

Second quarter 2019

Aker BP ASA

12 July 2019



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Second quarter 2019

Execute

- Production in line with plan
- High maintenance activity
- P&A completed ahead of plan

Improve

- Drilling faster with dual operations
- Reduced financing cost after refinancing

Grow

- Exploration success
- Johan Sverdrup and Valhall Flank West on track for first oil in Q4

Key figures

| | | Q2-19 | Q1-19 | Q2-18* |
|------------------------|---------|-------|-------|--------|
| Production | mboepd | 127.3 | 158.7 | 157.8 |
| Sales | mboepd | 140.7 | 162.0 | 151.3 |
| Realized liquids price | USD/bbl | 69.3 | 63.9 | 73.9 |
| Realized gas price | USD/scm | 0.16 | 0.24 | 0.28 |
| Total income | USDm | 785 | 836 | 925 |
| EBITDA | USDm | 522 | 539 | 698 |
| Operating profit | USDm | 354 | 287 | 516 |
| Net profit | USDm | 62 | 10 | 128 |
| Effective tax rate | USDm | 77% | 96% | 74% |
| EPS | USD | 0.17 | 0.03 | 0.36 |
| DPS | USD | 0.52 | 0.52 | 0.31 |

High activity across the value chain

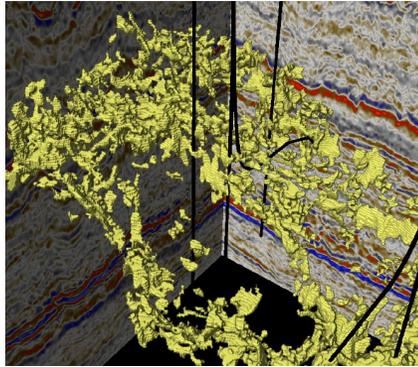
Drilling

Exploration

Development projects

Production

Decommissioning



6

simultaneous
drilling operations

17

exploration
wells in 2019

4

development projects
in installation mode

127 300

boe per day
production in Q2

2

projects safely
executed in 2019

Exploration update

Creating value from Exploration

High success rate and efficient execution

■ **Successful exploration in core areas**

- 9 wells drilled so far in 2019
- 3 discoveries

■ **Industry leading drilling performance**

- Safe and highly efficient drilling

■ **Adding two wells to the program**

- Nipa – license PL 986 in NOAKA area
- Nidhogg – license PL 1008 in Skarv area

Liatårnet – material discovery in the NOAKA area

Building momentum for an area development

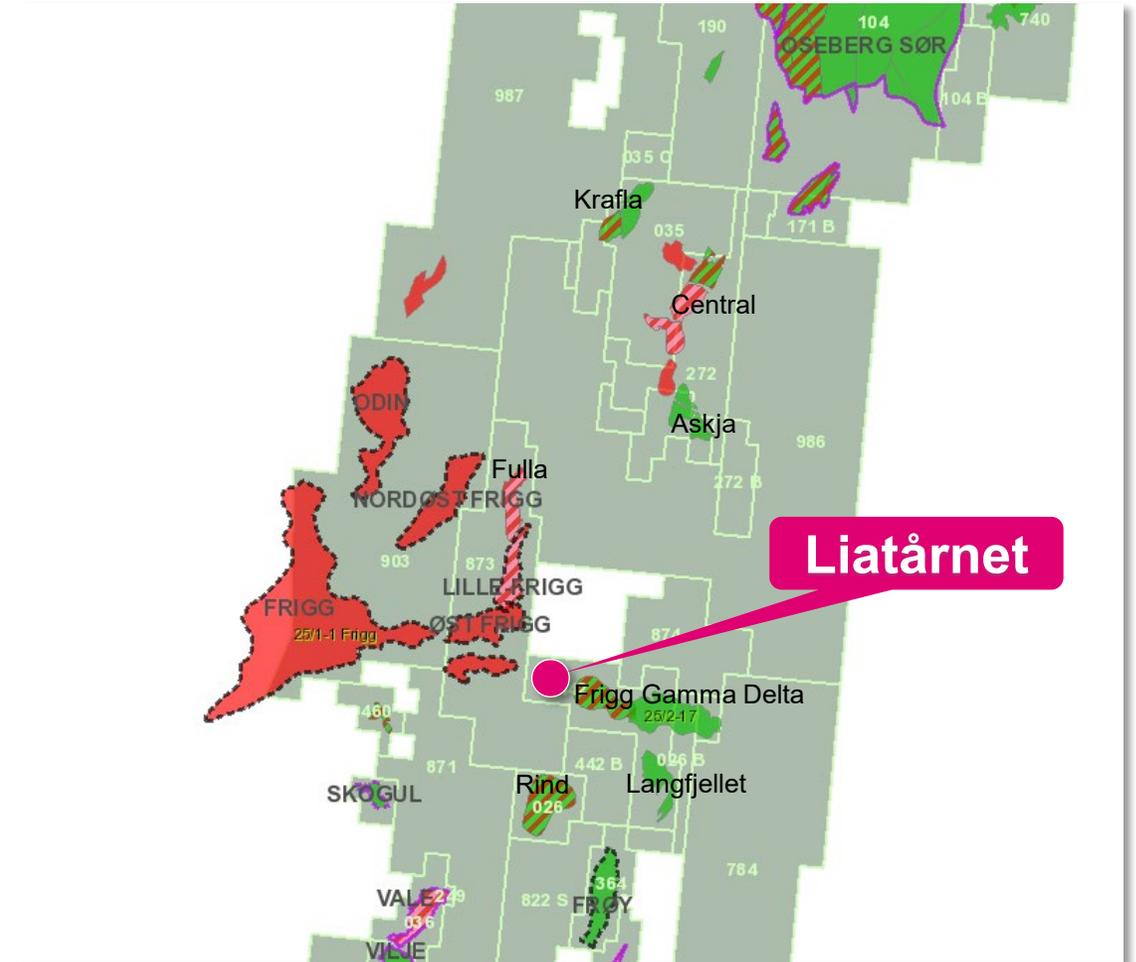
■ A significant oil discovery

- Volume in place estimated to 500-700 mmboe
- More data needed to determine drainage strategy and recovery
- Recoverable volume prelim. estimated to 80-200 mmboe

■ Located in the middle of the NOAKA area

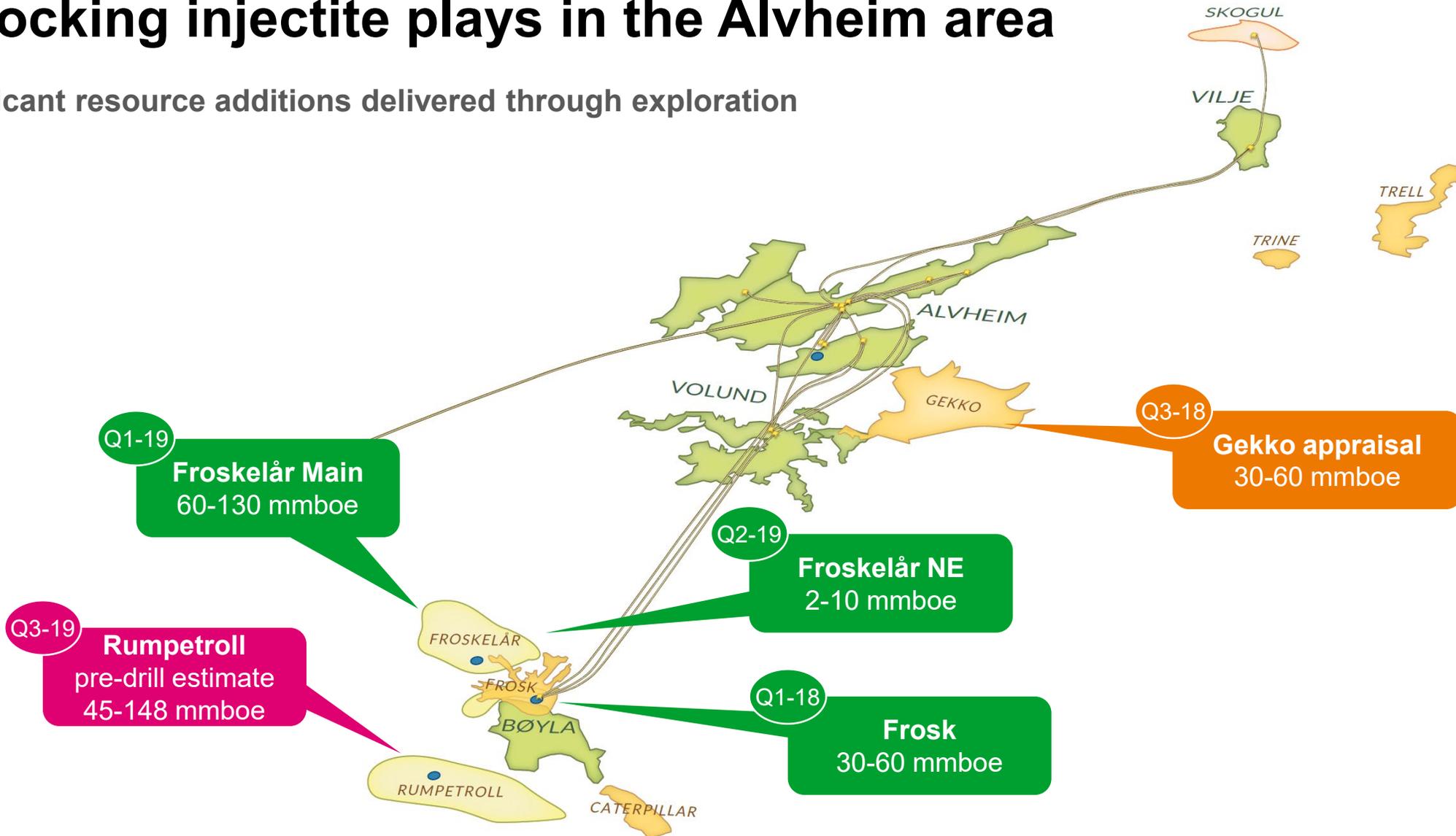
- Licence PL 442 – Aker BP operator with 90% interest
- Adjacent to Frigg-Gamma/Delta discovery
- Adds value and robustness to an area development

Area overview



Unlocking injectite plays in the Alvheim area

Significant resource additions delivered through exploration



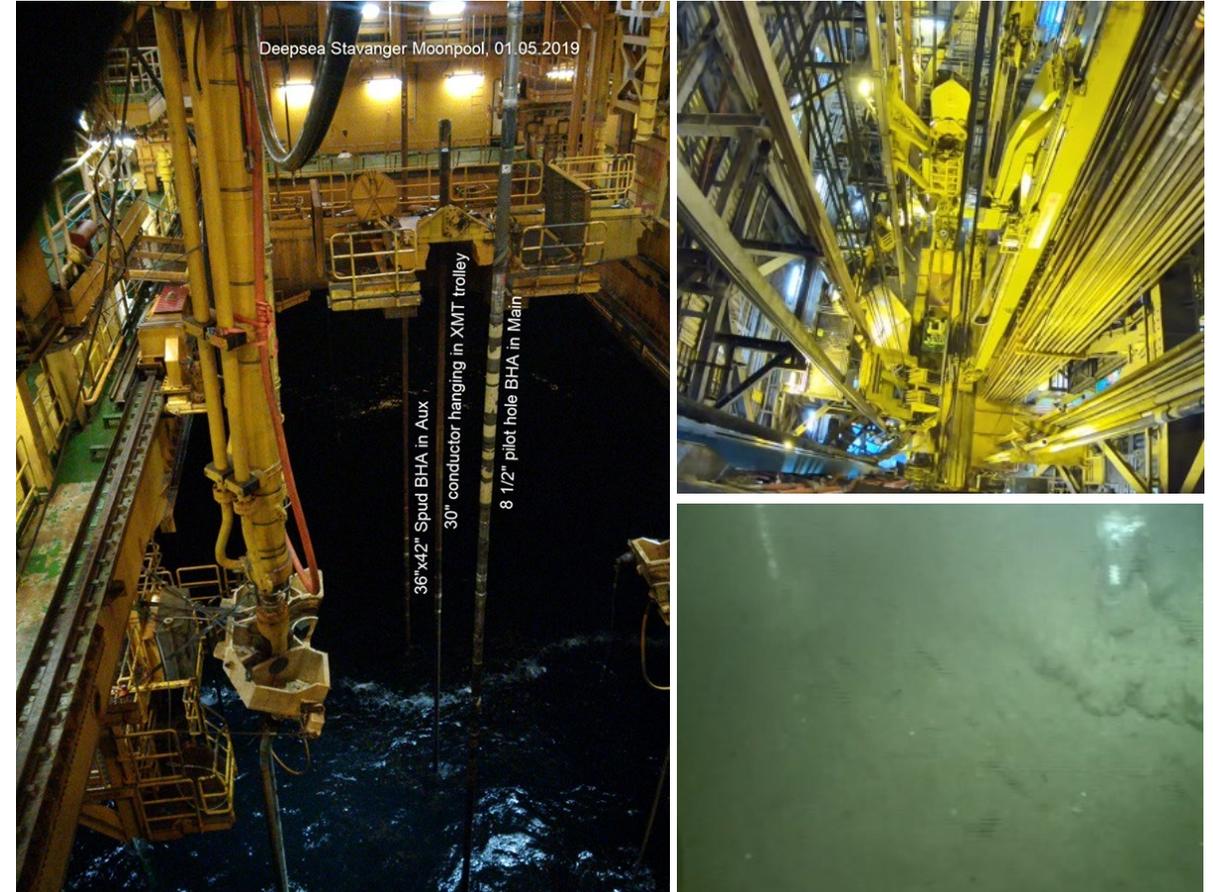
World's first dual drilling operations

Drilling faster and faster

- **Dual drilling completed safely and efficiently on three wells**
 - JK
 - Hornet
 - Freke-Garm

- **Deepsea Stavanger – rig with world class capabilities**
 - Two top drives
 - Two circulating systems
 - Two drill crews

- **Saving time and money**
 - Time savings of ~30 hours per well
 - Cost savings of up to NOK 15 million per well



Precision maneuvering two wellbores with a separation of 10 meters simultaneously

2019 exploration program

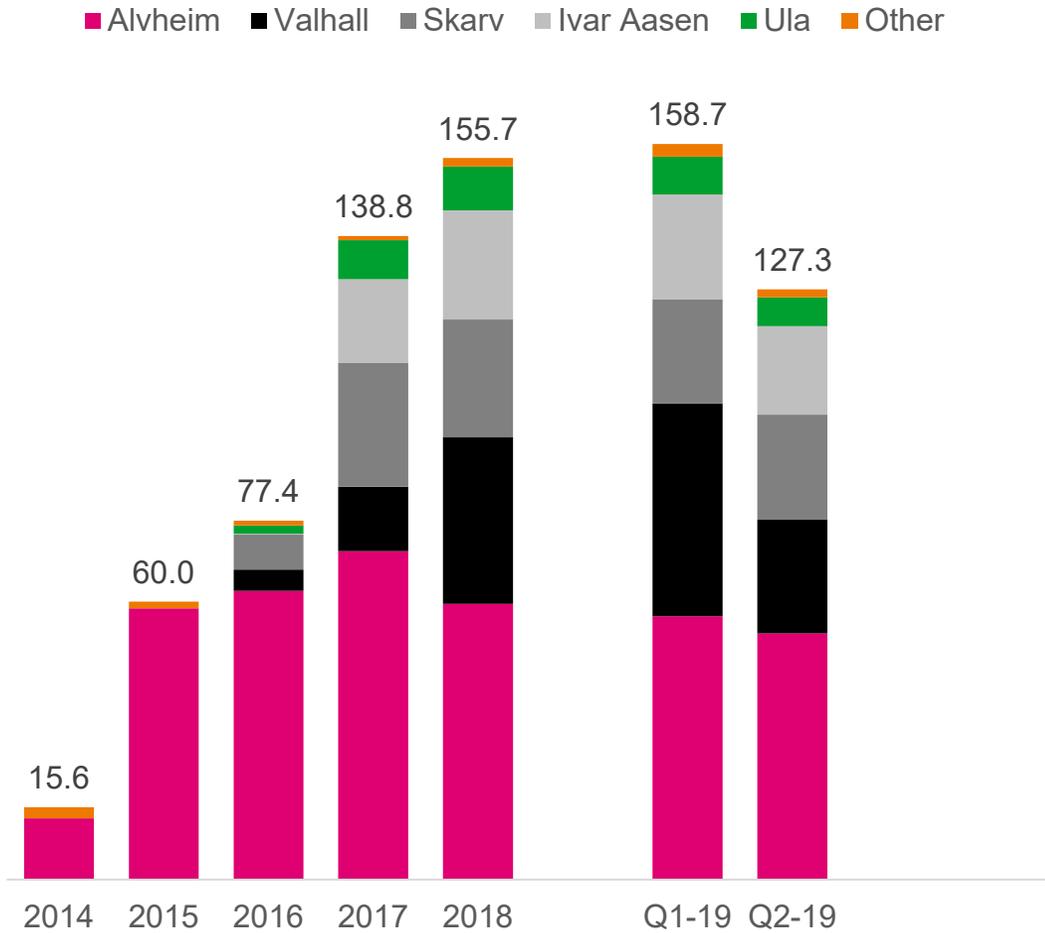
Status per July 2019 – two new wells added in Q2

| License | Prospect | Operator | Aker BP share | Est. spud | Pre-drill mmboe | Status |
|--------------|-----------------------|----------------|---------------|-----------|-----------------|-------------------------------|
| PL869 | Froskelår Main | Aker BP | 60 % | Q1 | 45 - 153 | Discovery 60-130 mmboe |
| PL857 | Gjøkåsen | Equinor | 20 % | Q1 | 26 - 1427 | Dry |
| PL033 | Hod Deep West | Aker BP | 90 % | Q1 | 2 - 22 | Dry |
| PL869 | Froskelår NE | Aker BP | 60 % | Q2 | 7 - 23 | Discovery 2-10 mmboe |
| PL916 | JK | Aker BP | 40 % | Q2 | 100 - 420 | Dry |
| PL814 | Freke-Garm | Aker BP | 40 % | Q2 | 16 - 81 | Dry |
| PL777 | Hornet | Aker BP | 40 % | Q2 | 14 - 137 | Dry |
| PL502 | Klaff | Equinor | 22 % | Q2 | 50 - 372 | Ongoing |
| PL869 | Rumpetroll | Aker BP | 60 % | Q2 | 45 - 148 | Ongoing |
| PL442 | Liatårnet | Aker BP | 90 % | Q2 | 39 - 331 | Discovery 80-200 mmboe |
| PL942 | Ørn | Equinor | 30 % | Q3 | 8 - 40 | |
| PL762 | Vågar | Aker BP | 20 % | Q3 | 63 - 130 | |
| PL782S | Busta | Conoco | 20 % | Q3 | 54 - 199 | |
| PL019C | Kark | Aker BP | 60 % | Q3 | 15 - 48 | |
| PL986 | Nipa | Aker BP | 30 % | Q3 | 35 - 115 | NEW: Added in Q2 |
| PL838 | Shrek | PGNIG | 30 % | Q4 | 10 - 22 | |
| PL1008 | Nidhogg | Aker BP | 60 % | Q4 | 26 - 70 | NEW: Added in Q2 |

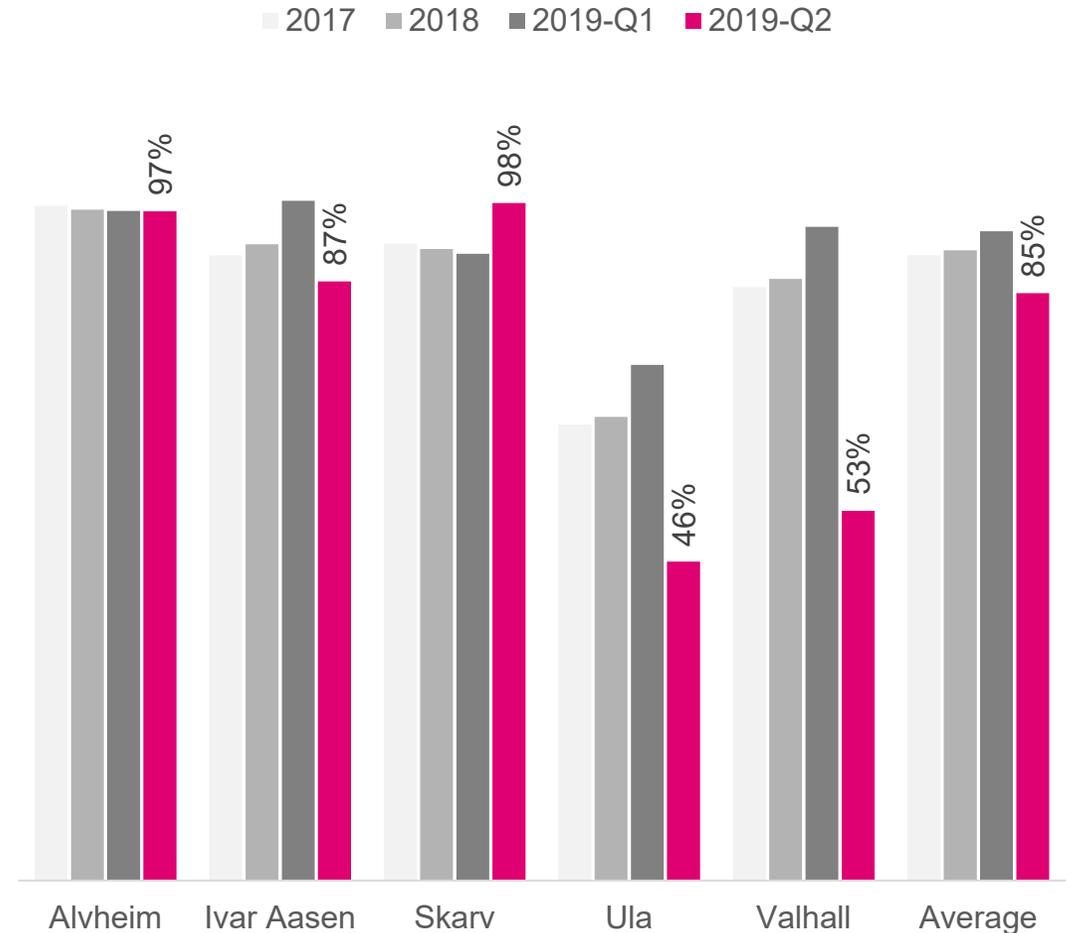
Operational update

Production overview

Production per hub, mboepd



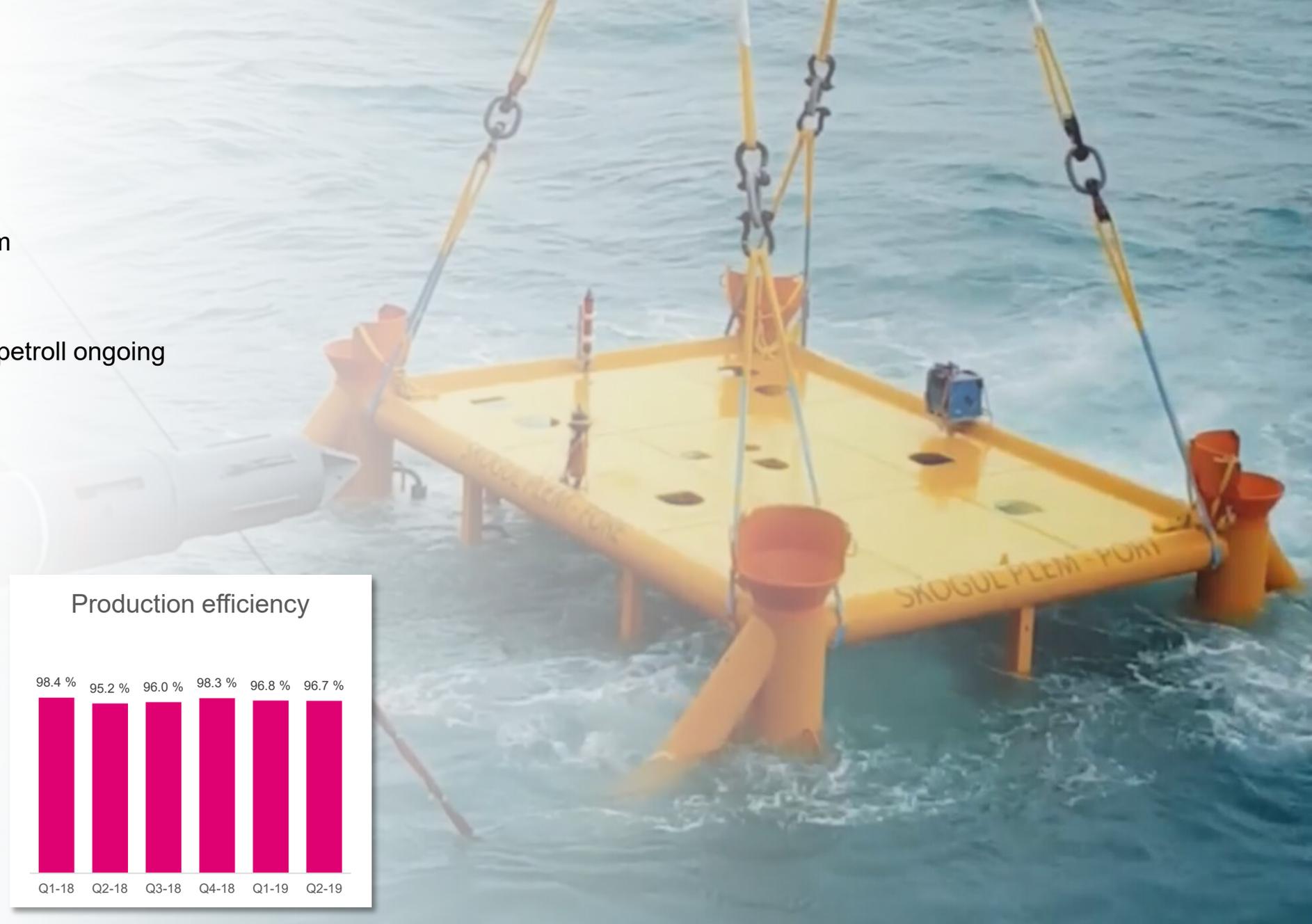
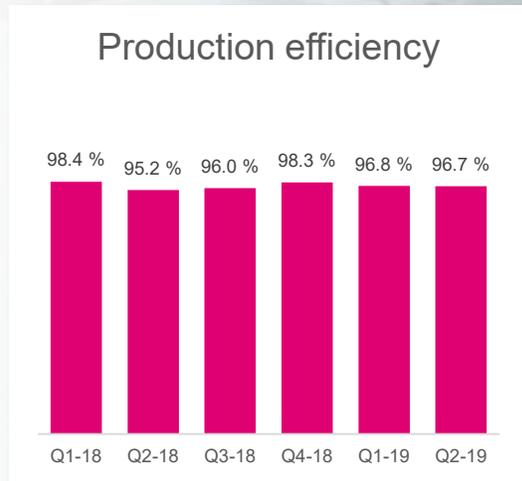
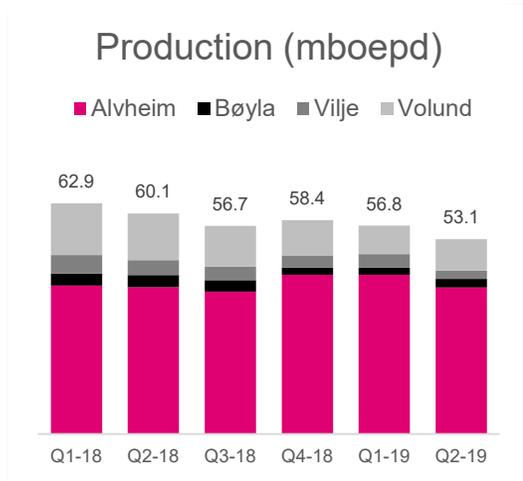
Production efficiency per hub



OPERATIONAL REVIEW

Alvheim

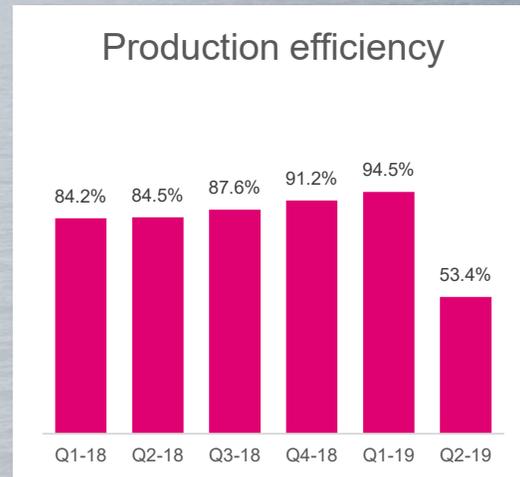
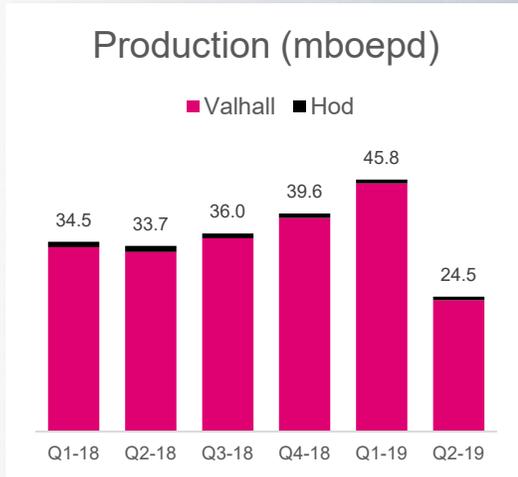
- Volund sidetrack well on stream
- Skogul development on track
- Frosk test producer completed
- Discovery Froskelår NE - Rumpetroll ongoing



OPERATIONAL REVIEW

Valhall

- Valhall Flank West on track – platform installed
- Valhall QP topside removed
- Lower production in Q2 due to planned maintenance

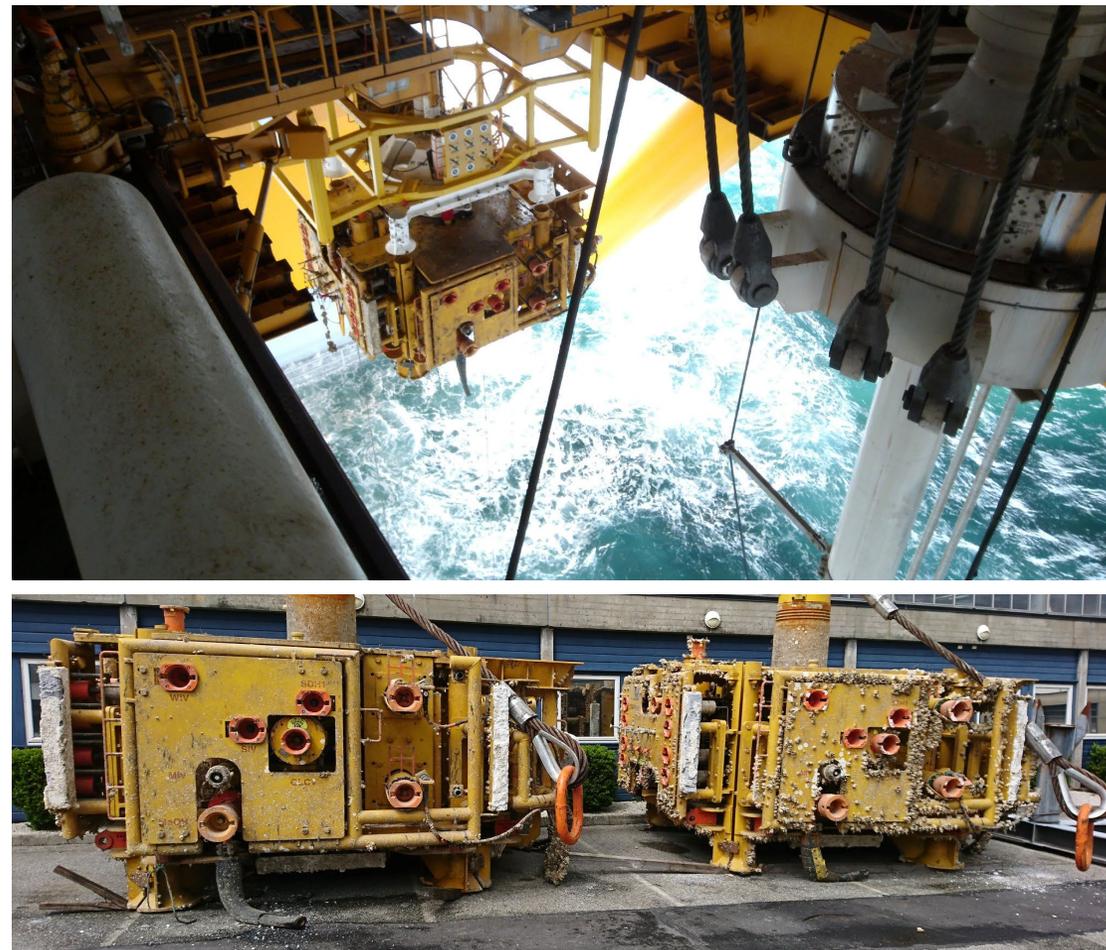


Safe and efficient decommissioning

Removal of Valhall QP



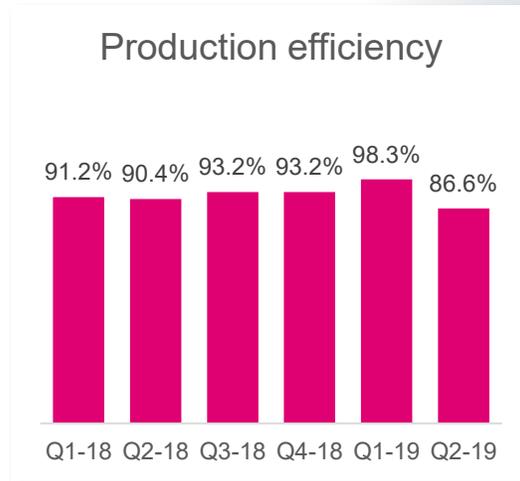
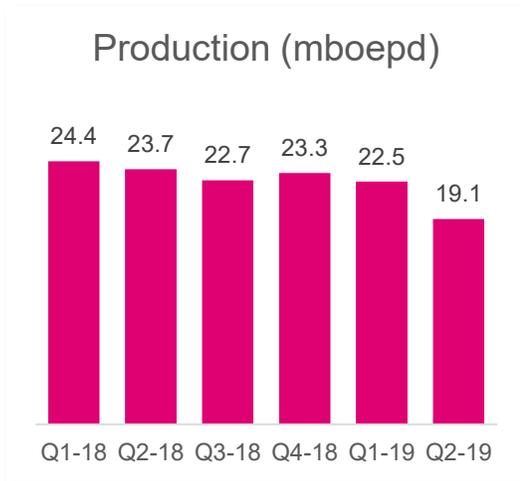
Recovery of Jette Xmas trees



OPERATIONAL REVIEW

Ivar Aasen

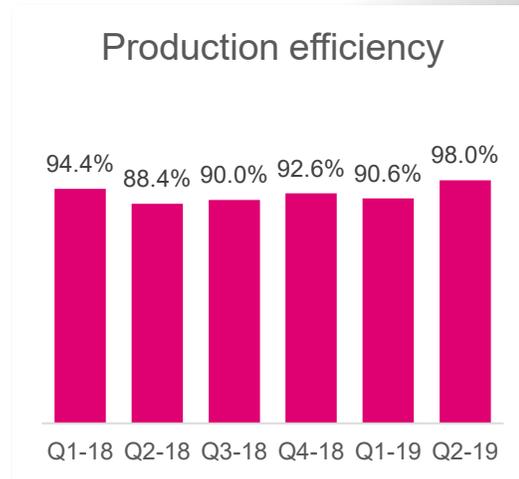
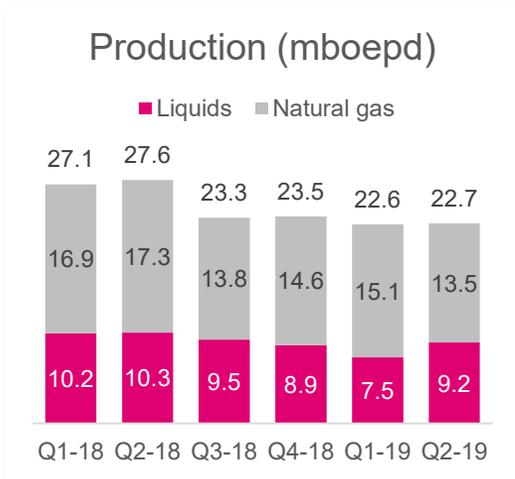
- New well on stream – completed with Fishbone
- Currently drilling next production well
- Production down in Q2 due to power outages



OPERATIONAL REVIEW

Skarv

- Steady production and high efficiency
- Increased gas injection to optimize liquids production
- Ærfugl development on track
 - Drilling and subsea installation in H2
 - Concept selected for Phase II – FID planned in Q4



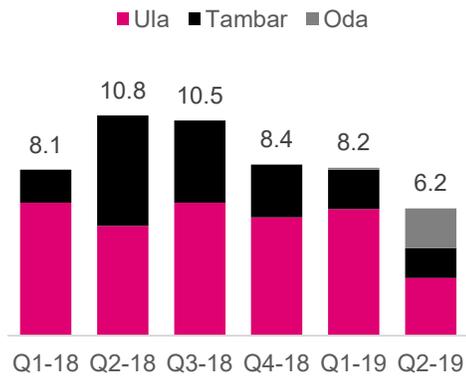
OPERATIONAL REVIEW

Ula

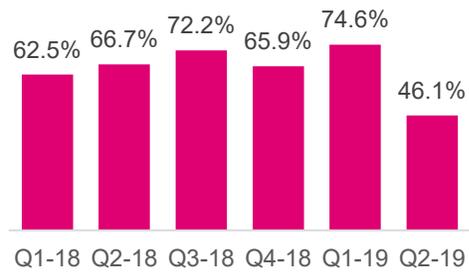
- Lower production due to planned maintenance
- Conversion of Ula DP completed
- New drilling campaign started



Production (mboepd)



Production efficiency





OPERATIONAL REVIEW

Johan Sverdrup

On track

- All topsides installed
- Remaining activities before production start:
 - Hook-up, commissioning and completion
 - Tie-back of pre-drilled wells
 - Tie-in of export pipelines
- Production start planned for November
- PDO for Phase 2 approved by the authorities

OPERATIONAL REVIEW

NOAKA – the largest project remaining on the NCS

Liatårnet discovery highlights the benefits of an area development

■ Growing resource base...

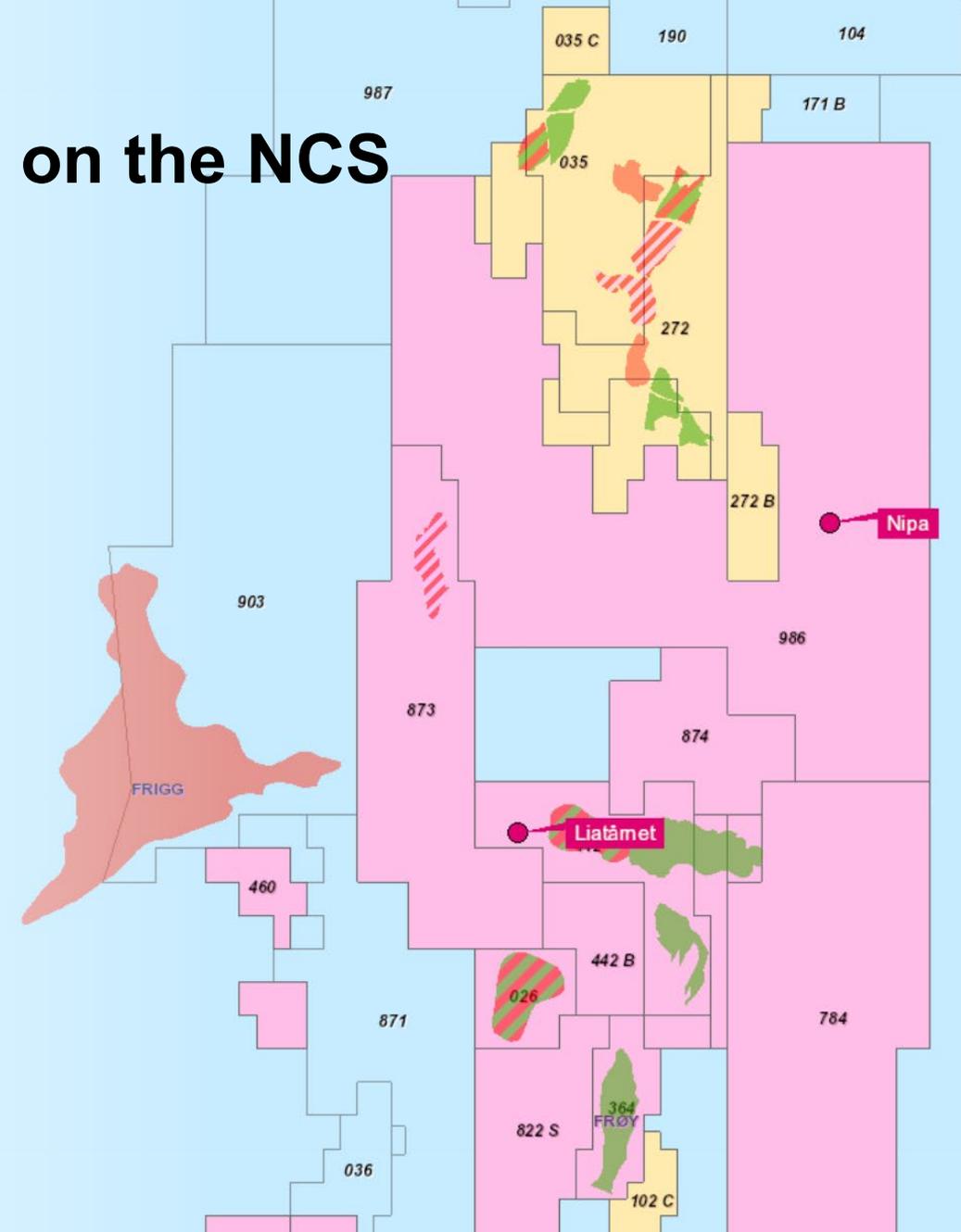
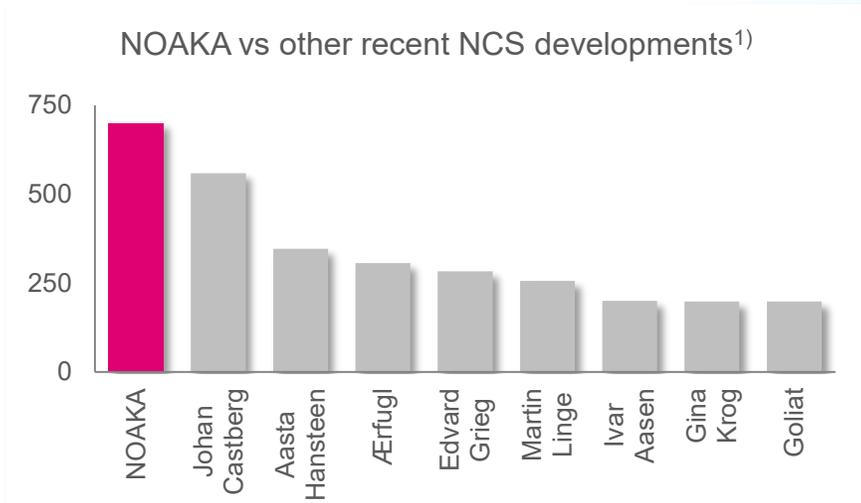
- Total recoverable resources ~700 mmboe (Aker BP interest >60% avg.)
- Nipa exploration well to be drilled in Q3

■ ...highlights the need for infrastructure in the region

- Many accumulations with various hydrocarbon types
- Further exploration potential

■ Aker BP favours a central processing hub (PQ)

- Highest value creation and resource utilisation
- Capacity for future discoveries



Financial review

Oil and gas sales

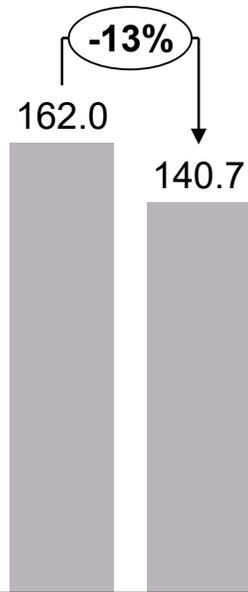
Volume (mboepd)

Production



Q1-2019 Q2-2019

Sales



Q1-2019 Q2-2019

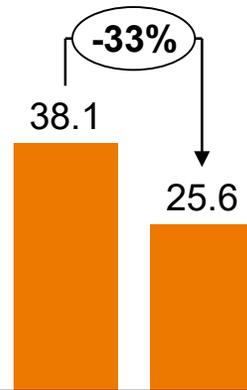
Realised prices (USD/boe)

Liquids



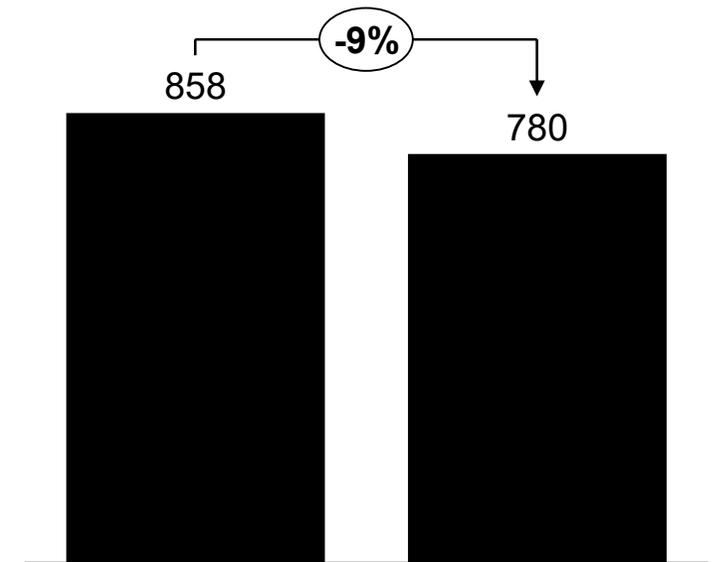
Q1-2019 Q2-2019

Natural gas



Q1-2019 Q2-2019

Petroleum revenues (USDm)



Q1-2019 Q2-2019

Income statement

| USD million | Q2 2019 | Q1 2019 | Q2 2018* |
|-------------------------------------|------------|------------|------------|
| Total operating income | 785 | 836 | 925 |
| Production costs | 198 | 200 | 151 |
| Other operating expenses | 4 | 7 | 1 |
| EBITDAX | 583 | 629 | 773 |
| Exploration expenses | 60 | 90 | 75 |
| EBITDA | 522 | 539 | 698 |
| Depreciation | 168 | 183 | 183 |
| Impairment losses | - | 69 | - |
| Operating profit/loss (EBIT) | 354 | 287 | 516 |
| Net financial items | (86) | (37) | (22) |
| Profit/loss before taxes | 268 | 249 | 494 |
| Tax (+) / Tax income (-) | 206 | 239 | 366 |
| Net profit/loss | 62 | 10 | 128 |
| EPS (USD) | 0.17 | 0.03 | 0.36 |

Statement of financial position

USD million

| Assets | 30.06.19 | 31.03.19 | 31.12.18* |
|-------------------------------|---------------|---------------|---------------|
| Goodwill | 1,791 | 1,791 | 1,860 |
| Other intangible assets | 2,522 | 2,483 | 2,433 |
| Property, plant and equipment | 6,300 | 5,954 | 5,746 |
| Right-of-use asset | 239 | 225 | |
| Receivables and other assets | 522 | 534 | 614 |
| Calculated tax receivables | 17 | 15 | 11 |
| Cash and cash equivalents | 102 | 114 | 45 |
| Total Assets | 11,493 | 11,117 | 10,709 |

| Equity and liabilities | 30.06.19 | 31.03.19 | 31.12.18* |
|--|---------------|---------------|---------------|
| Equity | 2,664 | 2,799 | 2,977 |
| Other provisions for liabilities incl. P&A (long) | 2,560 | 2,505 | 2,581 |
| Deferred tax | 1,991 | 1,867 | 1,753 |
| Bonds and bank debt | 2,635 | 2,226 | 2,018 |
| Lease debt | 375 | 369 | |
| Other current liabilities incl. P&A | 829 | 784 | 828 |
| Tax payable | 439 | 567 | 552 |
| Total Equity and liabilities | 11,493 | 11,117 | 10,709 |

Increased financial capacity and reduced cost

New Revolving Credit Facilities (RCF)

- USD 4 billion, senior unsecured
- Replaces the secured RBL, with extended maturity
- Reduced interest cost and commitment fee

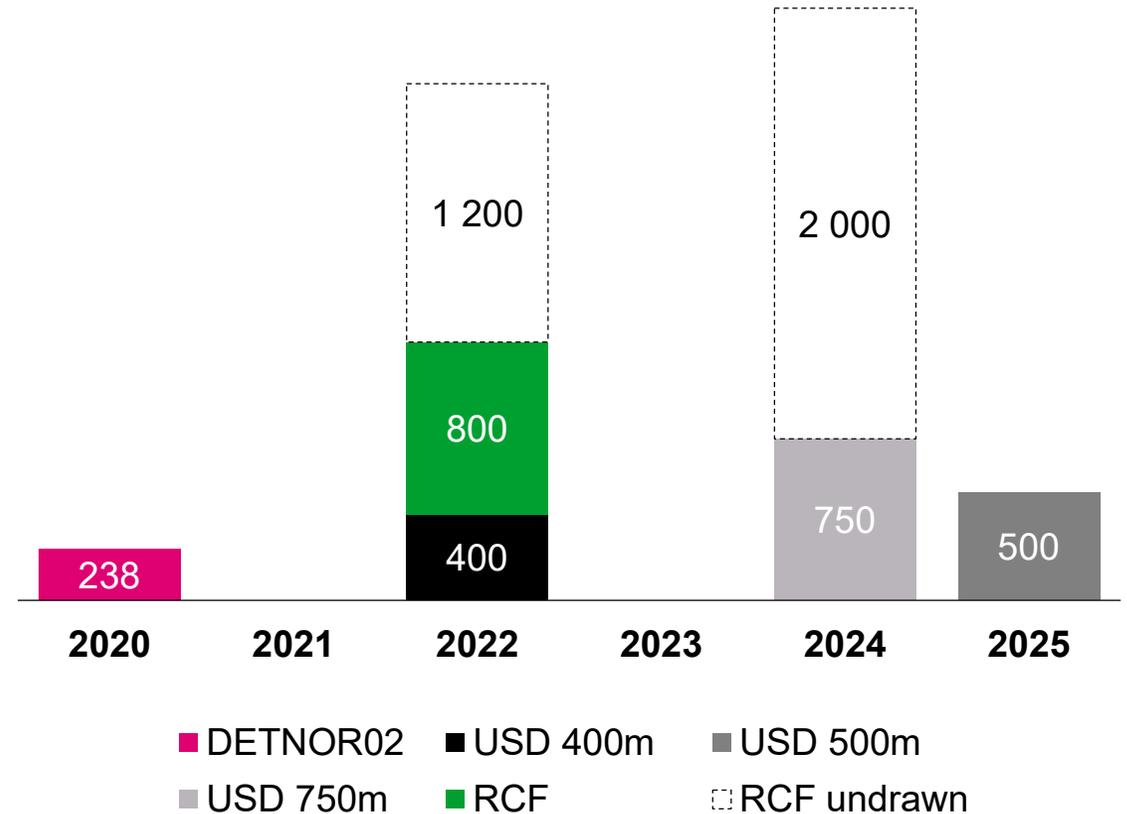
New bond issued

- USD 750 million, senior unsecured
- Coupon 4.75%, due 2024

Supported by credit ratings

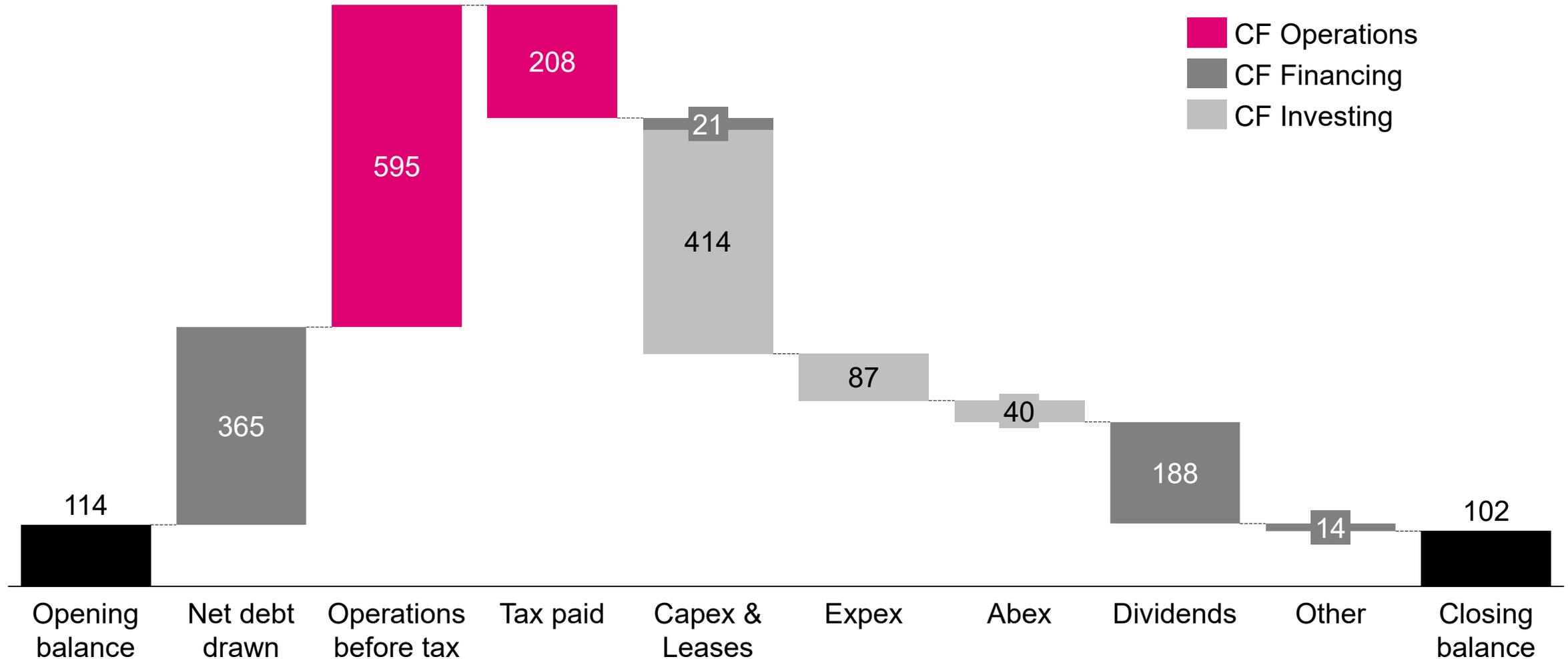
- S&P Global: BB+, positive outlook
- Moody's: Ba1, stable outlook
- Fitch: BBB-, stable outlook (new rating)

Debt maturity profile (USD million)



Cash flow – second quarter 2019

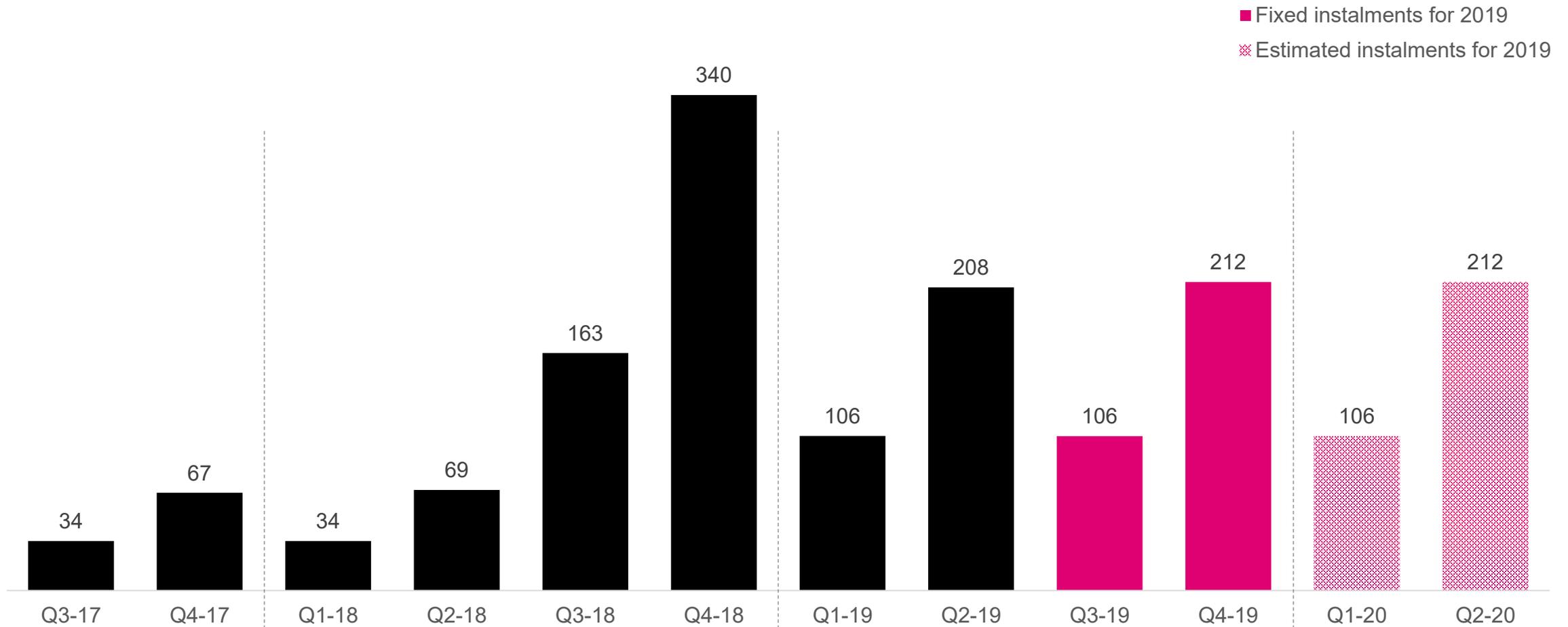
USD million



FINANCIAL REVIEW

Tax payments

USD million



Guidance summary

| | Actual per 2019-6M | Updated 2019 guidance ¹⁾ |
|---------------------------------------|--------------------|---|
| Production ²⁾ | 142.9 mboepd | 155-160 mboepd |
| Capex ³⁾ | USD 740 million | USD 1.6-1.7 billion <i>(previous USD ~1.6 billion)</i> |
| Exploration spend | USD 278 million | USD ~550 million <i>(previous USD ~500 million)</i> |
| Abandonment spend | USD 62 million | USD ~100 million <i>(previous USD ~150 million)</i> |
| Production cost per boe ⁴⁾ | USD 14.3 | USD ~12.5 |
| Dividends | USD 375 million | USD 750 million |

Concluding remarks

Priorities ahead

Execute

- Safe and efficient operations
- Excellent project execution

Improve

- Keep momentum on improvement agenda
- Leverage technology to drive value creation

Grow

- High exploration and appraisal activity
- Mature resources to reserves
- Start up of new fields

Maersk Invincible at Valhall Flank West





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