

# First Quarter 2021

28 April 2021

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# First quarter 2021

## Highlights

### Operations on track

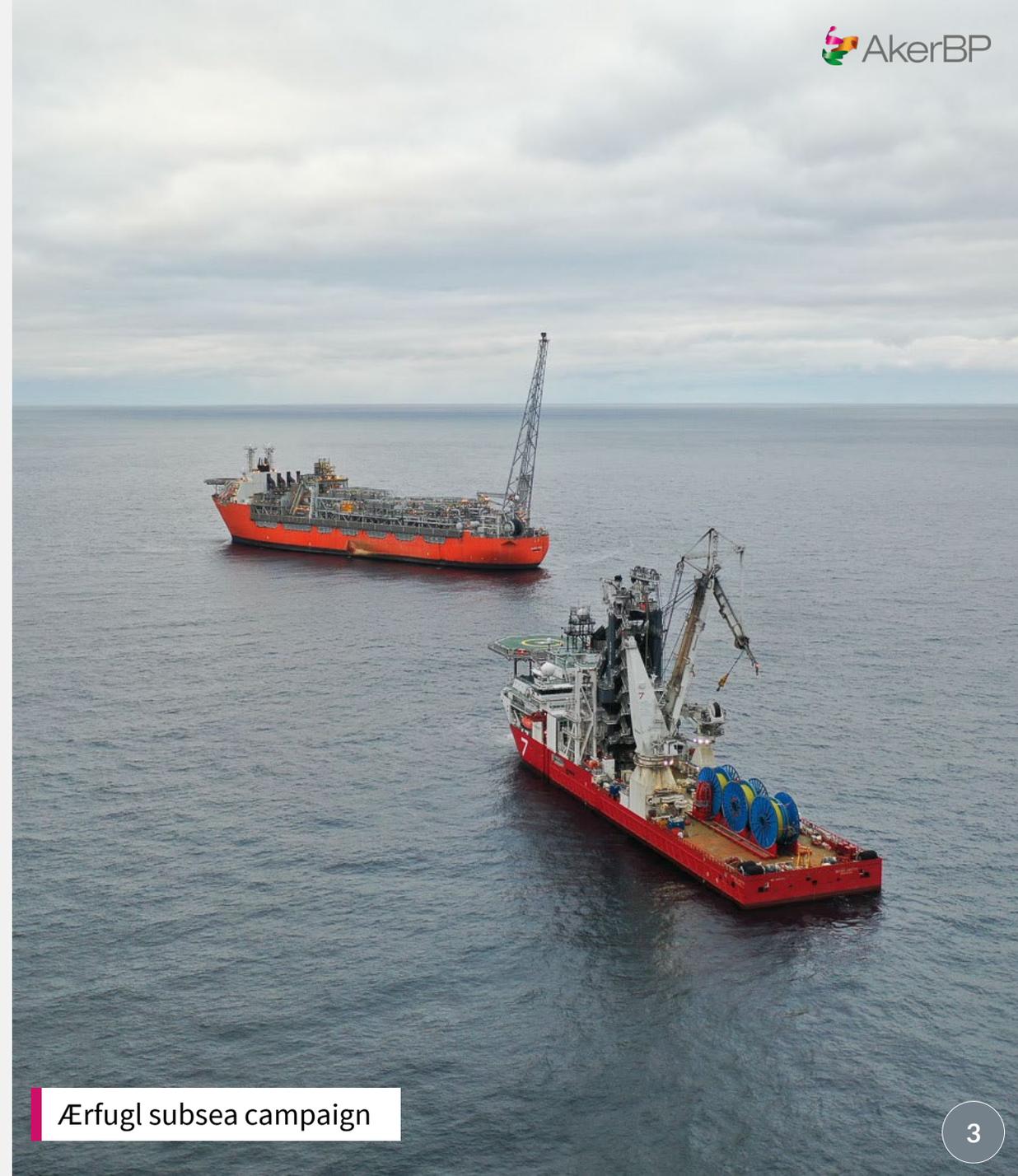
- Production on track with low cost and low emissions
- Field developments on schedule
- P&A campaign successfully completed

### Maturing next wave of field developments

- Frosk and KEG first in line
- NOAKA moving towards concept select

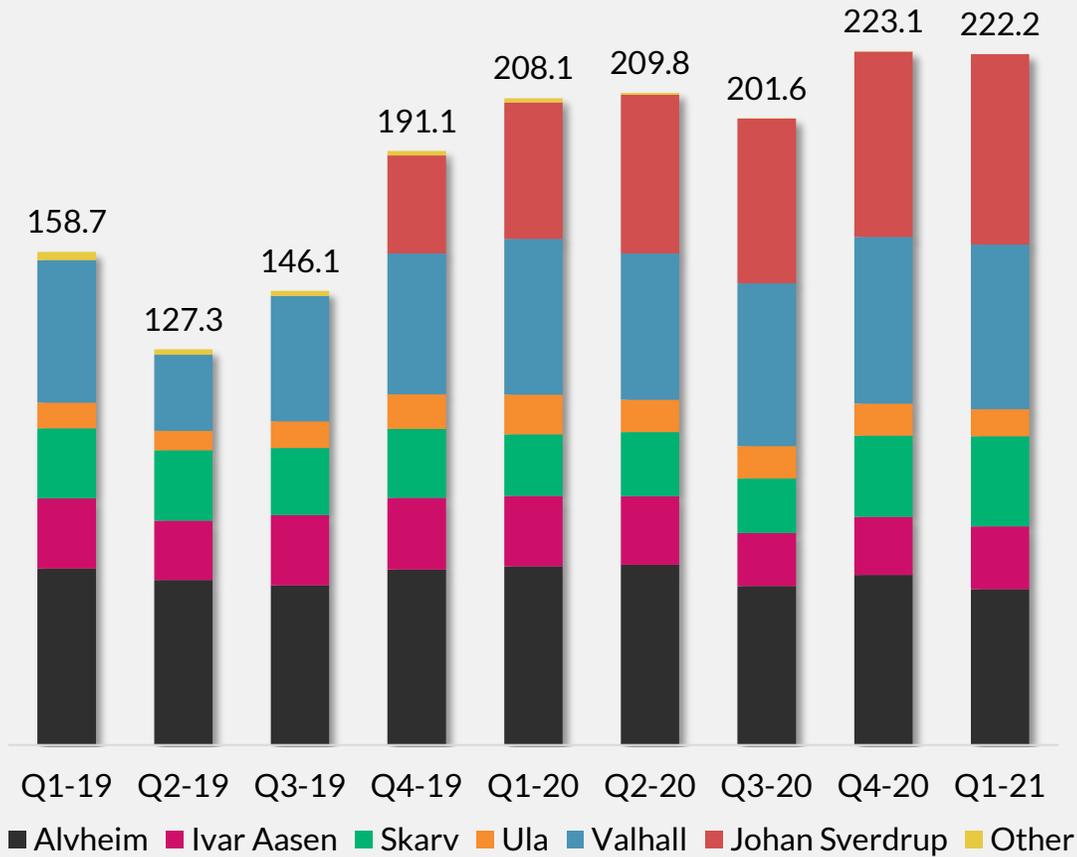
### Strong financial performance

- Record free cash flow
- Full year guidance unchanged

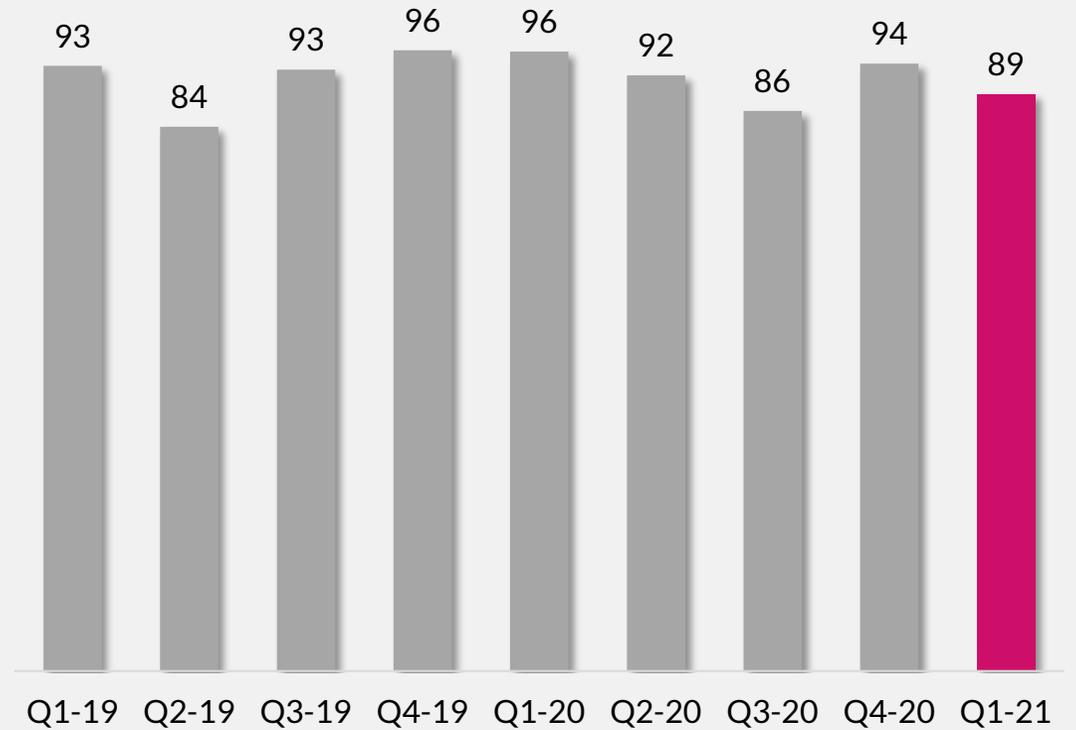


# Production performance

Oil and gas production (mboepd)

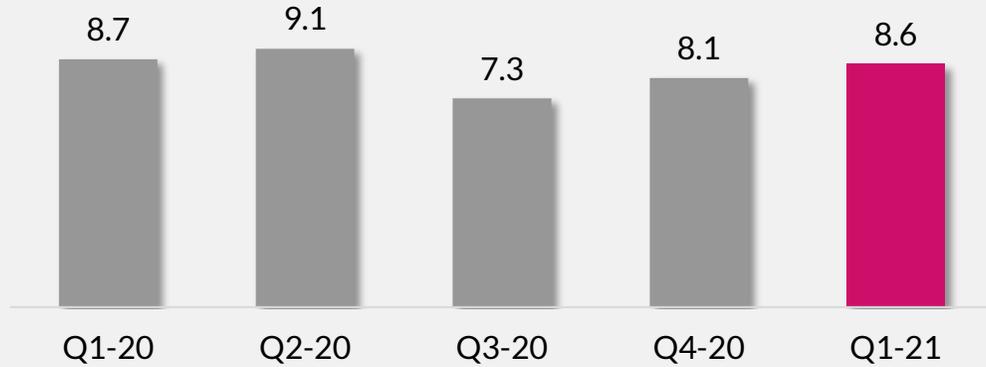


Production efficiency (percent)

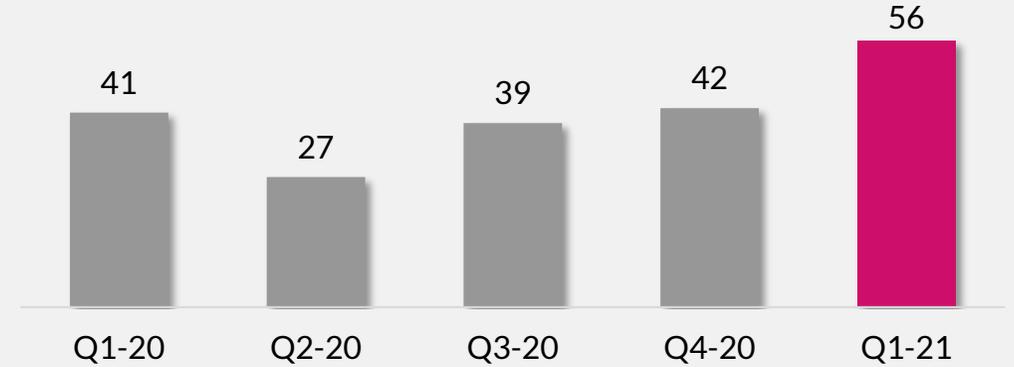


# Financial performance

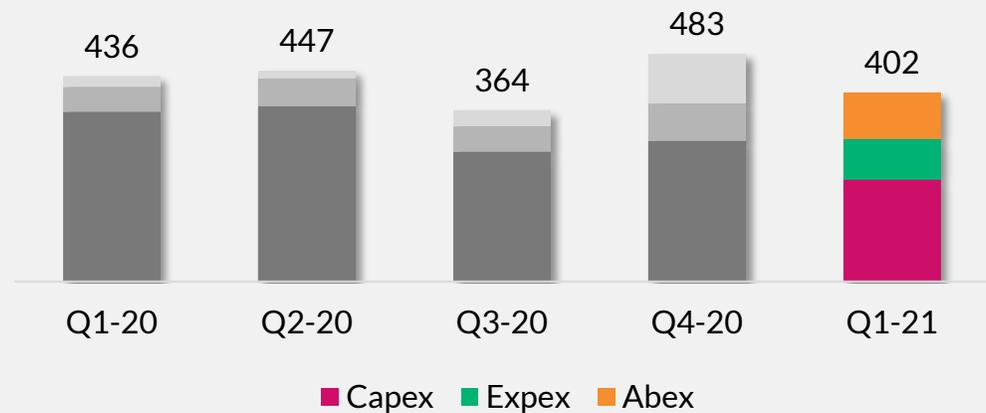
**Production cost as planned (USD/boe)**



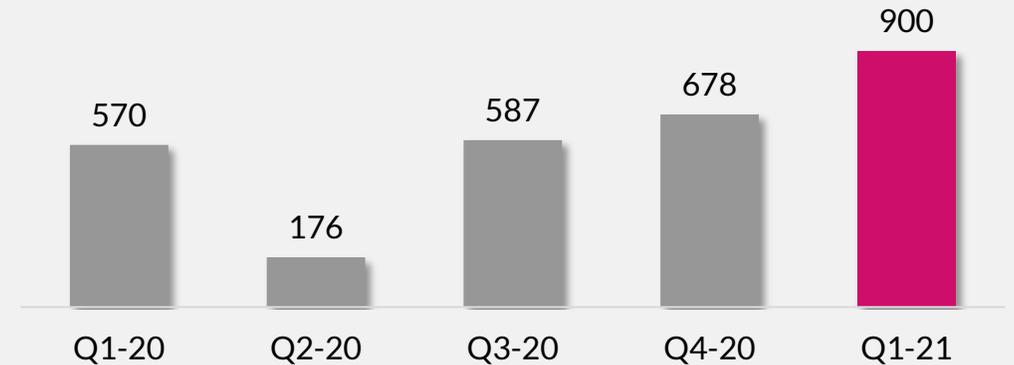
**Higher realised oil and gas prices (USD/boe)**



**Disciplined capital spend (USD million)**

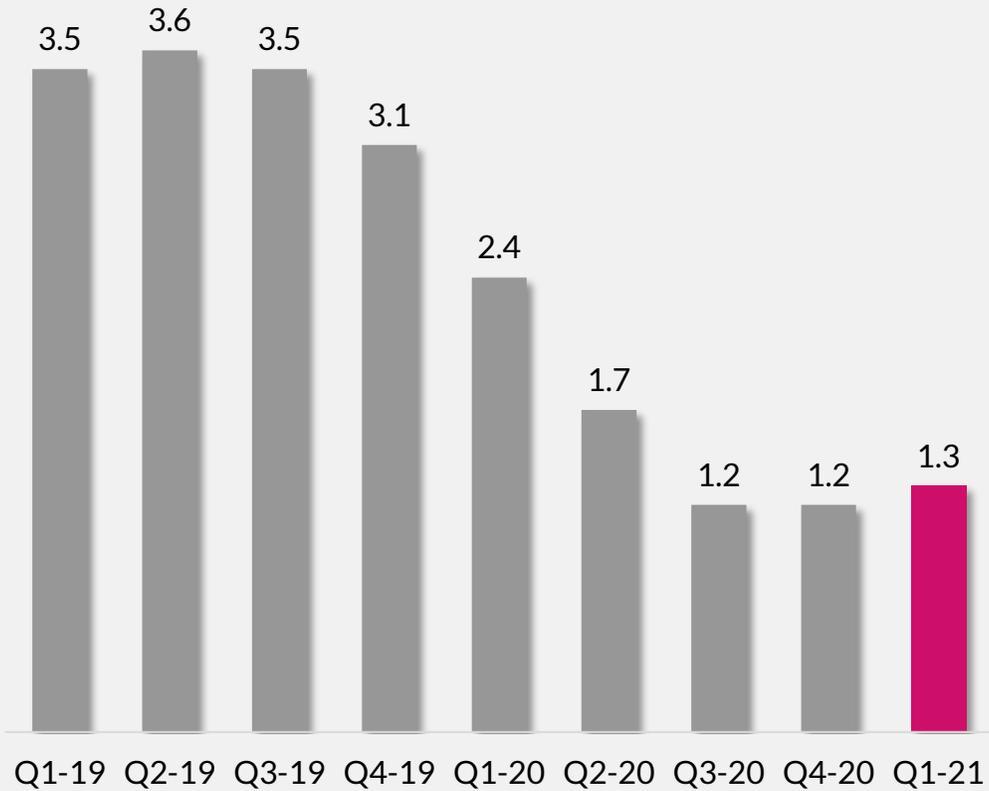


**Record high operating cash flow (USD million)**

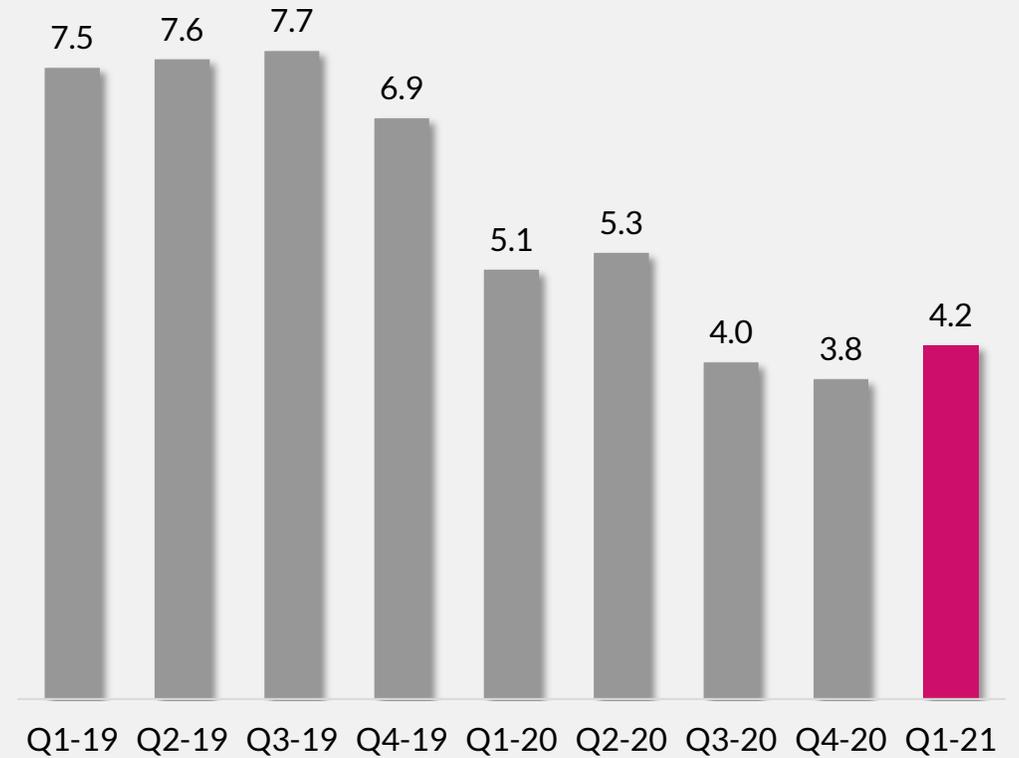


# HSSE performance

**Total Recordable Injury Frequency** (12 months rolling average)



**Emissions Intensity** (kg CO<sub>2</sub> per boe produced)



# Ongoing projects

On schedule

## Ærfugl phase 2

- Drilling completed
- Offshore preparations on track
- Production start planned in Q4-21

## Johan Sverdrup phase 2

- Main process module underway to Norway
- Offshore installation of jacket planned in June
- On schedule for production start in Q4-22

## Hod

- Platform construction progressing as planned
- Tie-in preparations initiated at Valhall
- Production start planned in Q1-22



Main Support Frame for new Johan Sverdrup platform

# Upcoming projects

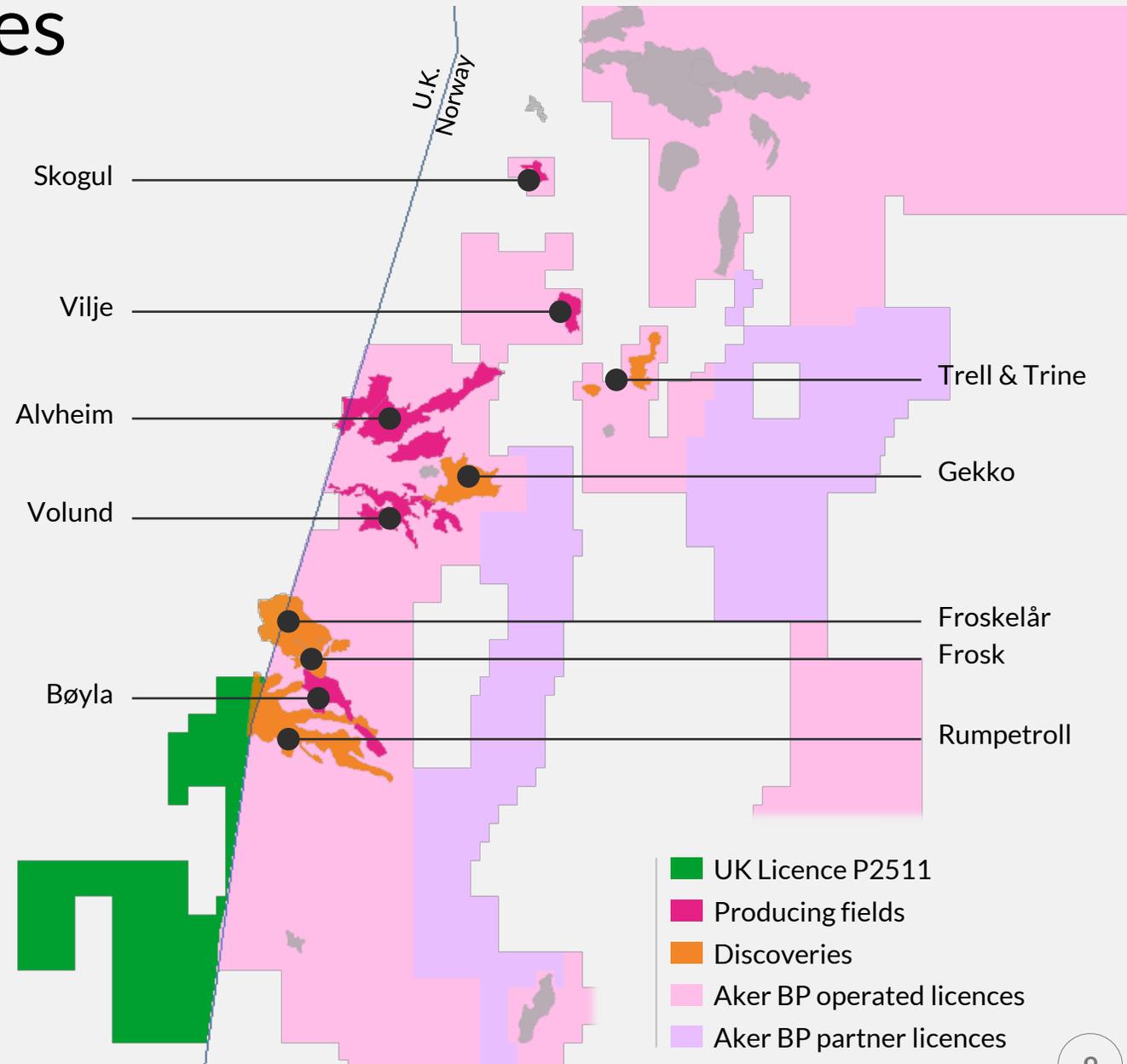
Aiming to sanction projects with more than 500 mmboe in resources before the end of 2022

Project	Area	Net mmboe	FID	First oil	Status
Valhall infill drilling	Valhall	10	2020	2021	Ongoing
Frosk	Alvheim	10	Q3-2021	2023	Concept selected – FID planned in Q3-21
Kobra East/Gekko	Alvheim	30	Q2-2021	2024	Concept selected – FID planned in Q2-21
Trell & Trine	Alvheim	10	2022	2025	Concept studies ongoing
Hanz	Ivar Aasen	5	2022	2024	Concept select planned in Q2-21
Skarv satellites	Skarv	70	2022	2025	Concept studies ongoing
Valhall NCP	Valhall	70	2022	2025	Concept studies ongoing
NOAKA	NOAKA	325	2022	2027	Concept select planned in Q3-21
Garantiana	Other	20	2022	2025	Concept studies ongoing

# The Alvheim story continues

Many projects and active business development

- Kobra East Gekko FID planned in Q2
- Frosk FID planned in Q3
- Continued infill drilling
- Swap deal with Lundin
- Entered into UK licence P2511



# NOAKA

North of Alvheim, Krafla and Fulla

- On track for concept select in Q3
- Close cooperation with partners and suppliers
- Digital project execution

Resources

**>500 mmboe**

gross

Aker BP

**>60%**

avg. interest

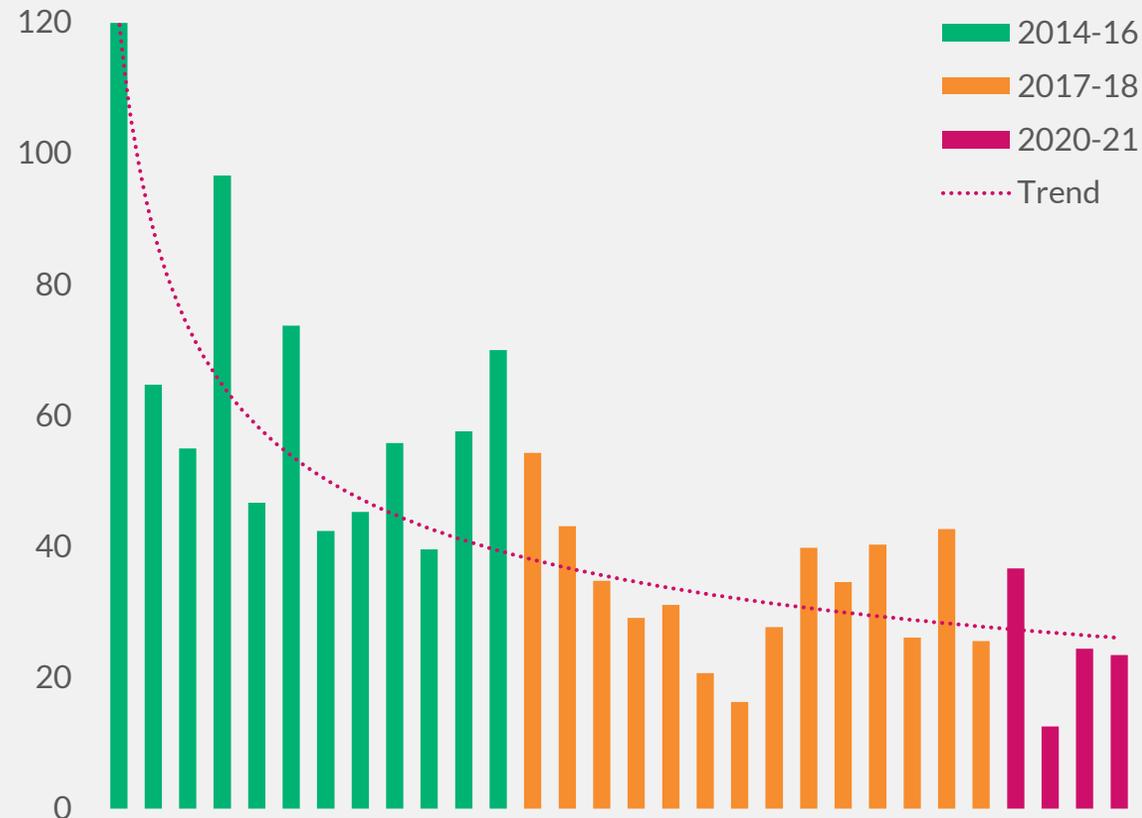
Production start

**2027**

targeted

# Valhall plugging campaign successfully completed

Valhall P&A campaigns (days per well)



## Strong performance

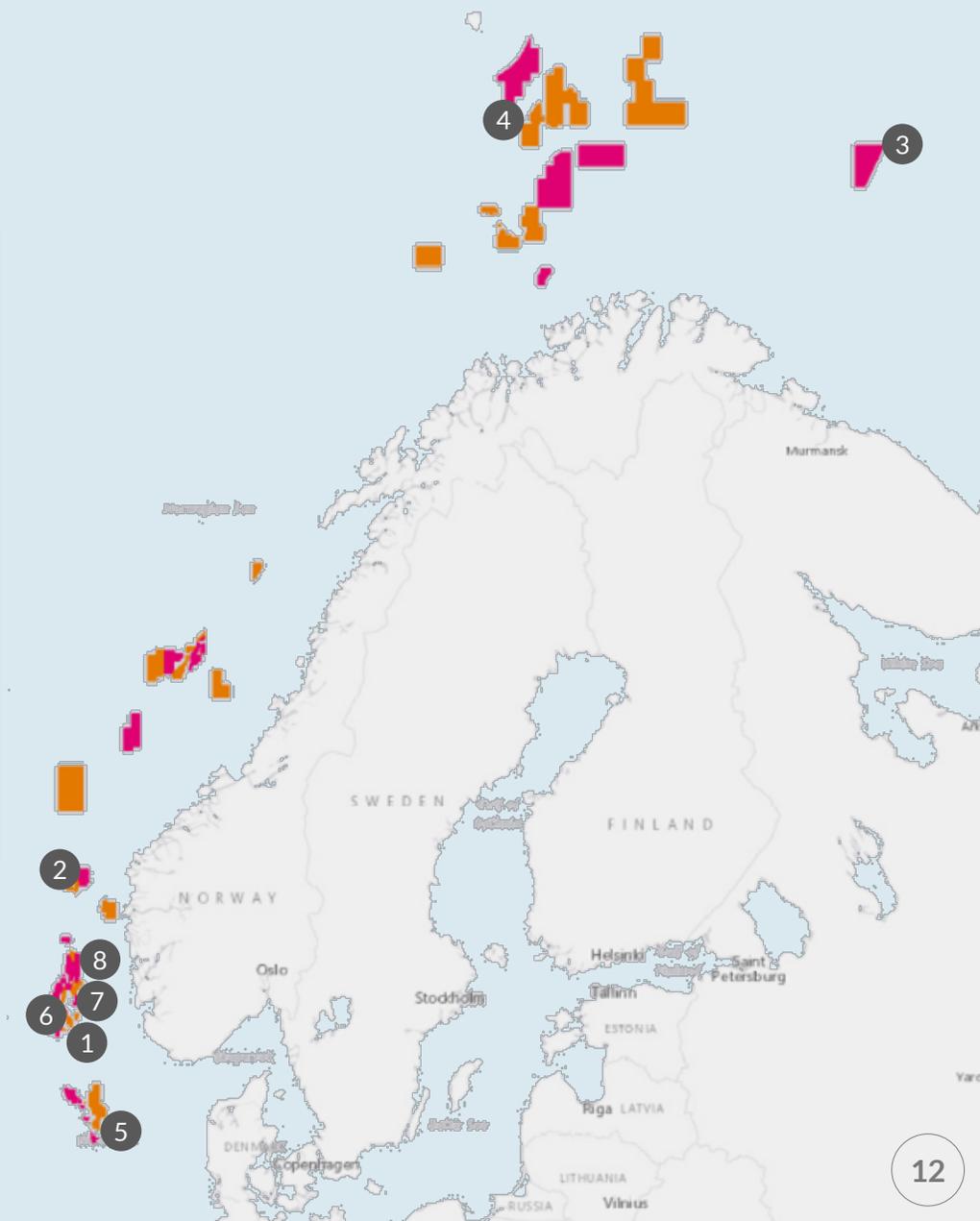
- 30 wells plugged since 2014 in three campaigns
- Six years ahead of plan and NOK 5 billion below original budget
- Close to zero emissions with electrified rig

## Enabled by continuous improvement

- Excellent cooperation with Maersk and Halliburton
- Bismuth technology improves efficiency and reduces risk of methane leaks

# Exploration 2021

Licence	Prospect	Operator	Aker BP share	Pre-drill mmboe	Status
PL 533	Bask	Lundin	35 %		Dry
PL 981	Merckx Ty	① Lundin	40 %	43 - 304	Expected in Q3
PL 544	Garantiana W	② Equinor	30 %	7 - 28	Ongoing
PL 858	Stangnestind	③ Aker BP	40 %	13 - 108	Q2 - after Shenzhou
PL 722	Shenzhou	④ Equinor	20 %	191 - 505	Ongoing
PL 006C	Gomez	⑤ DNO	15 %	17 - 57	Expected in Q2
PL 1041	Lyderhorn	⑥ Aker BP	40 %	6 - 14	Planned start in Q4
PL 167	Lille Prinsen	⑦ Equinor	10 %	Appraisal	Expected in Q3
PL 442	Liatårnet	⑧ Aker BP	90 %	Appraisal	Planned in Q3



# Financial review

First quarter 2021

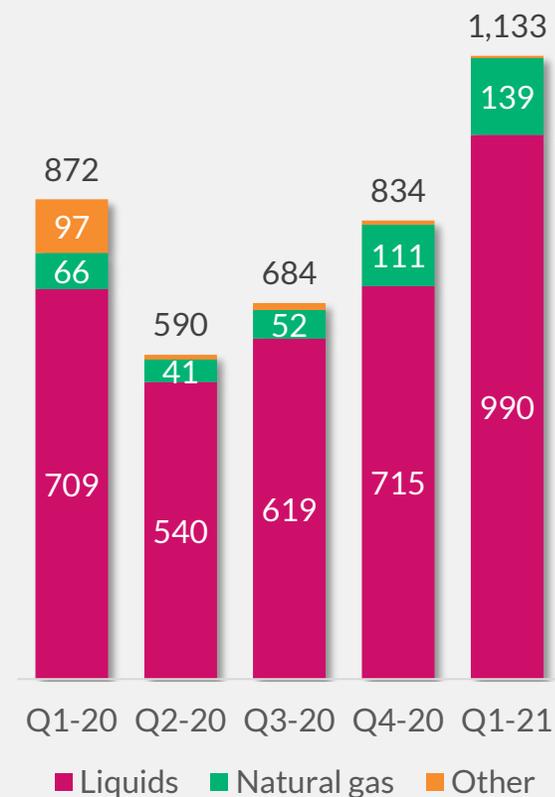
# Oil and gas sales

First quarter 2021

Oil & gas volume sold (mmboe)



Total income (USD million)



Realised prices (USD/boe)

Liquids

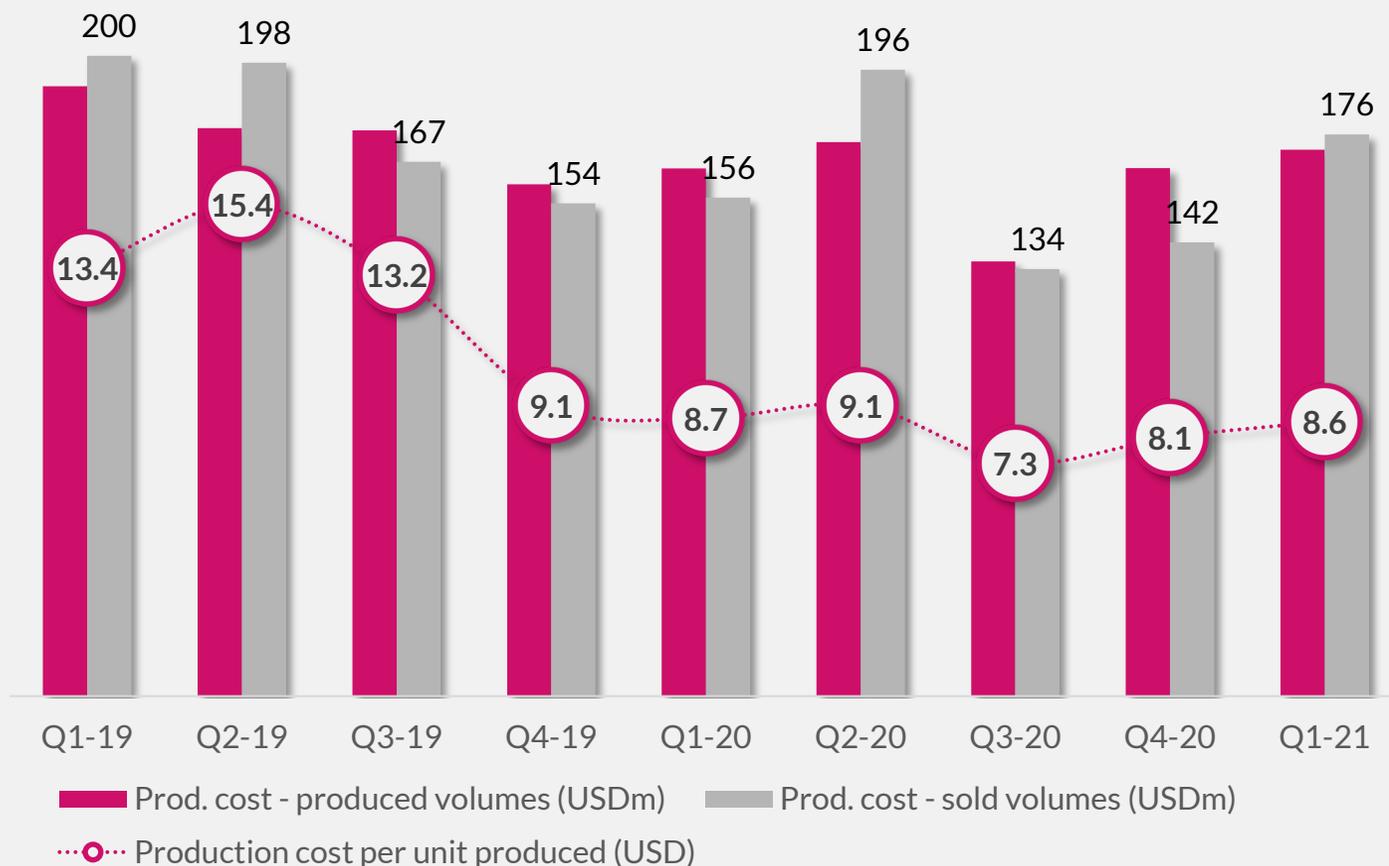
**\$60.1**    **+36%**

Natural gas

**\$38.5**    **+21%**

# Production cost

First quarter 2021



**Production cost per unit produced**  
USD/boe

Q1-2021

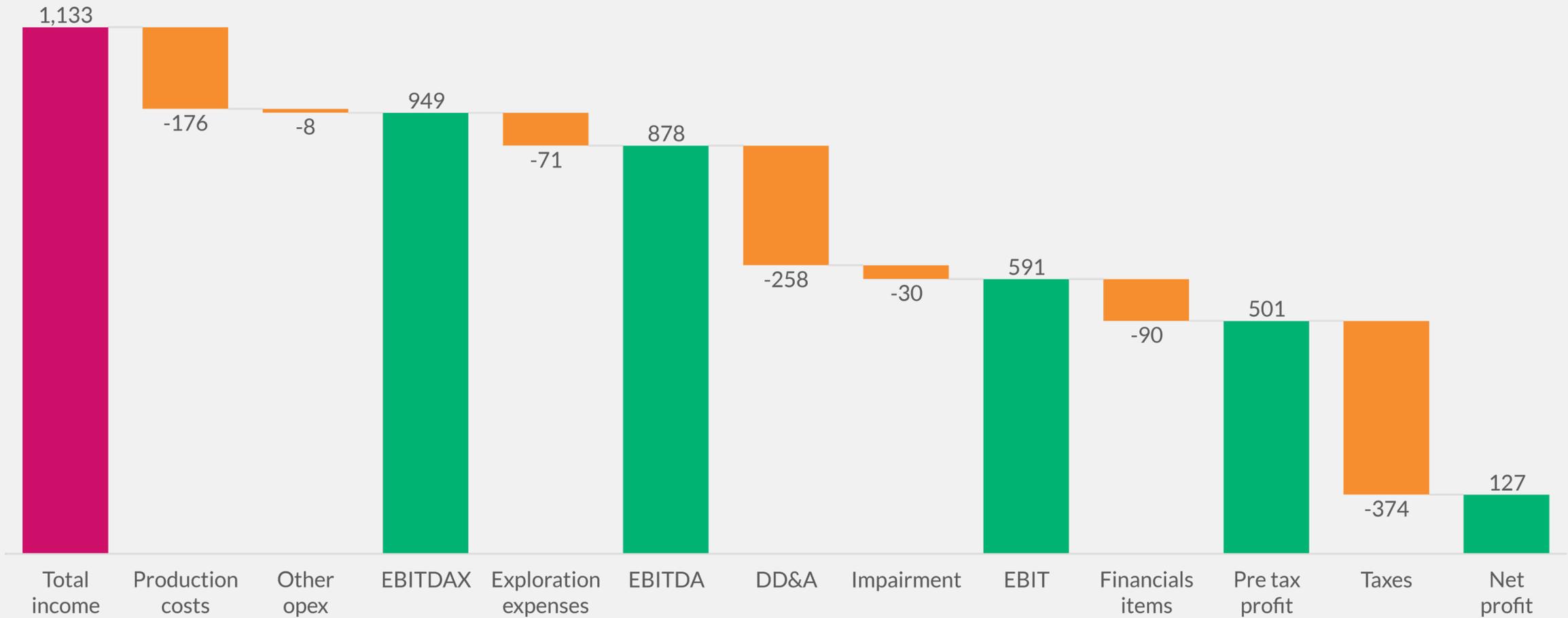
**\$8.6**

Full year guidance

**\$8.5-9.0**

# Income statement

First quarter 2021 (USD million)



# Income statement

First quarter 2021

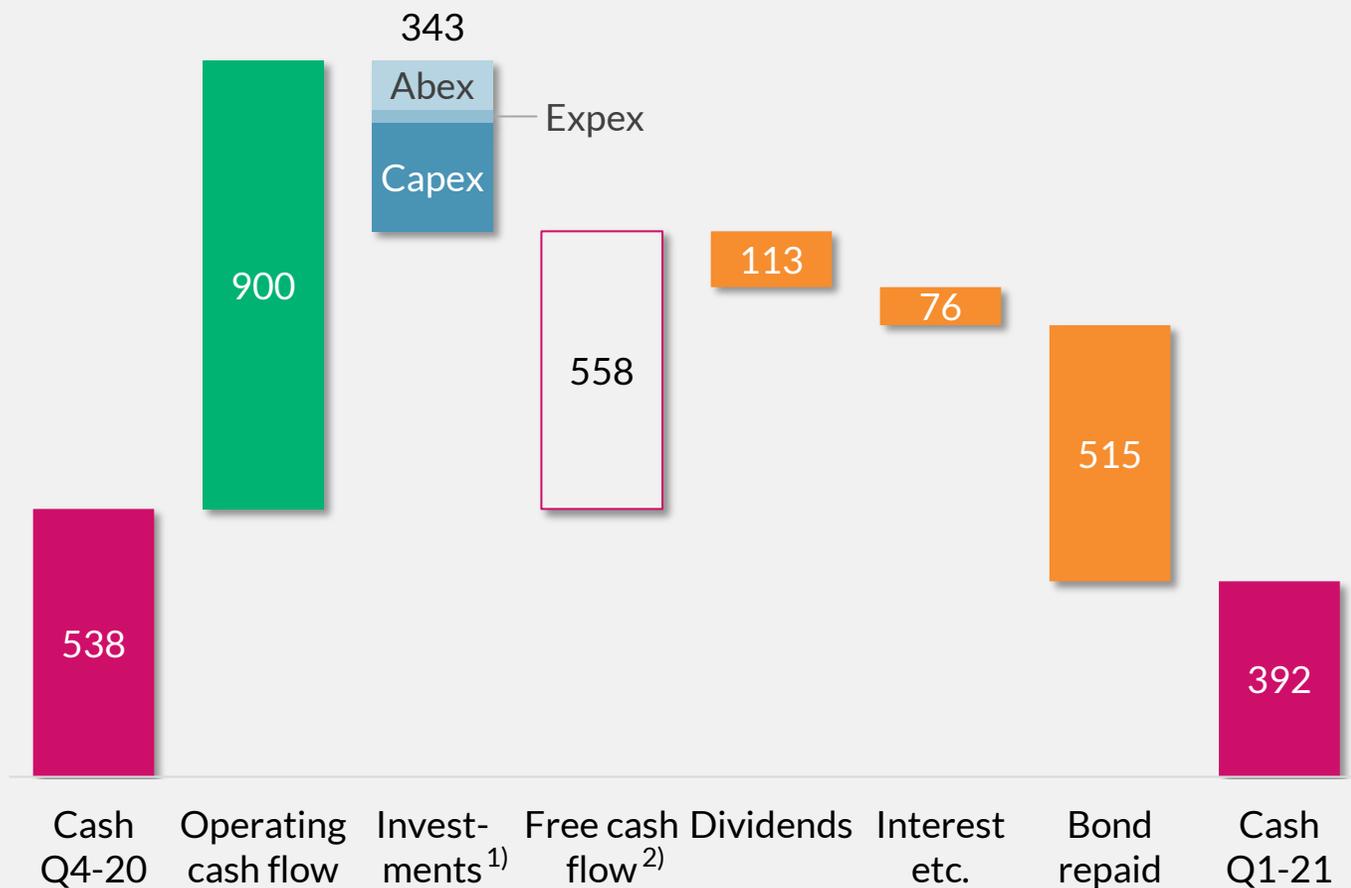
USD million	Q1 2021	Q4 2020	Change	Comment
Total income	1,133	834	+36%	1
Production costs	176	142		2
Other operating expenses	8	27		
<b>EBITDAX</b>	<b>949</b>	<b>664</b>	<b>+43%</b>	
Exploration expenses	71	42		3
<b>EBITDA</b>	<b>878</b>	<b>623</b>	<b>+41%</b>	
Depreciation	258	289		4
Impairments	30	55		5
<b>Operating profit (EBIT)</b>	<b>591</b>	<b>278</b>	<b>+113%</b>	
Net financial items	(90)	(42)		6
<b>Profit/loss before taxes</b>	<b>501</b>	<b>236</b>	<b>+113%</b>	
Tax (+) / Tax income (-)	374	106		
<b>Net profit / loss</b>	<b>127</b>	<b>129</b>	<b>-2%</b>	
EPS (USD)	0.35	0.36		

## Comments:

1. Higher oil and gas prices
2. Higher volume lifted
3. Increase driven by field evaluation, mainly related to NOAKA
4. Reduced depreciation per unit due to increased reserves and decreased ARO estimates on some fields
5. Ula impairment USD 118 million, Ivar Aasen reversal USD 88 million, driven by updated cost and production profiles, partly offset by higher short-term oil and gas price assumptions
6. Approx. USD 20 million expensed related to call of bond

# Cash flow statement

First quarter 2021 (USD million)



Q1-2021

FCF per share

**\$1.55**

Dividend per share

**\$0.31**

2020

FCF per share

**\$1.25**

Dividend per share

**\$1.18**

1) Including payments on lease debt

2) Net cash flow from operating activities and investment activities including payments on lease debt

# Statement of financial position

USD million

Assets	31.03.21	31.12.20	31.03.20
Goodwill	1,647	1,647	1,647
Other intangible assets	1,879	2,043	2,001
Property, plant and equipment	7,392	7,266	7,061
Right-of-use asset	127	133	171
Receivables and other assets	804	793	524
Calculated tax receivables	-	-	-
Cash and cash equivalents	392	538	323
<b>Total Assets</b>	<b>12,241</b>	<b>12,420</b>	<b>11,727</b>

Equity and liabilities	31.03.21	31.12.20	31.03.20
Equity	1,989	1,987	1,813
Other provisions for liabilities incl. P&A (long)	2,665	2,650	2,699
Deferred tax	2,782	2,642	2,153
Bonds and bank debt	3,474	3,969	3,593
Lease debt	200	216	277
Other current liabilities incl. P&A	678	792	931
Tax payable	452	163	260
<b>Total Equity and liabilities</b>	<b>12,241</b>	<b>12,420</b>	<b>11,727</b>

# Refinancing to further improve maturity profile

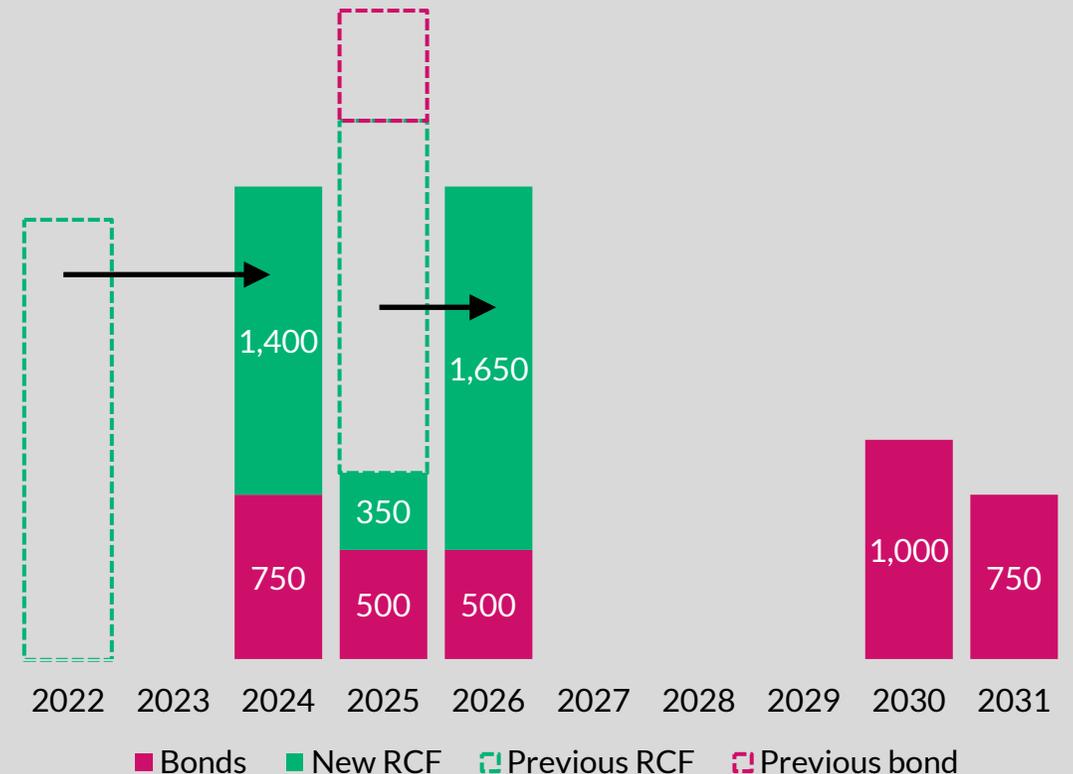
## Bond redeemed

- Call option exercised at 102.9375% of par for the USD 500 million Senior Notes 5.875% (2018/25)

## RCF facilities extended

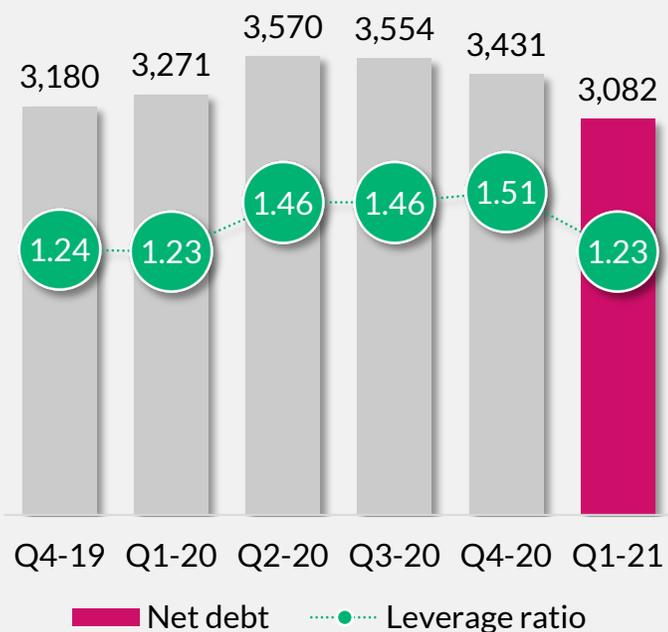
- Working Capital Facility extended to 2024 (2022) with options for two 1-year extensions and committed amount reduced to USD 1.4 (2.0) billion
- Liquidity Facility of USD 2.0 billion extended to 2026 (2025) of which USD 0.35 billion falls due in 2025

**Debt maturity profile** (USD million)

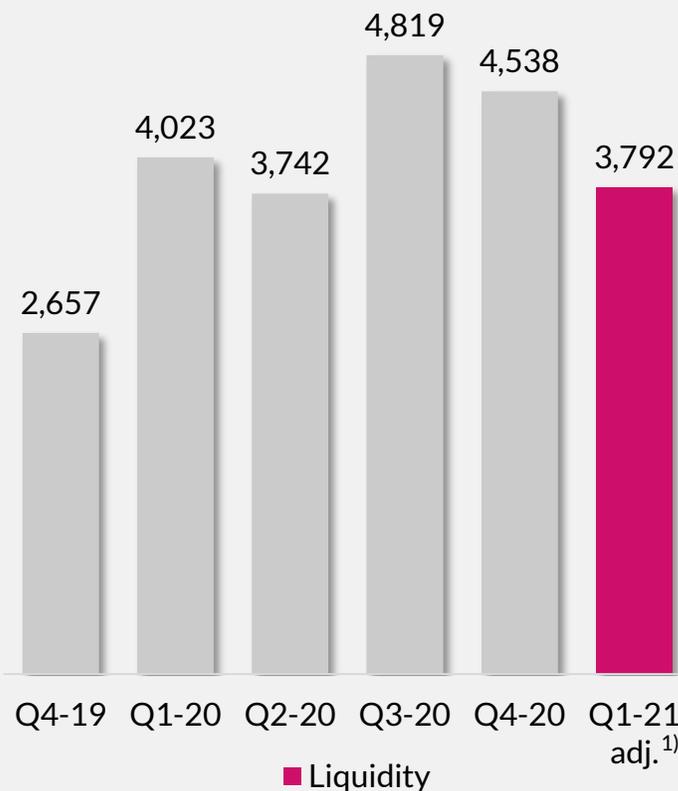


# Superior financial flexibility

**Net debt ex. leases** (USD million)



**Available liquidity** (USD million)



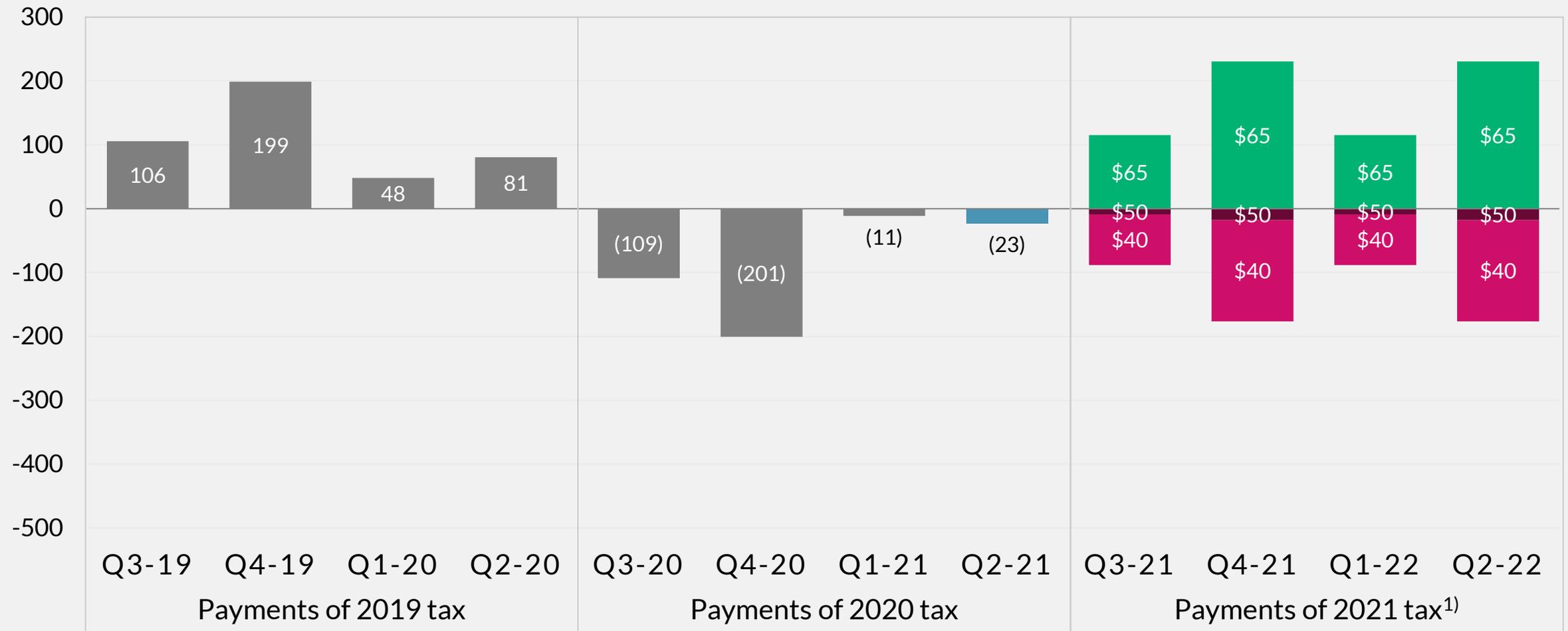
**Debt maturity profile** (USD million)



1) Adjusted to reflect the reduction in available amount under the Working Capital Facility from USD 2.0 billion to USD 1.4 billion agreed in April 2021.

# Cash tax sensitivity

USD million



1) Estimated current tax on income for fiscal year 2021 for Aker BP at various oil price scenarios, assuming USDNOK 8.5. Excluding potential payments related to uncertain tax cases.

# Guidance summary

First quarter 2021

	PRODUCTION	CAPITAL SPEND	PRODUCTION COST	DIVIDENDS
2021 guidance	<b>210-220</b> mboepd	<b>2.2-2.3</b> USD billion	<b>8.5-9.0</b> USD/boe	<b>450</b> USD million
First quarter actuals	<b>222.2</b> mboepd	<b>0.4</b> USD billion	<b>8.6</b> USD/boe	<b>112.5</b> USD million

# Concluding remarks

First quarter 2021

# Priorities

## EXECUTE

- Safe and efficient operations
- Flawless project execution

## IMPROVE

- New operating model
- Digital project execution

## GROW

- Mature NOAKA and other projects to FID by end-2022



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