

Fourth Quarter 2018

Aker BP ASA

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2018 Highlights

Execute

- Record production and high regularity
- Industry-leading drilling performance
- Field developments on track

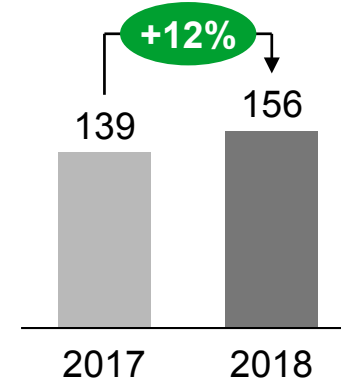
Improve

- Digitalization gaining momentum
- Expanding the alliance model
- Applying new technology

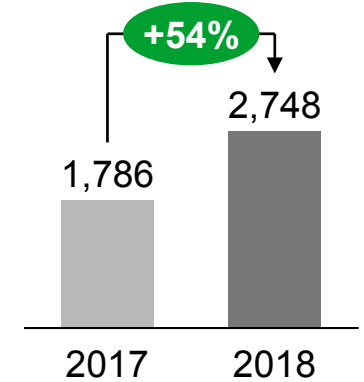
Grow

- Organic reserve replacement above 100%
- Contingent resources increased 23%
- Exploration success

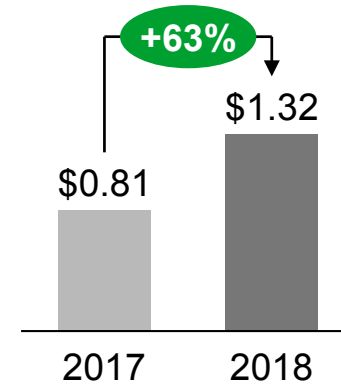
Production, mboepd



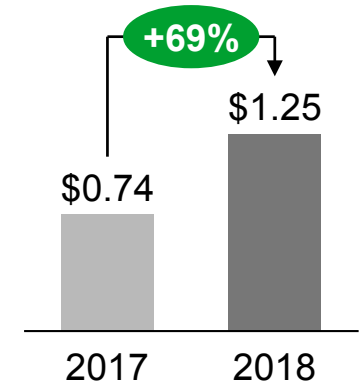
EBITDA, USDm



Earnings per share



Dividends per share



Fourth quarter 2018 highlights

Operations

- Production increased to 156 mboepd
- New wells on stream at Alvheim and Valhall
- Field developments on track

Finance

- Adj. EBITDA USD 667 million¹⁾
- Dividend USD 0.31 per share
- Net debt reduced to USD 1.97 billion

Business development

- Acquisitions of King Lear and Total portfolio completed
- Hess tax loss refunded

Key figures		Q4-18	Q4-17	2018	2017
Production	mboepd	155.7	135.6	155.7	138.8
Realized oil price	USD/bbl	64.3	64.6	71.9	56.2
Realized gas price	USD/scm	0.30	0.26	0.29	0.21
Total income	USDm	886	726	3 750	2 563
Operating profit	USDm	403	305	1 775	1 556
Profit before taxes	USDm	359	248	1 805	811
Net profit	USDm	54	34	476	275
Effective tax rate	USDm	85%	86%	74%	66%
EPS	USD	0.15	0.10	1.32	0.81
DPS	USD	0.31	0.19	1.25	0.74

EXPLORATION

Discovery at Froskelår

Growing the Alvheim area resource base

■ Preliminary results

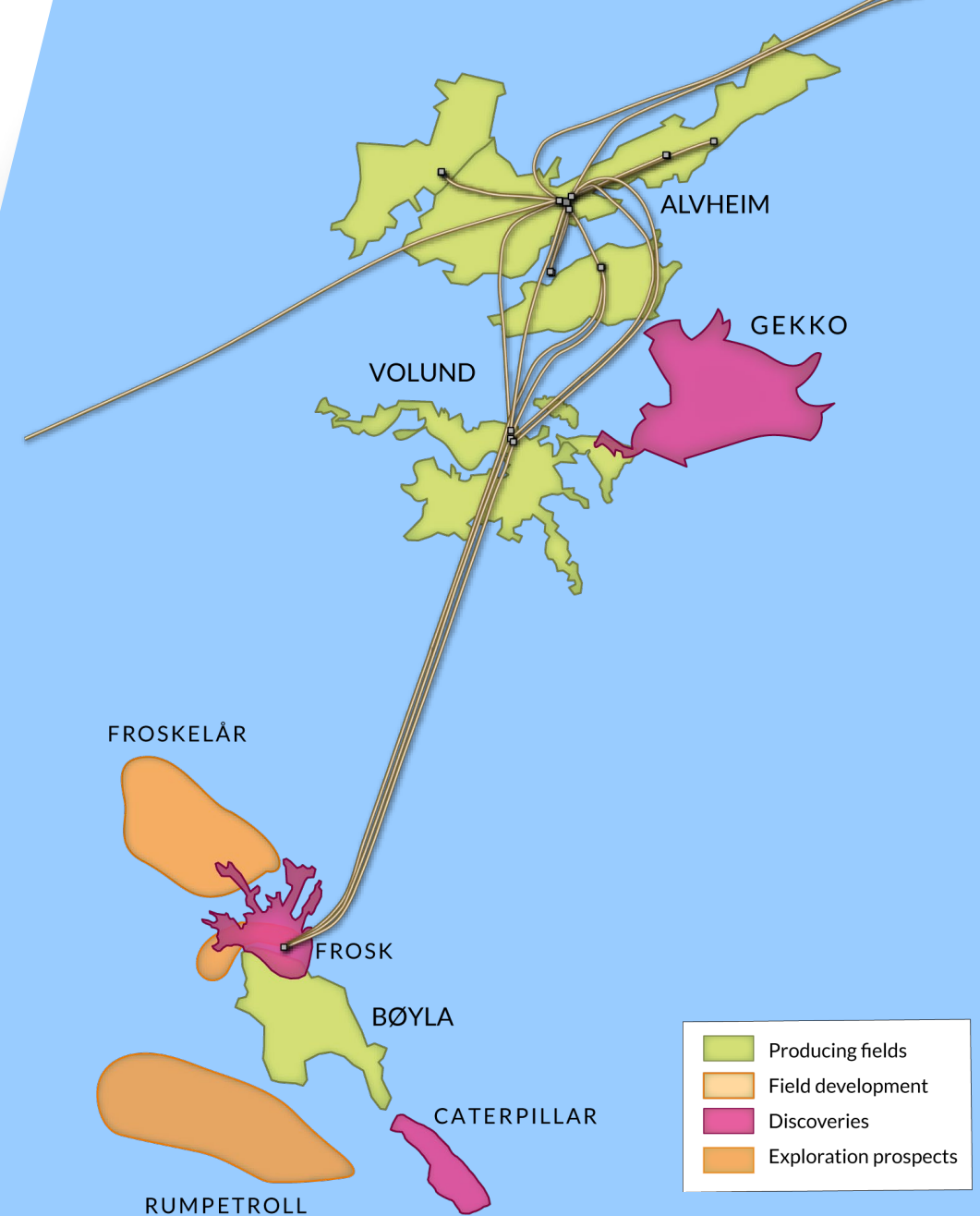
- Oil and gas
- Within pre-drill range of 45-153 mmboe
- May straddle UK-Norway border

■ Drilling operation ongoing

- Coring and data acquisition
- Horizontal sidetrack

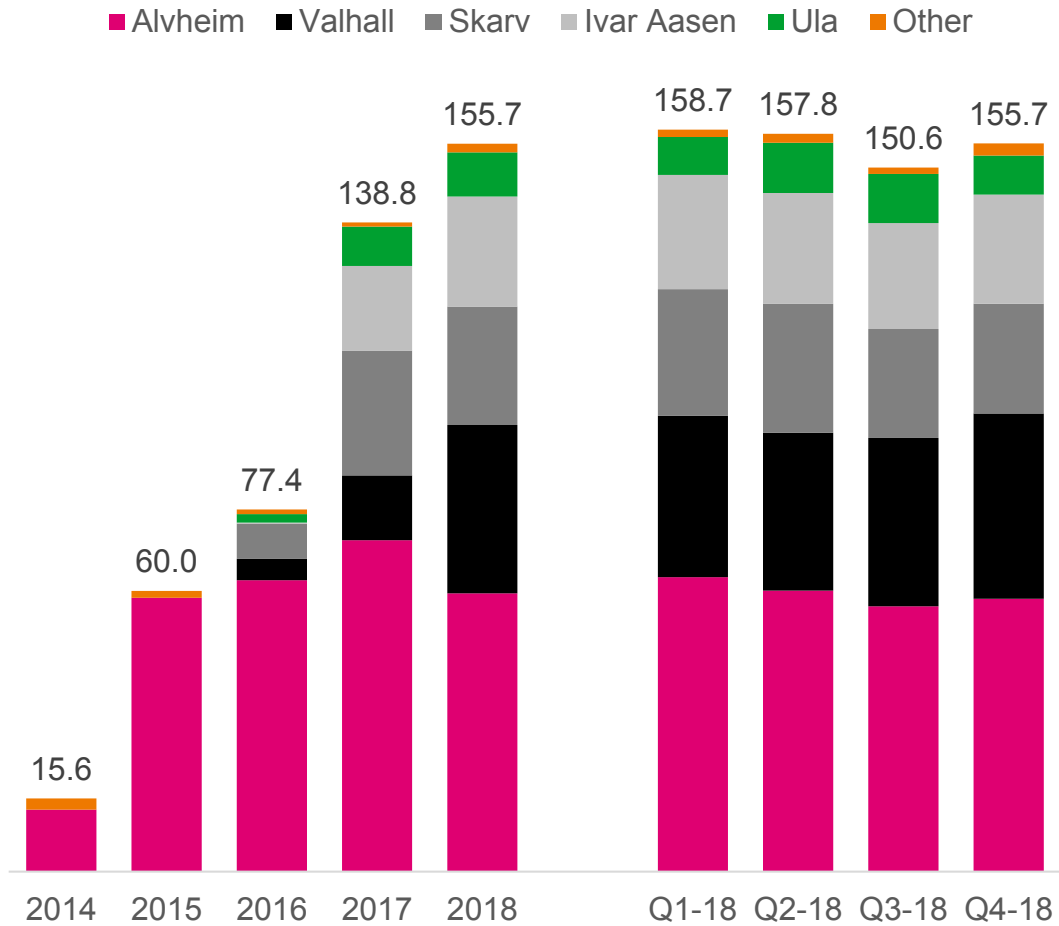
■ Way forward

- Drill test producer on Frosk – also testing Froskelår NE
- Rumpetroll exploration well
- Concept studies based on results

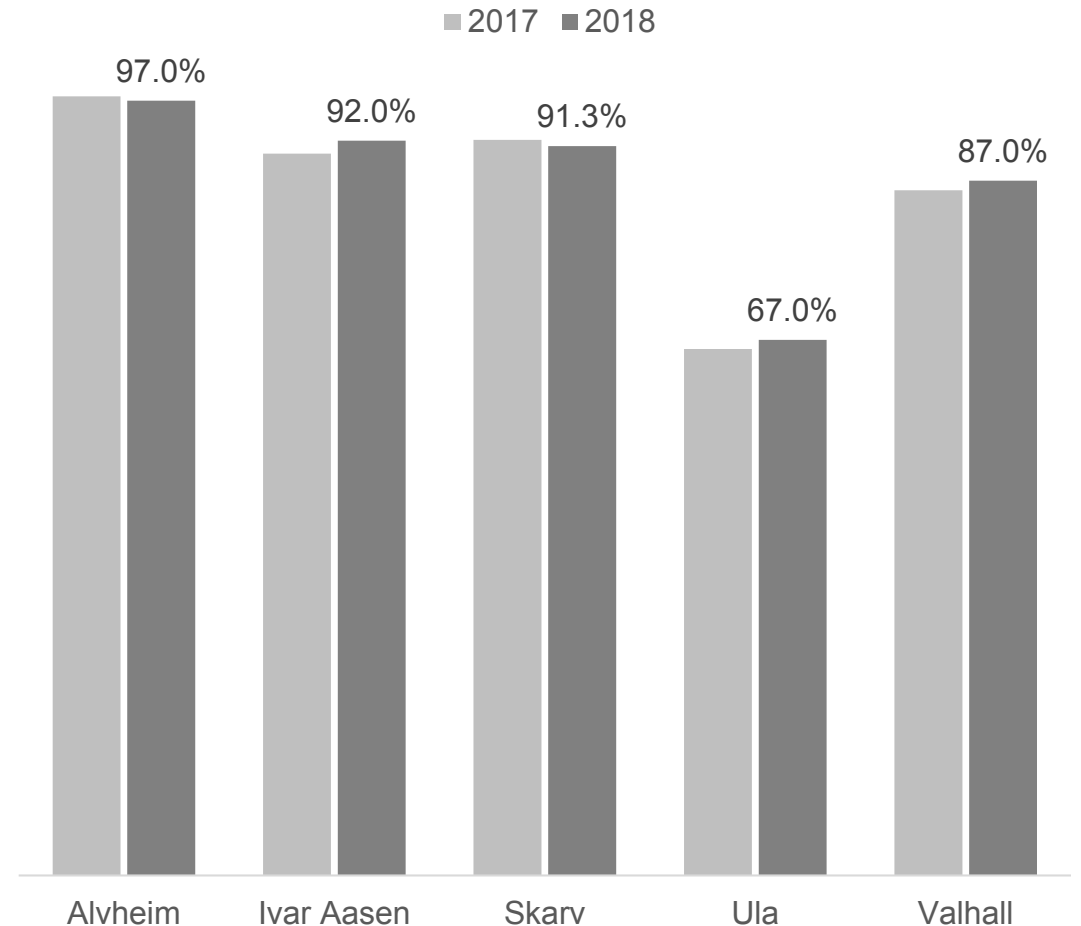


Record production and high regularity

Production per hub, mboepd

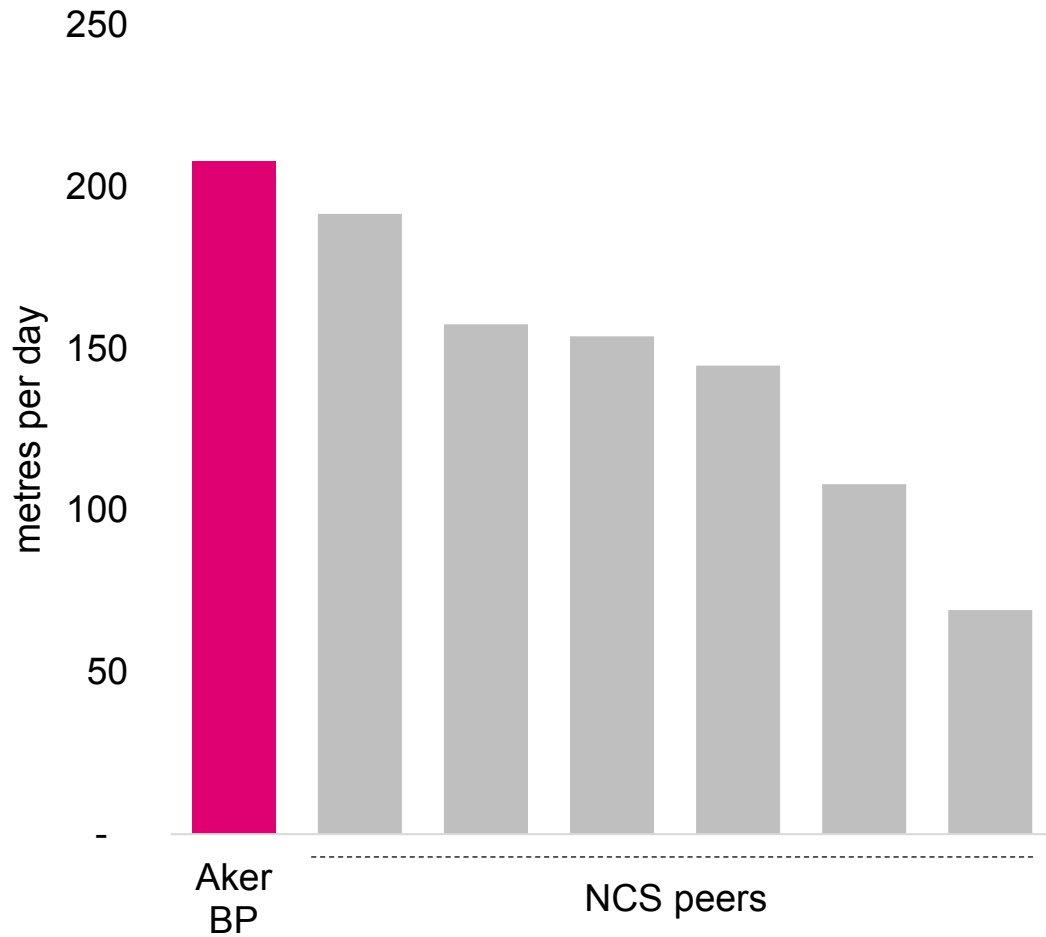


Production efficiency per hub

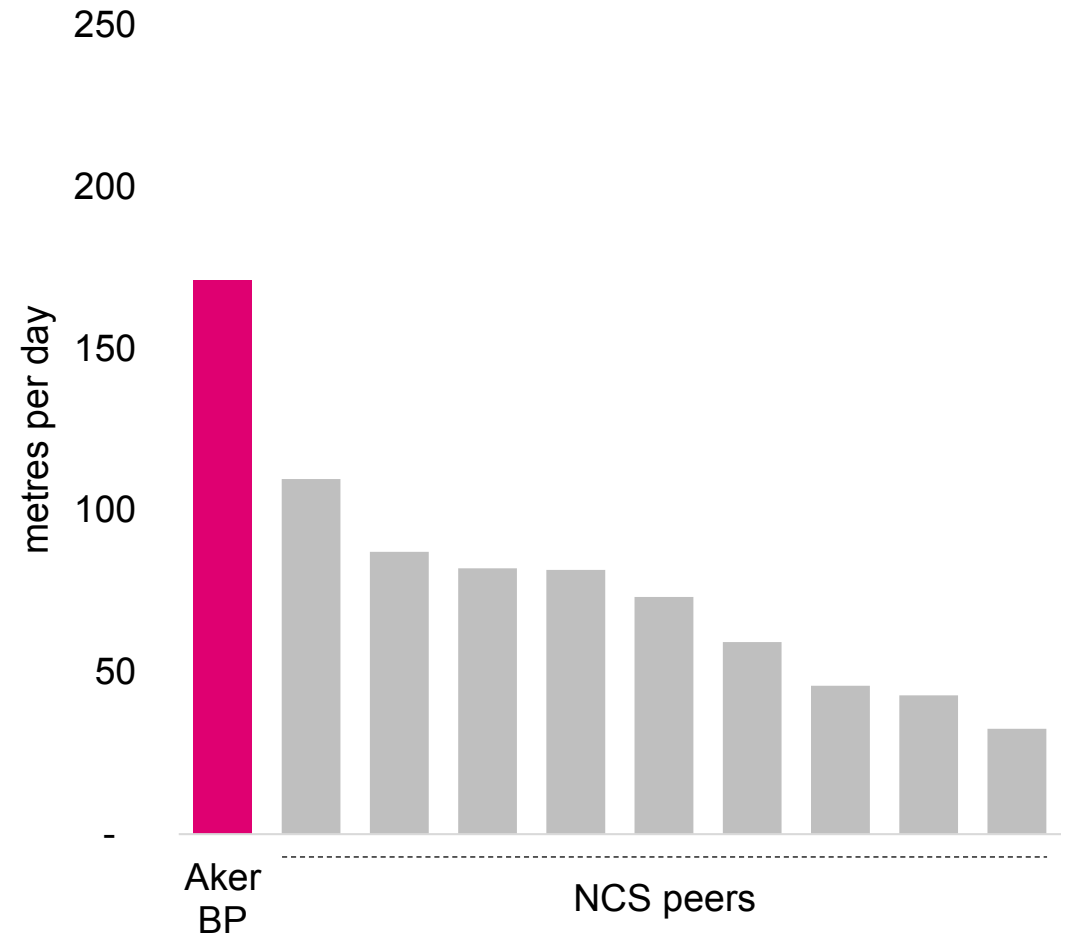


Leading drilling performance

Development wells by operator 2018



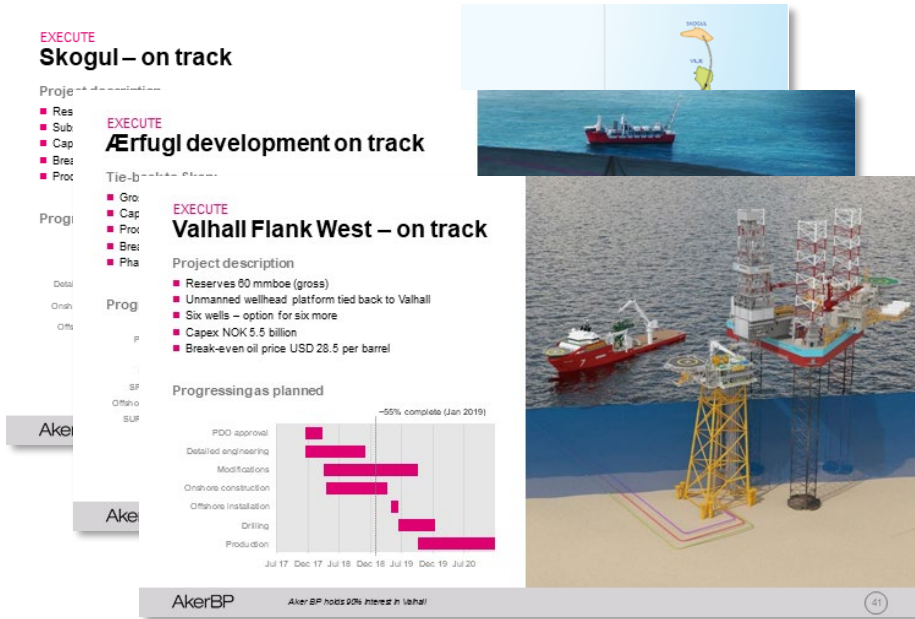
Exploration wells by operator 2018



FIELD DEVELOPMENTS ON TRACK

Improvement program showing tangible results

Example: Valhall Flank West



Facility costs (NOKbn)



Engineering (mhr/tonnes)



Facility construction duration (months) DG2-DG4



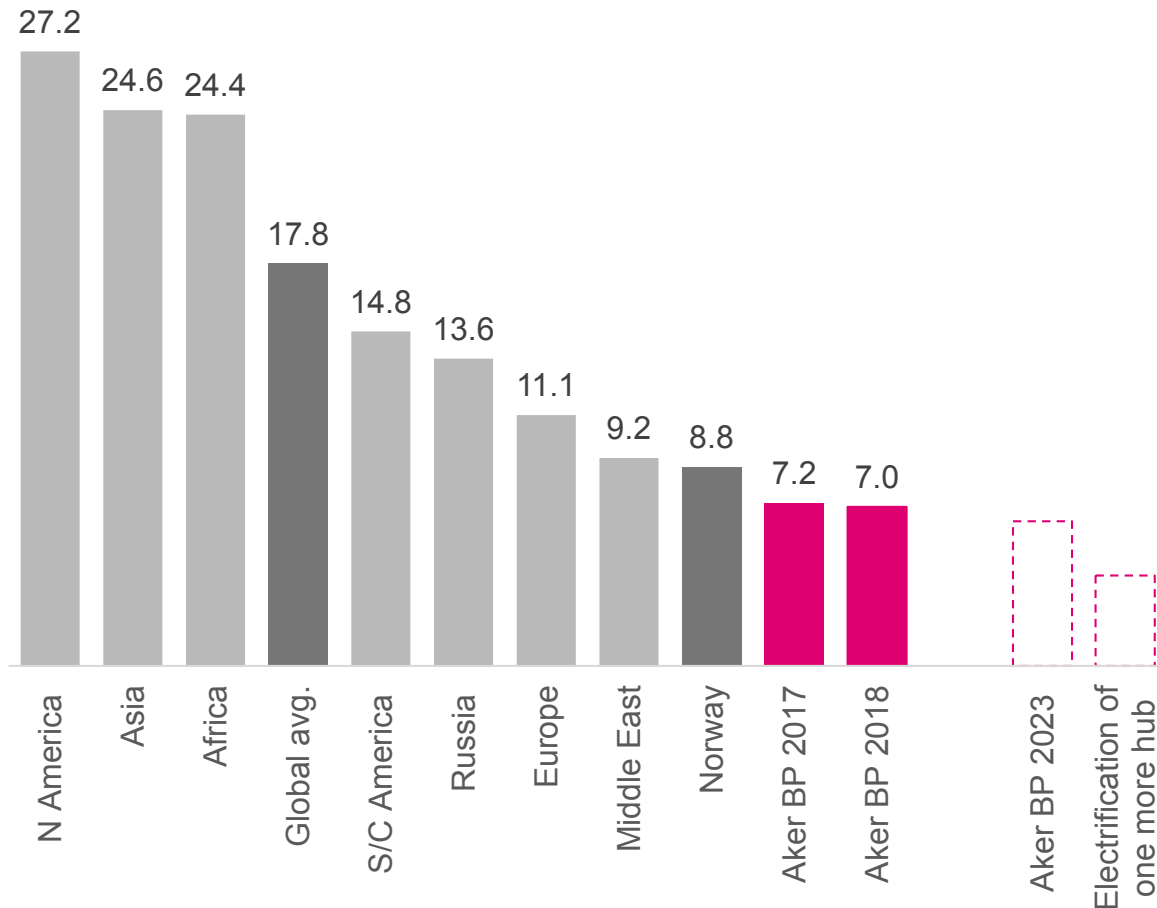
■ Benchmark ■ Current estimate

LEAN MINDSET

Reducing cost, waste and emissions

CO₂ emissions intensity¹⁾

kg CO₂ per boe produced (2017)



The world's first offshore lifeboat with **electric** propulsion



- Latest design of BMW Li-ion batteries
- Successful Factory Acceptance Test performed in January 2019
- 50 % cost reduction on regular inspection and maintenance

Optimizing production with artificial intelligence

Examples

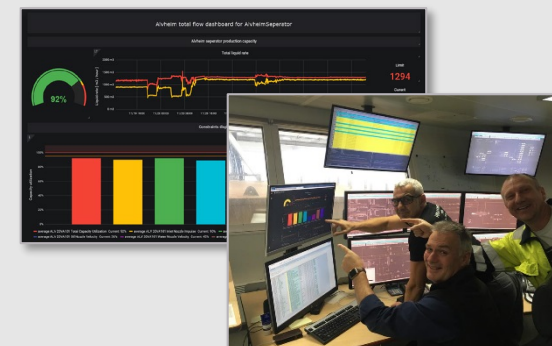
Chalk influx prediction

- **Chalk influx** a challenge at Valhall
- By using machine learning on production data from the Cognite data platform (CDP) the **chalk influx can be predicted** and well breakdown deferrals can be avoided



Dynamic modelling of max flow

- Multiphase flow meters on 3rd party separator at Alvhheim need to be calibrated monthly. During the calibration **the fixed limit of the Alvhheim separator becomes a constraint**, and production is deferred
- New tool reduce deferrals by providing live **optimized production limits** based on current fluid conditions



Reshaping the value chain with alliances

7 alliances established



Set up to deliver full facility and
D&W capex scope



Modification and asset integrity alliances
set up to target opex scope



Key alliance projects on track



10

Subsea alliance projects in execution

>NOK 10 bn

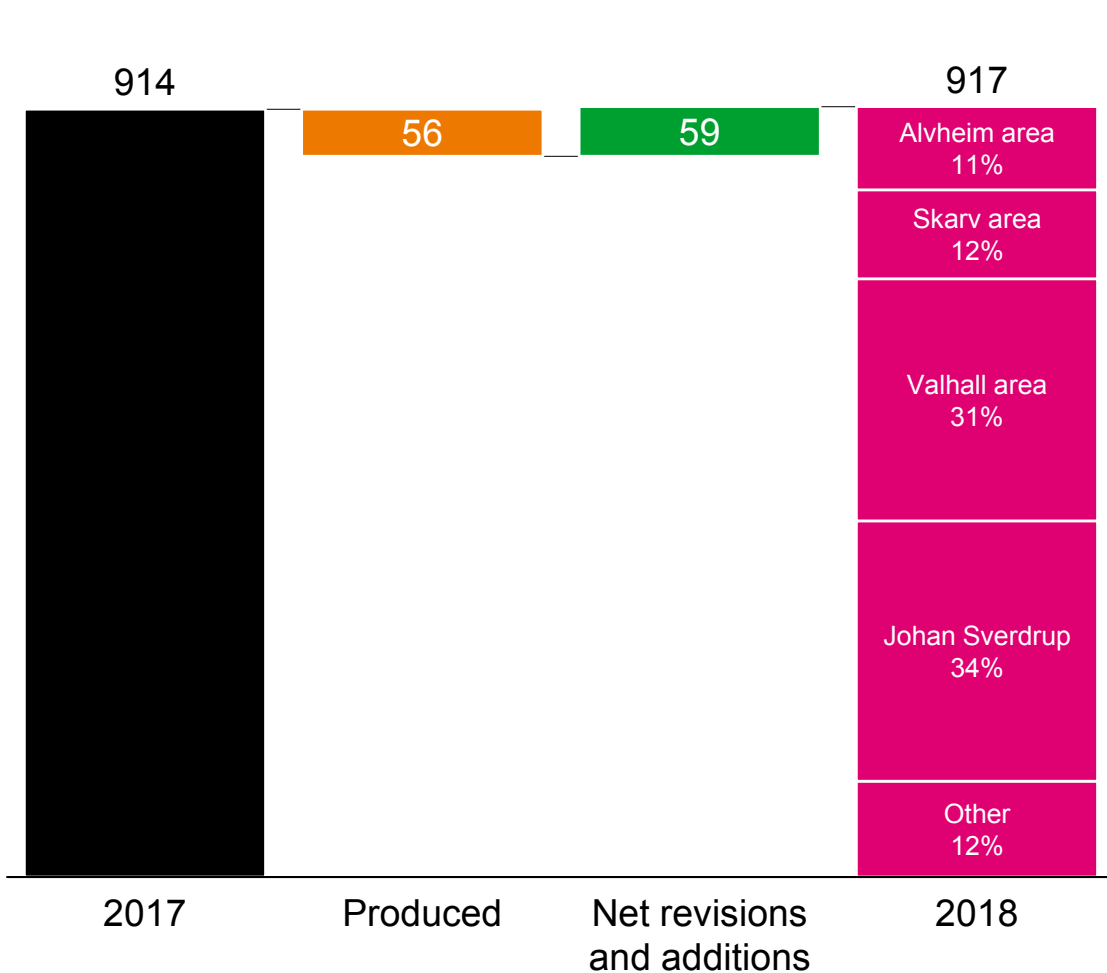
Subsea and modification alliance scope

1 247 000

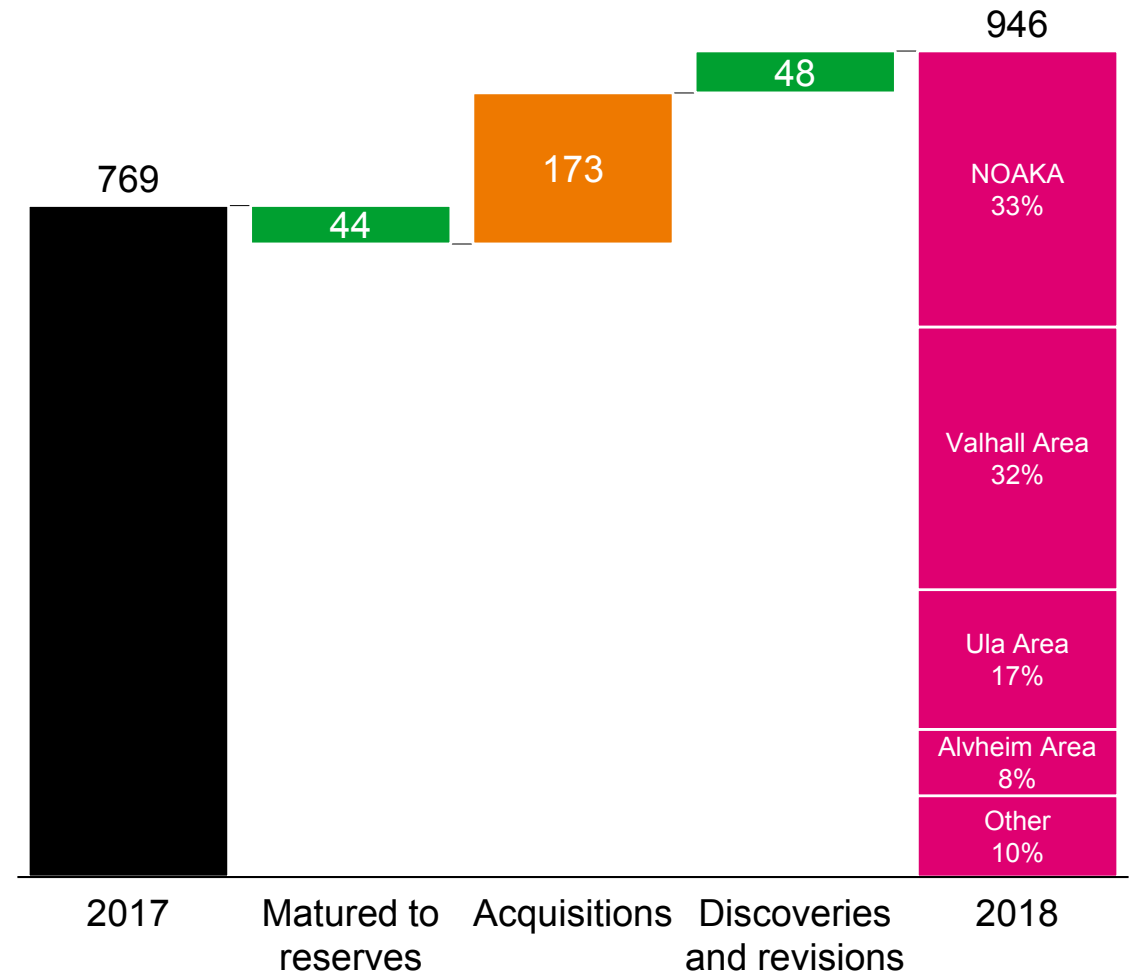
Planned hours of work in modifications alliance

Growing the resource base in 2018

Development in 2P reserves (mmboe)



Development in 2C contingent resources (mmboe)



EXPLORATION

2018 exploration highlights

Value creation from 2018 exploration

120-280

USD million¹⁾

Frosk oil discovery

~50

mmboe (gross)

Gekko appraisal

~40

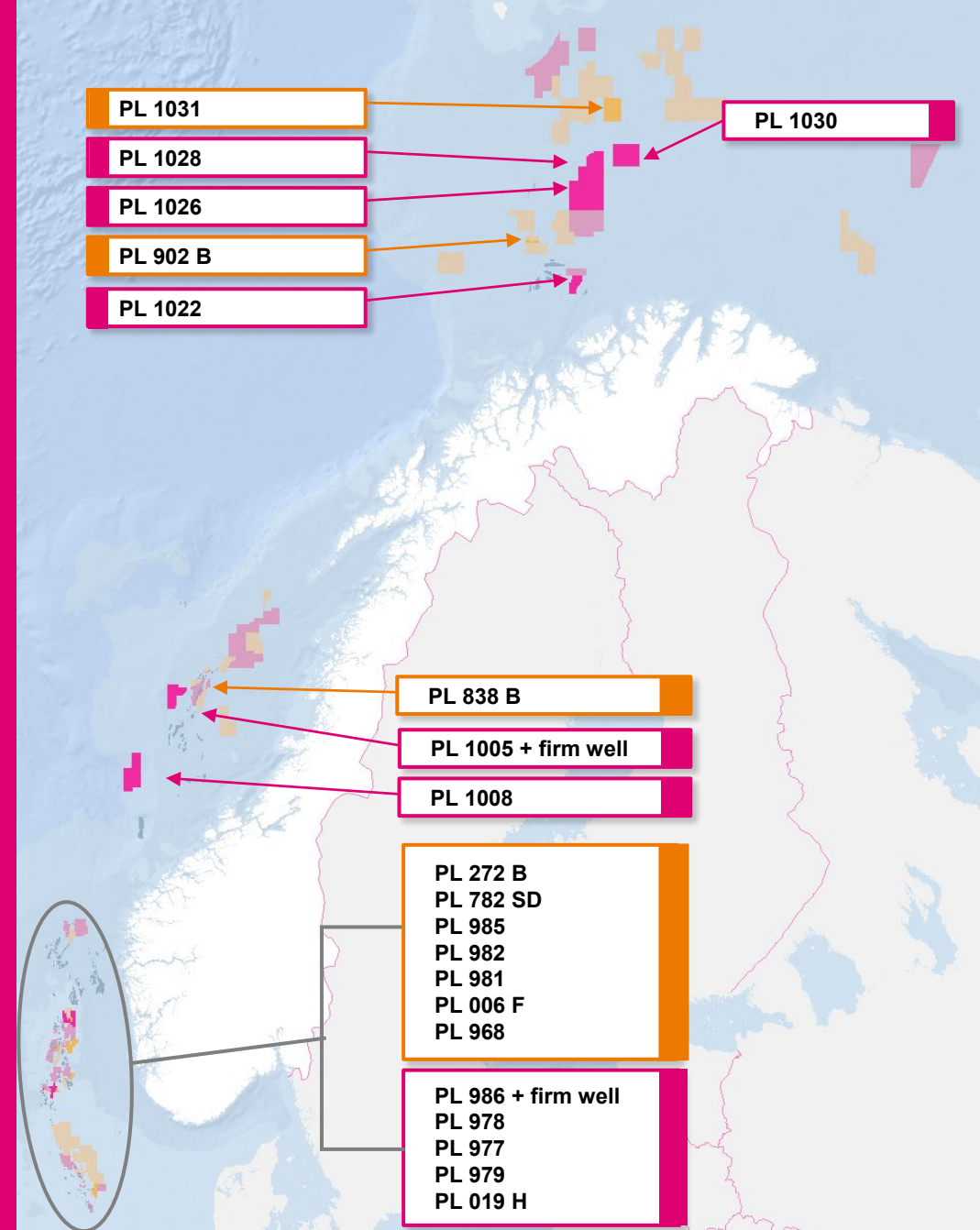
mmboe (gross)

APA 2018 awards

21

new licences (11 operated)

APA 2018 awards to Aker BP



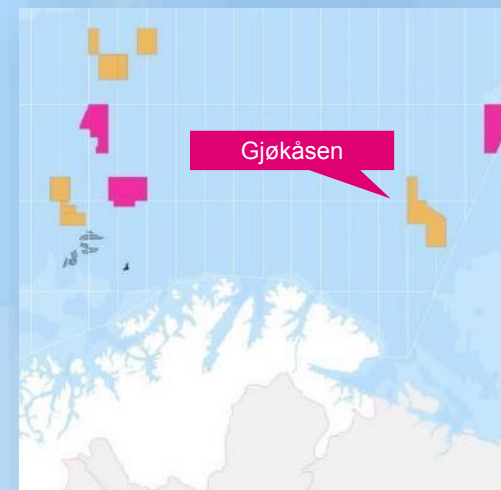
EXPLORATION

2019 exploration program

License	Prospect	Operator	Aker BP share	Pre-drill mboe
PL869	Froskelår Main	Aker BP	60%	45 - 153
PL869	Froskelår NE	Aker BP	60%	7 - 23
PL869	Rumpetroll	Aker BP	60%	45 - 148
PL033	Hod Deep West	Aker BP	90%	2 - 22
PL916	JK	Aker BP	40%	100 - 420
PL857	Gjøkåsen	Equinor	20%	26 - 1427
PL782S	Busta	ConocoPhillips	20%	54 - 199
PL942	Ørn	Equinor	30%	8 - 40
PL777	Hornet	Aker BP	40%	14 - 137
PL814	Freke-Garm	Aker BP	40%	16 - 81
PL502	Klaff	Equinor	22%	50 - 372
PL762	Vågar	Aker BP	20%	62 - 128
PL019C	Kark	Aker BP	60%	15 - 48
PL838	Shrek	PGNIG	30%	10 - 22
TBD	NOAKA area	Aker BP		

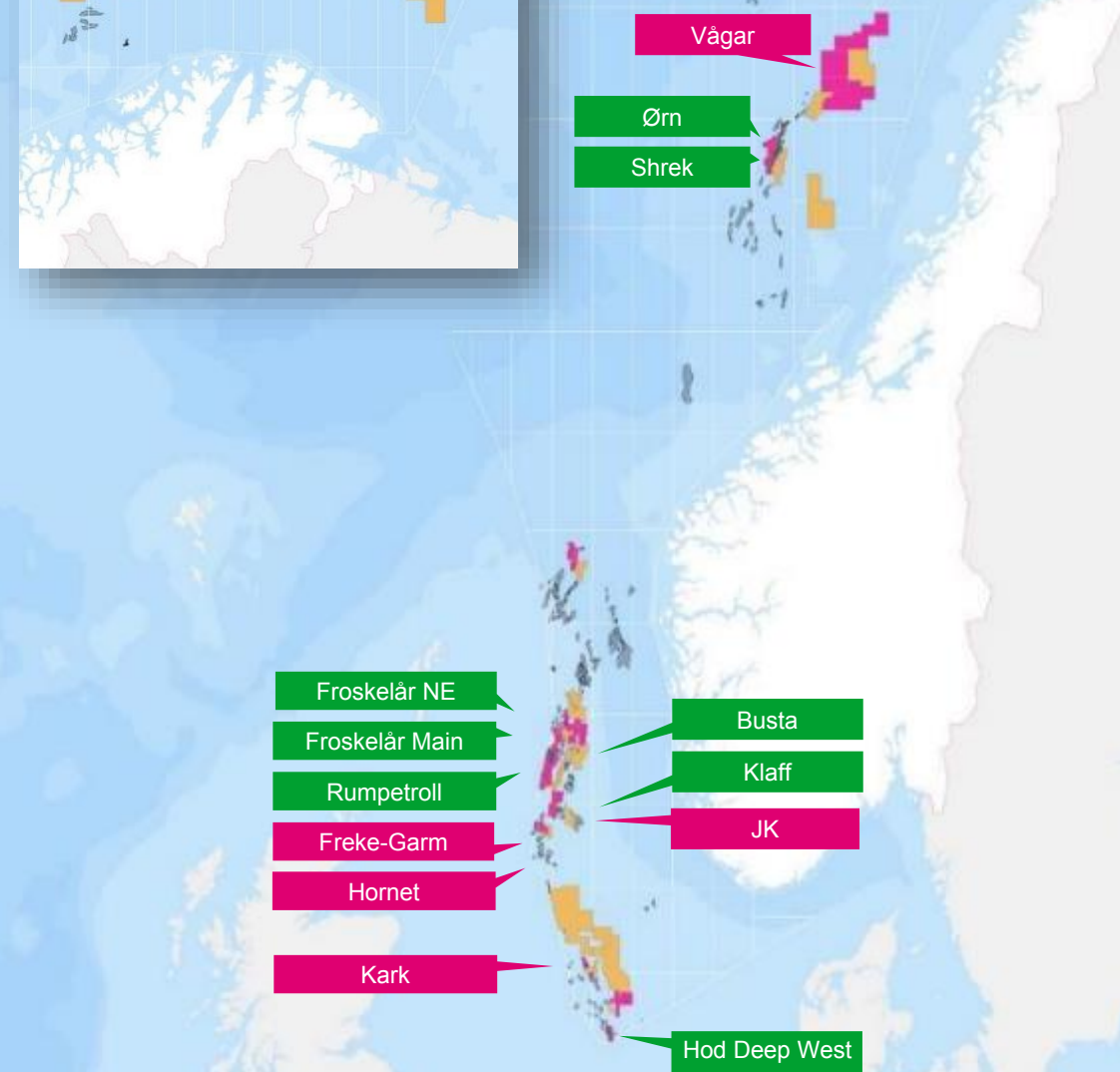
Currently drilling

Planned to be drilled in 2019



Infrastructure Led Exploration (ILX)

Growth exploration



New members of Executive Management Team



Lene Landøy, SVP Strategy & Business Development

Lene Landøy (born 1979) comes from the position of VP Strategy, Portfolio and Analysis and has been with the company since January 2017. Landøy has a master's degree in finance, from NHH Norwegian School of Economics / University of California Los Angeles (UCLA). She also holds a master's degree in international finance from the Skema Business School in France. Prior to joining Aker BP, she led Equinor's business development unit on the Norwegian shelf.



David Tønne, Chief Financial Officer

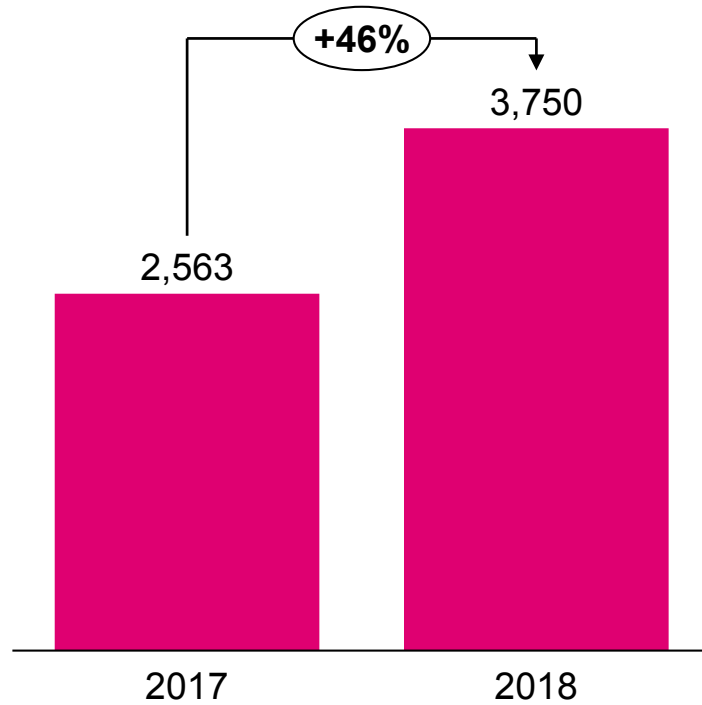
David Tønne (born 1985) comes from the position of VP Corporate Controlling in Aker BP and has been with the company since January 2017. Tønne holds a master's degree in finance from NHH Norwegian School of Economics. Prior to Aker BP, he worked for seven years in The Boston Consulting Group's Oil and Gas team.

Financial review

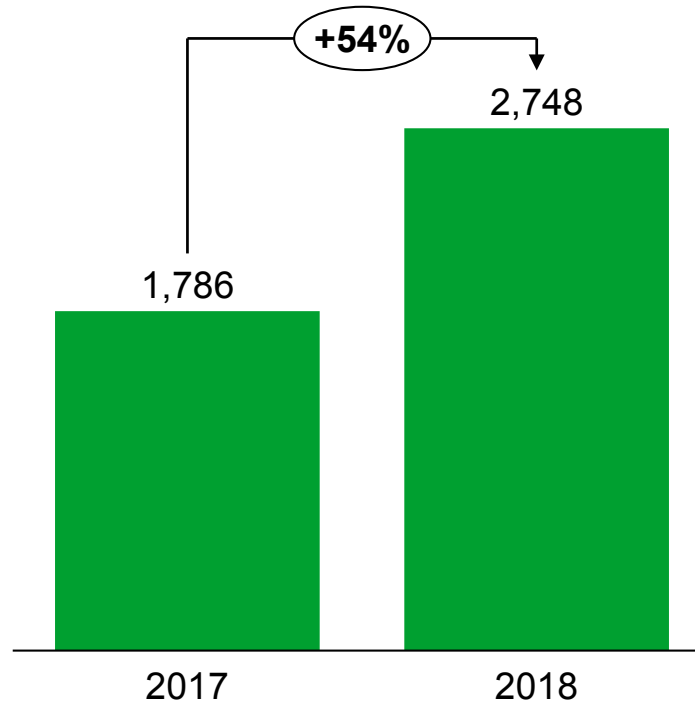
2018 financial highlights

USD million

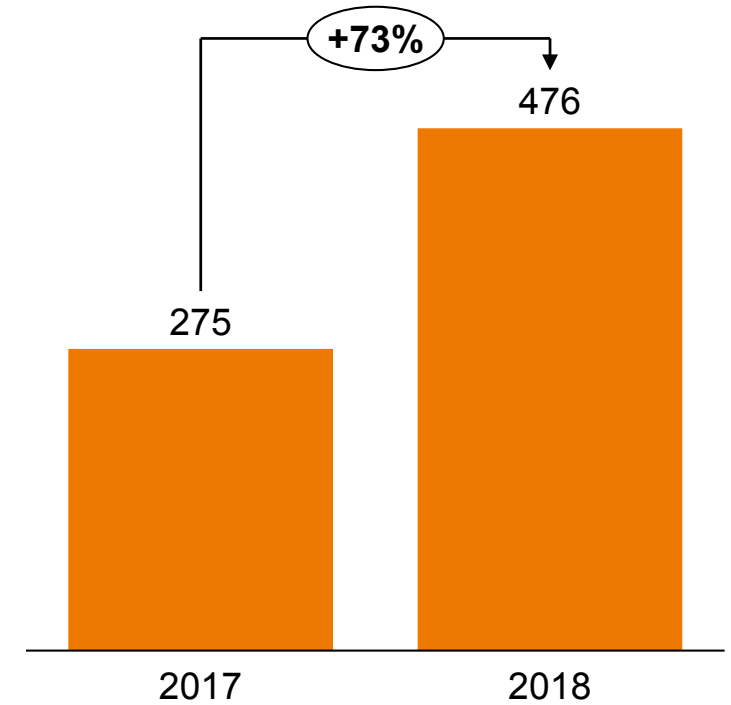
Revenues



EBITDA



Net profit



Statement of income

USD million	Q4 2018	Q3 2018	Q4 2017	2018	2017
Total operating income	886	1,000	726	3,750	2,563
Production costs	187	165	147	689	523
Other operating expenses	8	4	14	17	28
EBITDAX	692	830	565	3,044	2,012
Exploration expenses	72	94	56	296	226
EBITDA	619	736	509	2,748	1,786
Depreciation	196	189	183	752	727
Impairment losses	20	-	21	20	52
Operating profit/loss (EBIT)	403	548	305	1,975	1,007
Net financial items	(44)	(58)	(57)	(171)	(196)
Profit/loss before taxes	359	490	248	1,805	811
Tax (+) / Tax income (-)	305	365	214	1,328	536
Net profit/loss	54	125	34	476	275
EPS (USD)	0.15	0.35	0.10	1.32	0.81

Statement of financial position

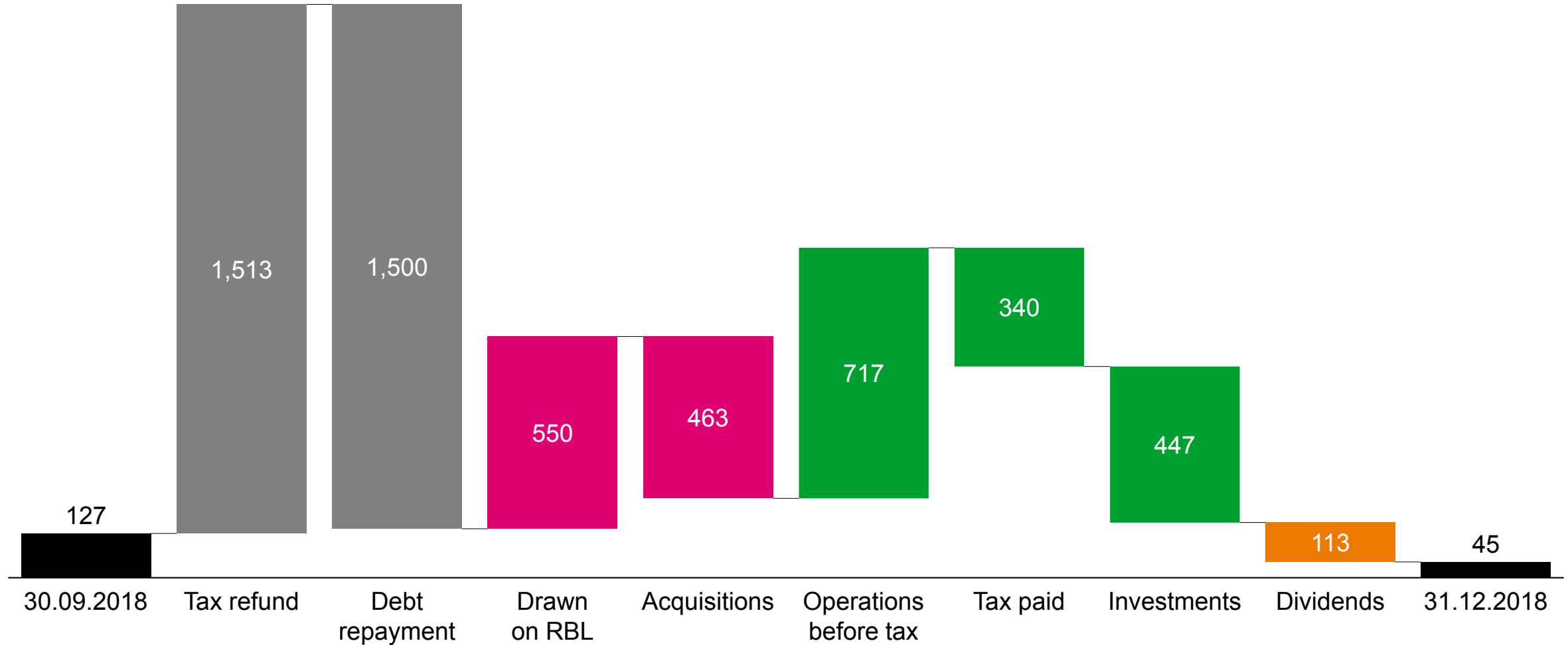
USD million

Assets	31.12.18	30.09.18	31.12.17
Goodwill	1,860	1,860	1,860
Other intangible assets	2,433	1,979	1,982
Property, plant and equipment	5,746	6,039	5,582
Receivables and other assets	681	752	775
Calculated tax receivables (short)	11	1,607	1,586
Cash and cash equivalents	45	127	233
Total Assets	10,777	12,364	12,019

Equity and liabilities	31.12.18	30.09.18	31.12.17
Equity	2,990	3,083	2,989
Other provisions for liabilities incl. P&A (long)	2,581	3,024	2,942
Deferred tax	1,800	1,671	1,307
Bonds	1,110	1,122	622
Bank debt	908	1,853	2,767
Other current liabilities incl. P&A	835	857	1,041
Tax payable	552	754	351
Total Equity and liabilities	10,777	12,364	12,019

Fourth quarter cash flow

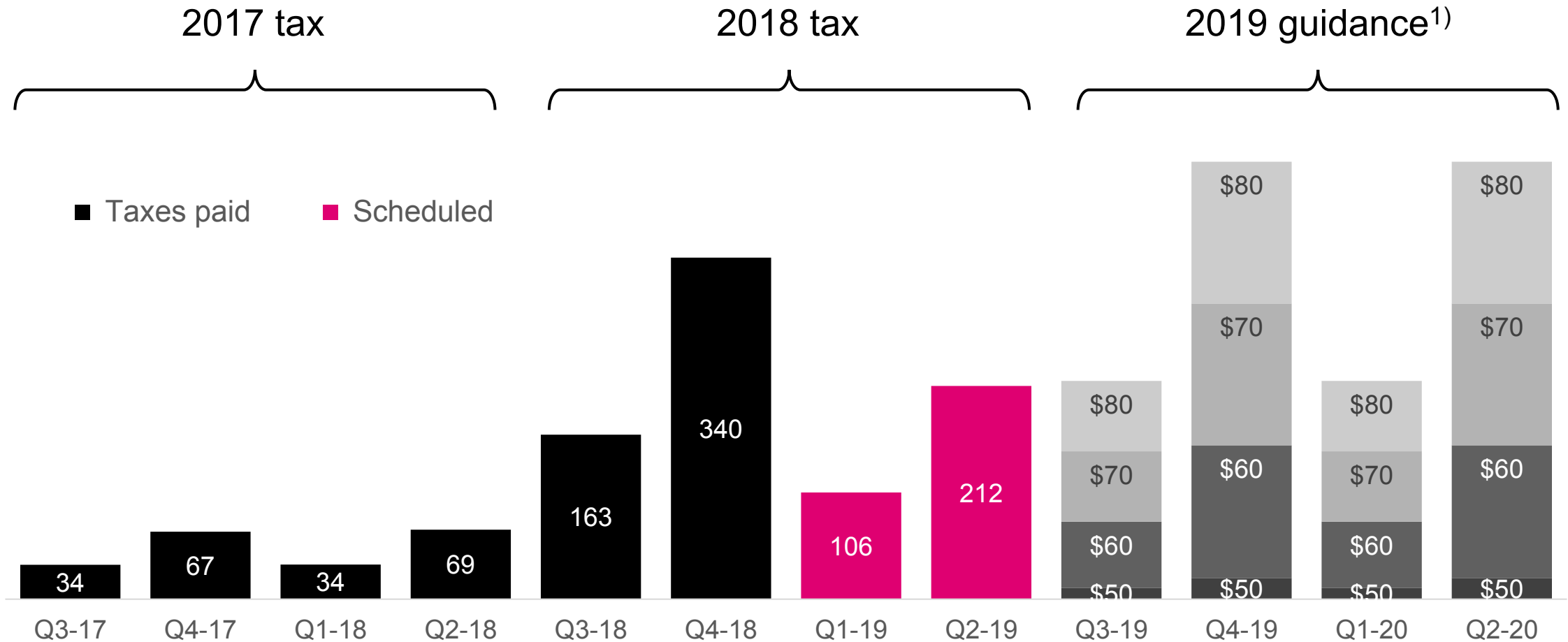
USD million



FINANCIAL REVIEW

Tax payments

USD million



Guidance summary

	2018 guidance	2018 actual	2019 guidance ¹⁾
Production	155-160 mboepd	155.7 mboepd	155-160 mboepd
Capex	USD 1.25 billion	USD 1.20 billion	USD 1.6 billion
Exploration spend	USD 400 million	USD 359 million	USD 500 million
Abandonment spend	USD 250 million	USD 243 million	USD 150 million
Production cost per boe	USD ~12	USD 12.1	USD ~12.5
Dividends	USD 450 million	USD 450 million	USD 750 million

Concluding remarks

Priorities ahead

Execute

- Safe and efficient operations
- Excellent project execution

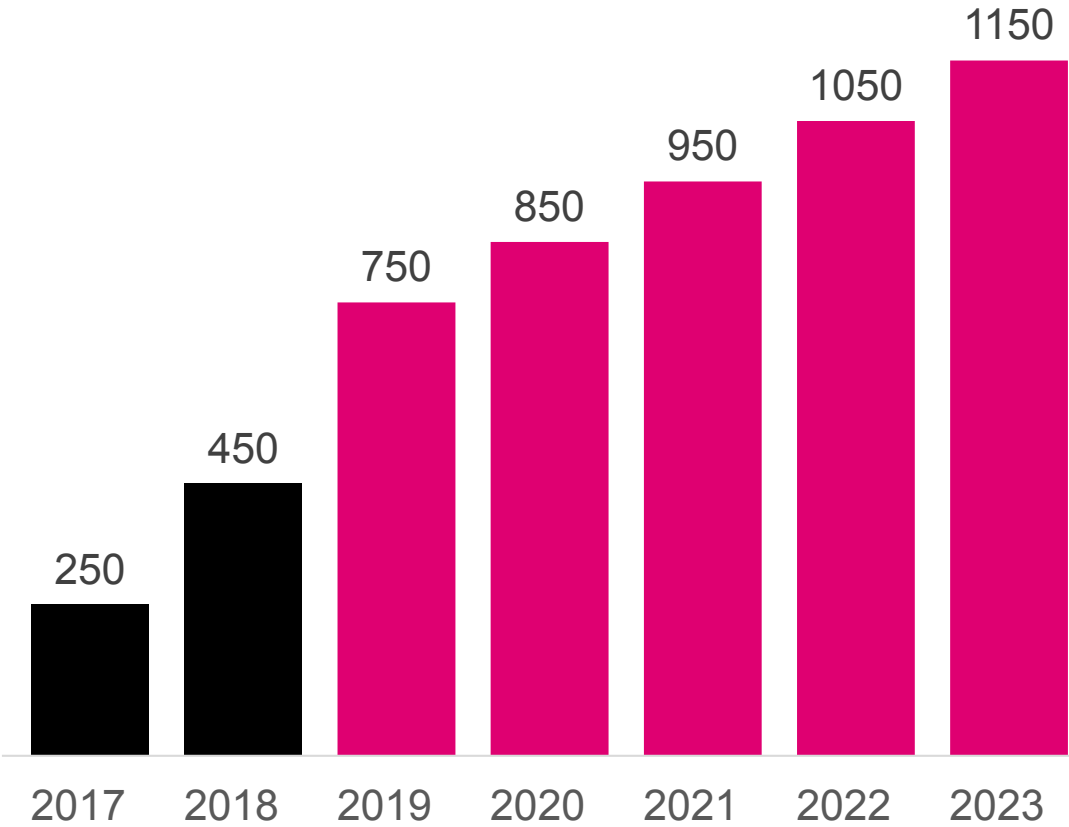
Improve

- Lead the digital transformation
- Reorganize value chains with alliances
- Apply new technology to drive value creation

Grow

- High exploration activity
- Maturing resources to reserves

Dividend plan (USD million)





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