AKER BP ASA
Pareto Securities’ 24th annual Oil & Offshore Conference
Karl Johnny Hersvik, CEO
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COMPANY SNAPSHOT
Aker BP ASA at a glance

Net production
1,000 boe per day

2P reserves 711 million boe

Strong cash flow
USD million

* Pro forma including Marathon Oil Norway from 1.1.2014 and BP Norge from 1.1.2016
** Cash flow from operating activities, adjusted for working capital changes
STRATEGIC AMBITION

Create the leading offshore independent E&P company

Always prioritise **safety**

**Safety**

Become the **cost and capital leading** offshore independent E&P company

Cost leading

Maintain a **robust balance sheet** and a strong dividend capacity

Robust

Maximise shareholder value

Growth

Strong value driven **growth** in production and dividend

Focused

A **focused** portfolio on the NCS

**Focused**

**Entrepreneurial and flexible** organisation able to opportunistically seize new business opportunities

Entrepreneurial and flexible
Strategic toolbox

- Execute
  - Reorganising the value chain with strategic partnerships and alliances

- Improve
  - Be at the forefront for digitizing E&P

- Grow
  - Value chain based on a shared LEAN understanding, toolbox and culture

  - Flexible business model ready for growth and volatility
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Working together with suppliers through strategic partnerships

- Project delivery model targeting to reduce engineering hours per ton platform by 50% and a 25% reduction in execution time

- One integrated organization with common KPIs and incentives
  - Sharing of risk, both upside and downside

- Increase flow efficiency and reduce costs by avoiding rework and continuously improving

- Goal to sanction new stand-alone projects at break-even prices below 35 USD/boe

- Alliances established for subsea and fixed facilities

Volund infill project subsea alliance

- Zero incidents
- Project executed in 13 months vs 22 months “traditional”
- Total alliance effect from DG2 to first oil -30%
- Best in class offshore campaign

*Main contributor to underrun is best in class offshore campaign. Contractor RC allocated to Contractors and included in actual cost.*
DIGITALIZATION

Working towards our vision of a fully digitized value chain

Testing concrete use cases on new data platform...

...and progressing key digital initiatives

**End-user applications**
- Surveillance & Analytics of Compact Heaters
- Oil in water monitoring
- Optimization of offshore energy efficiency

**Examples**
- Remote operations Ivar Aasen
- Unmanned Wellhead Platform Concept
- PUSH
- Automated well design and autonomous drilling
- Digital logistics

**Data layer**
Horizontal data platform with standard public APIs

**Data sources**

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Flow efficiency embedded in operational strategy

1. Develop flow efficient value streams

   MAXIMIZE FLOW

   Our value streams deliver what the customer wants, at the right time, amount and quality, with short lead time

2. Visualize progress control

   Progress is effectively visualized so we always know how we are doing, and we detect and respond to deviations quickly

3. Continuously learn and improve

   We don’t know what perfect looks like, therefore we continuously learn and solve problems to continuously improve

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Exploration block made available
License awarded
Drilling decision
Discovery
PDO approved
First oil
Asset decommissioned

7-15 years
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A company set up for growth

- Generating cash from diversified asset base
- Sanctioned projects have potential to deliver after-tax operating cash flow* in excess of USD 6 billion to Aker BP in the period 2020 – 2025 at current forward price
- Resource hopper of more than 600 mmboe (2C)
- Potential to reach production above 270 mboepd in 2023 (12% CAGR)
- Stepping up exploration activity to secure future production growth
- Proven M&A track record - targeting further inorganic growth

* Cash flow from operating activities (CFFO), before working capital changes
** Including Johan Sverdrup phase 2
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Great savings are possible, but requires a new way of thinking

- Leveraging extensive improvement agenda and lean initiatives to revitalize business model
- Focusing on waste reduction and flow efficiency has resulted in significant improvement to date
- Further productivity enhancement is likely to include investments in new technology to reduce cost and improve HSE performance
- Step change improvement has potential to reduce project break-even prices to 25 USD/boe

Illustrative project economics (USD/boe)

<table>
<thead>
<tr>
<th>Development cost (USDbn)</th>
<th>Break-even (USD/boe)</th>
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<tbody>
<tr>
<td>Historical NCS²</td>
<td>Current NCS project example</td>
</tr>
<tr>
<td>OPEX (10 yrs)</td>
<td>Facility CAPEX</td>
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<tr>
<td>60</td>
<td>35</td>
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</table>

<table>
<thead>
<tr>
<th>CAPEX [$/boe]</th>
<th>Drilling [m/day]</th>
<th>OPEX [$/boe]</th>
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<tr>
<td>25</td>
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<tr>
<td>9</td>
<td>250</td>
<td>6</td>
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</tbody>
</table>

1. Total CAPEX over Life of field and OPEX for 10 operating years. Current base case assumes 20 years of operation, depending on oil price. All numbers in real terms 2017
2. Illustrative for NCS Projects pre-2014 oil price drop and potential for future projects
OUTLOOK

Closing remarks

- Efficient and safe operations
- Sanction projects at 35 USD/boe

- Leading on cost efficiency
- Structurally change the way we work through alliances, digitalization and flow efficiency

- Maximize value of our existing hubs
- Pursue exploration and value accretive growth opportunities