

# Fourth Quarter 2021

10 February 2022

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- These statements and this Document are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Aker BP ASA's lines of business.
- These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions.
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# 2021 in review

## Strong results driven by performance and high prices

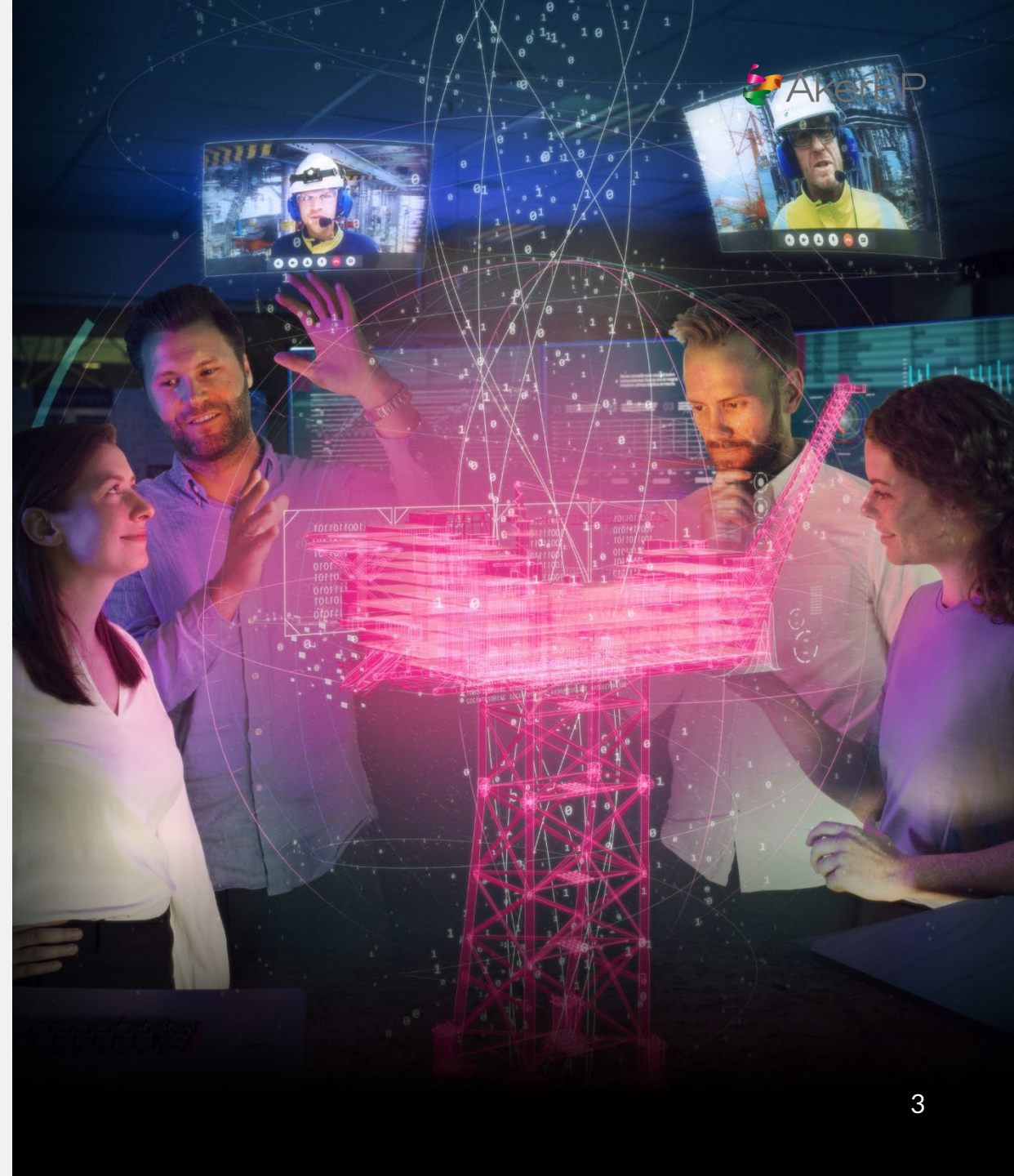
- Stable operational performance
- Higher oil and gas prices
- Record cash flow and financial strength

## Organic growth on track

- Projects on time and cost – three PDOs submitted
- Concept selected for NOAKA and Valhall NCP/King Lear
- Stepping up our digital transformation

## Acquiring Lundin Energy's oil and gas activities

- Subject to AGM and regulatory approvals
- Closing targeted around mid-2022



# Lundin transaction summary

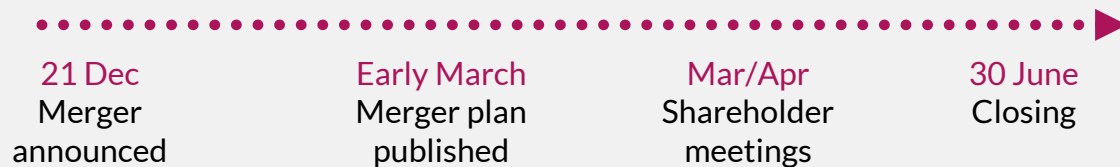
## Key terms and conditions

- Aker BP acquires Lundin Energy’s oil and gas activities
- Consideration per LUNE share: ~0.95 AKRBP shares and USD ~7.76
- Lundin Energy retains renewable energy activities and remains listed
- Subject to approval by AGMs and authorities
- Supported by main shareholders Aker, bp and Nemesia<sup>1)</sup>

## Corporate structure

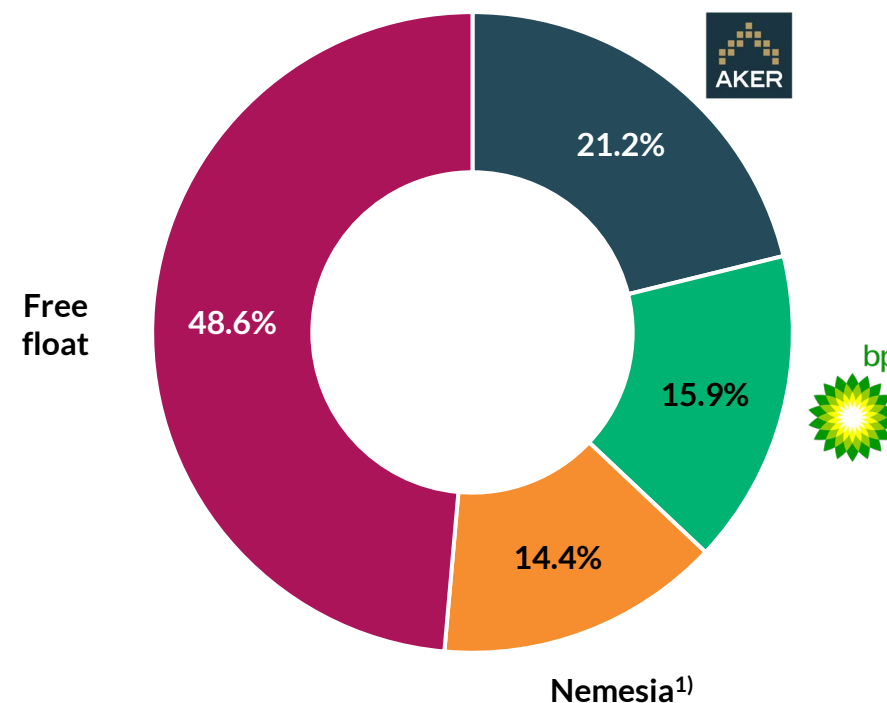
- Headquartered at Fornebu and listed on Euronext Oslo Børs
- Aker BP’s CEO to lead the combined company
- Ashley Heppenstall to be elected as new member of the Aker BP Board

## Timeline



1) Nemesia is an investment company wholly owned by a Lundin family trust

## Post-transaction ownership structure



Equity in combined entity: 57% Aker BP and 43% Lundin Energy

# Key performance indicators 2021

SAFETY  
FIRST

**1.9**

Total recordable  
injury frequency (TRIF)

PRODUCTION  
VOLUME

**209.4**

thousand barrels of  
oil equivalents per day

PRODUCTION  
COST

**\$9.2**

per boe  
produced

PRODUCTION  
EFFICIENCY

**85%**

Aker BP operated  
assets, gross

EMISSIONS  
INTENSITY

**4.8kg**

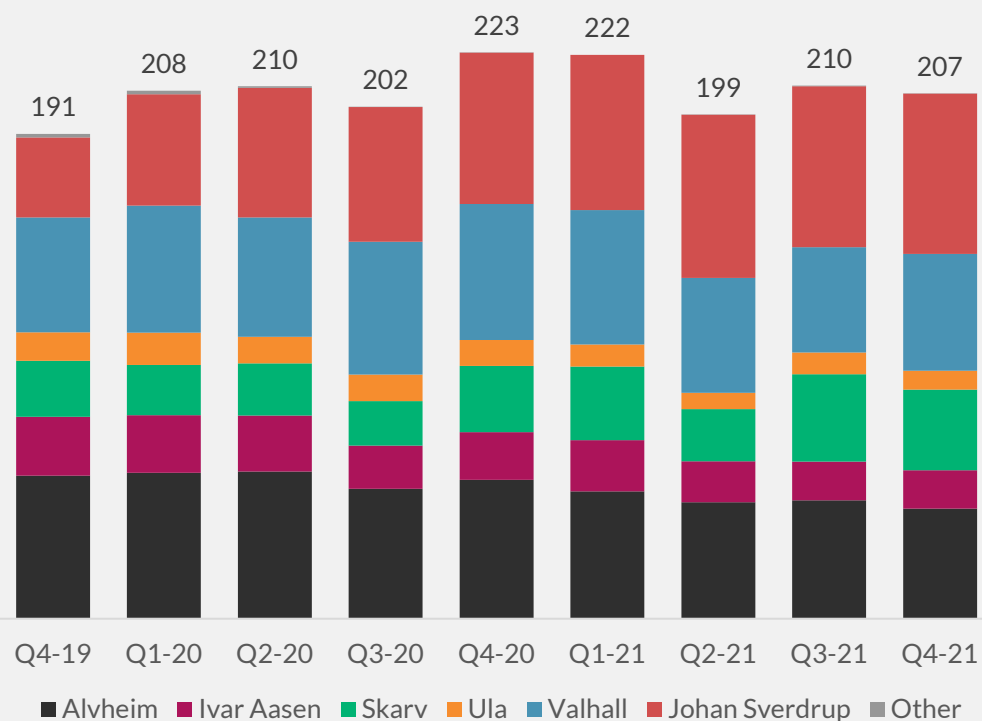
CO<sub>2</sub> emissions  
per boe



# Production performance

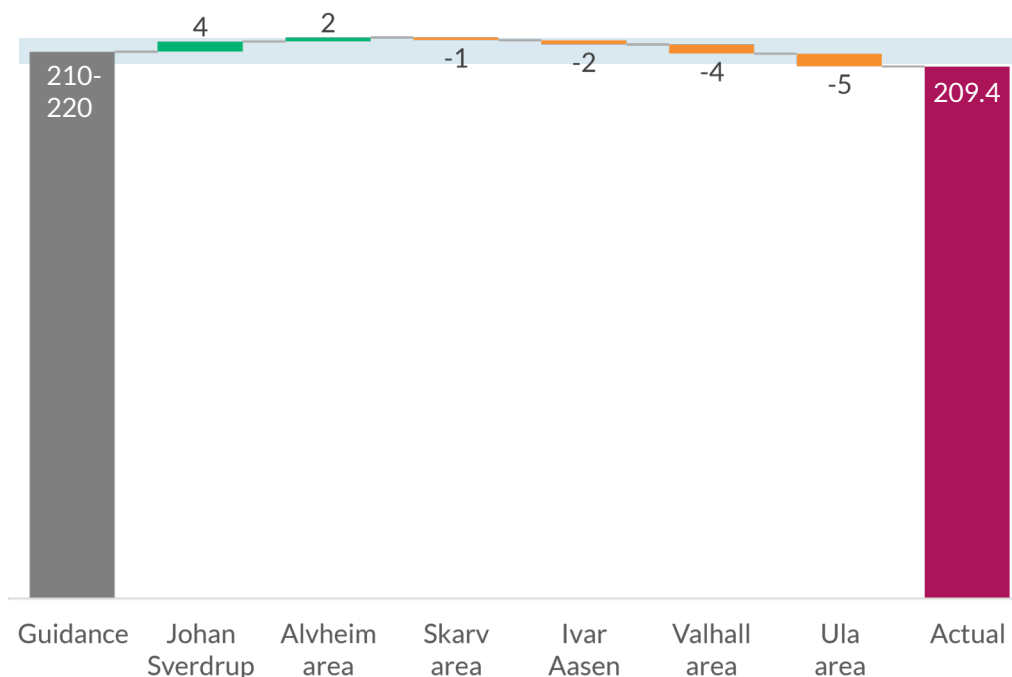
## Oil and gas production

mboepd



## 2021 production vs guidance

mboepd



# Delivering decarbonisation

Strong progress in 2021

## Scope 1 – reduced emissions by ~23,000 tonnes CO<sub>2</sub>e

- Energy efficiency improvements through upgraded equipment and digital-enabled process optimisation
- Rerouting of gas from cold vent reduces methane emissions by ~7,000 tonnes CO<sub>2</sub>e

## Scope 2 – towards zero with electrification

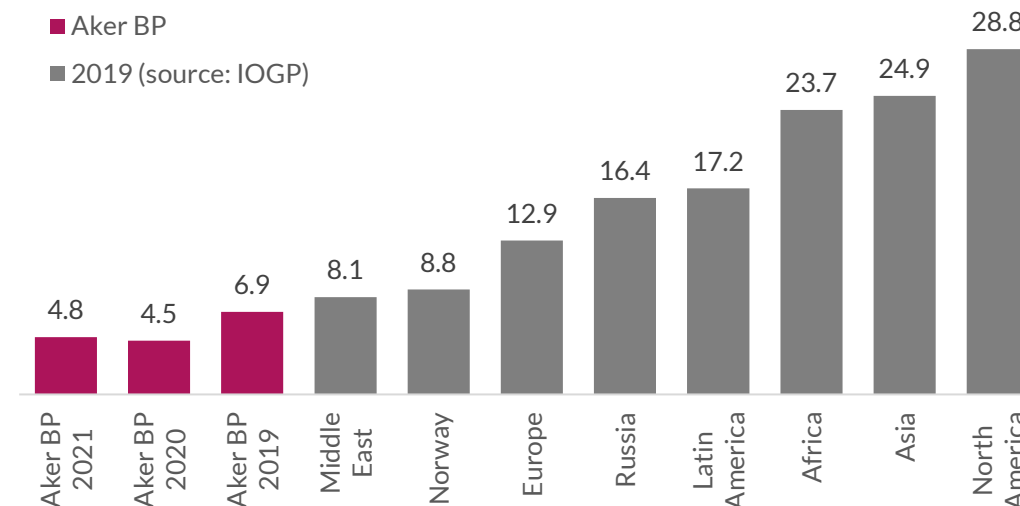
- Ivar Aasen to receive power from shore in 2022

## Scope 3 – marine supply chain emissions reduced by 6%

- Fleet optimization and collaboration
- Converting supply vessels to hybrid – exploring fuel cells

## Emissions intensity

kg CO<sub>2</sub>/boe



ESG ratings	2021	2020
CDP	▲ A-	B
SUSTAINALYTICS <small>a Morningstar company</small>	▲ 32.7 top 15%	46.1 top 54%
MSCI	▶ A	A

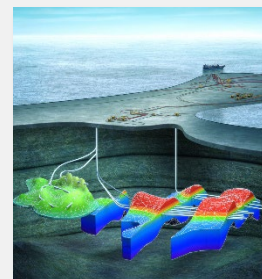
# Executing projects according to plans

Three PDOs submitted in 2021



## Ærfugl Phase II

- ✓ Subsea tieback to Skarv FPSO
- ✓ First oil in Q4 2021



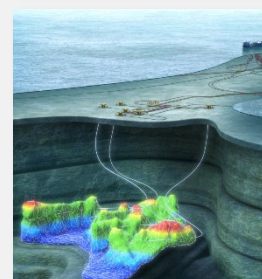
## Kobra East & Gekko

- ✓ PDO submitted Q2 2021
- ✓ First oil scheduled in Q1 2024
- ✓ 51 mmboe gross reserves



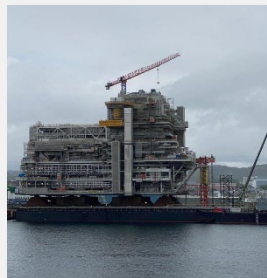
## Hod

- ✓ Wellhead platform connected to Valhall
- ✓ First oil expected in H1 2022



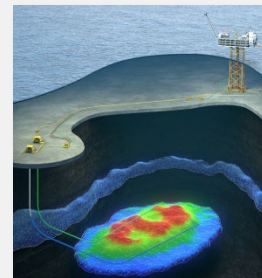
## Frosk

- ✓ PDO submitted Q3 2021
- ✓ First oil scheduled in Q1 2023
- ✓ 10 mmboe gross reserves



## Johan Sverdrup

- ✓ Expanding capacity to 755,000 bbl/day
- ✓ First oil expected in Q4 2022



## Hanz

- ✓ PDO submitted Q4 2021
- ✓ First oil scheduled in 2024
- ✓ 20 mmboe gross reserves



# Building the E&P company of the future



## Focus

Norwegian pure-play oil and gas company with strong track record for value accretive M&A

## High quality portfolio

High quality asset base with low cost, industry leading low emissions, and with exploration upside

## Drive to improve

Driving performance across the value chain through digitalization and world-class alliances

## Profitable growth

Strong production growth by investing in low break-even barrels in a supportive fiscal regime

## Financial strength

Robust balance sheet, strong cash flow generation and growing shareholder distributions

# Disciplined approach to M&A

FINANCIALLY  
ACCRETIVE

OPERATED  
ASSETS

PREDOMINANTLY  
LIQUIDS

UPSIDE  
POTENTIAL

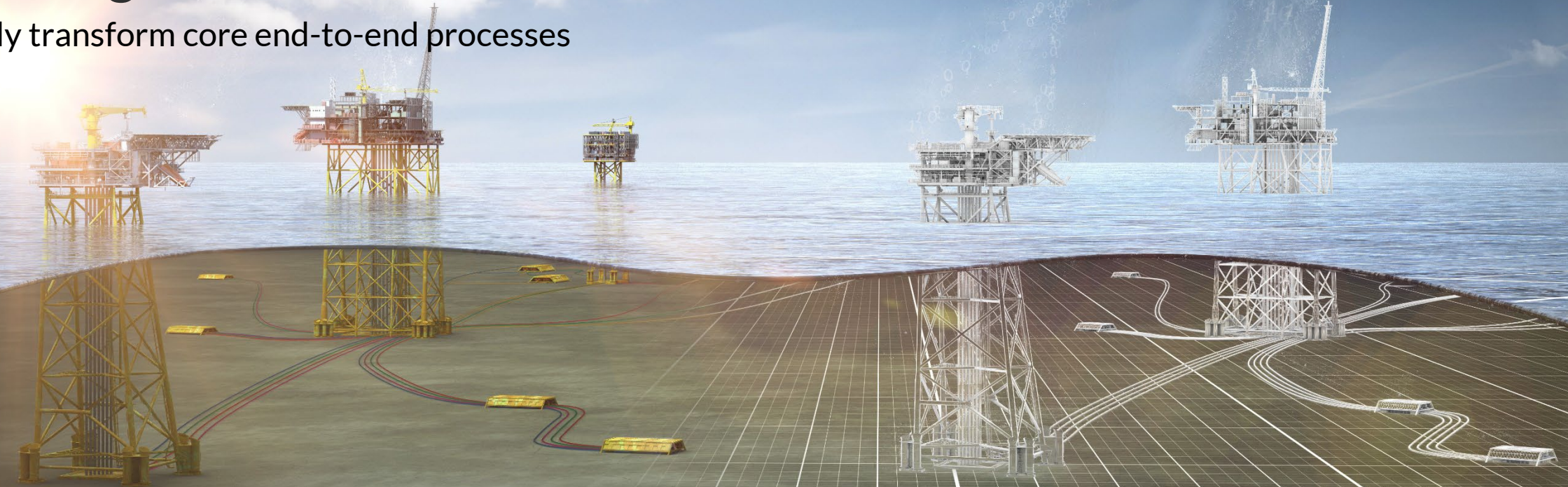


Logos represents acquisitions, mergers and asset transactions by Aker BP in Norway in the respective year (M&A: mergers & acquisitions)

\*Lundin transaction pending approval from both companies' shareholders and relevant authorities

# Our digital vision

Fully transform core end-to-end processes



Field  
development

Well  
construction &  
intervention

Subsurface  
interpretation &  
modelling

Production  
optimisation and  
energy efficiency

Maintenance

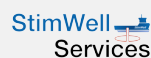
# Alliances – the cornerstone of our execution model



ONE TEAM

COMMON GOALS

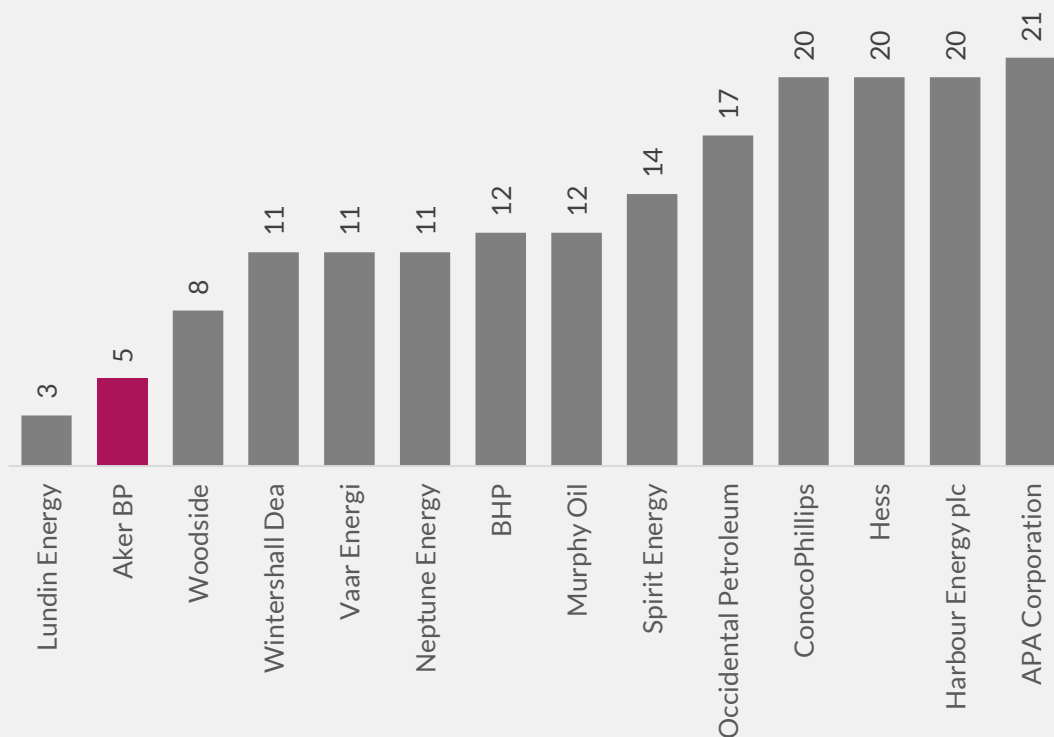
SHARED INCENTIVES



# Leading the way on low carbon

## Emissions intensity 2020

kg CO<sub>2</sub>/boe, equity share



Source: Company reports and Rystad estimates

## Aker BP's scope 1 emissions targets:

**50% reduction by 2030**

in gross operated emissions through electrification, energy efficiency and portfolio

**~100% reduction by 2050**

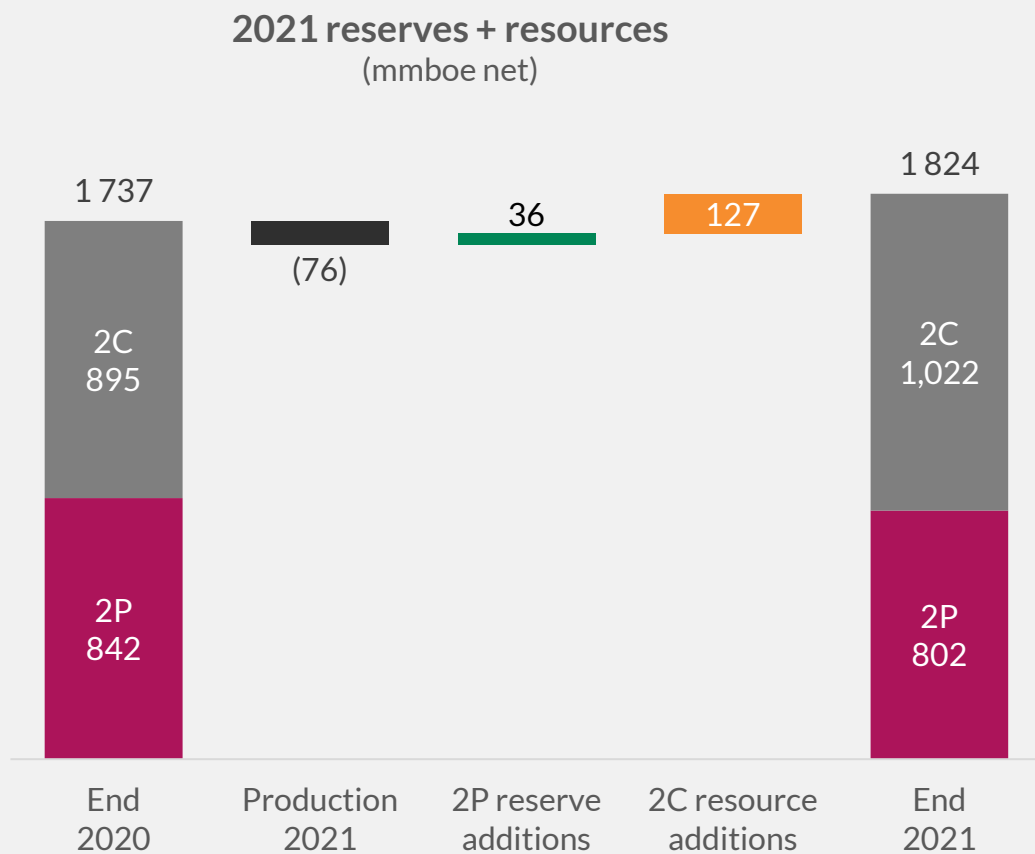
in gross emissions with all assets electrified

Evaluating decarbonisation strategy to achieve

**Net zero by 2030**

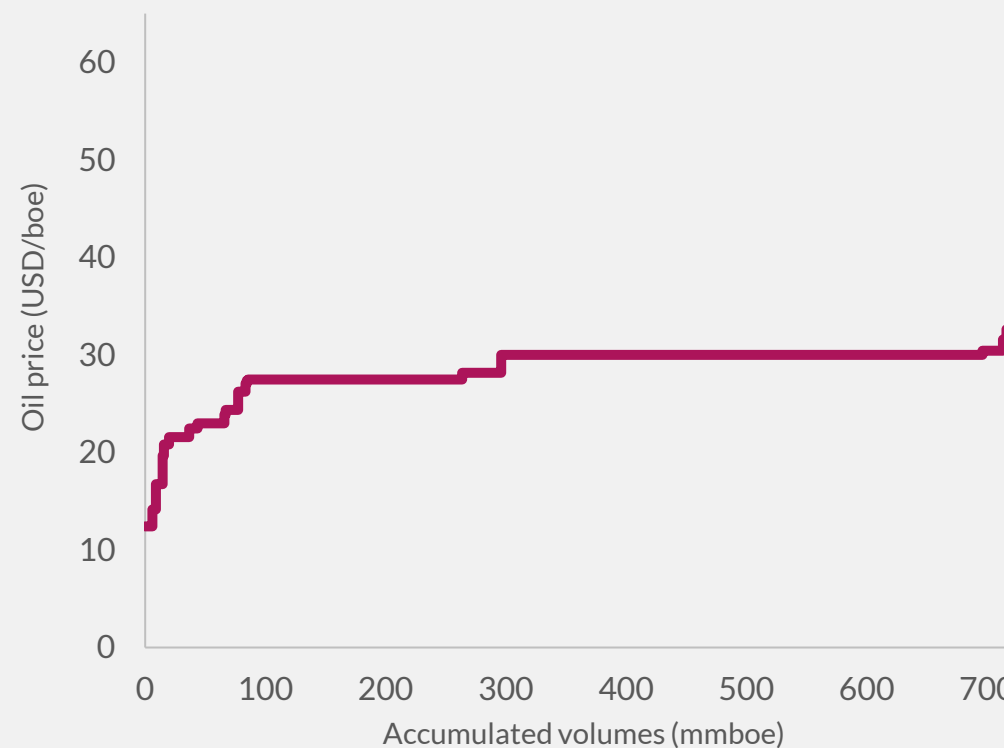
# Reserves and resources

Resources of 1.8 billion boe<sup>1)</sup>



## Break-even for projects targeted for FID by 2022

Preliminary figures, USD/boe<sup>2)</sup>



1) 2P reserves + 2C resources

2) Break-even oil price using 10% discount rate

# NOAKA development concept selected

~600 mboe  
resources (gross)

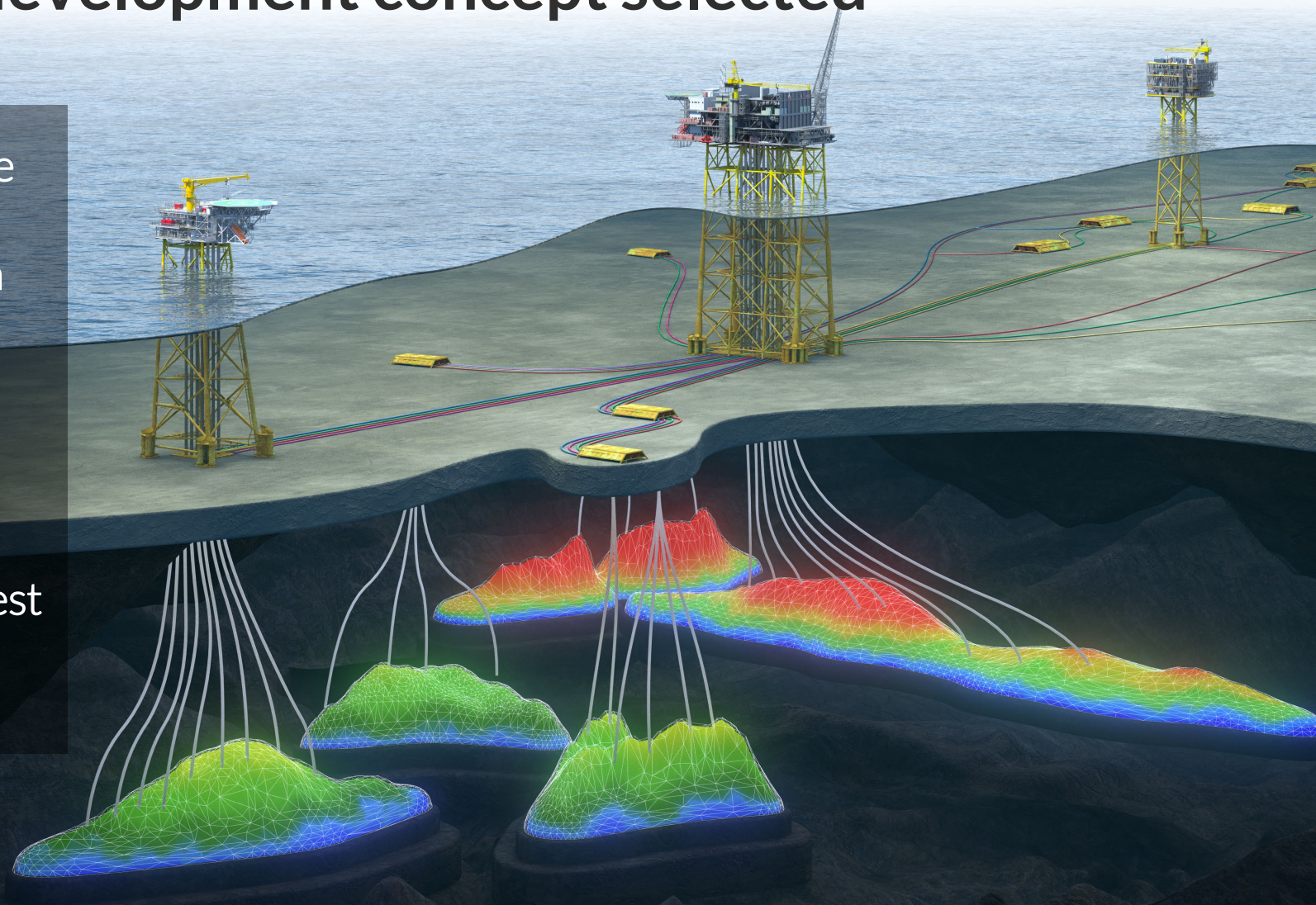
USD ~10 bn  
capex (gross, real)

~\$30/bbl  
break-even

2027  
first oil

## Aker BP interest

NOA: 87.7%  
Fulla: 47.7%  
Krafla: 50%



# Valhall NCP/King Lear development concept selected

>200 mmboe  
resources (gross)

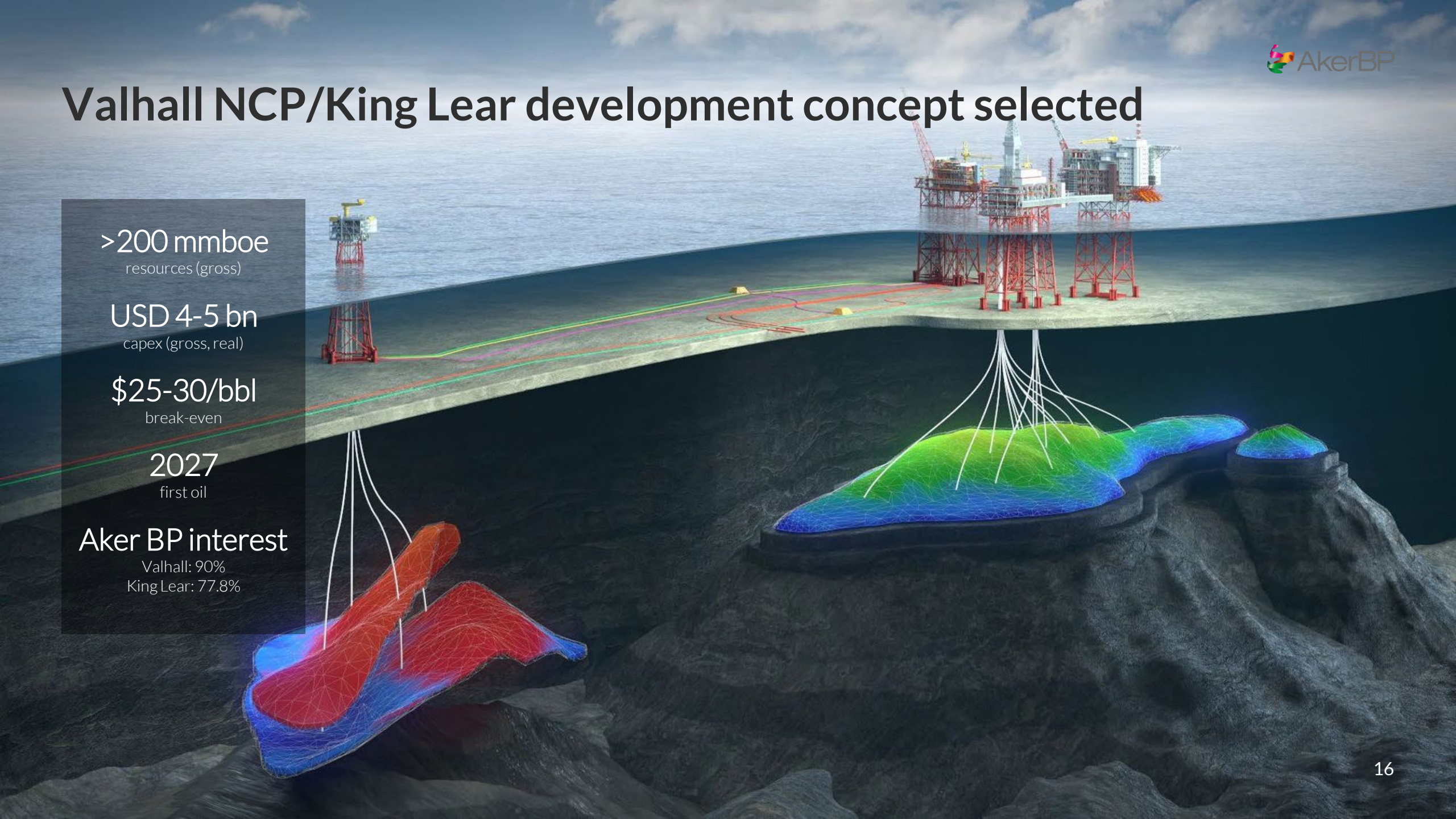
USD 4-5 bn  
capex (gross, real)

\$25-30/bbl  
break-even

2027  
first oil

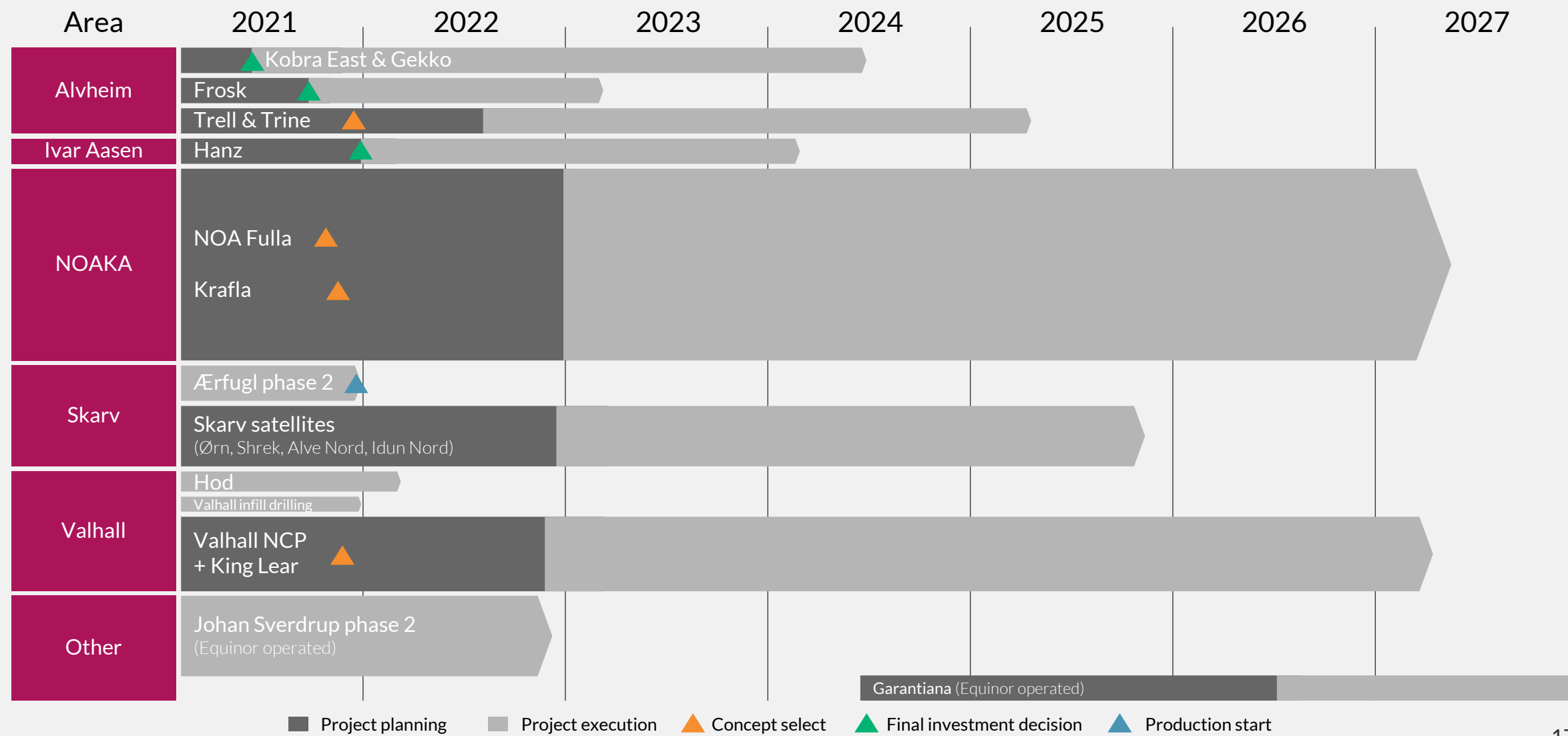
**Aker BP interest**

Valhall: 90%  
King Lear: 77.8%





# On track to sanction 700 mmboe by end-2022

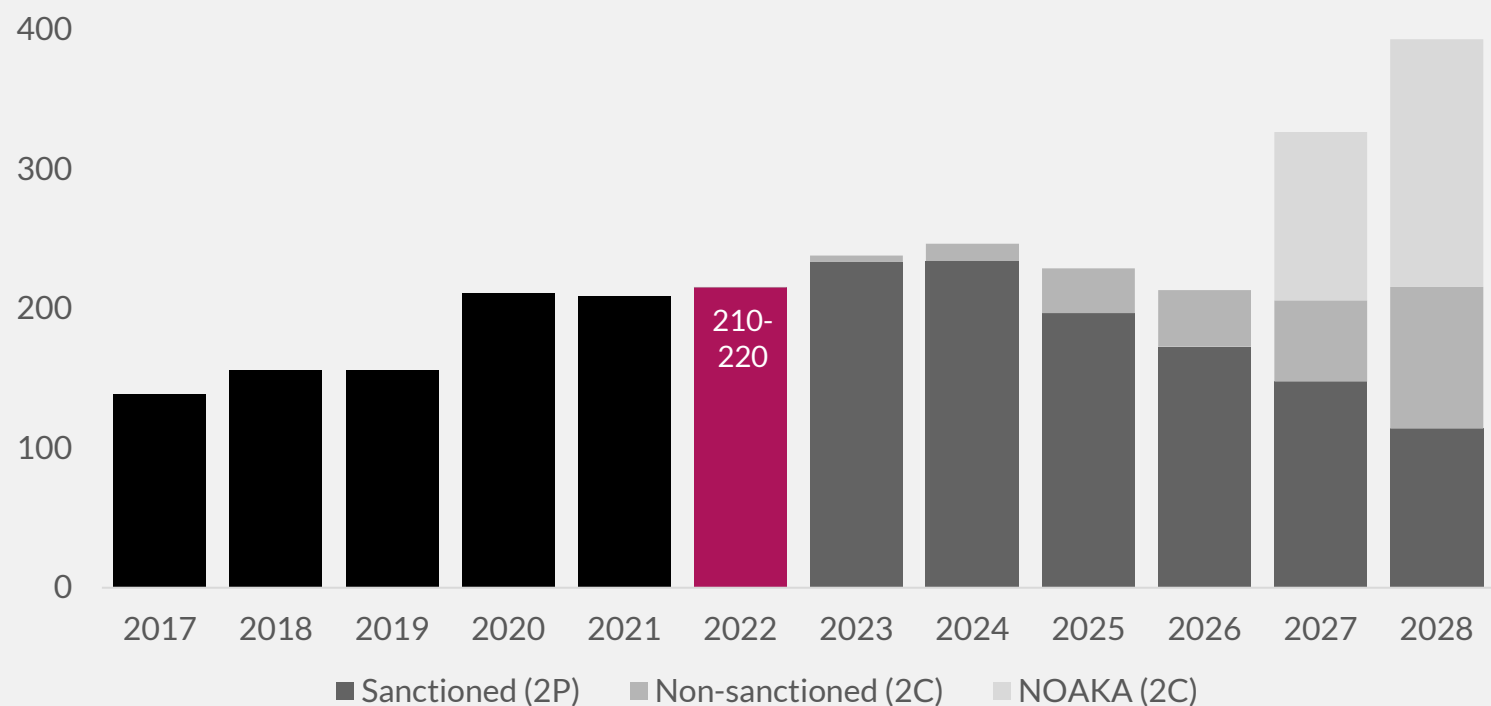


Timing is indicative

# Production outlook

## Preliminary production profile

mboepd



**>80%**

production growth to 2028

**<30/bbl**

full-cycle break even on all projects<sup>1)</sup>

**~80%**

of investments covered by temporary tax scheme

1) Break-even oil price using 10% discount rate

# Our exploration strategy

An active explorer in an attractive basin

Maximize value of existing infrastructure

80 %

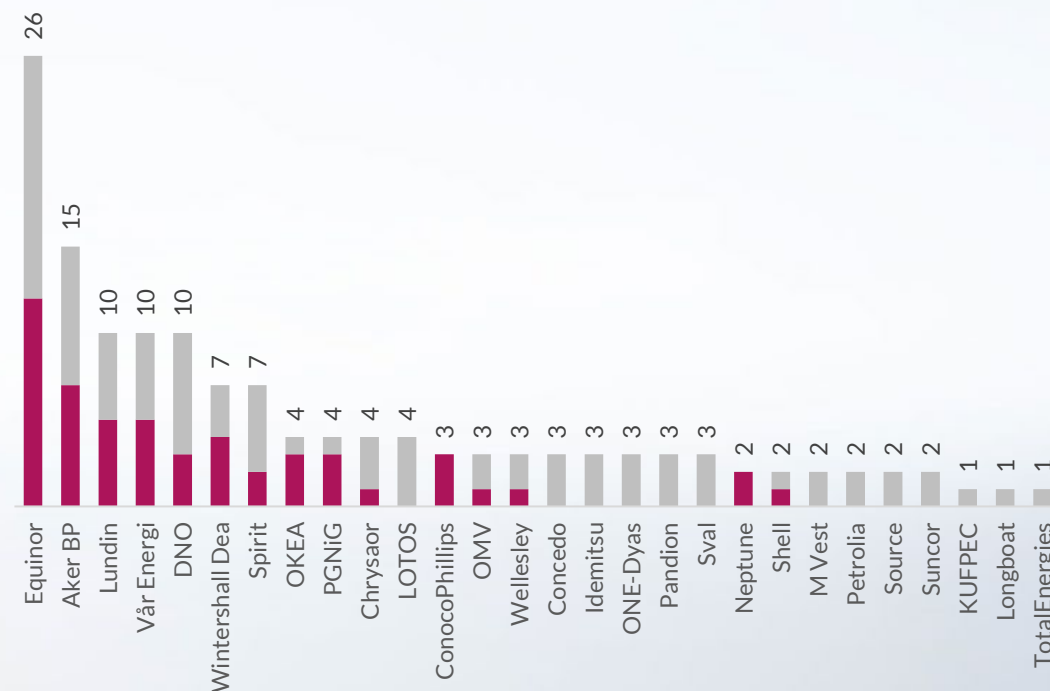
Explore for new hub potential

20 %

Smart integration of data and technology



Licences awarded in APA 2021  
announced 18 January 2022



# 2022 exploration program

Targeting ~250 mmboe net unrisked

Licences	Prospect	Operator	Aker BP share	Pre-drill mmboe	Status
PL685	Laushornet	Aker BP	40%	17 - 147	
PL873	Grefsenkollen & Øst Frigg	Aker BP	40%	17 - 40	Drilling
PL1085	Overly	Aker BP	55%	38 - 92	
PL261	Storjo East	Aker BP	70%	16 - 45	
PL941	Newt	Aker BP	80%	13 - 33	
PL941	Barlindåsen CW	Aker BP	80%	18 - 86	
PL867	Gjegalunden	Aker BP	80%	3 - 124	
PL1141	Styggehøe	Aker BP	70%	10 - 41	
PL554	Angulata	Equinor	30%	8 - 64	
PL782S	Busta (Lamba)	CoP	20%	8 - 114	
PL1064	Staurheia/Peder	CoP	20%	23 - 76	
PL265	P-Graben (Sverdrup)	Equinor	20%	5 - 19	
PL943	Uer	Equinor	10%	7 - 93	



# Financial review

David Tønne, CFO

# Financial highlights

Fourth quarter and full year 2021

## Q4 production

Liquids: **167.3** mboepd  
Gas: **39.7** mboepd

## 2021 cash flow metrics

CFFO: USD **4.3** billion  
FCF: USD **2.6** billion

## Q4 realised commodity prices

Liquids: **78.8** USD/boe  
Gas: **169.5** USD/boe

## Key credit metrics

Net debt: USD **1.7** billion<sup>2)</sup>  
Leverage ratio: **0.33x**<sup>3)</sup>

## 2021 costs and investments

Opex: **9.2** USD/boe<sup>1)</sup>  
Capex: USD **1.4** billion

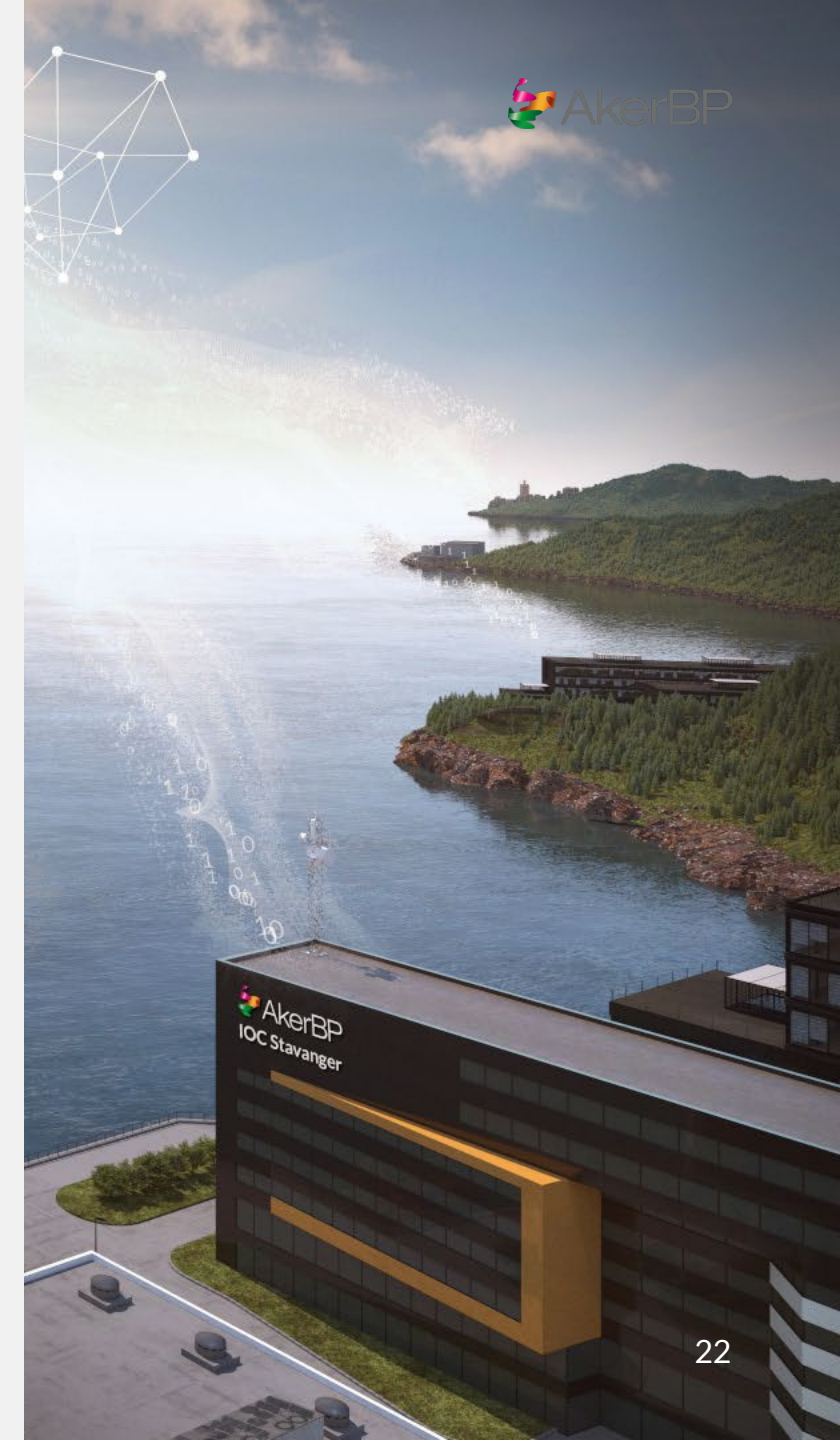
## Shareholder distribution

2021: **1.3537** per share  
2022: **1.9** per share

1) Production cost based on produced volumes

2) Including lease debt of USD 0.1 billion

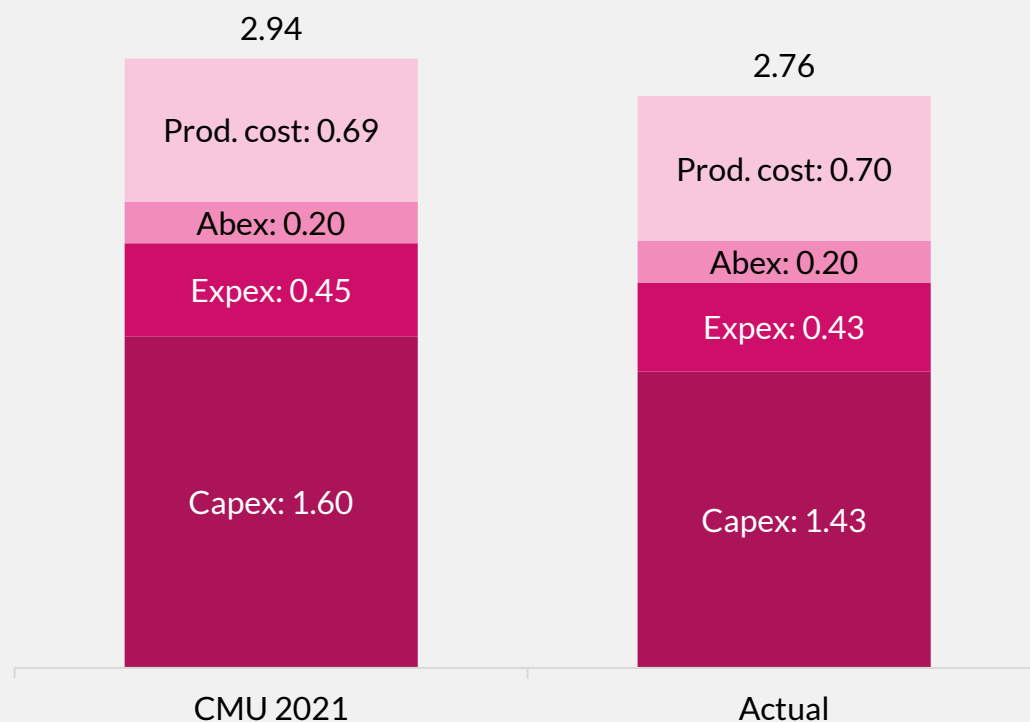
3) Net interest-bearing debt divided by 2021 EBITDAX, excluding IFRS 16 Leasing



# 2021 financial review

## Total spend 2021

USD billion



### Cost control remains a top priority in Aker BP

- Both in operations and project development

### Total 2021 spend below guidance

- Higher drilling efficiency and phasing

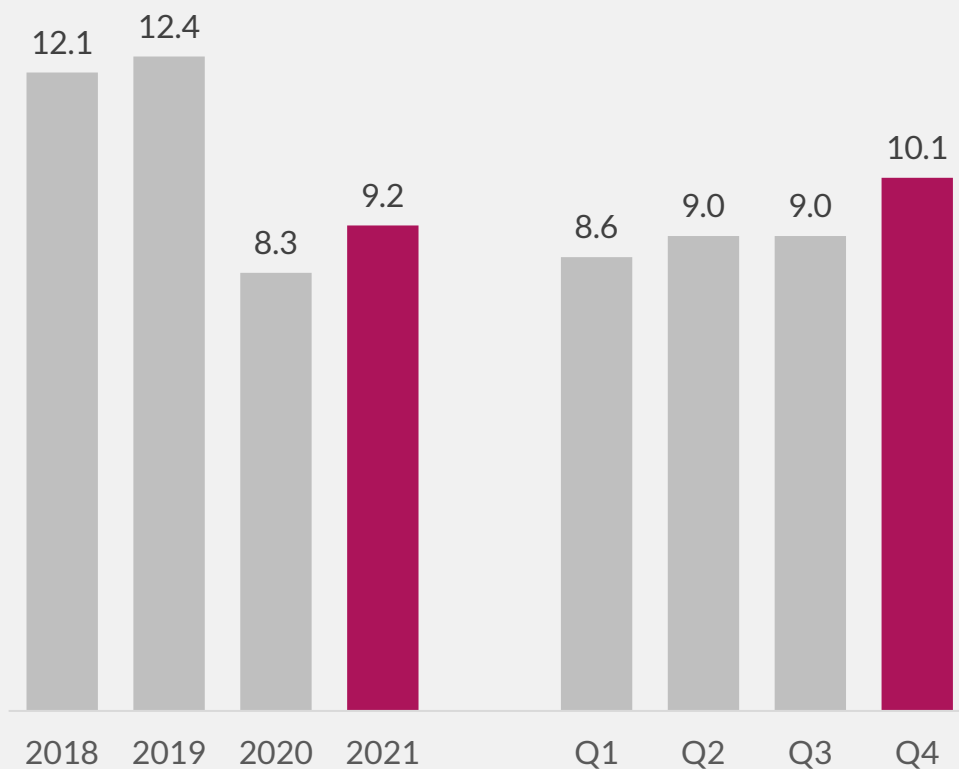
### Production expenses impacted by high power costs

- Electricity cost interlinked with European gas prices

# Production cost

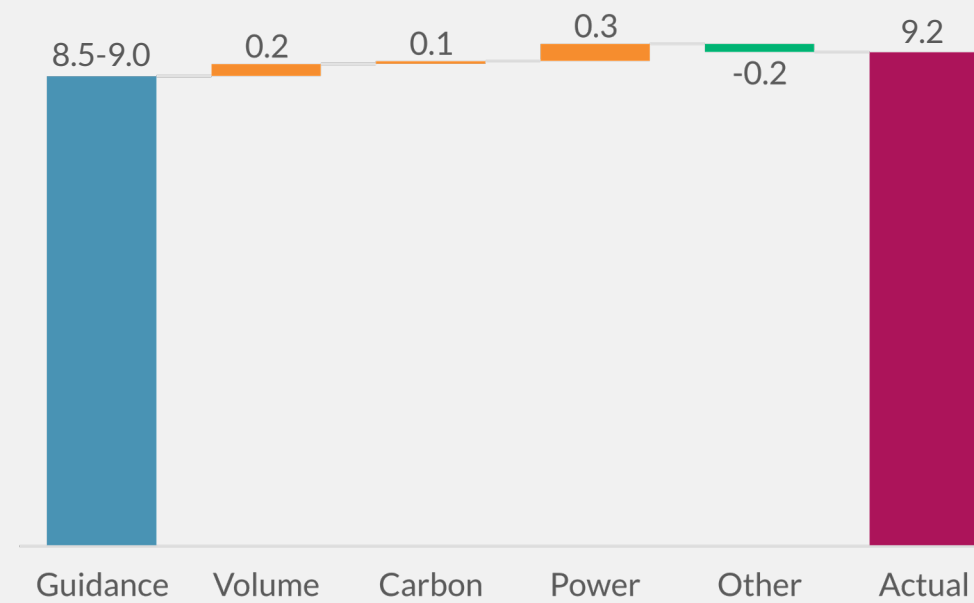
## Production cost per unit produced

USD per boe



## 2021 actual vs guidance

USD per boe

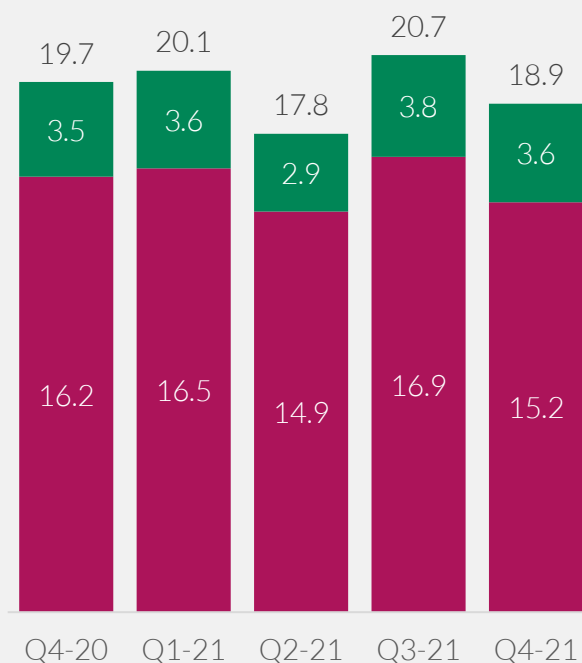




# Oil and gas sales

## Volumes sold

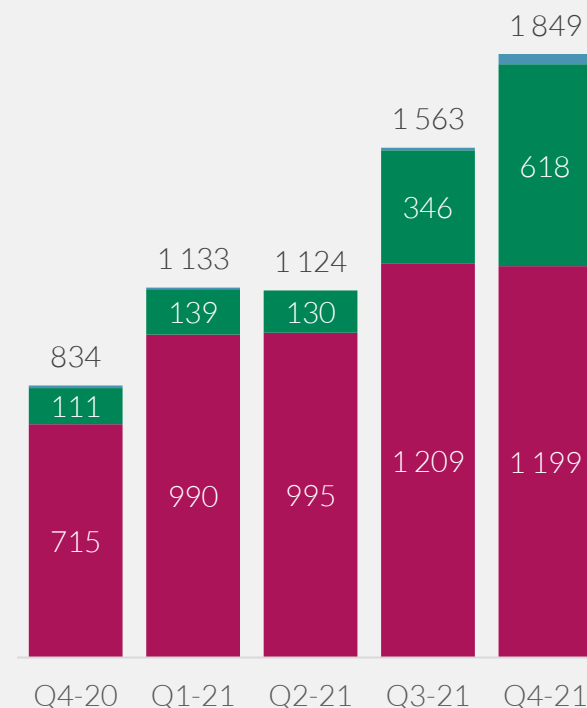
mmboe



■ Liquids ■ Natural gas

## Total income

USD million



■ Liquids ■ Natural gas ■ Other

## Realised prices

USD/boe

**Q4-2021**

Liquids

**\$78.8**

Natural gas

**\$169.5**

**2021**

Liquids

**\$69.2**

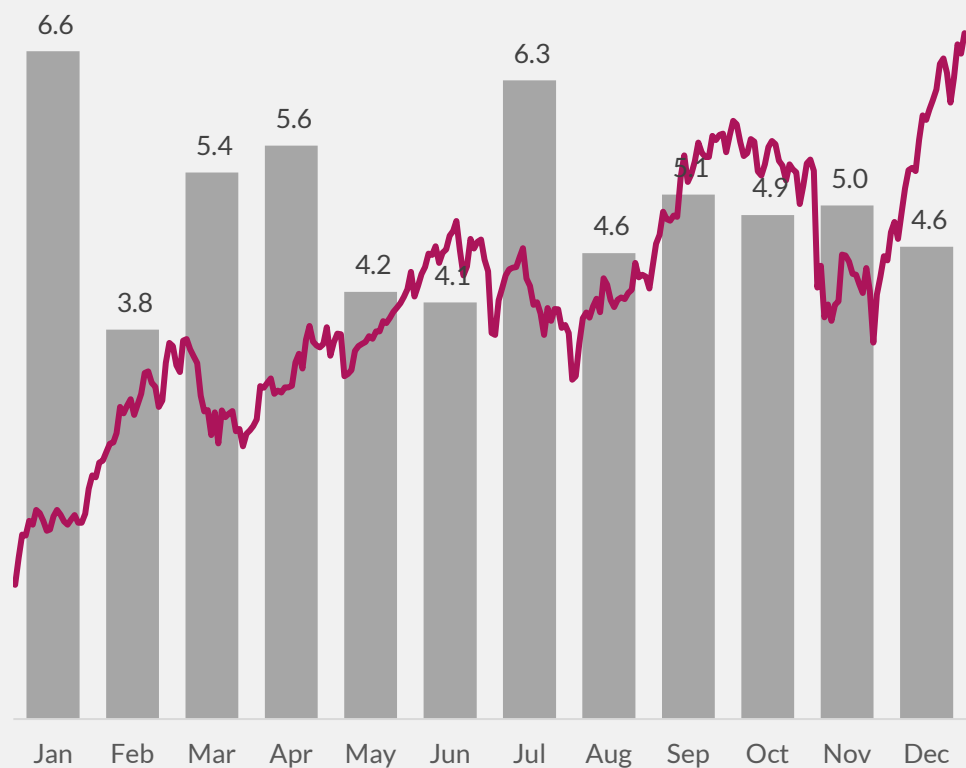
Natural gas

**\$88.5**

# Oil lifted and realised prices

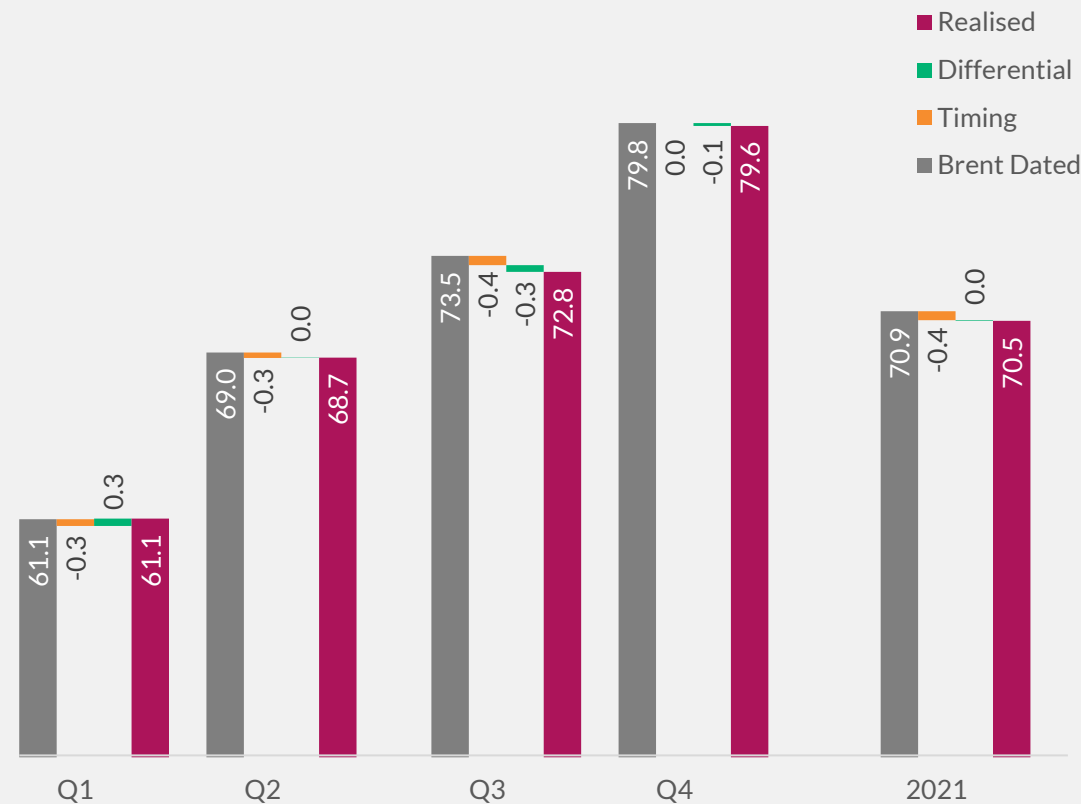
## 2021 crude oil liftings

mmbbl



## 2021 time effect and realised differentials

USD/bbl



# Gas sales

## 18% of total production in 2021

- Skarv 49%
- Alvheim area 22%
- Valhall 17%

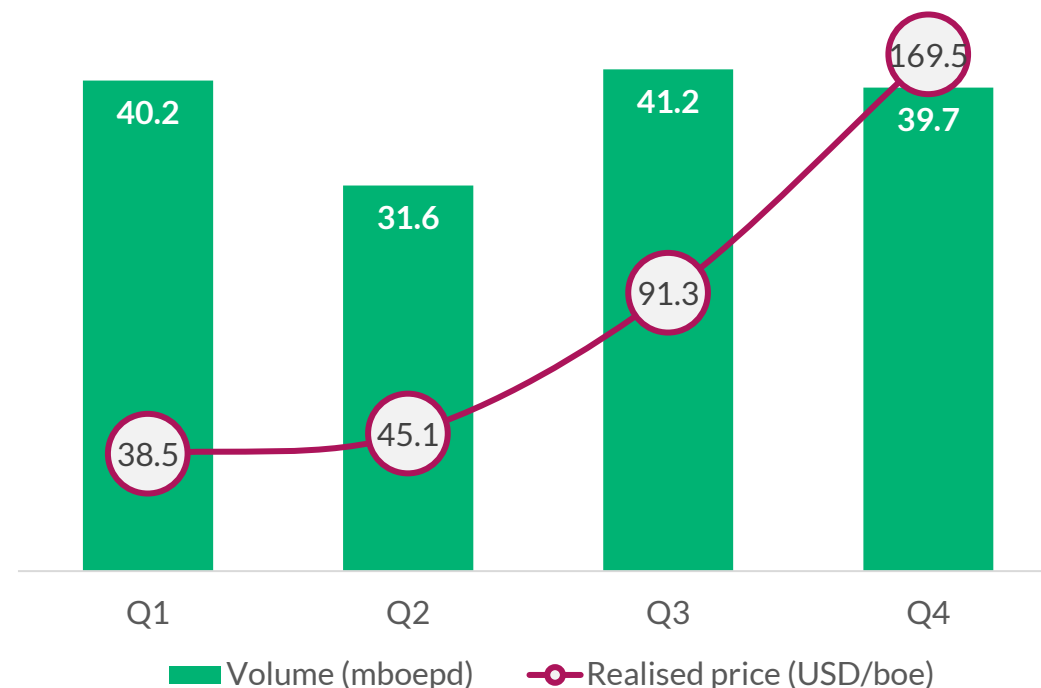
## Majority of volumes linked to spot (TTF/NBP)

- Some volumes linked to oil price

## Gas volumes to increase in the future

- Skarv satellites from 2025
- NOAKA and King Lear from 2027

Gas volumes and realised prices 2021



Share of petroleum revenues			
12%	12%	22%	34%

# Income statement

Fourth quarter 2021

USD million	Q4 2021	Q3 2021	Change	Comment
<b>Total income</b>	<b>1 849</b>	<b>1 563</b>	<b>+18%</b>	<b>1</b>
Production costs	202	209		
Other operating expenses	6	7		
<b>EBITDAX</b>	<b>1 641</b>	<b>1 347</b>	<b>+22%</b>	
Exploration expenses	83	97	-15%	2
<b>EBITDA</b>	<b>1 559</b>	<b>1 250</b>	<b>+25%</b>	
Depreciation	219	247		3
Impairments	79	154		4
<b>Operating profit (EBIT)</b>	<b>1 260</b>	<b>849</b>	<b>+48%</b>	
Net financial items	(43)	(47)		
<b>Profit/loss before taxes</b>	<b>1 218</b>	<b>802</b>	<b>+52%</b>	
Tax (+) / Tax income (-)	854	596		
<b>Net profit / loss</b>	<b>364</b>	<b>206</b>	<b>+77%</b>	
EPS (USD)	1.01	0.57		

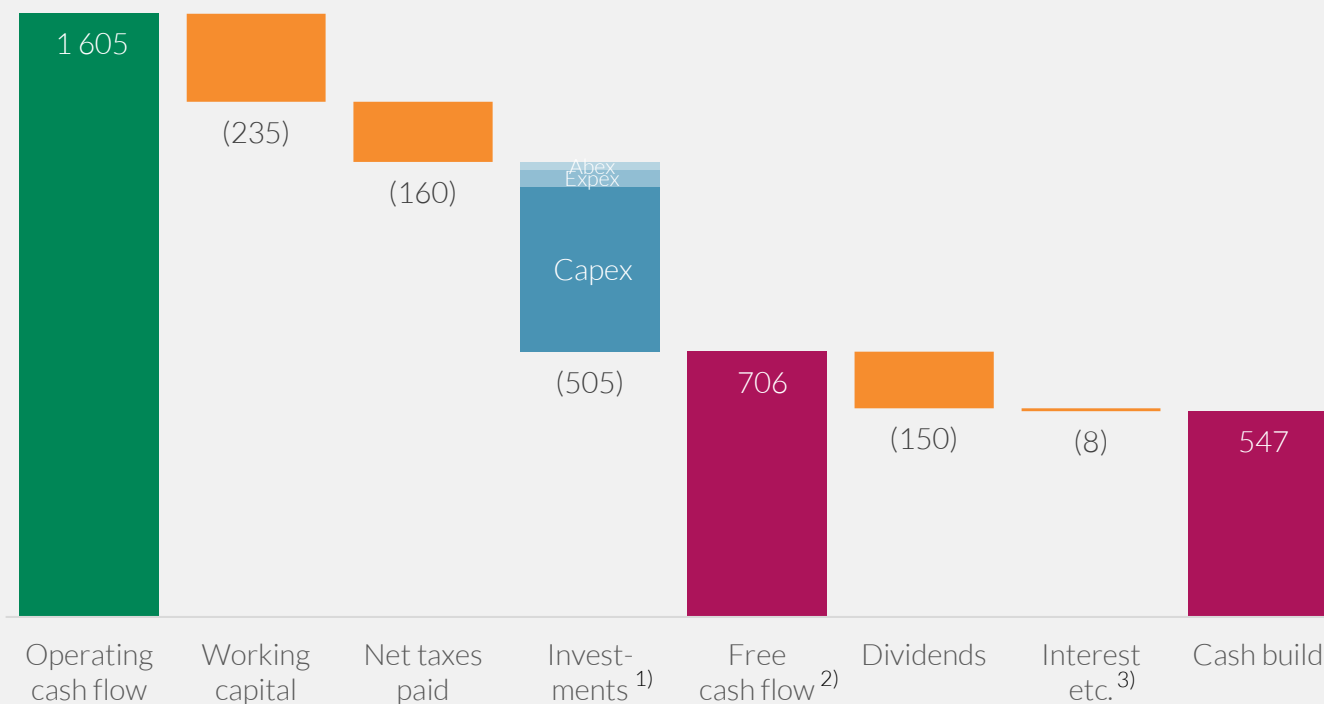
## Comments

1. Increased due to higher prices, in particular on gas
2. Reduced field evaluation expenses as Krafla passed DG2
3. Lower rate due to lifetime extension on Alvheim
4. Impairment of Ula and Liatårnet partly offset by reversal on Trell & Trine

# Cash flow

Fourth 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

**Q4-2021**

FCF per share

**\$2.0**

Dividend per share

**\$0.4**

**2021**

FCF per share

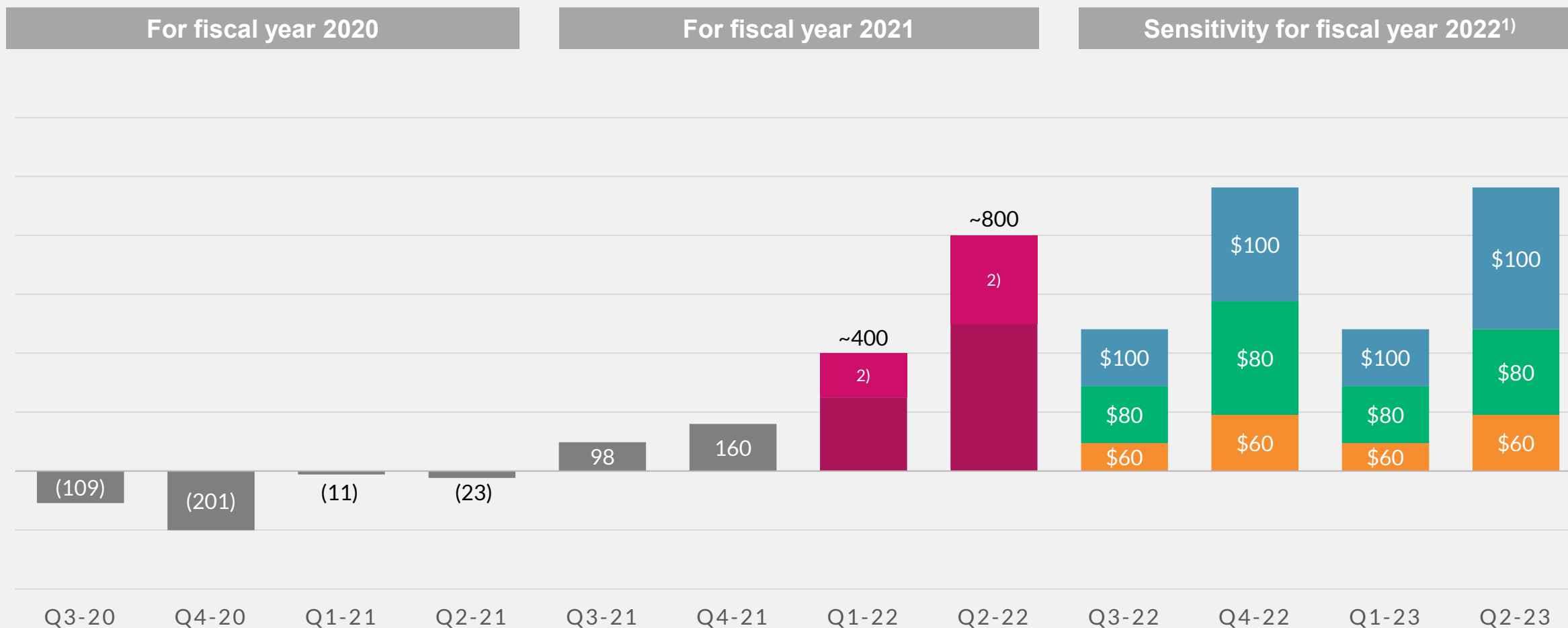
**\$6.9**

Dividend per share

**\$1.4**

# Tax payments

USD million



1) Estimated current tax on income for fiscal year 2022 for Aker BP at various oil price scenarios, assuming USDNOK 8.5. Gas price assumptions are linked to oil prices where \$1/bbl equals \$0.1/mmbtu. Excluding potential payments related to uncertain tax cases.

2) Share of tax payment in H1 2022 related to higher oil and gas prices in H2 2021 than anticipated when the tax instalments were decided in June 2021

# Statement of financial position

USD million

Assets	31.12.21	30.09.21	31.12.20
Goodwill	1 647	1 647	1 647
Other intangible assets	1 664	1 779	2 043
Property, plant and equipment	7 976	7 667	7 266
Right-of-use asset	94	105	133
Receivables and other assets	1 117	963	793
Cash and cash equivalents	1 971	1 421	538
<b>Total Assets</b>	<b>14 470</b>	<b>13 582</b>	<b>12 420</b>

Equity and liabilities	31.12.21	30.09.21	31.12.20
Equity	2 342	2 128	1 987
Other provisions for liabilities incl. P&A (long)	2 659	2 639	2 650
Deferred tax	3 323	3 142	2 642
Bonds and bank debt	3 577	3 595	3 969
Lease debt	136	158	216
Other current liabilities incl. P&A	936	930	792
Tax payable	1 497	990	163
<b>Total Equity and liabilities</b>	<b>14 470</b>	<b>13 582</b>	<b>12 420</b>

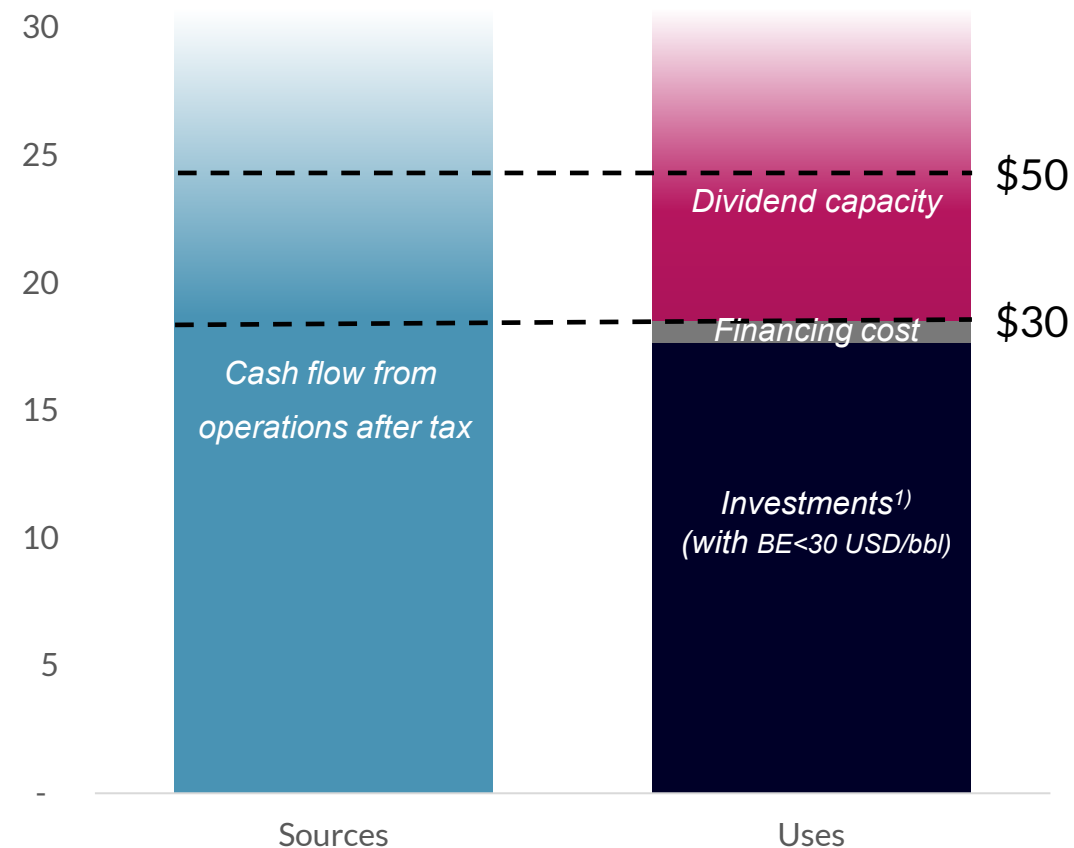
# Capital allocation priorities

Growing capital distribution in line with value creation

- 1 **Maintain sufficient financial capacity**
- 2 **Invest in profitable growth**
- 3 **Return value creation to shareholders**

## Aker BP investment plan 2022-2028

USD billion, accumulated



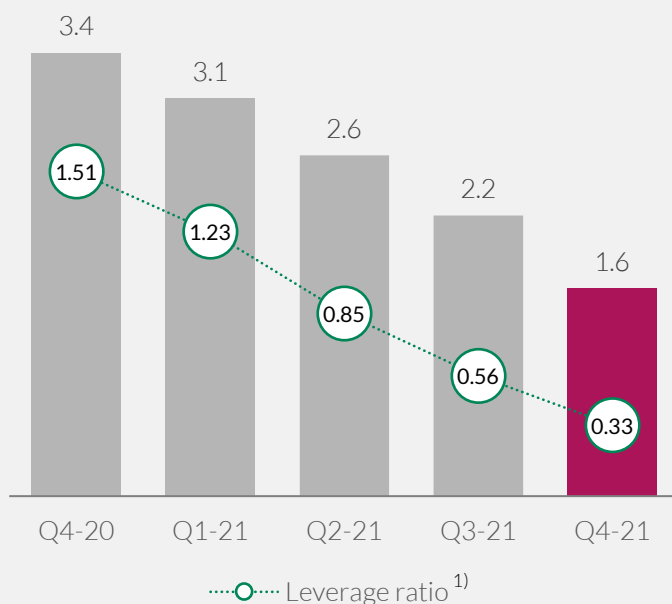
1) BE: Break-even oil price using 10% discount rate



# Capital allocation priority #1: Financial capacity

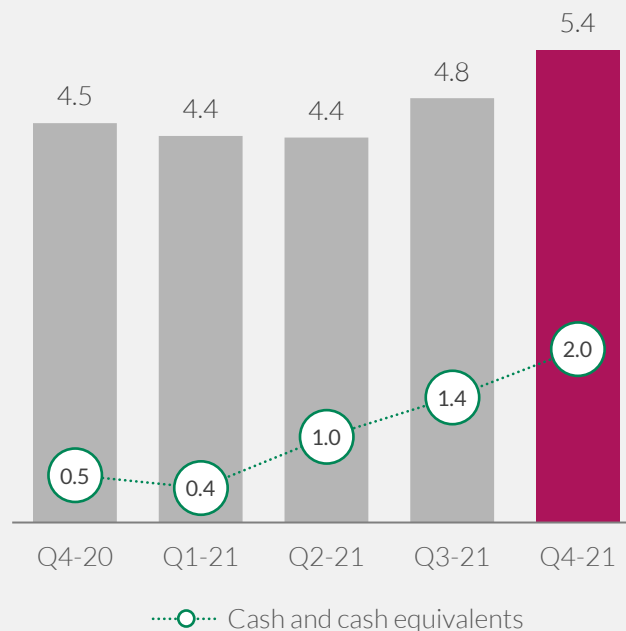
## Net interest-bearing debt

Excl. leases, USD billion



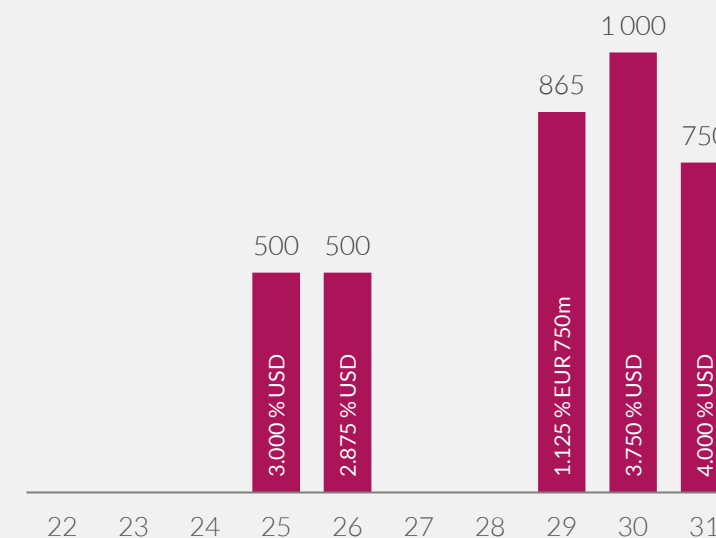
## Liquidity available<sup>2)</sup>

USD billion



## Bond maturities

USD million



**S&P Global**  
Ratings

BBB- (positive outlook)

**FitchRatings**

BBB- (positive outlook)

**MOODY'S**

Baa3 (review for upgrade)

1) Leverage ratio: Net interest-bearing debt divided by EBITDAX last 12 months, excluding effects of IFRS16 Leasing

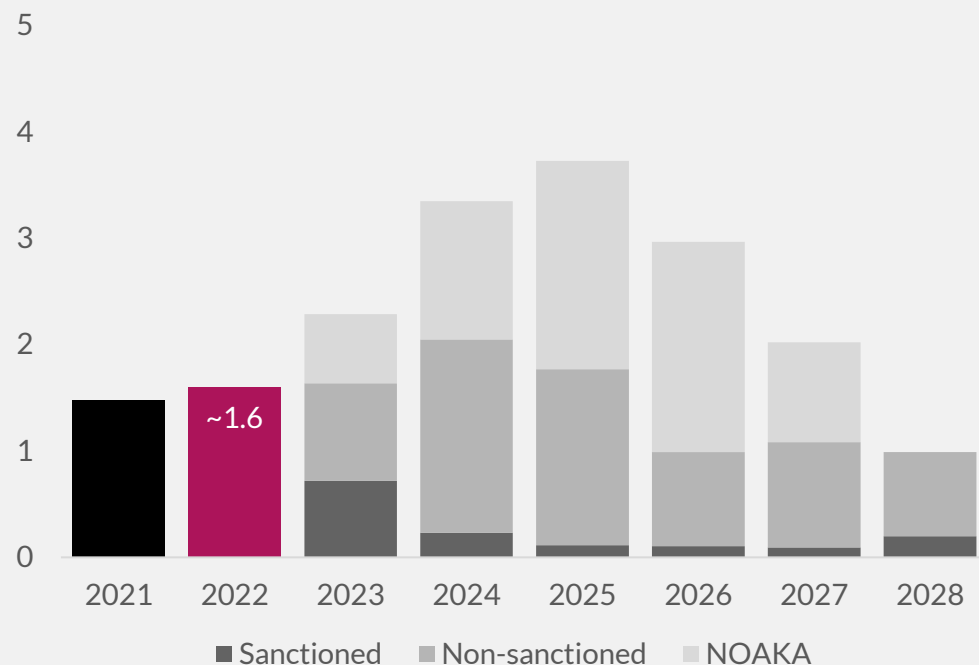
2) Liquidity available: Undrawn bank facilities and Cash and cash equivalents

## Capital allocation priority #2:

# Invest in profitable growth

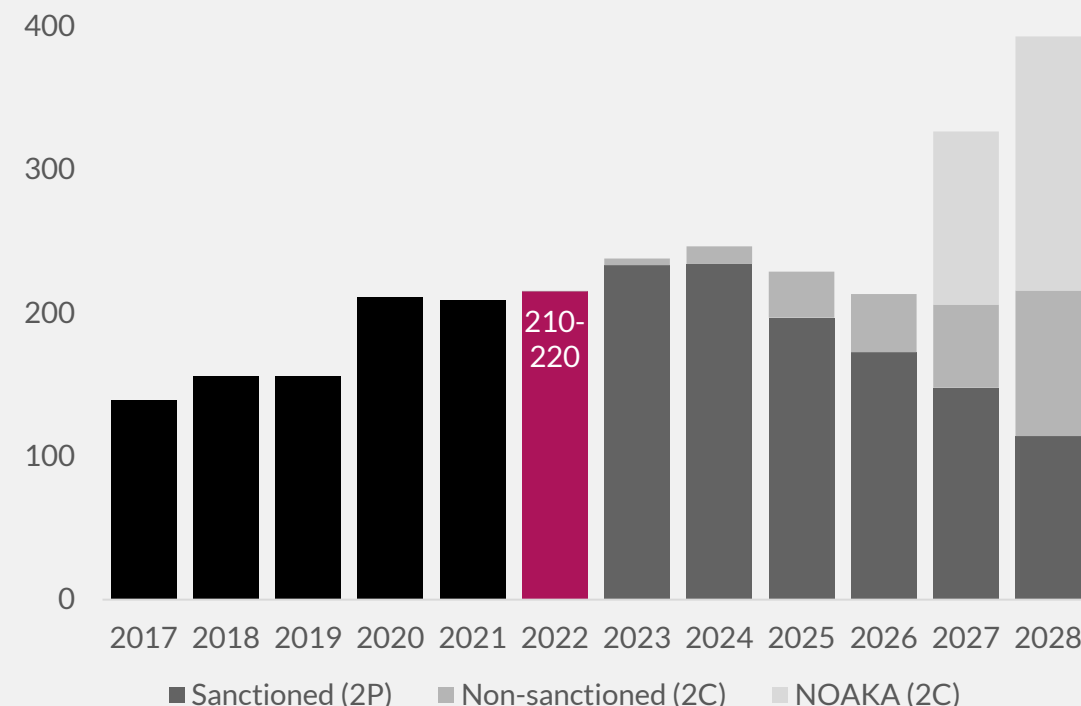
### Investment plan 2022-2028

USD billion



### Preliminary production profile

mboepd



*Investing in projects with break-even below 30 \$/bbl in a supportive fiscal regime providing >70% tax deductions in year 1*

*Generating value accretive growth with high returns and short payback time across price scenarios*

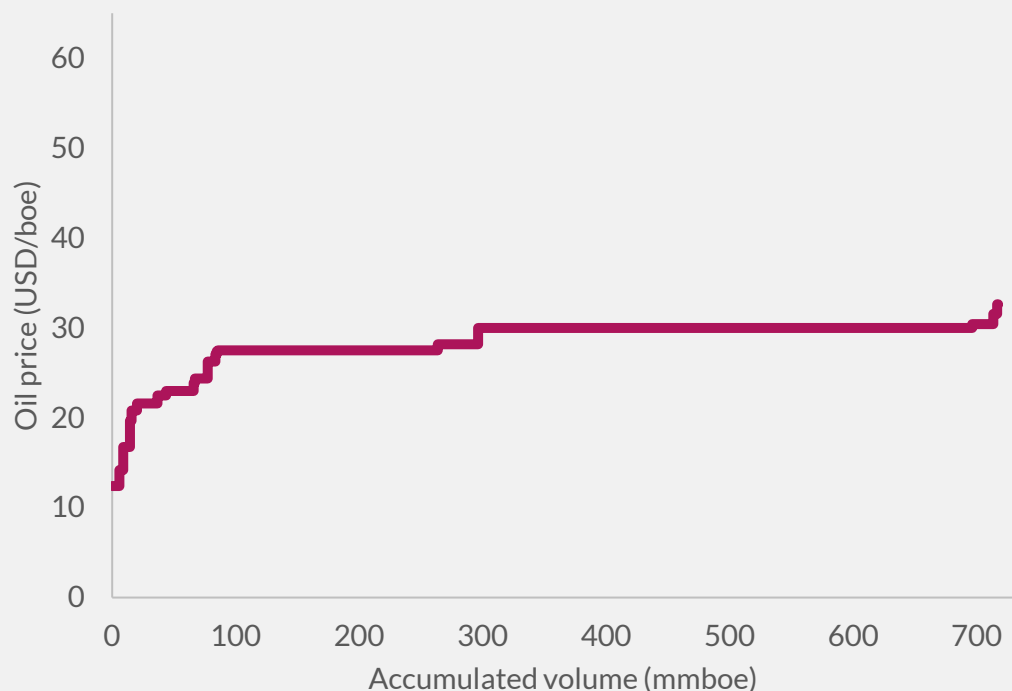
Capital allocation priority #2:

# Invest in profitable growth

Break even oil price hurdle of USD 30 per barrel for sanctioning new projects (NPV10)

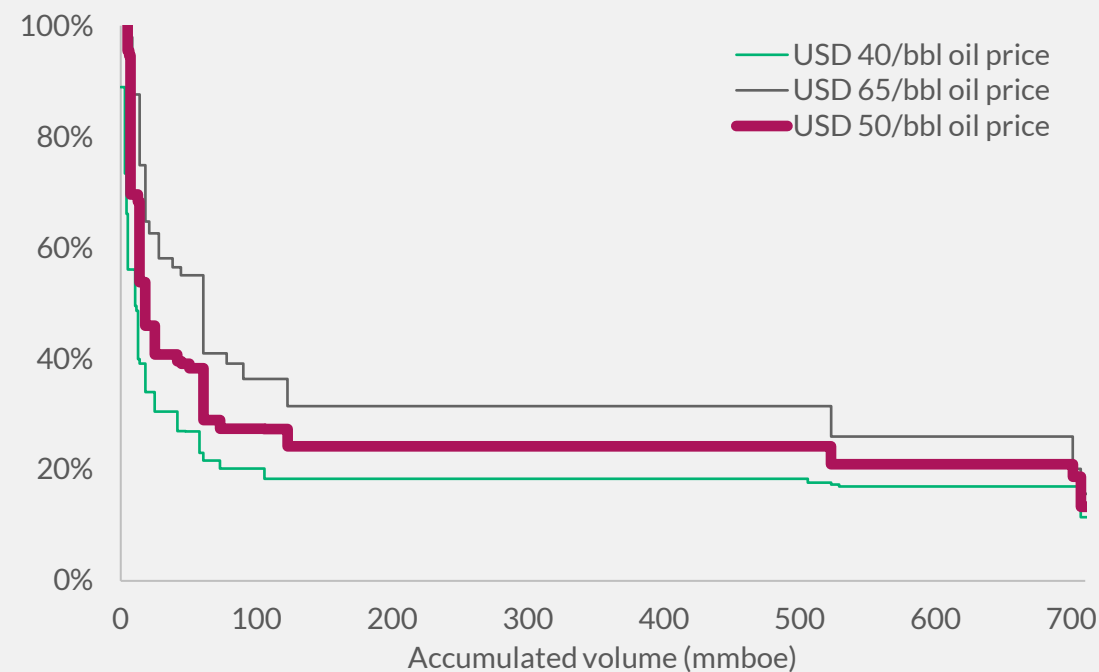
## Break-even for projects targeted for FID by 2022

Preliminary figures, USD/boe



## IRR for projects targeted for FID by 2022

Preliminary figures

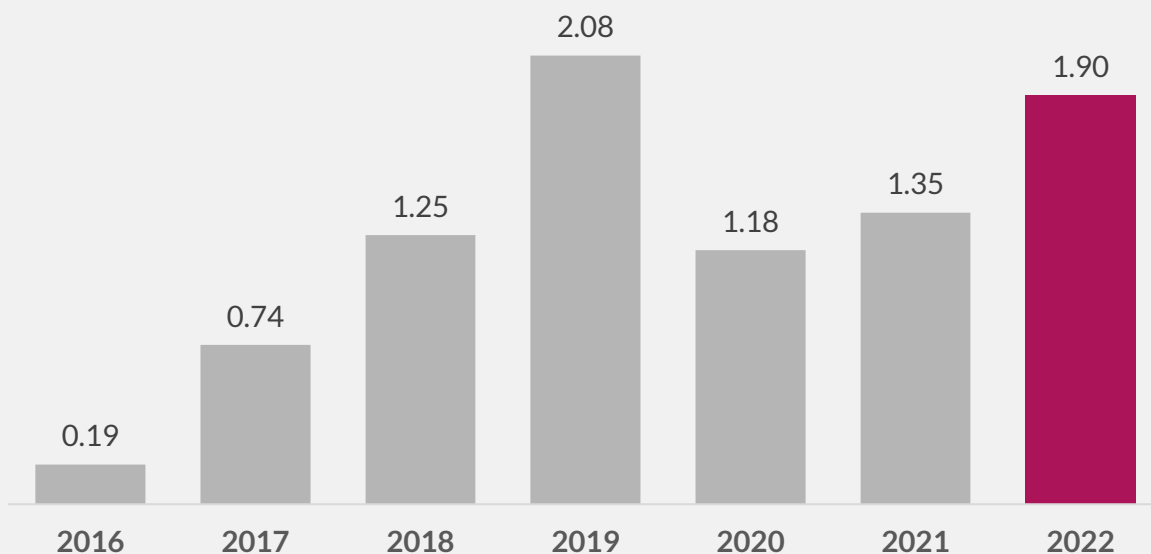


Capital allocation priority #3:

# Return value creation

## Aker BP dividends

USD per share



# USD 1.9/share

paid quarterly

## 40%

dividend growth from 2021

## 5%

minimum annual dividend growth  
at oil prices above USD 40/bbl

# Guidance for 2022

	2021 CMU	2021 Actuals	2022 Guidance
Production (mbopd)	210-220	209.4	<b>210-220</b>
Opex (USD/boe)	8.5-9.0	9.2	<b>~10</b>
Capex (USDbn)	~1.6	1.4	<b>1.6</b>
E&A (USDbn)	0.4-0.5	0.4	<b>0.4</b>
Decom (USDbn)	0.2	0.2	<b>0.1</b>

Assuming USDNOK of 8.5

## Key project milestones



### Hod

First oil H1 2022



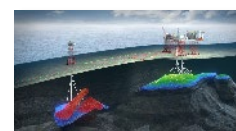
### Johan Sverdrup

First oil Q4 2022



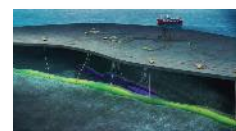
### NOAKA

FID in late 2022



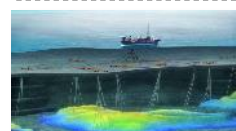
### Valhall NCP & King Lear

FID in late 2022



### Skarv Satellites

DG2 in Q1 2022, FID in late 2022



### Trell & Trine

FID in mid-2022

# Concluding remarks

# Building the E&P company of the future

- ✓ Pure play oil and gas company
- ✓ Quality assets with low cost and low emissions
- ✓ Driving improvement through the value chain
- ✓ Profitable growth from unique resource base
- ✓ Financial strength and growing dividends





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