

Third quarter 2019

Aker BP ASA

22 October 2019



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Third quarter 2019 highlights

Field developments on track

- Johan Sverdrup on stream 5 October
- Ærfugl, Valhall Flank West and Skogul on track

Strong operational performance

- High production efficiency
- Delayed stimulation program at Valhall

Exploration success

- Two discoveries in the Skarv area
- Frosk test producer on stream

Key figures		Q3-19	Q2-19	Q3-18*
Production	mboepd	146.1	127.3	150.6
Sales	mboepd	143.3	140.7	148.3
Realized liquids price	USD/bbl	62.0	69.3	74.6
Realized gas price	USD/scm	0.16	0.16	0.30
Total income	USDm	723	785	966
EBITDA	USDm	480	522	698
Operating profit	USDm	196	354	509
Net profit (loss)	USDm	(43)	62	116
Effective tax rate	USDm	130 %	77 %	74 %
EPS	USD	(0.12)	0.17	0.32
DPS	USD	0.52	0.52	0.31

AKER BP

The Johan Sverdrup achievement

Below budget – ahead of schedule



Operator:

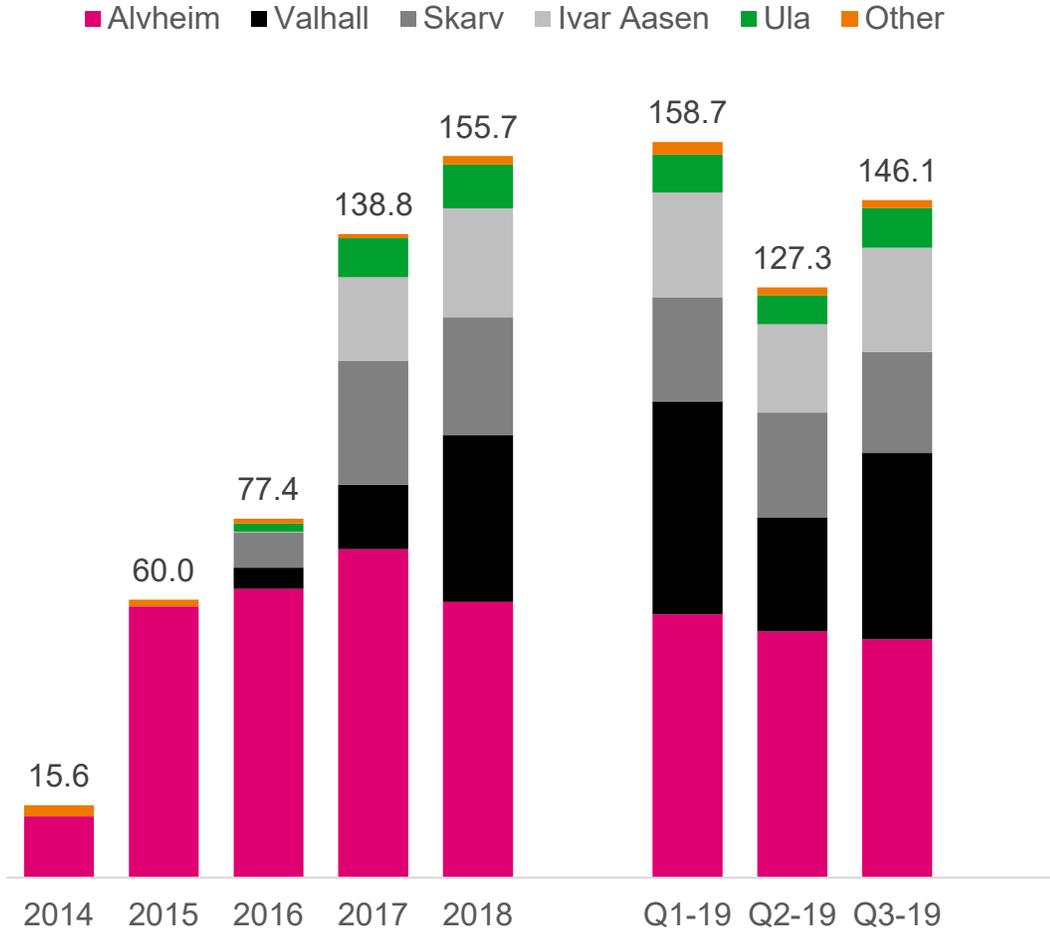


Main contractors phase 1:

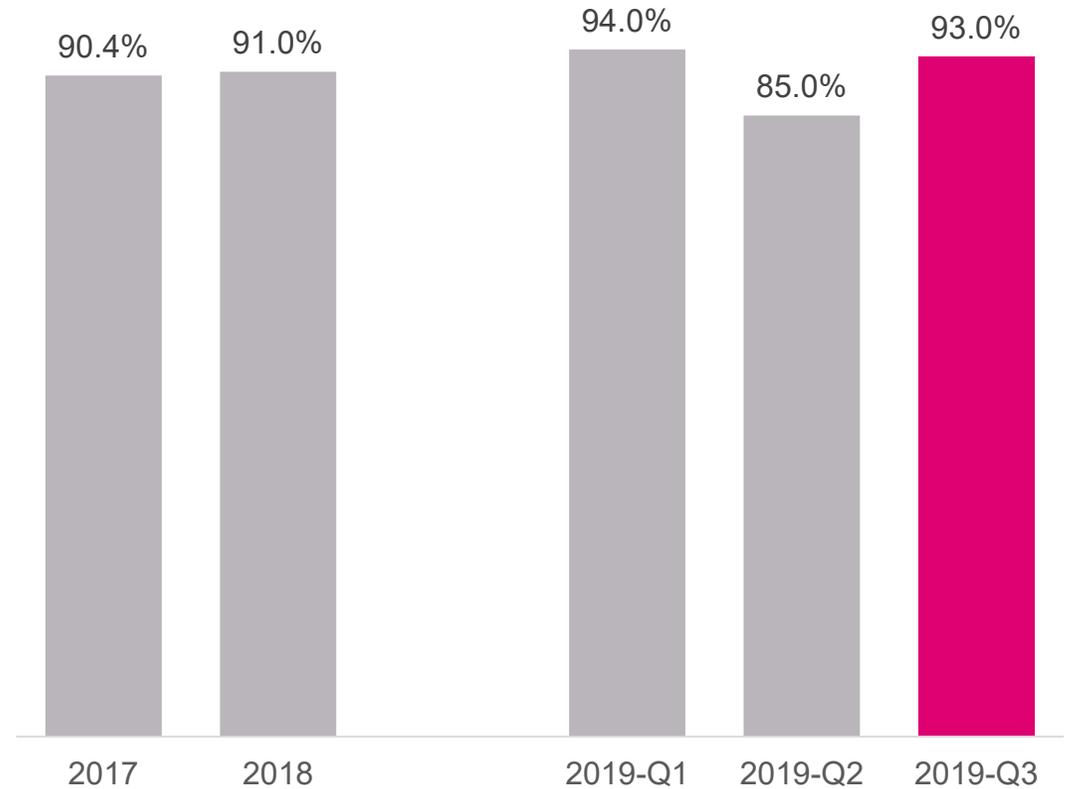


Production overview

Net production, mboepd



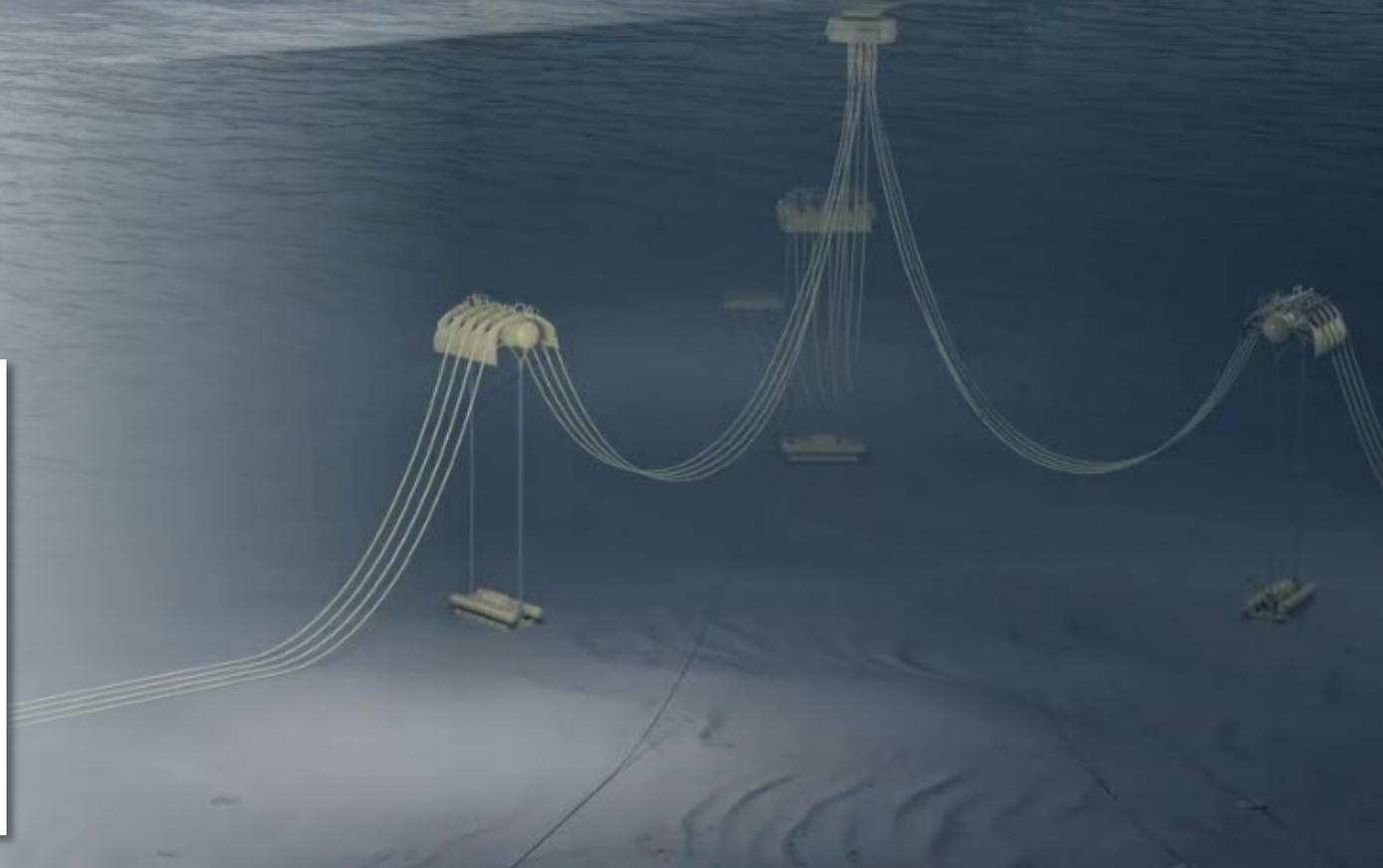
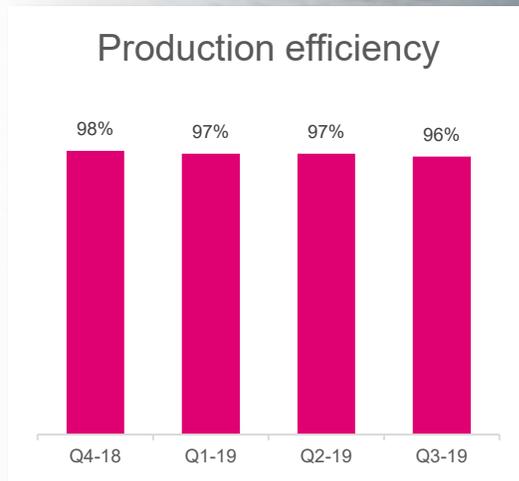
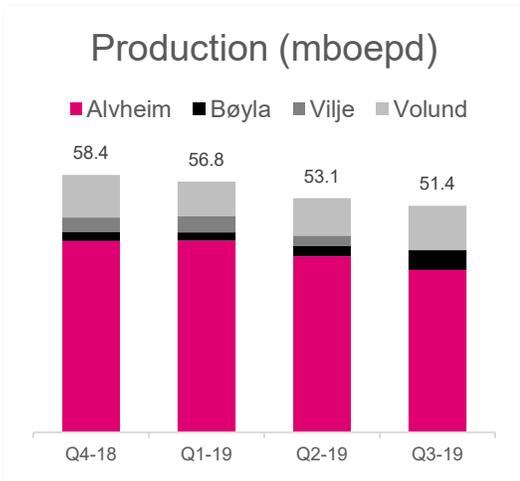
Production efficiency



OPERATIONAL REVIEW

Alvheim

- Frosk test production started
- Skogul on track for first oil in Q1-2020
- Maturing new infill targets
- Swift action to repair Mid-Water Arch

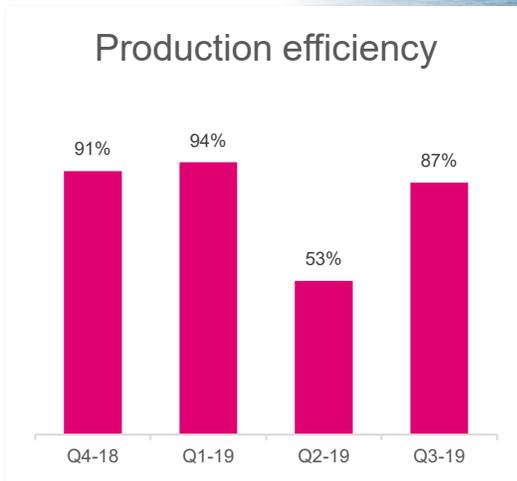
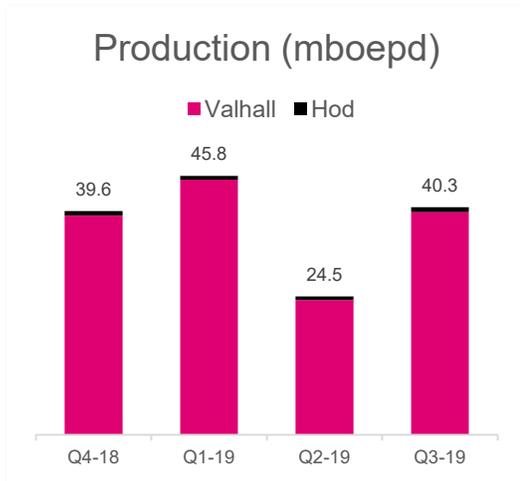


OPERATIONAL REVIEW

Valhall

Preparing for new growth

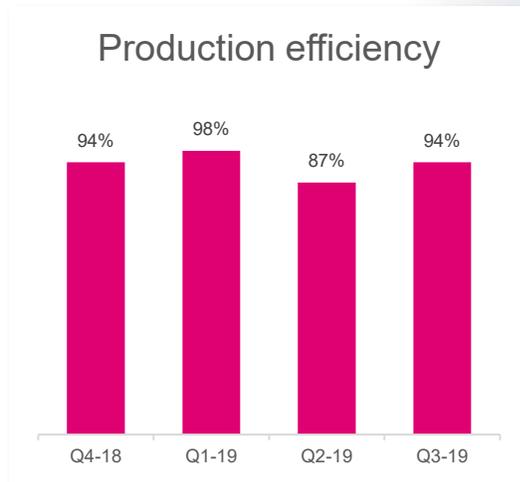
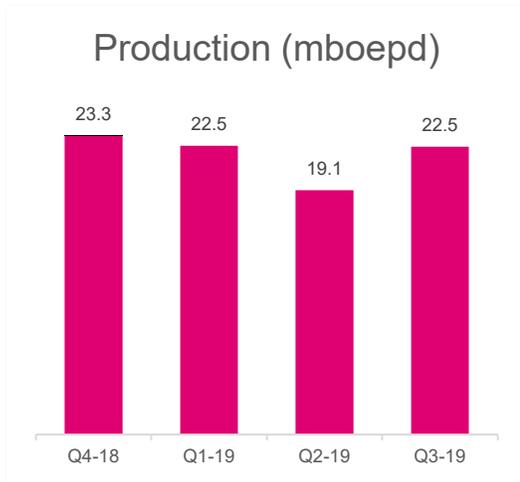
- Valhall Flank West approaching first oil
- Drilling campaign ongoing at Valhall WP
- Stimulation program slightly behind plan



OPERATIONAL REVIEW

Ivar Aasen

- Strong operational performance
- New wells on stream
- Continued digital innovation
- Follow-up and monitoring of discharge permits



OPERATIONAL REVIEW

Skarv

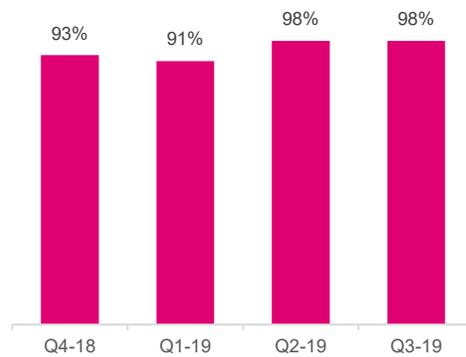
- Strong operational performance
- Ærflug development on track
- Adding resources through exploration



Production (mboepd)

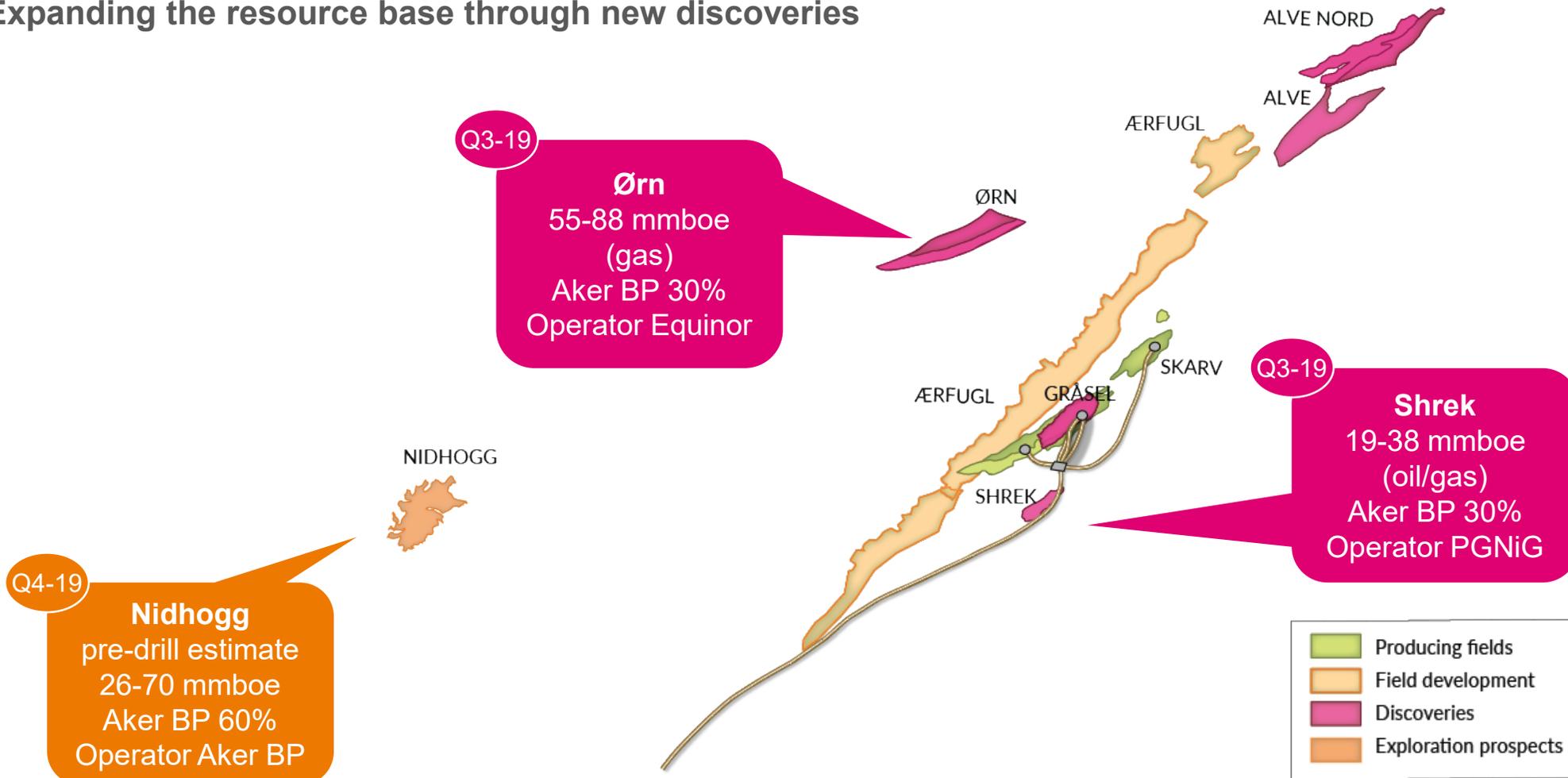


Production efficiency



Exploration success in the Skarv area

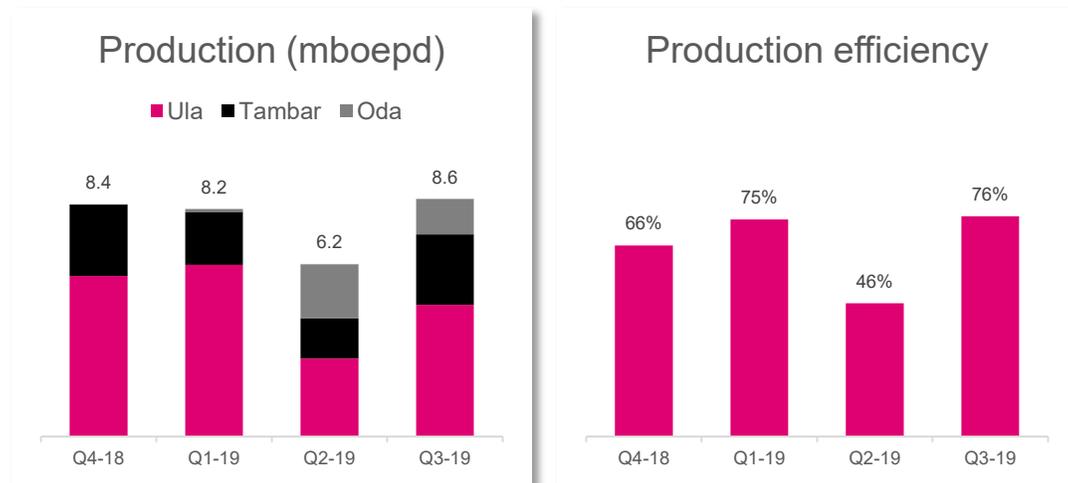
Expanding the resource base through new discoveries



OPERATIONAL REVIEW

Ula

- Drilling campaign has started
- Tambar multi-phase pump – a digital success story
- Progressing long-term area strategy



IMPROVEMENT

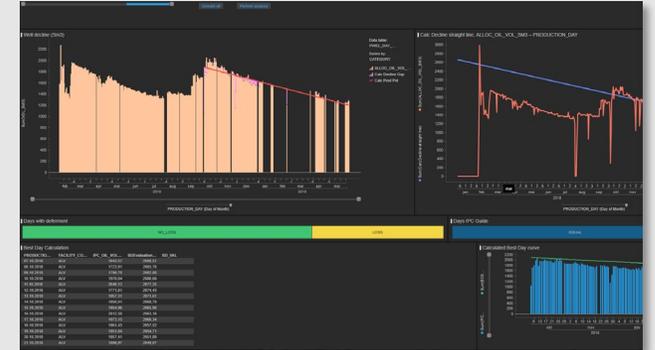
Using data to create more value

Examples

Best Day performance

Better production performance assessment

- Challenge: repeat peak performance every day
- Solution: use advanced visualization and analytics to explain differences in performance
- Production engineers at **Alvheim** and **Valhall** now have better insight on how to repeat best day performance



Energy optimisation

Reduced CO2 emissions intensity at Skarv

- Challenge: continue to reduce emissions and cost
- Solution: Reduced export pressure and reduced energy use in the FPSO gas cleaning process
- Reduced CO2 emissions intensity of approx. 0.4 kg/boe with associated annual cost savings of NOK 11 million



OPERATIONAL REVIEW

NOAKA

■ Significant resource base

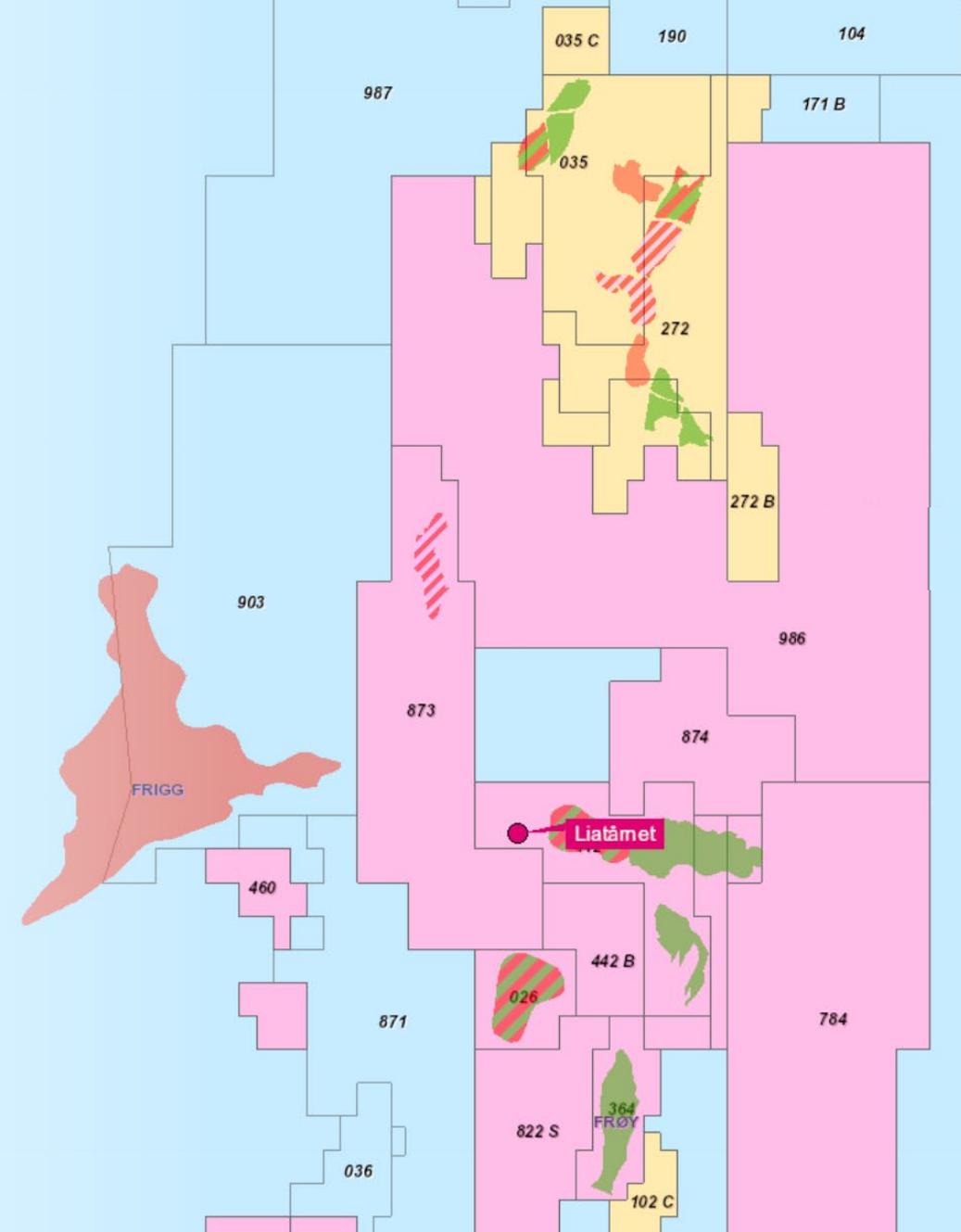
- Recoverable resources ~700 mmboe¹⁾ (average WI >60%)
- Planning for Liatårnet appraisal in H1 2020

■ New infrastructure is needed

- 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



EXPLORATION

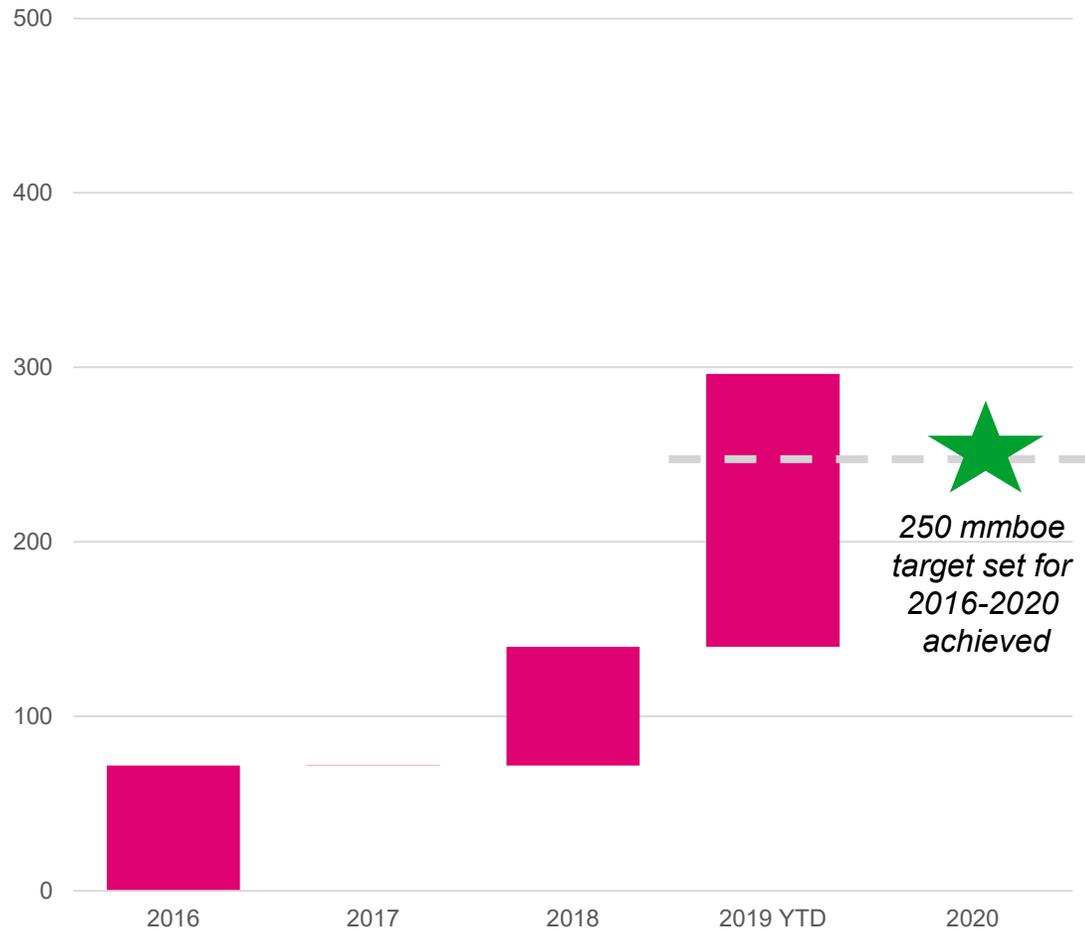
2019 exploration program

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	Non-commercial discovery
PL869	Rumpetroll	Aker BP	60 %	Q2	45 - 148	Non-commercial discovery
PL442	Liatårnet	Aker BP	90 %	Q2	39 - 331	Discovery 80-200 mmboe
PL762	Vågar	Aker BP	20 %	Q3	63 - 130	Dry
PL986	Nipa	Aker BP	30 %	Q3	35 - 115	Dry
PL942	Ørn	Equinor	30 %	Q3	8 - 40	Discovery 50-88 mmboe
PL838	Shrek	PGNIG	30 %	Q3	10 - 22	Discovery 19-38 mmboe
PL782S	Busta	Conoco	20 %	Q3	54 - 199	Currently drilling
PL019C	Kark	Aker BP	60 %	Q3	15 - 48	Currently drilling
PL1008	Nidhogg	Aker BP	60 %	Q4	26 - 70	

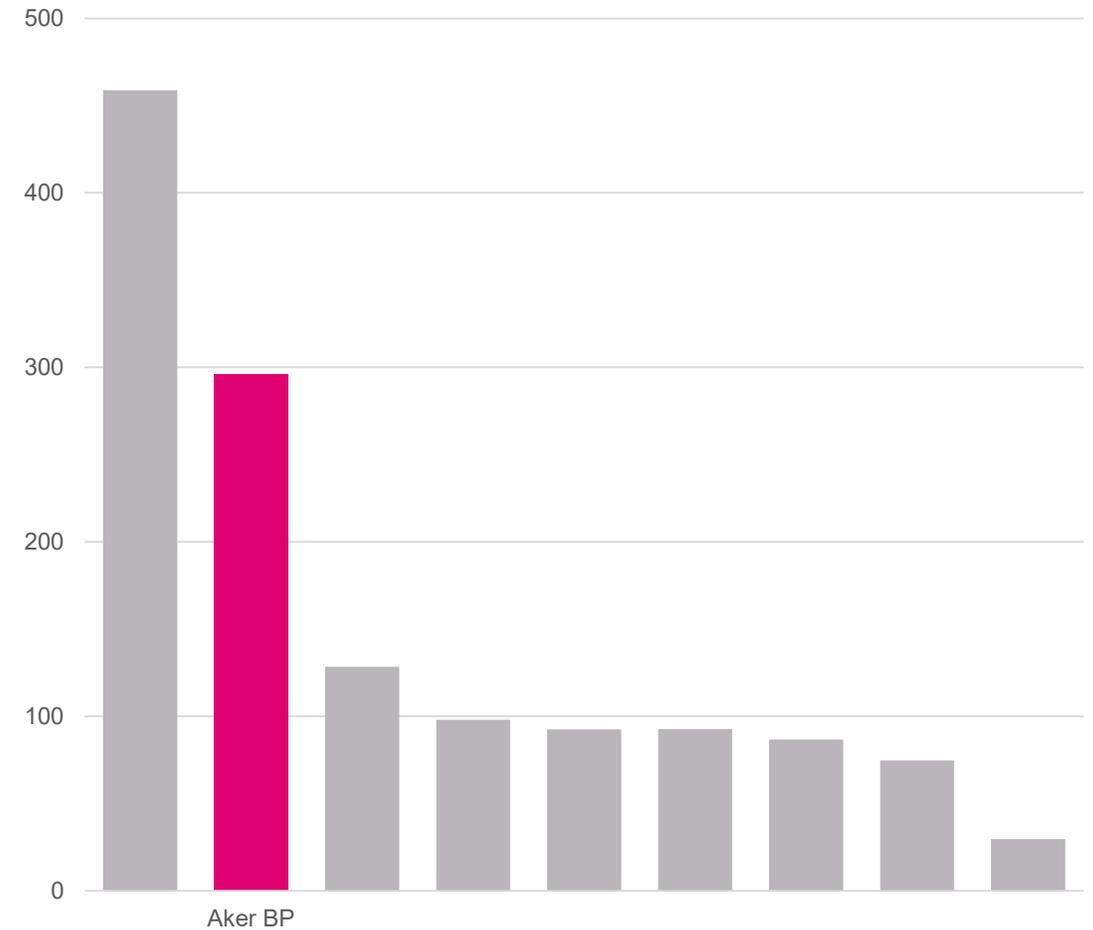
EXPLORATION

A leading explorer on the NCS

Aker BP net discovered volumes since 2016 (mmboe)



Net discovered since 2016 by company (mmboe)

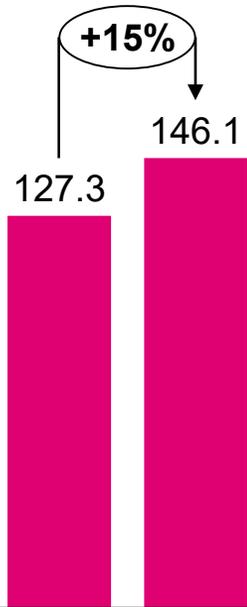


Financial review

Oil and gas sales

Volume (mboepd)

Production

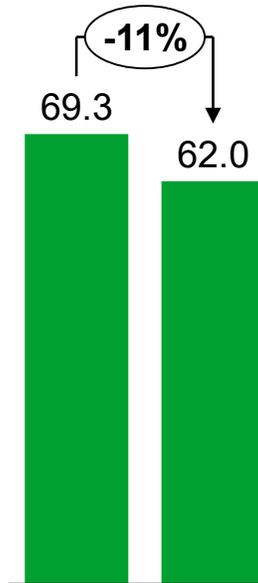


Sales

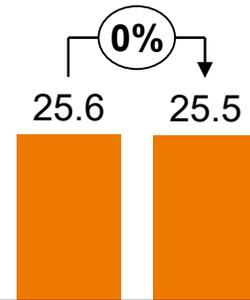


Realised prices (USD/boe)

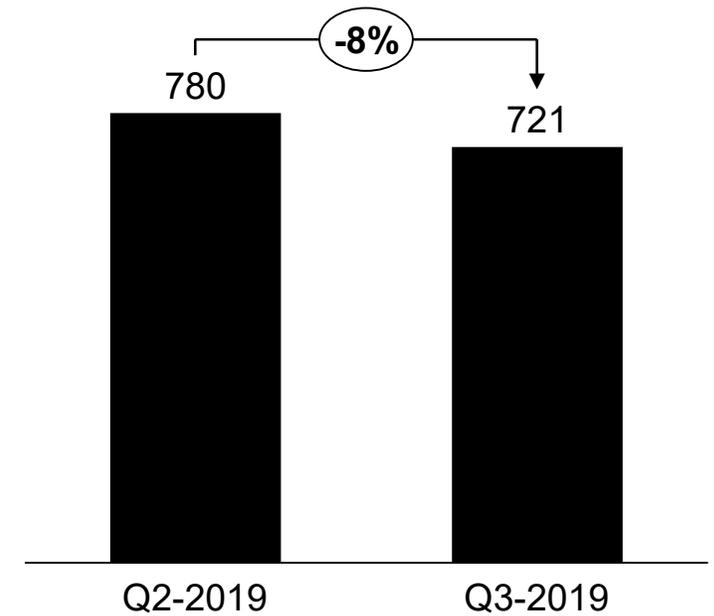
Liquids



Natural gas



Petroleum revenues (USDm)

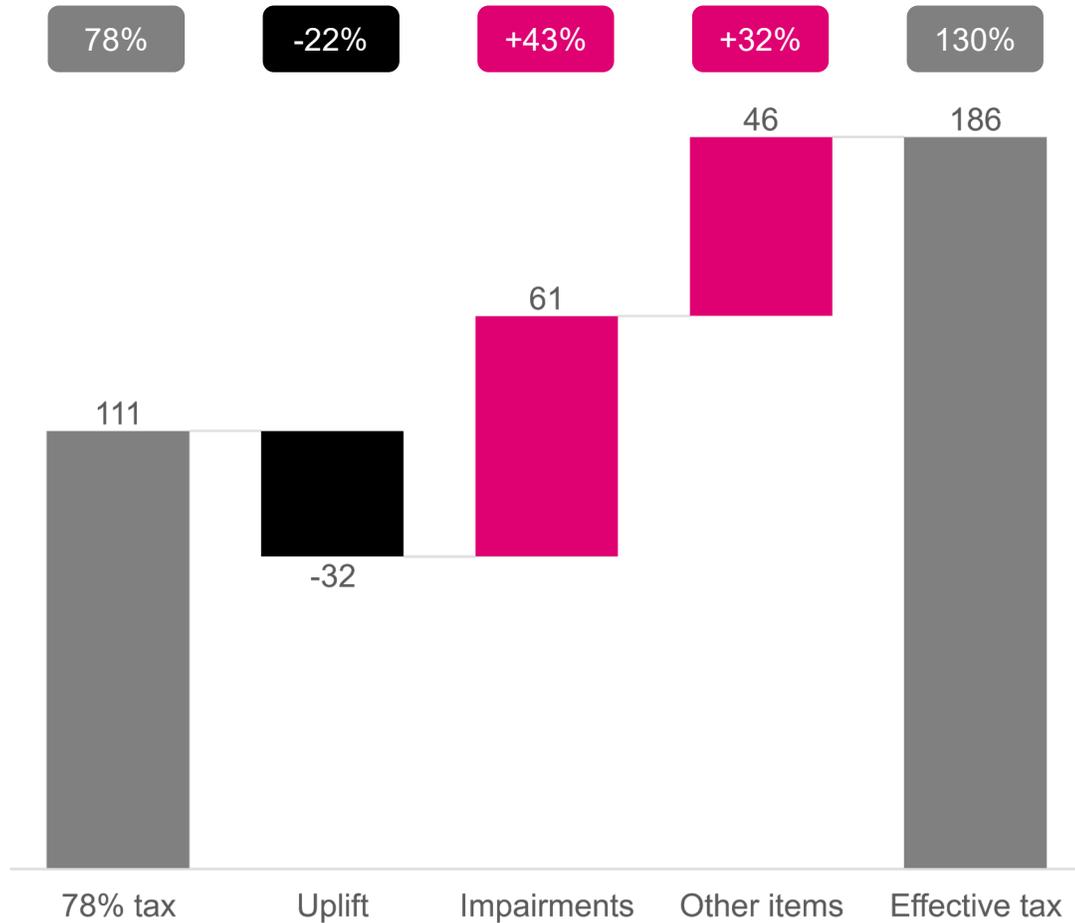


Income statement

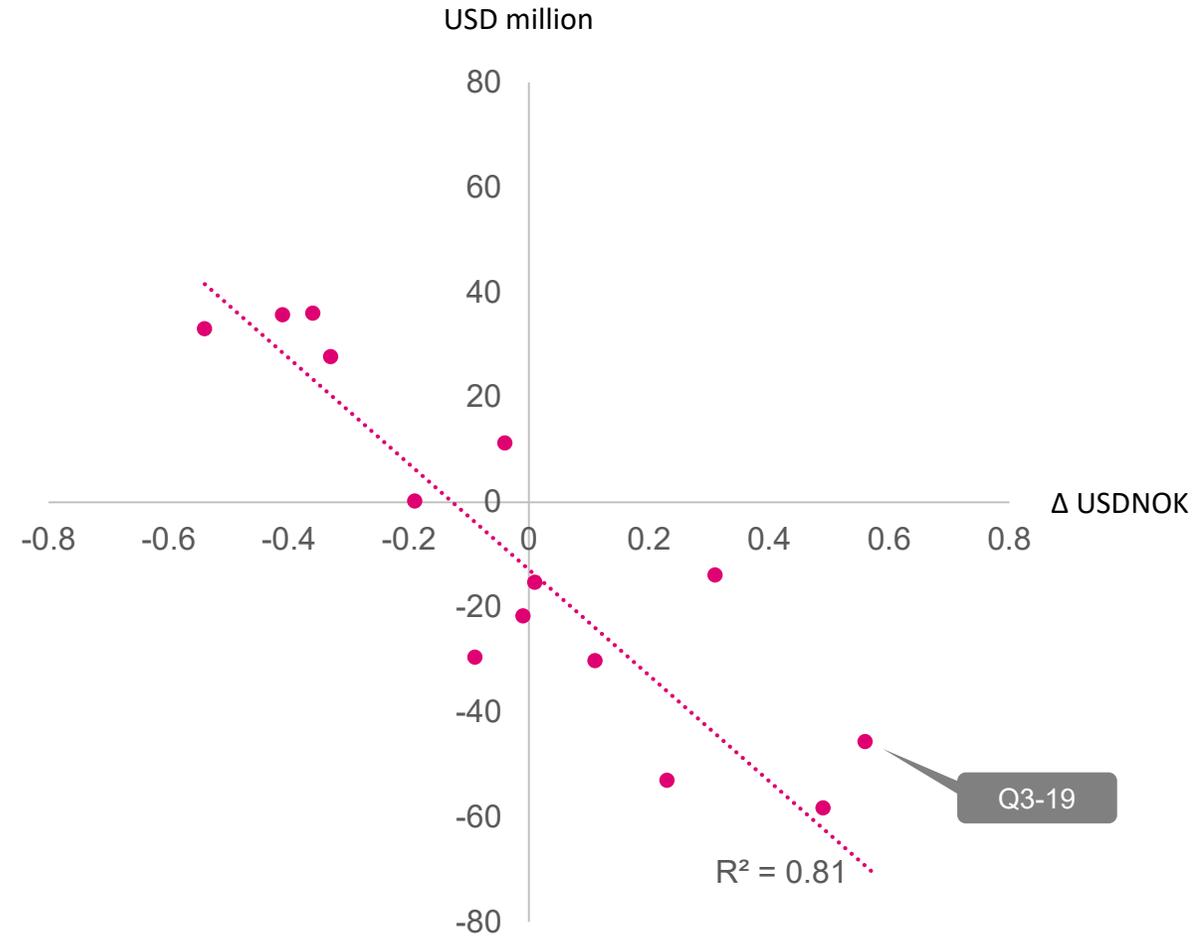
USD million	Q3 2019	Q2 2019	Q3 2018*
Total operating income	723	785	966
Production costs	167	198	170
Other operating expenses	6	4	4
EBITDAX	550	583	791
Exploration expenses	70	60	94
EBITDA	480	522	698
Depreciation	206	168	189
Impairment losses	78	-	-
Operating profit (EBIT)	196	354	509
Net financial items	(53)	(86)	(58)
Profit/loss before taxes	143	268	451
Tax (+) / Tax income (-)	186	206	335
Net profit/loss	(43)	62	116
EPS (USD)	(0.12)	0.17	0.32

Reconciliation of tax expense

Effective tax for Q3-2019 (USD million)



“Other items” vs. forex changes, quarterly since 2016



Statement of financial position

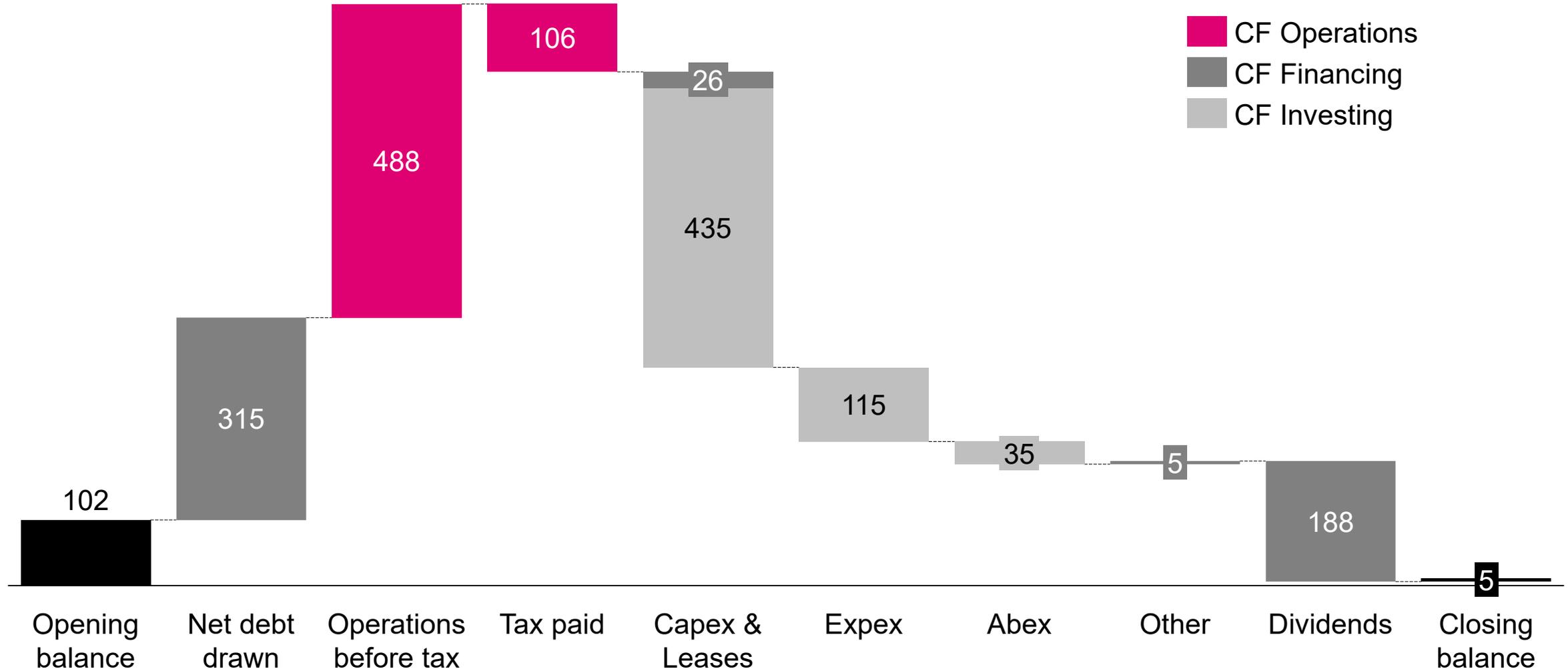
USD million

Assets	30.09.19	30.06.19	31.12.18*
Goodwill	1,713	1,791	1,860
Other intangible assets	2,571	2,522	2,433
Property, plant and equipment	6,614	6,300	5,746
Right-of-use asset	215	239	
Receivables and other assets	609	522	614
Calculated tax receivables	-	17	11
Cash and cash equivalents	5	102	45
Total Assets	11,727	11,493	10,709

Equity and liabilities	30.09.19	30.06.19	31.12.18*
Equity	2,444	2,664	2,977
Other provisions for liabilities incl. P&A (long)	2,543	2,560	2,581
Deferred tax	2,279	1,991	1,753
Bonds and bank debt	2,940	2,635	2,018
Lease debt	341	375	
Other current liabilities incl. P&A	985	829	828
Tax payable	195	439	552
Total Equity and liabilities	11,727	11,493	10,709

Cash flow – third quarter 2019

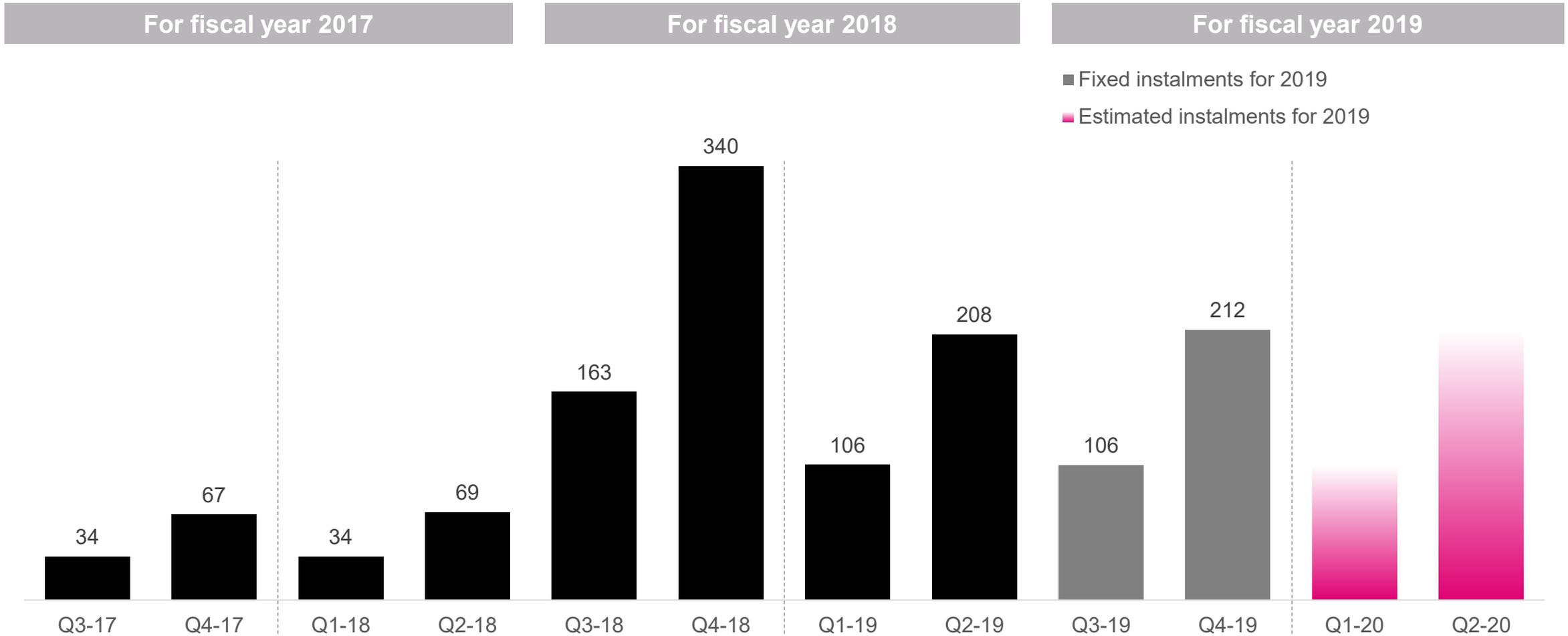
USD million



FINANCIAL REVIEW

Tax payments

USD million



Guidance summary

	Actual per 2019-9M	Updated 2019 guidance ¹⁾
Production ²⁾	144 mboepd	~155 mboepd <i>(previous 155-160 mboepd)</i>
Capex ³⁾	USD 1161 million	USD 1.6-1.7 billion
Exploration spend	USD 422 million	USD ~550 million
Abandonment spend	USD 99 million	USD ~100 million
Production cost per boe ⁴⁾	USD 13.5	USD ~12.5
Dividends	USD 562.5 million	USD 750 million

Priorities ahead

Execute

- Safe and efficient operations
- Excellent project execution

Improve

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

Grow

- Start up of new fields and wells
- Mature discoveries





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