

First Quarter 2018

Aker BP ASA

KARL JOHNNY HERSVIK, CEO

ALEXANDER KRANE, CFO

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AKER BP ASA

Highlights

Operations

- Record production of 158.6 mboepd
- Field developments on track
- Exploration success near Alvheim

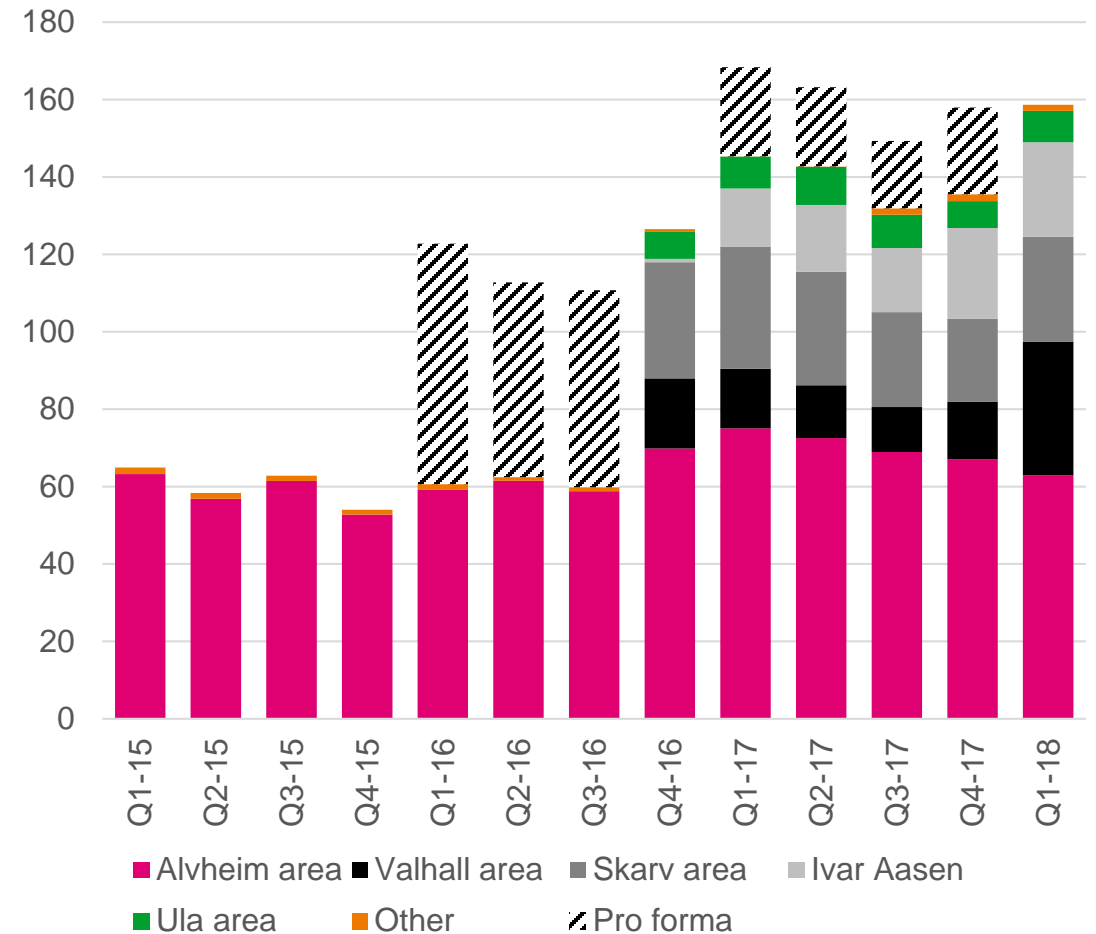
Finance

- Free cash flow* of USD 222 million (USD 0.62 per share)
- Issued new USD 500 million bond
- Quarterly dividend of USD 112.5 million (USD 0.31 per share)

Building for the future

- Awarded 23 new licenses in APA round
- Secured additional rig capacity
- Working towards NOAKA concept selection

Oil & gas production, mboepd net



Financials

Q1 2018



FINANCIALS

Statement of income

(USD million)	Q1 2018	Q1 2017	FY 2017
Total operating income	890	646	2,563
Production costs	173	121	523
Other operating expenses	4	8	28
EBITDAX	712	517	2,012
Exploration expenses	55	30	226
EBITDA	658	487	1,786
Depreciation	185	184	727
Impairment losses	-	30	52
Operating profit/loss (EBIT)	472	273	1,007
Net financial items	(47)	(47)	(196)
Profit/loss before taxes	425	227	811
Tax (+) / Tax income (-)	264	158	536
Net profit/loss	161	69	275
EPS (USD)	0.45	0.20	0.81

FINANCIALS

Statement of financial position

Assets (USD million)	31.03.18	31.12.17	31.03.17
Goodwill	1,860	1,860	1,818
Other intangible assets	1,992	1,982	1,664
Property, plant and equipment	5,665	5,582	4,600
Receivables and other assets	764	775	678
Calculated tax receivables (short)	1,666	1,586	395
Cash and cash equivalents	38	233	183
Total Assets	11,985	12,019	9,337

Equity and liabilities (USD million)	31.03.18	31.12.17	31.03.17
Equity	3,110	2,989	2,455
Other provisions for liabilities incl. P&A (long)	2,955	2,942	2,325
Deferred tax	1,357	1,307	1,164
Bonds	1,128	622	513
Bank debt	1,958	2,767	2,000
Other current liabilities incl. P&A	923	1,041	760
Tax payable	554	351	120
Total Equity and liabilities	11,985	12,019	9,337

First quarter 2018 cash flow and liquidity

■ **Strong operating cash flow**

- Operating cash flow USD 600 million
- Increased production and higher oil prices
- Production cost in line with guidance

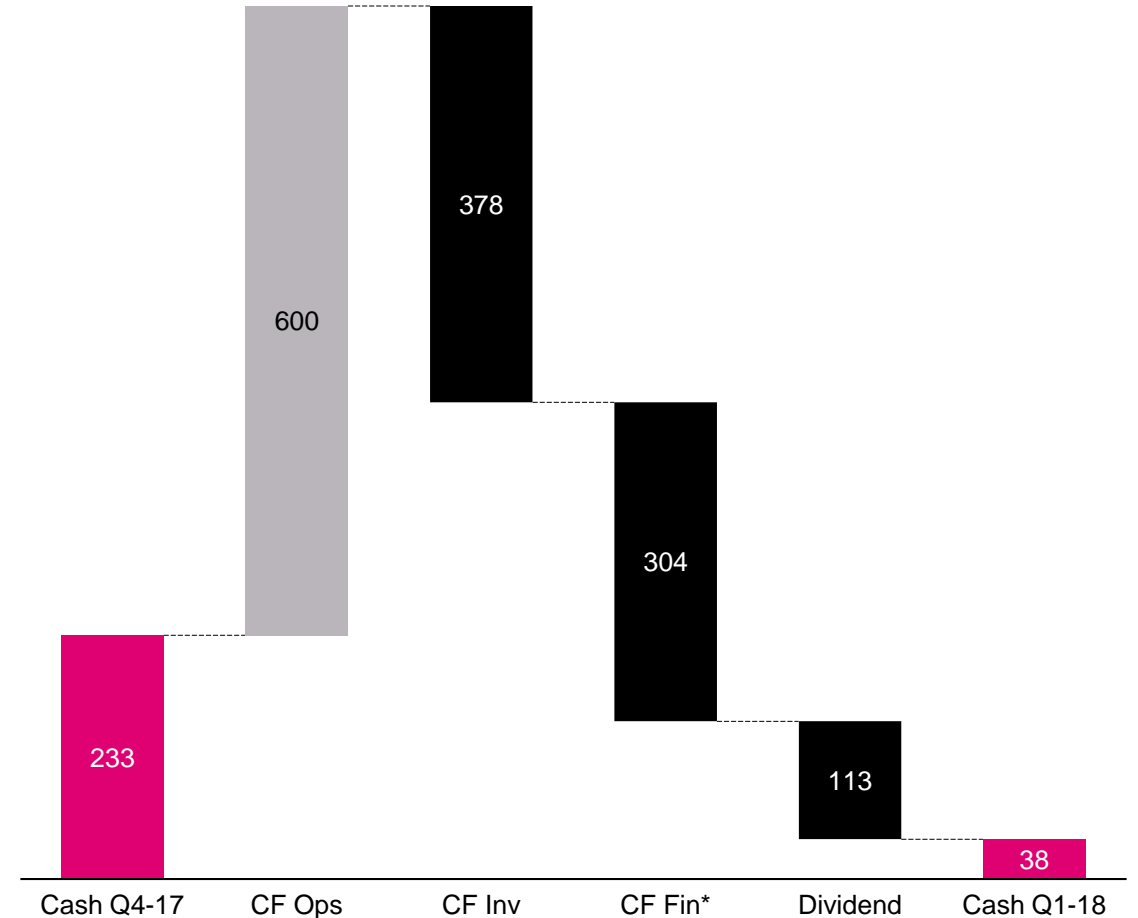
■ **Investing to drive profitable growth**

- Capex USD 257 million mainly related to Johan Sverdrup, Valhall and Tambar developments
- Exploration success at Frosk – USD 39 million capitalized (total exploration spend USD 80 million)
- Decommissioning spend USD 82 million

■ **Robust financial position**

- Free cash flow of USD 222 million – 2x dividend cover
- Issued USD 500 million in 2025 notes
- Net interest-bearing debt (book value) USD 3.0 billion
- Cash and undrawn credit of USD 3.5 billion
- Leverage ratio of 1.27x
- Hess tax loss expected to be disbursed in 2H-18

Cash flow Q1-2018 (USDm)



FINANCIALS

2018 Guidance

No changes since CMD in January 2018

Item	2018 guidance	Actual per Q1 2018
CAPEX*	USD ~1.3 billion	USD 237 million
EXPEX	USD ~350 million	USD 80 million
Production	155 – 160 mboepd	158.6 mboepd
Production cost	USD ~12 per boe	USD 12.1 per boe
Decommissioning cost	USD ~350 million	USD 82 million

Note: Guidance based on USD/NOK 8.0

Operations

Q1 2018



High activity level

Investing in value-accretive projects across the portfolio



Alvheim

- Boa wells on stream
- Infill drilling
- Skogul development
- Frosk oil discovery with follow-up potential



Valhall

- Drilling of IP wells
- Valhall Flank West
- Valhall Flank North WI sanctioned
- Continued P&A



Ula

- Tambar wells on stream
- Oda development



Ivar Aasen

- Drill two water injectors
- Exploration well on Slengfehøgda and Hanz appraisal



Skarv

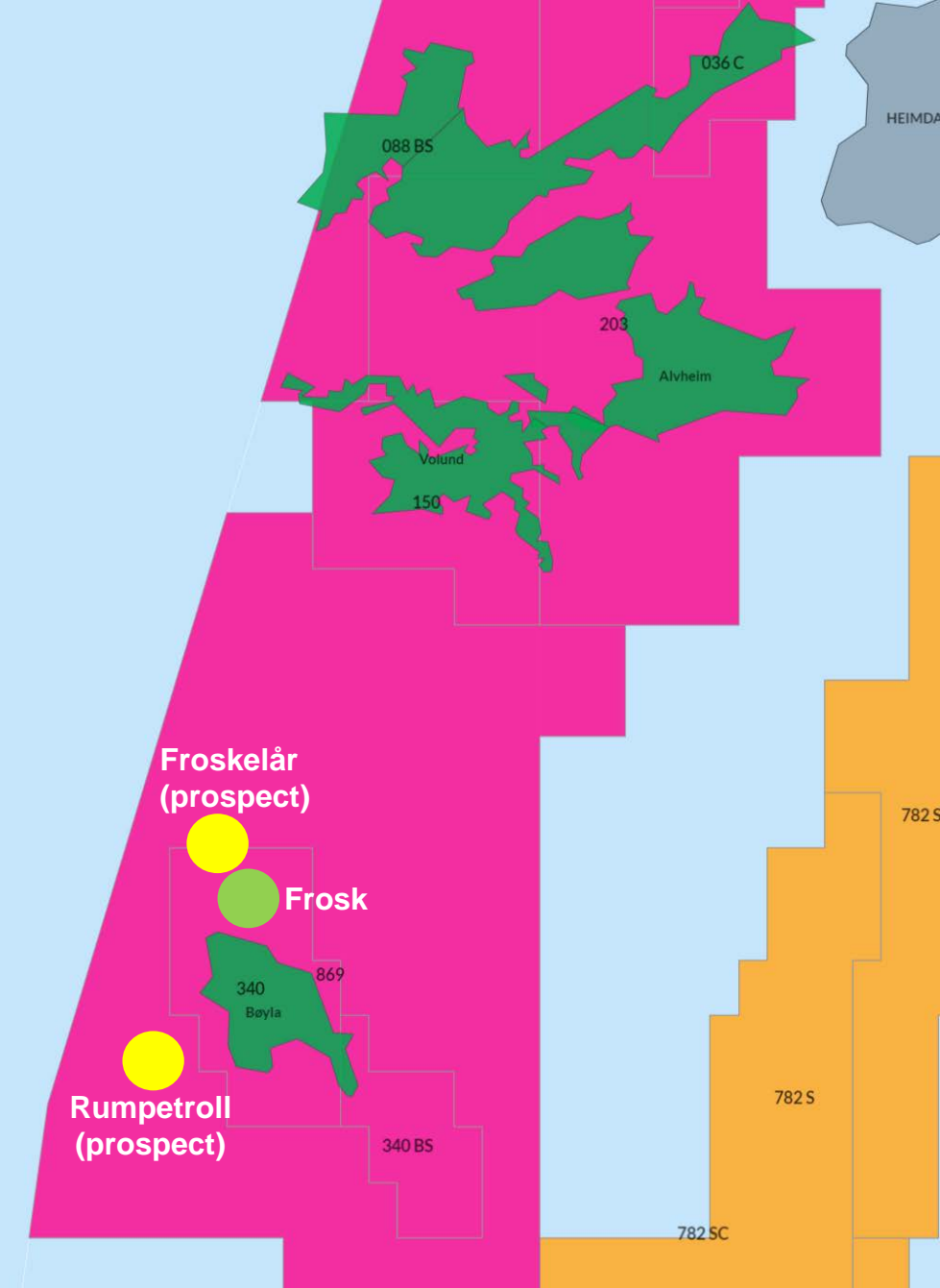
- Repaired two wells
- Ærfugl development
- Kvitungen Tumler dry
- Ærfugl appraisal

ALVHEIM AREA (~65%)

Exploration success at Frosk

A new chapter in the Alvheim story

- **Frosk proved 30-60 mmboe oil**
 - Located near Bøyla which is tied back to Alvheim
 - Provides an ideal basis for profitable expansions
- **Exploration program expanded**
 - Additional rig capacity secured from Q4-18
 - Planning 2-3 wells on Froskelår and Rumpetroll
- **Continued high activity in the Alvheim area**
 - Skogul PDO approved – project on track
 - Two new Boa wells on production in Q1
 - Kameleon to be spud in Q2
 - Gekko appraisal in Q3



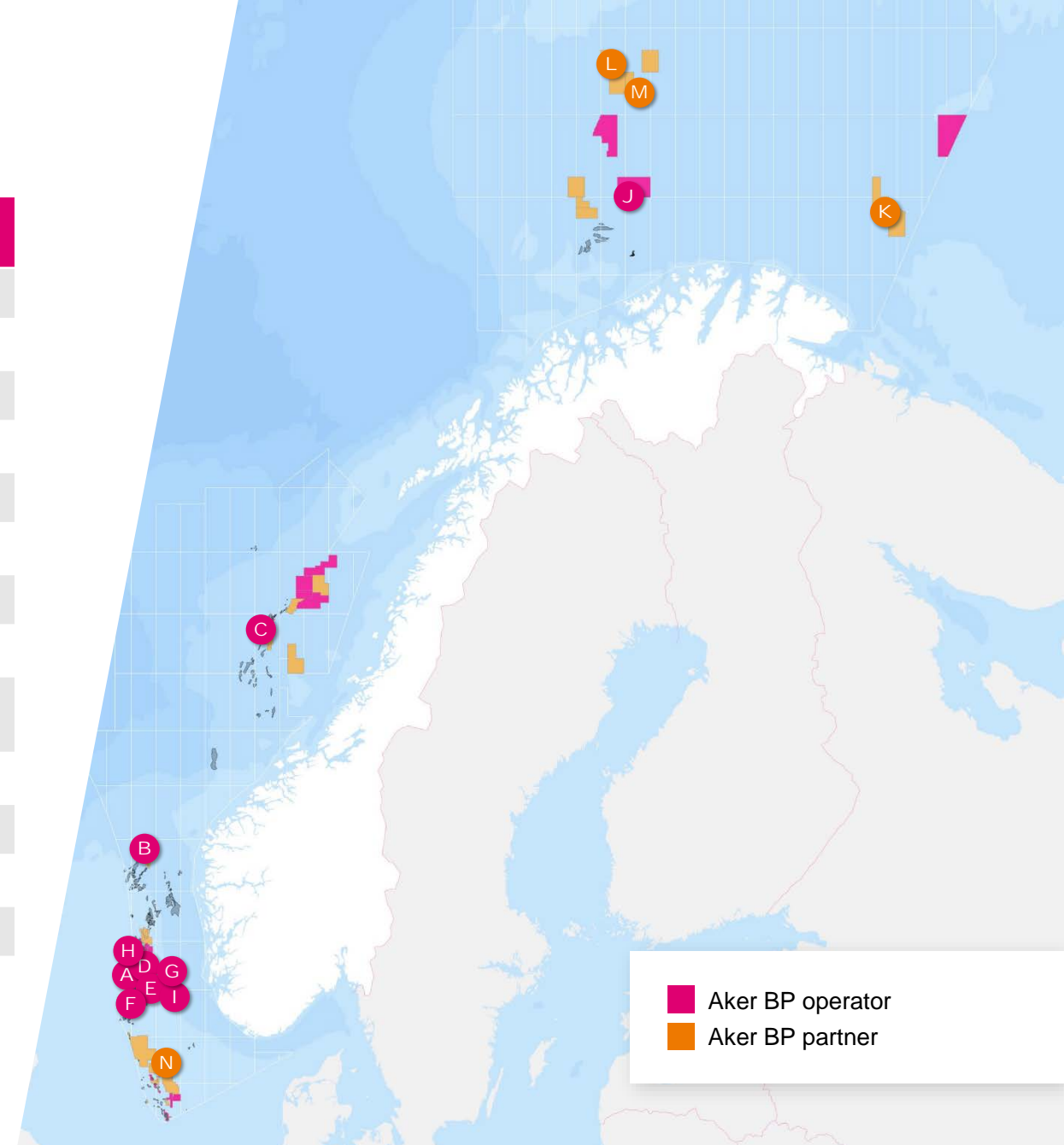
EXPLORATION

2018 exploration schedule

License	Prospect name	Operator	Aker BP share	Pre-drill mmmboe*	Time	
PL340	Frosk	Aker BP	65 %	Discovery	Q1	A
PL790	Raudåsen	Aker BP	30 %	Dry well	Q1	B
PL839	Kvitungen Tumler	Aker BP	24 %	Dry well	Q1	C
PL869	Frosk area	Aker BP	60 %	45 – 149	Q4	D
PL869	Frosk area	Aker BP	60 %	17 – 60	Q4	E
PL869	Frosk area	Aker BP	60 %	7 – 22	Q4	F
PL916	JK	Aker BP	40 %	100 - 421	Q4	G
PL203	Gekko Appraisal	Aker BP	65 %	9 - 54	Q4	H
PL028B/PL915	Slengfehøgda (and Hanz appraisal)	Aker BP	35 %	3 - 22	Q3	I
PL659	Svanefjell	Aker BP	50 %	17 - 331	Q2	J
PL857	Gjøkåsen	Statoil	20 %	26 - 1427	Q3	K
PL721	Gråspett	DEA	40 %	32 - 263	Q4	L
PL852	Scarecrow	Spirit	40 %	83 - 245	Q2	M
PL405	Cassidy	Spirit	15 %	5 – 48	Q4	N

Out of 2018 plan: Stangnestind, Hod Appraisal, Hornet and Shenzhou

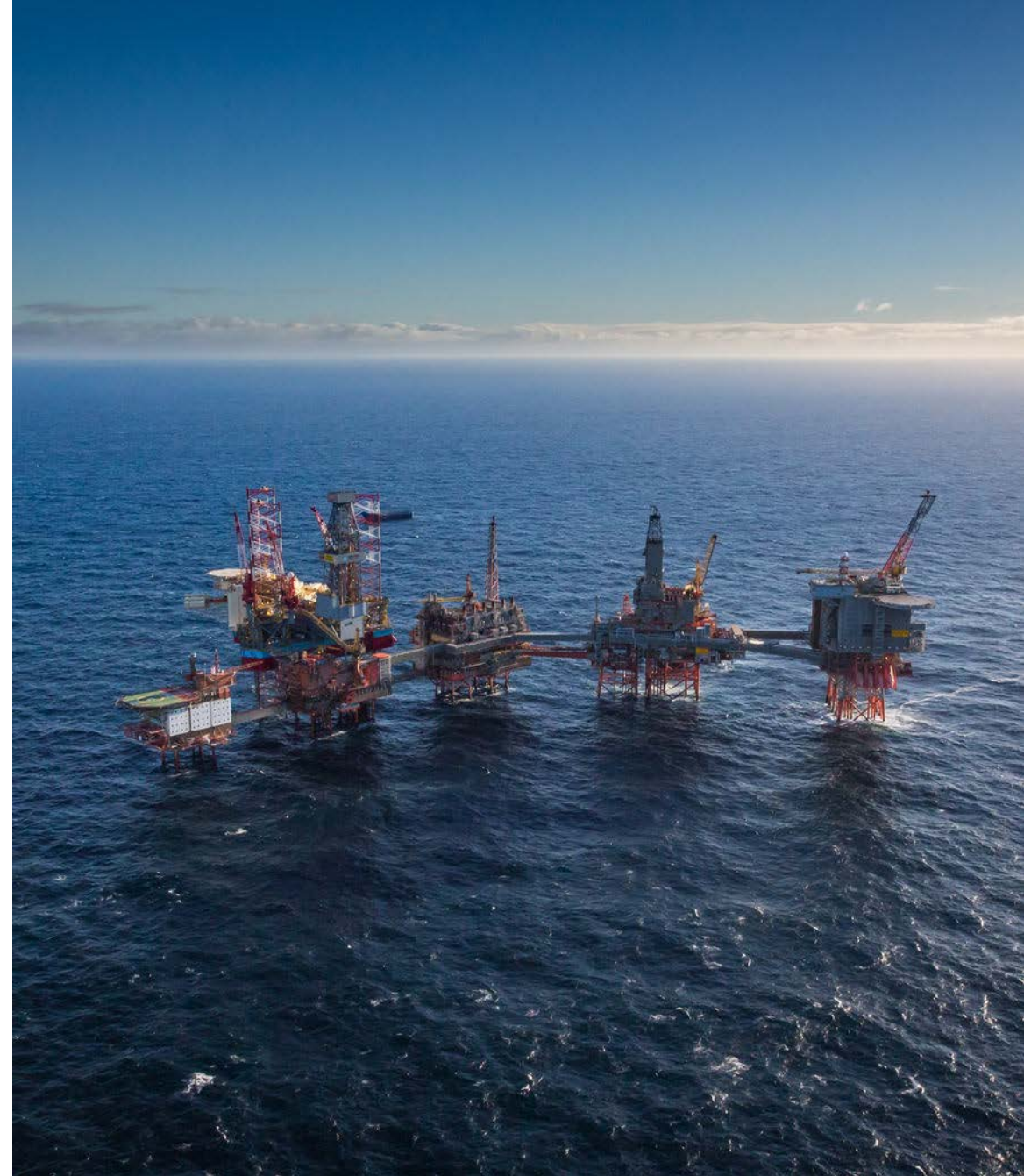
* Preliminary volume span (gross)



VALHALL AREA (90%)

Full speed ahead at Valhall

- **Valhall Flank West on track**
 - PDO approved in March
 - Steel cutting started in April
 - Started Valhall field centre modifications
- **Valhall Flank North Water Injection project approved**
 - Water injection to boost oil recovery
 - Drilling planned in Q4-18
 - Start water injection in Q2-19
- **Maturing further opportunities**
 - Hod redevelopment
 - Flank South infill wells
 - Lower Hod formation



SKARV AREA (23.8%)

Ærfugl development on track

■ Ærfugl PDO approved in April

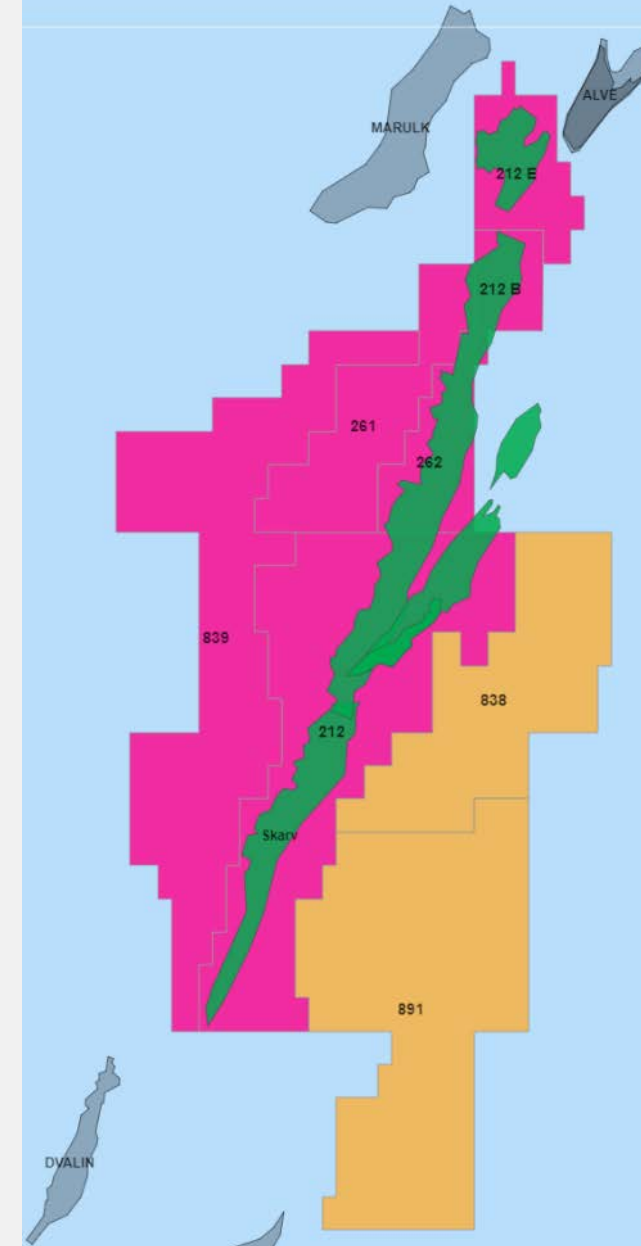
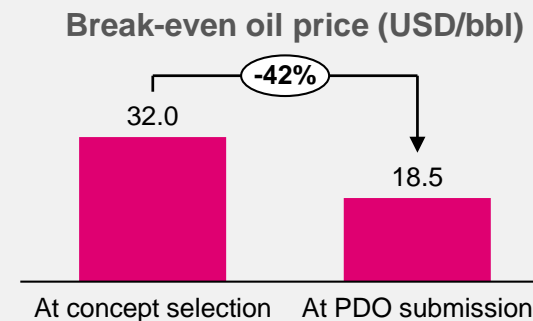
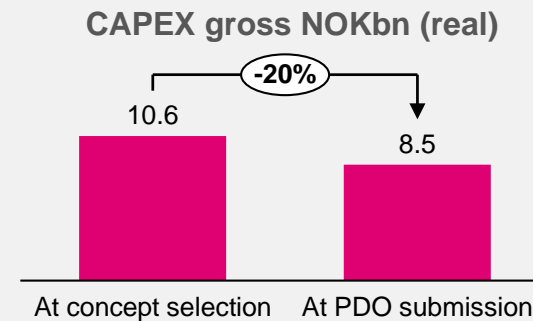
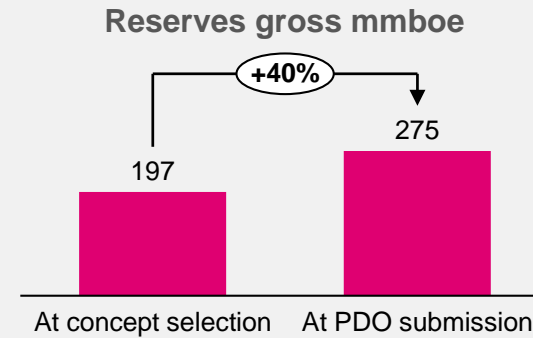
- Subsea tie-back to Skarv FPSO
- 275 mmboe gross reserves
- Main contracts awarded
- Production start 2020

■ Technology qualification on track

- Electrically trace heated pipe-in-pipe to prevent hydrate formation and improving production efficiency
- Hybrid Vertical Xmas Trees to allow direct wellbore access and reduce future intervention costs

■ Attractive economics and further upside potential

- Break-even of 18.5 USD/boe (PDO assumptions)
- Positive appraisal well in Q1
- Potential for accelerated production by debottlenecking



ULA (80%) / TAMBAR (55%)

New Tambar wells on stream

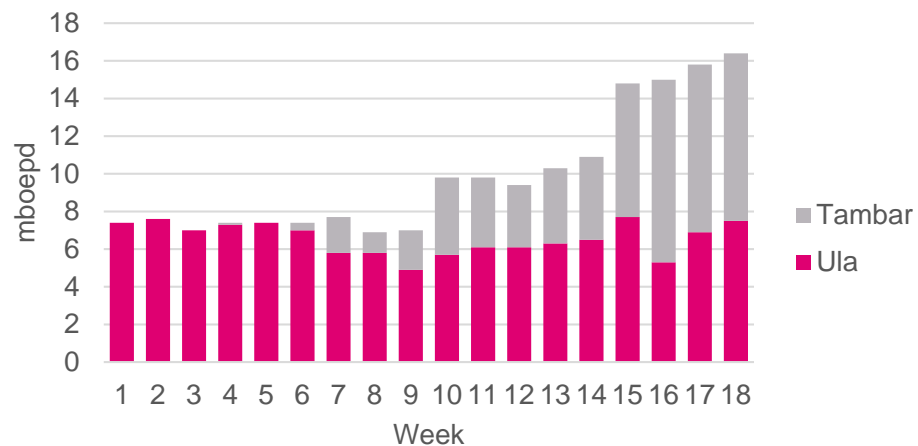
■ Making Tambar great again

- Two wells put on production late Q1
- Gas lift to start in Q4 after Ula modifications
- Increased production and lower unit cost

■ Oda on track

- On track for production start in Q2-19
- Will enable increased WAG injection at Ula

2018 Ula area production (net to Aker BP)



IVAR AASEN (34.8%)

Drilling on at Ivar Aasen

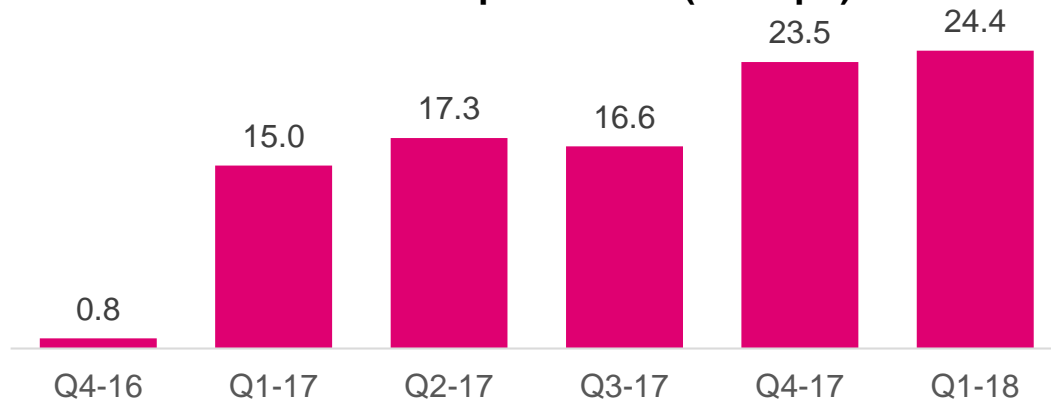
■ High operational efficiency

- Plant availability 98%
- Net production efficiency 89%
 - Due to Edvard Grieg and SAGE availability issues
- Piloting digital operations

■ More drilling underway

- Two water injectors in Q2
- One dual-purpose well to appraise Hanz and test new exploration target (Slengfehøgda) in Q3

Ivar Aasen net production (mboepd)



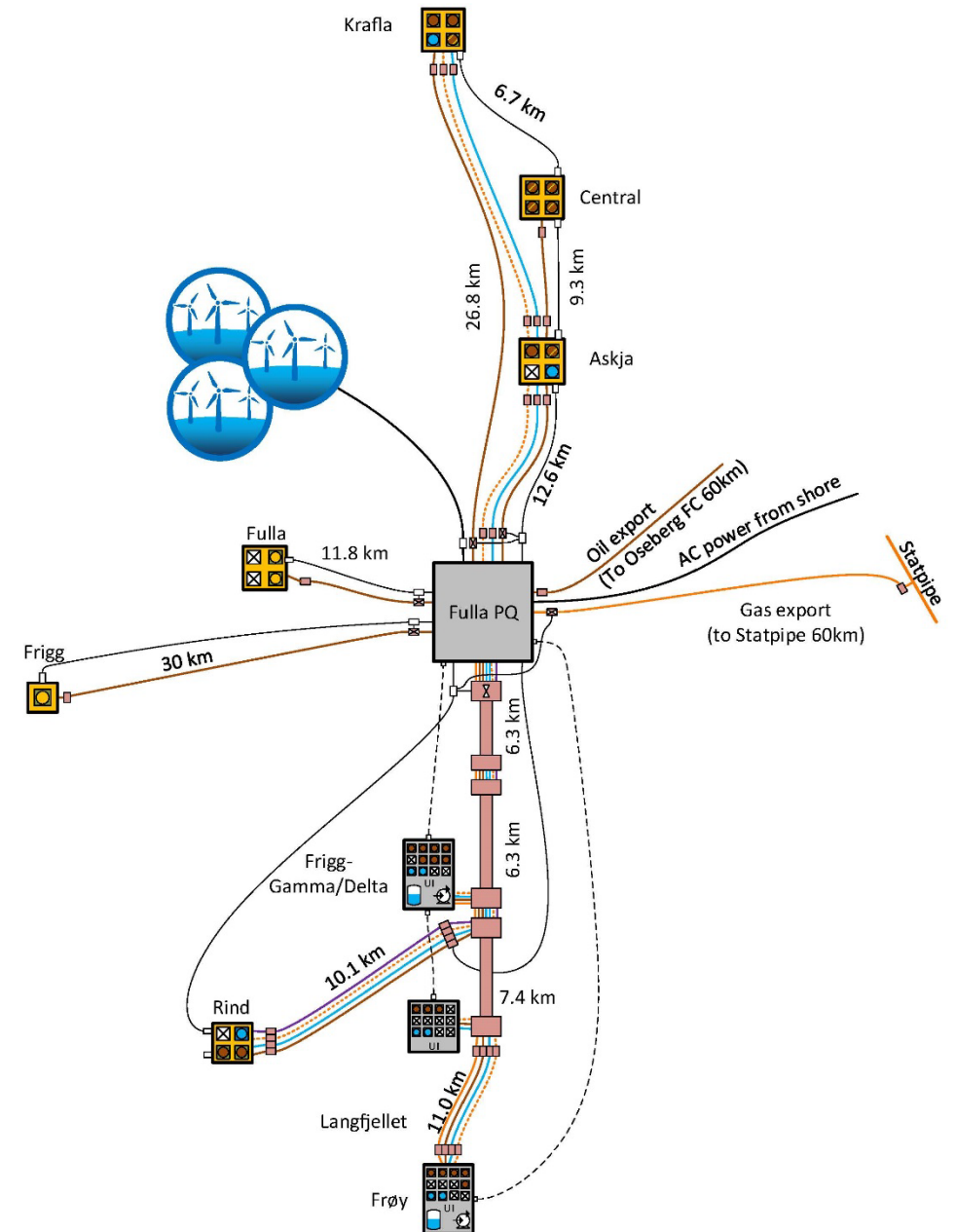
JOHAN SVERDRUP (11.6%)

First topside successfully installed at Johan Sverdrup



NOAKA – field of the future

- **Common area development is the preferred solution**
 - Significant resources identified
 - Limited infrastructure available
 - Supported by Norwegian authorities
- **Aker BP recommends a central processing hub**
 - Allows for economic recovery of all fields in the area
 - Higher resource recovery and socio-economic benefits
 - Opens up for new exploration upsides
- **Aker BP's ambition is to make NOAKA the first energy positive field development on the NCS**
 - Zero emissions
 - 100% electric – power from shore and offshore wind
 - Onshore control room, digitalization and automatization
- **Concept selection in 2018**
 - Original plan was Q1-18
 - The delay provides opportunity for a more ambitious development
 - Building on positive digitalization experience from Ivar Aasen



Priorities going forward





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