Moody's INVESTORS SERVICE

CREDIT OPINION
25 May 2023

Update

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Aker BP ASA

Norway's largest independent E&P company entering growth investment phase with strong financial metrics

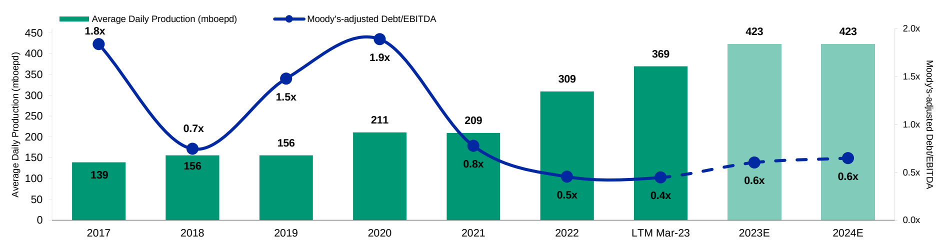
Summary

The Baa2 ratings of Aker BP ASA (Aker BP) reflect the company's status as the largest Norwegian independent E&P company; attractive portfolio with full-cycle breakeven oil price of $35-$40/barrel; exposure to a stable domestic operating environment and a favourable tax regime; solid financial metrics; and conservative financial and capital allocation policies.

At the same time, the Baa2 rating remains constrained by the company's small scale and short reserve life; high production concentration in Johan Sverdrup; exposure to operating risks associated with offshore production; rising outflows for growth investment programme and shareholder remuneration through 2026 and longer-term exposure to carbon transition and societal risks.

Aker BP's financial profile is robust. Enhanced profitability following the acquisition of young and low-cost oil and gas assets of former Lundin Energy AB (Lundin Energy) in 2022, along with a strong balance sheet, will help the company maintain solid financial metrics in the next 12-18 months. Notwithstanding projected free cash flow (FCF, Moody's-defined) turning negative under our $65-$70 Brent oil price scenario in 2023-24, we expect gross leverage (see Exhibit 1) and retained cash flow (RCF)/debt to remain very strong for the current rating, creating a substantial buffer to withstand inherently volatile hydrocarbon prices.

Exhibit 1
Larger scale, higher profitability and a robust balance sheet keep Aker BP's leverage well below 1.0x
Historic and projected evolution of average daily production and gross leverage (Moody's-adjusted)



Our projections assume a $70/barrel Brent oil price for 2023 and $65/barrel for 2024.
Source: Moody's Investors Service

RATINGS

Aker BP ASA

Domicile	Oslo, Norway
Long Term Rating	Baa2
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Credit strengths

- » Largest Norwegian independent E&P company in Norway (Aaa stable) with an exclusive and established presence in the Norwegian Continental Shelf (NCS)
- » Attractive portfolio with a reported full-cycle breakeven oil price of $35-$40/barrel
- » Benefits arising from a stable domestic operating environment and a favourable tax regime
- » Solid financial and liquidity profile
- » Track record of abiding by conservative financial and capital allocation policies

Credit challenges

- » Small scale and shorter reserve life than that of its similarly rated peers
- » Production concentration in Johan Sverdrup and exposure to operating risks associated with offshore production
- » Constant need to invest in reserves replenishment to offset natural production decline
- » Rising future outflows for growth investment programme and shareholder remuneration
- » Exposure to risks carbon transition risks, coupled with increasing societal opposition to the exploitation of hydrocarbon resources

Rating outlook

The stable rating outlook reflects our expectation of a continued robust operational track record, supported by a low production cost structure and a rich pipeline of growth projects, as well as continued adherence to a conservative financial policy. This should allow Aker BP to gradually grow its production and operating cash generation while maintaining low leverage and strong cash flow coverage metrics.

Factors that could lead to an upgrade

While unlikely in the near to medium term, the rating could be upgraded if Aker BP:

- » increases its average daily hydrocarbon production towards 650 thousand barrels of oil equivalent per day (kboepd) while maintaining a reserve replacement rate of no less than 100%;
- » pursues financial policies that ensure adjusted RCF/total debt remains above 75% on a sustained basis in a $55/barrel Brent oil price scenario; and
- » generates consistent positive free cash flow (FCF) amid a constant need to access and develop new hydrocarbon resources.

A rating upgrade would also require the company to continue to demonstrate strong financial discipline by balancing shareholder and creditor interests.

Factors that could lead to a downgrade

Aker BP's rating could be downgraded if the company's:

- » average production falls below 400 kboepd on a sustained basis or reserve replacement falls considerably below 100%;
- » financial profile significantly deteriorates and net adjusted leverage increases, remaining sustainably above 1.25x;
- » adjusted RCF/total debt falls below 50% for an extended period; or
- » liquidity weakens significantly.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2
Aker BP ASA

	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	LTM Mar-23	2023 (E)	2024 (E)
Average Daily Production (kboepd)	156	156	211	209	309	369	423	423
Total Proved Developed Reserves (mmboe)	255	449	511	467	816	816	816	816
E & P Debt / Average Daily Production ($/boe)	14,432	22,946	19,863	17,731	17,508	15,291	13,080	13,080
E&P Debt / Proved Developed Reserves ($/boe)	8.8	8.0	8.2	8.0	6.6	6.9	6.8	6.8
RCF / Debt	61.4%	29.8%	41.4%	62.6%	63.0%	71.0%	86.3%	97.8%
EBITDA / Interest Expense	12.4x	10.9x	10.0x	25.7x	61.8x	57.3x	56.7x	52.7x

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. [2] Periods are Financial year-end unless indicated. LTM = Last 12 months. [3] Moody's forecasts (f) or projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Source: Moody's Investors Service

Profile

Aker BP is Norway's largest independent E&P company. Average daily production of around 309 kboepd in 2022 resulted in revenue and EBITDA (Moody's-adjusted) of $12.9 billion and $11.9 billion, respectively, including six months of contribution from the oil and gas assets of former Lundin Energy's acquired in June 2022.

Aker BP is indirectly jointly owned by Aker ASA (21.16% stake), BP p.l.c. (BP, A2 positive; 15.87% stake) and Nemesia S.A.R.L (14.38%, an investment company wholly owned by a Lundin family trust), while the remaining 48.59% is free float. The company had an equity market capitalisation of NOK158 billion (around $15 billion) as at 18 May 2023.

Detailed credit considerations

Largest independent producer in the NCS

Aker BP is an offshore oil and gas producer whose hydrocarbon resource base is located exclusively in the NCS. Its producing assets are spread across six main hubs (Alvheim, Grieg and Aasen, Johan Sverdrup, Skarv, Ula and Valhall), which altogether delivered 453 kboepd in the first quarter of 2023 (Q1 2023). Aker BP's scale (measured in terms of average daily production) more than doubled in 2022 following the addition of oil and gas assets of former Lundin Energy, but also start-up of Johan Sverdrup Phase 2 in mid-December 2022. As a result, Aker BP is the largest independent E&P company in the NCS, significantly ahead of Vår Energi ASA (Baa3 stable, 214 kboepd in Q1 2023). While broadly comparable with that of the Permian basin-focused producer Diamondback Energy, Inc. (Baa2 stable, 425 kboepd), the company's production remains considerably smaller than Baa1-rated companies with a similar single-basin focus such as Canadian Natural Resources Limited (Baa1 stable, 1,319 kboepd) and Pioneer Natural Resources Company (Baa1 stable, 680 mboepd). We consider Aker BP's modest scale the primary factor constraining the ratings at the current Baa2 level. Although still commensurate with a Baa score under our E&P methodology framework, Aker BP's proved reserve base is equally comparatively smaller than that of peers and point to a fairly short reserve life of 5.5 years.

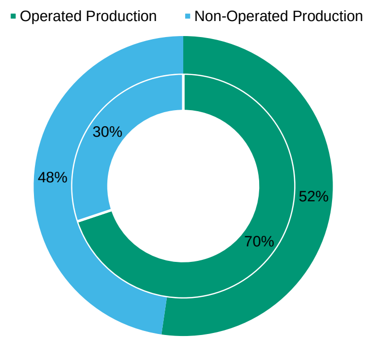
High-quality asset base mitigates degree of asset concentration in Johan Sverdrup

The incorporation of Lundin Energy's young, high-quality and well-invested asset base enhanced Aker BP's business profile and profitability, but also meant a significant rise in concentration in Johan Sverdrup (about 48% of Q1 2023 volumes) and the dilution in Aker BP's degree of operatorship (see Exhibit 3). Positively, our analysis takes into consideration the following factors: Johan Sverdrup's operator is the reputable oil and gas company Equinor ASA (Equinor, Aa2 stable); Aker BP's sizeable interest in the field supports the company's influence and oversight on upcoming investments; and Aker BP's operatorship shall strengthen when the operated development projects listed on Exhibit 6 start delivering additional production.

Exhibit 3

Direct operatorship has declined following larger relevance of Equinor-operated Johan Sverdrup field

Based on average daily production for 2021 (inner circle) and for Q1 2023 (outer circle)



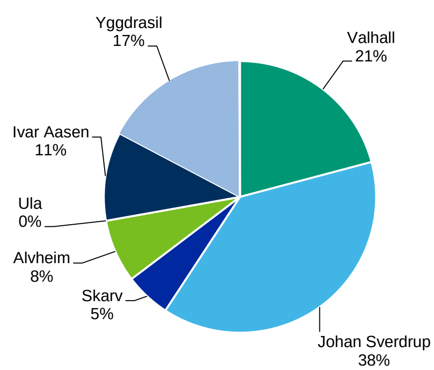
Source: Company reports

Besides Johan Sverdrup, four out of the remaining six producing hubs account for 50% of total hydrocarbon volumes. Johan Sverdrup, Valhall and Yggdrasil account for 76% of Aker BP's proven reserves, indicating that the forward-looking production profile will continue to exhibit a degree of asset concentration (see Exhibit 4).

Exhibit 4

Johan Sverdrup, Valhall and Yggdrasil account for 76% of Aker BP's proven reserves

Breakdown by hub of 1P reserves, as of 31 December 2022



Source: Annual Statement of Reserves

Aker BP's commodity mix is predominantly focused on oil, with liquids accounting for 85% of hydrocarbon sales for the first quarter of 2023. We expect future production profile to remain skewed towards oil and natural gas liquids (NGL), not only because these accounted for 81% of gross 2P reserves, but also considering Aker BP's strategy to predominantly focus on oil-weighted assets. While oil generally has a higher profit margin per barrel compared with that of natural gas, the latter is less exposed to carbon transition risks.

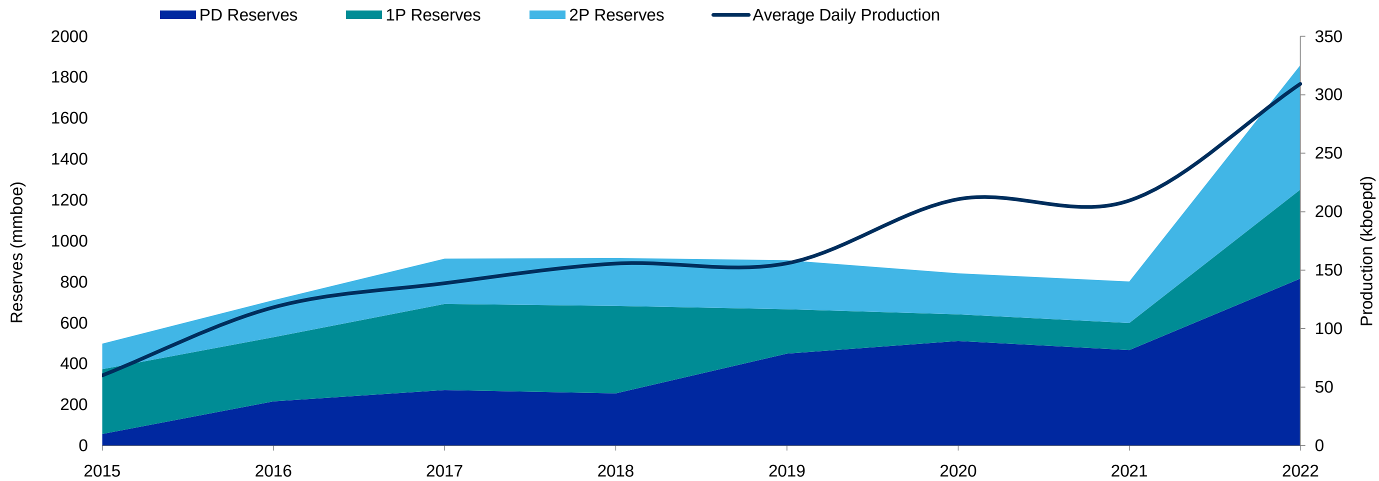
Strong pipeline of growth projects with low breakeven prices underpins future production profile

Aker BP's 1P reserves increased significantly to 1,251 mmboe as of year-end 2022 from 374 mmboe as of year-end 2015, mainly as a result of Johan Sverdrup-related sanctioning and additions associated with inorganic growth. The company classified 816 mmboe of reserves as "on production" as of year-end 2022, corresponding to 65% of total proven and 44% of total proven plus probable reserves (see Exhibit 5).

Exhibit 5

Organic and inorganic growth supported significant expansion of Aker BP's reserve base and production since 2015

Historic evolution of production and year-end reserve volumes



Source: Company reports

The complementary base of undeveloped reserves is substantial and paves the way to a multi-year phase of organic growth supported by a number of growth projects (see Exhibit 6).

Exhibit 6

Aker BP has a rich pipeline of growth projects

Asset area	Field development	Aker BP ownership	Gross/net volume	Net capex estimate	PDO submission	Production start
Alvheim	Kobra East & Gekko	80.0%	50/40 mmboe	USD 0.9bn	2021	2024
	Frosk	80.0%	10/8 mmboe	USD 0.2bn	2021	2023
	Tyrving	61.3%	25/15 mmboe	USD 0.4bn	2022	2025
Edvard Grieg & Ivar Aasen	Hanz	35.0%	20/7 mmboe	USD 0.2bn	2021	2024
	Symra	50.0%	87/49 mmboe	USD 1.3bn	Dec-22	2027
	Solveig Phase II	65.0%				2026
Skarv	Alve North	68.1%	119/51 mmboe	USD 1.0bn	Dec-22	2027
	Idun North	23.8%				2027
	Ørn	30.0%				2027
Valhall	Valhall PWP	90.0%	230/187 mmboe	USD 5.5bn	Dec-22	2027
	Fenris	77.8%				2027
Yggdrasil	Hugin	87.7%	650/413 mmboe	USD 10.7bn	Dec-22	2027
	Munin	50.0%				2027
	Fulla	47.7%				2027

Source: Company presentations

These projects are mostly located close to five of the existing hubs, including Alvheim, Grieg and Aasen, Skarv and Valhall, thus enabling the company to leverage the infrastructure already in place. We consider these type of projects to carry lower execution risk and shorter payback periods as opposed to greenfield developments in new areas. Aker BP estimates that the weighted breakeven oil price of its entire project portfolio is around $35-$40/boe; furthermore, these projects benefit from enhanced profitability and returns on investment allowed by the temporary changes to the Norwegian tax regime introduced since June 2020. In our view, the company's growth strategy entails substantial capital investments and carries some execution risk; more positively, though, we recognise the significant contribution to Aker BP's future production profile by bringing volumes above 500 kboepd by 2028.

Benign hydrocarbon prices and low cost profile support retention of strong credit metrics

Aker BP reported a strong financial performance in 2022. Hydrocarbon price realisations increased substantially to $115/boe from $74/boe for full-year 2021 as a reflection of exceptionally high commodity prices in the period. Concurrently, the company maintained competitive unit production costs of $8.7/boe, down 5% from $9.2/boe in 2021 and aided by the addition of Lundin Energy's low-cost assets to the mix. Higher production, higher price realisations and moderately lower unit costs resulted in Moody's-adjusted EBITDA of $11.9 billion (pro forma for the full-year contribution from Lundin Energy's assets: $15.3 billion) in 2022, compared with $4.6 billion for 2021. Concurrently, Moody's-adjusted gross debt/ EBITDA dropped further to 0.5x (0.4x) from 0.8x as of year-end 2021, while E&P debt/average daily production remained broadly stable because the additional $1.7 billion of bond debt acquired from Lundin Energy offset the concurrent increase in production. Aker BP's cash flow generation was also strong, demonstrated by positive FCF of $2.6 billion ($3.7 billion), reflecting a strong price environment, sizeable working capital inflows (on a Moody's-adjusted basis) and good discipline on capital spending. The company continued to benefit from high hydrocarbon prices along with its low cost position through Q1 2023, achieving EBITDA of $2.8 billion and positive FCF of $523 million in the period.

We expect annual revenue at around $10 billion-$11 billion assuming a $65-$70/barrel oil price scenario and production volumes of around 420 kboepd annually in 2023-24. Despite some normalisation in Aker BP's EBITDA, we expect combined unit production costs to remain low and support annual EBITDA of $8.5 million-$9 million, thus maintaining adjusted leverage at around 0.6x and E&P debt/average daily production within a $13,000-$15,000 range. Under our basecase scenario, we expect Aker BP's FCF to turn negative because of significant outflows for tax, growth investments and dividends, particularly in 2023 because of the phasing of tax payments. However, cash flow coverage metrics (defined as RCF/debt) shall remain strong relative to the guidance for the current Baa2 rating throughout the projected period.

Proven commitment to a conservative financial policy

Our assessment of Aker BP's credit profile factors in the company's conservative financial policy, along with a strong track record of abiding by the stated commitments demonstrated so far. The well-articulated capital allocation framework prioritises balance-sheet strength over shareholder remuneration, which is particularly relevant given the company's high exposure to volatile upstream oil and gas activities. More importantly, the company has consistently adhered to its conservative financial policy by building a strong track record of operating below its 1.5x net leverage target, prudently funding M&A activity and ultimately revisiting its dividend policy in response to the low oil price environment in 2020, when Aker BP rebased shareholder remuneration through a 50% cut on the $850 million dividends originally planned for the year.

We also favourably note the approach to shareholder remuneration that consists of a progressive dividend policy, where a 5% annual dividend increase is manageable through the cycle. Subject to high Brent oil prices and subject to the retention of a strong balance sheet, the company would contemplate special dividends or share buybacks, serving as a way for the company to reward shareholders in times of strong commodity prices without committing to a higher dividend level on a permanent basis.

ESG considerations

Aker BP ASA's ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 7

ESG Credit Impact Score

CIS-3

Moderately Negative

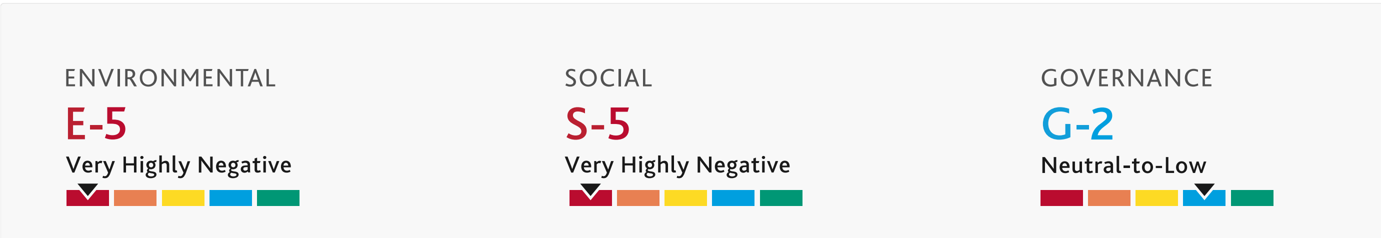
For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

Aker BP's **CIS-3** indicates that ESG considerations have a limited impact on the current credit rating with potential for greater negative impact over time. Aker BP has very high exposure to environmental risks as its earnings and cashflow generation depend entirely on oil and gas exploration and production activities, leaving the company highly exposed to falling demand for fossil fuels in the longer term along with increasing societal opposition to the exploitation of hydrocarbon resources. Aker BP has a conservative financial strategy and management has a strong track record managing through an inherently volatile and complex operating environment.

Exhibit 8

ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

Aker BP's **E-5** score reflects exposure mainly related to carbon transition and natural capital. Aker BP faces risks of falling demand for fossil fuels in the medium to long term as economies pivot away from crude oil; moreover, the company carries large liabilities related to decommissioning obligations of upstream assets that imply a longer-term drain on liquidity and debt capacity. The offshore nature of Aker BP's operations creates exposure to the risk of environmental damages arising from hydrocarbon spills and broader industrial accidents which can adversely impact the company's license to operate.

Social

S-5. Aker BP is most exposed to demographic and societal trends risks including increasing regulatory hurdles and public opposition to new oilfields' developments, particularly outside of Norway and within the context of substantial growth investment plans the company intends to pursue over the next 3-4 years.

Governance

Aker BP's **G-2** score reflects demonstrated adherence to conservative financial policies which are consistent with the company's commitment to maintain ample financial flexibility for capital investments and shareholder returns, as well as a solid liquidity position. This is ultimately underpinned by the company's stable and credible management team which experienced low level of turnover in the past five years. Governance consideration also reflects the concentration of Aker BP's ownership structure with three anchor industrial shareholders owning altogether around 51% of the company's capital. The owners' strong alignment of interest around oil and gas activities mitigates the negative governance implications typically stemming from a concentrated ownership structure.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Aker BP benefits from an excellent liquidity position. As of 31 March 2023, the company reported $3.3 billion of cash and cash equivalents, and access to a fully undrawn $3.4 billion revolving credit facility. The facility comprises a working capital facility split into a $100 million commitment maturing in 2025 and $1.3 billion due in 2026, as well as a $1.65 billion liquidity facility due in 2026. The RCF is subject to a 3.5x net leverage covenant and to a 3.5x interest coverage, under which the company has substantial capacity that we expect to be maintained in the future. The next bond maturity is a $500 million bond due in January 2025.

Methodology and scorecard

The principal methodology used in this rating was the Independent Exploration and Production industry rating methodology, published in December 2022.

Exhibit 9

Rating factors

Aker BP ASA				
Independent Exploration and Production Industry Scorecard [1][2]	**Current LTM 3/31/2023**		**Moody's 12-18 Month Forward View As of May 2023 [3]**	
Factor 1 : Scale (20%) (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Average Daily Production (Mboe/d)	369	Baa	415 - 425	Baa
b) Proved Developed Reserves (MMboe)	816	Baa	780 - 820	Baa
Factor 2 : Business Profile (20%) (20%)				
a) Business Profile	Baa	Baa	Baa	Baa
Factor 3 : Profitability and Efficiency (15%) (15%)				
a) Leveraged Full-Cycle Ratio	5.1x	Aaa	1.8x - 2x	Ba
Factor 4 : Leverage and Coverage (25%) (25%)				
a) E&P Debt / Average Daily Production	$15,291	Baa	$1,2500 - $13,500	Baa
b) E&P Debt / PD Reserves boe	$6.9	Ba	$6.5 - $7.5	Ba
c) RCF / Debt	71.0%	A	75% - 95%	Aa
d) EBITDA / Interest Expense	57.3x	Aaa	50x - 55x	Aaa
Factor 5 : Financial Policy (20%) (20%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
Preliminary Outcome		A3		Baa2
Notching Factor: Significant Natural Gas Operations			0	0
(a) Scorecard-Indicated Outcome		A3		Baa2
(b) Actual Rating Assigned		Baa2		Baa2

[1] All ratios are based on 'Adjusted' financial data and incorporate our Global Standard Adjustments for Non-Financial Corporations. [2] As of 3/31/2023(L); Source: Moody's Financial Metrics™. [3] Our projections assume a $70/barrel Brent oil price for 2023 and $65/barrel for 2024. All figures and ratios are calculated using our estimates and standard adjustments. Periods are financial year-end unless indicated. LTM = Last 12 months. The forecasts (f) or projections (proj.) are our opinion and do not represent the views of the issuer.

Source: Moody's Investors Service

Ratings

Exhibit 10

Category	Moody's Rating
AKER BP ASA	
Outlook	Stable
Issuer Rating	Baa2
Senior Unsecured	Baa2

Source: Moody's Investors Service

Appendix

Exhibit 11

Select rated peers for Aker BP

	Aker BP ASA Baa2 Stable			Diamondback Energy, Inc. Baa2 Stable			Continental Resources, Inc. Baa3 Stable			Var Energi ASA Baa3 Stable		
(in USD million)	FYE Dec-21	FYE Dec-22	LTM Mar-23	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-20	FYE Dec-21	FYE Dec-22	FYE Dec-21	FYE Dec-22	LTM Mar-23
Revenue	5,640	12,896	13,945	3,063	5,572	8,793	2,586	5,719	9,687	6,043	9,781	9,387
Average Daily Production (MBOE / day)	209	309	369	300	375	386	300	330	402	246	220	213
Total Proved Developed Reserves (MMBOE)	467	816	816	817	1,201	1,404	627	908	1,035	374	312	312
EBITDA / Interest Expense	25.7x	61.8x	57.3x	7.3x	14.5x	24.6x	6.4x	17.2x	24.8x	14.6x	52.4x	39.9x
E & P Debt / Average Daily Production	17,731	17,508	15,291	19,412	17,815	16,186	18,464	20,763	20,492	21,314	14,682	15,047
E&P Debt / Proved Developed Reserves	8.0	6.6	6.9	7.1	5.6	4.5	8.8	7.5	8.0	14.0	10.4	10.3
RCF / Debt	62.6%	63.0%	71.0%	28.5%	50.8%	73.8%	25.4%	58.9%	80.1%	46.2%	112.2%	104.6%

All figures are calculated using our estimates and standard adjustments. Periods are financial year-end unless indicated. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 12

Breakdown of Moody's adjustments to Aker BP's reported EBITDA

Unusual items mainly refer to exploration expense charges

(in USD million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Mar-23
As Reported EBITDA	2,695	2,120	2,040	4,262	11,702	12,442
Unusual Items - Income Statement	266	300	174	353	242	242
Leases	57	0	0	0	0	0
Moody's Adjusted EBITDA	3,018	2,420	2,214	4,615	11,945	12,685

All figures are calculated using our estimates and standard adjustments. Periods are financial year-end unless indicated. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 13

Breakdown of Moody's adjustments to Aker BP's reported debt

(in USD million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Mar-23
As Reported Total Debt	2,018	3,600	4,184	3,713	5,414	5,650
Leases	228	0	0	0	0	0
Non-Standard Adjustments	0	(24)	0	0	0	0
Moody's Adjusted Total Debt	2,246	3,576	4,184	3,713	5,414	5,650

All figures are calculated using our estimates and standard adjustments. Periods are financial year-end unless indicated. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 14

Select historic and projected key credit metrics for Aker BP

(in USD million)	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21	FYE Dec-22	LTM Mar-23	Proj. 2023	Proj. 2024
INCOME STATEMENT								
Revenue	3,713	3,339	2,868	5,640	12,896	13,945	10,542	9,893
EBITDA	3,018	2,420	2,214	4,615	11,945	12,685	9,192	8,543
EBIT	2,221	1,608	1,093	3,651	10,159	10,599	6,892	6,243
Interest Expense	243	221	221	180	193	222	162	162
BALANCE SHEET								
Total Debt	2,246	3,576	4,184	3,713	5,414	5,650	5,530	5,530
Cash & Cash Equivalents	45	107	538	1,971	2,756	3,280	1,913	1,840
Net Debt	2,202	3,469	3,647	1,742	2,658	2,370	3,616	3,690
CASH FLOW								
Funds from Operations (FFO)	1,829	1,815	2,156	2,811	4,418	5,191	6,165	6,938
Change in Working Capital Items	1,772	(34)	(479)	1,148	1,076	574	(2,127)	(711)
Cash Flow From Operations (CFO)	3,601	1,780	1,677	3,959	5,494	5,766	4,038	6,226
Capital Expenditures	(1,949)	(2,183)	(1,467)	(1,639)	(1,898)	(2,198)	(3,490)	(4,770)
Dividends	450	750	425	488	1,006	1,182	1,390	1,529
Retained Cash Flow (RCF)	1,379	1,065	1,731	2,323	3,412	4,009	4,774	5,408
Free Cash Flow (FCF)	1,202	(1,153)	(215)	1,832	2,590	2,386	(843)	(73)
RCF / Debt	61.4%	29.8%	41.4%	62.6%	63.0%	71.0%	86.3%	97.8%
FCF / Debt	53.5%	-32.2%	-5.2%	49.3%	47.8%	42.2%	-15.2%	-1.3%
PROFITABILITY								
EBIT margin %	59.8%	48.2%	38.1%	64.7%	78.8%	76.0%	65.4%	63.1%
EBITDA margin %	81.3%	72.5%	77.2%	81.8%	92.6%	91.0%	87.2%	86.4%
INTEREST COVERAGE								
EBIT / Interest Expense	9.1x	7.3x	4.9x	20.3x	52.5x	47.8x	42.5x	38.5x
EBITDA / Interest Expense	12.4x	10.9x	10.0x	25.7x	61.8x	57.3x	56.7x	52.7x
LEVERAGE								
Debt / EBITDA	0.7x	1.5x	1.9x	0.8x	0.5x	0.4x	0.6x	0.6x
Net Debt / EBITDA	0.7x	1.4x	1.6x	0.4x	0.2x	0.2x	0.4x	0.4x
INDUSTRY SPECIFIC METRICS								
Average Daily Production (Kboeped)	156	156	211	209	309	369	423	423
E&P Debt / Average Daily Production	14,432	22,946	19,863	17,731	17,508	15,291	13,080	13,080

Our projections assume a $70/barrel Brent oil price for 2023 and $65/barrel for 2024. All figures and ratios are calculated using our estimates and standard adjustments. Periods are financial year-end unless indicated. LTM = Last 12 months. The forecasts (f) or projections (proj.) are our opinion and do not represent the views of the issuer.
Sources: Company reports, Moody's Financial Metrics™ and Moody's Investors Service

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