ANNUAL REPORT
2022

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COMPANY PROFILE

About the company

Aker BP ASA is an upstream oil and gas company established in 2016, arising from the merger between Det Norske and BP Norge. The company's headquarter is in Fornebu, outside Oslo, Norway. We also have offices in Harstad, Trondheim, Sandnessjøen, Lysaker and Stavanger.

The company engages in exploration, development and production activities on the Norwegian continental shelf (NCS), and operates five hubs: Alvheim, Edvard Grieg & Ivar Aasen, Skarv, Ula and Valhall. We are also a partner in the Johan Sverdrup field. We do not engage in nor do we control midstream or downstream activities, and as such do not interact directly with end-user segments.

Production and ownership

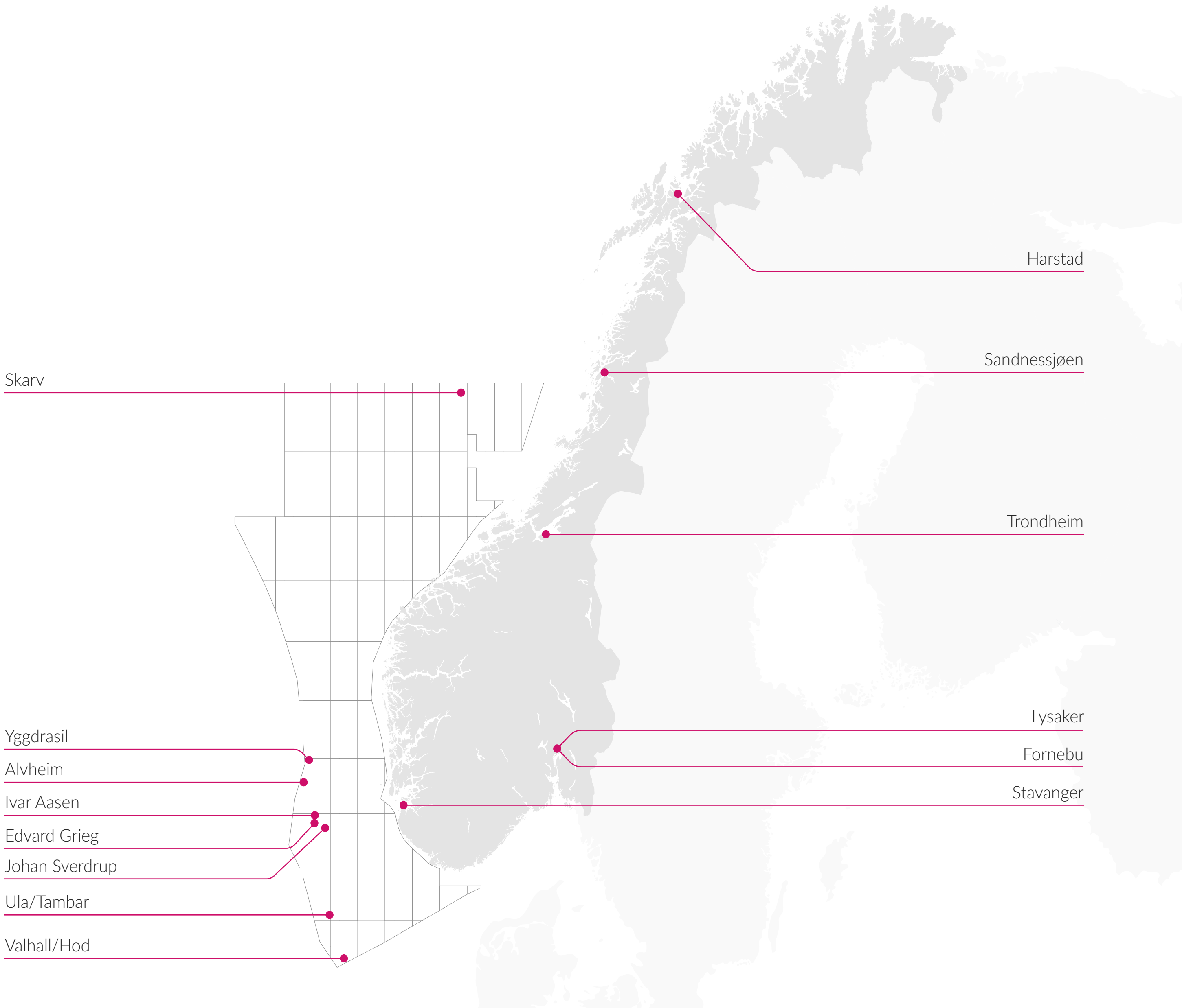
With a total production of ~400 mboepd, Aker BP is the second-largest operating company on the NCS and one of the largest independent listed oil and gas companies in Europe. The company is listed on the Oslo stock exchange (AKRBP), and major shareholders are Aker ASA (21 percent), BP PLC (16 percent) and Nemesia S.A.R.L (14 percent).

Acquisition of Lundin Energy

In December 2021, Aker BP ASA announced that it would acquire Lundin Energy's exploration and production (E&P) business. The announcement was in line with the company's growth strategy and with the ambition to create the E&P company of the future; with low cost, low carbon, profitable and sustainable growth, and attractive dividends. Since 1 July 2022, it has been operating as a fully-owned subsidiary of Aker BP ASA, whereas the integration was complete and all employees were fully integrated into a single organisation from 1 October 2022. The key figures and considerations in this report are representative for the merged company and includes data from the former Lundin Energy as from 1 July 2022. Data concerning GHG emissions are accounted for the full year as per the GHG protocol.

Growth projects

On 16 December 2022, Aker BP and its partners submitted Plans for Development and Operation (PDOs) for the Yggdrasil field development project, the Valhall PWP-Fenris project, the Skarv Satellite Project and the Utsira High projects. Aker BP's share of the investments in the projects is estimated at approximately USD 19 billion (nominal) in the period 2023–2028. The projects are subject to Norwegian authority approvals. We believe these projects are critical to sustain our production and to responsibly support critical global energy security, particularly in Europe, as well as to ensure a sustainable energy transition to a low-carbon future.



BOARD OF DIRECTORS

Øyvind Eriksen

SHAREHOLDER-ELECTED CHAIR AND CHAIR OF THE COMPENSATION AND ORGANSATIONAL DEVELOPMENT COMMITTEE

Experience, skills and education:
Eriksen is the President and CEO of Aker ASA. He has worked for Aker since 2009. Eriksen has extensive experience as a corporate attorney from the Norwegian law firm BA-HR, where he started in 1990, became a partner in 1996 and a director/chairman in 2003. He has worked with strategic and operational development, M&A and negotiations. Eriksen has held several board positions in various industries including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry. Eriksen holds a law degree from the University of Oslo.

Key external appointments:
Eriksen is chairman of the board in Aker BP ASA, Cognite AS, Aker Capital AS, Aker Holding AS, Aker Horizons ASA, Aker Property Group AS, C4IR Ocean, the VI Foundation, and REV Ocean AS. He is also a director of several companies, including Aker Solutions ASA, Aker BioMarine ASA, Aker Energy AS, Aker Carbon Capture ASA, Aker Clean Hydrogen AS, Aker Mainstream Renewables AS, The Resource Group TRG AS, TRG Holding AS and the Norwegian Cancer Society (Kreftforeningen). He is also a member of the World Economic Forum C4IR Global Network Advisory Boar.

Aker BP shares*:	None***
Member of the board since:	2016
Independent of major shareholders:	No
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1964

Kjell Inge Røkke

SHAREHOLDER-ELECTED MEMBER

Experience, skills and education:
Røkke has been a driving force in the development of Aker since the 1990s. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke-controlled company RGI purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Røkke owns 68.2% of Aker ASA through The Resource Group TRG AS and subsidiaries.

Røkke is Aker ASA's primary owner and Chairman. He is currently a director in several companies, including Aker Solutions ASA, Aker BioMarine AS and Aker Horizons AS.

Key external appointments:
Røkke is Aker ASA's primary owner and Chairman. He is currently a director in several companies, including Aker Solutions ASA, Aker BioMarine ASA and Aker Horizons ASA.

Aker BP shares*:	None***
Member of the board since:	2013
Independent of major shareholders:	No
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Switzerland
Born:	1958

Anne Marie Cannon

SHAREHOLDER-ELECTED DEPUTY CHAIR AND MEMBER OF THE AUDIT AND RISK COMMITTEE

Experience, skills and education:
Cannon has more than 40 years' experience in the oil and gas industry and investment banking and is an experienced director, holding executive and non-executive roles. She has served as the Deputy Chair of the board since 2013, and is a member of the Audit and Risk Committee and Organisational Development and Compensation Committee at Aker BP. Since 2019, she has been a Senior Advisor in the Strategic Advisory business at PJT Partners and from 2000, was a Senior Advisor at Morgan Stanley focusing on international upstream M&A. Prior to this, Cannon was an executive director on the boards of Hardy Oil & Gas and British Borneo, and earlier in her career was a director in investment banking at J Henry Schroder Wagg and held senior financial roles at Shell UK. Cannon holds a Bachelor of Science (Honours) Degree from Glasgow University and is a Fellow of the Energy Institute.

Key external appointments:
Cannon is a non-executive director on the board of Aker Energy AS and STV Group plc

Aker BP shares*:	12,078
Member of the board since:	2013
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	British
Residency:	UK
Born:	1957

* Number of shares in Aker BP ASA as of 31 December 2022

** Family relations to other members of the Board or members of the Executive Management Team

*** Though exposure to the Aker BP share price through shareholding in Aker ASA

Trond Brandsrud

SHAREHOLDER-ELECTED MEMBER AND CHAIR OF THE AUDIT AND RISK COMMITTEE

Experience, skills and education:
Brandsrud serves as a non-executive director and industry advisor. From 2016 to 2019, he held several CEO and CFO roles in the financial services companies Lindorff, Intrum and Lowell, and from 2010 to 2015, he served as the Group Chief Financial Officer of Aker. In the period from 2007 to 2010, he served as the CFO of the Seadrill Group. Prior to these roles, Brandsrud had 23 years of experience from leading finance positions in Shell. Brandsrud holds a Master of Science degree from NHH Norwegian School of Economics.

Key external appointments:
Brandsrud is a non-executive director and board member of PGS ASA, the Lowell Group (Simon Midco Ltd), Lowell Finans AS and Waterise AS.

Aker BP shares*:	None
Member of the board since:	2016
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1958

Katherine Anne Thomson

SHAREHOLDER-ELECTED MEMBER AND MEMBER OF THE AUDIT AND RISK COMMITTEE

Experience, skills and education:
Thomson is the SVP Finance P&O for the BP p.l.c. Group, having previously held the positions of Group Treasurer and Group Head of Tax. In her current role she is responsible for commercial financial support, planning and performance for Production and Operations. Prior to joining BP p.l.c., Thomson qualified as a chartered accountant with Deloitte. She moved into international tax with Charter plc, where she became Head of Tax in 1998, before joining Ernst & Young in 2001 in M&A tax. Thomson is also a director of several BP p.l.c. Group companies and a member of the Institute of Chartered Accountants in England and Wales.

Key external appointments:
None

Aker BP shares*:	None
Member of the board since:	2018
Independent of major shareholders:	No
Family relations BoD/EMT**:	No
Citizenship:	British
Residency:	UK
Born:	1968

Murray Auchincloss

SHAREHOLDER-ELECTED MEMBER

Experience, skills and education:
Auchincloss joined Amoco Canada in 1992 and BP p.l.c. through the merger in 1999. He has built a career performing a range of commercial and leading roles across the company. Most recently he served as BP p.l.c.'s Upstream CFO (2015 to 2020). Auchincloss holds a Bachelor of Finance degree from the University of Calgary. He also completed his Chartered Financial Analyst (CFA) certification in 1995.

Key external appointments:
Auchincloss is the Chief Financial Officer of BP p.l.c. He is a member of BP p.l.c.'s Executive Board and serves on the Main Board Audit Committee

Aker BP shares*:	None
Member of the board since:	2020
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Canadian
Residency:	UK
Born:	1970

Charles Ashley Heppenstall

BOARD MEMBER

Experience, skills and education:
Heppenstall is the previous President & CEO for Lundin Petroleum AB (2002 - 2015).

He has a B.Sc (Hons) from Durham University.

Heppenstall is a board member in Lundin Mining, Lundin Gold, International Petroleum Corporation, and Orron Energy AB.

Key external appointments:
Non-executive director on the board of Lundin Mining, Lundin Gold, International Petroleum Corporation and Orron Energy AB.

Aker BP shares*:	852,587
Member of the board since:	2022
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	British
Residency:	UK
Born:	1962

Terje Solheim

EMPLOYEE-ELECTED MEMBER AND MEMBER OF THE COMPENSATION AND ORGANSATIONAL DEVELOPMENT COMMITTEE

Experience, skills and education:
Solheim is the General Manager of Aker BP's Harstad office. He has been with Aker BP since 2013 and has held several positions with the company. Solheim was one of the founders of Norwegian Petro Services (NPS). He came to Aker BP from Det Norske Veritas (DNV).

Solheim has an extensive background from the Norwegian Armed Forces and is educated from the Norwegian Military Academy, Staff College Norwegian Armed Forces and Naval University of Monterey.

Key external appointments:
None

Aker BP shares*:	637
Member of the board since:	2018
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1962

Ingard Haugeberg

EMPLOYEE-ELECTED MEMBER

Experience, skills and education:
Haugeberg serves as a full-time employee representative. Prior to this position, he was the HSSE Site Lead on the Ula field. Haugeberg has broad experience from the Royal Norwegian Air Force in Bodø as a technical grenadier and as department manager for Safelift A/S. He started in Amoco Norge as a mechanic on the Valhall field in 1991. He has held several positions in BP p.l.c. Norge since 1998.

Haugeberg has held a number of different directorships in BP p.l.c. Norge, Industrimaskiner A/S, Global Clean Energy, I/E Media and trippEl A/S.

Haugeberg was trained as an electro mechanical repair tech at the Royal Norwegian Air Force technical school at Kjevik and has a company-approved bachelor in mechanics.

Key external appointments:
None

Aker BP shares*:	948
Member of the board since:	2018
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1962

* Number of shares in Aker BP ASA as of 31 December 2022

** Family relations to other members of the Board or members of the Executive Management Team

Tore Vik

EMPLOYEE-ELECTED MEMBER

Experience, skills and education:
Tore has been employed by Aker BP since 2013 and is a full-time trustee. He has previously worked as an electrician on the Ivar Aasen platform.

Tore has over 30 years of experience as an electrician with both high-voltage and low-voltage papers. He has worked many years as an electrician / automator on drilling rigs and on ships.

Key external appointments:
None

Aker BP shares*:	4,539
Member of the board since:	2021
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1970

Hilde Kristin Brevik

EMPLOYEE-ELECTED MEMBER

Experience, skills and education:
Brevik has been employed by Aker BP since 2014. She is a process technician and works at Skarv FPSO. Brevik has worked offshore since 1998, for both Hydro and Statoil.

Brevik is the company's main trustee and has been a deputy employee representative to the Aker BP board since 2018.

Key external appointments:
None

Aker BP shares*:	1,510
Member of the board since:	2021
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1971

Valborg Lundegaard

BOARD MEMBER

Experience, skills and education:
Lundegaard is CEO of Aker Carbon Capture, a pure play carbon capture company offering environmentally friendly solutions for removing carbon emissions. She has more than 30 years of experience in the energy industry and has held a number of key positions within corporate and project management and international business development. Prior to her Aker Carbon Capture role, she served as Executive Vice President Customer Management from 2016 to 2020 and Executive Vice President and head of the Engineering Business Area from 2011 to 2016 at Aker Solutions. Lundegaard began her career in Equinor (then Statoil) gaining experience from both conceptual and offshore work and holds a Master of Chemical Engineering Degree from the Norwegian University of Science and Technology

Key external appointments:
None

Aker BP shares*:	0
Member of the board since:	2022
Independent of major shareholders:	Yes
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1960

EXECUTIVE MANAGEMENT TEAM

Karl Johnny Hersvik

CHIEF EXECUTIVE OFFICER

Experience, skills and education:
Karl Johnny Hersvik has been CEO of Aker BP since May 2014. Prior to joining Aker BP, he served as head of research for Statoil. Hersvik has held a number of specialist and executive positions with Norsk Hydro and StatoilHydro.

Hersvik holds a Cand. Scient. (second cycle) degree in Industrial Mathematics from the University of Bergen.

Hersvik is the chairman of the Board of Directors of Aker Energy AS and aiZe. He is member of the Board of Directors at The Norwegian Oil and Gas Association.

Key external appointments:
Hersvik is the chairman of the Board of Directors of Aker Energy AS, aiZe and Aker Clean Hydrogen. He is a member of the Board of Directors at Cognite and The Norwegian Oil and Gas Association.

Aker BP shares*:	10,355
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1972

David Tønne

CHIEF FINANCIAL OFFICER

Experience, skills and education:
Tønne has been the Chief Financial Officer of Aker BP ASA since January 2019 after advancing from the position of VP Corporate Controlling. Tønne has been with Aker BP since January 2017.

Prior to joining Aker BP, Tønne worked for the Boston Consulting Group where he co-led the Nordic Energy Practice Area supporting clients in O&G, Private Equity, Shipping and Industrial goods across a wide range of functional topics in Europe, North America and the Middle East.

Tønne holds a master's degree in finance from the Norwegian School of Economics (NHH).

Key external appointments:
None

Aker BP shares*:	18,935
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1985

Per Harald Kongelf

CHIEF OPERATING OFFICER

Experience, skills and education:
Kongelf has been the Chief Operating Officer in Aker BP since October 2022, and do also oversees the strategic supply chain and logistic function of the company.

Prior to joining Aker BP in 2016 as SVP for Improvement, he served as head of the Norwegian operations in Aker Solutions. In Aker Solutions he was part of the Executive team assigned different roles since 2007. He has more than 35 years of industrial experience from numerous technical and management positions in and outside Aker Solutions.

Kongelf holds a master's degree from the Norwegian University of Science and Technology (NTNU).

Key external appointments:
None

Aker BP shares*:	5,546
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1959

* Number of shares in Aker BP ASA as of 31 December 2022

** Family relations to other members of the Board or members of the Executive Management Team

Marit Blaasmo

SVP PEOPLE & SAFETY

Experience, skills and education:
Blaasmo has been the SVP for People and Safety since October 2022, coming from the position as SVP HSSEQ. She joined Aker BP in August 2017 as VP Improvement and Performance for Drilling & Wells.

She holds more than 18 years' experience from Equinor and Baker Hughes INTEQ and has held multiple operational and management positions within Drilling & Wells disciplines.

Blaasmo holds a master's degree in Petroleum Engineering from the Norwegian University of Science and Technology (NTNU)

Key external appointments:
None

Aker BP shares*:	6,754
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1975

Paula Doyle

CHIEF DIGITAL OFFICER

Experience, skills and education:
Doyle is Chief Digital Officer in Aker BP. She comes from the position as Senior Vice President of Sales and Marketing at Cognite, where she was also part of the Executive Management Team.

Doyle joined Aker BP in 2022. She has held a variety of roles within the oil and gas industry for companies such as ABB and Siemens, in Norway and the Middle East. During her time in the Middle East, Doyle established and ran a non-profit industrial technology organisation.

Doyle has a deep knowledge of industrial software space and digitalization processes in heavy-asset industries, and holds a PhD in Computer Engineering from the University of Limerick.

Key external appointments:
None

Aker BP shares*:	0
Family relations BoD/EMT**:	No
Citizenship:	Irish
Residency:	Norway
Born:	1979

Lars Høier

SVP NOAKA

Experience, skills and education:
Høier has been SVP and Asset Manager for Yggdrasil since August 2020. He joined Aker BP in 2019 as VP for Concept Development and Technology.

Høier has more than 20 years of experience from Equinor, with positions as SVP for R&D, as well as production director for several assets, including the Troll field.

Høier holds a Master of Science degree in Physics from the University in Oslo and a PhD in Petroleum technology from the Norwegian University of Science and Technology (NTNU).

Key external appointments:
None

Aker BP shares*:	7,770
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1967

Knut Sandvik

SVP PROJECTS

Experience, skills and education:
Sandvik has been SVP Projects in Aker BP since July 2019. He has more than 30 years' experience from the oil & gas industry. Throughout his career, Sandvik has held various senior project and leadership positions across Aker Solutions, including four years as a member of the Executive Management Team.

Sandvik holds a degree in Mechanical Offshore Engineering from Heriot-Watt University in Scotland.

Key external appointments:
None

Aker BP shares*:	5,111
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1962

Tommy Sigmundstad

SVP DRILLING & WELLS

Experience, skills and education:
Sigmundstad has been SVP Drilling & Wells in Aker BP since 2016. Prior to this, he was Vice President Wells in BP Asia Pacific.

Sigmundstad has broad experience within the oil and gas industry from companies such as Baker Hughes and Philips, before joining BP in 2000. Within BP, Sigmundstad has held various operational, engineering and management positions in Norway, the United Kingdom, Azerbaijan and Indonesia.

Sigmundstad holds a master's degree in petroleum engineering from the University of Stavanger.

Key external appointments:
Sigmundstad is a member of the board of directors in Fishbones

Aker BP shares*:	10,451
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1970

Per Øyvind Seljebotn

SVP EXPLORATION & RESERVOIR DEVELOPMENT

Experience, skills and education:
Seljebotn has been the head of exploration and reservoir development since he started at the company in 2022.

Seljebotn has more than 20 years of experience from exploration activity and oil recovery on the Norwegian shelf and UK shelf. He previously spent 10 years at Lundin in various positions. He was responsible for reservoir development in Lundin starting in 2015, and in 2020 he also took on responsibility for exploration in Lundin. Seljebotn has also worked for Marathon Oil, Noreco and ExxonMobil.

Seljebotn has a master's degree in geophysics from NTNU.

Key external appointments:
None

Aker BP shares*:	619
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1973

* Number of shares in Aker BP ASA as of 31 December 2022

** Family relations to other members of the Board or members of the Executive Management Team

Georg Vidnes

SVP OPERATIONS

Experience, skills and education:
Vidnes has been SVP Operations since 1 September 2020. Vidnes started working for the company in 2019, where his first role was as project manager for establishing the company's operating model.

Vidnes has more than 25 years of experience from operating companies such as Statoil, Talisman and Repsol Sinopec, with an emphasis on drilling & wells, asset management, operations, and major change projects. He has held positions as OIM, VP of Production, area director, and has been at the helm of major organisational transition projects.

Vidnes has a master's degree in mechanical engineering from the Norwegian Institute of Technology (NTH), now the Norwegian University of Science and Technology (NTNU) in Trondheim.

Key external appointments:
None

Aker BP shares*:	1,553
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1968

Ine Dolve

SVP ALVHEIM

Experience, skills and education:
Dolve has been the SVP Operations and Asset Development since July 2020. She comes from the position of VP Operations & Asset development for Skarv in Aker BP. She has worked with the company since 2010 and been involved in various key projects to develop and improve both company and industry performance.

Before joining Aker BP, she worked in management consulting (PwC) within finance, management of change and digitalisation for O&G. She also has several years of experience from the Armed Forces, nationally and internationally.

Dolve holds a master's degree in Finance and International Management from NHH Norwegian School of Economics / ESADE, Barcelona. She is also educated at the Air Force Officer Candidate School and the Norwegian Naval Academy in Bergen.

Key external appointments:
None

Aker BP shares*:	6,773
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1975

Thomas D. Hoff-Hansen

SVP ULA

Experience, skills and education:
Hoff-Hansen has been SVP for Ula since October 2022. He comes from the position of Director for Operations and Field Development for the Alvheim area. Thomas has worked for the company since early 2009 and has broad experience from various technical roles, as well as management roles both offshore and onshore.

Before Hoff-Hansen started at Aker BP, he worked with automation and instrumentation at ExxonMobil.

Hoff-Hansen holds a Master of Science degree in cybernetics from the University of Stavanger.

Key external appointments:
None

Aker BP shares*:	3,110
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1972

Ole Johan Molvig

SVP VALHALL

Experience, skills and education:
Molvig has been the Valhall Asset Manager since 2020, and comes from the role of SVP Reservoir.

Molvig has worked for the company since 2009, and came to Aker BP via Det Norske, where he held the position of VP Subsurface.

Molvig has extensive and varied experience from the oil and gas industry. He has worked for companies such as ExxonMobil, Statoil and Marathon Oil.

Molvig has a master's degree in Mechanical Engineering from NTNU in Trondheim.

Key external appointments:
None

Aker BP shares*:	15,169
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1972

Kari Nielsen

SVP GRIEG-AASEN

Experience, skills and education:
Nielsen has been the Asset Manager for Grieg-Aasen since October 2022. She comes from the position of Operations Director in Lundin, a post she has held since 2011. Nielsen has more than 30 years of experience from various roles within development and production from the oil and gas industry on the Norwegian shelf. She has worked for companies including Norsk Hydro and Norske Shell. Nielsen also spent three years as the chief executive for VEAS (Norway's largest water treatment plant).

Nielsen is an engineer in process chemistry and has a trade certificate in both process and automation.

Key external appointments:
None

Aker BP shares*:	413
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1959

Thomas Øvretveit

SVP SKARV

Experience, skills and education:
Øvretveit has been the SVP for Skarv since April 2022.

Øvretveit has more than 25 years of experience from various positions at Equinor, including as head of the process plant at Mongstad Refinery, VP operation on Troll B and Oseberg Field Centre, improvements manager, OIM, superintendent and O&M Manager, as well as process engineer and process technician. He started out as an apprentice at Mongstad in 1996.

Øvretveit is a process engineer and skilled worker, and has completed military officer training.

Key external appointments:
None

Aker BP shares*:	309
Family relations BoD/EMT**:	No
Citizenship:	Norwegian
Residency:	Norway
Born:	1978

* Number of shares in Aker BP ASA as of 31 December 2022

** Family relations to other members of the Board or members of the Executive Management Team

BOARD OF DIRECTORS' REPORT

2022 was a transformational year for Aker BP. Following the successful acquisition and integration of Lundin, the company has doubled its production, reduced its unit costs, and consolidated its position as a global leader within low carbon oil and gas production. The operational performance was strong, with improved efficiency and safety, and new production capacity was brought on stream at Johan Sverdrup and Valhall. The company also made significant progress with its growth portfolio, sanctioning new field development projects that will lead to further profitable growth in a few years.

Aker BP is a pure play oil and gas company which has expanded to become the second largest operator on the Norwegian Continental Shelf (NCS) through a combination of organic growth and M&A. The company's vision is to be the E&P company of the future, with safe and efficient operations, low cost, low emissions and a leading role in the transformation of the industry.

In 2022, the company took a significant step in this direction with the completion of the acquisition of Lundin's oil and gas related activities. Following this transaction, production has doubled, operational costs per barrel are reduced and the position as a global leader within low carbon oil gas and production is manifested. The combined entity is well positioned for future value creation.

The year 2022 was also a year of geopolitical unrest and economic uncertainty, causing supply chain constraints and inflation, as well as an energy crisis in Europe resulting in high and volatile energy prices. Aker BP's focus has been on building resilience in its operations and project execution strategies, and to contribute with reliable supplies of oil and gas to the European market.

Environmental, Social and Governance (ESG) issues are of the highest importance to Aker BP's Board of Directors. The Board recognises its responsibility for the safety of people and the environment and devotes appropriate time and resources to comply with all regulations and adhere to the highest standards in the oil and gas industry regarding Health, Safety, Security, Environment and Quality (HSSEQ).

Aker BP's overall HSSEQ performance improved in 2022 with a continued low number of injuries and serious incidents. All injuries are being thoroughly investigated to capture learnings and to prevent re-occurrence. Aker BP had zero Process Safety Events in 2022. The Total Recordable Injuries Frequency (TRIF) for 2022 was 1.1 which is a significant improvement from 1.9 in 2021.

Aker BP's emission intensity was reduced to less than 4 kg CO_2 per boe in 2022. This is among the absolute lowest in the oil and gas industry globally. The company takes the global climate challenges seriously and has a three-pronged strategy to meet the world's growing need for energy while simultaneously contributing to reduce emissions. Aker BP will deliver oil and gas with a minimum climate footprint and generate revenue that can be used to facilitate the energy transition. Further the company will contribute knowledge, data, and experience to support new industries.

Aker BP has implemented an operating model aiming to continuously improve safety and production efficiency and to reduce costs through standardisation within areas such as HSSEQ, maintenance, digital operations, procurement, and logistics. The operating model provides a good framework for driving performance through transfer of best practice, utilisation of scale economics and continuous improvement.

The operational performance developed very positively through 2022. The first half of the year was negatively impacted by technical issues and maintenance, leading to production efficiency of 84 percent, production volume of 194.7 mboepd, and production cost of USD 11.8 per boe. The Lundin transaction was completed 30 June, and in the second half, production more than doubled to 421.8 mboepd, with a significantly higher production efficiency of 95 percent, and production cost was reduced to USD 7.2 per boe. For the full year, the average production was 309.2 (209.4) mboepd and production cost per boe was USD 8.7 (9.2).

The company has over many years been working systematically to develop strategic alliances with its main suppliers. The alliance model is designed to align incentives, remove waste and drive continuous improvement with a One Team culture. These alliances now cover large parts of the company's supply chain and provides Aker BP with critical project execution capabilities which will be essential in the years to come to execute the company's project portfolio.

The field development activity in 2022 was high and progressed according to plan. The Hod project achieved first oil in April, less than two years after sanction, and ramped up to full capacity through the year. Johan Sverdrup Phase 2 was brought on stream in December, increasing the field's gross oil processing capacity

from 535 to at least 720 mbblpd. Meanwhile, three tieback projects in the Alvheim area and one in the Ivar Aasen area progressed according to plan.

In December 2022 Aker BP and its partners submitted 10 Plans for Development and Operation (PDO) to the Ministry of Petroleum and Energy (MPE). These Aker BP-operated field development projects are organised in four main groups: Yggdrasil, Valhall PWP-Fenris, Skarv Satellites and Utsira High projects. In the first quarter 2023, Aker BP has acceded to all these PDOs except for Troldhaugen (part of Utsira High). Aker BP's net share of recoverable resources in these projects is estimated to approximately 700 mmboe, with net investments of approximately USD 18.5 billion and an average break-even oil price of USD 35-40 per barrel (calculated using a 10 percent discount rate).

The average break-even oil price of these projects exceeds the previously communicated target of USD 30 per barrel, which was set when the temporary tax system was introduced in 2020. The estimated break-evens increased in 2022 due to a combination of global cost inflation and late changes to the temporary tax system. The Board of Directors still regard these projects as highly attractive with low break-even oil prices, short pay-back time and high returns.

Along with several measures to increase efficiency and recovery, these development projects will enable Aker BP's oil and gas production to grow from around 400 mboepd in 2022 to around 525 mboepd in 2028.

Aker BP's resource base was further strengthened in 2022. The 2P reserves more than doubled to 1859 (842) mmboe at the end of the year, driven by the Lundin acquisition as well as reclassifications from contingent resources to 2P reserves in connection with the new PDO projects. The contingent resources (2C) were consequently reduced to 744 (1,022) mmboe at the end of 2022. This combined resource base represents a unique opportunity set for profitable growth.

Aker BP's capital allocation framework concentrates on three main priorities. Priority number one is to maintain sufficient financial capacity through the cycle to safeguard the company's investment grade credit profile. The second priority is to fund the investment programme, which is designed to generate growth with low break-even oil prices and hence maximise value creation over time. The third priority is to return value to shareholders, primarily through a resilient dividend.

During 2022 the company has improved the investment grade credit ratings from the three leading rating agencies. At the end of 2022, the company's financial position was stronger than ever, with total available liquidity of USD 6.2 billion, a conservative leverage ratio of 0.2 and no debt maturities before 2025.

The Board is focused on maximising long-term shareholder value and is of the opinion that Aker BP is well positioned for further value accretive growth on the NCS. At the same time, the Board is conscious of the risks associated with project execution and the changing market conditions in which the company operates. The Board is prioritizing capital discipline and mitigation of risk wherever possible throughout the organization.

Share price performance and ownership structure

Aker BP's shares are listed on Oslo Børs with ticker symbol AKRBP and are freely negotiable. The total number of shares issued is 632.0 (360.1) million. The increase is due to the Lundin transaction.

The three major shareholders are Aker ASA with 21.16 percent, bp p.l.c. with 15.87 percent and Nemesia S.A.R.L. with 14.37 percent of the shares. The remaining 49 percent of the outstanding shares are held by a diversified group of more than 30,000 shareholders.

In 2022, the share price for Aker BP ended at NOK 304.10 per share, compared to NOK 271.60 per share at the end of 2021. Dividends paid in 2022 amounted to approximately NOK 19.3 (USD 2.0) per share.

BUSINESS DESCRIPTION

Description of the company

Aker BP is a Norwegian oil and gas company with exploration, development and production activities on the Norwegian Continental Shelf, ranking among the largest independent E&P companies in Europe measured by production. Its market capitalisation as of 31 December 2022 was USD 21.8 (11.1) billion (NOK 192.2 (97.8) billion). Headquartered in Bærum, Norway, with branch offices in Stavanger, Trondheim, Sandnessjøen and Harstad, Norway, Aker BP had approximately 2,500 employees, a portfolio of 182 (124) licences, with 120 (80) as operator and 62 (44) as a field participant as of 31 December 2022.

Production assets and field developments

Aker BP's oil and gas production in 2022 averaged 309.2 (209.4) mboepd. Of this, 82 (82) percent was oil and liquids, while 18 (18) percent was natural gas. The production comes predominantly from six major hubs: Alvheim, Edvard Grieg/ Ivar Aasen, Johan Sverdrup, Skarv, Ula, and Valhall.

PRODUCTION	SECOND HALF	FIRST HALF	01.01.-31.12.	
(mboepd)	2022	2022	2022	2021
Alvheim	47.6	44.6	46.1	46.5
Johan Sverdrup	171.3	60.4	116.3	63.0
Valhall	53.1	37.7	45.5	46.4
Skarv	41.8	36.7	39.3	29.0
Ula	8.7	4.6	6.7	7.8
Edvard Grieg/ Ivar Aasen	99.3	10.5	55.3	16.7
Other	0.0	0.1	0.1	0.1
Total	421.8	194.7	309.2	209.4

Johan Sverdrup

The Johan Sverdrup field is operated by Equinor and came on stream in October 2019 after a successful construction and installation phase. Phase 1 of the project consisted of four large bridge-linked platforms (the field centre), Norway's largest oil export pipeline, a gas export pipeline, three subsea water injection templates, 20 pre-drilled production and water injection wells, and 100 megawatts power from shore.

The processing capacity for Johan Sverdrup Phase 1 at start-up was 440 thousand barrels per day (mbblpd). During 2020, it was established that the capacity exceeded the initial assumptions, and by removing bottlenecks the processing capacity increased to 535 mbblpd. In 2022 the field has produced with high regularity near 100 percent, except during planned maintenance. The longest shut down was for 17 days in June/July for maintenance and preparing for start-up of the Phase 2 production.

During 2022 the Phase 2 of the Johan Sverdrup development progressed safely according to plan and cost. Phase 2 includes construction and installation of a second processing platform and modifications of the riser platform at the field centre, five subsea templates in the periphery of the field, and an increase of the power from shore supply from 100 to 300 MW. The increased power capacity will also serve several surrounding fields in the greater Utsira High area, including Ivar Aasen and Edvard Grieg, operated by Aker BP and will contribute to an annual reduction in total carbon dioxide emissions of nearly 1.2 million tonnes.

Production from the Johan Sverdrup Phase 2 development started safely 15 December, according to plan and cost. Production ramp up is ongoing to full field facilities design capacity 720 mbblpd. Thereafter further increase to 755 mbblpd will be tested. All the initially processed oil is produced by wells already drilled from the field centre drilling platform DP. The first Phase 2 production well from a subsea template was successfully put on production early January 2023.

Alvheim area

The Alvheim area consists of the fields Alvheim, Volund, Vilje, Bøyla and Skogul, which are all being produced through the Alvheim FPSO and operated by Aker BP. The oil is exported by shuttle tankers, and the produced gas is exported through the Scottish Area Gas Evacuation (SAGE) system.

Production from the Alvheim area in 2022 was in natural decline, which was partly mitigated by the Kameleon Infill West well which started production in February. However, through the Lundin transaction, Aker BP increased its interest in Alvheim, Bøyla and Volund, hence the company's net production from the Alvheim area was virtually unchanged at 46.1 (46.5) mboepd. The operational performance was strong with a production efficiency of 99 (95) percent.

The lifetime extension project for the Alvheim FPSO is progressing as planned. The purpose is to prolong the lifetime to 2040. The project finished upgrading the living quarters, ballast control system and changed out four mooring lines in 2022.

There are currently three field development projects underway in the Alvheim area: Frosk, Kobra East & Gekko and Tyrving.

The Plan for Development and Operations (PDO) for Frosk, a two-well subsea tie back to Alvheim via Bøyla, was approved by the Ministry of Petroleum and Energy (MPE) in July. The drilling activities were completed in 2022 and was followed by a subsea tieback campaign, and production started in March 2023.

The PDO for the Kobra East & Gekko (KEG) development was approved by the MPE in February 2022. This project is a subsea tieback to the Alvheim FPSO with four tri-lateral wells through the Kneler B manifold. The initial PDO reserves of 40 mmboe have been increased to 50 mmboe due to the Alvheim FPSO lifetime extension project. First oil is scheduled in first quarter 2024.

On Tyrving (previously named Trell & Trine), the concept select decision (DG2) was passed in fourth quarter 2021, and the pre-investment program was approved by authorities during first quarter 2022. The PDO for Tyrving was submitted to the MPE on 10 August 2022. First oil is scheduled for 2025.

Following the Lundin transaction, Aker BP 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 Tyrving.

Valhall

The Valhall area consists of the Valhall and Hod fields in the southern part of the Norwegian North Sea and is operated by Aker BP. The infrastructure currently consists of a field centre with three separate bridge-connected platforms, in addition to five unmanned flank platforms. The produced oil is exported via pipeline to Ekofisk and further to Teesside, while the gas is exported via Norpipe to Emden in Germany.

Aker BP's net production from Valhall averaged 45.5 (46.4) mboepd in 2022. Production efficiency was 80 (83) percent. The lower production efficiency was due to planned maintenance. Well stimulation and intervention activities were ongoing throughout the year to bring more wells up to their full production potential.

The Hod Field Development (HFD) project was completed according to plan. All six wells are stimulated and on production, and offshore modifications have been finalised. HFD started up in April, 22 months after the final investment decision was made and all wells were on production within five months of pipeline commissioning. The Hod field is powered from shore via Valhall and hence the CO_2 emissions from the field are close to zero.

The Original Valhall Decommissioning project (OVD) progressed according to plan. An important milestone was reached when the 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.

The Plans for Development and Operations (PDO) for the joint Valhall PWP & Fenris development project (previously named Valhall NCP & King Lear) was submitted to the authorities in December 2022. The joint development project comprises a new centrally located production and wellhead platform (PWP) bridge-linked to the Valhall central complex with 24 well slots, and an unmanned installation (UI) with 8 slots at Fenris (formerly King Lear) subsea tied back 50 kilometres to the PWP.

Expected total recoverable resources for Valhall PWP-Fenris are estimated to 230 mmboe gross, divided into 160 mmboe at Fenris and 70 mmboe at Valhall. The development plan includes a total of 19 wells, of which 15 at Valhall PWP and 4 at Fenris. Production start is planned for the second and third quarter 2027, respectively.

The project will also involve a modernisation of Valhall that ensures continued operation when parts of the current infrastructure are to be phased out in 2028, thus enabling production of the remaining Valhall reserves from 2029 onwards, which are estimated at 135-140 mmboe gross. In addition, the project will add gas capacity to Valhall and thus enable Valhall to serve as a hub for potential new gas discoveries in the future.

The development will leverage Valhall's existing power from shore system with minimal emissions, estimated at less than 1 kg CO_2 per boe.

Skarv area

The Skarv area in the northern part of the Norwegian Sea consists of several fields, including Skarv, Idun, Tilje, Ærfugl, Gråsel and Idun Tunge, which are all produced through the Skarv FPSO, and is operated by Aker BP. The oil is offloaded to shuttle tankers, while the gas is transported to the Kårstø terminal in a pipeline connected to the Åsgard Transport System.

Net production from Skarv Area, averaged 39.3 (29.0) mboepd in 2022. The increase from 2021 was mainly driven by ramping up production from Ærfugl. The production efficiency in 2022 was 92 (82) percent.

In March, the gas blowdown phase was initiated from two reservoir segments in the Skarv reservoir following nine years of gas injection to produce the oil reserves in the segments. The blowdown is part of the approved drainage strategy for Skarv and was initiated two years later than originally stipulated in the PDO. The blowdown contributes to increased utilisation of available gas processing and export capacity from the Skarv FPSO and the Åsgard Transport System, and thereby increases the gas volumes available for export to Europe.

During 2022 production from Idun Tunge was brought on stream. Idun Tunge is a new structure in the Skarv area developed by reusing an existing well slot on the Idun Template. The drilling commenced in the third quarter and production started in the fourth quarter.

The other development projects in the Skarv area made good progress during 2022 and PDOs for three separate developments were submitted to the MPE in December. The developments, coordinated by the Skarv Satellite Project (SSP), consist of gas and condensate discoveries in Alve Nord, Idun Nord and Ørn. The projects are estimated to bring gross resources of approximately 120 mmboe through Skarv FPSO from 2027.

Edvard Grieg/Ivar Aasen

The Edvard Grieg and Ivar Aasen fields are operated by Aker BP and located on the Utsira High. Both fields are developed with a production and quarters (PDQ) platform with a steel jacket and require a separate jack-up rig for drilling and completion. For Ivar Aasen, the first stage processing is carried out on the Ivar Aasen platform, and then partly processed fluids are transported to the Edvard Grieg platform for final processing and export. The Ivar Aasen field is powered with electricity supplied from Edvard Grieg. The power generation on Edvard Grieg was replaced with power from shore towards the end of 2022.

The Edvard Grieg area, which consists of the Edvard Grieg main field and the tiebacks Solveig and Troldhaugen (previously named Rolvsnes), became part of Aker BP's portfolio through the Lundin transaction, and is included in Aker BP's financial statements from 30 June 2022. Aker BP has combined Edvard Grieg and Ivar Aasen in one organisational unit.

Aker BP's net production from Edvard Grieg/Ivar Aasen in 2022 averaged 55.3 (16.7) mboepd. Production efficiency was 84 (87) percent and was negatively impacted by a power outage at Edvard Grieg due to damage to the electrical systems in the gas export system from late March to late May. Maintenance activities were accelerated to minimise the impact on full-year production. Both installations were back at full production from 25 May.

In the second half of 2022 Edvard Grieg and Ivar Aasen production remained stable at 99 mboepd with high production efficiency of 99 percent.

The Johan Sverdrup Phase 2 project was successfully completed in the fourth quarter 2022. The project included a power from shore solution for the Edvard Grieg and Ivar Aasen fields and hence, the CO_2 emissions from these fields are expected to be reduced by approximately 200,000 tonnes per year.

At Ivar Aasen, the 2022 IOR campaign which consisted of three new wells was successfully completed. In 2023, a three-well IOR campaign is planned at Edvard Grieg.

The Hanz project progressed according to plan in 2022. This is the first subsea tieback to the Ivar Aasen field. The reservoir is estimated to contain 20 mmboe of oil. The project will use crossflow injection for pressure support and will also re-use subsea equipment from the Jette field. Consequently, the Hanz project has a significantly lower environmental footprint than comparable subsea developments. Production is planned to start in first quarter 2024.

On 16 December, Aker BP and its partners submitted PDOs for the Utsira High Projects to the MPE, covering three separate subsea tieback projects. Symra (previously named Lille Prinsen) will be a tieback to the Ivar Aasen platform, while Solveig phase 2 will be connected to the Edvard Grieg platform. The third project, Troldhaugen, was subject to the performance of an extended well test (EWT) which has since been concluded, and which resulted in reduced expected recoverable volume. The project was no longer considered to have sufficient financial robustness, and the partners decided to discontinue this project.

The two Utsira High projects will develop gross recoverable resources of 85 mmboe. Drilling will commence in third quarter 2025, and production is scheduled to start in 2026 for Solveig and 2027 for Symra. The total investments are estimated to approximately NOK 16 billion in real terms. Aker BP is the operator for both developments.

Ula area

The Ula field is operated by Aker BP. The Ula area consists of the fields Ula, Tambar, Blane and Oda, which are all being produced through the Ula field centre. The oil is exported via Ekofisk to Teesside, while the gas is reinjected into the Ula reservoir to enhance oil recovery.

Net production for Aker BP from the Ula area averaged 6.7 (7.8) mboepd in 2022. The production efficiency was 53 percent due to low well integrity and planned turn around.

An impairment charge of USD 385 million was made to the Ula area during 2022. 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.

Yggdrasil

The Yggdrasil area (formerly NOAKA) is located between Oseberg and Alvheim in the Norwegian North Sea. The area holds several oil and gas discoveries with gross recoverable resources estimated at around 650 million barrels of oil equivalents, with further exploration and appraisal potential.

Yggdrasil consist of the licence groups Hugin, Fulla and Munin. Aker BP is operator and will develop and operate the full area. Equinor ASA and LOTOS Exploration & Production Norge AS are licence partners.

The development concept includes a processing platform with well area and living quarters, Hugin A. It will function as an area hub. Hugin A is planned with low manning levels and is also being developed to be periodically unmanned after a few years of operation. The Frøy field will be developed with a normally unmanned wellhead platform, Hugin B, that will be tied back to Hugin A. Munin is an unmanned production platform. It will be tied back to Hugin A for oil and produced water processing.

Yggdrasil also represents an extensive subsea development with a total of nine templates, pipelines and umbilicals. 55 wells are planned in the area, of which 38 subsea wells and 17 platform wells. Additionally, the area concept has high flexibility for potential tie-in of new discoveries. Yggdrasil will be powered from shore to ensure minimal carbon footprint.

In December 2022, PDOs for the Yggdrasil area were submitted to the MPE. The project has moved into the execution phase and is well into detail engineering. Construction activities are planned to start in the autumn of 2023.

Wisting

Following the Lundin transaction, Aker BP holds 35 percent interest in the Equinor-operated Wisting discovery in licences PL537 and PL537B in the Barents Sea.

The partners were originally planning for a final investment decision for Wisting by the end of 2022. However, due to cost pressure and potential capacity constraints in the supply industry, combined with changes in the temporary tax system, the partners in November decided to postpone the decision to 2026, which led to an impairment charge of USD 499 million (including technical goodwill) in 2022.

The partners are planning further exploration activity in the area around Wisting, aiming to increase the resource base. In parallel, the development concept will be further matured to ensure an economically sound development and a robust project execution.v

Exploration activities

Aker BP is one of the most active exploration companies on the NCS, which is considered as a highly attractive basin with significant potential for new discoveries. The company's exploration strategy is focused on two main goals. The first goal is to discover commercial resources near existing infrastructure. Such discoveries typically have short lead times, attractive economics, and contribute to better capacity utilization and lower unit cost at the host. The second goal is to discover resources that are big enough for new stand-alone field developments. The activity level within each category will fluctuate from year to year, but over time the company is aiming towards 80 percent of its exploration activity within the first category.

In 2022, Aker BP participated in a total of 14 exploration and appraisal wells, of which eight resulted in discoveries.

The most significant of these were Storjo and Newt, both in the Skarv area, which are promising candidates for future development as tiebacks to the Skarv FPSO. The company also participated in a significant gas discovery named Lupa in the Barents Sea, where a development will be more economically challenging as it would require new gas infrastructure in the area.

In January 2023, Aker BP was awarded 17 licences in the Awards in Predefined Areas licensing round (APA 2022), of which 9 as operator. Of the 17 production licences awarded to Aker BP, 13 are in the North Sea (6 as operator) and 4 are in the Norwegian Sea (3 as operator). Most of these licenses are located close to the company's existing core areas.

THE ANNUAL ACCOUNTS

The parent and group prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by EU and the Norwegian Accounting Act. See note 1 for a description of two changes in the accounting principles related to abandonment provision and deferred tax on capitalised interest.

Income statement

Group
The group's total income amounted to USD 13,010 (5,669) million. Total production volume was 112.9 (76.4) mmboe. The average realised liquids price was 97.9 (69.2) USD per barrel, while the realised price for natural gas averaged USD 193.4 (88.5) boe.

Production costs for the oil and gas sold in 2022 were USD 933 (745) million. Production costs per boe produced in 2022 amounted to USD 8.7 (9.2). Exploration expenses amounted to USD 242 (353) million and were mainly related to dry and non-commercial wells, seismic data, field evaluation and general exploration activities. Depreciation amounted to USD 1,786 (1,193) million, with the increase mainly caused by higher production as a result of the Lundin transaction.

Impairments amounted to USD 1,032 (263) million, mainly related to Ula/Tambar, Wisting and Edvard Grieg. More information about the impairment charges is included in note 15 to the financial statements.

Other operating expenses amounted to USD 53 (29) million.

Net financial expenses amounted to USD 188 (190) million, mainly driven by interest expenses and accretion, while net currency gains are largely offset by impacts from related currency derivatives. Financial items are further outlined in note 11 to the financial statements.

The group reported an operating profit of USD 8,964 (3,086) million. The pre-tax profit amounted to USD 8,777 (2,896) million, and the tax expense amounted to USD 7,174 (2,068) million. USD 7,163 million is tax payable. The main reason for the tax rate above 78% is due to permanent differences on impairment.

The tax rules and tax calculations are described in notes 1 and 12 to the financial statements.

The net profit was USD 1,603 (828) million, while other comprehensive income amounted to USD 295 (0) million. The latter is related to foreign currency translation from consolidation of previous Lundin legal entities with other functional currencies than USD. At year end 2022 the legal entities acquired in the Lundin transaction were either liquidated or merged into Aker BP ASA. Hence, the mentioned impact on comprehensive income will cease from 1 January 2023.

Parent
The parent's total income amounted to USD 9,258 (5,669) million. Total production volume was 75.4 (76.4) mmboe. The average realised liquids price was 100.9 (69.2) USD per barrel, while the realised price for natural gas averaged USD 194.4 (88.5) boe.

Production costs for the oil and gas sold in 2022 were USD 814 (745) million. Production costs per boe produced in 2022 amounted to USD 11.1 (9.2). Exploration expenses amounted to USD 196 (353) million and were mainly related to dry and non-commercial wells, seismic data, field evaluation and general exploration activities. Depreciation amounted to USD 1,232 (1,193) million.

Impairments amounted to USD 831 (263) million, mainly related to Ula/Tambar and investment in the subsidiary ABP Norway AS. More information about the impairment charges is included in note 15 to the financial statements.

Other operating expenses amounted to USD 50 (29) million.

Net financial expenses amounted to USD 34 (189) million, mainly driven by net losses on currency derivatives and interests, offset by net currency gains. Financial items are further outlined in note 11 to the financial statements.

The parent company reported an operating profit of USD 6,246 (3,086) million. The pre-tax profit amounted to USD 6,212 (2,896) million, and the tax expense amounted to USD 5,089 (2,068) million. The main reason for the tax rate above 78% is due to permanent differences on impairment.

The tax rules and tax calculations are described in notes 1 and 12 to the financial statements.

The net profit was USD 1,123 (828) million.

Statement of financial position

Group
The statement of financial position was significantly impacted by the Lundin transaction which was accounted for on a fair

value basis as described in note 2 in the Financial Statements. Total assets recognised in the transaction amounted to USD 23.2 billion and was the reason for the increase in total assets for the Aker BP group from USD 16.7 billion at year end 2021 to USD 37.6 billion at 31 December 2022.

Equity amounted to USD 12,428 (2,197) million at the end of 2022, corresponding to an equity ratio of 33 (13) percent. The substantial increase was mainly caused by the Lundin acquisition. Net interest-bearing debt, including lease debt, was USD 2,658 (1,742) million. The deferred tax increased from USD 3,291 million to USD 9,359 million in 2022, mainly caused by the Lundin transaction.

Bond debt increased to USD 5.3 (3.6) billion, as two bonds in Lundin were transferred to Aker BP in the Lundin transaction.

At the end of the year, the company had total available liquidity of USD 6.2 (5.4) billion, comprising USD 2.8 (2.0) billion in cash and cash equivalents and USD 3.4 (3.4) billion in undrawn credit facilities. For information about terms on the credit facilities, see note 20. Financial covenants for the company's debt instruments were comfortably within applicable thresholds. The company has a robust balance sheet and ample financial flexibility.

Aker BP is currently rated by three rating agencies, S&P, Fitch, and Moody's. All agencies upgraded the credit rating to BBB/Baa2 in 2022.

Parent

The statement of financial position was significantly impacted by the merger with ABP Norway AS completed 31 December 2022. The merger was accounted for based on group continuity as described in note 2 in the Financial Statements. As a result, the closing balance 31 December 2022 in the parent company is in all material respect the same as for the group.

Statement of cash flow

Group

Net cash flow from operating activities amounted to USD 5,729 million, up from USD 4,282 million in 2021, positively impacted by higher oil and gas prices and sale volumes partly offset by USD 5 billion in increased tax payments.

Net cash flow used in investment activities amounted to USD 3,117 (1,727) million. The main item was investments in fixed assets of USD 1,580 (1,377) million and consideration paid in Lundin Energy transaction net of cash USD 1,229 million.

Net cash outflow used in financing activities was USD 1,828 million, compared to an outflow of USD 1,123 million in 2021. The main items consisted of the dividend disbursements of USD 1,006 (488) million and the repayment of a revolving credit facility amounting to USD 601 million in 2022, versus a net repayment of bonds amounting to USD 383 million in 2021.

Parent

Net cash flow from operating activities amounted to USD 4,396 million, up from USD 4,282 million in 2021, positively impacted by higher oil and gas prices and sale volumes partly offset by increased paid taxes by USD 2.9 billion.

Net cash flow used in investment activities amounted to USD 2,415 (1,727) million. The main item was investments in fixed assets of USD 1,269 (1,377) million and consideration paid in Lundin Energy transaction net of cash USD 895 million.

Net cash outflow from financing activities was USD 1,197 million, compared to an outflow of USD 1,123 million in 2021. The main item consisted of the dividend disbursements of USD 1,006 (488) million.

Accounting standards
The accounting principles used for the 2022 annual financial statements are consistent with the principles used in the 2021 annual financial statements, except for the changes reflected below.

The discount rate for abandonment provisions no longer include a risk element and deferred tax on capitalised interest is applied to tax rate 78 percent compared to earlier 22 percent. Comparative figures have been restated accordingly. For more information see note 1.

EU Taxonomy
Aker BP has a process to prepare the reporting required under the EU Taxonomy Regulation, whilst awaiting the implementation of the regulation in Norwegian law. The preliminary analysis indicates that whilst most of the company's revenue and investments are outside the scope of the taxonomy in its current form, certain investments in low-carbon or zero emission solutions may qualify as sustainable investments.

Other reporting requirements
Our reporting on corporate social responsibility as required by the Norwegian Accounting Act (section 3-3a and c), Transparency Act (section 5.2) and Gender Equality Act (section 26.a.2) are included in our Sustainability report which is available at www.akerbp.com.

Hedging
The company seeks to reduce the risk related to foreign exchange, interest rates and commodity prices through hedging instruments. The company actively manages its exposures through a mix of forward contracts and options. No hedge accounting is applied.

At the end of 2022, the company had no commodity derivatives exposure.

The going concern assumption
Pursuant to the Norwegian Accounting Act section 3-3a, the Board of Directors confirms that the requirements of the going concern assumption are met and that the annual accounts have been prepared on that basis. The Board considers the financial position and the liquidity of the company to be sound. Cash flow from operations, combined with the total available liquidity, is expected to be more than sufficient to finance the company's commitments in 2023.

In the Board of Directors' view, the annual accounts give a true and fair view of the company's assets and liabilities, financial position, and results. The Board of Directors is not aware of any factors that materially affect the assessment of the company's position as of 31 December 2022, or the result for 2022, other than those presented in the Board of Directors' Report or that otherwise follow from the financial statements.

Resource accounts
Aker BP complies with guidelines from Oslo Stock Exchange and the Society of Petroleum Engineers' (SPE) classification system for quantification of petroleum reserves and contingent resources. Total net P90/1P reserves are estimated at 1,251 (599) mmboe, while net P50/2P reserves amounted to 1,859 (802) mmboe at year-end 2022. See note 32 for a more detailed review of the resource accounts. The reserves have been certified by an independent third party.

Profit for the year
The Board of Directors proposes that the profit for the year is transferred to retained earnings.

HSSEQ IN AKER BP'S OPERATIONS

Health, Safety, Security, Environment and Quality (HSSEQ) 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 HSSEQ standards.

HSSEQ performance
Aker BP's goal is to prevent any kind of harm and ensure a safe workplace. Everyone who works for the company – our employees and contractors – shall be able to perform their work in a safe environment. Our facilities shall be in good condition, and must be planned, designed, and maintained in a manner that ensures their technical integrity.

Combining risk insight with learnings from events and successes constitutes the foundation for further improvement to our HSSEQ performance and requires a continuous and systematic effort from the whole organization. The company's overall HSSEQ performance displays a positive trend. However, to meet our ambition of no harm to people and the environment we need to maintain our continuous effort to seek improvements in our HSSEQ performance.

In 2022 we had three incidents which resulted in serious injuries to personnel. In one case a contractor was exposed to acetic acid and the two other incidents resulted in finger and elbow injuries, respectively. These incidents have been thoroughly investigated to capture learnings and to prevent re-occurrence. Aker BP had zero Process Safety Events (PSE) in 2022, resulting in four consecutive years without a PSE event. The Total Recordable Injuries Frequency (TRIF) for 2022 was 1.1 which is a significant improvement from 2021's number of 1.9.

During the first nine months after the acquisition of Lundin Energy was announced in December 2021, work groups consisting of personnel from both companies identified differences in Aker BP's and Lundin Energy's work processes and procedures and concluded which ones to carry forward. Aker BP developed temporary bridging documents where necessary. The incorporation of Lundin Energy personnel into Aker BP has strengthened the company's robustness with respect to competence and capacity.

Aker BP continued to strengthen its collaboration with other operating companies on the Norwegian Continental Shelf in 2022 to ensure that the collective industry experience is utilised to maintain worker health and safety. The collaborative efforts include coordinating the annual cycle for preventative HSSEQ initiatives as well as common training material. Aker BP's management system was subject to 11 audits by health and safety related governmental bodies in 2022. The Petroleum Safety Authority Norway (PSA) carried out 10 audits, none of which resulted in any major findings. Similarly, the Civil Aviation Authority of Norway (CAA) conducted one audit of Aker BP, final report expected Q1 2023. Due to the current geopolitical situation in 2022 the PSA ordered all operators on the Norwegian Continental Shelf to review their security related contingency plans and implement mitigating measures as needed.

Security
The purpose of security is to protect Aker BP's assets from malicious actors and unintentional security incidents. Through intelligence, value and threat assessments, as well as by raising awareness in the company, Aker BP works to ensure that neither the business nor the personnel are directly affected by threat agents.

Aker BP divides security into three main areas: personnel, physical and cyber security. The company works within these areas to protect the company's values in accordance with relevant legislation and company needs. This work is an integrated part of Aker BP's risk and barrier management and is followed up regularly by the Board.

In 2022 Aker BP's cyber resilience has improved through collaborative work between the operational business units and the cyber team. Main focus has been improved risk management, integrating Edvard Grieg, digital infrastructure improvements and training together with the emergency preparedness organization. In parallel, the digitalization program introduced several technical cyber security improvements, further reducing cyber risk in Aker BP.

The company has continued to develop its threat intelligence capacity program to reduce uncertainty and enhance decision support to the Executive Management Team and specific business units.

Business Management System and assurance
The Business Management System (BMS) is the company's internal control system and hence the framework for creating value, controlling risk and secure safe operation. The BMS is established to standardise our way of working and enable the organisation to perform activities in a consistent manner. Through the BMS, Aker BP ensures compliance with external and internal requirements and facilitates that we continuously improve to achieve common goals.

Risk-based assurance of conformity to the business management system requirements provide confidence that the requirements will be fulfilled. Aker BP's Three Lines of Assurance model govern these activities ensuring three degrees of independency of auditor from auditee; team manager, requirement owner, and internal audit. The model is continually under improvement with regards to processes and tools to ensure a risk-based understanding of requirements and necessity of conformity.

Climate strategy and status

Sustainability is formally integrated and embedded into Aker BP's strategy and decision-making processes. Aker BP acknowledges the need for action in line with the Paris Agreement and the Norwegian Parliament's expectations and remains committed to continue contributing to this important objective. The company's target is to achieve a 50 percent reduction in scope 1 and 2 GHG emissions by 2030, and to have close to zero GHG emissions by 2050.

It is a strategic priority for the company to be best-in-class in producing low-carbon oil and gas. In 2022, our carbon intensity was 3.7 kg of CO_2 per barrel of oil equivalent, which is around one quarter of the global average, and below the average for the NCS. The upstream methane intensity was 0.02 percent. In the future company is targeting CO_2 emission intensity below Carbon intensity <4 kg CO_2e per boe and methane intensity < 0.1 percent.

The company is also working closely with relevant parties to improve our mapping of Scope 3 emissions, evaluate emissions reduction initiatives and set targets. Reference is also made to the company's Sustainability report, which includes further details regarding climate strategy and other related topics.

Employees and working conditions

Status of employees and recruitment

- At year-end 2022, the company had 2,457 (1,839) employees.
- Aker BP recruited 243 (199) new employees and 9 (10) apprentices in 2022.
- Aker BP has a long-standing collaboration with graduate schools and universities to recruit talent as well as cooperation with regards to student internships.

Diversity and equal opportunity

The company is committed to maintain a working environment with equal opportunities for all based on qualifications, irrespective of gender, ethnicity, sexual orientation, or disability. Aker BP has a Diversity and Inclusion Policy expressing the principles to be followed, with clear targets and a plan for action. The company does not tolerate any form of discrimination, whether it be trade union affiliation, social background, political opinion, sensitive medical conditions and so forth.

There were no incidents of discrimination reported in 2022.

At the end of 2022, women held 23.4 (22.6) percent of the positions in the company. The share of women on the Board of Directors was 33.3 (36) percent. The share of women in the executive management team was 26.7 (36) percent and in the middle management it was 25.4 (23) percent.

Men and women with the same jobs, with equal professional experience who perform equally well, shall receive the same pay in Aker BP. The complexity of the job, discipline area and work experience affect the pay level of individual employees.

At the end of 2022, 9.8 (9) percent of the employees were of non-Norwegian origin.

Further information about diversity and equal opportunity in Aker BP can be found in the company's Sustainability Report for 2022.

The working environment

Aker BP has a working environment committee as described in the Norwegian Working Environment Act. The committee plays an important role in monitoring and improving the working environment and in ensuring that the company complies with laws and regulations in this area.

Employees enjoy freedom of association, and the company is committed to maintaining an open and constructive dialogue with the employee representatives through frequent meetings, up to bi-weekly throughout the year in connection with the Lundin merger.

Five local trade unions are registered as being represented in the company: Tekna, Lederne, SAFE, Industri Energi and NITO.

Our employee engagement survey has had a steady improvement in 2022 and has recovered to pre covid levels. During 2022 we implemented a new and improved tool Qualtrics which is also enabling us to benchmark our results against the global and local work environment. We note that we score significantly greater than averages and we aim to adjust our benchmark towards the 90th percentile, in line with our overall company ambitions.

Sickness absence

Working for Aker BP shall promote and not reduce the health of our employees and employee health is of major importance for us. Aker BP has several proactive and health promoting measures available for our employees. Several of these offers are available through our occupational health service and includes physical therapy, ergonomic guidance, crisis support line, workouts, travel medicine and vaccines, personal health, and occupational health.

In 2022, the total sickness absence in Aker BP was 4.5 (3.9) percent, which is significantly lower than the national average of 6.5 (6.3) percent in Norway. For onshore personnel the figure was 3.3 (2.9) percent. For offshore personnel, the figure was 8.4 (6.7) percent. Aker BP is closely monitoring the development to address any risk to our employees or production. Reference is also made to the company's Sustainability report, which includes further details on Aker BP's working environment.

Ethics and Integrity

Aker BP's values are Seekers (Søkende), Accountable (Ansvarlig), Foreseeable (Forutsigbar), Enthustiastic (Engasjert) and Respectful (Respektfull). The words form the abbreviation SAFER. The values define the company culture and describe how we want to work in Aker BP. The values also guide our

behaviour in the workplace and enable us to live by our Code of Conduct. Our goal is that every employee habitually acts according to our core values.

During 2022, Aker BP continued to strengthen its anti-corruption compliance program with focus on compliance risk assessment, assurance activities and training and awareness. Aker BP's human rights policy was updated in 2022 to clarify our expectations in respecting human rights of employees, consultants, contractors and business partners. Reference is also made to the company's Sustainability report, which includes further details on Aker BP's work in these areas and contains the Transparency Act statement.

Stakeholder engagement and social responsibility
Our stakeholders are the many individuals and organizations who are affected in some way by Aker BP's activities – whether it is in our role as an energy provider, an employer or as a business that helps boost local economies through jobs and revenue.

Open and proactive dialogue with stakeholders facilitates our ability to access the resources we require through the whole life cycle of our assets.

Aker BP works to create value for all key stakeholders, including local communities where we operate, by integrating social responsibility into the way we do business. We partner with local, regional, and national businesses, organisations, and authorities to achieve mutual understanding of expectations, facilitate direct and indirect local benefits, and create opportunities for stakeholders.

We work with governments, communities, and non-governmental organizations to implement social investment programs that can have a sustainable beneficial impact. We invest in community projects that align with local needs and our business activities.

When planning projects, we assess the potential impacts on communities. This helps to identify early on whether any activities could negatively affect stakeholders or the environment in nearby communities, and to find ways to prevent or mitigate those impacts. We consult with communities, so that we can understand their expectations and address concerns. Through this, we hope to resolve potential disagreements, avoiding negative impacts on others and disruption to our activities.

Local business and community benefits
Aker BP is committed to stimulating local content by creating jobs and growing local businesses in the communities in which the company operates.

All six operated hubs (Alvheim, Valhall, Ula, Edvard Grieg, Ivar Aasen and Skarv) have performed and secured acceptance for the impact assessment studies as part of the Government approval process.

According to the Government's Northern Area Policy, special focus should be given to the development and operation of fields located in Northern Norway to help stimulate local content and create value in the regions. Our operated Skarv field with operations centre at Sandnessjøen induces considerable ripple effects to the region. And in late 2022 we submitted PDOs for development of three fields that will be tied in to Skarv FPSO. The estimated total Norwegian content for the investment is approximately 60%. In addition, the project aims to use local suppliers as much as possible, to increase regional effects. Aker BP is a member of the Oil and Gas Cluster Helgeland, an organization located in Northern Norway with a key focus on how to involve local and regional business enterprises.

To stimulate the cooperation with schools and education, Aker BP is supporting activities and public offices that contribute to the growth and development of the local community by offering studies, competence-raising measures and innovation processes and projects.

Research and development

State of the art technology is an important lever to deliver on Aker BP's vision of being the E&P company of the future. To drive availability of and set direction for state-of-the-art technology, as well as to build competence and capabilities of next generation technologies, Aker BP has a corporate level R&D portfolio managed by an R&D Council with members from the different business units.

During 2022, the R&D council has met quarterly to monitor and manage the R&D portfolio in alignment with Aker BP's strategic priorities. Projects in the portfolio have been prioritised and selected based on match with strategic technology themes, alignment with specific business needs, and line of sight to technology implementation and value outtake. To further ensure a value driven R&D portfolio, a dedicated technology workstream linked to Asset Development Plans (ADP) is used to connect R&D activities to asset value drivers and "top problems to solve". This process is key to drive committed customers and value realization.

Aker BP invests in R&D across the whole value chain and has a balanced portfolio of projects targeting knowledge and methods, physical technology development, and digital/ software development. For 2022, R&D spend has been around NOK 500 million for the combined Aker BP and Lundin legacy R&D portfolio.

Investments in several big bet technologies have been initiated through portfolio sanctioning processes in 2022 including new seismic acquisition methods and riser-less drilling. Important progress has been made within remote and automated operation through e.g. subsea robotics with the AID (Autonomous Inspection Drone) set for commercial operation on Deep Ocean's IMR vessel Edda Fauna, and hands-free lifting technology piloted offshore on Valhall.

Corporate governance

Aker BP believes that good corporate governance with clearly defined roles and responsibilities between the owners, the Board and executive personnel is crucial for the company to deliver value to its shareholders.

The Board of Aker BP is responsible for maintaining the highest corporate governance standards. The Board carries out an annual review of the company's principles. The company complies with relevant rules and regulations for corporate governance, including the most recent version of the Norwegian Code of Conduct for Corporate Governance, published on 14 October 2021, unless otherwise specified.

An account of corporate governance is provided in a separate section of the annual report and on the company's website.

The company has emphasised the importance of providing accurate information in interim reports, capital market updates and through direct dialogue with relevant authorities.

Reporting of payments to governments

Aker BP is reporting on payments to governments at country and project level, in accordance with the Norwegian Accounting Act § 3-3 d) and the Norwegian Securities Trading Act § 5-5a. The report is provided in a separate section of the annual report and on the company's website www.akerbp.com.

Director & Officer's Liability Insurance

The directors and officers of Aker BP are covered under an Aker group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance. The cover also includes employees in managerial positions or employees who become named in a claim or investigation.

RISK FACTORS

Response and measures used to manage or mitigate our risks are embedded in our governance and business management system complemented by our risk management framework. Risk management is integrated in our activities and permeates and supports our decision-making. Communication of risks arising across the value chain and assets is ensured by our enterprise risk process, which encompasses all business units.

The risk factors highlighted below could have a material adverse effect separately, or in combination, on our financial condition. They are classified according to three categories: Operational, Strategic and Financial. Aker BP must manage these risks effectively to sustain its long-term success and growth. This requires continuous monitoring, assessment, and management of risks, as well as the implementation of appropriate mitigation strategies to reduce exposure to these risks. Some of the key company risks are summarized in the section below.

Operational risks

Operational risks are risks associated with the day-to-day operations of the company, including health, safety and environmental (HSE) risks, production disruptions, and technological challenges.

Systemic risks

The context and systems in which Aker BP operates may be subject to abrupt changes or disruptions, affecting the company and its resources' ability to conduct business. Infectious diseases spreading worldwide, and global financial crisis are example of triggers for such risks which include a large degree of uncertainty and may vary greatly in scale and impact.

Impact

The company may face situations where there are extensive strain or full-scale shortage of resources (e.g. personnel, goods & services, finances) in the supply chain as a result from systemic risk. Any such conditions could drain cash-flow, have material negative effect on our financial condition, force undesired change in strategic direction, and impact our ability to conduct business and deliver production.

Mitigation in place

While comprehensive mitigating measures against systemic risks are by nature impossible to put in place, the company monitors developments on a continual basis, and the executive management team is proactive with respect to implementing measures to omit/avoid risks wherever possible.

Geopolitical situation

The ongoing conflict in Ukraine is creating significant threats to the global political and economic stability. Several countries have condemned the invasion by Russia, and severe sanctions have been imposed on banks, certain oligarchs, and the state itself.

The energy markets are heavily impacted by the invasion and the following sanctions, and oil and gas and electricity prices have remained at a high level since the announcement on 24 February 2022. There is significant uncertainty around the breadth and duration of all disruptions related to the situation, as well as its medium and long-term impact on the global economy.

Impact

The geopolitical situation has caused significant business disruption, volatility in international debt and equity markets and disruption to the global economy in the short term. The extent to which the invasion impacts the company's results will depend on future developments, which are highly uncertain and difficult to predict. The ongoing conflict in Ukraine could also potentially lead to increased risk of cyber-attacks.

Mitigation in place

For impact on the supply chain see Supply chain risk. For cyber security, see Information and cyber security risk.

Supply chain

The post pandemic supply chain delays continue to influence capacity and resources in all industries, with long lead times in manufacturing causing delays for spare parts and development projects. In addition, there is an increasing activity level in the oil and gas industry in Norway related to the Norwegian tax relief in 2022, fuelled also by the increased energy prices. Furthermore, there is an increased activity level related to renewables projects which may cause even higher pressure on the supply chain. Integrity related risks may also affect the supply chain, with potential risk of corruption, sanctions, violation, human rights, and decent working conditions.

Impact

The high demand and limited capacity in the supply chain may lead to higher manpower and fabrication cost as well as delays in supply of critical deliverables.

Mitigation in place

Close follow up of key suppliers, as well as identifying and securing capacity contribute to mitigating the supply chain risk. Our Alliance Model also contributes to a more predictable and reliable supply chain. Aker BP has a robust supplier due diligence process in place to identify and address integrity risks related to suppliers should they occur.

Consentration of operations

Aker BP's production comes from a limited number of assets on the Norwegian Continental Shelf. This concentration of operations increases the vulnerability to long-term production and development due to a total portfolio effect of any changes or unexpected events.

Impact
The whole company portfolio of operations may be impacted at the same time, disrupting the ability to deliver on production targets and greatly affecting the company cash flow and financial situation.

Mitigation in place
While being concentrated on the Norwegian Continental Shelf, the company assets are varied in their geographical locations, age, and technical solutions. The highly skilled organization in Aker BP is continuously working with our assets to ensure high regularity and minimize the impact of any unexpected event.

Organizational capacity and capability

The company operates in a competitive environment, and its future growth prospect depends upon its ability to access executive and senior management and key personnel.

Executive or senior personnel may terminate employment with the company rendering certain knowledge and skills in shortage. Large numbers of personnel leaving the company in a short timeframe could be a significant challenge to replace or find alternatives to recover.

Impact
The inability to fill positions and retain executive and senior management and key personnel with needed skills and expertise could have a longer-term adverse effect on our business, financial position, and results of operations.

A lack of capacity would also potentially jeopardize our ability to deliver on the large portfolio of projects and activities as well as our ability to realize the company transformation and change agenda.

Mitigation in place
It is a strategic priority for the company to be an attractive employer. To attract and retain talent, Aker BP offers competitive salaries and other benefits, and strong career development opportunities to all employees. The company has an active internal job market, which allows for multi-skill competency development. Aker BP prioritises its employees' work-life balance, and constantly strives to maintain a supportive corporate culture to the benefit of its employees.

Delay of development projects

Aker BP's current activity portfolio includes many development projects. Oil and gas projects may be curtailed or delayed for many reasons such as health and safety incidents, quality issues, changes in installation schedules, delays in the supply chain or missed targets.

Impact
The impact of issues in development projects includes the risk of cost overruns and a delay in production that could affect liquidity. Delays and cost overruns would also reduce the value of the project portfolio and future operations.

Mitigation in place
A highly competent project organization is following the Management System processes of Aker BP and our Alliance Partners for developing and delivering projects. Our Alliance Model enables alignment of interests between alliance partners and the company, with risk sharing between the parties and result in higher efficiency and fewer cost overruns. Work to improve the Alliance Model and optimise the incentive structures is continuously ongoing.

Evaluation of reserves and resources

Uncertainty in the evaluation of estimates of economically recoverable reserves and inability to bring estimates into resources and reserves.

Impact
The reserves, resources and estimated cash flows contained in such evaluations could be reduced to the extent that such activities do not achieve the expected value creation, and such reductions may have a material adverse effect on the company's business, results of operations, cash flow and financial condition.

Mitigation in place
The company allocates substantial resources to analysing and understanding its reservoirs and continuously monitors, updates and stress tests its resource models. Further, the company applies a set of project decision criteria ensure that assets are as robust as possible before making investment decisions. These criteria include, but are not limited to, full-cycle NPV breakeven criteria and CO_2 emissions intensity targets.

Health, Safety, Security, Environment and Quality

Exploration, development, and production of oil and gas involve numerous safety and environmental hazards that may affect our people, the environment, as well as cause material losses or additional expenditures. Examples of such hazards are fires, process-related events, collisions or well control issues, which are all significant risks within the oil and gas industry.

Impact
Occurrence of any such significant events may directly or indirectly result in material losses and adversely impact our cashflow and financial position.

Mitigation in place
The company has a Management System in place which is fundamental for safe operations and execution of safety critical activities. This Management System is continuously improved by incorporating lessons learned through the execution of work and by implementing improvements identified through assurance activities. The company also works continuously to improve the HSE culture in all parts of its operations, onshore and offshore.

Aker BP is also cooperating with Norwegian authorities and Armed Forces to minimise the risk of external threats to the company's assets. The Norwegian Armed Forces increased its military readiness during 2022 in response to the geopolitical development.

Information and cyber security risk

As in all industries, there is potential for cyber intrusion leading to financial loss, information data loss, data privacy infringement and system irregularities.

Impact

Misappropriate proprietary information, opportunity to commit financial fraud and/or cause interruptions to the company's activities, including a reduction or halt in production. Such attacks could, inter alia, include adversaries obtaining access to company systems, the introduction of malicious computer code or denial of service attacks. Such actual or perceived breaches of network security could adversely affect the company's business performance, and reputation, and may create exposure to the loss of information, litigation, and possible liability.

Mitigation in place

Aker BP's Board and management has cyber security high on its agenda, and all employees are required to take annual courses in cyber security. For more information about the company's approach to cyber security, see the Security chapter elsewhere in this report.

Strategic risks

Strategic risks are related to the company's long-term strategies, including market and competitive risks, technological shifts, and regulatory changes. For example, the energy sector is undergoing significant changes, with a shift towards renewable energy sources. Aker BP must ensure that it is well-positioned to adapt to these changes to remain competitive and sustain its growth.

Climate change

The path toward the future energy system is uncertain, and as reflected by the International Energy Agency's (IEA) forecasts and scenarios, there is a wide range of different outcomes for oil and gas demand. The impacts from climate change and the role of oil and gas companies in the energy transition present a range of strategic risks. Investors and lenders are demanding more transparency on climate change impacts and risks, and divestment may occur in the absence of evidence of decarbonisation. Stricter climate regulations and policies may impact the company, whether directly through carbon costs and taxes, or indirectly through technology developments. In addition, a negative public opinion of oil and gas companies can lead to reputational impacts, share price erosion and an inability to attract new talent.

Impact

In line with the framework proposed by the Task Force on Climate-related Financial Disclosures (TCFD) and our climate policy, we group our climate-related risks into two major categories: (1) Transitional: risks related to the transition to a lower-carbon economy and (2) Physical: risks related to the physical impacts of climate change.

Transitional Market

The demand for oil and gas can decrease significantly faster than anticipated, resulting in significantly lower oil and gas prices. In anticipation of the faster energy transition, key producers can shift their strategy to market share maximization, driving down prices.

Transitional Regulatory and Legal

The European Union Allowance (EUA) price and/or Norwegian CO_2 tax can increase faster and rise higher than what is anticipated. Mandatory emission abatements can be enforced that are not competitive with other uses of capital or are

uneconomic. Access to new acreage can be reduced, in which case Aker BP's and the Norwegian E&P industry's longer-term growth prospects would be reduced, which would also lead to a potential increase in the cost of capital.

Transitional Technological
Technological breakthroughs (e.g., batteries, renewables, hydrogen) and/or regulations can drive faster displacement of oil and gas in energy and non-energy sectors. A faster and bigger scale of electrification in Europe can result in higher prices for power and increase our costs.

Transitional Reputational
Investors' perception of oil and gas investments can deteriorate, impacting availability and cost of capital. Also, the oil and gas industry's attractiveness can deteriorate, making it difficult to attract and retain the right talent.

Physical
Changes in weather, both chronical and acute with higher frequency of extreme events may impact working conditions and the design of our installations and barriers. Those changes could impact the operating cost, reducing the expected value of our operations and assets.

Mitigation in place
Aker BP employs scenario analysis to assess potential impacts of the climate change and energy transition on our business, financial performance, and long-term strategy. We evaluate selected scenarios to assess possible shifts in the macroeconomic outlook, technology developments, policy, and legal implications, and we analyse projected demand for our products (oil, gas, and natural gas liquids). Each energy transition scenario yields a range of commodity prices (e.g., power, gas, oil) and environmental fees and taxes. We apply these assumptions in our valuation models to test the resilience of our portfolio.

Ethics and compliance
Risk of non-compliance with legal regulations such as anti-corruption, anti-Money Laundering and data Protection, as well as non-ethical business practices like fraud, bribery, and corruption. Non-compliance could lead to investigations and litigation, as well as negative impacts on reputation with shareholders, lenders, and other stakeholders.

Impact
Any mismanagement, fraud, or failure to satisfy fiduciary or regulatory responsibilities, allegations of such activities, or negative publicity resulting from such other activities, or the association of any of the above with the company could materially adversely affect our reputation and the value of our brand, as well as our business, results of operations, cash flows and financial condition, and our ability to attract and retain talent.

Mitigation in place
Aker BP has implemented a robust anti-corruption program to prevent, detect and mitigate risk of bribery and corruption. The dedicated compliance department conducts regular risk assessments of integrity risks to align the anti-corruption program with the current risk profile. Employees and hired personnel receive regular Code of Conduct training which includes topics of anti-corruption. The company's integrity channel is available to employees, consultants and external parties to report instances of non-compliance with applicable laws and regulations, the company's Code of Conduct or broadly accepted ethical norms.

Laws and regulations
Changes to applicable laws, tax regulations and legislation, or complexity thereof, could negatively affect the company, lead to investigations, litigation, negative financial impact, reputational damage and cancellation or modification of contractual rights.

Impact
The government could require operators to adjust their future production plans, effecting production and costs related to development projects and our operations. We could incur additional costs in the future due to compliance with these requirements or because of violations of, or liabilities under, laws and regulations, such as fines, penalties, clean-up costs and third-party claims.

Changes to the tax regime could lead to new investments being less attractive and challenge further growth of the company.

Mitigation in place
The company continuously monitors developments in the political landscape and is positioned to act promptly to changes.

Financial risks

Financial risks are related to the company's financial performance and stability, including currency risks, interest rate risks, and credit risks. For example, fluctuations in oil prices can have a significant impact on Aker BP's revenue and profitability, and the company must manage its financial exposure to these fluctuations effectively.

Market conditions

Shareholder value is affected by our inability to meet stakeholder expectations and create value, either through current business strategies or due to market conditions. Prolonged volatility in oil and gas prices, the effect of the pandemic or other market uncertainties, could erode the profitability of some of the company's assets; affect financial earnings, cash flow generation and the overall investment and liquidity position.

Impact

Certain development projects could become unprofitable because of a decline in price and could result in the company having to postpone or cancel a planned project or activity, leading to a loss of opportunity or a negative economic impact of specific projects.

Mitigation in place

To mitigate commodity pricing risk, the company has in place a hedging policy, through which it may secure downside price exposure on oil and gas by purchasing put options 12 months forward, with the flexibility to extend beyond 12 months at the CFO's discretion. Further, the company continuously mitigates currency price exposure by using forwards and options.

Financial liabilities and financing of the company

Adverse developments in the company's operations or projects, as well as adverse developments in oil and gas prices, may lead to a need for additional capital, which could increase the company's debt levels above industry standards.

The company has covenants related to its financial commitments. Failure to comply with financial covenants and other covenants may entail material adverse consequences, including the need to refinance, restructure, or dispose of certain parts of, the company's businesses to fulfil the company's financial obligations and there can be no assurances that the company in such event will be able to fulfil its financial obligations.

Impact

Should the financing of the company not be sufficient to meet its financing needs, the company may, among other things, be forced to reduce or delay capital expenditures or research and development expenditures or sell assets or businesses at unanticipated times and/or at unfavourable prices or other terms, or to seek additional equity capital or to restructure or refinance its debt.

This could have a material adverse effect on the company's business, prospects, financial condition, results of operations and cash flows, and on the company's ability to fund the development of its business.

The company's ability to deliver on its strategy may be impacted by measures necessary to mitigate financial liabilities and secure financing, thus reducing the overall value of our activities and not realizing the full potential of our investments.

Mitigation in place

The company has a holistic approach to its financial planning and runs extensive financial stress tests on its planned activities to ensure that the company meets financial robustness criteria necessary to breach covenants and meets its financial commitments.

The company works closely with financial advisers to identify threats and opportunities and ensure that the company maintains it financial strength. This includes, but is not limited to, monitoring options for optimising the company's balance sheet and lowering interest expenses.

Financial reporting

Delayed or inaccurate financial reporting impacting external reporting requirements. The company may face the risk of regulatory action, fiscal uncertainty, shareholder lawsuits and loss of investor confidence.

Impact

Such errors and omissions, should they be significant, could drain senior management attention and require measures diverting efforts and prospects for growth. Inaccuracies could adversely affect our strategic decision making, productivity, slow growth and therefore may impact our cash flows and financial condition. The company's reputation and goodwill could also be adversely affected.

Mitigation in place

Financial reporting is subject to internal controls, a regular management reporting process and is verified by audits.

The Aker BP Audit and Risk Committee (ARC) is responsible for the oversight of the internal controls, risk management and audit process and making recommendations or proposals to improve the integrity of reporting. Details on the committee's work is available in the Corporate Governance section of the annual report.

Interest and currency

As a result of the company carrying debt, a rise in interest rates carries a risk. A foreign exchange risk exists in relation to market fluctuations of foreign currencies, given that the underlying value of the company's assets is predominantly USD denominated, whilst certain costs are denominated in other currencies.

Impact
Increasing interest rates and unfavourable fluctuations in exchange rates may affect the company's earnings and free cash flow potential.

The company is exposed to market fluctuations in foreign exchange rates since the company reports profit and loss and the balance sheet in USD. Revenues are in USD for oil and in GBP and EUR for gas, while operational costs and investments are in several other currencies and mainly in USD, NOK and EUR in addition to USD. Moreover, taxes are calculated and paid in NOK. Volatility in exchange rates generally represents increased risk for the company.

Mitigation in place
The company's long-term debt is primarily based on fixed interest rates, minimizing the exposure to the interest rate risk.

The company actively manages its foreign currency exposure through a mix of forward contracts and options, however significant fluctuations in exchange rates between USD and NOK could adversely affect the liquidity position of the company. Hedging instruments are used to manage this risk.

EVENTS AFTER THE REPORTING PERIOD

On 10 January 2023, Aker BP was offered 17 new licenses, including nine operatorships in the Awards in Predefined Areas (APA) 2022 licensing round.

On 23 February 2023, Aker BP disbursed USD 347.6 million in dividends to shareholders (USD 0.55 per share).

One of the PDOs submitted in December was for the Troldhaugen project in the Edvard Grieg area. The execution of this project was subject to the performance of an extended well test (EWT). Based on the experience from this EWT, the expected recoverable volume for the Troldhaugen project has been reduced. The project is no longer considered to have sufficient financial robustness, and the partners in March 2023 decided not to accede to the PDO.

SIGNATURE PAGE

BOARD OF DIRECTORS

The Board of Directors and the CEO of Aker BP ASA
Fornebu, 15 March 2023

ØYVIND ERIKSEN
Chairman of the Board

ANNE MARIE CANNON
Deputy Chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

KATE THOMSON
Board member

MURRAY AUCHINCLOSS
Board member

TERJE SOLHEIM
Board member

INGARD HAUGEBERG
Board member

TORE VIK
Board member

HILDE KRISTIN BREVIK
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

REPORTING OF PAYMENTS TO GOVERNMENTS

This report is prepared in accordance with the Norwegian Accounting Act Section § 3-3 d) and Securities Trading Act § 5-5 a). It states that companies engaged in activities within the extractive industries shall annually prepare and publish a report containing information about their payments to governments at country and project level. The Ministry of Finance has issued a regulation (F20.12.2013 nr 1682 – "the regulation") stipulating that the reporting obligation only apply to reporting entities above a certain size and to payments above certain threshold amounts. In addition, the regulation stipulates that the report shall include other information than payments to governments, and it provides more detailed rules applicable to definitions, publication and group reporting.

The management of Aker BP has applied judgment in the interpretation of the wording in the regulation with regard to the specific type of payment to be included in this report, and on what level it should be reported. When payments are required to be reported on a project-by-project basis, it is reported on a field and/or license basis. Only gross amounts on operated licences are reported, as all payments within the licence performed by non-operators will normally be cash calls transferred to the operator and will as such not represent payments to the government.

As described in note 2 to the financial statements, Aker BP finalized the acquisition of the oil and gas activity in Lundin Energy on 30 June 2022. The oil and gas activity in Lundin Energy was conducted in the legal entity Lundin Energy Norway AS (renamed to ABP Norway AS at 30 June 2022), and the figures below include payments from ABP Norway AS from 30 June. At 31 December 2022 ABP Norway AS was merged with Aker BP ASA and group reporting in line with §5 in the regulation is thus not deemed applicable. Reference is also made to information about transactions with related parties in note 28 to the financial statements.

At year end 2022, Aker BP ASA had one subsidiary within the extractive industry. Reference is made to note 3 to the financial statements for a description the UK subsidiary Aker BP UK limited. The company's activity is limited to one exploration license on the UK continental shelf. There is no employees or revenue in the company. The financial statements for 2022 have not yet been finalized.

REPORTING OF PAYMENTS

The regulation's Section 2 no. 5 defines the different types of payments subject to reporting. In the following sections, only those applicable to Aker BP will be described.

Income tax

The income tax is calculated and paid on corporate level and is therefore reported for the whole company rather than licence-by-licence. In 2022 the Aker BP group paid NOK 52 979 979 936 (including interest) in income tax to Norway and GBP 3 090 in income tax to United Kingdom. The payments are mainly related to income tax for income year 2021 and 2022.

CO_2 tax

CO_2 tax is to some extent included in the fuel price/rig rental paid to external rig companies. The CO_2 tax paid on the Alvheim field includes the fields tied in to the Alvheim FPSO (Vilje, Volund, Bøyla and Skogul) as Alvheim performs the payment and charges the other fields via opex share.

Name of field/license	CO_2 tax paid in 2022 (NOK)
Alvheim	125 518 715
Edvard Grieg	75 066 325
Hod	7 453 219
Ivar Aasen	9 074 545
Skarv	117 542 073
Ula	95 187 431
Valhall	12 922 469
Total CO_2 tax paid	**442 764 779**

NO_x

The company is a member of the NO_x fund and all NO_x payments are made to this fund rather than to the government.

Area fee
The table below specifies the area fee paid by Aker BP on behalf of the various licences in 2022. Licenses of which the company has received net refund of area fee are not included in the figures.

Name of field/license	Area fee paid in 2022 (NOK)
Alvheim	12 240 000
Bøyla	4 590 000
Edvard Grieg	2 856 247
Hod	2 450 000
Lille Prinsen	4 730 441
Rolvsnes	12 546 000
Skarv	20 655 000
Skogul	306 000
Solveig	6 500 000
Tambar	453 000
Trell & Trine Unit	4 419 000
ULA	4 789 000
Valhall	8 624 000
Vilje	931 000
Volund	765 000
PL 102D	5 049 000
PL 127C	791 408
PL 146	14 880 293
PL 159D	1 071 000
PL 212E	2 142 000
PL 261	6 885 000
PL 442	41 345 115
PL 492	9 180 000
PL 501	4 437 000
PL 533	4 590 000
PL 609	5 933 491
PL 784	8 297 013
PL 818	2 637 408
PL 838	2 355 479
PL 942	2 873 425
PL 1057	8 019 978
Total	**215 092 276**

OTHER INFORMATION REQUIRED TO BE REPORTED

When companies are required to report payments as the above, it is also mandatory to report on investments, sales income, production volumes and purchases of goods and services in the country in which companies have activities within the extractive industries. As mentioned above, Aker BP operates on the Norwegian Continental Shelf only. This reporting requirement is therefore deemed to be met by the financial statements as specified below:

- Net cash flow from investment activities for 2022 amounted to USD 3 116 596 thousand, as specified in the cash flow analysis in the financial statements
- Sales income (Petroleum revenues) in 2022 amounted to USD 12 896 182 thousand, as specified in Note 6 to the financial statements
- Total production in 2022 was 112 853 thousand barrels of oil equivalents, see Note 7 to the financial statements
- For information about purchases of goods and services, reference is made to the Income Statement and the related notes

Country-by-country Report
In accordance with OECD requirements and the Norwegian Tax Administration Act § 8-12, multinational groups with total income above NOK 6.5 billion shall report key financial data and economic activity in the countries where the groups operate. Aker BP has provided a Country-by-Country Report (CbCR) to The Norwegian Tax Administration with 2021 data for the subsidiaries Aker BP controls, distributed into two tax jurisdictions (Norway and UK). The CbCR provides information per tax jurisdiction of revenue split between third-party and related-party revenues, profit before tax, accrued and paid corporate taxes, capital and earnings, number of employees and tangible assets.

BOD'S REPORT ON CORPORATE GOVERNANCE

Aker BP ASA (Aker BP) aims to ensure the greatest possible value creation to shareholders and society over time in a safe and prudent manner. An effective governance framework with a clear division of responsibility and roles between the owners, represented by the shareholders in the General Meeting, the Board of Directors and corporate management is crucial to achieve this.

1. IMPLEMENTATION AND REPORTING ON CORPORATE GOVERNANCE

The Board of Aker BP is responsible for actively adhering to sound corporate governance standards.

Aker BP is a Norwegian public limited liability company (ASA), listed on Oslo Børs and established under Norwegian laws. In accordance with the Norwegian Accounting Act, section 3-3b, Aker BP includes a description of principles for corporate governance as part of the Board of Directors' Report in the annual report or alternatively makes a reference to where this information can be found.

The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian Code of Practice for Corporate Governance (the Code of Practice). The Code of Practice can be found on www.nues.no. Adherence to the Code of Practice is based on the "comply or explain" principle, which means that a company must comply with all the recommendations of the Code of Practice or explain why it has chosen an alternative approach to specific recommendations.

Oslo Børs requires listed companies to publish an annual statement of their policy on corporate governance in accordance with the Code of Practice in force at the time. Issuer Rules for companies listed on Oslo Børs is available at www.euronext.com/en/markets/oslo.

Aker BP complies with the current edition of the Code of Practice, issued on 14 October 2021, unless otherwise specifically stated. The following statement on corporate governance is structured in the same way as the Code of Practice, thus following the 15 chapters included in the Code of Practice.

More detailed reporting on corporate governance issues can be found on our website www.akerbp.com, in this Annual report and in our Sustainability/ESG report.

Deviations to the code: None

2. BUSINESS

According to Aker BP's Articles of Association article 3, its objective is *"to carry out exploration for, and recovery of, petroleum and activities related thereto, and, by subscribing for shares or by other means, to participate in corresponding businesses or other business, alone or in cooperation with other enterprises and interests"*. The complete Articles of Association is available on the company's website.

Through an annual strategy process, the Board defines and evaluates the company's purpose and objectives, values and main strategies, and risk profiles for the company's business activities such that the company maximise long term value creation for shareholders. Environmental, social and governance issues are an important part of the Board's annual strategy process. Together with the company's financial status, the objectives of the company are communicated to the market.

Aker BP's vision is to be the E&P company of the future, with safe and efficient operations, low cost, low emissions and a leading role in the transformation of the industry. To achieve this, the company will carry out exploration, development and production activities and be opportunistic in its approach to buying and selling interests in companies, fields, and discoveries.

The COVID-19 pandemic continued to cause uncertainty and disruption to the global economy in 2022. Since the onset of the pandemic in the beginning of 2020, the Board's objective has been to make sure that Aker BP took all necessary measures to protect its people and operations from the virus, and to make sure the company is prepared to handle the potential operational and financial consequences of the situation.

The company maintains a Code of Conduct to ensure that employees, hired personnel, consultants, and others acting on behalf of Aker BP, operate in a consistent manner with respect to ethics and good business practice. The Code of Conduct clarifies the company's fundamental ethical values

and is a guideline for those making decisions on behalf of the company. Aker BP requires that all its employees and consultants complete a mandatory annual Code of Conduct refresher course. In addition, Aker BP also maintains a Human rights policy to clarify its human rights commitments and describe how the company manages human rights impacts in the supply chain and across its operations. The Code of Conduct and the Human Rights Policy are available on the company's website.

The company demonstrates responsibility through actions, the quality of its work, the projects, products and all its activities. The company's ambition is that business activities shall integrate social, ethical, and environmental goals and measures. As a minimum, Aker BP will comply with laws, regulations, and conventions in the areas where the company operates, but the established set of ethical guidelines extends beyond such compliance. Established procurement procedures secure non-discrimination and transparency in the procurement processes, which also include environmental decision criteria. Aker BP has established an anti-corruption compliance program, and it is also stated in the Code of Conduct that no form of corruption is tolerated. Aker BP's Anti-Corruption Policy sets out in more detail the company's expectations regarding the actions of Aker BP representatives and business partners and is available on the company's website.

In addition, the company has a sponsorship policy and program to promote the company and its activities. Guidelines for the use of sponsorships are included in the sponsorship policy and in the Code of Conduct. Aker BP supports measures that improve the company's brand and profile, and measures that can be for the benefit of the employees. Information about ongoing sponsorships is available on the company's website.

The company routinely conducts impact assessments as an integrated part of the sanctioning process of projects, for the purpose of evaluating the effects that a development or a facility and its operation could have on the environment, including cultural monuments and cultural environment, natural resources, and society.

The company integrates considerations related to its stakeholders into its value creation and shall achieve its objectives in accordance with the Code of Conduct. In Aker BP's annual Sustainability Report, the company describes its business activities in terms of sustainability performance and development, its approach to environmental, social and governance (ESG) issues and presents a balanced picture of the opportunities and challenges it encounters in this area and how it works to address them. The report is available on the company's website.

Deviations to the code: None

3. EQUITY AND DIVIDENDS

The Board seeks to optimise the company's capital structure by balancing risk and return on equity against lenders' security and liquidity requirements. The company aims to have a good reputation in all debt and equity markets. The Board continuously evaluates the company's capital structure to ensure a capital and debt structure that is appropriate to the company's objectives, strategy, and risk profile. This involves monitoring available funding sources and related cost of capital. It is the company's goal that over time, Aker BP's shareholders shall receive a competitive return on their investment through a combination of increased share price and cash dividends.

The company's dividend policy is an integrated part of its overall capital allocation framework, together with and dependent on its financing and investment policies. The ambition is to provide a reliable dividend which grows in line with Aker BP's long-term value creation. Aker BP pays dividends in cash on a quarterly basis.

The Annual General Meeting (AGM) in April 2022 authorised the Board to approve the distribution of dividends based on the approved annual accounts for 2021, to facilitate quarterly dividend payments.

In 2022, the company paid USD 2.0 per share in dividends. For 2023, the Board has resolved to increase the dividend level to USD 2.2 per share.

The company's financial liquidity is strong with cash and cash equivalents of USD 2,756 million and undrawn amounts on committed credit facilities of USD 3.4 billion as of 31 December 2022.

Aker BP is currently rated by three rating agencies, S&P, Fitch, and Moody's, all of which have assigned Investment Grade (IG) credit ratings to the company. S&P Global Ratings and Fitch have both assigned a BBB long-term corporate credit rating with stable outlook, and Moody's has assigned a Baa2 rating with stable outlook.

In the company's capital allocation framework, maintaining financial flexibility and protecting the IG credit profile has the highest priority. This means that, if necessary, the company will adjust its plans for investments and dividends to protect its balance sheet. This was last demonstrated in 2020 at the onset of the Covid-19 pandemic.

At the end of 2022, the company's book equity was USD 12.4 billion, which represents 33 percent of the balance sheet total of USD 37.6 billion. The market value of the company's equity was USD 19.6 billion (NOK 192.2 billion) on 31 December 2022.

At the 2022 AGM, the merger of Lundin Energy MergerCo AB (publ) and Aker BP ASA was approved, including a share capital increase in connection with the merger. The merger was completed on 30 June 2022, and 271,908,701 new ordinary shares were issued as part of the merger consideration. The company's new share capital is accordingly NOK 632,022,210, divided into 632,022,210 shares, each with a nominal value of NOK 1.00.

In April 2022, the AGM authorised the Board to increase the share capital by a maximum of NOK 18,005,675, representing up to five percent of the total share capital at the time of such meeting. The authorisation can be utilised for share capital increases to strengthen the company's equity, convert debt into equity and fund business opportunities. At the time of this report, this mandate has not been used.

The AGM in April 2022 also provided the Board with a mandate to acquire treasury shares representing up to five percent of the total share capital at the time of such meeting. The mandate is valid until the AGM in 2023. As per 31 December 2022, the mandate had only been used in part and in connection with the share savings plan for employees. The company's employees subscribed for a total of 596,590 shares (approximately 0.1 percent of total shares outstanding). After delivery of these shares, Aker BP held 229,065 treasury shares at the end of 2022.

Deviations to the code: None

4. EQUAL TREATMENT OF SHAREHOLDERS AND TRANSACTIONS WITH CLOSE ASSOCIATES

The company has one class of shares and all shares carry the same rights.

When the company considers it to be in the best interest of shareholders to issue new equity there is a clear objective to limit the level of dilution. Aker BP will carefully consider alternative financing options, its overall capital structure, the purpose and need for new equity, the timing of such an offering, the offer share price, the financial market conditions, and the need for compensating existing shareholders if pre-emption rights are waived. Arguments for waiving pre-emption rights will be clearly stated.

If the Board decides to use its current authorisation to re-purchase company shares, the transactions will be carried out through the stock exchange or at prevailing stock exchange prices if carried out in any other way.

As per 31 December 2022, Aker ASA (Aker) owned 21.16 percent and bp p.l.c. (bp) owned 15.87 percent of Aker BP. Aker and bp both account for Aker BP in accordance with the equity method.

Aker BP is committed to equal treatment of all shareholders. The Board is of the view that it is positive for Aker BP that Aker and bp assume the role of active owners and are actively involved in matters of major importance to Aker BP and to all shareholders. The cooperation with Aker and bp offers Aker BP access to expertise and resources within upstream business activities, HSSEQ, technology, strategy, transactions, and funding. It may be necessary to offer Aker and bp special access to commercial information in connection with such cooperation. Any information disclosed to Aker's and bp's representatives in such a context will be disclosed in compliance with the laws and regulations governing the stock exchange and the securities market.

Applicable accounting standards and regulations require Aker and bp to prepare their consolidated financial statements to include accounting information of Aker BP. Aker BP is considered an associate of Aker and bp under the applicable accounting standard. To comply with these accounting standards, Aker and BP have in the past received, and will going forward receive, unpublished accounting information from Aker BP. Such distribution of unpublished accounting information from Aker BP to Aker and bp is executed under strict confidentiality and in accordance with applicable regulations on the handling of inside information.

The Board recognises Aker's and bp's contribution as active shareholders. Investor communication seeks to ensure that any shareholders can contribute, and management will actively meet with and seek the views of shareholders.

Aker BP has no related parties, as defined in the Public Limited Liability Company Act (Allmennaksjeloven).
The company has nevertheless established a policy for transactions with such parties. This policy requires that any material business acquisitions or agreements with any related parties which are not part of Aker BP's ordinary course of business are subject to an independent valuation. The Board of Directors and executive management are very conscious that all relations with Aker and bp, their subsidiaries and other companies in which Aker or bp have ownership interests or entities they have significant control over, shall be premised on commercial terms and are entered into on an arm's length basis. Transactions with Aker and bp controlled companies are described in the financial statements' disclosure about transactions with related parties.

Deviations to the code: None

5. SHARES AND NEGOTIABILITY

Aker BP's shares are freely negotiable securities and the company's Articles of Association do not impose any form of restriction on their negotiability.

The company's shares are listed on Oslo Børs and the company works actively to attract the interest of new Norwegian and foreign shareholders. Strong liquidity in the company's shares is essential for the company to be viewed as an attractive investment and thus achieve a competitive cost of capital.

Deviations to the code: None

6. GENERAL MEETINGS

The General Meeting of shareholders is the company's highest authority and elects the Board of Directors as the highest governing body. The Board strives to ensure that the General Meeting is an effective forum for communication between the shareholders and the Board and encourages shareholders to participate in the meetings.

The Board can convene an extraordinary General Meeting at any time. A shareholder or a group holding at least five percent of the company's shares can request an extraordinary General Meeting. The Board is then obliged to hold the meeting within one month of receiving the request.

Preparation for General Meetings

The AGM is normally held before the end of April each year, and no later than the end of June, which is the latest date permitted by the Public Limited Liability Companies Act. The date of the next AGM is normally included in the company's financial calendar, which is available on the company's website.

The notice of a General Meeting is sent to shareholders and published on the company's website and the stock exchange, no later than 21 days prior to the meeting.

Article 7 of the company's Articles of Association, about the General Meeting, stipulates that documents concerning matters to be considered by the General Meeting will be made available to the shareholders on the company's website. This also applies to documents that are required by law to be included in or enclosed with the notice of the General Meeting.

The supporting documentation provides the necessary information for shareholders to form a view on the matters to be considered.

Participation in a General Meeting

All shareholders are entitled to participate in the general meeting. According to Article 7 in the Articles of Association, the right to attend and vote at the General Meeting can only be exercised when the share transaction is recorded in the shareholder register no later than the fifth business day prior to the General Meeting (registration date).

Shareholders who are unable to attend a General Meeting are encouraged to vote by proxy or in writing, and instructions for how to do this are included with the notice. Voting and appointment of proxy can also be done electronically through the VPS web portal. Separate voting instructions can be given for each matter to be considered by the meeting. The deadline for registration is set as close as possible to the date of the meeting, normally the day before.

Conduct of a General Meeting and agenda for AGM

The Board proposes the agenda for the AGM. The main agenda items are determined by the requirements of the Public Limited Liability Companies Act and Article 7 in the company's Articles of Association.

Before the AGM, the Board will nominate a person who can vote on behalf of shareholders as their authorised representative. Shareholders may cast their votes in writing, including by means of electronic communication, in a period prior to the General Meeting. Appropriate arrangements are made for shareholders to be able to vote on each individual matter.

The chair of Aker BP's General Meetings is elected by the General Meeting itself.

The Code of Practice states that it is appropriate that all members of the Board should attend General Meetings. Representatives from the Board, the nomination committee, the auditor, and the executive management will attend the AGM.

Minutes of General Meetings are published on the company's website and through a stock exchange announcement.

Deviations from the code: The Code of Practice recommends that all members of the Board are present at the General Meeting and that the chairman of the Nomination Committee should attend the AGM. Due to the nature of discussions at General Meetings, Aker BP has not deemed it necessary to require all Board members and the chairman of the Nomination Committee to be present.

7. NOMINATION COMMITTEE

Article 8 in the company's Articles of Association stipulates the composition of and states the main duties of the Nomination Committee.

The company's Nomination Committee shall consist of three members elected by the General Meeting. The Nomination Committee should be composed in such a way that it represents a wide range of shareholders' interests, and if possible, both genders should be represented. More than half of the members shall be independent of the Board and the executive management, and the members shall be elected for a period of two years at a time.

The Nomination Committee shall propose candidates for - and remuneration to - the Board of Directors and the Nomination Committee and justify its recommendation for each candidate separately. The Nomination Committee's recommendations shall be well-grounded. When reporting its recommendations to the General Meeting, the Nomination Committee provides an account of how it has carried out its work.

The Nomination Committee ensures that the shareholder's views are taken into consideration when candidates are proposed. The committee also ensures that the proposed composition of the Board covers all relevant fields of competence, and that the requirement of at least 40 percent of each gender on the Board is met.

Shareholders have an opportunity to submit proposals to the committee. The electronic mailbox for submitting proposals to the committee, with deadlines for submitting proposals where such apply, is accessible through the company's website at www.akerbp.com/proposecandidate.

At the EGM in August 2022, Svein Oskar Stoknes was re-elected as the Chair of the Nomination Committee, and Ingebret Hisdal and Donna Riley were re-elected as members of the Nomination Committee for a term of two years until the AGM in 2024. No members of the committee are members of the executive management or the Board of Aker BP.

Deviations from the code: None

8. BOARD OF DIRECTORS: COMPOSITION AND INDEPENDENCE

The Board of Aker BP consisted of 12 members as of 31 December 2022. The company's Articles of Associations were changed in connection with the Lundin transaction to allow for additional board members and employee representatives. Article 5 stipulates that the Board shall consist of up to 14 members. As required for all Norwegian public limited liability companies, each gender shall be represented by at least 40 percent of the Board members (not applicable to employee representatives).

The general meeting elects the Board members and Chairman of the Board. The term of office for members of the Board is two years at a time.

Among the shareholder-elected Board members, two (Kjell Inge Røkke and Øyvind Eriksen) are affiliated with the company's largest shareholder Aker, and two (Murray Auchincloss and Kate Thomson) are affiliated with the company's second largest shareholder bp. All other Board members are considered independent, defined as individuals who don't have a material or pecuniary relationship with the company either directly or through one of the company's partners, main shareholders, or management members. All Board members are considered independent of the company's executive personnel.

In 2022, the Board conducted a total of 8 Board meetings. Participation was 88 percent.

The Board composition ensures alignment of interests with all shareholders and members of the Board are encouraged to own shares in the company. It is the Board's view that the Board collectively meets the need for expertise, capacity, and diversity. Aker BP's Board members have extensive industrial and managerial experience from the oil and energy sector as well as from the finance industry.

The average tenure of the current Board members is six years.

An overview of the expertise of the Board members is available on the website: akerbp.com/en/board-of-directors.

Deviations from the code: None

9. THE WORK OF THE BOARD OF DIRECTORS

The Board has authority over and is responsible for decision-making on, and supervision of, the company's business operations and management, including strategies and targets related to sustainable development, and has adopted a yearly plan for its activities. The Board handles matters of major importance, or of an extraordinary nature and may in addition require management to refer any matter to it. The objectives of the Board's work are to create value for the company's shareholders in both the short and long term and to ensure that Aker BP fulfils its obligations. An important task for the Board is to appoint the CEO and while the CEO is responsible for the day-to-day management of the company's business activities, carried out by the Executive Management Team (EMT), the Board acknowledges its responsibility for the overall management of the company. The Board is responsible for:

A. Reviewing strategic plans and supervising these through regular reporting and feedback,

B. Reviewing significant risks to Aker BP's activities and overseeing the establishment of appropriate systems to monitor and manage such risks,

C. Ensuring that shareholders have access to timely and correct information about financial circumstances and important business-related events in accordance with relevant legislation, and

D. Ensuring the establishment and securing the integrity of the company's internal control and management systems.

The Board recognises the significant risks associated with operations. Consequently, the Board has dedicated significant resources and time to understand and discuss not only general risks facing an E&P company, but also inherent risks connected to organization, culture, and leadership. For a company like Aker BP, the Board views the risks in taking on an operated development project and meeting the required financing for its entire portfolio as well as taking on operated assets, to be among the most significant risks. Accordingly, this is where the mitigating efforts are concentrated.

In addition to the above-mentioned responsibilities, the Board also develops, approves, monitors, and updates the company's sustainability strategies, policies, and goals. The Board's work in this regard includes, but is not limited to, approval of business plans in which emissions are an important decision criterion, and of initiatives to lower emissions from own operations as well as in the supply chain.

Aker BP's decarbonisation strategy consists of the following key 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
- Reduce the company's carbon intensity to below 4 kg CO_2 per boe by 2023
- Achieve net zero emissions across operations by 2030 by neutralising any residual emissions with high-quality carbon removal projects

Keep the methane intensity below 0.1 percent. The work of the Board is based on the rules of procedure describing the Board's responsibility including the division of roles between the Board and the CEO. There are specific instructions to guide the work of the CEO. The CEO, CFO and the company secretary attend all Board meetings. Other members of the company's executive management attend the Board meetings by invitation and as necessary due to specific matters. If the Chair of the Board has been personally involved in matters of a material character, the Deputy Chair takes over the tasks of the chair directing the Board's work in the specific matter.

Considering the size of the company and the scope of its activities, the Board finds it appropriate to keep all Board members informed about all Board matters, except for cases where Board members may have conflicting interests with the company.

The Board regularly carries out self-evaluations of its own performance, including evaluations of the Board's competence and potential areas for strengthening this competence. The head of the Audit and Risk Committee conducts one-on-one discussions with all board members as part of these self-evaluations. The latest self-evaluation was carried out by the Board at the turn of the year, and the results of the self-evaluations are communicated to and used by the Nomination Committee in its work.

The Board members and executive personnel are responsible for making the company aware of any material interests that they may have in items to be considered by the Board. The company's Code of Conduct requires all Aker BP representatives to act impartially in all business matters and provides clear guidelines on how to act in situations where there is a risk of conflicts of interest and partiality.

The Board of Directors has two sub-committees: The Audit and Risk Committee (ARC) and the Compensation and Organisational Development Committee.

Audit and Risk Committee

The Board has established an Audit and Risk Committee (ARC) consisting of the following Board members:

- Trond Brandsrud, Chair
- Anne Marie Cannon
- Kate Thomson

All members are independent of the company's executive management. Anne Marie Cannon sits on the Board of Directors in Aker Energy AS, which is 50 percent owned by Aker. Kate Thomson is SVP Finance Production & Operations at bp.

The Chair of the Audit and Risk Committee is considered to have experience and formal background qualifying as "financial expert" according to the requirement stated in the Public Limited Liability Company Act. From 2016 to 2019, he held several CEO and CFO roles in the financial services companies Lindorff, Intrum and Lowell, and from 2010 to 2015, he served as the Group Chief Financial Officer of Aker ASA. He has also been Chief Financial Officer in Seadrill, and he has held several leading financial positions in Shell for 20 years, both in Norway and globally.

The Audit and Risk Committee assists the Board's responsibilities within integrity of financial reporting and the financial reporting process. The committee holds regular meetings and reviews the quality of all interim and annual reports before they are reviewed by the Board of Directors and then published. The Audit and Risk Committee also reviews the Sustainability report. In 2022, the committee held eight meetings.

The Audit & Risk committee had responsibility for the company's election of new auditor PwC, which was formally decided by the annual general meeting in April 2022. The company's auditor works closely with the Audit and Risk Committee and attended all meetings during the year. The committee informs the Board of the result of the audit, including how the audit contributed to the integrity of the financial reporting. The committee also oversees the company's financial risk management, internal audit, and monitors and reviews the company's business risks. The Audit and Risk Committee oversees Aker BP's anti-corruption compliance program and handling of reports submitted via the company's whistleblowing channel.

The management and the Audit and Risk Committee evaluate the risk management on financial reporting and the effectiveness of established internal controls. Identified risks and effects of financial reporting are discussed on a quarterly basis.

It is the view of the committee that cooperation between the auditor and executive management is good. The Audit and Risk Committee works together with executive management and the auditor to improve the internal control environment according to the principles of the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework.

Compensation and Organizational Development Committee

The Board has a Compensation and Organizational Development Committee consisting of the following three Board members:

- Øyvind Eriksen, Chair
- Anne Marie Cannon
- Terje Solheim

The Compensation and Organizational Development Committee is established to ensure that remuneration arrangements support the strategy of the business and enable the recruitment, succession planning and leadership development, and motivation and retention of senior executives. It needs to comply with the requirements of regulatory and governance bodies, satisfy the expectations of shareholders and remain consistent with the expectations of the wider employee population. Further, the committee shall ensure that the overall organizational structure is set up to deliver on the company's strategy going forward. In 2022, the committee held eight meetings.

In addition to the above-mentioned committees, the Board may appoint various ad hoc sub-committees when required, with a limited timeframe and scope. The authority of a sub-committee is limited to preparing items and making recommendations to the Board.

Oversight of HSSE and operational risks

The oversight of health, safety, security, and environmental matters (HSSE) is retained directly by the Board. HSSE issues, including cyber security, is at the top of the agenda in every single Board meeting.

In addition, the Board has established a Safety and Environmental Assurance Committee (SEAC) to strengthen the administration work on health, safety, cyber security, and environmental matters. The committee reports to the Board on a quarterly basis and has in 2022 consisted of the following members:

- Fawaz Bitar, SVP HSE & Carbon, bp – Chair of the committee
- Karl Johnny Hersvik, CEO, Aker BP
- Marit Blaasmo, SVP HSSEQ, Aker BP
- Knut Sandvik, SVP Projects, Aker BP
- Mike Zanghi, VP Safety and Operational Risk assurance, Wells, bp
- Doris Reiter, SVP North Sea, bp
- Tommy Sigmundstad, SVP Drilling and Well, Aker BP
- Kelli Gustaf, Business Advisor, HSE & Carbon, bp
- Gemma Nicholson, North Sea Finance Manager/Business Manager Aker BP, bp
- Georg Vidnes, SVP Operations, Aker BP

SEAC assures that the HSSE work is adequately and properly organised and addressed throughout the entire company and that the HSSE policy and governing processes are embedded in all operations. In addition, SEAC shall:

- Review all risks related to operating activities, including operational integrity and technical and mechanical integrity of wells
- Review all risks related to cyber security
- Share learnings from incidents by in-depth analysis in the relevant areas of mutual interest or incident follow-up
- Align leadership experiences on common areas of focus in relation to management of safety and operational risk
- Share experiences and practices in the HSSE area
- Review and give advice to management regarding the company's HSSE work
- The committee may conduct visits to all relevant sites, including offshore installations, to ensure that the company's governing processes and proper practices are adhered to.

In 2022, the committee held four meetings.

Deviations from the code: None

10. RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

Appropriate internal control and risk management contributes to transparency and quality reporting for the benefit of the company, stakeholders, shareholders' long-term interests and operational excellence as an operator on the Norwegian Continental Shelf.

The company continuously and systematically operates a robust and transparent risk management process throughout the organization. The purpose of the process is to enable the company to maximise opportunities, minimise threats and optimise achievements of business objectives.

Except for one exploration license in the UK shelf,, the company's operational activities are limited to Norway and are subject to Norwegian regulations. All activities taking place in a production license are subject to supervision and audits from governmental bodies like the Petroleum Safety Authority Norway, the Norwegian Environment Agency, and from license partners.

The Board considers risk in the context of growing a sustainable business while meeting governance, safety and accountability expected by stakeholders. The Board and the Audit and Risk Committee regularly review major risks identified and communicated through the company Enterprise Risk Management process.

The Business Management System (BMS) is the company's framework for creating and sustaining value, trust, and predictability. BMS describes how Aker BP works, controls risk and improves. The BMS describes approximately 300 business processes supplemented by governing documents, requirements, and descriptions.

Risk-based assurance of conformity to the business management system requirements is governed by the company's "Three lines of assurance" model. An improved framework for Aker BP's "Three lines of assurance" was introduced in 2020 and is continually under improvement with regards to processes and tools to enhance execution. First- and second-line assurance-activities are performed by management. First and second line roles are responsible for delivery and assurance of core activities, by establishing and maintaining appropriate structures and processes for the management of operations and risk, including internal controls to ensure conformity with regulatory and ethical requirements and expectations.

Internal audit is established as the third line of assurance, providing independent and objective assurance and advice on the adequacy and effectiveness of governance and risk management. This is achieved through the application of systematic and risk-based audits. To ensure the independence of the internal audit function, the chief audit officer reports administratively to CEO, and functionally to the board of directors.

Internal control for financial reporting

Aker BP has established a framework for Internal Control for Financial Reporting based on the principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is operationalised as follows:

- Internal Control Environment
- Risk Assessment
- Risk Response and Control Activities
- Information and communication
- Monitoring

The established framework is an integrated part of the company's management system. The company's internal control environment is characterised by clearly defined responsibilities and roles between the Board of Directors, Audit and Risk committee and management. The implemented procedure for financial reporting is integrated with the company's management system, including ethical guidelines that describe how the representatives of the company must act. Aker BP's Anti-Corruption Policy and Speak-up policy provide additional control mechanisms to address and detect deviations.

The company has established processes, procedures, and controls for financial reporting, which are appropriate for an exploration and production company. The company's documented procedures are designed to provide:

- Effective and appropriate identification and mitigation of financial reporting risks
- Measurement of compliance against procedures
- Appropriate segregation of duties
- Provision of relevant, timely and reliable financial reporting that provides a fair view of Aker BP's business

- Safeguard against fraudulent manipulation of reported figures
- Compliance with all relevant requirements of IFRS

A risk assessment related to financial reporting is performed and documented by management and reviewed by the Audit and Risk Committee, which also performs a quarterly risk review of business risks. The Committee reports any findings or deviations to the Board of Directors. In 2022, the following main risk areas were identified related to financial reporting:
- Purchase Price Allocation in relation to the acquisition of Lundin Energy's oil and gas business – risk of errors in measurement of assets and liabilities
- Impairment of goodwill, tangible and intangible assets – There is a risk that reductions in recoverable values below book values are not identified and recorded in an appropriate manner
- Tax – Complexity in tax regulations and calculation entail risk of error in financial reporting
- Asset retirement obligation (ARO) - There is a risk of errors in the input and calculations during the ARO estimation process

The company seeks to communicate transparently on its activities and its financial reporting based on significant interaction between financial reporting management and management responsible for exploration, development, production, and decommissioning activities in the business.

Key events that may affect the financial reporting are identified and monitored continuously. Judgmental items regarding the financial reporting and tax consideration are presented to the Audit and Risk Committee at least on a quarterly basis.

The Finance Department monitors the compliance with established procedures and reports any material deviations to the Audit and Risk Committee. It also identifies actions to improve procedures and conducts a self-assessment of its performance against objectives, which are then presented and discussed with the Audit and Risk Committee.

Deviations from the code: None

11. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board members is not performance-based but based on a fixed annual fee. None of the shareholder-elected Board members have pension schemes or termination payment agreements with the company. The company does not grant share options to members of the Board. Information about all remuneration paid to individual Board members is provided in Note 9 to the annual accounts.

The General Meeting decides the remuneration of the Board and the sub-committees. The Nomination Committee proposes the remuneration of the Board to the General Meeting and ensures that it reflects the responsibility of its members and the time spent on Board work. The Board must approve any Board member's consultancy work for the company and remuneration for such work. No such work was carried out during 2022.

Deviations from the code: None

12. REMUNERATION OF EXECUTIVE PERSONNEL

The Board is responsible for the company's guidelines for executive remuneration, including the CEO's remuneration and other terms and conditions of employment. These guidelines set out the main principles applied in determining the salary and other remuneration of executive personnel and are described in the company's remuneration policy which is subject to approval by the General Meeting.

The total remuneration consists of a base salary, a pension contribution, an annual bonus based on company

performance, and a long-term share-based incentive (LTIP). Members of EMT are covered under the same budget, guidelines, and limitations as other onshore personnel in the company.

Information about all remuneration paid to the CEO and the EMT members is provided in Note 9 to the annual accounts.

13. INFORMATION AND COMMUNICATIONS

Aker BP maintains a proactive dialogue with analysts, investors, and other stakeholders of the company. The company strives to continuously publish relevant information to the market in a timely, effective, and non-discriminatory manner, and has a clear goal to attract both Norwegian and foreign investors and to promote higher stock liquidity. The company complies with the Oslo Børs Code of Practice for IR of 1 July 2019.

All stock exchange announcements are made available on the Oslo Børs' website, newsweb.no, as well as the company's website at the same time. The announcements are also distributed to news agencies and other online services.

Aker BP publishes its preliminary annual accounts by the end of February, as part of its fourth quarter report. The complete annual report, including approved and audited accounts and the Board of Directors' Report, is available no later than three weeks before the AGM. Information sent to shareholders is published on the website simultaneously.

The company's financial calendar for the coming year is published as a stock exchange announcement and made available on the company's website no later than 31 December each year, in accordance with the continuing obligations for companies listed on Oslo Børs.

Aker BP's presentations of quarterly results are webcasted live through the company's web page and are also made available for replay. At the presentations, executive management review and comment on the published results, market conditions and the company's future activities, and answer questions from the audience.

The company's management gives high priority to communication with the capital markets. Individual meetings are organised for a wide range of existing and potential new investors and analysts. The company also attends relevant industry and investor conferences.

Aker BP will reduce its contacts with analysts, investors, and journalists in the final 30 days before publication of its results. During this period, the company will give no comments to the media or other parties about the company's results and outlook. This is to ensure that all interested parties in the market are treated equally.

With respect to communicating critical concerns to the Board, the company has multiple reporting channels through which concerns may be raised, all of which are highlighted in employee's annual refresher Code of Conduct course. Regardless of the channel used to raise concerns, they are normally first lifted to the Audit and risk committee (ARC) for initial assessment, following which they are lifted to the Board if necessary. The compliance department reports regularly to the ARC and informs the committee about cases received through the company's integrity channel which is also available for external stakeholders. If the ARC considers it critical, the concern would be then lifted to the Board. The number of cases received through the whistleblowing channel is available in the ESG report under the compliance chapter.

Deviations from the code: None

14. TAKE-OVERS

The Board has established a separate set of guidelines for how it will act in the event of a takeover bid, as recommended by the Code of Practice. The overriding principle for review of a takeover bid is equal treatment of shareholders. The principles are based on the Board of Directors and management having an independent responsibility for fair and equal treatment of shareholders in a takeover process, and that the day-to-day operations of the company are not unnecessarily disturbed. It is management's responsibility to ensure that the Board of Directors is made aware of any potential takeover bid, while the Board of Directors is responsible for ensuring that shareholders are kept informed and are given reasonable time to consider the offer.

Unless the Board of Directors has a particular reason, it will not take steps to prevent or obstruct a takeover bid for the company's shares, nor hinder the progress of the bid without approval from shareholders.

If an offer is made for Aker BP's shares, the Board of Directors shall make a statement to the shareholders that contains an assessment of the bid, the Board of Directors' recommendations and the reason for the recommendation. If the Board of Directors is unable to make a recommendation to shareholders, the Board of Directors shall explain its reasoning for this.

Transactions that have the effect of a sale of the company or a major part of it must be decided on by a general meeting.

Deviations from the code: None

15. AUDITOR

The AGM elects the auditor and approves the auditor's fee. The Board of Directors will meet with the auditor annually without representatives of company management being present, to review internal control procedures and discuss any weaknesses and proposals for improvement. The auditor is invited to and participates in the Board meetings to discuss

the annual accounts. In these meetings, the auditor reports on any material changes in the company's accounting principles and key aspects of the audit, including matters on which there has been disagreement between the auditor and the executive management of the company.

The auditor participates in all meetings with the Audit and Risk Committee and meets the Audit and Risk Committee without the company's management being present. The Board ensures that the auditor submits the main features of the plan for the annual audit of the company to the Audit and Risk Committee annually. The auditor's independence in relation to the company is evaluated annually. The auditor may carry out certain audit related or non-audit services for the company, providing these are not in conflict with its duties as auditor. The company has established an audit and non-audit service policy.

In the annual financial statements, the auditor's remuneration is split between the audit fee and fees for other services. In the presentation to the AGM, the chair presents a breakdown between the audit fee and fees for other services.

Deviations from the code: None

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INCOME STATEMENTS

(USD 1 000)	Note	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
Petroleum revenues	6	12 896 182	5 639 990	9 258 009	5 639 990
Other income	6	113 716	28 757	111 302	28 757
Total income		**13 009 898**	**5 668 747**	**9 369 311**	**5 668 747**
Production costs	7	932 870	745 313	814 453	745 313
Exploration expenses	8	242 193	353 034	196 187	353 034
Depreciation	14	1 785 672	1 192 889	1 231 775	1 192 889
Impairments	14,15	1 032 154	262 554	830 650	262 554
Other operating expenses	9,10	52 577	29 261	50 229	29 261
Total operating expenses		**4 045 466**	**2 583 051**	**3 123 294**	**2 583 051**
Operating profit		**8 964 432**	**3 085 696**	**6 246 017**	**3 085 696**
Interest income		25 959	2 481	23 019	2 481
Other financial income		774 287	116 171	659 801	116 171
Interest expenses		107 718	139 533	120 244	139 533
Other financial expenses		880 109	169 032	597 072	169 032
Net financial items	11	**-187 581**	**-189 913**	**-34 496**	**-189 913**
Profit before taxes		**8 776 851**	**2 895 783**	**6 211 521**	**2 895 783**
Taxes (+)/tax income (-)	12	7 173 910	2 067 855	5 088 901	2 067 855
Net profit		**1 602 940**	**827 928**	**1 122 620**	**827 928**
Weighted average no. of shares outstanding basic and diluted	13	496 764 969	359 642 622	496 764 969	359 642 622
Basic and diluted earnings USD per share	13	3.23	2.30	2.26	2.30

STATEMENT OF COMPREHENSIVE INCOME

(USD 1 000)	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
Profit for the period		1 602 940	827 928	1 122 620	827 928
Items which will not be reclassified over profit and loss (net of taxes)					
Foreign currency translation		295 325	-	-	-
Actuarial gain/loss pension plan		3	-	3	-
Total comprehensive income in period		**1 898 268**	**827 928**	**1 122 623**	**827 928**

STATEMENT OF FINANCIAL POSITION

		Group		Parent	
			Restated		Restated
(USD 1 000)	Note	31.12.2022	31.12.2021	31.12.2022	31.12.2021
ASSETS					
Intangible assets					
Goodwill	14	13 934 986	1 647 436	13 934 986	1 647 436
Capitalized exploration expenditures	14	251 736	256 535	251 736	256 535
Other intangible assets	14	2 344 354	1 407 551	2 344 354	1 407 551
Tangible fixed assets					
Property, plant and equipment	14	15 886 659	10 214 438	15 886 659	10 214 438
Right-of-use assets	14	111 336	94 177	111 336	94 177
Financial assets					
Long-term receivables		169 528	73 346	175 557	73 346
Other non-current assets	19	104 480	30 304	104 480	30 304
Long-term derivatives	24	2 907	1 375	2 907	1 375
Total non-current assets		**32 805 987**	**13 725 162**	**32 812 015**	**13 725 162**
Inventories					
Inventories	18	209 506	126 442	209 506	126 442
Receivables					
Trade receivables	16	950 942	366 785	950 942	366 785
Other short-term receivables	17	686 237	500 154	686 661	500 154
Short-term derivatives	24	153 096	18 577	153 096	18 577
Cash and cash equivalents					
Cash and cash equivalents	20	2 756 012	1 970 906	2 756 008	1 970 906
Total current assets		**4 755 793**	**2 982 863**	**4 756 214**	**2 982 863**
TOTAL ASSETS		**37 561 780**	**16 708 025**	**37 568 229**	**16 708 025**

STATEMENT OF FINANCIAL POSITION

		Group		Parent	
			Restated		Restated
(USD 1 000)	Note	31.12.2022	31.12.2021	31.12.2022	31.12.2021
EQUITY AND LIABILITIES					
Equity					
Share capital	21	84 348	57 056	84 348	57 056
Share premium		12 946 640	3 637 297	12 946 640	3 637 297
Other equity		-603 482	-1 497 538	-596 809	-1 497 538
Total equity		**12 427 506**	**2 196 814**	**12 434 178**	**2 196 814**
Non-current liabilities					
Deferred taxes	12	9 359 146	3 291 287	9 359 146	3 291 287
Long-term abandonment provision	23	4 050 396	5 071 491	4 050 396	5 071 491
Long-term bonds	22	5 279 164	3 576 735	5 279 164	3 576 735
Long-term derivatives	24	16 981	2 370	16 981	2 370
Long-term lease debt	26	98 095	91 835	98 095	91 835
Other non-current liabilities	19	82 306	-	82 306	-
Total non-current liabilities		**18 886 088**	**12 033 718**	**18 886 088**	**12 033 718**
Current liabilities					
Trade creditors		133 875	147 366	133 875	147 366
Accrued public charges and indirect taxes		36 632	28 147	36 632	28 147
Tax payable	12	5 084 142	1 497 291	5 084 142	1 497 291
Short-term derivatives	24	34 924	35 082	34 924	35 082
Short-term abandonment provision	23	115 202	100 863	115 202	100 863
Short-term lease debt	26	36 298	44 378	36 298	44 378
Other current liabilities	25	807 113	624 366	806 891	624 366
Total current liabilities		**6 248 186**	**2 477 493**	**6 247 963**	**2 477 493**
Total liabilities		**25 134 274**	**14 511 211**	**25 134 051**	**14 511 211**
TOTAL EQUITY AND LIABILITIES		**37 561 780**	**16 708 025**	**37 568 229**	**16 708 025**

BoD signatures on next page.

The Board of Directors and the CEO of Aker BP ASA, Fornebu, 15 March 2023

ØYVIND ERIKSEN
Chairman of the Board

ANNE MARIE CANNON
Deputy Chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

KATE THOMSON
Board member

MURRAY AUCHINCLOSS
Board member

TERJE SOLHEIM
Board member

INGARD HAUGEBERG
Board member

TORE VIK
Board member

HILDE KRISTIN BREVIK
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

STATEMENT OF CHANGES IN EQUITY - GROUP

(USD 1 000)	Share capital	Share premium	Other equity				Total other equity	Total equity
				Other comprehensive income				
			Other paid-in capital	Actuarial gains/(losses)	Foreign currency translation reserves	Accumulated deficit		
Equity at 01.01.2021 before restatement	**57 056**	**3 637 297**	573 083	-76	-115 491	-2 164 587	**-1 707 071**	**1 987 281**
Change in accounting principle[1)]	-	-	-	-	-	-122 300	-122 300	-122 300
Restated equity as of 01.01.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-2 286 886	**-1 829 371**	**1 864 982**
Dividends distributed	-	-	-	-	-	-487 500	-487 500	-487 500
Restated profit for the period	-	-	-	-	-	827 928	827 928	827 928
Purchase/sale of treasury shares[2)]	-	-	-	-	-	-8 595	-8 595	-8 595
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Equity as of 31.12.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-1 955 054	**-1 497 538**	**2 196 814**
Dividends distributed	-	-	-	-	-	-1 005 731	-1 005 731	-1 005 731
Private placement	27 292	9 309 343	-	-	-	-	-	9 336 636
Profit for the period	-	-	-	-	-	1 602 940	1 602 940	1 602 940
Purchase/sale of treasury shares[2)]	-	-	-	-	-	1 524	1 524	1 524
Other comprehensive income for the period	-	-	-	-3	295 325	-	295 323	295 323
Equity as of 31.12.2022	**84 348**	**12 946 640**	573 083	-78	179 834	-1 356 320	**-603 482**	**12 427 506**

[1)] Relates to changes in accounting principle for deferred tax on capitalised interest, as described in note 1

[2)] The treasury shares are purchased/sold for use in the company's share saving plan.

STATEMENT OF CHANGES IN EQUITY - Parent

(USD 1 000)	Share capital	Share premium	Other equity					
				Other comprehensive income				
			Other paid-in capital	Actuarial gains/(losses)	Foreign currency translation reserves	Accumulated deficit	**Total other equity**	**Total equity**
Equity at 01.01.2021 before restatement	**57 056**	**3 637 297**	573 083	-76	-115 491	-2 164 587	**-1 707 071**	**1 987 281**
Change in accounting principle[1)]	-	-	-	-	-	-122 300	-122 300	-122 300
Restated equity as of 01.01.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-2 286 886	**-1 829 371**	**1 864 982**
Dividends distributed	-	-	-	-	-	-487 500	-487 500	-487 500
Restated profit for the period	-	-	-	-	-	827 928	827 928	827 928
Purchase/sale of treasury shares[2)]	-	-	-	-	-	-8 595	-8 595	-8 595
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Equity as of 31.12.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-1 955 054	**-1 497 538**	**2 196 814**
Dividends distributed	-	-	-	-	-	-1 005 731	-1 005 731	-1 005 731
Private placement	27 292	9 309 343	-	-	-	-	-	9 336 636
Profit for the period	-	-	-	-	-	1 122 620	1 122 620	1 122 620
Purchase/sale of treasury shares[2)]	-	-	-	-	-	1 524	1 524	1 524
Equity impact from mergers	-	-	-	-	-	782 318	782 318	782 318
Other comprehensive income for the period	-	-	-	-3	-	-	-3	-3
Equity as of 31.12.2022	**84 348**	**12 946 640**	573 083	-78	-115 491	-1 054 323	**-596 809**	**12 434 178**

[1)] Relates to changes in accounting principle for deferred tax on capitalised interest, as described in note 1

[2)] The treasury shares are purchased/sold for use in the company's share saving plan.

STATEMENT OF CASH FLOWS

(USD 1 000)	Note	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/loss before taxes		8 776 851	2 895 783	6 211 521	2 895 783
Taxes paid		-5 332 125	-296 155	-3 205 490	-296 155
Taxes refunded		-	72 989	-	72 989
Depreciation	14	1 785 672	1 192 889	1 231 775	1 192 889
Impairment	14,15	1 032 154	262 554	830 650	262 554
Accretion expenses related to abandonment provisions	11,23	119 895	61 944	107 907	61 944
Total interest expenses (excluding amortized loan costs)	11	75 903	117 073	101 079	117 073
Changes in unrealized gain/loss in derivatives	6,11	-325 242	50 015	-325 242	50 015
Amortized loan costs	11	31 815	22 460	19 164	22 460
Expensed capitalized dry wells	8,14	135 800	98 827	108 560	98 827
Changes in inventories, trade creditors and receivables		-268 657	-48 794	-82 628	-48 794
Changes in other balance sheet items		-302 594	-147 428	-601 321	-147 428
NET CASH FLOW FROM OPERATING ACTIVITIES		**5 729 472**	**4 282 157**	**4 395 976**	**4 282 157**
CASH FLOW FROM INVESTMENT ACTIVITIES					
Payment for removal and decommissioning of oil fields	23	-78 870	-172 512	-78 177	-172 512
Disbursements on investments in fixed assets (excl capitalized interest)	14	-1 580 045	-1 376 879	-1 268 985	-1 376 879
Disbursements on investments in capitalized exploration expenditures	14	-251 764	-177 464	-194 660	-177 464
Investments in financial asset		-95 000	-	-95 000	-
Consideration paid in Lundin Energy transaction net of cash acquired	2	-1 228 922	-	-895 900	-
Cash received from sale of financial asset	19	118 005	-	118 005	-
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-3 116 596**	**-1 726 855**	**-2 414 717**	**-1 726 855**
CASH FLOW FROM FINANCING ACTIVITIES					
Net drawdown/repayment/fees related to revolving credit facility		-601 050	-7 675	-1 050	-7 675
Repayment of bonds		-	-1 282 503	-	-1 282 503
Net proceeds from bond issue		-	899 334	-	899 334
Interest paid (including interest element of lease payments)		-156 465	-151 085	-130 965	-151 085
Payments on lease debt related to investments in fixed assets		-42 452	-44 805	-37 537	-44 805
Payments on other lease debt		-24 121	-39 810	-22 922	-39 810
Paid dividend		-1 005 731	-487 500	-1 005 731	-487 500
Net purchase/sale of treasury shares		1 524	-8 595	1 524	-8 595
NET CASH FLOW FROM FINANCING ACTIVITIES	29	**-1 828 294**	**-1 122 640**	**-1 196 682**	**-1 122 640**
Net change in cash and cash equivalents		**784 582**	**1 432 662**	**784 578**	**1 432 662**
Cash and cash equivalents at start of period		1 970 906	537 801	1 970 906	537 801
Effect of exchange rate fluctuation on cash held		525	443	525	443
CASH AND CASH EQUIVALENTS AT END OF PERIOD	20	**2 756 012**	**1 970 906**	**2 756 008**	**1 970 906**

NOTES TO THE ACCOUNTS

GENERAL INFORMATION

Aker BP ASA ("Aker BP" or "the company") is an oil and gas company involved in exploration, development and production of oil and gas on the Norwegian Continental Shelf (NCS).

The company is a public limited liability company registered and domiciled in Norway. Aker BP's shares are listed on Oslo Stock Exchange (Oslo Børs) under the ticker AKRBP. The company's registered business address is Oksenøyveien 10, 1366 Lysaker, Norway.

Prior to the acquisition of Lundin Energy as described below, the Aker BP group comprised the parent company Aker BP ASA and the three subsidiaries Det norske oljeselskap AS (including its subsidiary Aker BP UK Limited), Alvheim AS and Sandvika Fjellstue AS. Det norske oljeselskap AS, Alvheim AS and Sandvika Fjellstue AS are not consolidated in the group financial statements as they are immaterial.

The acquisition of the Lundin Energy's oil and gas business ("Lundin Energy") was completed on 30 June 2022. The activity of Lundin Energy has been fully reflected in the financial statements from 30 June 2022, including effects from the fair value adjustment of Lundin Energy in line with IFRS 3, as described in note 2 At year end 2022 all legal entities acquired in the Lundin transaction were either liquidated or merged into Aker BP ASA. See note 3 for more information about subsidiaries.

The financial statements were approved by the Board of Directors on 15 March 2023 and will be presented for approval at the Annual General Meeting on 14 April 2023.

NOTE 1: SUMMARY OF IFRS ACCOUNTING POLICIES

1.1 Basis of preparation

The group and the parent company financial statements have been prepared in accordance with the Norwegian Accounting Act and International Financial Reporting Standards as adopted by the EU ("IFRS").

The financial statements have been prepared on a historical cost basis with the exception of the following accounting items which are measured on an alternative basis at each reporting date

- Financial instruments at fair value through profit or loss.
- Loans, receivables and other financial liabilities, which are recognized at amortized cost.

All amounts have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

The group financial statements for Aker BP ASA include the subsidiaries as described in note 3. The accounting policies are applied consistently when consolidating ownership interests in subsidiaries and are based on the same reporting periods as those used for the parent company. When preparing the consolidated financial statements, intragroup transactions and balances, along with gains and losses on transactions between group units, are eliminated.

1.2 Functional currency and presentation currency

The presentation currency in the Group's consolidated financial statements is United States Dollars ("USD"). The parent company of the Group, Aker BP ASA, has USD as its functional currency as most revenue and financing are in USD and represents the primary economic environment in which the entity operates. Balance sheet items of subsidiaries in other functional currencies are translated into the presentation currency, USD, according to the exchange rates prevailing on the balance sheet date, while profit or loss items are translated according to average quarterly exchange rates for the relevant quarters.

In all material respects, the activity of Lundin Energy has been conducted in the legal entity ABP Norway AS (previously Lundin Energy Norway AS), which had NOK as its functional currency. In line with accounting guidance, the related purchase price allocation (PPA) has been fixed in NOK accordingly, and thus given rise to foreign currency translation in the group accounts recognized in the statement of comprehensive income during the second half of 2022. At 31 December 2022, ABP Norway AS merged with Aker BP ASA, meaning that the mentioned impact on comprehensive impact will cease from 1 January 2023.

1.3 Important accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that have an effect on the application of accounting policies and the reported assets, liabilities, income and expenses.

The important judgments management has made regarding the application of accounting policies are as follows:

Goodwill allocation and methodology for impairment testing

For the purpose of impairment testing, goodwill is allocated to a cash-generating unit (CGU), or groups of CGUs that are expected to benefit from the synergies of the business combination from which it arose. The allocation of goodwill requires judgment and may significantly impact any subsequent impairment charge. Although not an IFRS term, "technical goodwill" is used by Aker BP to describe the category of goodwill arising as an offsetting account to deferred tax liabilities recognised in business combinations, as described in section 1.8 below. There are no specific IFRS guidelines pertaining to the allocation of technical goodwill, and management has therefore applied the general guidelines for allocating goodwill. In general, technical goodwill is allocated at the CGU level for impairment testing purposes, while residual goodwill may be allocated across all CGUs based on the facts and circumstances of the business combination.

When performing the impairment test for technical goodwill, deferred tax liabilities recognized in relation to the acquired licenses reduce the net carrying value prior to any impairment charges. This methodology avoids an immediate impairment of all technical goodwill. When deferred tax liabilities from the initial recognition decreases, additional technical goodwill is 'exposed' to impairment. Subsequent to the initial purchase price allocation, depreciation of book values will result in decreasing deferred tax liabilities. When applicable, technical goodwill is impaired before the asset.

Accounting estimates are used to determine reported amounts, including the depreciation of assets, the cost and timing of decommissioning activities, impairment testing of goodwill and the recognition and measurement of tax liabilities. Whilst these estimates are based on management's best judgment and assessments of previous and current events and actions, the actual results may deviate from the original estimates. Changes to accounting estimates are recognized in the period when they arise. The main sources of uncertainty when making estimates and judgments relate to the following:

Proven and probable oil and gas reserves
Oil and gas reserves are estimated by the company's experts in accordance with industry standards. The estimates are based on Aker BP's own assessment of internal information and information received from operators. In addition, proven and probable reserves are certified by an external party. Proven and probable oil and gas reserves consist of the estimated quantities of crude oil, natural gas and condensates shown by geological and technical data to be recoverable with reasonable certainty from known reservoirs under existing economic and operational conditions, i.e. on the date that the estimates are prepared. Current market prices are used in the estimates.

Proven and probable reserves and production volumes are used to calculate the depreciation of oil and gas fields by applying the unit-of-production method. Reserve estimates are also used as basis for impairment testing of license-related assets and goodwill. Changes in petroleum prices and cost estimates may change reserve estimates and accordingly economic cut-off, which may impact the timing of assumed decommissioning and removal activities. Changes to reserve estimates can also result from updated production and reservoir information. Future changes to proven and probable oil and gas reserves can have a material effect on depreciation, life of field, impairment of license-related assets and goodwill, and operating results.

Successful Effort Method - exploration
Expenses relating to the drilling of exploration wells are temporarily recognized in the Statement of financial position as capitalized exploration expenditures, pending an evaluation of potential oil and gas discoveries. If resources are not discovered, or if recovery of the resources is considered technically or commercially unviable, the costs of exploration wells are expensed. Judgments as to whether this expenditure should remain capitalized or be expensed at the reporting date may materially affect the operating result for the period

Fair value measurement
The fair values of non-financial assets and liabilities are required to be determined, for example in a business combination, to determine the allocation of purchase price in an asset deal or when the recoverable amount of an asset or CGU is based on fair value less cost to sell. Fair value is 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. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the model may require significant judgment, as described in the section below regarding impairment.

Impairment/reversal of impairment
Changes in the expected future value/cash flows of CGUs results in impairment if the estimated recoverable value is lower than the book value (including any allocated goodwill) or the reversal of previously recognized impairment if the recoverable value is higher than the book value (though impairment of goodwill is not reversed). Estimates of recoverable value involve the application of judgment and assumptions, including the modelling of future cash flows to estimate the CGUs value in use or fair value.

The evaluation of impairment requires long-term assumptions concerning a number of often volatile economic factors, including future oil prices, oil production, currency exchange rates and discount rates. Such assumptions require the estimation of relevant factors such as long-term prices, the levels of capex and opex, production estimates and decommissioning costs. These evaluations are also necessary to determine a CGU's fair value unless information can be obtained from an actual observable market transaction. See note 14 'Tangible fixed assets and intangible assets' and note 15 'Impairments' for details of impairments.

Decommissioning and removal obligations
The company has obligations to decommission and remove offshore installations at the end of their production period. Obligations associated with decommissioning and removal of long-term assets are recognized at present value of future expenditures at the date they are expected to be incurred. At the initial recognition of an obligation, the estimated cost is capitalized as property, plant and equipment and depreciated over the useful life of the asset (typically by application of the unit-of-production method). There is significant future uncertainty in the estimate of costs for decommissioning and removal, as these estimates are based on currently applicable laws and regulations, and existing technologies. Many decommissioning and removal activities will take place many decades in the future, and the technology and related costs are expected to evolve in this time. The estimates include costs based on expected removal concepts using existing technology and estimated costs of maritime operations, hiring of single-lift and heavy-lift barges and drilling rigs. As as result, there may be significant adjustments to the estimates of decommissioning liabilities and associated assets that can affect future financial results. Changes in the estimated decommissioning liabilities are booked towards property, plant and equipment. See note 23 'Provision for abandonment liabilities' for further details about decommissioning and removal obligations.

Income tax
Income tax expense, tax payables or receivables, and deferred taxes are based on management's interpretation of applicable laws and regulations, and on relevant court decisions where relevant. These estimates are dependent on management's ability to interpret and apply the requirements of tax and other relevant legislation, and requires judgment in respect of the recognition and measurement of any uncertain tax positions. See note 12 'Taxes' for further details.

1.4 Foreign currency transactions

Transactions and balances
Transactions denominated in foreign currencies are translated using the exchange rate on the transaction date. Monetary items denominated in foreign currencies in the Statement of Financial Position are translated using the exchange rates at the reporting date. Foreign exchange gains and losses are recognized as incurred. Non-monetary items that are measured at historical costs in a foreign currency are translated using the exchange rates on the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate on the date when the fair value is determined.

1.5 Revenue recognition

Revenue from the sale of liquids or gas is recognised at the point in time when the company's contractual performance obligations have been fulfilled and control is transferred to the customer, which will ordinarily be at the point of delivery when title passes (sales method). This is normally at the time of loading oil or NGL on vessels used for transport, or at agreed point of delivery for dry gas.

There is no significant judgement applying IFRS 15 'Revenue from contracts with customers' to the company's revenue generating contracts.

Changes in over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. See note 7 for further details.

Gains or losses on asset disposals as described in section 1.9 are included in other operating income.

Tariff revenue from processing of oil and gas is recognized as earned in line with underlying agreements.

1.6 Interests in licenses and partnerships

IFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

The company has interests in licenses on the Norwegian Continental Shelf. Under IFRS 11 Joint Arrangements, a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. The company recognizes investments in joint operations (oil and gas production licenses) by reporting its share of related revenues, expenses, assets, liabilities and cash flows under the respective items in the company's financial statements.

For those licenses that are not deemed to be joint arrangements pursuant to the definition in IFRS 11 as there is no joint control, the company recognizes its share of related expenses, assets, liabilities and cash flows on a line-by-line basis in the financial statements by analogy to IFRS 11 and in accordance with applicable IFRSs.

1.7 Classification in statement of financial position

Current assets and current liabilities include items that fall due for payment less than a year from the end of the reporting period and items relating to the ordinary business cycle.
The following year's instalments on long-term liabilities are classified as current liabilities. Financial investments in shares are classified as current assets, while strategic investments are classified as non-current assets.

1.8 Business combinations and goodwill

In order to consider an acquisition as a business combination, the acquired asset or groups of assets must constitute a business (an integrated set of operations and assets conducted and managed for the purpose of providing a return to the investors). The combination consists of inputs and substantive processes applied to these inputs that have the ability to create outputs. Amendments to IFRS 3 effective in January 2020 introduce a new optional 'concentration test' which may result in a business combination being accounted for as an asset acquisition if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group or similar identifiable assets.

Acquired businesses are included in the financial statements from the transaction date. The transaction date is defined as the date on which the company obtains control over the financial and operating assets. This date may differ from the actual date on which the assets are transferred.

For accounting purposes, the acquisition method is applied to the purchase of businesses. Acquisition cost equals the fair value of consideration, including contingent consideration, equity instruments issued and liabilities assumed in connection with the transfer of control. Acquisition cost is measured against the fair value of the acquired assets and liabilities. Identifiable intangible assets are regognized in connection with acquisitions if they can be separated from other assets or meet the legal contractual criteria. If the acquisition cost at the time of the acquisition exceeds the fair value of the acquired net assets (when the acquiring entity achieves control of the transferring entity), goodwill arises.

In a business combination, if the fair value of the net identifiable assets acquired exceeds the acquisition cost on the acquisition date, the excess amount is taken to the Income statement immediately.

In a business combination, goodwill is allocated to the CGUs or groups of CGUs that are expected to benefit from synergies of the acquisition. The allocation of goodwill may vary depending on the basis for its initial recognition.

The majority of the company's goodwill is related to the requirement to recognize deferred tax for the difference between the assigned fair values and the related tax base ("technical goodwill"). The fair value of the company's licenses, all of which are located on the Norwegian Continental Shelf, are based on cash flows after tax. This is because these licenses are only sold in an after-tax market based on the tax carry-over principles pursuant to the Petroleum Taxation Act section 10. The purchaser is therefore not entitled to a tax deduction for the consideration paid over and above the seller's tax values. In accordance with IAS 12 paragraphs 15 and 24, a provision is made for deferred tax corresponding to the difference between the acquisition cost and the transferred tax depreciation basis. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax. Technical goodwill is tested for impairment separately for each CGU which give rise to the technical goodwill. A CGU may be individual oil fields, or a group of oil fields that are connected to the same infrastructure/production facilities.

The estimation of fair value and goodwill may be adjusted up to 12 months after the acquisition if new information has emerged about facts and circumstances that existed at the time of the acquisition and which, had they been known, would have affected the calculation of the amounts recognized.

Acquisition-related costs, except costs to issue related debt or equity securities, are expensed as incurred.

1.9 Acquisitions, sales and license swaps

On acquisition of a license that involves the right to explore for and produce petroleum resources, it is considered in each case whether the acquisition should be treated as a business combination (see Item 1.8) or an asset purchase. Generally, purchases of licenses in a development or production phase will be regarded as a business combination. Other license purchases regarded as asset purchases are described below.

Oil and gas production licenses

For licenses in the development phase, the acquisition cost is allocated between capitalized exploration expenses, license rights and production plant.

When entering into agreements regarding the purchase/swap of assets, the parties agree on an effective date for the takeover of the net cash flow (usually 1 January in the calendar year which would also normally be the effective date for tax purposes). In the period between the effective date and the completion date, the seller will include its sold share of the license in the financial statements. In accordance with the purchase agreement, there is a settlement with the seller of the net cash flow from the asset in the period from the effective date to the completion date (pro & contra settlement). The pro & contra settlement will be adjusted to the seller's losses/gains and to the assets for the purchaser, in that the settlement (after a tax reduction) is deemed to be part of the consideration in the transaction. Revenues and expenses from the relevant license are included in the purchaser's Income statement from the acquisition date, as defined in 1.8 above.

For tax purposes, the purchaser will include the net cash flow (pro & contra) and any other income and costs as from the effective date.

Deferred tax is not recognized when acquiring licenses that are defined as asset acquisitions.

Farm-in agreements

Farm-in agreements are usually entered into in the exploration phase and are characterised by the transferor waiving future financial benefits in the form of reserves, in exchange for reduced future financing obligations. For example, a license interest is taken over in return for a share of the transferor's expenses relating to the drilling of a well. In the exploration phase, the company normally accounts for farm-in agreements on a historical cost basis, as the fair value cannot be reliably determined.

Swaps
Swaps of assets are calculated at the fair value of the asset being surrendered, unless the transaction lacks commercial substance, or neither the fair value of the asset received, nor the fair value of the asset surrendered, can be reliably measured. In the exploration phase, the company normally recognizes swaps based on historical cost, as the fair value cannot be reliably measured.

1.10 Unitizations
According to Norwegian law, a unitization is required if a petroleum deposit extends over several production licenses and these production licenses have different ownership interests. Consensus must be achieved with regard to the most beneficial coordination of the joint development and ownership distribution of the petroleum deposit. A unitization agreement shall be approved by the Ministry of Petroleum and Energy.

The company normally recognizes unitizations in the exploration phase based on historical cost, as the fair value cannot be reliably measured. For unitizations involving licenses outside the exploration phase, it has to be considered whether the transaction has commercial substance. If so, the unitization is recognized at fair value.

1.11 Tangible fixed assets and intangible assets

General
Tangible fixed assets are recognized on a historical cost basis.

The book value of tangible fixed assets consists of acquisition cost net of accumulated depreciation and impairment losses.

Ordinary repair and maintenance costs relating to day-to-day operations are charged to the Income statement in the period in which they are incurred.

Gains and losses relating to the disposal of assets are determined by comparing the selling price with the book value, and are included in other operating income/expenses on a post tax basis. Assets held for sale are measured at the lower of the book value and the fair value less cost to sell.

Operating assets related to petroleum activities

Exploration and development costs relating to oil and gas fields
Capitalized exploration expenditures are classified as intangible assets and reclassified to tangible assets at the start of development. For accounting purposes, the field is considered to enter the development phase when the technical feasibility and commercial viability of extracting hydrocarbons from the field are demonstrable, normally at the time of concept selection. All costs relating to the development of commercial oil and/or gas fields are recognized as tangible assets. Pre-operational costs are expensed as they are incurred.

The company employs the 'successful efforts' method to account for exploration and development costs. All exploration costs (including seismic shooting, seismic studies and 'own time'), with the exception of acquisition costs of licenses and drilling costs for exploration wells, are expensed as incurred. When exploration drilling is ongoing in a period after the reporting date and the result of the drilling is subsequently not successful, the capitalized exploration cost as of the reporting date is expensed if the evaluation of the well is completed before the date when the financial statements are authorized for issue.

Drilling cost for exploration wells are temporarily capitalized pending the evaluation of potential discoveries of oil and gas resources. Such costs can remain capitalized for more than one year. The main criteria is that there must be plans for future activity in the license area or that a development decision is expected in the near future. If no resources are discovered, or if recovery of the resources is considered technically or commercially unviable, expenses relating to the drilling of exploration wells are charged to expense.

Acquired license rights are recognized as intangible assets at the time of acquisition. Acquired license rights related to fields in the exploration phase remain as intangible assets also when the related fields enter the development or production phase.

Depreciation of oil and gas fields
Capitalized exploration and evaluation expenditures, development expenditures from construction, installation or completion of infrastructure facilities such as platforms, pipelines and production wells, and field-dedicated transport systems for oil and gas are capitalized as production facilities and are depreciated using the unit-of-production method based on proven and probable developed reserves expected to be recovered from the area during the concession or contract period. Acquired assets used for the recovery and production of petroleum deposits, including license rights, are also depreciated using the unit-of-production method based on proven and probable reserves. The reserve basis used for depreciation purposes is updated at least annually. Any changes in the reserves affecting unit-of-production calculations are reflected prospectively.

Depreciation of assets other than oil and gas fields, including right of use assets, is calculated using the straight-line method over estimated useful lives and adjusted for any impairment or change in residual value, if applicable.

1.12 Impairment

Tangible fixed assets and intangible assets
Tangible fixed assets and intangible assets (including license rights, exclusive of goodwill) with a finite useful life will be

assessed for potential impairment when events or changes in circumstances indicate that the book value of the assets is higher than the recoverable amount.

The unit of account for assessment of impairment is based on the lowest level at which it is possible to identify cash inflows that are independent of cash inflows from other groups of fixed assets. For oil and gas assets, this is typically the field or license level. Impairment is recognized when the book value of the CGU (including any allocated goodwill) exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. When estimating value in use and fair value less cost of disposal, expected future cash flows are 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).

The lifetime of the field for the purpose of impairment testing is normally determined by the point in time when the operating cash flow from the field becomes negative.

For exploration licenses, impairment is based on an assessment of whether plans for further activities have been established or, if applicable, an evaluation of whether development will be decided on in the near future as described in section 1.11.

A previously recognized impairment can only be reversed if changes have occurred in the estimates used for the calculation of the recoverable amount. However, the reversal cannot be to an amount that is higher than it would have been if the impairment had not previously been recognized. Such reversals are recognized in the Income statement. After a reversal, the depreciation amount is adjusted in future periods in order to distribute the asset's revised book value, minus any residual value, on a systematic basis over the asset's expected remaining life.

Goodwill
Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the value may be impaired.

Impairment is recognized if the recoverable amount of the CGU (or group of CGUs) to which the goodwill is related is less than the book value, including associated goodwill and deferred tax as described in section 1.8. Losses relating to impairment of goodwill cannot be reversed in future periods.

1.13 Financial instruments
The group's financial assets and liabilities comprise non-listed equity instruments, derivative financial instruments (assets and liabilities), receivables, cash and cash equivalents, payables, other short-term liabilities and non-current liabilities. The classification of financial assets and liabilities at initial recognition depends on the financial instrument's contractual cash flow characteristics and the Group's business model for managing them. The company has classified the financial instruments into the following categories of financial assets and liabilities:

- Financial assets at fair value through profit or loss
- Financial assets measured at amortized cost
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortized costs

The Group measures financial instruments at amortized cost if the following conditions are met:
- The financial instrument is held within a business model with the objective to hold financial instruments in order to collect or pay contractual cash flows and, the contractual terms of the financial instrument give rise on specified dates to or requires cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial instruments at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment testing. Gains and losses are recognised in profit or loss when the instrument is derecognised, modified or impaired. The group's financial instruments at amortized cost includes trade receivables and other short-term deposits, trade payables and other current and non-current liabilities. Receivables are initially recognised at fair value less impairment losses. Accounts receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Cash and cash equivalents are measured at fair value, loans and borrowings and other liabilities are measured at amortised cost.

Financial assets with fixed or determinable cash flows that are not quoted in an active market are classified as loans and receivables.

Financial liabilities that do not form part of the "held for trading purposes" category and which have not been designated as being at fair value with changes in value through profit or loss are classified as other financial liabilities.

Further details on fair values of financial instruments are provided in note 29 'Financial instruments'.

1.14 Impairment of financial assets
Financial assets that are held at amortized cost are impaired when, based on objective evidence, it is likely that the instrument's cash flows have been negatively affected by one or more events that have occurred after initial recognition. In addition, the loss event must have an impact on estimated future cash flows that can be reliably estimated. The impairment is recognized in the Income statement.

1.15 Research and development
Research consists of original, planned studies carried out with a view to achieving new scientific or technical knowledge or understanding, and the associated costs are expensed

as incurred. Development consists of the application of information gained through research, or of other knowledge, to a plan or design for the production of new or significantly improved materials, facilities, products, processes, systems or services before commercial production or use commences. Development costs are capitalized when the underlying project is technically feasible.

1.16 Presentation of payroll and administration costs

The company presents its payroll and administration costs based on the functions in development, operational and exploration activities respectively, based on allocation of registered hours worked, net of amounts recharged to operated licenses.

1.17 Leases

At the inception of a contract, the company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The lease liability is recognized at the commencement date and measured at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate at the commencement date. The borrowing rate is derived from the terms of the company's existing credit facilities. Right-of-use (RoU) assets are depreciated over the lease term as this is ordinarily shorter than the useful life of the assets. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the company is reasonably certain to exercise this option.

The company applies the exemption for short term leases (12 months or less) and low value leases. As such, related lease payments are not recognized in the balance sheet, but expensed or capitalized in line with the accounting treatment for other non-lease expenses. The inclusion of non-lease components may vary across different lease categories, but for the most material class of assets (rigs), the company has excluded the non-lease components when measuring the lease liability.

The company may enter into lease contracts as an operator on behalf of a license, and may for such leases only recognize its net share of the related lease liability. Whether a contract is entered into on behalf of the license is subject to a contract specific assessment, but the general principle is that there needs to be a direct link between the lease contract and the license or field on which the RoU asset shall be used. Other lease contracts, such as offices and supply vessels not linked to specific fields, are recognized on a gross basis although the related cashflows are charged to the license partners, typically via cost pools. For such contracts, the partner's share of the cost recovered by the company are presented as other income.

1.18 Trade debtors

Trade debtors are recognized in the Statement of Financial Position at nominal value after a deduction for the provision for credit losses. Historically there have been no significant credit losses.

1.19 Borrowing costs

Borrowing costs that can be directly ascribed to procurement, processing or production of a qualifying asset are capitalized as part of the asset's acquisition cost. Borrowing cost is only capitalized during the development phase. Other borrowing costs are expensed in the period in which they are incurred.

A qualifying asset is one that necessarily takes a substantial period of time to be made ready for its intended use or sale. Qualifying assets are generally those that are subject to major development or construction projects.

1.20 Inventories

Inventories mainly consist of equipment for the drilling of exploration and production wells and are valued at the lower of cost price (based on weighted average cost) and net realizable value.

1.21 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, and other short-term highly liquid investments with an original due date of three months or less. Bank overdrafts are included in the Statement of Financial Position as short-term loans.

1.22 Interest-bearing debt

All borrowings are initially recognized at transaction price, which equals the fair value of the amount received net of costs directly related to the establishment of the loan or issuance of debt.

Subsequently, interest-bearing borrowings are valued at amortized cost using the effective interest method; the difference between the transaction price (after transaction costs) and the face value is recognized in the Income statement in the period until the loan falls due. Amortized costs are calculated by considering all issue costs on the settlement date, except for any discount or premium expensed immediately.

1.23 Tax

General

Tax consists of tax payable and changes in deferred tax. Deferred tax/tax benefits are calculated on the basis of the differences between book value and tax basis values of assets and liabilities, with the exception of temporary differences on acquisition of licenses that are defined as asset purchases.

Deferred tax is measured using the expected tax rate when the tax benefit is realised or the tax liability is met, based on tax rates and tax regulations that have been enacted or substantively enacted at the reporting date.

Tax payable and deferred tax is recognized directly against equity or other comprehensive income insofar as the tax items are related to equity transactions or items of other comprehensive income.

Deferred tax and tax benefits are presented net, where netting is legally permitted and the deferred tax benefit and liability are related to the same tax subject and are payable to the same tax authorities.

Functional currency
The company's functional currency is USD, while it is a statutory requirement to calculate the current tax based on NOK functional currency. This may impact the effective tax rate when the exchange rate between NOK and USD fluctuates. The revaluation of tax receivable and payable is presented as foreign exchange gain/loss, while the impact on deferred tax from revaluation of tax balances is presented as tax expense / income.

Petroleum taxation
As an oil and gas company in Norway, Aker BP is subject to the special provisions of the Petroleum Taxation Act. Taxable profits from activities on the Norwegian Continental Shelf are liable to ordinary company tax and special tax. For 2021 the tax rate for general corporate tax was 22 percent and the rate for special tax was 56 percent, giving a combined tax rate of 78 percent.

In June 2022, changes to the Petroleum Tax Act were enacted with effect from 1 January 2022. The combined tax rate of 78 percent is maintained, but according to the new rules the special petroleum tax (56 percent) 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 percent) is deductible in the special tax base (56 percent). In order to maintain the overall tax rate of 78 percent, the special tax rate is increased to 71.8 percent [56 percent / (1-22 percent)].

Tax depreciation
Investments in pipelines and production facilities can be depreciated by up to 16 2/3 percent annually, i.e., using the straight-line method over six years. Tax depreciation commences when the expenses are incurred. When a field stops producing, any remaining tax values may be deducted in that year. Changes to the Petroleum Taxation Act were enacted in June 2022 with effect from 1 January 2022. Under the new rules, investments are immediately deducted in the special tax base, while the ordinary depreciation rules still apply to the corporate tax base.

In 2020, certain temporary changes were enacted in the Petroleum Tax Act. The changes included temporary rules for depreciation and uplift, whereby all investments incurred for income year 2020 and 2021 including uplift could be deducted for special tax in the year of investment. The temporary changes are also applicable for investments up to and including year of production start in accordance with new PDOs delivered within 31 December 2022 and approved within 31 December 2023.Uplift

Uplift is a special income deduction in the basis for calculation of special tax. Uplift is calculated on the basis of investments in pipelines and production facilities, and can be regarded as an extra depreciation deduction in the special tax regime. Uplift is recognized in the year it is deducted in the companies' tax returns, and this has a similar effect on the tax for the period as a permanent difference. The uplift rate was 5.2 percent in 2019 over a period of four years, totalling 20.8. Under the temporary tax rule enacted in 2020, the uplift is 24% for income year 2021 and can be deducted for special tax (56%) in the year of investment. As part of the introduction of new tax rules in 2022, the uplift rate for investments made under the temporary tax system has been revised to a technically adjusted level of 17.69 percent results from the fact that the marginal tax rate has increased to 71.8 percent.

Financial items
Interest on debt with associated currency losses/gains (net financial expenses on interest-bearing debt) is distributed between the offshore and onshore tax regimes. Offshore interest deduction is calculated as the net financial costs of interest-bearing debt multiplied by 50 percent of the ratio between net asset value for tax purposes allocated to the offshore tax regime as of 31 December in the income year and the average interest-bearing debt through the income year.

Remaining financial expenses, currency losses and all interest income as well as currency gains are allocated to the onshore jurisdiction.

Uncovered losses in the onshore tax jurisdictions resulting from the distribution of net financial items can be allocated to the offshore tax jurisdictions and deducted from regular income.

Only 50 percent of other losses in the onshore tax jurisdictions are permitted to be reallocated to the offshore tax jurisdictions as deductions in regular income.

Tax loss
As a consequence of the changes in the Petroleum Tax Act effective from 1 January 2022, the cessation refund is no longer applicable. However, companies subject to special tax may, without time limitations, carry forward corporate losses. Special petroleum tax losses are reimbursed by the state in the following year as part of the ordinary tax assessment. The tax position can be transferred on realisation of the company or merger.

1.24 Employee benefits

Pension schemes
The company complies with the requirement to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The company makes contributions to the pension plan for full-time employees equal to 7 percent for salary up to 7.1 G and 25.1 percent between 7.1 and 12 G. The pension premiums are charged to expenses as they are incurred.

An early retirement scheme (AFP) has been introduced for all employees. The scheme is a multi-employer defined benefit plan, but is accounted for as a defined contribution pension, and premiums are expensed as incurred.

1.25 Provisions

A provision is recognized when the company incurs a commitment (legal or constructive) as a result of a past event, it is probable that financial settlement will take place as a result of this commitment, and the amount can be reliably calculated. Provisions are evaluated at each period end and are adjusted to reflect the best estimate.

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. If the discounting effect is significant, provisions are discounted using a discount rate before tax that reflects the market's pricing of the time value and risk specifically associated with the commitment. As discounting unwinds, the book value of the provisions is increased in each period to reflect the change in time relative to the due date of the commitment. The effect of this increase is expensed as an accretion expense.

Decommissioning and removal costs:
In accordance with the license terms and conditions for the licenses in which the company participates, the Norwegian State can require license owners to remove the installation in whole or in part when production ceases or the license period expires.

In the initial recognition of the decommissioning and removal obligations, the company provides for the net present value of future costs related to decommissioning and removal. A corresponding asset is capitalized as a tangible fixed asset and depreciated using the unit-of-production method. Changes in the time value (net present value) of the obligation related to decommissioning and removal accretion are charged to income as financial expenses and increase the balance-sheet liability related to future decommissioning and removal expenses. Changes in the best estimate for expenses related to decommissioning and removal are recognized in the Statement of financial position (property, plant and equipment), except where it relates to licenses with no future production. The discount rate used in the calculation of the fair value of the decommissioning and removal obligation is the risk-free rate.

1.26 Segment

Since its formation, the company has conducted its entire business in one consistent segment, defined as exploration for and production of petroleum in Norway. The company conducts its activities on the Norwegian Continental Shelf, and management monitors the company at this level. The financial information relating to geographical distribution and large customers is presented in note 5.

1.27 Earnings per share

Earnings per share are calculated by dividing the net profit/loss attributable to ordinary equity holders of the parent entity by the weighted average number of the total outstanding shares. Shares issued during the year are weighted in relation to the period in which they have been outstanding. The weighted average number of shares used to calculate diluted earnings per share includes contingently issuable ordinary shares to the extent that they would be issuable as at the reporting date if it were the end of the contingency period.

1.28 Contingent liabilities and assets

Except for in the event of a business combination, neither contingent liabilities nor contingent assets are recognized.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed with the exception of contingent liabilities where the probability of the liability having to be settled is remote.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Information about such contingent assets is provided if inflow of economic benefits is probable.

1.29 Changes to accounting standards and interpretations that:

Have entered into force:
The group has applied the following standards and amendment for the first time for their annual reporting period commencing 1 January 2022:

Amendments to IAS 16,' Property, plant and equipment:
IAS 16 requires that the cost of an asset includes any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. One of those costs is testing whether the asset is functioning properly.

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling products produced while the entity is preparing the asset for its intended use (for example, pre-production revenue from hydrocarbons produced as part of getting a field on stream). The proceeds from selling such volumes, together with the costs of producing them, are now recognised in profit or loss. Cost will not include depreciation of the asset being tested because it is not ready for its intended use.

The amendment also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. An asset might therefore be capable of operating as intended by management and subject to depreciation before it has achieved the level of operating performance expected by management. The application of the amendment did not have a material impact on the income statement in 2022.

Have been issued but have not entered into force:
Certain new accounting standards and interpretations are issued, but not yet effective as of 31 December 2022. These standards are not expected to have a material impact on the group in the current or future reporting periods.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income taxes (IAS 12):
In May 2021, amendments to IAS 12 were published to require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments will typically apply to transactions where assets and liabilities are recognised from a single transaction, such as leases for the lessee and decommissioning and restoration obligations. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2:
The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

1.30 Voluntarily changes in accounting policies:

Change in discount rate for abandonment provisions:
The accounting policy for abandonment provisions have been changed in 2022. The discount rate for calculating abandonment provisions has historically included a credit element in addition to a risk-free rate. In line with the development in industry practice with regards to the interpretation of the relevant guidelines in IAS 37, the company has changed the discount rate so that this no longer includes a credit element. Comparative figures from 1 January 2021 have been restated accordingly. Based on the complexity in the calculations, it has been deemed impracticable to measure the impact on equity at 1 January 2021. As a result, the company has recorded the difference between the remeasured abandonment provision and the historical abandonment provision at 1 January 2021 as an adjustment to Property, plant and equipment.

The following table shows the effects of the change in accounting policy. The effect is similar for both group and parent in 2021:

BREAKDOWN OF RESTATEMENT IMPACT ON THE INCOME STATEMENT (USD 1000)	2021
Depreciation - prior to restatement	964 083
Depreciation - after restatement	1 192 889
Change	228 807
Impairment - prior to restatement	262 554
Impairment - after restatement	262 554
Change	-
Net financial items - prior to restatement	-241 718
Net financial items - after restatement	-189 913
Change	-51 804
Tax expense/income - prior to restatement	2 222 080
Tax expense/income - after restatement	2 084 012
Change	-138 069
Net profit/loss - prior to restatement	850 704
Net profit/loss - after restatement	811 771
Change	-38 933

BREAKDOWN OF RESTATEMENT IMPACT ON THE STATEMENT OF FINANCIAL POSITION (USD 1000)	31.12.2021	01.01.2021
Property, plant and equipment - prior to restatement	7 976 308	7 266 137
Property, plant and equipment -	10 214 438	9 357 906
Change	2 238 131	2 091 768
Long-term abandonment provision - prior to restatement	2 656 358	2 805 507
Long-term abandonment provision - after restatement	5 071 491	4 897 275
Change	2 415 133	2 091 768
Deferred tax - prior to restatement	3 323 213	2 642 461
Deferred tax - after restatement	3 185 144	2 642 461
Change	-138 069	-
Equity - prior to restatement	2 341 891	1 987 281
Equity - after restatement	2 302 957	1 987 281
Change	-38 933	-

Change in deferred tax on capitalised interest:
The tax regime for oil and gas companies in Norway limits the tax deduction on parts of the company's interest expenses to 22 percent, while the general tax rate in the industry is 78 percent. Parts of these interest expenses have been capitalised as Property, plant and equipment, and deferred tax has been calculated at 22 percent in line with the tax deduction outside the special tax regime, in line with industry peers. The company has revised its accounting policy, and concluded to change the applied deferred tax rate from 22 to 78 percent for interest capitalised as Property, plant and equipment, to better reflect the tax consequences that would follow from the manner in which the company expects to recover the carrying amount of Property, plant and equipment. Prior periods have been restated accordingly. The following table shows the effects of the change in accounting policy. The effect is similar for both group and partent in 2021. The figures below include the restatements related to abandonment provisions in the table above, to the extent applicable.

BREAKDOWN OF RESTATING IMPACT ON THE INCOME STATEMENT (USD 1000)	2021
Tax expense/income - prior to restating	2 084 012
Tax expense/income - after restating	2 067 855
Change	-16 157
Net profit/loss - prior to restatement	811 771
Net profit/loss - after restatement	827 928
Change	16 157

BREAKDOWN OF RESTATING IMPACT ON THE STATEMENT OF FINANCIAL POSITION (USD 1000)	31.12.2021	01.01.2021
Deferred tax - prior to restating	3 185 144	2 642 461
Deferred tax - after restating	3 291 287	2 764 761
Change	106 143	122 300
Equity - prior to restating	2 302 957	1 987 281
Equity - after restating	2 196 814	1 864 982
Change	-106 143	-122 300

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)	30.06.2022
Value of cash consideration	2 221 805
Value of share consideration	9 336 636
Total value of consideration	**11 558 441**

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

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.

Purchase price allocation (USD 1 000)

(USD 1 000)	30.06.2022
Goodwill	12 542 852
Other intangible assets[1)]	1 282 230
Property, plant and equipment	7 663 300
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	**23 177 984**

(USD 1 000)	30.06.2022
Deferred taxes	5 802 641
Long-term abandonment provision	724 320
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	**11 619 544**
Net assets and liabilities recognized	11 558 441
Fair value of consideration paid on acquisition	**11 558 441**

[1)] Mainly related to undeveloped oil and gas assets

The goodwill of USD 12.5 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	6 291 672
Goodwill as a result of deferred tax - technical goodwill	6 251 180
Net goodwill from the acquisition of Lundin Energy	**12 542 852**

If the acquisition had taken place at the beginning of 2022, revenue would have increased by USD 3.7 billion and net income would have increased by USD 422 million.

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.

Parent company - accounting effect of mergers:

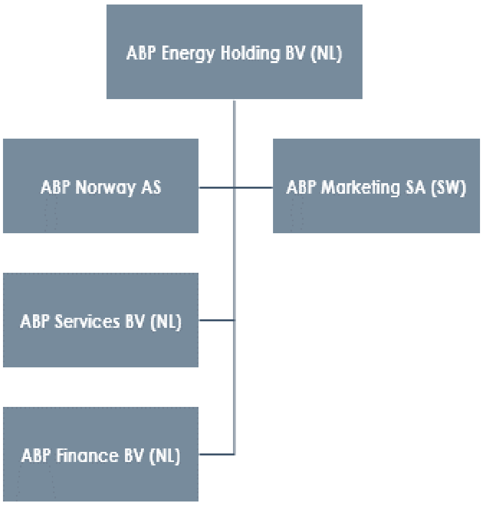
As of 13 October 2022, the wholly owned subsidiary ABP Energy Holding BV was merged with the parent company Aker BP ASA. The merger was carried out in accordance with the Public Limited Liability Companies Act section 13-25, and the merger was carried out based on group continuity for accounting purposes. Upon completion of the merger, all assets, rights and obligations of ABP Energy Holding BV was transferred to Aker BP ASA without any consideration being rendered. At the same time, ABP Energy Holding BV was liquidated. The merger is considered a transaction for tax purposes.

As of 31 December 2022, the wholly owned subsidiary ABP Norway AS was merged with the parent company Aker BP ASA. The merger was carried out in accordance with the Public Limited Liability Companies Act section 13-24, and the merger was carried out based on group continuity for accounting purposes. Upon completion of the merger, all assets, rights and obligations of ABP Norway AS was transferred to Aker BP ASA without any consideration being rendered. At the same time, ABP Norway AS was liquidated. The merger is based on company continuity from 1 January 2022 for tax purposes

Note 3 Overview of subsidiaries

Companies acquired as part of the Lundin transaction

As described in note 2, Aker BP finalised the acquisition of Lundin Energy at 30 June 2022. The transaction included the companies mentioned below, of which all of them have been either liquidated or merged with the parent company Aker BP ASA within year end 2022. The companies were generally renamed from "Lundin" to "ABP" at closing of the Lundin transaction.



ABP Finance BV: This was the financing company in the previous Lundin structure, and included two external bonds of USD 1 000 million each as well as intercompany receivables towards ABP Energy Holding BV. The company was merged with ABP Energy Holding BV in September 2022.

ABP Services BV: A service company with limited activity in 2022. The company was liquidated in September 2022.

ABP Marketing SA: Company used for trading and sale of Petroleum in the previous Lundin structure. This activity was transferred to Aker BP ASA at closing 30 June 2022 and the company was liquidated in November 2022.

ABP Norway AS: The Norwegian company which included all oil & gas activity at the Norwegian Continental Shelf in the previous Lundin structure. All employees were transferred to Aker BP ASA 1 October 2022 and the company was merged with Aker BP ASA at 31 December 2022.

ABP Energy Holding BV: The holding company in the previous Lundin structure. It was the surviving entity of the merger with ABP Finance BV in September 2022 and merged with Aker BP ASA in October 2022.

Aker BP UK Limited (100 percent)

Aker BP UK Limited was established as a subsidiary of Det norske oljeselskap AS during 2020. In 2021, the company entered into an agreement with Eni UK to acquire a 50 percent non-operated interest in license P2511 on the UK continental shelf. The main activity has been to acquire and interpret seismic in the area. License P2511 is located to the borderline of the Norwegian continental shelf. The key objective for the partnership between Eni UK and Aker BP UK is to explore the resource potential, based on the knowledge obtained in the Alvheim area.

Aker BP ASA has three other subsidiaries which are not consolidated in the group accounts in 2022 due to materiality considerations:

Det norske oljeselskap AS (100 percent)

Det norske oljeselskap AS, previously Marathon Oil Norge AS, was acquired by Aker BP in October 2014. All activity was transferred to Aker BP on 31 October 2014. During 2020, Aker BP UK Limited (see above) was established as a subsidiary of Det norske oljeselskap AS. Except for the subsidiary, the only asset in this company is cash equivalents reflecting the share capital amounting to USD 1.0 million.

Alvheim AS (80 percent)

The sole purpose of Alvheim AS is to act as legal owner of MST Alvheim, the floating production facility which is used to produce oil and gas from the Alvheim fields. The costs of and benefits from operating the MST Alvheim will be carried by the partners in the Alvheim field. Hence, Alvheim AS only has the formal ownership rather than the actual value of the production facilities. Following the Lundin transaction, Aker BP has a 80 percent share in Alvheim AS, which corresponds to the ownership in the Alvheim field. There were no activities in 2022.

Sandvika Fjellstue AS (100 percent)

Sandvika Fjellstue AS owns a conference centre used by Aker BP, located in Sandvika in Verdal.

Note 4 Climate-related risk

Climate-related risk assessment is generally described in the company's sustainability reporting, and may have a significant impact on financial reporting. Climate-related risks can be divided into two major categories:
- Transitional: Risks related to the transition to a lower-carbon economy
- Physical: Risks related to the physical impacts of climate change

Transitional risks

Transitional risks are deemed most relevant for financial reporting, and can be categorized as follows:

Market
- Demand for oil and gas can decrease significantly faster than anticipated, resulting in significantly lower oil and gas prices
- In anticipation of the faster energy transition, key producers can shift their strategy to market share maximation, driving down prices
- Continued underinvestment in oil and gas production can result in supply declining slower than demand, resulting in a supply gap and significantly higher prices than in our planning assumption

Regulatory and legal
- The EUA price and/or Norwegian CO2 tax can increase faster and rise higher than what is anticipated
- Mandatory emission abatements can be enforced that are not competitive with other uses of capital or are uneconomic
- Access to new acreage can be reduced, in which case Aker BP's and the Norwegian E&P industry's longer-term growth prospects would be reduced, which would also lead to a potential increase in the cost of capital

Technological
- Technological breakthroughs (e.g. batteries, renewables, hydrogen) and/or regulations can drive faster displacement of oil and gas in energy and non-energy sectors
- A faster and bigger scale of electrification in Europe can result in higher prices for power, and increase our costs

Reputational
- Investors' perception of oil and gas investments can deteriorate, impacting availability and cost of capital and availability and cost of insurance
- Industry's attractiveness can deteriorate making it difficult to attract and retain the right talent

Significant mitigating actions are taken by the company to address these transitional risks, such as:
- Climate risks integrated in all investment decisions.
- A strict financial framework for investment decisions; sanctioning projects with robust break-even price significantly lower than both current market prices and the company's long term price assumptions
- Long term corporate assumptions generally taking climate-related risks into account (e.g. long term oil price would have been significantly higher without that risk)
- Internal carbon price exceeding IEA's Net Zero scenario
- Scenario analysis and sensitivity testing on both portfolio and project levels
- Cost reduction initiatives
- Requirement for all potential projects to be assessed for CO2 emission intensity and resilience against higher carbon taxes
- Emissions reduction initiatives
- Electrification, using hydro power from shore, or, where feasible, from offshore wind

Although the above mitigating actions may limit the exposure, the company's financial reporting is significantly impacted by the transitional risks. Lower demand for oil and gas, and increased cost for Aker BP operations may have the following consequences for certain items within the financial reporting:
- Decreased revenue
- Higher operational cost
- Shortened lifetime of the producing fields which may lead to higher present value of the abandonment provision, as well as increased depreciation rates and impairment charges of fixed and intangible assets
- Lower profitability together with investor's perception of oil and gas investments may result in higher cost of capital and lack of available capital resources. This is particularly relevant for Aker BP given the expected significant project investments over the next years
- Increased tax burden as a result of unfavourable changes to the tax regime

To illustrate the potential impact on some of the above mentioned financial reporting elements, we have included sensitivity analysis within the following areas:
- Impairment (note 15): Transparency on carbon pricing and impairment sensitivity on oil and gas prices in the most recent IEA scenarios
- Abandonment provisions (note 23): The impact on book value of abandonment provisions if cease of production of fields with estimated lifetime after 2040 were accelerated by 10 years
- Interest expenses (note 11): Estimated increased credit spread of two percent on current loan balances. Although this is not applicable on a short-term basis given fixed rates on all current bonds, it provides visibility on potential increased interest exposure on a longer term basis
- Reserves (note 32): Impact on reserves if all production would cease from 2050 onwards

Physical risks

The following are examples of physical risks relevant for Aker BP:

Acute

Extreme waves/weather, if becoming more frequent, may lead to operational shut-down or accelerated need for modifications of existing installations by means of threatening safe design limits and structural integrity. Several Aker BP fields with fixed installations may be exposed to this risk – the Valhall field platforms, Tambar and Ula platforms, Ivar Aasen and Edvard Grieg platforms. The most significant factor being what is referred to as "wave-in deck". This factor is controlled by the air gap between sea level and deck of the installation.

Chronical

Change in precipitation patterns and extreme variability in weather patterns over time may affect working environment conditions, for example reducing the period an offshore worker may tolerably be exposed to a certain working environment condition while performing their scope of work.

Although considered less likely than transitional risks, physical risks may result in severe damage to the company's installations and may lead to significant shortened lifetime of the producing fields, as well as increased cost for mitigating actions, including preventive investments made in the field developments over the next years. As the climate changes further evolve, it is also a risk for increased probability that the physical risks will materialize.

Opportunities

The assessment related to climate impacts will mainly be on the risk side. However, the situation may also give rise to some opportunities. In an investment environment that is increasingly shaped by intensifying ESG pressure, Aker BP's leading carbon efficiency and low production costs provide a strong competitive advantage and potentially better opportunities to obtain capital. This opportunity is further supported by the same actions as mitigating actions on the risk side;
- Cost reduction initiatives
- Emission reduction initiatives

Net zero strategy

In 2022 Aker BP launched a decarbonisation strategy which included to reduce absolute CO_2 emissions with 50% by 2030 and close to 100% by 2050. The reduction is mainly driven by portfolio optimisation where current business plans indicate that the last non-electrified fields (Skarv and Alvheim) will cease production in the 2040's. Certain emission reduction projects offshore are reflected in the business plans, and carbon removal offsets such as tree planting is not expected to incur significant cost on a long term basis. Hence, the net zero strategy is deemed to be sufficiently reflected in the current business plans, which is the basis for the company's impairment testing.

Note 5 Segment information

The group's business is entirely related to exploration for and production of petroleum on, or to the borderline of, the Norwegian continental shelf. The group's activities are considered to have a homogeneous risk and return profile before tax, and the business is located in the geographical area Norway, except for one exploration license in the UK. The group operates within a single operating segment which matches the internal reporting to the company's executive management. In 2022 the group had sales transactions with two customers, which represented more than 10% of total sales, BP Oil International Limited accounted for USD 8 797 million and BP Gas Marketing Limited accounted for USD 2 820 million. In 2021 the sales transactions with BP Oil International Ltd were USD 4 281 million, and transactions with BP Gas Marketing Ltd were USD 1 056 million. The parent company`s transactions with BP Oil International LTD accounted for USD 5 709 million, and transactions with BP Gas Marketing Limited accounted for USD 2 820 million. In 2021 the parent sales transactions with BP Oil International Limited were USD 4 281 million, and transactions with BP Gas Marketing Limited were USD 1 056 million.

Note 6 Income

Breakdown of petroleum revenues (USD 1 000)	Group 2022	Group 2021	Parent 2022	Parent 2021
Sales of liquids	8 986 404	4 392 625	5 834 612	4 392 625
Sales of gas	3 898 895	1 233 314	3 412 515	1 233 314
Tariff income	10 883	14 051	10 883	14 051
Total petroleum revenues	**12 896 182**	**5 639 990**	**9 258 009**	**5 639 990**
Sales of liquids (boe 1 000)	91 816	63 447	57 830	63 447
Sales of gas (boe 1 000)	20 164	13 935	17 558	13 935

Other income (USD 1 000)	Group 2022	Group 2021	Parent 2022	Parent 2021
Realized gain/loss (-) on oil derivatives	27 003	-19 362	27 003	-19 362
Unrealized gain/loss (-) on oil derivatives	8 989	-5 449	8 989	-5 449
Gain on license transactions	11 000	-	11 000	-
Other income	66 725	53 568	64 311	53 568
Total other income	**113 716**	**28 757**	**111 302**	**28 757**

Refer to note 24 and 29 for further details regarding commodity derivatives.

Note 7 Production costs

Production costs (USD 1 000)	Group 2022	Group 2021	Parent 2022	Parent 2021
Cost of operations	682 681	472 791	597 570	472 791
Shipping and handling	231 513	179 579	188 082	179 579
Environmental taxes	63 944	47 637	54 355	47 637
Production cost based on produced volumes	**978 139**	**700 007**	**840 007**	**700 007**
Adjustment for over/underlift (-)	-45 269	45 306	-25 554	45 306
Production cost based on sold volumes	**932 870**	**745 313**	**814 453**	**745 313**
Total produced volumes (boe 1 000)	112 853	76 439	75 436	76 439
Production cost per boe produced (USD/boe)	8.7	9.2	11.1	9.2

Note 8 Exploration expenses

Breakdown of exploration expenses (USD 1 000)	Group 2022	Group 2021	Parent 2022	Parent 2021
Seismic	34 424	23 138	30 047	23 138
Area fees	12 324	18 891	13 292	18 891
Field evaluation	10 749	176 969	8 101	176 969
Dry well expenses	135 800	98 827	108 560	98 827
Other exploration expenses	48 896	35 208	36 187	35 208
Total exploration expenses	**242 193**	**353 034**	**196 187**	**353 034**

Note 9 Payroll expenses and remuneration

	Group		Parent	
Breakdown of payroll expenses (USD 1 000)	**2022**	**2021**	**2022**	**2021**
Payroll expenses	342 985	328 324	327 320	328 324
Pension	34 036	31 197	32 151	31 197
Social security tax	53 594	51 090	51 115	51 090
Other personnel costs	20 363	7 039	19 828	7 039
Total payroll expenses	**450 978**	**417 649**	**430 414**	**417 649**

The payroll expenses are allocated to activities and partners based on timewriting.

	Group		Parent	
Number of full time equivalents employed during the year	**2022**	**2021**	**2022**	**2021**
Europe	2 462	1 773	2 036	1 773
Total	**2 462**	**1 773**	**2 036**	**1 773**

Employee share program

The company has an annual share purchase program for all employees, including senior executives. The shares in the program are offered at a 25 percent discount and are subject to a three-year lock-up during which employees are not allowed to sell the shares. In connection with the share purchase program, all employees are also offered an interest free loan of 60 percent of the basic amount in the National Insurance scheme ("G"), to be repaid within one year. In total, employees subscribed for USD 15.5 million in 2022, compared to USD 12.6 million in 2021

Description of Remuneration arrangements

Except for the new LTIP scheme described below, the company`s remuneration policy has in 2022 been in accordance with the guidelines described in the Board of Director`s Report for 2021 and submitted to the annual general meeting for an advisory vote in April 2022.

The Board makes guidelines for executive remuneration, including the CEO's remuneration and other terms and conditions of employment. These guidelines set out the main principles applied in determining the salary and other remuneration of executive personnel and are addressed as a separate item at the General Meeting. Adjustment of the CEO's base salary is decided by the Board. Adjustment of the base salaries for other senior executives is decided by the CEO within the wage settlement framework adopted by the Board.

Senior executives receive a basic salary, adjusted annually. Executives receive non-monetary benefits such as electronic equipment, yearly health checks and other company-specific general benefit and welfare programs. In addition, executives may participate in customary employee benefit programmes, e.g. employee share programmes. In special cases, the company may offer other benefits in order to recruit personnel, including to compensate for bonus rights earned in previous employment.

General bonus scheme

The bonus for all employees, including the CEO and EMT, is determined by the company's performance on a pre-defined set of key performance indicators (KPIs) and Company Priorities, which are important improvement initiatives or activities with clear deliverables that are critical for the company's future success.

Normally, the bonus is based on full year measure of the same KPI's and the company's priorities throughout the year. Due to the closing of the Lundin transaction at 30 June 2022, there was a change in the measures at that point in time, and 2022 has thus been split in two in relation to bonus outcome, as reflected in the tables below;

	1H 2022	2H 2022
Key Performance indicators for Aker BP 2022	**Actual**	**Actual**
Safety (SIF/1 mill hrs)	0.2	0.5
Production (mboepd)	195	422
Production Cost (USD/boe)	11.8	7.2
Net reserve additions (mmboe)	13.5	563
Relatively Shareholder Return	-1.8 %	-17.4 %
CO_2 Intensity (kg CO_2/boe) - operated fields	4.3	3.3
Value creation (change in Risked NPV)	-2.5 %	N/A
People & Organisation - Puls survey KPIs	3.9	78%

Company Priorities for the first half of 2022

- Deliver Hod first oil by end of Q1 at planned quality and cost
- Finalise Aker BP barrier management framework and requirements including barrier status panel
- Enable robust economics for small targets and utilise IOR potential around our assets through the delivery of low-cost reservoir access project
- Drive an increase in plan stability in the Execution Window
- Deliver New ways of working initiative as a first step to transform operating efficiency in Aker BP
- Establish and operatinalise project portfolio safeguarding in order to mitigate risks, ensure standardisation, capture and document synergies across projects, including regular portfolio outlook reviews by the Executive Management Team
- Establish a prioritised and high-graded hoppe of 10-15 (6-8 operated) exploration drill ready for the combined company to meet economic hurdles
- Develop plan for and successfully integrate Lundin and Aker BP

Company Priorities for the second half of 2022

- Deliver the Kobra East Gekko (KEG) project at planned quality and cost
- Identify and realise 600 000 boe gross through production optimisation, increased production efficiency and well interventions
- Realise value from identified integration synergies
- Revitalise alliance culture and improve alliance agreements and incentive models to balance risk and strengthen value creation
- Deliver valuable energy efficiency projects to reduce environmental footprint by 10 000 tonnes (15 000 tonnes stretch target) per annum
- Deliver Walk to Work project on (Normally) Unmanned Installations
- Deliver Yggdrasil (renamed from NOAKA) sanctioning and PDO with break-even price below USD 30/boe
- Deliver the Fenris (previously named NCP/King Lear) sanctioning and PDO with break-even price below USD 30/boe
- Integrate and deliver the Utsira High project PDO
- Deliver successful “day 1” in Aker BP/Lundin and deliver remaining 2022 integration program

The KPIs and Company Priorities are each weighted 50 percent when estimating the bonus outcome . The final bonus outcome, following the formulaic assessment of performance relative to targets is specifically reserved as a matter for the CEO and the Organisational Development and Compensation Committee. Accordingly, the committee may exercise its discretion to adjust the outcome upwards or downwards. The CEO had maximum bonus potential corresponding to 100 percent of base salary until 30 June 2022. From 1 July 2022 the CEO’s maximum bonus potential was adjusted to 60 percent, which the same level as for other members of EMT. The maximum bonus for employees outside the EMT varies from 10 percent to 30 percent depending on position level.

Bonus for the first half was paid in October 2022 and was set to 61% of maximum potential based on the applicable KPIs and priorities. The corresponding figure for the second half was 80%.

Long Term Incentive Program (LTIP) for EMT

Payout of previous LTIP

Certain members of the EMT participated in a five-year incentive program started in January 2019, through December 2023, linked to the relative performance of the Aker BP share price versus a benchmark index consisting of the average of the Oslo Energy Index and the Stoxx 600 Europe Oil & Gas index (each weighted 50 percent). The incentive program payment was calculated as a linear function of market outperformance, where an outperformance of 30 percent or more would result in a payment of the maximum cap. The maximum total payment was capped at 200 percent of the executive’s annual base salary. The CEO incentive program had the same mechanics and start/end date and was capped at NOK 30 million.
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 decided to settle Aker BPs five-year incentive program (LTIP) as described above, 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 decided to pay 90 percent of maximum payment in July 2022 to the CEO and the EMT members participating in the previous LTIP scheme. The payment is reflected in a separate column in the table below.

New LTIP from 1 July 2022

A new long-term incentive program for the combined company has been developed and is subject for approval of the General Meeting in April 2023. The program is designed to incentivize the executive directors to deliver on the long-term business objectives and to maximize alignment with shareholder value creation. The proposed program is an equity settled share-based payment scheme with a three-year vesting period. Grants will be made under the program on an annual basis for all members of the EMT, starting as of July 2022 when an award of 28 674 shares was made with a vesting date of July 2025 (being the base number of awards before any performance adjustments as described below). The number of awards made corresponds to 20 percent of the employee's base salary divided by the Aker BP share price on the award date. The award includes a three year performance condition at the end of which there will be an assessment of the company's total shareholder return measured against Oslo Energy Index, Stoxx 600Europe Oil & Gas index and the S&P Commodity Producers Oil & Gas Exploration & Production Index (each weighted 33,3 percent), to reflect the company's business strategy and key ambitions. Based on performance, the number of shares awarded will be adjusted as follows:

Outperformance of the market indexes	Payout
30 % or above	200%
15%	150%
0%	100%
-15%	50%
Less than -15 %	0%

The shares convert to ordinary shares upon vesting, with a subsequent lock-in period for the employee of one year. None of the grants were forfeited as at 31 December 2022.

The LTIP agreement includes a clawback clause.

The fair value of the grants has been measured using a Monte Carlo simulation. Service conditions were not taken into account when measuring fair value. The post-vesting lock-in non-vesting condition has been incorporated into the grant date fair value by applying a discount to the valuation by estimating the probability that the employee will not comply with this condition .
The inputs used in the measurement of the 1 July 2022 grant date fair values were as follows:

Fair value at grant date	NOK 446.18
Aker BP share price at grant date	NOK 350.41
Expected volatility:	
Aker BP	49%
Oslo Energy Index	36%
Stoxx 600 Europe Oil & Gas Index	33%
SS&P Commodity Producers Oil & Gas E&P & Index	44%
Expected life	3 years
Risk free interest rate (based on government bonds)	2.8%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the grants has been based on three-year vesting period.

Pension scheme and notice period

The pension scheme continues to be a defined contribution plan capped at twelve times the National Insurance scheme basic amount (12G) for all employees including the executive management.

The CEO and members of the EMT have six months mutual notice period. For all other employees, the notice period is three months. The chief executive officer and the chief financial officer are entitled to a severance payment equivalent to six months' salary, commencing after the six months' notice period, when the resignation is requested by the company.

Remuneration of senior executives in 2022* (USD 1 000)	Salary	Bonus**	LTIP***	Payments in kind/Other	Total remuneration	Pension costs	Total number of shares****	Number of grants awarded*****
Karl Johnny Hersvik (Chief Executive Officer)	967	520	2 805	64	4 356	23	10 355	4 925
Per Harald Kongelf (Chief Operating Officer)1)	417	184	686	2	1 289	23	5 546	2 125
David Torvik Tønne (Chief Financial Officer)	390	178	620	9	1 197	22	18 935	1 921
Paula Doyle (Chief Digital Officer)2)	182	103	-	209	494	11	-	2 028
Knut Arne Kristian Sandvik (SVP projects)	370	189	601	3	1 164	23	5 111	1 863
Tommy Sigmundstad (SVP D&W)	367	161	621	3	1 151	23	10 451	1 922
Evy Glørstad (SVP Exploration & Reservoir Development)3)	188	-	-	8	195	6	N/A	-
Morten Heir (SVP Exploration & Reservoir Development)4)	261	98	-	6	364	23	1 856	-
Per Øyvind Seljebotn (SVP Exploration & Reservoir Development)5)	121	110	-	1	232	8	619	1 347
Brit Tone Bergman (SVP People and Organisation)6)	257	106	-	3	366	22	-	-
Marit Blaasmo (SVP People & Safety)7)	287	136	477	2	902	23	6 754	1 468
Jan Rosnes (SVP Strategy and Business Development)8)	254	118	-	5	377	23	683	-
Georg Olav Vidnes (SVP Operations)9)	269	88	-	8	366	23	1 553	1 398
Ine Dolve (SVP Alvheim)10)	360	170	594	8	1 132	24	6 773	1 840
Lars Høier (SVP NOAKA)11)	349	164	601	17	1 131	23	7 770	1 850
Ole Johan Molvig (SVP Valhall)12)	357	106	609	3	1 076	23	15 169	1 886
Thomas Hoff-Hansen (SVP Ula)13)	264	80	-	14	358	23	3 110	1 386
Kari Nielsen (SVP Edvard Grieg & Ivar Aasen)14)	78	100	-		178	6	413	1 439
Thomas Øvretveit (SVP Skarv)15)	170	65	-	62	297	17	309	1 276
Total remuneration of senior executives in 2022	**5 908**	**2 675**	**7 614**	**426**	**16 624**	**367**	**95 407**	**28 674**

1) SVP Digitalisation & Business Transformation until 30.09.2022. Chief Operating Officer since 01.10.2022.

2) Chief Digital Officer since 01.07.2022. Payments in kind/Other includes signing on fee

3) SVP Exploration & Reservoir Development until 31.03.2022

4) SVP Exploration & Reservoir Development from 01.04.2022 until 30.09.2022.

5) SVP Exploration & Reservoir Development since 01.10.2022.

6) SVP People & Organisation until 30.09.2022.

7) SVP Health, Safety, Security, Environment & Quality until 30.09.2022. SVP People and Safety since 01.10.2022.

8) SVP Strategy & Business Development until 30.09.2022.

9) SVP Operations since 01.10.2022.

10) SVP Operations & Asset Development until 30.09.2022. SVP Alvheim since 01.10.2022.

11) SVP Operations & Asset Development - NOAKA until 30.09.2022. SVP NOAKA since 01.10.2022.

12) SVP Valhall since 01.10.2022.

13) SVP Ula since 01.10.2022.

14) SVP Edvard Grieg & Ivar Aasen since 01.10.2022.

15) SVP Skarv since 01.10.2022. Payment in kind/Other includes signing on fee.

* All remuneration to senior executives is paid in NOK and converted to USD using a yearly average USD/NOK-rate of 9.6245. For executives who have been in the Executive Management Team only parts of the year, the figures include payroll for the full year.

** Numbers represent actual ordinary bonus earned in 2022. For the total amount in this column, USD 223 thousand relates to the new LTIP from 1 July 2022 as described above

*** Payment related to the previous LTIP from 1 January 2019, as described above

*** These shares have been purchased by the individuals and are not part of the remuneration. The numbers include shares held in companies where the senior executives have controlling interest.

**** The numbers of grants awarded to each EMT member/individual as part of the new LTIP from 1 July 2022 as described above

Remuneration of senior executives in 2021*

(USD 1 000)	Salary	Bonus**	Payments in kind	Other	Total remuneration	Pension costs	Total number of shares***	Owning interest
Karl Johnny Hersvik (Chief Executive Officer)	929	651	121	19	1 719	24	10 355	0.0 %
Øyvind Bratsberg (Special Advisor)1)	344	91	1	780	1 216	12	N/A	N/A
Per Harald Kongelf (SVP Improvement)	423	171	3	-	598	24	5 546	0.0 %
Tommy Sigmundstad (SVP D&W)	380	154	12	7	553	24	10 038	0.0 %
Evy Glørstad (SVP Exploration & Reservoir Development)	392	160	7	-	559	25	9 423	0.0 %
Lene Landøy (SVP Strategy and Business Development)2)	340	451	5	6	802	16	N/A	N/A
David Torvik Tønne (Chief Financial Officer)	384	154	6	3	547	23	16 869	0.0 %
Marit Blaasmo (SVP HSSEQ)	287	111	3	-	401	24	4 688	0.0 %
Knut Arne Kristian Sandvik (SVP projects)	377	224	7	-	608	25	4 078	0.0 %
Ine Dolve (SVP Operations & Asset Development)	369	130	5	6	510	25	5 534	0.0 %
Lars Høier (SVP Operations & Asset Development - NOAKA)	359	138	4	1	503	24	6 671	0.0 %
Jan Rosnes (SVP Strategy and Business Development)3)	209	49	4	-	263	24	408	0.0 %
Total remuneration of senior executives in 2021	**4 793**	**2 487**	**177**	**822**	**8 279**	**269**	**73 610**	**0.0 %**

1) Special Advisor until 30.06.2021. Other includes payments arising from a mutual agreement in relation to Bratsberg leaving the company.

2) SVP Strategy and Business Development until 31.08.2021

3) SVP Strategy and Business Development since 01.09.2021

* All remuneration to senior executives is paid in NOK and converted to USD using a yearly average USD/NOK-rate of 8.5991. For executives who have been in the Executive Management Team only parts of the year, the figures include payroll for the full year.
** Numbers represent actual ordinary bonus earned in 2021, excluding LTIP (see description above).
*** These shares have been purchased by the individuals and are not part of the remuneration. The numbers include shares held in companies where the senior executives have controlling interest.

Fees in 2022*

Name	Comments	Fee (USD 1 000)	Total number of shares	Owning interest
Øyvind Eriksen	Chairman of the Board from 11.03.2016. Chair of the Organizational Development and Compensation committee.	96	-	-
Anne Marie Cannon	Deputy Chair from 17.04.2013. Member of the Audit & Risk committee and Organizational Development and Compensation committee.	69	12 078	0.0 %
Kjell Inge Røkke	Board member from 17.04.2013.	42	-	-
Murray Auchincloss	Board member from 16.04.2020	-	-	-
Trond Brandsrud	Board member from 11.03.2016. Chairman of the Audit & Risk committee from 28.04.2016.	68	-	-
Kate Thomson	Board member from 30.09.2016. Member of the Audit & Risk committee from 04.10.2016.	-	-	-
Valborg Lundegaard	Board member from 05.04.2022.	28	-	-
Charles Ashley Heppenstall	Board member from 07.07. 2022.	21	852 587	0.2 %
Terje Solheim	Employee rep. from 20.03.2014. Member of the Organizational Development and Compensation committee.	24	637	0.0 %
Ingard Haugeberg	Employee representative from 30.08.2018.	20	948	0.0 %
Hilde K.Brevik	Deputy employee representative from 30.08.2018.	20	1 510	0.0 %
Tore Vik	Employee representative from 14.07.2021.	20	4 539	0.0 %
Sarah Alexandra Berg	Deputy employee representative from 07.07.2021.	3	2 225	0.0 %
Rune K. Fauskanger	Deputy employee representative from 07.07.2021.	3	7 888	0.0 %
Thomas Husvæg	Deputy employee representative from 07.07.2021.	3	132	0.0 %
Ørjan K.Brakstad	Deputy employee representative from 07.07.2021.	3	420	0.0 %
Svein Oskar Stoknes	Chair of the Nomination committee from 16.04.2020.	4	-	-
Ingebret Hisdal	Member of the Nomination committee from 16.04.2020.	4	-	-
Donna Riley	Member of the Nomination committee from 16.04.2020.	-	-	-
Member until 05.04.2022				
Paula Doyle	Board member from 15.04.2021 until 05.04.2022.	14	N/A	N/A
Total		**445**	**882 964**	**0.2 %**

* Fee to board members are paid in NOK and converted to USD using a yearly average USD/NOK-rate of 9.6245

Fees in 2021*

Name	Comments	Fee (USD 1 000)	Total number of shares	Owning interest
Øyvind Eriksen	Chairman of the Board from 11.03.2016. Chair of the Organizational Development and Compensation committee.	104	-	-
Anne Marie Cannon	Deputy Chair from 17.04.2013. Member of the Audit & Risk committee and Organizational Development and Compensation committee.	71	12 078	0.0 %
Kjell Inge Røkke	Board member from 17.04.2013.	46	-	-
Murray Auchincloss	Board member from 16.04.2020	-	-	-
Trond Brandsrud	Board member from 11.03.2016. Chairman of the Audit & Risk committee from 28.04.2016.	69	-	-
Kate Thomson	Board member from 30.09.2016. Member of the Audit & Risk committee from 04.10.2016.	-	-	-
Paula Doyle	Board member from 15.04.2021.	34	-	-
Terje Solheim	Employee rep. from 20.03.2014. Member of the Organizational Development and Compensation committee.	26	637	0.0 %
Ingard Haugeberg	Employee representative from 30.08.2018.	23	948	0.0 %
Hilde K.Brevik	Deputy employee representative from 30.08.2018.	13	1 201	0.0 %
Tore Vik	Employee representative from 14.07.2021.	11	3 594	0.0 %
Sarah Alexandra Berg	Deputy employee representative from 07.07.2021.	2	1 949	0.0 %
Rune K. Fauskanger	Deputy employee representative from 07.07.2021.	2	6 649	0.0 %
Thomas Husvæg	Deputy employee representative from 07.07.2021.	2	132	0.0 %
Ørjan K.Brakstad	Deputy employee representative from 07.07.2021.	2	423	0.0 %
Svein Oskar Stoknes	Chair of the Nomination committee from 16.04.2020.	-	-	-
Ingebret Hisdal	Member of the Nomination committee from 16.04.2020.	7	-	-
Donna Riley	Member of the Nomination committee from 16.04.2020.	-	-	-
				-
Member until				-
Gro Kielland	Board member from 20.03.2014 to 15.04.2021.	19	N/A	N/A
Ørjan Holstad	Employee representative from 01.11.2017 to 07.07.2021.	13	N/A	N/A
Anette Hoel Helgesen	Employee representative from 30.08.2018 to 07.07.2021.	13	N/A	N/A
Nina Aas	Deputy employee representative from 30.08.2018 to 07.07.2021.	2	N/A	N/A
Oddbjørn Aune	Deputy employee representative from 30.08.2018 to 07.07.2021.	2	N/A	N/A
Total		**463**	**27 611**	**0.0 %**

* Fee to board members are paid in NOK and converted to USD using a yearly average USD/NOK-rate of 8.5991.

Note 10 Auditors fee

	Group		Parent	
(USD 1 000)	2022	2021	2022	2021
Fees for statutory audit services - PWC (excluding VAT)	230	-	200	-
Fees for statutory audit services - KPMG (excluding VAT)	132	432	132	432
Fees for other services - PWC (excluding VAT)	533	-	533	-
Fees for other services - KPMG (excluding VAT)	202	124	202	124
Total auditor's fees	**1 098**	**555**	**1 068**	**555**

KPMG was the statutory auditor of Aker BP until April 2022, and was then replaced by PwC.

Note 11 Financial items

	Group		Parent	
		Restated		Restated
(USD 1 000)	2022	2021	2022	2021
Total interest income	**25 959**	**2 481**	**23 019**	**2 481**
Realized gains on derivatives	33 466	27 392	33 466	27 392
Change in fair value of derivatives	333 674	-	333 674	-
Net currency gains	308 373	88 779	193 887	88 779
Other financial income[1]	98 774	-	98 774	-
Total other financial income	**774 287**	**116 171**	**659 801**	**116 171**
Nominal interest expenses	154 019	145 651	147 304	145 651
Amortized loan costs[2]	31 815	22 460	19 164	22 460
Interest on lease debt	7 496	11 558	7 120	11 558
Capitalized interest cost, development projects	-85 612	-40 136	-53 344	-40 136
Total interest expenses	**107 718**	**139 533**	**120 244**	**139 533**
Net currency loss	269 434	-	-	-
Realised loss on derivatives	480 945	23 249	480 945	23 249
Change in fair value of derivatives	-	44 565	-	44 565
Accretion expenses related to abandonment provisions	119 895	61 944	107 907	61 944
Other financial expenses	9 834	39 274	8 220	39 274
Total other financial expenses	**880 109**	**169 032**	**597 072**	**169 032**
Net financial items	**-187 581**	**-189 913**	**-34 496**	**-189 913**

[1] Related to gain from the sale of shares in Cognite in 2022 (see note 19)

[2] The figure includes amortization of the difference between fair value and nominal value on the bonds acquired in the Lundin transaction in 2022

The rate (weighted average interest rate) used to determine the amount of borrowing cost eligible for capitalisation in 2022 is 3.69 percent. The corresponding rate for 2021 was 4.46 percent.

Climate-related risk:
As described in note 4 on climate-related risk, a sensitivity analysis have been performed to show the estimated impact of a two percent increase in credit spreads on current loan balances as of 31 December 2022 . This would result in an increased interest expenses of USD 111 million.

Note 12 Taxes

Tax for the period (USD 1 000)	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
Current year tax payable/receivable	7 162 988	1 526 236	4 826 060	1 526 236
Current tax related to change in tax system	-176 391	-	-176 391	-
Prior period adjustments to current tax	-17 752	15 093	-18 977	15 093
Current tax expense (+)/income (-)	**6 968 845**	**1 541 329**	**4 630 692**	**1 541 329**
Change in current year deferred tax	-12 294	530 497	240 850	530 497
Deferred tax related to change in tax system	189 444	-	189 444	-
Prior period adjustments to deferred tax	27 916	-3 971	27 916	-3 971
Deferred tax expense (+)/ income (-)	**205 065**	**526 526**	**458 209**	**526 526**
Tax expense (+)/income (-)	**7 173 910**	**2 067 855**	**5 088 901**	**2 067 855**
Effective tax rate in %	**82%**	**71 %**	**82%**	**71 %**

Reconciliation of tax expense (USD 1 000)	Tax rate	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
78% tax rate on profit/loss before tax	78%	6 846 295	2 258 703	4 845 235	2 258 703
Tax effect of uplift	56%	-161 708	-270 454	-148 884	-270 454
Permanent differences on impairment	78%	294 386	-36 862	338 709	-36 862
Foreign currency translation of monetary items other than USD	78%	-170 564	-68 575	-170 564	-68 575
Foreign currency translation of monetary items other than NOK	78%	129 563	16 508	129 563	16 508
Tax effect of financial and other 22% items	56%	60 126	97 881	-33 603	97 881
Currency movements of tax balances[1)]	78%	138 929	43 332	138 929	43 332
Other permanent differences, prior period adjustments and change in estimate of uncertain tax positions	78%	36 883	27 321	-10 484	27 321
Tax expense (+)/income (-)		**7 173 910**	**2 067 855**	**5 088 901**	**2 067 855**

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

See note 1 for a description of change in accounting principles impacting deferred tax.

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%)]. During the fourth quarter, the National Budget 2023 was approved. This includes a change in the temporary tax regime uplift from 17.69 to 12.4 percent. Such change will increase the tax charge for the group from 2023 and onwards.

In accordance with statutory requirements, the calculation of current tax is required to be based on NOK functional currency. This may impact the effective tax rate as the company's functional currency is USD.

Breakdown of tax effect of temporary differences (USD 1 000)	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
Tangible fixed assets	-11 057 229	-6 474 847	-11 057 229	-6 474 847
Capitalized exploration cost	-196 364	-200 098	-196 364	-200 098
Other intangible assets	-1 470 437	-735 936	-1 470 437	-735 936
Abandonment provision	3 249 333	4 034 436	3 249 333	4 034 436
Lease debt	104 832	106 246	104 832	106 246
Financial instruments	-26 421	3 850	-26 421	3 850
Other provisions	37 139	-24 938	37 139	-24 938
Net deferred tax liability (-)/deferred tax asset (+)	**-9 359 146**	**-3 291 287**	**-9 359 146**	**-3 291 287**

Deferred tax liability (-)/asset (+) (USD 1 000)	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
Deferred tax liability/asset at beginning of period	-3 291 287	-2 764 761	-3 291 287	-2 764 761
Change in current year deferred tax	12 294	-530 497	-240 850	-530 497
Change in current year deferred tax related to change in tax system	-189 444	-	-189 444	-
Deferred tax related to acquisition of Lundin Energy	-5 802 641	-	-	-
Deferred tax related to merger of group companies	-	-	-5 607 844	-
Prior period adjustments	-27 925	3 971	-29 731	3 971
Deferred tax charged to OCI and equity	-60 144	-	9	-
Net deferred tax liability (-)/deferred tax asset (+)	**-9 359 146**	**-3 291 287**	**-9 359 146**	**-3 291 287**

Calculated tax payable (-)/ tax receivable (+) (USD 1 000)	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
Tax payable/receivable at beginning of period	-1 497 291	-163 352	-1 497 291	-163 352
Current year tax payable/receivable	-7 162 988	-1 526 236	-4 826 060	-1 526 236
Current year tax payable/receivable related to change in tax system	176 391	-	176 391	-
Net tax payment/tax refund	5 332 125	223 166	3 205 490	223 166
Net tax payable related to acquisition of Lundin Energy	-2 181 017	-	-	-
Net tax payable related to merger of group companies	-	-	-2 427 178	-
Prior period adjustments and change in estimate of uncertain tax positions	29 847	-57 165	31 081	-57 165
Currency movements of tax payable/receivable	245 846	26 297	253 424	26 297
Current tax foreign currency exchange charged to OCI and equity	-27 055	-	-	-
Net tax payable (-)/receivable (+)	**-5 084 142**	**-1 497 291**	**-5 084 142**	**-1 497 291**

Note 13 Earnings per share

Earnings per share is calculated by dividing the year's profit attributable to ordinary equity holders of the parent entity, which was USD 1 603 million for the group and USD 1 123 million for the parent (USD 828 million in 2021) by the year's weighted average number of outstanding ordinary shares, which was 496.8 million (359.6 million in 2021). Weighted average number of diluted and ordinary shares is the same, as the company does not have any dilutive instruments.

(USD 1 000)	Group 2022	Group 2021	Parent 2022	Parent 2021
Profit for the year attributable to ordinary equity holders of the parent entity	1 602 940	827 928	1 122 620	827 928
The year's average number of ordinary shares (in thousands)	496 765	359 643	496 765	359 643
Earnings per share in USD	**3.23**	**2.30**	**2.26**	**2.30**

Note 14 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
Restated book value 31.12.2020	**1 088 754**	**8 154 152**	**114 999**	**9 357 906**
Restated acquisition cost 31.12.2020	**1 088 754**	**11 978 643**	**241 304**	**13 308 701**
Additions	814 409	620 779	12 750	1 447 938
Impact of change in accounting principle	-	375 169	-	375 169
Disposals/retirement	-	-	-	-
Reclassification	-107 727	428 436	2 395	323 103
Restated acquisition cost 31.12.2021	**1 795 436**	**13 403 026**	**256 449**	**15 454 911**
Restated accumulated depreciation and impairments 31.12.2020	**-**	**3 824 491**	**126 305**	**3 950 795**
Restated depreciation	-	1 061 574	43 440	1 105 014
Impairment/reversal (-)	-	184 664	-	184 664
Disposals/retirement depreciation	-	-	-	-
Restated accumulated depreciation and impairments 31.12.2021	**-**	**5 070 729**	**169 744**	**5 240 473**
Restated book value 31.12.2021	**1 795 436**	**8 332 297**	**86 705**	**10 214 438**
Restated acquisition cost 31.12.2021	**1 795 436**	**13 403 026**	**256 449**	**15 454 911**
Additions[1)]	1 036 027	-1 203 100	18 215	-148 858
Acquisition of Lundin Energy	933 182	6 726 306	3 811	7 663 300
Disposals/retirement	-	-	17 483	17 483
Reclassification[2)]	-2 132 595	2 266 639	7 273	141 317
Foreign currency translation	-17 874	108 146	42	90 314
Acquisition cost 31.12.2022	**1 614 177**	**21 301 017**	**268 306**	**23 183 501**
Accumulated depreciation and impairments 31.12.2021	**-**	**5 070 729**	**169 744**	**5 240 473**
Depreciation	-	1 635 302	39 944	1 675 245
Impairment/reversal (-)	-	385 562	-	385 562
Disposals/retirement depreciation	-	-	-17 483	-17 483
Foreign currency translation	-	13 017	27	13 044
Accumulated depreciation and impairments 31.12.2022	**-**	**7 104 610**	**192 232**	**7 296 841**
Book value 31.12.2022	**1 614 177**	**14 196 407**	**76 075**	**15 886 659**

[1)] The negative addition is caused by decreased abandonment provision with an offseting entry on PP&E

[2)] The reclassification is mainly related to the Johans Sverdrup phase 2 development project, which entered into production phase during 2022

See note 1 for a description of change in accounting principle related to abandonment provisions.

Capitalized exploration expenditures are reclassified to "Assets under development" when the field enters into the development phase. Assets under development are reclassified to "Production facilities" from the start of production. 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 assets under development.

See note 15 for information regarding impairment charges.

Right-of-use assets

(USD 1 000)	Drilling Rigs	Vessels and Boats	Office	Other	Total
Book value 31.12.2020	**41 864**	**57 395**	**31 525**	**1 950**	**132 735**
Acquisition cost 31.12.2020	**47 963**	**62 016**	**46 427**	**2 303**	**158 709**
Additions	-	-	5 989	-	5 989
Allocated to abandonment activity	-11 518	-1 943	-	-	-13 461
Disposals/retirement	-	-	-	-	-
Reclassification	-18 034	-2 636	-	-	-20 669
Acquisition cost 31.12.2021	**18 412**	**57 436**	**52 416**	**2 303**	**130 567**
Accumulated depreciation and impairments 31.12.2020	**6 099**	**4 620**	**14 902**	**353**	**25 974**
Depreciation	-	2 076	8 164	177	10 416
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2021	**6 099**	**6 696**	**23 066**	**530**	**36 390**
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	22 542	-	11 223	-	33 765
Acquisition of Lundin Energy	11 069	-	23 688	-	34 757
Allocated to abandonment activity	-	-366	-	-	-366
Disposals/retirement	6 099	10	8 086	-	14 194
Reclassification[1)]	-28 072	-2 338	-	-	-30 409
Foreign currency translation	-2	-	-1 952	-	-1 954
Acquisition cost 31.12.2022	**17 850**	**54 723**	**77 290**	**2 303**	**152 166**
Accumulated depreciation and impairments 31.12.2021	**6 099**	**6 696**	**23 066**	**530**	**36 390**
Depreciation	2 776	3 938	11 826	177	18 716
Impairment/reversal (-)	-	-	-	-	
Disposals/retirement depreciation	-6 099	-	-8 086	-	-14 185
Foreign currency translation	-	-	-92	-	-92
Accumulated depreciation and impairments 31.12.2022	**2 776**	**10 634**	**26 714**	**706**	**40 829**
Book value 31.12.2022	**15 075**	**44 089**	**50 576**	**1 597**	**111 336**

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

See note 26 for information regarding leases.

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 Depreciated	Other intangible assets Not depreciated	Total
Book value 31.12.2020	**1 647 436**	**521 922**	**806 469**	**714 842**	**1 521 311**
Acquisition cost 31.12.2020	**2 726 583**	**668 029**	**1 480 063**	**888 922**	**2 368 985**
Additions	-	177 464		-	
Disposals/expensed dry wells	-	98 827	-	-	-
Reclassification	-	-302 434	-	-	-
Acquisition cost 31.12.2021	**2 726 583**	**444 232**	**1 480 063**	**888 922**	**2 368 985**
Accumulated depreciation and impairments 31.12.2020	**1 079 146**	**146 107**	**673 594**	**174 079**	**847 674**
Depreciation	-	-	77 459	-	77 459
Impairment	-	41 589	87 042	-50 741	36 301
Retirement/transfer depreciations	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2021	**1 079 146**	**187 696**	**838 096**	**123 338**	**961 434**
Book value 31.12.2021	**1 647 436**	**256 535**	**641 967**	**765 584**	**1 407 551**
Acquisition cost 31.12.2021	**2 726 583**	**444 232**	**1 480 063**	**888 922**	**2 368 985**
Additions	-	251 764	743	-	743
Acquisition of Lundin Energy[1)]	12 542 852	-	25 653	1 256 577	1 282 230
Disposals/retirement/expensed dry wells	-	135 800	-	-	-
Reclassification[2)]	-	-110 907	855 022	-855 022	-
Foreign currency translation	134 964	1 012	275	12 339	12 614
Acquisition cost 31.12.2022	**15 404 399**	**450 301**	**2 361 756**	**1 302 816**	**3 664 572**
Accumulated depreciation and impairments 31.12.2021	**1 079 146**	**187 696**	**838 096**	**123 338**	**961 434**
Depreciation	-	-	91 711	-	91 711
Impairment/reversal (-)	377 398	10 869	-	258 325	258 325
Disposals/retirement depreciation	-	-	-	-	-
Foreign currency translation	12 868	-	-60	8 808	8 748
Accumulated depreciation and impairments 31.12.2022	**1 469 413**	**198 565**	**929 747**	**390 471**	**1 320 218**
Book value 31.12.2022	**13 934 986**	**251 736**	**1 432 009**	**912 345**	**2 344 354**

1) The goodwill recognised in connection with the Lundin transaction includes the subsequent adjustment as described in note 2

2) The reclassification is mainly related to the Johans Sverdrup phase 2 development project, which entered into production phase during 2022

Licenses 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.

TANGIBLE FIXED ASSETS - PARENT

Property, plant and equipment (USD 1 000)	Assets under development	Production facilities including wells	Fixtures and fittings, office machinery	Total
Restated book value 31.12.2020	**1 088 754**	**8 154 152**	**114 999**	**9 357 906**
Restated acquisition cost 31.12.2020	**1 088 754**	**11 978 643**	**241 304**	**13 308 701**
Additions	814 409	620 779	12 750	1 447 938
Impact of change in accounting principle	-	375 169	-	375 169
Disposals/retirement	-	-	-	-
Reclassification	-107 727	428 436	2 395	323 103
Restated acquisition cost 31.12.2021	**1 795 436**	**13 403 026**	**256 449**	**15 454 911**
Restated accumulated depreciation and impairments 31.12.2020	**-**	**3 824 491**	**126 305**	**3 950 795**
Restated depreciation	-	1 061 574	43 440	1 105 014
Impairment/reversal (-)	-	184 664	-	184 664
Disposals/retirement depreciation	-	-	-	-
Restated accumulated depreciation and impairments 31.12.2021	**-**	**5 070 729**	**169 744**	**5 240 473**
Restated book value 31.12.2021	**1 795 436**	**8 332 297**	**86 705**	**10 214 438**
Restated acquisition cost 31.12.2021	**1 795 436**	**13 403 026**	**256 449**	**15 454 911**
Additions[1)]	834 776	-1 181 581	18 107	-328 697
Merger with ABP Norway AS	146 690	7 245 435	2 809	7 394 933
Disposals/retirement	-	-	17 483	17 483
Reclassification[2)]	-1 162 724	1 288 050	7 273	132 598
Acquisition cost 31.12.2022	**1 614 177**	**20 754 931**	**267 155**	**22 636 263**
Accumulated depreciation and impairments 31.12.2021	**-**	**5 070 729**	**169 744**	**5 240 473**
Depreciation	-	1 102 232	38 819	1 141 051
Impairment/reversal (-)	-	385 562	-	385 562
Disposals/retirement depreciation	-	-	-17 483	-17 483
Accumulated depreciation and impairments 31.12.2022	**-**	**6 558 523**	**191 080**	**6 749 603**
Book value 31.12.2022	**1 614 177**	**14 196 407**	**76 075**	**15 886 660**

[1)] The negative addition is caused by decreased abandonment provision with an offseting entry on PP&E

[2)] The reclassification is mainly related to the Johans Sverdrup phase 2 development project, which entered into production phase during 2022

See note 1 for a description of change in accounting principle related to abandonment provisions.

Capitalized exploration expenditures are reclassified to "Assets under development" when the field enters into the development phase. If development plans are subsequently re-evaluated, the associated costs remain in assets under development and are not reclassified back to exploration assets. Assets under development are reclassified to "Production facilities" from the start of production. 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 assets under development.

See note 15 for information regarding impairment charges.

Right-of-use assets

(USD 1 000)	Drilling Rigs	Vessels and Boats	Office	Other	Total
Book value 31.12.2020	**41 864**	**57 395**	**31 525**	**1 950**	**132 735**
Acquisition cost 31.12.2020	**47 963**	**62 016**	**46 427**	**2 303**	**158 709**
Additions	-	-	5 989	-	5 989
Allocated to abandonment activity	-11 518	-1 943	-	-	-13 461
Disposals/retirement	-	-	-	-	-
Reclassification	-18 034	-2 636	-	-	-20 669
Acquisition cost 31.12.2021	**18 412**	**57 436**	**52 416**	**2 303**	**130 567**
Accumulated depreciation and impairments 31.12.2020	**6 099**	**4 620**	**14 902**	**353**	**25 974**
Depreciation	-	2 076	8 164	177	10 416
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2021	**6 099**	**6 696**	**23 066**	**530**	**36 390**
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	22 542	-	31 890	-	54 432
Merger with ABP Norway AS	6 024	-	-	-	6 024
Allocated to abandonment activity	-	-366	-	-	-366
Disposals/retirement	6 099	10	8 086	-	14 194
Reclassification[1)]	-23 029	-2 338	-	-	-25 366
Acquisition cost 31.12.2022	**17 850**	**54 723**	**76 221**	**2 303**	**151 097**
Accumulated depreciation and impairments 31.12.2021	**6 099**	**6 696**	**23 066**	**530**	**36 390**
Depreciation	2 776	3 938	10 664	177	17 555
Impairment/reversal (-)	-	-	-	-	
Disposals/retirement depreciation	-6 099	-	-8 086	-	-14 185
Accumulated depreciation and impairments 31.12.2022	**2 776**	**10 634**	**25 645**	**706**	**39 760**
Book value 31.12.2022	**15 075**	**44 089**	**50 576**	**1 597**	**111 336**

[1)] Reclassified 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 - PARENT

(USD 1 000)	Goodwill	Capitalized exploration expenditures	Other intangible assets Depreciated	Other intangible assets Not depreciated	Total
Book value 31.12.2020	**1 647 436**	**521 922**	**806 469**	**714 842**	**1 521 311**
Acquisition cost 31.12.2020	**2 726 583**	**668 029**	**1 480 063**	**888 922**	**2 368 985**
Additions	-	177 464		-	
Disposals/expensed dry wells	-	98 827	-	-	-
Reclassification	-	-302 434	-	-	-
Acquisition cost 31.12.2021	**2 726 583**	**444 232**	**1 480 063**	**888 922**	**2 368 985**
Accumulated depreciation and impairments 31.12.2020	**1 079 146**	**146 107**	**673 594**	**174 079**	**847 674**
Depreciation	-	-	77 459	-	77 459
Impairment	-	41 589	87 042	-50 741	36 301
Retirement/transfer depreciations	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2021	**1 079 146**	**187 696**	**838 096**	**123 338**	**961 434**
Book value 31.12.2021	**1 647 436**	**256 535**	**641 967**	**765 584**	**1 407 551**
Acquisition cost 31.12.2021	**2 726 583**	**444 232**	**1 480 063**	**888 922**	**2 368 985**
Additions	-	194 660	743	-	743
Merger with ABP Norway AS	12 287 550	27 201	715 357	293 873	1 009 230
Disposals/retirement/expensed dry wells	-	108 560	-	-	-
Reclassification[1)]	-	-107 232	154 058	-154 058	-
Acquisition cost 31.12.2022	**15 014 132**	**450 301**	**2 350 221**	**1 028 737**	**3 378 957**
Accumulated depreciation and impairments 31.12.2021	**1 079 146**	**187 696**	**838 096**	**123 338**	**961 434**
Depreciation	-	-	73 169	-	73 169
Impairment/reversal (-)	-	10 869	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 31.12.2022	**1 079 146**	**198 565**	**911 265**	**123 338**	**1 034 603**
Book value 31.12.2022	**13 934 986**	**251 736**	**1 438 955**	**905 399**	**2 344 354**

[1)] The reclassification is mainly related to the Johans Sverdrup phase 2 development project, which entered into production phase during 2022

Licenses 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		Parent	
Depreciation in the Income statement (USD 1 000)	**2022**	**Restated 2021**	**2022**	**Restated 2021**
Depreciation of tangible fixed assets	1 675 245	1 105 014	1 141 051	1 105 014
Depreciation of right-of-use assets	18 716	10 416	17 555	10 416
Depreciation of other intangible assets	91 711	77 459	73 169	77 459
Total depreciation in the Income statement	**1 785 672**	**1 192 889**	**1 231 775**	**1 192 889**
Impairment in the Income statement (USD 1 000)				
Impairment/reversal of tangible fixed assets	385 562	184 664	385 562	184 664
Impairment/reversal of other intangible assets	258 325	36 301	-	36 301
Impairment/reversal of capitalized exploration expenditures	10 869	41 589	10 869	41 589
Impairment of goodwill	377 398	-	-	-
Total impairments of tangible and intangible assets	**1 032 154**	**262 554**	**396 431**	**262 554**

See note 15 for information regarding impairment charges, including impairment of other non-current assets for the parent company.

Note 15 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 2022, two categories of impairment tests have been performed:

- Impairment test of fixed assets and related intangible assets, including technical goodwill
- Impairment test of residual 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 has been performed in accordance with the fair value less cost to sell 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 31 December 2022.

Oil and gas 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 2023 to the end of 2025. From 2026, the oil and gas prices are based on the company's long-term price assumptions. Long-term oil price assumption is unchanged from year-end 2021. Long-term gas price assumption is updated from 0.48 GBP/therm applied at year-end 2021.

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

Year	USD/BBL
2023	83.9
2024	79.0
2025	75.0
From 2026 (in real 2022 terms)	65.0

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

Year	GBP/therm
2023	2.05
2024	1.97
2025	1.59
From 2026 (in real 2022 terms)	0.67

Oil and gas reserves

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable reserves including potentially additional risked volumes. For more information about the determination of the reserves, reference is made to note 1, section 1.3, and to note 32.

Future expenditure

Future capex, opex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost. The cost profiles include an estimated impact of the currently high cost escalation in the industry. The cash flows include a step up of CO_2 tax/fees from current levels to approximately NOK 2 160 per tonn (2022 real) in 2030.

Discount rate

The discount rate is derived from the company's weighted average cost of capital ("WACC"). The capital structure considered in the WACC calculation is derived from the capital structures of an identified peer group and market participants with consideration given to optimal structures. The cost of equity is derived from the expected return on investment by the company's investors. The cost of debt is based on the interest-bearing borrowings on debt specific to the assets acquired. The beta factors are evaluated annually based on publicly available market data about the identified peer group.

The post tax nominal discount rate used at year-end is 8.7 percent. This represents a change from 7.6 percent applied at year-end 2021.

Currency rates

Year	USD/NOK
2023	9.64
2024	9.54
2025	9.49
From 2026	8.00

The long-term currency rate is unchanged from year end 2021.

Inflation

The long-term inflation rate is assumed to be 2.0 percent, which is the same as applied at year-end 2021. The currently high cost escalation in the industry is reflected in the cash flows rather than in the inflation rate.

Impairment testing of assets including technical goodwill

The technical goodwill recognized in 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 the impairment test performed, carrying value is adjusted by the remaining part of deferred tax from which the technical goodwill arose, to avoid an immediate impairment of all technical goodwill. 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 charges and the carrying value per cash generating unit where impairments have been recognized in 2022:

	Group & Parent		Group	
Cash-generating unit (USD 1 000)	**Other**	**Ula/Tambar**	**Wisting**	**Edvard Grieg & Ivar Aasen**
Net carrying value	414	385 148	625 793	4 673 989
Recoverable amount	-	-	109 885	4 532 497
Foreign currency translation	-	-	17 011	4 665
Impairment/reversal (-)	**414**	**385 148**	**498 897**	**136 826**
Allocated as follows:				
Technical goodwill	-	-	240 572	136 826
Other intangible assets/license rights	414	-	258 325	-
Tangible fixed assets	-	385 148	-	-

The main reason for the Wisting impairment is related to the postponed planned investment decision, with new profiles and where less favorable tax rules will apply. The Edvard Grieg & Ivar Aasen CGU impairment is mainly related to decrease in short-term gas prices and currency translation effects of PPA balances in functional currency other than USD. The main reason for the Ula impairment is updates on cost and production profiles from the acceleration of the expected shut-down from 2032 to 2028.

Sensitivity analysis

The table below shows how the impairment or reversal of impairment of assets and technical goodwill would be affected by changes in the various assumptions, given that the remaining assumptions are constant.

		Change in impairment after	
Assumption (USD 1 000)	**Change**	**Increase in assumption**	**Decrease in assumption**
Oil and gas price forward period	+/- 50 %	0	2 093 950
Oil and gas price long-term	+/- 20 %	-109 526	859 349
Production profile (reserves)	+/- 5 %	-27 382	297 482
Discount rate	+/- 1 % point	104 438	-29 544
Currency rate USD/NOK	+/- 2.0 NOK	-85 150	790 605
Inflation	+/- 1 % point	-37 435	355 663

Exploration assets

During 2022, 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.

Impairment testing of residual goodwill

The residual goodwill is tested for impairment on corporate level. The starting point for the impairment test is the difference between market value and book value of equity, compared to the residual goodwill. At year end 2022 this difference exceeds the carrying amount of residual goodwill by a substantial margin.

Impairment testing of other non-current assets (parent)

An impairment test of investments in subsidiaries and other non-current assets have been carried out, and an impairment charge of USD 434.2 million has been recognised during 2022. The impairment charge is related to ABP Norway AS prior to the merger with the parent company Aker BP ASA. The impairment charge corresponds to the post-tax decrease in value related to the Wisting and Edvard Grieg & Ivar Aasen CGU.

Climate-related risks

As described in note 4 on Climate-related risk, a sensitivity analysis have been performed towards various scenarios from International Energy Agency have been included in a separate sensitivity test as presented below. The price assumptions in those senarios have been provided by IEA at 2030 and 2050 in 2021 real terms. For the sensitivity calculation, a linear development between spot price at year end 2022 and IEA price in 2030, as well as between 2030 and 2050 have been applied. The table below summarizes how the impairment charge would increase (+) or decrease (-) using the oil and gas price assumptions in the following scenarios:

		Change in impairment	
IEA Scenario (USD 1 000 000)	**Net Zero**	**Announced Pledges**	**Stated Policies**
Valhall/Hod	2 223	-	-
Skarv	-	-	-
Ula	-	-	-
Alvheim	45	-	-
Johan Sverdrup	75	-	-
Edvard Grieg & Ivar Aasen	601	-	-
Yggdrasil	682	-	-
Wisting	110	12	-189

	Oil USD/bbl		Gas USD/mmbtu	
Scenario price ranges	**2030**	**2050**	**2030**	**2050**
Net Zero	35	24	4.6	3.8
Announced Pledges	64	60	7.9	6.3
Stated Policies	82	95	8.5	9.2

Impairment testing in 2021

In 2021, the net impairment charge was mainly related to two CGU's and allocated to other intagible assets from acquisitions and tangible fixed assets, in addition to an net impairment of exploration assets. The methodology for impairment testing was the same as in 2022 as described in this note.

The following assumptions were applied for the impairment testing at year-end 2021:

- discount rate of 7.6 percent nominal after tax for both value in use and fair value testing
- a long-term inflation of 2.0 percent
- a long-term exchange rate of NOK/USD 8.0 (forward curve first three years)
- a long-term oil price assumption of 65 USD/barrel, using forward curve first three years

Summary of impairment/reversal of impairments

The following impairments/(reversals) have been recorded:

	Group		Parent	
(USD 1 000)	**2022**	**2021**	**2022**	**2021**
Impairment/reversal of tangible fixed assets	385 562	184 664	385 562	184 664
Impairment/reversal of other intangible assets	258 325	36 301	-	36 301
Impairment/reversal of capitalized exploration expenditures	10 869	41 589	10 869	41 589
Impairment of goodwill	377 398	-	-	-
Impairment of non-current assets	-	-	434 220	
Total impairments	**1 032 154**	**262 554**	**830 650**	**262 554**

Note 16 Accounts receivable

The company's customers are mainly large, financially sound oil companies. Accounts receivable consist of receivables related to the sale of oil and gas.

	Group		Parent	
(USD 1 000)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Receivables related to the sale of petroleum	950 942	366 785	950 942	366 785
Total accounts receivable	**950 942**	**366 785**	**950 942**	**366 785**

Age distribution of accounts receivable as of 31 December for the group and parent was as follows:

Year (USD 1 000)	**Total**	**Not due**	**<30d**	**30-90d**	**>90d**
2022	950 942	950 139	804	-	-
2021	366 785	363 662	2 208	542	373

Note 17 Other short-term receivables

	Group		Parent	
(USD 1 000)	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Prepayments	123 980	45 429	123 980	45 429
VAT receivable	12 406	13 354	12 406	13 354
Underlift of petroleum	53 630	36 944	53 630	36 944
Accrued income from sale of petroleum products	335 505	290 254	335 505	290 254
Other receivables, mainly balances with license partners	160 715	114 172	161 139	114 172
Total other short-term receivables	**686 237**	**500 154**	**686 661**	**500 154**

Note 18 Inventories

The inventory mainly consists of equipment for the drilling of exploration and production wells.

	Group		Parent	
Inventory value (USD 1 000)	**2022**	**2021**	**2022**	**2021**
Inventories - measured at cost	256 004	144 457	256 004	144 457
Provision for obsolete equipment	46 498	18 016	46 498	18 016
Book value of inventories	**209 506**	**126 442**	**209 506**	**126 442**

Note 19 Other non-current assets

	Group		Parent	
(USD 1 000)	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Shares in Alvheim AS	10	10	10	10
Shares in Det norske oljeselskap AS	1 021	1 021	1 021	1 021
Shares in Sandvika Fjellstue AS	1 814	1 814	1 814	1 814
Investment in subsidiaries[1)]	**2 845**	**2 845**	**2 845**	**2 845**
Continuing involvement - Cognite AS[2)]	81 400	-	81 400	-
Tenancy deposit	1 627	1 810	1 627	1 810
Unamortized fees - RCF[3)]	10 975	15 860	10 975	15 860
Other non-current assets	7 634	9 789	7 634	9 789
Total other non-current assets	**104 480**	**30 304**	**104 480**	**30 304**

[1)] Alvheim AS, Det norske oljeselskap AS and Sandvika Fjellstue AS have been deemed immaterial for consolidation purposes. The share capital in Aker BP UK is only 100 GBP and is thus not reflected in the table. All companies acquired in the Lundin transaction has been either liquidated or merged with Aker BP ASA in 2022. For more information regarding shares in subsidiaries, see note 3.

[2)] In 2022 the company sold its shares in Cognite AS to Saudi Aramco Development Company for a consideration of USD 118 million. As part of the transaction, Aker BP has granted the buyer an option with maturity in November 2024 which under certain conditions gives the buyer the right to sell the shares back to Aker BP for USD 81.4 million. On this basis, Aker BP is considered to have continuing involvement in Cognite AS, in accordance with guidelines in IFRS 9. Hence, both an asset and a liability of USD 81.4 million is recognised in the statement of financial position at 31 December 2022.

[3)] Remaining unamortized fees related to the Revolving Credit Facility (RCF). These have been reclassified from other interest-bearing debt as the RCF was undrawn as at 31 December 2022 and 31 December 2021.

Note 20 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 transaction liquidity.

	Group		Parent	
Breakdown of cash and cash equivalents (USD 1 000)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Bank deposits	2 756 012	1 970 906	2 756 008	1 970 906
Cash and cash equivalents	**2 756 012**	**1 970 906**	**2 756 008**	**1 970 906**
Unused Revolving Credit Facility	3 400 000	3 400 000	3 400 000	3 400 000

The RCF is undrawn as at 31 December 2022 and the remaining unamortized fees of USD 11.0 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 31 December 2022 the Leverage Ratio is 0.21 and Interest Coverage Ratio is 73.6 (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 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.

Note 21 Share capital and shareholders

	Group		Parent	
(USD 1 000)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Share capital	84 348	57 056	84 348	57 056
Total number of shares (in 1 000)	632 022	360 114	632 022	360 114
Nominal value per share in NOK	1.00	1.00	1.00	1.00

There is only one single class of shares in the company and all shares carry a single voting right.

Overview of the 20 largest shareholders registered as of 31 December 2022	No. of shares (in 1 000)	Owning interest
AKER CAPITAL AS	133 758	21.16%
BP Exploration Op Co Ltd	100 303	15.87%
NEMESIA S.A.R.L.	90 798	14.37%
FOLKETRYGDFONDET	29 992	4.75%
JPMorgan Chase Bank, N.A., London[1]	19 681	3.11%
State Street Bank and Trust Comp[1]	15 162	2.40%
JPMorgan Chase Bank, N.A., London[1]	13 844	2.19%
State Street Bank and Trust Comp[1]	6 776	1.07%
JPMorgan Chase Bank, N.A., London[1]	6 128	0.97%
JPMorgan Chase Bank, N.A., London[1]	5 958	0.94%
State Street Bank and Trust Comp[1]	5 047	0.80%
JPMorgan Chase Bank, N.A., London[1]	5 016	0.79%
CACEIS Bank[1]	4 991	0.79%
Avanza Bank AB[1]	4 956	0.78%
Swedbank AB[1]	3 725	0.59%
CLEARSTREAM BANKING S.A.[1]	3 322	0.53%
VERDIPAPIRFONDET KLP AKSJENORGE IN	3 192	0.51%
State Street Bank and Trust Comp[1]	3 091	0.49%
SVENSKA HANDELSBANKEN AB[1]	3 043	0.48%
Skandinaviska Enskilda Banken AB[1]	2 423	0.38%
OTHER	170 816	27.03%
Total	**632 022**	**100.00%**

[1] Nominee accounts

Note 22 Bonds

		Group		Parent	
(USD 1 000)	**Maturity**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
AKERBP – USD Senior Notes 3.000% (20/25)	Jan 2025	498 172	497 295	498 172	497 295
AKERBP – USD Senior Notes 2.875% (20/26)	Jan 2026	497 813	497 103	497 813	497 103
AKERBP - USD Senior Notes 2.000% (21/26)[1]	July 2026	907 387	-	907 387	-
AKERBP – EUR Senior Notes 1.125% (21/29)	May 2029	795 304	843 995	795 304	843 995
AKERBP – USD Senior Notes 3.750% (20/30)	Jan 2030	994 411	993 622	994 411	993 622
AKERBP – USD Senior Notes 4.000% (20/31)	Jan 2031	745 302	744 720	745 302	744 720
AKERBP - USD Senior Notes 3.100% (21/31)[1]	July 2031	840 776	-	840 776	-
Long-term bonds - book value		**5 279 164**	**3 576 735**	**5 279 164**	**3 576 735**
Long-term bonds - fair value		**4 829 678**	**3 752 778**	**4 829 678**	**3 752 778**

[1] These bonds have a nominal value of USD 1 billion and were recognized at fair value in connection with the Lundin 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.

The fair value of bonds are based on the listed prices in the active markets (level 1 in fair value hierarchy).

Note 23 Provision for abandonment liabilities

(USD 1 000)	Group 31.12.2022	Group Restated 31.12.2021	Parent 31.12.2022	Parent Restated 31.12.2021
Provisions as of beginning of period	5 172 354	4 897 275	5 172 354	4 897 275
Incurred removal cost	-79 236	-185 973	-78 543	-185 973
Accretion expense	119 895	61 944	107 907	61 944
Abandonment liabilities from acquisition of Lundin Energy[1)]	745 900	-	-	-
Merger with ABP Norway AS	-	-	598 563	-
Foreign currency translation	6 692	-	-	-
Impact of changes to discount rate	-1 876 918	-382 458	-1 747 688	-382 458
Change in estimates and provisions relating to new drilling and installations	76 911	781 566	113 006	781 566
Total provision for abandonment liabilities	**4 165 598**	**5 172 354**	**4 165 598**	**5 172 354**
Breakdown of the provision to short-term and long-term liabilities				
Short-term	115 202	100 863	115 202	100 863
Long-term	4 050 396	5 071 491	4 050 396	5 071 491
Total provision for abandonment liabilities	**4 165 598**	**5 172 354**	**4 165 598**	**5 172 354**

Estimates are based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. Following the change in accounting principle as described in note 1, the nominal pre tax discount rate (risk free) at end of 2022 is between 3.9 percent and 4.7 percent, depending on the timing of the expected cash flows. The corresponding range at year-end 2021 was between 0.4 and 1.9. The calculations assume an inflation rate of 2.0 percent for all applicable periods.

Climate-related risk:
As described in note 4 on climate-related risk, a sensitivity analysis have been performed to show the impact on the book value of abandonment provisions as at 31 December 2022, if cease of production of fields with estimated lifetime after 2040 were accelerated by ten years. Such acceleration would result in an increase in the book value of abandonment provision of USD 539 million.

Note 24 Derivatives

(USD 1 000)	Group 31.12.2022	Group 31.12.2021	Parent 31.12.2022	Parent 31.12.2021
Unrealized gain currency contracts	2 907	1 375	2 907	1 375
Long-term derivatives included in assets	**2 907**	**1 375**	**2 907**	**1 375**
Unrealized gain currency contracts	153 096	18 577	153 096	18 577
Short-term derivatives included in assets	**153 096**	**18 577**	**153 096**	**18 577**
Total derivatives included in assets	**156 003**	**19 952**	**156 003**	**19 952**
Fair value of option related to sale of Cognite	15 995	-	15 995	-
Unrealized losses currency contracts	986	2 370	986	2 370
Long-term derivatives included in liabilities	**16 981**	**2 370**	**16 981**	**2 370**
Unrealized losses commodity derivatives	-	8 989	-	8 989
Unrealized losses currency contracts	34 924	26 094	34 924	26 094
Short-term derivatives included in liabilities	**34 924**	**35 082**	**34 924**	**35 082**
Total derivatives included in liabilities	**51 905**	**37 452**	**51 905**	**37 452**

The company has various types of economic hedging instruments, but no hedge accounting is applied. Commodity derivatives are used to hedge the risk of oil price reduction. The company currently has limited exposure towards fluctuations in interest rate, but generally manages such exposure by using interest rate derivatives. Foreign currency exchange derivatives are used to manage the company's exposure to currency risks, mainly costs in NOK, EUR and GBP. These derivatives are mark to market with changes in market value recognized in the income statement. In the income statement, impacts from commodity derivatives are presented as other income, while impacts from other derivatives are presented as financial items.

As of year end 2022 the company has used currency derivatives to secure approximately NOK 42 billion in 2023 by selling USD to an average exchange rate of NOK/USD 10.02. Correspondingly, approximately NOK 6 billion in 2023 has been secured by selling EUR to an average rate of NOK/EUR 10.44.

Note 25 Other current liabilities

	Group		Parent	
Breakdown of other current liabilities (USD 1 000)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Balances with license partners	43 132	48 456	43 132	48 456
Share of other current liabilities in licenses	460 783	311 694	460 783	311 694
Overlift of petroleum	30 922	40 044	30 922	40 044
Payroll liabilities, accrued interest and other provisions	272 276	224 173	272 053	224 173
Total other current liabilities	**807 113**	**624 366**	**806 891**	**624 366**

Note 26 Lease agreements

The company has entered into leases for rig contracts, other license related commitments and office premises. The leases do not contain any restrictions on the company's dividend policy or financing. To the extent the lease has been approved and committed by the partners in the relevant Aker BP operated licenses, the commitments disclosed represent Aker BP share only.

Significant lease agreements

For 2022, the group and parent had four rig commitments. This included three jack-up rigs from Maersk/Noble; now named Noble Invincible, Noble Integrator and Noble Reacher respectively. Noble Invincible was contracted by the Valhall/Hod licenses until May 2022 and is included as lease in the table below. Noble Reacher was initially hired from August 2021 on a 9 month contract. In January 2022, Noble and Aker BP entered into a rig swap agreement where Noble Reacher was to be replaced by the Noble Integrator under a new contract. The swap occurred in March 2022. Noble Reacher work scope was transferred on to Noble Integrator with an added scope estimated to complete in July 2023. This new Noble Integrator contract has thus been recognised as lease liability in 2022. In addition, we had the semi-submersible rig Deepsea Nordkapp contract with Odfjell Drilling during 2022. After the exercise of the one-year extension option in 2021, committing the Deepsea Nordkapp until June 2023, an additional option was exercised to extend the contract to include the Kobra East Gekko (KEG) scope, which is expected to last until end of Q1 2024 and will thus be recognized in the statement of financial position when commencing the KEG scope in early 2023.

Under the drilling and well construction alliance agreements, Aker BP has during 2022 entered into a five-year rig commitment for the jack-up rigs Noble Integrator and Noble Invincible. Different rate structures will apply during the period reflecting different operating modes, agreed incentive schemes, and market developments. There will be different work scopes, with varying durations in the period from 2023 to 2027, including options to cancel the rigs for parts of the period. Noble Integrator is expected to commence operations in Q2 2024, while Noble Invincible is expected to commence operations in late March 2023. The semisubmersible rig Deepsea Stavanger is expected to join the Aker BP rig fleet in first half of 2025 for a five-year contract. These rigs are planned to be deployed on the upcoming Aker BP PDO projects and thus subject to governmental and license approvals.

In addition, Aker BP has entered into a rig agreement with Saipem for the semisubmersible drilling rig Scarabeo 8. The contract duration is three years with two one-year options and a mechanism of rate adjustment to market rates from the third year onwards. The rig commenced with Aker BP in January 2023 and will be recognized in the statement of financial position as a lease liability in Q1 2023.

The minimum commitments from the lease contracts described above that has not commenced within year end 2022, have been included as other commitments in note 27.

Non-lease components such as the service element of rig commitments are not included as part of the lease debt. As at 31 December 2022 this amounts to USD 13 million.

The total expenditure relating to short-term leases which are not recognized as part of lease liabilities was USD 71 million in 2022 (USD 66 million in 2021).

The group does not have any residual value guarantees or variable lease payments. Extension options are included in the lease liability when, based on management's judgement, it is reasonably certain that an extension will be exercised. No such extension options are recognized as at 31 December 2022. No sublease of right-of-use assets has occured.

The incremental borrowing rate applied in discounting of the nominal lease debt is between 1.78 percent and 6.90 percent, dependent on the duration of the lease and when it was intially recognized.

	Group		Parent	
(USD 1 000)	**2022**	**2021**	**2022**	**2021**
Lease debt as of beginning of period	**136 213**	**215 760**	**136 213**	**215 760**
New lease debt recognized in the period	33 765	5 989	54 432	5 989
Payments of lease debt[1)]	-74 068	-96 173	-67 579	-96 173
Interest expense on lease debt	7 496	11 558	7 120	11 558
Lease debt from acquisition of Lundin Energy	34 757	-	6 024	-
Currency exchange differences	-3 769	-921	-1 816	-921
Total lease debt	**134 393**	**136 213**	**134 393**	**136 213**
Break down of the lease debt to short-term and long-term liabilities				
Short-term	36 298	44 378	36 298	44 378
Long-term	98 095	91 835	98 095	91 835
Total lease debt	**134 393**	**136 213**	**134 393**	**136 213**
[1)] **Payments of lease debt split by activities** (USD 1 000):	**2022**	**2021**	**2022**	**2021**
Investments in fixed assets	46 942	50 423	41 725	50 423
Abandonment activity	751	31 715	751	31 715
Operating expenditures	13 878	7 499	13 878	7 499
Exploration expenditures	6 222	1 858	6 222	1 858
Other income	6 275	4 678	5 003	4 678
Total	**74 068**	**96 173**	**67 579**	**96 173**
Nominal lease debt maturity breakdown (USD 1 000):				
Within one year	42 646	51 010	42 646	51 010
Two to five years	87 179	68 602	87 179	68 602
After five years	26 403	42 837	26 403	42 837
Total	**156 227**	**162 448**	**156 227**	**162 448**

See note 14 for disclosures relating to the right-of-use assets

Note 27 Commitments

Capital commitments and other contractual obligations

Aker BP`s net share of capital commitments and other contractual obligations in the table below are mainly related to unavoidable costs related to development projects, non-rig commitments not recognized as lease liabilities, rig leases not yet commenced and booked future gas transportation capacity. Parts of the rig leases have been entered into in the company's name at the initial signing, and subsequently partly allocated to licenses. The figures have been calculated based on the assumed net share for the company based on the planned use of the related leased assets as at 31 December 2022. The numbers below exclude any liabilities disclosed in note 26 in relation to right-of-use assets.

	Group		Parent	
(USD 1 000)	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Within one year	1 572 052	387 894	1 572 052	387 894
One to five years	714 680	263 283	714 680	263 283
After five years	283 955	61 288	283 955	61 288
Total	**2 570 687**	**712 465**	**2 570 687**	**712 465**

The main part of the commitments within one year in the table above relates to cancellation fees on contracts entered into in connection with the PDO's delivered in 2022

Guarantees

The company has a bank guarantee related to withheld payroll tax of NOK 300 million.

Contingent liabilities

During the normal course of its business, the company will be involved in disputes, including tax disputes. Potential tax claims related to previous taxable income of acquired companies can to some extent be reimbursed from the sellers. The company 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.

As for other licenses on the NCS, the company has unlimited liability for damage, including pollution damage. The company has insured its pro rata liability on the NCS on a par with other oil companies. Installations and liability are covered by an operational liability insurance policy.

Note 28 Transactions with related parties

Following the Lundin transacation, the three main shareholders in Aker BP is Aker Capital AS, BP Exploration Operating Company and Nemesia S.a.r.l, which are all considered to have significant influence over Aker BP. An overview of the 20 largest shareholders is provided in note 21. Aker BP has no transactions with entities controlled by Nemesia. Entities controlled by either of the Aker Group or BP Group are considered to be related parties under IFRS and are listed in the table below. The figures listed represent net charges to Aker BP.

As desribed in note 3, certain subsidaries of Aker BP following the Lundin transaction have been merged with Aker BP ASA during 2022. The group internal transactions listed below (i.e. figures in the parent column only) represent transactions for the period before the mergers.

		Group		Parent	
Related party (USD 1 000)	**Revenues (-) / expenses (+)**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
ABP Norway AS	Interest cost	-	-	9 152	-
ABP Norway AS	Interest income	-	-	-7 445	-
ABP Norway AS	Operating expenses	-	-	18 539	-
ABP Norway AS	Recharges[1)]	-	-	-52 531	-
ABP Energy Holding BV	Interest cost	-	-	1 231	-
aiZe AS	Purchases of consultant and technology services	5 111	880	5 111	880
Aker ASA	Board remuneration etc	904	632	904	632
Aker Insurance Services AS	Insurances	1 099	11	1 099	11
Aker Offshore Wind operating Company	Purchases of consultant and engineering services	35	1 243	35	1 243
Cognite AS[2)]	Purchases of consultant and IT services	7 046	15 273	7 018	15 273
Lily Akerkvartalet AS	Office cost	535	332	535	332
OCY Frayja Limited[3)]	Platform supply vessel leases		3 853		3 853
OCY Orla Limited[3)]	Platform supply vessel leases		3 853		3 853
Other Aker Group Companies	Other operating expenses	469	239	469	239
BP Oil International	Sales of Oil and NGL	-8 796 575	-4 280 791	-5 707 486	-4 280 791
BP Gas Marketing	Sales of Gas	-2 819 700	-1 055 588	-2 956 511	-1 055 588
Other BP Group Companies	Other operating expenses	419	344	419	344

		Group		Parent	
Related party (USD 1 000)	**Receivables (+) / liabilities (-)**	**31.12.2022**	**31.12.2021**	**31.12.2022**	**31.12.2021**
Aker BP UK Ltd	Other receivables	-	-	6 225	3 129
Cognite AS[2)]	Trade creditors	-166	-1 991	-166	-1 991
BP Oil International Ltd.	Trade debtors	838 468	360 600	400 360	360 600
Other related parties	Trade creditors	-161	-489	-161	-489

[1)] The figure represents total gross charges related to personnel employed by Aker BP ASA working for ABP Norway AS. These charges have been allocated to various licenses and corporate activity based on timewriting.

[2)] As described in note 19 Aker BP sold its share in Cognite during 2022. Due to the continuing involvement arising from the put option arrangement, the transactions with Cognite is still considered to be within related parties.

[3)] These entities are not deemed related parties to Aker BP ASA from September 2021.

Note 29 Financial instruments

Capital structure and equity

The main objective of the company's management of the capital structure is to maximize return to the owners by ensuring competitive conditions for both the company's own capital and borrowed capital.

The company is rated by S&P Global, Fitch and Moody's. The investment grade rating assigned by all three rating agencies continue to provide access to capital markets, including bank and bond financing, at attractive terms. The company's production level, financial position and resource and reserve levels are important parameters in relation to the assigned rating. The company continues to optimize its capital structure by balancing the return on equity against liquidity requirements.

The company monitors changes in financing needs, risk, assets and cash flows, and evaluates the capital structure continuously. To maintain the desired capital structure, the company considers various types of capital transactions, including refinancing of its debt, purchase or issue new shares or debt instruments, sell assets or pay back capital to the owners.

Unless specified otherwise, the numbers below apply both to the group and the parent.

Categories of financial assets and liabilities

The company has the following financial assets and liabilities: financial assets and liabilities recognized at fair value through profit or loss, cash and receivables, and other liabilities. The latter two are recognized in the accounts at amortized cost, while the first item is recognized at fair value.

Categories of financial assets and financial liabilities - Group and Parent

31.12.2022	Financial assets at fair value through profit and loss	Financial assets measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities measured at amortized cost	Total
Assets					
Trade receivables	-	950 942	-	-	950 942
Other short-term receivable[1)]	-	562 257	-	-	562 257
Cash and cash equivalents	-	2 756 012	-	-	2 756 012
Long-term receivables	10 974	158 554	-	-	169 528
Derivatives	156 003	-	-	-	156 003
Total financial assets	**166 978**	**4 427 765**	**-**	**-**	**4 594 742**
Liabilities					
Derivatives	-	-	51 905	-	51 905
Trade creditors	-	-	-	133 875	133 875
Bonds	-	-	-	5 279 164	5 279 164
Other short-term liabilities	-	-	-	807 113	807 113
Total financial liabilities	**-**	**-**	**51 905**	**6 220 152**	**6 272 056**

[1)] Prepayments are not included in other short-term receivables, as they do not meet the definition of financial instruments.

31.12.2021	Financial assets at fair value through profit and loss	Financial assets measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities measured at amortized cost	Total
Assets					
Trade receivables	-	366 785	-	-	366 785
Other short-term receivables[1)]	-	454 724	-	-	454 724
Cash and cash equivalents	-	1 970 906	-	-	1 970 906
Derivatives	19 952	-	-	-	19 952
Total financial assets	**19 952**	**2 792 415**	**-**	**-**	**2 812 367**
Liabilities					
Derivatives	-	-	37 452	-	37 452
Trade creditors	-	-	-	147 366	147 366
Bonds	-	-	-	3 576 735	3 576 735
Other short-term liabilities	-	-	-	624 366	624 366
Total financial liabilities	**-**	**-**	**37 452**	**4 348 467**	**4 385 920**

1) Prepayments are not included in other short-term receivables, as they do not meet the definition of financial instruments.

Financial risk

The company has financed its activities with bonds (see note 22) and has an undrawn revolving credit facility with a syndication of banks (see note 20). In addition, the company has financial instruments such as trade receivable, trade creditors, cash balances etc., directly related to its day-to-day operations. For hedging purposes, the company has different types of economic hedging instruments, but no hedge accounting is applied. Commodity derivatives are used to hedge the risk for lower oil prices. Foreign currency exchange derivatives are used in order to reduce currency risk related to cash flows. For the year 2022 all outstanding debt hold fixed rate coupons. The group currently has limited exposure towards fluctuations in interest rate, but generally manages such exposure by using interest rate derivatives.

The most important financial risks which the company is exposed to relate to lower oil and gas prices, change in foreign exchange rates and access to cost efficient funding.

The company's risk management, including financial risk management, is designed to ensure identification, analysis and systematic and cost-efficient handling of risk. Established management procedures provide a sound basis for reporting and monitoring of the company's financial risk exposure.

(i) Commodity price risk

Aker BP's revenues are derived from the sale of petroleum products, and the revenue flow is therefore exposed to oil and gas price fluctuations. The company is continuously evaluating and assessing opportunities for hedging as part of a prudent financial risk management process. The company had no commodity derivatives exposure per 31 December 2022.

(ii) Currency risk

Revenues from sale of petroleum and gas are mainly in USD, EUR and GBP, while expenditures are mainly in NOK, USD, EUR and GBP. Sales and expenses in the same currency contribute to mitigating some of the currency risk. Currency derivatives may be used to further reduce this risk.

The table below shows the company's exposure in NOK as of 31 December:

Exposure relating to (USD 1 000)	31.12.2022	31.12.2021
Tax receivables, cash and cash equivalents and receivables	260 014	192 622
Trade creditors, tax payable, leasing liability and other short-term liabilities	-5 397 320	-2 038 762
Net exposure to NOK	**-5 137 306**	**-1 846 140**

The amounts above does not include tax balances in NOK, as they are not deemed to be financial instruments. The company's management of currency risk takes into account the USD values of non-USD assets, liabilities, opex and investments over time, including those exposures arising from the requirement to perform the tax calculation in NOK while the company's functional currency is USD.

The table below shows the impact on profit/loss from changes in NOK/USD exchange rate.

(USD 1 000)	Change in exchange rate	31.12.2022	31.12.2021
Effect on pre-tax profit/loss:	+ 10%	56 215	25 423
	- 10%	-68 707	-31 072

The sensitivity above includes the impact from currency derivatives.

In 2022 the company had EUR/USD exposure related to bond, cash and cash equivalents and receivables from gas sales. As the Senior Notes bond is EUR denominated, there is currency risk associated with the translation to the company's USD functional currency and the cash payments of interest and principle amounts, though EUR denominated gas sales and EUR Time Deposit mitigate the risks associated with payments.

The table below shows the company's exposure in EUR as of 31 December:

Exposure relating to (USD 1 000)	31.12.2022	31.12.2021
Cash and cash equivalents and receivables	1 407 531	332 143
Bond, trade creditors and other short-term liabilities	-861 069	-849 375
Net exposure to EUR	**546 462**	**-517 232**

The table below shows the impact on profit/loss from changes in EUR/USD exchange rate for the EUR bond, cash and cash equivalents and receivables.

(USD 1 000)	Change in exchange rate	31.12.2022	31.12.2021
Effect on pre-tax profit/loss:	+ 10%	-49 678	47 019
	- 10%	60 718	-57 473

In 2022 the company had GBP/USD exposure related cash and cash equivalents and receivables from gas sales.

The table below shows the company's exposure in GBP as of 31 December:

Exposure relating to (USD 1 000)	31.12.2022	31.12.2021[1)]
Cash and cash equivalents and receivables	402 116	
Trade creditors and other short-term liabilities	-22 535	
Net exposure to GBP	**379 582**	

The table below shows the impact on profit/loss from changes in GBP/USD exchange rate for cash and cash equivalents and receivables.

(USD 1 000)	Change in exchange rate	31.12.2022	31.12.2021[1)]
Effect on pre-tax profit/loss:	+ 10%	-34 508	
	- 10%	42 175	

1) Deemed immaterial in 2021

The company is also exposed to changes in other exchange rates, but the amounts are deemed immaterial.

(iii) Interest-rate risk

In 2022, the company had no oustanding debt liabilities exposed to floating interest rate risk, which is unchanged from 2021. The company is relatively limited exposed to interest-rate risk related to cash and cash equivalents.

The terms of the company's debt instruments are described in notes 22.

For all the relevant material financial agreements, Aker BP has in place new benchmark rates or a fallback clause to cater for the discontinuation of IBOR rates. The IBOR reform did not have any current impact on Aker BP and is not expected to significantly affect future periods. All our bonds are at fixed interest rate, and the RCF is currently undrawn. Further, the fallback to SOFR rates adjusted for applicable credit adjustment spread after June 2023 is not expected to materially differ from the IBOR rate.

(iv) Liquidity risk/liquidity management

The company's liquidity risk is the risk that it will not be able to meet its financial obligations as they fall due.

Short-term (12 months) and long-term (five years) forecasts are prepared on a regular basis to plan the company's liquidity requirements. These plans are updated regularly for various scenarios and form part of the decision basis for the company's management and Board of Directors.

Excess liquidity is defined as the sum of bank account balances, short-term bank deposits and unused credit facilities. For excess liquidity, the requirement for low liquidity risk (i.e. the risk of realization on short notice) is generally more important than maximizing the return.

The company's objective for the placement and management of excess capital is to maintain a low risk profile and good liquidity.

The company's liquid assets as of 31 December 2022 are deposited in bank accounts and on short term time deposits with banks. As of 31 December 2022, the group had cash reserves of USD 2 756 million (2021: USD 1 971 million). Revenues and expenses are carefully managed on a day-to-day basis for liquidity risk management purposes.

The table below shows the payment structure for the company's financial commitments, based on undiscounted contractual payments. For the corresponding information on lease debt, reference is made to note 26.

		Contract related cash flow				
31.12.2022	**Book value**	**Less than 1 year**	**1-2 years**	**2-5 years**	**over 5 years**	**SUM**
Non-derivative financial liabilities:						
Bonds	5 279 164	156 999	156 999	2 391 936	3 890 949	6 596 884
Trade creditors and other liabilities	940 988	940 988	-	-	-	940 988
Derivative financial liabilities						
Derivatives	51 905	34 924	16 981	-	-	51 905
Total as of 31.12.2021	**6 272 056**	**1 132 911**	**173 980**	**2 391 936**	**3 890 949**	**7 589 776**

		Contract related cash flow				
31.12.2021	**Book value**	**Less than 1 year**	**1-2 years**	**2-5 years**	**over 5 years**	**SUM**
Non-derivative financial liabilities:						
Bonds	3 576 735	106 563	106 563	1 290 002	2 894 690	4 397 818
Trade creditors and other liabilities	771 732	771 732	-	-	-	771 732
Derivative financial liabilities						
Derivatives	37 452	35 082	2 370	-	-	37 452
Total as of 31.12.2020	**4 385 920**	**913 378**	**108 933**	**1 290 002**	**2 894 690**	**5 207 003**

(v) Credit risk

The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as there have not historically been any losses on trade receivable. The company's customers and license partners are generally large and credit worthy oil companies, and it has thus not been necessary to make any provision for credit losses.

In the management of the company's liquid assets, low credit risk is prioritized. Liquid assets are generally placed in bank deposits that represent a low credit risk. All investments are subject to internal policy that requires a rating equivalent to A-2 from S&P and limits investment with a single counterparty.

The maximum credit risk exposure corresponds to the book value of financial assets. The company deems its maximum risk exposure to correspond with the book value of cash and cash equivalents, accounts receivable and other short-term receivables, see notes 16, 17 and 20.

Determination of fair value

The fair value of forward exchange contracts is determined using the forward exchange rate at the end of the reporting period. The fair value of commodity derivatives is determined using the forward Brent blend curve at the end of the reporting period. The fair value of interest rate swaps and cross currency interest rate swaps is determined by using the expected floating interest rates at the end of the period and is confirmed by external market sources. See note 24 for detailed information about the derivatives.

The following of the company's financial instruments have not been valued at fair value: trade debtors, other short-term receivables, long-term receivables, and other short-term liabilities and bonds.

The carrying amount of cash and cash equivalents is approximately equal to fair value, since these instruments have a short term to maturity. Similarly, the carrying amount of trade receivable, other receivables, trade creditors and other short-term liabilities is materially the same as their fair value as they are entered into on ordinary terms and conditions.

The Senior Notes are all listed on The Luxembourg Stock Exchange. The fair values for disclosure purposes are determined using the quoted value as of 31 December 2022.

The following is a comparison between the book value and fair value of the company's financial instruments, except those where the carrying amount is a reasonable approximation of fair value (such as short-term trade receivables and payables in addition to instruments measured to fair value).

	31.12.2022		31.12.2021	
Fair value of financial instruments (USD 1 000)	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial liabilities measured at amortized cost:				
Bonds	5 279 164	4 829 678	3 576 735	3 752 778
Total financial liabilities	**5 279 164**	**4 829 678**	**3 576 735**	**3 752 778**

Fair value hierarchy

The company classifies fair value measurements by employing a value hierarchy that reflects the significance of the input used in preparing the measurements. The fair value hierarchy consists of the following levels:

Level 1 - input in the form of listed (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 - input other than listed prices of assets and liabilities included in Level 1 that is observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - input for assets or liabilities for which there is no observable market data (non-observable input).

The company has no assets or liabilities in Level 3.

31.12.2022 Financial instruments recognized at fair value (USD 1 000)	Level 1	Level 2	Level 3
Financial assets or liabilities measured at fair value with changes in value recognized through profit or loss			
Long-term receivables[1]	-	-	10 974
Derivatives[2]	-	120 093	-15 995

31.12.2021 Financial instruments recognized at fair value (USD 1 000)	Level 1	Level 2	Level 3
Financial assets or liabilities measured at fair value with changes in value recognized through profit or loss			
Derivatives	-	-17 501	-

[1] The sale of 2.6 percent of Johan Sverdrup during 2019 (made by Lundin) included a contingent consideration based on future reserve reclassifications and is due in 2026, The valuation is considered level 3 in the fair value hierarchy.

[2] The level 3 figure relates to the put option granted to the buyer of the shares in Cognite AS, as described in note 19. The valuation is considered level 3 in the fair value hierarchy due to the significance of unobservable market data in the valuation.

In the course of the reporting period, there were no changes in the fair value measurements that involved any transfers between levels.

Reconciliation of cash flows from financing activities

The table below shows a reconciliation between the opening and the closing balances in the statement of financial position for liabilities arising from financing activities.

			Non-cash changes			
	31.12.2021	Cash flows	Amortization and interest expense[1]	Currency	Other[2]	31.12.2022
Bonds	3 576 735	-	25 880	-49 425	1 725 974	5 279 164
Other interest-bearing debt (RCF)	-	-601 050	-	-	601 050	-
Interest	-53 011	-156 465	134 485	-	-	-74 991
Lease debt	136 213	-66 572	-	-3 769	68 522	134 393
Paid dividends		-1 005 731	-	-	-	
Treasury shares	-8 623	1 524	-	-	-	-7 099
Totals	**3 651 314**	**-1 828 294**	**160 364**	**-53 194**	**2 395 546**	**5 331 467**

[1] Amortization of Bonds in Parent was USD 14.7 million.

[2] Other includes transfer of bonds and other interest bearing debt to Aker BP in connection with the Lundin transaction

			Non-cash changes			
	31.12.2020	Cash flows	Amortization and interest expense	Currency	Other[1]	31.12.2021
Bonds	3 968 566	-383 169	14 658	-61 725	38 405	3 576 735
Other interest-bearing debt (RCF)	-	-7 675	-	-	-	-
Interest	-46 887	-151 085	144 961	-	-	-53 011
Lease debt	215 760	-84 615	-	-921	5 989	136 213
Paid dividends	-	-487 500	-	-	-	
Treasury shares	-28	-8 595	-	-	-	-8 623
Totals	**4 137 411**	**-1 122 640**	**159 619**	**-62 646**	**44 394**	**3 651 314**

[1] Other repesents early redemption fee of bond and discount on new bond.

Note 30 Investments in joint operations

Fields operated:	31.12.2022	31.12.2021	Fields operated:	31.12.2022	31.12.2021
Alvheim	80.000 %	65.000 %	Tambar	55.000 %	55.000 %
Bøyla	80.000 %	65.000 %	Tambar Øst	46.200 %	46.200 %
Edvard Grieg	65.000 %	0.000 %	Ula	80.000 %	80.000 %
Hod	90.000 %	90.000 %	Valhall	90.000 %	90.000 %
Ivar Aasen Unit	36.171 %	34.786 %	Vilje	46.904 %	46.904 %
Skogul	65.000 %	65.000 %	Volund	100.000 %	65.000 %
Skarv	23.835 %	23.835 %	Volve	50.000 %	0.000 %
Solveig	65.000 %	0.000 %	Ærfugl Nord	30.000 %	30.000 %

Production licenses in which Aker BP is the operator:

License:	31.12.2022	31.12.2021	License:	31.12.2022	31.12.2021
PL 001B	35.000 %	35.000 %	PL 212E	30.000 %	30.000 %
PL 006B	90.000 %	90.000 %	PL 242	35.000 %	35.000 %
PL 019	80.000 %	80.000 %	PL 261	70.000 %	60.000 %
PL 019E	80.000 %	80.000 %	PL 261C	23.835 %	23.835 %
PL 019F	55.000 %	55.000 %	PL 262	30.000 %	30.000 %
PL 026	87.700 %	87.700 %	PL 300	55.000 %	55.000 %
PL 026B	87.700 %	87.700 %	PL 333	77.800 %	77.800 %
PL 028B	35.000 %	35.000 %	PL338	65.000 %	0.000 %
PL 033	90.000 %	90.000 %	PL338BS	50.000 %	0.000 %
PL 033B	90.000 %	90.000 %	PL338C	80.000 %	0.000 %
PL 036C	80.000 %	65.000 %	PL338DS	65.000 %	0.000 %
PL 036D	46.904 %	46.904 %	PL 338E	80.000 %	0.000 %
PL 036E	61.260 %	48.420 %	PL 340	80.000 %	65.000 %
PL 036F	61.260 %	48.420 %	PL 340BS	80.000 %	65.000 %
PL 065	55.000 %	55.000 %	PL 359	65.000 %	0.000 %
PL 065B	55.000 %	55.000 %	PL 364	87.700 %	87.700 %
PL 088BS	80.000 %	65.000 %	PL 442	87.700 %	87.700 %
PL 102D	50.000 %	44.000 %	PL 442B	87.700 %	87.700 %
PL 102F	61.260 %	48.420 %	PL 442C	87.700 %	87.700 %
PL 102G	61.260 %	48.420 %	PL 460	65.000 %	65.000 %
PL 102H	50.000 %	44.000 %	PL 492	100.000 %	40.000 %
PL 127C	68.083 %	88.083 %	PL 501	37.384 %	0.000 %
PL 127DS	88.083 %	0.000 %	PL 501B	37.384 %	0.000 %
PL 146	77.800 %	77.800 %	PL 609	55.000 %	0.000 %
PL 146B	77.800 %	77.800 %	PL 609B	55.000 %	0.000 %
PL 150	100.000 %	65.000 %	PL 609D	55.000 %	0.000 %
PL 159D	23.835 %	23.835 %	PL 685	0.000 %	40.000 %
PL 167	50.000 %	10.000 %	PL 784	40.000 %	40.000 %
PL 167B	50.000 %	10.000 %	PL 815	60.000 %	0.000 %
PL 167C	50.000 %	10.000 %	PL 818	40.000 %	40.000 %
PL 203	80.000 %	65.000 %	PL 818B	40.000 %	40.000 %
PL 212	30.000 %	30.000 %	PL 822S	87.700 %	60.000 %
PL 212B	30.000 %	30.000 %	PL 830	40.000 %	0.000 %

Production licenses in which Aker BP is the operator:

License:	31.12.2022	31.12.2021	License:	31.12.2022	31.12.2021
PL 838	35.000 %	35.000 %	PL 1051	60.000 %	0.000 %
PL 858	0.000 %	40.000 %	PL 1057	60.000 %	0.000 %
PL 867	80.000 %	80.000 %	PL 1066	50.000 %	50.000 %
PL 867B	80.000 %	80.000 %	PL 1082	50.000 %	0.000 %
PL 869	80.000 %	65.000 %	PL 1083	40.000 %	0.000 %
PL 873	47.700 %	47.700 %	PL 1084	60.000 %	0.000 %
PL 874	87.700 %	87.700 %	PL 1085	55.000 %	55.000 %
PL 886	60.000 %	0.000 %	PL 1088	77.800 %	77.800 %
PL 886B	60.000 %	0.000 %	PL 1089	50.000 %	0.000 %
PL 906	50.000 %	50.000 %	PL 1091	40.000 %	0.000 %
PL 914S	0.000 %	34.786 %	PL 1092	50.000 %	0.000 %
PL 915	0.000 %	35.000 %	PL 1094	60.000 %	0.000 %
PL 919	80.000 %	65.000 %	PL 1095	50.000 %	0.000 %
PL 932	60.000 %	60.000 %	PL 1097	70.000 %	40.000 %
PL 941	70.000 %	80.000 %	PL 1099	40.000 %	40.000 %
PL 941B	70.000 %	0.000 %	PL 1102	60.000 %	0.000 %
PL 942	30.000 %	30.000 %	PL 1110	40.000 %	40.000 %
PL 976	40.000 %	0.000 %	PL 1124	23.835 %	23.835 %
PL 979	60.000 %	60.000 %	PL 1133	35.000 %	0.000 %
PL 986	0.000 %	50.000 %	PL 1134	35.000 %	0.000 %
PL 1005	40.000 %	40.000 %	PL 1139	40.000 %	0.000 %
PL 1008	90.000 %	90.000 %	PL1141	70.000 %	0.000 %
PL 1026	0.000 %	40.000 %	PL1142	82.060 %	0.000 %
PL 1028	0.000 %	50.000 %	PL1143	82.060 %	0.000 %
PL 1032	40.000 %	0.000 %	PL1144	40.000 %	0.000 %
PL 1041	70.000 %	55.000 %	PL 1153	40.000 %	0.000 %
PL 1042	40.000 %	40.000 %	PL 1157	60.000 %	0.000 %
PL 1045	80.000 %	65.000 %	PL 1158	40.000 %	0.000 %
PL 1045B	80.000 %	65.000 %	PL 1162	50.000 %	0.000 %
PL 1047	0.000 %	40.000 %	PL 1164	40.000 %	0.000 %
PL 1048	50.000 %	0.000 %	PL 1170	35.000 %	0.000 %
Number of licenses in which Aker BP is the operator				**120**	**84**

Fields non-operated:	31.12.2022	31.12.2021
Atla	10.000 %	10.000 %
Enoch	2.000 %	2.000 %
Johan Sverdrup	31.573 %	11.573 %
Oda	15.000 %	15.000 %

Production licenses in which Aker BP is a partner:

License:	31.12.2022	31.12.2021	License:	31.12.2022	31.12.2021
PL 006C	35.000 %	35.000 %	PL 894	10.000 %	0.000 %
PL 006E	0.000 %	15.000 %	PL 896	30.000 %	0.000 %
PL 006F	0.000 %	15.000 %	PL 917	40.000 %	0.000 %
PL 035	50.000 %	50.000 %	PL 917B	40.000 %	0.000 %
PL 035C	50.000 %	50.000 %	PL 929	10.000 %	0.000 %
PL 048D	10.000 %	10.000 %	PL 935	20.000 %	0.000 %
PL 102C	10.000 %	10.000 %	PL 943	20.000 %	10.000 %
PL 127	50.000 %	50.000 %	PL 956	20.000 %	0.000 %
PL 127B	0.000 %	50.000 %	PL 968	30.000 %	20.000 %
PL 211CS	15.000 %	0.000 %	PL 981	0.000 %	40.000 %
PL 220	15.000 %	15.000 %	PL 985	30.000 %	20.000 %
PL 229E	50.000 %	0.000 %	PL 989	30.000 %	0.000 %
PL 229G	50.000 %	0.000 %	PL 1040	30.000 %	30.000 %
PL 265	27.384 %	20.000 %	PL 1052	0.000 %	20.000 %
PL 272	50.000 %	50.000 %	PL 1054	0.000 %	30.000 %
PL 272B	50.000 %	50.000 %	PL 1064	20.000 %	20.000 %
PL 272C	50.000 %	0.000 %	PL 1069	0.000 %	50.000 %
PL 405	15.000 %	15.000 %	PL 1087	50.000 %	0.000 %
PL 457BS	40.000 %	40.000 %	PL 1090	30.000 %	0.000 %
PL 502	22.222 %	22.222 %	PL 1104	40.000 %	0.000 %
PL 533	0.000 %	35.000 %	PL 1106	20.000 %	0.000 %
PL 537	35.000 %	0.000 %	PL 1122	20.000 %	20.000 %
PL 537B	35.000 %	0.000 %	PL 1123	30.000 %	30.000 %
PL 554	30.000 %	30.000 %	PL 1126	30.000 %	0.000 %
PL 554B	30.000 %	30.000 %	PL 1129	30.000 %	0.000 %
PL 554C	30.000 %	30.000 %	PL 1131	20.000 %	0.000 %
PL 554D	30.000 %	30.000 %	PL 1138	30.000 %	0.000 %
PL 722	0.000 %	20.000 %	PL 1140	40.000 %	0.000 %
PL 782S	20.000 %	20.000 %	PL 1145	40.000 %	0.000 %
PL 782SB	20.000 %	20.000 %	PL 1147	20.000 %	0.000 %
PL 782SC	20.000 %	20.000 %	PL 1149	30.000 %	0.000 %
PL 782SD	20.000 %	20.000 %	PL 1151	20.000 %	0.000 %
PL 820S	41.000 %	0.000 %	PL 1152	50.000 %	0.000 %
PL 820SB	41.000 %	0.000 %	PL 1154	30.000 %	0.000 %
PL 838B	30.000 %	30.000 %	PL 1163	20.000 %	0.000 %
PL 892	0.000 %	30.000 %	PL 1165	40.000 %	0.000 %
Number of licenses in which Aker BP is a partner				**62**	**39**

Note 31 Events after the balance sheet date

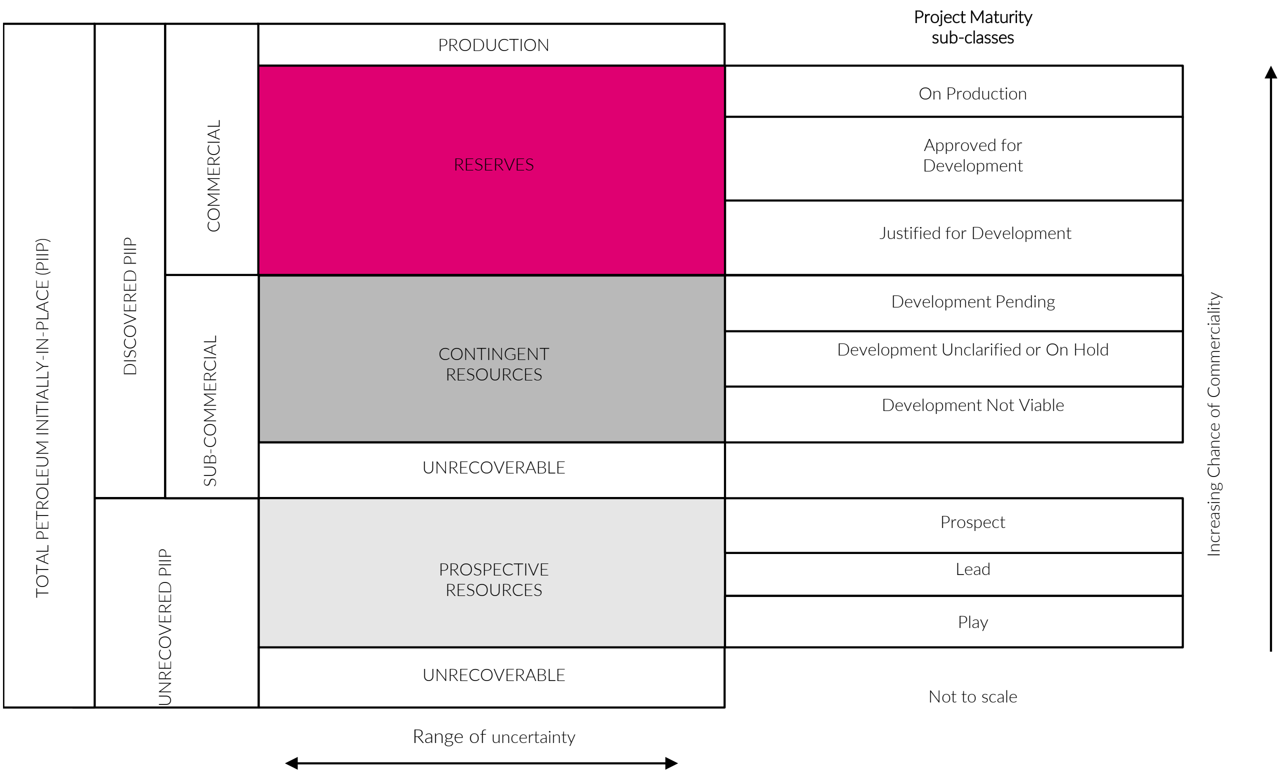
On 23 February 2023, Aker BP disbursed USD 347.6 million in dividend to shareholders. In March 2023, it was decided to not accede the PDO for the Troldhaugen project. This will likely lead to an impairment charge of the book value related to the project of approximately USD 90 million on a pre-tax basis, which will be recognized in Q1 2023.

Note 32 Classification of reserves and contingent resources (unaudited)

Classification of reserves and contingent resources

Aker BP ASA's reserve and contingent resource volumes have been classified in accordance with the Society of Petroleum Engineer's (SPE's) "Petroleum Resources Management System". This classification system is consistent with Oslo Børs requirements for the disclosure of hydrocarbon reserves and contingent resources. The framework of the classification system is illustrated in Figure 1.

Figure 1 - SPE's classification system used by Aker BP ASA



Reserves, developed and non-developed

All reserve estimates are based on all available data including seismic, well logs, core data, drill stem tests and production history. Industry standards are used to establish 1P and 2P. This includes decline analysis for mature fields in which reliable trends are established. For undeveloped fields and less mature producing fields reservoir simulation models or simulations models in combination with decline analysis have been used for profiles generation.

Note that an independent third party, AGR Petroleum Services AS, has certified 1P and 2P reserves for all Aker BP assets except for the minor assets Atla and Enoch, representing 0.0003 percent of total 2P reserves.

Aker BP ASA has a working interest in 49 fields/projects containing reserves, see Table 1 and 2. Out of these fields/projects, 24 are in the sub-class "On Production"/Developed, 9 are in the sub-class "Approved for Development"/Undeveloped and 16 are in the sub-class "Justified for Development"/Undeveloped. Note that several fields have reserves in more than one reserve sub-class.

Table 1 - Aker BP fields - Developed reserves

Field/project	Investment share	Operator	Resource class
Alvheim Base	80.00 %	Aker BP	On Production
Boa Base	70.92 %	Aker BP	On Production
Bøyla Base	80.00 %	Aker BP	On Production
Frosk Test Production	80.00 %	Aker BP	On Production
Skogul Base	65.00 %	Aker BP	On Production
Vilje Base	46.90 %	Aker BP	On Production
Volund Base	100.00 %	Aker BP	On Production
Edvard Grieg Base	65.00 %	Aker BP	On Production
Troldhaugen EWT	80.00 %	Aker BP	On Production
Solveig Ph1	65.00 %	Aker BP	On Production
Ivar Aasen Base	36.17 %	Aker BP	On Production
Johan Sverdrup Base	31.57 %	Equinor	On Production
Oda Base	15.00 %	Sval Energy	On Production
PL212E Ærfugl Nord Base	30.00 %	Aker BP	On Production
Skarv Base	23.84 %	Aker BP	On Production
Skarv Gråsel	23.84 %	Aker BP	On Production
Skarv Idun Tunge	23.84 %	Aker BP	On Production
Skarv Ærfugl	23.84 %	Aker BP	On Production
Tambar Base	55.00 %	Aker BP	On Production
Ula Base	80.00 %	Aker BP	On Production
Hod Base	90.00 %	Aker BP	On Production
Valhall Base	90.00 %	Aker BP	On Production
Atla	10.00 %	TotalEnergies	On Production
Enoch	2.00 %	Repsol Sinopec	On Production

Table 2 - Aker BP fields - Undeveloped reserves

Field/project	Investment share	Operator	Resource class
Kameleon Gas Cap Blow Down	80.00 %	Aker BP	Approved for Development
Alvheim East KAM L5	80.00 %	Aker BP	Approved for Development
Frosk	80.00 %	Aker BP	Approved for Development
Kobra East/Gekko	80.00 %	Aker BP	Approved for Development
Edvard Grieg IOR	65.00 %	Aker BP	Approved for Development
Hanz	35.00 %	Aker BP	Approved for Development
Ivar Aasen IOR	36.17 %	Aker BP	Approved for Development
Johan Sverdrup IOR	31.57 %	Equinor	Approved for Development
Johan Sverdrup WAG	31.57 %	Equinor	Approved for Development
Tyrving	61.26 %	Aker BP	Justified for Development
Solveig Ph2	65.00 %	Aker BP	Justified for Development
Symra	50.00 %	Aker BP	Justified for Development
Frigg Gamma Delta Development	87.70 %	Aker BP	Justified for Development
Frøy Development	87.70 %	Aker BP	Justified for Development
Fulla Development	47.70 %	Aker BP	Justified for Development
Langfjellet Development	87.70 %	Aker BP	Justified for Development
Lille Frigg Development	47.70 %	Aker BP	Justified for Development
Rind Development	87.70 %	Aker BP	Justified for Development
Krafla/Askja Development	50.00 %	Aker BP	Justified for Development
PL127C Alve Nord Development	68.08 %	Aker BP	Justified for Development
PL159D Idun Nord Development	23.84 %	Aker BP	Justified for Development
PL942 Ørn Development	30.00 %	Aker BP	Justified for Development
Verdande Development	7.00 %	Equinor	Justified for Development
Fenris	77.80 %	Aker BP	Justified for Development
Valhall PWP	90.00 %	Aker BP	Justified for Development

Total net proven reserves (1P/P90) as of 31 December 2022 to Aker BP ASA are estimated at 1 251 million barrels of oil equivalents. Total net proven plus probable reserves (2P/P50) are estimated at 1 859 million barrels of oil equivalents. The split between liquid and gas and between the different subcategories are given in tables 3 and 4.

Table 3 - Reserves by field, area and reserve class

	1P / P90 (low estimate)					2P / P50 (best estimate)				
	Gross oil	Gross NGL	Gross gas	Gross oil equiv.	Net oil equiv.	Gross oil/cond	Gross NGL	Gross gas	Gross oil equiv.	Net oil equiv.
31.12.2022	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)
Alvheim (incl Boa)	53	-	38	91	72	71	-	59	130	103
Bøyla	0	-	0	0	0	2	-	-0	2	2
Frosk	7	-	0	7	6	11	-	1	12	10
Skogul	2	-	0	3	2	4	-	0	5	3
Vilje	7	-	-	7	4	11	-	-	11	5
Tyrving	13	-	-0	13	8	21	-	-0	21	13
Volund	3	-	0	3	3	5	-	0	5	5
Alvheim Area	**86**	**-**	**39**	**124**	**94**	**127**	**-**	**60**	**187**	**141**
Ivar Aasen	33	2	7	43	15	49	3	11	63	23
Edvard Grieg	78	6	9	93	60	118	8	13	139	90
Solveig	46	5	9	61	39	77	10	14	101	66
Troldhaugen EWT	0	0	0	0	0	0	0	0	0	0
Symra	17	2	4	24	12	27	2	4	34	17
Hanz	9	1	2	12	4	15	1	3	20	7
Edvard Grieg Area	**184**	**16**	**32**	**233**	**132**	**286**	**25**	**46**	**357**	**203**
Skarv	16	28	131	176	42	22	36	169	227	54
Gråsel	3	1	4	8	2	4	1	5	10	2
Idun Tunge	0	0	1	1	0	0	0	2	2	0
Verdande	20	0	2	23	2	29	1	6	35	2
PL127C Alve Nord	2	2	8	11	8	9	6	21	35	24
PL159D Idun Nord	0	0	6	7	2	0	1	9	10	2
PL942 Ørn	1	1	23	26	8	2	3	50	55	17
Ærfugl Nord	1	3	13	18	5	2	3	16	21	6
Skarv Area	**44**	**36**	**189**	**269**	**68**	**67**	**51**	**278**	**396**	**109**
Tambar	1	0	0	1	0	2	0	0	2	1
Tambar East	-	-	-	-	-	-	-	-	-	-
Ula	-	-	-	-	-	-	-	-	-	-
Ula Area	**1**	**0**	**0**	**1**	**0**	**2**	**0**	**0**	**2**	**1**
Hod	24	1	4	29	27	32	1	5	39	35
Fenris	28	4	40	71	56	57	7	82	146	114
Valhall	159	9	32	199	179	209	11	42	263	237
Valhall Area	**210**	**13**	**76**	**300**	**261**	**298**	**20**	**129**	**447**	**385**
Johan Sverdrup	**1 473**	**17**	**30**	**1 521**	**480**	**1 984**	**32**	**53**	**2 069**	**653**
Frigg Gamma Delta	45	1	4	51	45	78	3	8	89	78
Frøy	21	1	3	25	22	30	2	7	40	35
Fulla	3	4	23	29	14	5	9	46	60	29
Langfjellet	11	1	4	17	15	26	2	7	35	31
Lille Frigg	2	1	6	9	4	3	3	14	19	9
Rind	28	4	11	43	38	40	5	14	58	51
Krafla/Askja	70	26	59	155	78	109	49	110	268	134
Yggrdrasil	**180**	**39**	**110**	**329**	**215**	**291**	**73**	**206**	**569**	**367**
Oda	4	0	0	4	1	5	0	0	6	1
Atla	-	-	-	-	-	-	-	-	-	-
Enoch	-	-	-	-	-	0	-	-	0	0
Other (Atla, Enoch and Oda)	**4**	**0**	**0**	**4**	**1**	**6**	**0**	**0**	**6**	**1**
Total	**2 181**	**123**	**477**	**2 781**	**1 251**	**3 060**	**201**	**772**	**4 033**	**1 859**

Table 4 - Reserves by project and reserve class

On production	Interest	1P / P90 (low estimate)					2P / P50 (best estimate)				
		Gross oil/cond.	Gross NGL	Gross gas	Gross oil equiv.	Net oil equiv.	Gross oil	Gross NGL	Gross gas	Gross oil equiv.	Net oil equiv.
31.12.2022	%	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)	(mmboe)
Alvheim Base	80.0 %	25	-	6	31	25	32	-	7	39	31
Boa Base	70.9 %	9	-	1	10	7	13	-	2	14	10
Bøyla Base	80.0 %	0	-	0	0	0	2	-	-0	2	2
Frosk Test Production	80.0 %	1	-	-0	1	1	2	-	-0	2	2
Skogul Base	65.0 %	2	-	0	3	2	4	-	0	5	3
Vilje Base	46.9 %	7	-	-	7	4	11	-	-	11	5
Volund Base	100.0 %	3	-	0	3	3	5	-	0	5	5
Edvard Grieg Base	65.0 %	69	5	8	82	53	104	7	12	123	80
Troldhaugen EWT	80.0 %	0	0	0	0	0	0	0	0	0	0
Solveig Ph1	65.0 %	29	3	6	39	25	48	7	9	64	42
Ivar Aasen Base	36.2 %	30	2	7	39	14	43	3	10	56	20
Johan Sverdrup Base	31.6 %	1 415	24	42	1 480	467	1 892	38	63	1 993	629
Oda Base	15.0 %	4	0	0	4	1	5	0	0	6	1
PL212E Ærfugl Nord Base	30.0 %	0	1	6	7	3	1	2	8	11	4
Skarv Base	23.8 %	7	17	78	102	25	8	18	84	110	27
Skarv Gråsel	23.8 %	3	1	4	8	2	4	1	5	10	2
Skarv Idun Tunge	23.8 %	0	0	1	1	0	0	0	2	2	0
Skarv Ærfugl	23.8 %	10	13	61	85	20	14	20	93	127	30
Tambar Base	55.0 %	1	0	0	1	0	2	0	0	2	1
Ula Base	80.0 %	-	-	-	-	-	-	-	-	-	-
Hod Base	90.0 %	24	1	4	29	27	32	1	5	39	35
Valhall Base	90.0 %	123	7	24	154	138	154	8	31	193	174
Atla	10.0 %	-	-	-	-	-	-	-	-	-	-
Enoch	2.0 %	-	-	-	-	-	0	-	-	0	0
Total		**1 763**	**74**	**249**	**2 085**	**816**	**2 377**	**106**	**332**	**2 815**	**1 103**

Approved for development 31.12.2022	Interest %	1P / P90 (low estimate) Gross oil (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)	2P / P50 (best estimate) Gross oil/cond. (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)
Kameleon Gas Cap Blow Down	80.0 %	1	-	6	6	5	0	-	19	19	15
Alvheim East KAM L5	80.0 %	2	-	2	4	3	4	-	3	7	5
Frosk	80.0 %	6	-	0	6	5	9	-	1	10	8
Kobra East/Gekko	80.0 %	17	-	24	40	32	22	-	29	51	41
Edvard Grieg IOR	65.0 %	9	1	1	11	7	14	1	1	16	11
Hanz	35.0 %	9	1	2	12	4	15	1	3	20	7
Ivar Aasen IOR	36.2 %	3	0	0	4	1	6	0	1	7	3
Johan Sverdrup IOR	31.6 %	4	0	0	4	1	5	0	0	5	2
Johan Sverdrup WAG	31.6 %	54	-6	-12	36	12	88	-6	-11	71	22
Total		**105**	**-5**	**24**	**124**	**71**	**164**	**-4**	**46**	**207**	**114**

Justified for development 31.12.2022	Interest %	1P / P90 (low estimate) Gross oil/cond. (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)	2P / P50 (best estimate) Gross oil/cond. (mmboe)	Gross NGL (mmboe)	Gross gas (mmboe)	Gross oil equiv. (mmboe)	Net oil equiv. (mmboe)
Tyrving	61.3 %	13	-	-0	13	8	21	-	-0	21	13
Solveig Ph2	65.0 %	16	2	3	22	14	28	3	5	37	24
Symra	50.0 %	17	2	4	24	12	27	2	4	34	17
Frigg Gamma Delta Development	87.7 %	45	1	4	51	45	78	3	8	89	78
Frøy Development	87.7 %	21	1	3	25	22	30	2	7	40	35
Fulla Development	47.7 %	3	4	23	29	14	5	9	46	60	29
Langfjellet Development	87.7 %	11	1	4	17	15	26	2	7	35	31
Lille Frigg Development	47.7 %	2	1	6	9	4	3	3	14	19	9
Rind Development	87.7 %	28	4	11	43	38	40	5	14	58	51
Krafla/Askja Development	50.0 %	70	26	59	155	78	109	49	110	268	134
PL127C Alve Nord Development	68.1 %	2	2	8	11	8	9	6	21	35	24
PL159D Idun Nord Development	23.8 %	0	0	6	7	2	0	1	9	10	2
PL942 Ørn Development	30.0 %	1	1	23	26	8	2	3	50	55	17
Verdande Development	7.0 %	20	0	2	23	2	29	1	6	35	2
Fenris	77.8 %	28	4	40	71	56	57	7	82	146	114
Valhall PWP	90.0 %	36	2	8	45	41	55	3	12	70	63
Total		**314**	**54**	**205**	**572**	**364**	**518**	**99**	**394**	**1 012**	**642**

	1P / P90	2P / P50
Total reserves 31.12.2022	**1 251**	**1 859**
Total reserves 31.12.2021	**599**	**802**

Changes from the 2021 reserve report are summarized in Table 5. During 2022, Aker BP 2P reserves were increased by 1 057 mmboe from 802 to 1 859 mmboe. The production was 112 mmboe. Thus, net reserves increases were 1 169 mmboe. The main reasons for increased net reserve estimate (i.e. disregarding the produced volumes) are acquisition of Lundin Energy, 14 PDOs that were submitted during 2022 and IOR-activities in all fields (except Ula). On the negative side, reserves were reduced in Valhall, primarily due to well difficulties, thinner reservoirs on flanks, on Johan Sverdrup (due to a 2% mapped reduction in in-place volumes) and on Ula (reduced lifetime, well difficulties and reduced WAG-performance).

An oil price of 80 USD/bbl (2023), 70 USD/bbl (2024) and 65 USD/bbl (following years) has been used for reserves estimation. Low- and high case sensitivities with oil prices of 40 USD/bbl and 90 USD/bbl, respectively, have been performed by AGR. The low price resulted in a reduction in total net proven (1P/P90) reserves and net proven plus probable (2P/P50) reserves of ~40 %. The high oil price scenario resulted in a marginal increase in reserves of less than 2% to the proven (1P/P90)- estimates and no change to the proven plus probable (2P/P50)-estimates.

Table 5 - Aggregated reserves, production, developments, and adjustments

Net attributed million barrels of oil equivalent	**On production**		**Approved for devlop.**		**Justified for devlop.**		**Total**	
(mmboe)	1P/P90	2P/P50	1P/P90	2P/P50	1P/P90	2P/P50	1P/P90	2P/P50
Balance as of 31.12.2021	**467**	**601**	**128**	**194**	**4**	**6**	**599**	**802**
Production	-112	-112	-	-	-	-	-112	-112
Transfer	141	216	-155	-238	15	22	-	0
Revisions	-39	-75	2	5	-	-	-38	-70
IOR	-	-	13	20	22	33	35	53
Discovery and extensions	-	-	-	-	323	579	323	579
Acquisition and sale	360	473	83	132	1	1	444	606
Balance as of 31.12.2022	**816**	**1 103**	**71**	**114**	**364**	**642**	**1 251**	**1 859**
Delta	349	502	-57	-80	360	636	652	1 057

Note also that production numbers are preliminary pr October 2022, leaving numbers for the last two months of 2022 as estimates. The final numbers may be slightly different.

Climate-related risk:
As described in note 4 on climate-related risk, a sensitivity analysis have been performed to show the impact on reserves as at 31 December 2022, if all production would cease from 2050 onwards. Such acceleration of cease of production would result in an decrease in the reserves of approximately 10 million boe.

End of financial statement

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 and the group's financial statements for 2022 have been prepared in accordance with IFRS, as adopted by the EU, and requirements in accordance with the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair view of the company's liabilities, financial position and results overall.

To the best of our knowledge, the Board of Directors' Report gives a true and fair view of the development, performance and financial position of the company, and includes a description of the principal risk and uncertainty factors facing the company and the group. Additionally, we confirm to the best of our knowledge that the report 'Payment to governments' as provided in a separate section in this annual report has been prepared in accordance with the requirements in the Norwegian Securities Trading Act Section 5-5a with pertaining regulations.

The Board of Directors and the CEO of Aker BP ASA, Fornebu, 15 March 2023

ØYVIND ERIKSEN
Chairman of the Board

ANNE MARIE CANNON
Deputy Chair

KJELL INGE RØKKE
Board member

TROND BRANDSRUD
Board member

CHARLES ASHLEY HEPPENSTALL
Board member

KATE THOMSON
Board member

MURRAY AUCHINCLOSS
Board member

TERJE SOLHEIM
Board member

INGARD HAUGEBERG
Board member

TORE VIK
Board member

HILDE KRISTIN BREVIK
Board member

KARL JOHNNY HERSVIK
Chief Executive Officer

VALBORG LUNDEGAARD
Board member

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 during the year 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 7)

[1)] Includes payments of lease debt as disclosed in note 26.

(USD 1 000)	Note	Group 2022	Group Restated 2021	Parent 2022	Parent Restated 2021
Abandonment spend					
Payment for removal and decommissioning of oil fields		78 870	172 512	78 177	172 512
Payments of lease debt (abandonment activity)	26	751	31 715	751	31 715
Abandonment spend		79 621	204 227	78 928	204 227
Depreciation per boe					
Depreciation	14	1 785 672	1 192 889	1 231 775	1 192 889
Total produced volumes (boe 1 000)	7	112 853	76 439	75 436	76 439
Depreciation per boe		15.8	15.6	16.3	15.6
Dividend per share					
Paid dividend		1 005 731	487 500	1 005 731	487 500
Number of shares outstanding		496 765	359 643	496 765	359 643
Dividend per share		2.02	1.36	2.02	1.36
Capex					
Disbursements on investments in fixed assets (excluding capitalized interest)		1 580 045	1 376 879	1 268 985	1 376 879
Payments of lease debt (investments in fixed assets)	26	46 942	50 423	41 725	50 423
CAPEX		1 626 987	1 427 302	1 310 710	1 427 302
EBITDA					
Total income	6	13 009 898	5 668 747	9 369 311	5 668 747
Production costs	7	-932 870	-745 313	-814 453	-745 313
Exploration expenses	8	-242 193	-353 034	-196 187	-353 034
Other operating expenses		-52 577	-29 261	-50 229	-29 261
EBITDA		11 782 258	4 541 139	8 308 443	4 541 139
EBITDAX					
Total income	6	13 009 898	5 668 747	9 369 311	5 668 747
Production costs	7	-932 870	-745 313	-814 453	-745 313
Other operating expenses		-52 577	-29 261	-50 229	-29 261
EBITDAX		12 024 451	4 894 173	8 504 630	4 894 173
Equity ratio					
Total equity		12 427 506	2 196 814	12 434 178	2 196 814
Total assets		37 561 780	16 708 025	37 568 229	16 708 025
Equity ratio		33%	13%	33%	13%
Exploration spend					
Disbursements on investments in capitalized exploration expenditures		251 764	177 464	194 660	177 464
Exploration expenses	8	242 193	353 034	196 187	353 034
Dry well	8	-135 800	-98 827	-108 560	-98 827
Payments of lease debt (exploration expenditures)	26	6 222	1 858	6 222	1 858
Exploration spend		364 380	433 529	288 509	433 529

(USD 1 000)	Note	Group 2022	Group 2021	Parent 2022	Parent 2021
Interest coverage ratio					
Twelve months rolling EBITDA		11 782 258	4 541 139	8 308 443	4 541 139
Twelve months rolling EBITDA, impacts from IFRS 16	26	-20 835	-14 035	-20 835	-14 035
Twelve months rolling EBITDA, excluding impacts from IFRS 16		*11 761 424*	*4 527 104*	*8 287 608*	*4 527 104*
Twelve months rolling interest expenses	11	154 019	145 651	147 304	145 651
Twelve months rolling amortized loan cost	11	31 815	22 460	19 164	22 460
Twelve months rolling interest income	11	25 959	2 481	23 019	2 481
Net interest expenses		*159 876*	*165 630*	*143 450*	*165 630*
Interest coverage ratio[1)]		73.6	27.3	57.8	27.3
Leverage ratio					
Long-term bonds	22	5 279 164	3 576 735	5 279 164	3 576 735
Cash and cash equivalents	20	2 756 012	1 970 906	2 756 008	1 970 906
Net interest-bearing debt excluding lease debt		*2 523 151*	*1 605 829*	*2 523 155*	*1 605 829*
Twelve months rolling EBITDAX		12 024 451	4 894 173	8 504 630	4 894 173
Twelve months rolling EBITDAX, impacts from IFRS 16	26	-20 153	-12 177	-20 153	-12 177
Twelve months rolling EBITDAX, excluding impacts from IFRS 16		*12 004 299*	*4 881 996*	*8 484 477*	*4 881 996*
Leverage ratio[1)]		0.21	0.33	0.30	0.33
Net interest-bearing debt					
Long-term bonds	22	5 279 164	3 576 735	5 279 164	3 576 735
Long-term lease debt	26	98 095	91 835	98 095	91 835
Short-term lease debt	26	36 298	44 378	36 298	44 378
Cash and cash equivalents	20	2 756 012	1 970 906	2 756 008	1 970 906
Net interest-bearing debt		2 657 545	1 742 042	2 657 548	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 80 and 0.2 respectively.

Operating profit/loss see Income Statement

Production cost per boe see note 7

To the General Meeting of Aker BP ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker BP ASA, which comprise:

- the financial statements of the parent company Aker BP ASA (the Company), which comprise the statement of financial position at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Aker BP ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 1 year from the election by the general meeting of the shareholders on 5 April 2022 for the accounting year 2022.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
Impairment of Goodwill, Property, plant and equipment and Other intangible assets	
Aker BP ASA has Property, plant and equipment with a carrying amount of USD 15 886 659 thousands, and Other intangible assets with a carrying amount of USD 2 344 354 thousands as of 31 December 2022. In addition, the carrying value of goodwill (including technical goodwill) was USD 13 934 986 thousands. In line with Aker BP's accounting policies for impairment of non-financial assets, management has assessed whether there are impairment or reversal indicators. Based on identified impairment indicators, an impairment calculation was prepared. Management's assessment of recoverable amounts of goodwill, property, plant and equipment and other intangible assets requires estimates and application of assumptions relating to operational and market factors, and involves judgement. In addition, the calculation of recoverable amounts requires financial modelling of cash flows related to cash generating units, which can be inherently complex, and may require use of additional judgement. Based on the results of management's assessment of impairment indicators and the corresponding calculation of recoverable amounts, a total net impairment charge of USD 1 032 154 thousands was recognized in 2022. We focused on this area because Goodwill, Property plant and equipment and Other intangible assets constitute a significant share of total assets in the balance sheet, and because the assessment of recoverable amounts is complex and involves management judgement which may have a direct impact on net profit.	We assessed management's identification of impairment and reversal indicators and agreed that indicators were present. We obtained management's calculations of recoverable amounts as of 31 December 2022. Management's identification of cash generating units were in line with our expectations. For relevant cash generating units, including allocated technical goodwill, we assessed the key inputs to the calculation of recoverable amounts by: ● comparison of management´s short-term price assumptions against external price forward curves, ● comparison of long-term oil price assumptions against long-term price assumptions communicated by peers and other publicly available sources, ● comparison of underlying asset specific assumptions underlying the impairment test model (e.g. production profiles, capital expenditures, operating costs, removal costs) towards Aker BP's Business Plan for Q4 2022, ● assessing the calculation from post to pre-tax impairment charge, and ● benchmarking of inflation, exchange rates and discount rates applied against external market data. We also assessed the mathematical accuracy and methodology of management's impairment models. Management determined that ordinary goodwill at the balance sheet date was not impaired. We obtained and considered management's

The valuation of Oil & Gas properties and goodwill are inherently uncertain due to the judgmental nature of the underlying estimates

Refer to note 15 for a description of management's assessment of impairment.

assessment supporting the carrying value of goodwill at 31 December 2022. We also calculated the market capitalization at 31 December 2022 based on the quoted share price at year-end. We found support for the carrying value of oil and properties and ordinary goodwill as of 31 December 2022.

We evaluated the appropriateness of the related note disclosures and found that they satisfied IFRS requirements.

We also assessed the sensitivity analysis and underlying calculations showing how the recoverable amounts of tangible assets and technical goodwill would be impacted by changes to underlying assumptions, such as change in hydrocarbon prices and discounts rates. In addition, we considered consistency between the climate risk related disclosures in note 4 and the sensitivity analysis to the impairment testing in note 15.

Estimation of abandonment provision

Abandonment provisions as of 31 December 2022 were calculated for operated and non-operated assets. Abandonment provisions represent a non-current provision of USD 4 050 396 thousands and a current provision of USD 115 202 thousands at the balance-sheet date.

The estimation and measurement of abandonment provisions require application of a number of assumptions, as well as use of management judgments. This includes timing of actual cash flows, amount of abandonment costs and discount rate. The timing of removal is also dependent on the reserves estimation and is impacted by the commodity price outlook. Calculation of asset retirement obligation requires financial modelling of cash flows related to the removal and decommissioning cost. Such modelling can be complex and may require use of additional judgement.

In 2022, the Company made a voluntary change in accounting principle relating to measurement of

Meetings were held with management to understand the process for identifying and measuring the abandonment provision including internal controls performed by management.

We obtained management's assessment and model for calculation of abandonment provisions as of 31 December 2022. We also considered the nature and details of the underlying calculation model. We found the methodology to be in line with requirements in IFRS.

We tested selected internal controls over the abandonment provision performed by management.

The decommissioning cost estimates for the non-operated assets are based on the respective operators' cost estimate. We obtained the cost estimate prepared by the external operators of the non-operated fields from management. We checked that the external cost estimates were included as input in the calculation of the asset retirement the abandonment provision. Specifically, the credit element has been removed from the discount rate applied to discount future cash flows. Comparative figures were restated as described in note 1.30.

We focused on this area due to the significant value the abandonment provision represents in the balance sheet, and the level of management judgement used in determining the provision for abandonment provisions.

Refer to note 1.30 and 23 for a description of how management has estimated and accounted for the abandonment provision.

obligation for the non-operated fields and challenged assumptions applied.

For the operated fields, the cost estimate is based on Aker BP's internal calculation and assessment. Aker BP has involved a multi-discipline project team with professionals from various technical areas. The calculation of cost estimates for the Aker BP operated fields are based on several cost inputs. We assessed the cost estimate assumptions applied for reasonableness. This included, but was not limited to, the number of wells to be plugged, rig rates per day, and number of days per well. We also tested the model used for calculating the abandonment obligations and found that the model makes calculations as expected. We received management's assessment of the timing of decommissioning and removal activities for each field. In addition, we benchmarked the inflation rate and the discount rate used in calculating the abandonment provision. Our testing substantiated that management assumptions were fair.

We evaluated the appropriateness of the change in accounting principle related to the measurement of abandonment provision against requirements under IFRS. We obtained management's calculations of prior period restatements and tested the mathematical accuracy and adjustments made to prior periods.

In order to test the abandonment provision for completeness, we tested that a provision was recognized for abandonment for each of the relevant fields where Aker BP has an ownership interest.

We evaluated the appropriateness of the related note disclosures and found that they satisfied IFRS requirements

Acquisition of Lundin Energy group

On 30 June 2022, Aker BP finalised the acquisition of the Lundin Energy group. The acquisition consisted of Lundin Energy Norway AS and three Dutch and one Swiss legal entity.

We obtained and read the Sale & Purchase Agreement between Aker BP and Lundin Energy AB, and held meetings with management to understand the nature and details of the transaction. Management engaged

The acquisition date for accounting purposes corresponds to the finalisation of the transaction on 30 June 2022. The agreed purchase price consisted of shares in Aker BP and a cash consideration. On 30 June 2022 Aker BP issued 271.91 million new shares to the owners of Lundin Energy as compensation. In addition to the consideration in shares measured at USD 9 336 636 thousands, Aker BP paid a cash consideration of USD 2 221 805 thousands.

The acquisition was determined to constitute a business combination and has been accounted for using the acquisition method of accounting in accordance with IFRS 3.

The purchase price allocation (PPA) and the measurement and determination of fair values required financial modelling of the cash flows relating to each tangible asset acquired and abandonment provision assumed, including tax effects. This can be complex and requires a number of estimates and judgements to be applied including:

- estimates of oil and gas reserves and forecasted production profiles,
- price curves for oil and gas and related petroleum products,
- forecasted operating, capital, abandonment and tax expenditures,
- fair value of bond loans,
- estimated future foreign exchange rates;
- discount rates to be applied, and
- allocation of goodwill balances to cash generating units.

We focused on this area due to the significant value the investment represents in the balance sheet, and the applied level of management judgement in determining the value of the assets and liabilities acquired from the transaction and resulting subsequent potential impacts on the income statement.

Refer to note 2 for a description of the business combination and how management has accounted for the PPA.

an external valuation expert to prepare a purchase price allocation (PPA) showing the estimated fair value of assets and liabilities acquired in the transaction. We found the methodology to be in line with the requirements in IFRS, and that the model makes calculations as expected.

We challenged the purchase price allocation prepared by management and if there were other assets and liabilities not properly accounted for. As part of this process, we held several meetings with management and the external valuation expert and obtained underlying documentation to support calculations and measurements in the PPA.

A major part of the value assumed in the transaction was allocated to other intangible assets and property, plant and equipment. Management has measured the value of the investment in other intangible assets and property, plant and equipment based on the net present value (NPV) after tax of future estimated cash flows. We applied selected procedures to compare the estimated future cash flows related to production profiles, operating and capital expenditures to the Company's internal Business Plan. For future crude and gas prices, we assessed applied prices for the 2-3 first years to quoted market forward prices and the long term prices to analyst and broker forecasts. Prices are adjusted for quality differentials. We assessed the discount rate applied with reference to market data. Furthermore, we tested the estimated future foreign exchange rates against external quoted forward curves.

The liabilities assumed in the transaction mainly relate to abandonment provisions, external bonds, other interest-bearing debt, deferred taxes and taxes payable.

We reconciled management estimates for abandonment provision against Aker BP internal estimates and tested for mathematical accuracy.

For external bonds we tested the fair value towards quoted prices at Bloomberg. Other-interest bearing debt was tested against confirmation from the lender, and vouched payments to settle the debt.

We obtained from management a calculation of deferred and payable taxes as part of the business combination. We tested the mathematical accuracy of the tax calculation and the assumptions used and examined the application of tax regulations.

A material part of goodwill from the transaction relates to technical goodwill calculated on the basis of the difference between the estimated fair market value and tax value of the assets acquired. We tested the mathematical calculation of technical goodwill.

We involved PwC valuation specialists as part of the audit team to assess material market participant assumptions made by management and applied in the valuation of assets and liabilities. The valuation specialists also assisted the audit team in testing and assessing the mathematical accuracy and methodology of management's valuation models. The results of our testing showed that management applied reasonable assumptions for the valuation of assets and liabilities assumed as part of the transaction, that the methods applied were in accordance with IFRS requirements and that the model was mathematically accurate.

We evaluated the appropriateness of the related note disclosures and found that they satisfied IFRS requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors’ report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors’ report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director’s report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility, and to the report on payments to governments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Aker BP ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name AkerBPASA-2022-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Stavanger, 15 March 2023
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

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