Production costs | 3 | 200 462 | 195 296 | 200 462 | 195 296 |
| Exploration expenses | 4 | 90 359 | 54 661 | 90 359 | 54 661 |
| Depreciation | 6 | 183 102 | 185 421 | 183 102 | 185 421 |
| Impairments | 5, 6 | 68 941 | - | 68 941 | - |
| Other operating expenses | | 6 859 | 3 640 | 6 859 | 3 640 |
| **Total operating expenses** | | **549 724** | **439 018** | **549 724** | **439 018** |
| **Operating profit** | | **286 538** | **505 439** | **286 538** | **505 439** |
| Interest income | | 6 064 | 4 904 | 6 064 | 4 904 |
| Other financial income | | 9 719 | 52 544 | 9 719 | 52 544 |
| Interest expenses | | 13 830 | 32 675 | 13 830 | 32 675 |
| Other financial expenses | | 39 335 | 71 727 | 39 335 | 71 727 |
| **Net financial items** | 8 | **-37 381** | **-46 954** | **-37 381** | **-46 954** |
| **Profit before taxes** | | **249 157** | **458 486** | **249 157** | **458 486** |
| Taxes (+)/tax income (-) | 9 | 238 731 | 289 972 | 238 731 | 289 972 |
| **Net profit** | | **10 425** | **168 514** | **10 425** | **168 514** |
| Weighted average no. of shares outstanding basic and diluted | | 360 113 509 | 360 113 509 | 360 113 509 | 360 113 509 |
| Basic and diluted earnings USD per share | | 0.03 | 0.47 | 0.03 | 0.47 |

## STATEMENT OF COMPREHENSIVE INCOME

| | | Group | | | |
|---|---|---|---|---|---|
| | | Q1 | | 01.01.-31.03. | |
| | | | Restated | | Restated |
| (USD 1 000) | Note | 2019 | 2018 | 2019 | 2018 |
| Profit for the period | | 10 425 | 168 514 | 10 425 | 168 514 |
| **Items which may be reclassified over profit and loss (net of taxes)** | | | | | |
| Currency translation adjustment | | - | 73 132 | - | 73 132 |
| **Total comprehensive income in period** | | **10 425** | **241 646** | **10 425** | **241 646** |

## STATEMENT OF FINANCIAL POSITION

| (USD 1 000) | Note | 31.03.2019 | Group<br>Restated<br>31.03.2018 | Restated<br>31.12.2018 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Intangible assets** | | | | |
| Goodwill | 6 | 1 791 185 | 1 860 126 | 1 860 126 |
| Capitalized exploration expenditures | 6 | 496 094 | 391 212 | 427 439 |
| Other intangible assets | 6 | 1 986 986 | 1 600 736 | 2 005 885 |
| **Tangible fixed assets** | | | | |
| Property, plant and equipment | 6 | 5 953 972 | 5 664 761 | 5 746 275 |
| Right-of-use assets | 6 | 225 244 | - | - |
| **Financial assets** | | | | |
| Long-term receivables | | 34 002 | 42 319 | 37 597 |
| Long-term derivatives | 13 | - | 3 848 | - |
| Other non-current assets | | 10 392 | 8 707 | 10 388 |
| **Total non-current assets** | | **10 497 874** | **9 571 710** | **10 087 710** |
| **Inventories** | | | | |
| Inventories | | 98 910 | 80 713 | 93 179 |
| **Receivables** | | | | |
| Accounts receivable | | 45 271 | 109 471 | 162 798 |
| Tax receivables | 9 | 15 473 | 1 666 497 | 11 082 |
| Other short-term receivables | 10 | 345 374 | 469 391 | 292 405 |
| Short-term derivatives | 13 | - | 7 241 | 17 253 |
| **Cash and cash equivalents** | | | | |
| Cash and cash equivalents | 11 | 113 680 | 37 999 | 44 944 |
| **Total current assets** | | **618 708** | **2 371 312** | **621 661** |
| **TOTAL ASSETS** | | **11 116 582** | **11 943 022** | **10 709 371** |

## STATEMENT OF FINANCIAL POSITION

| (USD 1 000) | Note | 31.03.2019 | Group Restated 31.03.2018 | Restated 31.12.2018 |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | 57 056 | 57 056 | 57 056 |
| Share premium | | 3 637 297 | 3 637 297 | 3 637 297 |
| Other equity | | -894 888 | -589 345 | -717 814 |
| **Total equity** | | **2 799 464** | **3 105 007** | **2 976 539** |
| **Non-current liabilities** | | | | |
| Deferred taxes | 9 | 1 867 333 | 1 337 694 | 1 752 757 |
| Long-term abandonment provision | 17 | 2 475 388 | 2 814 235 | 2 447 558 |
| Provisions for other liabilities | 12 | 1 389 | 141 228 | 107 519 |
| Long-term bonds | 15 | 1 113 285 | 1 127 838 | 1 110 488 |
| Long-term derivatives | 13 | 27 945 | - | 26 275 |
| Long-term lease debt | 7 | 275 818 | - | - |
| Other interest-bearing debt | 16 | 1 112 304 | 459 906 | 907 954 |
| **Current liabilities** | | | | |
| Trade creditors | | 112 033 | 123 521 | 105 567 |
| Accrued public charges and indirect taxes | | 17 254 | 17 608 | 25 061 |
| Tax payable | 9 | 566 755 | 553 574 | 551 942 |
| Short-term derivatives | 13 | 10 354 | 10 630 | 8 783 |
| Short-term abandonment provision | 17 | 85 212 | 194 087 | 105 035 |
| Short-term lease debt | 7 | 92 735 | - | - |
| Short-term interest-bearing debt | 16 | - | 1 498 159 | - |
| Other current liabilities | 14 | 559 310 | 559 534 | 583 894 |
| **Total liabilities** | | **8 317 118** | **8 838 015** | **7 732 833** |
| **TOTAL EQUITY AND LIABILITIES** | | **11 116 582** | **11 943 022** | **10 709 371** |

## STATEMENT OF CHANGES IN EQUITY - GROUP

| | | | Other equity | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Other comprehensive income | | | | |
| (USD 1 000) | **Share capital** | **Share premium** | Other paid-in capital | Actuarial gains/(losses) | Foreign currency translation reserves* | Retained earnings | **Total other equity** | **Total equity** |
| **Equity as of 31.12.2017** | **57 056** | **3 637 297** | 573 083 | -89 | -90 383 | -1 188 366 | **-705 756** | **2 988 596** |
| Change of accounting principle** | **-** | **-** | - | - | - | -12 736 | -12 736 | -12 736 |
| **Restated equity as of 01.01.2018** | **57 056** | **3 637 297** | 573 083 | -89 | -90 383 | -1 201 102 | **-718 492** | **2 975 860** |
| Dividend distributed | - | - | - | - | - | -450 000 | -450 000 | -450 000 |
| Restated profit/loss for the period | - | - | - | - | - | 475 778 | 475 778 | 475 778 |
| Other comprehensive income for the period | - | - | - | 8 | -25 108 | - | -25 100 | -25 100 |
| **Restated equity as of 31.12.2018** | **57 056** | **3 637 297** | 573 083 | -81 | -25 108 | -1 175 324 | **-717 814** | **2 976 539** |
| | | | | | | | | |
| Dividend distributed | - | - | - | - | - | -187 500 | -187 500 | -187 500 |
| Profit for the period | - | - | - | - | - | 10 425 | 10 425 | 10 425 |
| **Equity as of 31.03.2019** | **57 056** | **3 637 297** | 573 083 | -81 | -25 108 | -1 352 399 | **-894 888** | **2 799 464** |

* The amount arose mainly as a result of the change in functional currency in Q4 2014.

** Relates to change in accounting principle for revenue recognition, as described i note 1.

## STATEMENT OF CASH FLOW

| | | Group | | | |
|---|---|---|---|---|---|
| | | Q1 | | 01.01.-31.03. | |
| | | | Restated | | Restated |
| (USD 1 000) | Note | 2019 | 2018 | 2019 | 2018 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | | |
| Profit before taxes | | 249 157 | 458 486 | 249 157 | 458 486 |
| Taxes paid | 9 | -105 930 | -34 381 | -105 930 | -34 381 |
| Depreciation | 6 | 183 102 | 185 421 | 183 102 | 185 421 |
| Net impairment losses | 5, 6 | 68 941 | - | 68 941 | - |
| Accretion expenses | 8, 17 | 29 584 | 32 146 | 29 584 | 32 146 |
| Interest expenses | 8 | 49 150 | 44 550 | 49 150 | 44 550 |
| Interest paid | | -45 843 | -51 156 | -45 843 | -51 156 |
| Changes in derivatives | 2, 8 | 20 495 | -6 706 | 20 495 | -6 706 |
| Amortized loan costs | 8 | 6 676 | 8 124 | 6 676 | 8 124 |
| Amortization of fair value of contracts | 14 | - | 14 195 | - | 14 195 |
| Expensed capitalized dry wells | 4, 6 | 58 074 | 13 665 | 58 074 | 13 665 |
| Changes in inventories, accounts payable and receivables | | 118 262 | 75 947 | 118 262 | 75 947 |
| Changes in other current balance sheet items | | -41 108 | -139 898 | -41 108 | -139 898 |
| **NET CASH FLOW FROM OPERATING ACTIVITIES** | | **590 560** | **600 394** | **590 560** | **600 394** |
| **CASH FLOW FROM INVESTMENT ACTIVITIES** | | | | | |
| Payment for removal and decommissioning of oil fields | | -20 762 | -81 903 | -20 762 | -81 903 |
| Disbursements on investments in fixed assets | | -363 982 | -256 757 | -363 982 | -256 757 |
| Disbursements on investments in capitalized exploration | | -126 334 | -39 460 | -126 334 | -39 460 |
| Disbursements on investments in licenses | | -143 | - | -143 | - |
| **NET CASH FLOW FROM INVESTMENT ACTIVITIES** | | **-511 222** | **-378 119** | **-511 222** | **-378 119** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | | | |
| Net drawdown/repayment of long-term debt | | 200 000 | -815 000 | 200 000 | -815 000 |
| Net proceeds from issuance of debt | | - | 492 423 | - | 492 423 |
| Payments on lease debt | | -21 302 | - | -21 302 | - |
| Paid dividend | | -187 500 | -112 500 | -187 500 | -112 500 |
| **NET CASH FLOW FROM FINANCING ACTIVITIES** | | **-8 802** | **-435 077** | **-8 802** | **-435 077** |
| **Net change in cash and cash equivalents** | | **70 537** | **-212 802** | **70 537** | **-212 802** |
| Cash and cash equivalents at start of period | | 44 944 | 232 504 | 44 944 | 232 504 |
| Effect of exchange rate fluctuation on cash held | | -1 801 | 18 297 | -1 801 | 18 297 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | 11 | **113 680** | **37 999** | **113 680** | **37 999** |
| **SPECIFICATION OF CASH EQUIVALENTS AT END OF PERIOD** | | | | | |
| Bank deposits and cash | | 113 680 | 37 999 | 113 680 | 37 999 |
| **CASH AND CASH EQUIVALENTS AT END OF PERIOD** | 11 | **113 680** | **37 999** | **113 680** | **37 999** |

## NOTES

(All figures in USD 1 000 unless otherwise stated)

These interim financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS") IAS 34 "Interim Financial Reporting", thus the interim financial statements do not include all information required by IFRS and should be read in conjunction with the group's annual financial statements as at 31 December 2018. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have been subject to a review in accordance with the Intenational Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* These condensed interim financial statements replace and restate the condensed interim financial statements as at and for the three months ended 31 March 2019 released on 25 April 2019.

The reissuance of these condensed interim financial statements has been triggered by a Notes offering involving the preparation of a prospectus, including an ISRE 2410 limited review performed by the Company's independent auditor. As a result, the Company evaluated events subsequent to the original approval date of 25 April 2019 by the board of directors of the Q1 2019 interim financial statements for new information that, if known at the original approval date, would have resulted in adjustment to the financial statements and for other information that would have resulted in additional disclosures. These events have been considered through the date of this report and have been disclosed in Note 19.

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 June 2019.

### Note 1 Accounting principles

**IFRS 16**

As described in the group's annual financial statements for 2018, IFRS 16 Leases entered into force from 1 January 2019. The standard introduces a single on-balance sheet accounting model for all leases, which results in the recognition of a lease liability and a right of use asset in the balance sheet. The accounting principles applied is in line with the description provided in the group's annual financial statements for 2018. The impact on the balance sheet is presented on separate balance sheet items, and further details are provided in the notes, in particular note 6 and 7. The group has applied the modified retrospective approach with no restatement of comparative figures.

**Change in accounting principles for revenue recognition**

The group has previously recognized revenue on the basis of the proportionate share of production during the period, regardless of actual sales (entitlement method). Due to recent development in IFRIC discussions, the group has decided to change to the sales method from 1 January 2019. This means that changes in over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. See note 3 for further details. Comparative figures have been restated in line with IAS 8.

Except for the changes described above, the accounting principles used for this interim report are consistent with the principles used in the group's annual financial statements as at 31 December 2018.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are in all material respect the same as those that applied to the annual financial statements as at 31 December 2018.

### Note 2 Income

| | Group | | | |
|---|---|---|---|---|
| | Q1 | | 01.01.-31.03. | |
| | | Restated | | Restated |
| **Breakdown of petroleum revenues** (USD 1 000) | **2019** | **2018** | **2019** | **2018** |
| Sales of liquids | 740 780 | 802 054 | 740 780 | 802 054 |
| Sales of gas | 113 927 | 139 470 | 113 927 | 139 470 |
| Tariff income | 3 397 | 4 979 | 3 397 | 4 979 |
| **Total petroleum revenues** | **858 105** | **946 503** | **858 105** | **946 503** |
| Sales of liquids (barrels of oil equivalent) | 11 593 578 | 11 907 579 | 11 593 578 | 11 907 579 |
| Sales of gas (barrels of oil equivalent) | 2 987 607 | 3 152 497 | 2 987 607 | 3 152 497 |
| | | | | |
| **Other income** (USD 1 000) | | | | |
| Realized gain/loss (-) on oil derivatives | -2 058 | -3 487 | -2 058 | -3 487 |
| Unrealized gain/loss (-) on oil derivatives | -24 123 | 1 109 | -24 123 | 1 109 |
| Other income* | 4 338 | 332 | 4 338 | 332 |
| **Total other operating income** | **-21 843** | **-2 045** | **-21 843** | **-2 045** |

* Includes partner coverage of RoU assets recognized on gross basis in the balance sheet and used in operated activity.

## Note 3 Produced volumes and over/underlift adjustment

| | Group | | | |
|---|---|---|---|---|
| | Q1 | | 01.01.-31.03. | |
| (USD 1 000) | **2019** | **2018** | **2019** | **2018** |
| Total produced volumes (barrels of oil equivalent) | 14 280 083 | 14 278 426 | 14 280 083 | 14 278 426 |
| Production cost based on produced volumes | 190 998 | 173 481 | 190 998 | 173 481 |
| Adjustment for over/underlift (-) | 9 464 | 21 814 | 9 464 | 21 814 |
| **Production cost based on sold volumes** | **200 462** | **195 296** | **200 462** | **195 296** |

## Note 4 Exploration expenses

| | Group | | | |
|---|---|---|---|---|
| | Q1 | | 01.01.-31.03. | |
| **Breakdown of exploration expenses** (USD 1 000) | **2019** | **2018** | **2019** | **2018** |
| Seismic | 532 | 13 479 | 532 | 13 479 |
| Area fee | 4 574 | 4 246 | 4 574 | 4 246 |
| Field evaluation | 15 925 | 14 458 | 15 925 | 14 458 |
| Dry well expenses* | 58 074 | 13 665 | 58 074 | 13 665 |
| Other exploration expenses | 11 254 | 8 814 | 11 254 | 8 814 |
| **Total exploration expenses** | **90 359** | **54 661** | **90 359** | **54 661** |

* Dry well expenses are mainly related to the Gjøkåsen well and a combined appraisal and exploration well on Hod.

## Note 5 Impairments

**Impairment testing**

Impairment tests of individual cash-generating units are performed when impairment triggers are identified. Goodwill is tested for impairment at least annually. In Q1 2019, two categories of impairment tests have been performed:

- Impairment test of fixed assets and related intangible assets, other than goodwill
- Impairment test of goodwill

Impairment is recognized when the book value of an asset or a cash-generating unit, including associated goodwill, exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For assets and goodwill in the Group prior to the acquisition of BP Norge AS, the impairment testing has been based on value in use, consistent with the impairment testing prior to the acquisition of BP Norge AS. For assets and goodwill recognized in relation to the acquisition of BP Norge AS and Hess Norge AS, the impairment testing has been based on fair value (level 3 in fair value hierarchy). For both value in use and fair value, the impairment testing is performed based on discounted cash flows. The expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which may exceed periods greater than five years. If not specifically stated otherwise, the same assumptions have been applied for value in use and fair value testing.

For producing licenses and licenses in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as of 31 March 2019.

**Oil and gas prices**

The nominal oil prices applied in impairment test are as follows:

| **Year** | **USD/BOE** |
|---|---|
| 2019 | 67.0 |
| 2020 | 65.0 |
| 2021 | 62.9 |
| 2022 | 67.2 |
| From 2023 (in real terms) | 65.0 |

The nominal gas prices applied in impairment test are as follows:

| Year | GBP/therm |
|---|---|
| 2019 | 0.61 |
| 2020 | 0.54 |
| 2021 | 0.51 |
| 2022 | 0.52 |
| From 2023 (in real terms) | 0.49 |

**Oil and gas reserves**

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves. The recoverable amount is sensitive to changes in reserves.

**Future expenditure**

Future capex, opex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost.

**Discount rate**

For value in use testing, the post tax nominal discount rate used is 7.9 per cent, which is the same discount rate as applied in Q4 2018. For fair value testing, the discount rate used is 10.0 per cent (unchanged from 2018).

**Currency rates**

| Year | USD/NOK |
|---|---|
| 2019 | 8.63 |
| 2020 | 8.53 |
| 2021 | 8.48 |
| 2022 | 7.66 |
| From 2023 | 7.50 |

**Inflation**

The long-term inflation rate is assumed to be 2.0 per cent, unchanged from Q4 2018.

**Impairment testing of assets other than goodwill**

The impairment test of assets other than goodwill has been performed prior to the quarterly goodwill impairment test. No impairment/reversal of impairment of assets other than goodwill has been recognized in Q1 2019.

**Impairment testing of technical goodwill**

For the CGUs Alvheim, Valhall/Hod, Skarv/Ærfugl no impairment is recognized during Q1. For the CGU Ula/Tambar, the impairment charge has been calculated as follows:

| (USD 1 000) | **Ula/Tambar** |
|---|---|
| Net carrying value | 506 793 |
| Recoverable amount | 437 852 |
| **Impairment charge Q1** | **68 941** |

In line with the methodology described in the annual report, deferred tax (from the date of acquisitions) reduces the net carrying value prior to the impairment charges. When deferred tax liabilities from the acquisitions decreases as a result of depreciation, more goodwill is as such exposed for impairment. This may lead to future impairment charges even though other assumptions remain stable. In Q1 2019, the reduced deferred tax, together with updated cost and production profiles are the main reason for the impairment.

**Sensitivity analysis**

The table below shows how the impairment of technical goodwill would be affected by changes in the various assumptions, given that the remaining assumptions are constant. The only impacted CGU is Ula/Tambar.

| | | **Change in goodwill impairment after** | |
|---|---|---|---|
| **Assumption** (USD 1 000) | **Change** | **Increase in assumptions** | **Decrease in assumptions** |
| Oil and gas price | +/- 20% | -68 941 | 76 455 |
| Production profile (reserves) | +/- 5% | -34 781 | 34 781 |
| Discount rate | +/- 1% point | 22 997 | -24 750 |
| Currency rate USD/NOK | +/- 1.0 NOK | -47 850 | 61 526 |
| Inflation | +/- 1% point | -31 713 | 28 153 |

## Note 6 Tangible fixed assets and intangible assets

### TANGIBLE FIXED ASSETS - GROUP

| Property, plant and equipment<br>(USD 1 000) | Assets under development | Production facilities including wells | Fixtures and fittings, office machinery | Total |
|---|---|---|---|---|
| **Book value 31.12.2017** | **1 480 689** | **4 032 797** | **69 007** | **5 582 493** |
| | | | | |
| **Acquisition cost 31.12.2017** | **1 480 689** | **6 057 801** | **104 346** | **7 642 835** |
| Additions | 1 011 222 | -172 615 | 22 662 | 861 269 |
| Disposals | - | - | - | - |
| Reclassification | -208 309 | 201 176 | 8 053 | 921 |
| **Acquisition cost 31.12.2018** | **2 283 602** | **6 086 362** | **135 061** | **8 505 025** |
| | | | | |
| **Accumulated depreciation and impairments 31.12.2017** | **-** | **2 025 004** | **35 338** | **2 060 342** |
| Depreciation | - | 656 697 | 22 054 | 678 751 |
| Impairment | - | 19 657 | - | 19 657 |
| Retirement/transfer depreciations | - | - | - | - |
| **Accumulated depreciation and impairments 31.12.2018** | **-** | **2 701 357** | **57 392** | **2 758 750** |
| | | | | |
| **Book value 31.12.2018** | **2 283 602** | **3 385 005** | **77 669** | **5 746 275** |
| | | | | |
| **Acquisition cost 31.12.2018** | **2 283 602** | **6 086 362** | **135 061** | **8 505 025** |
| Additions | 343 368 | 8 156 | 6 415 | 357 939 |
| Disposals | - | - | - | - |
| Reclassification* | -138 081 | 144 963 | 2 402 | 9 284 |
| **Acquisition cost 31.03.2019** | **2 488 888** | **6 239 482** | **143 878** | **8 872 248** |
| | | | | |
| **Accumulated depreciation and impairments 31.12.2018** | **-** | **2 701 357** | **57 392** | **2 758 750** |
| Depreciation | - | 153 501 | 6 025 | 159 527 |
| Impairment | - | - | - | - |
| Retirement/transfer depreciations | - | - | - | - |
| **Accumulated depreciation and impairments 31.03.2019** | **-** | **2 854 859** | **63 418** | **2 918 276** |
| | | | | |
| **Book value 31.03.2019** | **2 488 888** | **3 384 623** | **80 460** | **5 953 972** |

*The reclassification is mainly relating to the Oda field, which entered into production phase in March 2019.

Production facilities, including wells, are depreciated in accordance with the unit-of-production method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3 - 5 years. Removal and decommissioning costs are included as production facilities or fields under development.

**Right-of-use assets**

| (USD 1 000) | Drilling Rigs | Vessels and Boats | Office | Other | Total |
|---|---|---|---|---|---|
| **Right-of-use assets at initial recognition 01.01.2019** | **-** | **-** | **-** | **-** | **-** |
| Additions | 132 270 | 76 628 | 29 593 | 2 303 | 240 795 |
| Abandonment activity* | -871 | -284 | - | - | -1 155 |
| Reclassification** | -9 046 | -817 | - | - | -9 863 |
| **Acquisition cost 31.03.2019** | **122 353** | **75 528** | **29 593** | **2 303** | **229 777** |
| | | | | | |
| **Accumulated depreciation and impairments** | **-** | **-** | **-** | **-** | **-** |
| Depreciation | 1 723 | 835 | 1 955 | 20 | 4 533 |
| Impairment | - | - | - | - | - |
| Retirement/transfer depreciations | - | - | - | - | - |
| **Accumulated depreciation and impairments 31.03.2019** | **1 723** | **835** | **1 955** | **20** | **4 533** |
| | | | | | |
| **Book value 31.03.2019** | **120 630** | **74 693** | **27 639** | **2 283** | **225 244** |

* This represents the share of right-of-use assets used in abandonment activity, and thus netted against the abandonment provision.

** Of which 9 284 reclassified to tangible fixed assets and 579 reclassified to capitalized exploration in line with the actitivy of the right-of-use asset.

Right-of-use assets are depreciated linearly over the lifetime of the related lease contract.

**INTANGIBLE ASSETS - GROUP**

| | Other intangible assets | | | | |
|---|---|---|---|---|---|
| (USD 1 000) | Licences etc. | Software | Total | Exploration wells | Goodwill |
| | | | | | |
| **Book value 31.12.2017** | **1 617 005** | **34** | **1 617 039** | **365 417** | **1 860 126** |
| | | | | | |
| **Acquisition cost 31.12.2017** | **1 933 241** | **7 501** | **1 940 742** | **365 417** | **2 738 973** |
| Additions | 463 049 | - | 463 049 | 128 795 | - |
| Disposals/expensed dry wells | - | - | - | 65 852 | - |
| Reclassification | - | - | - | -921 | - |
| **Acquisition cost 31.12.2018** | **2 396 290** | **7 501** | **2 403 791** | **427 439** | **2 738 973** |
| | | | | | |
| **Accumulated depreciation and impairments 31.12.2017** | **316 236** | **7 467** | **323 703** | **-** | **878 847** |
| Depreciation | 73 653 | 34 | 73 686 | - | - |
| Impairment | 516 | - | 516 | - | - |
| Retirement/transfer depreciations | - | - | - | - | - |
| **Accumulated depreciation and impairments 31.12.2018** | **390 404** | **7 501** | **397 906** | **-** | **878 847** |
| | | | | | |
| **Book value 31.12.2018** | **2 005 885** | **-** | **2 005 885** | **427 439** | **1 860 126** |
| | | | | | |
| **Acquisition cost 31.12.2018** | **2 396 290** | **7 501** | **2 403 791** | **427 439** | **2 738 973** |
| Additions | 143 | - | 143 | 126 150 | - |
| Disposals/expensed dry wells | - | - | - | 58 074 | - |
| Reclassification | - | - | - | 579 | - |
| **Acquisition cost 31.03.2019** | **2 396 433** | **7 501** | **2 403 934** | **496 094** | **2 738 973** |
| | | | | | |
| **Accumulated depreciation and impairments 31.12.2018** | **390 404** | **7 501** | **397 906** | **-** | **878 847** |
| Depreciation | 19 043 | - | 19 043 | - | - |
| Impairment | - | - | - | - | 68 941 |
| Retirement/transfer depreciations | - | - | - | - | - |
| **Accumulated depreciation and impairments 31.03.2019** | **409 447** | **7 501** | **416 948** | **-** | **947 789** |
| | | | | | |
| **Book value 31.03.2019** | **1 986 986** | **-** | **1 986 986** | **496 094** | **1 791 185** |

Licenses include both planned and producing projects on various fields. The producing projects are depreciated in line with the unit-of-procution method for the applicable field.

| Depreciation in the income statement (USD 1 000) | Group Q1 2019 | Q1 2018 | 01.01.-31.03. 2019 | 01.01.-31.03. 2018 |
|---|---|---|---|---|
| Depreciation of tangible fixed assets | 159 527 | 169 119 | 159 527 | 169 119 |
| Depreciation of right-of-use assets | 4 533 | - | 4 533 | - |
| Depreciation of intangible assets | 19 043 | 16 302 | 19 043 | 16 302 |
| **Total depreciation in the income statement** | **183 102** | **185 421** | **183 102** | **185 421** |

| **Impairment in the income statement** (USD 1 000) | | | | |
|---|---|---|---|---|
| Impairment of goodwill | 68 941 | - | 68 941 | - |
| **Total impairment in the income statement** | **68 941** | **-** | **68 941** | **-** |

## Note 7 Leasing

The group has applied the modified retrospective approach with no restatement of comparative figures. Refer to the accounting principles in the 2018 financial statements for description of impact and changes in accounting. The difference between the operating lease commitments, as disclosed in note 25 in the 2018 financial statements and the lease debt recognized at initial application is reconciled in the table below. The weighted average of the incremental borrowing rate applied in discounting of the nominal lease debt is 6.7 per cent.

| (USD 1 000) | Group 2019 |
|---|---|
| Operating lease obligation 31.12.2018 | 1 100 753 |
| Short-term and low value leases | -403 720 |
| Non-lease components excluded | -223 551 |
| Other | -8 574 |
| **Nominal lease debt 01.01.2019** | **464 907** |
| Discounting | -75 075 |
| **Lease debt 01.01.2019** | **389 833** |
| New lease debt recognized in the period | - |
| Payments of lease debt | -27 760 |
| Interest expense on lease debt | 6 459 |
| Currency exchange differences | 22 |
| **Total lease debt 31.03.2019** | **368 553** |

| **Break down of the lease debt to short-term and long-term liabilities** | |
|---|---|
| Short-term | 92 735 |
| Long-term | 275 818 |
| **Total lease debt** | **368 553** |

The identified leases have no significant impact on the group`s financing, loan covenants or dividend policy. The group does not have any residual value guarantees. Extension options are included in the lease liability when it, based on the managements judgement, is reasonably certain that an extension will be exercised.

| **Nominal lease debt maturity breakdown** (USD 1 000): | |
|---|---|
| Within one year | 115 473 |
| Two to five years | 248 016 |
| After five years | 72 625 |
| **Total** | **436 113** |

## Note 8 Financial items

| | Group | | | |
|---|---|---|---|---|
| | Q1 | | 01.01.-31.03. | |
| (USD 1 000) | 2019 | 2018 | 2019 | 2018 |
| **Interest income** | **6 064** | **4 904** | **6 064** | **4 904** |
| | | | | |
| Realized gains on derivatives | 4 420 | 32 295 | 4 420 | 32 295 |
| Change in fair value of derivatives | 5 299 | 20 250 | 5 299 | 20 250 |
| **Total other financial income** | **9 719** | **52 544** | **9 719** | **52 544** |
| | | | | |
| Interest expenses | 42 691 | 44 550 | 42 691 | 44 550 |
| Interest on lease debt | 6 459 | - | 6 459 | - |
| Capitalized interest cost, development projects | -41 997 | -20 000 | -41 997 | -20 000 |
| Amortized loan costs | 6 676 | 8 124 | 6 676 | 8 124 |
| **Total interest expenses** | **13 830** | **32 675** | **13 830** | **32 675** |
| | | | | |
| Net currency loss/gain (-) | 605 | 20 792 | 605 | 20 792 |
| Realized loss on derivatives | 6 694 | 4 046 | 6 694 | 4 046 |
| Change in fair value of derivatives | 1 671 | 14 652 | 1 671 | 14 652 |
| Accretion expenses | 29 584 | 32 146 | 29 584 | 32 146 |
| Other financial expenses | 782 | 90 | 782 | 90 |
| **Total other financial expenses** | **39 335** | **71 727** | **39 335** | **71 727** |
| | | | | |
| **Net financial items** | **-37 381** | **-46 954** | **-37 381** | **-46 954** |

## Note 9 Tax

| | Group | | | |
|---|---|---|---|---|
| | Q1 | | 01.01.-31.03. | |
| | | Restated | | Restated |
| **Tax for the period** (USD 1 000) | 2019 | 2018 | 2019 | 2018 |
| Current year tax payable | 129 282 | 225 730 | 129 282 | 225 730 |
| Current year deferred tax change | 110 686 | 85 471 | 110 686 | 85 471 |
| Prior period adjustments | -1 237 | -21 229 | -1 237 | -21 229 |
| **Total tax (+)/tax income (-)** | **238 731** | **289 972** | **238 731** | **289 972** |

| | | Group | |
|---|---|---|---|
| **Calculated tax receivable (+)/tax payable (-)** (USD 1 000) | 31.03.2019 | 31.03.2018 | 31.12.2018 |
| Tax receivable/payable at 01.01. | -540 860 | 1 234 850 | 1 234 850 |
| Current year tax (-)/tax receivable (+) | -129 282 | -225 730 | -803 396 |
| Taxes receivable/payable related to acquisitions/sales | 520 | - | 4 387 |
| Net tax payment (+)/tax refund (-) | 105 930 | 34 381 | -907 312 |
| Prior period adjustments and change in estimate of uncertain tax positions | 13 278 | 11 458 | -30 269 |
| Currency movements of tax receivable/payable | -868 | 57 964 | -39 119 |
| **Total net tax receivable (+)/tax payable (-)** | **-551 282** | **1 112 923** | **-540 860** |
| Tax receivable included as current assets (+) | 15 473 | 1 666 497 | 11 082 |
| Tax payable included as current liabilities (-) | -566 755 | -553 574 | -551 942 |

| Deferred tax (-)/deferred tax asset (+) (USD 1 000) | 31.03.2019 | Group<br>Restated<br>31.03.2018 | Restated<br>31.12.2018 |
|---|---|---|---|
| Deferred tax/deferred tax asset 31.12. | -1 752 757 | -1 307 148 | -1 307 148 |
| Effect of change in accounting principle* | - | 45 155 | 45 155 |
| Deferred tax/deferred tax asset 01.01. | -1 752 757 | -1 261 993 | -1 261 993 |
| Change in deferred tax in the income statement | -110 686 | -85 471 | -524 645 |
| Prior period adjustment | -3 891 | 9 770 | 33 912 |
| Deferred tax charged to OCI and equity | - | - | -30 |
| **Net deferred tax (-)/deferred tax asset (+)** | **-1 867 333** | **-1 337 694** | **-1 752 757** |

| | Group | | | |
|---|---|---|---|---|
| | Q1 | | 01.01.-31.03. | |
| **Reconciliation of tax expense** (USD 1 000) | 2019 | Restated<br>2018 | 2019 | Restated<br>2018 |
| 78% tax rate on profit before tax | 194 342 | 357 619 | 194 342 | 357 619 |
| Tax effect of uplift | -31 063 | -31 627 | -31 063 | -31 627 |
| Permanent difference on impairment | 53 774 | - | 53 774 | - |
| Foreign currency translation of NOK monetary items | 472 | 16 218 | 472 | 16 218 |
| Foreign currency translation of USD monetary items | 1 138 | 110 572 | 1 138 | 110 572 |
| Tax effect of financial and other 22%/23% items | 17 519 | -61 469 | 17 519 | -61 469 |
| Currency movements of tax balances** | -323 | -84 993 | -323 | -84 993 |
| Other permanent differences, prior period adjustments and change in estimate of uncertain tax positions | 2 873 | -16 347 | 2 873 | -16 347 |
| **Total tax (+)/tax income (-)** | **238 731** | **289 972** | **238 731** | **289 972** |

* Relates to change in deferred tax as a result of the change in accounting principle for revenue recognition as described in note 1.

** Tax balances are in NOK and converted to USD using the period end currency rate. When NOK weakens against USD, the tax rate increases as there is less remaining tax depreciation measured in USD (vice versa).

The tax rate for general corporation tax changed from 23 to 22 per cent from 1 January 2019. The rate for special tax changed from the same date from 55 to 56 per cent.

In accordance with statutory requirements, the calculation of current tax is required to be based on NOK functional currency. This may impact the effective tax rate as the company's functional currency is USD.

## Note 10 Other short-term receivables

| (USD 1 000) | 31.03.2019 | Group<br>Restated<br>31.03.2018 | Restated<br>31.12.2018 |
|---|---|---|---|
| Prepayments | 66 662 | 47 597 | 64 004 |
| VAT receivable | 7 082 | 14 863 | 8 871 |
| Underlift of petroleum* | 39 170 | 36 004 | 54 924 |
| Accrued income from sale of petroleum products | 136 882 | 247 637 | 52 825 |
| Other receivables, mainly from licenses | 95 578 | 123 290 | 111 781 |
| **Total other short-term receivables** | **345 374** | **469 391** | **292 405** |

* Comparable figure has been restated to reflect the valuation of underlift to production cost, in line with the sales method as described in note 1.

## Note 11 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and short-term investments that constitute parts of the group's transaction liquidity.

| **Breakdown of cash and cash equivalents** (USD 1 000) | **31.03.2019** | **Group**<br>**31.03.2018** | **31.12.2018** |
|---|---|---|---|
| Bank deposits | 113 680 | 37 999 | 44 944 |
| **Cash and cash equivalents** | **113 680** | **37 999** | **44 944** |
| Unused reserve-based lending facility (see note 16) | 2 850 000 | 3 485 000 | 3 050 000 |

## Note 12 Provisions for other liabilities

| **Breakdown of provisions for other liabilities** (USD 1 000) | **31.03.2019** | **Group**<br>**31.03.2018** | **31.12.2018** |
|---|---|---|---|
| Fair value of contracts assumed in acquisitions* | - | 138 282 | 106 040 |
| Other long term liabilities | 1 389 | 2 947 | 1 480 |
| **Total provisions for other liabilities** | **1 389** | **141 228** | **107 519** |

* The negative contract values are mainly related to rig contracts entered into by companies acquired by Aker BP, which differed from current market terms at the time of the acquisitions. The fair value is based on the difference between market price and contract price at the time of the acquisitions. In 2019, the amount is netted against the right-of-use asset as described in note 1 to the 2018 financial statements.

## Note 13 Derivatives

| (USD 1 000) | **31.03.2019** | **Group**<br>**31.03.2018** | **31.12.2018** |
|---|---|---|---|
| Unrealized gain interest rate swaps | - | 1 613 | - |
| Unrealized gain currency contracts | - | 2 236 | - |
| **Long-term derivatives included in assets** | **-** | **3 848** | **-** |
| Unrealized gain on commodity derivatives | - | - | 17 253 |
| Unrealized gain currency contracts | - | 7 241 | - |
| **Short-term derivatives included in assets** | **-** | **7 241** | **17 253** |
| **Total derivatives included in assets** | **-** | **11 090** | **17 253** |
| Unrealized losses interest rate swaps | 27 945 | - | 26 275 |
| **Long-term derivatives included in liabilities** | **27 945** | **-** | **26 275** |
| Unrealized losses commodity derivatives | 6 870 | 4 048 | - |
| Unrealized losses currency contracts | 3 484 | 6 582 | 8 783 |
| **Short-term derivatives included in liabilities** | **10 354** | **10 630** | **8 783** |
| **Total derivatives included in liabilities** | **38 300** | **10 630** | **35 058** |

The group has various types of economic hedging instruments. Commodity derivatives are used to hedge the risk of oil price reduction. The group manages its interest rate exposure using interest rate derivatives, including interest rate swap and a cross currency interest rate swap. Foreign currency exchange derivatives are used to manage the company's exposure to currency risks, mainly costs in NOK, EUR and GBP. These derivatives are mark to market with changes in market value recognized in the income statement. The nature of the instruments and the valuation method is consistent with the disclosed information in the annual financial statements as at 31 December 2018.

## Note 14 Other current liabilities

| Breakdown of other current liabilities (USD 1 000) | 31.03.2019 | Group<br>Restated<br>31.03.2018 | Restated<br>31.12.2018 |
|---|---|---|---|
| Current liabilities against JV partners | 25 723 | 77 484 | 22 779 |
| Share of other current liabilities in licences | 357 645 | 277 739 | 309 260 |
| Overlift of petroleum* | 3 766 | 7 202 | 10 055 |
| Fair value of contracts assumed in acquisitions** | - | 57 322 | 42 998 |
| Other current liabilities*** | 172 177 | 139 786 | 198 801 |
| **Total other current liabilities** | **559 310** | **559 534** | **583 894** |

* Comparable figure has been restated to reflect the valuation of overlift to production cost, in line with the sales method as described in note 1.

** As described in note 12, the fair value of contracts has in 2019 been netted against the right-of-use assets.

*** Other current liabilities include unpaid wages and vacation pay, accrued interest and other provisions.

## Note 15 Bonds

| (USD 1 000) | 31.03.2019 | Group<br>31.03.2018 | 31.12.2018 |
|---|---|---|---|
| DETNOR02 Senior unsecured bond * | 225 843 | 243 316 | 223 839 |
| AKERBP – Senior Notes (17/22) ** | 393 763 | 392 099 | 393 301 |
| AKERBP – Senior Notes (18/25) *** | 493 680 | 492 423 | 493 349 |
| **Long-term bonds** | **1 113 285** | **1 127 838** | **1 110 488** |

* The bond is denominated in NOK and runs from July 2013 to July 2020 and carries an interest rate of 3 month Nibor + 6.5 per cent. The principal falls due on July 2020 and interest is paid on a quarterly basis. The bond is unsecured. The bond has been swapped into USD using a cross currency interest rate swap whereby the group pays Libor + 6.81 per cent quarterly. The financial covenants for this bond are consistent with the RBL as described in note 16.

** The bond was established in July 2017 and carries an interest of 6.0 per cent. The principal falls due in July 2022 and interest is paid on a semi annual basis. The bond is senior unsecured and has no financial covenants.

*** The bond was established in March 2018 and carries an interest of 5.875 per cent. The principal falls due in March 2025 and interest is paid on a semi annual basis. The bond is senior unsecured and has no financial covenants.

### Note 16 Other interest-bearing debt

| | Group | | |
|---|---|---|---|
| (USD 1 000) | 31.03.2019 | 31.03.2018 | 31.12.2018 |
| Reserve-based lending facility | 1 112 304 | 459 906 | 907 954 |
| **Long-term interest-bearing debt** | **1 112 304** | **459 906** | **907 954** |
| Bridge facility | - | 1 498 159 | - |
| **Short-term interest-bearing debt** | **-** | **1 498 159** | **-** |

The RBL facility was established in 2014 and is a senior secured seven-year facility. The facility size amounts to USD 4.0 billion, with an uncommitted accordion option of USD 1.0 billion. The interest rate is from 1 - 6 months LIBOR plus a margin of 2 - 3 per cent based on drawn amount. In addition, a commitment fee is paid on unused credit. The financial covenants are as follows:
- Leverage Ratio shall be maximum 4 until the production start of Johan Sverdrup, thereafter maximum 3.5
- Interest Coverage Ratio shall be minimum 3.5

The financial covenants in the group's current debt facilities exclude the effects from IFRS 16, and therefore cannot be directly derived from the group's financial statements.

In relation to the acquisition of Hess Norge AS, the company obtained a new USD 1.5 billion bank facility ("Bridge facility"). The terms of the facility included a mandatory repayment clause triggered by the refund of tax losses in Hess Norge. The refund took place in November 2018 and the facility was repaid and cancelled at the same time.

### Note 17 Provision for abandonment liabilities

| | Group | | |
|---|---|---|---|
| (USD 1 000) | 31.03.2019 | 31.03.2018 | 31.12.2018 |
| Provisions as of 1 January | 2 552 592 | 3 043 884 | 3 043 884 |
| Incurred cost removal | -21 575 | -67 707 | -201 227 |
| Accretion expense - present value calculation | 29 584 | 32 146 | 128 737 |
| Changed net present value from changed discount rate | - | - | -277 081 |
| Change in estimates and incurred liabilities on new drilling and installations | - | - | -141 721 |
| **Total provision for abandonment liabilities** | **2 560 601** | **3 008 323** | **2 552 592** |
| **Break down of the provision to short-term and long-term liabilities** | | | |
| Short-term | 85 212 | 194 087 | 105 035 |
| Long-term | 2 475 388 | 2 814 235 | 2 447 558 |
| **Total provision for abandonment liabilities** | **2 560 601** | **3 008 323** | **2 552 592** |

The estimate is based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.0 per cent and a nominal discount rate before tax of between 4.46 per cent and 5.01 per cent. The credit margin included in the discount rate is 2.00 per cent.

### Note 18 Contingent liabilities

During the normal course of its business, the group will be involved in disputes, including tax disputes. The group has made accruals for probable liabilities related to litigation and claims based on management's best judgment and in line with IAS 37 and IAS 12.

### Note 19 Subsequent events

**Dividend**

At the Annual General Meeting in April 2019, the Board was authorized to approve the distribution of dividends based on the company's annual accounts for 2018. On 25 April 2019 the Board of Directors declared a quarterly dividend of USD 187.5 million.The dividend was disbursed on 16 May 2019.

**Exploration wells**

The JK exploration well on the Utsira high in the North Sea was completed in the second quarter. The Freke-Garm exploration well in the North Sea was also completed in the second quarter. Both wells are classified as dry, and the associated capitalized values will be expensed in Q2 2019.

**Refinancing of the Reserve Based Lending facility**

On 23 May 2019, the Company entered a new USD 4.0 billion Senior Unsecured Revolving Credit Facility ('RCF'). The RCF comprises a 3-year USD 2.0 billion Working Capital Facility and a USD 2.0 billion 5-year Liquidity Facility. The Liquidity Facility includes two 12-month extension options. The Company initially drew $1.5 billion of the RCF to repay the Reserve Based Lending ('RBL') facility in full, and the RBL has been cancelled. The RCF will also be used for general corporate purposes including working capital, as well as providing a liquidity reserve.

**Notes offering**

On 10 June 2019, the Board of Directors approved an offering of Senior Notes. The Notes will be senior unsecured debt of the Company and will rank pari passu in right of payment with all of the Company's existing and future senior obligations and senior right of payment to all of the Company's future subordinated obligations. The interest rate of the Notes has not been determined as of the date of this report.

## Note 20 Investments in joint operations

| Fields operated: | 31.03.2019 | 31.12.2018 |
|---|---|---|
| Alvheim | 65.000% | 65.000 % |
| Bøyla | 65.000% | 65.000 % |
| Hod | 90.000% | 90.000 % |
| Ivar Aasen Unit | 34.786% | 34.786 % |
| Jette Unit | 70.000% | 70.000 % |
| Valhall | 90.000% | 90.000 % |
| Vilje | 46.904% | 46.904 % |
| Volund | 65.000% | 65.000 % |
| Tambar | 55.000% | 55.000 % |
| Tambar Øst | 46.200% | 46.200 % |
| Ula | 80.000% | 80.000 % |
| Skarv | 23.835% | 23.835 % |

**Production licences in which Aker BP is the operator:**

| Licence: | 31.03.2019 | 31.12.2018 | Licence: | 31.03.2019 | 31.12.2018 |
|---|---|---|---|---|---|
| PL 001B | 35.000% | 35.000 % | PL 777 | 40.000% | 40.000 % |
| PL 006B | 90.000% | 90.000 % | PL 777B | 40.000% | 40.000 % |
| PL 019 | 80.000% | 80.000 % | PL 777C | 40.000% | 40.000 % |
| PL 019C | 80.000% | 80.000 % | PL 777D | 40.000% | 40.000 % |
| PL 019E | 80.000% | 80.000 % | PL 784 | 40.000% | 40.000 % |
| PL 019H* | 80.000% | 0.000 % | PL 790 | 30.000% | 30.000 % |
| PL 026 | 92.130% | 92.130 % | PL 814 | 40.000% | 40.000 % |
| PL 026B | 90.260% | 90.260 % | PL 818 | 40.000% | 40.000 % |
| PL 027D | 100.000% | 100.000 % | PL 818B | 40.000% | 40.000 % |
| PL 028B | 35.000% | 35.000 % | PL 822S | 60.000% | 60.000 % |
| PL 033 | 90.000% | 90.000 % | PL 839 | 23.835% | 23.835 % |
| PL 033B | 90.000% | 90.000 % | PL 843 | 40.000% | 40.000 % |
| PL 036C | 65.000% | 65.000 % | PL 858 | 40.000% | 40.000 % |
| PL 036D | 46.904% | 46.904 % | PL 861 | 50.000% | 50.000 % |
| PL 036E | 64.000% | 64.000 % | PL 867 | 40.000% | 40.000 % |
| PL 065 | 55.000% | 55.000 % | PL 868 | 60.000% | 60.000 % |
| PL 065B | 55.000% | 55.000 % | PL 869 | 60.000% | 60.000 % |
| PL 088BS | 65.000% | 65.000 % | PL 872** | 0.000% | 40.000 % |
| PL 102D | 50.000% | 50.000 % | PL 873 | 40.000% | 40.000 % |
| PL 102F | 50.000% | 50.000 % | PL 874 | 90.260% | 90.260 % |
| PL 102G | 50.000% | 50.000 % | PL 893 | 60.000% | 60.000 % |
| PL 102H | 50.000% | 50.000 % | PL 895** | 0.000% | 60.000 % |
| PL 127C | 100.000% | 100.000 % | PL 906 | 60.000% | 60.000 % |
| PL 146 | 77.800% | 77.800 % | PL 907 | 60.000% | 60.000 % |
| PL 150 | 65.000% | 65.000 % | PL 914S | 34.786% | 34.786 % |
| PL 159D | 23.835% | 23.835 % | PL 915 | 35.000% | 35.000 % |
| PL 169C | 50.000% | 50.000 % | PL 916 | 40.000% | 40.000 % |
| PL 203 | 65.000% | 65.000 % | PL 919 | 65.000% | 65.000 % |
| PL 203B** | 0.000% | 65.000 % | PL 932 | 60.000% | 60.000 % |
| PL 212 | 30.000% | 30.000 % | PL 941 | 50.000% | 50.000 % |
| PL 212B | 30.000% | 30.000 % | PL 948 | 40.000% | 40.000 % |
| PL 212E | 30.000% | 30.000 % | PL 951 | 40.000% | 40.000 % |
| PL 242 | 35.000% | 35.000 % | PL 963 | 70.000% | 70.000 % |
| PL 261 | 50.000% | 50.000 % | PL 964 | 40.000% | 40.000 % |
| PL 262 | 30.000% | 30.000 % | PL 977* | 60.000% | 0.000 % |
| PL 300 | 55.000% | 55.000 % | PL 978* | 60.000% | 0.000 % |
| PL 333 | 77.800% | 77.800 % | PL 979* | 60.000% | 0.000 % |
| PL 340 | 65.000% | 65.000 % | PL 986* | 30.000% | 0.000 % |
| PL 340BS | 65.000% | 65.000 % | PL 1005* | 60.000% | 0.000 % |
| PL 364 | 90.260% | 90.260 % | PL 1008* | 60.000% | 0.000 % |
| PL 442 | 90.260% | 90.260 % | PL 1022* | 40.000% | 0.000 % |
| PL 442B | 90.260% | 90.260 % | PL 1026* | 40.000% | 0.000 % |
| PL 460 | 65.000% | 65.000 % | PL 1028* | 50.000% | 0.000 % |
| PL 504 | 47.593% | 47.593 % | PL 1030* | 50.000% | 0.000 % |
| PL 626** | 0.000% | 60.000 % | | | |
| PL 659** | 0.000% | 50.000 % | | | |
| PL 685 | 40.000% | 40.000 % | | | |
| PL 748 | 50.000% | 50.000 % | | | |
| PL 748B | 50.000% | 50.000 % | | | |
| PL 762 | 20.000% | 20.000 % | | | |
| **Number of licenses in which Aker BP is the operator** | | | | **89** | **83** |

* Interest awarded in the APA Licensing round (Application in Predefined Areas) in 2018. The awards were announced in 2019.

** Relinquished license or Aker BP has withdrawn from the license.

| Fields non-operated: | 31.03.2019 | 31.12.2018 |
|---|---|---|
| Atla | 10.000% | 10.000 % |
| Enoch | 2.000% | 2.000 % |
| Gina Krog | 3.300% | 3.300 % |
| Johan Sverdrup | 11.573% | 11.573 % |
| Oda | 15.000% | 15.000 % |

| Production licences in which Aker BP is a partner: | | | | | |
|---|---|---|---|---|---|
| **Licence:** | **31.03.2019** | **31.12.2018** | **Licence:** | **31.03.2019** | **31.12.2018** |
| PL 006C | 15.000% | 15.000 % | PL 811 | 20.000% | 20.000 % |
| PL 006E | 15.000% | 15.000 % | PL 813** | 0.000% | 3.300 % |
| PL 006F* | 15.000% | 0.000 % | PL 838 | 30.000% | 30.000 % |
| PL 018DS** | 0.000% | 13.338 % | PL 838B* | 30.000% | 0.000 % |
| PL 029B | 20.000% | 20.000 % | PL 842 | 30.000% | 30.000 % |
| PL 035 | 50.000% | 50.000 % | PL 844 | 20.000% | 20.000 % |
| PL 035C | 50.000% | 50.000 % | PL 852 | 40.000% | 40.000 % |
| PL 048D | 10.000% | 10.000 % | PL 852B | 40.000% | 40.000 % |
| PL 102C | 10.000% | 10.000 % | PL 852C | 40.000% | 40.000 % |
| PL 127 | 50.000% | 50.000 % | PL 857 | 20.000% | 20.000 % |
| PL 127B | 50.000% | 50.000 % | PL 862 | 50.000% | 50.000 % |
| PL 220 | 15.000% | 15.000 % | PL 863 | 40.000% | 40.000 % |
| PL 265 | 20.000% | 20.000 % | PL 863B | 40.000% | 40.000 % |
| PL 272 | 50.000% | 50.000 % | PL 864 | 20.000% | 20.000 % |
| PL 272B* | 50.000% | 0.000 % | PL 891 | 30.000% | 30.000 % |
| PL 405 | 15.000% | 15.000 % | PL 892 | 30.000% | 30.000 % |
| PL 457BS | 40.000% | 40.000 % | PL 902 | 30.000% | 30.000 % |
| PL 492 | 60.000% | 60.000 % | PL 902B* | 30.000% | 0.000 % |
| PL 502 | 22.222% | 22.222 % | PL 942 | 30.000% | 30.000 % |
| PL 533 | 35.000% | 35.000 % | PL 954 | 20.000% | 20.000 % |
| PL 533B | 35.000% | 35.000 % | PL 955 | 30.000% | 30.000 % |
| PL 554 | 30.000% | 30.000 % | PL 961 | 30.000% | 30.000 % |
| PL 554B | 30.000% | 30.000 % | PL 962 | 20.000% | 20.000 % |
| PL 554C | 30.000% | 30.000 % | PL 966 | 30.000% | 30.000 % |
| PL 554D | 30.000% | 30.000 % | PL 968* | 20.000% | 0.000 % |
| PL 615 | 4.000% | 4.000 % | PL 981* | 40.000% | 0.000 % |
| PL 615B | 4.000% | 4.000 % | PL 982* | 40.000% | 0.000 % |
| PL 719 | 20.000% | 20.000 % | PL 985* | 20.000% | 0.000 % |
| PL 721 | 40.000% | 40.000 % | PL 1031* | 20.000% | 0.000 % |
| PL 722 | 20.000% | 20.000 % | | | |
| PL 782S | 20.000% | 20.000 % | | | |
| PL 782SB | 20.000% | 20.000 % | | | |
| PL 782SC | 20.000% | 20.000 % | | | |
| PL 782SD* | 20.000% | 0.000 % | | | |
| PL 810 | 30.000% | 30.000 % | | | |
| PL 810B | 30.000% | 30.000 % | | | |
| **Number of licenses in which Aker BP is the partner** | | | | **63** | **55** |

* Interest awarded in the APA Licensing round (Application in Predefined Areas) in 2018. The awards were announced in 2019.

** Relinquished license or Aker BP has withdrawn from the license.

## Note 21 Results from previous interim reports

| (USD 1 000) | 2019<br>Q1 | 2018<br>Restated<br>Q4 | Q3 | Q2 | Q1 |
|---|---|---|---|---|---|
| **Total income** | **836 262** | **916 200** | **965 799** | **925 166** | **944 458** |
| Production costs | 200 462 | 177 683 | 170 090 | 150 517 | 195 296 |
| Exploration expenses | 90 359 | 72 458 | 93 519 | 75 270 | 54 661 |
| Depreciation | 183 102 | 195 962 | 188 526 | 182 528 | 185 421 |
| Impairments | 68 941 | 20 172 | - | - | - |
| Other operating expenses | 6 859 | 7 739 | 4 334 | 1 324 | 3 640 |
| **Total operating expenses** | **549 724** | **474 015** | **456 468** | **409 639** | **439 018** |
| **Operating profit/loss** | **286 538** | **442 185** | **509 331** | **515 526** | **505 439** |
| Net financial items | -37 381 | -43 905 | -57 869 | -21 778 | -46 954 |
| **Profit/loss before taxes** | **249 157** | **398 280** | **451 462** | **493 748** | **458 486** |
| Taxes (+)/tax income (-) | 238 731 | 335 403 | 335 052 | 365 771 | 289 972 |
| **Net profit/loss** | **10 425** | **62 876** | **116 410** | **127 977** | **168 514** |

| (barrels of oil equivalent) | 2019<br>Q1 | 2018<br>Q4 | Q3 | Q2 | Q1 |
|---|---|---|---|---|---|
| **Sold volumes** | | | | | |
| Liquids | 11 593 578 | 11 018 340 | 10 816 266 | 10 588 527 | 11 907 579 |
| Gas | 2 987 607 | 2 921 380 | 2 826 946 | 3 182 150 | 3 152 497 |

| (USD 1 000) | 2019<br>Q1 | 2018<br>Restated<br>Q4 | Q3 | Q2 | Q1 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Goodwill | 1 791 185 | 1 860 126 | 1 860 126 | 1 860 126 | 1 860 126 |
| Other intangible assets | 2 483 080 | 2 433 324 | 1 978 583 | 1 986 427 | 1 991 949 |
| Property, plant and equipment | 5 953 972 | 5 746 275 | 6 038 954 | 5 835 137 | 5 664 761 |
| Right-of-use asset | 225 244 | - | - | - | - |
| Receivables and other assets | 533 949 | 613 620 | 627 882 | 738 909 | 721 690 |
| Calculated tax receivables (short) | 15 473 | 11 082 | 1 607 118 | 1 595 916 | 1 666 497 |
| Cash and cash equivalents | 113 680 | 44 944 | 126 608 | 49 245 | 37 999 |
| **Total assets** | **11 116 582** | **10 709 371** | **12 239 271** | **12 065 760** | **11 943 022** |
| **Equity and liabilities** | | | | | |
| Equity | 2 799 464 | 2 976 539 | 3 060 631 | 3 050 214 | 3 105 007 |
| Other provisions for liabilities incl. P&A (long) | 2 504 723 | 2 581 352 | 3 023 870 | 2 992 329 | 2 955 464 |
| Deferred tax | 1 867 333 | 1 752 757 | 1 593 074 | 1 477 175 | 1 337 694 |
| Bonds and bank debt | 2 225 589 | 2 018 443 | 2 975 518 | 3 017 362 | 3 085 903 |
| Lease debt | 368 553 | - | - | - | - |
| Other current liabilities incl. P&A | 784 164 | 828 340 | 831 834 | 841 352 | 905 380 |
| Tax payable | 566 755 | 551 942 | 754 344 | 687 328 | 553 574 |
| **Total equity and liabilities** | **11 116 582** | **10 709 371** | **12 239 271** | **12 065 760** | **11 943 022** |

## Alternative performance measures

Aker BP may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Aker BP believes that the alternative performance measures provide useful supplemental information to management, investors, security analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Aker BP's business operations and to improve comparability between periods.

**Abandonment spend (abex)** is payment for removal and decommissioning of oil fields

**Depreciation per boe** is depreciation divided by number of barrels of oil equivalents produced in the corresponding period

**Dividend per share** (DPS) is dividend paid in the quarter divided by number of shares outstanding

**Capex** is disbursements on investments in fixed assets deducted by capitalized interest cost

**EBIT** is short for earnings before interest and other financial items and taxes

**EBITDA** is short for earnings before interest and other financial items, taxes, depreciation and amortisation and impairments

**EBITDAX** is short for earnings before interest and other financial items, taxes, depreciation and amortisation, impairments and exploration expenses

**Equity ratio** is total equity divided by total assets

**Exploration spend (expex)** is exploration expenses plus additions to capitalized exploration wells  less dry well expenses

**Leverage ratio** is calculated as Net interest-bearing debt divided by twelve months rolling EBITDAX

**Net interest-bearing debt** is book value of current and non-current interest-bearing debt less cash and cash equivalents*

**Production cost per boe** is production cost basd on produced volumes (see note 3), divided by number of barrels of oil equivalents produced in the corresponding period**

* Includes leasing debt from Q1 2019

** Definition is changed in Q1 2019 as production cost in the income statement includes adjustment for over/underlift, while this APM still applies to produced volumes.

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To the Board of Directors of Aker BP ASA

# Report on Review of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed consolidated statements of financial position of Aker BP ASA as at 31 March 2019 and 2018 and the related condensed consolidated statements of income and other comprehensive income, changes in equity and cash flows for each of the three-month periods then ended and notes to the condensed consolidated interim financial information. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, *Interim Financial Reporting* as adopted by the EU. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 31 March 2019 and 2018 and for each of the three month periods then ended is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting* as adopted by the EU

## Other matters

Our report does not extend to the summary financial information for interim periods in 2018 included in note 21 which is not a required disclosure under International Accounting Standard 34 *Interim Financial Reporting*.

Oslo, 10 June 2019

KPMG AS

Mona Irene Larsen
*State Authorised Public Accountant (Norway)*

AkerBP

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