

Q1 2017

AKER BP ASA

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AKER BP ASA

Highlights

Production

- Q1-17 production of 145.3 mboepd, +15% from Q4-16

Finance

- Q1-17 EBITDA USD 487 million, EPS USD 0.20
- Q1-17 Free cash flow* of USD 168 million (USD 0.50 per share)
- Quarterly dividend of USD 62.5 million (DPS of USD 0.185) to be disbursed in May

Operations

- Ivar Aasen ramp up ahead of expectations
- Redevelopment of Tambar sanctioned
- Concept selection (DG2) passed on Snadd, Valhall Flank West and Storklakken – on track to submit PDO before year-end
- Oil discovery at the Filicudi prospect in the Barents Sea



Financials

Q1 2017



FINANCIALS

Statement of income

Income statement (USD mill)	Q1 2017	Q1 2016	FY 2016
Total operating income	646	205	1,364
Production costs	121	34	227
Other operating expenses	8	5	22
EBITDAX	517	165	1,115
Exploration expenses	30	36	147
EBITDA	487	129	968
Depreciation	184	114	509
Impairment losses	30	38	71
Operating profit/loss (EBIT)	273	(23)	387
Net financial items	(47)	8	(97)
Profit/loss before taxes	227	(16)	290
Tax (+) / Tax income (-)	158	(48)	255
Net profit/loss	69	32	35
EPS (USD)	0.20	0.16	0.15

FINANCIALS

Statement of financial position

Assets (USD mill)	31.03.17	31.03.16
Goodwill	1,818	739
Other intangible assets	1,664	924
Property, plant and equipment	4,600	3,090
Receivables and other assets	678	263
Calculated tax receivables (short)	395	215
Cash and cash equivalents	183	155
Total Assets	9,337	5,387

Equity and liabilities (USD mill)	31.03.17	31.03.16
Equity	2,455	371
Other provisions for liabilities incl. P&A (long)	2,325	461
Deferred tax	1,164	1,384
Bonds	513	518
Bank debt	2,000	2,221
Other current liabilities incl. P&A (short)	760	431
Tax payable	120	-
Total Assets	9,337	5,387

FINANCE

Cash flow and liquidity

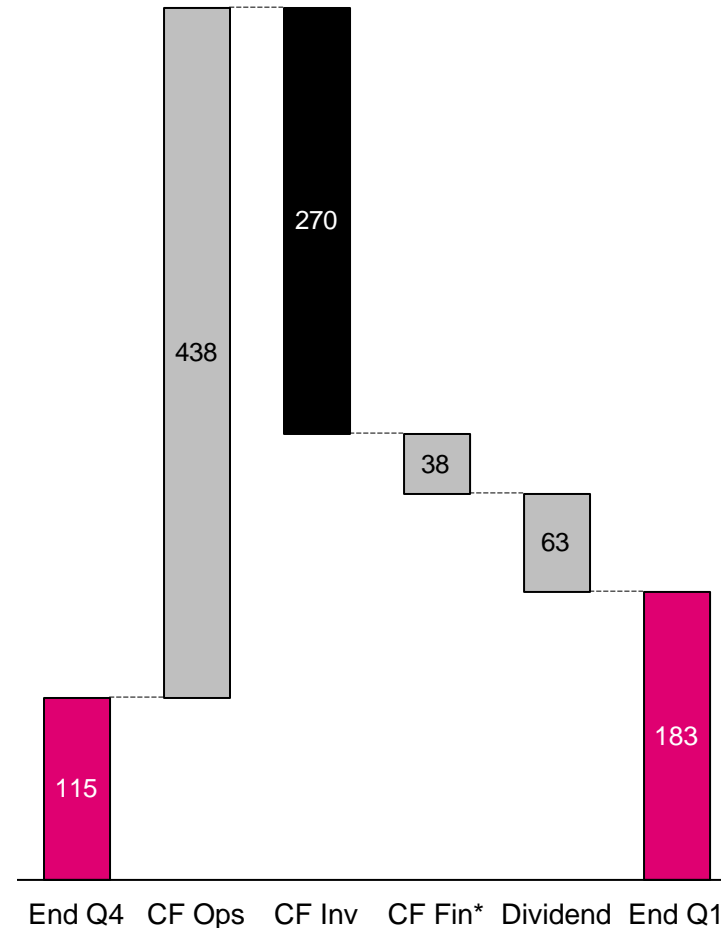
■ First quarter 2017

- Free cash flow of USD 168 million
- Dividend of USD 62.5 million (USD 0.185 per share) paid out in February
- Net interest-bearing debt (book value) of USD 2.33 bn
- Cash and undrawn debt facilities of USD 2.6 bn

■ Financing

- Leverage ratio decreased to 1.3x per March 31, 2017
- USD 62.5 million (USD 0.185 per share) to be paid out on or about May 19, 2017
- Assessing Aker BP's capital structure going forward

Cash flow (USDm)



Liquidity (USDbn)



2017 Guidance

No changes made from guidance provided at CMD in January 2017

Item	Guidance Aker BP ASA FY 2017	Actual per Q1 2017	Comments
CAPEX	USD 900 – 950 million	USD 214 million	-
EXPEX	USD 280 – 300 million	USD 59 million	-
Production	128 – 135 mboepd	145.3 mboepd	Expecting Viper-Kobra decline throughout 2017, maintenance at Valhall and Skarv in Q3-2017
Production cost	USD ~11 per boe	USD 9.2 per boe	Production volume guidance unchanged, maintenance in Q3-2018
Decommissioning cost	USD 100 – 110 million	USD 8 million	Maersk Invincible rig to commence P&A activity at Valhall in May 2017

Note: Guidance based on USD/NOK 8.5

Operations

Q1 2017

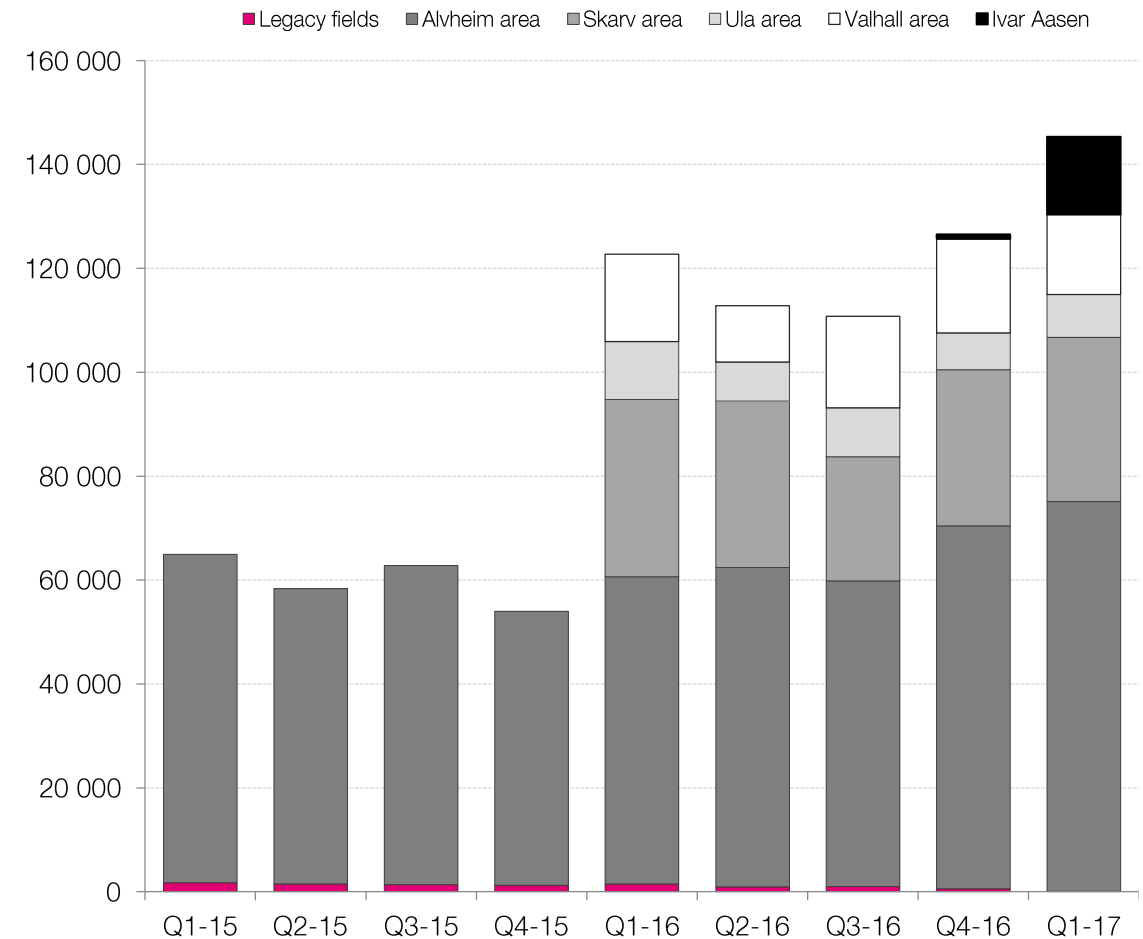


PRODUCTION

Oil and gas production

- **Q1 2017 production of 145.3 mboepd (+15% from Q4-16)**
 - Strong production from Viper-Kobra
 - Ramp-up of Ivar Aasen ahead of expectations
- **Realized oil price of 54 USD/bbl, gas price of 0.21 USD/scm**
- **Strong execution focus has ensured high uptime and high production across assets**

Net production* (boepd)



GREATER ALVHEIM AREA (65.0%*)

Further developing the Alvheim area

■ Stable and high production in Q1-2017 from Alvheim area

- Operational efficiency of 97%
- Production cost of 4.3 USD/boe in Q1-2017

■ Transocean Arctic commenced drilling in the Alvheim area in December 2016

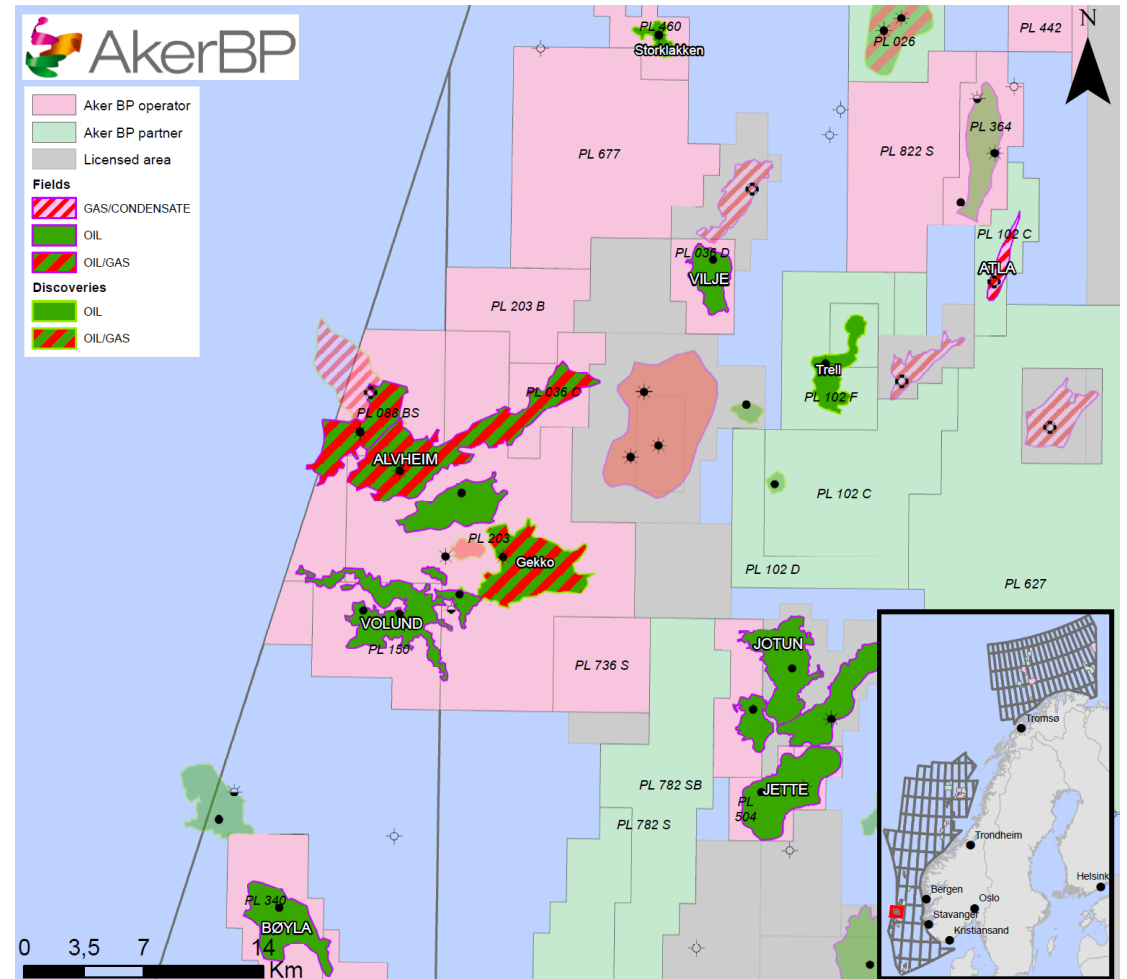
- Currently drilling infill wells at Volund; one single-lateral completed and one tri-lateral well ongoing
- Drill one exploration well in Volund West area
- Two Boa infill wells planned in the second half of 2017
- Further maturing opportunities for the area

■ Continued work on subsurface maturation to maximize recovery with lowest number of wells

■ Storklakken concept selection (DG2) internally approved in March, targeting PDO (DG3) towards the end of 2017

- Tie-back to Alvheim FPSO via Vilje
- First oil planned for 2020
- Sale of 35% (retaining 65%) to PGNiG in March

New projects in the Alvheim area



IVAR AASEN (34.8%)

Strong performance during first quarter of operation

Key events

- High uptime and strong production performance during first quarter of operation
 - 91% uptime (96% ex. 3rd party losses)
- Production in accordance with agreed delivery commitment on Edvard Grieg
- Commissioning of remaining systems, water injection and export compressor ongoing
- Residual project scope handed over to operations for execution by maintenance & modification contractor
- Drilling of 2017 drilling scope commenced in March with Maersk Interceptor
- New drilling record: 1,742m within a 24 hour time period



Official opening of the Ivar Aasen field

JOHAN SVERDRUP (11.6%)

Johan Sverdrup project progressing according to plan

Key events

■ Project progressing according to plan:

- Most major contracts have been awarded
- Platform construction ongoing on 22 engineering and construction sites globally
- Completed pre-drilling of eight oil producers and four pilot wells
- Pre-drilling of water injection wells are ongoing

■ Costs continue to come down

- Phase 1 CAPEX estimated at NOK 97 billion (nom.) with break-even oil price below 20 USD/boe
- Full field CAPEX estimated at NOK 137 – 152 billion (nom.) with break-even oil price below 25 USD/boe

■ Concept selection for Phase 2 was approved in March, the project aims to deliver PDO in second half of 2018



Deepsea Atlantic

Realising upsides

Key events

- **IP Platform drilling program commenced in Q1-17**
 - 7 wells campaign of which three are planned in 2017
- **Valhall Flank West project concept selection approved**
 - Planned as unmanned wellhead platform with 12 well slots, tied back to Valhall field center
 - PDO planned for late 2017, first oil expected in 2020
- **Valhall Flank North water injection accelerated towards a planned concept selection in Q2-17**
- **Maturing further growth opportunities in the area, including**
 - Valhall Flank West upsides
 - Valhall Flank North
 - Valhall Flank South
 - Hod West and Saddle wells
 - Hod East and Water Flood
 - Lower Hod formation



Valhall field center

ULA (80.0%) / TAMBAR (55.0%) HUB

Tambar re-development approved

- **Increased production from Ula/Tambar in Q1-17 due to increased WAG-effects and one additional well available at Tambar**
- **Development targeting 27 mmboe (gross) through drilling of two additional infill wells and gas lift**
 - Extends the production life from 2018 to at least 2028
 - Expected to lift production by 4 – 6 mboepd (gross) for several years
- **Project break-even below 20 USD/boe**
 - CAPEX of NOK 1.7 billion (gross)
 - Modifications on Tambar and Ula platforms
 - First oil expected in first half 2018
- **Drilling to commence with Maersk Interceptor in Q4-2017**
 - Testing OWC in the northern part of the field
 - Increased understanding of the Tambar reservoir



Tambar wellhead platform

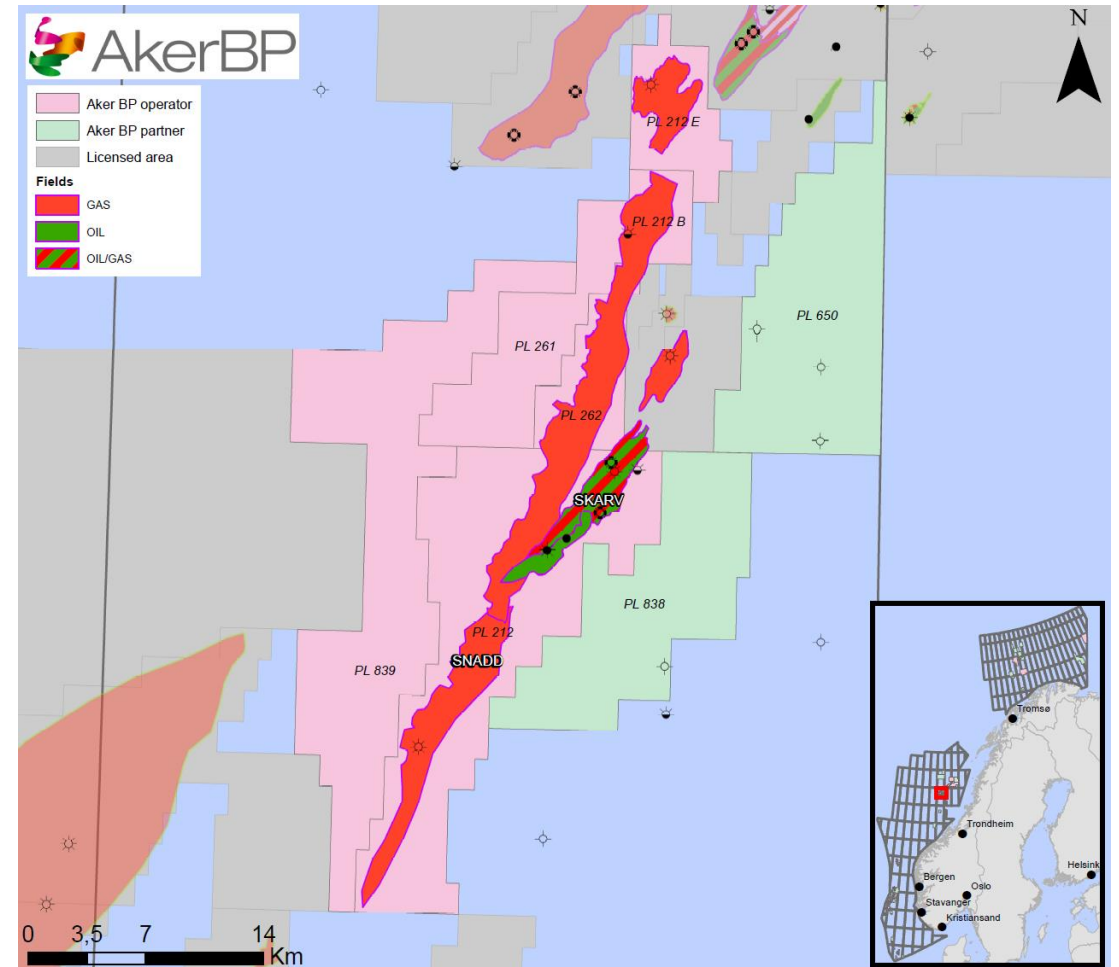


SKARV AREA (23.8%)

Maturing Snadd towards PDO

Key events

- **Stable operations and production throughout quarter**
 - 98% operational efficiency in Q1-2017
- **Test production from Snadd A1H well continues**
- **Partnership decision to conduct seismic survey during summer 2017**
- **Snadd project progressing as planned**
 - Development comprising of six subsea wells tied back to Skarv FPSO, including topsides modifications
 - Phase 1 passed concept selection (DG2) in March
 - PDO planned in Q4-17
 - First gas scheduled for 2020

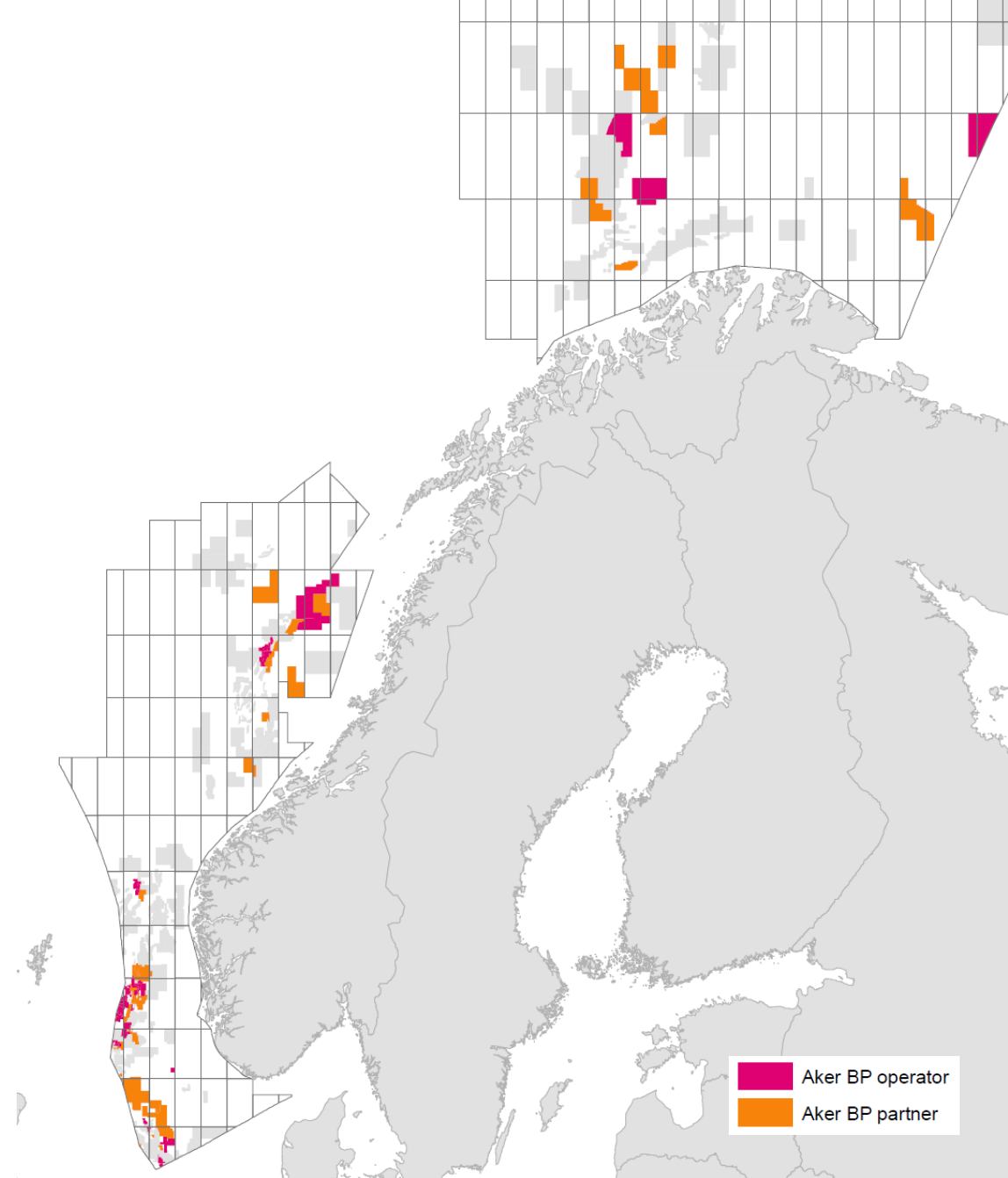


EXPLORATION

Exploration activities 2017

- **Discovery at Filicudi, Tonjer dry, Gohta (NE) ongoing**
- **Investing in additional seismic**
 - Entered into framework agreement for 4D seismic on existing operated assets with Western Geco
 - Acquisition of 12,000 km² 3D seismic data from PGS
 - Acquisition of 7,000 km² 3D seismic data from TGS

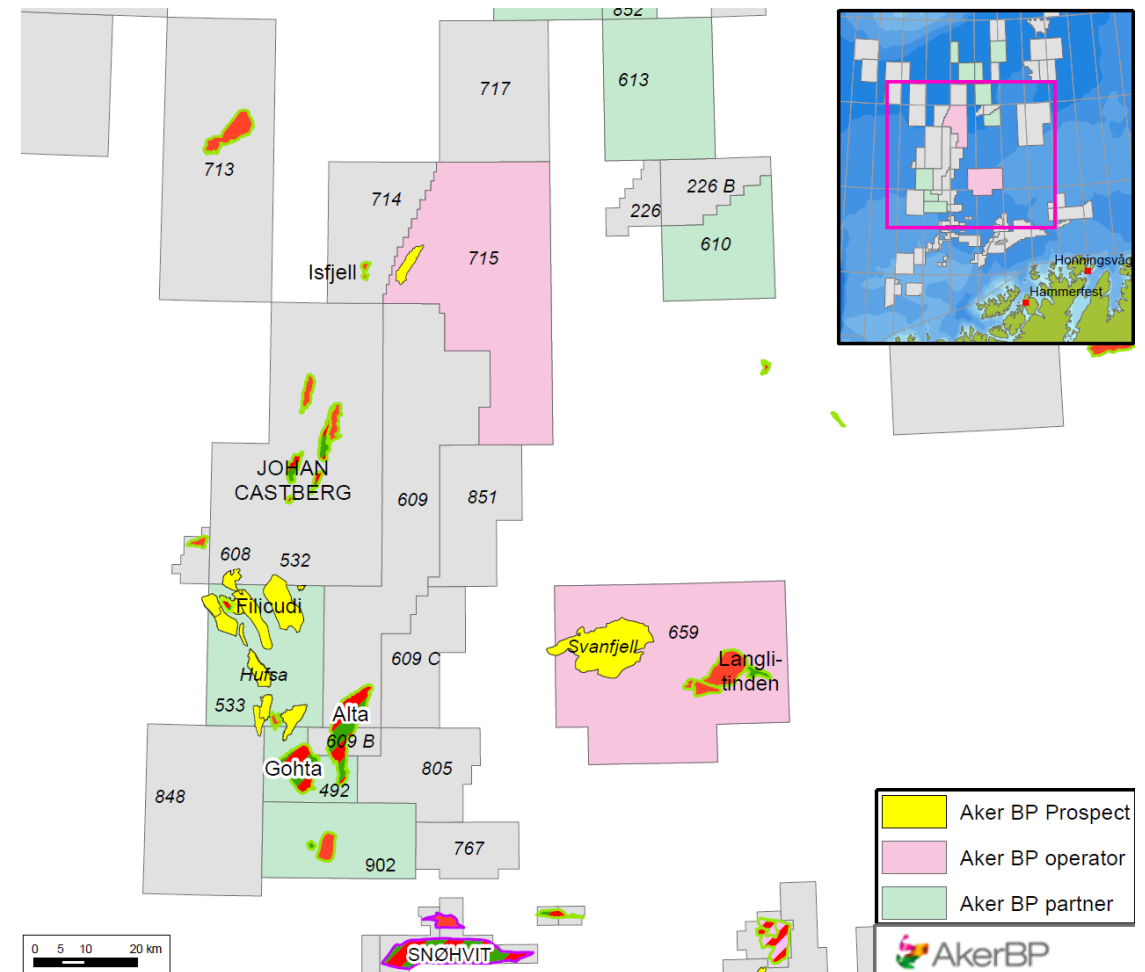
License	Prospect name	Operator	Aker BP share	Pre-drill mboe*	Time
PL150B	Volund West	Aker BP	65%	5 - 22	Q2
PL677	Hyrokkin	Aker BP	60%	6 – 55	Q3
PL442	Nordfjellet/Delta	Aker BP	90%	10 – 39	Q3
PL492	Gohta (NE)	Lundin	60%	Appraisal	Q1
PL533	Filicudi	Lundin	35%	24 – 146	Q1
JS Unit	Tonjer	Statoil	11,6%	26 – 114	Q1
PL048G	Central 3	Statoil	3,3%	8 - 21	Q3



EXPLORATION

Discovery at the Filicudi (35%) prospect

- **Gross resource estimated of 35 – 100 mmboe (gross)**
 - Encountered 129 meters of high quality sandstone reservoir in Jurassic and Triassic targets
 - Coring, logging, oil and gas sampled from wireline tools
- **Multiple additional prospects identified in PL533 with total gross unrisks prospective resources of up to 700 mmboe**
- **Considering drilling up to two additional prospects in PL533 during 2017**
 - Hufsa: Gross unrisks prospective resources of 285 mmboe
 - Hurri: Gross unrisks prospective resources of 218 mmboe



IMPROVEMENT

Reorganizing value-chain by alliances

- Entered into long-term framework agreements with key suppliers for development of fixed facilities offshore
 - Duration of six years, with options to extend four more years
- Valhall license has approved use of alliance model for Valhall Flank West development
- Fully aligned with Aker BP's strategy to increase flow efficiency to reduce costs, cut bureaucracy and increase quality
- Ambition to reduced engineering hours per ton platform by 50% and a 25% reduction in execution time
 - 50% reduction in engineering hours implies reduction of about 190 man-years for a 5,000 MT topside



Signing ceremony



KVERNER™

SIEMENS



ABB



OUTLOOK

Summary and outlook

■ Operations

- Continue drilling in the Alvheim area
- Ramp-up of production at Ivar Aasen
- IP drilling at Valhall
- Commence P&A operations at Valhall
- Collect 4D seismic for four areas
- Maturation of Snadd, Valhall Flank West and Storklakken towards PDO before year-end

■ Finance

- Proposed dividend of USD 62.5 million (USD 0.185 per share) to be paid out in May
- Assessment of capital structure in Aker BP going forward

■ Business development

- The company to pursue further growth opportunities going forward both to enhance production and increase dividend capacity, while maintaining the highest HSE standards





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