

# First quarter 2020

Aker BP ASA

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6 May 2020

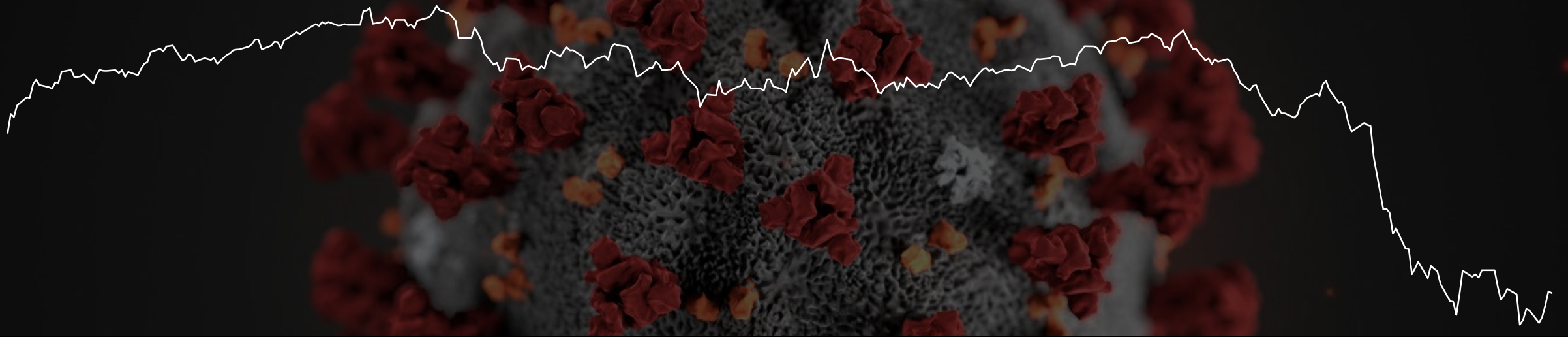


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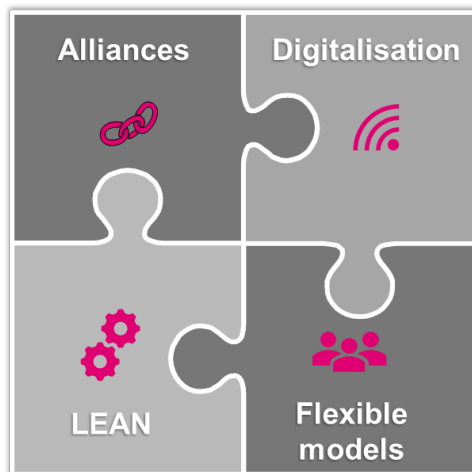
# Q1-2020 | Unprecedented challenges

- COVID-19 pandemic and oil price collapse
- Aker BP demonstrating its strength and flexibility
- Opportunity to build an even stronger company

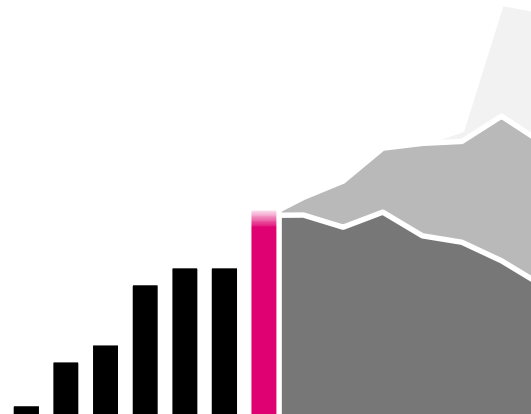


# Well positioned to tackle the crisis

## Improvement focus



## Flexible portfolio



## Financially robust



## Industrial owners



STRONG PERFORMANCE IN CHALLENGING TIMES

# Efficient management of the COVID-19 risk

Production maintained at full capacity

## ■ Top priority:

- Safeguarding our people
- Maintaining production

## ■ Mitigating actions:

- Reduced activity and manning offshore
- Travel restrictions and home office

## ■ Way forward:

- Testing procedures
- Contingency plans



STRONG PERFORMANCE IN CHALLENGING TIMES

# Q1-2020 | Best operational performance ever for Aker BP

**SAFETY  
FIRST**

**0**

Serious incidents

**RECORD  
PRODUCTION**

**208.1**

thousand barrels of oil equivalents per day

**LOWER  
COST**

**\$8.7**

Production cost per barrel

**HIGH  
EFFICIENCY**

**95.7%**

Production efficiency

**LOW  
EMISSIONS**

**4.8kg**

CO<sub>2</sub> emissions per barrel



STRONG PERFORMANCE IN CHALLENGING TIMES

# All three operated PDO projects now on stream

## Valhall Flank West



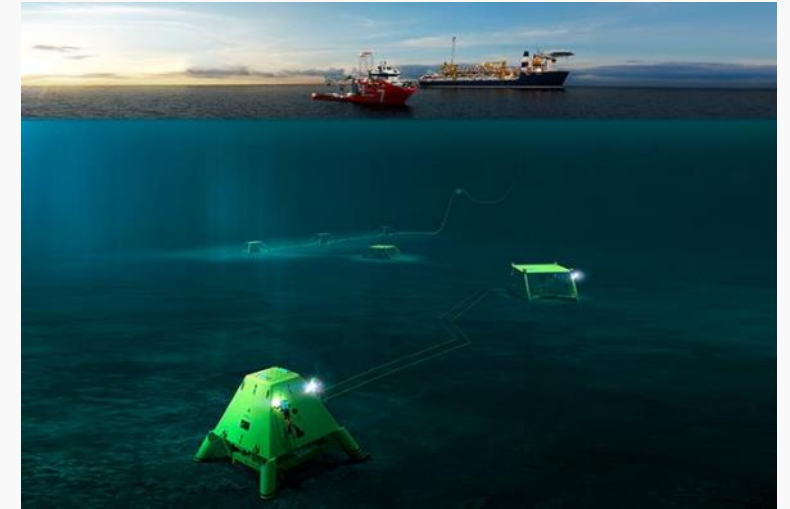
- Wellhead platform at Valhall
- First oil achieved in December 2019
- Drilling/stimulation continues through Q3

## Ærfugl



- Subsea tieback to Skarv
- Production started in April 2020
- Phase 1 complete by end-2020

## Skogul



- Subsea tieback to Alvheim
- Production started in March 2020

## DEMONSTRATING STRENGTH AND FLEXIBILITY

# Handling the crisis with determination and action

### Postponing investments

**\$1.2bn**

Capex planned for 2020  
**~20% reduced**  
compared to CMU



### Reducing opex

**\$7-8/boe**

Production cost 2020  
**~25% reduced**  
compared to CMU



### Reducing exploration activity

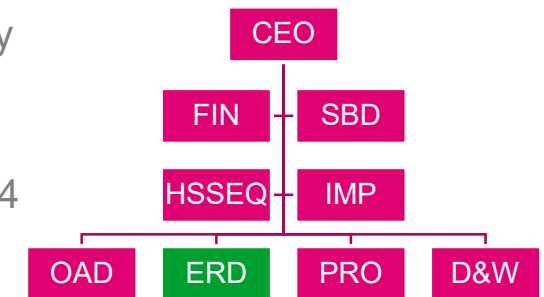
**\$350m**

Expex planned for 2020  
**~30% reduced**  
compared to CMU



### Adjusting the organisation

- ✓ Adjusting to lower activity
- ✓ First actions taken
- ✓ Go-live for new org. in Q4



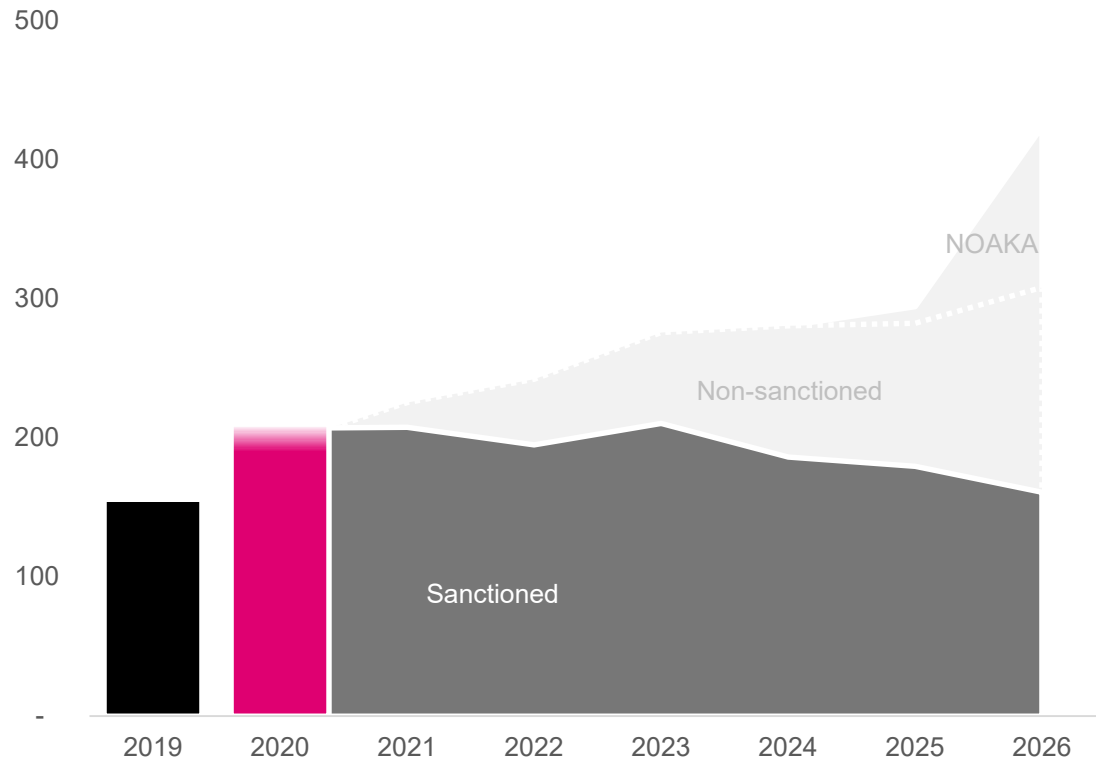


## DEMONSTRATING STRENGTH AND FLEXIBILITY

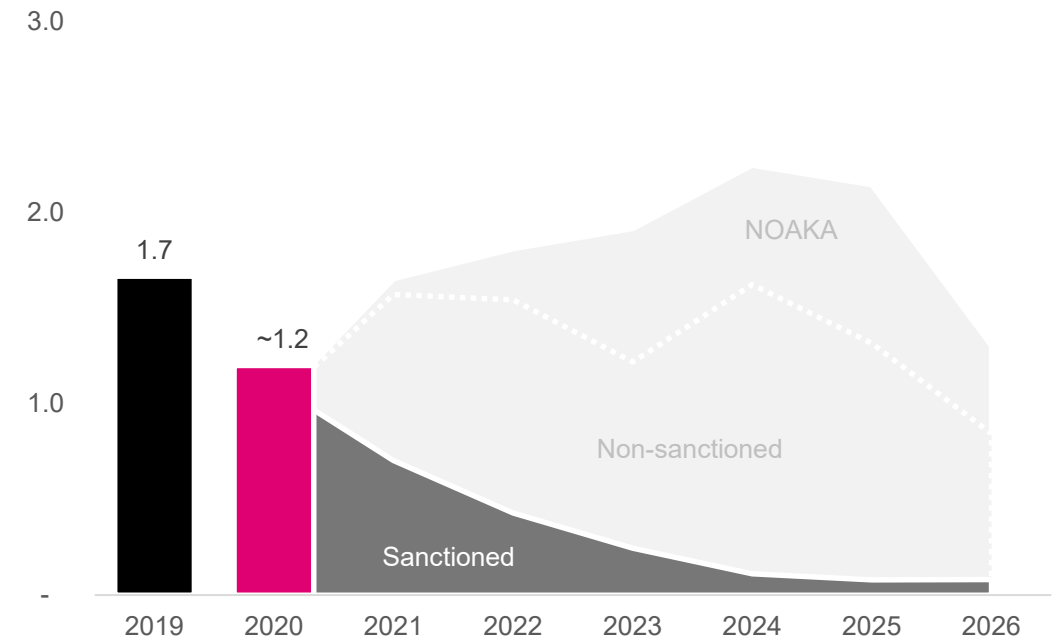
# Utilizing the flexibility of our portfolio

Moving to a sanctioned-only scenario – maintaining optionality for future growth

**Production sustained at ~200kbd**  
mboepd



**Limited capex needed in sanctioned-only**  
USD billion

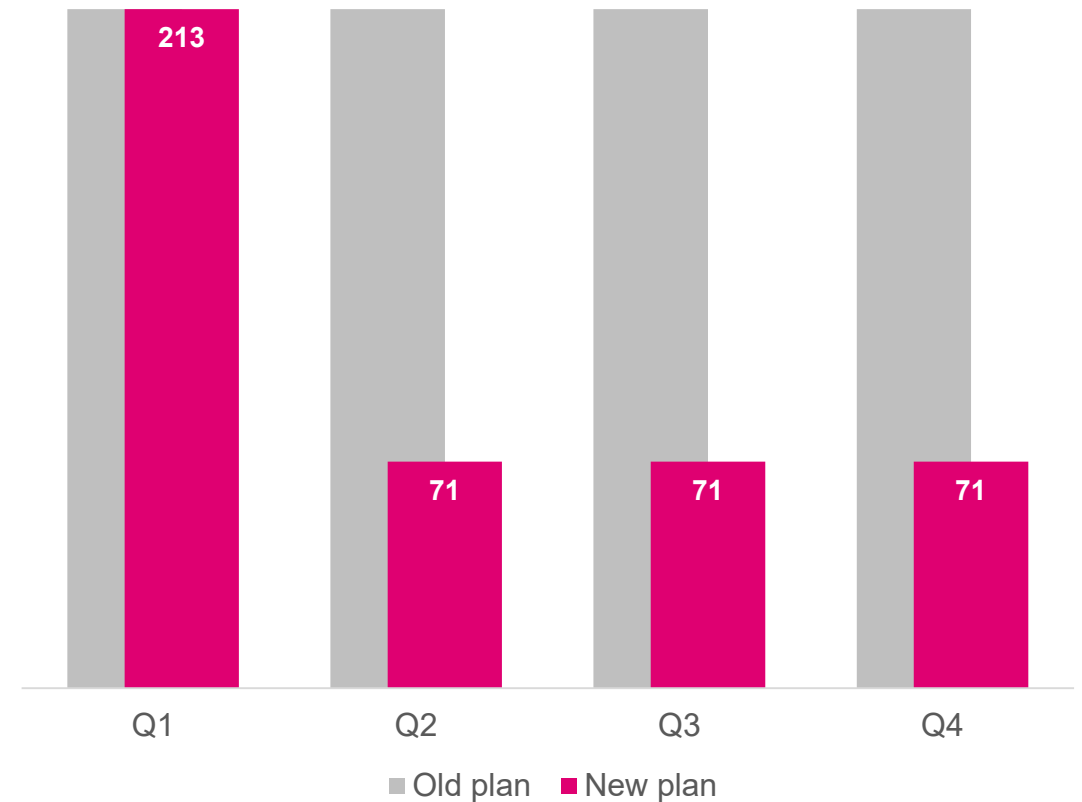




# Adjusting the dividend to retain financial flexibility

- Overall ambition: Attractive cash dividends
- Old dividend plan cancelled
  - Preserving financial flexibility
  - Positioning for future growth opportunities
- Quarterly dividend reduced to USD 71 million
  - Represents 50% reduction for FY20 compared to the old plan
- Will revert with new dividend policy when market conditions allow

2020 dividend ambition (USDm)



# Financial review

# Oil and gas sales

Volume (mboepd)

Realised prices (USD/boe)

Total income (USDm)

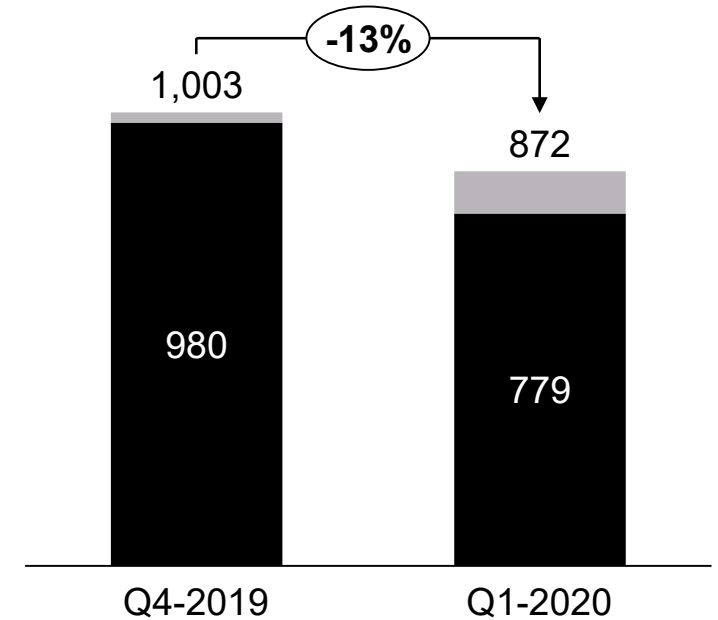
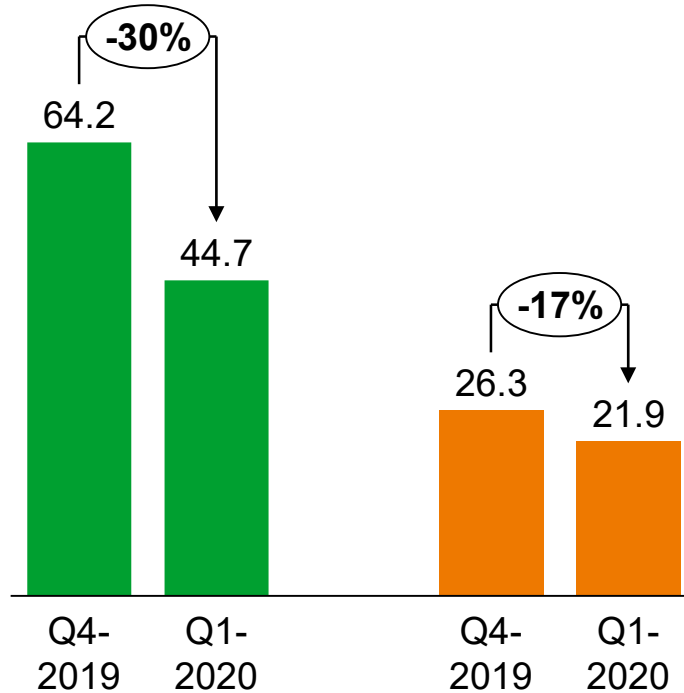
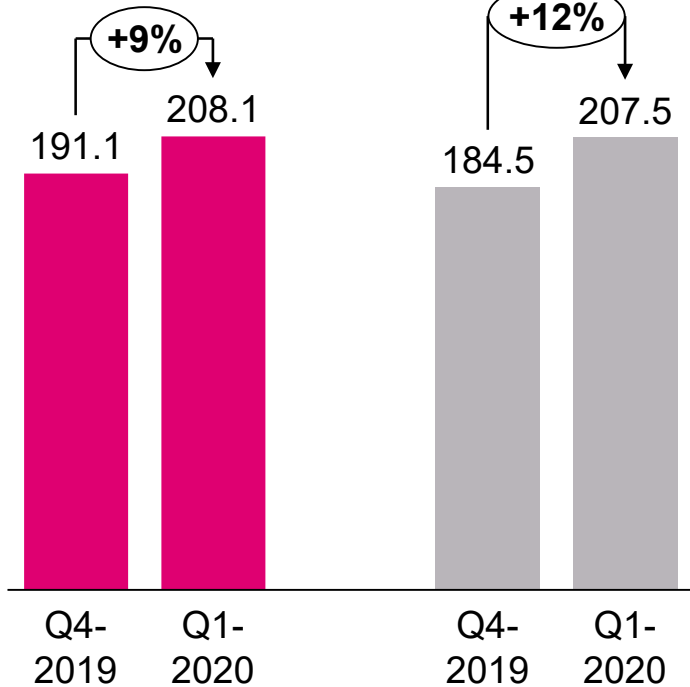
**Production**

**Sales**

**Liquids**

**Natural gas**

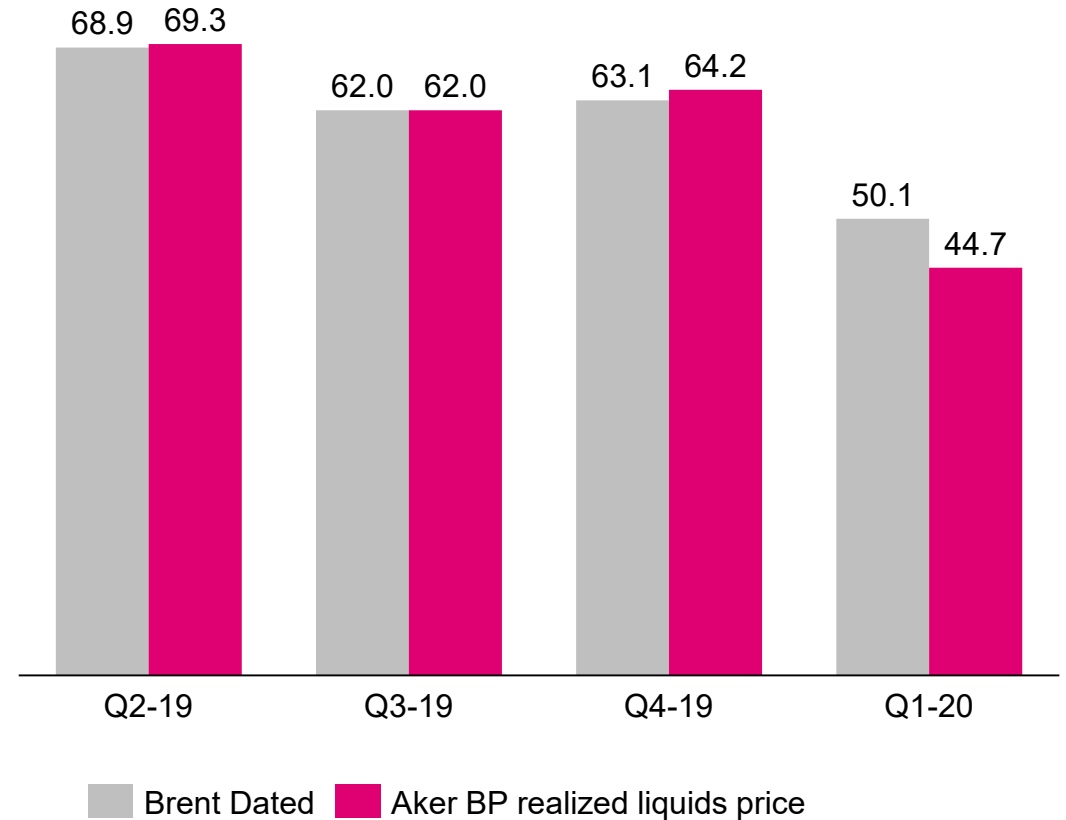
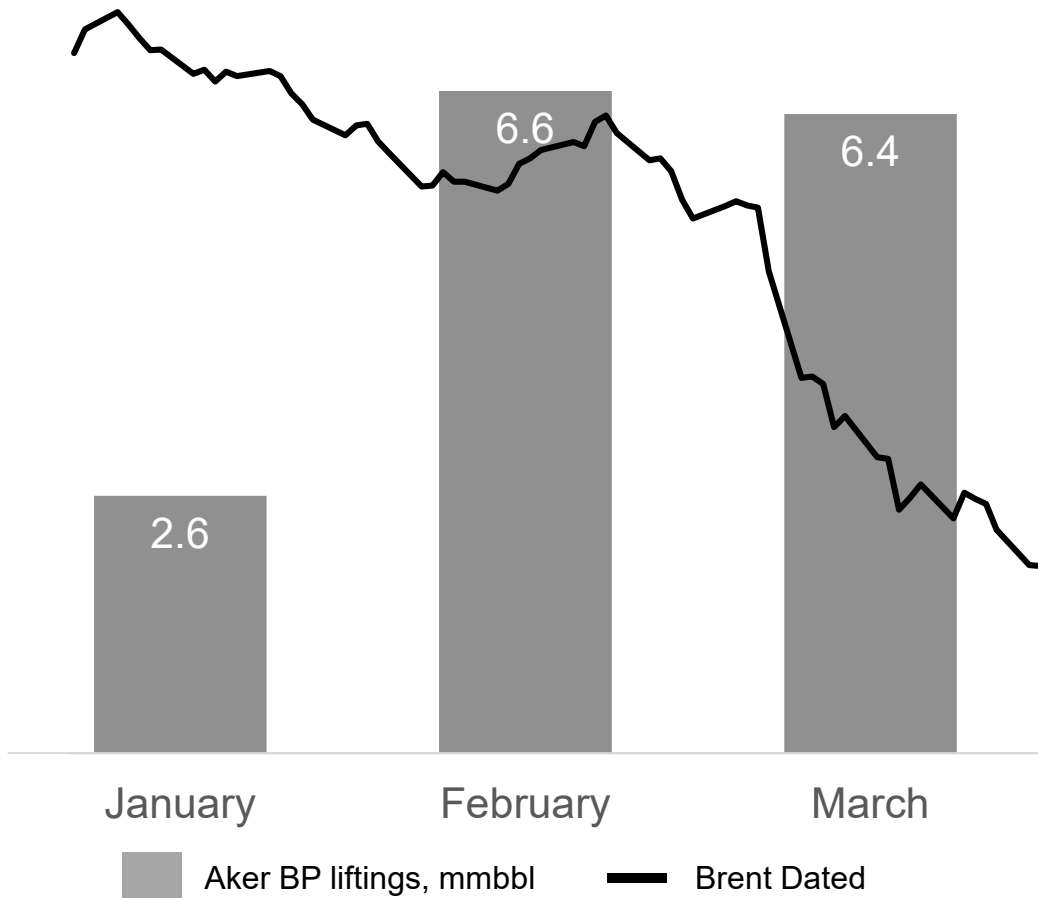
Other operating income  
Petroleum Revenues



# Timing of liftings impacted realized liquids prices

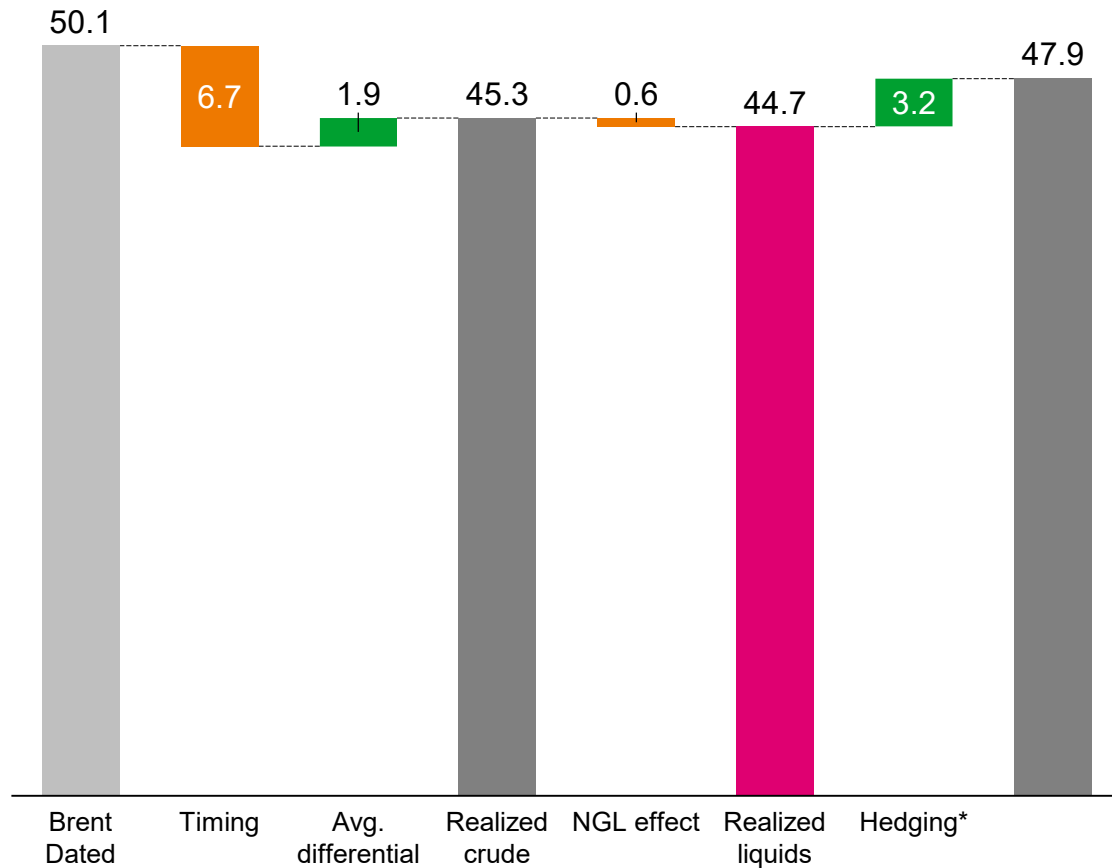
Liftings Q1-2020

Realized liquids prices vs benchmark (\$/bbl)



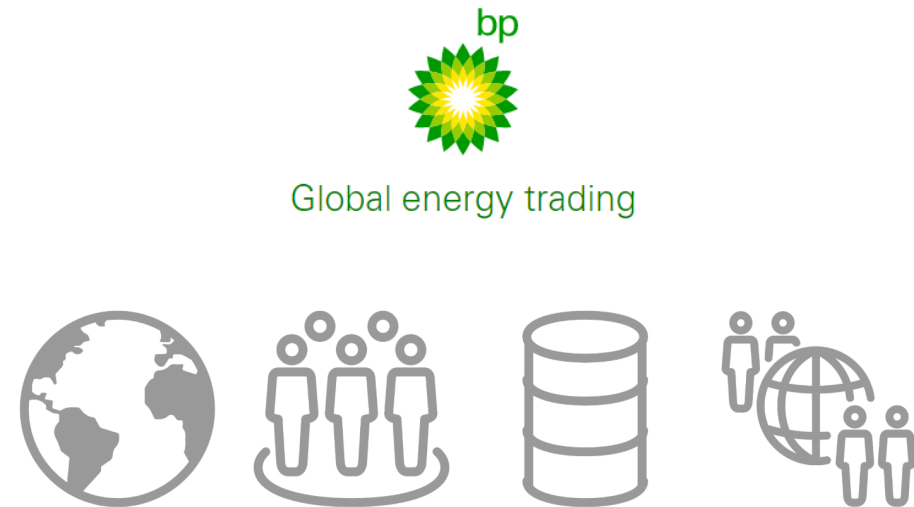
# Navigating volatile oil markets

Breakdown of realized liquids prices in Q1 (\$/bbl)



## Benefiting from collaboration with BP

- Marketing & offtake agreement with BP
- Aker BP crude treated as BP “equity oil”
- Benefits from BPs downstream network and know-how



# Income statement

USD million	Q1 2020	Q4 2019	Q1 2019
<b>Total income</b>	<b>872</b>	<b>1,003</b>	<b>836</b>
Production costs	156	154	200
Other operating expenses	-	19	7
<b>EBITDAX</b>	<b>716</b>	<b>830</b>	<b>629</b>
Exploration expenses	50	85	90
<b>EBITDA</b>	<b>666</b>	<b>745</b>	<b>539</b>
Depreciation	277	255	183
Impairment losses	654	(1)	69
<b>Operating profit (EBIT)</b>	<b>(266)</b>	<b>491</b>	<b>287</b>
Net financial items	(149)	(67)	(37)
<b>Profit/loss before taxes</b>	<b>(414)</b>	<b>424</b>	<b>249</b>
Tax (+) / Tax income (-)	(80)	312	239
<b>Net profit/loss</b>	<b>(335)</b>	<b>112</b>	<b>10</b>
EPS (USD)	(0.93)	0.31	0.03



# Statement of financial position

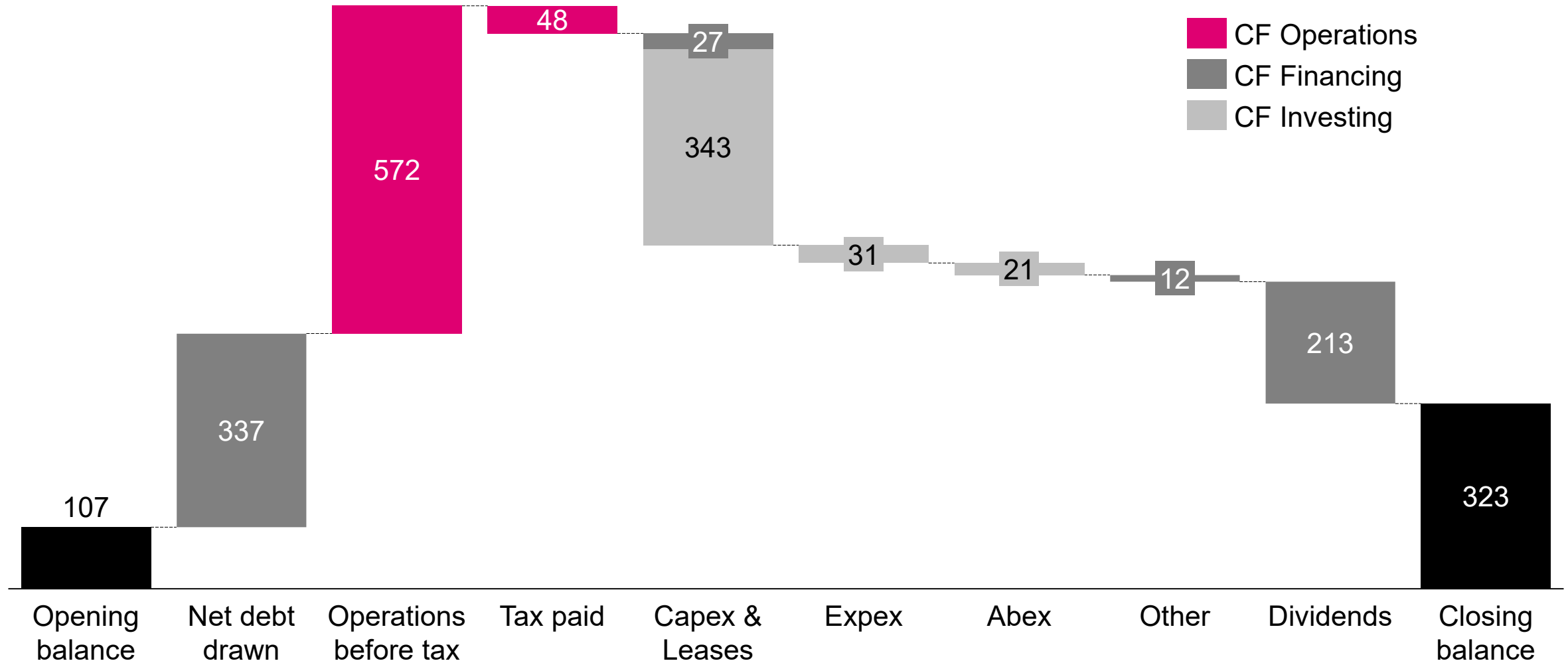
USD million

Assets	31.03.20	31.12.19	31.03.19
Goodwill	1,647	1,713	1,791
Other intangible assets	2,001	2,537	2,483
Property, plant and equipment	7,061	7,023	5,954
Right-of-use asset	171	194	225
Receivables and other assets	524	652	534
Calculated tax receivables	-	-	15
Cash and cash equivalents	323	107	114
<b>Total Assets</b>	<b>11,727</b>	<b>12,227</b>	<b>11,117</b>

Equity and liabilities	31.03.20	31.12.19	31.03.19
Equity	1,813	2,368	2,799
Other provisions for liabilities incl. P&A (long)	2,699	2,645	2,503
Deferred tax	2,153	2,235	1,867
Bonds and bank debt	3,593	3,287	2,226
Lease debt	277	313	369
Other current liabilities incl. P&A	931	1,017	786
Tax payable	260	361	567
<b>Total Equity and liabilities</b>	<b>11,727</b>	<b>12,227</b>	<b>11,117</b>

# Cash flow – first quarter 2020

USD million



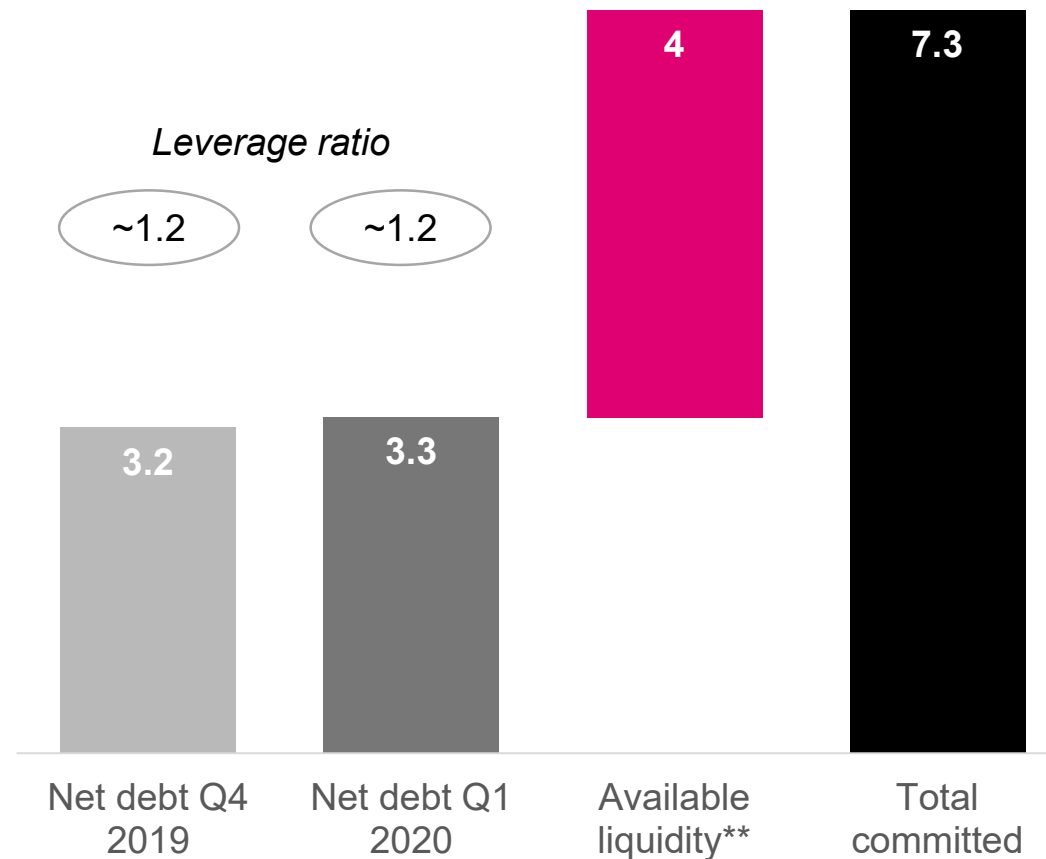
# Financial capacity further improved

- 2019**
- April**
  - Replaced RBL with \$4bn unsecured RCF with no redetermination risk
- June**
  - Assigned BBB- by Fitch
  - \$0.75bn 5-year notes at 4.75%
- November**
  - Assigned BBB- by S&P gaining access to IG debt capital markets

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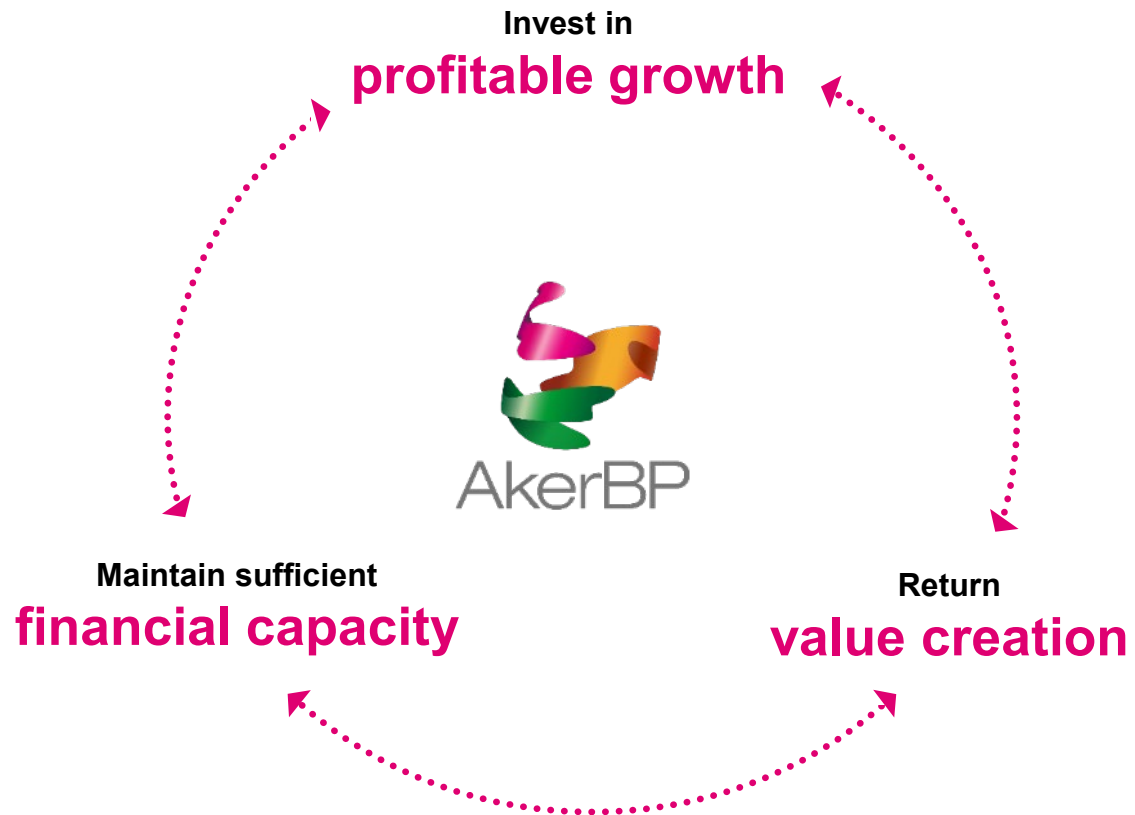
- 2020**
- January**
  - \$0.5bn 5-year notes at 3%
  - \$1bn 10-year notes at 3.75%
- April**
  - RCF maturity extended by one year to 2025
  - Ratings confirmed\*

Debt and liquidity (USD billion)

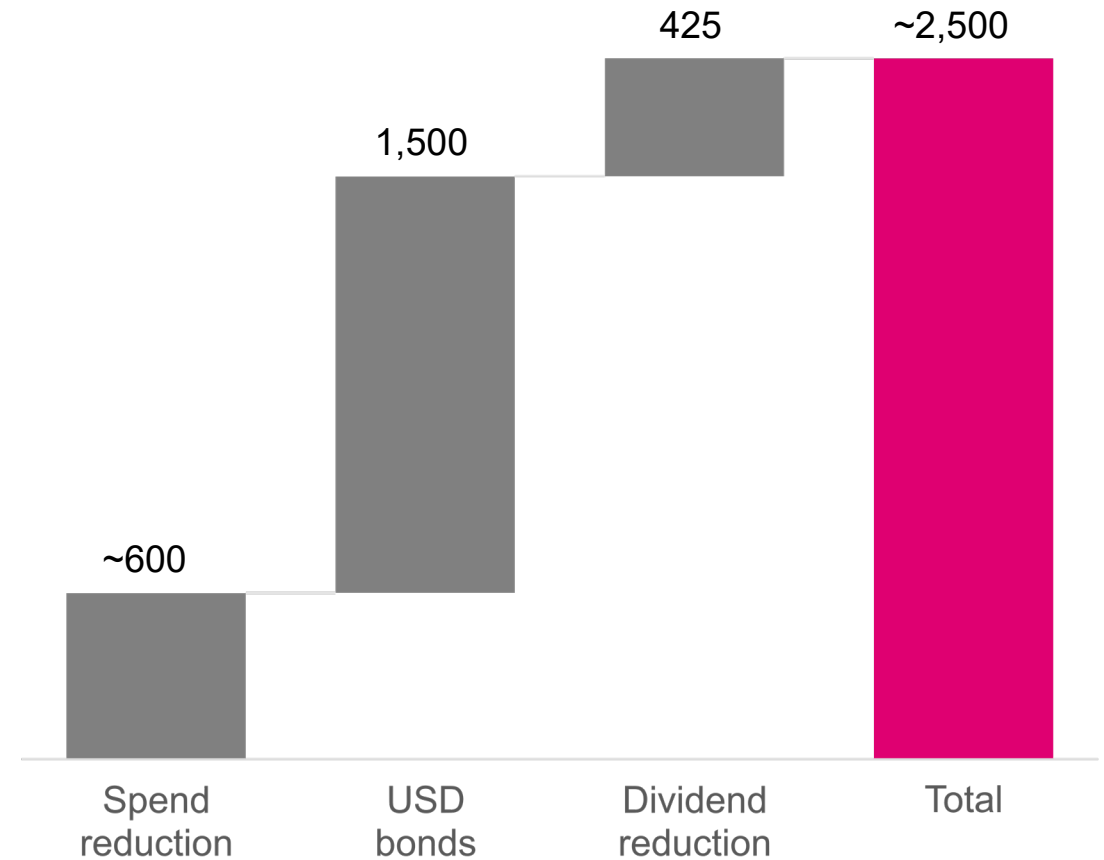


# Rebalancing our financial priorities

Capital allocation priorities



2020 liquidity improvements (USD million)



# BUILDING AN EVEN STRONGER COMPANY

## Guidance for 2020

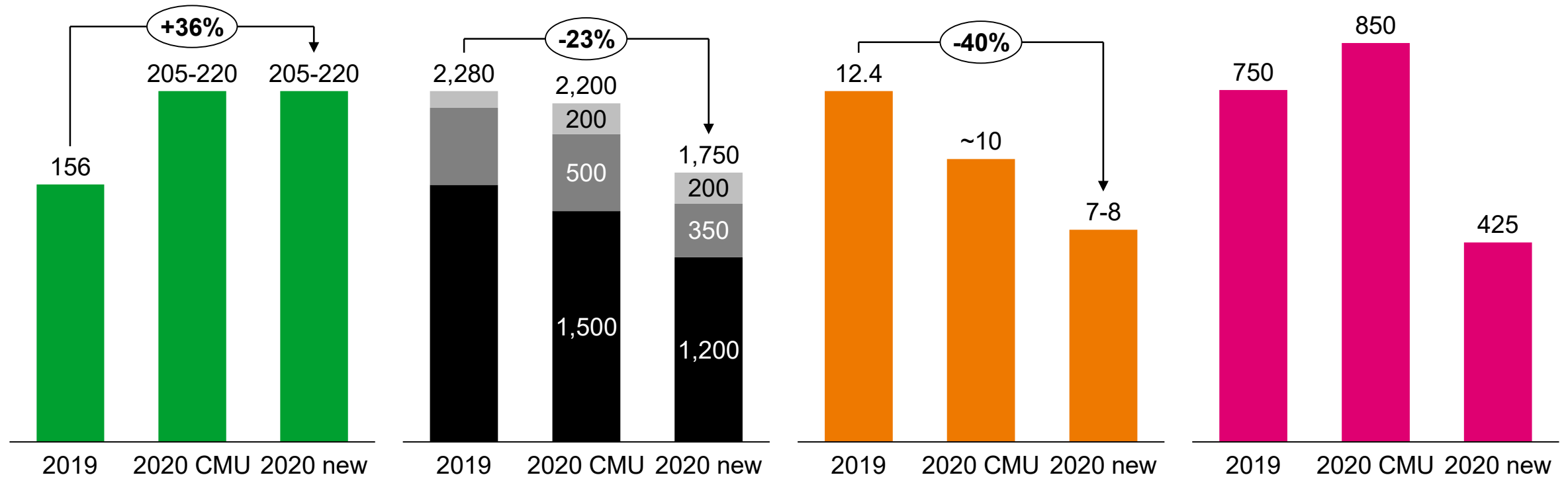
**Production**  
mboepd

**Capital spend**  
USD billion

**Production cost**  
USD/boe

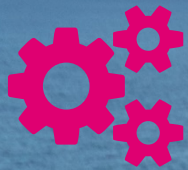
**Dividend**  
USD million

Abex Exploration Capex



BUILDING AN EVEN STRONGER COMPANY

# Positioning Aker BP to be the leading E&P company



**Execute**

Efficient operations



**Improve**

New operating model



**Grow**

Financial flexibility

# Appendix

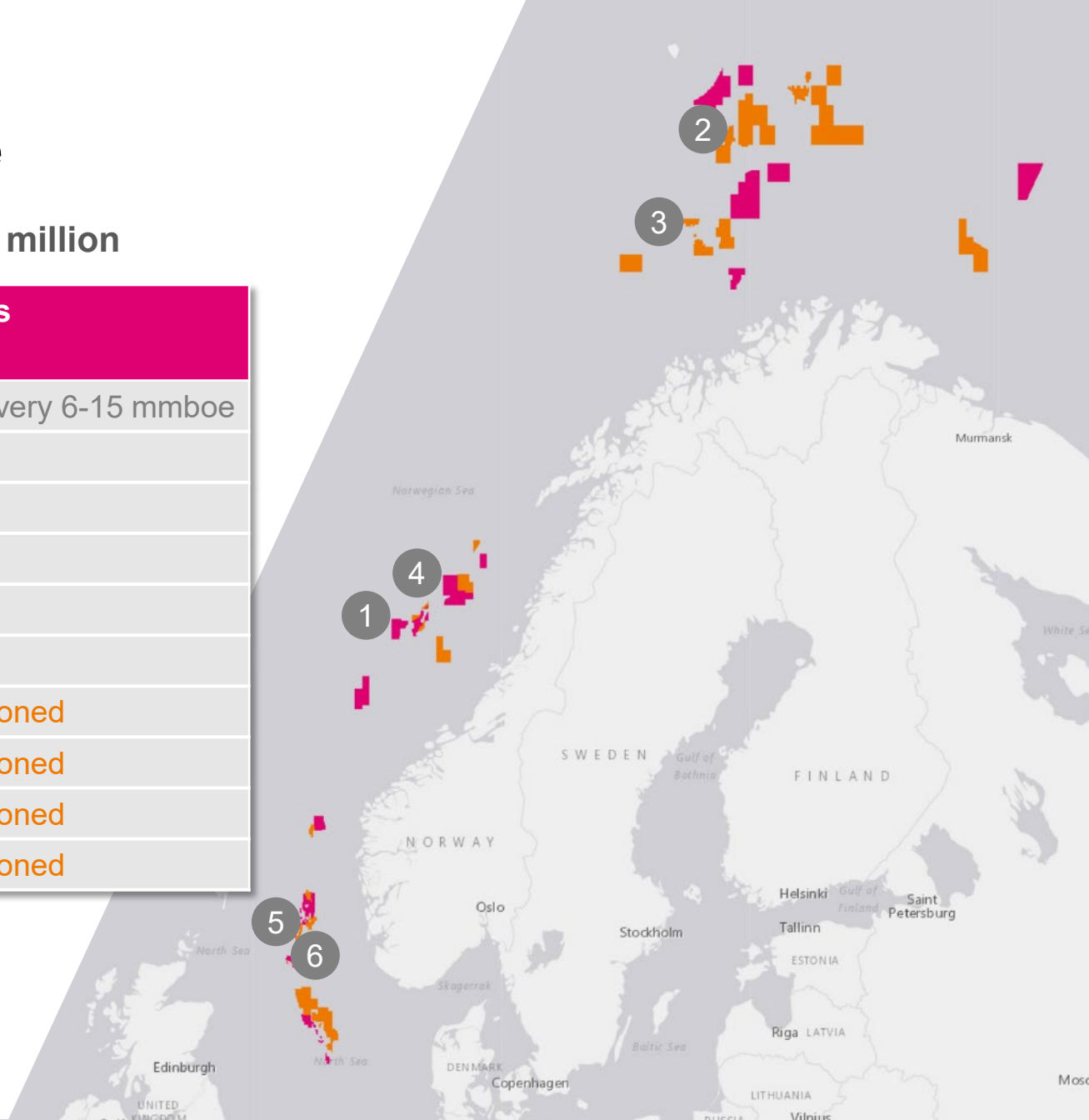


## APPENDIX

# Updated 2020 exploration programme

Four wells postponed – spend reduced to USD 350 (500) million

License	Prospect		Operator	Aker BP share	Pre-drill mmboe	Status
PL1008	Nidhogg	①	Aker BP	60 %	37 - 96	Discovery 6-15 mmboe
PL719	Sandia	②	Spirit	20 %	23 - 527	
PL533	Bask	③	Lundin	35 %	14 - 585	
PL127C	Alve NE	④	Aker BP	88 %	8 - 25	
PL780	Sørvesten	⑤	Spirit	40 %	15 - 35	
PL981	Mercx Ty	⑥	Lundin	40 %	22 - 92	
PL858	Stangnestind		Aker BP	40 %	13 - 108	Postponed
PL722	Shenzhou		Equinor	20 %	191 - 505	Postponed
PL554	Garantiana W		Equinor	30 %	7 - 28	Postponed
PL442	Liatårnet app.		Aker BP	90 %		Postponed





APPENDIX

# Guidance summary

	2020 guidance	2020-3M actual	Comments
Production	205-220 mboepd	208.1 mboepd	Net production excl. over/underlift
Capex	USD ~1.2 billion	USD 360 million	Excl. capitalized interest Incl. share of lease payments
Exploration spend	USD ~350 million	USD 53 million	Incl. share of lease payments
Abandonment spend	USD ~200 million	USD 22 million	Incl. share of lease payments
Production cost per boe	USD 7-8	USD 8.7	Per produced boe
Dividends	USD 425 million	USD 212.5 million	



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