

# Aker BP

QUARTERLY REPORT Q3 2020



# THIRD QUARTER 2020 SUMMARY

**Aker BP reported total income of USD 684 (590) million and operating profit of USD 242 (178) million for the third quarter 2020, positively impacted by higher oil and gas prices. Net profit was USD 80 (170) million. All field development projects are on track, and the company is working to mature more projects from its large resource base towards final investment decision.**

The company's net production in the third quarter was 201.6 (209.8) thousand barrels of oil equivalents per day (mboepd), down four percent from the previous quarter due to planned maintenance, drilling operations and project activities at several fields. Due to underlift in the quarter, net sold volume was 187.7 (232.0) mboepd. The company maintains its full-year production estimate and has narrowed the guiding range to 210-215 mboepd.

Average realised liquids price was USD 42.7 (29.9) per barrel, while the realised price for natural gas averaged USD 0.12 (0.08) per standard cubic metre (scm), hence total income increased despite the lower volumes being sold during the third quarter compared to the second quarter.

Production costs for the oil and gas sold in the quarter amounted to USD 134 (196) million. Production cost per produced unit in the quarter amounted to USD 7.3 (9.1) per boe. The company has updated its guidance to approximately USD 8 per boe on average for the full year, representing a reduction of 20 percent compared to the original guidance at the Capital Markets Update in February this year, as all non-critical activities have been postponed and the weaker NOK favourably impacts the cost level.

Exploration expenses amounted to USD 32 (50) million and included costs of the Sørvesten well which was dry. Total cash spend on exploration was USD 54 (59) million. The company's expected exploration spend is around USD 300 million for the full year, down USD 50 million compared to the previous guidance.

Depreciation was USD 269 (286) million, equivalent to USD 14.5 (15.0) per boe. Net financial expenses were USD 51 (27) million in the quarter. Profit before taxes amounted to USD 191 (151) million. Tax expense was USD 111 million, compared to a tax credit of USD 19 million in the previous quarter. The company reported a net profit of USD 80 (170) million for the third quarter.

Capital expenditure for the development of fixed assets amounted to USD 275 (372) million in the third quarter. All field development projects progressed according to plan. Full-year guidance for capital expenditure has been adjusted down with USD 50 million to USD 1,300 million. Abandonment expenditures were USD 35 (16) million. The company's full-year estimate for abandonment spend remain unchanged.

Aker BP has implemented a wide range of measures to minimise the risk to people and operations from the COVID-19 pandemic, including reduced offshore manning, mandatory testing for all offshore personnel, social distancing, travel restrictions and working from home. The company has so far avoided any virus-related disruptions to its operations. The relevant policies and procedures will remain in place for as long as necessary.

## Strengthened financial position

During the third quarter the company issued USD 1,250 million in new long-dated bonds, USD 500 million Senior Notes with a coupon of 2.875 percent due in 2026 and USD 750 million Senior Notes with a coupon of 4 percent due in 2031. The company also initiated the early redemption of the USD 400 million Senior Notes due in 2022. This has further strengthened Aker BP's liquidity, extended its maturity profile and reduced the average interest rate on the company's debt.

Following the temporary changes in the Petroleum Tax Law enacted in June 2020, the tax value of any losses incurred in 2020 and 2021 can be refunded from the state. During the third quarter, Aker BP received tax refunds of USD 109 million.

At the end of the third quarter Aker BP had total available liquidity of USD 4.8 (3.7) billion. Net interest-bearing debt was USD 3.8 (3.8) billion, including 0.2 (0.2) billion in lease debt. The redemption of the USD 400 million Senior Notes was completed after the end of the quarter.

In August, the company disbursed dividends of USD 70.8 million, equivalent to USD 0.1967 per share. So far in 2020, USD 354.2 million in dividends have been distributed. The Board has resolved to pay a quarterly dividend of USD 70.8 million (USD 0.1967 per share) in November 2020, which will result in total dividend payments of USD 425 million for the full year.

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Forward-looking statements in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may not be within our control. All figures are presented in USD unless otherwise stated, and figures in brackets apply to the previous quarter.

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## Financial summary

	UNIT	Q3 2020	Q2 2020	Q3 2019	2020 YTD	2019 YTD
Total income	USDm	684	590	723	2 146	2 344
EBITDA	USDm	511	329	480	1 505	1 541
Net profit/loss	USDm	80	170	-43	-85	30
Earnings per share (EPS)	USD	0.22	0.47	-0.12	-0.24	0.08
Capex	USDm	275	372	421	1 007	1 161
Exploration spend	USDm	54	59	144	166	422
Abandonment spend	USDm	35	16	37	73	99
Production cost	USD/boe	7.3	9.1	13.2	8.4	13.9
Taxes paid/refunded	USDm	-109	81	106	20	420
Net interest-bearing debt*	USDm	3 771	3 806	3 276	3 771	3 276
Leverage ratio		1.5	1.5	1.2	1.5	1.2
Dividend per share (DPS)	USD	0.20	0.20	0.52	0.98	1.56

\*The definition of net interest-bearing debt includes Lease debt. See also the description of "Alternative performance measures" at the end of this report for definitions.

## Production summary

	UNIT	Q3 2020	Q2 2020	Q3 2019	2020 YTD	2019 YTD
Alvheim area	mboepd	51.2	58.0	51.4	55.6	53.8
Ivar Aasen	mboepd	17.0	22.1	22.5	20.6	21.4
Johan Sverdrup	mboepd	53.1	51.0	-	49.3	-
Skarv	mboepd	17.5	20.6	21.7	19.3	22.3
Ula area	mboepd	10.4	10.4	8.6	11.2	7.7
Valhall area	mboepd	52.3	47.0	40.3	49.8	36.9
Other	mboepd	0.0	0.6	1.7	0.7	2.0
Net production	mboepd	201.6	209.8	146.1	206.5	144.0
Over/underlift	mboepd	-13.9	22.2	-2.9	2.5	4.6
Net sold volume	mboepd	187.7	232.0	143.3	209.0	148.6
- Liquids	mboepd	157.5	198.2	113.4	176.6	118.3
- Natural gas	mboepd	30.2	33.8	29.8	32.4	30.3
Realised price liquids	USD/boe	42.7	29.9	62.0	38.6	65.0
Realised price natural gas	USD/scm	0.12	0.08	0.16	0.11	0.19

# FINANCIAL REVIEW

## Income statement

(USD MILLION)	Q3 2020	Q2 2020	Q3 2019	2020 YTD	2019 YTD
Total income	684	590	723	2 146	2 344
EBITDA	511	329	480	1 505	1 541
EBIT	242	178	196	155	837
Pre-tax profit	191	151	143	-72	660
Net profit/loss	80	170	-43	-85	30
EPS (USD)	0.22	0.47	-0.12	-0.24	0.08

Total income in the third quarter 2020 increased to USD 684 (590) million, despite the decrease in sold volumes in the third quarter compared to the second quarter. The reduction in sold volumes is mainly due to underlift in the quarter compared to overlift in the previous quarter. Realised prices increased by 43 percent for liquids and 42 percent for natural gas.

Production costs related to oil and gas sold in the quarter amounted to USD 134 (196) million. Production cost per produced unit amounted to USD 7.3 (9.1) per boe, largely due to less well maintenance cost in the third quarter compared to the previous quarter.

Exploration expenses amounted to USD 32 (50) million and included costs for the Sørvesten well, which was dry. Depreciation amounted to USD 269 (286) million. The depreciation per produced boe decreased to USD 14.5 (15.0) due to variations in the depreciation rate between the producing fields.

Operating profit was USD 242 (178) million in the quarter. Net financial expenses amounted to USD 51 (27) million and profit before taxes amounted to USD 191 (151) million. Tax expense was USD 111 million, representing a tax rate of 58 percent, compared to a tax credit of USD 19 million in the previous quarter. See note 8 to the financial statements for further details.

This resulted in a net profit for the third quarter 2020 of USD 80 (170) million.

## Statement of financial position

(USD MILLION)	Q3 2020	Q2 2020	Q1 2020	Q3 2019
Total non-current assets	11 102	11 050	10 913	11 149
Total current assets	1 392	839	814	578
Total assets	12 495	11 889	11 727	11 727
Total equity	1 929	1 912	1 813	2 444
Bank and bond debt	4 373	3 712	3 593	2 940
Total abandonment provisions	2 825	2 817	2 795	2 642
Deferred taxes	2 563	2 471	2 153	2 279
Other liabilities	806	976	1 372	1 423
Total equity and liabilities	12 495	11 889	11 727	11 727
Net interest-bearing debt	3 771	3 806	3 548	3 276

At the end of the third quarter 2020, total assets amounted to USD 12,495 (11,889) million, of which current assets were USD 1,392 (839) million.

Equity amounted to USD 1,929 (1,912) million at the end of the quarter, corresponding to an equity ratio of 15 (16) percent.

Deferred tax liabilities amounted to USD 2,563 (2,471) million and total abandonment provisions amounted to USD 2,825 (2,817) million.

Bank and bond debt totalled USD 4,373 (3,712) million, of which the company's bonds constitute the entire debt at the end of this quarter.

At the end of the third quarter, the company had total available liquidity of USD 4.8 (3.7) billion, comprising USD 819 (142) million in cash and cash equivalents, and USD 4.0 (3.6) billion in undrawn credit facilities.

## Cash flow

(USD MILLION)	Q3 2020	Q2 2020	Q3 2019	2020 YTD	2019 YTD
Cash flow from operations	526	162	382	1 212	1 360
Cash flow from investments	-331	-339	-585	-1 065	-1 637
Cash flow from financing	481	-2	106	565	239
Net change in cash & cash equivalents	676	-179	-96	712	-39
Cash and cash equivalents	819	142	5	819	5

Net cash flow from operating activities was USD 526 (162) million in the quarter. The main reason for the increase was the tax refund of USD 109 million following the temporary changes to the Norwegian petroleum tax system, compared with tax payments of USD 81 million in the previous quarter. Furthermore, profit before taxes increased to USD 191 (151) million, mainly due to higher realised oil and gas prices.

Net cash used for investment activities was USD 331 (339) million, of which investments in fixed assets amounted to USD 270 (360) million for the quarter. Investments in capitalised exploration were USD 33 (19) million, and payments for decommissioning activities amounted to USD 29 (15) million in the quarter.

Net cash flow from financing activities amounted to USD 481 million, compared to a net cash out-flow from financing activities of USD 2 million in the previous quarter. USD 1,234 million came from the issue of new bonds, partly offset by a repayment of revolving credit facility of USD 400 million and repayment of bond amounting to USD 213 million. Dividend disbursements amounted to USD 71 (71) million. Payments upon cancellation of a currency swap related to the DETNOR02 bond amounted to USD 57 million. Payments on lease debt amounted to USD 20 (30) million. Treasury shares were purchased and sold for use in the company's share saving plan, amounting to a net sale of USD 7 million in the quarter.

## Risk management

The company seeks to reduce the risk related to foreign exchange, interest rates and commodity prices through hedging instruments. The company actively manages its exposures through a mix of forward contracts and options.

The following table shows the company's inventory of oil put options at the time of this report:

OIL PUT OPTIONS	Q4 2020
Share of oil prod. covered (after tax)	84 %
Average strike (USD/bbl)	30
Average premium (USD/bbl)	1.9

## Dividends

At the Annual General Meeting in April 2020, the Board was authorised to approve the distribution of dividends based on the company's annual accounts for 2019 pursuant to section 8-2 (2) of the Norwegian Public Limited Companies Act.

In February, the company disbursed dividends of USD 212.5 million, corresponding to USD 0.5901 per share. In May and in August, the company disbursed dividends of USD 70.8 million, equivalent to USD 0.1967 per share. So far in 2020, USD 354.2 million in dividends have been distributed.

On 28 October 2020, the Board declared a dividend of USD 0.1967 per share, to be disbursed on or around 12 November, which will result in total dividend payments of USD 425 million for the full year.

# OPERATIONAL REVIEW

Aker BP's net production was 18.5 (19.1) mboe in the third quarter of 2020, corresponding to 201.6 (209.8) mboepd. Due to underlift, net sold volume was 187.7 (232.0) mboepd. The average realised liquids price was USD 42.7 (29.9) per barrel, while the average realised gas price was USD 0.12 (0.08) per scm.

## Alvheim Area

Key figures	Aker BP interest	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Production, boepd						
Alvheim	65 %	29 447	33 770	36 995	36 588	36 826
Bøyla	65 %	4 858	6 568	7 631	7 534	4 490
Skogul	65 %	8 091	7 899	1 622	-	-
Vilje	46.904 %	2 616	3 259	3 472	3 279	-
Volund	65 %	6 200	6 511	7 774	9 040	10 088
<b>Total production</b>		<b>51 212</b>	<b>58 006</b>	<b>57 494</b>	<b>56 441</b>	<b>51 403</b>
Production efficiency		92 %	96 %	98 %	98 %	96 %

Third quarter production from the Alvheim area was 51.2 mboepd net to Aker BP, down 12 percent from the previous quarter. The production efficiency continued at high levels, slightly down from the previous quarter due to planned maintenance.

Drilling of the trilateral Kameleon Infill Mid well was completed with the semi-submersible rig Deepsea Nordkapp during the quarter, with first oil expected in the fourth quarter this year. A new tri-lateral production well, Boa Attic South, will be drilled during the fourth quarter, with first oil planned for the second quarter next year.

Test production at Frosk continued through the Bøyla template. The Frosk development project is being further matured towards a concept select decision before the end of the year. The company's application to prolong the test production permit by one year has been approved by Norwegian authorities.

The Alvheim FPSO has limited capacity to handle produced water, and a project is currently being matured to upgrade this capacity. The aim is to sanction this project by year end, with offshore installation in 2021.

The discoveries Kobra East and Gekko (KEG) are being matured towards a concept select decision in the fourth quarter this year. The KEG discoveries are located approximately 10 km south-east of the Alvheim FPSO. The plan is to develop these discoveries with four multilateral wells and a subsea tie-back to Alvheim through the Kneler B manifold.



## Ivar Aasen

Key figures	Aker BP interest	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Production, boepd						
<b>Total production</b>	<b>34.7862 %</b>	<b>17 025</b>	<b>22 089</b>	<b>22 705</b>	<b>23 139</b>	<b>22 481</b>
Production efficiency		75 %	98 %	97 %	97 %	94 %

Third quarter production from Ivar Aasen was 17.0 mboepd net to Aker BP. Both production and production efficiency decreased by 23 percent from the previous quarter due to planned activities such as well intervention, rig intake, drilling operations, a turn-around and an emergency shutdown test, as well as problems with the gas dehydration facility at Edvard Grieg early in the quarter.

The first well of the 2020 IOR campaign was spudded in August. The two-well campaign will be completed by the end of the year, with first oil planned in early 2021.

From 2022 the Johan Sverdrup field will supply the fields on the Utsira high, including Ivar Aasen, with power from shore. During the third quarter, the licence holders in the area have continued negotiations with respect to power cables and power purchase.

## Johan Sverdrup

Key figures	Aker BP interest	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Production, boepd						
<b>Total production</b>	<b>11.5733 %</b>	<b>53 051</b>	<b>51 027</b>	<b>43 877</b>	<b>31 521</b>	<b>-</b>

The production at Johan Sverdrup continued safely through the third quarter, with 53.1 mboepd net to Aker BP. Regularity was high, although slightly impacted by a planned emergency shutdown test and work to facilitate further process improvements. Production was also negatively impacted by the production curtailments implemented by the Ministry of Petroleum and Energy.

During the quarter the first new water injection well was successfully drilled from the fixed drilling platform. In total, 11 wells now inject water and 11 wells produce oil, securing full voidage replacement.

Phase 2 of the Johan Sverdrup development progressed according to plan, despite challenges caused by COVID-19 at several construction sites.

## Skarv Area

Key figures	Aker BP interest	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Production, boepd						
<b>Total production</b>	<b>23.835 %</b>	<b>17 544</b>	<b>20 599</b>	<b>19 788</b>	<b>22 119</b>	<b>21 717</b>
Production efficiency		86 %	97 %	99 %	100 %	98 %

Third quarter production from the Skarv Area was 17.5 mboepd net to Aker BP, down 15 percent from previous quarter. Production and production efficiency decreased due to planned shut-down during turnaround and pull-in operation of the Ærfugl umbilical.

Phase 1 of the Ærfugl development progressed well during the quarter. Installation of the Ærfugl production pipeline and subsea preparation has been completed successfully. Final topside modifications and preparation for start-up are progressing according to plan. Production start from phase 1 is scheduled for the fourth quarter 2020.

Phase 2 of the Ærfugl development project is also progressing well. The subsea structures have been delivered and are planned to be installed according to schedule. Production from the remaining two wells of phase 2 is expected to commence during the fourth quarter 2021.

## Ula Area

Key figures	Aker BP interest	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Production, boepd						
Ula	80 %	3 929	4 250	5 512	4 339	4 751
Tambar	55 %	2 595	2 932	3 642	3 054	2 531
Oda	15 %	3 887	3 258	3 623	3 713	1 280
<b>Total production</b>		<b>10 411</b>	<b>10 441</b>	<b>12 777</b>	<b>11 106</b>	<b>8 562</b>
Production efficiency*		87 %	80 %	88 %	78 %	76 %

Production from the Ula area was stable at 10.4 mboepd net to Aker BP in the third quarter. Production efficiency increased to 87 percent.

Production from the Ula and Tambar fields decreased due to maintenance and well integrity work. The decrease from these two fields was offset by increased production from the Oda field.

The corrective work on the chemical injection system for the Oda field, which started in the second quarter, was finished during the third quarter.

The Ula and Tambar licenses have entered a rig commitment for drilling of two infill wells in 2021 with the Maersk Integrator.

## Valhall Area

Key figures	Aker BP interest	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Production, boepd						
Valhall	90 %	51 647	46 750	49 093	44 205	39 403
Hod	90 %	682	225	982	1 176	880
<b>Total production</b>		<b>52 329</b>	<b>46 975</b>	<b>50 075</b>	<b>45 381</b>	<b>40 283</b>
Production efficiency		90 %	78 %	88 %	90 %	87 %

Third quarter production from the Valhall was 52.3 mboepd net to Aker BP, up 11 percent from the previous quarter.

Stimulation activities continued at Valhall Flank West, with two new wells brought on stream during the quarter. However, the production ramp-up has been slower than initially expected. A more conservative strategy when starting production from the new wells has been required in order to mitigate chalk influx.

A shallow gas pilot, confirming no gas, was drilled by the Maersk Invincible drilling rig in preparation for the Hod Field Development. The rig has now been moved to the field centre for plugging of wells at the old DP platform.

The Hod field will be developed in collaboration with Aker BP's alliance partners with a normally unmanned installation remotely controlled from the Valhall field centre. The construction of the Hod facilities is well underway at the Kværner yard in Verdal. The Subsea Alliance has completed the first offshore campaign by preparing for a hot tap operation that will take place next year. The Modification Alliance has commenced detailed engineering and will be ready to start offshore work by the end of the year. Production start is planned for first quarter 2022, and the recoverable reserves are estimated at around 40 million barrels of oil equivalents.

## North of Alvheim and Krafla-Askja (NOAKA)

The NOAKA area is located between Oseberg and Alvheim in the Norwegian North Sea. The area holds several oil and gas discoveries with gross recoverable resources estimated at more than 500 million barrels of oil equivalents, with further exploration and appraisal potential.

Aker BP and Equinor have entered into an agreement in principle on commercial terms for a coordinated development of Krafla, Fulla and North of Alvheim (NOA). The development plans for the area consist of a processing platform in the south operated by Aker BP, an unmanned processing platform in the north operated by Equinor and several satellite platforms and tie-backs to cover the various discoveries.

The concept will be further optimised prior to submitting Plans for Development and Operations (PDO) in 2022. Aker BP has established a project team and mobilised strategic partners to mature and improve the development concept for NOA and Fulla. A concept select decision is planned for the third quarter 2021. Equinor, as operator for Krafla, has mobilised their project organisation and collaborate closely with Aker BP to optimize the area development concept.

# EXPLORATION

Total exploration spend in the second quarter was USD 54 (59) million, while USD 32 (50) million was recognised as exploration expenses in the period, relating to dry well costs, seismic, area fees, field evaluation and G&G costs.

The company participated in two exploration wells in the third quarter. The Alve NE prospect in licence PL127 C, operated by Aker BP, was spudded by the Semi-submersible rig Deepsea Nordkapp in September. The licence is located north of the Skarv field in the Norwegian Sea. Drilling continued into the fourth quarter. Aker BP has an 88.08 percent working interest in the licence.

The Sørvesten prospect in licence 780 north of the Ivar Aasen field, operated by Spirit Energy Norge AS, was dry. Aker BP has a 40 percent working interest in the licence.

Field evaluation costs are driven by activities related to discoveries and projects which have not yet been sanctioned. In the third quarter, these costs amounted to USD 10 million and were mainly related to projects in the Alvheim area and NOAKA.

# HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT

**HSSE is always the number one priority in all of Aker BP's activities. The company strives to ensure that all its operations, drilling campaigns and projects are carried out under the highest HSSE standards.**

KEY HSSE INDICATORS	UNIT	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Total recordable injury frequency (TRIF)	Per mill. exp. hours	1.6	1.5	0.4	2.0	2.7
Serious incident frequency (SIF)	Per mill. exp. hours	1.1	0.5	0	0.8	0.4
Loss of primary containment (LOPC)	Count	1	0	0	0	0
Process safety events Tier 1 and 2	Count	0	0	0	0	0
CO2 emissions intensity*	Kg CO2/boe	4.0	5.3	5.1	7.9	8.1

\* From Q1 2020 Aker BP reports equity-based CO2-intensity. This includes equity share (financial ownership interest) of non-operated and operated assets based on scope 1 emissions. The figures for previous periods are not restated and only apply for operated assets (gross).

Both the Total Recordable Injuries Frequency (TRIF) and Serious Incident Frequency (SIF) showed a negative trend compared to the first two quarters in 2020. This is mainly due to a slight increase in personal injuries with low potential, which is being addressed systematically in accordance with the company's governing processes.

The company has worked systematically to protect personnel and to ensure continued and uninterrupted production from all assets during the COVID-19 outbreak. The company has not experienced any confirmed infections affecting its operations or impacting its HSSE performance. Policies and procedures have proved effective and will remain in place for as long as necessary.

# OUTLOOK

**The COVID-19 pandemic has created challenges for the oil industry. Under these extraordinary circumstances, Aker BP's main financial priorities are to secure the company's financial robustness, to protect its investment grade credit profile, and to maintain financial flexibility to pursue value-accretive growth opportunities going forward.**

The company's financial position continues to be very robust, and the company remains well prepared for future value creation. The main items of the company's updated financial plan for 2020 are as follows<sup>1</sup>:

- Production of 210-215 mboepd (previously 205-220 mboepd)
- Capex of USD ~1.30 billion (previously USD ~1.35 billion)
- Exploration spend of USD ~300 million (previously USD ~350 million)
- Abandonment spend of USD ~200 million (unchanged)
- Production cost of USD ~8 per boe (previously USD 7-8 per boe)
- Dividends of USD 425 million (unchanged)

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<sup>1</sup> The majority of the company's cost elements (both capex and production cost) are denominated in NOK. Original guidance was based on USDNOK 10. Current guidance is based on actual USDNOK for Q1-Q3 and 9.4 for Q4.

FINANCIAL STATEMENTS  
WITH NOTES

## INCOME STATEMENT

(USD 1 000)	Note	Q3 2020	Q2 2020	Group Q3 2019	01.01.-30.09. 2020	2019
Petroleum revenues		674 801	584 170	720 930	2 038 055	2 359 106
Other income		9 065	5 614	2 408	107 700	-14 690
<b>Total income</b>	<b>2</b>	<b>683 865</b>	<b>589 784</b>	<b>723 338</b>	<b>2 145 755</b>	<b>2 344 416</b>
Production costs	3	133 690	196 174	167 267	485 907	566 049
Exploration expenses	4	32 267	49 774	70 213	132 377	220 833
Depreciation	5	268 645	286 353	205 867	832 410	556 858
Impairments	5	-	-135 872	78 376	517 825	147 317
Other operating expenses		7 309	14 897	6 038	22 430	16 778
<b>Total operating expenses</b>		<b>441 912</b>	<b>411 326</b>	<b>527 760</b>	<b>1 990 949</b>	<b>1 507 836</b>
<b>Operating profit/loss</b>		<b>241 954</b>	<b>178 458</b>	<b>195 578</b>	<b>154 806</b>	<b>836 579</b>
Interest income		1 081	1 224	3 353	3 674	16 152
Other financial income		107 142	112 550	52 846	131 653	50 197
Interest expenses		46 566	47 430	9 464	134 037	38 825
Other financial expenses		112 335	93 762	99 445	228 078	203 847
<b>Net financial items</b>	<b>7</b>	<b>-50 678</b>	<b>-27 418</b>	<b>-52 710</b>	<b>-226 788</b>	<b>-176 323</b>
<b>Profit/loss before taxes</b>		<b>191 276</b>	<b>151 040</b>	<b>142 868</b>	<b>-71 982</b>	<b>660 256</b>
Tax expense (+)/income (-)	8	110 983	-18 649	186 291	12 770	630 756
<b>Net profit/loss</b>		<b>80 293</b>	<b>169 689</b>	<b>-43 423</b>	<b>-84 752</b>	<b>29 500</b>
Weighted average no. of shares outstanding basic and diluted		359 533 743	359 613 509	359 772 534	359 709 902	359 980 701
Basic and diluted earnings/loss USD per share		0.22	0.47	-0.12	-0.24	0.08

## STATEMENT OF COMPREHENSIVE INCOME

(USD 1 000)	Note	Q3 2020	Q2 2020	Group Q3 2019	01.01.-30.09. 2020	2019
Profit/loss for the period		80 293	169 689	-43 423	-84 752	29 500
<b>Total comprehensive income/loss in period</b>		<b>80 293</b>	<b>169 689</b>	<b>-43 423</b>	<b>-84 752</b>	<b>29 500</b>

## STATEMENT OF FINANCIAL POSITION

(USD 1 000)	Note	Group			
		30.09.2020	30.06.2020	31.12.2019	30.09.2019
<b>ASSETS</b>					
<b>Intangible assets</b>					
Goodwill	5	1 647 436	1 647 436	1 712 809	1 712 809
Capitalized exploration expenditures	5	507 349	487 027	621 315	626 995
Other intangible assets	5	1 543 538	1 566 521	1 915 968	1 943 898
<b>Tangible fixed assets</b>					
Property, plant and equipment	5	7 218 548	7 175 129	7 023 276	6 613 597
Right-of-use assets	5	126 433	137 296	194 328	215 328
<b>Financial assets</b>					
Long-term receivables		26 620	25 535	27 418	25 826
Other non-current assets		28 498	10 709	10 364	10 279
Long-term derivatives	11	4 075	-	2 706	-
<b>Total non-current assets</b>		<b>11 102 498</b>	<b>11 049 653</b>	<b>11 508 183</b>	<b>11 148 732</b>
<b>Inventories</b>					
Inventories		117 126	99 324	87 539	94 626
<b>Receivables</b>					
Accounts receivable		78 127	82 722	193 444	125 511
Tax receivables	8	71 038	186 630	-	-
Other short-term receivables	9	307 211	327 922	330 516	352 143
Short-term derivatives	11	-	-	-	728
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	10	818 547	142 333	107 104	5 066
<b>Total current assets</b>		<b>1 392 050</b>	<b>838 931</b>	<b>718 603</b>	<b>578 073</b>
<b>TOTAL ASSETS</b>		<b>12 494 548</b>	<b>11 888 584</b>	<b>12 226 786</b>	<b>11 726 805</b>



## STATEMENT OF FINANCIAL POSITION

(USD 1 000)	Note	Group			30.09.2019
		30.09.2020	30.06.2020	31.12.2019	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		57 056	57 056	57 056	57 056
Share premium		3 637 297	3 637 297	3 637 297	3 637 297
Other equity		-1 765 714	-1 782 268	-1 326 767	-1 250 813
<b>Total equity</b>		<b>1 928 638</b>	<b>1 912 084</b>	<b>2 367 585</b>	<b>2 443 539</b>
<b>Non-current liabilities</b>					
Deferred tax	8	2 562 528	2 471 221	2 235 357	2 279 415
Long-term abandonment provision	15	2 649 759	2 640 527	2 645 420	2 496 791
Long-term bonds	13	3 966 815	3 121 781	1 630 936	1 629 890
Long-term derivatives	11	-	14 951	-	45 292
Long-term lease debt	6	136 074	156 396	202 592	223 616
Other interest-bearing debt	14	-	380 708	1 429 132	1 077 485
<b>Total non-current liabilities</b>		<b>9 315 176</b>	<b>8 785 584</b>	<b>8 143 437</b>	<b>7 752 488</b>
<b>Current liabilities</b>					
Trade creditors		97 733	93 702	144 942	135 115
Short-term bonds	13	406 000	209 803	226 700	217 170
Accrued public charges and indirect taxes		23 193	27 217	25 974	16 829
Tax payable	8	-	-	361 157	194 991
Short-term derivatives	11	15 288	89 867	42 994	42 199
Short-term abandonment provision	15	174 958	176 520	142 798	145 229
Short-term lease debt	6	81 075	79 863	110 664	117 455
Short-term interest-bearing debt	14	-	-	-	15 000
Other current liabilities	12	452 488	513 945	660 535	646 791
<b>Total current liabilities</b>		<b>1 250 734</b>	<b>1 190 916</b>	<b>1 715 765</b>	<b>1 530 778</b>
<b>Total liabilities</b>		<b>10 565 910</b>	<b>9 976 500</b>	<b>9 859 201</b>	<b>9 283 266</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12 494 548</b>	<b>11 888 584</b>	<b>12 226 786</b>	<b>11 726 805</b>

## STATEMENT OF CHANGES IN EQUITY - GROUP

(USD 1 000)	Share capital Share premium		Other equity				Total other equity	Total equity
			Other paid-in capital	Other comprehensive income		Retained earnings		
				Actuarial gains/losses	Foreign currency translation reserves <sup>1)</sup>			
<b>Equity as of 31.12.2018</b>	<b>57 056</b>	<b>3 637 297</b>	573 083	-81	-115 491	-1 175 324	<b>-717 814</b>	<b>2 976 539</b>
Dividends distributed	-	-	-	-	-	-750 000	-750 000	-750 000
Profit/loss for the period	-	-	-	-	-	141 051	141 051	141 051
Other comprehensive income for the period	-	-	-	-4	-	-	-4	-4
<b>Equity as of 31.12.2019</b>	<b>57 056</b>	<b>3 637 297</b>	573 083	-85	-115 491	-1 784 274	<b>-1 326 767</b>	<b>2 367 585</b>
Dividend distributed	-	-	-	-	-	-283 333	-283 333	-283 333
Profit/loss for the period	-	-	-	-	-	-165 045	-165 045	-165 045
Purchase of treasury shares <sup>2)</sup>	-	-	-	-	-	-7 122	-7 122	-7 122
<b>Equity as of 30.06.2020</b>	<b>57 056</b>	<b>3 637 297</b>	573 083	-85	-115 491	-2 239 774	<b>-1 782 268</b>	<b>1 912 084</b>
Dividend distributed	-	-	-	-	-	-70 833	-70 833	-70 833
Profit/loss for the period	-	-	-	-	-	80 293	80 293	80 293
Sale of treasury shares <sup>2)</sup>	-	-	-	-	-	7 094	7 094	7 094
<b>Equity as of 30.09.2020</b>	<b>57 056</b>	<b>3 637 297</b>	573 083	-85	-115 491	-2 223 221	<b>-1 765 714</b>	<b>1 928 638</b>

<sup>1)</sup> The amount arose mainly as a result of the change in functional currency in 2014.

<sup>2)</sup> The treasury shares are purchased/sold for use in the company's share saving plan.

## STATEMENT OF CASH FLOW

(USD 1 000)	Note	Group				
		Q3 2020	Q2 2020	Q3 2019	01.01.-30.09. 2020 2019	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit/loss before taxes		191 276	151 040	142 868	-71 982	660 256
Taxes paid	8		-80 581	-105 561	-128 731	-419 931
Tax refund	8	108 835	-	-	108 835	-
Depreciation	5	268 645	286 353	205 867	832 410	556 858
Impairment	5	-	-135 872	78 376	517 825	147 317
Accretion expenses	7,15	28 911	29 474	30 511	87 649	90 513
Interest expenses (including interest element of lease payments)	7	48 353	51 473	48 832	147 730	151 558
Interest paid (including interest element of lease payments)		-69 495	-22 653	-52 702	-148 102	-152 125
Changes in derivatives	2,7	-36 801	-39 080	57 214	27 729	68 958
Amortized loan costs	7	6 766	4 930	4 454	16 733	17 242
Expensed capitalized dry wells	4,5	11 708	9 866	41 905	50 556	129 142
Changes in inventories, accounts payable and receivables		-9 176	-89 159	59 735	38 521	65 389
Changes in other current balance sheet items		-22 764	-3 708	-129 012	-267 134	44 507
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>526 259</b>	<b>162 083</b>	<b>382 487</b>	<b>1 212 039</b>	<b>1 359 684</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>						
Payment for removal and decommissioning of oil fields		-28 861	-15 007	-35 279	-64 797	-95 595
Disbursements on investments in fixed assets		-269 787	-359 514	-434 580	-971 808	-1 212 756
Disbursements on investments in capitalized exploration		-32 842	-19 413	-115 099	-83 509	-328 588
Cash received from sale of licenses		-	54 747	-	54 747	-
Disbursements on investments in licenses		-	-	-	-	-143
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>-331 490</b>	<b>-339 186</b>	<b>-584 958</b>	<b>-1 065 368</b>	<b>-1 637 083</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Net drawdown/repayment of revolving credit facility		-400 000	98 450	299 908	-1 451 550	1 075 222
Repayment of bond		-212 553	-	-	-212 553	-
Net drawdown/repayment of short-term debt		-	-	15 000	-	15 000
Net drawdown/repayment of reserve-based lending facility		-	-	-	-	-950 000
Net proceeds from bond issue		1 234 342	-	-	2 721 748	740 159
Receipt/payment upon settlement of derivatives related to financing	7	-56 804	-	-	-56 804	-
Payments on lease debt related to investments in fixed assets		-11 935	-18 372	-25 665	-56 914	-63 440
Payments on other lease debt		-8 045	-11 609	-5 947	-24 837	-15 724
Paid dividend		-70 833	-70 833	-187 500	-354 167	-562 500
Net purchase/sale of treasury shares		7 094	-	10 665	-28	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>481 266</b>	<b>-2 365</b>	<b>106 462</b>	<b>564 896</b>	<b>238 717</b>
<b>Net change in cash and cash equivalents</b>		<b>676 034</b>	<b>-179 469</b>	<b>-96 009</b>	<b>711 567</b>	<b>-38 682</b>
Cash and cash equivalents at start of period		142 333	322 789	101 828	107 104	44 944
Effect of exchange rate fluctuation on cash held		180	-987	-753	-125	-1 196
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	10	<b>818 547</b>	<b>142 333</b>	<b>5 066</b>	<b>818 547</b>	<b>5 066</b>

## NOTES

(All figures in USD 1 000 unless otherwise stated)

These condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS") IAS 34 "Interim Financial Reporting", thus the interim financial statements do not include all information required by IFRS and should be read in conjunction with the group's 2019 annual financial statements. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have been subject to a review in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

These interim financial statements were authorised for issue by the company's Board of Directors on 28 October 2020.

### Note 1 Accounting principles

The accounting principles used for this interim report are consistent with the principles used in the group's 2019 annual financial statements.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are in all material respects the same as those that applied in the group's 2019 annual financial statements.

The disruption to the global economy caused by COVID-19 resulted in a sharp decrease in oil prices and triggered a reduction in the company's investment program, though operational performance and production levels have been maintained. The fall in oil and gas prices has had a negative impact on operational results and cash flows in the period, and impairments of USD 654 million were recognized in Q1 2020. The shorter term oil prices partly recovered during Q2 2020 and was the main reason for a reversal of USD 135.9 million of the impairment booked in Q1. Forward market prices and other assumptions have been relatively stable between end of Q2 and end of Q3 2020, and no further impairment or impairment reversals have been recorded in Q3.

In the second quarter, temporary changes to the Norwegian petroleum tax system strengthened the company's investment capacity and are providing additional liquidity going forward (see note 8).

Actions have been taken to protect financial flexibility, including an updated and reduced investment program, cut in dividends and issuance of new bonds. As of 30 September 2020 available liquidity on the Revolving Credit Facility is USD 4.0 billion and the related financial covenants meets the applicable thresholds by a substantial margin (see note 14).

The COVID-19 pandemic and associated uncertainties and disruption to the global economy may have negative effects on demand for oil and gas and / or result in interruptions to the company's operations. Such events may adversely impact the company's future results from operations and cash flows, and may lead to impairment of assets.

## Note 2 Income

Breakdown of petroleum revenues (USD 1 000)	Q3	Q2	Group	01.01.-30.09.	
	2020	2020	Q3 2019	2020	2019
Sales of liquids	618 692	539 643	646 837	1 867 262	2 098 530
Sales of gas	52 134	40 652	69 864	158 973	248 769
Tariff income	3 975	3 874	4 229	11 819	11 807
<b>Total petroleum revenues</b>	<b>674 801</b>	<b>584 170</b>	<b>720 930</b>	<b>2 038 055</b>	<b>2 359 106</b>
Sales of liquids (boe 1 000)	14 489	18 036	10 437	48 384	32 294
Sales of gas (boe 1 000)	2 779	3 073	2 743	8 877	8 272
<b>Other income (USD 1 000)</b>					
Realized gain/loss (-) on oil derivatives	-7 458	55 914	-1 841	62 938	-10 609
Unrealized gain/loss (-) on oil derivatives	-1 105	-70 764	944	-3 453	-16 525
Gain on license transactions	-	5 417	-	5 417	-
Other income <sup>1)</sup>	17 628	15 047	3 305	42 797	12 443
<b>Total other income</b>	<b>9 065</b>	<b>5 614</b>	<b>2 408</b>	<b>107 700</b>	<b>-14 690</b>

<sup>1)</sup> For Q3 2020, other income includes an allocation of termination fee of USD 11.6 million for cancelled rig commitment, in addition to partner coverage of RoU assets recognized on gross basis in the balance sheet and used in operated activity.

## Note 3 Produced volumes and over/underlift adjustment

(USD 1 000)	Q3	Q2	Group	01.01.-30.09.	
	2020	2020	Q3 2019	2020	2019
Total produced volumes (boe 1 000)	18 548	19 090	13 443	56 576	39 308
Production cost per boe produced (USD/boe)	7.3	9.1	13.2	8.4	13.9
Production cost based on produced volumes	136 066	173 479	177 142	474 762	546 015
Adjustment for over/underlift (-)	-2 376	22 695	-9 876	11 145	20 035
<b>Production cost based on sold volumes</b>	<b>133 690</b>	<b>196 174</b>	<b>167 267</b>	<b>485 907</b>	<b>566 049</b>

## Note 4 Exploration expenses

Breakdown of exploration expenses (USD 1 000)	Q3	Q2	Group	01.01.-30.09.	
	2020	2020	Q3 2019	2020	2019
Seismic	-66	21 559	5 932	23 895	16 231
Area fee	3 251	4 371	2 668	11 395	11 959
Field evaluation	10 089	6 790	9 987	23 410	32 809
Dry well expenses <sup>1)</sup>	11 708	9 866	41 905	50 556	129 142
Other exploration expenses	7 284	7 188	9 721	23 122	30 692
<b>Total exploration expenses</b>	<b>32 267</b>	<b>49 774</b>	<b>70 213</b>	<b>132 377</b>	<b>220 833</b>

<sup>1)</sup> Dry well expenses in Q3 2020 are mainly related to the Sørvesten well.

## Note 5 Tangible fixed assets and intangible assets

### TANGIBLE FIXED ASSETS - GROUP

Property, plant and equipment (USD 1 000)	Assets under development	Production facilities including wells	Fixtures and fittings, office machinery	Total
<b>Book value 31.12.2019</b>	<b>1 250 365</b>	<b>5 687 957</b>	<b>84 954</b>	<b>7 023 276</b>
<b>Acquisition cost 31.12.2019</b>	<b>1 250 365</b>	<b>9 066 022</b>	<b>170 413</b>	<b>10 486 800</b>
Additions	416 337	293 608	13 309	723 253
Disposals/retirement	-	675 733	-69	675 664
Reclassification	-585 476	564 953	48 492	27 969
<b>Acquisition cost 30.06.2020</b>	<b>1 081 226</b>	<b>9 248 849</b>	<b>232 283</b>	<b>10 562 358</b>
<b>Accumulated depreciation and impairments 31.12.2019</b>	<b>-</b>	<b>3 378 065</b>	<b>85 459</b>	<b>3 463 524</b>
Depreciation	-	478 616	19 820	498 436
Impairment/reversal (-)	-	9 492	-	9 492
Disposals/retirement depreciation	-	-584 292	69	-584 223
<b>Accumulated depreciation and impairments 30.06.2020</b>	<b>-</b>	<b>3 281 881</b>	<b>105 348</b>	<b>3 387 229</b>
<b>Book value 30.06.2020</b>	<b>1 081 226</b>	<b>5 966 968</b>	<b>126 935</b>	<b>7 175 129</b>
<b>Acquisition cost 30.06.2020</b>	<b>1 081 226</b>	<b>9 248 849</b>	<b>232 283</b>	<b>10 562 358</b>
Additions	113 511	158 661	7 699	279 871
Disposals/retirement	-	-	-	-
Reclassification	-38 957	45 369	376	6 787
<b>Acquisition cost 30.09.2020</b>	<b>1 155 780</b>	<b>9 452 880</b>	<b>240 357</b>	<b>10 849 017</b>
<b>Accumulated depreciation and impairments 30.06.2020</b>	<b>-</b>	<b>3 281 881</b>	<b>105 348</b>	<b>3 387 229</b>
Depreciation	-	232 982	10 257	243 239
Impairment/reversal (-)	-	-	-	-
Disposals/retirement depreciation	-	-	-	-
<b>Accumulated depreciation and impairments 30.09.2020</b>	<b>-</b>	<b>3 514 864</b>	<b>115 605</b>	<b>3 630 468</b>
<b>Book value 30.09.2020</b>	<b>1 155 780</b>	<b>5 938 016</b>	<b>124 752</b>	<b>7 218 548</b>

Production facilities, including wells, are depreciated in accordance with the unit-of-production method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3 - 5 years. Removal and decommissioning costs are included as production facilities or fields under development.

<b>Right-of-use assets</b>					
(USD 1 000)	<b>Drilling Rigs</b>	<b>Vessels and Boats</b>	<b>Office</b>	<b>Other</b>	<b>Total</b>
<b>Book value 31.12.2019</b>	<b>101 487</b>	<b>68 941</b>	<b>21 774</b>	<b>2 127</b>	<b>194 328</b>
<b>Acquisition cost 31.12.2019</b>	<b>106 856</b>	<b>72 106</b>	<b>29 593</b>	<b>2 303</b>	<b>210 859</b>
Additions	-	-	-	-	-
Abandonment activity	1 584	499	-	-	2 083
Disposals/retirement	16 197	5 920	-	-	22 117
Reclassification	-26 337	-1 631	-	-	-27 969
<b>Acquisition cost 30.06.2020</b>	<b>62 739</b>	<b>64 056</b>	<b>29 593</b>	<b>2 303</b>	<b>158 691</b>
<b>Accumulated depreciation and impairments 31.12.2019</b>	<b>5 369</b>	<b>3 166</b>	<b>7 820</b>	<b>177</b>	<b>16 531</b>
Depreciation	9 265	1 540	3 878	88	14 771
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-8 535	-1 373	-	-	-9 907
<b>Accumulated depreciation and impairments 30.06.2020</b>	<b>6 099</b>	<b>3 333</b>	<b>11 698</b>	<b>265</b>	<b>21 395</b>
<b>Book value 30.06.2020</b>	<b>56 640</b>	<b>60 723</b>	<b>17 895</b>	<b>2 038</b>	<b>137 296</b>
<b>Acquisition cost 30.06.2020</b>	<b>62 739</b>	<b>64 056</b>	<b>29 593</b>	<b>2 303</b>	<b>158 691</b>
Additions	-	-	-	-	-
Abandonment activity <sup>1)</sup>	2 265	200	-	-	2 465
Disposals/retirement	-	-	-	-	-
Reclassification <sup>2)</sup>	-5 123	-852	-	-	-5 975
<b>Acquisition cost 30.09.2020</b>	<b>55 351</b>	<b>63 004</b>	<b>29 593</b>	<b>2 303</b>	<b>150 251</b>
<b>Accumulated depreciation and impairments 30.06.2020</b>	<b>6 099</b>	<b>3 333</b>	<b>11 698</b>	<b>265</b>	<b>21 395</b>
Depreciation	-	612	1 767	44	2 423
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
<b>Accumulated depreciation and impairments 30.09.2020</b>	<b>6 099</b>	<b>3 945</b>	<b>13 465</b>	<b>309</b>	<b>23 818</b>
<b>Book value 30.09.2020</b>	<b>49 252</b>	<b>59 059</b>	<b>16 128</b>	<b>1 994</b>	<b>126 433</b>

<sup>1)</sup> This represents the share of right-of-use assets used in abandonment activity, and thus booked against the abandonment provision.

<sup>2)</sup> Reclassified to tangible fixed assets in line with the activity of the right-of-use asset.

Right-of-use assets are depreciated linearly over the lifetime of the related lease contract.

**INTANGIBLE ASSETS - GROUP**

(USD 1 000)	Other intangible assets			Capitalized exploration expenditures	Goodwill
	Licenses etc.	Software	Total		
<b>Book value 31.12.2019</b>	<b>1 915 968</b>	<b>-</b>	<b>1 915 968</b>	<b>621 315</b>	<b>1 712 809</b>
<b>Acquisition cost 31.12.2019</b>	<b>2 396 433</b>	<b>7 501</b>	<b>2 403 934</b>	<b>621 315</b>	<b>2 738 973</b>
Additions	-	-	-	50 666	-
Disposals/retirement/expensed dry wells	27 448	-	27 448	38 847	12 391
Reclassification	-	-	-	-	-
<b>Acquisition cost 30.06.2020</b>	<b>2 368 985</b>	<b>7 501</b>	<b>2 376 486</b>	<b>633 134</b>	<b>2 726 583</b>
<b>Accumulated depreciation and impairments 31.12.2019</b>	<b>480 465</b>	<b>7 501</b>	<b>487 966</b>	<b>-</b>	<b>1 026 165</b>
Depreciation	50 558	-	50 558	-	-
Impairment/reversal (-)	296 854	-	296 854	146 107	65 373
Disposals/retirement depreciation	-25 413	-	-25 413	-	-12 391
<b>Accumulated depreciation and impairments 30.06.2020</b>	<b>802 463</b>	<b>7 501</b>	<b>809 964</b>	<b>146 107</b>	<b>1 079 146</b>
<b>Book value 30.06.2020</b>	<b>1 566 521</b>	<b>-</b>	<b>1 566 521</b>	<b>487 027</b>	<b>1 647 436</b>
<b>Acquisition cost 30.06.2020</b>	<b>2 368 985</b>	<b>7 501</b>	<b>2 376 486</b>	<b>633 134</b>	<b>2 726 583</b>
Additions	-	-	-	32 842	-
Disposals/retirement/expensed dry wells	-	-	-	11 708	-
Reclassification	-	-	-	-812	-
<b>Acquisition cost 30.09.2020</b>	<b>2 368 985</b>	<b>7 501</b>	<b>2 376 486</b>	<b>653 456</b>	<b>2 726 583</b>
<b>Accumulated depreciation and impairments 30.06.2020</b>	<b>802 463</b>	<b>7 501</b>	<b>809 964</b>	<b>146 107</b>	<b>1 079 146</b>
Depreciation	22 983	-	22 983	-	-
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
<b>Accumulated depreciation and impairments 30.09.2020</b>	<b>825 447</b>	<b>7 501</b>	<b>832 948</b>	<b>146 107</b>	<b>1 079 146</b>
<b>Book value 30.09.2020</b>	<b>1 543 538</b>	<b>-</b>	<b>1 543 538</b>	<b>507 349</b>	<b>1 647 436</b>

Licenses include both planned and producing projects on various fields. The producing projects are depreciated in line with the unit-of-production method for the applicable field.

Depreciation in the income statement (USD 1 000)	Group				
	Q3 2020	Q2 2020	Q3 2019	01.01.-30.09. 2020	2019
Depreciation of tangible fixed assets	243 239	253 302	178 077	741 675	482 003
Depreciation of right-of-use assets	2 423	11 032	4 355	17 194	12 724
Depreciation of other intangible assets	22 983	22 018	23 435	73 541	62 131
<b>Total depreciation in the income statement</b>	<b>268 645</b>	<b>286 353</b>	<b>205 867</b>	<b>832 410</b>	<b>556 858</b>
<b>Impairment in the income statement (USD 1 000)</b>					
Impairment/reversal of tangible fixed assets	-	-68 967	-	9 492	-
Impairment/reversal of other intangible assets	-	-68 186	-	296 854	-
Impairment/reversal of capitalized exploration expenditures	-	1 281	-	146 107	-
Impairment of goodwill	-	-	78 376	65 373	147 317
<b>Total impairment in the income statement</b>	<b>-</b>	<b>-135 872</b>	<b>78 376</b>	<b>517 825</b>	<b>147 317</b>



## Note 6 Leasing

The incremental borrowing rate applied in discounting of the nominal lease debt is between 4.16 percent and 6.67 percent, dependent on the duration of the lease and when it was initially recognized.

(USD 1 000)	Group		
	2020	2019	
	Q3	01.01.-30.06.	01.01.-31.12.
<b>Lease debt as of beginning of period</b>	<b>236 259</b>	<b>313 256</b>	<b>389 833</b>
New lease debt recognized in the period	-	-	34 385
Payments of lease debt <sup>1)</sup>	-23 835	-71 014	-134 253
Lease debt derecognized in the period	-	-12 767	-
Interest expense on lease debt	3 855	9 243	23 897
Currency exchange differences	870	-2 459	-606
<b>Total lease debt</b>	<b>217 148</b>	<b>236 259</b>	<b>313 256</b>
Short-term	81 075	79 863	110 664
Long-term	136 074	156 396	202 592

### <sup>1)</sup> Payments of lease debt split by activities (USD 1 000):

Investments in fixed assets	14 238	51 743	108 587
Abandonment activity	6 059	2 598	4 444
Operating expenditures	2 129	14 126	15 278
Exploration expenditures	221	343	1 384
Other income	1 188	2 203	4 561
<b>Total</b>	<b>23 835</b>	<b>71 014</b>	<b>134 253</b>

### Nominal lease debt maturity breakdown (USD 1 000):

Within one year	93 140	93 231	127 747
Two to five years	110 394	129 902	175 947
After five years	51 302	54 562	61 518
<b>Total</b>	<b>254 836</b>	<b>277 695</b>	<b>365 212</b>

The identified leases have no significant impact on the group's financing, loan covenants or dividend policy. The group does not have any residual value guarantees. Extension options are included in the lease liability when, based on management's judgement, it is reasonably certain that an extension will be exercised.

## Note 7 Financial items

(USD 1 000)	Group				
	Q3 2020	Q2 2020	Q3 2019	01.01.-30.09. 2020 2019	
<b>Interest income</b>	<b>1 081</b>	<b>1 224</b>	<b>3 353</b>	<b>3 674</b>	<b>16 152</b>
Realized gains on derivatives	3 183	2 706	1 960	9 628	8 927
Change in fair value of derivatives	94 709	109 844	-	37 017	-
Net currency gains	9 250	-	50 886	85 008	41 269
<b>Total other financial income</b>	<b>107 142</b>	<b>112 550</b>	<b>52 846</b>	<b>131 653</b>	<b>50 197</b>
Interest expenses	44 498	47 140	43 068	134 632	133 119
Interest on lease debt	3 855	4 333	5 764	13 098	18 438
Capitalized interest cost, development projects	-8 553	-8 972	-43 822	-30 426	-129 975
Amortized loan costs	6 766	4 930	4 454	16 733	17 242
<b>Total interest expenses</b>	<b>46 566</b>	<b>47 430</b>	<b>9 464</b>	<b>134 037</b>	<b>38 825</b>
Net currency loss	-	29 211	-	-	-
Realized loss on derivatives	70 563	35 071	9 619	116 670	22 891
Change in fair value of derivatives	-	-	58 158	4 490	52 433
Accretion expenses	28 911	29 474	30 511	87 649	90 513
Other financial expenses <sup>1)</sup>	12 861	6	1 156	19 269	38 010
<b>Total other financial expenses</b>	<b>112 335</b>	<b>93 762</b>	<b>99 445</b>	<b>228 078</b>	<b>203 847</b>
<b>Net financial items</b>	<b>-50 678</b>	<b>-27 418</b>	<b>-52 710</b>	<b>-226 788</b>	<b>-176 323</b>

<sup>1)</sup> Q3 2020 includes redemption premium of USD 6 million related to the repayment of the USD 400 million bond issued in 2017 (refer to note 13), and USD 5.8 million related to discount offering price on the bonds issued in September 2020.

## Note 8 Tax

Tax for the period (USD 1 000)	Q3	Q2	Group	01.01.-30.09.	
	2020	2020	Q3	2020	2019
Current year tax payable/receivable	16 920	-370 512	-91 745	-358 940	115 194
Change in current year deferred tax	91 308	355 571	274 427	368 494	507 969
Prior period adjustments	2 756	-3 708	3 609	3 217	7 593
<b>Tax expense (+)/income (-)</b>	<b>110 983</b>	<b>-18 649</b>	<b>186 291</b>	<b>12 770</b>	<b>630 756</b>

Calculated tax payable (-)/tax receivable (+) (USD 1 000)	Group		
	2020	2019	
	Q3	01.01.-30.06.	01.01.-31.12.
Tax payable/receivable at beginning of period	186 630	-361 157	-540 860
Current year tax payable/receivable	-16 920	375 860	-461 984
Tax payable/receivable related to acquisitions/sales	-	-3 548	520
Net tax payment/refund	-108 835	128 731	618 593
Prior period adjustments and change in estimate of uncertain tax positions	-2 756	-4 056	16 955
Currency movements of tax payable/receivable	12 919	50 800	5 619
<b>Net tax payable (-)/receivable (+)</b>	<b>71 038</b>	<b>186 630</b>	<b>-361 157</b>
Tax receivable included as current assets (+)	71 038	186 630	-
Tax payable included as current liabilities (-)	-	-	-361 157

Deferred tax liability (-)/asset (+) (USD 1 000)	Group		
	2020	2019	
	Q3	01.01.-30.06.	01.01.-31.12.
Deferred tax liability/asset at beginning of period	-2 471 221	-2 235 357	-1 752 757
Change in current year deferred tax	-91 308	-277 186	-463 106
Deferred tax related to acquisitions/sales	-	37 727	-
Prior period adjustments	-	3 595	-19 509
Deferred tax charged to OCI and equity	-	-	15
<b>Net deferred tax liability (-)/asset (+)</b>	<b>-2 562 528</b>	<b>-2 471 221</b>	<b>-2 235 357</b>

Reconciliation of tax expense (USD 1 000)	Q3	Q2	Group	01.01.-30.09.	
	2020	2020	Q3	2020	2019
78 % tax rate on profit/loss before tax	149 195	117 811	111 437	-56 146	515 000
Tax effect of uplift	-62 755	-109 217	-31 901	-207 263	-95 977
Permanent difference on impairment	-	-2 613	61 133	168 174	114 907
Foreign currency translation of NOK monetary items	-7 893	21 497	-38 200	-65 066	-31 022
Foreign currency translation of USD monetary items	91 334	219 217	-131 447	-100 655	-104 768
Tax effect of financial and other 22 % items	1 765	-98 302	78 165	145 713	107 169
Currency movements of tax balances <sup>1)</sup>	-65 982	-162 338	135 025	123 047	110 945
Other permanent differences, prior period adjustments and change in estimate of uncertain tax positions	5 319	-4 705	2 078	4 966	14 501
<b>Tax expense (+)/income (-)</b>	<b>110 983</b>	<b>-18 649</b>	<b>186 291</b>	<b>12 770</b>	<b>630 756</b>

<sup>1)</sup> Tax balances are in NOK and converted to USD using the period end currency rate. When NOK weakens against USD, the tax rate increases as there is less remaining tax depreciation measured in USD (and vice versa).

Certain temporary changes in the Petroleum Tax Law were enacted on 19 June 2020. The changes in tax law included a temporary rule for depreciation and uplift, whereby all investments incurred for income year 2020 and 2021 including 24% uplift can be deducted for special tax (56%) in the year of investment. The temporary changes will also be applicable for investments up to and including year of production start in accordance with new PDOs delivered within 31 December 2022 and approved within 31 December 2023. In addition, the value of tax losses incurred in 2020 and 2021 will be refunded from the state. The tax effect for Q1 and Q2 of the temporary changes were included in Q2 2020.

In accordance with statutory requirements, the calculation of current tax is required to be based on NOK functional currency. This may impact the effective tax rate as the company's functional currency is USD.

## Note 9 Other short-term receivables

(USD 1 000)	Group			
	30.09.2020	30.06.2020	31.12.2019	30.09.2019
Prepayments	62 553	67 247	65 813	64 344
VAT receivable	4 152	14 638	8 904	7 698
Underlift of petroleum	47 808	33 695	46 515	29 966
Accrued income from sale of petroleum products	98 119	110 866	80 514	142 692
Other receivables, mainly balances with license partners	94 579	101 476	128 770	107 443
<b>Total other short-term receivables</b>	<b>307 211</b>	<b>327 922</b>	<b>330 516</b>	<b>352 143</b>

## Note 10 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and short-term investments that constitute parts of the group's transaction liquidity.

Breakdown of cash and cash equivalents (USD 1 000)	Group			
	30.09.2020	30.06.2020	31.12.2019	30.09.2019
Bank deposits	818 547	142 333	107 104	5 066
<b>Cash and cash equivalents</b>	<b>818 547</b>	<b>142 333</b>	<b>107 104</b>	<b>5 066</b>
Unused RCF facility (see note 14)	4 000 000	3 600 000	2 550 000	2 900 000

## Note 11 Derivatives

(USD 1 000)	Group			
	30.09.2020	30.06.2020	31.12.2019	30.09.2019
Unrealized gain currency contracts	4 075	-	2 706	-
<b>Long-term derivatives included in assets</b>	<b>4 075</b>	<b>-</b>	<b>2 706</b>	<b>-</b>
Unrealized gain on commodity derivatives	-	-	-	728
<b>Short-term derivatives included in assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728</b>
<b>Total derivatives included in assets</b>	<b>4 075</b>	<b>-</b>	<b>2 706</b>	<b>728</b>
Unrealized losses interest rate swaps	-	-	-	45 292
Unrealized losses currency contracts	-	14 951	-	-
<b>Long-term derivatives included in liabilities</b>	<b>-</b>	<b>14 951</b>	<b>-</b>	<b>45 292</b>
Unrealized losses commodity derivatives	5 257	4 153	1 805	-
Unrealized losses interest rate swaps	-	57 246	37 017	-
Unrealized losses currency contracts	10 031	28 468	4 172	42 199
<b>Short-term derivatives included in liabilities</b>	<b>15 288</b>	<b>89 867</b>	<b>42 994</b>	<b>42 199</b>
<b>Total derivatives included in liabilities</b>	<b>15 288</b>	<b>104 818</b>	<b>42 994</b>	<b>87 491</b>

The group has various types of economic hedging instruments. Commodity derivatives are used to hedge the risk of oil price reduction. The group manages its interest rate exposure using interest rate derivatives. Foreign currency exchange derivatives are used to manage the company's exposure to currency risks, mainly costs in NOK, EUR and GBP. These derivatives are mark to market with changes in market value recognized in the income statement. The nature of the instruments and the valuation method is consistent with the disclosed information in the annual financial statements as at 31 December 2019.

## Note 12 Other current liabilities

Breakdown of other current liabilities (USD 1 000)	Group			
	30.09.2020	30.06.2020	31.12.2019	30.09.2019
Balances with license partners	44 862	39 482	67 199	55 588
Share of other current liabilities in licenses	232 423	299 451	379 787	406 884
Overlift of petroleum	28 882	17 145	15 660	5 132
Unpaid wages and vacation pay, accrued interest and other provisions	146 320	157 866	197 889	179 186
<b>Total other current liabilities</b>	<b>452 488</b>	<b>513 945</b>	<b>660 535</b>	<b>646 791</b>

## Note 13 Bonds

Senior unsecured bonds (USD 1 000)	Maturity	Group			
		30.09.2020	30.06.2020	31.12.2019	30.09.2019
AKERBP – Senior Notes 6.000% (17/22)	Jul 2022	-	396 027	395 046	394 635
AKERBP – Senior Notes 5.875% (18/25)	Mar 2025	495 260	494 996	494 470	494 206
AKERBP – Senior Notes 4.750% (19/24)	Jun 2024	742 853	742 376	741 421	741 048
AKERBP – Senior Notes 3.750% (20/30)	Jan 2030	992 585	992 405	-	-
AKERBP – Senior Notes 3.000% (20/25)	Jan 2025	496 195	495 976	-	-
AKERBP – Senior Notes 2.875% (20/26)	Jan 2026	495 930	-	-	-
AKERBP – Senior Notes 4.000% (20/31)	Jan 2031	743 993	-	-	-
<b>Long-term bonds - book value</b>		<b>3 966 815</b>	<b>3 121 781</b>	<b>1 630 936</b>	<b>1 629 890</b>
<b>Long-term bonds - fair value</b>		<b>4 002 625</b>	<b>3 089 480</b>	<b>1 727 205</b>	<b>1 724 025</b>
AKERBP – Senior Notes 6.000% (17/22) <sup>1)</sup>	Jul 2022	406 000	-	-	-
DETNR02 Senior unsecured bond <sup>2)</sup>	Jul 2020	-	209 803	226 700	217 170
<b>Short-term bonds - book value</b>		<b>406 000</b>	<b>209 803</b>	<b>226 700</b>	<b>217 170</b>
<b>Short-term bonds - fair value</b>		<b>406 000</b>	<b>211 229</b>	<b>238 744</b>	<b>232 823</b>

<sup>1)</sup> On 22 September 2020, AKER BP exercised its right to call for redemption of the entire outstanding principle amount of USD 400 million. The bond was redeemed on 2 October 2020. The related redemption premium of USD 6 million has been accrued and included as part of the loan.

<sup>2)</sup> The NOK denominated bond was repaid 2 July 2020 by drawing on the Revolving Credit Facility.

Interest is paid on a semi annual basis. None of the bonds have financial covenants.

## Note 14 Other interest-bearing debt

(USD 1 000)	Group			
	30.09.2020	30.06.2020	31.12.2019	30.09.2019
Revolving credit facility <sup>1)</sup>	-	380 708	1 429 132	1 077 485
<b>Other interest-bearing debt</b>	<b>-</b>	<b>380 708</b>	<b>1 429 132</b>	<b>1 077 485</b>
Money market loan	-	-	-	15 000
<b>Short-term interest-bearing debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15 000</b>

<sup>1)</sup> The outstanding amounts under the RCF was repaid in connection with the bond issuance in Q3. The remaining unamortized fees of USD 17.6 million have been reclassified to other non-current assets at 30 September 2020.

The senior unsecured Revolving Credit Facility (RCF) was established in May 2019 and comprise a 3-year USD 2.0 billion Working Capital Facility and a USD 2.0 billion 5-year Liquidity Facility. The Liquidity Facility includes two 12-month extension options, of which the first was exercised in April 2020. The interest rate is LIBOR plus a margin of 1.08 percent for the Liquidity Facility and 1.33 percent for the Working Capital Facility. In addition, a utilization fee is applicable for the Liquidity Facility. A commitment fee of 35 percent of applicable margin is paid on the undrawn facility. The financial covenants are as follows:

- Leverage Ratio: Total net debt divided by EBITDAX shall not exceed 3.5 times
- Interest Coverage Ratio: EBITDA divided by Interest expenses shall be a minimum of 3.5 times

The financial covenants are calculated on a 12 months rolling basis. As at 30 September 2020 the Leverage Ratio is 1.46 and Interest Coverage Ratio is 11.4 (see APM section for further details), which are well within the thresholds mentioned above. Applying the forward curve at end of Q3 2020, the company's estimates show that the financial covenants will continue to be within the thresholds by a substantial margin.

The financial covenants in the group's current debt facilities exclude the effects from IFRS 16, and therefore cannot be directly derived from the group's financial statements. See reconciliations of Alternative Performance Measures for detailed information.

## Note 15 Provision for abandonment liabilities

(USD 1 000)	Group		
	2020	2019	
	Q3	01.01.-30.06.	01.01.-31.12.
Provisions as of beginning of period	2 817 047	2 788 218	2 552 592
Change in abandonment liability due to asset sales	-	-13 122	-
Incurring cost removal	-31 326	-38 019	-108 332
Accretion expense - present value calculation	28 911	58 738	121 723
Changed net present value from changed discount rate	-	-	238 053
Change in estimates and incurred liabilities on new drilling and installations	10 084	21 231	-15 818
<b>Total provision for abandonment liabilities</b>	<b>2 824 716</b>	<b>2 817 047</b>	<b>2 788 218</b>
Short-term	174 958	176 520	142 798
Long-term	2 649 759	2 640 527	2 645 420

The estimate is based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.0 percent and a nominal discount rate before tax of between 3.77 percent and 4.59 percent. The discount rate is unchanged from Q4 2019 with the reduction in risk free rate in 2020 offset by increased credit margin.

## Note 16 Contingent liabilities and assets

During the normal course of its business, the group will be involved in disputes, including tax disputes. The group has made accruals for probable liabilities related to litigation and claims based on management's best judgment and in line with IAS 37 and IAS 12.

## Note 17 Subsequent events

On 22 September 2020, AKER BP exercised its right to call for a redemptions of the entire outstanding principle amount of USD 400 million of the Company's 6% Senior Notes due 2022. The bond was redeemed on 2 October 2020, and also included USD 6 million in redemption fee.

## Note 18 Investments in joint operations

Fields operated:	30.09.2020	30.06.2020
Alvheim	65.000%	65.000 %
Bøyla	65.000%	65.000 %
Hod	90.000%	90.000 %
Ivar Aasen Unit	34.786%	34.786 %
Valhall	90.000%	90.000 %
Vilje	46.904%	46.904 %
Volund	65.000%	65.000 %
Tambar	55.000%	55.000 %
Skogul	65.000%	65.000 %
Tambar Øst	46.200%	46.200 %
Ula	80.000%	80.000 %
Skarv	23.835%	23.835 %

### Production licenses in which Aker BP is the operator:

License:	30.09.2020	30.06.2020	License:	30.09.2020	30.06.2020
PL 001B	35.000%	35.000 %	PL 762	20.000%	20.000 %
PL 006B	90.000%	90.000 %	PL 777 <sup>1)</sup>	0.000%	40.000 %
PL 019	80.000%	80.000 %	PL 777B <sup>1)</sup>	0.000%	40.000 %
PL 019C <sup>1)</sup>	0.000%	80.000 %	PL 777C <sup>1)</sup>	0.000%	40.000 %
PL 019E	80.000%	80.000 %	PL 777D <sup>1)</sup>	0.000%	40.000 %
PL 019F	55.000%	55.000 %	PL 784	40.000%	40.000 %
PL 026	92.130%	92.130 %	PL 814	40.000%	40.000 %
PL 026B	90.260%	90.260 %	PL 818	40.000%	40.000 %
PL 028B	35.000%	35.000 %	PL 818B	40.000%	40.000 %
PL 033	90.000%	90.000 %	PL 822S	60.000%	60.000 %
PL 033B	90.000%	90.000 %	PL 838	35.000%	35.000 %
PL 036C	65.000%	65.000 %	PL 858	40.000%	40.000 %
PL 036D	46.904%	46.904 %	PL 867	40.000%	40.000 %
PL 036E	64.000%	64.000 %	PL 867B	40.000%	40.000 %
PL 036F	64.000%	64.000 %	PL 868	60.000%	60.000 %
PL 065	55.000%	55.000 %	PL 869	60.000%	60.000 %
PL 065B	55.000%	55.000 %	PL 873	40.000%	40.000 %
PL 088BS	65.000%	65.000 %	PL 874	90.260%	90.260 %
PL 102D	50.000%	50.000 %	PL 906	60.000%	60.000 %
PL 102F	50.000%	50.000 %	PL 907	60.000%	60.000 %
PL 102G	50.000%	50.000 %	PL 914S	34.786%	34.786 %
PL 102H	50.000%	50.000 %	PL 915	35.000%	35.000 %
PL 127C	88.083%	88.083 %	PL 919	65.000%	65.000 %
PL 146	77.800%	77.800 %	PL 932	60.000%	60.000 %
PL 150	65.000%	65.000 %	PL 941	50.000%	50.000 %
PL 159D	23.835%	23.835 %	PL 951 <sup>1)</sup>	0.000%	40.000 %
PL 203	65.000%	65.000 %	PL 964	40.000%	40.000 %
PL 212	30.000%	30.000 %	PL 977	60.000%	60.000 %
PL 212B	30.000%	30.000 %	PL 978	60.000%	60.000 %
PL 212E	30.000%	30.000 %	PL 979	60.000%	60.000 %
PL 242	35.000%	35.000 %	PL 986	30.000%	30.000 %
PL 261	50.000%	50.000 %	PL 1005 <sup>2)</sup>	40.000%	60.000 %
PL 262	30.000%	30.000 %	PL 1008	60.000%	60.000 %
PL 300	55.000%	55.000 %	PL 1022	40.000%	40.000 %
PL 333	77.800%	77.800 %	PL 1026	40.000%	40.000 %
PL 340	65.000%	65.000 %	PL 1028	50.000%	50.000 %
PL 340BS	65.000%	65.000 %	PL 1030	50.000%	50.000 %
PL 364	90.260%	90.260 %	PL 1041	40.000%	40.000 %
PL 442	90.260%	90.260 %	PL 1042	40.000%	40.000 %
PL 442B	90.260%	90.260 %	PL 1045	65.000%	65.000 %
PL 442C	90.260%	90.260 %	PL 1047	40.000%	40.000 %
PL 460	65.000%	65.000 %	PL 1066	50.000%	50.000 %
PL 685	40.000%	40.000 %	PL 1081	60.000%	60.000 %
<b>Number of licenses in which Aker BP is the operator</b>				<b>80</b>	<b>86</b>

<sup>1)</sup> Relinquished license

<sup>2)</sup> Deal with A/S Norske Shell

<b>Fields non-operated:</b>	<b>30.09.2020</b>	<b>30.06.2020</b>
Atla	10.000%	10.000 %
Enoch	2.000%	2.000 %
Johan Sverdrup	11.573%	11.573 %
Oda	15.000%	15.000 %

<b>Production licenses in which Aker BP is a partner:</b>					
<b>License:</b>	<b>30.09.2020</b>	<b>30.06.2020</b>	<b>License:</b>	<b>30.09.2020</b>	<b>30.06.2020</b>
PL 006C	15.000%	15.000 %	PL 782SC	20.000%	20.000 %
PL 006E	15.000%	15.000 %	PL 782SD	20.000%	20.000 %
PL 006F	15.000%	15.000 %	PL 838B	30.000%	30.000 %
PL 035	50.000%	50.000 %	PL 852	40.000%	40.000 %
PL 035C	50.000%	50.000 %	PL 852B	40.000%	40.000 %
PL 048D	10.000%	10.000 %	PL 852C	40.000%	40.000 %
PL 102C	10.000%	10.000 %	PL 862	50.000%	50.000 %
PL 127	50.000%	50.000 %	PL 892	30.000%	30.000 %
PL 127B	50.000%	50.000 %	PL 902	30.000%	30.000 %
PL 220	15.000%	15.000 %	PL 902B	30.000%	30.000 %
PL 265	20.000%	20.000 %	PL 942	30.000%	30.000 %
PL 272	50.000%	50.000 %	PL 954	20.000%	20.000 %
PL 272B	50.000%	50.000 %	PL 955	30.000%	30.000 %
PL 405	15.000%	15.000 %	PL 961	30.000%	30.000 %
PL 457BS	40.000%	40.000 %	PL 962	20.000%	20.000 %
PL 492	60.000%	60.000 %	PL 966	30.000%	30.000 %
PL 502	22.222%	22.222 %	PL 968	20.000%	20.000 %
PL 533	35.000%	35.000 %	PL 981	40.000%	40.000 %
PL 533B	35.000%	35.000 %	PL 982	40.000%	40.000 %
PL 554	30.000%	30.000 %	PL 985	20.000%	20.000 %
PL 554B	30.000%	30.000 %	PL 1031	20.000%	20.000 %
PL 554C	30.000%	30.000 %	PL 1040	30.000%	30.000 %
PL 554D	30.000%	30.000 %	PL 1051	20.000%	20.000 %
PL 719	20.000%	20.000 %	PL 1052	20.000%	20.000 %
PL 722	20.000%	20.000 %	PL 1054	30.000%	30.000 %
PL 780	40.000%	40.000 %	PL 1056 <sup>1)</sup>	10.000%	0.000 %
PL 782S	20.000%	20.000 %	PL 1064	30.000%	30.000 %
PL 782SB	20.000%	20.000 %	PL 1069	50.000%	50.000 %
<b>Number of licenses in which Aker BP is the partner</b>				<b>56</b>	<b>55</b>

<sup>1)</sup> Deal with A/S Norske Shell

## Note 19 Results from previous interim reports

(USD 1 000)	2020			2019	
	Q3	Q2	Q1	Q4	Q3
<b>Total income</b>	<b>683 865</b>	<b>589 784</b>	<b>872 105</b>	<b>1 002 673</b>	<b>723 338</b>
Production costs	133 690	196 174	156 043	154 272	167 267
Exploration expenses	32 267	49 774	50 336	84 683	70 213
Depreciation	268 645	286 353	277 412	255 015	205 867
Impairments	-	-135 872	653 697	-509	78 376
Other operating expenses	7 309	14 897	223	18 550	6 038
<b>Total operating expenses</b>	<b>441 912</b>	<b>411 326</b>	<b>1 137 711</b>	<b>512 011</b>	<b>527 760</b>
<b>Operating profit/loss</b>	<b>241 954</b>	<b>178 458</b>	<b>-265 606</b>	<b>490 661</b>	<b>195 578</b>
Net financial items	-50 678	-27 418	-148 691	-66 663	-52 710
<b>Profit/loss before taxes</b>	<b>191 276</b>	<b>151 040</b>	<b>-414 298</b>	<b>423 998</b>	<b>142 868</b>
Tax expense (+)/income (-)	110 983	-18 649	-79 564	312 448	186 291
<b>Net profit/loss</b>	<b>80 293</b>	<b>169 689</b>	<b>-334 734</b>	<b>111 550</b>	<b>-43 423</b>

(boe 1 000)	2020			2019	
	Q3	Q2	Q1	Q4	Q3
<b>Sold volumes</b>					
Liquids	14 489	18 036	15 858	13 930	10 437
Gas	2 779	3 073	3 026	3 046	2 743

(USD 1 000)	2020			2019	
	Q3	Q2	Q1	Q4	Q3
<b>Assets</b>					
Goodwill	1 647 436	1 647 436	1 647 436	1 712 809	1 712 809
Other intangible assets	2 050 887	2 053 548	2 001 150	2 537 283	2 570 893
Property, plant and equipment	7 218 548	7 175 129	7 060 700	7 023 276	6 613 597
Right-of-use asset	126 433	137 296	170 834	194 328	215 328
Receivables and other assets	561 657	546 212	524 382	651 986	609 112
Calculated tax receivables (short)	71 038	186 630	-	-	-
Cash and cash equivalents	818 547	142 333	322 789	107 104	5 066
<b>Total assets</b>	<b>12 494 548</b>	<b>11 888 584</b>	<b>11 727 291</b>	<b>12 226 786</b>	<b>11 726 805</b>
<b>Equity and liabilities</b>					
Equity	1 928 638	1 912 084	1 813 229	2 367 585	2 443 539
Other provisions for liabilities incl. P&A (long)	2 649 759	2 655 478	2 699 246	2 645 420	2 542 083
Deferred tax	2 562 528	2 471 221	2 153 376	2 235 357	2 279 415
Bonds and bank debt	4 372 815	3 712 292	3 593 387	3 286 768	2 939 545
Lease debt	217 148	236 259	277 356	313 256	341 071
Other current liabilities incl. P&A	763 660	901 251	930 616	1 017 244	986 162
Tax payable		-	260 081	361 157	194 991
<b>Total equity and liabilities</b>	<b>12 494 548</b>	<b>11 888 584</b>	<b>11 727 291</b>	<b>12 226 786</b>	<b>11 726 805</b>



## Alternative Performance Measures

Aker BP may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Aker BP believes that the alternative performance measures provide useful supplemental information to management, investors, security analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Aker BP's business operations and to improve comparability between periods.

**Abandonment spend (abex)** is payment for removal and decommissioning of oil fields<sup>1)</sup>

**Depreciation per boe** is depreciation divided by number of barrels of oil equivalents produced in the corresponding period

**Dividend per share** (DPS) is dividend paid in the quarter divided by number of shares outstanding

**Capex** is disbursements on investments in fixed assets deducted by capitalized interest cost<sup>1)</sup>

**EBITDA** is short for earnings before interest and other financial items, taxes, depreciation and amortisation and impairments

**EBITDAX** is short for earnings before interest and other financial items, taxes, depreciation and amortisation, impairments and exploration expenses

**Equity ratio** is total equity divided by total assets

**Exploration spend (expex)** is exploration expenses plus additions to capitalized exploration wells less dry well expenses<sup>1)</sup>

**Leverage ratio** is calculated as Net interest-bearing debt divided by twelve months rolling EBITDAX, excluding any impacts from IFRS 16

**Interest coverage ratio** is calculated as twelve months rolling EBITDA, divided by interest expenses, excluding any impacts from IFRS 16.

**Net interest-bearing debt** is book value of current and non-current interest-bearing debt less cash and cash equivalents

**Operating profit/loss** is short for earnings/loss before interest and other financial items and taxes

**Production cost per boe** is production cost based on produced volumes, divided by number of barrels of oil equivalents produced in the corresponding period (see note 3)

<sup>1)</sup> Includes payments of lease debt as disclosed in note 6.

(USD 1 000)	Note	Q3 2020	Q2 2020	01.01.-30.09. 2020	Q3 2019	01.01.-31.12. 2019
<b>Abandonment spend</b>						
Payment for removal and decommissioning of oil fields		28 861	15 007	64 797	35 279	104 890
Payments of lease debt (abandonment activity)	6	6 059	1 077	8 658	1 532	4 444
<b>Abandonment spend</b>		<b>34 921</b>	<b>16 084</b>	<b>73 455</b>	<b>36 811</b>	<b>109 334</b>
<b>Depreciation per boe</b>						
Depreciation	5	268 645	286 353	832 410	205 867	811 874
Total produced volumes (boe 1 000)	3	18 548	19 090	56 576	13 443	56 886
<b>Depreciation per boe</b>		<b>14.5</b>	<b>15.0</b>	<b>14.7</b>	<b>15.3</b>	<b>14.3</b>
<b>Dividend per share</b>						
Paid dividend		70 833	70 833	354 167	187 500	750 000
Number of shares outstanding		359 534	359 614	359 710	359 773	360 014
<b>Dividend per share</b>		<b>0.20</b>	<b>0.20</b>	<b>0.98</b>	<b>0.52</b>	<b>2.08</b>
<b>Capex</b>						
Disbursements on investments in fixed assets		269 787	359 514	971 808	434 580	1 703 213
Payments of lease debt (investments in fixed assets)	6	14 238	21 027	65 982	30 344	108 587
Capitalized interest	7	-8 553	-8 972	-30 426	-43 822	-144 686
<b>CAPEX</b>		<b>275 472</b>	<b>371 568</b>	<b>1 007 364</b>	<b>421 102</b>	<b>1 667 113</b>
<b>EBITDA</b>						
Total income	2	683 865	589 784	2 145 755	723 338	3 347 088
Production costs	3	-133 690	-196 174	-485 907	-167 267	-720 321
Exploration expenses	4	-32 267	-49 774	-132 377	-70 213	-305 516
Other operating expenses		-7 309	-14 897	-22 430	-6 038	-35 328
<b>EBITDA</b>		<b>510 599</b>	<b>328 939</b>	<b>1 505 041</b>	<b>479 821</b>	<b>2 285 922</b>
<b>EBITDAX</b>						
Total income	2	683 865	589 784	2 145 755	723 338	3 347 088
Production costs	3	-133 690	-196 174	-485 907	-167 267	-720 321
Other operating expenses		-7 309	-14 897	-22 430	-6 038	-35 328
<b>EBITDAX</b>		<b>542 866</b>	<b>378 713</b>	<b>1 637 418</b>	<b>550 034</b>	<b>2 591 439</b>
<b>Equity ratio</b>						
Total equity		1 928 638	1 912 084	1 928 638	2 443 539	2 367 585
Total assets		12 494 548	11 888 584	12 494 548	11 726 805	12 226 786
<b>Equity ratio</b>		<b>15%</b>	<b>16%</b>	<b>15%</b>	<b>21%</b>	<b>19%</b>
<b>Exploration spend</b>						
Disbursements on investments in capitalized exploration expenditures		32 842	19 413	83 509	115 099	370 185
Exploration expenses	4	32 267	49 774	132 377	70 213	305 516
Dry well	4	-11 708	-9 866	-50 556	-41 905	-176 419
Payments of lease debt (exploration expenditures)	6	221	123	564	223	1 384
<b>Exploration spend</b>		<b>53 622</b>	<b>59 443</b>	<b>165 894</b>	<b>143 630</b>	<b>500 666</b>

(USD 1 000)	Note	Q3 2020	Q2 2020	01.01.-30.09. 2020	Q3 2019	01.01.-31.12. 2019
<b>Interest coverage ratio</b>						
Twelve months rolling EBITDA	19	2 250 209	2 219 431	2 250 209	2 199 074	2 285 922
Twelve months rolling EBITDA, impacts from IFRS 16	6	-25 528	-27 485	-25 528	-15 317	-20 636
<i>Twelve months rolling EBITDA, excluding impacts from IFRS 16</i>		<i>2 224 680</i>	<i>2 191 945</i>	<i>2 224 680</i>	<i>2 183 757</i>	<i>2 265 287</i>
Twelve months rolling interest expenses	7	177 185	175 754	177 185	189 859	175 672
Twelve months rolling amortized loan cost	7	21 196	18 883	21 196	24 098	21 705
Twelve months rolling interest income	7	4 013	6 284	4 013	23 309	16 490
<i>Net interest expenses</i>		<i>194 367</i>	<i>188 354</i>	<i>194 367</i>	<i>190 648</i>	<i>180 886</i>
<b>Interest coverage ratio</b>		<b>11.4</b>	<b>11.6</b>	<b>11.4</b>	<b>11.5</b>	<b>12.5</b>
<b>Leverage ratio</b>						
Long-term bonds	13	3 966 815	3 121 781	3 966 815	1 629 890	1 630 936
Other interest-bearing debt	14	-	380 708	-	1 077 485	1 429 132
Short-term bonds	13	406 000	209 803	406 000	217 170	226 700
Cash and cash equivalents	10	818 547	142 333	818 547	5 066	107 104
<i>Net interest-bearing debt excluding lease debt</i>		<i>3 554 268</i>	<i>3 569 959</i>	<i>3 554 268</i>	<i>2 919 479</i>	<i>3 179 664</i>
Twelve months rolling EBITDAX	19	2 467 269	2 474 436	2 467 269	2 492 366	2 591 439
Twelve months rolling EBITDAX, impacts from IFRS 16	6	-25 005	-26 965	-25 005	-14 479	-19 839
<i>Twelve months rolling EBITDAX, excluding impacts from IFRS 16</i>		<i>2 442 263</i>	<i>2 447 471</i>	<i>2 442 263</i>	<i>2 477 887</i>	<i>2 571 600</i>
<b>Leverage ratio</b>		<b>1.46</b>	<b>1.46</b>	<b>1.46</b>	<b>1.18</b>	<b>1.24</b>
<b>Net interest-bearing debt</b>						
Long-term bonds	13	3 966 815	3 121 781	3 966 815	1 629 890	1 630 936
Long-term lease debt	6	136 074	156 396	136 074	223 616	202 592
Other interest-bearing debt	14	-	380 708	-	1 077 485	1 429 132
Short-term bonds	13	406 000	209 803	406 000	217 170	226 700
Short-term interest-bearing debt	14	-	-	-	15 000	-
Short-term lease debt	6	81 075	79 863	81 075	117 455	110 664
Cash and cash equivalents	10	818 547	142 333	818 547	5 066	107 104
<b>Net interest-bearing debt</b>		<b>3 771 416</b>	<b>3 806 218</b>	<b>3 771 416</b>	<b>3 275 550</b>	<b>3 492 920</b>

**Operating profit/loss** see Income Statement

**Production cost per boe** see note 3



To the Board of Directors of Aker BP ASA

## Independent Auditors' Report on Review of Interim Financial Information

### Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aker BP ASA as at 30 September 2020 and the related condensed consolidated income statement, statement of comprehensive income and cash flow for the three and nine-month periods ended 30 September 2020, and the related condensed consolidated statement of changes in equity for the three-month period ended 30 September 2020, and notes to the condensed consolidated interim financial information (the "condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* as adopted by the EU. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting* as adopted by the EU.

### Other matters

Our report does not extend to the summary financial information for interim periods included in note 19 which is not a required disclosure under International Accounting Standard 34 *Interim Financial Reporting* as adopted by the EU.

Oslo, 28 October 2020

KPMG AS

Mona Irene Larsen  
State Authorised Public Accountant (Norway)





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