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AKER BP ASA - CAPITAL MARKETS UPDATE 2020

Today’s programme

Karl Johnny Hersvik
CEO
High efficiency, profitable growth and value creation

Kjetel Digre
SVP Operations & Asset Development
Maximizing value of our assets

Evy Glørstad
SVP Exploration & Asset Initiation
Creating value through exploration

David Tønne
CFO
Maximizing returns through the cycle

Break

10:00

11:00

11:30

12:15 – 12:45

All speakers

Q&A session
High efficiency, profitable growth and value creation

Capital Markets Update

11 February 2020
The challenge

The need for energy to support rising prosperity

The need for CO$_2$ emissions to fall dramatically
Affordable, reliable, sustainable and modern energy for all

World population will continue to increase…

… and human prosperity is closely linked to energy consumption

Energy-related CO₂ emissions must come down to reach the Paris goals

1) Source: UN’s World Population Prospects 2019
2) Source: IEA World Energy Outlook 2019. The Sustainable Development Scenario, according to the IEA, identifies a pathway consistent with key energy-related sustainable development goals for emissions, access and air quality (e.g. the Paris Agreement)
Oil demand varies significantly across energy scenarios

Global petroleum liquids demand (mmboepd)

IEA Sustainable Development Scenario outlines a major transformation of the global energy system which is fully aligned with the Paris Agreement.

Source: IEA World Energy Outlook 2019, BP’s Statistical Review of World Energy and various other sources
Investments in oil and gas essential part of the energy transition

Oil and gas a large share of the energy mix

Upstream investments needed to meet the demand
Average annual upstream oil and gas investment estimates (USD bill. 2018)

Source: IEA World Energy Outlook 2019
The future requires more efficient production of oil and gas

**Lower emissions**
(CO₂ - kg/boe)

- North America
- Asia
- Global avg.
- Norway
- Aker BP 2018
- Aker BP 2019
- Below 5 kg/boe

**Lower cost**
Aker BP ambition (USD/boe)

- 2019
- 2020
- 2021
- 2022
- 2023

- Higher returns per barrel produced
- Cater for increased cost of emissions
- Resilience to demand changes

Source: NOROG (data from 2017), except Norway (2018). Numbers for Aker BP are company data (equity share)
Our contribution as a pure play oil & gas company

Return value
Produce efficiently to return high value from oil & gas resources to our stakeholders

Reduce emissions
Reduce emissions from our operations focusing on the total footprint

Share
Contribute with data, know-how and technology to other industries
<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total resources (billion boe)</td>
<td>1.84</td>
</tr>
<tr>
<td>Net production (mboepd)</td>
<td>205-220</td>
</tr>
<tr>
<td>CO₂ emissions (kg/boe)</td>
<td>&lt;5</td>
</tr>
<tr>
<td>Production cost (USD/boe)</td>
<td>~10</td>
</tr>
<tr>
<td>Annual shareholder return since 2016</td>
<td>51%</td>
</tr>
<tr>
<td>Dividend (USD mill.)</td>
<td>850</td>
</tr>
</tbody>
</table>

1) Sum of oil and gas 2P reserves and 2C resources per year-end 2019  
2) Production target 2020  
3) CO₂ Kg/boe target  
4) Cost target 2020  
5) Bloomberg TSR from January 2016  
6) Plan for dividend payment 2020
A journey of high growth and improved efficiency

“Cost reductions”  “Process improvement”  “Improvement culture”  “Reorganizing the value chain”  “Aker BP operating model”


* Production volume in 1 000 barrels of oil equivalents per day (mboepd)
Safe and efficient operations

- Health, safety, security and environment is always the number one priority in Aker BP

- Improvement agenda enabler for improved safety, reliability and more efficient operations

- Aker BP dedicated to significantly reduce our environmental footprint

FTSE4Good

Aker BP became a member of the FTSE4Good Index Series in June 2019
AKER BP STRATEGY

Our strategy for value creation

EXECUTE

IMPROVE

GROW
EXECUTE

Achievements in 2019 support our strategic development

Operational excellence

0.6
Serious Incident Frequency

92%
Production efficiency

Strong organic growth

+70 000 boepd
in 2020 from three projects

Top explorer on the NCS

~170 mmboe
net volume discovered in 2019

Setting drilling records!

First dual drilling operation

“Dream Mile” record at Ærfugl

First offshore single-trip multi-frac well stimulation
# EXECUTE

## Reaching our targets for 2019

<table>
<thead>
<tr>
<th>Category</th>
<th>Guiding CMD</th>
<th>Actual</th>
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</thead>
<tbody>
<tr>
<td>Production mboepd</td>
<td>155-160</td>
<td>156</td>
</tr>
<tr>
<td>Capex USD billion</td>
<td>1.6</td>
<td>1.67</td>
</tr>
<tr>
<td>Exploration USD billion</td>
<td>0.5</td>
<td>0.50</td>
</tr>
<tr>
<td>Abandonment USD billion</td>
<td>0.15</td>
<td>0.11</td>
</tr>
<tr>
<td>Production cost USD per boe</td>
<td>12.5</td>
<td>12.4</td>
</tr>
<tr>
<td>Dividends USD million</td>
<td>750</td>
<td>750</td>
</tr>
</tbody>
</table>
Aker BP’s improvement pillars driving efficiency

**Partnerships and alliances**
1. Core operations
   - Well intervention and stimulation
   - Drilling & well modification
   - Asset Integrity
   - Wellhead platform

**Digitalization**
2. Driving efficiency
   - Subsea
   - Field center

**LEAN operations**
3. Work processes
   - Improved margins
   - Reduced execution time

**Flexible models**
4. One team

Value creation: Maximize flow efficiency & minimize waste
The alliances are the cornerstones of our improvements
One team – common goals – shared incentives
IMPROVE
Tech is easy - implementation is hard

Cooperation and partnerships
Ensure scalability
Value outtake and accountability
Drive change in business models
GROW
Profitable organic and inorganic growth

DEVELOP RESOURCE BASE
EXPLORATION
MERGERS AND ACQUISITIONS
GROW

Counter-cyclical and value-driven approach to M&A

Logos represents acquisitions, mergers and asset transactions by Aker BP in Norway in the respective year. (M&A: mergers & acquisitions)
GROW
Targeting new opportunities

CRITERIA FOR M&A IN AKER BP

1. Financially accretive
2. Operated assets
3. Predominantly liquids
4. Upside potential
TARGETING SUPERIOR VALUE CREATION
TARGETING SUPERIOR VALUE CREATION

Unique resource base – a strong foundation for organic growth

2P reserves
- 906 mmboe
- 83% liquids
- Valhall 36%
- Johan Sverdrup 34%
- Skarv 11%
- Alvheim 9%
- Ula 4%
- Ivar Aasen 5%

2C resources
- 931 mmboe
- ~75% liquids
- NOAKA 34%
- Valhall 25%
- Ula 18%
- Skarv 9%
- Alvheim 9%
- Other 6%
TARGETING SUPERIOR VALUE CREATION

High and profitable growth from existing portfolio

Production ambition (mboepd)
TARGETING SUPERIOR VALUE CREATION

Returning value creation to shareholders

Dividends, USD million

- Strong cash flow from existing portfolio
- Profitable growth from project pipeline
- Strong balance sheet

USD per share:

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposed</th>
<th>Plan</th>
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<tbody>
<tr>
<td>2017</td>
<td>250</td>
<td></td>
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<tr>
<td>2018</td>
<td>450</td>
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<td>2019</td>
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<tr>
<td>2020</td>
<td>850</td>
<td>950</td>
<td>1,050</td>
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<tr>
<td>2021</td>
<td>950</td>
<td>1,050</td>
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<td>2022</td>
<td>1,050</td>
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<tr>
<td>2023</td>
<td>1,150</td>
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</tr>
</tbody>
</table>
HIGH EFFICIENCY

PROFITABLE GROWTH

VALUE CREATION
Maximizing the value of our assets

Capital Markets Update 2020

Kjetel Digre
SVP Operations & Asset Development
2P reserves 906 mmboe

2C reserves 931 mmboe

2019 production 156 mboepd

Vallhall area Operator, 90%
Alvheim area Operator, ~65%
Skarv area Operator, ~24%
Ivar Aasen Operator, ~35%
Ula area Operator, 15-80%
Johan Sverdrup 11.6%

Other shareholders 40% 30% 30%

Skarv Alvheim Ivar Aasen Johan Sverdrup Ula Valhall
MAXIMIZING THE VALUE OF OUR ASSETS

Key operational priorities

SAFETY
0
Serious incidents

LOW EMISSIONS
5 kg
$CO_2$ emissions per barrel

LOW COST
< $7
Production cost per barrel

HIGH PRODUCTION EFFICIENCY
95%
Production efficiency

PROFITABLE GROWTH
$35
Full life cycle break-even requirement
MAXIMIZING THE VALUE OF OUR ASSETS

Driving operational excellence

Using the improvement toolbox…

...to build a leading operating model
MAXIMIZING THE VALUE OF OUR ASSETS

Driving down cost – targeting below USD 7 per barrel

Production cost (USD/boe)

Assuming USDNOK of 8.5 in 2020 and onwards
MAXIMIZING THE VALUE OF OUR ASSETS

A large and profitable opportunity set for growth

Large resource base with highly attractive economics…

- NOAKA 34%
- Valhall area 25%
- Alvheim area 9%
- Ula area 18%
- Skarv 9%
- Other 6%

931 mmboe
~75% liquids

Break-even for non-sanctioned projects (USD/boe)¹

Production ambition non-sanctioned projects Mboepd

¹) Break-even defined as the oil price necessary to achieve positive NPV using 10% discount rate
Substantial improvements through alliances

Accelerated production

Start-up in first half of 2020

Ærfugl project

300

MILLION BOE

$15

ÆRFUGL BREAK-EVEN PRICE
SKARV

Increased volumes, better efficiency and lower cost

Increased 2P reserves at Skarv
Reserves addition of 85% last three years (mmboe, net)

Improved production efficiency
Tremendous improvement on Skarv adds volume and value

Reduced production cost
USD per barrel

<table>
<thead>
<tr>
<th>Year</th>
<th>Produced 2017-19</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<tr>
<td>2016</td>
<td>67</td>
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<td>2017</td>
<td>100</td>
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<tr>
<td>2018</td>
<td>127</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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<td>2016</td>
<td>13.0</td>
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<td>2017</td>
<td>12.1</td>
<td></td>
<td></td>
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<tr>
<td>2018</td>
<td>11.6</td>
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</tr>
<tr>
<td>2019</td>
<td>10.6</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
2019 CO₂ EMISSION REDUCTIONS IN PRACTICE

Optimization of energy use and logistics at Skarv

ANNUAL CO₂ REDUCTIONS OF ABOVE 25 000 TONNES

1. Reduced export pressure and reduced energy use in the gas cleaning process

   Effects:
   - Reduced emissions and increased gas sales (scope 1 emissions)
   - Annual CO₂ emissions 22 000 tonnes lower and NOK 36 million in annual savings

2. Rescheduling in collaboration with other operators in the area

   Effects:
   - Reduced fuel consumption and emissions (scope 3 emissions)
   - Annual CO₂ emissions 3 300 tonnes lower and NOK 2.4 million in annual savings
Skarv production outlook

Priorities and outlook

**Execute**
- Deliver Ærfugl project on time and cost
- Maintain high production efficiency

**Improve**
- Piloting automated inspections
- Reduce emissions

**Grow**
- Mature and develop existing discoveries
- Continued exploration and appraisal

Skarv production outlook\(^1\) (net mboepd)

1) Included in production prognosis – Sanctioned: Ærfugl, Non-sanctioned: Alve North, Gråsel, Idun North, Shrek, Ørn
ALVHEIM – A GREAT SUCCESS STORY

The Aker BP blueprint for area developments

1) Excellent operations
2) Active area development

1) Estimated ultimate recovery from Alvheim, Vilje, Volund, Bøyla and Skogul (source: NPD)
ALVHEIM AREA

Priorities and outlook

**Execute**
- Safe and reliable operations
- Deliver new wells

**Improve**
- Production optimization
- High production efficiency

**Grow**
- Mature and develop area resources
- Evaluate debottlenecking opportunities

Alvheim production outlook\(^1\) (net mboepd)

1) Included in production prognosis – Sanctioned: Skogul   Non-sanctioned: Frosk, Froskelår, Trine & Trell, Kobra East/Gekko, Boa sidetrack, Kneler NE, Kameleon infill wells
Valhall area

Valhall (Valhall Unit) - 90%, Hod (PL33) - 90%

[Diagram showing the Valhall area with producing fields and field development areas labeled with green and orange colors, respectively.]
Valhall Flank West project

80 MILLION BOE

$28 VALHALL FLANK WEST BREAK-EVEN PRICE

A new standard for flank developments

Alliance strategy vital for project success

Excellent safety performance
First successful offshore “Single-Trip Multi-Frac” campaign

Key technology to enable increased recovery

- Applied at Valhall with success
- An alliance delivery
  - Part of the Well Intervention and Stimulation alliance with Stimwell Services and Schlumberger
- Benefits
  - Less time spent per well
  - Reduced cost
  - Gets the well earlier on stream
- Key enabling technology for tight oil reservoirs both at Valhall and elsewhere
- Helping unlock the next billion barrels at Valhall

Several zones can be fractured with just one trip down into the well
VALHALL AREA

Priorities and outlook

Execute
- Maintain high production efficiency
- Drill, complete and stimulate new wells
- Execute P&A campaign

Improve
- Reduce opex
- Aker BP frontrunner on integrated planning
- Strategic transformation program

Grow
- Hod development project
- Mature new infill targets
- Develop drainage strategy for Diatomite

Valhall production outlook\(^1\) (net mboepd)

1) Included in production prognosis – Sanctioned: Valhall Flank West  Non-sanctioned: Hod, Valhall Diatomite, Valhall Tor, Valhall FW and other infill wells
ULA AREA

Priorities and outlook

Execute
- Ula infill drilling campaign
- Drill Triassic pilots, and test of gas injection

Improve
- Handling of produced water
- Drive down opex

Grow
- Mature Ula re-development plans
- Mature King Lear – significant potential post 2025
- Pursue area exploration prospects

Ula production outlook\(^1\) (net mboepd)

1) Included in production prognosis – Sanctioned: Infill wells  Non-sanctioned: Tambar K2 Sidetrack, Tambar NW infill
Onshore control room – a successful first year

1. Record production efficiency
2. Cooperation across disciplines
3. Evaluating partly unmanned operations
IVAR AASEN
Priorities and outlook

**Execute**
- Maintain high production efficiency
- Drill two new IOR wells
- Perform first TAR since start-up

**Improve**
- Full electrification by 2022
- Aker BP’s frontrunner for digital operations
- Implement new operation model

**Grow**
- Mature Hanz and new infill targets
- Drill Sørvesten prospect in PL780 as partner
- Mature near-field exploration targets

---

**Ivar Aasen production outlook**

1) Included in production prognosis – Sanctioned: Hanz  Non-sanctioned: Infill wells
JOHAN SVERDRUP
A world class oil field

RESOURCES
- Resources: 2.2-3.2 bn boe
- 2P reserves: 2.7 bn boe
- Recovery ambition above 70%

PRODUCTION
- Currently ~350 mboepd
- Plateau production phase 1 of 440 mboepd (Q2 20)
- Plateau production phase 2 of 660 mboepd (Q2 22)

PROFITABILITY
- Break even oil price below USD 20 per barrel
- Production cost below USD 2 per barrel

CO₂ INTENSITY
- 0.67 kg per barrel

Photo: Equinor
JOHAN SVERDRUP
Phase 2 with first oil late 2022 to lift production to +660 000 boepd

New processing platform
28 wells
5 templates
Gross Capex: NOK 41 bill.
Adding 220 000 boed
MAXIMIZING THE VALUE OF OUR ASSETS

SAFETY
LOW EMISSIONS
LOW COST
HIGH PRODUCTION EFFICIENCY
PROFITABLE GROWTH
Progressing towards a joint development of the NOAKA area

- Gas export to Statpipe
- Oil export to Grane oil pipeline (GOP)
- UPP – with power from shore
- PDQ platform – with power from shore

Illustration: Equinor
The Aker BP exploration formula

Maximize value of operated hubs: 60%
Explore for new hub potential: 40%
Smart integration of data and technology
EXPLORATION

Excellent exploration results in 2019

2019 discoveries (mmboe)

- Froskelår Main
- Froskelår NE
- Liatåmet
- Ørn
- Shrek
- Other

2019 achievements

- Participated in 16 exploration wells
- Finding cost ~$0.6 per boe (after tax)
- Net discovered ~170 mmboe

Discovered volume per year (mmboe)

- 250 mmboe target set for 2016-2020 achieved
**EXPLORATION PERFORMANCE**

**Exploiting the potential around Alvheim**

- Frosk on test production
- Evaluating options for Froskelår
- Maturing new exploration opportunities

**Froskelår**
- 62-140 mmboe
- Aker BP 60%
- Operator Aker BP

**Frosk**
- 50 mmboe
- Aker BP 65%
- Operator Aker BP
EXPLORATION PERFORMANCE

Skarv – a key exploration region

- Skarv FPSO – high capacity and long-life infrastructure
- Discovered Ørn and Shrek in 2019
- Two wells planned in 2020

Ørn
- 34-88 mmboe (gas)
- Aker BP 30%
- Operator Equinor

Alve NE
- pre-drill estimate 8-25 mmboe
- Aker BP 88%
- Operator Aker BP

Shrek
- 19-38 mmboe (oil/gas)
- Aker BP 35%
- Operator Aker BP

*N Subject to regulatory approval of transaction with PGNiG
EXPLORATION PERFORMANCE

Liatårnet – exciting opportunity in the NOAKA area

- Discovery estimated to 80-200 mmboe recoverable
- Potential tie-in to NOAKA development solution
- Appraisal well planned in 2020
EXPLORATION 2020

High risk and high potential in the Barents Sea

Will set the future direction for Aker BP activity in the region

- **PL719 – Sandia**
  - pre-drill est.
  - 23-527 mmboe
  - Aker BP 20%
  - Operator Spirit

- **PL533 – Bask**
  - pre-drill est.
  - 14-585 mmboe
  - Aker BP 35%
  - Operator Lundin

- **PL722 – Shenzhou**
  - pre-drill est.
  - 191-505 mmboe
  - Aker BP 20%
  - Operator Equinor

- **PL858 – Stangnestind**
  - pre-drill est.
  - 13-108 mmboe
  - Aker BP 40%
  - Operator Aker BP
EXPLORATION

2020 exploration programme

Planning
10 wells

Net unrisked
~320 mmboe

Net risked
~90 mmboe

Net unrisked resources, mmboe (accumulative)
Positioning Aker BP for further profitable growth

**EXECUTE**
Follow up on 2019 successes with appraisal and new targets

**IMPROVE**
Apply new technology to create new opportunities

**GROW**
Utilize existing infrastructure and search for new core areas
Maximizing returns through the cycle
Capital Markets Update 2020

David Tønne
Chief Financial Officer
FINANCIAL STRATEGY
Maximizing returns through the cycle by balancing three priorities

- Invest in profitable growth
- Maintain sufficient financial capacity
- Return value creation
**FINANCIAL STRATEGY**

**Delivering on our 2019 ambitions**

**Invested with discipline**

<table>
<thead>
<tr>
<th>Capital budget (USD billion)</th>
<th>Capex</th>
<th>Expex</th>
<th>Abex</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 CMD</td>
<td>2.25</td>
<td>2.30</td>
<td>2.28</td>
</tr>
<tr>
<td>Latest guidance</td>
<td>0.50</td>
<td>0.55</td>
<td>0.50</td>
</tr>
<tr>
<td>Actual</td>
<td>1.6</td>
<td>1.65</td>
<td>1.67</td>
</tr>
</tbody>
</table>

**Optimized capital structure**

- April
  - Replaced RBL with $4bn unsecured RCF
- June
  - Assigned BBB- by Fitch
  - $0.75bn 5-year notes at 4.75%
- November
  - Assigned BBB- by S&P
- January
  - $0.5bn 5-year notes at 3%
  - $1bn 10-year notes at 3.75%

**Returned value**

<table>
<thead>
<tr>
<th>Dividend per share (USD)</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>0.74</td>
<td>1.25</td>
<td>2.08</td>
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</table>
FINANCIAL STRATEGY

Strong cash generation from producing assets

Production – sanctioned only mboepd

Capex – sanctioned only\(^1\)
USD billion

Free cash flow – sanctioned only\(^2\)
USD billion

---

1) Assuming USDNOK of 8.5 in 2020 and onwards
2) Free cash flow: Net cash flow from operating activities after tax minus Net cash flow used in investment activities. Before dividends
INVEST IN PROFITABLE GROWTH

Large resource base with highly attractive economics

2C contingent resources

931 mmboe
~75% liquids

Break-even for non-sanctioned projects (USD/boe)\(^1\)

1) Break-even defined as the oil price necessary to achieve positive NPV using 10% discount rate
INVEST IN PROFITABLE GROWTH

Great opportunity for strong organic growth

Production ambition (mboepd)

- Potential to near triple production with NOAKA
- Substantial organic growth from large portfolio of smaller non-sanctioned projects
- Stable production from 2019 - 2026 from already sanctioned projects
- No exploration upside included
INVEST IN PROFITABLE GROWTH

Flexible investment program continuously optimized

Capex outlook (USD billion)

2020 capex per asset

USD 1.5 billion

- Capitalized interest is excluded. Assuming USD/NOK of 8.5 in 2020 and onwards
INVEST IN PROFITABLE GROWTH

Climate risk integrated in investment decisions

Carbon pricing consistent with meeting climate goals

- Investments tested against cost of carbon emissions consistent with IEA's Sustainable Development Scenario
- Requires a carbon price of USD 100/tonne CO₂ in 2030
- Aker BP carbon price used for investment decisions:
  - USD ~ 90/tonne CO₂ in 2020
  - USD ~ 105/tonne CO₂ in 2030

INVEST IN PROFITABLE GROWTH

Driving down production cost below USD 7 per barrel

Production cost (USD/boe)

- Driven by improvement agenda and new fields in production
- Cost of emissions in line with IEA’s Sustainable Development scenario
- Further potential from realizing value from new operating model

Assuming USDNOK of 8.5 in 2020 and onwards
INVEST IN PROFITABLE GROWTH

Reducing cost and optimizing timing of decommissioning

Abandonment spend (USD million)

- **Strong performance in 2019**
  - Valhall QP
  - Ula Rig Access
  - Jette P&A

- **2020 plan**
  - Mainly P&A at Valhall

- **2021-25 outlook**
  - ~90% related to Valhall
  - >¾ related to P&A

- **Tax efficient**
  - Fully deductible same year as incurred at 78% tax rate

---

P&A: Plug & Abandonment. Assuming USDNOK of 8.5 in 2020 and onwards
Investments in exploration provide upside to current plan

Exploration spend (USD million)

- **2019 review**
  - 16 exploration wells
  - Discovered 170 mmboe
  - Finding cost: USD 0.6 / bbl a.t.

- **2020 plan**
  - 10 wells planned
  - Maturing recent discoveries
  - Field evaluation spend depending on NOAKA DG2

- **Tax efficient**
  - Fully deductible same year at 78% tax rate

> High flexibility on future exploration activity

Assuming USDNOK of 8.5 in 2020 and onwards
INVEST IN PROFITABLE GROWTH

Profitable growth generating increased cash flow

Current producing fields and sanctioned and non-sanctioned projects

**Production outlook**

mboepd

**Capex outlook**

USD billion

**Free cash flow outlook**

USD billion

---

1) Free cash flow: Net cash flow from operating activities minus Net cash flow used in investment activities
   Assuming USDNOK of 8.5 in 2020 and onwards
MAINTAIN SUFFICIENT FINANCIAL CAPACITY

Protecting a strong balance sheet

Financial framework and risk management

- Continuously optimizing capital structure
- Investment grade credit profile
- Liquidity buffer > USD 2 billion
- Management of commodity price and FX risk
- Insurance of assets and loss of production
- Criteria for M&A

Leverage ratio
Net debt / 12m EBITDAX

- **S&P Global** BBB- (stable)
- **Fitch Ratings** BBB- (stable)
- **Moody’s** Ba1 (stable)

Targeting leverage ratio below ~1.5x

- 2016
- 2017
- 2018
- 2019

Leverage ratio:
- 3.0
- 2.5
- 2.0
- 1.5
- 1.0
- 0.5
- 0.0

2016 2017 2018 2019
## Capital structure with significant available capacity

### High debt capacity – low utilization

**Debt facilities**  
USD million

<table>
<thead>
<tr>
<th></th>
<th>USD million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>3,359</td>
</tr>
<tr>
<td>Undrawn bank facility</td>
<td>4,000</td>
</tr>
<tr>
<td>Total capacity</td>
<td>USD ~7.4bn</td>
</tr>
</tbody>
</table>

**Bond maturities**  
USD million

<table>
<thead>
<tr>
<th>Year</th>
<th>NIBD</th>
<th>Value of tax balances</th>
<th>Tax payable</th>
<th>Adjusted net debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>209</td>
<td>400</td>
<td>209</td>
<td>1.0</td>
</tr>
<tr>
<td>2021</td>
<td>400</td>
<td>750</td>
<td>400</td>
<td>2.4</td>
</tr>
<tr>
<td>2022</td>
<td>750</td>
<td>1,000</td>
<td>750</td>
<td>3.2</td>
</tr>
<tr>
<td>2023</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>...</td>
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<tr>
<td>2024</td>
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<td>2030</td>
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</tr>
</tbody>
</table>

**Tax-adjusted net debt per 31.12.2019**  
USD billion

- NIBD: 3.2
- Value of tax balances: 2.4
- Tax payable: 0.2
- Adjusted net debt: 1.0

---

**MAINTAIN SUFFICIENT FINANCIAL CAPACITY**
MAINTAIN SUFFICIENT FINANCIAL CAPACITY

The plan is robust in various oil price scenarios

Leverage ratio - an approximation including all investments and dividends

Leverage ratio: Net debt/EBITDAX. Effect of oil put options are not included. All capex incl. sanctioned, non-sanctioned and NOAKA, Abex and Expex (no upsides from Exploration activity included). Static scenarios with no change in investment behavior or impact on supplier costs from changes in oil price.
Balanced and stable fiscal regime

Tax payments - USD million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3-18</th>
<th>Q4-18</th>
<th>Q1-19</th>
<th>Q2-19</th>
<th>Q3-19</th>
<th>Q4-19</th>
<th>Q1-20</th>
<th>Q2-20</th>
<th>Q3-20</th>
<th>Q4-20</th>
<th>Q1-21</th>
<th>Q2-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>163</td>
<td>340</td>
<td>106</td>
<td>208</td>
<td>106</td>
<td>212</td>
<td>50</td>
<td>100</td>
<td>$70</td>
<td>$60</td>
<td>$70</td>
<td>$60</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$50</td>
<td>$60</td>
<td>$70</td>
<td>$50</td>
</tr>
</tbody>
</table>

Sensitivity for fiscal year 2020:

1) Estimated current tax on income for fiscal year 2020 at various oil price scenarios, assuming USDNOK 8.5. Excluding potential payments related to uncertain tax cases.
RETURN VALUE CREATION

Returning value creation to shareholders

Dividends, USD million

- Ambition to return value creation as dividends
  - Strong cash flow from current production
  - Profitable growth from flexible project pipeline
  - Distributions matching underlying value creation

- Plan for dividend payout
  - Propose USD 850 million in 2020
  - Annual increase of USD 100 million

USD per share:

- 2017: 0.74
- 2018: 1.25
- 2019: 2.08
- 2020: 2.36
- 2021: 2.64
- 2022: 2.92
- 2023: 3.19
## FINANCIAL GUIDANCE 2020

Growing production – reducing spend – increasing dividends

<table>
<thead>
<tr>
<th>Production mboepd</th>
<th>Capital spend USD billion</th>
<th>Production cost USD/boe</th>
<th>Dividend USD million</th>
</tr>
</thead>
</table>

- **Production**: **+36%**
- **Capital Spend**:
  - **Abex**: **-4%**
  - **Exploration**: **+13%**
  - **Capex**: **-19%**
- **Dividend**: **+13%**
FINANCIAL STRATEGY

Capital allocation to maximize returns through the cycle

**Invest in profitable growth**
- Production potential – existing portfolio (mboepd)

**Maintain sufficient financial capacity**
- Leverage ratio (Net debt/EBITDAX)

**Return value creation**
- Dividend plan (USD million)

- **Sanctioned**
  - NOAKA
  - Non-sanctioned

- **Leverage ratio**
  - $50/bbl
  - $65/bbl
  - $80/bbl

- **Dividend plan**
  - 2017: $250
  - 2018: $450
  - 2019: $750
  - 2020: $850
  - 2021: $950
  - 2022: $1,050
  - 2023: $1,150
HIGH EFFICIENCY

PROFITABLE GROWTH

VALUE CREATION