

# Second Quarter 2021

15 July 2021

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# Highlights

Second quarter 2021

## Successfully completed maintenance programme

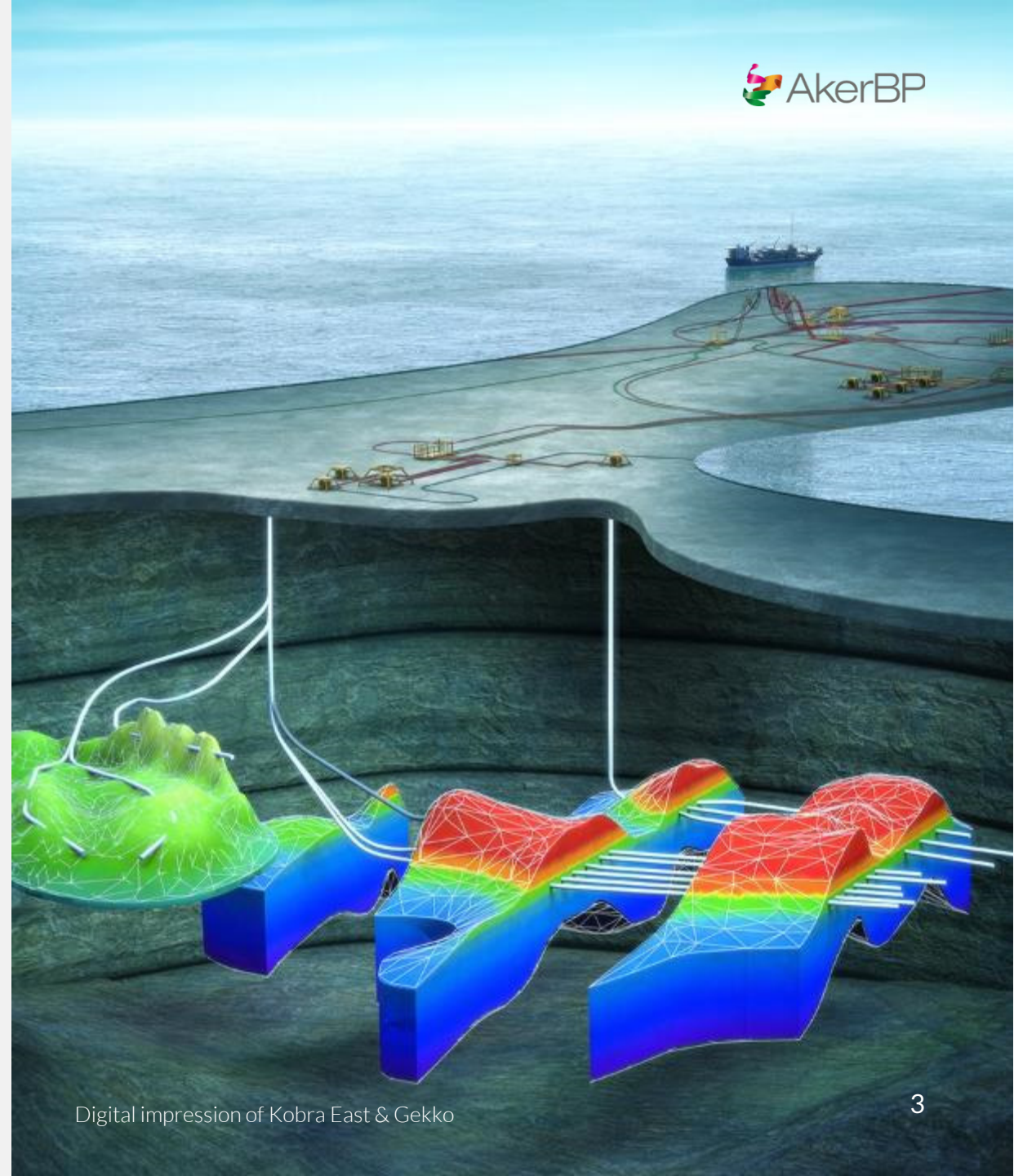
- Higher prices offset lower volume
- Ongoing projects on track
- Strong HSE performance and cost discipline

## Progressing the project portfolio as planned

- PDO submitted for Kobra East & Gekko
- NOAKA approaching concept select
- Turning Skarv into an area hub

## Financial position further improved

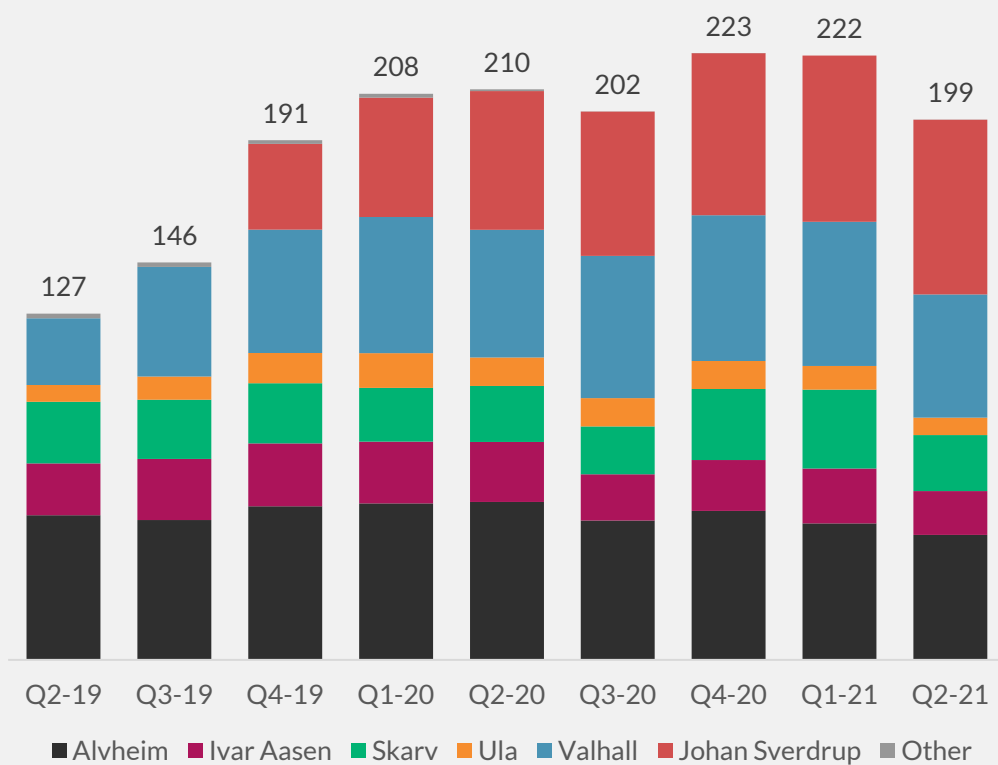
- Strong cash flow
- Inaugural EUR bond
- Debt maturities extended



Digital impression of Kobra East & Gekko

# Production performance

## Oil and gas production (mboepd)

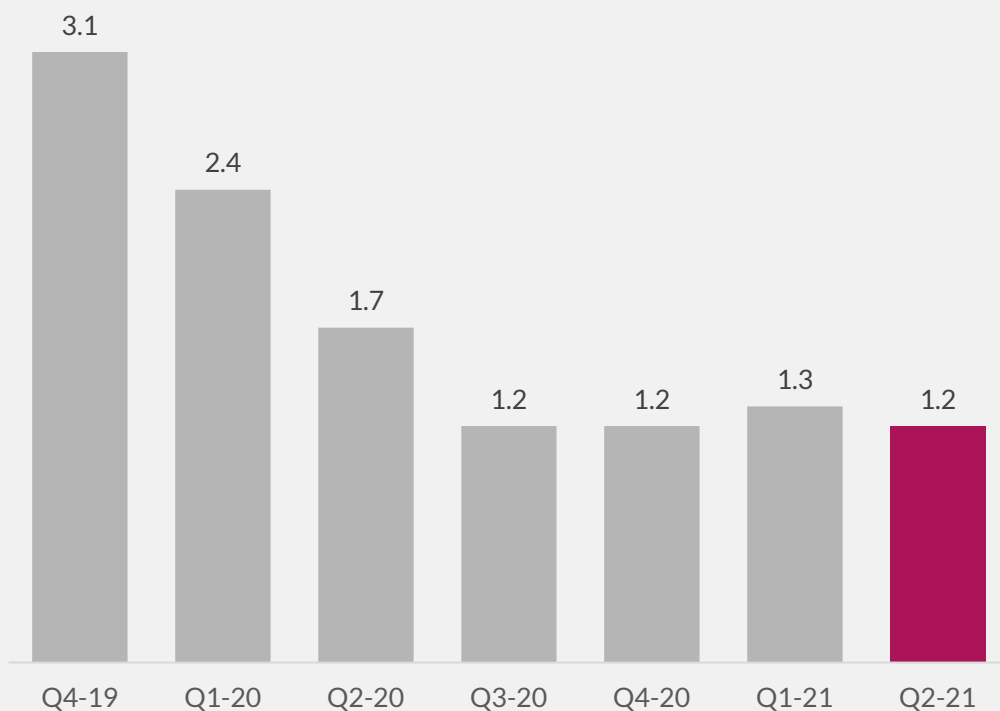


## Production efficiency (percent)

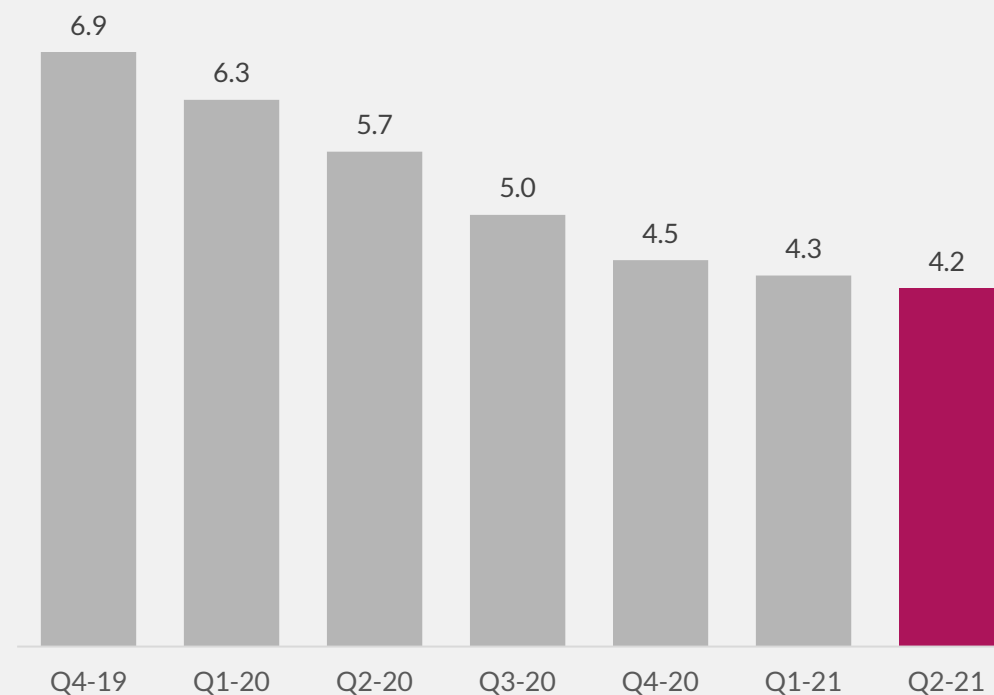


# HSSE performance

Total Recordable Injury Frequency <sup>1)</sup>



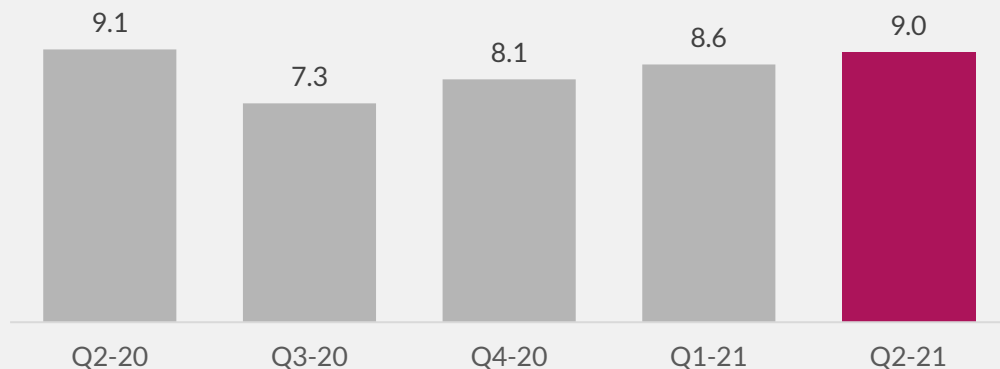
CO<sub>2</sub> emissions intensity <sup>2)</sup>



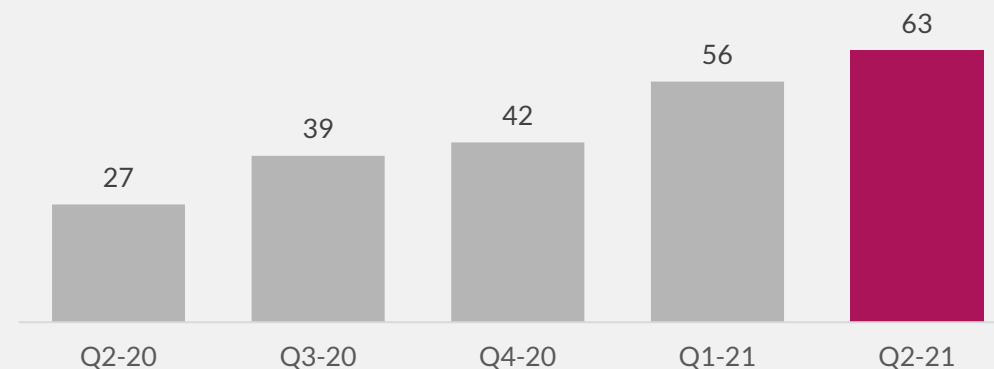
1) Total recordable injuries per million exp. hours, rolling 12 months average  
 2) Kg CO<sub>2</sub> emissions per barrel of oil equivalents produced, rolling 12 months average

# Financial performance

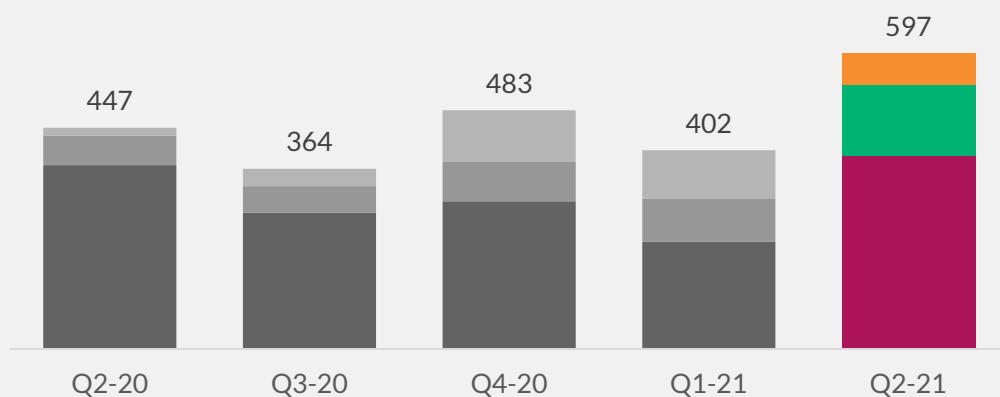
## Production cost (USD/boe)



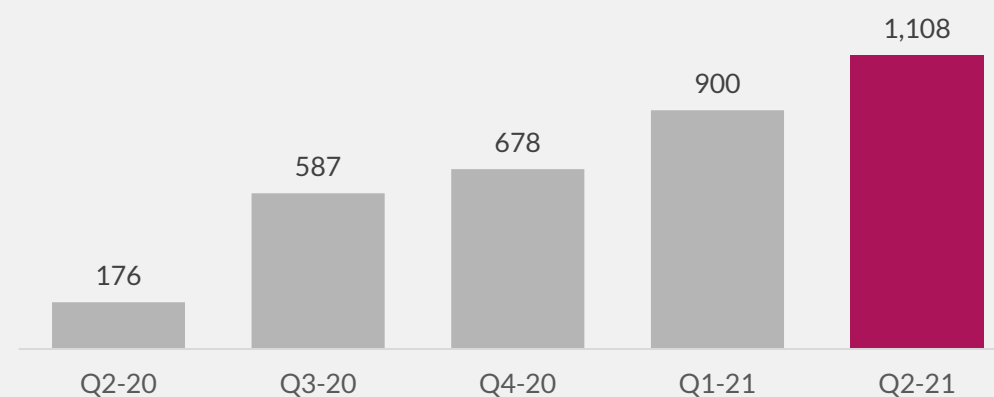
## Realised oil and gas prices (USD/boe)



## Capital spend (USD million)



## Operating cash flow (USD million)



■ Capex ■ Expex ■ Abex

# Key performance indicators H1-2021

SAFETY  
FIRST

**1.2**

Total Recordable  
Incidents Frequency (TRIF)<sup>1)</sup>

PRODUCTION  
VOLUME

**210.4**

thousand barrels of  
oil equivalents per day

PRODUCTION  
COST

**\$8.8**

per boe produced

PRODUCTION  
EFFICIENCY

**82%**

Aker BP operated  
assets, gross

EMISSIONS  
INTENSITY

**4.2kg**

CO<sub>2</sub> emissions  
per boe<sup>1)</sup>



<sup>1)</sup> 12 months rolling average per end H1-2021

# Ongoing projects

## On schedule

### Hod

- Jacket installed offshore in July
- Topside sail-away planned in August
- Production start planned in Q1-22

### Skarv area

- Production from Gråsel started in June
- Increased gas capacity on the Skarv FPSO
- Ærfugl phase 2 on schedule for production start in Q4-21

### Johan Sverdrup phase 2

- Jacket installed offshore in June
- Installation of processing platform planned in H1-22
- On schedule for production start in Q4-22



Hod jacket installed



# PDO submitted for Kobra East & Gekko

Adds volume and reduces unit cost and emissions for Alvheim FPSO

~40 mmboe

Reserves (gross)

USD 1 bn

Capex (gross)

65%

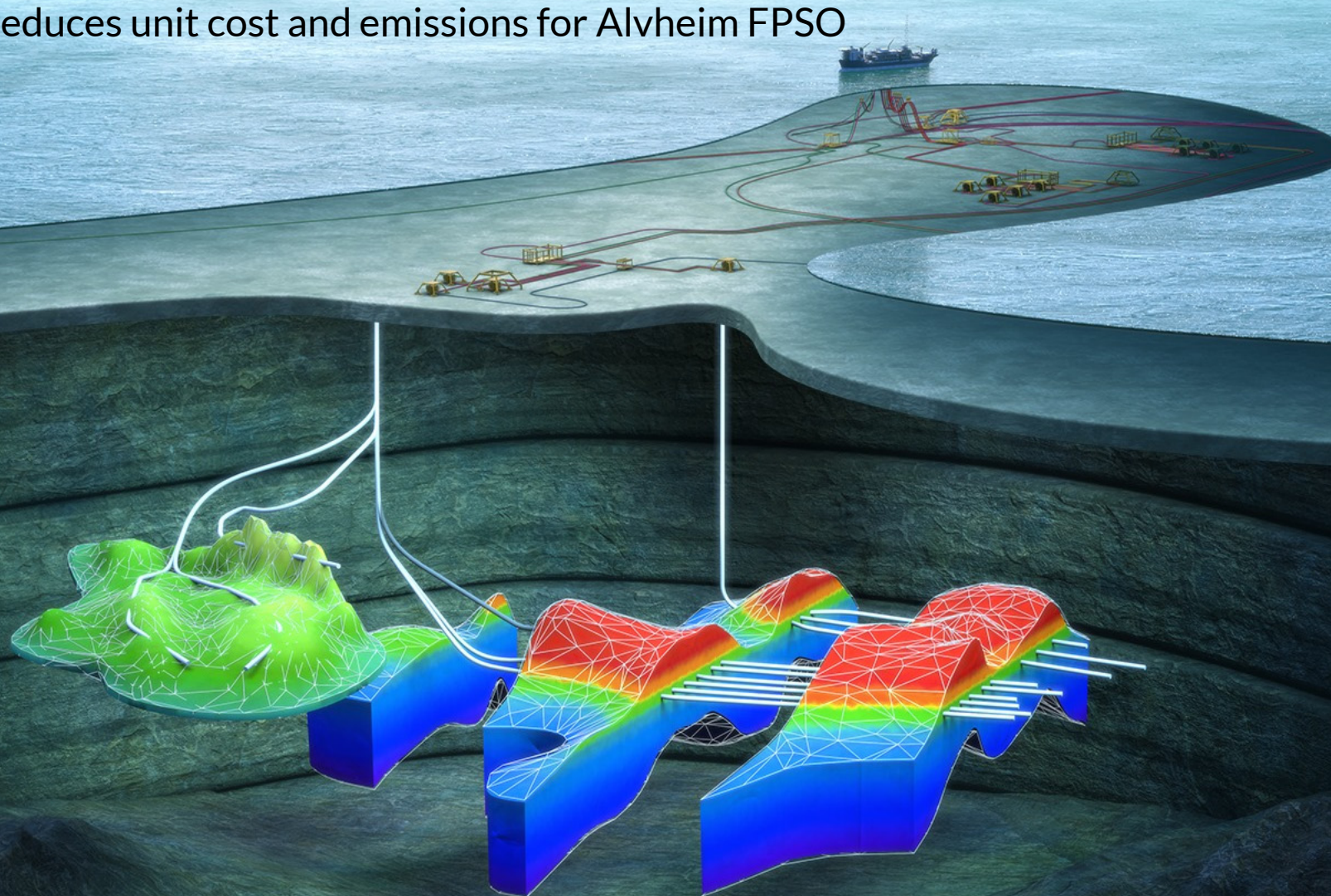
Aker BP interest

< \$30/bbl

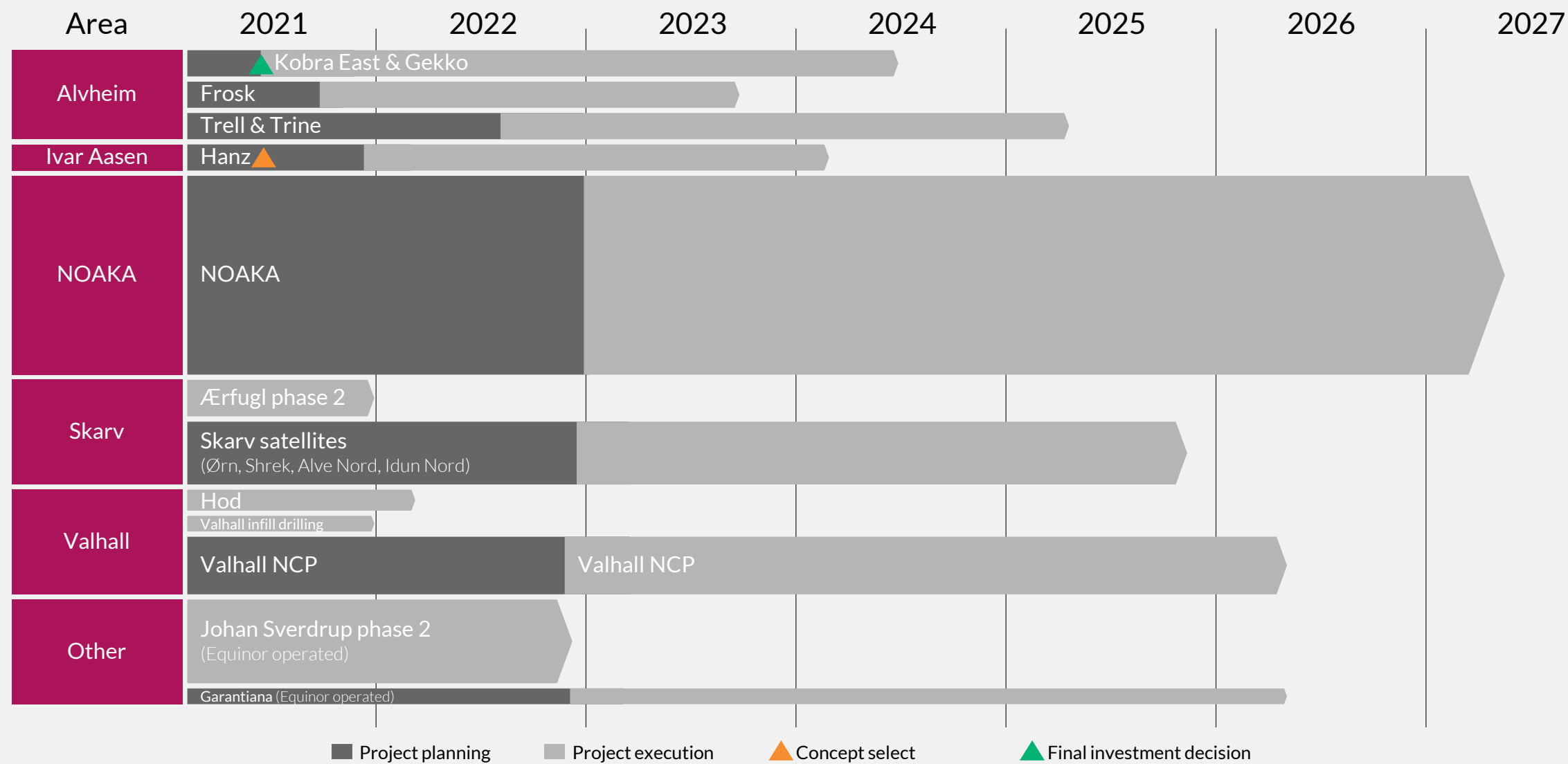
Break-even

2024

First oil



# Upcoming projects



Timing is indicative.

# Upcoming projects

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

Project	Area	Net mmboe	FID	First oil	Status
Valhall infill wells	Valhall	10	2020	2021	Ongoing
Frosk	Alvheim	10	Q3-2021	2023	PDO to be submitted in Q3-21
Kobra East & Gekko	Alvheim	27	Q2-2021	2024	PDO submitted in Q2-21
Trell & Trine	Alvheim	10	2022	2025	Concept studies ongoing
Hanz	Ivar Aasen	5	Q4-2021	2024	Concept selected in Q2-21
Skarv satellites	Skarv	70	2022	2025	Concept studies ongoing – Aker BP new operator of Ørn
Valhall NCP	Valhall	70	2022	2026	Concept studies ongoing
NOAKA <sup>1)</sup>	NOAKA	325	2022	2027	Concept select planned in Q3-21
Garantiana <sup>2)</sup>	Other	20	2022	2026	Concept studies ongoing – new discovery in Q2-21

1) The NOAKA area development consists of North of Alvheim (Aker BP operated), Fulla (Aker BP operated) and Krafla (Equinor operated)

2) Operated by Equinor

# NOAKA approaching concept select

North of Alvheim, Krafla and Fulla

## Frøy NUI

- Re-development
- 12 well slots

## Fulla subsea

- 6-slot Dual drilling template

## Rind subsea

- 6-slot Dual drilling template

## NOA PdQ

- 8-legged jacket
- 16 well slots

## Langfjellet subsea

- 2 x 6-slot Dual drilling template

## Krafla Askja

- UPP, NUI Askja, NUI Krafla
- Gas export

## NOA and Fulla drilling and wells

- ~30 wells
- Heavy duty Jack up rig
- Semisubmersible rig

## Export / power

- Oil export
- Rich gas export
- Power from shore

Resources

>500 mmboe

gross

Aker BP

>60%

avg. interest

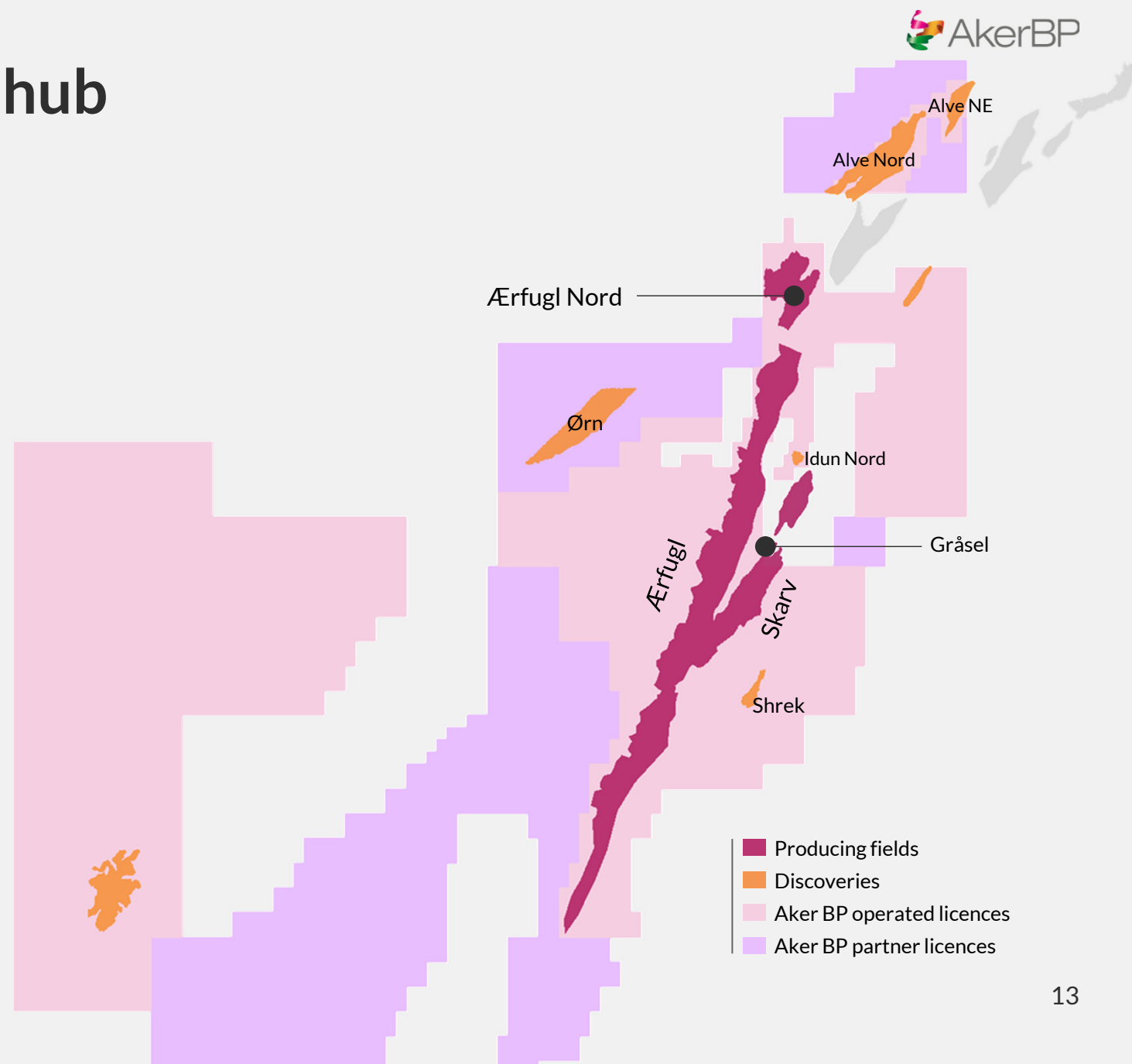
Production start

2027

targeted

# Turning Skarv into an area hub

- Ærfugl phase 2 on track
- Gråsel on stream in June
- Ørn operatorship transfer to Aker BP
- Aiming for FID for Skarv Satellites<sup>1)</sup> in 2022
- Maturing new exploration campaign

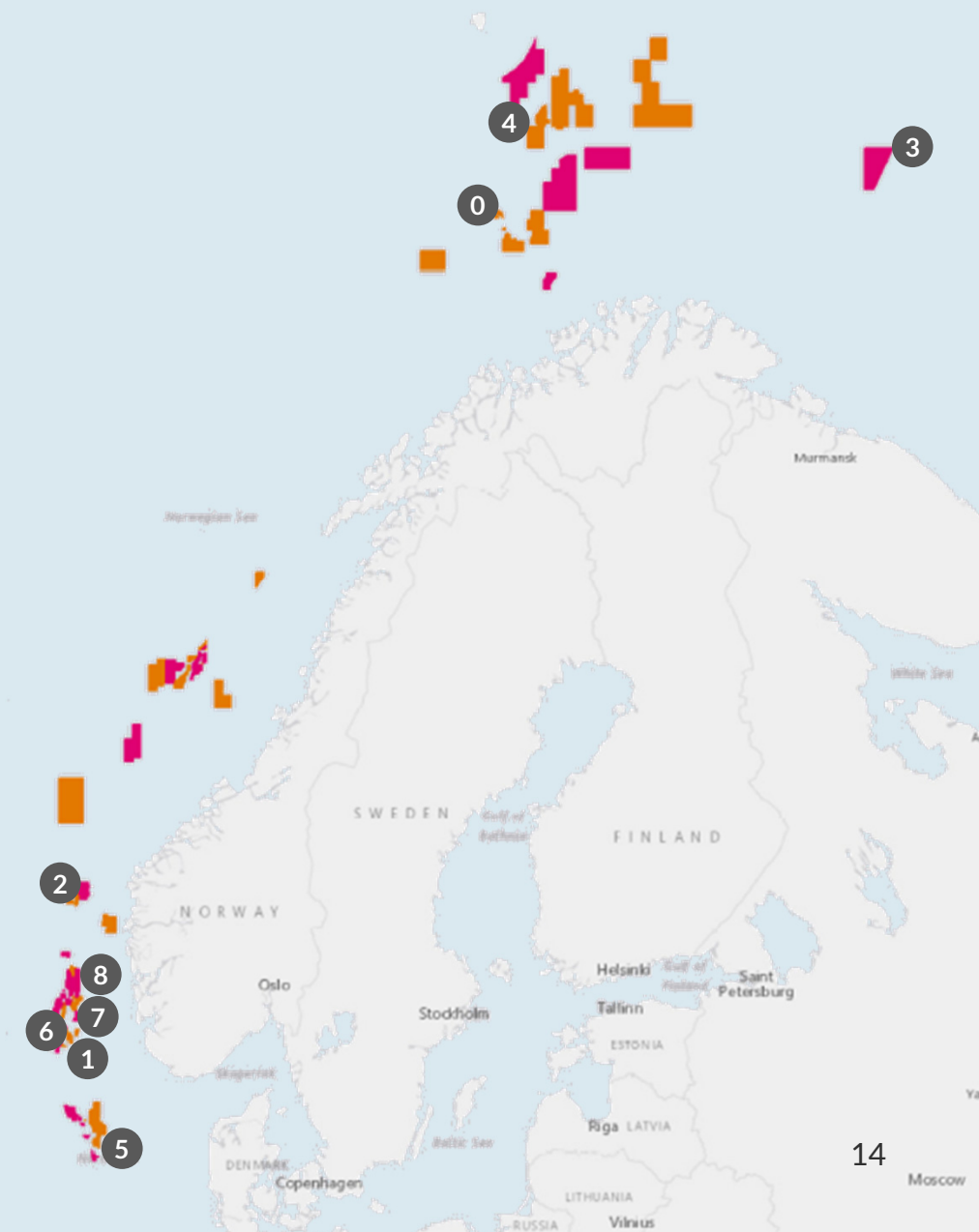


1) Skarv Satellites include Ørn, Shrek, Idun Nord and Alve Nord

# Exploration 2021

Licence	Prospect		Operator	Aker BP share	Pre-drill mmboe	Status
PL 533	Bask	0	Lundin	35 %		Dry
PL 981	Merckx Ty	1	Lundin	40 %	43 - 304	Expected in Q3
PL 544	Garantiana W	2	Equinor	30 %		Discovery 8-23 mmboe
PL 858	Stangnestind	3	Aker BP	40 %	13 - 108	Ongoing
PL 722	Shenzhou	4	Equinor	20 %		Dry
PL 006C	Gomez <sup>1)</sup>	5	DNO	35 %	17 - 57	Expected in Q3
PL 1041	Lyderhorn <sup>2)</sup>	6	Aker BP	55 %	6 - 14	Planned start in Q4
PL 167	Lille Prinsen	7	Lundin	10 %	Appraisal	Ongoing
PL 442	Liatårnet	8	Aker BP	90 %	Appraisal	Planned in Q3

1) Aker BP interest increased from 15% to 35% through transaction with DNO  
 2) Aker BP interest increased from 40% to 55% through transaction with Lundin



# Financial review

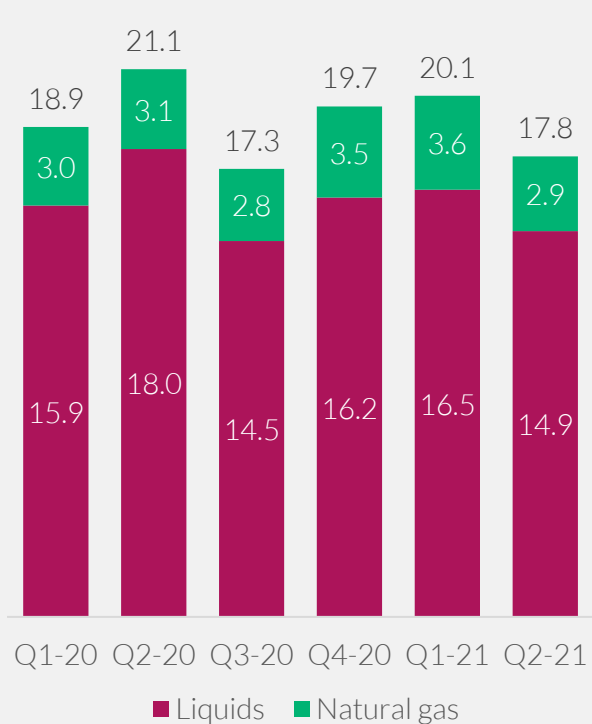
Second quarter 2021

# Oil and gas sales

Second quarter 2021

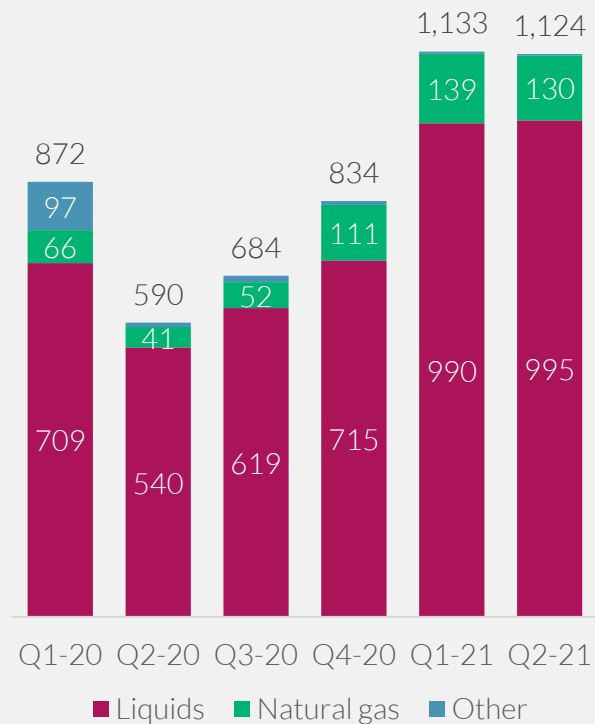
## Volumes sold

mmboc



## Total income

USD million



## Realised prices

USD per boc

### Liquids

**\$66.9**

**+11%**

### Natural gas

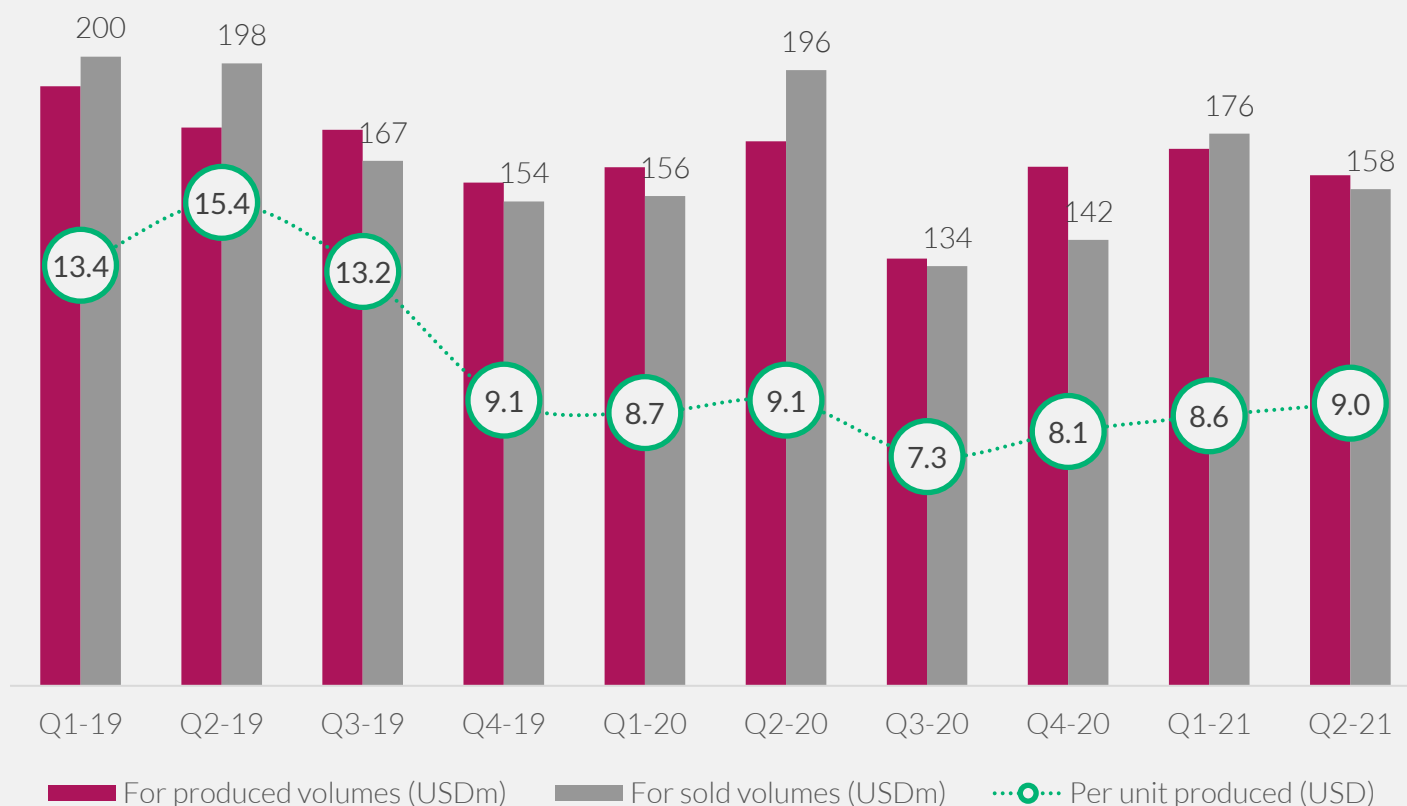
**\$45.1**

**+17%**



# Production cost

Second quarter 2021



## Unit production cost

USD per boe

First half 2021

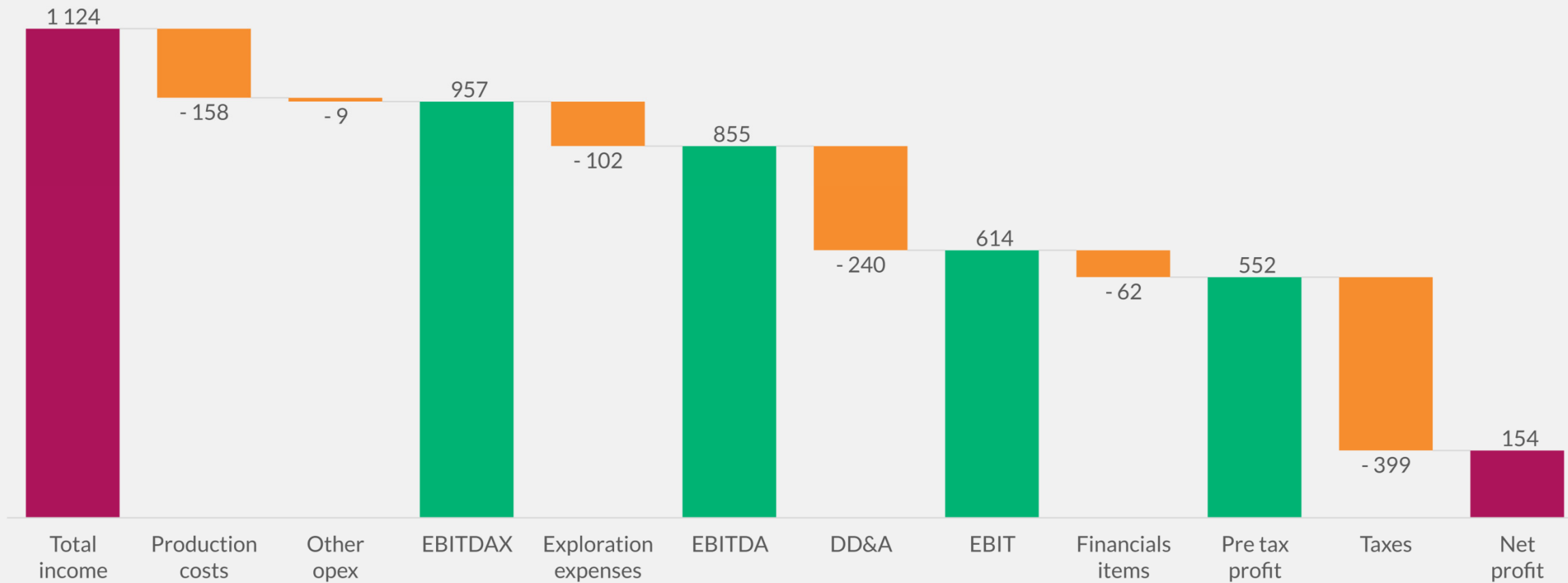
**\$8.8**

Full-year guidance

**\$8.5-9.0**

# Income statement

Second quarter 2021



# Income statement

Second quarter 2021

USD million	Q2 2021	Q1 2021	Change	Comment
<b>Total income</b>	<b>1,124</b>	<b>1,133</b>	-1%	<b>1</b>
Production costs	158	176	-10%	<b>2</b>
Other operating expenses	9	8		
<b>EBITDAX</b>	<b>957</b>	<b>949</b>	+1%	
Exploration expenses	102	71	+44%	<b>3</b>
<b>EBITDA</b>	<b>855</b>	<b>878</b>	-3%	
Depreciation	240	258	-7%	
Impairments	-	30		
<b>Operating profit (EBIT)</b>	<b>614</b>	<b>591</b>	+4%	
Net financial items	(62)	(90)	-31%	<b>4</b>
<b>Profit/loss before taxes</b>	<b>552</b>	<b>501</b>	+10%	
Tax (+) / Tax income (-)	399	374	+7%	
<b>Net profit / loss</b>	<b>154</b>	<b>127</b>	+21%	
EPS (USD)	0.43	0.35		

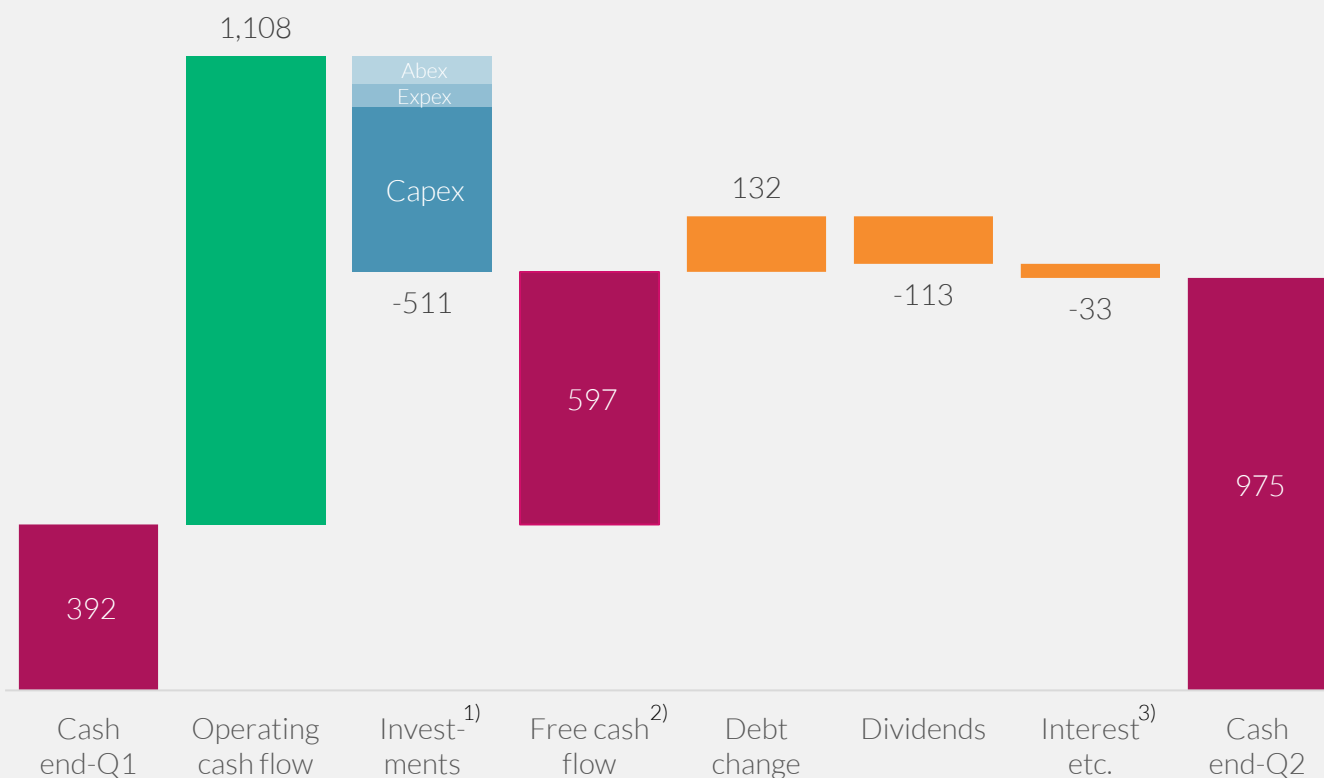
## Comments

1. Stable revenues supported by price increases
2. Reduction in cost of sold volumes due to lower production and underlift
3. Increase in Exploration expenses mainly driven by NOAKA field evaluation
4. Currency gain on new EUR Bond drives reduction in Net financial items

# Cash flow

Second quarter 2021

USD million



- 1) Including payments on lease debt which are classified as financing activities in the statement of cash flow
- 2) Net cash flow from operating activities and investment activities including payments on lease debt
- 3) Includes interest paid, fees related to RCF, and FX effect on cash held

**Q2-2021**

FCF per share

**\$1.7**

Dividend per share

**\$0.3**

**H1-2021**

FCF per share

**\$3.2**

Dividend per share

**\$0.6**

# Statement of financial position

USD million

Assets	30.06.21	31.03.21	31.12.20
Goodwill	1,647	1,647	1,647
Other intangible assets	1,873	1,879	2,043
Property, plant and equipment	7,630	7,392	7,266
Right-of-use asset	116	127	133
Receivables and other assets	834	804	793
Cash and cash equivalents	975	392	538
<b>Total Assets</b>	<b>13,076</b>	<b>12,241</b>	<b>12,420</b>

Equity and liabilities	30.06.21	31.03.21	31.12.20
Equity	2,030	1,989	1,987
Other provisions for liabilities incl. P&A (long)	2,681	2,665	2,650
Deferred tax	3,050	2,782	2,642
Bonds and bank debt	3,615	3,474	3,969
Lease debt	179	200	216
Other current liabilities incl. P&A	923	678	792
Tax payable	597	452	163
<b>Total Equity and liabilities</b>	<b>13,076</b>	<b>12,241</b>	<b>12,420</b>

# Optimising the capital structure

## Inaugural EUR bond issued

- EUR 750 million 1.125% Senior Notes (2021/29)
- Opens a new source of liquidity

## Last USD high yield bond redeemed

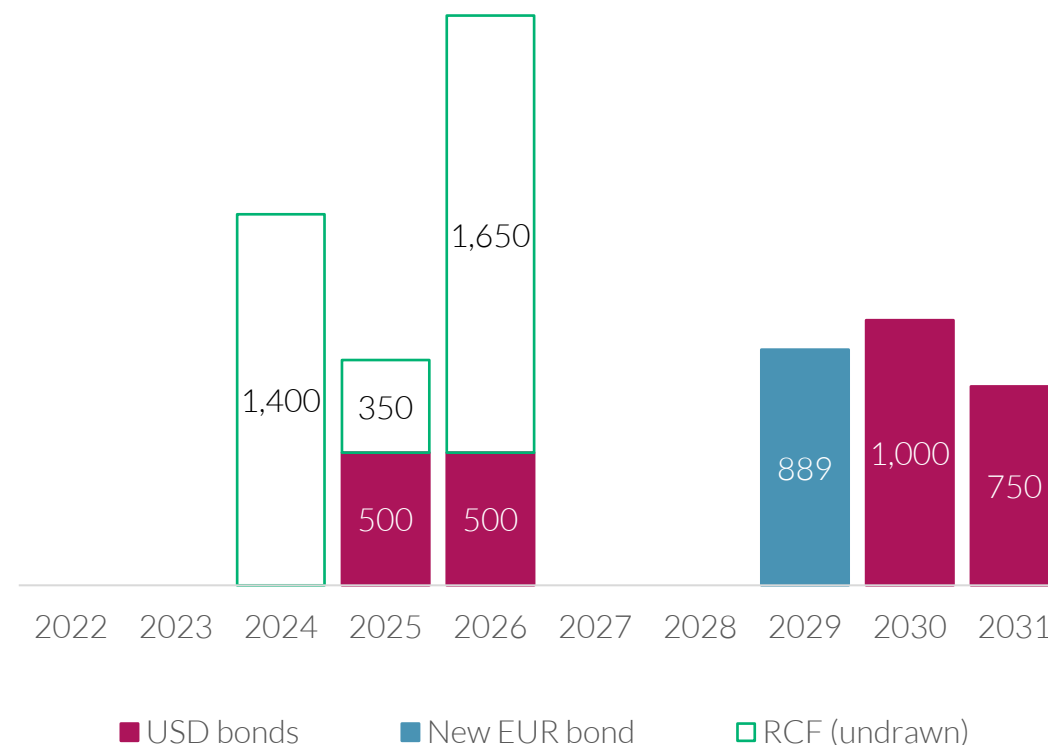
- Call option exercised at 2.375% premium for the USD 750 million Senior Notes 4.75% (2019/24)

## RCF facilities extended

- USD 2.0 bn Liquidity Facility extended to 2025/26
- USD 1.4 bn Working Capital Facility extended to 2024 with options for two 1-year extensions
- Average LIBOR margin 1.1% and commitment fee 0.4%

## Debt maturity profile

USD million

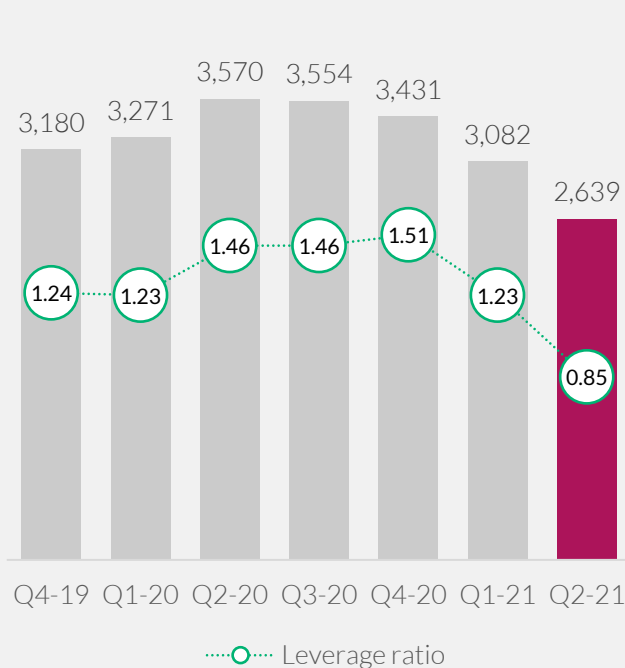


EUR converted to USD at 1.1858 per 30 June 2021

# Low leverage and superior flexibility

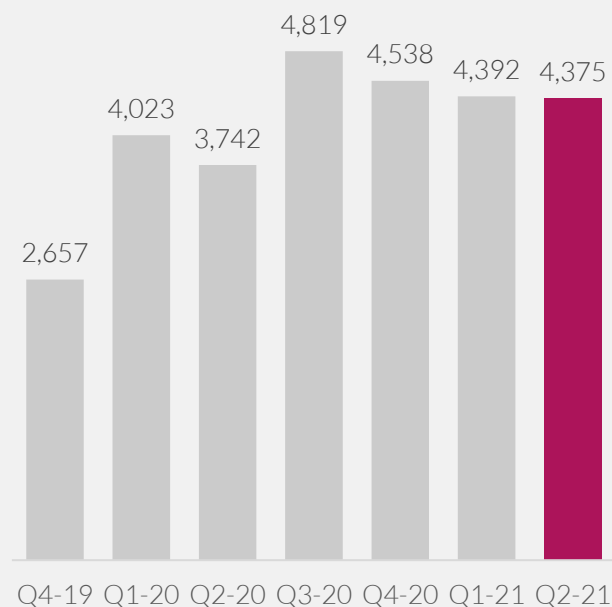
## Net interest-bearing debt

Excl. leases, USD million



## Liquidity available

USD million

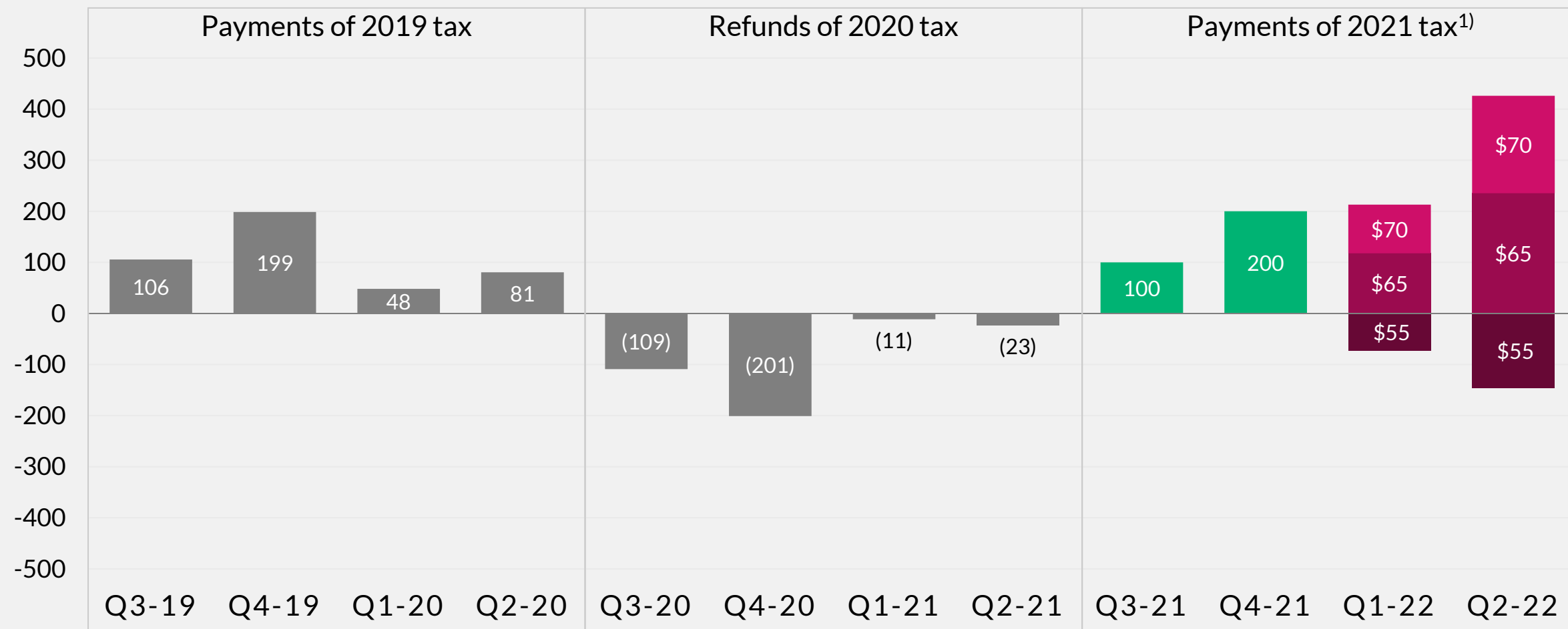


## Capital allocation priorities

1. Maintain **financial capacity** and investment grade credit rating
2. Allocate capital to **investments** in profitable projects
3. Return **value creation** to shareholders

# Cash tax sensitivity

USD million



1) Estimated payments of current tax on income for fiscal year 2021 for Aker BP at various oil price scenarios (average Brent for the full year), assuming USDNOK 8.5. Tax payments for 2H-21 were fixed in June. The payments in 1H-22 will be adjusted after year-end to reflect actual 2021 results. Potential payments related to uncertain tax cases are excluded.



# Guidance summary

First half 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
H1-2021 actuals	<b>210.4</b> mboepd	<b>1.0</b> USD billion	<b>8.8</b> USD/boe	<b>225</b> USD million

# Concluding remarks

Second quarter 2021

# Building a leading E&P company

Status after the first half of 2021

## Operational performance as planned

- Strong safety record and low emissions
- Production and cost on schedule
- Ongoing projects on track

## Maturing our project portfolio

- Aiming to sanction 500 mmbob by end-2022
- Well under way to deliver on NOAKA
- Strong support from alliance partners

## Superior financial flexibility

- High cash flow
- Strong financial position
- Returning value to shareholders





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