

Second quarter 2019

Aker BP ASA

12 July 2019



Disclaimer

This Document includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Document are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Aker BP ASA's lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Aker BP ASA's businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Document. Although Aker BP ASA believes that its expectations and the Document are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Document. Aker BP ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Document, and neither Aker BP ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

Second quarter 2019

Execute

- Production in line with plan
- High maintenance activity
- P&A completed ahead of plan

Improve

- Drilling faster with dual operations
- Reduced financing cost after refinancing

Grow

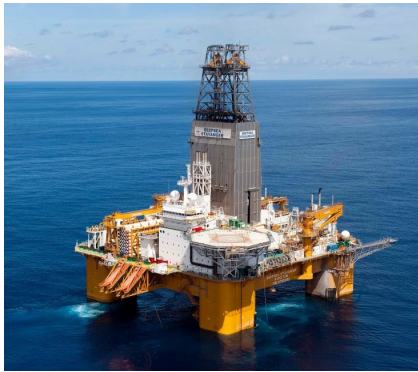
- Exploration success
- Johan Sverdrup and Valhall Flank West on track for first oil in Q4

Key figures

		Q2-19	Q1-19	Q2-18*
Production	mboepd	127.3	158.7	157.8
Sales	mboepd	140.7	162.0	151.3
Realized liquids price	USD/bbl	69.3	63.9	73.9
Realized gas price	USD/scm	0.16	0.24	0.28
Total income	USDm	785	836	925
EBITDA	USDm	522	539	698
Operating profit	USDm	354	287	516
Net profit	USDm	62	10	128
Effective tax rate	USDm	77%	96%	74%
EPS	USD	0.17	0.03	0.36
DPS	USD	0.52	0.52	0.31

High activity across the value chain

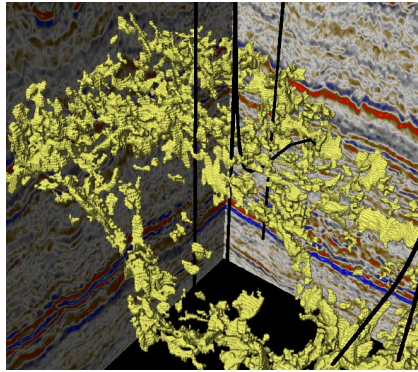
Drilling



6

simultaneous
drilling operations

Exploration



17

exploration
wells in 2019

Development projects



4

development projects
in installation mode

Production



127 300

boe per day
production in Q2

Decommissioning



2

projects safely
executed in 2019

Exploration update

Creating value from Exploration

High success rate and efficient execution

■ **Successful exploration in core areas**

- 9 wells drilled so far in 2019
- 3 discoveries

■ **Industry leading drilling performance**

- Safe and highly efficient drilling

■ **Adding two wells to the program**

- Nipa – license PL 986 in NOAKA area
- Nidhogg – license PL 1008 in Skarv area

Liatårnet – material discovery in the NOAKA area

Building momentum for an area development

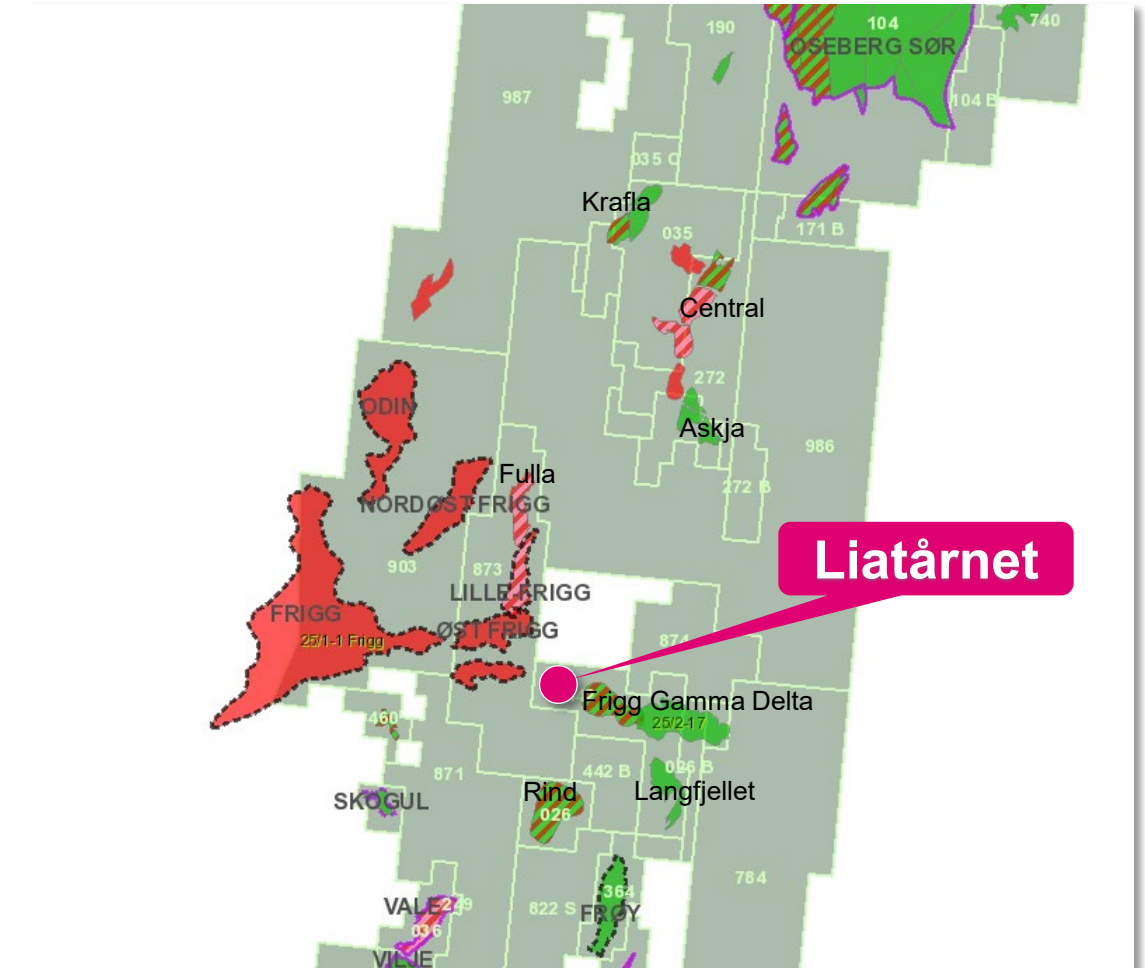
■ A significant oil discovery

- Volume in place estimated to 500-700 mmboe
- More data needed to determine drainage strategy and recovery
- Recoverable volume prelim. estimated to 80-200 mmboe

■ Located in the middle of the NOAKA area

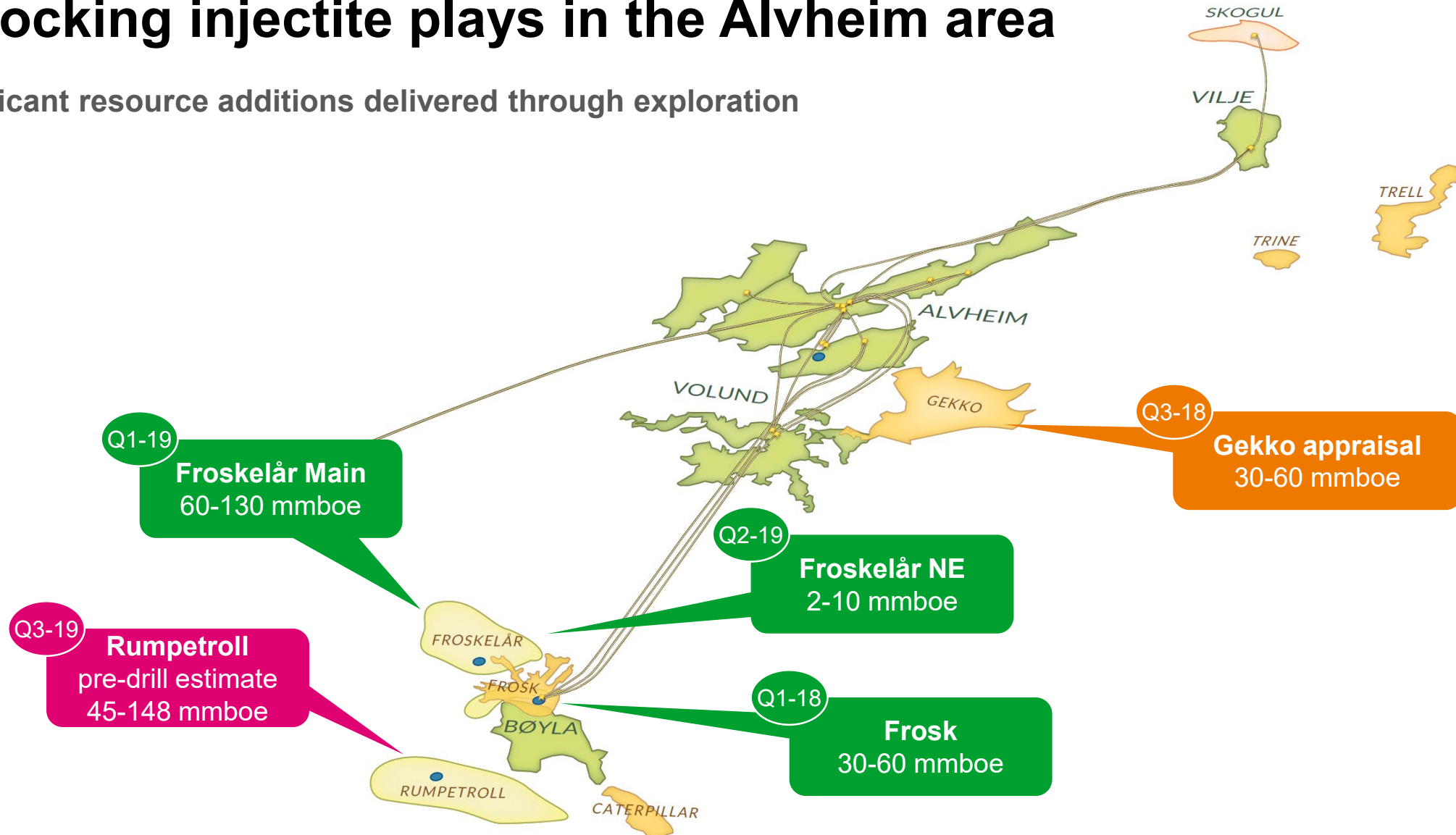
- Licence PL 442 – Aker BP operator with 90% interest
- Adjacent to Frigg-Gamma/Delta discovery
- Adds value and robustness to an area development

Area overview



Unlocking injectite plays in the Alvheim area

Significant resource additions delivered through exploration



World's first dual drilling operations

Drilling faster and faster

■ Dual drilling completed safely and efficiently on three wells

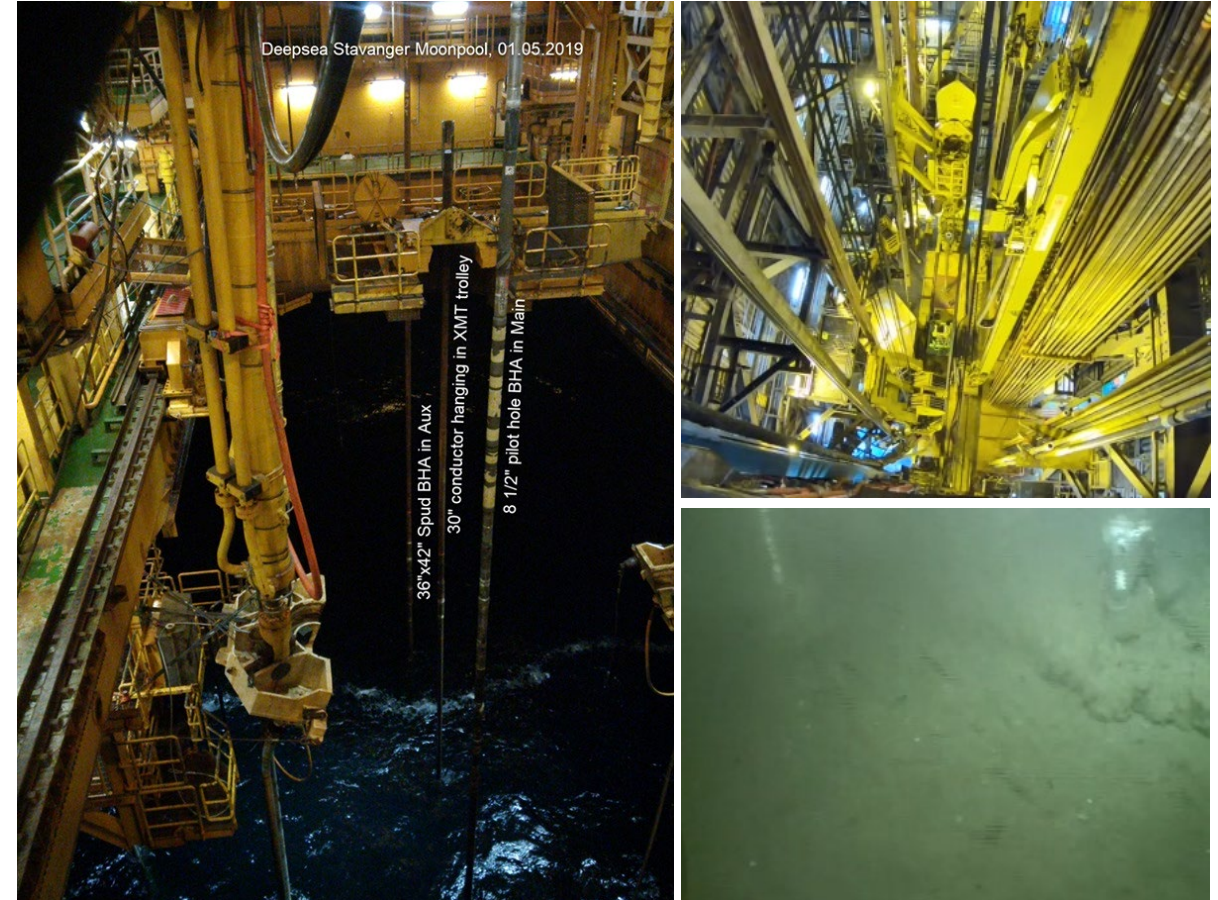
- JK
- Hornet
- Freke-Garm

■ Deepsea Stavanger – rig with world class capabilities

- Two top drives
- Two circulating systems
- Two drill crews

■ Saving time and money

- Time savings of ~30 hours per well
- Cost savings of up to NOK 15 million per well



Precision maneuvering two wellbores with a separation of 10 meters simultaneously

EXPLORATION UPDATE

2019 exploration program

Status per July 2019 – two new wells added in Q2

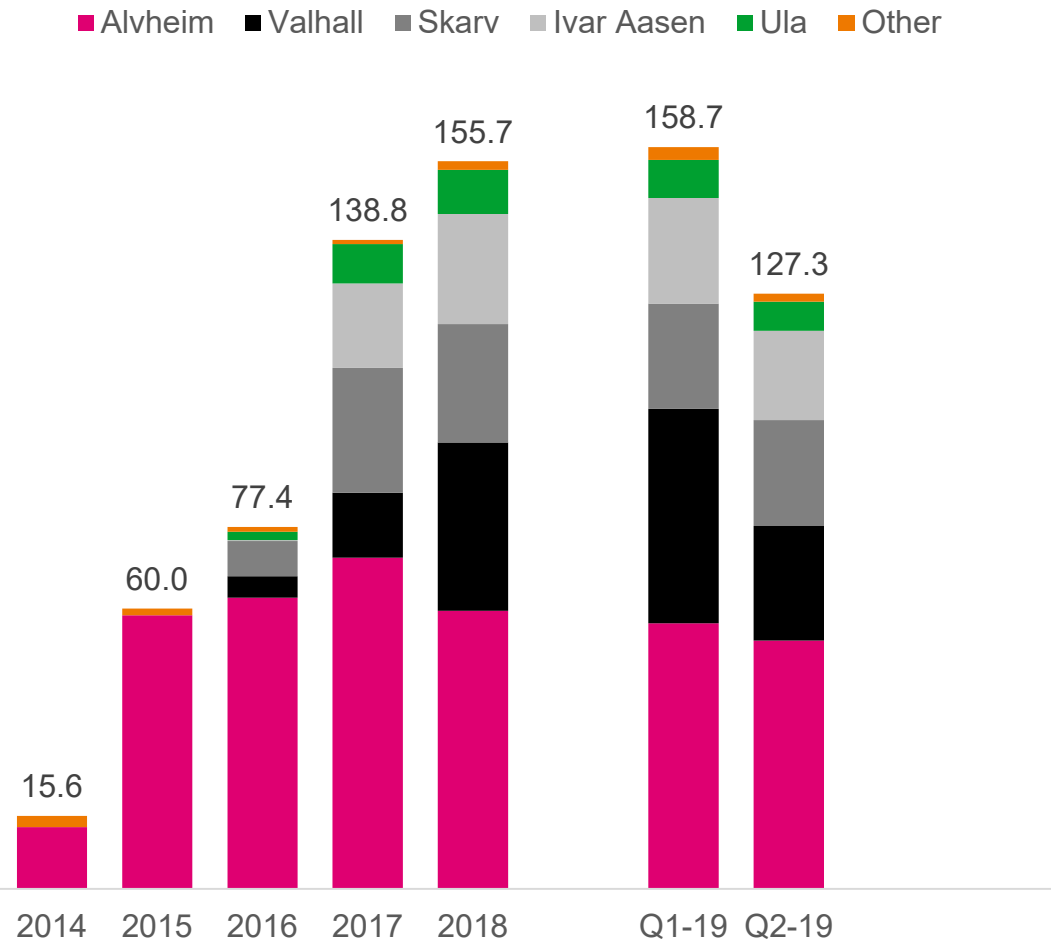
License	Prospect	Operator	Aker BP share	Est. spud	Pre-drill mmboe	Status
PL869	Froskelår Main	Aker BP	60 %	Q1	45 - 153	Discovery 60-130 mmboe
PL857	Gjøkåsen	Equinor	20 %	Q1	26 - 1427	Dry
PL033	Hod Deep West	Aker BP	90 %	Q1	2 - 22	Dry
PL869	Froskelår NE	Aker BP	60 %	Q2	7 - 23	Discovery 2-10 mmboe
PL916	JK	Aker BP	40 %	Q2	100 - 420	Dry
PL814	Freke-Garm	Aker BP	40 %	Q2	16 - 81	Dry
PL777	Hornet	Aker BP	40 %	Q2	14 - 137	Dry
PL502	Klaff	Equinor	22 %	Q2	50 - 372	Ongoing
PL869	Rumpetroll	Aker BP	60 %	Q2	45 - 148	Ongoing
PL442	Liatårnet	Aker BP	90 %	Q2	39 - 331	Discovery 80-200 mmboe
PL942	Ørn	Equinor	30 %	Q3	8 - 40	
PL762	Vågar	Aker BP	20 %	Q3	63 - 130	
PL782S	Busta	Conoco	20 %	Q3	54 - 199	
PL019C	Kark	Aker BP	60 %	Q3	15 - 48	
PL986	Nipa	Aker BP	30 %	Q3	35 - 115	NEW: Added in Q2
PL838	Shrek	PGNIG	30 %	Q4	10 - 22	
PL1008	Nidhogg	Aker BP	60 %	Q4	26 - 70	NEW: Added in Q2

Operational update

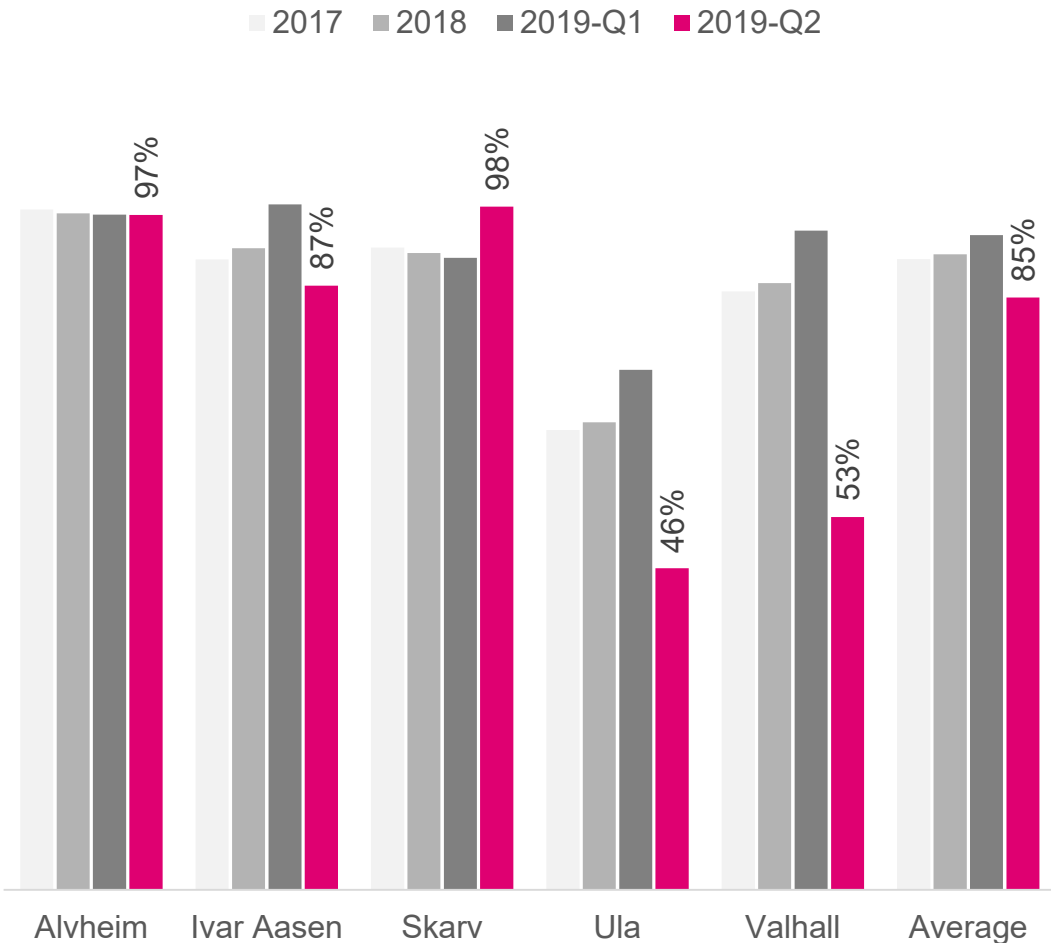
OPERATIONAL REVIEW

Production overview

Production per hub, mboepd



Production efficiency per hub



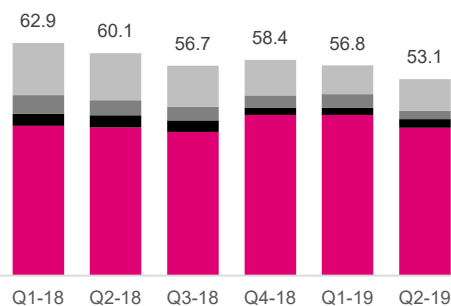
OPERATIONAL REVIEW

Alvheim

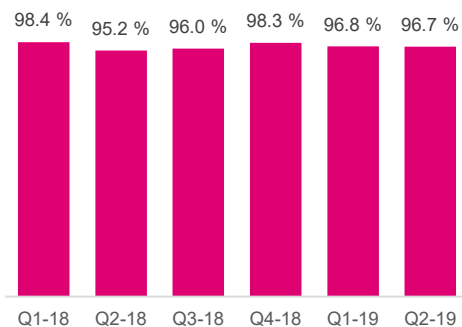
- Volund sidetrack well on stream
- Skogul development on track
- Frosk test producer completed
- Discovery Froskelår NE - Rumpetroll ongoing

Production (mboepd)

■ Alvheim ■ Bøyla ■ Vilje ■ Volund



Production efficiency

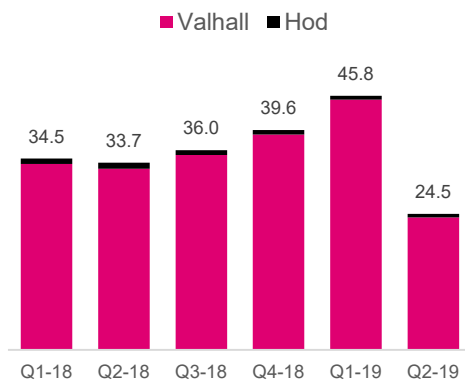


OPERATIONAL REVIEW

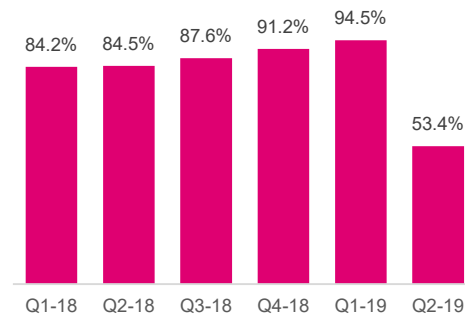
Valhall

- Valhall Flank West on track – platform installed
- Valhall QP topside removed
- Lower production in Q2 due to planned maintenance

Production (mboepd)



Production efficiency



Safe and efficient decommissioning

Removal of Valhall QP



Recovery of Jette Xmas trees

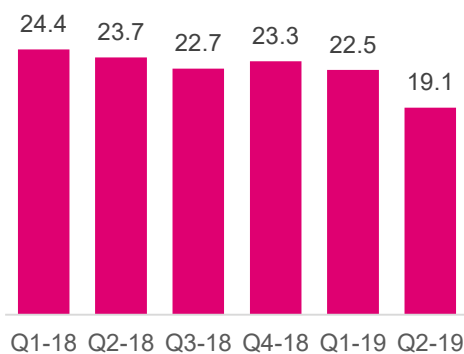


OPERATIONAL REVIEW

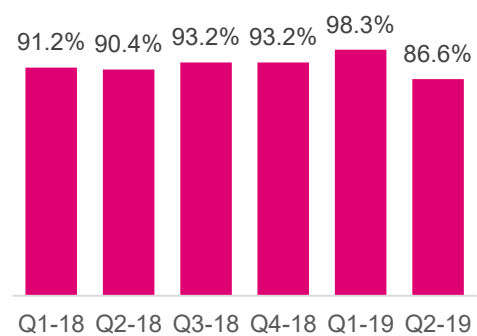
Ivar Aasen

- New well on stream – completed with Fishbone
- Currently drilling next production well
- Production down in Q2 due to power outages

Production (mboepd)



Production efficiency

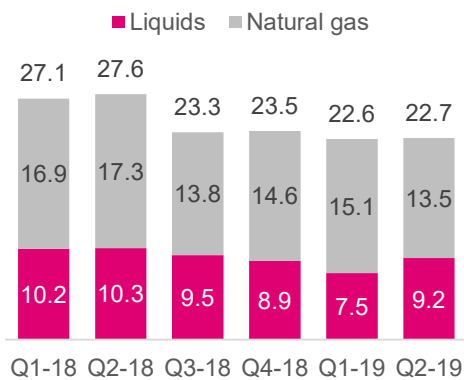


OPERATIONAL REVIEW

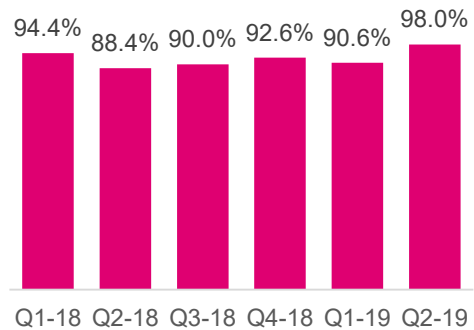
Skarv

- Steady production and high efficiency
- Increased gas injection to optimize liquids production
- Ærfugl development on track
 - Drilling and subsea installation in H2
 - Concept selected for Phase II – FID planned in Q4

Production (mboepd)



Production efficiency

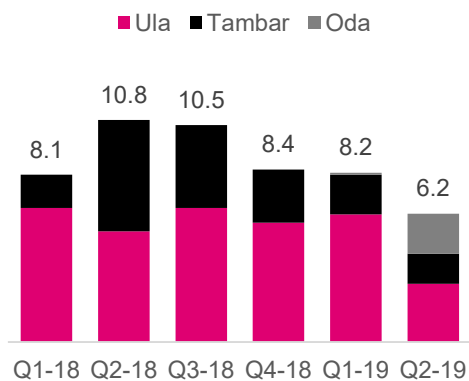


OPERATIONAL REVIEW

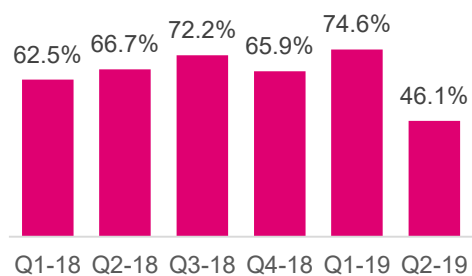
Ula

- Lower production due to planned maintenance
- Conversion of Ula DP completed
- New drilling campaign started

Production (mboepd)



Production efficiency





OPERATIONAL REVIEW

Johan Sverdrup

On track

- All topsides installed
- Remaining activities before production start:
 - Hook-up, commissioning and completion
 - Tie-back of pre-drilled wells
 - Tie-in of export pipelines
- Production start planned for November
- PDO for Phase 2 approved by the authorities

OPERATIONAL REVIEW

NOAKA – the largest project remaining on the NCS

Liatårnet discovery highlights the benefits of an area development

■ Growing resource base...

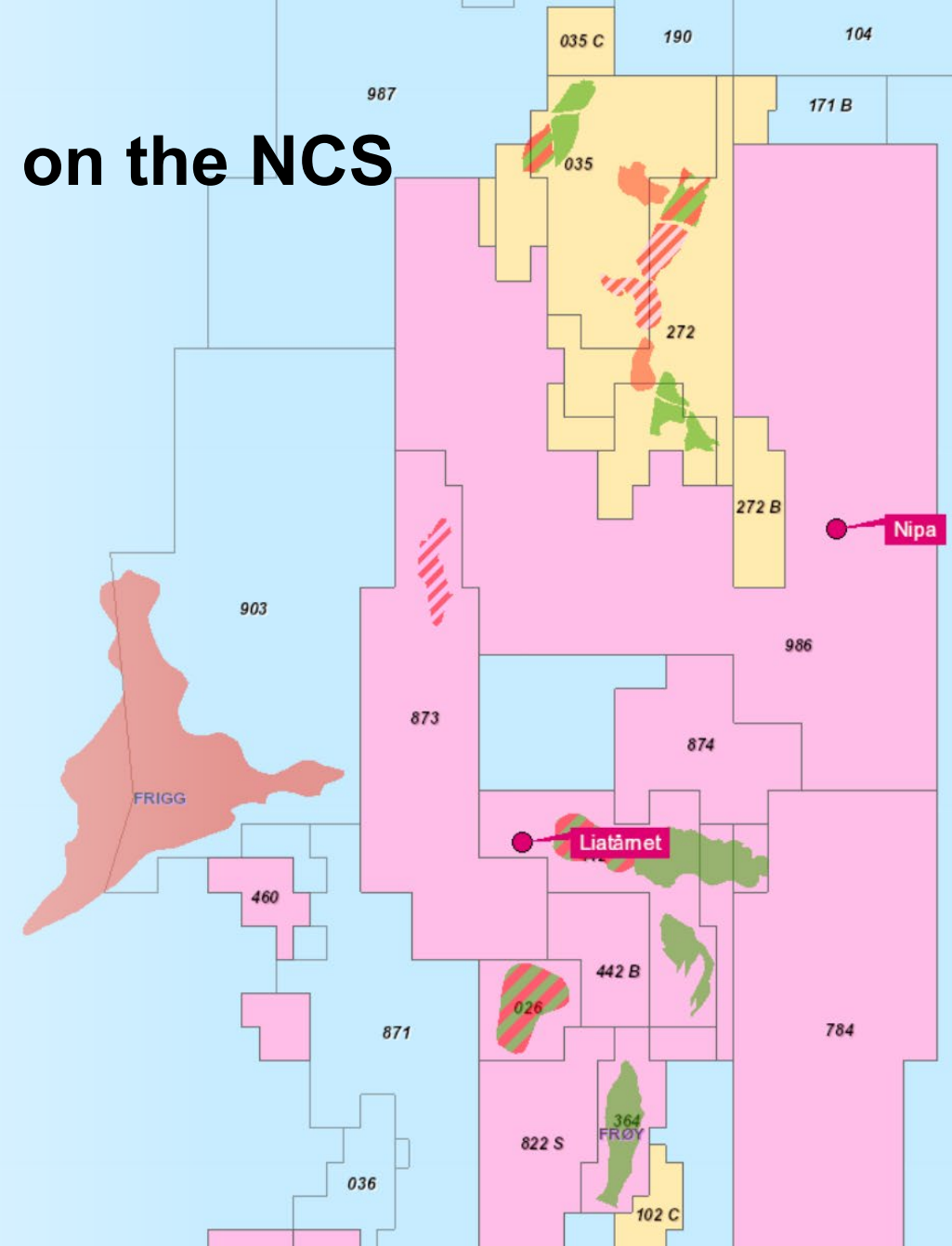
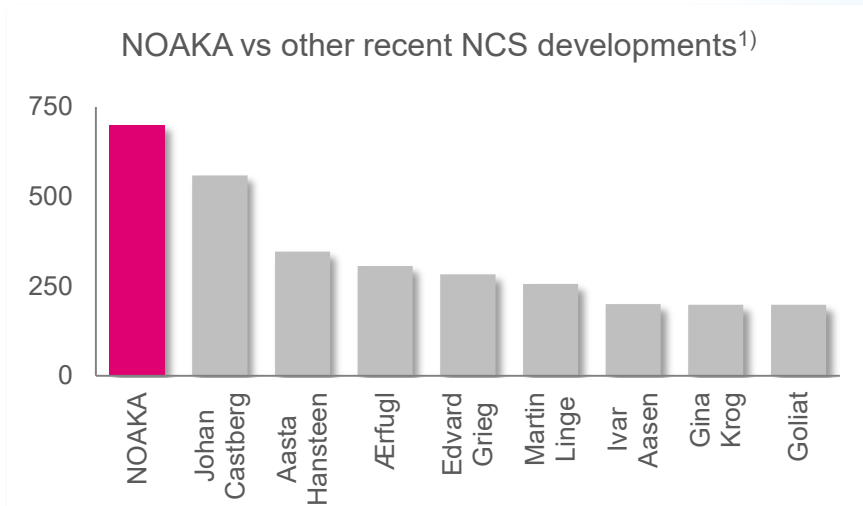
- Total recoverable resources ~700 mmboe (Aker BP interest >60% avg.)
- Nipa exploration well to be drilled in Q3

■ ...highlights the need for infrastructure in the region

- Many accumulations with various hydrocarbon types
- Further exploration potential

■ Aker BP favours a central processing hub (PQ)

- Highest value creation and resource utilisation
- Capacity for future discoveries



Financial review

Oil and gas sales

Volume (mboepd)

Production

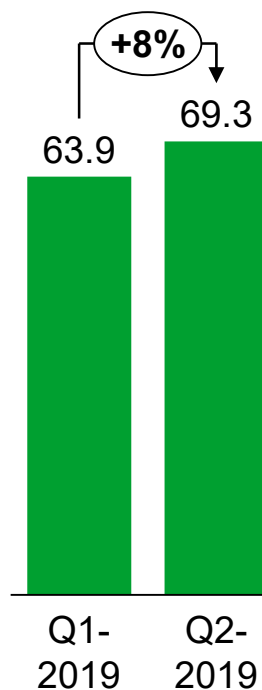


Sales

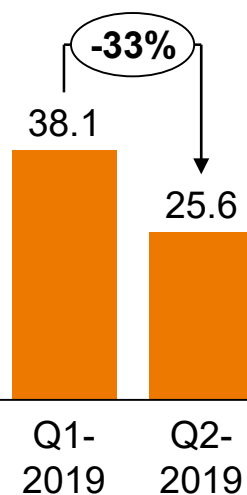


Realised prices (USD/boe)

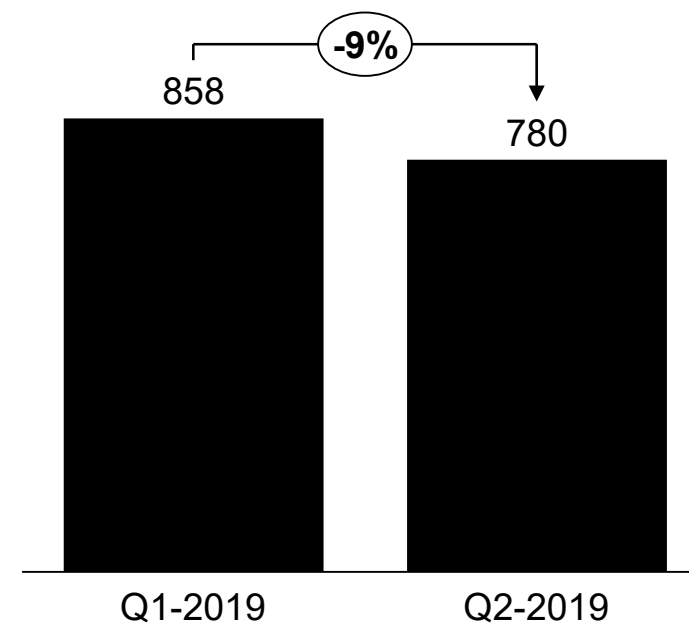
Liquids



Natural gas



Petroleum revenues (USDm)



Income statement

USD million	Q2 2019	Q1 2019	Q2 2018*
Total operating income	785	836	925
Production costs	198	200	151
Other operating expenses	4	7	1
EBITDAX	583	629	773
Exploration expenses	60	90	75
EBITDA	522	539	698
Depreciation	168	183	183
Impairment losses	-	69	-
Operating profit/loss (EBIT)	354	287	516
Net financial items	(86)	(37)	(22)
Profit/loss before taxes	268	249	494
Tax (+) / Tax income (-)	206	239	366
Net profit/loss	62	10	128
EPS (USD)	0.17	0.03	0.36

Statement of financial position

USD million

Assets	30.06.19	31.03.19	31.12.18*
Goodwill	1,791	1,791	1,860
Other intangible assets	2,522	2,483	2,433
Property, plant and equipment	6,300	5,954	5,746
Right-of-use asset	239	225	
Receivables and other assets	522	534	614
Calculated tax receivables	17	15	11
Cash and cash equivalents	102	114	45
Total Assets	11,493	11,117	10,709

Equity and liabilities	30.06.19	31.03.19	31.12.18*
Equity	2,664	2,799	2,977
Other provisions for liabilities incl. P&A (long)	2,560	2,505	2,581
Deferred tax	1,991	1,867	1,753
Bonds and bank debt	2,635	2,226	2,018
Lease debt	375	369	
Other current liabilities incl. P&A	829	784	828
Tax payable	439	567	552
Total Equity and liabilities	11,493	11,117	10,709

Increased financial capacity and reduced cost

New Revolving Credit Facilities (RCF)

- USD 4 billion, senior unsecured
- Replaces the secured RBL, with extended maturity
- Reduced interest cost and commitment fee

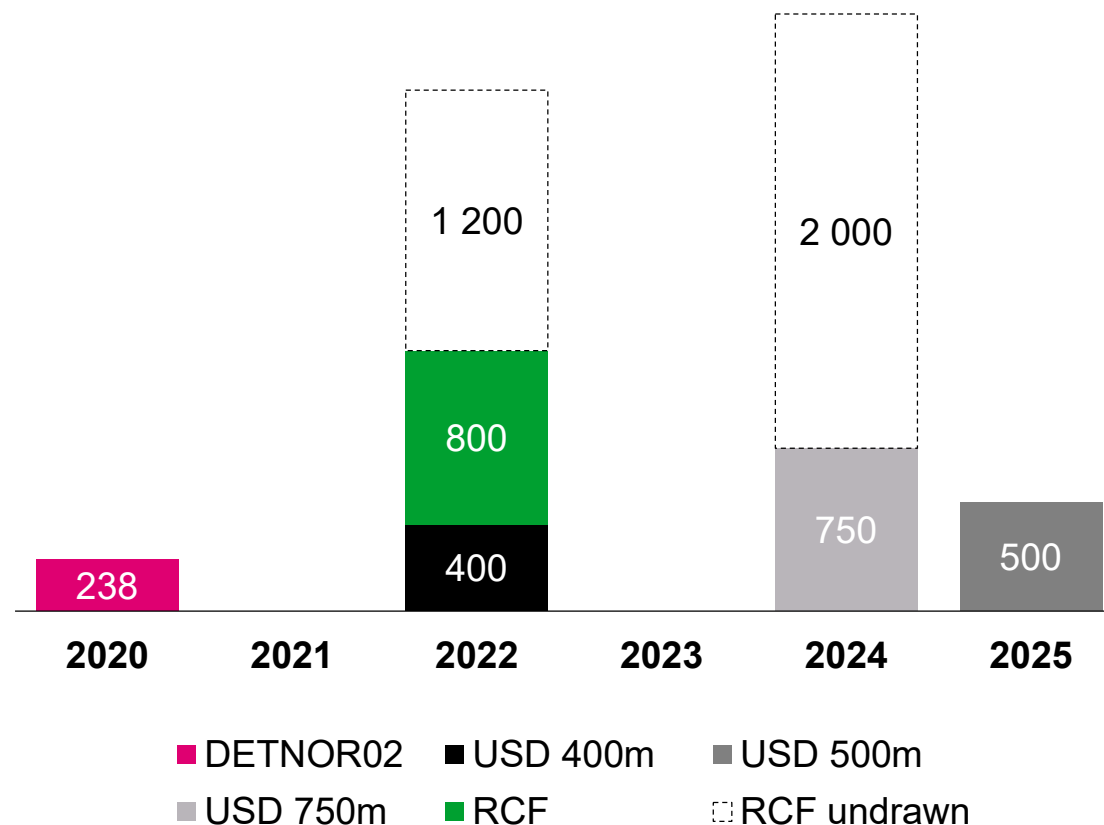
New bond issued

- USD 750 million, senior unsecured
- Coupon 4.75%, due 2024

Supported by credit ratings

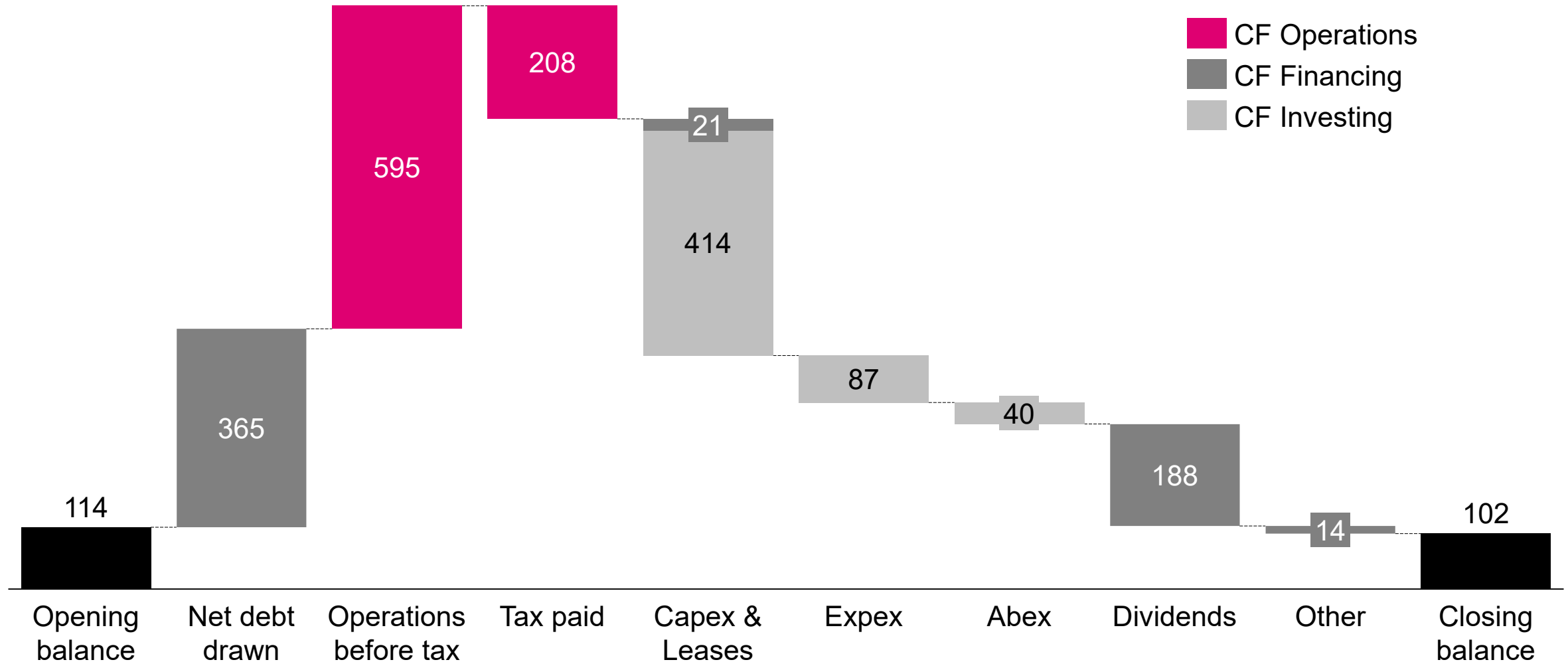
- S&P Global: BB+, positive outlook
- Moody's: Ba1, stable outlook
- Fitch: BBB-, stable outlook (new rating)

Debt maturity profile (USD million)



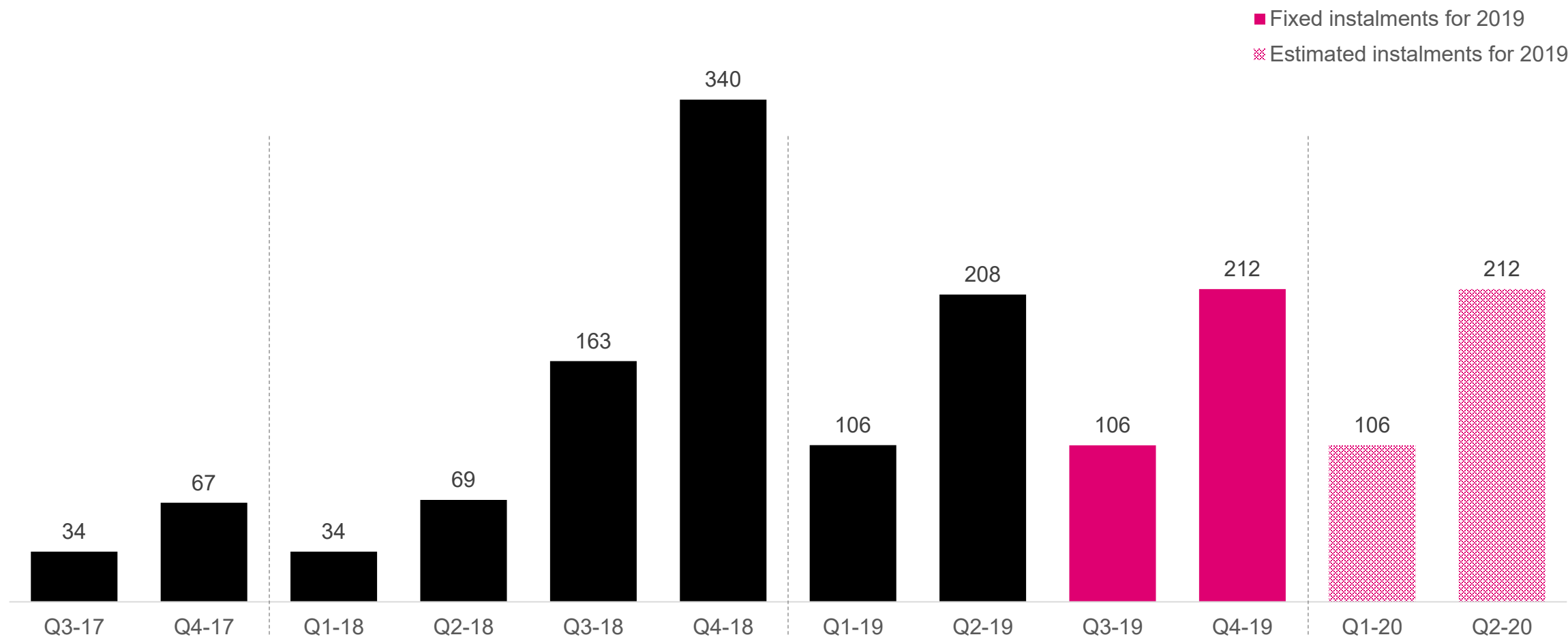
Cash flow – second quarter 2019

USD million



Tax payments

USD million



Guidance summary

	Actual per 2019-6M	Updated 2019 guidance ¹⁾
Production ²⁾	142.9 mboepd	155-160 mboepd
Capex ³⁾	USD 740 million	USD 1.6-1.7 billion <i>(previous USD ~1.6 billion)</i>
Exploration spend	USD 278 million	USD ~550 million <i>(previous USD ~500 million)</i>
Abandonment spend	USD 62 million	USD ~100 million <i>(previous USD ~150 million)</i>
Production cost per boe ⁴⁾	USD 14.3	USD ~12.5
Dividends	USD 375 million	USD 750 million

Concluding remarks

Priorities ahead

Execute

- Safe and efficient operations
- Excellent project execution

Improve

- Keep momentum on improvement agenda
- Leverage technology to drive value creation

Grow

- High exploration and appraisal activity
- Mature resources to reserves
- Start up of new fields

Maersk Invincible at Valhall Flank West





www.akerbp.com