QUARTERLY AND HALF YEAR REPORT

Q2 2022

SECOND QUARTER 2022 SUMMARY

Aker BP reports operating profit of USD 1,128 million and net profit of USD 188 million in the second quarter 2022. The acquisition of Lundin Energy's oil and gas activities was completed on 30 June.

Highlights

- Acquisition of Lundin Energy's oil and gas activities completed
- Launching a decarbonisation plan to be net zero across all operations by 2030
- On track to submit Plans for Development and Operations (PDOs) for around 900 mmboe (net) by the end of the year, with concepts selected for all projects
- Agreement signed with Equinor to assume operatorship of Krafla following PDO submission
- Strong free cash flow of USD 803 million*, net interest-bearing debt of USD 3.8 billion, and cash consideration for the Lundin transaction paid without adding new debt
- Credit rating upgrades from Standard & Poor's, Moody's, and Fitch Ratings
- Quarterly dividend increased by 11 percent to USD 0.525 per share

*adjusted for consideration paid in the Lundin transaction

Comment from Karl Johnny Hersvik, CEO of Aker BP

"I'm pleased to report that the Lundin transaction has been completed during the quarter, creating the E&P company of the future. The combined company has a more diversified and robust portfolio, with industry-leading low cost and low carbon emissions assets, and is positioned to deliver profitable growth into the next decade."

"Today we are launching a decarbonisation plan to be net zero across all operations by 2030, which fortifies our position as the leading E&P company, also with respect to our environmental footprint. We remain committed to reducing gross emissions across our operations and we have a clear pathway to reduce absolute emissions to close to zero by 2050."

"Financially, Aker BP is very robust. High oil and gas prices have contributed to strong cash flow, allowing us to complete the Lundin transaction without adding new debt while our credit ratings have been upgraded. Consequently, we are now able to further increase the dividend level."

"We continue to focus on the things we can influence and improve today. In the second quarter we produced 181.3 mboepd, impacted by planned maintenance programmes. For the second half of 2022, we expect to more than double our production as we integrate the Lundin assets."

"I'm also pleased to report strong progress on Aker BP's growth agenda. All the planned PDO projects have now passed the concept select milestone and remain on schedule for PDO submission by the end of the year."

"In conclusion, we remain committed to our mission to maximize value creation for our shareholders, and we have never been in a better position to do so."

 All figures are presented in USD unless otherwise stated, and figures in brackets apply to the previous quarter.

Key figures

	UNIT	Q2 2022	Q1 2022	Q2 2021
INCOME STATEMENT				
Total income	USD million	2 026	2 291	1 124
EBITDA	USD million	1 749	2 007	855
Net profit/loss	USD million	188	537	154
Earnings per share (EPS)	USD	0.52	1.49	0.43
OTHER FINANCIAL KEY FIGURES				
Net interest-bearing debt	USD million	3 835	877	2 818
Leverage ratio		0.54	0.12	0.85
Dividend per share	USD	0.48	0.48	0.31
PRODUCTION AND SALES				
Net petroleum production	mboepd	181.3	208.2	198.6
Over/underlift	mboepd	(8.6)	8.0	(3.6)
Net sold volume	mboepd	172.6	216.2	195.1
- Liquids	mboepd	127.5	171.1	163.4
- Natural gas	mboepd	45.1	45.0	31.6
REALISED PRICES				
Liquids	USD/boe	117.5	100.9	66.9
Natural gas	USD/boe	152.6	171.0	45.1
AVERAGE EXCHANGE RATES				
USDNOK		9.43	8.85	8.37
EURUSD		1.06	1.12	1.21

FINANCIAL REVIEW

Income statement

(USD MILLION)	Q2 2022	Q1 2022	Q2 2021	H1 2022	H1 2021
Total income	2 026	2 291	1 124	4 318	2 257
EBITDA	1 749	2 007	855	3 755	1 733
EBIT	1 128	1 775	614	2 903	1 205
Pre-tax profit	1 066	1 837	552	2 903	1 054
Net profit/loss	188	537	154	724	281
EPS (USD)	0.52	1.49	0.43	2.01	0.78

The income statement for the second quarter represents activity prior to the completion of the Lundin transaction 30 June 2022 and is thus comparable with prior quarters.

Total income in the second quarter amounted to USD 2,026 (2,291). The decrease compared to the previous quarter was driven by lower production due to planned maintenance, partly offset by higher average petroleum prices in the second quarter with average realized liquids price increased by 16 percent to USD 117.5 (100.9) per barrel. Sold volumes were 172.6 (216.2) mboepd in the quarter, following an underlift of 8.6 mboepd. Other income amounted to USD 35 (41) million.

Production cost for the oil and gas sold in the quarter amounted to USD 190 (220) million and was impacted by underlift, as well as lower cost related to environmental taxes due to lower production because of planned maintenance activities. The average production cost per produced unit was USD 12.0 (11.6) per boe, with the increase mainly caused by the lower production in the second quarter. See note 4 for further details on production costs.

Exploration expenses amounted to USD 67 (58) million, with the increase mainly driven by higher seismic cost. Dry well expenses in the quarter were USD 34 (39) million, mainly arising from the wells Peder and Laushornet.

Depreciation amounted to USD 199 (231) million, corresponding to USD 12.1 (12.3) per barrel of oil equivalent. Impairment amounted to USD 422 million (0) million, primarily related to the Ula area, where the year of expected shut-down has been accelerated from 2032 to 2028, with corresponding impact on cost and production profiles. Other operating expenses amounted to USD 20 (7) million and was driven by transaction cost related to the Lundin acquisition.

Operating profit was USD 1,128 (1,775) million for the second quarter. Net financial expenses amounted to USD 62 (-61) million, with currency gains driven by a strengthened USD against NOK were offset by loss on currency derivatives.

Profit before taxes amounted to USD 1,066 (1,837) million. Tax expense was USD 878 (1,300) million. The effective tax rate was 82 (71) percent, with the weakening of NOK during the quarter as the main driver for the higher rate.

This resulted in a net profit for the second quarter 2022 of USD 188 (537) million.

Balance sheet

(USD MILLION)	30.06.2022	31.03.2022	31.12.2021	30.06.2021
Goodwill	14 246	1 647	1 647	1 647
Property, plant and equipment	15 988	8 257	7 967	7 630
Other non-current assets	3 181	1 877	1 863	2 103
Cash and equivalent	2 154	2 817	1 971	975
Other current assets	1 581	1 228	1 012	720
Total assets	**37 149**	**15 826**	**14 470**	**13 076**
Equity	12 061	2 708	2 342	2 030
Bank and bond debt	5 834	3 558	3 577	3 615
Other long-term liabilities	13 456	6 406	6 074	5 830
Tax payable	4 253	2 257	1 497	597
Other current liabilities	1 545	898	980	1 003
Total equity and liabilities	**37 149**	**15 826**	**14 470**	**13 076**

Net interest-bearing debt	**3 835**	**877**	**1 742**	**2 818**
Leverage ratio	**0.54***	**0.12**	**0.33**	**0.85**

*The ratio is calculated based on Aker BP group figures only, with no proforma adjustment for the Lundin transaction

The Lundin transaction was completed 30 June and is thus reflected in the statement of financial position at the end of second quarter. The Lundin transaction has been accounted for on a fair value basis and has given rise to a significant increase in total assets, which amounted to USD 37.1 (15.8) billion at the end of the quarter. Note 2 to the financial statements includes detailed information about how the purchase price for Lundin has been allocated to the various items in the statement of financial position.

Total non-current assets increased to USD 33.4 (11.8) billion. PP&E increased to 16.0 (8.3) billion, with Lundin's share in Johan Sverdrup and Edvard Grieg as the main contributors. Goodwill increased by USD 12.6 billion, of which 6.3 billion is technical goodwill, meaning that it arises from the requirement to recognize deferred tax liabilities for the difference between the assigned fair values and the remaining tax bases. This part of the goodwill will be allocated to Cash Generating Unit (CGU) level for the purpose of impairment testing going forward, in line with the approach from previous business combinations in the company.

Cash and cash equivalents ended at USD 2,154 (2,817) million. The decrease was mainly caused by the cash consideration in the Lundin transaction, offset by cash generation through the quarter and cash acquired from Lundin.

Total equity increased to USD 12.1 (2.7) billion, as the main part of the consideration in the Lundin transaction consisted of new Aker BP shares.

Bank and bond debt increased to USD 5,834 (3,558) million, mainly related to two bonds acquired from Lundin of USD 1,000 million each. These bonds are recognized at fair value, amounting to USD 1,726 in total. A bank debt of USD 600 million acquired from Lundin was repaid from existing cash 1 July. Other long-term liabilities increased to USD 13.5 (6.4) billion in the second quarter, with deferred tax liabilities and abandonment provisions from the Lundin transaction as the main contributors.

Tax payable increased to USD 4,253 (2 257) million, with 2,181 coming from Lundin. Other current liabilities ended at USD 1,545 (898) million.

At the end of the second quarter, the company had USD 2,154 (2,817) million in cash and cash equivalents and USD 3.4 (3.4) billion in undrawn credit facilities. After adjusting for a repayment of USD 600 million in bank debt, which technically took place on 1 July, the company's total available liquidity at the end of the quarter was USD 4.9 (6.2) billion.

Cash flow

(USD MILLION)	Q2 2022	Q1 2022	Q2 2021	H1 2022	H1 2021
Cash flow from operations	1 187	1 375	1 108	2 562	2 009
Cash flow from investments	(1 626)	(282)	(490)	(1 908)	(811)
Cash flow from financing	(210)	(248)	(35)	(458)	(759)
Net change in cash & cash equivalents	(649)	845	583	196	439
Cash and cash equivalents	2 154	2 817	975	2 154	975

Net cash flow from operating activities was USD 1,187 (1,375) million in the quarter. Taxes paid increased by USD 360 million.

Net cash used for investment activities was USD 1 626 (282) million, of which investments in fixed assets amounted to USD 271 (355) million for the quarter. Investments in capitalised exploration were USD 76 (49) million. Payments for decommissioning activities amounted to USD 36 (16) million. In addition, net cash consideration paid for Lundin Energy, including cash acquired, was USD 1,243 million.

Net cash outflow from financing activities was USD 210 million, compared to an outflow of USD 248 million in the previous quarter. The main items were dividend disbursements of USD 171 (171) million and interest payments (including interest element of lease payment) of USD 18 (55) million.

Risk management

The company uses various types of economic hedging instruments. Commodity derivatives are used to mitigate the financial consequences of potential significant negative movements in oil and gas prices. Aker BP currently has limited exposure to fluctuations in interest rates, but generally manages such exposure by using interest rate derivatives. Foreign exchange derivatives are used to manage the company's exposure to currency risks, mainly costs in NOK, EUR, and GBP. Derivatives are marked to market with changes in market value recognized in the income statement.

The following table shows the company's commodity exposure as of 30 June 2022:

OIL PUT OPTIONS	Q3 2022	Q4 2022
Share of oil production covered (after tax)	33 %	26 %
Average strike (USD/bbl)	45	45
Average premium (USD/bbl)	1.6	1.6

NATURAL GAS FUTURES	Q3 2022	Q4 2022
Share of gas production covered (after tax)	4 %	4 %
Average price (EUR/MWh)	180	180

Note: The share of production is calculated based on current Aker BP portfolio and does not include volumes from the Lundin Energy assets

Dividends

At the Annual General Meeting in April 2022, the Board was authorised to approve the distribution of dividends based on the company's annual accounts for 2021 pursuant to section 8-2 (2) of the Norwegian Public Limited Companies Act.

During the first half of 2022, the company has paid dividends of USD 0.95 per share through two quarterly instalments, in line with the plan announced on 21 December 2021. On 19 July 2022, the Board resolved to increase the quarterly dividend level from USD 0.475 to USD 0.525 per share as from the third quarter 2022. The next dividend payment is scheduled for 24 August 2022.

REPORT FOR THE FIRST HALF 2022

	UNIT	H1 2022	H1 2021
Net production	Mboepd	194.7	210.4
Total income	USD million	4 318	2 257
Operating profit	USD million	2 903	1 205
Profit before taxes	USD million	2 903	1 054
Net profit	USD million	724	281
Net interest-bearing debt	USD million	3 835	2 818

During the first six months of 2022, the company reported total income of USD 4,318 (2,257) million. The increase compared with the first half 2021 was mainly driven by the higher realised liquids and gas prices. Production in the period decreased to 194.7 (210.4) thousand barrels of oil equivalent per day (mboepd). Average realised liquids prices increased to USD 108.0 per barrel of oil equivalent, compared to USD 63.3 in the first half 2021, while the average realised price for natural gas increased to USD 161.7 (41.4) per barrel of oil equivalent (boe).

Production costs for the oil and gas sold were USD 411 (334) million. Production costs were USD 11.8 (8.8) per produced boe.

Exploration expenses amounted to USD 125 (173) million. EBITDA amounted to USD 3,755 (1,733) million and operating profit was USD 2,903 (1,205) million. Net profit for the first half of 2022 was USD 724 million, compared to a net profit of USD 281 million for the first half of 2021.

Net cash flow from operating activities amounted to USD 2,562 (2,009) million, driven by the higher oil and gas prices, partly offset by increased tax payments. Net cash flow to investment activities amounted to USD 1,908 (811) million, with the increase driven by cash consideration paid for Lundin Energy. Net cash outflow from financing activities was USD 458 million, compared to an outflow of USD 759 million in the previous period.

As of 30 June 2022, the company had net interest-bearing debt of USD 3,835 (2,818) million. Available liquidity was USD 5.0 (4.4) billion comprising of cash and cash equivalents of USD 2,154 (975) million and undrawn credit facilities of USD 3.4 (3.4) billion, and adjusted for a repayment of USD 600 million in bank debt which technically took place on 1 July.

Health, Safety, Security and Environment (HSSE) remains the number one priority in all of Aker BP's activities. The company strives to ensure that all its operations, drilling campaigns and projects are carried out under the highest HSSE standards. The company delivered strong HSSE performance during the first half of 2022, with a strong safety record with TRIF of 1.6 and CO_2 emissions of 4.8 kg per boe.

RISKS AND UNCERTAINTY

Investment in Aker BP involves risks and uncertainties as described in the Board of Director's report in the company's annual report for 2021 (pages 46-52).

As an oil and gas company operating on the Norwegian Continental Shelf, exploration results, reserve and resource estimates and estimates for capital and operating expenditures are associated with uncertainty. The production performance of oil and gas fields may be variable over time.

The company is exposed to various forms of financial risks, including, but not limited to, fluctuation in petroleum prices, exchange rates, interest rates and capital requirements. These risks are described in the company's annual report and accounts as described in note 27 to the accounts for 2021. The group is also exposed to uncertainties relating to the international capital markets and access to capital and this may influence the speed with which development projects can be brought on stream.

BUSINESS DEVELOPMENT

Acquisition of Lundin Energy's oil and gas business

On 21 December 2021, Aker BP and Lundin Energy announced an agreement for Aker BP to acquire Lundin Energy's oil and gas business. As consideration, Lundin Energy's shareholders for each share in Lundin Energy received a cash consideration of USD 7.76 and 0.95098 shares in Aker BP, delivered in the form of Swedish Depository Receipts (SDRs). For more information about the SDR programme, please see https://akerbp.com/en/information-to-lundin-shareholders/.

The transaction was completed on 30 June 2022. In total, the consideration consisted of 271,908,701 newly issued shares and USD 2.22 billion in cash. After this, the total number of Aker BP shares issued is 632,022,210.

The transaction and the acquired business have been consolidated in the statement of financial position on a fair value basis per 30 June 2022 and will be included in the income statement as from 1 July 2022.

The acquisition includes three Dutch and one Swiss legal entity, in addition to Lundin Energy Norway AS (renamed to ABP Norway AS at completion of the transaction). The plan is to merge all these legal entities into Aker BP in due course. All oil and gas assets included in the transaction are located on the Norwegian Continental Shelf.

Licence transaction in the Skarv area

Aker BP has entered an agreement with WintershallDea to swap certain licence interests in the area around Skarv. Through this agreement, Aker BP will receive 15 percent interest in the cretaceous section of PL211 which includes the Dvalin Nord gas discovery, in exchange for 20 percent interest in PL127C which includes the Alve Nord discovery, and 10 percent interest in PL941 where two exploration wells are planned in 2022 on the Newt and Barlindåsen prospects. The transaction is subject to approval by Norwegian authorities.

OPERATIONAL REVIEW

Aker BP's net production was 16.5 (18.7) mmboe in the second quarter 2022, correspon-ding to 181.3 (208.2) mboepd. Net sold volume was 172.6 (216.2) mboepd.

Alvheim Area

KEY FIGURES	AKER BP INTEREST*	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Production, boepd						
Alvheim	65%	35 295	34 688	31 721	36 061	34 799
Bøyla (incl. Frosk)	65%	1 259	1 561	2 068	865	1 191
Skogul	65%	2 488	2 407	1 817	4 449	4 542
Vilje	46.904%	2 018	2 108	3 501	1 971	1 789
Volund	65%	2 757	4 582	4 275	3 264	3 602
Total production		43 817	45 347	43 382	46 610	45 923
Production efficiency		97 %	98 %	94 %	96 %	91 %

*Prior to the Lundin transaction

Second quarter production from the Alvheim area was 43.8 mboepd net to Aker BP, a reduction of three percent from previous quarter due to natural decline and an unplanned shutdown in June

The Frosk development project is progressing according to plan. The two-well drilling programme is scheduled to start in third quarter 2022. The drilling campaign will be followed by a subsea tie-back campaign, and production start is planned in the first quarter 2023.

The Kobra East & Gekko (KEG) development project is also progressing as planned. The engineering, fabrication and procurement activities are progressing according to schedule, and installation of pipeline and static umbilical commenced in July 2022.

The Trell and Trine (T&T) project has passed the final investment decision, and PDO submission is planned during the third quarter. Commitments have been placed to secure vessel and materials for execution of the planned pipelay campaign in 2023, enabling drilling of the T&T wells in direct continuation of the KEG drilling campaign. First oil is scheduled for first quarter 2025.

Following the Lundin transaction, the company has increased its ownership share in several of the Alvheim licences, including 15 percent in Alvheim, Bøyla and Frosk, 35 percent in Volund, and 13 percent in T&T.

Edvard Grieg

The Edvard Grieg area, which consists of the Edvard Grieg main field and the tie-backs Solveig and Rolvsnes, became part of Aker BP's portfolio through the Lundin transaction, and is included in Aker BP's balance sheet per 30 June 2022.

Production from the Edvard Grieg area was 53.6 mboepd in the second quarter and was negatively impacted by an unplanned shutdown at the end of March 2022 because of a power outage causing damage to electrical systems in the gas export system. Production was restarted early in the second quarter at reduced capacity while continuing the repair work. Maintenance activities were accelerated to minimise the impact on full-year production. The field has been operating at full capacity from 23 May.

The third 4D seismic campaign was completed during the second quarter with results in line with expectations.

Solveig and Rolvsnes EWT were shut in for most of the second quarter to optimise production from the Edvard Grieg facilities.

Ivar Aasen

KEY FIGURES	AKER BP INTEREST*	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Production, boepd						
Total production	34.7862%	7 019	14 038	15 157	15 285	16 129
Production efficiency		52 %	87 %	81 %	86 %	89 %

*Prior to the Lundin transaction

Second quarter production from Ivar Aasen was 7.0 mboepd net to Aker BP. The 50 percent reduction from the previous quarter was primarily caused by technical issues with the power supply from Edvard Grieg from late March to late May. Maintenance activities were accelerated to minimise the impact on full-year production. Ivar Aasen was back at full production from 25 May.

The 2022 IOR drilling campaign consisting of three new wells is in the detailed planning phase, and the drilling rig Maersk Invincible is expected to arrive towards the end of the third quarter.

The Hanz project progressed according to plan in the second quarter. Production is expected to begin in the first quarter 2024. At Lille Prinsen, the concept select decision has been internally approved. The final investment decision is planned towards the end of 2022.

With the Lundin transaction, the company has increased its ownership share in the Ivar Aasen unit by 1.4 percent (to 36.2 percent), and in Lille Prinsen by 40 percent (to 50 percent).

Johan Sverdrup

KEY FIGURES	AKER BP INTEREST*	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Production, boepd						
Total production	11.5733%	57 924	62 908	63 112	63 424	64 262

*Prior to the Lundin transaction

Johan Sverdrup produced at process capacity 535,000 barrels per day with near 100 percent regularity through the second quarter of 2022 until late June when a 17-days planned maintenance shutdown started for maintenance and preparing for start-up of the Phase 2 production. Production well number 16 started production in May.

Phase 2 of the Johan Sverdrup development progressed safely according to plan and cost. Offshore hook-up and commissioning of the newbuilt second processing platform (P2) continued. The first Phase 2 production well, which was drilled by Odfjell Drilling's semi-submersible rig Deepsea Atlantic, was completed in June, and is ready for the planned Phase 2 production start in the fourth quarter of 2022.

Following the Lundin transaction, the company has increased its ownership share in Johan Sverdrup by 20 percent for a new total of 31.6 percent.

Skarv Area

KEY FIGURES	AKER BP INTEREST	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Production, boepd						
Total production	23.835 %	38 867	34 576	31 785	34 476	20 581
Production efficiency		90 %	86 %	88 %	97 %	58 %

Production in the second quarter 2022 increased to 38.9 mboepd due to increased production efficiency and increased gas export capacity following a planned compressor software update. The gas blowdown phase, which commenced late in the first quarter 2022, also added to production.

The development projects at Skarv made good progress during the second quarter. The Idun Tunge project is developing according to plan with drilling scheduled for the third quarter 2022 and production start scheduled in the fourth quarter 2022. Meanwhile, the Skarv Satellite Projects (Ørn, Shrek, Idun Nord and Alve Nord) are also progressing according to plan and remain on track for PDO submission in late 2022.

Ula Area

KEY FIGURES	AKER BP INTEREST	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Production, boepd						
Ula	80 %	1 855	3 157	4 165	4 622	3 539
Tambar	55 %	568	1 434	1 915	2 725	1 927
Oda	15 %	1 247	1 014	1 297	1 192	930
Total production		3 670	5 605	7 376	8 539	6 396
Production efficiency		36 %	60 %	77 %	84 %	64 %

Production from the Ula area was 3.7 mboepd, down from 5.6 mboepd in the previous quarter. The decrease was driven by planned maintenance activities resulting in a production shut-in from late May to late June affecting all fields producing through Ula. In addition, one Tambar well was shut-in pending repairs of a multi-phase pump.

Oda production was slightly higher in the second quarter. Drilling of a new side-track well started in March, and the well was put on production in the beginning of May. The Ula Power Project offshore scope was completed in the quarter.

An impairment charge of USD 411 million was made to the Ula area in the second quarter. The main reason for the impairment is the acceleration of expected shut-down from 2032 to 2028, and the corresponding impact on cost and production profiles.

Valhall Area

KEY FIGURES	AKER BP INTEREST	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Production, boepd						
Valhall	90%	29 122	44 945	45 623	40 983	44 699
Hod	90%	792	593	426	467	596
Total production		29 914	45 538	46 050	41 450	45 295
Production efficiency		56 %	89 %	84 %	76 %	81 %

Second quarter production from the Valhall area was 29.9 mboepd net to Aker BP. The decrease from the previous quarter was mainly driven by a shutdown for planned maintenance in June.

The Hod Field Development project progressed according to plan and started production in April. All subsea and drilling activities were completed, and three wells are put on production. Intervention and stimulation work is ongoing for the remaining three wells.

An additional infill well on Valhall Flank West was drilled by the Maersk Invincible drilling rig in the second quarter. The well will be stimulated and put on production in the third quarter. This was the last well to be drilled by Maersk Invincible on Valhall for now, marking the completion of a successful five-year contract comprising drilling and P&A operations at the field. The Maersk Integrator rig will continue to support stimulation and intervention activity.

The Old Valhall decommissioning project (OVD) progressed according to plan during the second quarter. An important milestone was reached when DP platform and the PCP topsides were removed from the Valhall field centre. The removed infrastructure will be demolished at Aker Solutions Stord, and more than 95 percent will be recycled.

Planning of the joint Valhall NCP (New Central Platform) and King Lear project progressed well during the second quarter. The project will add new slots for further development of the Valhall Area and secure development of the King Lear field. The project remains on track for PDO submission by end 2022.

North of Alvheim, Krafla and Fulla (NOAKA)

The NOAKA area is located between Oseberg and Alvheim in the Norwegian North Sea and consists of several oil and gas discoveries. The partners (Aker BP ASA, Equinor ASA and LOTOS Exploration & Production Norge AS) are planning for a coordinated development of the area. During second quarter, Aker BP and Equinor signed an agreement to transfer the operatorship of the Krafla licenses to Aker BP following final investment decision and PDO submission. This means that Aker BP will develop and operate the full NOAKA area from year end 2022.

The gross resource estimate amounts to around 600 million barrels of oil equivalent, with further upside potential from future exploration in the area. Gross capex is currently estimated to be in the range of USD 10 billion, with a corresponding break-even oil price in line with Aker BP's investment criteria of USD 30 dollars per barrel. These estimates will be further refined before the final investment decision.

The NOA Fulla development concept includes a fixed platform at the Frigg Gamma Delta field. The fixed platform, NOA PdQ, will function as an area hub, with processing, drilling, and living quarters. Further, the Frøy field will be re-developed with a normally unmanned installation, as a copy of the Valhall Flank West and the Hod B platforms. The development concept also includes robust and flexible subsea production systems with dual drilling layout for the Fulla, Langfjellet and Rind fields, all tied back to the NOA PdQ. Krafla will be developed with an unmanned production platform and five subsea templates. The Krafla development will be tied back to the NOA PdQ for oil and produced water processing. The NOAKA area will be powered from shore to ensure minimal carbon footprint.

The environmental impact assessments for NOA Fulla and Krafla were published during second quarter, and the partners are preparing for a final investment decision in fourth quarter 2022.

EXPLORATION

Total exploration spend in the second quarter was USD 116 (67) million, while USD 67 (58) million was recognised as exploration expenses in the period, relating to dry well costs, seismic, area fees, field evaluation and G&G costs.

The drilling of the Laushornet prospect in production licence 685 was completed in the quarter. Aker BP has an ownership share of 40 percent in the licence. The well was dry.

Drilling of the Overly prospect in licence 1058 was also completed in the quarter and resulted in a minor oil and gas discovery. Preliminary estimates place the size of the discovery between 4-12 million barrels of oil equivalent. The licensees will assess the discovery regarding potential further delineation. Aker BP has an ownership share in the licence of 55 percent.

During the quarter, operator ConocoPhillips concluded the drilling of the Peder prospect in production licence 1064. Preliminary results indicate a size of less than 0.6 million barrels of oil equivalent and is considered non-commercial. Aker BP has an ownership share of 20 percent in the licence.

In July, the company completed drilling of the Storjo exploration well in production licence 261 near the Skarv field. The well encountered gas in several geological formations. The preliminary estimate of recoverable gas volume is between 25 and 80 million barrels of oil equivalent (mmboe), which is significantly larger than the pre-drill estimate of 16-45 mmboe. Further delineation of the discovery is planned in 2023. Aker BP is the operator of PL 261 with 70 percent working interest.

HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT

HSSE is always the number one priority in all of Aker BP's activities. The company strives to ensure that all its operations, drilling campaigns and projects are carried out under the highest HSSE standards.

KEY HSSE INDICATORS	UNIT	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Total recordable injury frequency (TRIF) L12M	Per mill. exp. hours	1.6	1.8	1.9	1.6	1.2
Serious incident frequency (SIF) L12M	Per mill. exp. hours	0.1	0	0	0	0
Acute spill	Count	0	3	0	0	0
Process safety events Tier 1 and 2	Count	0	0	0	0	0
CO_2 emissions intensity L12M	Kg CO_2/boe	4.7	4.8	4.8	4.4	4.2

The positive TRIF trend continued in the second quarter 2022 and no recordable injuries were recorded during the quarter. One serious incident was experienced during the period when a gate locking mechanism fell from the crane ring platform during a crane operation. No personnel were injured. The incident was followed up and investigated in accordance with the company's governing system. Mitigating actions are currently being implemented.

Decarbonisation strategy

Aker BP's CO_2 emissions intensity in the second quarter was 4.7 kg per boe, which is among the lowest levels across the oil and gas industry. During the second quarter, the company has revised its decarbonisation strategy, and has defined the following ambitions:

- Reduce gross Scope 1 and Scope 2 GHG emissions by 50 percent by 2030 and be close to zero by 2050 through investments in electrification, energy efficiency and portfolio management
- Achieve net zero emissions across operations by 2030 by neutralising any residual emissions with high-quality carbon removal projects
- Reduce the company's carbon intensity to below 4 kg CO_2e per boe by 2023
- Keep the methane intensity below 0.1 percent

OUTLOOK

The Board is of the opinion that, following the acquisition of Lundin Energy's oil and gas business, Aker BP is uniquely positioned for value creation. The key characteristics of the company are:

1. A world-class portfolio of producing assets operated with high efficiency and low cost
2. Among the industry's lowest CO_2 emissions and a clear pathway to net zero
3. A comprehensive improvement agenda to drive industrial transformation through alliances and digitalisation
4. A unique resource base providing the basis for strong growth based on highly profitable projects in a capital-efficient tax system
5. A strong financial framework allowing the company to fund its growth plans and growing dividends in parallel

Following the consolidation of Lundin Energy's oil and gas business, the company's financial plan for the **second half of 2022** consists of the following key parameters[1]:

- Production of 410-435 mboepd
- Capex of around USD 1.3 billion
- Exploration spend of around USD 300 million
- Abandonment spend of around USD 100 million
- Production cost of around USD 7 per boe
- Quarterly dividends of USD 0.525 per share, equivalent to an annualised level of USD 2.1 per share

Forward-looking statements in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may not be within our control. All figures are presented in USD unless otherwise stated, and figures in brackets apply to the previous quarter.

1 Most of the company's cost elements (both capex and production cost) are denominated in NOK. The estimated USD amounts are based on an USD NOK exchange rate of 9.5.

FINANCIAL STATEMENTS WITH NOTES

INCOME STATEMENT (UNAUDITED)

		Group				
		Q2	Q1	Q2	01.01.-30.06.	
(USD 1 000)	Note	2022	2022	2021	2022	2021
Petroleum revenues		1 991 666	2 249 823	1 128 183	4 241 488	2 260 883
Other income		34 683	41 466	-4 429	76 149	-3 891
Total income	3	**2 026 349**	**2 291 288**	**1 123 754**	**4 317 637**	**2 256 992**
Production costs	4	190 394	220 131	158 235	410 525	334 140
Exploration expenses	5	67 301	57 523	102 020	124 824	172 937
Depreciation	7	198 875	231 125	240 372	430 000	497 926
Impairments	6,7	422 034	-	-	422 034	29 656
Other operating expenses		20 098	7 041	8 965	27 139	17 191
Total operating expenses		**898 701**	**515 820**	**509 592**	**1 414 521**	**1 051 850**
Operating profit/loss		**1 127 648**	**1 775 468**	**614 162**	**2 903 116**	**1 205 142**
Interest income		5 450	1 350	331	6 800	697
Other financial income		210 459	122 898	46 197	324 147	51 680
Interest expenses		27 101	19 732	39 432	46 833	86 443
Other financial expenses		250 586	43 053	68 840	284 429	117 525
Net financial items	9	**-61 778**	**61 463**	**-61 744**	**-315**	**-151 591**
Profit/loss before taxes		**1 065 870**	**1 836 931**	**552 418**	**2 902 801**	**1 053 551**
Tax expense (+)/income (-)	10	878 370	1 300 020	398 607	2 178 389	772 711
Net profit/loss		**187 500**	**536 911**	**153 811**	**724 411**	**280 841**
Weighted average no. of shares outstanding basic and diluted		359 787 854	359 787 854	359 610 213	359 787 854	359 724 268
Basic and diluted earnings/loss USD per share		0.52	1.49	0.43	2.01	0.78

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		Group				
		Q2	Q1	Q2	01.01.-30.06.	
(USD 1 000)	Note	2022	2022	2021	2022	2021
Profit/loss for the period		187 500	536 911	153 811	724 411	280 841
Items which will not be reclassified over profit and loss (net of taxes)						
Total comprehensive income/loss in period		**187 500**	**536 911**	**153 811**	**724 411**	**280 841**

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

(USD 1 000)	Note	30.06.2022	31.03.2022	31.12.2021	30.06.2021
		Group			
ASSETS					
Intangible assets					
Goodwill	7	14 245 735	1 647 436	1 647 436	1 647 436
Capitalized exploration expenditures	7	202 667	198 237	256 535	475 456
Other intangible assets	7	2 658 270	1 390 331	1 407 551	1 397 743
Tangible fixed assets					
Property, plant and equipment	7	15 987 869	8 256 944	7 976 308	7 630 389
Right-of-use assets	7	134 384	104 054	94 177	115 705
Financial assets					
Long-term receivables		78 639	74 469	73 346	74 626
Other non-current assets		106 804	107 731	30 304	34 868
Long-term derivatives	13	-	2 004	1 375	4 560
Total non-current assets		**33 414 367**	**11 781 206**	**11 487 032**	**11 380 784**
Inventories					
Inventories		160 347	120 323	126 442	121 826
Receivables					
Trade receivables		735 887	394 682	366 785	341 247
Other short-term receivables	11	676 452	657 056	500 154	238 307
Short-term derivatives	13	8 374	56 401	18 577	18 327
Cash and cash equivalents					
Cash and cash equivalents	12	2 153 644	2 816 731	1 970 906	975 360
Total current assets		**3 734 705**	**4 045 194**	**2 982 863**	**1 695 066**
TOTAL ASSETS		**37 149 071**	**15 826 400**	**14 469 895**	**13 075 850**

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

		Group			
(USD 1 000)	Note	30.06.2022	31.03.2022	31.12.2021	30.06.2021
EQUITY AND LIABILITIES					
Equity					
Share capital		84 348	57 056	57 056	57 056
Share premium		12 946 640	3 637 297	3 637 297	3 637 297
Other equity		-970 158	-986 604	-1 352 462	-1 664 048
Total equity		**12 060 830**	**2 707 748**	**2 341 891**	**2 030 304**
Non-current liabilities					
Deferred taxes	10	9 383 567	3 477 985	3 323 213	3 050 315
Long-term abandonment provision	16	3 849 345	2 735 529	2 656 358	2 679 423
Long-term bonds	15	5 234 200	3 558 315	3 576 735	3 614 833
Long-term derivatives	13	34 889	16 382	2 370	1 114
Long-term lease debt	8	105 742	93 526	91 835	99 548
Other interest-bearing debt	12	600 000	-	-	-
Other non-current liabilities		82 385	82 516	-	-
Total non-current liabilities		**19 290 127**	**9 964 252**	**9 650 511**	**9 445 232**
Current liabilities					
Trade creditors		130 711	94 026	147 366	121 435
Accrued public charges and indirect taxes		55 872	18 829	28 147	26 066
Tax payable	10	4 253 494	2 256 665	1 497 291	597 387
Short-term derivatives	13	374 743	27 860	35 082	24 534
Short-term abandonment provision	16	81 337	103 131	100 863	80 230
Short-term lease debt	8	49 035	42 184	44 378	79 432
Other current liabilities	14	852 923	611 704	624 366	671 228
Total current liabilities		**5 798 114**	**3 154 399**	**2 477 493**	**1 600 313**
Total liabilities		**25 088 242**	**13 118 652**	**12 128 004**	**11 045 546**
TOTAL EQUITY AND LIABILITIES		**37 149 071**	**15 826 400**	**14 469 895**	**13 075 850**

STATEMENT OF CHANGES IN EQUITY - GROUP (UNAUDITED)

(USD 1 000)	Share capital	Share premium	Other equity: Other paid-in capital	Other comprehensive income: Actuarial gains/losses	Other comprehensive income: Foreign currency translation reserves[1)]	Accumulated deficit	Total other equity	Total equity
Equity as of 31.12.2020	**57 056**	**3 637 297**	573 083	-76	-115 491	-2 164 587	**-1 707 071**	**1 987 281**
Dividend distributed	-	-	-	-	-	-112 500	-112 500	-112 500
Profit/loss for the period	-	-	-	-	-	127 029	127 029	127 029
Purchase of treasury shares	-	-	-	-	-	-12 818	-12 818	-12 818
Equity as of 31.03.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-2 162 875	**-1 705 359**	**1 988 993**
Dividend distributed	-	-	-	-	-	-112 500	-112 500	-112 500
Profit/loss for the period	-	-	-	-	-	153 811	153 811	153 811
Equity as of 30.06.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-2 121 564	**-1 664 048**	**2 030 304**
Dividends distributed	-	-	-	-	-	-262 500	-262 500	-262 500
Profit/loss for the period	-	-	-	-	-	569 864	569 864	569 864
Net sale of treasury shares	-	-	-	-	-	4 223	4 223	4 223
Other comprehensive income for the period	-	-	-		-	-		
Equity as of 31.12.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-1 809 977	**-1 352 462**	**2 341 891**
Dividend distributed	-	-	-	-	-	-171 054	-171 054	-171 054
Profit/loss for the period	-	-	-	-	-	536 911	536 911	536 911
Equity as of 31.03.2022	**57 056**	**3 637 297**	573 083	-76	-115 491	-1 444 120	**-986 604**	**2 707 748**
Dividend distributed	-	-	-	-	-	-171 054	-171 054	-171 054
Private placement[2)]	27 292	9 309 343	-	-	-	-	-	9 336 636
Profit/loss for the period	-	-	-	-	-	187 500	187 500	187 500
Equity as of 30.06.2022	**84 348**	**12 946 640**	573 083	-76	-115 491	-1 427 674	**-970 158**	**12 060 830**

[1)] The amount arose mainly as a result of the change in functional currency in 2014.

[2)] Related to Lundin Energy acquisition consideration shares, see note 2

STATEMENT OF CASH FLOW (UNAUDITED)

		Group				
		Q2	Q1	Q2	01.01.-30.06.	
(USD 1 000)	Note	2022	2022	2021	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES						
Profit/loss before taxes		1 065 870	1 836 931	552 418	2 902 801	1 053 551
Taxes paid	10	-748 060	-388 256		-1 136 316	-
Taxes refunded	10	-	-	23 220	-	34 640
Depreciation	7	198 875	231 125	240 372	430 000	497 926
Impairment	6,7	422 034	-	-	422 034	29 656
Accretion expenses	9,16	34 044	32 921	28 641	66 965	56 309
Total interest expenses (excluding amortized loan costs)	9	24 500	16 691	30 426	41 191	70 064
Changes in derivatives	3,9	211 778	-31 664	26 955	180 114	35 275
Amortized loan costs	9	2 601	3 041	9 006	5 642	16 379
Expensed capitalized dry wells	5,7	33 676	39 443	15 780	73 118	27 981
Changes in inventories, trade creditors and receivables		67 511	-75 118	-39 389	-7 606	-44 570
Changes in other balance sheet items		-126 258	-289 820	220 797	-416 078	231 373
NET CASH FLOW FROM OPERATING ACTIVITIES		**1 186 570**	**1 375 295**	**1 108 226**	**2 561 865**	**2 008 584**
CASH FLOW FROM INVESTMENT ACTIVITIES						
Payment for removal and decommissioning of oil fields		-36 204	-16 041	-54 572	-52 245	-133 148
Disbursements on investments in fixed assets (excluding capitalized interest)		-270 769	-335 307	-378 887	-606 076	-595 048
Disbursements on investments in capitalized exploration		-76 257	-48 557	-56 267	-124 813	-83 246
Consideration paid in Lundin Energy transaction net of cash acquired		-1 242 784	-	-	-1 242 784	-
Cash received from sale of financial asset		-	118 005	-	118 005	-
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-1 626 013**	**-281 900**	**-489 726**	**-1 907 912**	**-811 442**
CASH FLOW FROM FINANCING ACTIVITIES						
Net drawdown/repayment/fees related to revolving credit facility		-1 050	-	-7 675	-1 050	-7 675
Repayment of bonds		-	-	-767 813	-	-1 282 503
Net proceeds from bond issue		-	-	899 334	-	899 334
Interest paid (including interest element of lease payments)		-17 712	-55 394	-25 291	-73 106	-87 876
Payments on lease debt related to investments in fixed assets		-10 704	-18 130	-10 360	-28 834	-11 100
Payments on other lease debt		-9 170	-3 634	-10 837	-12 804	-30 889
Paid dividend		-171 054	-171 054	-112 500	-342 108	-225 000
Net purchase/sale of treasury shares		-	-	-	-	-12 818
NET CASH FLOW FROM FINANCING ACTIVITIES		**-209 689**	**-248 213**	**-35 142**	**-457 902**	**-758 527**
Net change in cash and cash equivalents		**-649 132**	**845 183**	**583 358**	**196 051**	**438 616**
Cash and cash equivalents at start of period		2 816 731	1 970 906	392 276	1 970 906	537 801
Effect of exchange rate fluctuation on cash held		-13 955	643	-273	-13 312	-1 056
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12	**2 153 644**	**2 816 731**	**975 360**	**2 153 644**	**975 360**

NOTES (unaudited)

(All figures in USD 1 000 unless otherwise stated)

These unaudited condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS") IAS 34 "Interim Financial Reporting", thus the interim financial statements do not include all information required by IFRS and should be read in conjunction with the group's 2021 annual financial statements. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have been subject to a review in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The acquisition of the Lundin Energy's oil and gas business ("Lundin Energy") was completed on 30 June 2022, and the transaction is thus reflected in the statement of financial position in this report. The acquisition has no impact on the income statement in Q2 2022 except for transaction cost. See note 2 for more information regarding the acquisition.

These interim financial statements were authorised for issue by the company's Board of Directors on 19 July 2022.

Note 1 Accounting principles

The accounting principles used for this interim report are consistent with the principles used in the group's 2021 annual financial statements.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are in all material respects the same as those that were applied in the group's 2021 annual financial statements.

Note 2 Business combination

On 30 June 2022, Aker BP finalized the acquisition of Lundin Energy. The transaction was announced on 21 December 2021, and Aker BP issued 271.91 million new shares to the owners of Lundin Energy as compensation. In addition, the group paid a cash consideration of USD 2.22 billion. The purpose of the transaction is to create the E&P company of the future which will offer low CO2 emmisions, low cost and an attractive growth pipeline in the industry. The acquisition includes three Dutch and one Swiss legal entity, in addition to Lundin Energy Norway AS (renamed to ABP Norway AS at completion of the transaction). All oil and gas assets included in the transaction are located on the Norwegian Continental Shelf.

The acquisition date for accounting purposes corresponds to the finalization of the transaction on 30 June 2022. The acquisition is regarded as a business combination and has been accounted for using the acquisition method of accounting in accordance with IFRS 3. A purchase price allocation (PPA) has been performed to allocate the consideration to fair value of assets and liabilities in Lundin Energy. The PPA is performed as of the acquisition date, 30 June 2022. The 30 June closing share price at Oslo Stock Exchange (NOK 342.1) and the closing currency exchange rate (USD/NOK 9.9629) were used as a basis for measuring the value of the shares consideration, as set forth below. The value of the cash consideration is adjusted for certain settlement arrangements and currency impacts as the cash was transferred in Swedish Kronor.

(USD 1 000)	
Value of cash consideration	2 235 667
Value of share consideration	9 336 636
Total value of consideration	**11 572 302**

Estimated transaction cost incurred in Aker BP is approximately USD 8 million, and is included in the income statement as other operating expenses.

Due to change of control mechanisms, the Lundin Energy transaction triggered payment of the long term incentive plan in Lundin Energy Norway AS. Correspondingly, the Board of Directors has decided to settle Aker BPs five-year incentive program (LTIP) started in January 2019, and described in note 7 to the 2021 annual financial statements, in order to put in place a new LTIP for the combined company. The market outperformance by the Aker BP share as of Q2 2022 was above 30 percent, and the Board of Directors has decided to pay 90 percent of maximum payment in July 2022. The new LTIP scheme for the combined company is currently under development.

Each identifiable asset and liability is measured at its acquisition date fair value based on guidance in IFRS 13. The standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition emphasizes that fair value is a market-based measurement, not an entity-specific measurement. When measuring fair value, the group uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. Acquired property, plant and equipment have been valued using the cost approach (replacement cost), while intangible assets (value of licenses) have been valued using the income approach.

Accounts receivable are recognized at gross contractual amounts due, as they relate to large and credit-worthy customers. Historically, there has been no significant uncollectible accounts receivable in Lundin Energy.

The recognized amounts of assets and liabilities assumed as at the date of the acquisition were as follows:

(USD 1 000)	30.06.2022
Goodwill	12 598 299
Other intangible assets[1]	1 282 230
Property, plant and equipment	7 508 731
Right-of-use assets	34 757
Long-term receivables	12 550
Other non-current assets	241
Inventories	40 156
Trade receivables	389 758
Other short-term receivables	217 474
Intercompany	57 048
Cash and cash equivalents	937 619
Total assets	**23 078 862**
Deferred taxes	5 844 226
Long-term abandonment provision	569 751
Long-term bonds	1 725 965
Long-term derivatives	4 277
Long-term lease debt	20 251
Other interest-bearing debt	600 000
Trade creditors	17 858
Accrued public charges and indirect taxes	33 109
Tax payable	2 181 017
Short-term derivatives	199 367
Short-term abandonment provision	21 580
Short-term lease debt	14 506
Other current liabilities	274 655
Total liabilities	**11 506 560**
Net assets and liabilities recognized	11 572 302
Fair value of consideration paid on acquisition	**11 572 302**

[1] Mainly related to undeveloped oil and gas assets

The goodwill of USD 12.6 billion arises principally because of the following factors:

1. The ability to capture synergies that can be realized from managing a larger portfolio of both acquired and existing fields on the Norwegian Continental Shelf, including workforce ("residual goodwill").

2. The requirement to recognize deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination. Licences under development and licences in production can only be sold in a market after tax, based on a decision made by the Norwegian Ministry of Finance pursuant to the Petroleum Taxation Act Section 10. The assessment of fair value of such licences is therefore based on cash flows after tax. Nevertheless, in accordance with IAS 12 Sections 15 and 19, a provision is made for deferred tax corresponding to the tax rate multiplied by the difference between the acquisition cost and the tax base. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax ("technical goodwill").

None of the goodwill recognized will be deductable for tax purposes.

Reconciliation of goodwill from the acquisition of Lundin Energy (USD 1 000)	30.06.2022
Goodwill related to synergies - residual goodwill	6 347 119
Goodwill as a result of deferred tax - technical goodwill	6 251 180
Net goodwill from the acquisition of Lundin Energy	**12 598 299**

If the acquisition had taken place at the beginning of 2022, year to date revenue would have increased by USD 3.7 billion. Proforma figures related to net profit/loss have not been prepared as part of the Q2 report as the company considers this to be impractical.

The purchase price allocation above is preliminary and based on currently available information about fair values as of the acquisition date. If new information becomes available within 12 months from the acquisition date, the group may change the fair value assessment in the PPA, in accordance with guidance in IFRS 3.

Note 3 Income

Breakdown of petroleum revenues (USD 1 000)	Q2 2022	Q1 2022	Group Q2 2021	01.01.-30.06. 2022	01.01.-30.06. 2021
Sales of liquids	1 363 769	1 553 928	995 281	2 917 697	1 984 792
Sales of gas	626 316	693 134	129 801	1 319 450	269 025
Tariff income	1 581	2 760	3 101	4 341	7 067
Total petroleum revenues	**1 991 666**	**2 249 823**	**1 128 183**	**4 241 488**	**2 260 883**
Sales of liquids (boe 1 000)	11 604	15 403	14 871	27 006	31 339
Sales of gas (boe 1 000)	4 105	4 053	2 879	8 158	6 499

Other income (USD 1 000)	Q2 2022	Q1 2022	Group Q2 2021	01.01.-30.06. 2022	01.01.-30.06. 2021
Realized gain/loss (-) on commodity derivatives	28 657	-2 317	-3 044	26 339	-6 087
Unrealized gain/loss (-) on commodity derivatives	-28 706	38 449	-10 663	9 742	-12 975
Gain on license transactions[1]	11 000	-	-	11 000	-
Other income	23 733	5 334	9 278	29 067	15 171
Total other income	**34 683**	**41 466**	**-4 429**	**76 149**	**-3 891**

[1] Related to contingent consideration of license transaction completed in 2020.

Note 4 Production costs

Breakdown of production cost (USD 1 000)	Q2 2022	Q1 2022	Group Q2 2021	01.01.-30.06. 2022	01.01.-30.06. 2021
Cost of operations	147 398	150 022	106 674	297 419	219 197
Shipping and handling	39 382	49 688	43 814	89 070	91 532
Environmental taxes	10 986	18 225	12 176	29 211	23 010
Production cost based on produced volumes	**197 766**	**217 935**	**162 663**	**415 701**	**333 739**
Adjustment for over/underlift (-)	-7 372	2 196	-4 429	-5 176	401
Production cost based on sold volumes	**190 394**	**220 131**	**158 235**	**410 525**	**334 140**
Total produced volumes (boe 1 000)	16 494	18 738	18 075	35 232	38 074
Production cost per boe produced (USD/boe)	12.0	11.6	9.0	11.8	8.8

Note 5 Exploration expenses

Breakdown of exploration expenses (USD 1 000)	Q2 2022	Q1 2022	Group Q2 2021	01.01.-30.06. 2022	01.01.-30.06. 2021
Seismic	19 103	1 446	11 893	20 549	16 106
Area fee	3 026	4 355	3 731	7 381	7 898
Field evaluation	1 797	4 311	61 685	6 108	102 328
Dry well expenses[1]	33 676	39 443	15 780	73 118	27 981
Other exploration expenses	9 699	7 968	8 932	17 667	18 624
Total exploration expenses	**67 301**	**57 523**	**102 020**	**124 824**	**172 937**

[1] Dry well expenses in Q2 2022 are mainly related to Peder and Laushornet wells.

Note 6 Impairments

Impairment testing

Impairment tests of individual cash-generating units are performed when impairment/reversal triggers are identified, and goodwill is tested for impairment at least annually. In Q2 2022, impairment test has been performed for fixed assets and related intangible assets, including technical goodwill.

Impairment is recognized when the book value of an asset or a cash-generating unit, including associated goodwill, exceeds the recoverable amount. Correspondingly, a reversal of impairment is recognized when the recoverable amount exceeds the book value. Prior period impairment of goodwill is not subject to reversal. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. The impairment testing for Q2 has been performed in accordance with the fair value method (level 3 in fair value hierarchy) and based on discounted cash flows. The expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which may exceed periods greater than five years.

For producing licenses and licenses in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as of 30 June 2022.

Prices

Future price level is a key assumption and has significant impact on the net present value. Forecasted oil and gas prices are based on management's estimates and available market data. Information about market prices in the near future can be derived from the futures contract market. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil and gas prices are therefore based on the forward curve from the beginning of Q3 2022 to the end of Q2 2025. From Q3 2025, the oil and gas prices are based on the company's long-term price assumptions. Long-term oil and gas price assumptions are unchanged from year-end 2021.

The nominal oil prices applied in the impairment test are as follows:

Year	USD/BOE
2022	108.2
2023	92.9
2024	85.0
2025	74.8
From 2026 (in real 2022 terms)	65.0

The nominal gas prices applied in the impairment test are as follows:

Year	GBP/therm
2022	3.17
2023	2.65
2024	1.70
2025	0.91
From 2026 (in real 2022 terms)	0.48

Oil and gas reserves

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves.

Future expenditure

Future capex, opex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost.

Discount rate

The post tax nominal discount rate used is 8.2 percent. This represents a change from 7.6 percent applied in Q1 2022 and Q4 2021.

Currency rates

Year	USD/NOK
2022	9.85
2023	9.77
2024	9.79
2025	8.92
From 2026	8.00

Inflation

The long-term inflation rate is assumed to be 2.0 percent.

Impairment testing of assets including technical goodwill

The technical goodwill recognized in previous business combinations is allocated to each CGU for the purpose of impairment testing. Hence, the impairment test of technical goodwill is included in the impairment testing of assets, and the technical goodwill is written down before the asset. The carrying value of the assets is the sum of tangible assets, intangible assets and technical goodwill as of the assessment date. In line with the methodology described in the annual report, deferred tax (from the date of acquisitions) reduces the net carrying value prior to the impairment charges. When deferred tax liabilities from the acquisitions decreases as a result of depreciation, more goodwill is as such exposed for impairment. This may lead to future impairment charges even though other assumptions remain stable.

Below is an overview of the impairment charge and the carrying value per cash generating unit where impairment has been recognized in Q2 2022:

Cash-generating unit (USD 1 000)	**Ula/Tambar**
Net carrying value	507 719
Recoverable amount	96 583
Impairment/reversal (-)	**411 136**
Allocated as follows:	
Technical goodwill	-
Other intangible assets/license rights	-
Tangible fixed assets	411 136

The main reason for the Ula impairment is the acceleration of expected shut-down from 2032 to 2028, with the corresponding impact on cost and production profiles.

For details of the allocation of the impairment to tangible fixed assets and intangible assets, see note 7.

Exploration assets

During the quarter, an impairment charge of USD 10.9 million has been recognized. The impairment charge is mainly related to the Gomez well and has been allocated to capitalized exploration expenditures.

Note 7 Tangible fixed assets and intangible assets

TANGIBLE FIXED ASSETS - GROUP

Property, plant and equipment (USD 1 000)	Assets under development	Production facilities including wells	Fixtures and fittings, office machinery	Total
Book value 31.12.2021	**1 795 436**	**6 094 167**	**86 705**	**7 976 308**
Acquisition cost 31.12.2021	**1 795 436**	**10 936 089**	**256 449**	**12 987 974**
Additions	280 467	133 729	1 743	415 939
Disposals/retirement	-	-	-	-
Reclassification	-17 371	85 681	7 273	75 583
Acquisition cost 31.03.2022	**2 058 533**	**11 155 499**	**265 464**	**13 479 496**
Accumulated depreciation and impairments 31.12.2021	**-**	**4 841 922**	**169 744**	**5 011 666**
Depreciation	-	200 894	9 992	210 886
Impairment/reversal (-)	-	-	-	-
Disposals/retirement depreciation	-	-	-	-
Accumulated depreciation and impairments 31.03.2022	**-**	**5 042 817**	**179 736**	**5 222 553**
Book value 31.03.2022	**2 058 533**	**6 112 682**	**85 728**	**8 256 944**
Acquisition cost 31.03.2022	**2 058 533**	**11 155 499**	**265 464**	**13 479 496**
Additions	176 072	598 756	3 237	778 065
Acquisition of Lundin Energy	933 182	6 571 737	3 811	7 508 731
Disposals/retirement	-	-	-	-
Reclassification	-466 054	502 436	-	36 382
Acquisition cost 30.06.2022	**2 701 733**	**18 828 429**	**272 512**	**21 802 674**
Accumulated depreciation and impairments 31.03.2022	**-**	**5 042 817**	**179 736**	**5 222 553**
Depreciation	-	171 010	10 078	181 088
Impairment/reversal (-)	-	411 165	-	411 165
Disposals/retirement depreciation	-	-	-	-
Accumulated depreciation and impairments 30.06.2022	**-**	**5 624 991**	**189 814**	**5 814 805**
Book value 30.06.2022	**2 701 733**	**13 203 437**	**82 698**	**15 987 869**

Production facilities, including wells, are depreciated in accordance with the unit-of-production method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3 - 5 years. Removal and decommissioning costs are included as production facilities or fields under development.

Right-of-use assets

(USD 1 000)	Drilling Rigs	Vessels and Boats	Office	Other	Total
Book value 31.12.2021	**12 313**	**50 740**	**29 350**	**1 774**	**94 177**
Acquisition cost 31.12.2021	**18 412**	**57 436**	**52 416**	**2 303**	**130 567**
Additions	15 654	-	5 539	-	21 193
Allocated to abandonment activity	-	-126	-	-	-126
Disposals/retirement	-	-	-	-	-
Reclassification	-7 388	-782	-	-	-8 170
Acquisition cost 31.03.2022	**26 678**	**56 528**	**57 954**	**2 303**	**143 464**
Accumulated depreciation and impairments 31.12.2021	**6 099**	**6 696**	**23 066**	**530**	**36 390**
Depreciation	-	752	2 223	44	3 019
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 31.03.2022	**6 099**	**7 448**	**25 289**	**574**	**39 410**
Book value 31.03.2022	**20 579**	**49 080**	**32 665**	**1 729**	**104 054**
Acquisition cost 31.03.2022	**26 678**	**56 528**	**57 954**	**2 303**	**143 464**
Additions	6 888	-	1 507	-	8 395
Acquisition of Lundin Energy	11 069	-	23 688	-	34 757
Allocated to abandonment activity[1]	-	-227	-	-	-227
Disposals/retirement	-	-	-	-	-
Reclassification[2]	-8 521	-579	-	-	-9 100
Acquisition cost 30.06.2022	**36 114**	**55 722**	**83 150**	**2 303**	**177 289**
Accumulated depreciation and impairments 31.03.2022	**6 099**	**7 448**	**25 289**	**574**	**39 410**
Depreciation	119	858	2 475	44	3 496
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 30.06.2022	**6 218**	**8 306**	**27 764**	**618**	**42 906**
Book value 30.06.2022	**29 896**	**47 416**	**55 386**	**1 685**	**134 384**

[1] This represents the share of right-of-use assets used in abandonment activity, and thus booked against the abandonment provision.

[2] Reclassified mainly to tangible fixed assets in line with the activity of the right-of-use asset.

Right-of-use assets are depreciated linearly over the lifetime of the related lease contract.

INTANGIBLE ASSETS - GROUP

(USD 1 000)	Goodwill	Capitalized exploration expenditures	Other intangible assets
Book value 31.12.2021	**1 647 436**	**256 535**	**1 407 551**
Acquisition cost 31.12.2021	**2 726 583**	**444 232**	**2 368 985**
Additions	-	48 557	-
Disposals/retirement/expensed dry wells	-	39 443	-
Reclassification	-	-67 413	-
Acquisition cost 31.03.2022	**2 726 583**	**385 933**	**2 368 985**
Accumulated depreciation and impairments 31.12.2021	**1 079 146**	**187 696**	**961 434**
Depreciation	-	-	17 220
Impairment/reversal (-)	-	-	-
Disposals/retirement depreciation	-	-	-
Accumulated depreciation and impairments 31.03.2022	**1 079 146**	**187 696**	**978 654**
Book value 31.03.2022	**1 647 436**	**198 237**	**1 390 331**
Acquisition cost 31.03.2022	**2 726 583**	**385 933**	**2 368 985**
Additions	-	76 257	-
Acquisition of Lundin Energy	12 598 299	-	1 282 230
Disposals/retirement/expensed dry wells	-	33 676	-
Reclassification	-	-27 282	-
Acquisition cost 30.06.2022	**15 324 882**	**401 232**	**3 651 215**
Accumulated depreciation and impairments 31.03.2022	**1 079 146**	**187 696**	**978 654**
Depreciation	-	-	14 291
Impairment/reversal (-)	-	10 869	-
Disposals/retirement depreciation	-	-	-
Accumulated depreciation and impairments 30.06.2022	**1 079 146**	**198 565**	**992 945**
Book value 30.06.2022	**14 245 735**	**202 667**	**2 658 270**

Other intangible assets include both planned and producing projects on various fields. The producing projects are depreciated in line with the unit-of-production method for the applicable field.

			Group		
	Q2	Q1	Q2	01.01.-30.06.	
Depreciation in the income statement (USD 1 000)	2022	2022	2021	2022	2021
Depreciation of tangible fixed assets	181 088	210 886	219 212	391 974	451 716
Depreciation of right-of-use assets	3 496	3 019	2 839	6 515	5 433
Depreciation of other intangible assets	14 291	17 220	18 322	31 511	40 777
Total depreciation in the income statement	**198 875**	**231 125**	**240 372**	**430 000**	**497 926**
Impairment in the income statement (USD 1 000)					
Impairment/reversal of tangible fixed assets	411 165	-	-	411 165	-53 135
Impairment/reversal of other intangible assets	-	-	-	-	82 791
Impairment/reversal of capitalized exploration expenditures	10 869	-	-	10 869	-
Impairment of goodwill	-	-	-	-	-
Total impairment in the income statement	**422 034**	**-**	**-**	**422 034**	**29 656**

Note 8 Leasing

The incremental borrowing rate applied in discounting of the nominal lease debt is between 1.8 percent and 6.9 percent, dependent on the duration of the lease and when it was intially recognized.

		Group	
	2022	2022	2021
(USD 1 000)	Q2	01.01.-31.03.	01.01.-31.12.
Lease debt as of beginning of period	**135 711**	**136 213**	**215 760**
New lease debt recognized in the period	8 396	21 192	5 989
Payments of lease debt[1)]	-21 628	-23 815	-96 173
Interest expense on lease debt	1 755	2 050	11 558
Lease debt from acquisition of Lundin Energy	34 757	-	-
Currency exchange differences	-4 213	70	-921
Total lease debt	**154 777**	**135 711**	**136 213**
Short-term	49 035	42 184	44 378
Long-term	105 742	93 526	91 835
[1)] **Payments of lease debt split by activities** (USD 1 000):			
Investments in fixed assets	11 649	19 838	50 423
Abandonment activity	414	245	31 715
Operating expenditures	2 776	2 432	7 499
Exploration expenditures	5 725	206	1 858
Other income	1 064	1 093	4 678
Total	**21 628**	**23 815**	**96 173**
Nominal lease debt maturity breakdown (USD 1 000)**:**			
Within one year	55 939	48 451	51 010
Two to five years	89 447	72 924	68 602
After five years	34 387	38 885	42 837
Total	**179 773**	**160 260**	**162 448**

The identified leases have no significant impact on the group`s financing, loan covenants or dividend policy. The group does not have any residual value guarantees. Extension options are included in the lease liability when, based on management's judgement, it is reasonably certain that an extension will be exercised.

Note 9 Financial items

			Group		
	Q2	Q1	Q2	01.01.-30.06.	
(USD 1 000)	2022	2022	2021	2022	2021
Interest income	**5 450**	**1 350**	**331**	**6 800**	**697**
Realized gains on derivatives	4 124	7 453	8 713	11 577	18 228
Change in fair value of derivatives	-	10 635	-	1 425	-
Net currency gains	206 334	6 085	37 483	212 419	33 452
Other financial income	-	98 725	-	98 725	-
Total other financial income	**210 459**	**122 898**	**46 197**	**324 147**	**51 680**
Interest expenses	32 373	30 589	37 369	62 962	81 819
Interest on lease debt	1 755	2 050	3 075	3 805	6 483
Capitalized interest cost, development projects	-9 627	-15 948	-10 018	-25 575	-18 238
Amortized loan costs	2 601	3 041	9 006	5 642	16 379
Total interest expenses	**27 101**	**19 732**	**39 432**	**46 833**	**86 443**
Realized loss on derivatives	29 862	7 701	34	37 563	34
Change in fair value of derivatives	183 072	-	16 292	173 862	22 300
Accretion expenses	34 044	32 921	28 641	66 965	56 309
Other financial expenses	3 608	2 432	23 872	6 040	38 881
Total other financial expenses	**250 586**	**43 053**	**68 840**	**284 429**	**117 525**
Net financial items	**-61 778**	**61 463**	**-61 744**	**-315**	**-151 591**

Note 10 Tax

Tax for the period (USD 1 000)	Q2 2022	Q1 2022	Group Q2 2021	01.01.-30.06. 2022	2021
Current year tax payable/receivable	993 178	1 168 289	129 515	2 161 467	358 161
Change in current year deferred tax	-127 271	128 653	267 563	1 382	408 917
Current and deferred tax related to change in tax system	13 052	-	-	13 052	-
Prior period adjustments	-590	3 077	1 529	2 488	5 632
Tax expense (+)/income (-)	**878 370**	**1 300 020**	**398 607**	**2 178 389**	**772 711**

Calculated tax payable (-)/tax receivable (+) (USD 1 000)	2022 Q2	Group 2022 01.01.-31.03.	2021 01.01.-31.12.
Tax payable/receivable at beginning of period	-2 256 665	-1 497 291	-163 352
Current year tax payable/receivable	-993 178	-1 168 289	-1 526 236
Current year tax payable/receivable related to change in tax system	176 391	-	-
Net tax payment/refund	748 060	388 256	223 166
Net tax payable related to acquisition of Lundin Energy	-2 181 017	-	-
Prior period adjustments and change in estimate of uncertain tax positions	-227	22 273	-57 165
Currency movements of tax payable/receivable	253 142	-1 615	26 297
Net tax payable (-)/receivable (+)	**-4 253 494**	**-2 256 665**	**-1 497 291**

Deferred tax liability (-)/asset (+) (USD 1 000)	2022 Q2	Group 2022 01.01.-31.03.	2021 01.01.-31.12.
Deferred tax liability/asset at beginning of period	-3 477 985	-3 323 213	-2 642 461
Change in current year deferred tax	127 271	-128 653	-684 723
Change in current year deferred tax related to change in tax system	-189 444	-	-
Deferred tax related to acquisition of Lundin Energy	-5 844 226	-	-
Prior period adjustments	816	-26 118	3 971
Deferred tax charged to OCI and equity	-	-	-
Net deferred tax liability (-)/asset (+)	**-9 383 567**	**-3 477 985**	**-3 323 213**

Reconciliation of tax expense (USD 1 000)	Q2 2022	Q1 2022	Group Q2 2021	01.01.-30.06. 2022	2021
78 % tax rate on profit/loss before tax	831 495	1 432 806	430 886	2 264 301	821 770
Tax effect of uplift	-26 955	-44 780	-72 561	-71 735	-121 126
Permanent difference on impairment	-	-	-	-	-1 320
Foreign currency translation of monetary items other than USD	-157 597	-4 861	-28 432	-162 458	-26 035
Foreign currency translation of monetary items other than NOK	-61 660	6 222	10 637	-55 438	19 991
Tax effect of financial and other 22 % items	149 641	-69 785	42 390	79 856	60 978
Currency movements of tax balances[1)]	150 268	-2 502	10 650	147 766	7 051
Other permanent differences, prior period adjustments and change in estimate of uncertain tax positions	-6 821	-17 081	5 037	-23 903	11 402
Tax expense (+)/income (-)	**878 370**	**1 300 020**	**398 607**	**2 178 389**	**772 711**

[1)] Tax balances are in NOK and converted to USD using the period end currency rate. When NOK weakens against USD, the tax rate increases as there is less remaining tax depreciation measured in USD (and vice versa).

Changes to the Petroleum Tax Act were enacted in June 2022 with effect from 1 January 2022. The combined tax rate of 78% is maintained, but according to the new rules the special petroleum tax (56%) is converted into a cash based tax. When calculating the special petroleum tax for 2022 and onwards, companies can make immediate deductions for expenses incurred, but with no right for uplift. In addition the corporate tax (22%) is deductible in the special tax base (56%). In order to maintain the overall tax rate of 78%, the special tax rate is increased to 71.8% [56% / (1-22%)]. The temporary 2020-rules are upheld for qualified future investments with immediate deductions plus 17.69% uplift for special tax.

In accordance with statutory requirements, the calculation of current tax is required to be based on each company's local currency. This may impact the effective tax rate as the group’s presentation currency is USD and the operating entities in the group can have different functional currency then USD.

Note 11 Other short-term receivables

(USD 1 000)	Group 30.06.2022	31.03.2022	31.12.2021	30.06.2021
Prepayments	79 295	45 310	45 429	47 743
VAT receivable	15 405	6 512	13 354	6 635
Underlift of petroleum	95 921	20 851	36 944	46 812
Accrued income from sale of petroleum products	363 735	496 875	290 254	42 822
Other receivables, mainly balances with license partners	122 096	87 508	114 172	94 295
Total other short-term receivables	**676 452**	**657 056**	**500 154**	**238 307**

Note 12 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and short-term investments that constitute parts of the group's available liquidity.

Breakdown of cash and cash equivalents (USD 1 000)	Group 30.06.2022	31.03.2022	31.12.2021	30.06.2021
Bank deposits	2 153 644	2 816 731	1 970 906	975 360
Cash and cash equivalents	**2 153 644**	**2 816 731**	**1 970 906**	**975 360**
Unused RCF facility	3 400 000	3 400 000	3 400 000	3 400 000

The RCF is undrawn as at 30 June 2022 and the remaining unamortized fees of USD 13.1 million related to the facility are therefore included in other non-current assets.

The senior unsecured Revolving Credit Facility (RCF) of USD 3.4 billion was established in May 2019 and consist of two tranches:
(1) Working Capital Facility with a committed amount of USD 1.4 billion until 2025 with an extension option for one year until 2026, and
(2) Liquidity Facility with a committed amount of USD 2.0 billion until 2025 and USD 1.65 billion until 2026.

The interest rate for USD is Term SOFR plus a margin of 1.00 percent for the Working Capital Facility and 0.75 percent for the Liquidity Facility. Drawing under the Liquidity Facility will add a utilization fee. A commitment fee of 35 percent of applicable margin is paid on the undrawn part of the total facility. The financial covenants are as follows:

- Leverage Ratio: Total net debt divided by EBITDAX shall not exceed 3.5 times
- Interest Coverage Ratio: EBITDA divided by Interest expenses shall be a minimum of 3.5 times

The financial covenants are calculated on a 12 months rolling basis. As at 30 June 2022 the Leverage Ratio is 0.54 and Interest Coverage Ratio is 50.4 (see APM section for further details). Based on the group's current business plans and applying oil and gas price forward curves at end of Q2 2022, the group's estimates show that the financial covenants will continue to comply with the covenants by a substantial margin.

The financial covenants in the group's current debt facilities exclude the effects from IFRS 16, and therefore cannot be directly derived from the group's financial statements. See reconciliations of Alternative Performance Measures for detailed information.

At closing of the Lundin Energy transaction, the Lundin RCF and Term loan Facility were cancelled, and the drawn amount of USD 600 million on the bank facility was repaid 1 July.

Note 13 Derivatives

(USD 1 000)	Group 30.06.2022	31.03.2022	31.12.2021	30.06.2021
Unrealized gain currency contracts	-	2 004	1 375	4 560
Long-term derivatives included in assets	**-**	**2 004**	**1 375**	**4 560**
Unrealized gain commodity derivatives	8 080	38 650	-	-
Unrealized gain currency contracts	294	17 751	18 577	18 327
Short-term derivatives included in assets	**8 374**	**56 401**	**18 577**	**18 327**
Total derivatives included in assets	**8 374**	**58 405**	**19 952**	**22 887**
Fair value of option related to sale of Cognite	15 995	15 995	-	-
Unrealized losses currency contracts	18 894	387	2 370	1 114
Long-term derivatives included in liabilities	**34 889**	**16 382**	**2 370**	**1 114**
Unrealized losses commodity derivatives	7 326	9 190	8 989	16 514
Unrealized losses currency contracts	367 416	18 670	26 094	8 020
Short-term derivatives included in liabilities	**374 743**	**27 860**	**35 082**	**24 534**
Total derivatives included in liabilities	**409 632**	**44 242**	**37 452**	**25 648**

The group uses various types of financial hedging instruments. Commodity derivatives are used to hedge the price risk of oil and gas, foreign exchange derivatives to hedge the group's currency exposure, mainly in NOK, EUR and GBP, and interest rate derivatives to hedge volatility in interest rates.

The derivative portfolio is revalued on a mark to market basis, with changes in value recognized in the income statement. In Q1 2022 the company entered into certain natural gas futures contracts to hedge its gas price exposure. The company granted a put option in relation to the sale of shares in Cognite in Q1 2022. Except for these new elements, the nature of the derivative instruments and the valuation method are consistent with the disclosed information in the annual financial statements as of 31 December 2021. All derivatives are measured at fair value on a recurring basis (level 2 in the fair value hierarchy, except for Cognite put option which is considered level 3).

As of 30 June 2022, the company has commodity contracts to protect downside price risk of oil and gas for the second half of 2022 and foreign exchange contracts to secure USD value of NOK cashflows for future tax payments and capital expenditure. The statement of financial position includes valuation of foreign exchange contracts novated from Lundin Energy on closing of the acquisition.

Note 14 Other current liabilities

Breakdown of other current liabilities (USD 1 000)	Group 30.06.2022	31.03.2022	31.12.2021	30.06.2021
Balances with license partners	73 620	51 183	48 456	56 573
Share of other current liabilities in licenses	409 480	355 966	311 694	382 071
Overlift of petroleum	113 433	26 146	40 044	5 006
Payroll liabilities, accrued interest and other provisions	256 390	178 408	224 173	227 577
Total other current liabilities	**852 923**	**611 704**	**624 366**	**671 228**

Note 15 Bonds

Senior unsecured bonds (USD 1 000)	Maturity	30.06.2022	Group 31.03.2022	31.12.2021	30.06.2021
AKERBP – USD Senior Notes 3.000% (20/25)	Jan 2025	497 733	497 514	497 295	496 856
AKERBP – USD Senior Notes 2.875% (20/26)	Jan 2026	497 458	497 280	497 103	496 748
LUNE - USD Senior Notes 2.000% (21/26)[1]	July 2026	894 464	-	-	-
AKERBP – EUR Senior Notes 1.125% (21/29)	May 2029	774 017	824 836	843 995	883 572
AKERBP – USD Senior Notes 3.750% (20/30)	Jan 2030	994 016	993 819	993 622	993 227
AKERBP – USD Senior Notes 4.000% (20/31)	Jan 2031	745 011	744 866	744 720	744 430
LUNE - USD Senior Notes 3.1% (21/31)[1]	July 2031	831 500	-	-	-
Long-term bonds - book value		**5 234 200**	**3 558 315**	**3 576 735**	**3 614 833**
Long-term bonds - fair value		**4 915 338**	**3 469 031**	**3 752 778**	**3 848 454**

[1] These bonds have a nominal value of USD 1 billion and were recognized at fair value in connection with the Lundin Energy transaction. The difference between fair value and nominal value is linearly amortized over the lifetime of the bonds.

Interest is paid on a semi annual basis, except for the EUR Senior Notes which is paid on an annual basis. None of the bonds have financial covenants.

Note 16 Provision for abandonment liabilities

(USD 1 000)	2022 Q2	Group 2022 01.01.-31.03.	2021 01.01.-31.12.
Provisions as of beginning of period	2 838 659	2 757 221	2 805 507
Incurred removal cost	-36 431	-16 168	-185 973
Accretion expense	34 044	32 921	113 748
Abandonment liabilities from acquisition of Lundin Energy	591 331	-	-
Impact of changes to discount rate	496 928	-	-340 973
Change in estimates and provisions relating to new drilling and installations	6 151	64 685	364 912
Total provision for abandonment liabilities	**3 930 682**	**2 838 659**	**2 757 221**
Short-term	81 337	103 131	100 863
Long-term	3 849 345	2 735 529	2 656 358

Estimates are based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.0 percent and a nominal discount rate before tax of between 3.7 percent and 4.2 percent. For previous quarters in 2022 the inflation rate was 2.0 percent and the discount rate was between 3.7 percent and 5.2 percent. The credit margin included in the discount rate is 1.0 percent. For previous quarters in 2022 the credit margin was 3.3 percent.

Note 17 Contingent liabilities and assets

During the normal course of its business, the group will be involved in disputes, including tax disputes. The group has made accruals for probable liabilities related to litigation and claims based on management's best judgment and in line with IAS 37 and IAS 12.

Note 18 Subsequent events

The group has not identified any events with significant accounting impacts that have occured between the end of the reporting period and the date of this report.

Note 19 Investments in joint operations

Total number of licenses	30.06.2022	31.03.2022	Total number of licenses	30.06.2022
Aker BP as operator	81	81	ABP Norway as operator	42
Aker BP as partner	44	44	ABP Norway as partner	49

Changes in production licenses in which Aker BP is the operator:			Changes in production licenses in which Aker BP is a partner:		
License:	**30.06.2022**	**31.03.2022**	**License:**	**30.06.2022**	**31.03.2022**
PL 261	70.000%	60.000 %	PL 968	30.000%	20.000 %
PL 932	100.000%	60.000 %			
Total	**2**	**2**	**Total**	**1**	**1**

Production licenses in which ABP Norway is the operator:		Production licenses in which ABP Norway is the partner:	
License:	**30.06.2022**	**License:**	**30.06.2022**
PL 167	40.000%	PL 036C	15.000%
PL 167B	40.000%	PL 036E	12.840%
PL 167C	40.000%	PL 036F	12.840%
PL 338	65.000%	PL 088BS	15.000%
PL 338BS	50.000%	PL 102D	6.000%
PL 338C	80.000%	PL 102F	12.840%
PL 338DS	65.000%	PL 102G	12.840%
PL 338E	80.000%	PL 102H	6.000%
PL 359	65.000%	PL 150	35.000%
PL 492	40.000%	PL 203	15.000%
PL 501	37.384%	PL 229E	50.000%
PL 501B	37.384%	PL 229G	50.000%
PL 533	40.000%	PL 265	7.384%
PL 609	55.000%	PL 292	40.000%
PL 609B	55.000%	PL 292B	40.000%
PL 609D	55.000%	PL 340	15.000%
PL 815	60.000%	PL 340BS	15.000%
PL 830	40.000%	PL 537	35.000%
PL 886	60.000%	PL 537B	35.000%
PL 886B	60.000%	PL 820S	41.000%
PL 976	40.000%	PL 820SB	41.000%
PL 1027	40.000%	PL 869	15.000%
PL 1032	40.000%	PL 894	10.000%
PL 1048	50.000%	PL 896	30.000%
PL 1051	40.000%	PL 917	40.000%
PL 1057	60.000%	PL 917B	40.000%
PL 1082	50.000%	PL 919	15.000%
PL 1083	40.000%	PL 929	10.000%
PL 1084	60.000%	PL 935	20.000%
PL 1089	50.000%	PL 956	20.000%
PL 1091	40.000%	PL 960	30.000%
PL 1092	50.000%	PL 985	10.000%
PL 1094	60.000%	PL 989	30.000%
PL 1095	50.000%	PL 1041	15.000%
PL 1102	60.000%	PL 1045	15.000%
PL 1133	35.000%	PL 1045B	15.000%
PL 1134	35.000%	PL 1087	50.000%
PL 1139	40.000%	PL 1090	30.000%
PL 1157	60.000%	PL 1097	30.000%
PL 1162	50.000%	PL 1104	40.000%
PL 1164	40.000%	PL 1106	20.000%
PL 1170	35.000%	PL 1126	30.000%
		PL 1129	30.000%
		PL 1131	20.000%
		PL 1138	30.000%
		PL 1142	9.050%
		PL 1143	9.050%
		PL 1147	20.000%
		PL 1152	50.000%
Total	**42**	**Total**	**49**

End of financial statement

Alternative Performance Measures

Aker BP may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Aker BP believes that the alternative performance measures provide useful supplemental information to management, investors, security analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Aker BP's business operations and to improve comparability between periods.

Abandonment spend (abex) is payment for removal and decommissioning of oil fields[1)]

Capex is disbursements on investments in fixed assets[1)]

Depreciation per boe is depreciation divided by number of barrels of oil equivalents produced in the corresponding period

Dividend per share (DPS) is dividend paid in the quarter divided by number of shares outstanding

EBITDA is short for earnings before interest and other financial items, taxes, depreciation and amortisation and impairments

EBITDAX is short for earnings before interest and other financial items, taxes, depreciation and amortisation, impairments and exploration expenses

Equity ratio is total equity divided by total assets

Exploration spend (expex) is exploration expenses plus additions to capitalized exploration wells less dry well expenses[1)]

Interest coverage ratio is calculated as twelve months rolling EBITDA, divided by interest expenses, excluding any impacts from IFRS 16.

Leverage ratio is calculated as Net interest-bearing debt divided by twelve months rolling EBITDAX, excluding any impacts from IFRS 16

Net interest-bearing debt is book value of current and non-current interest-bearing debt less cash and cash equivalents

Operating profit/loss is short for earnings/loss before interest and other financial items and taxes

Production cost per boe is production cost basd on produced volumes, divided by number of barrels of oil equivalents produced in the corresponding period (see note 4)

[1)] Includes payments of lease debt as disclosed in note 8.

(USD 1 000)	Note	Q2 2022	Q1 2022	Q2 2021	01.01.-30.06. 2022	01.01.-31.12. 2021
Abandonment spend						
Payment for removal and decommissioning of oil fields		36 204	16 041	54 572	52 245	172 512
Payments of lease debt (abandonment activity)	8	414	245	8 377	660	31 715
Abandonment spend		**36 618**	**16 287**	**62 949**	**52 905**	**204 227**
Depreciation per boe						
Depreciation	7	198 875	231 125	240 372	430 000	964 083
Total produced volumes (boe 1 000)	4	16 494	18 738	18 075	35 232	76 439
Depreciation per boe		**12.1**	**12.3**	**13.3**	**12.2**	**12.6**
Dividend per share						
Paid dividend		171 054	171 054	112 500	342 108	487 500
Number of shares outstanding		359 788	359 788	359 610	359 788	359 643
Dividend per share		**0.48**	**0.48**	**0.31**	**0.95**	**1.36**
Capex						
Disbursements on investments in fixed assets (excluding capitalized interest)		270 769	335 307	378 887	606 076	1 376 879
Payments of lease debt (investments in fixed assets)	8	11 649	19 838	11 863	31 487	50 423
CAPEX		**282 418**	**355 145**	**390 749**	**637 563**	**1 427 302**
EBITDA						
Total income	3	2 026 349	2 291 288	1 123 754	4 317 637	5 668 747
Production costs	4	-190 394	-220 131	-158 235	-410 525	-745 313
Exploration expenses	5	-67 301	-57 523	-102 020	-124 824	-353 034
Other operating expenses		-20 098	-7 041	-8 965	-27 139	-29 261
EBITDA		**1 748 556**	**2 006 594**	**854 534**	**3 755 150**	**4 541 139**
EBITDAX						
Total income	3	2 026 349	2 291 288	1 123 754	4 317 637	5 668 747
Production costs	4	-190 394	-220 131	-158 235	-410 525	-745 313
Other operating expenses		-20 098	-7 041	-8 965	-27 139	-29 261
EBITDAX		**1 815 857**	**2 064 117**	**956 554**	**3 879 974**	**4 894 173**
Equity ratio						
Total equity		12 060 830	2 707 748	2 030 304	12 060 830	2 341 891
Total assets		37 149 071	15 826 400	13 075 850	37 149 071	14 469 895
Equity ratio		**32%**	**17%**	**16%**	**32%**	**16%**
Exploration spend						
Disbursements on investments in capitalized exploration expenditures		76 257	48 557	56 267	124 813	177 464
Exploration expenses	5	67 301	57 523	102 020	124 824	353 034
Dry well	5	-33 676	-39 443	-15 780	-73 118	-98 827
Payments of lease debt (exploration expenditures)	8	5 725	206	558	5 931	1 858
Exploration spend		**115 607**	**66 843**	**143 065**	**182 450**	**433 529**

(USD 1 000)	Note	Q2 2022	Q1 2022	Q2 2021	01.01.-30.06. 2022	01.01.-31.12. 2021
Interest coverage ratio						
Twelve months rolling EBITDA		6 563 565	5 669 543	2 866 013	6 563 565	4 541 139
Twelve months rolling EBITDA, impacts from IFRS 16	8	-14 200	-14 207	-14 358	-14 200	-14 035
Twelve months rolling EBITDA, excluding impacts from IFRS 16		*6 549 366*	*5 655 336*	*2 851 656*	*6 549 366*	*4 527 104*
Twelve months rolling interest expenses	9	126 794	131 790	176 186	126 794	145 651
Twelve months rolling amortized loan cost	9	11 723	18 128	26 226	11 723	22 460
Twelve months rolling interest income	9	8 583	3 465	1 867	8 583	2 481
Net interest expenses		*129 933*	*146 453*	*200 545*	*129 933*	*165 630*
Interest coverage ratio[1)]		**50.4**	**38.6**	**14.2**	**50.4**	**27.3**
Leverage ratio						
Long-term bonds	15	5 234 200	3 558 315	3 614 833	5 234 200	3 576 735
Other interest-bearing debt	12	600 000	-	-	600 000	-
Cash and cash equivalents	12	2 153 644	2 816 731	975 360	2 153 644	1 970 906
Net interest-bearing debt excluding lease debt		*3 680 556*	*741 584*	*2 639 473*	*3 680 556*	*1 605 829*
Twelve months rolling EBITDAX		6 868 486	6 009 183	3 112 940	6 868 486	4 894 173
Twelve months rolling EBITDAX, impacts from IFRS 16	8	-13 004	-12 638	-12 774	-13 004	-12 177
Twelve months rolling EBITDAX, excluding impacts from IFRS 16		*6 855 482*	*5 996 545*	*3 100 166*	*6 855 482*	*4 881 996*
Leverage ratio[1)]		**0.54**	**0.12**	**0.85**	**0.54**	**0.33**
Net interest-bearing debt						
Long-term bonds	15	5 234 200	3 558 315	3 614 833	5 234 200	3 576 735
Other interest-bearing debt	12	600 000	-	-	600 000	-
Long-term lease debt	8	105 742	93 526	99 548	105 742	91 835
Short-term lease debt	8	49 035	42 184	79 432	49 035	44 378
Cash and cash equivalents	12	2 153 644	2 816 731	975 360	2 153 644	1 970 906
Net interest-bearing debt		**3 835 332**	**877 294**	**2 818 452**	**3 835 332**	**1 742 042**

[1)] These ratios are calculated based on Aker BP group figures only, with no proforma adjustments for the Lundin Energy transaction. Based on estimates of historical financial metrics of Lundin Energy, combined interest coverage ratio and leverage ratio are estimated to 61 and 0.3 respectively.

Operating profit/loss see Income Statement

Production cost per boe see note 4

STATEMENT BY THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Pursuant to the Norwegian Securities Trading Act section § 5-5 with pertaining regulations, we hereby confirm that, to the best of our knowledge, the company's interim financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with IAS 34, as endorsed by the EU, and in accordance with the requirements for additional information provided for by the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair picture of the company's liabilities, financial position and results overall.

To the best of our knowledge, the Board of Directors' half-yearly report together with the yearly report, gives a true and fair picture of the development, performance and financial position of the company, and includes a description of the principal risk and uncertainty factors facing the company.

The Board of Directors and the CEO of Aker BP ASA
Akerkvartalet, 19 July 2022

Øyvind Eriksen, Chair of the Board

Kjell Inge Røkke, Board member

Anne Marie Cannon, Deputy Chair

Trond Brandsrud, Board member

Valborg Lundegaard, Board member

Murray Auchincloss, Board member

Ingard Haugeberg, Board member

Terje Solheim, Board member

Tore Vik, Board member

Kate Thomson, Board member

Charles Heppenstall, Board member

Hilde Kristin Brevik, Board member

Karl Johnny Hersvik, Chief Executive Officer

To the shareholders of Aker BP ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aker BP ASA as at 30 June 2022, and the related condensed consolidated income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Stavanger, 19 July 2022
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

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