

Second Quarter 2018

Aker BP ASA

Karl Johnny Hersvik, CEO

Alexander Krane, CFO

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AKER BP ASA

Highlights

Operations

- Stable production of 158 mboepd
- Field developments on track
- Strong P&A performance

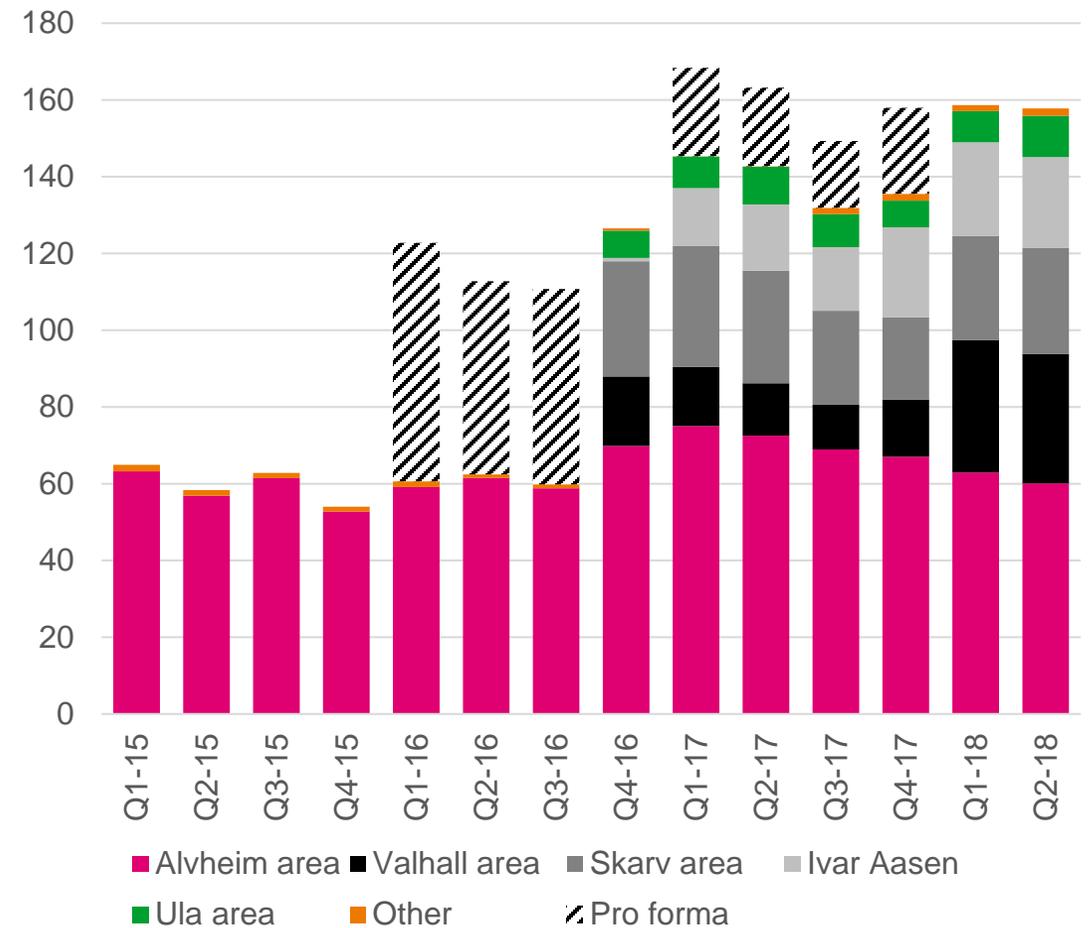
Finance

- Q2 EBITDA USD 735 million, EPS USD 0.38
- Q2 free cash flow USD 211 million (0.59 per share)
- Quarterly dividend USD 0.3124 per share

Outlook

- Stepping up exploration activity
- Digitalisation roll-out
- Planning for Frosk test production

Oil & gas production, mboepd net



Financials

Second Quarter 2018



FINANCIALS

Statement of income

(USD million)	Q2 2018	Q2 2017	H1 2018	H1 2017	FY 2017
Total operating income	975	595	1,864	1,241	2,563
Production costs	164	121	337	242	523
Other operating expenses	1	3	5	11	28
EBITDAX	810	470	1,522	988	2,012
Exploration expenses	75	75	130	106	226
EBITDA	735	395	1,392	882	1,786
Depreciation	183	184	368	368	727
Impairment losses	-	-	-	30	52
Operating profit/loss (EBIT)	552	210	1,024	484	1,007
Net financial items	(22)	(84)	(69)	(130)	(196)
Profit/loss before taxes	530	127	956	354	811
Tax (+) / Tax income (-)	394	67	658	225	536
Net profit/loss	136	60	297	129	275
EPS (USD)	0.38	0.18	0.83	0.38	0.81

Statement of financial position

Assets (USD million)	30.06.18	31.03.18	30.06.17
Goodwill	1,860	1,860	1,817
Other intangible assets	1,986	1,992	1,627
Property, plant and equipment	5,835	5,665	4,725
Receivables and other assets	820	764	694
Calculated tax receivables (short)	1,596	1,666	402
Cash and cash equivalents	49	38	66
Total Assets	12,147	11,985	9,331

Equity and liabilities (USD million)	30.06.18	31.03.18	30.06.17
Equity	3,064	3,110	2,453
Other provisions for liabilities incl. P&A (long)	2,992	2,955	2,330
Deferred tax	1,525	1,357	1,125
Bonds	1,119	1,128	554
Bank debt	1,898	1,958	1,814
Other current liabilities incl. P&A	861	923	831
Tax payable	687	554	225
Total Equity and liabilities	12,147	11,985	9,331

FINANCIALS

Second quarter cash flow and liquidity

■ Strong operating cash flow

- Production on plan
- Higher oil and gas prices
- Production cost USD 11.4 per boe

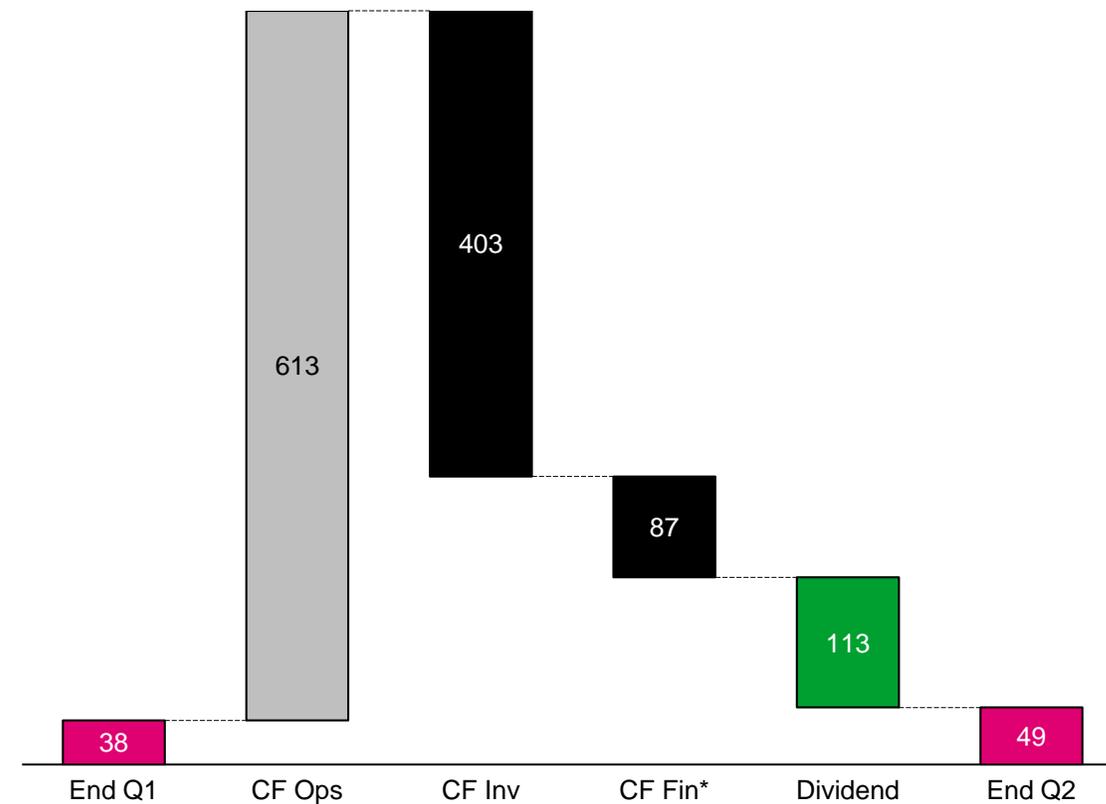
■ Capital spending within plan

- Capex USD 276 million (ex. capitalized interest)
- Expex USD 86 million
- Abex USD 72 million

■ Robust balance sheet

- Net interest-bearing debt (book value) USD 3.0 billion
- Leverage ratio of 1.1x
- Hess tax loss expected to be disbursed in 2H-2018
- Cash and undrawn credit of USD 3.6 billion

Cash flow (USDm)



FINANCIALS

2018 Guidance

Item	Actual YTD per 30 June 2018	Updated 2018 guidance
CAPEX*	USD 512 million	USD ~1.3 billion (no change)
EXPEX	USD 166 million	USD ~425 million (previous ~350)
Production	158 mboepd	155 – 160 mboepd (no change)
Production cost	USD 11.8 per boe	USD ~12 per boe (no change)
ABEX	USD 154 million	USD ~250 million (previous ~350)

Note: Guidance based on USD/NOK 8.0

Operations

Second Quarter 2018

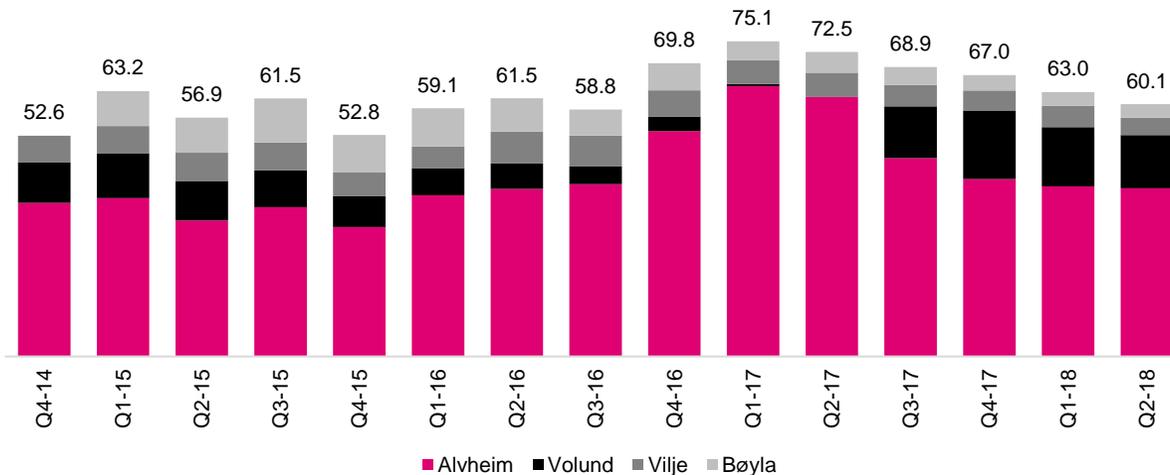


ALVHEIM AREA (~65%)

Keeping Alvheim busy

- **Alvheim FPSO – a high performer**
 - High production efficiency (95 percent in Q2)
 - Main priority: Add resources to secure continued high capacity utilisation
- **Continued high field development activity**
 - Two new Boa wells contributed positively in Q2
 - Appraisal drilling at Gekko and infill drilling at Kameleon
 - Skogul PDO approved in March – project on track

Alvheim area production (mboepd net)

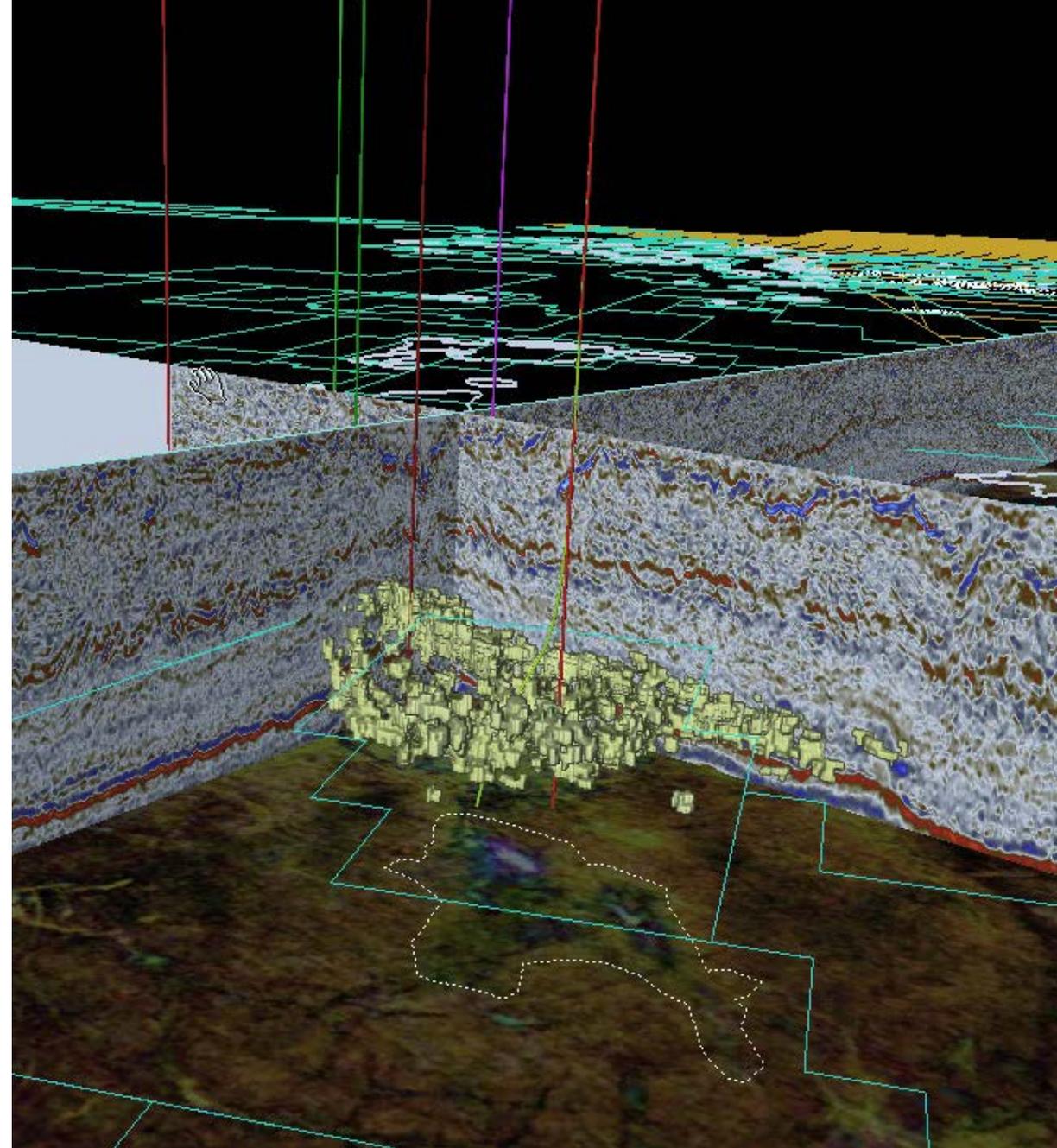


ALVHEIM AREA (~65%)

Developing the Frosk discovery

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
- **Three more wells planned**
 - Targeting net unrisked resources of ~ 40-140 mmboe
- **Aiming for Frosk test production from 2019**
 - Oil one year after discovery
 - Determine scale and find the most optimal concept

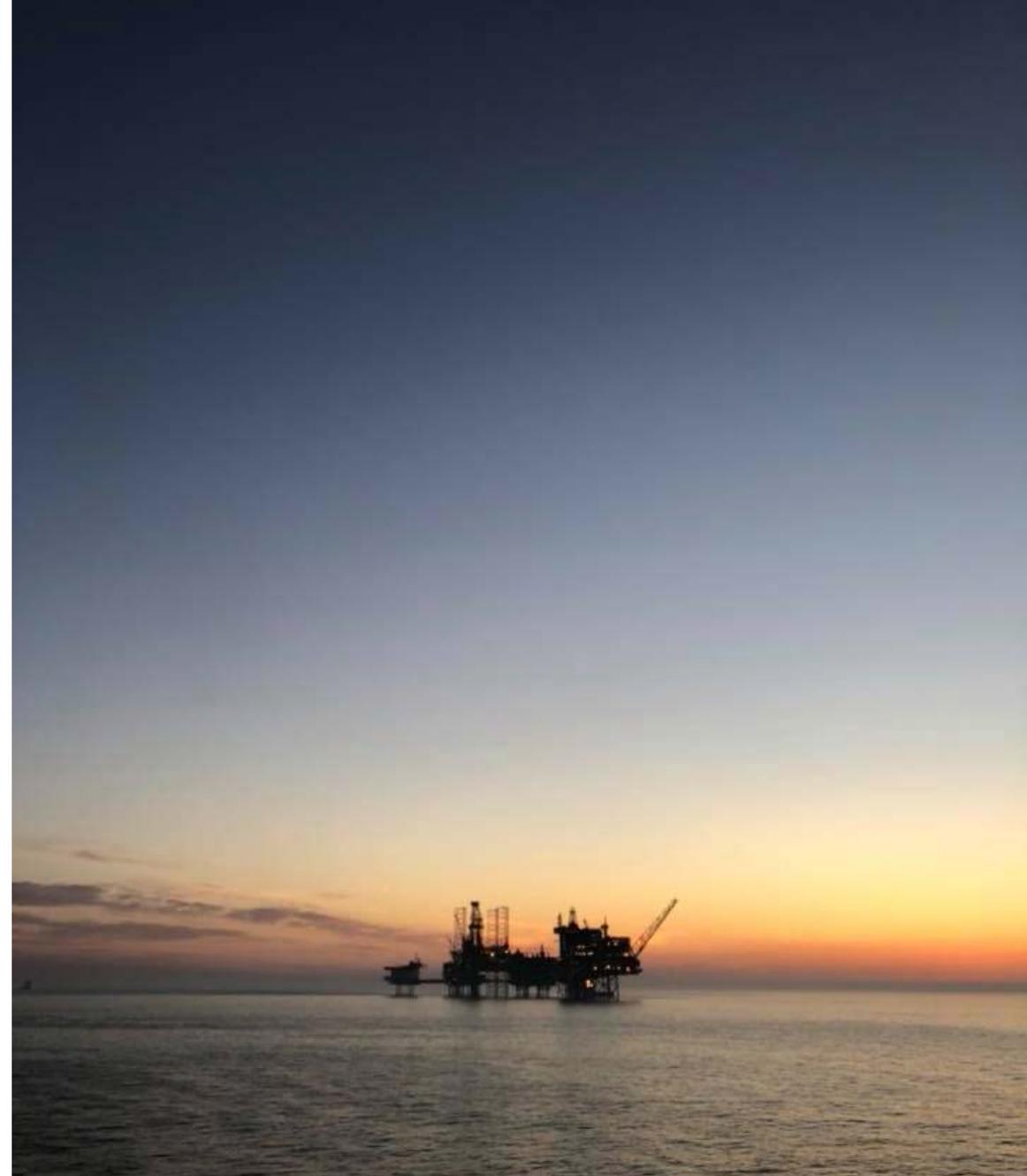
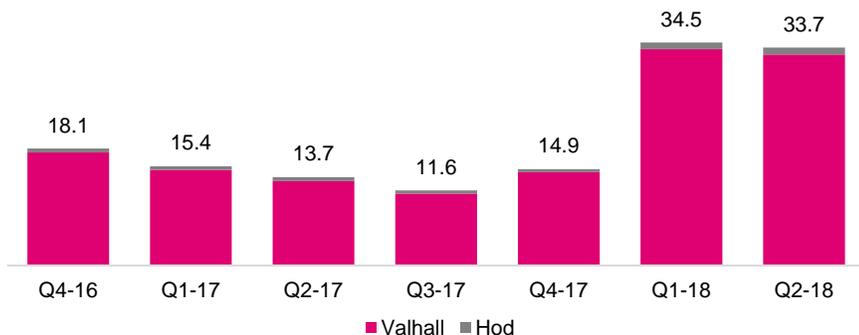


VALHALL AREA (90%)

Full speed ahead at Valhall

- **Valhall Flank West under construction**
 - Engineering near complete
 - Valhall field centre modifications well underway
- **P&A program ahead of schedule**
 - Rig to be released earlier than plan
 - Reduced time = reduced cost
- **Valhall Flank North Water Injection on track**
 - Contracts awarded for riser, pipelines and modifications
 - Drilling in Q4 – injection from Q2-19
- **Hod redevelopment moving ahead**
 - Appraisal well and concept selection planned in 2019

Valhall area production (mboepd net)



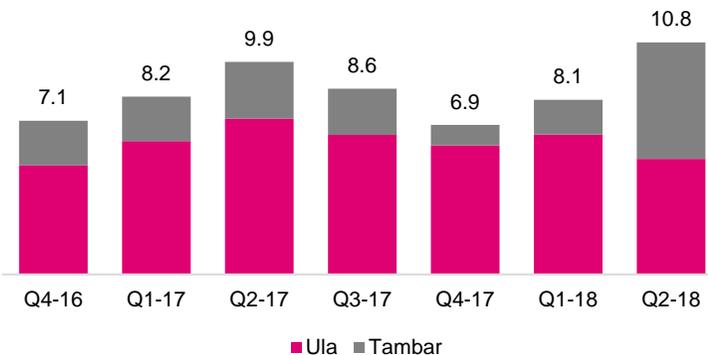
ULA (80%) / TAMBAR (55%)

Turning around Ula for the future

Revitalise Ula as an area oil hub

- **Preparing for new growth**
 - Several new drilling targets identified
 - Converting Ula DP to add capacity and flexibility
- **Tambar development project on track**
 - Two new wells on production
 - Gas lift scheduled to start in Q4
- **Oda will start production in 2019**
 - Will enable increased WAG injection at Ula

Ula area production (mboepd net)

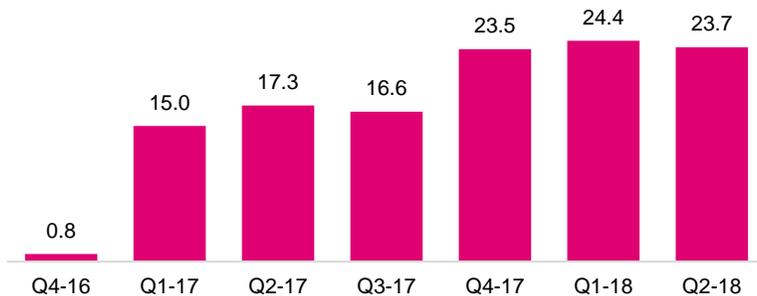


IVAR AASEN (34.8%)

Water injectors completed

- **Two new water injectors successfully completed**
 - Supporting the longer term production profile
- **Hanz appraisal well commenced 30 June**
 - The well will also test the Slengfehøgda exploration prospect
- **Onshoring the Ivar Aasen control room**
 - Aker BP is onshoring the control room to Trondheim
 - Piloting digital operations with Cognite's data platform

Ivar Aasen production (mboepd net)



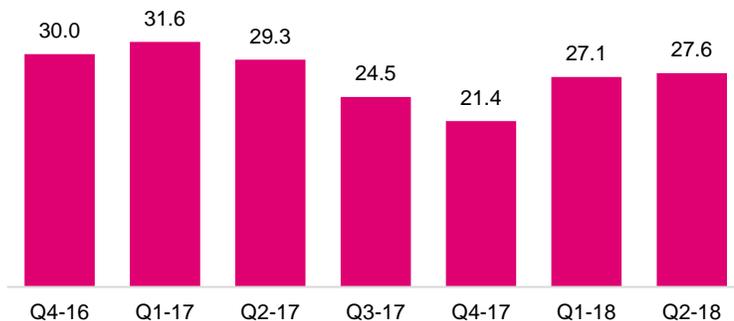
Maersk Interceptor sail away after completing two water injectors
Photo: Stein Nordvik, Aker BP

SKARV AREA (23.8%)

Skarv continues to deliver

- **Solid production despite technical challenges**
 - Restarted second well after Xmas tree replacement
 - Two wells currently shut in
 - Efficient maintenance after equipment failures
- **Ærfugl progressing as planned**
 - Contracts awarded
 - Fabrication activities started
 - Potential to accelerate phase 2

Skarv production (mboepd net)



JOHAN SVERDRUP (11.6%)

Second topside successfully installed at Johan Sverdrup



NORTH OF ALVHEIM / ASKJA / KRAFLA

NOAKA – field of the future

- Common area development is the preferred solution
- Aker BP recommends a central processing hub
- Aker BP's ambition is to make NOAKA the first energy positive field development on the NCS
- Targeting concept selection in 2018



DIGITAL TRANSFORMATION

The future is now

Digital technologies are changing the way we work

■ Cognite's Industrial Data Platform

- Digital twins of Aker BP assets
- Live and historical sensor data instantly available
- Enabling new and improved business models

■ Digital tools in place at Ivar Aasen

- Data access through Cognite APIs
- Tablets with computer vision to read equipment tags
- Improves safety and productivity

■ Roll out across portfolio over next 12 months



EXPLORATION

Exploration is back

Targeting new organic growth

■ Stepping up drilling activity

- Cost-effective access to new resources
- Near-field discoveries increase value of existing assets
- Frontier exploration to create new growth opportunities

■ Focused license portfolio

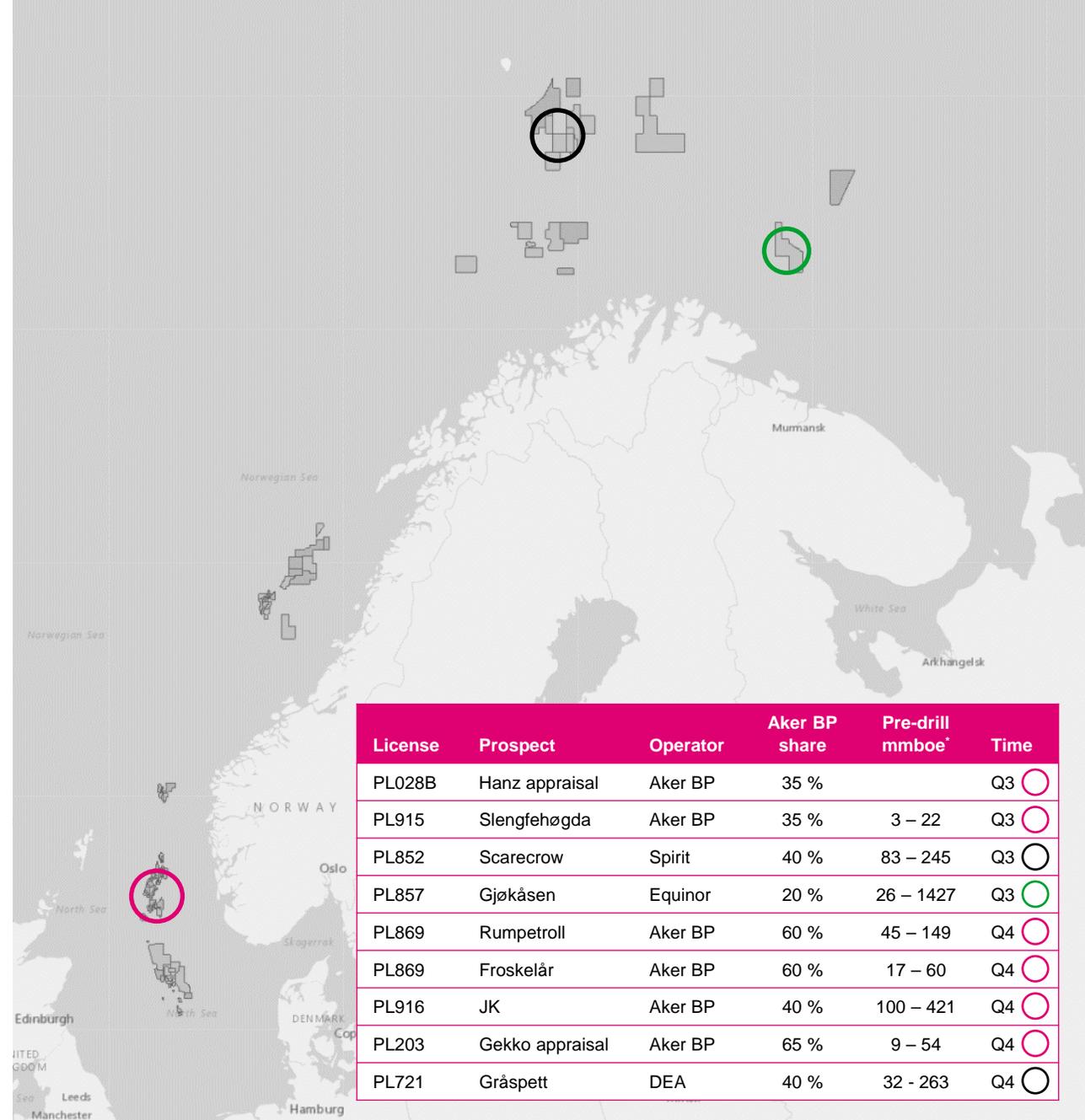
- Success in licensing rounds and M&A
- Second largest license holder on the NCS
- 124 licenses covering 31,000 km² (avg 36% interest)

■ Building on a solid asset base

- Five operated hubs
- Robust infrastructure
- Competence and data

■ Lean and flexible execution model

- Efficient decision process supported by big data
- Flexible organisation and strategic alliances to minimize lead times and maximize drilling efficiency



Priorities going forward





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