CAPITAL MARKETS DAY 2017

AKER BP ASA

January 16, 2017

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Agenda

Session 1: 13:00 – 14:30

- **Corporate Strategy** – Karl Johnny Hersvik, Chief Executive Officer
- **Finance** – Alexander Krane, Chief Financial Officer
- **Exploration** – Gro Gunleiksrud Haatvedt, SVP Exploration
- **Q&A**

- **Coffee Break**

Session 2: 15:00 – 16:30

- **Development projects** – Olav Henriksen, SVP Projects
- **Operations** – Eldar Larsen, SVP Operations
- **Concluding remarks** – Karl Johnny Hersvik, Chief Executive Officer
- **Q&A**

- **Reception**

Today's speakers

Karl Johnny Hersvik, *Chief Executive Officer*

Karl Johnny Hersvik (born 1972) has been CEO of Aker BP since May 2014. Prior to joining Aker BP, he served as head of research for Statoil.

Mr Hersvik has held a number of specialist and executive positions with Norsk Hydro and StatoilHydro. He holds a number of directorships and is a member of several boards whose objective is to promote cooperation between industry and academia. Mr Hersvik holds a Cand. Scient. (second cycle) degree in Industrial Mathematics from the University of Bergen.

Alexander Krane, *Chief Financial Officer*

Alexander Krane (born 1976) took up the position of CFO with Aker BP in 2012. Prior to joining Aker BP, he held the position of Corporate Controller with Aker ASA. He has also worked as a public accountant with KPMG, both in Norway and in the US.

Mr Krane holds a Bachelor of Commerce degree ("siviløkonom") from Bodø Graduate School of Business and an MBA degree from the Norwegian School of Economics in Bergen. He is also a state-authorized public accountant in Norway.

Gro Gunleiksrud Haatvedt, *SVP Exploration*

Gro Gunleiksrud Haatvedt (born 1957) joined Aker BP in 2014. She came from the position of SVP Exploration Norway with Statoil ASA, where she also served as country manager in Libya.

She has held several positions with Norsk Hydro (head of geology, technology and competence). She has been responsible for business development and exploration in Iran, head ILX for Oseberg, and Exploration Manager NCS. Ms Haatvedt holds a master's degree in Applied Geophysics from the University of Oslo.

Olav Henriksen, *SVP Projects*

Olav Henriksen (born 1956) joined Det norske in January 2015. Prior to joining Aker BP, Mr Henriksen has been working with large development projects in ConocoPhillips since 1990.

Mr. Henriksen has a degree in engineering from Møre og Romsdal Ingeniørhøyskole (the Møre and Romsdal college of engineering). He has his extensive work experience from both Kværner Installasjon and ConocoPhillips, including work with large projects such as Ekofisk, Statfjord, Gullfaks, Oseberg and Eldfisk.

Eldar Larsen, *SVP Operations*

Eldar Larsen (born 1960) came from the position of VP Operations, BP Norge.

He started his career in Mobil with the Statfjord development and operations, and has since worked with fields such as Gullfaks, Sleipner, Snorre, Varg, Ula, Valhall and Skarv in Statoil, Saga, Hydro and BP.

Larsen holds a master's degree in chemical industry from NTNU in Trondheim.

Corporate strategy

Karl Johnny Hersvik
Chief Executive Officer

CORPORATE STRATEGY

2016 achievements

Creation of Aker BP through merger with BP Norge AS

- Diversified production base
- Successful execution of integration process

Discovered ¼ of total volumes on the NCS

- 83 mmboe (net) at a finding cost of ~0.7 USD/boe (post-tax)
- Approximately 1.9x 2016 net production

Delivered the operated Viper-Kobra and Ivar Aasen developments

- On time and budget
- Without any serious incidents

Production of 118 mboepd

- Efficient operations with high operational uptime
- DETNOR assets 10% above 2016 CMD guidance

Payout of company's first dividend

- Strengthened balance sheet
- Strong cash flow outlook

CORPORATE STRATEGY

Investment case

- **Well positioned in a continued challenging macro environment**
  - Purely operating on the NCS: Low political risk and attractive fiscal regime
  - Robust balance sheet and capital flexibility: USD 2.5 billion in liquidity
  - Dividend floor of USD 250 million: To increase post Johan Sverdrup first oil

- **Extensive improvement agenda to strengthen long-term competitiveness**
  - Reorganizing the value chain with strategic partnerships and alliances
  - Aim to be an industry reference for digital project execution
  - Focus on flow efficiency to substantially reduce execution time

- **Strong platform for future growth**
  - Material oil-weighted portfolio (~80% liquids): 2P reserves of 711 mmboe and 2C contingent resources of 600 mmboe at year-end 2016
  - Potential to reach 270 mboepd in 2023 (12% CAGR)
  - Proven M&A track record – targeting further inorganic growth

CORPORATE STRATEGY

Solid footprint covering entire NCS

Skarv
Solid base performance and upside potential

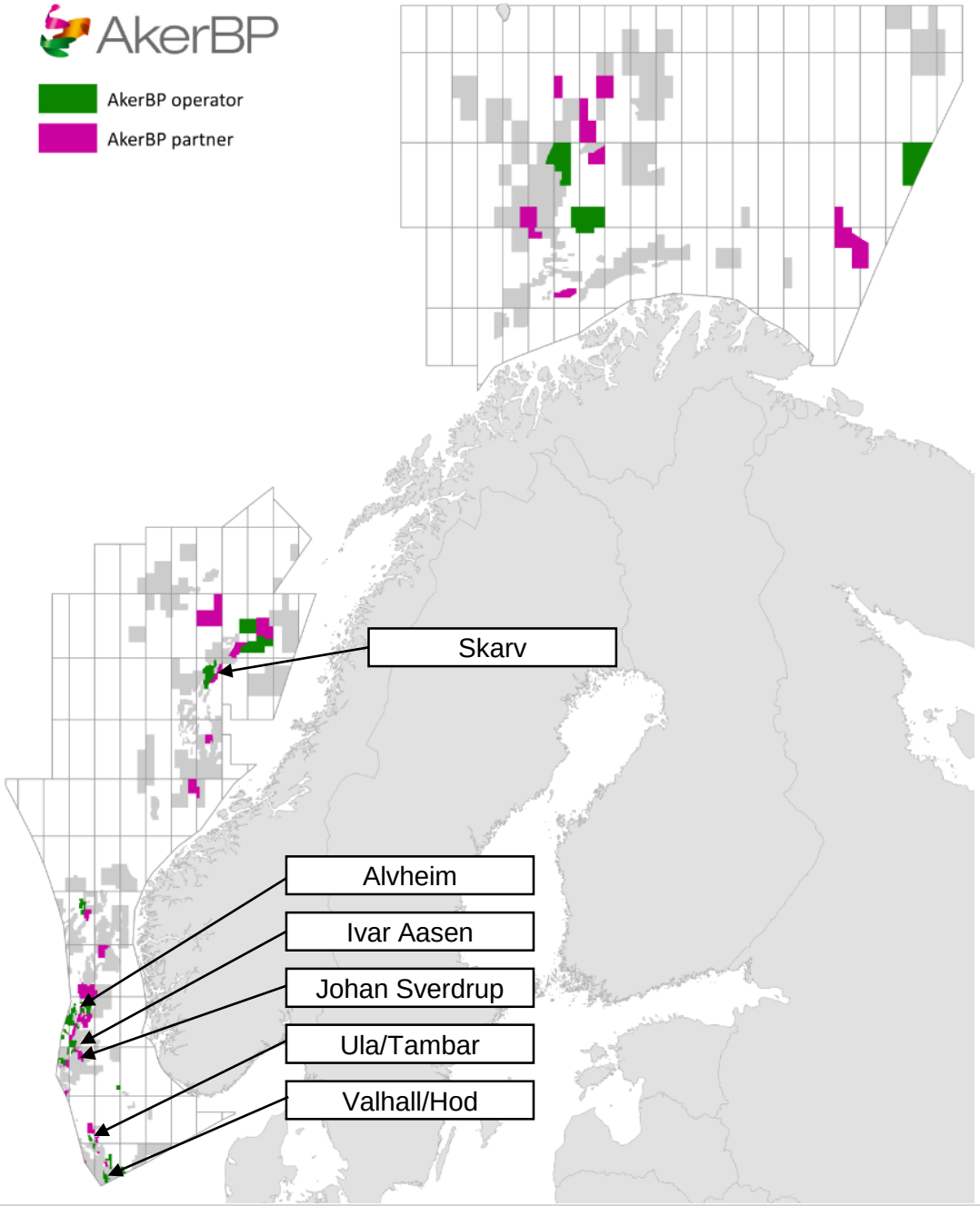
Alvheim
High production efficiency and low operating cost

Ivar Aasen
First oil December 2016

Johan Sverdrup
World class development with break even price below 25 USD/bbl*

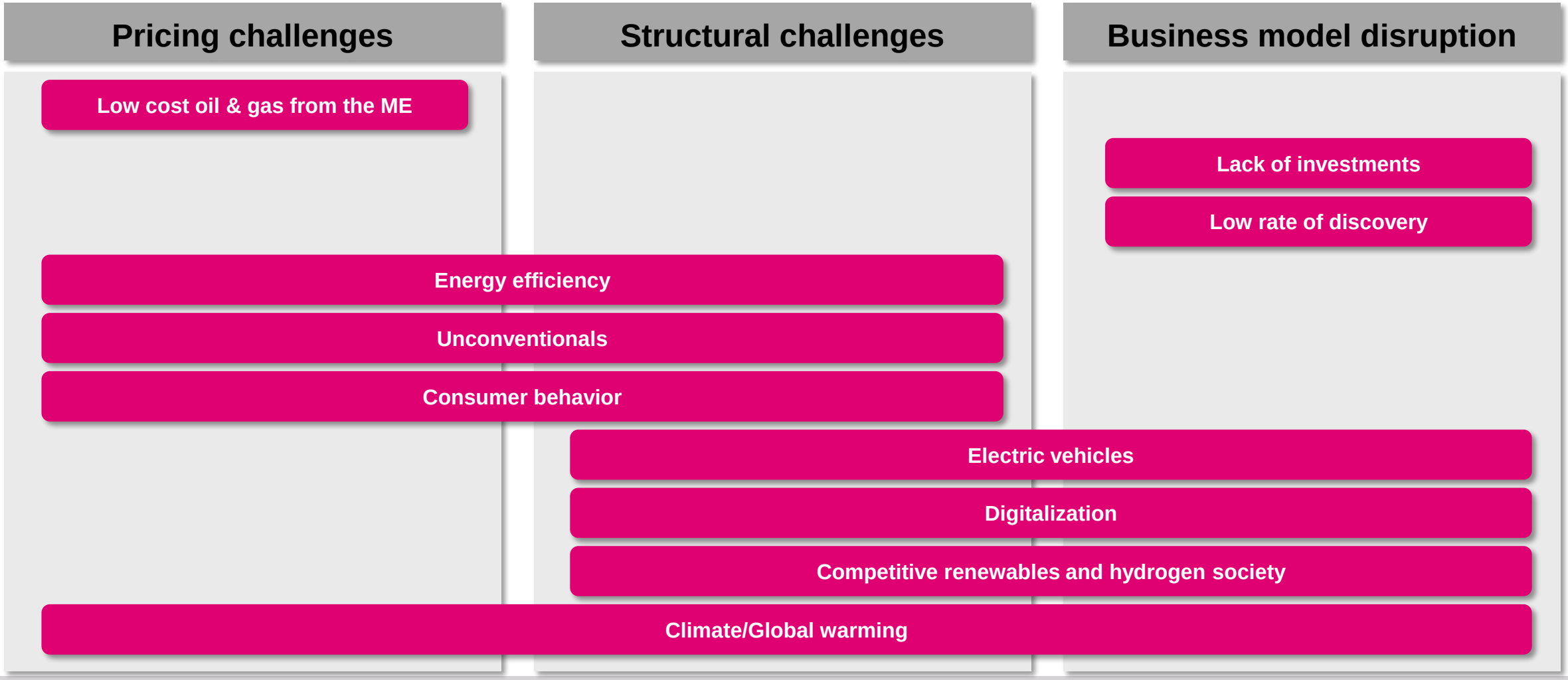
Ula/Tambar
Late life production with significant upside potential

Valhall/Hod
1 billion barrels produced, ambition to produce additional 500 mmbbls

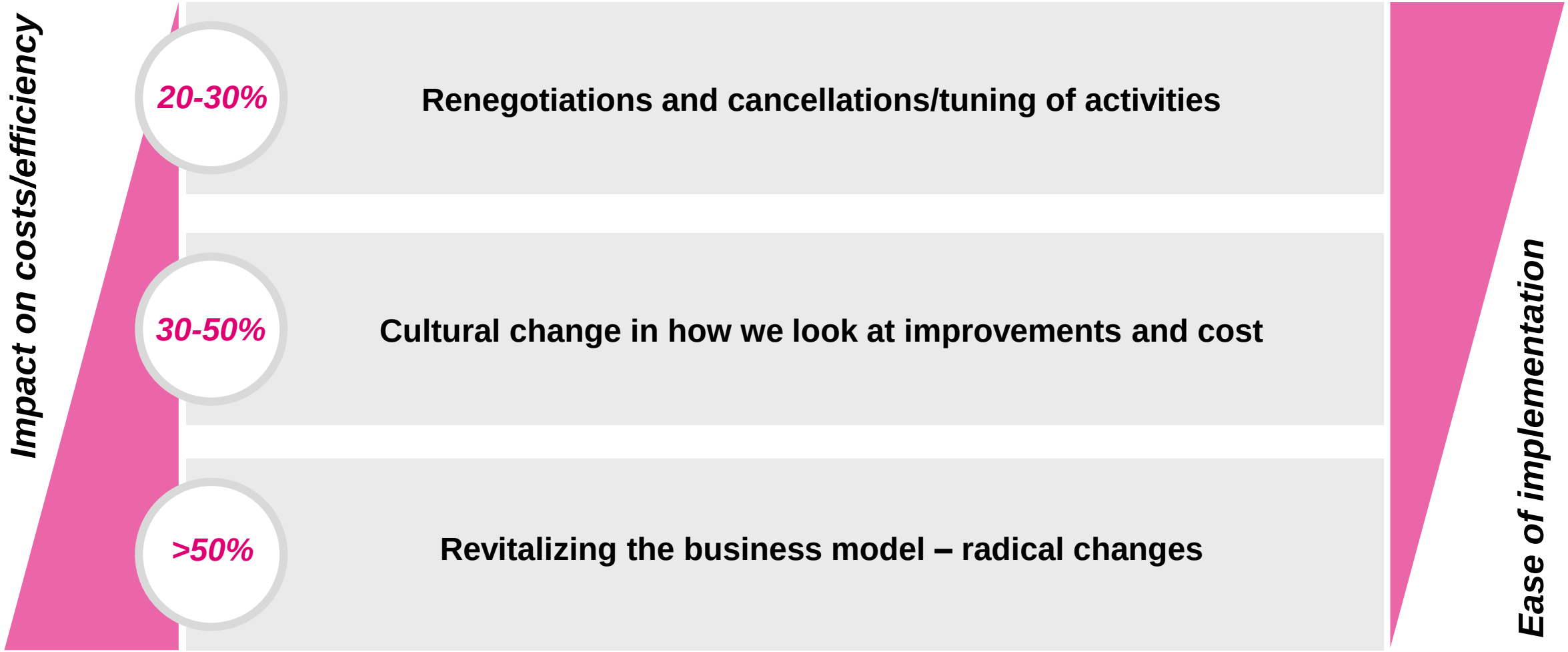


** Phase 1*

The E&P business is being challenged



Great savings are possible, but requires a new way of thinking



Three building blocks for success

Execute

- Deliver on existing projects
- Realize value of resource inventory
- Integrate acquisitions

Improve

- Deliver on improvement agenda
- Strengthen improvement capabilities
- Develop new improvement initiatives

Grow

- Be opportunistic and exploit market opportunities
- Achieve selective growth that is value accretive
- Secure new exploration acreage

Creating the leading independent offshore E&P company

Reorganising the value chain with strategic partnerships and alliances

Be at the forefront for digitizing E&P

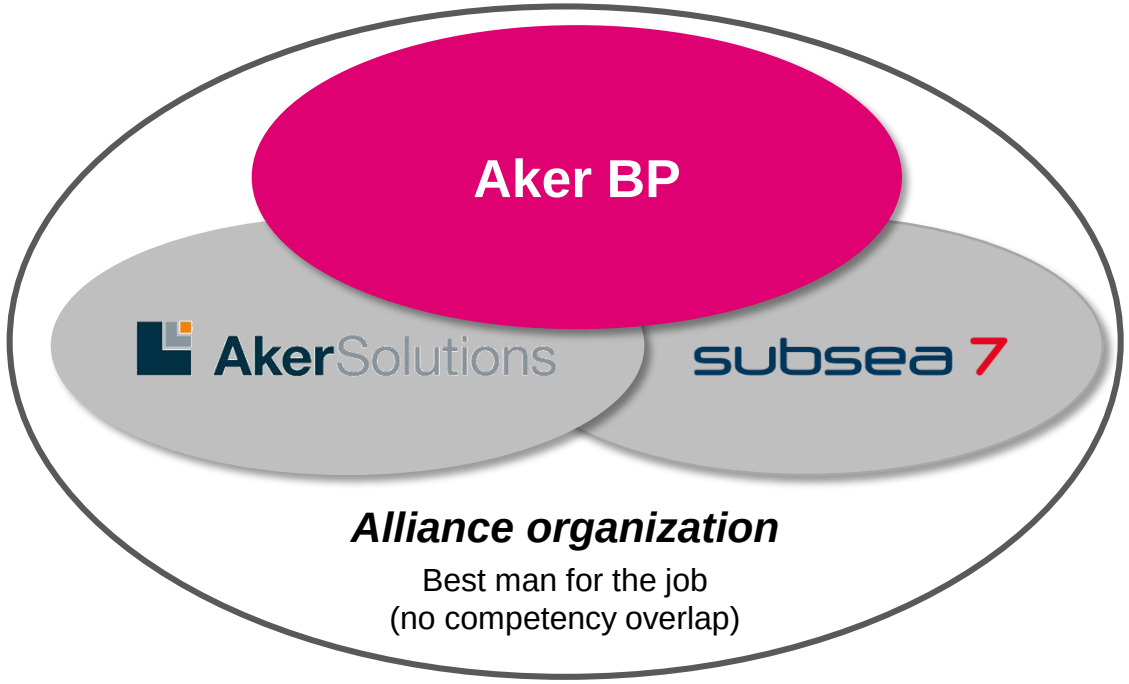
Value chain based on a shared LEAN understanding, toolbox and culture

Flexible business model ready for growth and volatility

CORPORATE STRATEGY

Working together with suppliers through strategic partnerships

- **New project delivery model**
  - Reduce engineering hours per ton platform by 50%
  - Cut total execution time by 25%
- **Common KPIs and incentives**
  - Long term frame agreements
  - Sharing of risk, both upside and downside
- **Alliance team organized to deliver total scope**
  - Best qualified person for the job
  - One integrated team – co-location
  - All positions accountable to deliver on quality/schedule/cost
  - Trust-based leadership
- **Increase flow efficiency and reduce costs by avoiding rework and continuously improving**



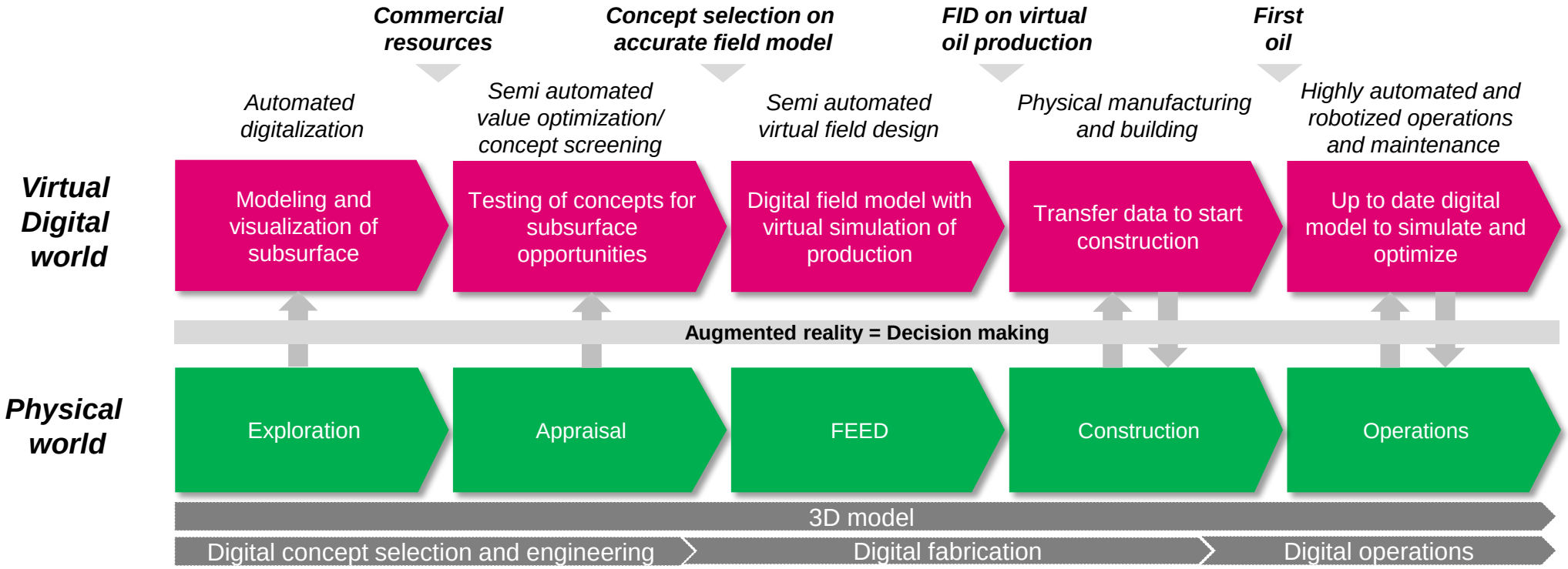
Goal to sanction new stand-alone projects at break-even prices below 35 USD/boe

CORPORATE STRATEGY

Digital field models to attack inefficiencies

Digital value chain

Shorter, path to first oil at lower cost

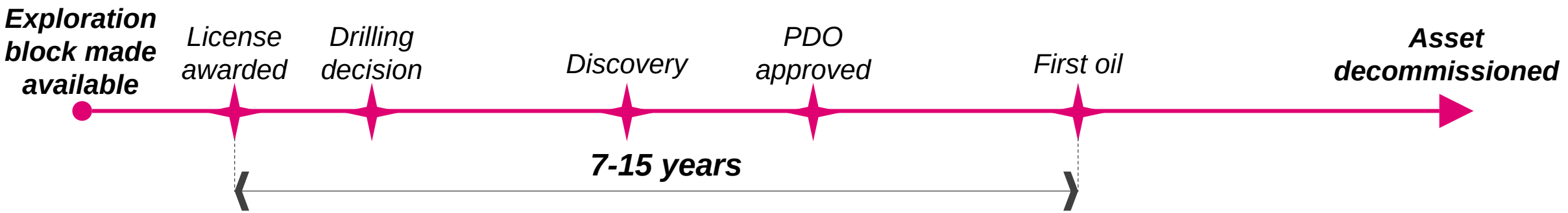


Digital field model from concept selection through EPCI and field operations enables:

- Re-use of proven concepts and modular designs
- Compressed timelines for engineering & procurement
- Fewer and more efficient interfaces across value chain
- Lower risk, fewer delays and change orders in construction

CORPORATE STRATEGY

Vast business potential in focusing on flow efficiency

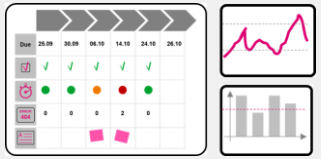


AKER BP'S OPERATIONAL STRATEGY

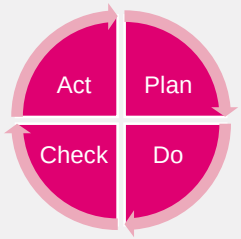
Reduce timeline substantially by ***focusing on flow efficiency***

a) Understand our value streams and improve flow efficiency

b) Visual progress control to always know how we're doing



c) Continuous learning to continuously improve



CORPORATE STRATEGY

Continuous improvement embedded in our culture

- **S** SØKENDE ENQUIRING
- **A** ANSVARLIG RESPONSIBLE
- **F** FORUTSIGBAR PREDICTABLE
- **E** ENGASJERT COMMITTED
- **R** RESPEKTFULL RESPECTFUL

One team

Built on LEAN

Drive Performance

Make Decisions based on Data and Analysis

Develop People and Teams

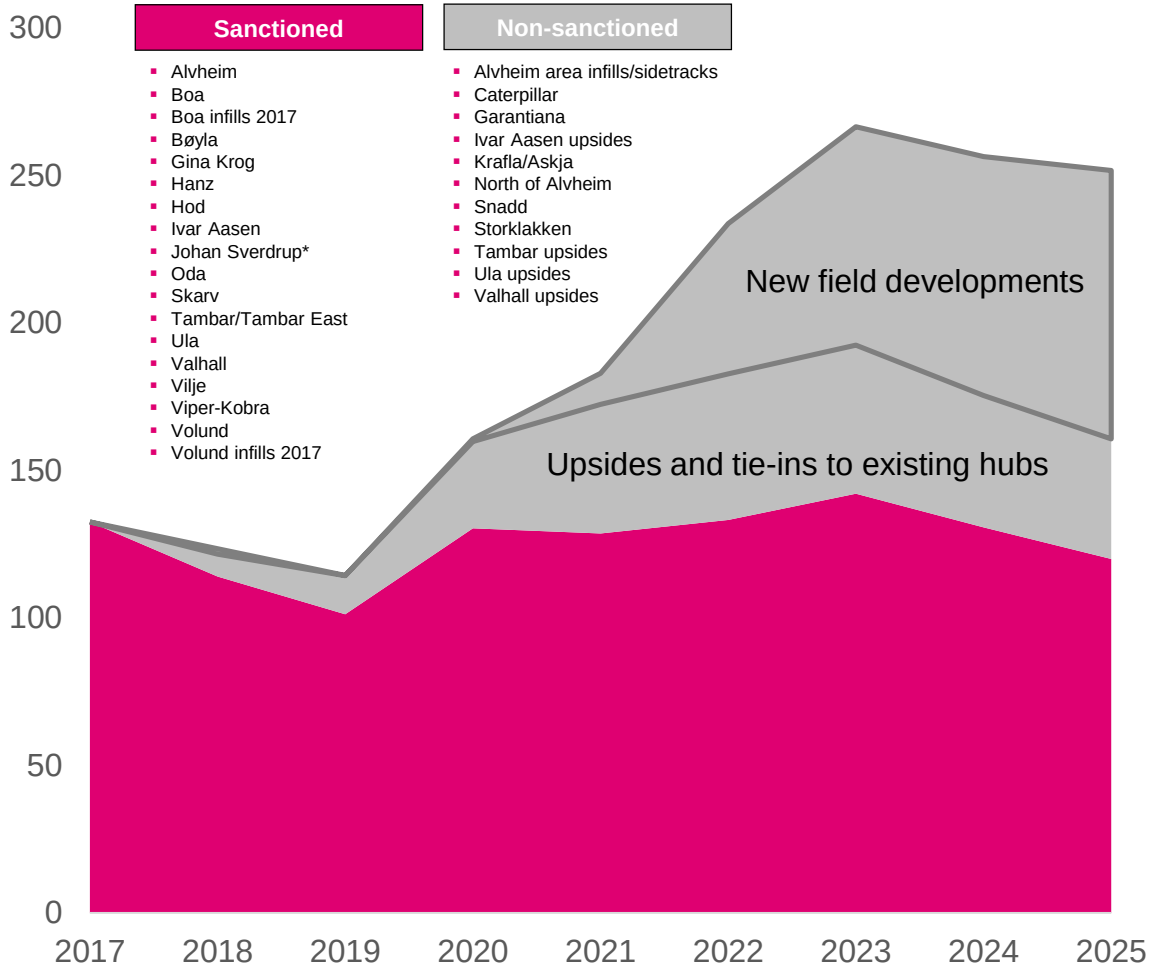
Always search for Improvements

CORPORATE STRATEGY

Visible organic growth from existing portfolio

- **Strong production base of operated assets**
  - ~80% liquids / ~20% gas
- **Organic growth opportunities**
  - New developments in areas with proven potential
  - IOR potential in producing assets
  - Near field and frontier exploration
- **Unique portfolio with potential to reach production above ~270 mboepd from 2023 (12% CAGR from 2016) from existing discoveries**
- **High quality development projects with low break even**

Illustrative production potential, mboepd net



** Including phase 2*

CORPORATE STRATEGY

Ambition to grow through further M&A

Building on our strong M&A track record

Marathon Oil

Acquisition of Norwegian subsidiary for a cash consideration of USD 2.1 billion (2014)

bp

Merger between Det norske and BP's Norwegian subsidiary, creating Aker BP (2016)

SVENSKA PETROLEUM EXPLORATION

Acquisition of Norwegian subsidiary for USD 75 million (2015)

PremierOil

Acquisition of Norwegian subsidiary for USD 120 million (2015)

NORECO

Acquisition of license portfolio in Norway, incl. NOK 45 million (2016)

centrica energy

Acquisition of license portfolio in Norway (2016)

TULLOW OIL

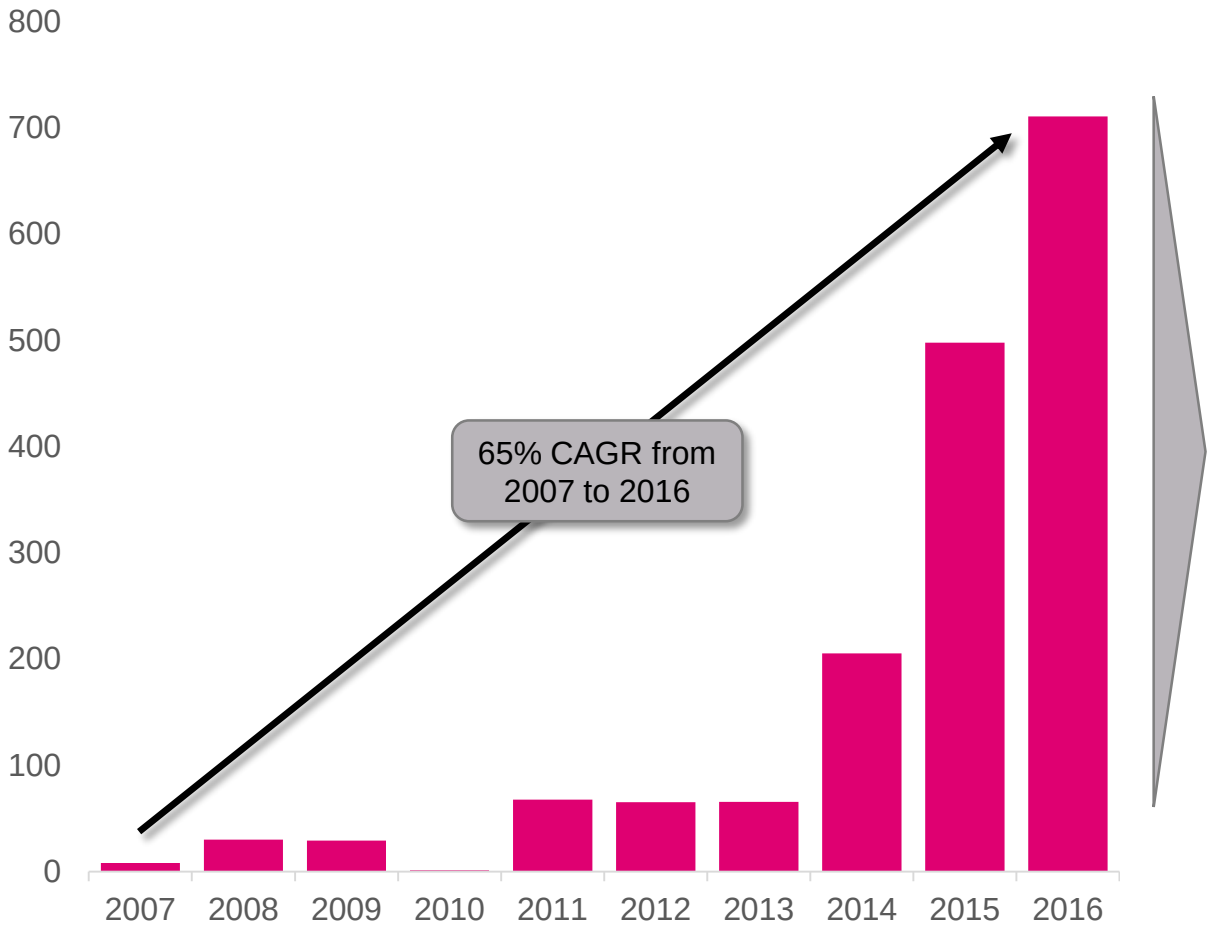
Acquisition of license portfolio in Norway (2016)

Targeting new opportunities:

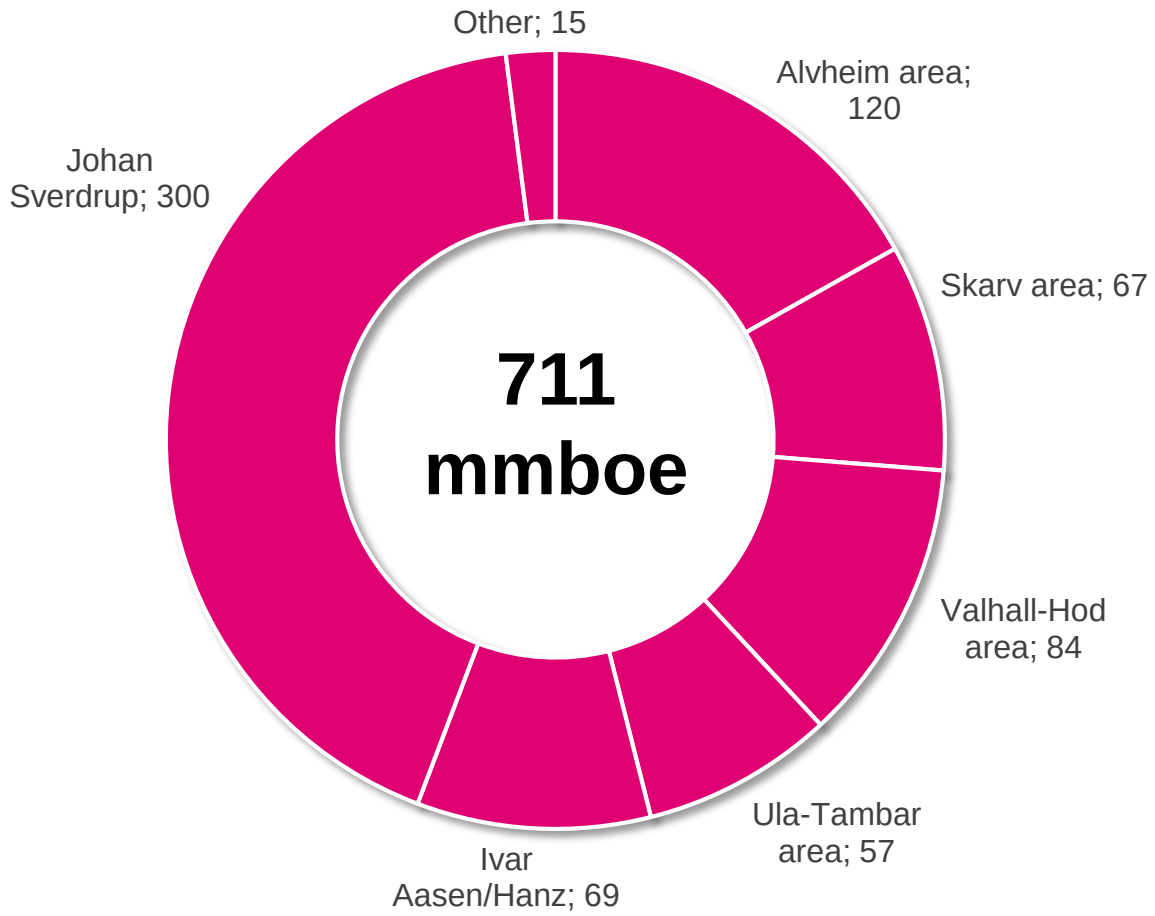
- **High asset quality**
- **Operated assets**
- **Organic growth opportunities**
- **Liquids exposure**
- **Financially accretive**

Year-end 2016 preliminary P50 reserves of 711 mmboe

Development in P50 reserves (mmboe)



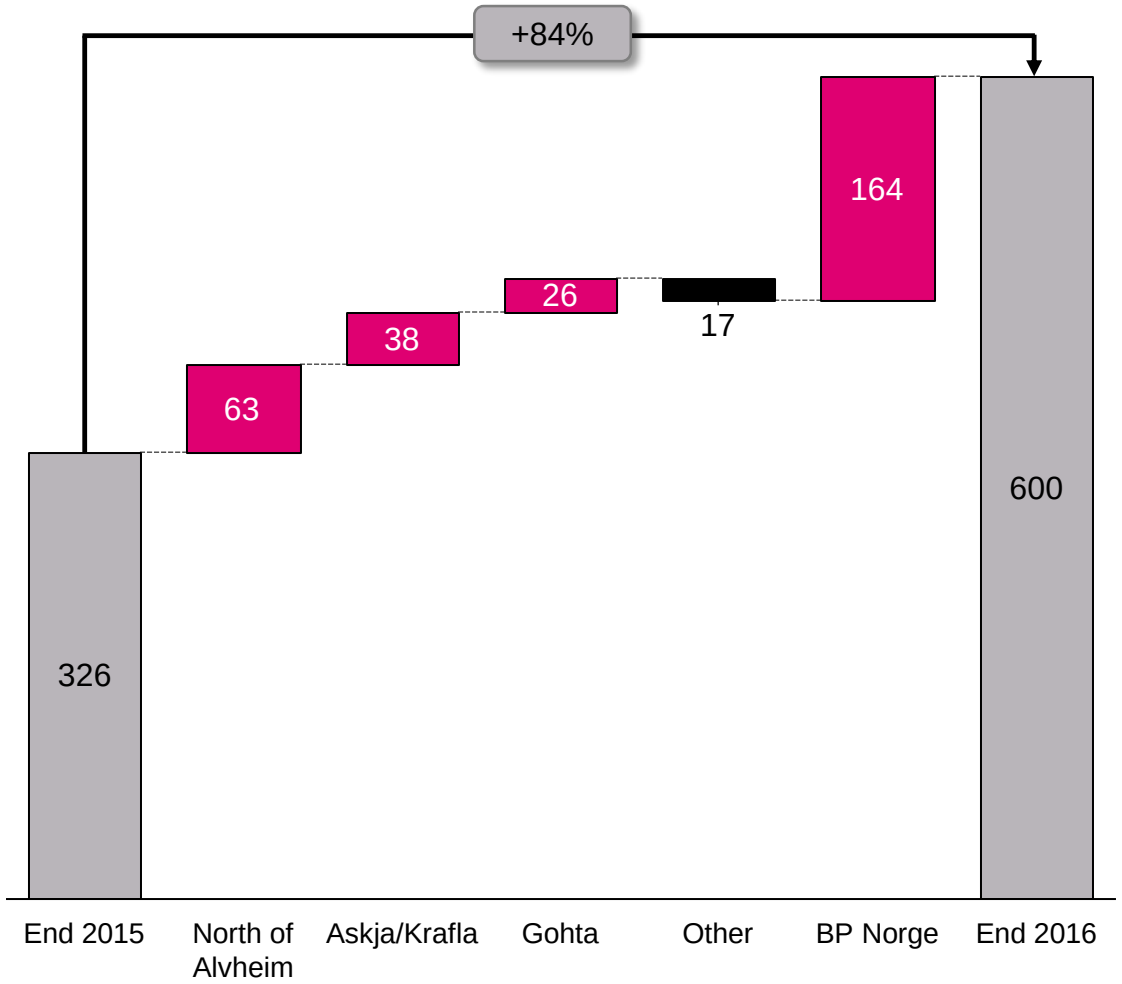
Proven & probable reserves (P50), end 2016*



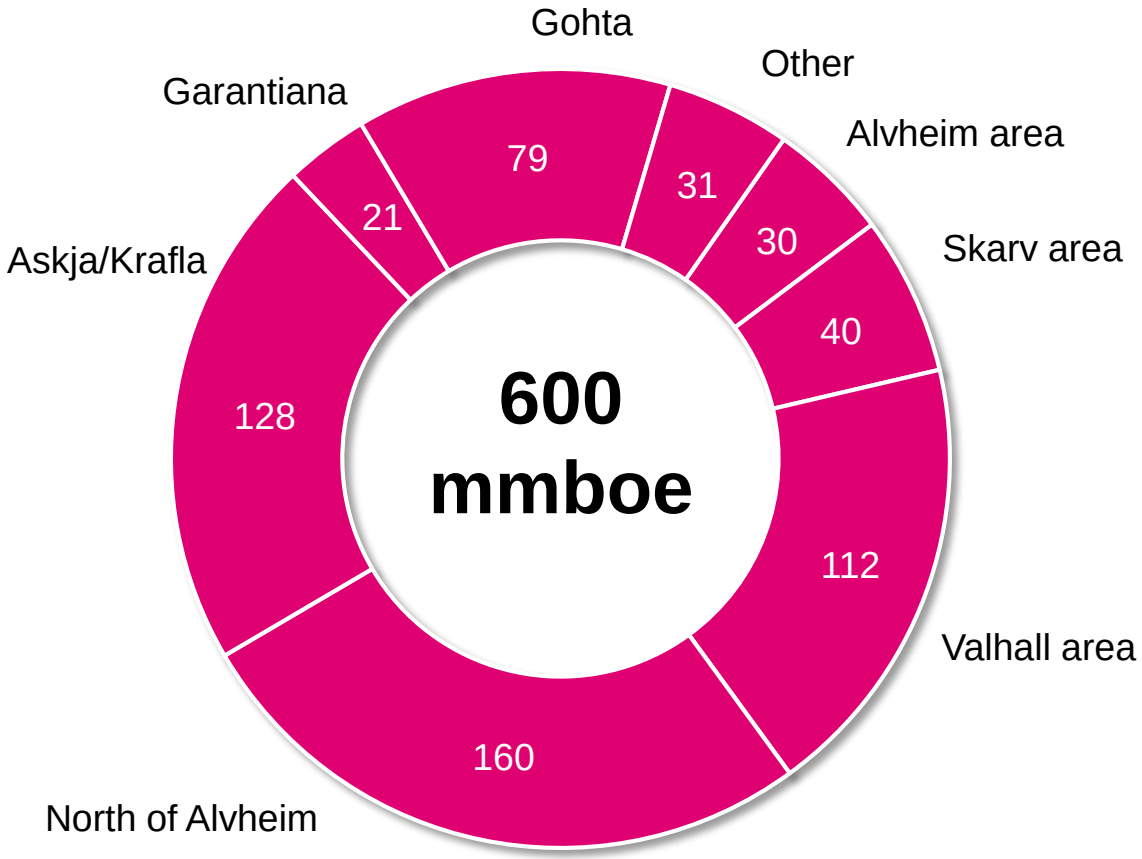
** Numbers may not add due to rounding. Reserves are according to Petroleum Resources Management System (PRMS)*

274 mmboe added to the resource hopper in 2016

Development in contingent resources



Year-end 2016 mean contingent resources *



** Numbers may not add due to rounding*

Finance

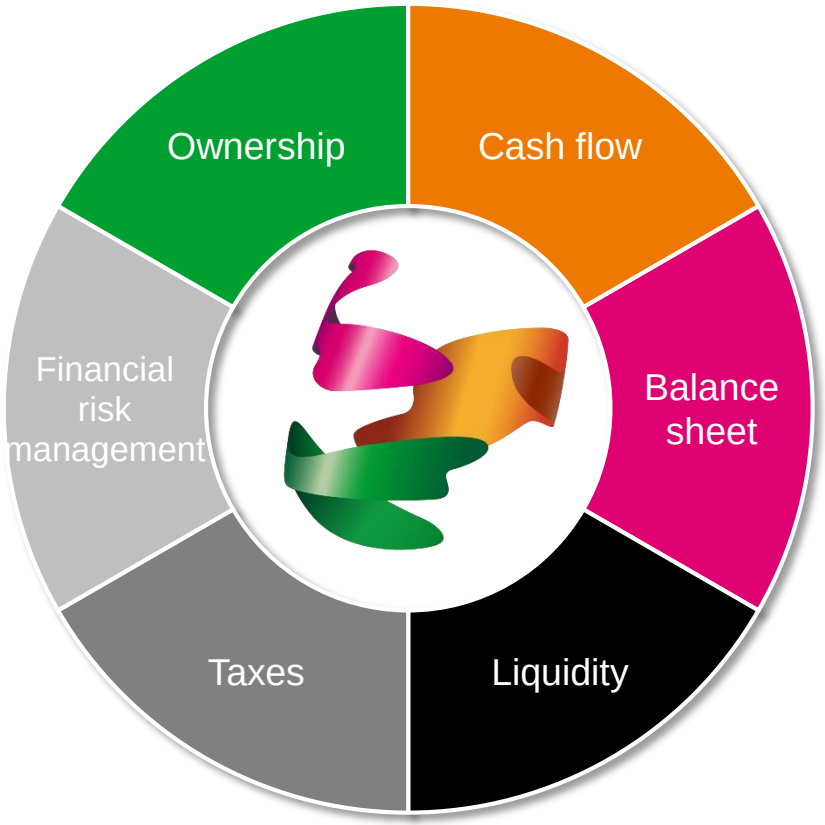
Alexander Krane
Chief Financial Officer

Financial strengths

Strong support of principal owners Aker ASA (40%) and BP plc (30%)

Cash generative with attractive dividends

Prudent hedging policies to protect downside



Robust balance sheet and diversified capital structure

Tax credits shield ~90% of field investments

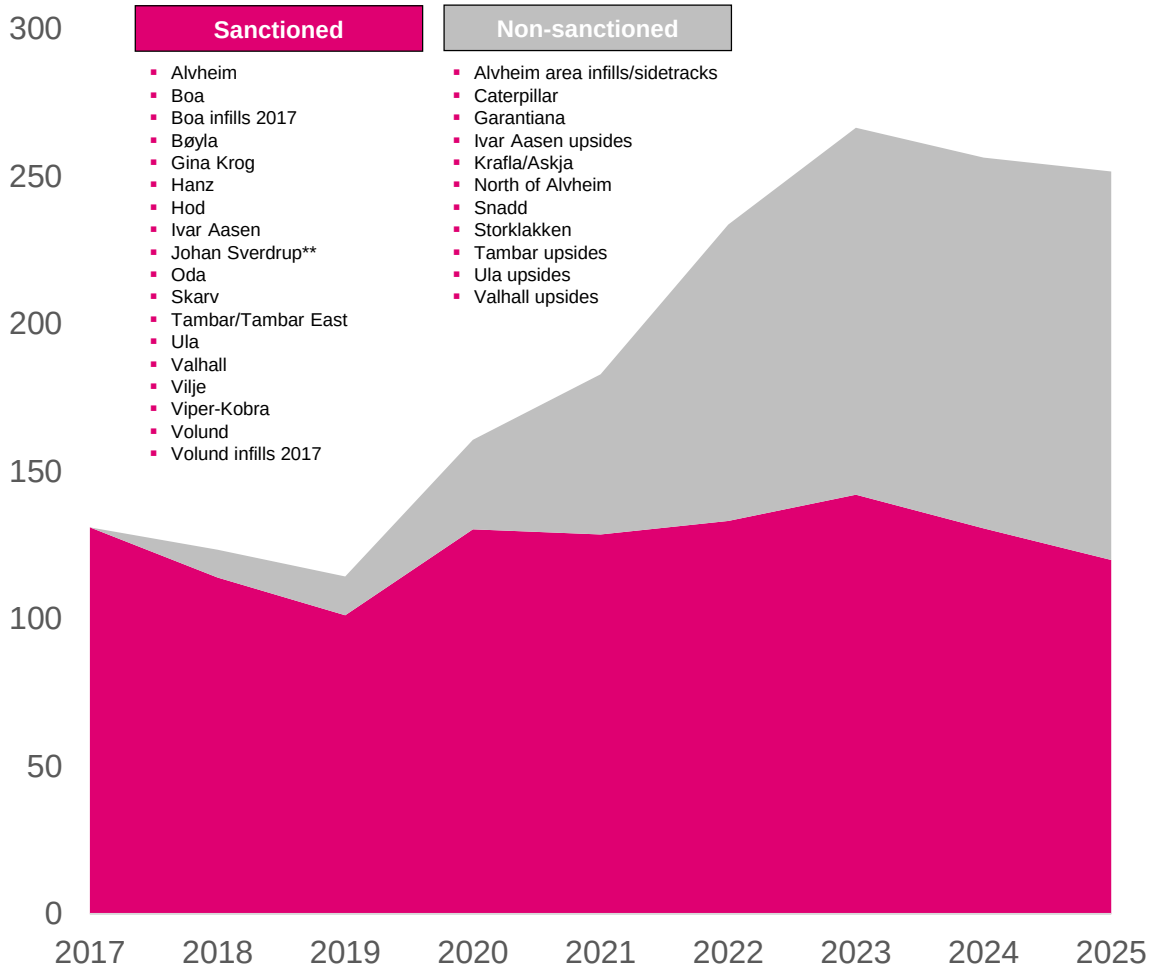
USD 2.5 billion in cash and undrawn debt facilities

FINANCE

Strong cash flow outlook and attractive dividends

- **Cash generative business from a diversified asset base**
- **Sanctioned projects have potential to deliver after-tax operating cash flow* in excess of USD 6 billion to Aker BP in the period 2020 – 2025 at current forward price**
- **Ambition to sustain a dividend of minimum USD 250 million per year in the medium term**
  - To be paid in quarterly instalments
  - Dividend level to increase once Johan Sverdrup is in production

Illustrative production potential, mboepd net



** Cash flow from operating activities (CFFO), before working capital changes*
*** Including phase 2*

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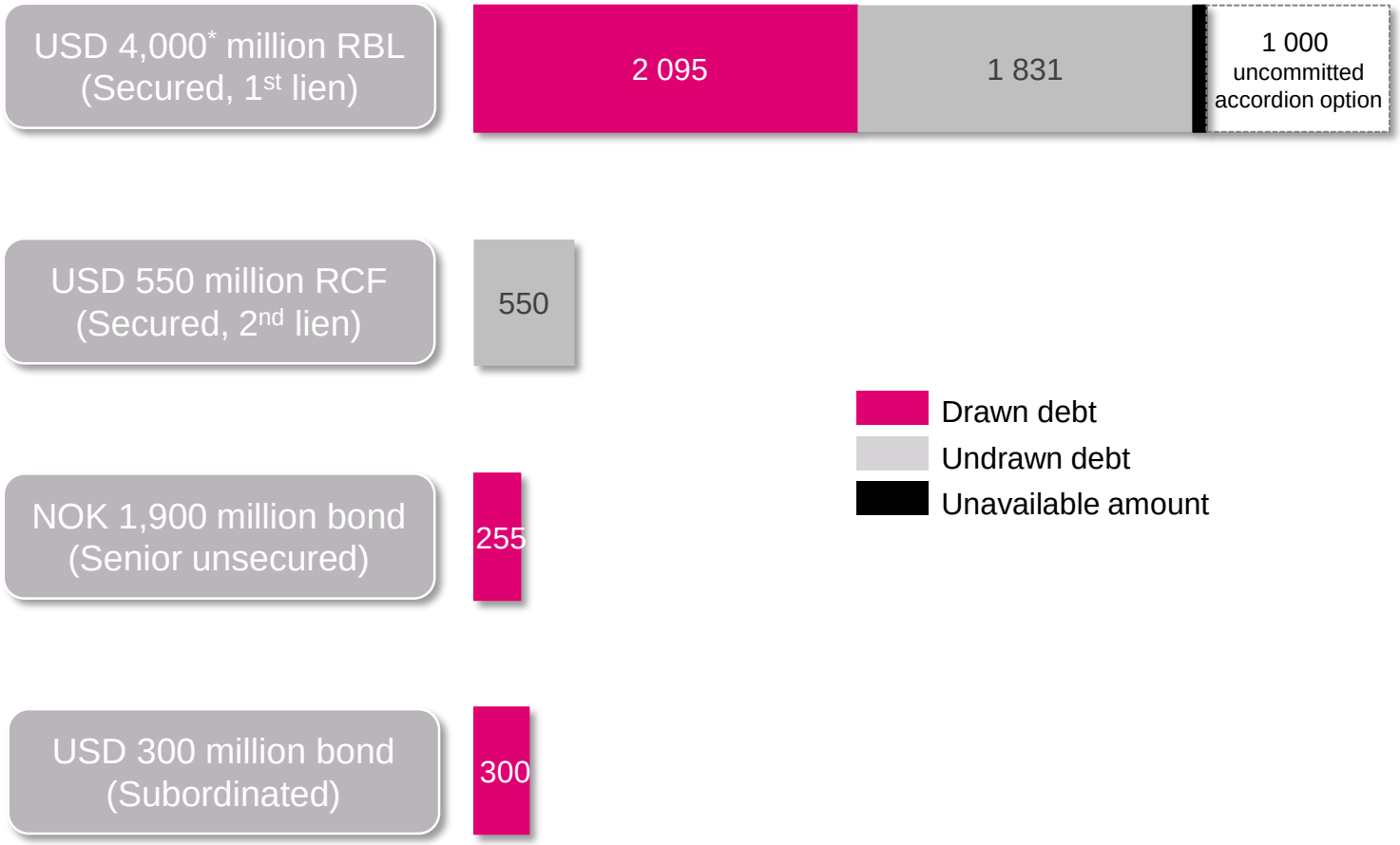
Robust balance sheet and diversified capital structure



Key features

- 7 years from 2014
- 20 banks
- NPV based, semi-annual redetermination
- LIBOR + 3.25% (110 bps on unused amount)

- 4+1+1 years (at banks' discretion) from 2015
- 14 banks
- LIBOR + 5.5% (200 bps on unused amount)

- Matures July 2020 at 107 percent of par
- 3m NIBOR + 6.5%
- Maintenance covenants (aligned with banks)

- Matures May 2022
- All-in coupon: 10.25%
- No covenants
- Not part of net debt calculations for covenant purposes

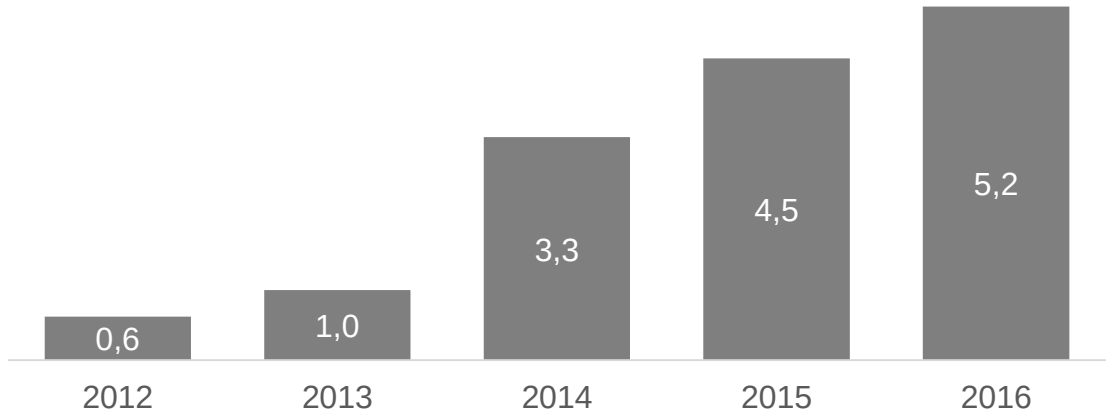
** Total borrowing base availability of USD 3.9 billion, including a minor amount related to Oda pending consent on license pledge*

FINANCE

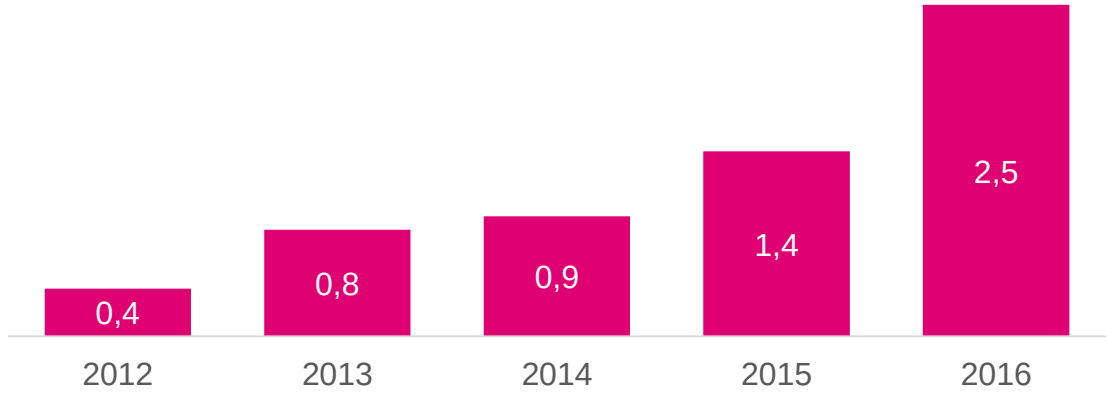
Strong liquidity position provides flexibility

- **High investment program last five years amid a challenging macro environment**
- **Company policy has been to retain a sufficient liquidity buffer to ensure capital flexibility**
- **Significantly strengthened credit metrics last two years**
  - NIBD / 2P reserves decreased from 10 to 3 USD/boe
  - NIBD / Market capitalisation decreased from 1.8x to 0.4x
- **Evaluating capital structure and debt composition post merger with BP Norge**
  - Improved flexibility
  - Lower cost of debt
  - Support further organic and inorganic growth

Accumulated CFFI* 2012 – 2016 (USDbn)



Available liquidity, end of period (USDbn)



** Cash flow from investing activities, DETNOR for 2012-2015, Aker BP for 2016*

FINANCE

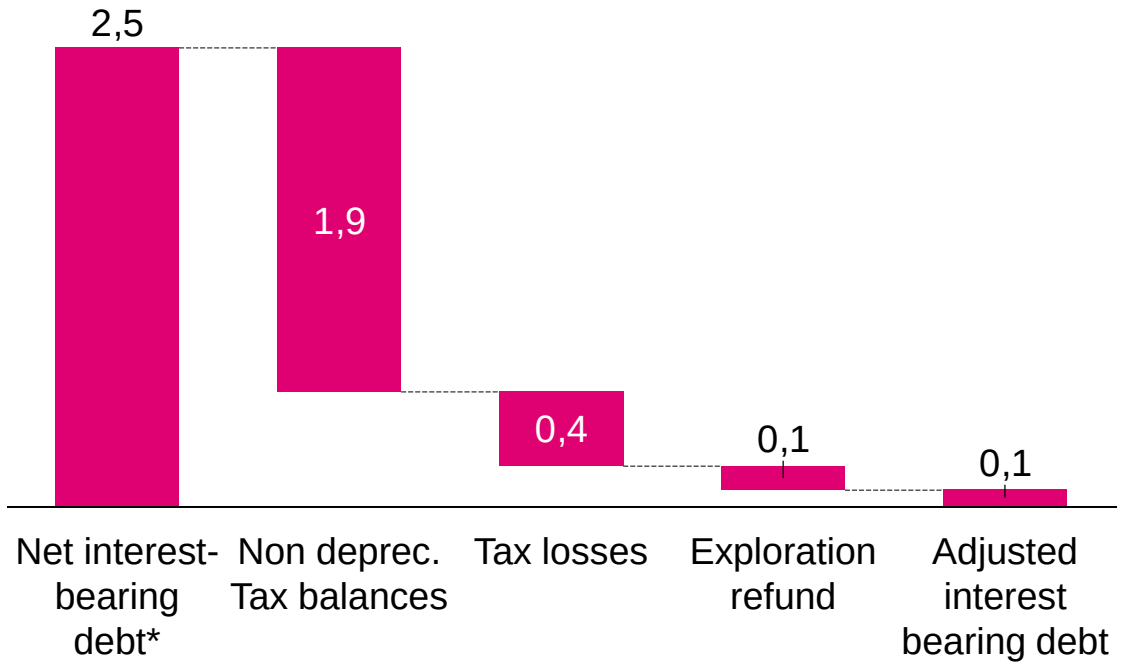
Tax regime supportive of growth

NCS tax system and implications for Aker BP

- **Key attractions of the NCS tax system**
  - ~90% of investments recovered over 6 years
  - Opex/exploration costs 78% immediate tax recovery
  - Financial costs recovered ~45%**
  - Full tax recovery under all scenarios
    - If not in tax position, losses accumulated
    - Losses refunded if petroleum activities discontinued

- **Aker BP considerations**
  - Gearing considered relative to tax receivable
    - Current debt position covered by tax receivable
  - Tax balances expected to increase going forward due to organic capex program

Tax-adjusted net debt (TAND) - USDbn



- Estimated net interest bearing debt as of Q4 2016
- Tax positions include undepreciated tax position and tax loss carry forward estimated as of Q4 2016

** Before adjustments for tax receivables*
*** Depending on tax balances and net debt, estimate for 2017*

FINANCE

Prudent financial risk management policies

Hedging

- **Various hedging agreements for commodities, interest rates and FX to mitigate financial risk when pricing and levels are viewed as attractive**
- **Aker BP is a USD-company, but has NOK exposure from Sverdrup investments, operating costs and tax payments**
- **USD 400 million of floating rate debt swapped to fixed rate until 2020 at LIBOR below 1%**
- **Loss of production insurance for Alvheim, Ivar Aasen, Skarv and Valhall**
  - Covers loss of production after 60 days at net USD 50/bbl

Overview of current hedges

	2017	2018	2019	2020
Foreign exchange rate hedges				
% hedged of total NOK exposure	~50%	~45%	~35%	~15%
Type of structure	Collars + forwards	Collars + forwards	Collars + forwards	Forwards
Average Hedge Rate	8.10 – 8.86	8.27 – 8.65	8.43 – 8.52	8,42
Commodity hedges				
% hedged of total oil production	~15%*	-	-	-
Put option strike price	USD 50/bbl			
Cost of hedge (pre-tax)	USD 2/bbl			

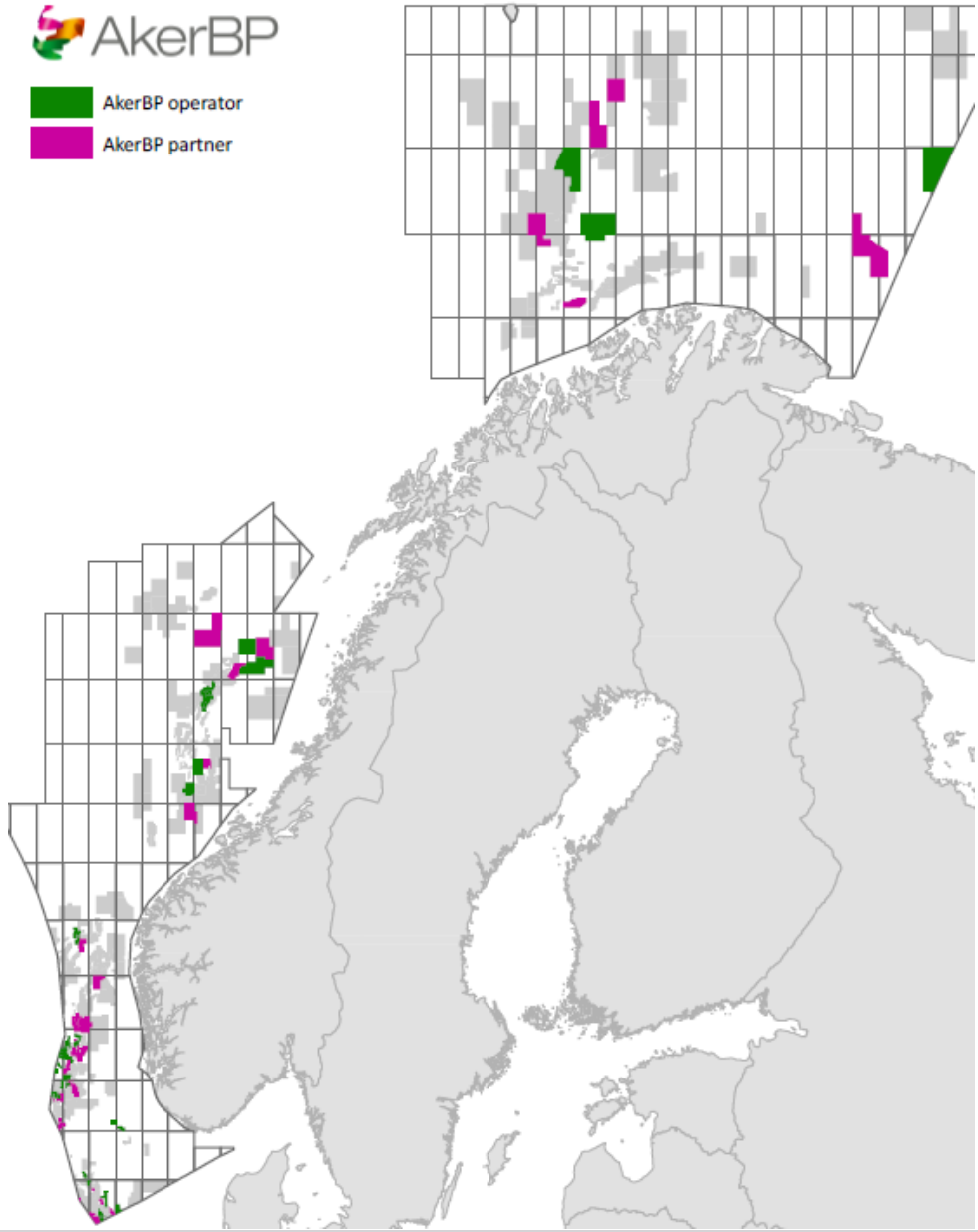
** Corresponding to approximately 50% of after-tax exposure*

FINANCE

2017 guidance

Item	2017 guidance
2017 production	128 – 135 mboepd
2017 Production cost	USD ~11 per boe
2017 CAPEX	USD 900 - 950 million
2017 EXPEX	USD 280 – 300 million
2017 decommissioning expenditures	USD 100 – 110 million

Note: *Guidance based on USD/NOK 8.5*



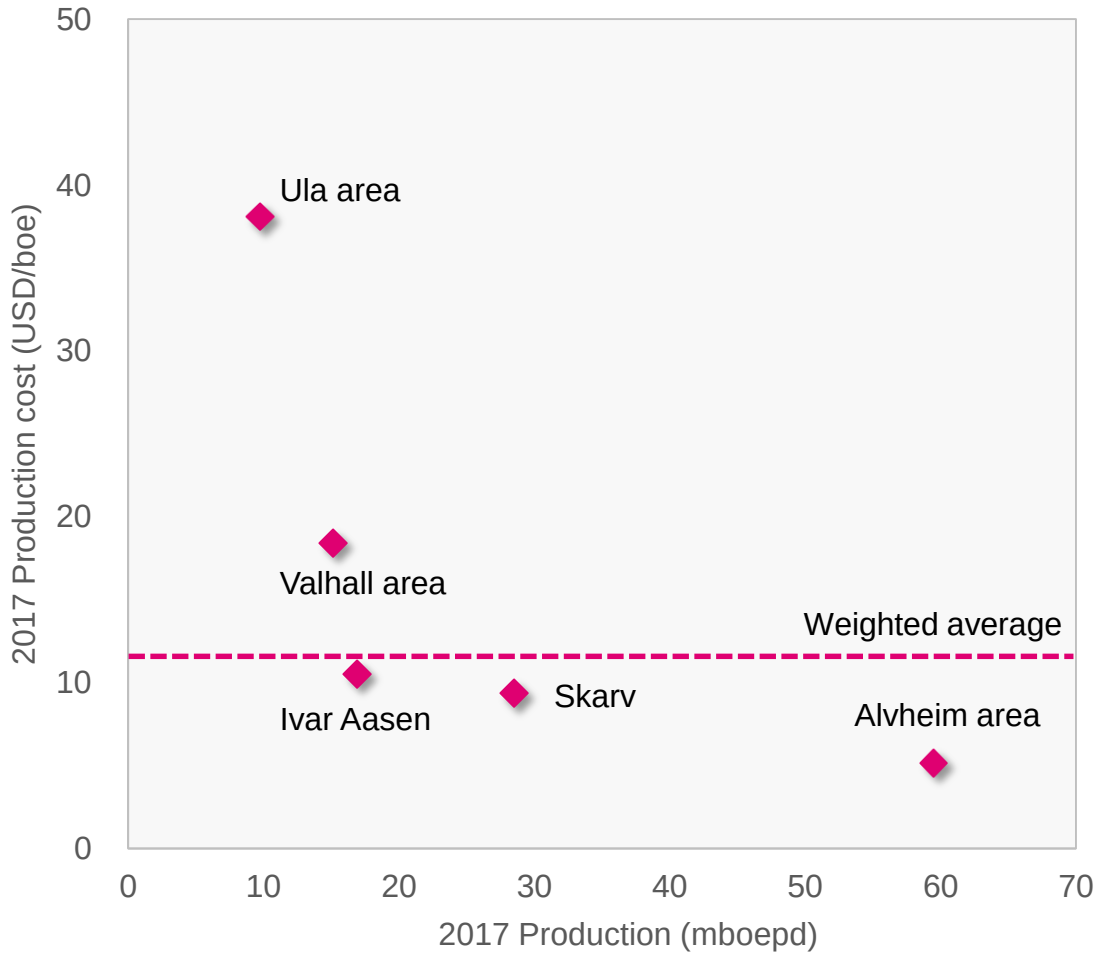
FINANCE

2017 guidance - production and production cost

Key activities

- **2017 production expected between 128 – 135 mboepd**
  - 78% liquids / 22% gas
- **2017 production cost expected to average ~11 USD/boe**
  - Including tariffs and transportation costs
- **Aim to reduce unit costs across the portfolio**
  - Cost reduction
  - Investments to increase production

Comparison of operated hubs, 2017



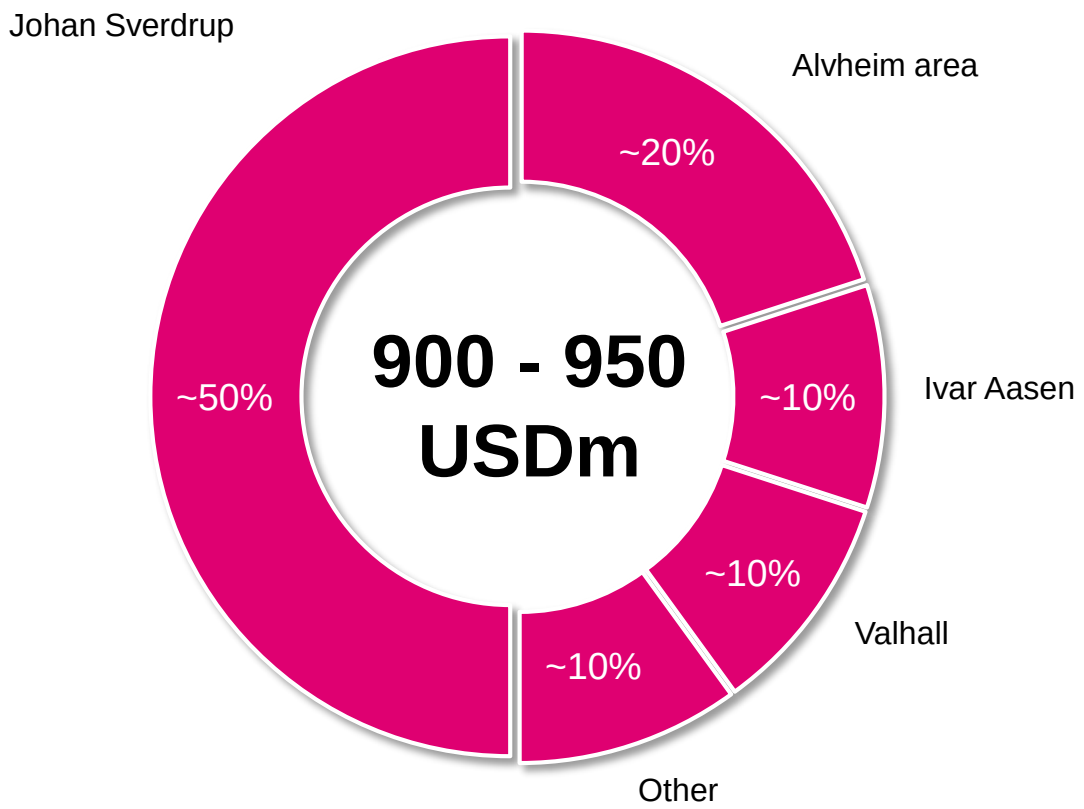
FINANCE

2017 guidance - CAPEX

Key activities

- **Johan Sverdrup**
  - Engineering, procurement and construction of facilities
  - Drilling & Completion of seven water injection wells
  - Concept studies phase 2
- **Alvheim area**
  - Drilling of Volund and Boa infill wells
  - Long lead items for 2018 wells
- **Ivar Aasen**
  - Completion of offshore hookup and commissioning
  - Completion of PDO drilling program
- **Valhall**
  - Drilling of three wells
  - Maturing of West Flank project
- **Other**
  - Concept studies North of Alvheim
  - Engineering and construction of subsea facilities at Oda

Split by main project



Assumes USDNOK = 8.50

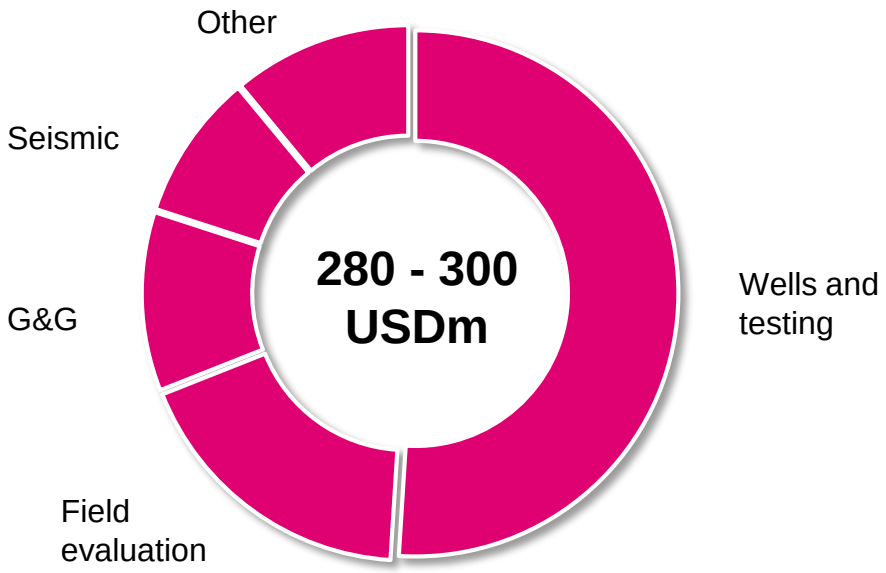
2017 guidance – EXPEX and Decommissioning

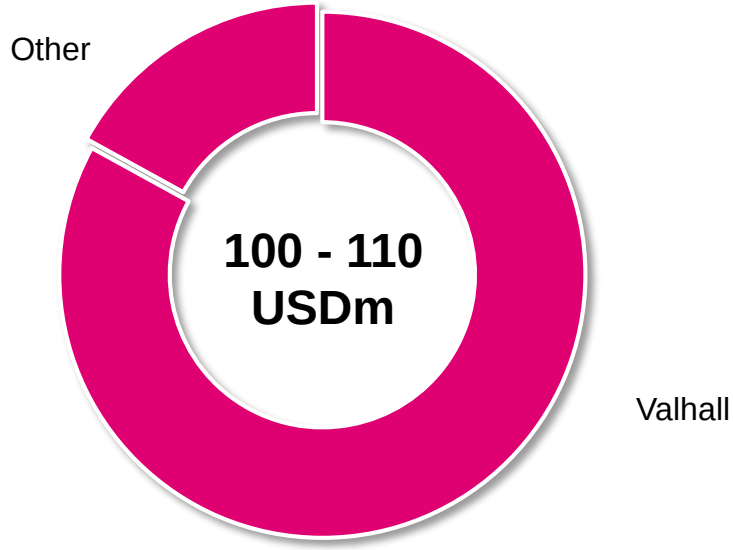
Exploration expenditures

- **Drilling of 7 exploration wells (4 operated)**
- **Field evaluation costs (North of Alvheim, Askja/Krafla, others)**
- **Seismic for 24th licensensing round**
- **Area fees and other exploration costs**

Decommissioning expenditures

- **Continuous P&A activity on Valhall until 2020**
- **Decommissioning program for legacy assets (Jette, Jotun, Varg)**





FINANCE

Cash flow outlook 2017

- **2017 cash flow illustration based on mid-point of guidance ranges**
- **Total investments (CAPEX, EXPEX, DECOM) of USD 1.3 bn equalling 28 USD per boe of estimated 2017 production**
- **Cash break-even in 2017 at a realized hydrocarbon price of approximately USD 43 per boe before dividends**

Illustrative 2017 cash flows *

Realised Hydrocarbon Price (USD/boe)	**30**	**40**	**50**	**60**
Production cost (USD/boe)	(11)	(11)	(11)	(11)
Other OPEX (USD/boe)	(1)	(1)	(1)	(1)
Financial cost (USD/boe)**	(4)	(4)	(4)	(4)
Cash taxes (USD/boe)	0	0	0	(1)
Netback (USD/boe)	**14**	**24**	**34**	**43**
CAPEX (USD/boe)	(19)	(19)	(19)	(19)
EXPEX (USD/boe)	(6)	(6)	(6)	(6)
Decommissioning expenditures (USD/boe)	(2)	(2)	(2)	(2)
Investments (USD/boe)	**(28)**	**(28)**	**(28)**	**(28)**
Free cash flow (ex. working capital) (USD/boe)	**(13)**	**(3)**	**7**	**16**
Cash flow break-even before dividends (USD/boe)		**43**		

** Numbers may not add due to rounding*
*** Not including effects of commodity hedges*

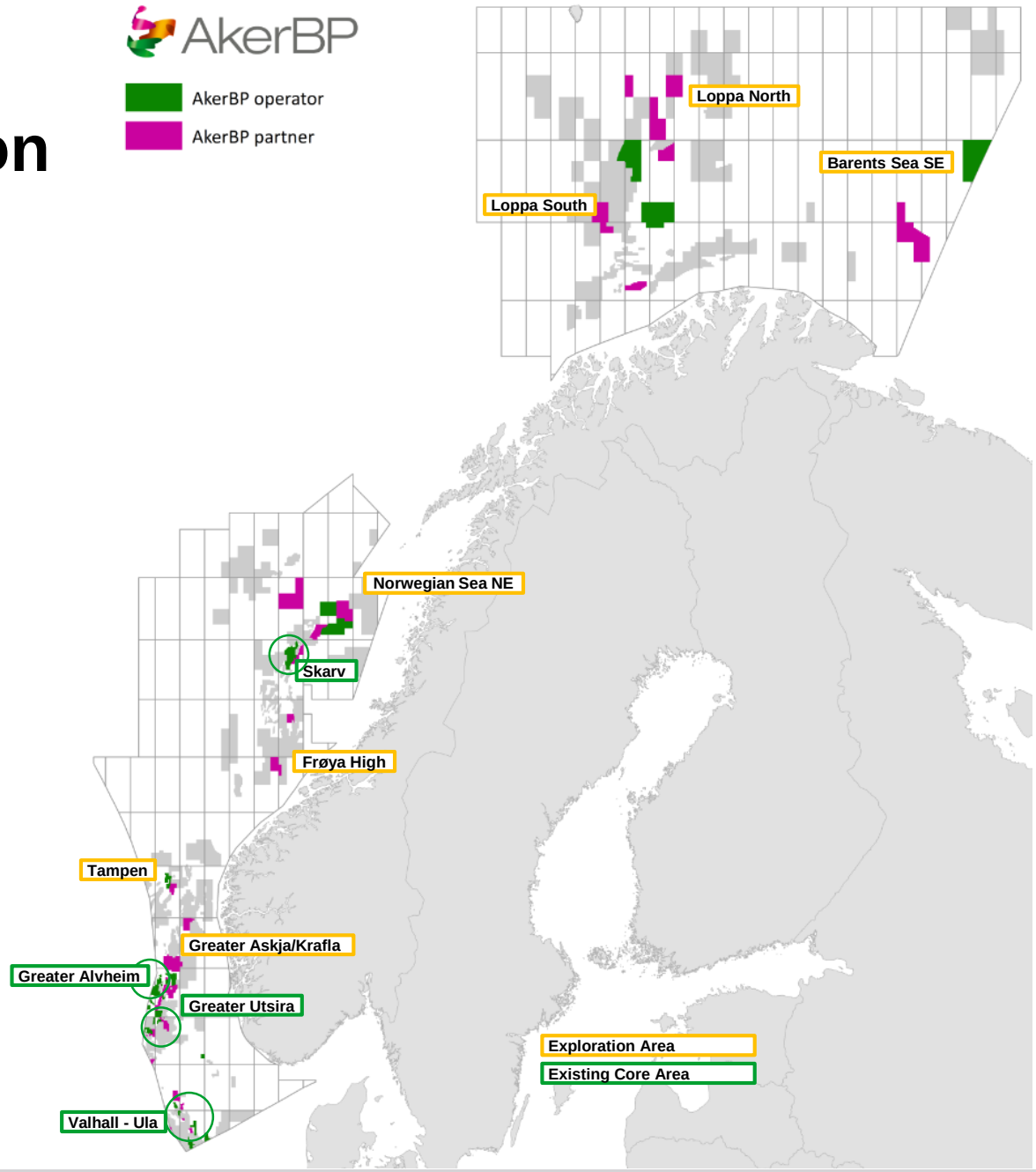
Exploration

Gro Gunleiksrud Haatvedt
SVP Exploration

EXPLORATION

Ambition to be a leading explorer on the Norwegian Continental Shelf

- Ensure long term reserve replacement and value creation
- Establish new core areas
- Discover 250 mmboe net to Aker BP in 2016 - 2020
- Continuous positioning for significant additional discoveries
- Improve data quality and technology to create a competitive edge



EXPLORATION

Delivering on the exploration strategy

- **Discovering the prognosed volumes on portfolio level**
  - Securing new volumes to existing infrastructure
  - Enabling area development solutions
  - Integrated with high business development activity
  - New Play Innovation initiative to challenge the old truths and enable the in-depth understanding of the NCS basins

- **Costs have come down: Exploration cost of 1 USD/boe after tax achievable**
  - Revised well design
  - Performance culture
  - Market situation

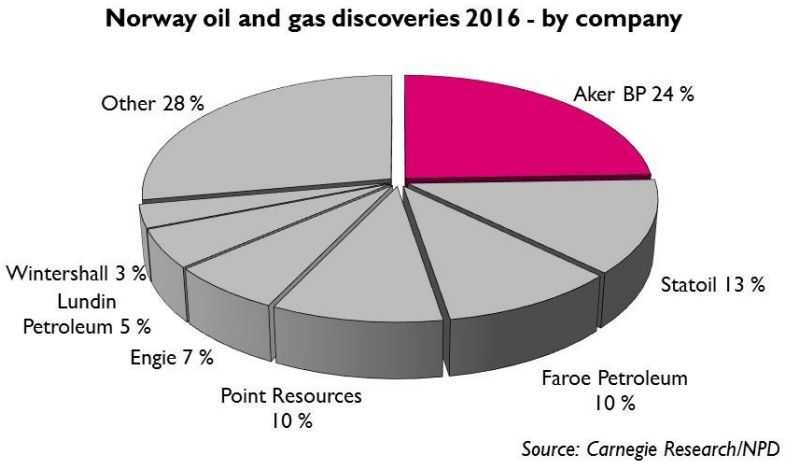
- **On track to discover 250 mmboe net to Aker BP in 2016 – 2020**

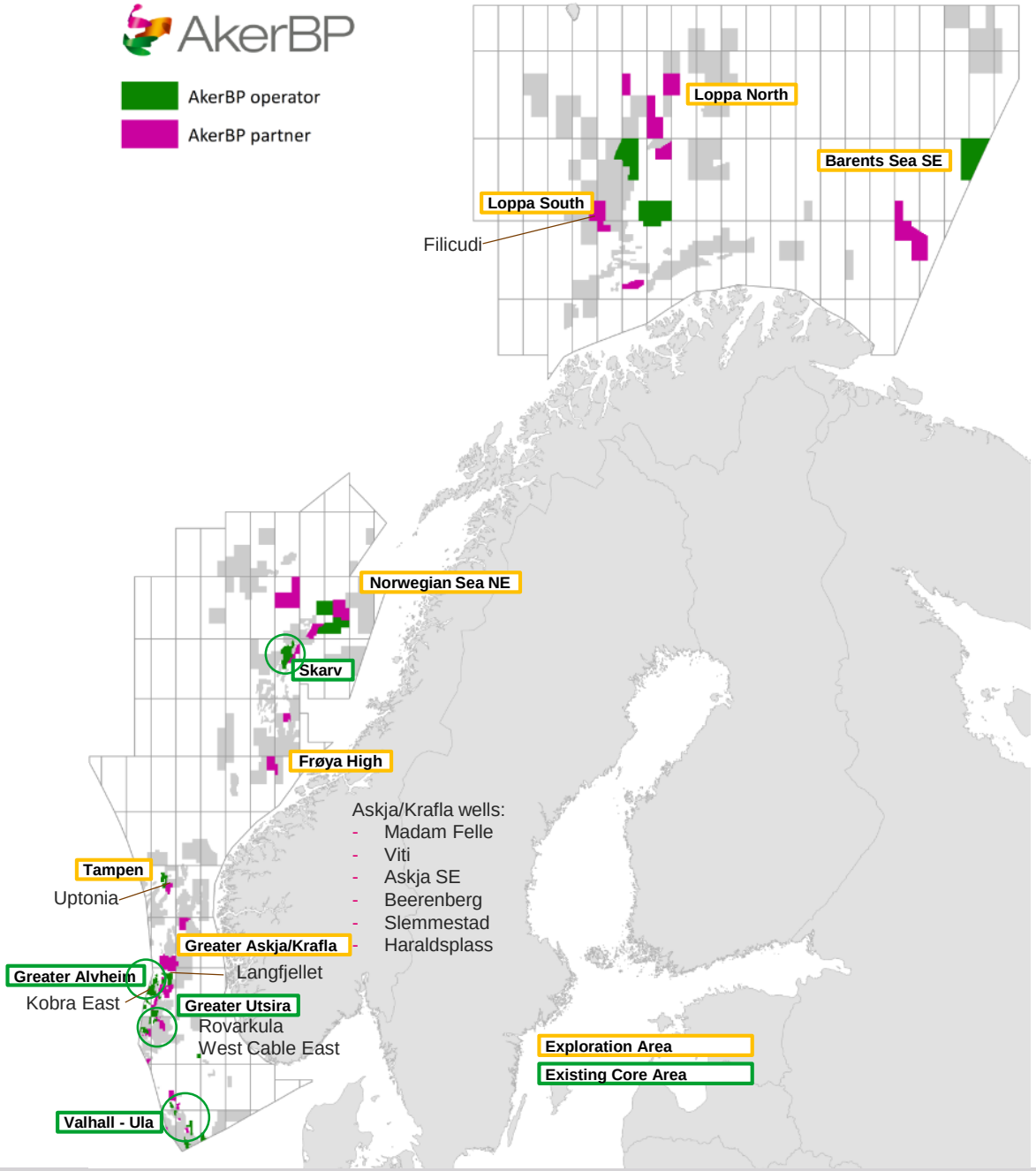
- **<u>2016:</u> North Sea campaign, focus on Greater Utsira**
- **<u>2017:</u> North Sea campaign, and efforts to delineate the Gohta discovery**
- **<u>2018:</u> Planning exploration campaign in the Barents Sea**

EXPLORATION

Successful drilling in 2016

- **2016 – North Sea campaign**
  - Askja/Krafla: Drilling campaign with several discoveries
  - North of Alvheim: Discovery at Langfjellet
- **Additional discoveries made by extending field development wells**
  - Kobra East (Alvheim area)
  - West Cable East (Ivar Aasen area)
- **2016 drilling campaign proved 83 mmboe (net)**
- **2016 finding cost of ~0.7 USD/boe after tax**





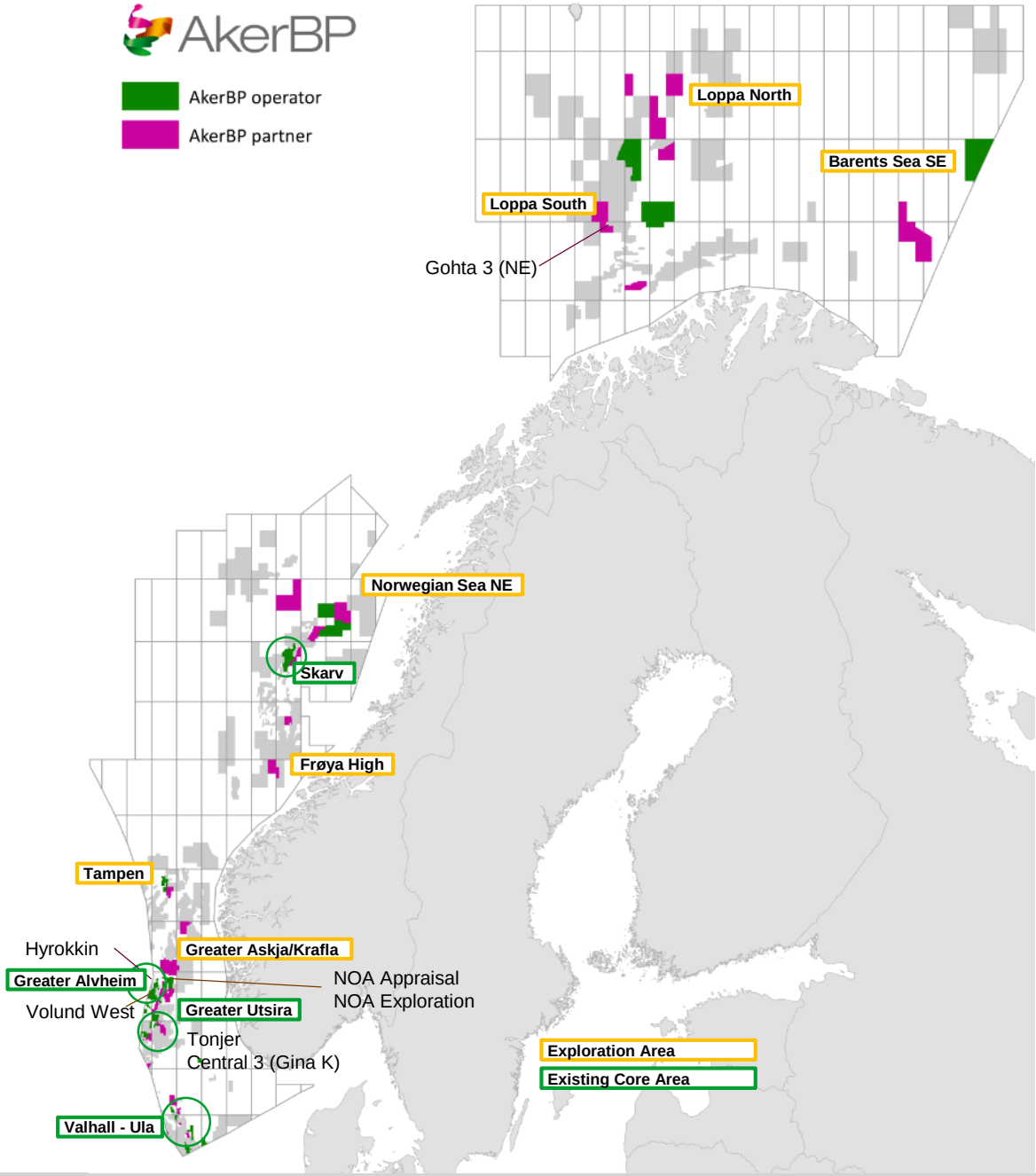
EXPLORATION

Drilling schedule 2017

- **Operated exploration wells North Sea:**
  - Volund West
  - Hyrokkin
  - Planned campaign in the North of Alvheim (NOA) area

- **Partner operated wells:**
  - Gohta (NE) – critical appraisal well to test NE segment
  - Tonjer (Johan Sverdrup)
  - Central 3 (Gina Krog)

License	Prospect name	Operator	Aker BP share	Pre-drill mmboe*	Time
PL150B	Volund West	Aker BP	65%	5 - 22	Q2
PL677	Hyrokkin	Aker BP	60%	6 – 55	Q3
PL442	NOA	Aker BP	90%	Not defined	Q3
PL442	NOA	Aker BP	90%	Not defined	Q4
PL492	Gohta (NE)	Lundin	60%	Appraisal	Q1
JS Unit	Tonjer	Statoil	11,6%	26 - 114	Q1
PL048G	Central 3	Statoil	3,3%	8 - 21	Q3



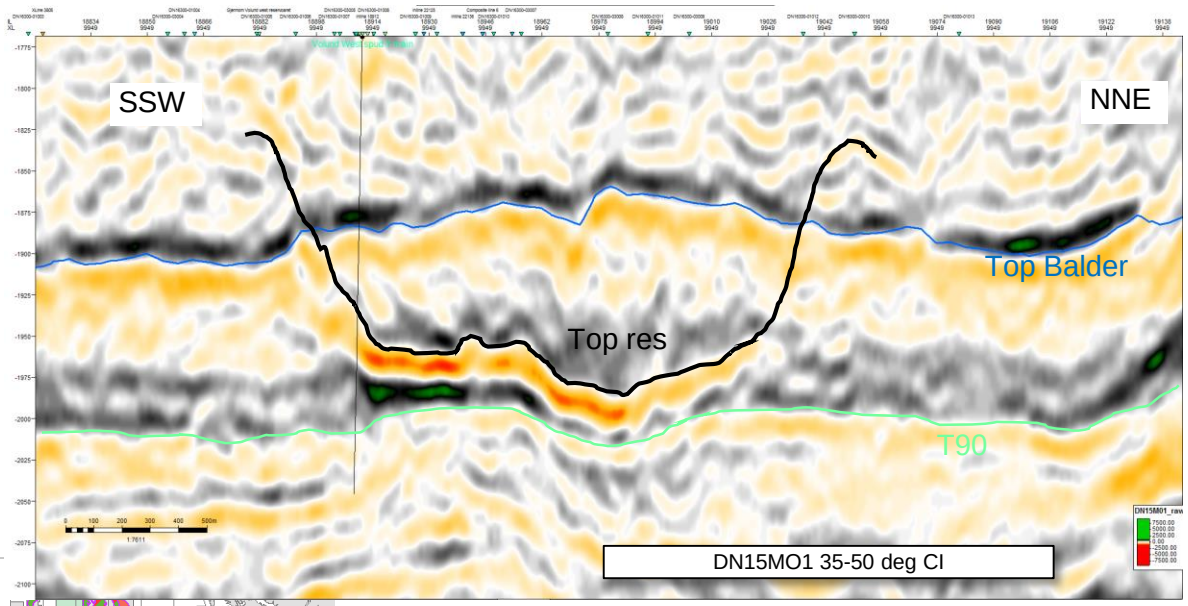
** Gross unrisked*

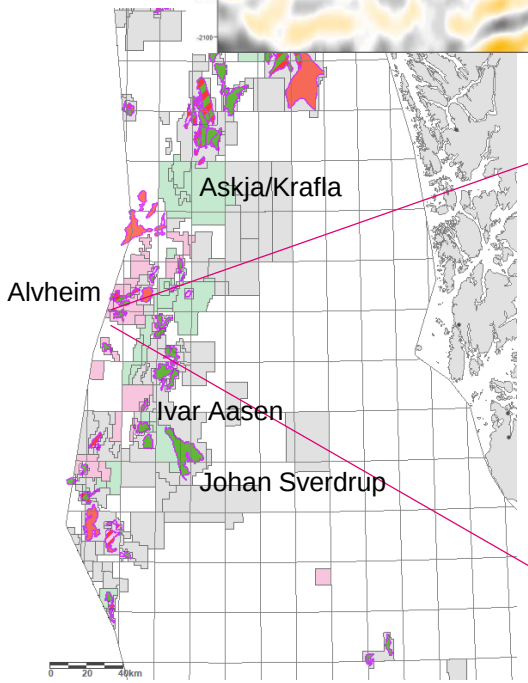
EXPLORATION

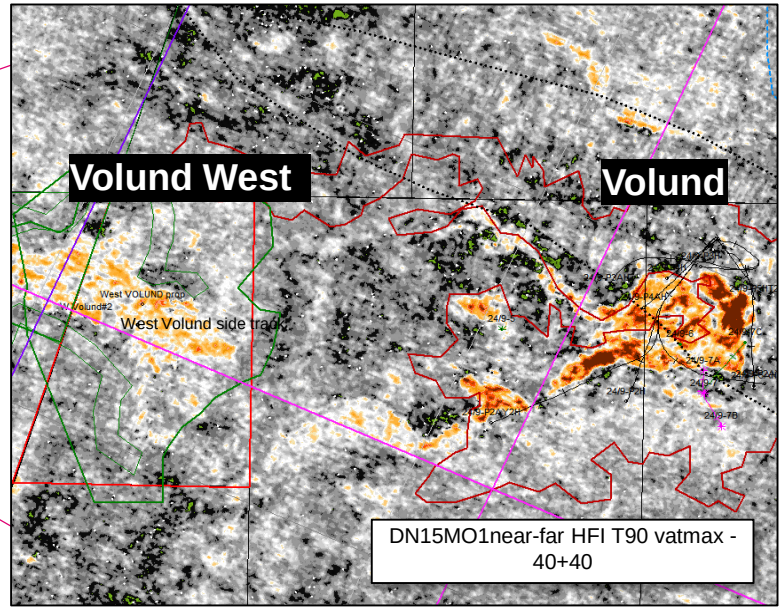
Volund West - exploring injectites

Operated exploration well close to Alvheim infrastructure

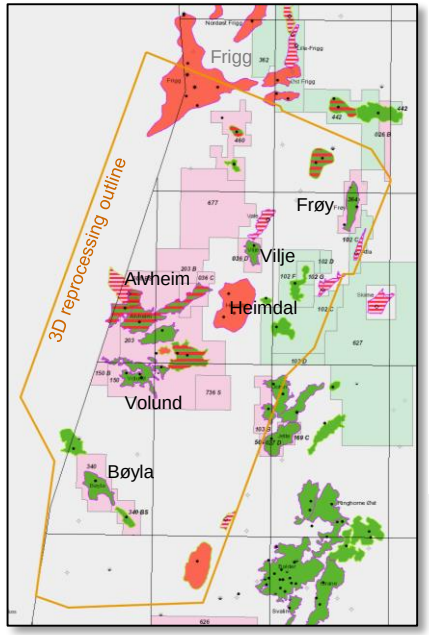
- **Volund West** (PL150B - 65% working interest, operator)
  - Amplitude supported prospect in Hermod Formation sandstones, injected into overlying shales
- **Clear similarities to the Volund Field**
- **High geological chance of success**
- **Pre drill volumes in PL150B: 5 – 22 mmboe (gross)**







Imaging: Creating new opportunities in the greater Alvheim area



2016 Technical limit seismic reprocessing

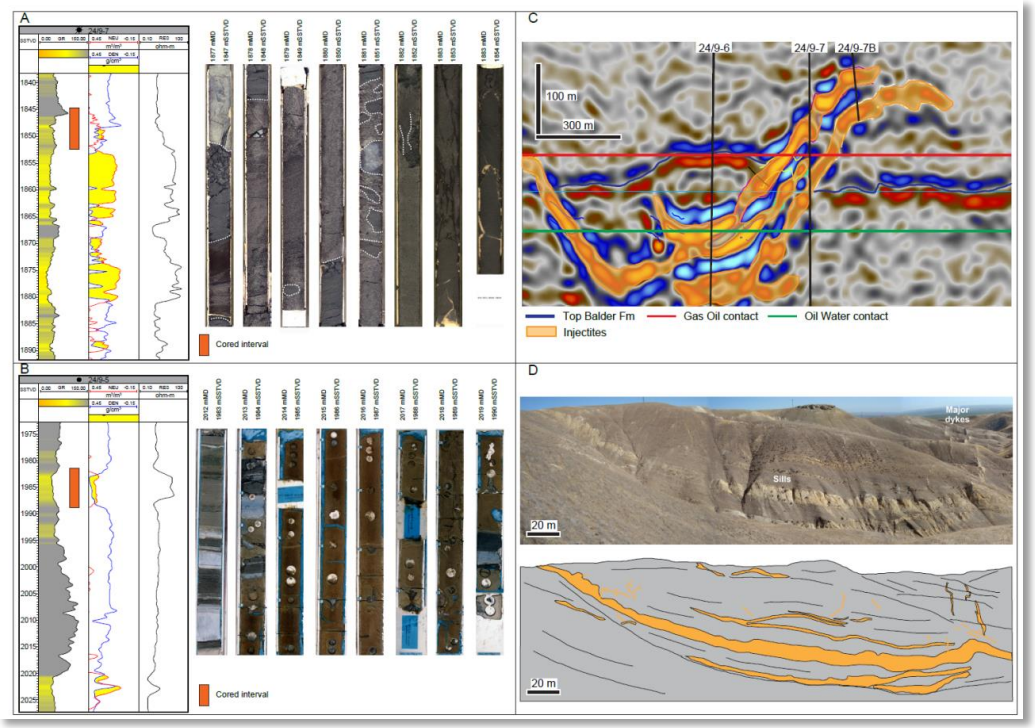
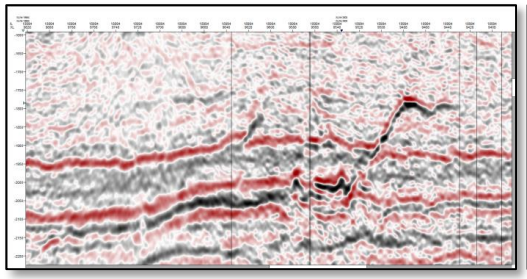
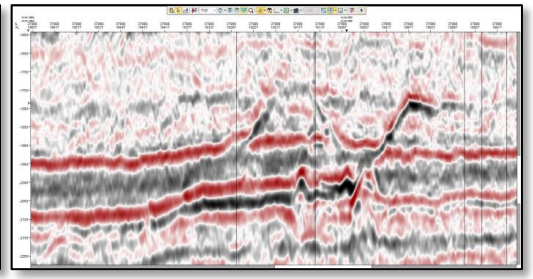


Illustration of integrated G&G work with analogues from California, USA

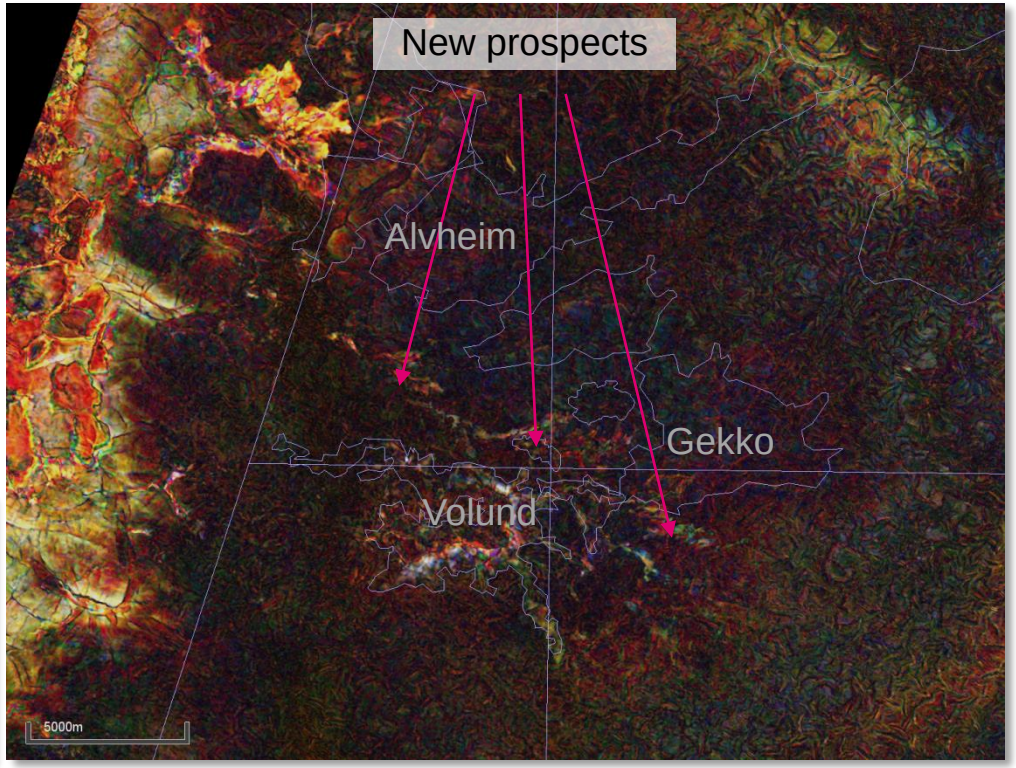


Industry standard seismic



Aker BP technical limit seismic

- **2016: Regional reprocessing pushing technical limits**
  - Consistent data set over the Greater Alvheim area, outside own licenses
- **Result: Identification of new prospects**
  - New candidates for tie-in accumulations to Alvheim
  - Basis for additional acreage



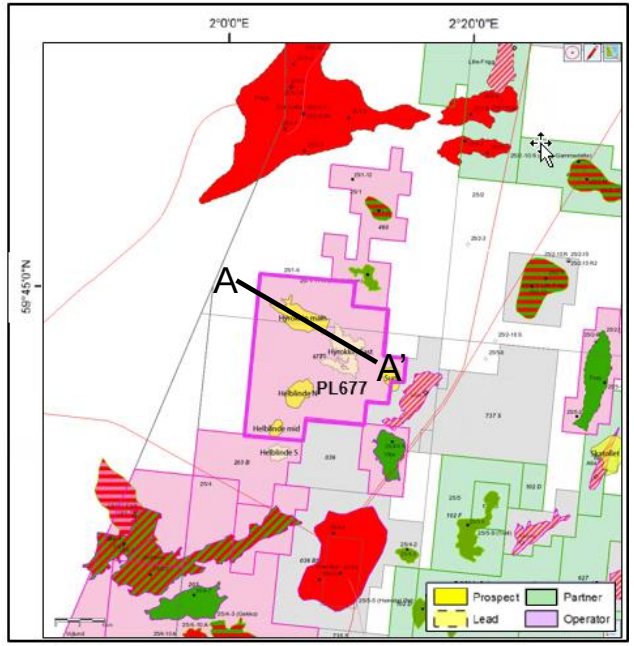
New prospects identified in existing Aker BP licenses

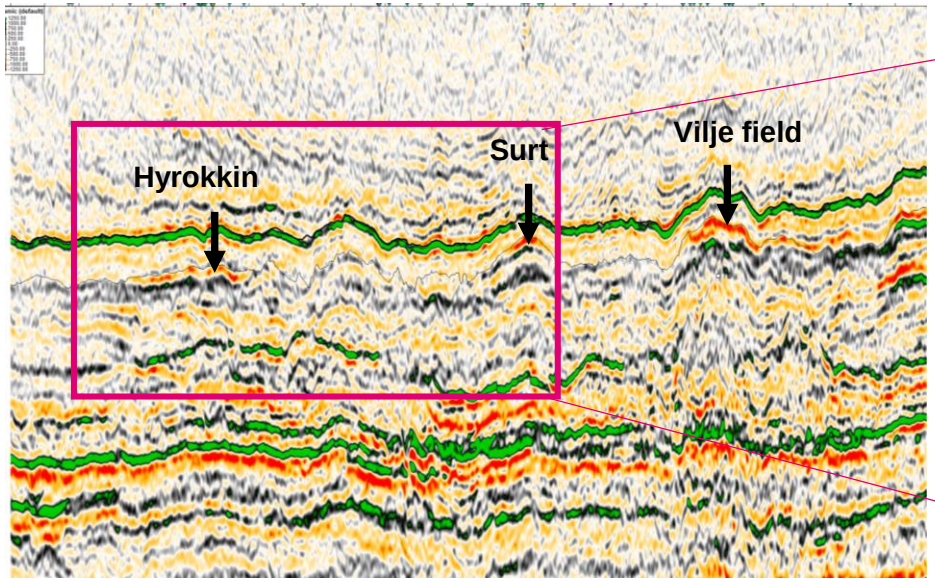
EXPLORATION

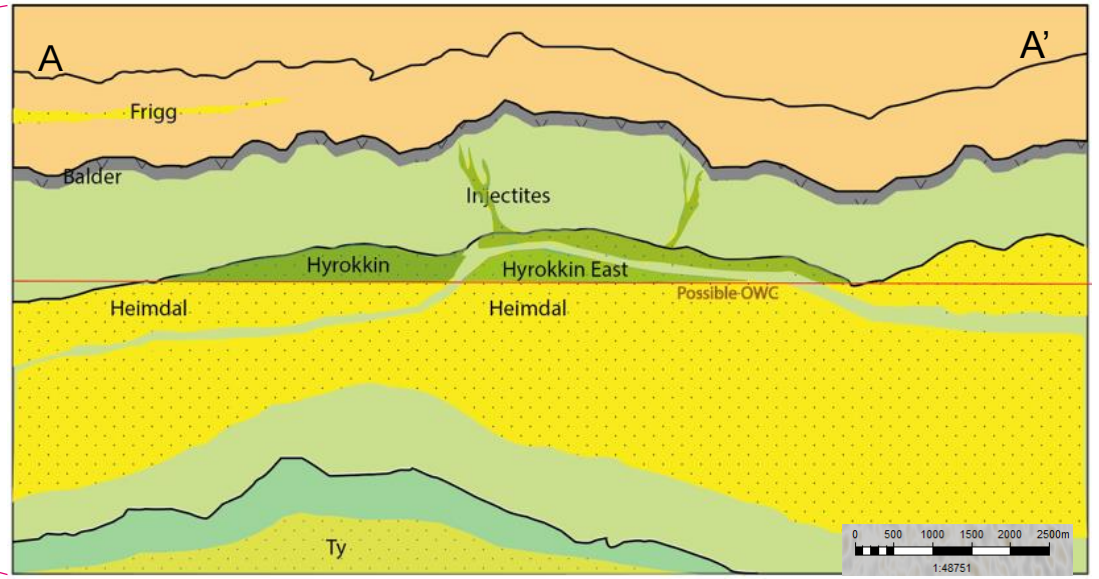
Chasing anomalies near the Alvheim field

Hyrokkin (PL677 - 60%, operator) – Result of regional geophysical projects

- **Hyrokkin is defined by an encouraging geophysical anomaly, comparable with the Vilje field**
  - Vilje is an oil discovery in the Heimdal formation, within the same reservoir unit as expected in Hyrokkin
- **High probability of success**
- **Pre drill volumes in the range of 6 – 55 mmboe (gross)**
- **There are other remaining prospects and leads in the vicinity**







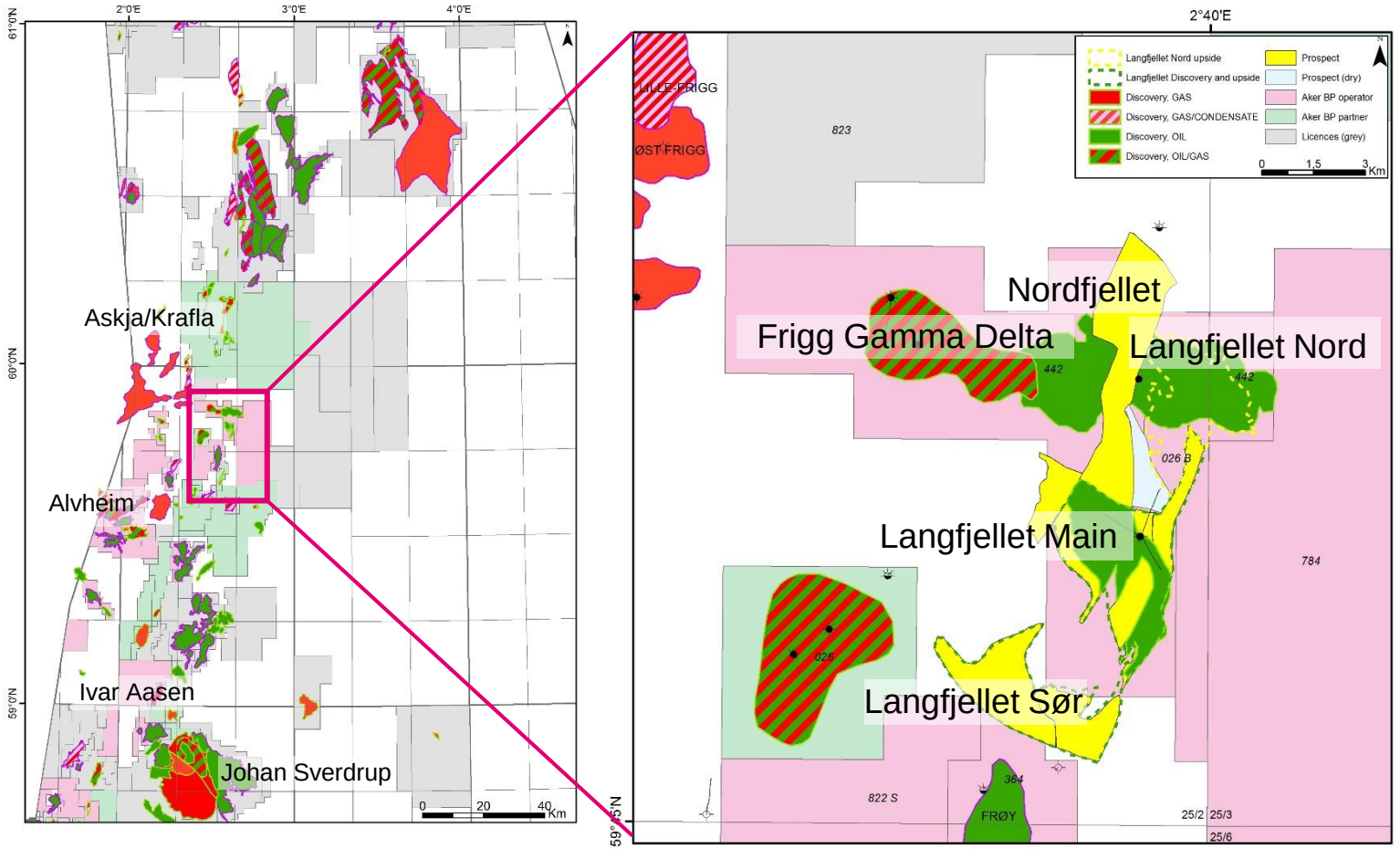
EXPLORATION

Revitalizing a mature area: Langfjellet discovery/North of Alvheim

Exploration campaign overview

- **Langfjellet 2016 exploration campaign**
  - Discovery with large upside potential
  - Aker BP well positioned as operator in area
- **Langfjellet way forward**
  - Mature the subsurface towards development
  - Identify additional exploration targets
  - Improve fault and segment understanding
- **2017 exploration campaign**
  - Further increase resource base for a development hub and prove new resources
  - Possible drilling candidates 2017:
    - Nordfjellet, Langfjellet Nord, Langfjellet Sør

Prospect and discovery map

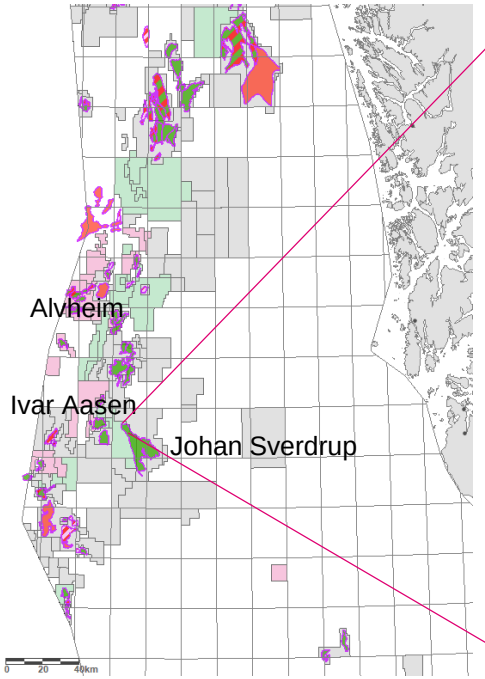


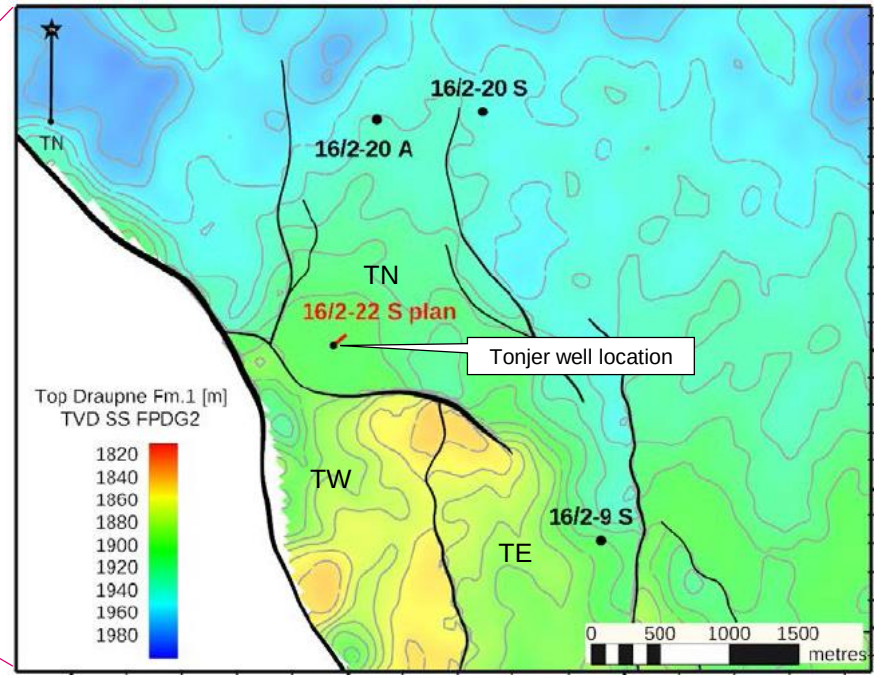
EXPLORATION

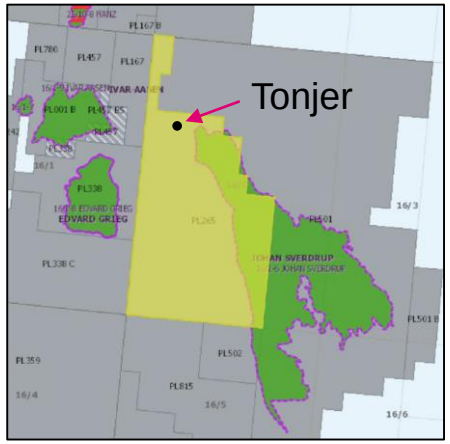
Exploring the northern extension of Johan Sverdrup

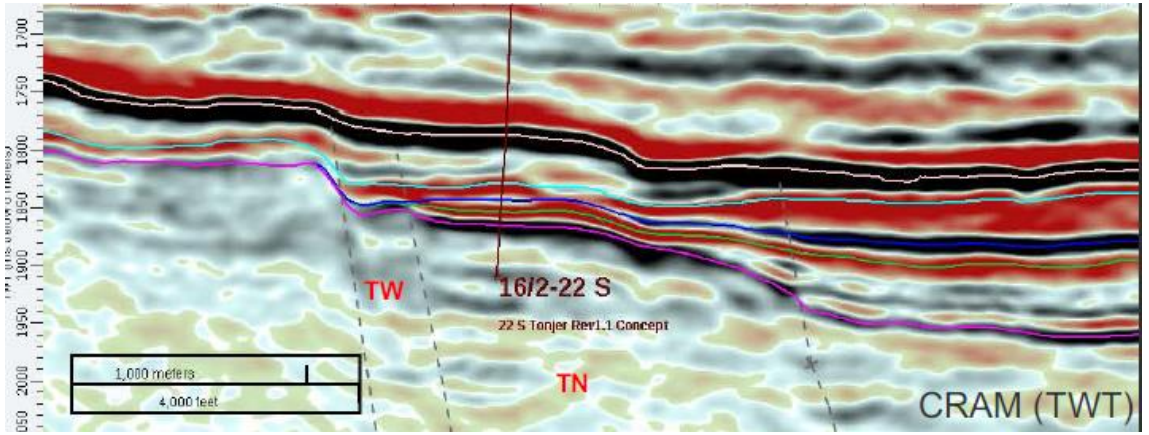
Tonjer - prospect with attractive upside potential

- **Northern extension of Johan Sverdrup**
  - Prospect that will trigger new opportunities given success
- **Reservoir: Upper Jurassic Draupne Formation sandstones**
- **Pre drill volumes in the range of 26 – 114 mmboe (gross)**







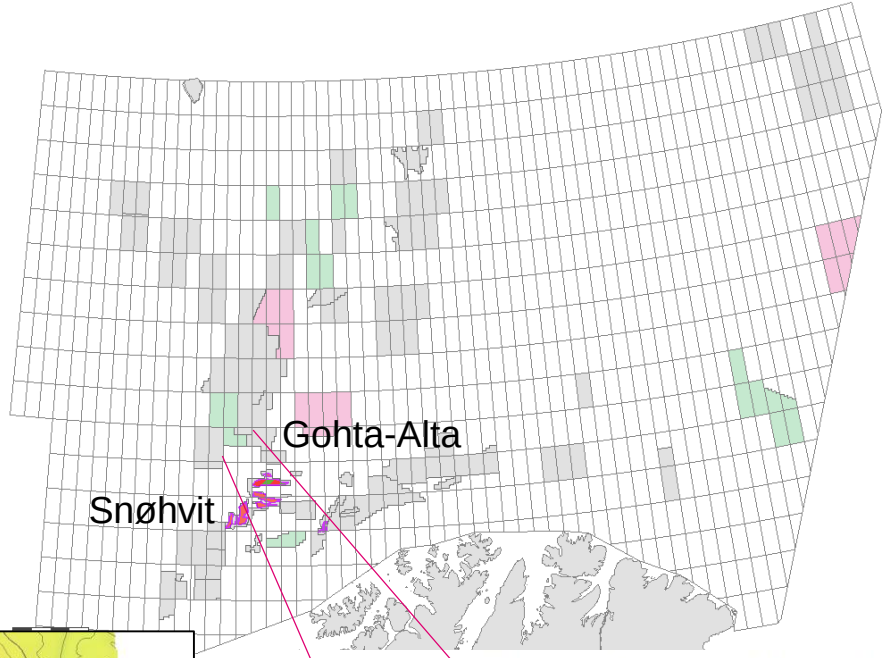


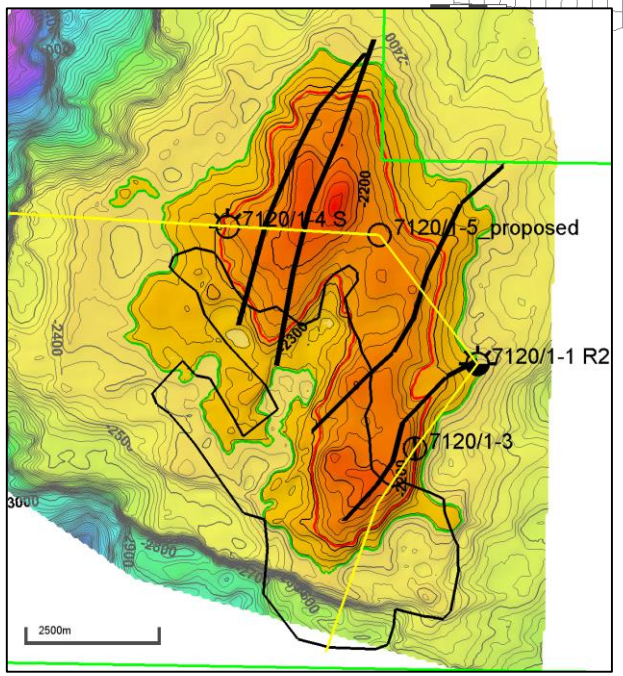
EXPLORATION

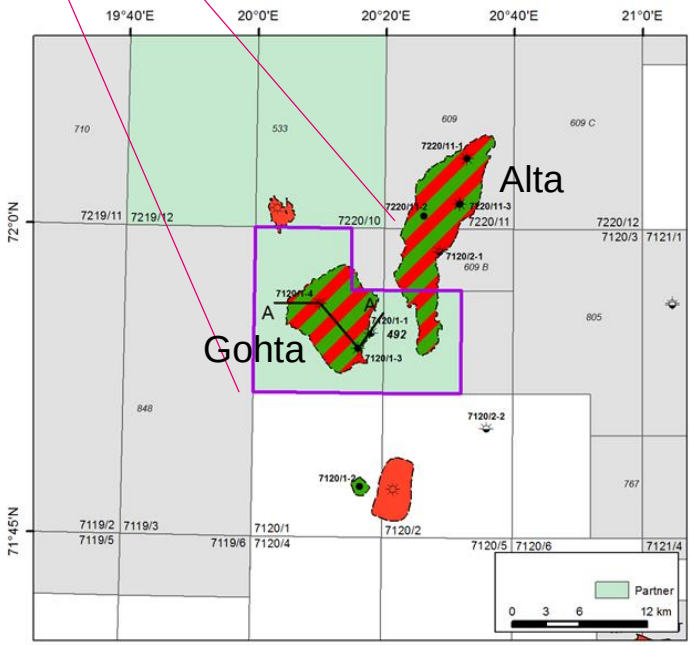
Gohta – critical appraisal well

Possible development project – Loppa South

- **First Gohta discovery was made in 2013**
- **2nd well on Gohta drilled in 2014 – discovery, but with remaining questions**
- **3rd well on Gohta planned for 2017**
  - Northern part of structure
  - Targeting more reservoir units
  - Planning DST
- **Aiming at clarifying volume potential and commerciality**







EXPLORATION

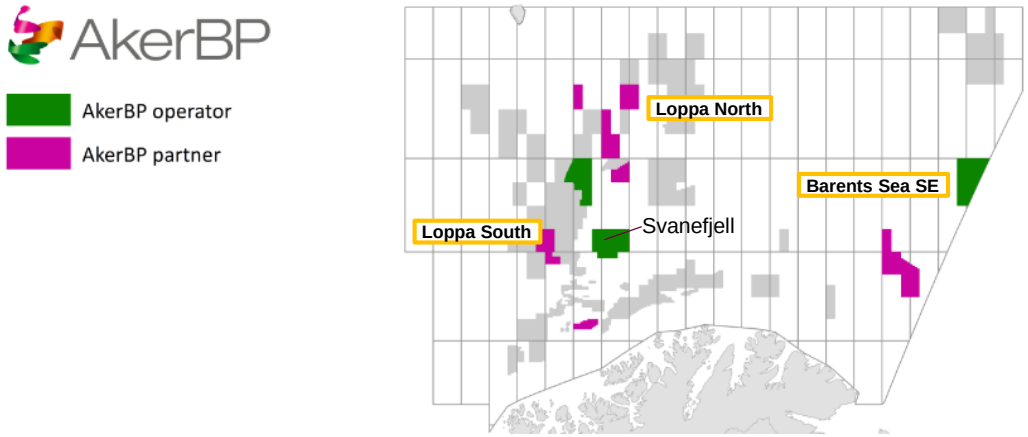
2018: Moving north

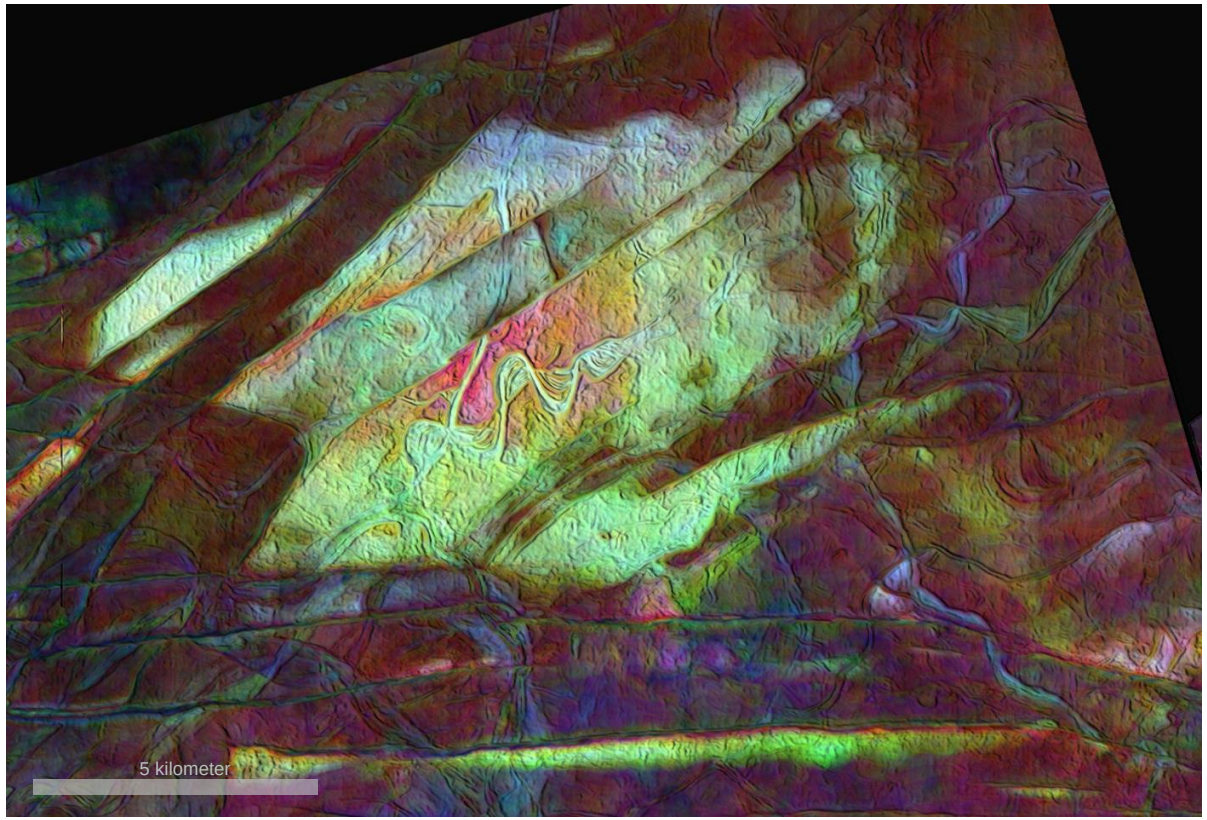
Barents Sea drilling campaign

- **Long term strategy**
  - Focus on Loppa High and Barents Sea SE
  - Awarded 3 blocks in 23rd Round, 1 as operator
  - Acquired exploration licenses to build portfolio with optionality
  - Maturing several play types to drillable prospects

- **Planning drilling campaign in the Barents Sea 2018**
  - Regional cooperation on environment and safety
  - Special focus on cross border cooperation with Russia
  - Operational synergies

- **Targets:**
  - 23rd Round blocks, Barents Sea SE
  - Svanefjell prospect in PL659
    - Unrisked potential of 400 mmboe (gross)
  - Loppa North prospects



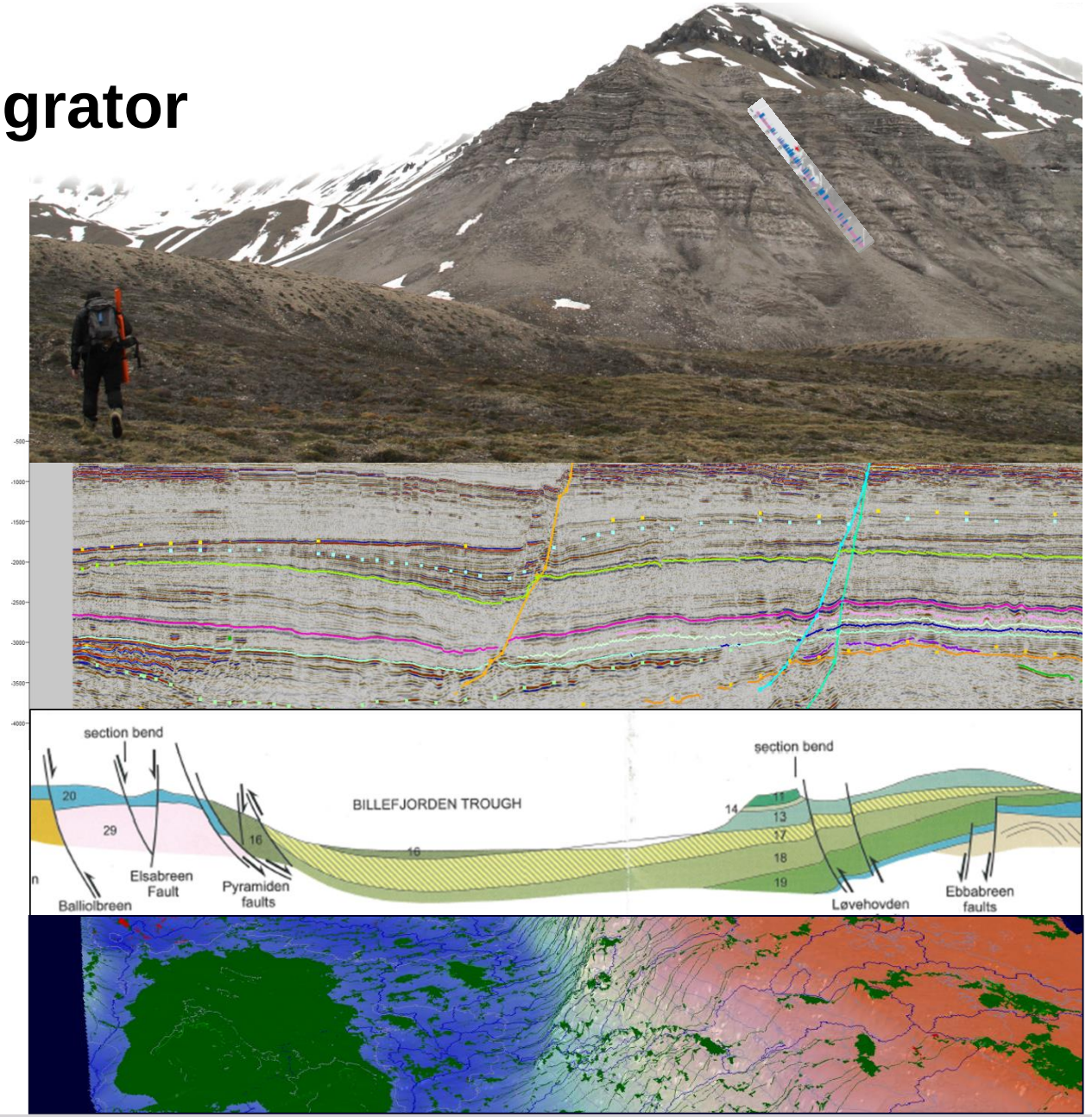


EXPLORATION

Vision: World leading basin integrator

Field geology – new approaches – digital integration

- In depth understanding of the basins we are exploring
- Basin analysis – fluid pressure, fluid flow and dynamic properties
- Combine thorough and practical geoscience with machine learning from multiple data sources
- Utilise emerging technologies improving flow efficiency and quality



Q&A

Development projects

Olav Henriksen
SVP Projects

DEVELOPMENT PROJECTS

Projects delivered on schedule and budget in 2016

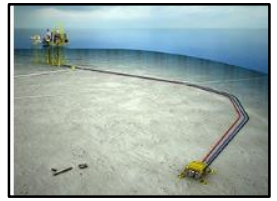
BoaKamNorth
Start production as promised
June 2nd

Ivar Aasen Topside installation
July 21st

Subsea Alliance, based on bidded frame agreements
September 13th

Viper Kobra Start production as promised
November 11th

DG3 Oda tie-in to Ula
December 8th

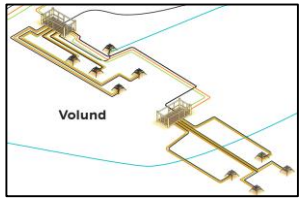


DG4 Skarv LP Project
December 10th

January | February | March | April | May | June | July | August | September | October | November | December

DG2 Oda tie-in to Ula April 1st

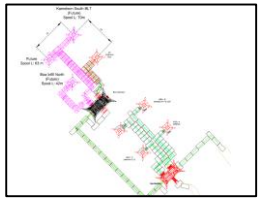
DG3 Valhall DP Rig Access
April 5th



DG3 VOLUND
June 11th

Ivar Aasen SURF tie-ins as promised
June 30th

VH Quarter platform close down
November 1st



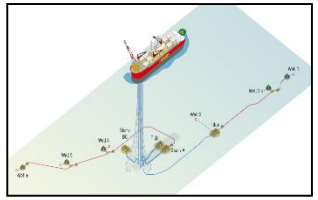
DG3 BOA infill
December 13th

Ivar Aasen Start production as promised
December 24th

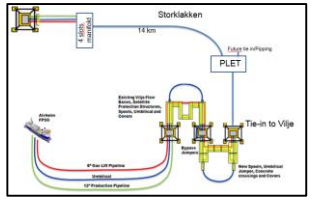
DEVELOPMENT PROJECTS

Upcoming milestones 2017

DG2 Snadd



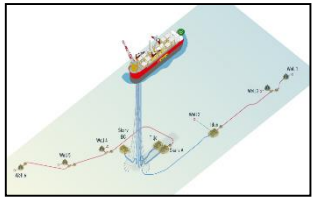
DG2 Storklakken



DG3Tambar Artificial Lift

DG4 Valhall DP Rig Access

DG3 Snadd



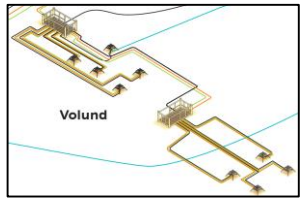
JAN 17 ***MAR 17*** ***MAY 17*** ***JUL 17*** ***SEP 17*** ***NOV 17*** ***DEC 17***

DG2 Tambar Artificial Lift

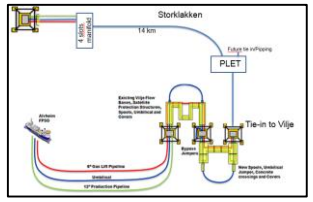
DG2 Valhall Flanke Vest

DG4 Ivar Aasen

Start Offshore Execute Oda Tie-In to Ula



First Oil Volund infill



DG3 Storklakken

DEVELOPMENT PROJECTS

4 operated rigs in 2017

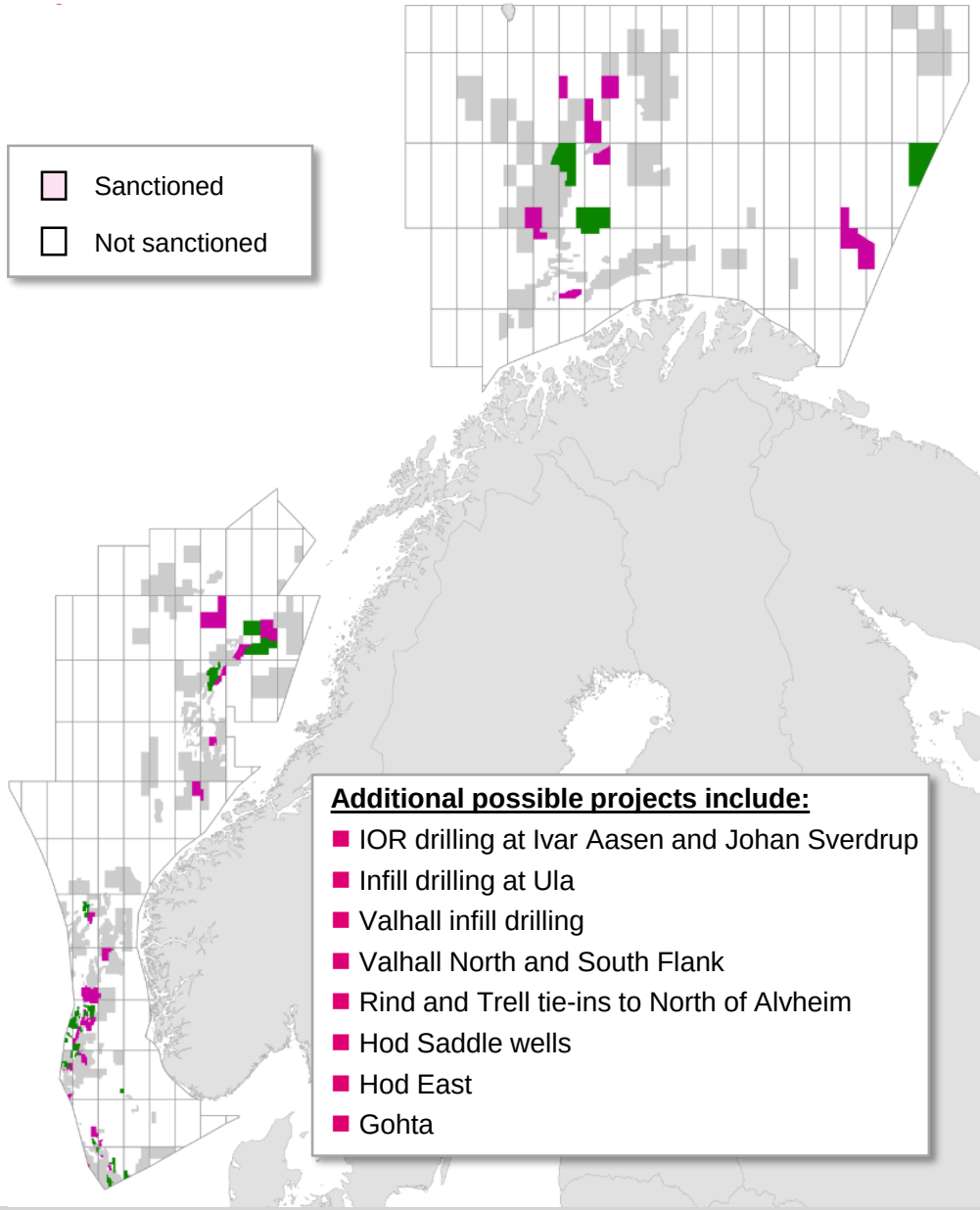
Rig	Q1	Q2	Q3	Q4
 Maersk Interceptor	Ivar Aasen (Accomodation)	Ivar Aasen (Production wells)	Hyrokkin (Exploration)	NOA* (Exploration) / Tambar* (Infill)
 Transocean Arctic	Volund (Infill)	West Volund (Exploration)	Boa (Infill)	
 Valhall Drilling Platform		Valhall (Production wells)		
 Maersk Invincible			Valhall (Plug & abandonment)	

* *Not sanctioned*

DEVELOPMENT PROJECTS

Project inventory provides flexibility

Project	Operator	Aker BP Equity	Gross mmboe	Plateau production (gross)	Estimated first oil/gas
Gina Krog	Statoil	3.3%	219	~67 mboepd	2017
Volund infills 2017	Aker BP	65.0%	15	~16 mboepd	2017
Valhall IP wells	Aker BP	36.0%	76	~22 mboepd	2017
Boa infills 2017	Aker BP	57.6%	15	~8 mboepd	2018
Tambar infills/TAL	Aker BP	55.0%	25**	-	2018
Lower Hod	Aker BP	36.0%	62	-	2018
Johan Sverdrup	Statoil	11.6%	2 594	~660 mboepd	2019
Oda	Centrica	15.0%	48	~31 mboepd	2019
Storklakken	Aker BP	100.0%	11	-	2020
Snadd	Aker BP	23.8%	213***	-	2020
Hanz	Aker BP	35.0%	18	~13 mboepd	2021
Garantiana	Total	30.0%	71	-	2021
North of Alvheim*	Aker BP	Various	172	-	2021
Gekko	Aker BP	65.0%	22	-	2021
Valhall West Flank	Aker BP	36.0%	89	-	2021
Caterpillar	Aker BP	65.0%	8	-	2022
Askja/Krafla	Statoil	50.0%	257	-	2022



Additional possible projects include:

- IOR drilling at Ivar Aasen and Johan Sverdrup
- Infill drilling at Ula
- Valhall infill drilling
- Valhall North and South Flank
- Rind and Trell tie-ins to North of Alvheim
- Hod Saddle wells
- Hod East
- Gohta

** Frigg Gamma Delta, Frøy, Langfjellet*
*** of which 13 mmboe classified as P50 reserves per end 2016*
**** of which 55 mmboe classified as P50 reserves per end 2016*

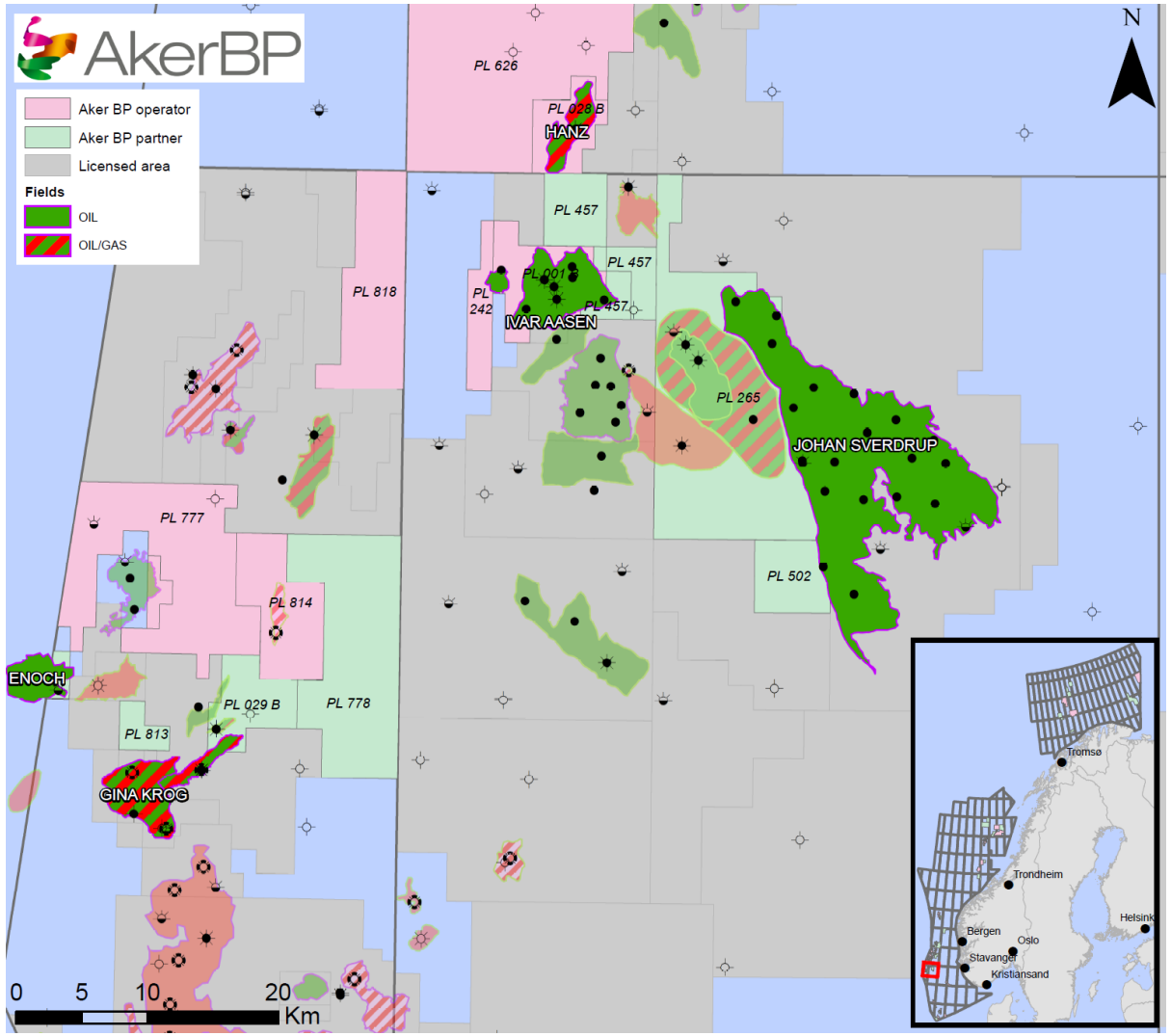
DEVELOPMENT PROJECTS

Ivar Aasen and Hanz

Operated, ~35%* working interest

- **PDO for Ivar Aasen was approved on May 21, 2013**
- **Gross P50 reserves of 199 mmboe**
- **Production of ~67,000 boepd at plateau**
- **Final processing and export of oil and gas at the Edvard Grieg platform**
- **Oil export to Sture via the Grane pipeline**
- **Gas to St Fergus via the SAGE pipeline**

License:	PL001B, PL242, PL457 (Unit), PL028B (Hanz)
Discovery year:	2008
End 2016 2P reserves (net):	69 mmboe
Production start:	Q4 2016
Partners:	Statoil, Bayerngas, Wintershall, VNG, Lundin, OKEA



** 34.78% in PL 001B/242/457, 35% in Hanz PL 028B*

DEVELOPMENT PROJECTS

Ivar Aasen - Delivered on plan and cost

Achievements

- No major HSE incidents – more than 17 million man hours spent
- Total cost and plan according to PDO
- First oil 24th December 2016
- Commissioning to be finished March 2017 (DG4)
- High regularity and production as promised

Lessons learned and further improvement potential

- Sub optimization between individual contracts
- Dis-aligned incentives, no risk sharing
- Separate and duplicated organizations with complex interfaces and hand-overs
- Extensive documentation, control and tailor make
- Well integrated Aker BP team, working close with contractors and suppliers

A stepping stone towards the Aker BP project execution model

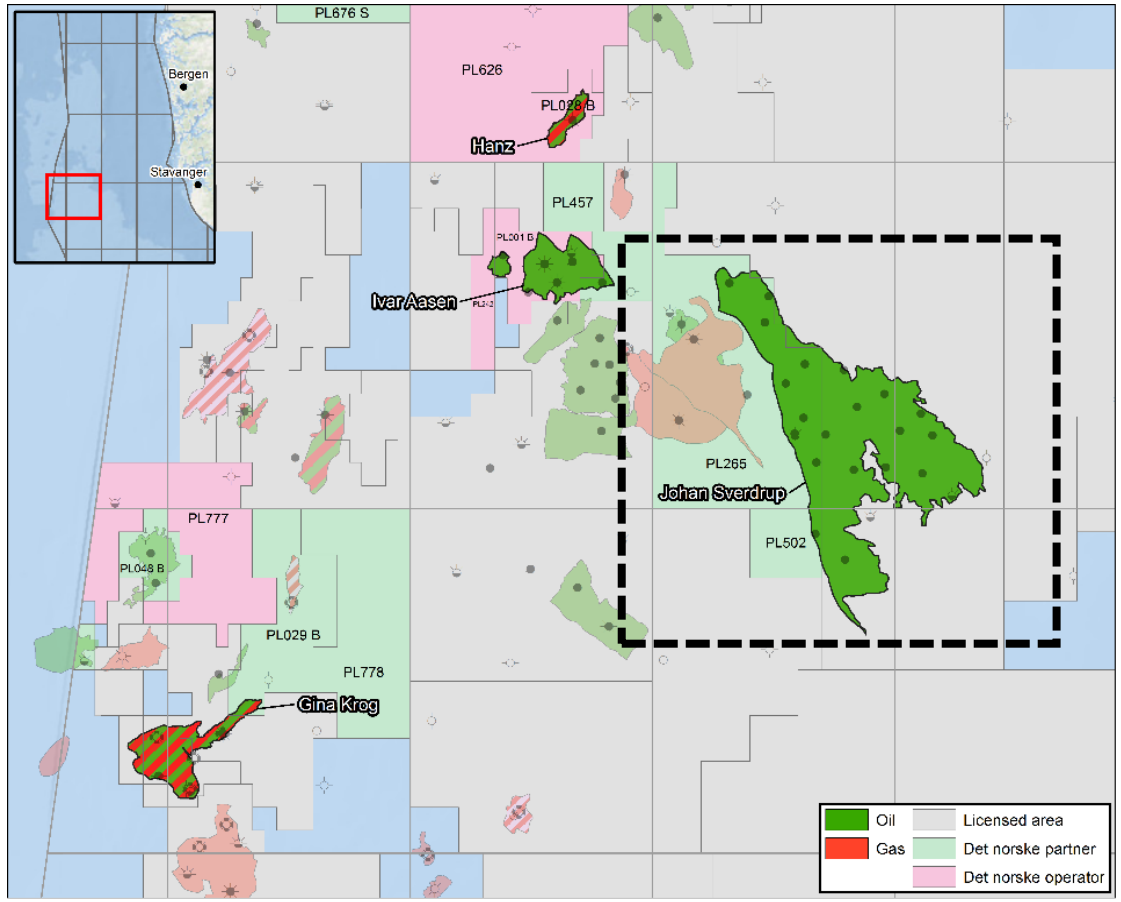
DEVELOPMENT PROJECTS

Johan Sverdrup

Partner, 11.5733 % working interest

- **Johan Sverdrup is one of the largest oil fields on the NCS**
- **PDO for Johan Sverdrup phase 1 was approved on August 21, 2015**
- **Recoverable reserves of 1.9-3.0 billion boe**
- **~80% to be extracted from first phase investments**
- **Production to reach ~440 mbopd at Phase 1 plateau**
- **Oil export to Mongstad, gas export to Kårstø**
- **Power from shore**
- **Project on track for first oil in Q4 2019**

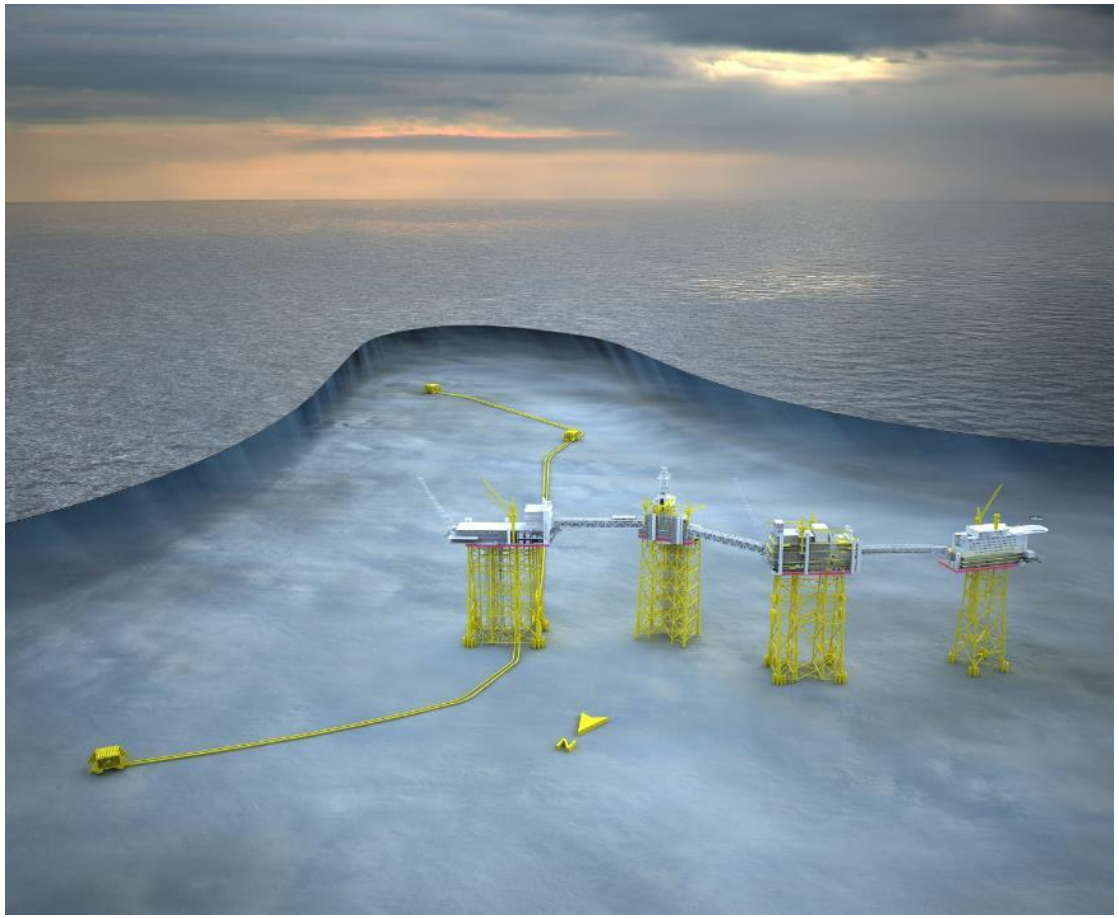
License:	PL265, PL501, PL502
Discovery year:	2010
End 2016 2P reserves (net):	300 mmboe
Production start:	Q4 2019
Partners:	Statoil (operator), Lundin, Petoro, Maersk Oil



DEVELOPMENT PROJECTS

Johan Sverdrup - Project progressing as planned

- **Project progressing according to plan:**
  - Most major contracts have been awarded
  - Platform construction ongoing on 22 engineering and construction sites
  - Pre-drilling of 8 production wells completed
  - Now drilling 4 pilot/appraisal wells for further improvement of reservoir definition
- **Phase 2 (full field) development planned milestones**
  - Concept selection / DG2 First half 2017
  - PDO Second half 2018
  - Production start 2022
- **Developing the periphery of the field**
  - Increase process capacity to ~ 660 mbopd (gross)
- **Full field CAPEX (Operator's latest estimate) NOK 140 – 170 billion (real at project FX)***



AkerBP

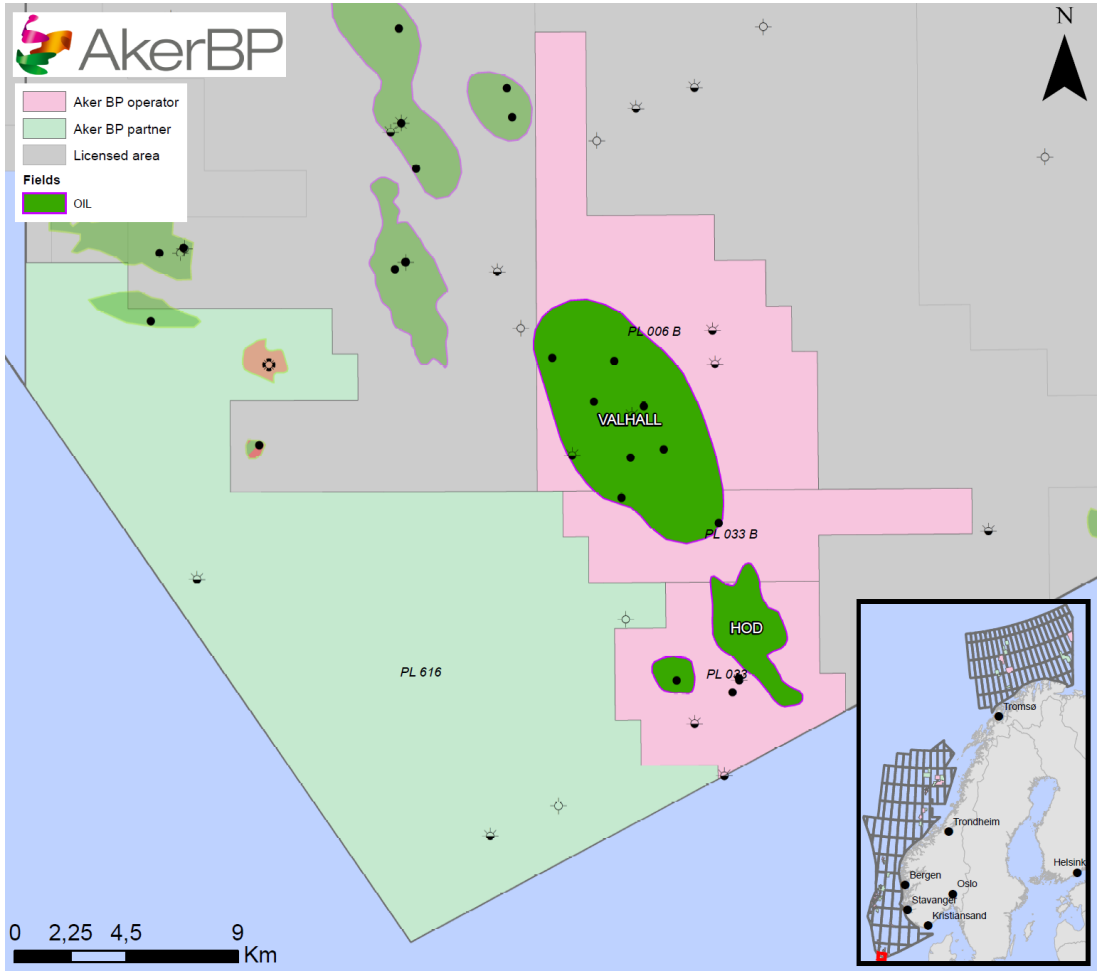
** Based on Statoil currency assumptions*

DEVELOPMENT PROJECTS

Valhall Flank West

Project Description

- **Infield Tor formation in West Flank RMU**
- **1 unmanned wellhead platform (12 slots) tied back to Valhall**
- **6 producers with option to convert 2 producers into water injection**
- **Current reference case is depletion only with future phased waterflood design provisions included in concept**
- **Key planned milestones**
  - Q1 2017: Optimize Concept Phase (DG2)
  - Q1 2018: Start Execute Phase (DG3) including PDO submission
  - Q2 2021: First Oil (Optimization ongoing)
- **Key Facts**
  - Partners: Aker BP ~36% (Operator) and Hess ~64%
  - Resources: 89 mmboe (gross)
  - Water Depth: 70 m

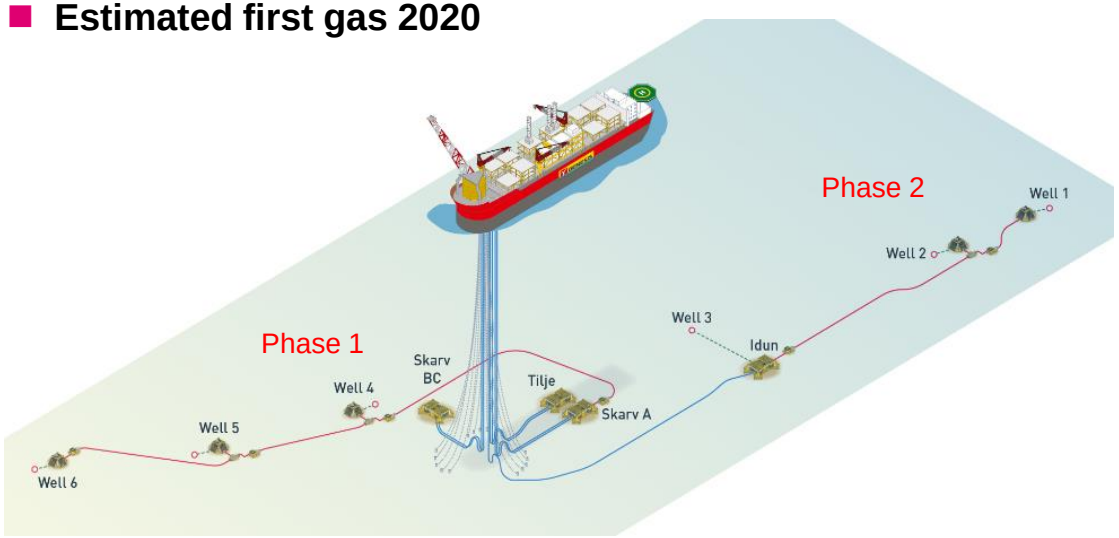


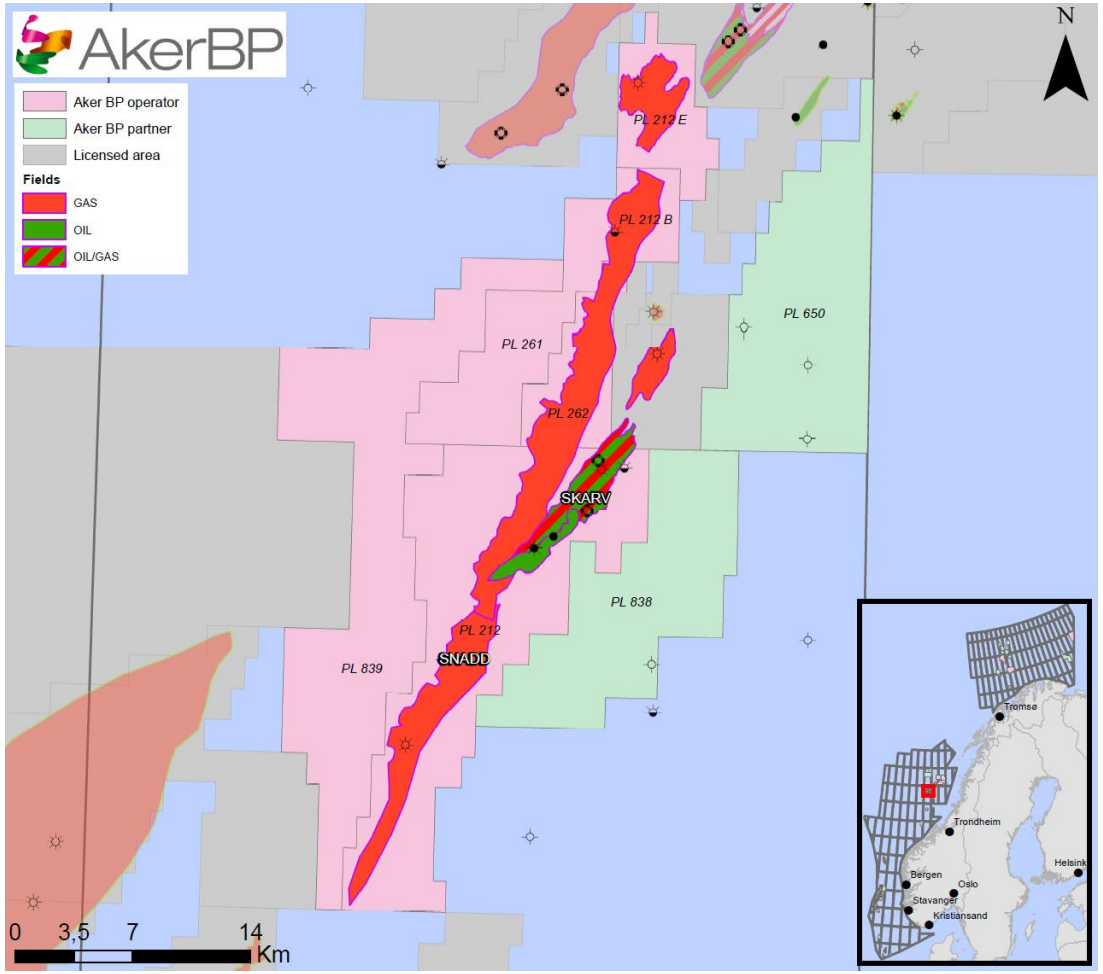
DEVELOPMENT PROJECTS

Snadd project towards PDO

Phase 1 development

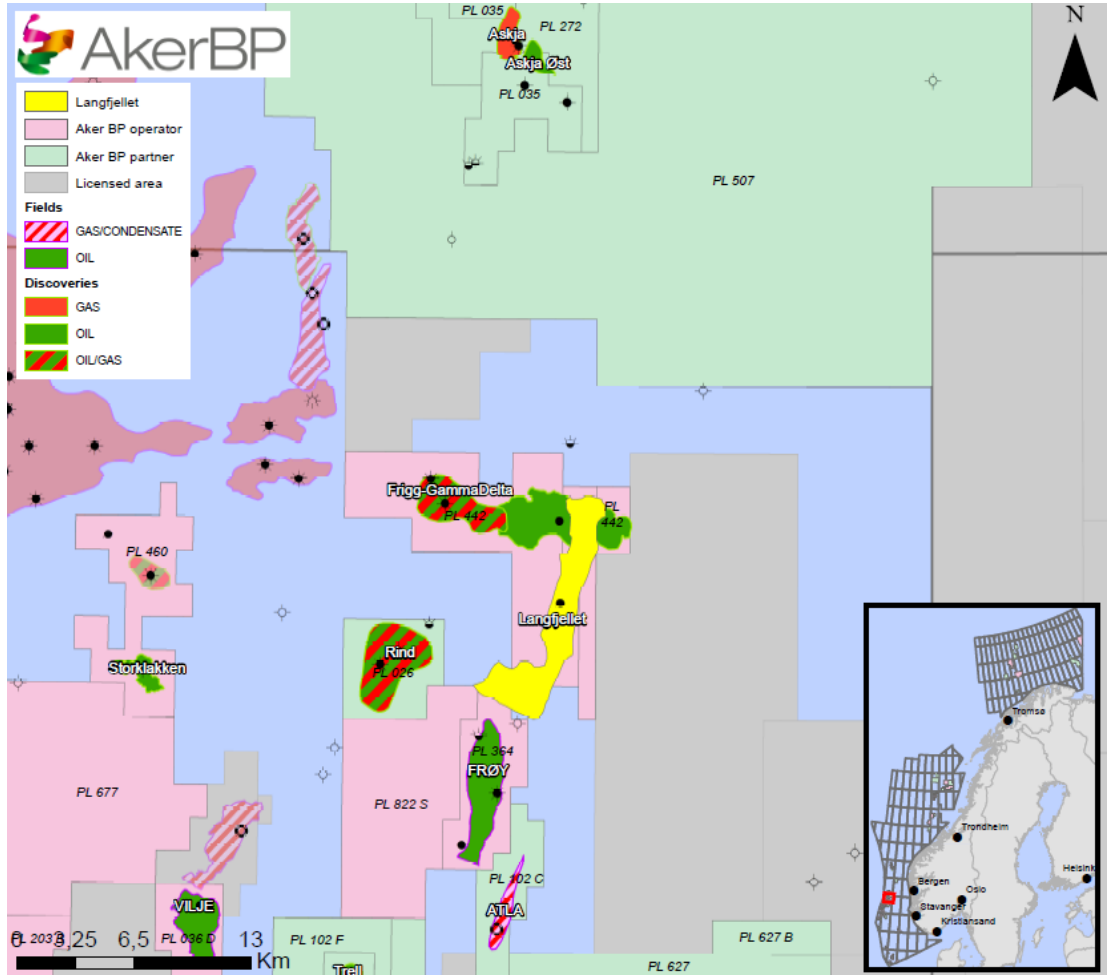
- **Develop discovered resources in Snadd for tie-in to Skarv FPSO in a phased development**
- **3 wells tied in to Skarv A template, with electrically heat trace pipe-in-pipe flowline; static and dynamic umbilical tied back to FPSO**
- **Chemical pumps, scale inhibitor package, electrical modifications for flowline heating**
- **DG 2 Q1 2017, DG 3 planned Q4 2017**
- **Estimated first gas 2020**





North of Alvheim - Building a potential new core area

- **North of Alvheim area holds gross mean contingent resources of 172* mmboe**
- **Early-phase project established to assess possible concepts for area development**
- **Two concepts for area hub are evaluated**
  - PdQ topside + jacket
  - FPSO, geo stationary and ship-shape
- **Building blocks for tie-ins**
  - Unmanned wellhead platforms
  - Subsea installations
- **Planned milestone:**
  - Concept selection DG2 in 2018



** Frigg Gamma Delta, Frøy, Langfjellet*

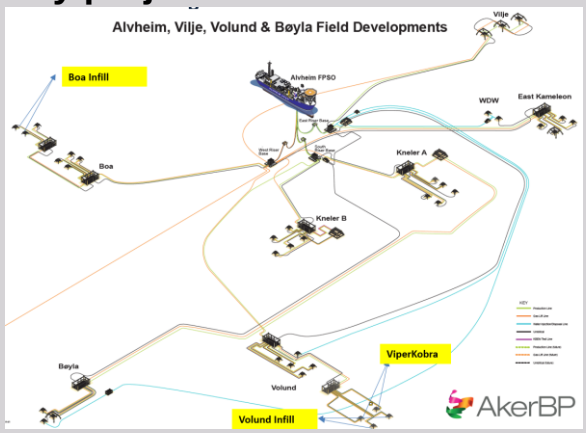
DEVELOPMENT PROJECTS

Alvheim - Continuing to find and develop infill targets

Project status

- **Boa Infill – Sanctioned, two Boa infill wells planned**
- **Detail engineering in progress at the Subsea Alliance**
- **Volund infill – Sanctioned, commenced drilling in December 2016**
- **Detail engineering in progress at the Subsea Alliance**
- **Development of the Storklakken prospect as a tie-back to Alvheim FPSO**

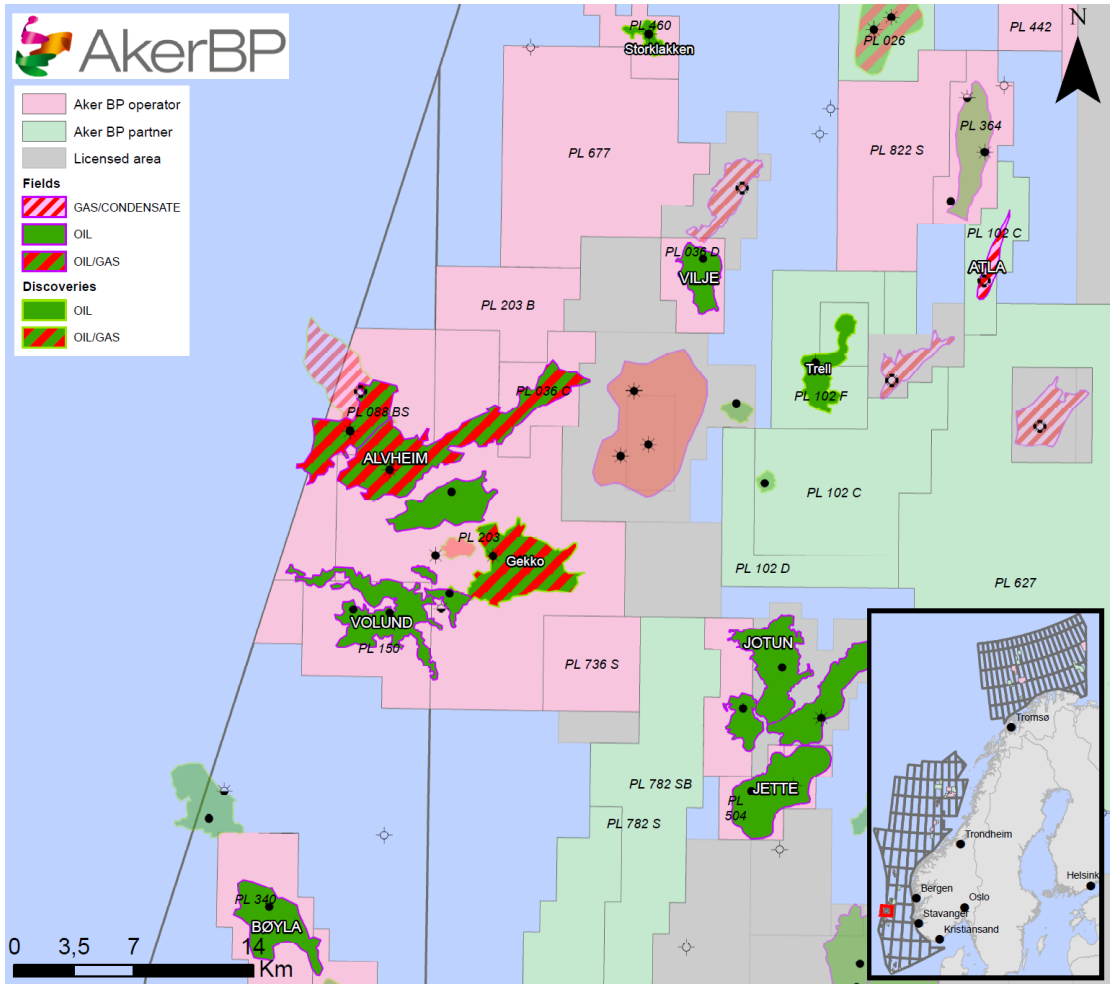
Key project information



Volund Infill
Reserves (gross): 15 mmboe
Estimated First Oil: Q3 2017

Boa Infill
Reserves (gross):15 mmboe
Estimated First Oil: Q1 2018

Storklakken
Reserves (gross): 11 mmboe
Estimated First Oil: 2020

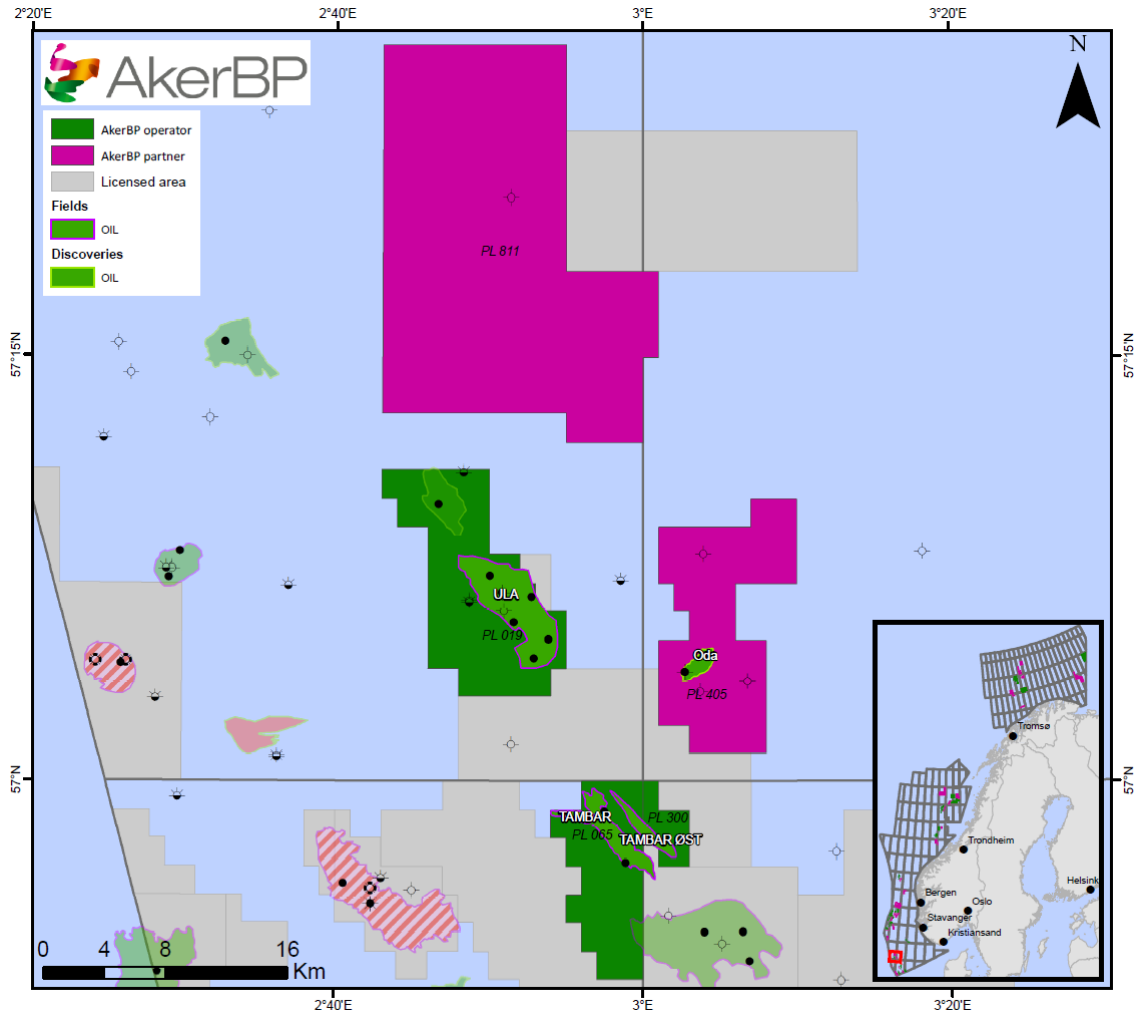


DEVELOPMENT PROJECTS

Partner Operated - Oda tie-in to Ula

Project Description

- **Drainage strategy - water injection pressure support**
- **Two oil production wells and one water injector well**
- **Subsea tie-back to Ula platform via Oselvar facilities (14 km)**
  - Modifications on Ula
  - Re-use of Oselvar equipment
  - SURF & SPS – Centrica scope
- **Key planned milestones**
  - Q4 2016 - PDO submitted
  - Q2 - Q3 2018 - Drilling
  - Q3 2019 - Estimated first oil
- **Key Facts**
  - Resources - 48 mmboe (gross)
  - Water Depth - 66 m
- **Provides incremental AkerBP/Ula value through tariff, OPEX-sharing and gas for enhanced oil recovery**



DEVELOPMENT PROJECTS

Brownfield Projects

Ula

- Oda Tie-In to Ula

Tambar

- Tambar Artificial Lift

Valhall & Hod

- Topside modifications for tie-in of new West Flank platform
- North Flank Water Injection (evaluate concepts)

Skarv

- Turret mods for Snadd tie-back
- Topside scope - methanol pumps, scale inhibitor package, electrical modifications for flowline heating

Alvheim

- Prepare for new subsea tie-ins

Ivar Aasen

- No major modifications for 2017

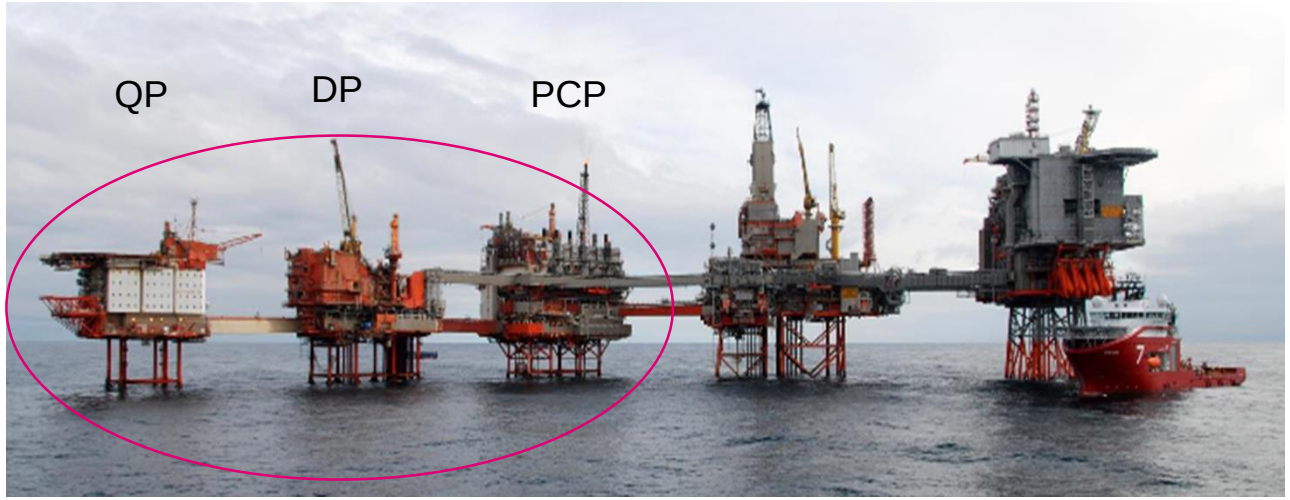
DEVELOPMENT PROJECTS

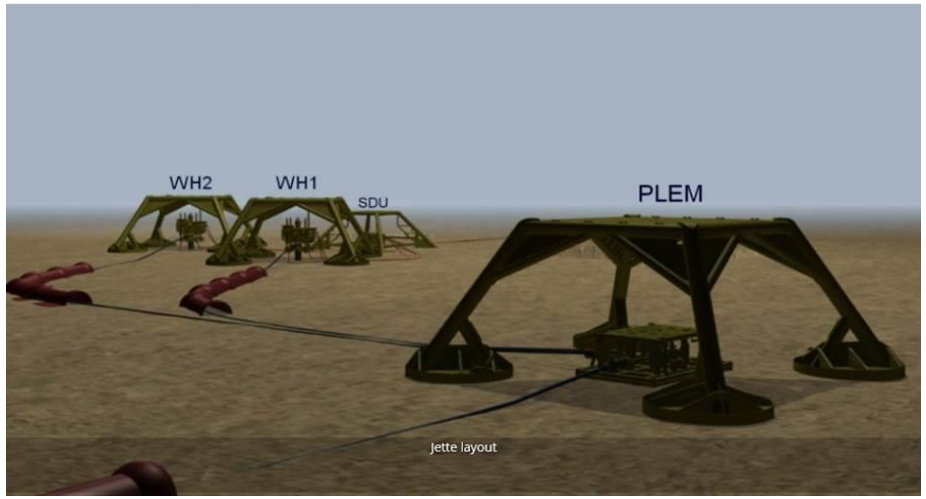
Decommissioning Projects

Scope

- **P&A – Valhall DP* (30), Hod (8), Jette* (2) & Hamsun (1 expl)**
- **Facilities – 2/4G*, OVD, Hod, Jette**
- **OBO – Varg*, Jotun* & Tor**
- **Additional scope after 2026**

Hod





Jette

** Execution ongoing*

Aker BP Business model principles

Aker BP – we have our unique E&P model

- Clear division of core competencies in the value chain
- Focus on efficient value creation
- Efficient end-to-end work processes (LEAN)

- Tasks only done once
- Best man for the job
- No overlaps in value chain
- Few handovers/interfaces/iterations
- Continuous improvement

Reorganising the value chain with strategic partnerships and alliances

- Aligned incentives – “win-win”
- Less check and balances – trust based
- Long-term relationships in integrated teams

Be at the forefront for digitizing E&P

- Low latency real time systems and artificial intelligence in operation
- Streamline documentation and master data

Value chain based on a shared LEAN understanding, toolbox and culture

- Aligned improvement culture in value chain
- Suppliers to comply with Aker BP’s way of operating
- Inspired by other LEAN successes

Flexible business model ready for growth and volatility

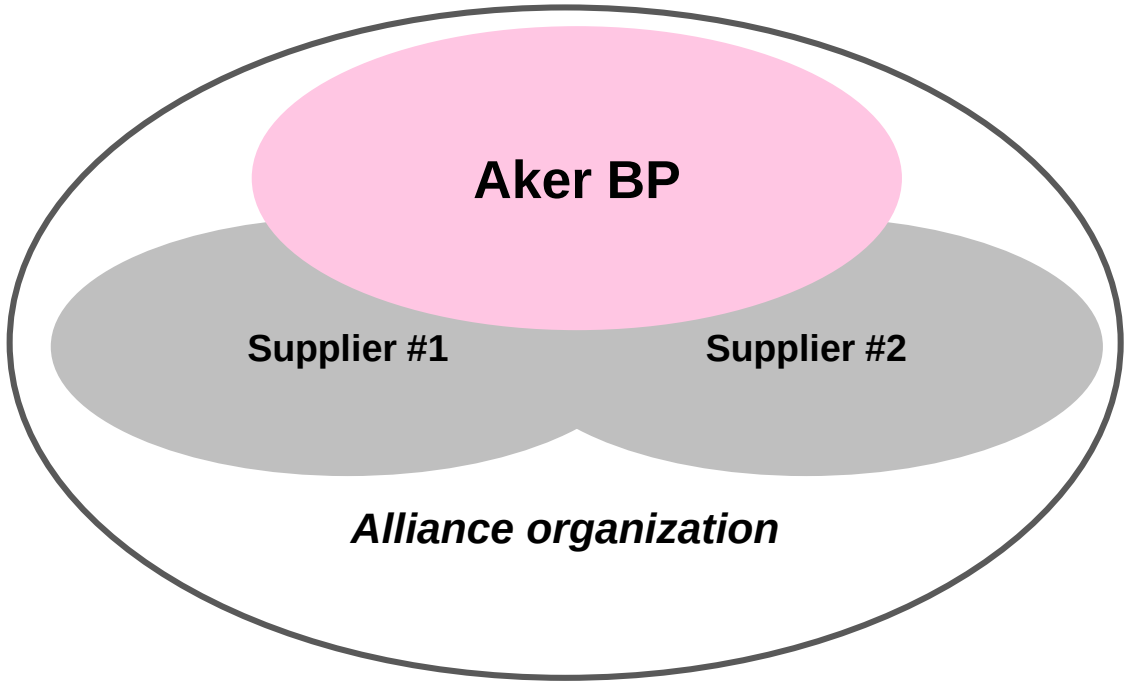
- Enable us to grow swiftly adding assets without disturbing the Aker BP modus operandi

To be recognized as the reference for project excellence

DEVELOPMENT PROJECTS

Long term strategic frame agreements and alliances

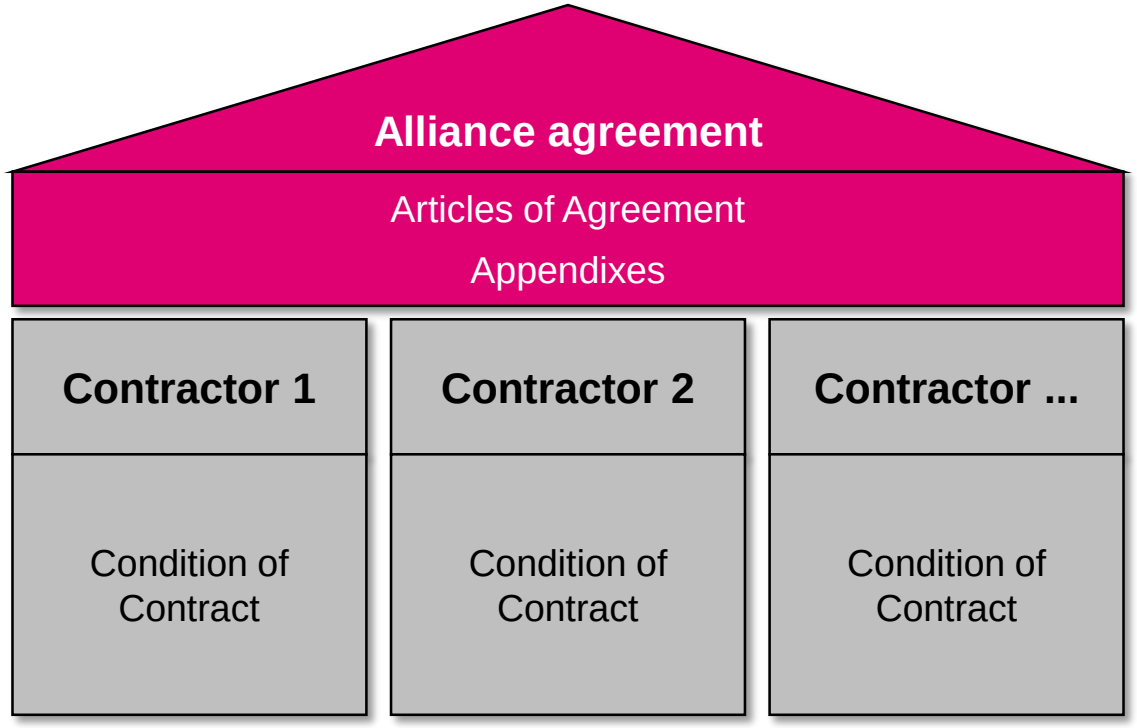
	Alliance	Traditional
Time horizon	Long-term	From project to project
No. of suppliers	Minimum sufficient	Several
Risk sharing & Incentives	Aligned incentives and shared upside and downside risk	Dis-aligned incentives, no risk sharing
Team Organization	Integrated team, empowered team, “best person for the job”	Separate organizations with interfaces and hand-overs
Geography	Co-location of teams	Many teams in separate locations
Leadership	Trust-based leadership	Control and transaction based
Documentation	Minimum sufficient	Large documentation (control culture and tailor make)
Improvement	Common improvement language based on Lean	Separate, uncoordinated improvement initiatives
Standardization	Repetition and re-use	Tailor-make



Increase flow efficiency and reduce costs by avoiding rework and continuously improving

Alliance Agreement and Contractual Architecture

- **The alliance is <u>not a legal entity</u>**
- **The alliance agreement is a <u>cooperation agreement</u> to work together in a prescribed manner in the interest of the parties to the alliance**
- **Non-exclusive contract**
- **Draft alliance agreement attached to the invitation to tender**

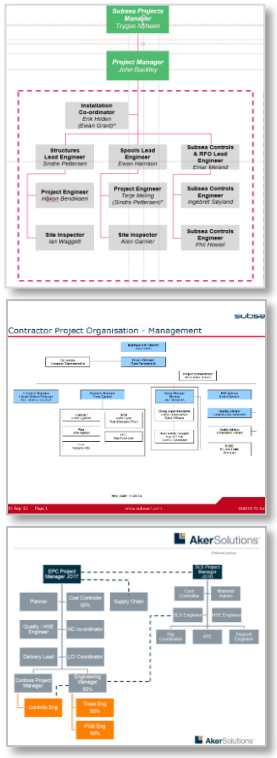


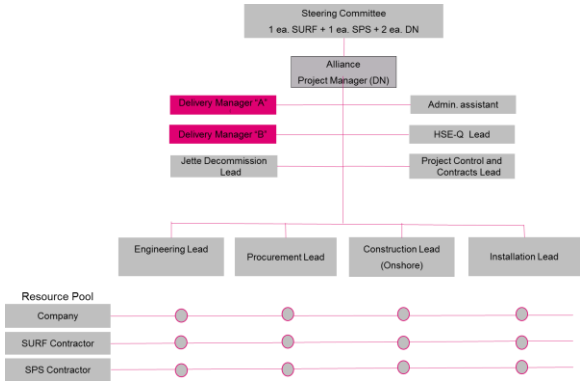
Goal to sanction new stand-alone projects at break-even prices below 35 USD/boe

DEVELOPMENT PROJECTS

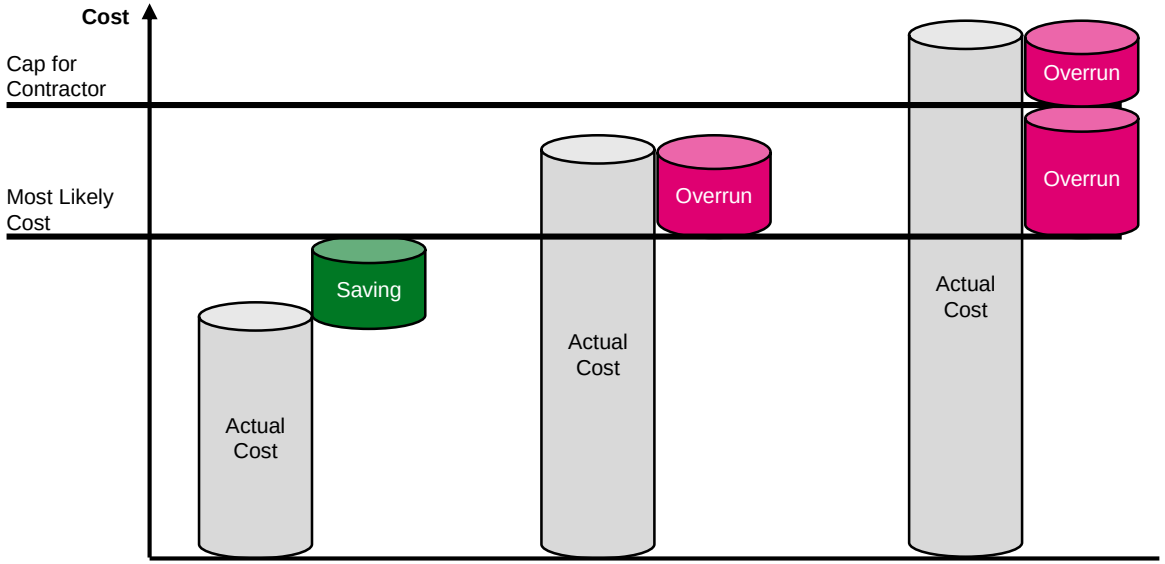
One for all – All for one

From three separate organizations to one integrated:

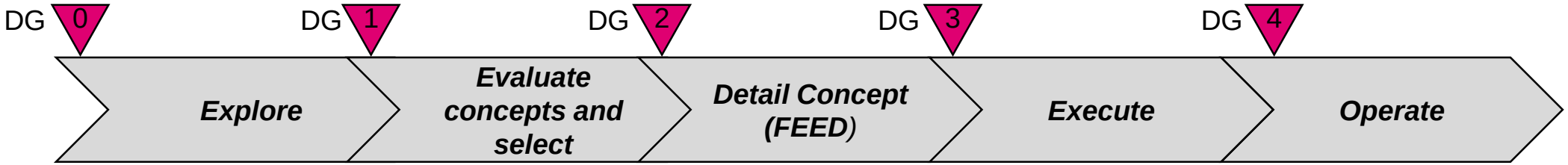




Incentives – Shared risk and reward:



Efficient work processes



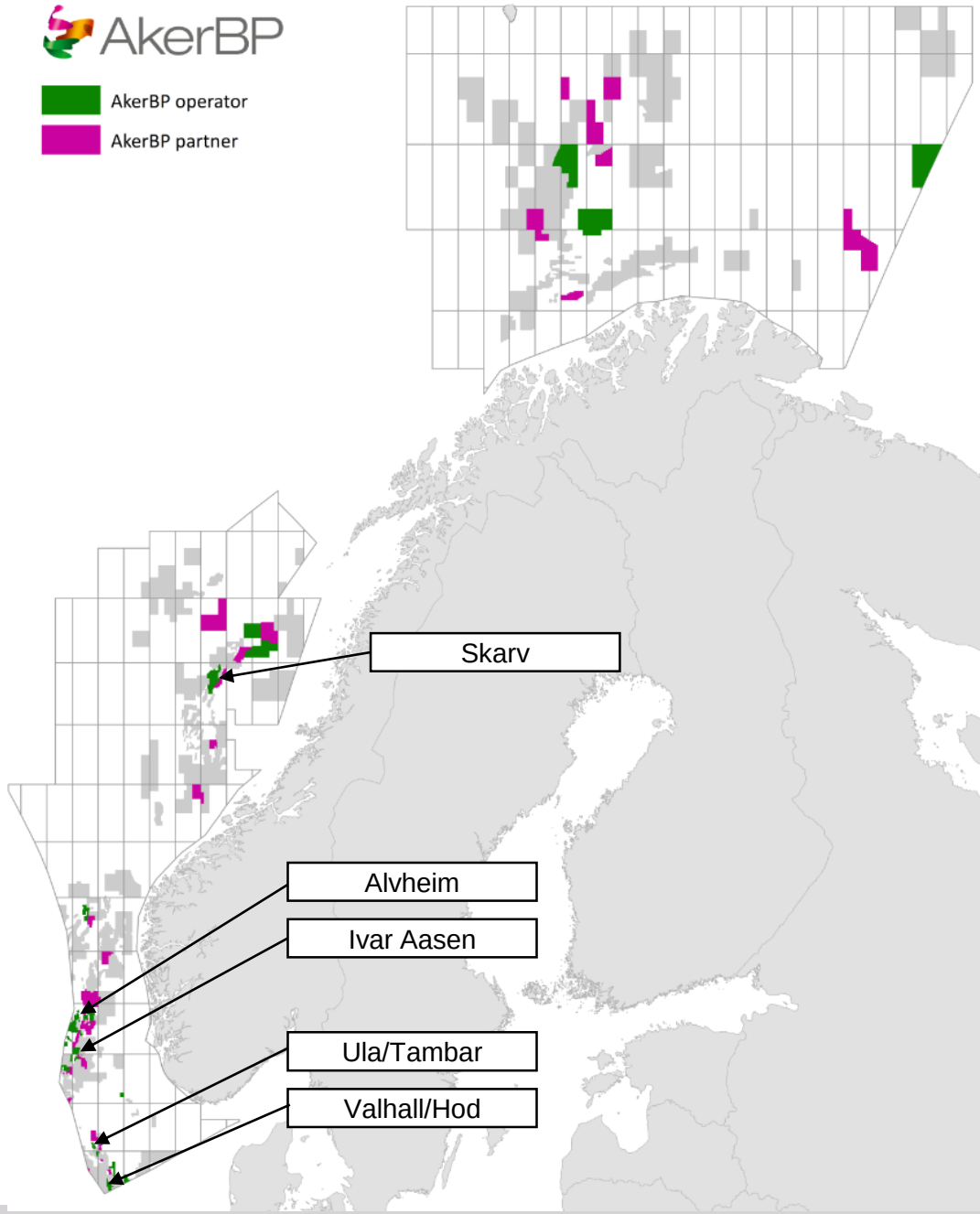
Operations

Eldar Larsen
SVP Operations

OPERATIONS

Production from diversified asset base

- **Total 2016 production of 118.2 mboepd**
  - ~80% liquids and ~20% gas
- **2016 deliveries above target, including**
  - Oil and gas production
  - Plant uptime for all Aker BP operated assets
  - Simplification and efficiency objectives
- **We have a diversified portfolio of new and mature fields, and a solid production base for years to come**
  - Valhall started producing in 1982
  - Ula started producing in 1986
  - Alvheim started producing in 2008
  - Skarv started producing in 2012
  - Ivar Aasen started producing in 2016



OPERATIONS

Strong HSE-performance

- **HSE performance stable during integration of the two companies**
  - Overall performance better than industry average
  - Systematic follow up of risks related to integration activities
  - Close follow up from PSA during integration with no major findings reported
  - Active senior management executing frequent field visits
- **Follow-up of commissioning and handover to operations on Ivar Aasen**
  - Excellent integration and close cooperation between operations and project to address HSE issues
- **2017 Focus areas**
  - Keep safety as our no 1 priority
  - Embed Aker BP's HSE policy in our values, culture and strategic principles
  - New risk process will define asset risk and opportunities including process safety risks

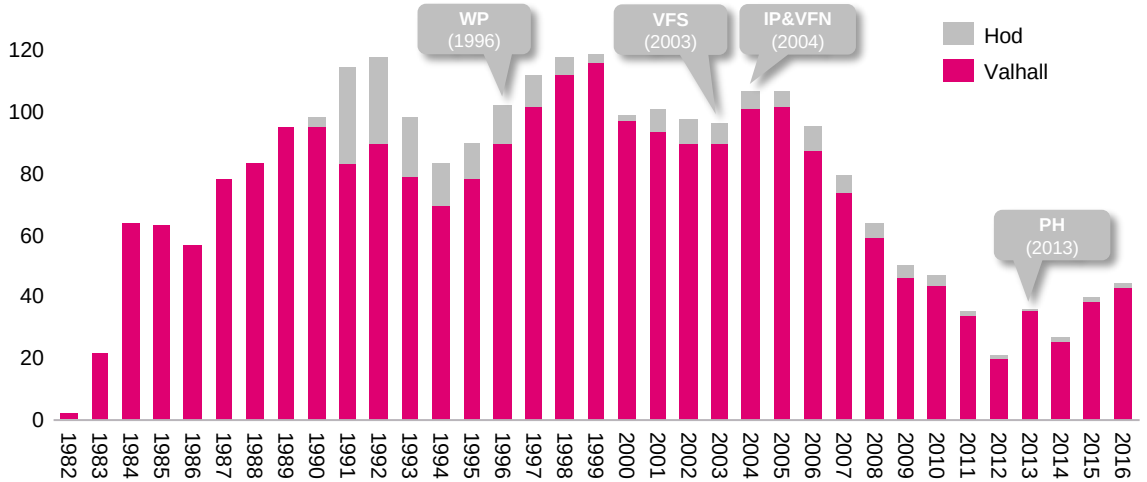
OPERATIONS

Valhall / Hod hub: The chalk giant

Operated, ~36%* working interest

- **The field center consists of six separate steel platforms, incl. the new process/accommodation platform (January 2013)**
- **Two unmanned flank platforms (North and South)**
- **Current well stock comprises 55 active wells out of total nearly 150 productive wells drilled since field discovery**
- **The field is powered from shore**
- **Hod is a normally unmanned wellhead platform, remotely controlled from Valhall 13 km away**

Valhall and Hod production (mboepd, gross)**



License:	PL006B, PL033, PL033B
Discovery year:	1975
End 2016 2P reserves (net):	84 mmboe
Production start:	1982
Partners:	Hess

** 35.95 percent working interest in Valhall and 37.5 percent working interest in Hod*
*** Source: Aker BP for 2016 and NPD for historic production*

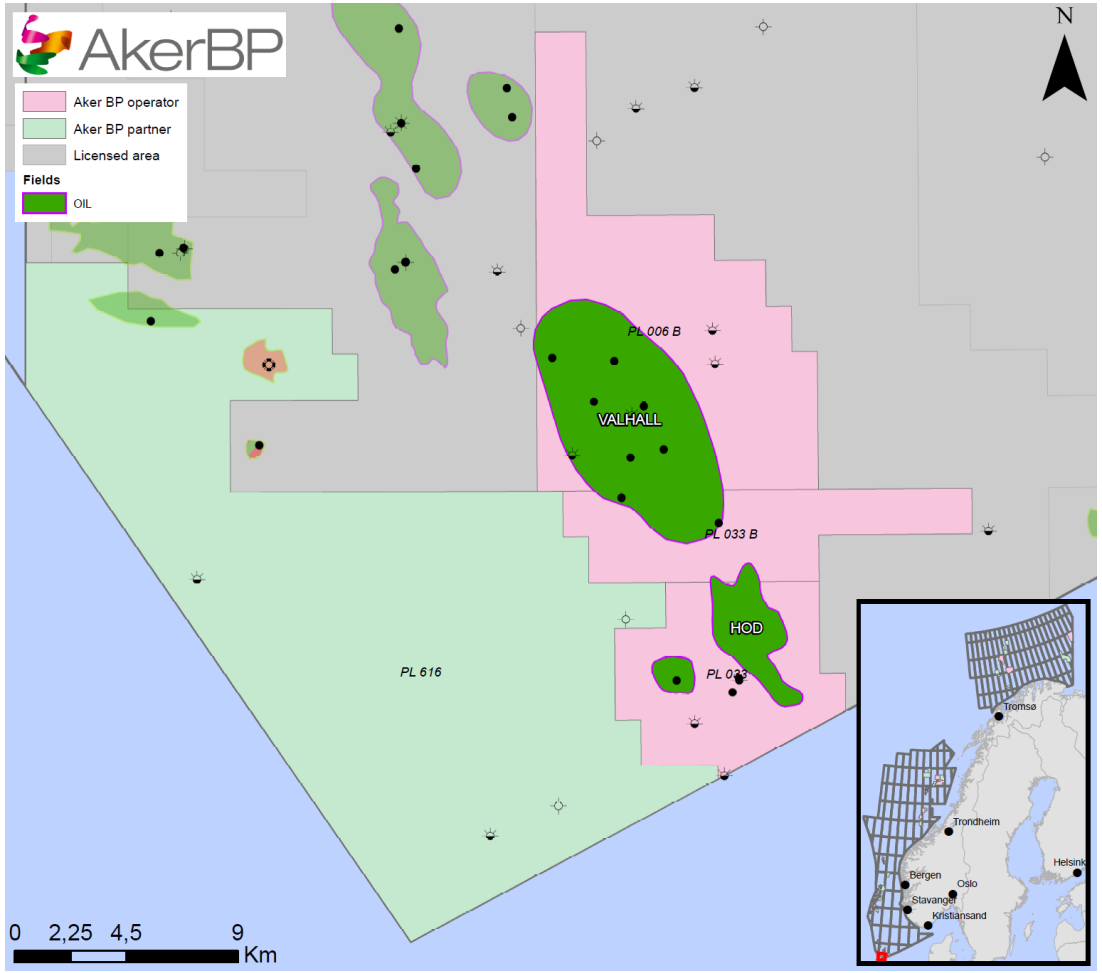
OPERATIONS

Valhall / Hod: Safe and profitable production for many years ahead

Focus areas

- **Continue reducing cost and improving production efficiency**
- **Injection Platform (IP) plan to restart drilling of production wells Q1-2017**
  - 7 wells drilling program of which 3 to be drilled in 2017
- **1 billion barrels of oil produced – more than three times what was expected at the opening of the field in 1982 – *and a lot more to go for …***
- **Expected to remain producing until 2040**

“Our new ambition is to further produce at least another 500 million barrels”



Ula / Tambar Hub: Area centre for several fields

Operated, ~80%* working interest

- **30 years of production reached in October 2016**
- **Ula is an area hub handling production from three satellite fields: Tambar, Blane and Oselvar**
- **The key to success have been the use of new technology, incl. Water alternating gas (WAG) injection to increase oil production**
- **The oil is exported through a 20” pipeline via Ekofisk to Teeside. All gas is re-injected into the reservoir**
- **Tambar: Unmanned wellhead platform remote-operated from Ula 16 km away**

License:	PL019, PL019B, PL065, PL300
Discovery year:	1976
End 2016 2P reserves (net):	57 mmboe*
Production start:	1986
Partners:	Faroe

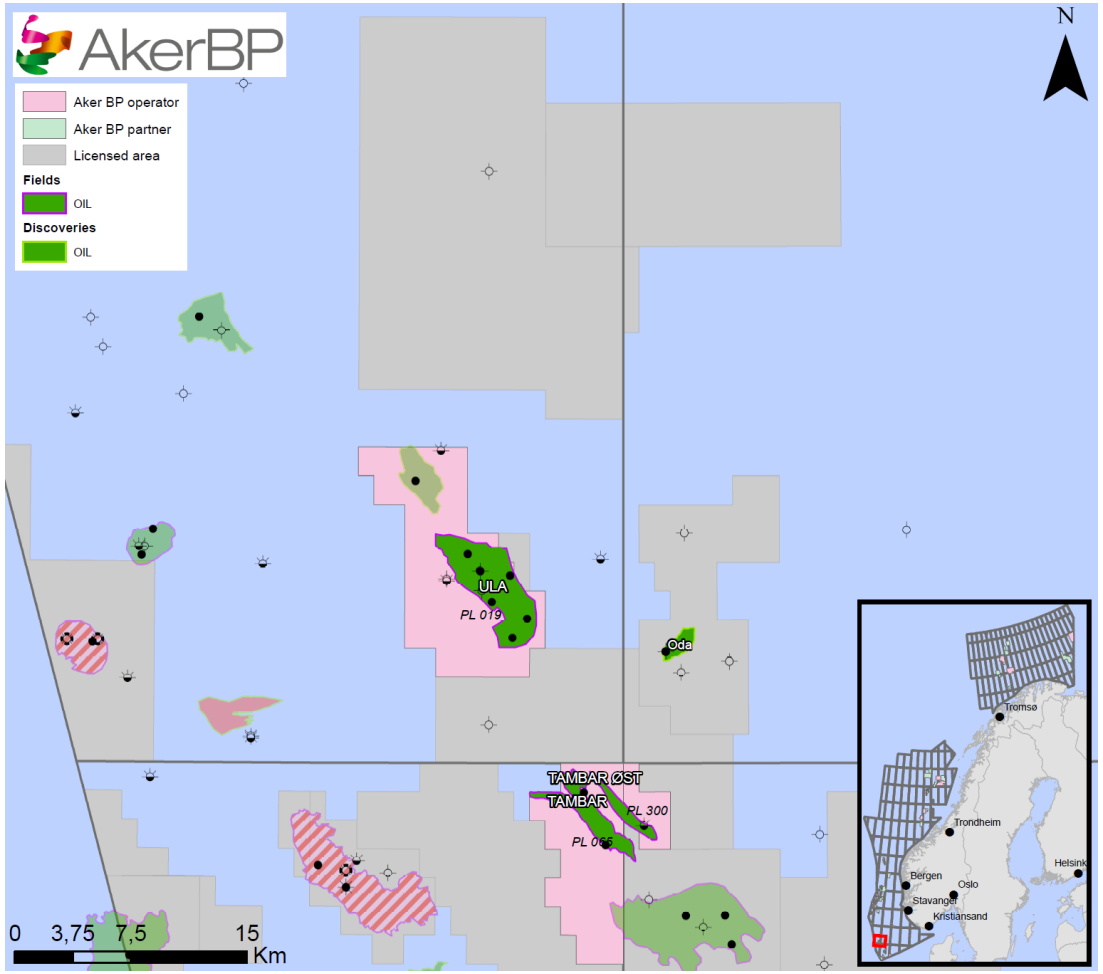
** 80% working interest in Ula and 55% working interest in Tambar*

Ula / Tambar: Preparing for increased production

Focus areas:

- **Deliver maximum value from base production**
  - Continue to optimize the Ula cost base
  - Efficient execution of planned operational activities and facility projects
  - Secure base production protection through execution of required re-drills and re-completions
- **Field developments include:**
  - Tambar Artificial Lift (TAL); proceed project to execute in 2017
  - Tambar Infill drilling; Targets to drill or drop decision
  - Oda tie-in (project execution, aim for ~2019 start-up)

Ula and Tambar production (mboepd, gross)*

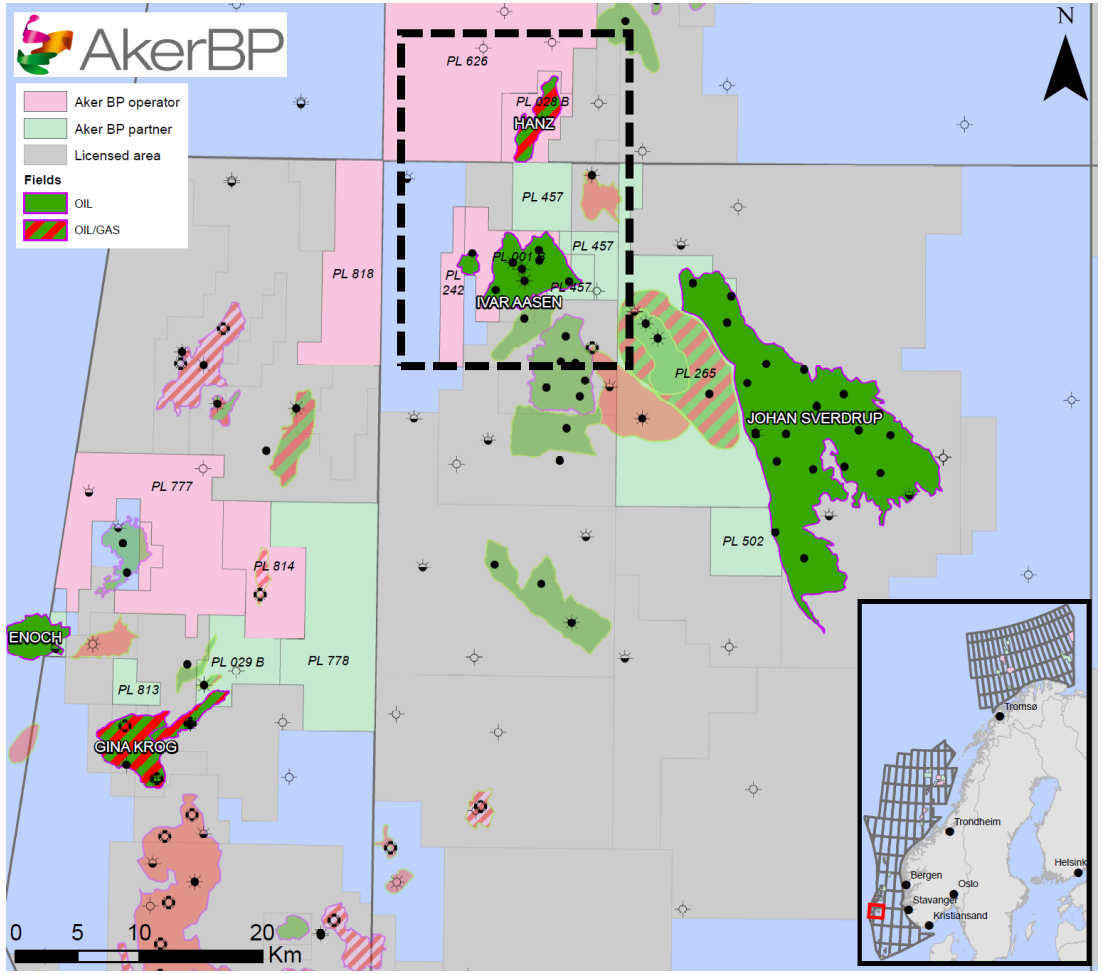


** Source: Aker BP for 2016 and NPD for historic production*

Ivar Aasen and Hanz: First oil on time & budget

Operated, ~35%* working interest

- **First oil December 24, 2016: Four years after the Plan for Development and Operation (PDO) was submitted**
- **First stage processing at Ivar Aasen, oil and gas exported to Edvard Grieg for further processing and transport**
- **Commissioning project expected to be finalized in Q1-17 and remaining scope handed over to operations**
  - The offshore organization will be reduced towards normal manning
  - Production drilling to start up late Q1-17 and continue into summer 2017



License:	PL001B, PL242, PL457 (Unit), PL028B (Hanz)
Discovery year:	2008
End 2016 2P reserves (net):	69 mmboe
Production start:	2016
Partners:	Statoil, Bayerngas, Wintershall, VNG, Lundin, OKEA

**34.78% in PL 001B/242/457, 35% in Hanz PL 028B*

Ivar Aasen: Ramp up of production

Status

- **Solid initial production from three wells, production limited by agreement with Edvard Grieg**
  - Plan further ramp up of production in accordance with agreement
- **Safe, reliable and efficient production – no 1 priority**
  - High uptime, secure technical and operational integrity
  - Digitalization and effective use of state of the art technology, incl. the onshore control room in Trondheim
- **The Ivar Aasen platform:**
  - has spare slots for possible additional wells
  - is equipped for tie-in of Hanz and for possible development of other nearby discoveries
- **Upsides**
  - Ivar Aasen area infill drilling opportunities identified
  - Near-by exploration prospects

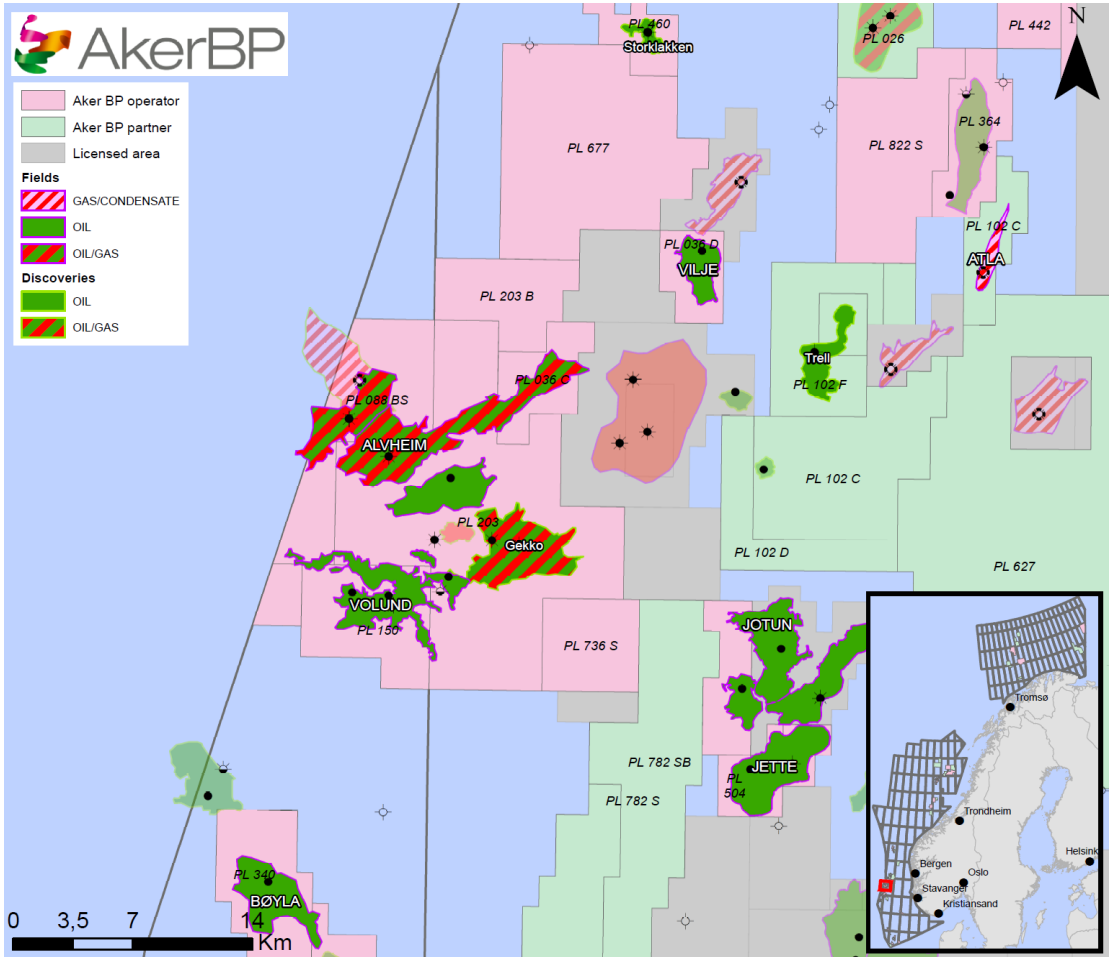
OPERATIONS

Greater Alvheim Area

Operated, ~65%* working interest

- **2016 production increased compared to previous year due to new infill wells**
- **Strong operational performance, with well embedded continuous improvement culture**
- **Additional resources added with subsea tie-ins**
- **More infill wells being matured to arrest the production decline**
- **Drilling campaign with Transocean Arctic commenced in December 2016**
- **Continue focus on operational efficiency and cost improvements**

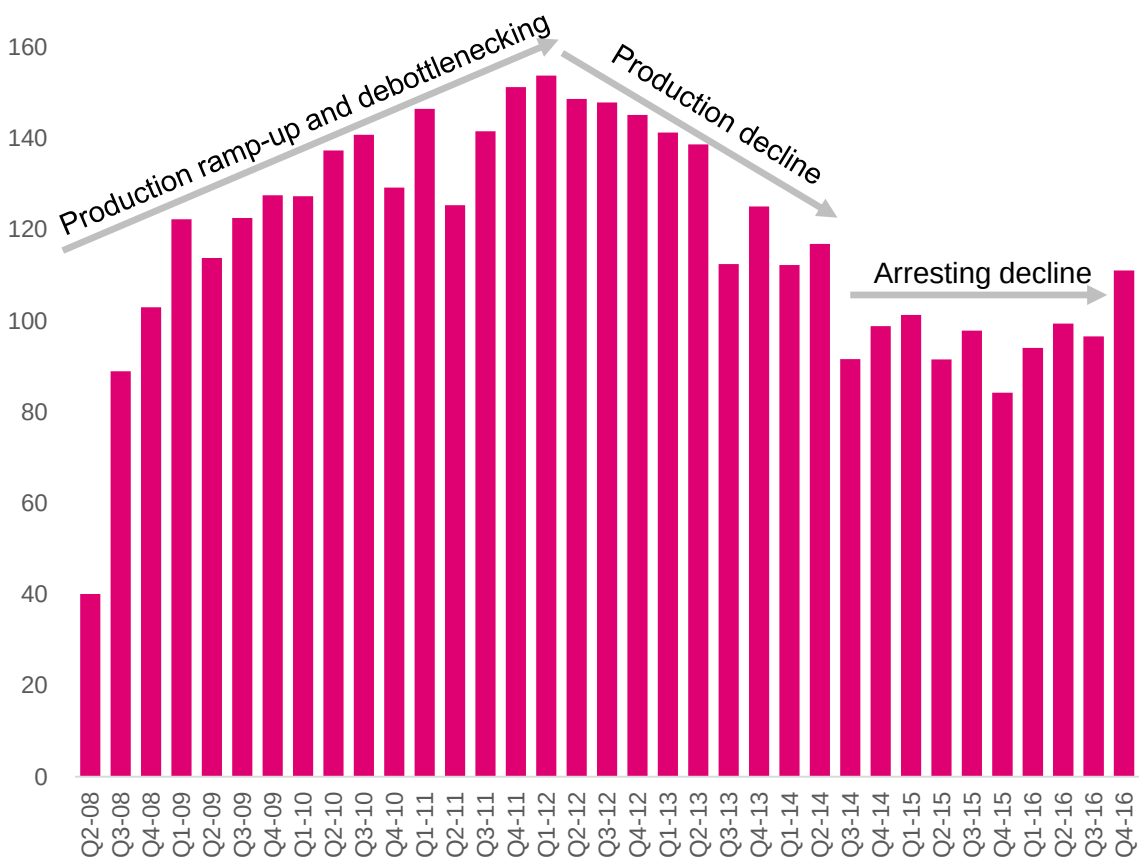
License:	PL203, PL088BS, PL036C, PL036D, PL150, PL340
Discovery year:	1998
End 2016 2P reserves (net):	120 mmboe
Production start:	2008
Partners:	ConocoPhillips, Lundin, Point (PL340), Statoil (PL036D), PGNiG (PL036D)



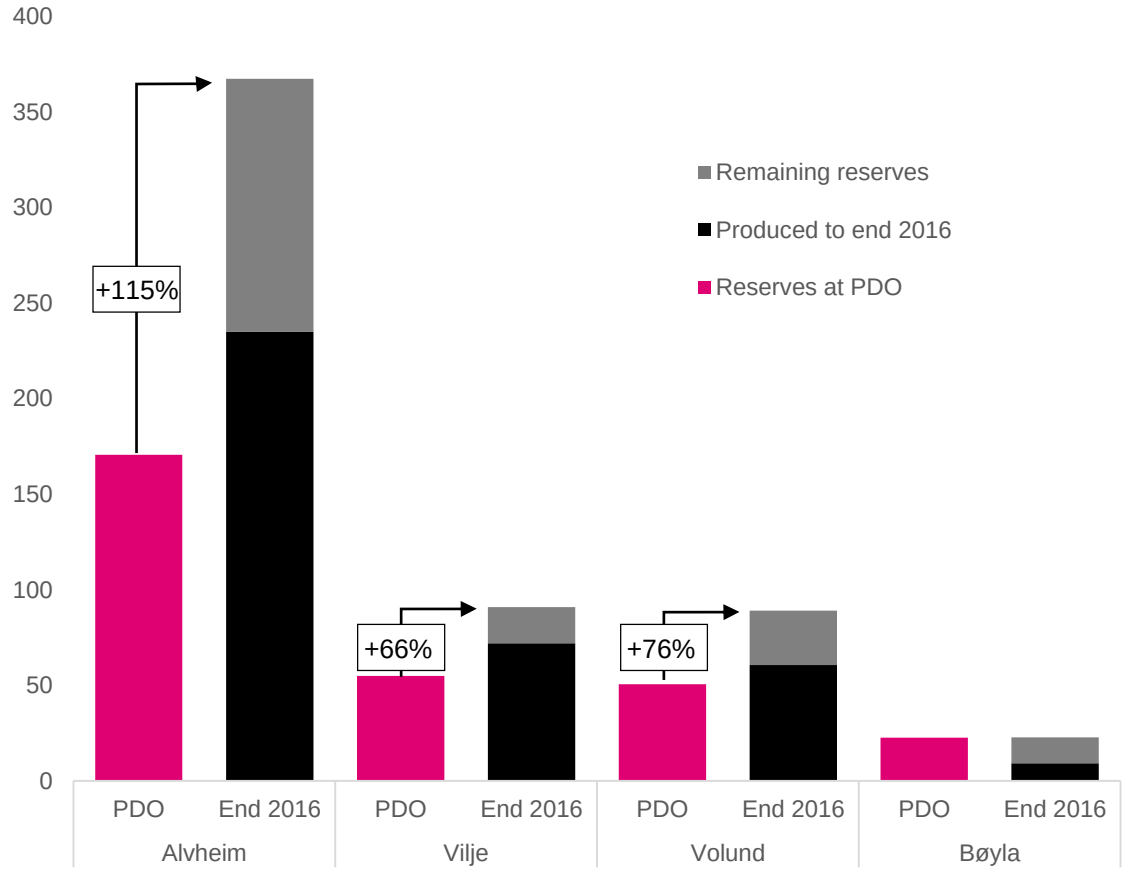
57.62% in PL088BS (Boa), 46.9% in PL036D (Vilje)

The Alvheim FPSO production and Alvheim area reserves

Alvheim FPSO historical production (mboepd gross)



Reserves vs. PDO (P50 gross), mmboe



OPERATIONS

Skarv Area

Operated, 23.84% working interest

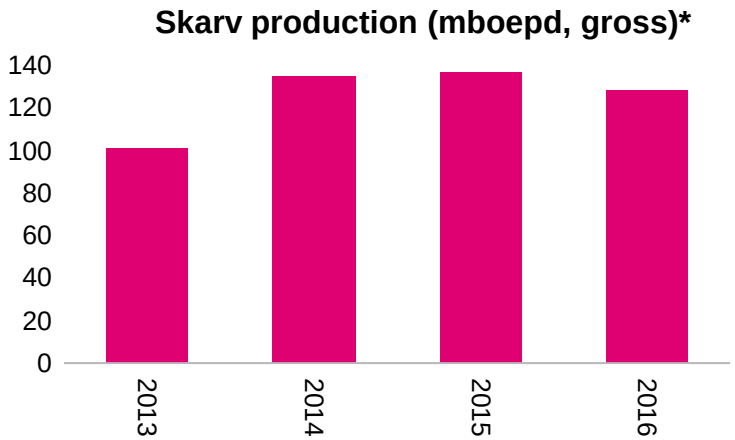
- **Skarv FPSO is anchored to the seabed and has one of the world's largest gas processing plants offshore**
- **Field developed with subsea wells tied back to Skarv FPSO from five sub-sea templates**
- **Transport solution:**
  - 80 km long 26" line to Åsgard Transport System
  - Shuttle tanker loading of oil for direct transport to the market
  - Ability to process third party gas
- **Safe, reliable production above plan – due to higher export of gas than originally agreed**
- **June 2016: Oil shipment number 100 was brought to the European market from the Skarv field**

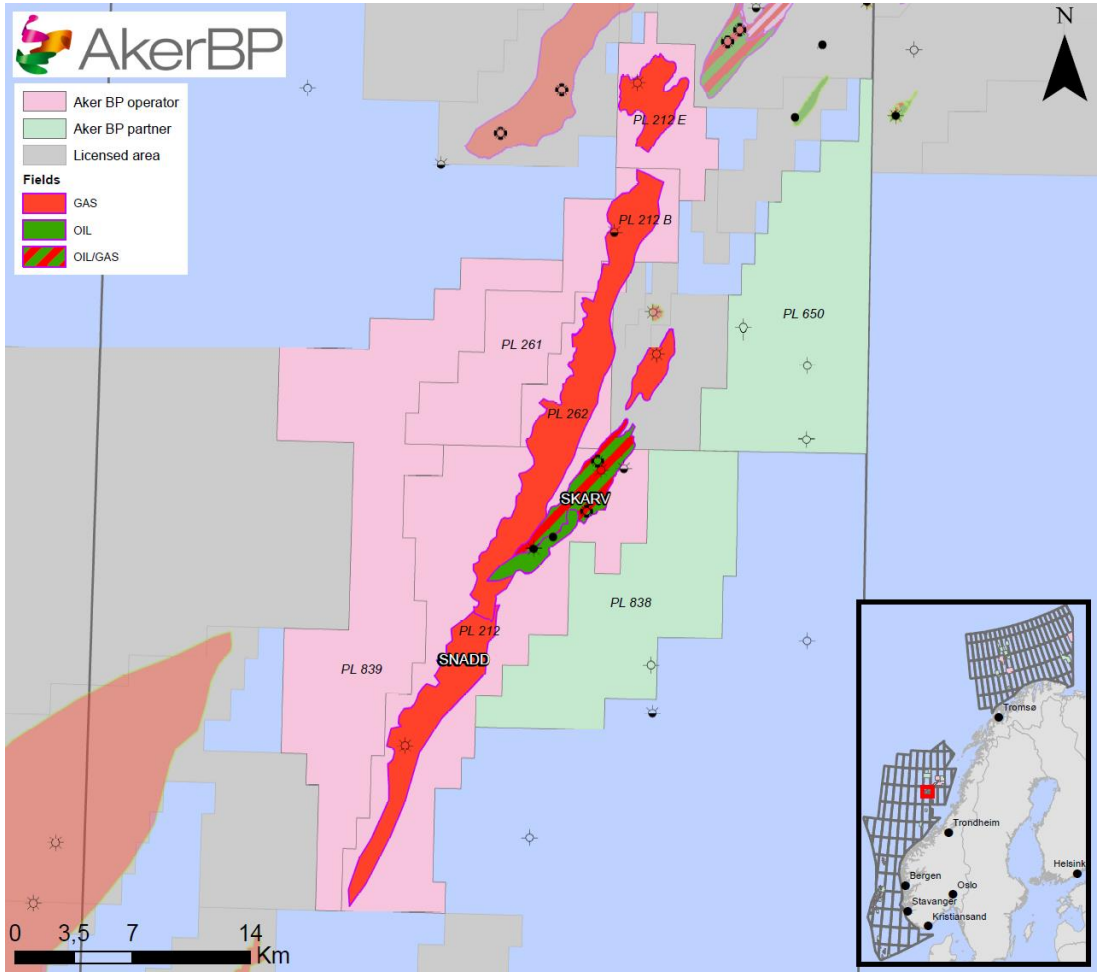
License:	PL159, PL212, PL212B PL262
Discovery year:	1998
End 2016 2P reserves (net):	67 mmboe
Production start:	2012
Partners:	Statoil, DEA, PGNiG

Skarv: Efficient operations

Focus areas

- **Continue Snadd test production to provide in depth reservoir knowledge, preparing for PDO delivery**
- **Deliver value from low pressure production**
- **Optimize maintenance and reduce vendor based maintenance by doing more work internally**
- **Positional upside in exploration acreage in Skarv area**





** Source: Aker BP for 2016 and NPD for historic production*

Reducing cost and improving production efficiency

- Capture synergies across assets
- Optimize maintenance and modifications
- Continue the journey on simplification and efficiency incorporating lean implementation
- Focus on increasing the improvement pace in Operations (incl. technology and digitalization)
- Operations is tuned in to increasing value creation in the assets through integration
- We are providing a stable and sound platform for building future business opportunities upon

Concluding remarks

Karl Johnny Hersvik
Chief Executive Officer

Building the benchmark offshore E&P company

Execute | Improve | Grow

Reorganising the value chain with strategic partnerships and alliances

Be at the forefront for digitizing E&P

Value chain based on a shared LEAN understanding, toolbox and culture

Flexible business model ready for growth and volatility

Concluding remarks

- **Strong current production base and operational cash flow**
- **World-class project portfolio with low break even oil price levels**
- **Identified potential within the portfolio to lift oil & gas production to 270 mboepd after 2020**
- **Extensive improvement agenda to strengthen long-term competitiveness**
- **Robust capital structure with ample flexibility for further growth**
- **Attractive dividend floor of USD 250 million, set to increase post first oil at Johan Sverdrup**
- **Proven M&A track record – targeting further inorganic growth**

Q&A

www.akerbp.com