

Q3 2017

AKER BP ASA

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AKER BP ASA

Highlights

Production

- Q3-17 production of 131.9 mboepd
- Expecting to reach upper half of 135 - 140 mboepd production guidance for 2017

Finance

- Q3-17 EBITDA USD 395 million, EPS USD 0.33
- Q3-17 Free cash flow* of USD 445 million (USD 1.32 per share)
- Quarterly dividend of USD 62.5 million (DPS of USD 0.185) to be disbursed in November

M&A

- Acquisition of Hess Norge AS

Operations

- Two Volund infill wells completed, both on stream
- On track to deliver three PDO's before year-end



Valhall field centre

Acquisition of Hess Norge AS

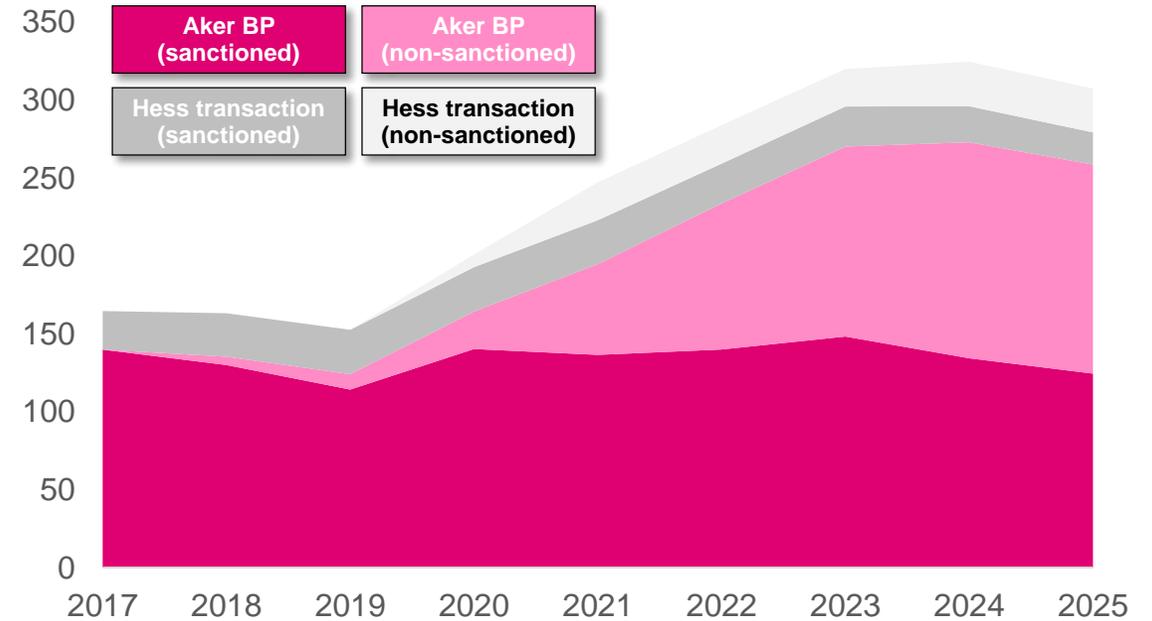
- **Cash consideration of 2.0 USDbn (effective date 1/1-17)**
 - Interest in Valhall (64.05%) and Hod (62.50%) fields
 - After-tax value of tax loss carry forward USD 1.5 billion**

- **Transaction to be financed with undrawn credit on RBL and USD 500 million in new equity**

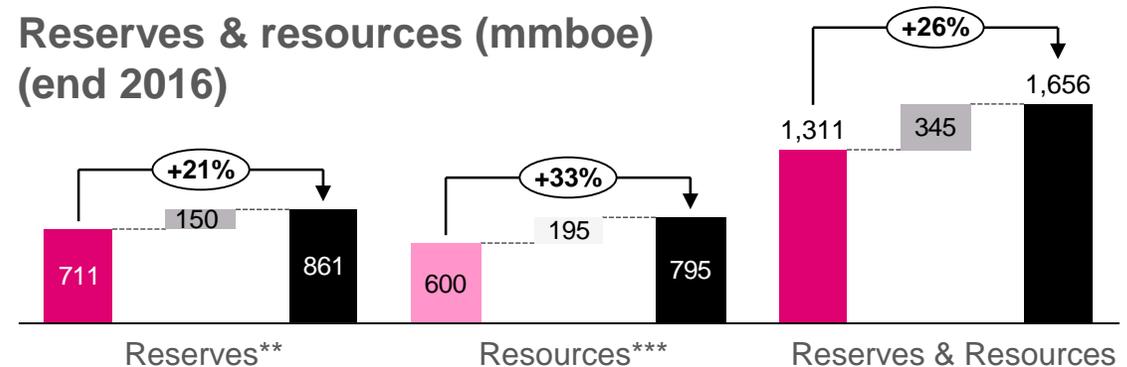
- **Represents significant addition to reserves, resources and production base**
 - 150 mmboe of 2P reserves***
 - 195 mmboe of 2C contingent resources***
 - Production of ~24,000 boe/day (2017, 9 months)
 - More than 85% liquids

- **Aker BP will aggressively pursue upsides and grow reserves through further investments and subsequently farm down to ~67% (cash or asset swap)**

Illustrative production potential*, mboepd net



Reserves & resources (mmboe) (end 2016)



* Sanctioned and non-sanctioned projects

** Nominal value based on Hess Norge AS' 2016 annual report, assuming USD/NOK 8.0

*** Reserves based on Aker BP's 2016 Annual Statement of Reserves, 2C resources based on Aker BP evaluation as presented at the 2017 CMD

Financials

Q3 2017



FINANCIALS

Statement of income

(USD million)	Q3 2017	Q3 2016	FY 2016
Total operating income	596	248	1,364
Production costs	134	32	227
Other operating expenses	3	6	22
EBITDAX	459	210	1,115
Exploration expenses	64	31	147
EBITDA	395	179	968
Depreciation	175	115	509
Impairment losses	1	8	71
Operating profit/loss (EBIT)	219	56	387
Net financial items	(9)	(5)	(97)
Profit/loss before taxes	209	51	290
Tax (+) / Tax income (-)	97	(13)	255
Net profit/loss	112	63	35
EPS (USD)	0.33	0.31	0.15

FINANCIALS

Statement of financial position

Assets (USD million)	30.09.17	30.09.16
Goodwill	1,817	1,858
Other intangible assets	1,615	2,590
Property, plant and equipment	4,782	4,383
Receivables and other assets	676	529
Calculated tax receivables (short)	145	133
Cash and cash equivalents	81	786
Total Assets	9,116	10,280

Equity and liabilities (USD million)	30.09.17	30.09.16
Equity	2,502	2,579
Other provisions for liabilities incl. P&A (long)	2,308	2,400
Deferred tax	1,137	1,415
Bonds	626	526
Bank debt	1,396	2,640
Other current liabilities incl. P&A (short)	882	721
Tax payable	265	-
Total Equity and liabilities	9,116	10,280

FINANCIALS

Third quarter cash flow and liquidity

■ Strong cash flow in Q3-17

- Free cash flow of USD 445 million
- Includes positive one-off tax effect of USD 264 million

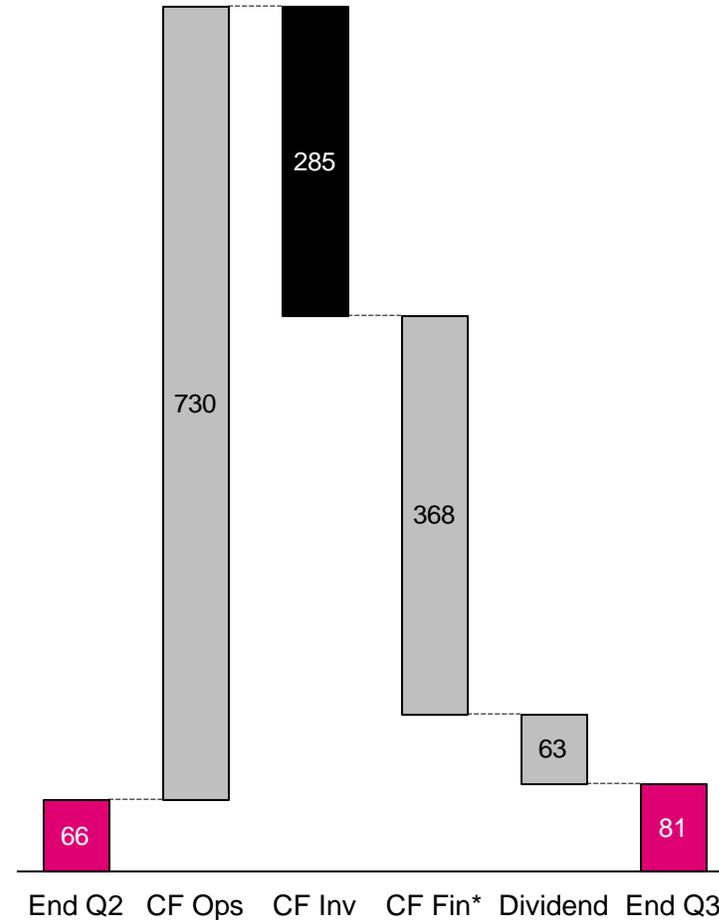
■ Robust balance sheet per 30 September

- Net interest-bearing debt (book value) USD 1.94 billion
- Leverage ratio of 1.0x
- Cash and undrawn credit of USD 2.6 billion

■ Changes to capital structure

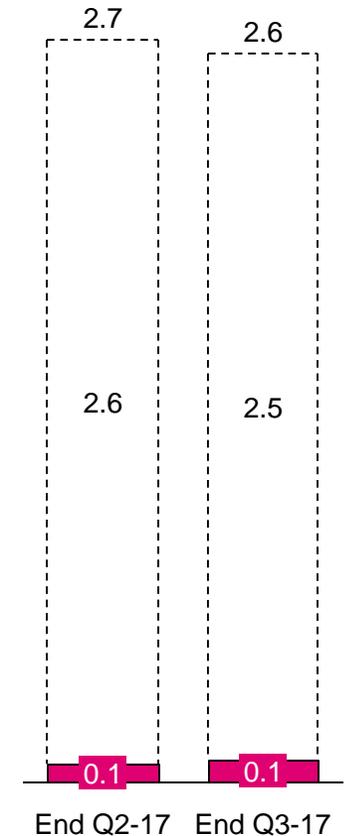
- Issued USD 400 million US HY bond
- Repaid USD 330 million DETNOR03 bond
- Cancelled USD 550 RCF
- Amended terms for the USD 4.0 billion RBL

Cash flow (USDm)



Liquidity (USDbn)

- Undrawn credit
- Cash & cash equivalents



Dividends set to increase

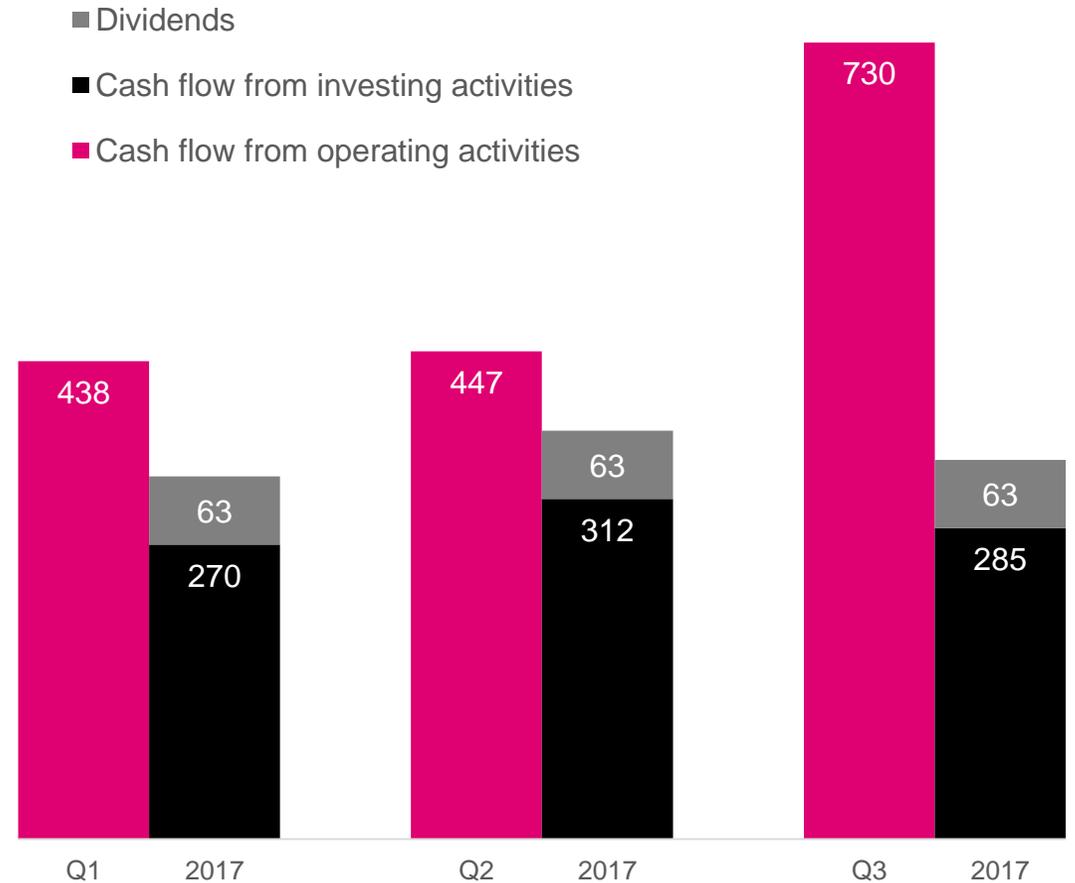
■ Sustained strong cash flow in 2017

- USD 746 million free cash flow year-to-date
- USD 188 million paid in dividends

■ Dividends set to increase

- USD 62.5 million (USD 0.185 per share) paid in August
- USD 62.5 million (USD 0.185 per share) to be paid on or about 9 November
- Plan to increase dividends from next quarter (from USD 250 million to USD 350 million per year)

Cash flow coverage



FINANCIALS

2017 guidance

Item	Actual year-to-date per September 30, 2017	2017 full year guidance
CAPEX	663 million	USD 900 – 950 million (no change)
EXPEX	196 million	USD 280 – 300 million (no change)
Production	140 mboepd	135 – 140 mboepd (top half of range)
Production cost	USD 9.9 per boe	USD ~10 per boe (no change)
Decommissioning cost	55 million	USD 80 – 90 million (previous 100 – 110)

Note: Guidance based on USD/NOK 8.0 going forward

Operations

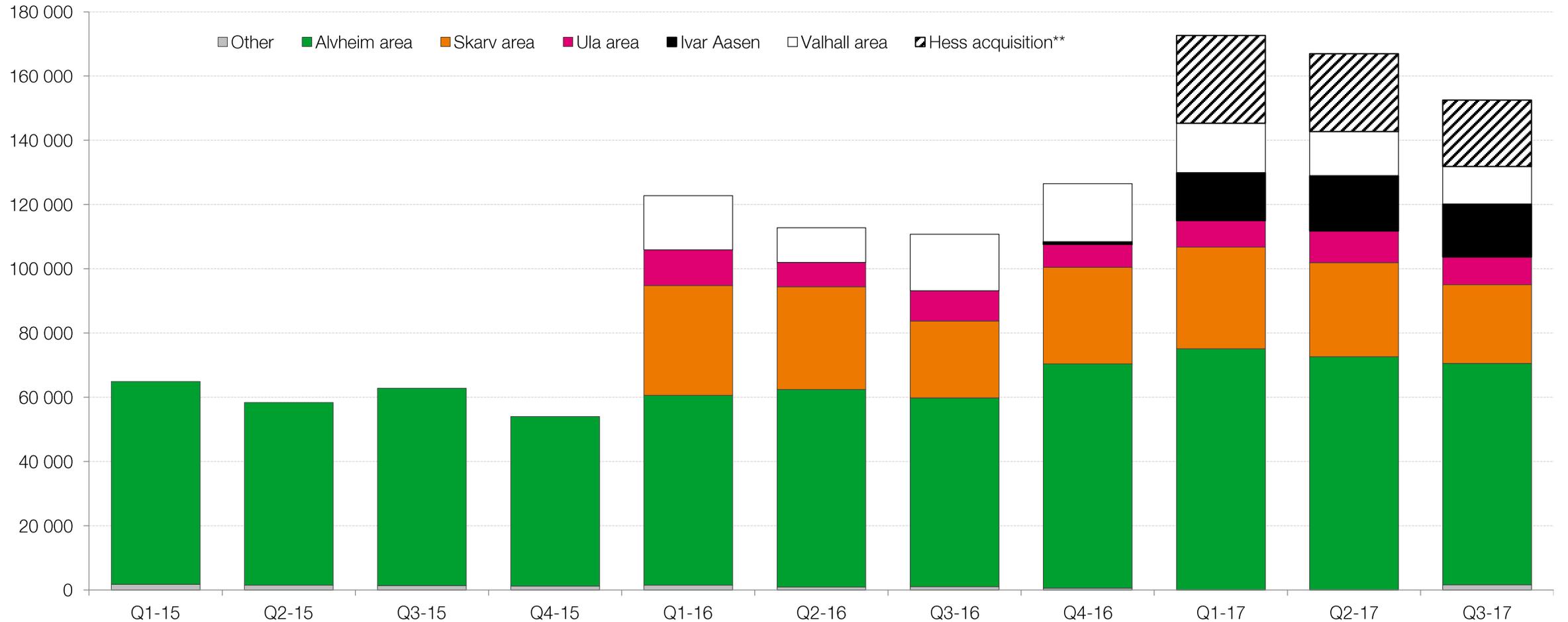
Q3 2017



PRODUCTION

Oil and gas production

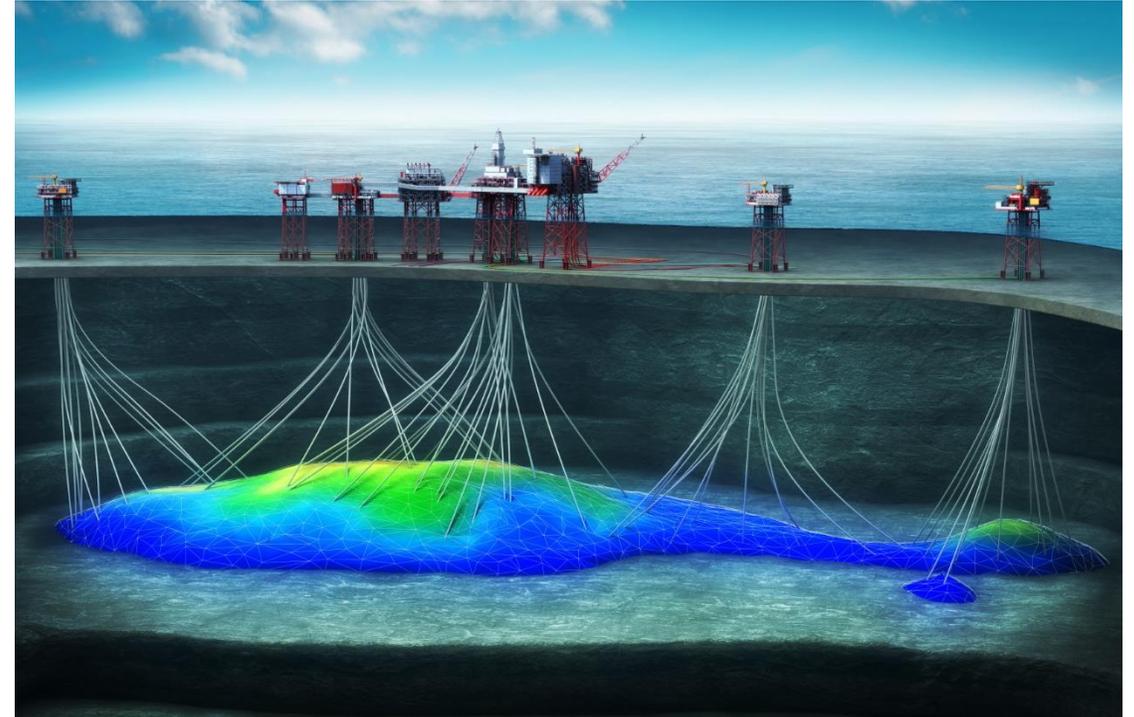
Net production* (boepd)



VALHALL (100%*) / HOD (100%*)

The chalk giant

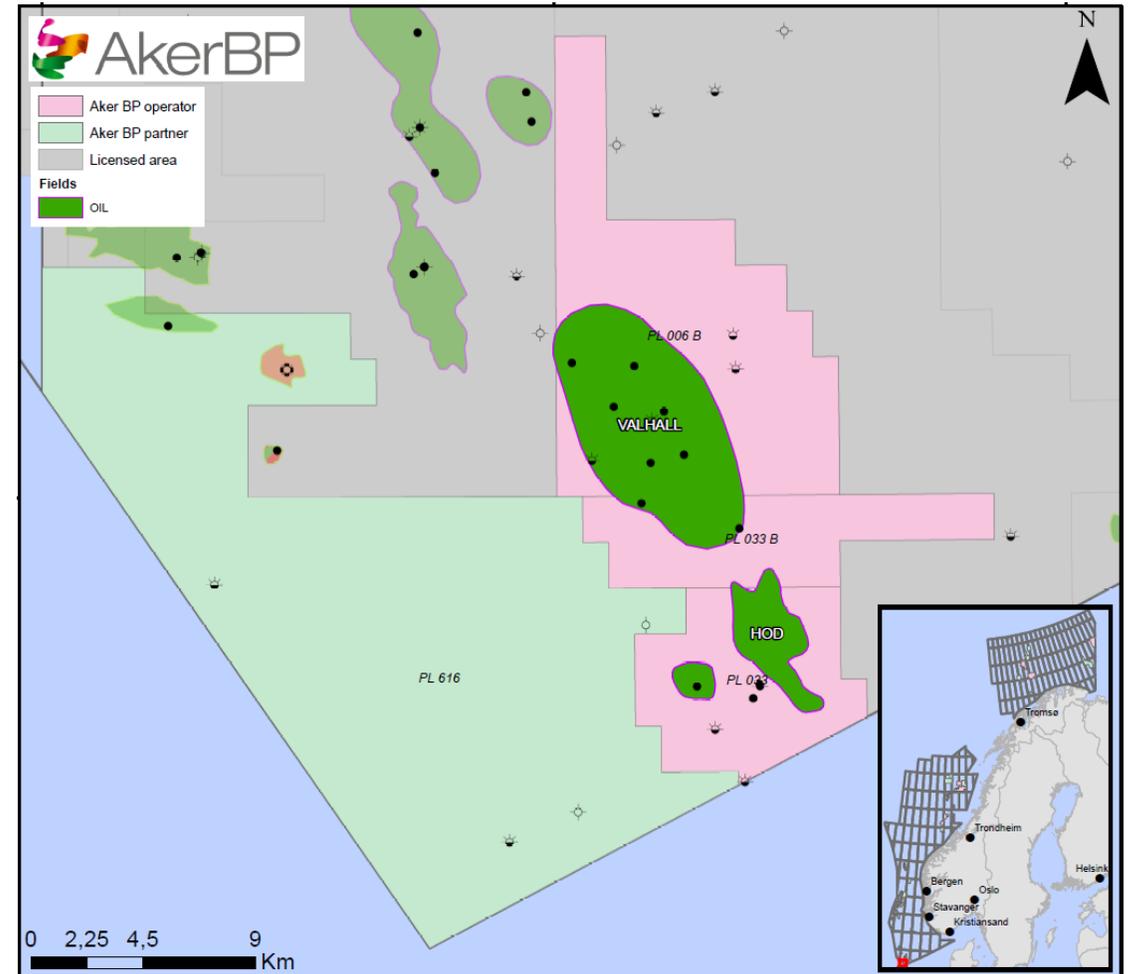
- The Valhall field center consists of six separate steel platforms, including a process/accommodation platform installed in 2013
- Two unmanned flank platforms (North and South)
- Q3-17 production 11.6 mboepd (13.7 mboepd in Q2-17)
 - Planned maintenance and well operations
 - Production efficiency of 86% (85% in Q2-17)
- IP Platform drilling program well under way
 - Seven wells planned – three in 2017
 - Latest well completed 20 percent below budget and 14 days ahead of plan with fastest completion time ever on Valhall IP



VALHALL (100%*) / HOD (100%*)

Preparing for further increase in Valhall reserves

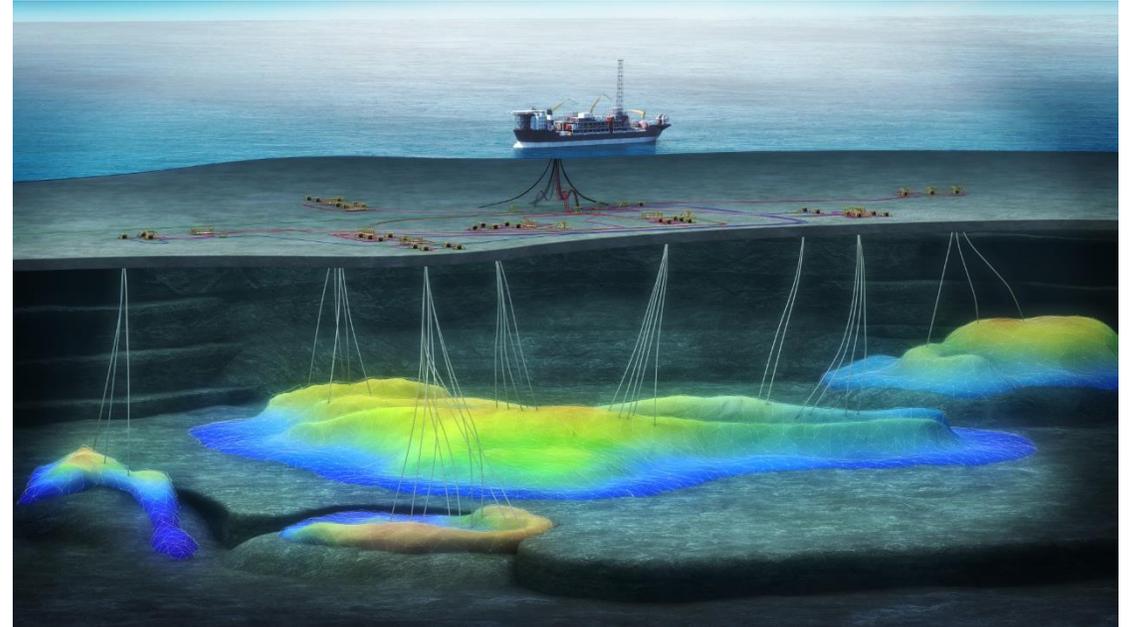
- **Valhall/Hod in place volumes are about 3.8 bn boe**
 - 1 billion barrels produced per Jan 2017
 - Ambition to produce at least 500 mmboe more
- **Applying new technology to increase field recovery**
 - Multilateral wells
 - New completion technology to replace fracturing
 - Improved reservoir monitoring and modeling = better decisions
 - P&A technology to radically reduce time per well
 - Several digitalization projects initiated
- **Valhall Flank West project on track**
 - Planned as unmanned wellhead platform with 12 well slots, tied back to Valhall field center
 - Plan to submit PDO by end-2017
- **Maturing further opportunities in the Valhall area, including**
 - Valhall Flank West upsides
 - Valhall Flank South
 - Hod redevelopment including water flood
 - Lower Hod formation



ALVHEIM AREA (65.0%*)

Further development of the Alvheim area

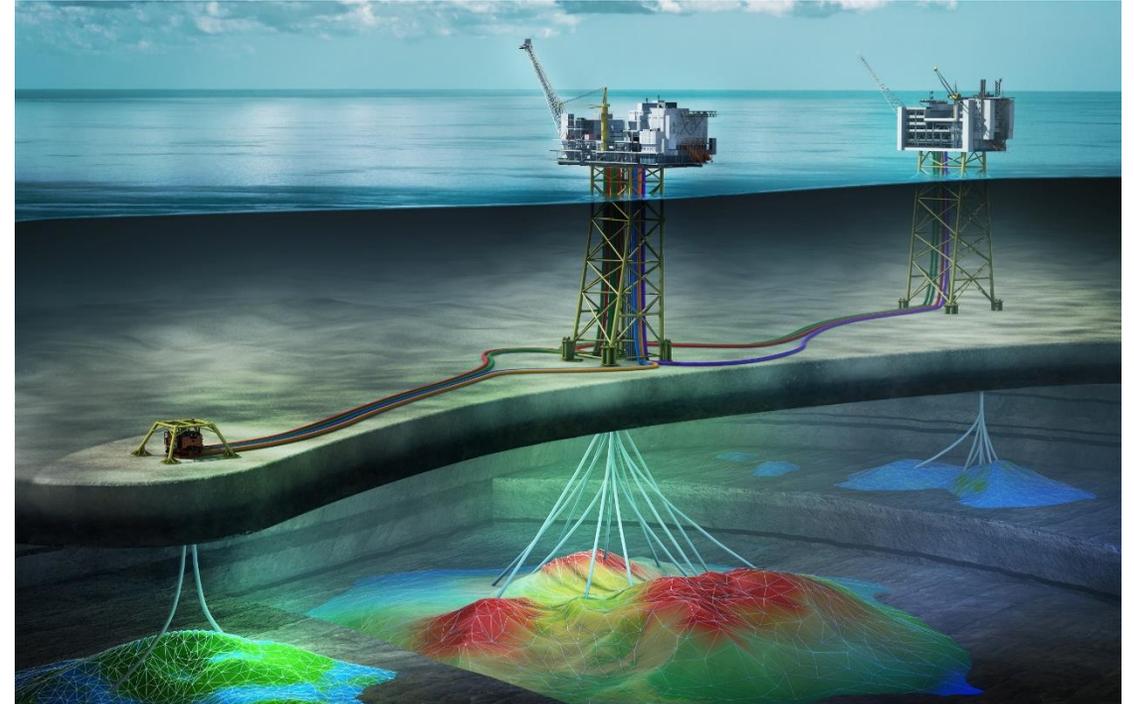
- **Q3-17 production 68.9 mboepd (72.5 mboepd in Q2-17)**
 - SAGE outage and planned ESD test
 - Production efficiency of 96% in Q3 (98% in Q2-17)
- **Production started from two new Volund infill wells**
 - Project delivered ahead of schedule and below budget
 - Replaces volumes from Viper/Kobra (Alvheim wells produced via Volund)
- **Further maturing opportunities in the Alvheim area**
 - Commenced drilling of first of two Boa infill wells
 - Planning for Storklakken PDO in Q4
 - Tie-back to Alvheim FPSO via Vilje
 - First oil planned for 2020



IVAR AASEN (34.8%)

Preparing for the next steps

- **Q3-17 production 16.6 mboepd (17.3 mboepd in Q2-17)**
 - Excellent production performance with high uptime
 - High operational availability of 97% (98.5% in Q2-17)
 - Production efficiency 82% due to Edvard Grieg power issues
- **Development scope in PDO completed**
- **Production set to increase from Q4-2017**
 - According to agreement with Edvard Grieg
 - Plateau production reached one year ahead of plan
- **Preparing for the next steps**
 - Two water injectors planned in 2018
 - Hanz appraisal well in 2018 – first oil planned in 2020
 - IOR program initiated



ULA (80.0%) / TAMBAR (55.0%)

Making Tambar great again

■ Q3-17 production 8.6 mboed (9.9 mboepd in Q2-17)

- Volatile production due to WAG effects
- Production efficiency 68% (69% in Q2-17)

■ Tambar development on track

- Two new production wells
- New gas lift module
- Drilling commenced in October
- Will improve understanding of the reservoir

■ Oda (15%) development underway

- Subsea tie-back to Ula
- Est. CAPEX NOK 5.4 billion
- First oil expected in Q2-19

Drilling two new wells at Tambar

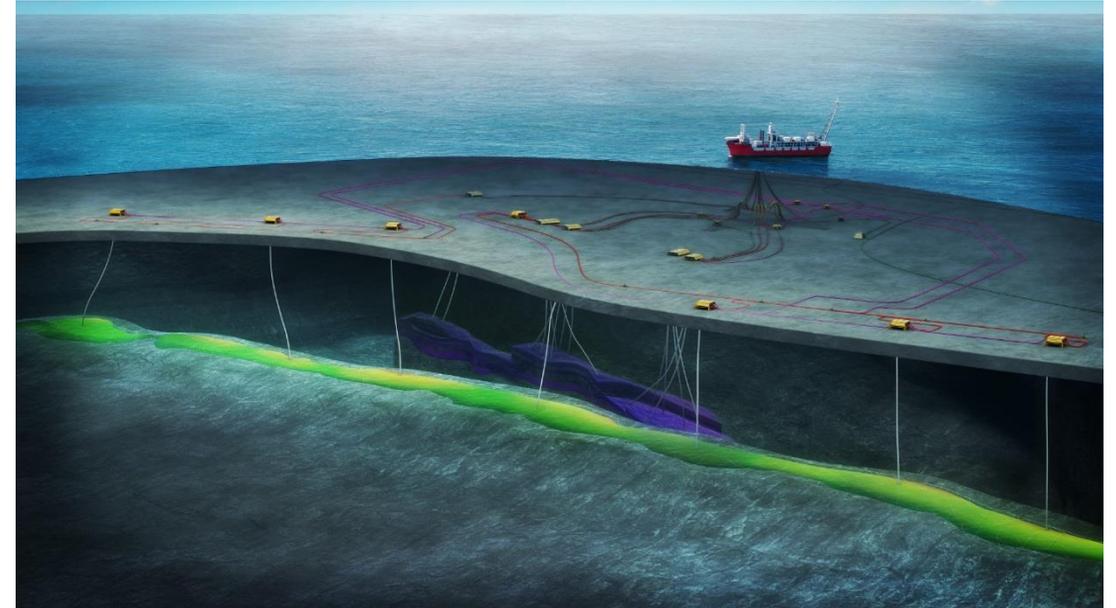


Maersk Interceptor drilling at Tambar

SKARV AREA (23.8%)

Approaching PDO for Snadd

- **Q3-17 production 24.5 mboepd (29.3 mboepd in Q2-17)**
 - Planned maintenance and three wells shut in
 - Snadd test producer shut in due to production permit reached
 - 87% production efficiency (96% in Q2-17)
- **Rig operation to recomplete wells is ongoing**
- **Targeting Snadd PDO in Q4-17**
 - Phase 1 planned with 3 subsea wells
 - Gross capex approx. NOK 6 billion
 - Production expected from 2020
- **Snadd technology development**
 - Unique ~60km long reservoir requires continuous heating of flowlines to prevent hydrates
 - Qualification of electrically trace heated pipe-in-pipe system ongoing



JOHAN SVERDRUP (11.6%)

Development on track

- **Project progressing according to plan:**
 - Construction was approximately 70% complete by end-Q3
 - The first steel jacket has been installed on the field
 - Drilling platform modules integrated on barge in Norway
 - Good drilling and completion progress of water injectors
- **Costs continue to come down**
 - Phase 1 CAPEX estimated at NOK 92 billion (nom.) with break-even oil price below 20 USD/boe
 - Full field CAPEX estimated at NOK 132 – 147 billion (nom.) with break-even oil price below 25 USD/boe
- **The project aims to deliver PDO for phase 2 in the second half of 2018**

Riser platform jacket being installed by Thialf



Photo: Jan Arne Wold, Statoil

PROJECTS

MMO activity to prolong field life



Ula

- Oda Tie-In to Ula
- Ula Power
- Ula lifeboat project



Tambar

- Tambar Artificial Lift



Valhall & Hod

- Topside modifications for tie-in of West Flank platform
- North Flank Water Injection



Skarv/Snadd

- Turret mods for Snadd tie-back
- Topside scope - methanol pumps, scale inhibitor package, electrical modifications for flowline heating



Alvheim

- Prepare for new subsea tie-ins including Boa infills and Storklakken (non-sanctioned)



Ivar Aasen

- Digitalization projects including remote operations
- Hanz tie-in (non-sanctioned)

IMPROVEMENT

Improvement program starting to show results

- **Strategic partnerships to align incentives**
 - Alliances established for subsea and two fixed facilities
 - Drilling & wells and MMO alliance being established

- **Focus on flow efficiency to reduce costs by avoiding rework and continuously improving**

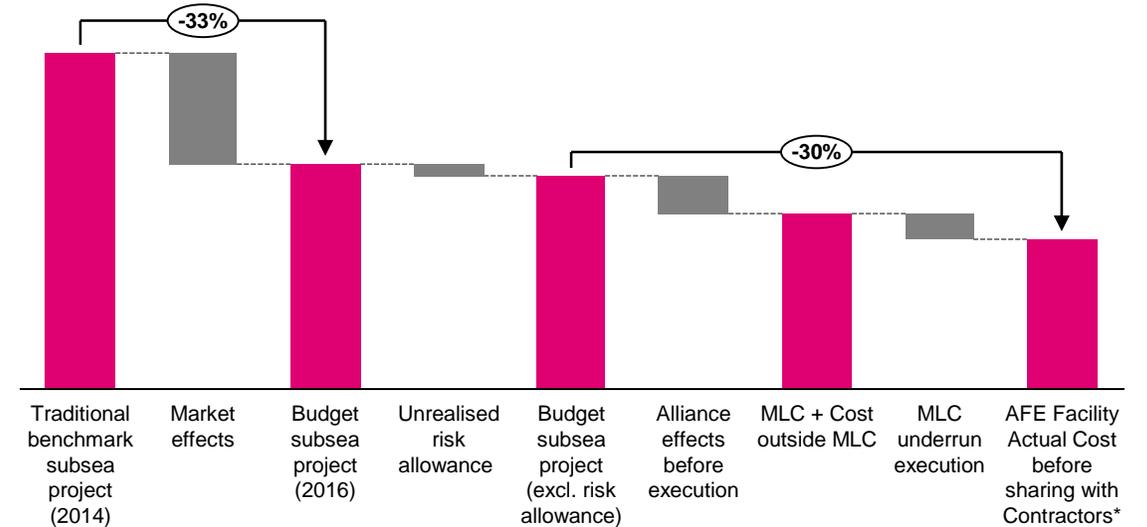
- **Progressing our vision of a fully digitized value chain**

- **Cognite (Aker BP 10% ownership)**
 - Open architecture platform
 - Data sharing could increase NCS competitiveness

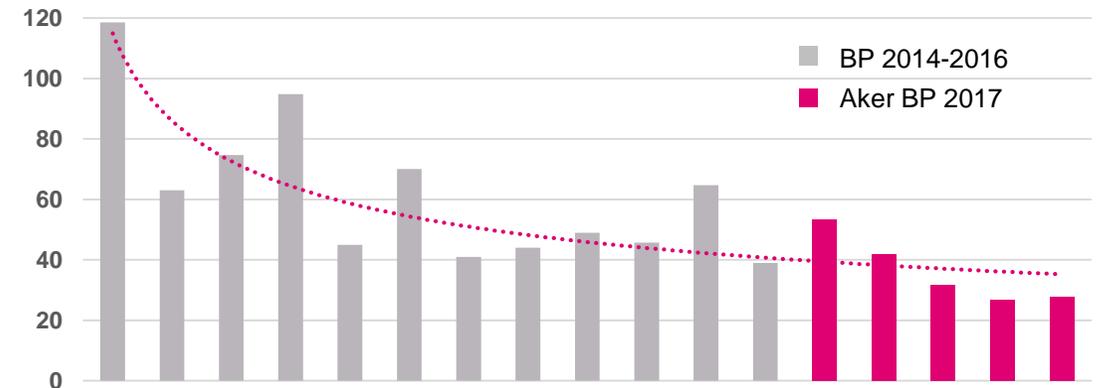
- **Goal to sanction new stand-alone projects at break-even prices below 35 USD/boe**



Volund infill project delivered 30% below budget



Strong improvement in Valhall P&A days per well

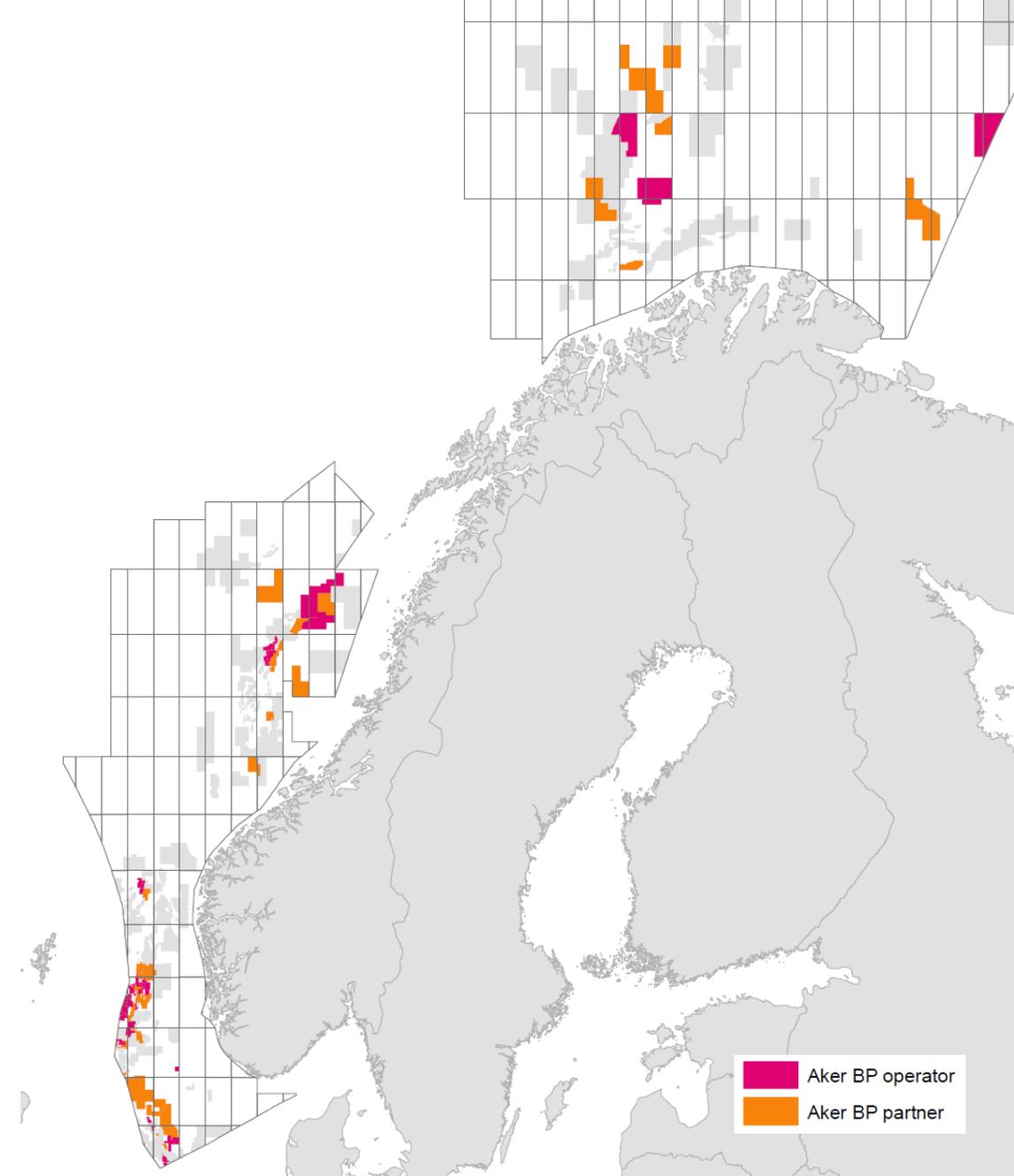


EXPLORATION

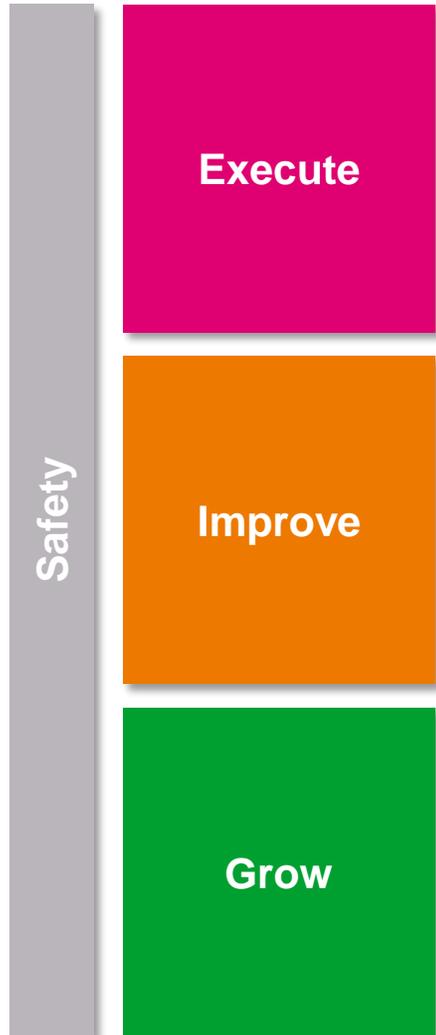
2017 drilling schedule

- Drilling on Hyrokkin and Nordfjellet/Delta completed in the third quarter
- Drilling on Hufsa ongoing, to be followed by Hurri
- Preparing for high-impact Barents Sea campaign in 2018

License	Prospect name	Operator	Aker BP share	Pre-drill mmbœ*	Time
JS Unit	Tonjer	Statoil	11,6%	Dry	Q1
PL533	Filicudi	Lundin	35%	Discovery	Q1
PL492	Gohta (NE)	Lundin	60%	Dry	Q1
PL150B	Volund West	Aker BP	65%	Dry	Q2
PL677	Hyrokkin	Aker BP	60%	Dry	Q3
PL442	Nordfjellet/Delta	Aker BP	90%	Dry/App.	Q3
PL048G	Central 3	Statoil	3,3%	8 - 21	Q4
PL533	Hufsa	Lundin	35%	186 – 403	Q4
PL533	Hurri	Lundin	35%	40 – 360	Q4



Closing remarks



- Efficient and safe operations
- Deliver PDO on Snadd, Valhall Flank West and Storklakken before year-end

- Relentless focus on cost reductions and productivity gains
- Mature projects to below 35 USD/boe break-even

- Stepping up exploration activity
- Pursue selective growth opportunities





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