

Q2 2016

DET NORSKE OLJESELSKAP ASA

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14 JULY 2016



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DET NORSKE Highlights

Aker BP ASA

- Merger with BP Norge AS to create the leading offshore independent E&P company*

Production

- Q2-16 production of 62.4 mboepd, + 3% from Q1-16

Finance

- Q2-16 EBITDA USD 175 million, EPS 0.03 (USD)
- USD 1 billion in cash and undrawn debt facilities

Development projects

- Ivar Aasen topside heavy-lift to commence shortly, on track for production start-up in Q4-2016
- Johan Sverdrup progressing according plan
- Viper-Kobra wells finalized with good results



Signing of SPA for merger with BP Norge AS

Growth opportunity stemming from long-term collaboration



BP has been one of the pioneers of the E&P industry globally and is a well respected company with significant resources

- Fully “Integrated capacity” from research to sales
- Advanced technological capabilities
- Pioneers in frontier regions
- Strong industry relationships



Aker has over the last decades built a unique oil service hub and world class supply chain capabilities

- World class service capacity from Aker companies
- Deep sector knowledge and track record of long-term value creation
- Proven M&A capabilities
- Strong industry relationships



DET NORSKE

Det norske has proven to be one of the most successful E&P independents through innovation, consistent performance and M&A

- Solid performance through hands-on asset focus and continuous improvement
- Ability to turn around even top quartile assets
- Flexible and fast moving organization
- Independent-like business practices

Creating the leading offshore independent E&P company

Solid footprint covering entire NCS



Skarv

Solid base performance and upside potential



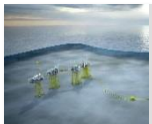
Alvheim

High production efficiency and low operating cost



Ivar Aasen

On track to first oil Q4-16



Johan Sverdrup

World class development with break even prices below 30 USD/bbl



Ula/Tambar

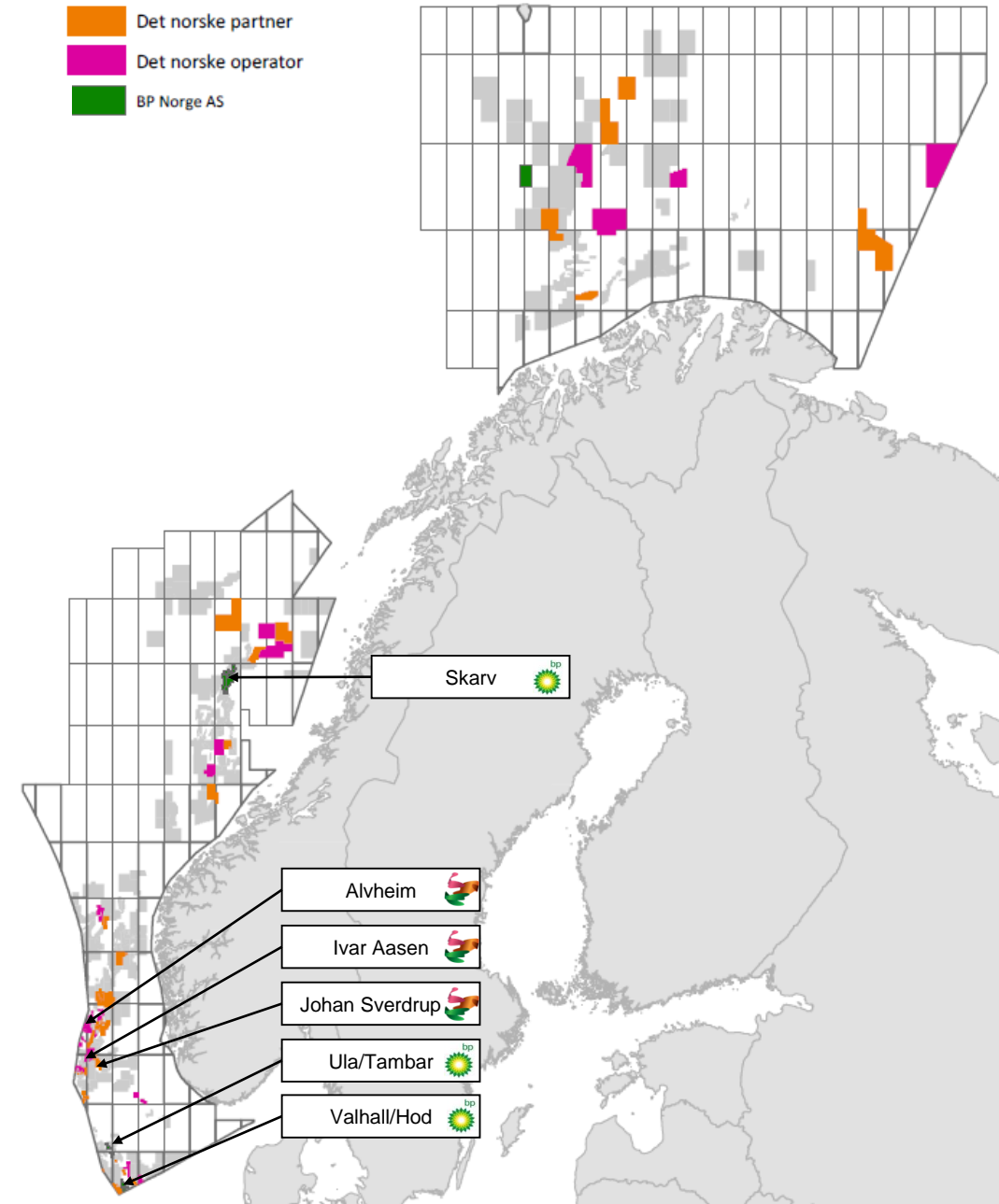
Late life production with significant upside potential



Valhall/Hod

Production from giant chalk reservoir with potential production for ~70 years

- Det norske partner
- Det norske operator
- BP Norge AS

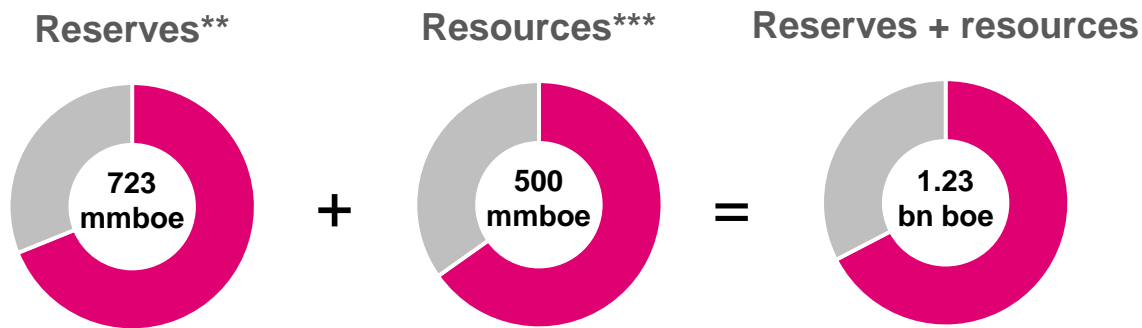
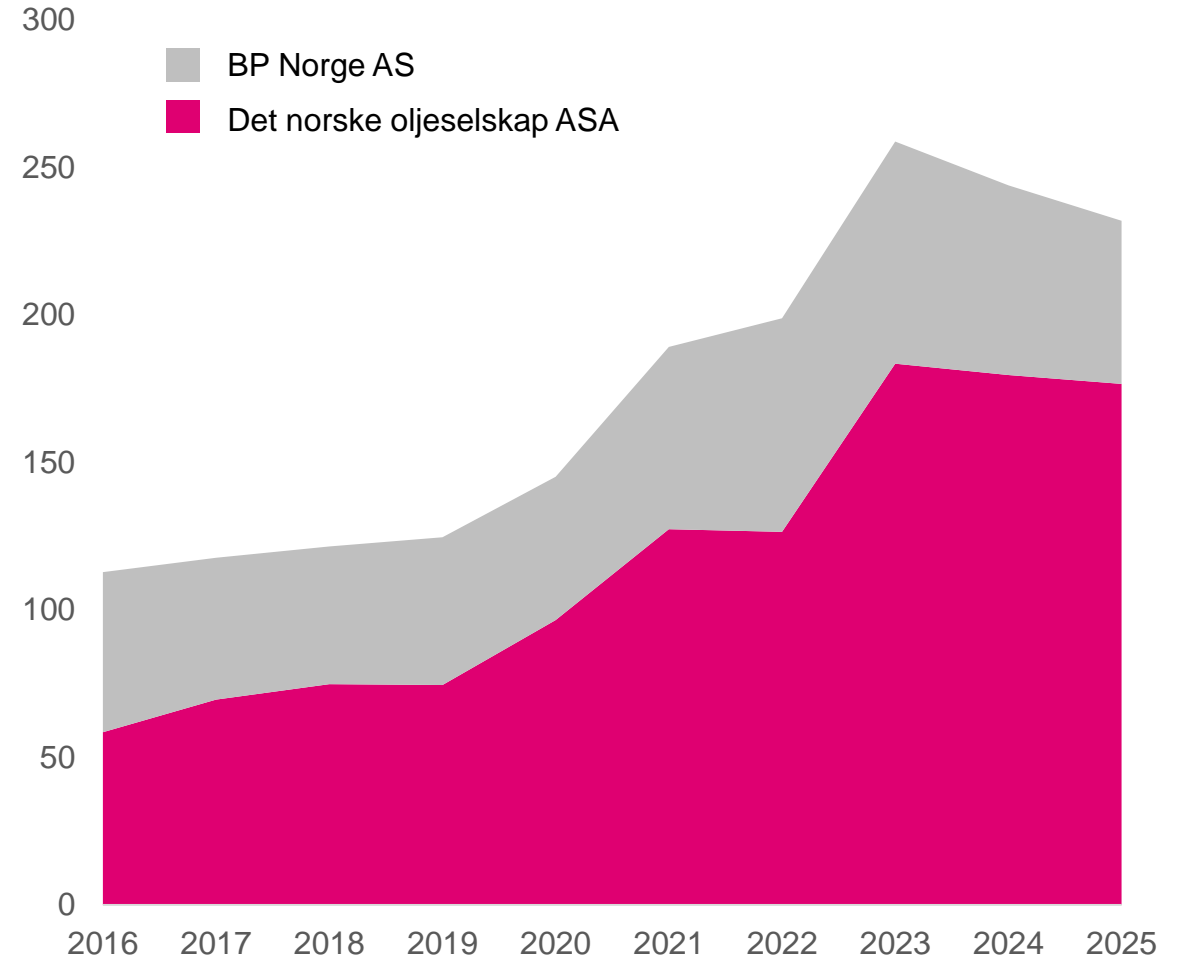


Significant production and cash flow

Growth and de-risking of portfolio

- **Unique portfolio with potential to reach production above ~250 mboepd from 2023**
- **Diversified production**
 - 78% liquids and 22% gas (2015 production)
- **Organic growth opportunities**
 - New developments in areas with proven potential
 - IOR potential in producing assets
 - Near field and frontier exploration

Illustrative production potential*, mboepd



*Sanctioned and non-sanctioned projects

** Based on Det norske end of 2015 ASR (498 mmmboe) and NPD's reserves for BP Norge AS (225 mmmboe) end 2015

*** Based on Det norske evaluation, excluding immature options and identified upsides

Creating the leading independent offshore E&P company

Unique platform for further growth

Unique capabilities

- Combining nimble business practices with IOC capabilities and 175 years of industrial experience
- Leveraging Det norske's improvement agenda and lean initiatives

World class asset base

- Combined production of 122 mboepd and reserves of 723 mmboe
- Predominantly operated portfolio with 5 operated hubs with significant development potential
- Inventory of high quality non-sanctioned discoveries

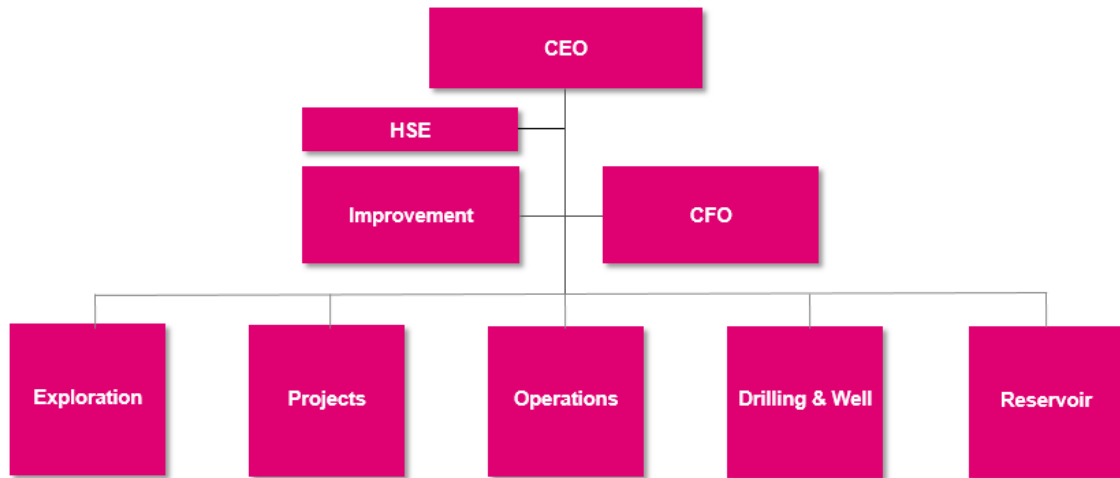
Financially robust

- Diversification of production and cash flow
- Strengthened balance sheet
- Positioned for further growth
- Aim to pay quarterly dividends from Q4 2016

Integration planning on track

Integration topics

- Management and organization
- Governing systems
- Emergency preparedness
- IT systems
- Closing planned for end of Q3-2016*



New executive management team



Karl Johnny Hersvik,
Chief Executive Officer



Alexander Krane,
Chief Financial Officer



Eldar Larsen,
SVP Operations



Olav Henriksen,
SVP Projects



Gro G. Haatvedt
SVP Exploration



Ole-Johan Molvig
SVP Reservoir



Tommy Sigmundstad
SVP Drilling and Well



Jorunn Kvaale,
SVP HSE



Per Harald Kongelf,
SVP Improvement

Operations

Q2 2016

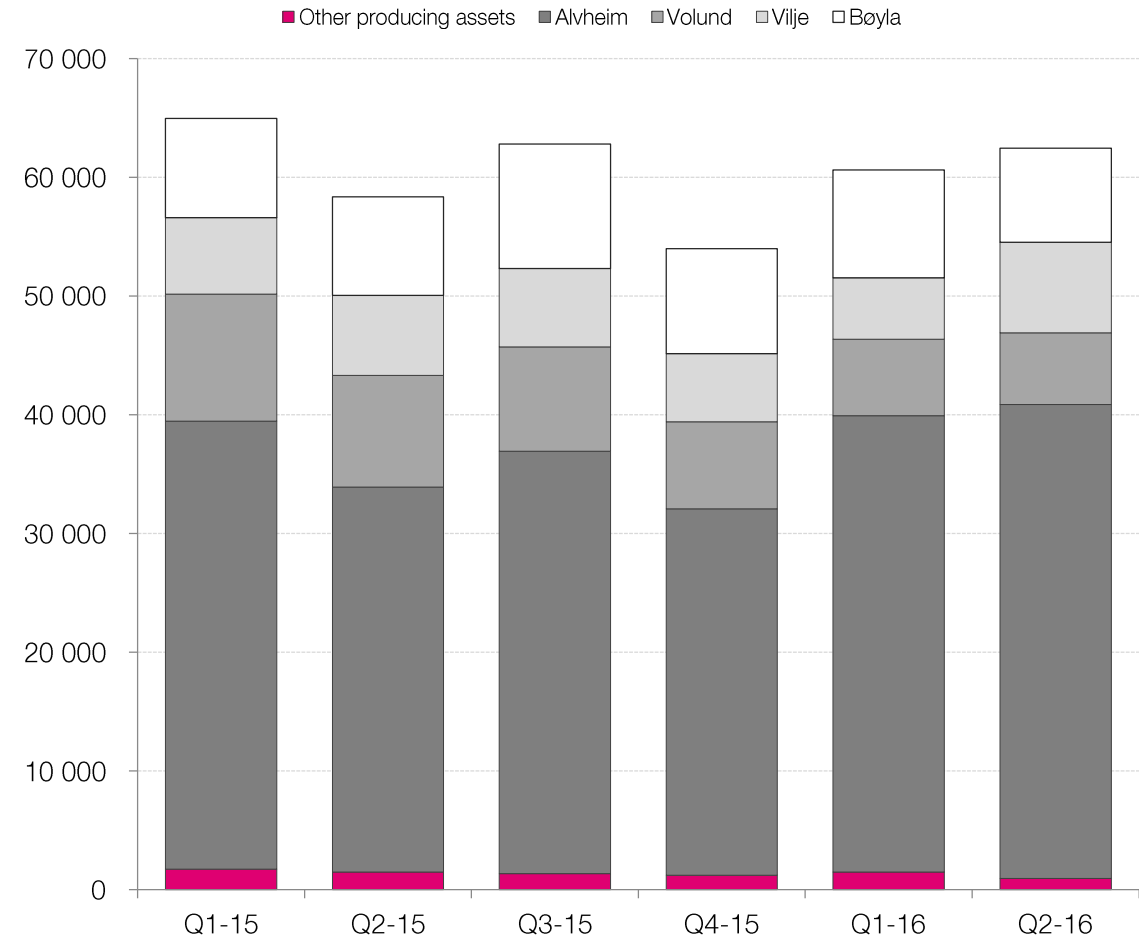


PRODUCTION

Oil and gas production

- **Q2 2016 production of 62.4 mboepd**
 - BoaKamNorth commenced production in May
 - Strong production from Vilje
- **Q2 2016 production efficiency of 97.0%**
- **Q2 2016 realized oil price of USD 49/bbl**
- **January to April 2016 combined production from BP Norge AS and Det norske was 121 mboepd (latest NPD data)**

Net production (boepd)

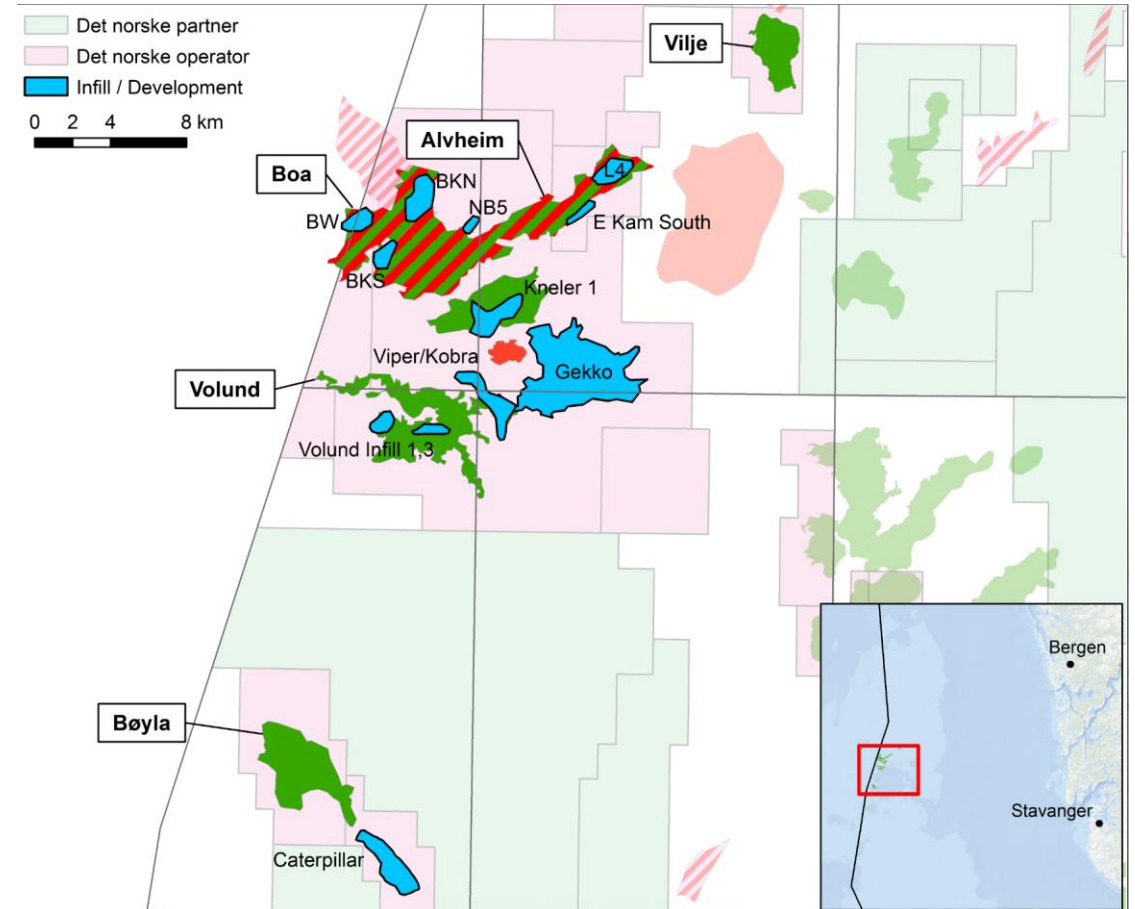


Further developing the Alvheim area

Alvheim area

- **The tri-lateral BoaKamNorth well came on stream in May**
- **Drilling of Viper-Kobra wells are finalized with good results**
 - Mean post-drill estimates for Viper-Kobra wells of 13 mmboe (gross) versus pre-drill estimates of 8 mmboe (gross)
 - Evaluate possible development well of Kobra East
 - First oil expected in Q4-16
- **Currently drilling top-holes for Volund infill wells**
 - Transocean Winner of contract in end of July
 - Drilling break until Transocean Arctic starts drilling in December 2016
- **Secure continuous development to fill the FPSO**
 - Further maturing opportunities for the area

New projects in the Alvheim area

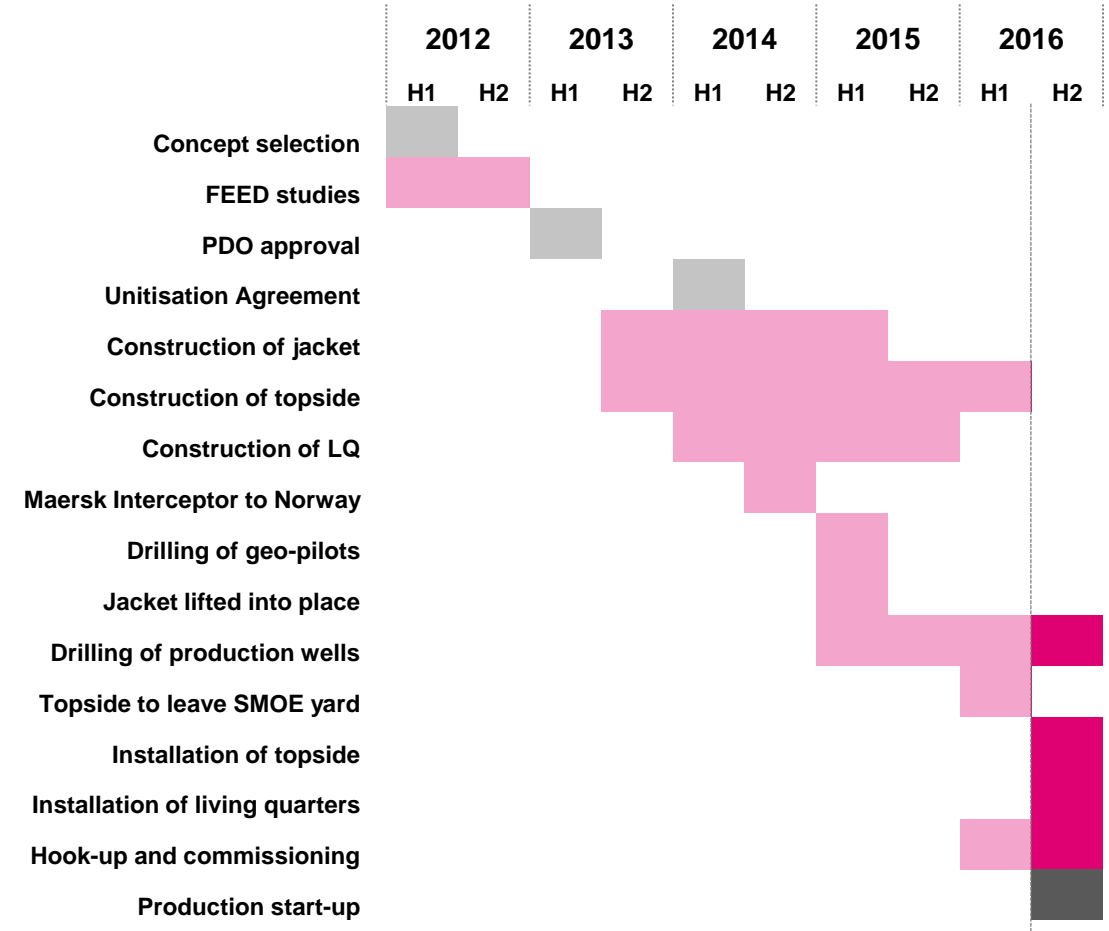


Ivar Aasen project on plan and budget

Recent events

- Construction of topside completed in Singapore
- Topside sailed from Singapore in early June
- Production drilling continued ahead of schedule with top quartile performance, five producers and three water injector finished
 - The pre-drilling campaign was completed in early July and Maersk Interceptor is about to move to Rovarkula
- Two geo-pilot wells at West Cable East finished
 - Preliminary estimates of 3 – 13 mmboe of additional resources (gross)
 - Valuable information regards final well placement for the West Cable production well

Detailed timeline



IVAR AASEN

Lifting operations about to commence

- Ivar Aasen topside has arrived safely in Norway after leaving Singapore in early June
- Living quarters completed at Stord in June
- Lifting operations with “Saipem 7000” heavy lift vessel are expected to commence shortly
 - 5 lifts, including living quarters



Flare and M50 module lifted onto Saipem 7000

Offshore hook-up and commissioning

- **Topside sailed from Singapore with a very limited carry over scope**
- **Det norske and Aibel working as one integrated team with common KPIs and incentives to minimize offshore work hours**
- **Safe Zephyrus mobilized from inshore location with personnel and equipment onboard to reduce logistics demand in mobilization phase**
- **Maersk Interceptor to act as accommodation unit when back on field after drilling of Rovarkula and Langfjellet exploration wells**



Safe Zephyrus ready for mobilization

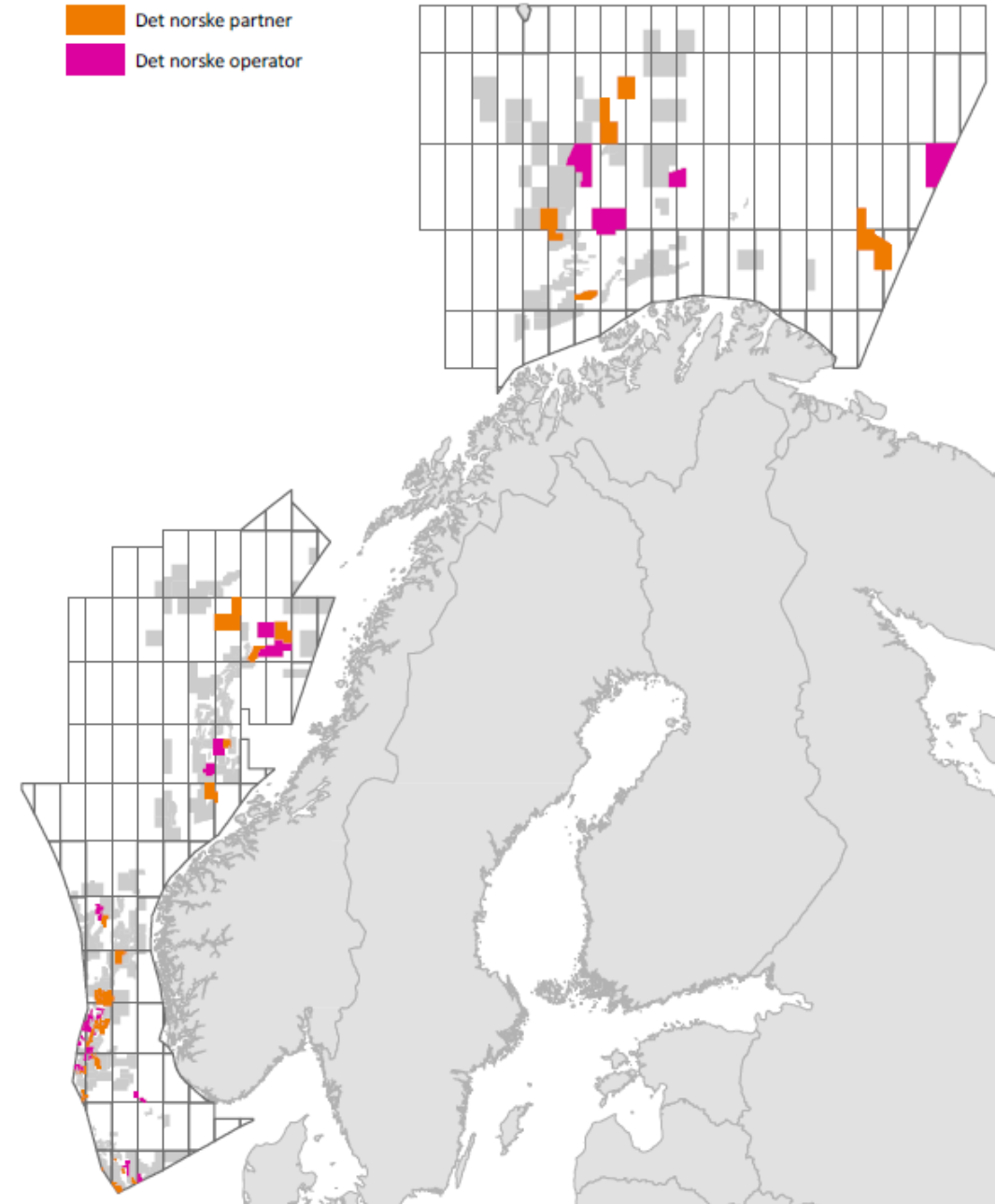
EXPLORATION

2016 drilling program

- **Askja/Krafla exploration campaign ongoing**
 - Currently drilling Slemmestad sidetrack in Haraldsplass prospect
- **Spud of Rovarkula exploration well with Maersk Interceptor planned in second half of July**
- **Langfjellet exploration well to be drilled after Rovarkula**
 - Represents a potential upside in the North of Alvheim area

License	Prospect	Operator	DETNOR Share	Pre-drill mboe*	Rig	Time
PL554B&C	Uptonia	Total	30%	11 - 38	Leiv Eriksson	Q1
	Madam Felle			20 - 49		
PL272/035	Askja SE	Statoil	50%	24 - 79	Songa Delta	Q2
	Beerenberg			13 - 46		
	Slemmestad			29 - 86		
PL626	Rovarkula	DETNOR	50%	8 - 79	Maersk Interceptor	Q3
PL442/026B	Langfjellet	DETNOR	~90%	13 - 62	Maersk Interceptor	Q3
PL533	Filicudi	Lundin	20%	24 - 146	Leiv Eriksson	Q3

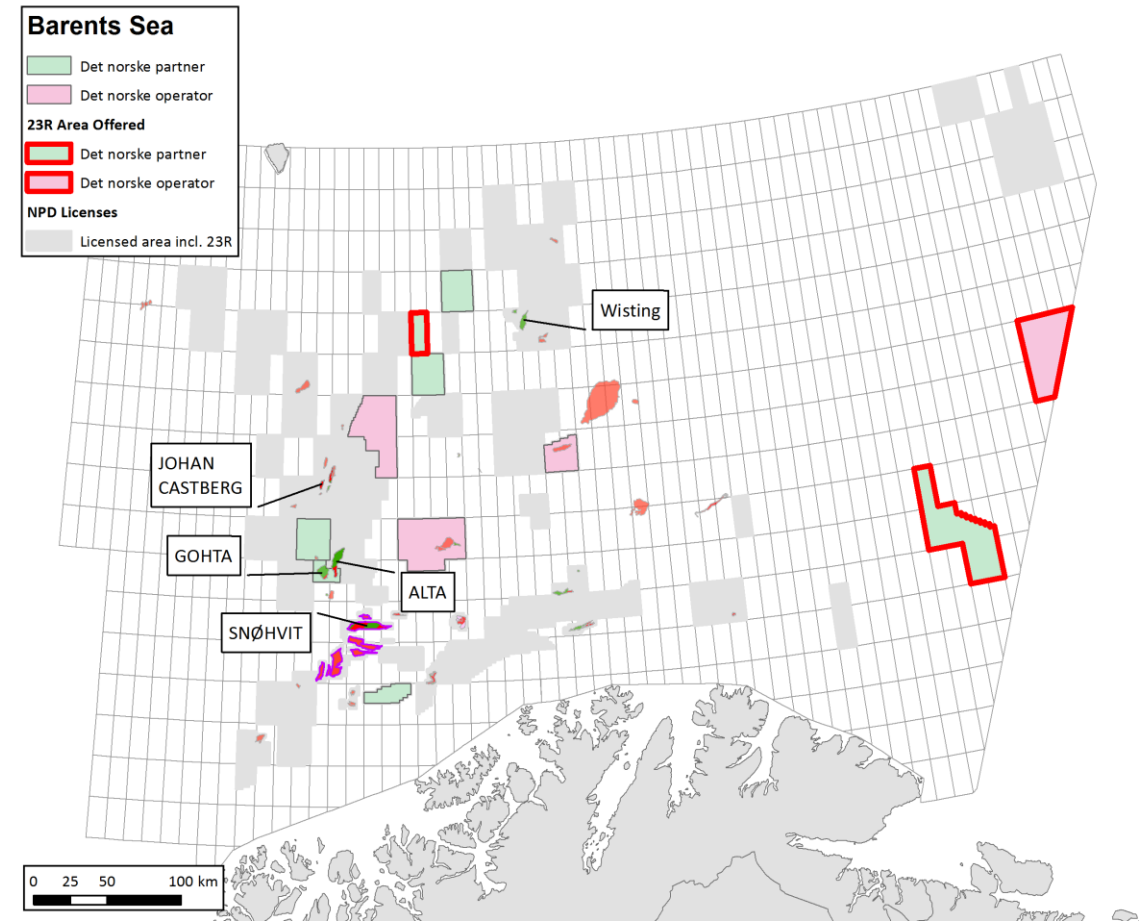
■ Det norske partner
■ Det norske operator



EXPLORATION

Awarded three new licenses in 23rd licensing round

- **Det norske was awarded all three licences it applied for in the 23rd round, incl. operatorship in Barents SE**
 - Operator in in PL858 (Area B) on Fedinsky flank
 - Partner in PL857 (Area C)
 - Partner in PL852 (Munken – Loppa North)
- **Offers several opportunities for growth and future value creation for Det norske**
- **Work obligation of drilling one firm exploration well for two of the licenses**



Financials

Q2 2016



FINANCIALS

Statement of income

Income statement (USD mill)	Q2 2016	Q1 2016	FY 2015
Revenues	256	205	1,222
Production costs	39	34	141
Other operating expenses	5	5	52
EBITDAX	211	165	1,029
Exploration expenses	36	36	76
EBITDA	175	129	953
Depreciation	120	114	481
Impairment losses	(20)	38	430
Operating profit/loss (EBIT)	74	(23)	41
Net financial items	(29)	8	(155)
Profit/loss before taxes	45	(16)	(114)
Tax (+) / Tax income (-)	39	(48)	199
Net profit/loss	6	32	(313)
EPS (USD)	0.03	0.16	(1.54)

FINANCIALS

Statement of financial position

Assets (USD mill)	30.06.16	30.06.15
Goodwill	739	1,134
Other intangible assets	927	922
Property, plant and equipment	3,305	2,804
Calculated tax receivables (long)	28	-
Receivables and other assets	334	254
Calculated tax receivables (short)	207	-
Cash and cash equivalents	68	188
Total Assets	5,609	5,301

Equity and liabilities (USD mill)	30.06.16	30.06.15
Equity	378	661
Other provisions for liabilities incl. P&A (long)	484	523
Deferred tax	1,440	1,354
Bonds	515	529
Bank debt	2,336	1,818
Other current liabilities incl. P&A (short)	455	369
Tax payable	-	47
Total equity and liabilities	5,609	5,301

Cash flow and liquidity

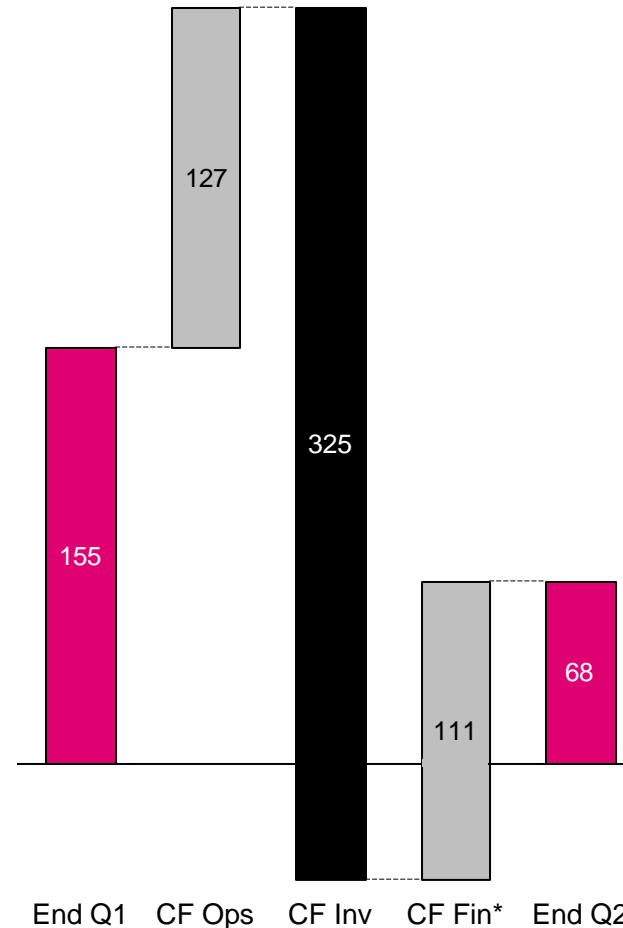
Second quarter 2016

- Operating cash flow impacted by negative working capital movements in the quarter
- Net interest-bearing debt (book value) of USD 2.78 bn
- Cash and undrawn debt facilities of USD 1.02 bn
- Amendment package to increase covenant thresholds approved by bondholders in May

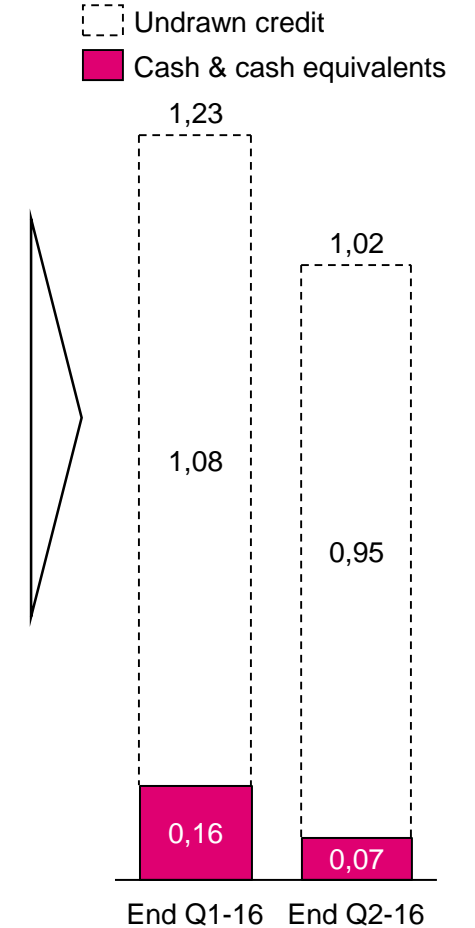
Financing

- RBL borrowing base from July to end 2016 of USD 2.9 bn
- Assessing Aker BP's capital structure going forward, including optimal covenant structure and increased borrowing capacity

Cash flow (USDm)



Liquidity (USDbn)



OUTLOOK

2016 updated guidance

DETNOR stand-alone, ex. BP Norge AS

Item	Year-to-date June 30, 2016	Old guidance	New guidance
2016 CAPEX	USD 449 million	USD 925 – 975 million	USD 900 - 920 million
2016 EXPEX	USD 100 million	USD 160 – 170 million	USD 200 – 220 million
2016 production	61.5 mboepd	55 – 60 mboepd	55 – 60 mboepd (no change)
2016 Production cost	USD 6.6* per boe	USD 8 – 9 per boe*	USD 8 – 9 per boe* (no change)

Note: Old guidance from Jan 2016 was based on USD/NOK 8.8. New guidance based on USD/NOK 8.5

OUTLOOK

Summary and outlook

■ Operations

- Aasen topside heavy lift in July, first oil in December
- Alvheim 12-day planned shutdown in August
- Three exploration wells planned for Q3-2016

■ Closing of merger with BP Norge AS

- Integration work and organizational synergies
- Preparations for day 1

■ Financing

- Assessment of capital structure in Aker BP
- Aim to pay quarterly dividends from Q4-2016



Valhall field center



DETNORSKE

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