

Q3 2016

AKER BP ASA

KARL JOHNNY HERSVIK, CEO
ALEXANDER KRANE, CFO
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AKER BP ASA

Highlights

Aker BP ASA

- Merger with BP Norge AS completed September 30, 2016

Production

- Q3-16 production of 112.6 mboepd including BP Norge
 - Q3-16 production of 59.8 mboepd booked in P&L

Finance

- Q3-16 EBITDA USD 179 million, EPS 0.31 (USD)
- Proposed dividend USD 125 million to be paid in equal installments in December 2016 and March 2017
- RBL increased to USD 4.0 billion

Development projects

- Ivar Aasen on track for December start-up
- Johan Sverdrup CAPEX estimates revised down
- Viper-Kobra start-up in November



Financials

Q3 2016



FINANCIALS

Statement of income

Income statement (USD mill)	Q3 2016	Q2 2016	FY 2015
Revenues	248	256	1,222
Production costs	32	39	141
Other operating expenses	6	5	52
EBITDAX	210	211	1,029
Exploration expenses	31	36	76
EBITDA	179	175	953
Depreciation	115	120	481
Impairment losses	8	(20)	430
Operating profit/loss (EBIT)	56	74	41
Net financial items	(5)	(29)	(155)
Profit/loss before taxes	51	45	(114)
Tax (+) / Tax income (-)	(13)	39	199
Net profit/loss	63	6	(313)
EPS (USD)	0.31	0.03	(1.54)

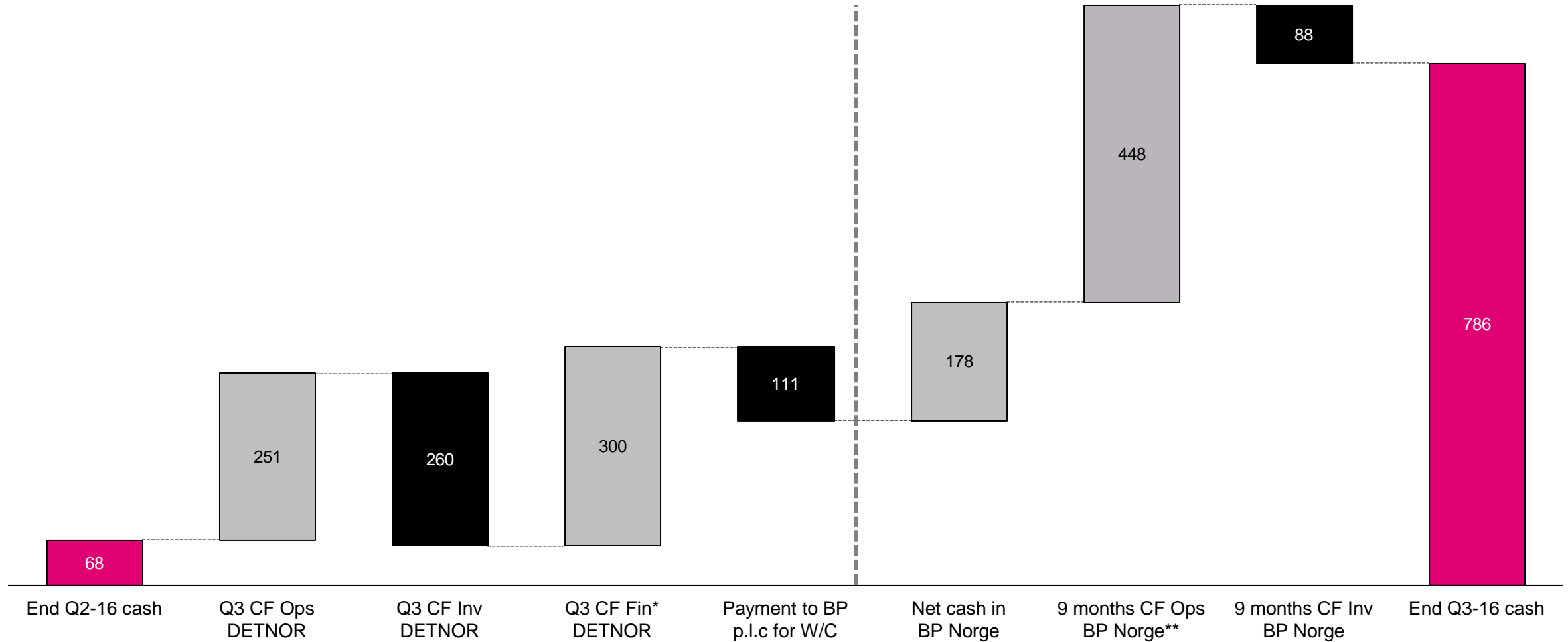
FINANCIALS

Statement of financial position

Assets (USD mill)	30.09.16	30.09.15
Goodwill	1 858	948
Other intangible assets	1 701	898
Property, plant and equipment	4 383	2 929
Deferred tax assets	889	-
Calculated tax receivables (long)	22	0
Receivables and other assets	507	246
Calculated tax receivables (short)	133	8
Cash and cash equivalents	786	207
Total Assets	10 280	5 237

Equity and liabilities (USD mill)	30.09.16	30.09.15
Equity	2 579	495
Other provisions for liabilities incl. P&A (long)	2 400	555
Deferred tax	1 415	1 424
Bonds	526	511
Bank debt	2 640	1 842
Other current liabilities incl. P&A (short)	721	409
Total Assets	10 280	5 237

Third quarter cash flow



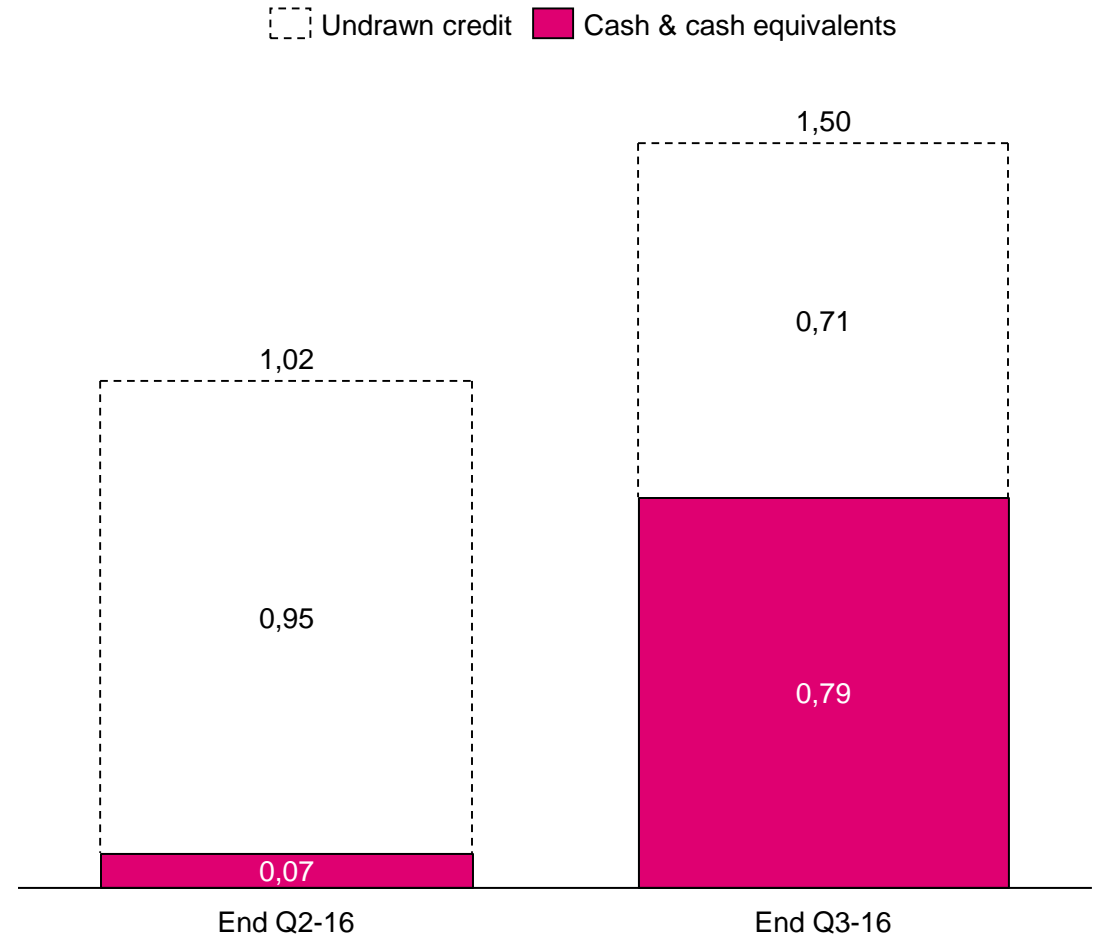
Funding and liquidity

Third quarter 2016

- Net interest-bearing debt (book value) of USD 2.38 bn
- Cash and undrawn debt facilities of USD 1.50 bn
- Dividend restrictions removed from loan agreements

Financing

- RBL facility increased to USD 4.0 billion
 - Plus accordion option of USD 1.0 billion
 - Borrowing base increased to USD 3.6 billion*
- Assessing Aker BP's capital structure going forward with the aim to lower cost of capital over time



Dividends

- **The Board of Directors proposes dividend payment of USD 125 million, based on 2015 annual accounts**
 - Split equally between December 2016 and March 2017
 - Corresponds to a DPS of USD 0.185 per quarter
- **Dividends post March 2017 to be proposed to Annual General Meeting in April 2017**
- **Ambition to sustain a dividend level of minimum USD 250 million per year in the medium-term**
 - To be paid in quarterly installments
 - Dividend level to increase once Johan Sverdrup is in production

Indicative timeline

- **Late November:** Extraordinary General Meeting
- **December 2016:** Dividend payment of USD 62.5 million
- **March 2017:** Dividend payment of USD 62.5 million
- **April 2017:** Annual General Meeting

GUIDANCE

2016 guidance

Item	Guidance ex. BP Norge (Updated Sept 14, 2016)	Actual Year-to-date Sept 30, 2016		Guidance Aker BP ASA FY 2016 (Economic exposure)*
		DET NOR	BP Norge AS	
2016 CAPEX	USD 900 - 920 million	USD 626 million	USD 14 million	USD 910 - 930 million
2016 EXPEX	USD 200 – 220 million	USD 176 million	USD 5 million	USD 240 – 260 million
2016 production	62 – 65 mboepd	61.0 mboepd	56.0 mboepd	118 – 120 mboepd
2016 Production cost	USD ~7 per boe	USD 6.3 per boe	USD 19.3 per boe	USD ~13 per boe

Note: Guidance based on USD/NOK 8.5

* Effective date of the merger with BP Norge AS was January 1, 2016. For accounting purposes, BP Norge AS will be included in the financial accounts from September 30, 2016.

Operations

Q3 2016

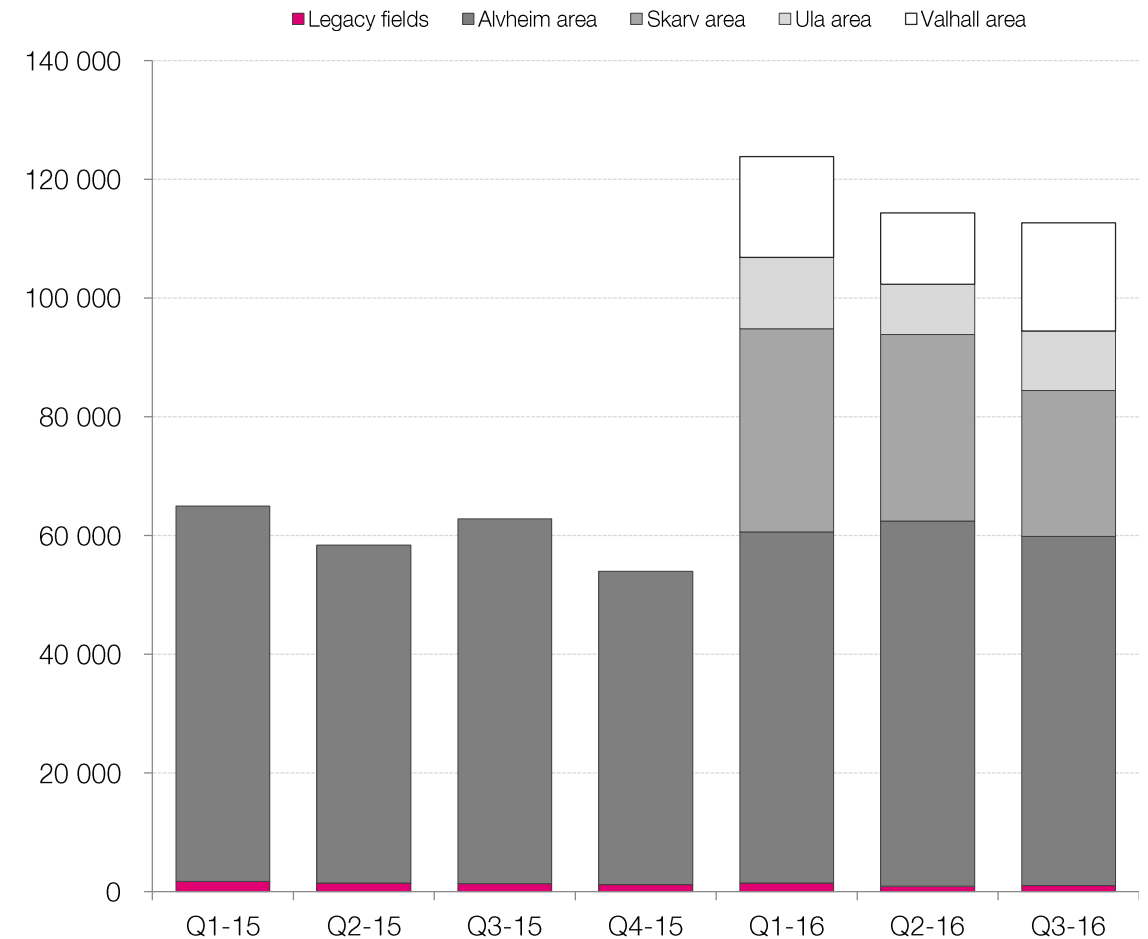


PRODUCTION

Oil and gas production

- **Q3 2016 production of 112.6 mboepd including BP Norge**
 - Production impacted by planned shutdown at Skarv and the Alvheim area
- **Q3 2016 production of 59.8 mboepd booked in P&L**
 - Production efficiency of 83.3%
 - Strong production from Vilje and BoaKamNorth
 - Realized oil price of 47 USD/bbl
- **Aker BP production of 117.0 mboepd in the first nine months 2016**

Net production (boepd)

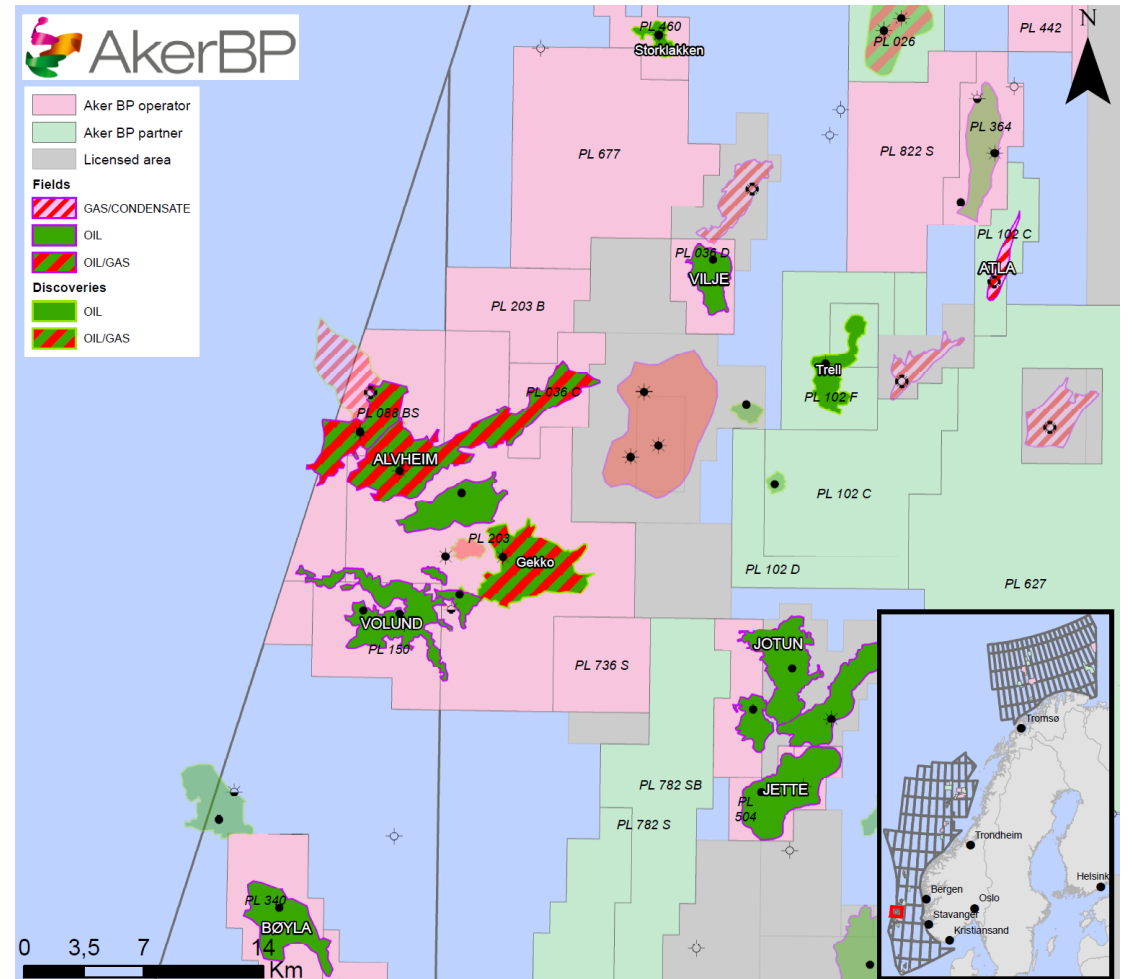


Further developing the Alvheim area

Key events

- **First oil from Viper-Kobra wells expected in November**
 - Subsea campaign about to be completed
 - Start-up crew to be mobilized this week
- **Transocean Arctic expected to commence drilling in the Alvheim area in December 2016**
 - Two infill wells at Volund: one single-lateral and one tri-lateral well approved in license
 - Two Boa infill wells planned
 - Three exploration wells planned, one in the Volund area, one north of Bøyla plus one in PL677
 - Further maturing opportunities for the area

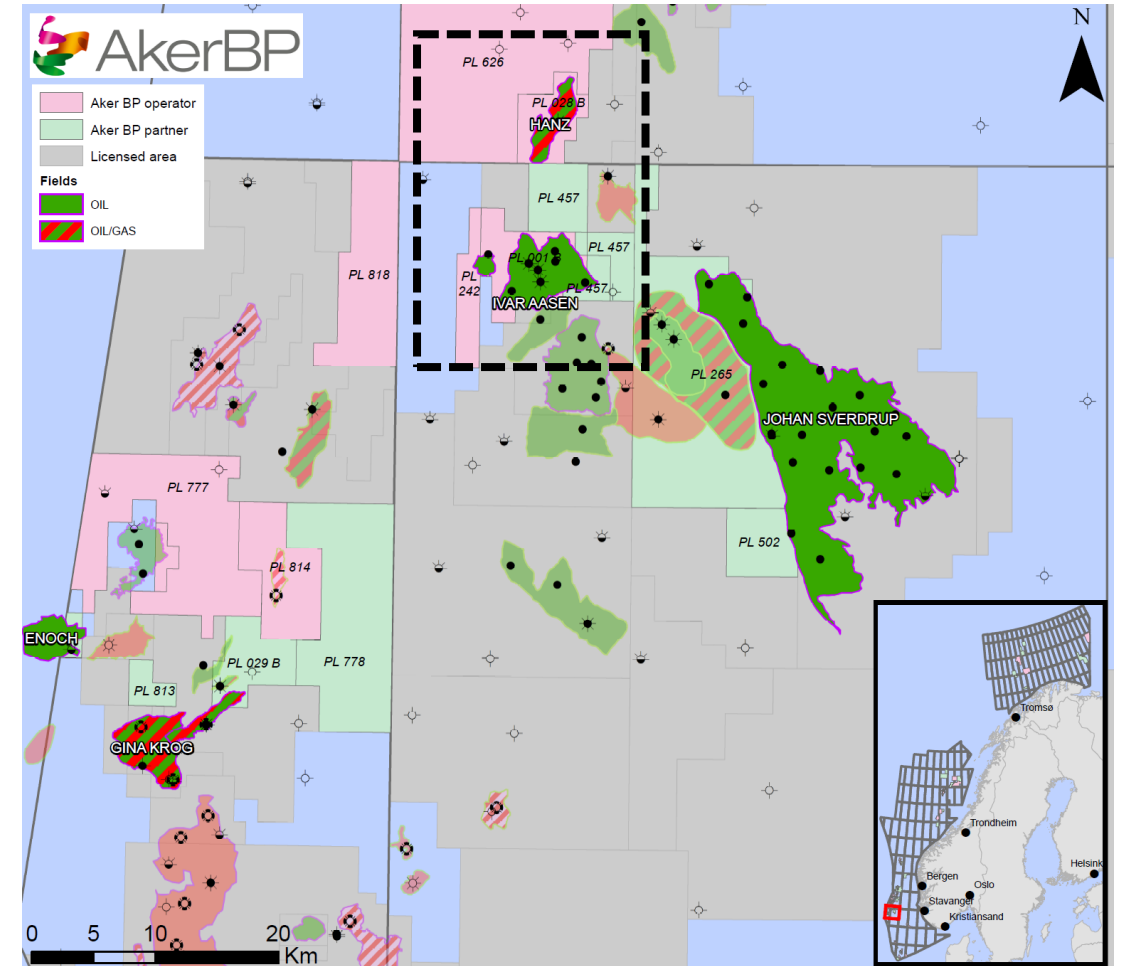
New projects in the Alvheim area



Ivar Aasen project on plan and budget

Key events

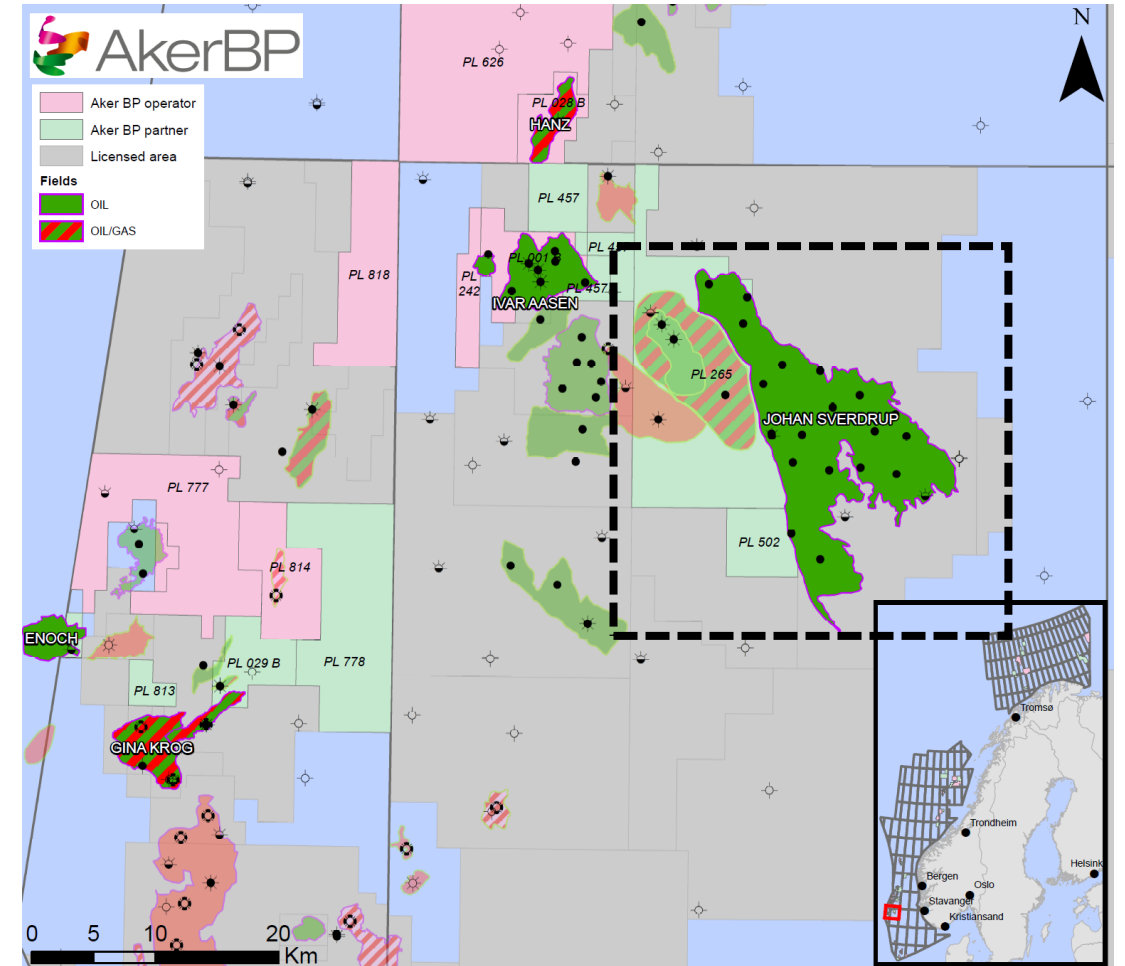
- Topside modules successfully installed in July
- Pre-drilling campaign completed in early July with top quartile performance
 - Five producers and three water injector finished
- The living quarters were taken into use in September
- SURF scope completed in early October
- Maersk Interceptor to act as accommodation unit when back on field after drilling Langfjellet exploration wells
- Commissioning are progressing according to plan towards first oil in December



Further CAPEX reductions in the third quarter

Key events

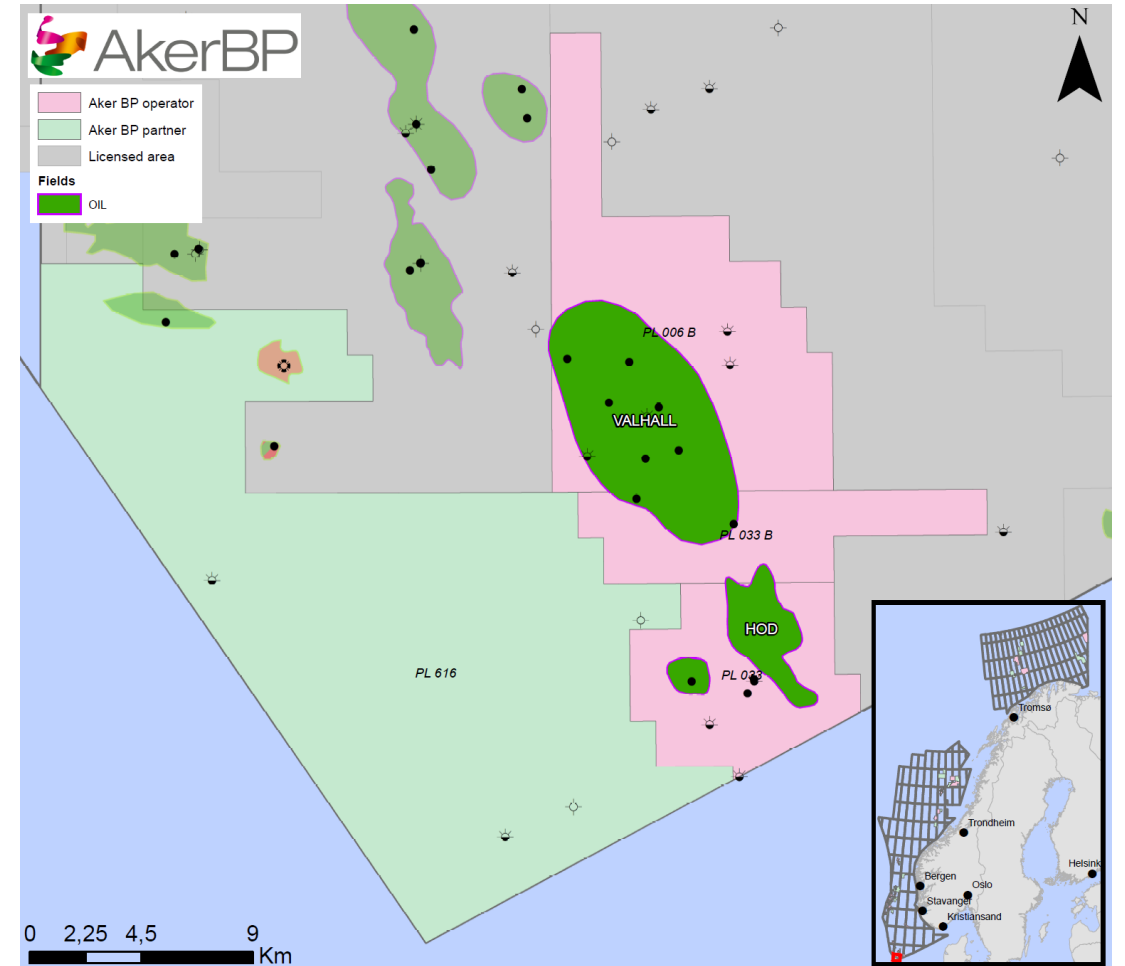
- **Project progressing according to plan:**
 - Most major contracts have been awarded
 - Platform construction ongoing
 - Pre-drilling with Deepsea Atlantic ongoing
- **Production capacity of 440 mboepd in phase 1 and 660 mboepd for full field**
- **CAPEX (Phase 1): NOK 99 billion (nominal in project FX), down from NOK 123 billion in PDO**
- **CAPEX (Full-field): NOK 140 to 170 billion (real in project FX), down from NOK 170 – 220 billion)**
- **Phase 1 break-even price <25 USD/bbl**



Stable production with upside potential

Key events

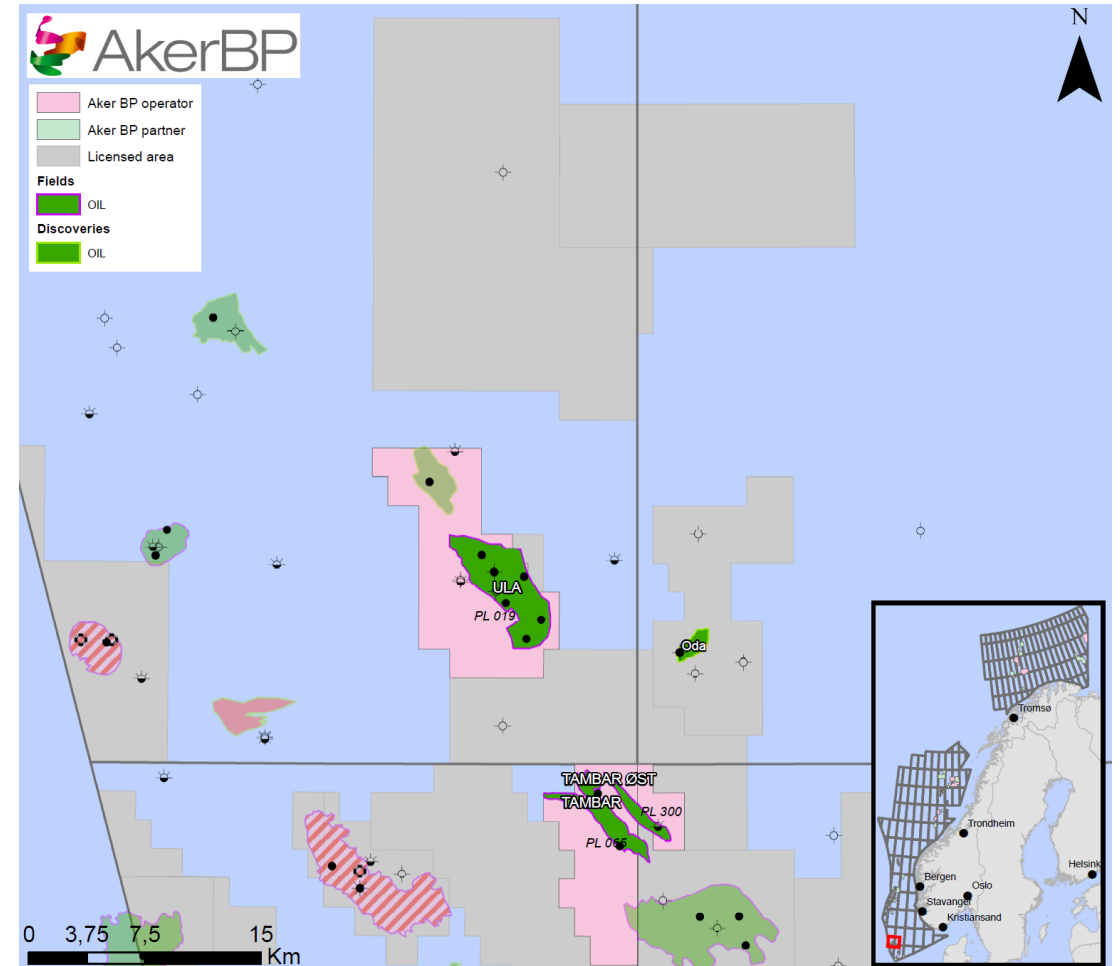
- Operations efficiency in Q3-16 was 91 percent
- Maersk Reacher completed a plug and abandon (P&A) program at the drilling platform in July
 - DP P&A campaign to be continued in 2017 utilizing Maersk Invincible drilling rig, expect to commence in Q2-17
- The 2/4 G topside removed during the quarter
- Secure cold stack of Valhall QP platform by end 2016
- IP Platform drilling program expected to commence Q1-17
- Maturing possible projects in the Valhall / Hod area
 - Progressing the West Flank project for concept selection in 2017
 - Shooting seismic across Hod in support of a potential future Hod Redevelopment



Increased production from WAG injection and tie-ins

Key events

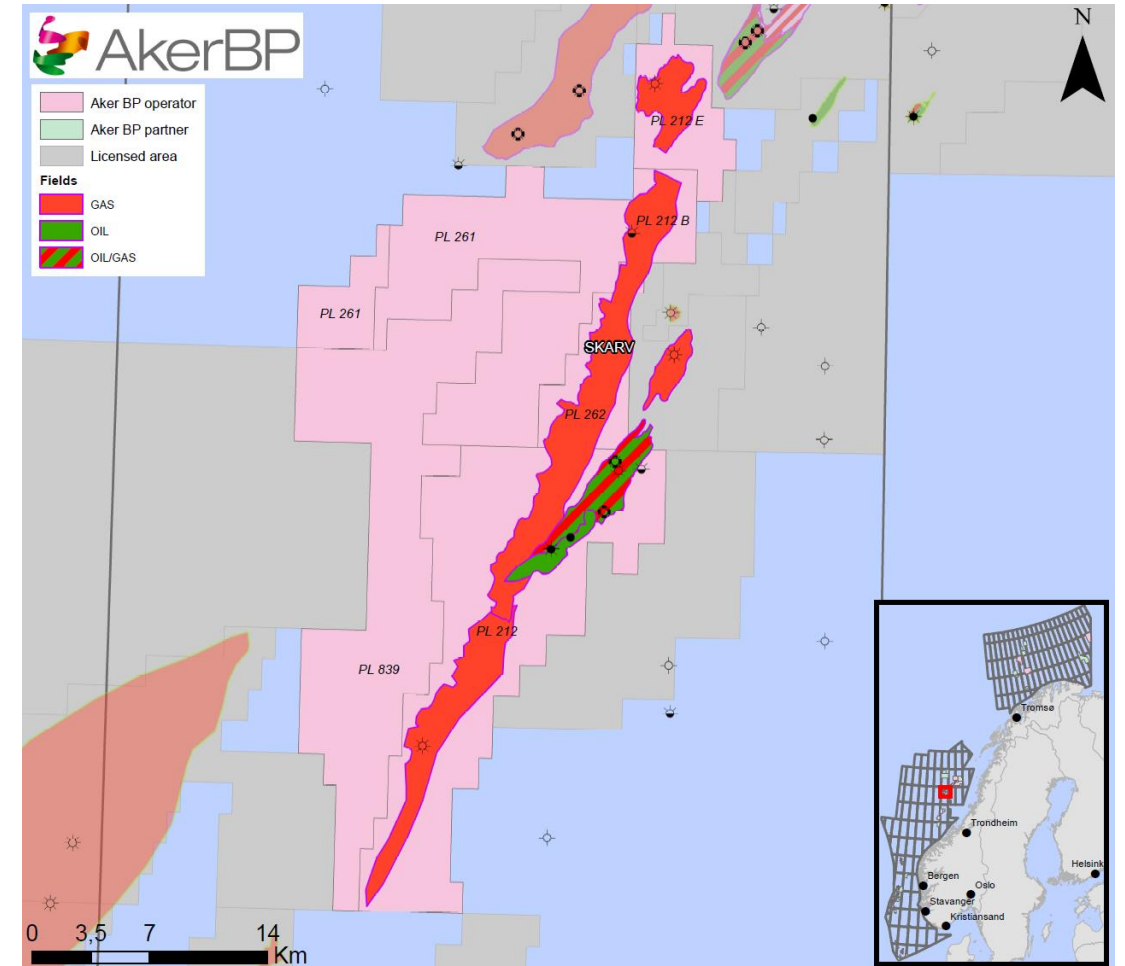
- **Operations efficiency in Q3-16 was 75 percent**
 - Negatively impacted by delayed restoring of water alternating gas (WAG) injection capacity
- **Evaluating Tambar infill targets and execution of Tambar gas lift project**
- **Gas from Oda to increase WAG injection and thus Ula production**
 - Oda planned as a tie-in to Ula
 - Partners plan to submit PDO before end of 2016
 - Gas from Oda will be used for WAG injection to increased recovery from Ula



Maturing Snadd towards PDO in 2017

Key events

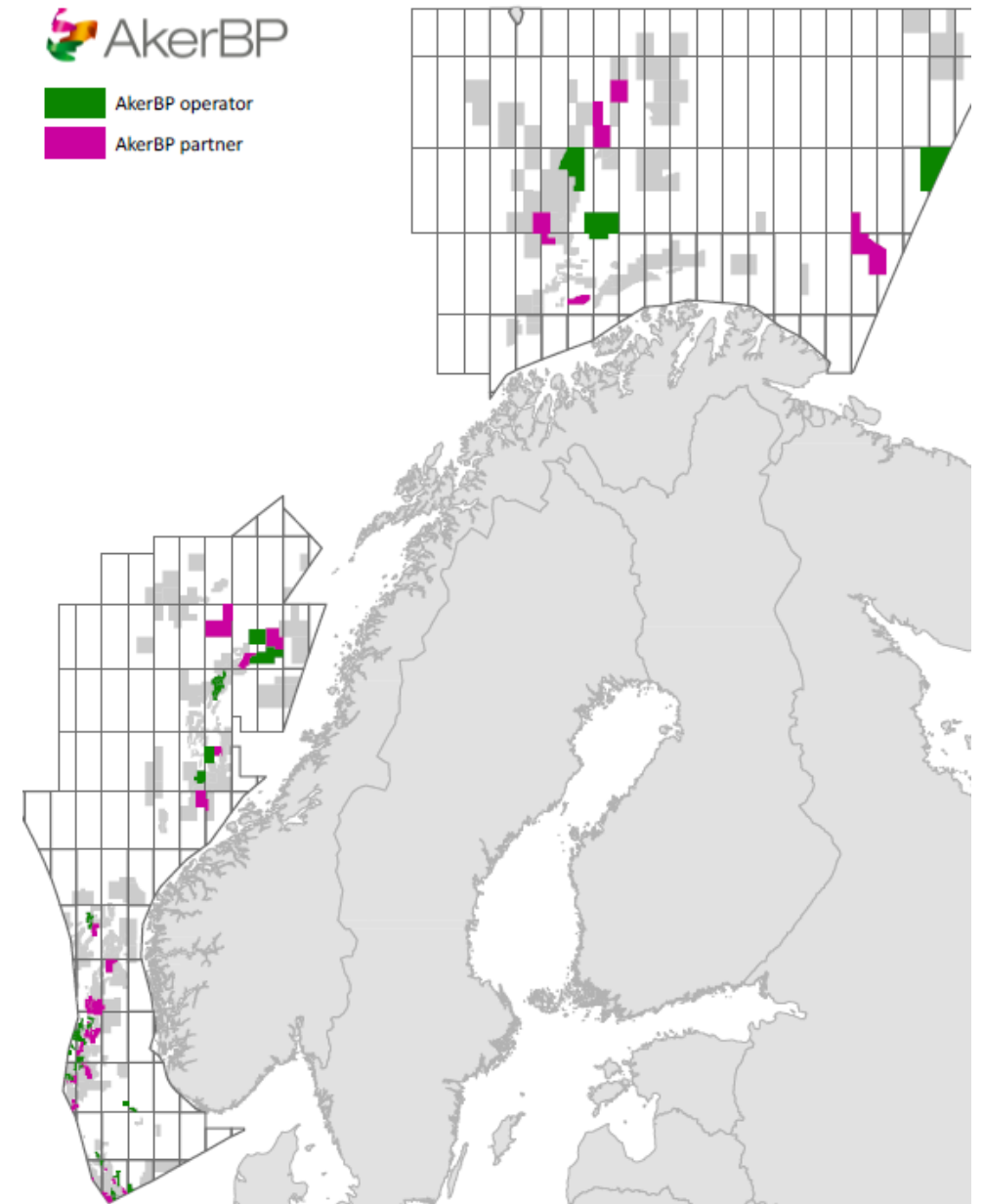
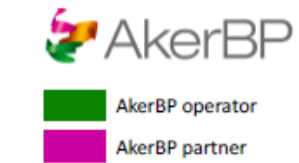
- Operations efficiency in Q3-16 was 74 percent
 - The operations efficiency was negatively impacted by a 27 days planned shutdown
- Plan to extend the Snadd test production to secure production for 2017
- Low pressure production project completed by year end 2016
- Mature the Snadd project towards concept selection and a possible PDO late 2017
- Work to mature exploration targets in the area



EXPLORATION

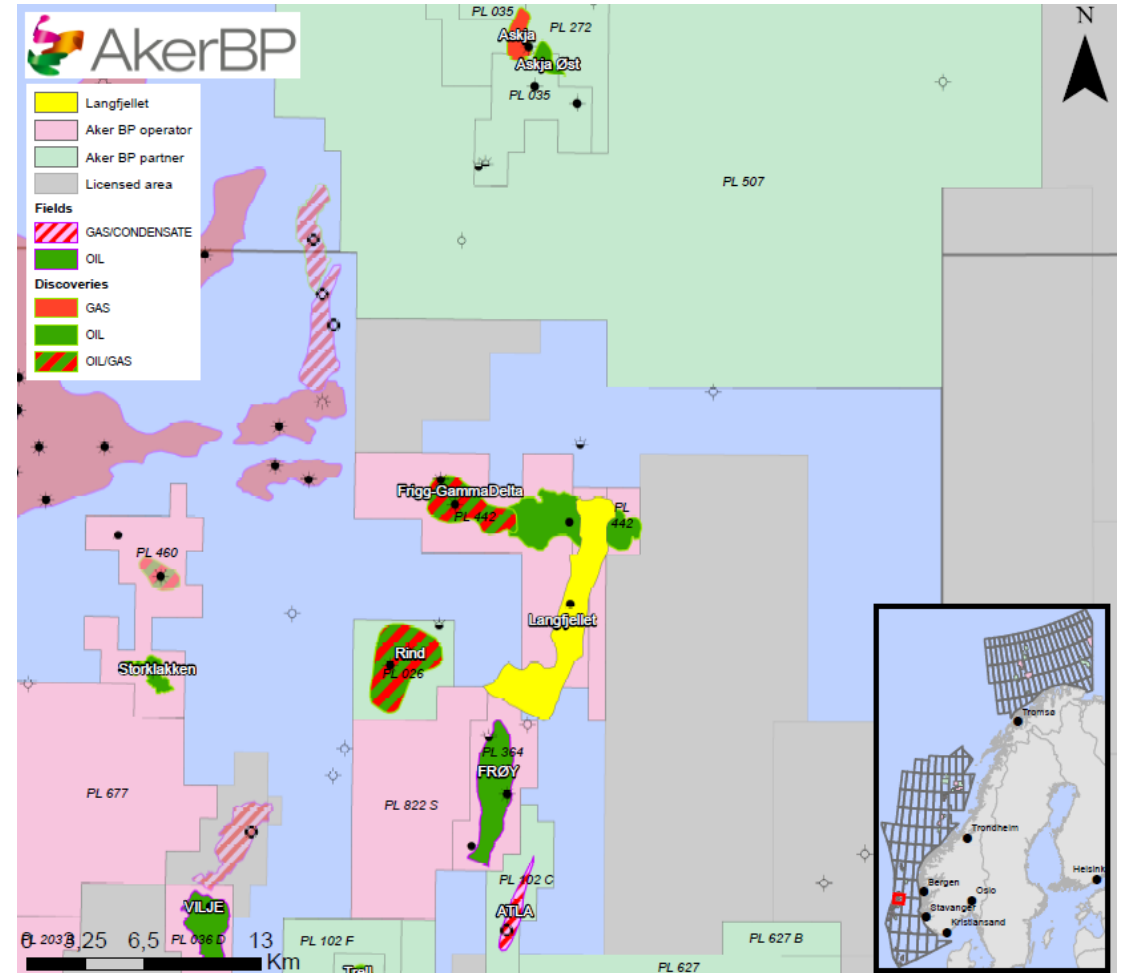
2016 drilling program

- **Askja/Krafla exploration campaign concluded**
 - Discoveries at Slemmestad and Haraldsplass (sidetrack)
 - 2016 drilling campaign has proved ~60 mmboe (gross)
- **Dry well at Rovarkula**
- **Oil discovery at Langfjellet**
- **Filicudi prospect in the Barents Sea to be drilled in Q4-2016**
 - Gross pre-drill estimate of 24 – 146 mmboe
 - Testing prospective trend - analogue to Johan Castberg
 - Opening for more opportunities if successful



Building a potential new core area

- **Oil discovery at Langfjellet**
 - Gross oil column of 109 meters
 - Preliminary estimate of 24 – 74 mmboe
 - Drilling of sidetrack ongoing
 - Significant upside potential
- **North of Alvheim* area holds gross mean contingent resources of 160 - 170 mmboe prior to drilling of Langfjellet**
- **Early-phase project established to assess possible area development concepts focusing on subsurface**

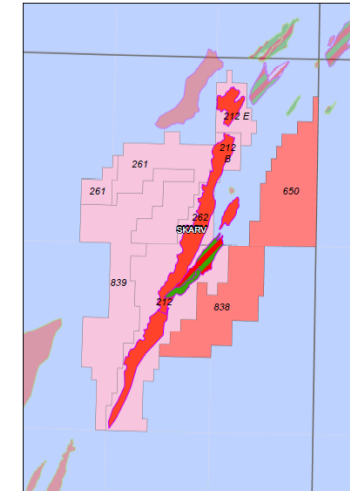


Acquisition of licenses from Tullow

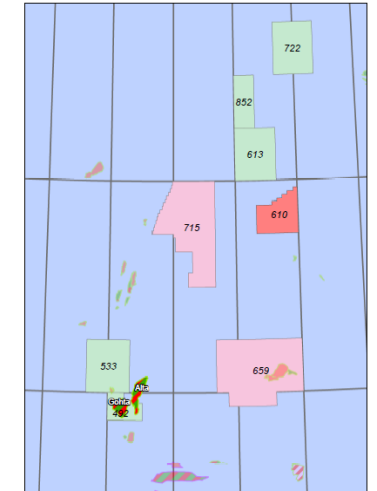
- Transaction comprises working interest in eight licenses
- Strengthens the company's position in core areas surrounding the Ula, North of Alvheim, Skarv and the Krafla/Askja areas
- Oda development is a tie-in to the Ula field
 - Estimated to contain 43 mmboe (gross)*
 - Partners targeting an investment decision in December 2016
- Transaction subject to regulatory approval

License	Equity transferred to Aker BP	Aker BP new equity in license
PL 405	15.0 %	15.0 %
PL 811	20.0 %	20.0 %
PL 507	20.0 %	45.0 %
PL 784 (Op.)	40.0 %	40.0 %
PL 650	25.0 %	25.0 %
PL 838	30.0 %	30.0 %
PL 610	37.5 %	37.5 %
PL 659	15.0 %	35.0 %

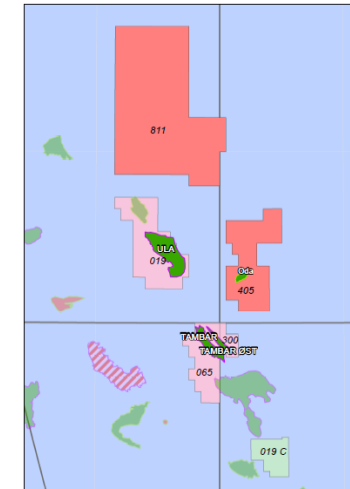
Skarv area



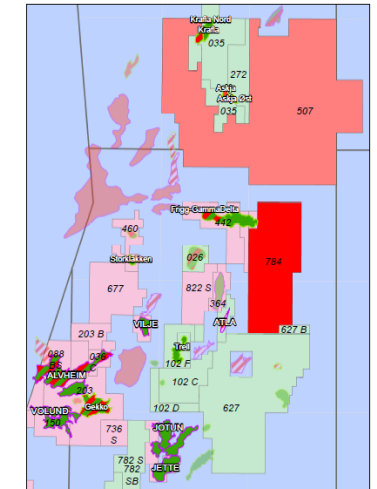
Barents Sea



Ula-Tambar area



Krafla/NoA area



- Tullow partner
- Tullow operator
- Aker BP operator
- Aker BP partner

Integration project on track towards “Day 1”

Process

- Transaction closed with EGM and regulatory approvals September 30th, 2016
- Business transition period from closing until “Day 1”
- Full organizational and operational incorporation on “Day 1” scheduled December 1st, 2016

Integration topics

- Management and organization
- Governing systems
- Emergency preparedness
- IT systems
- Synergies and organizational adjustments



Summary and outlook

■ Operations

- Ivar Aasen first oil in December
- Viper-Kobra first oil in November and start of drilling campaign in the Alvheim area

■ Financing

- Proposed dividend of USD 62.5 million in December
- Assessment of capital structure in Aker BP going forward

■ Business development

- The company to pursue further growth opportunities going forward both to enhance production and increase dividend capacity





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