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CAPITAL MARKETS DAY 2018

Agenda

Session 1: 13:00 – 14:30
- Corporate strategy - Karl Johnny Hersvik, Chief Executive Officer
- Execute - Karl Johnny Hersvik, Chief Executive Officer
- Improve – Per Harald Kongelf, SVP Improvement
- Q&A
- Coffee Break

Session 2: 15:00 – 16:00
- Grow - Karl Johnny Hersvik, Chief Executive Officer and Gro Gunleiksrud Haatvedt, SVP Exploration
- Finance – Alexander Krane, Chief Financial Officer
- Concluding remarks – Karl Johnny Hersvik, Chief Executive Officer
- Q&A
Karl Johnny Hersvik, Chief Executive Officer
Karl Johnny Hersvik (born 1972) has been CEO of Aker BP since May 2014. Prior to joining Aker BP, he served as head of research for Statoil.

Mr Hersvik has held a number of specialist and executive positions with Norsk Hydro and StatoilHydro. He holds a number of directorships and is a member of several boards whose objective is to promote cooperation between industry and academia. Mr Hersvik holds a Cand. Scient. (second cycle) degree in Industrial Mathematics from the University of Bergen.

Alexander Krane, Chief Financial Officer
Alexander Krane (born 1976) took up the position of CFO with Aker BP in 2012. Prior to joining Aker BP, he held the position of Corporate Controller with Aker ASA. He has also worked as a public accountant with KPMG, both in Norway and in the US.

Mr Krane holds a Bachelor of Commerce degree (“siviløkonom”) from Boda Graduate School of Business and an MBA degree from the Norwegian School of Economics in Bergen. He is also a state-authorized public accountant in Norway.

Per Harald Kongelf, SVP Improvement
Per Harald Kongelf (born 1959) is responsible for Aker BP’s improvement program. Prior to joining Aker BP, Per Harald Kongelf served as head of the Norwegian operations in Aker Solutions.

Kongelf holds an MSc degree from NTNU in Trondheim and has more than 25 years of industrial experience through numerous technical and management positions in Aker Solutions.

Gro Gunleiksrud Haatvedt, SVP Exploration
Gro Gunleiksrud Haatvedt (born 1957) joined Aker BP in 2014. She came from the position of SVP Exploration for the Norwegian Continental Shelf with Statoil ASA, where she also served as country manager in Libya.

She has held several positions with Norsk Hydro (head of Geology, Technology and Competence). She has been responsible for business development and exploration in Iran, and VP Exploration for NCS. Ms Haatvedt holds a Cand. Scient degree in Applied Geophysics from the University of Oslo.
## 2017 achievements

<table>
<thead>
<tr>
<th>成就</th>
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<tbody>
<tr>
<td>Building on successful M&amp;A track record</td>
<td>Hess Norge AS acquisition</td>
<td></td>
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<tr>
<td>Delivered three PDO’s to the authorities</td>
<td>Farm-down 10% in Valhall/Hod to Pandion Energy</td>
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<tr>
<td>Production of 160 (139 ex. Hess) mboepd</td>
<td>Added 134 mmboe in new reserves</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2P reserves of 913 mmboe</td>
<td>CAPEX decreased by ~20% from concept selection</td>
<td></td>
<td></td>
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<tr>
<td>USD 250 million in dividend payments</td>
<td>Efficient operations with high operational uptime</td>
<td></td>
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<td></td>
<td>2017 production ~6% above CMD guidance (ex. Hess)</td>
<td></td>
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<tr>
<td></td>
<td>Organic RRR of 2.3x</td>
<td></td>
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<tr>
<td></td>
<td>Total RRR of 4.5x</td>
<td></td>
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<tr>
<td></td>
<td>3x free cash flow coverage last four quarters</td>
<td></td>
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<tr>
<td></td>
<td>Proposal to increase dividends to USD 450 million in 2018 with and ambition to increase by USD 100 million per year to 2021</td>
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</tbody>
</table>
Well positioned to be profitable across the market cycles

- Purely operating on the NCS: Low political risk and attractive fiscal regime
- Strong balance sheet and capital flexibility: USD 2.9 billion in liquidity
- Robust investment program with average break-even of 18 USD/bbl*
- Substantial cash generation and growing dividends

Extensive improvement agenda to strengthen long-term competitiveness

- Reorganizing the value chain with strategic partnerships and alliances
- Aim to be an industry reference for digital project execution
- Focus on flow efficiency to substantially reduce execution time

Strong platform for future growth

- Materially oil-weighted portfolio (~80% liquids): 2P reserves of 913 mmboe and 2C contingent resources of 785 mmboe at year-end 2017
- Potential to reach 330 mboepd in 2023 (13% CAGR)
- Proven M&A track record – targeting further selective inorganic growth

* Sanctioned projects, discounted to 01.01.2018
Corporate strategy
Karl Johnny Hersvik
Chief Executive Officer
SHAPING THE STRATEGY
Oil market volatility calls for resilient strategy

Steady growth in oil demand

Cyclicality is the name of the game

World oil demand

- OECD demand
- Non-OECD demand

Oil market balance

- Oversupply
- Undersupply
- Brent

Source: IEA
SHAPING THE STRATEGY

NCS remains an attractive place to be

>50% of oil & gas remains to be produced on the NCS

CO₂ emissions per unit oil & gas produced

Source: NOROG, IOGP data series, 2016
STRATEGIC AMBITION

Create the leading offshore independent E&P company

- Safety
- Focused
- Maximise shareholder value
- Cost leading
- Growth
- Robust
- Entrepreneurial and flexible
- Entrepreneurial and flexible
CORPORATE STRATEGY

Strategic toolbox

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

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

- **Grow**
  - Be at the forefront for digitizing E&P

  - Flexible business model ready for growth and volatility
CORPORATE STRATEGY

Always prioritise safety

2018 HSSE forward agenda

- Safety is our number 1 priority

- Maintain safe and reliable operations with zero HSSE incidents and no cyber attacks with significant impact on performance

- Expand and roll out sustainability and energy efficiency strategies throughout the organization

- Develop new systems for managing barrier health, including operational, organizational and technical barriers to strengthen process safety

- Work towards a climate neutral operations environment

- Further develop our HSSE footprint in the Barents region

Safety
CORPORATE STRATEGY

Targeting significant efficiency improvements

Great savings possible – requires new way of thinking

Strategic Alliances

Digitalization

Lean operations

Flexible business model

Target production cost below 7 USD/boe

Target full cycle break-even below 35 USD/bbl

Illustrative project economics (USD/boe)

Development cost\(^1\) (USDbn)

Break-even (USD/boe)

\[\text{Development cost} = \begin{cases} 60 & \text{for Historical NCS}^2 \\ 35 & \text{for Current benchmark} \\ 25 & \text{for Continued improvement}^2 \end{cases}\]

\[\text{Break-even} = \begin{cases} 70 & \text{for OPEX (10 yrs)} \\ 60 & \text{for Facility CAPEX} \\ 50 & \text{for Drilling CAPEX} \end{cases}\]

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.
CORPORATE STRATEGY

Improvement program showing tangible results

<table>
<thead>
<tr>
<th></th>
<th>Ærfugl</th>
<th>Valhall Flank West</th>
<th>Skogul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume (mmboe) gross</td>
<td>197</td>
<td>56</td>
<td>10</td>
</tr>
<tr>
<td>CAPEX (NOKbn) gross</td>
<td>10.6</td>
<td>7.2</td>
<td>1.6</td>
</tr>
<tr>
<td>Break-even oil price (USD/bbl)</td>
<td>18.5</td>
<td>28.5</td>
<td>33.0</td>
</tr>
</tbody>
</table>

Key:
- Grey: Concept selection
- Red: PDO submission

Cost leading

Volume:
- Ærfugl: +40%
- Valhall Flank West: +7%
- Skogul: -5%

CAPEX:
- Ærfugl: -20%
- Valhall Flank West: -24%
- Skogul: -3%

Break-even oil price:
- Ærfugl: -42%
- Valhall Flank West: +16%
- Skogul: -3%
CORPORATE STRATEGY

Robust balance sheet and strong dividend capacity

Rapid deleveraging over the past two years

Leverage ratio (Net debt / EBITDAX)

3x dividend cover last four quarters

Dividend coverage

- Free cash flow (USDm)
- Dividend paid (USDm)
CORPORATE STRATEGY

Ambition to increase dividends in the coming years

Rationale

- Robust balance sheet and strong cash flow generation
- Improvement program yielding better than expected results
- Break-even prices of 18 USD/bbl on average across portfolio for sanctioned projects*
- Accelerated investment profile in coming years will result in improved cash flows post 2020
- Expecting to retain leverage ratio below 1.5x to 2021 based on current business plan

Aker BP ambition for dividend payments (USDm)

The Board proposes that annual dividend increases to USD 450 million for 2018 with an ambition to increase by USD 100 million per year to 2021

* Sanctioned projects, discounted to 01.01.2018
CORPORATE STRATEGY

Efficient decision making and execution

Enabled by an entrepreneurial and flexible organization

1 month
From farm-down decision at Valhall/Hod to signed agreement

3 months
From Skarv well shut-in due to damaged X-mas tree to workover started with new rig

8 months
From project sanction to start-up of drilling at Tambar

9 months
Reduction in execution time of the Volund infill subsea scope
CORPORATE STRATEGY
Profitable growth from existing portfolio

- Strong production base of operated assets
  - ~80% liquids / ~20% gas

- Maximize resource utilization from existing hubs
  - Data acquisition
  - New technology

- Attractive portfolio with potential to reach production above ~330 mboepd from 2023 (13% CAGR from 2017) from existing discoveries

- High quality development projects with low break-evens
  - Sanctioned project portfolio has a break-even of 18 USD/bbl* (22 USD/bbl ex. Johan Sverdrup)

* Sanctioned projects, discounted to 01.01.2018

2018 CMD illustrative production potential, mboepd net
CORPORATE STRATEGY

Year-end 2017 preliminary 2P reserves of 913 mmboe

Development in 2P reserves (mmboe)

- Organic RRR: 2.3x
- Total RRR: 4.5x

Proven & probable reserves (2P), end 2017*

* Numbers may not add due to rounding. Reserves are according to Petroleum Resources Management System (PRMS)
More than 300 mmboe added to the resource hopper in 2017

Development in 2C contingent resources (mmboe)

Preliminary year-end 2017 2C contingent resources*

*Numbers may not add due to rounding
CORPORATE STRATEGY

Ambition to grow through further M&A

Building on a strong M&A track record

- Acquisition of Norwegian subsidiary for a cash consideration of USD 2.1 billion (2014)
- Merger between Det norske and BP’s Norwegian subsidiary, creating Aker BP (2016)
- Acquisition of Norwegian subsidiary for a cash consideration of USD 2.0 billion (2017)
- Acquisition of Norwegian subsidiary for USD 75 million (2015)
- Acquisition of license portfolio in Norway, incl. NOK 45 million (2016)
- Acquisition of license portfolio in Norway, incl. NOK 45 million (2016)
- Acquisition of license portfolio in Norway (2016)
- Acquisition of license portfolio in Norway (2016)

Targeting new opportunities:

- Financially accretive
- Operated assets
- Predominantly liquids
- Upside potential
Aker BP operator
Aker BP partner
2018 exploration wells

CORPORATE STRATEGY
A focused portfolio on the NCS

Skarv / Ærfugl
Solid base performance and area upside potential

Alvheim area
High production efficiency and low operating cost

Ivar Aasen
Production ramp-up and IOR opportunities

Johan Sverdrup
World class development with break even price below 25 USD/bbl*

Ula/Tambar
Late life production with significant upside potential

Valhall/Hod
1 billion barrels produced, ambition to produce additional 1 billion barrels

* Full field
## CORPORATE STRATEGY

Delivered superior shareholder return* last three years

<table>
<thead>
<tr>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
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<tbody>
<tr>
<td>AKERBP-NO</td>
<td>39</td>
<td>183</td>
</tr>
<tr>
<td>NFX-US</td>
<td>20</td>
<td>62</td>
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<tr>
<td>LUPE-SE</td>
<td>9</td>
<td>52</td>
</tr>
<tr>
<td>FP-FR</td>
<td>3</td>
<td>44</td>
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<tr>
<td>ENI-IT</td>
<td>2</td>
<td>50</td>
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<tr>
<td>STL-NO</td>
<td>0</td>
<td>44</td>
</tr>
<tr>
<td>CXO-US</td>
<td>-7</td>
<td>44</td>
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<tr>
<td>BP-GB</td>
<td>-7</td>
<td>43</td>
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<tr>
<td>XOM-US</td>
<td>-13</td>
<td>39</td>
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<tr>
<td>PXD-US</td>
<td>-16</td>
<td>38</td>
</tr>
<tr>
<td>CVX-US</td>
<td>-16</td>
<td>36</td>
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<tr>
<td>EOG-US</td>
<td>-22</td>
<td>34</td>
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<tr>
<td>RDSB-GB</td>
<td>-25</td>
<td>36</td>
</tr>
<tr>
<td>COP-US</td>
<td>-28</td>
<td>31</td>
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<tr>
<td>REP-ES</td>
<td>-30</td>
<td>27</td>
</tr>
<tr>
<td>HES-US</td>
<td>-33</td>
<td>24</td>
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<tr>
<td>BRENT</td>
<td>-36</td>
<td>24</td>
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<tr>
<td>APC-US</td>
<td>-40</td>
<td>24</td>
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<tr>
<td>CLR-US</td>
<td>-40</td>
<td>20</td>
</tr>
<tr>
<td>MUR-US</td>
<td>-53</td>
<td>18</td>
</tr>
<tr>
<td>MRO-US</td>
<td>-53</td>
<td>18</td>
</tr>
<tr>
<td>TLW-GB</td>
<td>-60</td>
<td>10</td>
</tr>
<tr>
<td>WLL-US</td>
<td>-71</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Factset, return in percent including dividends, in local currency.
Execute

Karl Johnny Hersvik
Chief Executive Officer
EXECUTE

Alvheim Area status

Operated, ~65%* working interest

- 2017 production of 70.9 mboepd net to Aker BP
  - Increased compared to previous year due to new wells at Viper-Kobra and Volund infills
- High operational efficiency with well embedded continuous improvement culture
- Drilling of Volund and Boa infills in 2017
- PDO submitted for Skogul
- More infill wells being matured to arrest the production decline and minimize unit production cost

<table>
<thead>
<tr>
<th>License:</th>
<th>PL203, PL088BS, PL036C, PL036D, PL150, PL340</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discovery year:</td>
<td>1998</td>
</tr>
<tr>
<td>End 2017 2P reserves (net):</td>
<td>111 mmboe</td>
</tr>
<tr>
<td>Production start:</td>
<td>2008</td>
</tr>
<tr>
<td>Partners:</td>
<td>ConocoPhillips, Lundin, Point (PL340), Statoil (PL036D), PGNiG (PL036D)</td>
</tr>
</tbody>
</table>

*57.62% in PL088BS (Boa), 46.9% in PL036D (Vilje)
EXECUTE

The Alvheim FPSO production and Alvheim area reserves

Alvheim FPSO historical production (mboepd gross)

Reserves vs. PDO (2P gross), mmboe

- Production ramp-up and debottlenecking
- Production decline
- New tie-ins

+123%
+72%
+79%

Remaining reserves
Produced to end 2016
Reserves at PDO

Aker BP
EXECUTE
Alvheim – Maximizing area recovery

- Development of discoveries in the area
  - Skogul (2020), Gekko/Kobra East (2021), Caterpillar (2021)

- Near-infrastructure exploration
  - Frosk, Rumpetroll, Deep Alvheim
  - New exploration prospects being matured

- Late-life gas blowdown
  - Kameleon, Gekko

Priorities
- Safe and reliable operations
- 4D seismic
- Infrastructure debottlenecking
Valhall & Hod status

Operated, 90% working interest

- **2017 performance**
  - Production 34.7 mboepd (net)
  - Stable opex/boe due to cost reductions

- **Driving improvement and growth**
  - Drilling new wells from IP platform
  - Plugging abandoned wells
  - Two wireline crews performing well interventions
  - Valhall Flank West PDO submitted
  - Maturing further infill projects

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**License:** PL006B, PL033, PL033B
**Discovery year:** 1975
**2P reserves per end-2017:** 257 mmmboe net
**Production start:** 1982
**Partners:** Pandion

![Valhall and Hod production (mboepd, gross)](chart)
EXECUTE

Valhall Flank West PDO submitted

- **Tie-back to Valhall field center**
  - Unmanned wellhead platform
  - Six production wells
  - Six additional well slots allowing for future expansion

- **Robust economics**
  - 2P reserves 60 mmboe gross / 54 mmboe net
  - CAPEX NOK 5.5 billion gross (USD 0.7 billion net)
  - Production start Q4-2019 (accelerated from 2021)
  - Peak production ~30 mboepd (gross)
  - Breakeven oil price of 28.5 USD/bbl

<table>
<thead>
<tr>
<th>Reserves gross mmboe</th>
<th>CAPEX gross NOKbn</th>
<th>Break-even oil price (USD/bbl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>At concept selection</td>
<td>56</td>
<td>7.2</td>
</tr>
<tr>
<td>At PDO submission</td>
<td>60</td>
<td>5.5</td>
</tr>
<tr>
<td>+7%</td>
<td>-24%</td>
<td>-16%</td>
</tr>
</tbody>
</table>
EXECUTE

Valhall & Hod outlook

- **Valhall is a giant oil field with huge potential**
  - Initial in-place volume (HClIP) ~4 billion boe
  - Produced ~1 billion boe to date
  - Current 2P reserves indicate ~30% recovery rate

- **Ambition to produce another 1 bn boe from the area**
  - Drilling more and ‘smarter’ wells
  - Improved reservoir monitoring and modeling = better decisions
  - Fishbones technology
  - Water injection
  - Several digitalization projects initiated

- **Future opportunities identified**
  - Valhall Flank West PDO submitted
  - Flank North water injection
  - Flank South infill wells
  - Hod redevelopment
  - Lower Hod formation

---

Valhall & Hod gross resource base (bn boe)

- Produced per end 2017: 1.0
- 2P reserves: 0.3
- Contingent resources: 0.4
- Ambition: 0.3
- Target EUR: 2.0

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Fishbones technology

Source: http://fishbones.as
EXECUTE

Skarv Area status

Operated, 23.84% working interest

- 2017 production of 26.7 mboepd (net)
- Skarv FPSO is anchored to the seabed and has one of the world's largest gas processing plants offshore
- Field developed with subsea wells tied back to Skarv FPSO from five sub-sea templates
- Transport solution:
  - 80 km long 26” line to Åsgard Transport System
  - Shuttle tanker loading of oil for direct transport to the market
  - Ability to process third party gas

---

License: PL159, PL212, PL212B PL262
Discovery year: 1998
End 2017 2P reserves (net): 114 mmboe
Production start: 2013
Partners: Statoil, DEA, PGNiG

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Skarv area production (mboepd, gross)
EXECUTE
PDO submitted for Ærfugl

- Two phased subsea tie-back to Skarv FPSO
  - 275 mmboe gross reserves
  - Gross CAPEX of NOK 8.5 bn (NOK 4.5 bn for phase 1)
  - Phase 1: Three new wells tied into the Skarv A template
  - Peak production of ~100 mboepd for both phases
  - Estimated first gas 2020

- Technology driven project
  - Electrically trace heated pipe-in-pipe to prevent hydrate formation and improving production efficiency
  - Hybrid Vertical X-mas Tree (VXT) increasing flexibility by allowing for direct wellbore access and reducing future intervention costs

- Attractive economics and significant improvements
  - Break-even of 18.5 USD/boe for the full-field development
  - Significant increase in reserves
  - Material reduction in CAPEX primarily related to D&W cost
  - Alliance model selected following competitive tendering

![Reserves gross mmboe](chart)

- At concept selection: 197 mmboe
- At PDO submission: 275 mmboe

![CAPEX gross NOKbn (real)](chart)

- At concept selection: 10.6 NOKbn
- At PDO submission: 8.5 NOKbn

![Break-even oil price (USD/bbl)](chart)

- At concept selection: 32.0 USD/bbl
- At PDO submission: 18.5 USD/bbl
EXECUTE

Skarv area outlook

Focus areas

- Improvement program targeting Skarv FPSO production cost < 7 USD/boe when Ærfugl reaches plateau

- Step-up in exploration activity to appraise attractive area resource potential and utilize significant spare oil capacity
  - Drilling of Kvitungen Tumler prospect in Q1 2018
  - Follow-on exploration drilling in 2019

- Maturing near-field and infill drilling opportunities to increase oil production and optimize production
  - Processing of 4D seismic shot in summer of 2017
  - Reservoir work ongoing on Gråsel discovery
  - Assessing completion techniques to increase recovery in low-permeability Tilje formation

- Re-instate production from shut-in wells
  - One well successfully re-completed (on stream in Dec. 2017)
  - Firming up plans for re-completion two wells in 2018
EXECUTE

Ula / Tambar status

Operated, ~80%* working interest

- **2017 performance**
  - Production 8.4 mboepd (net)
  - High unit production cost

- **Ongoing activities to improve productivity and cost**
  - Drilling two new Tambar wells
  - Oda development ongoing

<table>
<thead>
<tr>
<th>License</th>
<th>PL019, PL019B, PL065, PL300</th>
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<tbody>
<tr>
<td>Discovery year</td>
<td>1976</td>
</tr>
<tr>
<td>Production start</td>
<td>1986</td>
</tr>
<tr>
<td>2P reserves per end-2017</td>
<td>66 mmboe net</td>
</tr>
<tr>
<td>Partners:</td>
<td>Aker BP (80%), Faroe Petroleum (20%)</td>
</tr>
</tbody>
</table>

* 80% working interest in Ula and 55% working interest in Tambar
EXECUTE

Ula / Tambar outlook

- **Tambar (55%) re-development underway**
  - Two new production wells
  - New gas lift module
  - Drilling started in October 2017 – first oil in 2018
  - Will improve understanding of the reservoir

- **Oda (15%) development underway**
  - Subsea tie-back to Ula
  - Est. CAPEX NOK 5.4 billion
  - First oil expected in 2019

- **Tambar and Oda provides strong synergies**
  - Increased volumes will drive down unit cost
  - Improves availability of injection gas
  - Provides capacity for more WAG-wells in Ula

- **Evaluating further opportunities**
  - More infill wells at Ula and Tambar
  - Expand use of WAG/injection
  - Appraisal of Ula North and Ula Triassic
  - Near-field exploration
EXECUTE

Ivar Aasen and Hanz status

Operated, ~35%* working interest

- 2017 production of 18.1 mboepd (net)
- First oil from Ivar Aasen on December 24, 2016
  - Successful start up with production according to agreed delivery commitment to Edvard Grieg
- Achieved excellent production performance with high uptime during first year of production
- Development scope in PDO completed
- Plateau production reached in Q4-2017, one year ahead of plan

License: PL001B, PL242, PL457, PL338 (Unit), PL028B (Hanz)
Discovery year: 2008
End 2017 2P reserves (net): 59 mmboe
Production start: 2016
Partners: Statoil, Spirit Energy, Wintershall, VNG, Lundin, OKEA

*34.78% in PL 001B/242/457, 35% in Hanz PL 028B
EXECUTE

Ivar Aasen outlook

Aker BP’s laboratory for operational improvements

- Drilling of two water injectors in 2018
- Hanz appraisal well planned in 2018
- Area infill drilling opportunities identified, first IOR/infill campaign planned for 2019
- Maturing near-by exploration prospects
- Optimize use of onshore control room to reduce costs and optimize production
- Ivar Aasen to serve as a laboratory for operational improvements across the Aker BP portfolio
- Drive down operation cost by application of technology, digitalization and lean work processes
- Power from shore from 2022
**EXECUTE**

**MMO activity to prolong field life**

**Ula**
- Oda tie-in to Ula
- Ula lifeboat project

**Tambar**
- Ula Power

**Valhall & Hod**
- Topside modifications for tie-in of Flank West platform
- Flank North water Injection

**Skarv/Snadd**
- Turret modifications for Snadd tie-back
- Topside scope - methanol pumps, scale inhibitor package, electrical modifications for flowline heating

**Alvheim**
- Prepare for new subsea tie-ins including Boa infills and Skogul

**Ivar Aasen**
- Digitalization projects including remote operations
- Hanz tie-in (non-sanctioned)
5 operated rigs in 2018

<table>
<thead>
<tr>
<th>Rig Type</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maersk Interceptor</td>
<td>Tambar</td>
<td>Ivar Aasen</td>
<td>Hanz</td>
<td>Sublet to Oda license</td>
</tr>
<tr>
<td></td>
<td>(infill)</td>
<td>(production wells)</td>
<td>(appraisal)</td>
<td></td>
</tr>
<tr>
<td>Transocean Arctic</td>
<td>Frosk</td>
<td>Raudåsen</td>
<td>Valhall</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(EXP)</td>
<td>(EXP)</td>
<td>(pilot)</td>
<td></td>
</tr>
<tr>
<td>Valhall Drilling Platform</td>
<td>Valhall</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(production wells)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maersk Invincible</td>
<td>Valhall</td>
<td></td>
<td></td>
<td>Valhall NF</td>
</tr>
<tr>
<td></td>
<td>(plug &amp; abandonment)</td>
<td></td>
<td></td>
<td>(production well)</td>
</tr>
<tr>
<td>Deepsea Stavanger</td>
<td>Kvitungen</td>
<td>Skarv</td>
<td>Barents Sea</td>
<td>Kamelon Infill South</td>
</tr>
<tr>
<td></td>
<td>(EXP)</td>
<td>(workover)</td>
<td>(EXP)</td>
<td>(production well)</td>
</tr>
</tbody>
</table>
Improve

Per Harald Kongelf
SVP Improvement
Aker BP is running a comprehensive improvement program to maximise flow efficiency and remove waste.

**Improvement is a strategic imperative**

- Reorganising the value chain with strategic partnerships and alliances
- Be at the forefront for digitizing E&P
- Value chain based on a shared LEAN understanding, toolbox and culture
- Flexible business model ready for growth and volatility
### The problems with traditional supplier relationships

<table>
<thead>
<tr>
<th>Time horizon</th>
<th>Alliance</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long-term</td>
<td>From project to project</td>
</tr>
<tr>
<td>No. of suppliers</td>
<td>Minimum sufficient</td>
<td>Several</td>
</tr>
<tr>
<td>Risk sharing &amp; Incentives</td>
<td>Aligned incentives and shared upside and downside risk</td>
<td>Dis-aligned incentives, no risk sharing</td>
</tr>
<tr>
<td>Team Organization</td>
<td>Integrated team, empowered team, “best person for the job”</td>
<td>Separate organizations with interfaces and hand-overs</td>
</tr>
<tr>
<td>Geography</td>
<td>Co-location of teams</td>
<td>Many teams in separate locations</td>
</tr>
<tr>
<td>Leadership</td>
<td>Trust-based leadership</td>
<td>Control and transaction based</td>
</tr>
<tr>
<td>Documentation</td>
<td>Minimum sufficient</td>
<td>Large documentation (control culture and tailor make)</td>
</tr>
<tr>
<td>Improvement</td>
<td>Common improvement language based on Lean</td>
<td>Separate, uncoordinated improvement initiatives</td>
</tr>
<tr>
<td>Standardization</td>
<td>Repetition and re-use</td>
<td>Tailor-make</td>
</tr>
</tbody>
</table>
**IMPROVE**

**Alliance principles**

- **One integrated organization**
  - Aker BP
  - Contractor A
  - Contractor B
  - Alliance team

- **Incentives – shared risk and reward**
  - Underrun share between alliance partners
  - Overrun shared between alliance partners
  - Cost above cap compensated at net rate to contractors

- **Early involvement**
  - DG0: Evaluate viability
  - DG1: Select Concept
  - DG2: Mature Concept
  - DG3: Execute Scope of work
  - Time after start of concept definition

- **Alliance principles**
  - Improve
  - Alliance principles
  - Conventional Model
  - Alliance Model
  - DG0: Ability to influence concept and schedule
IMPROVE

**Alliance delivery: Volund infill project**

The first project completed by the subsea alliance – delivered 30% below target
The alliance model continues to deliver

Selected projects currently being worked by the Subsea Alliance (subsea scope only)

Valhall Flank West

Skogul

DG2 Subsea traditional

Alliance effects

DG3 subsea estimate

Facility target cost

AFE Facility DG3

Revised DG3 estimate

Facility target cost

Alliance effects

-30%

-35%

-20%

-24%
Digitalization opens up for massive improvements

**IMPROVE**

- **Big data & analytics**
  - Instant analysis of large data sets to identify new patterns

- **Cloud computing/storage**
  - Highly scalable, variable-cost storage & processing on demand

- **Collaborative technology platforms**
  - Employee engagement and collaboration enabled by digital platforms and communities

- **Virtual reality**
  - Interact more naturally with digital devices and services

- **Real-time communication and tracking**
  - Every asset, equipment, employee always connected

- **3D scanning**
  - Analyses of real-world object or environment to collect data on its shape / appearance

- **Additive manufacturing**
  - Print objects & parts on demand with increasing precision, and range of materials

- **Mobile connectivity & AR**
  - Virtual telepresence to remove the need for on-site humans and omnipresent mobile devices

- **Unmanned aerial vehicles**
  - Autonomous, low-cost vehicles able to perform complex tasks and remove human presence

- **Sensors**
  - Low cost, low power, connected sensors capturing spatial and environment information

- **Robotics & automation**
  - Intelligent robots take on complex assignments

- **Cyber security**
  - Protecting system integrity is a “must-have”
Aker BP has established a data platform in cooperation with Cognite

**Design criteria for the data platform**
- Open architecture
- Scaleable, flexible and robust
- Cloud-based

**Data feed established from ~200,000 sensors**
- Live data from all Aker BP’s installations
- Complete historic data

**About Cognite**
- Norwegian IT company
- Strategy: Develop world-class horizontal industrial data platform, making data a strategic asset in the industrial’s own terms
- Aker BP is Cognite’s first customer and has 10% ownership
IMPROVE

Digitalization in Aker BP

Developing use cases on the data platform…

…and progressing key digital initiatives

Examples

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

The Framo story

Sharing operational data with equipment manufacturer

- Framo is a leading supplier of pumping systems

- Framo is using Ivar Aasen as a case for exploring remote operations with live data access (free of charge) through the Cognite system

- The purpose is to develop diagnostic capability and to identify further improvements on its equipment packages for future projects
Supporting offshore operations using tablets and AR

Cognite Operations Support

- **Current features**
  - Computer vision to read equipment tags
  - Live sensor data feed
  - Locate failing equipment in interactive 3D model
  - Shows all relevant information available

- **Roadmap for more functionality**
  - Interactive P&IDs
  - Additional information sources continuously added
  - Navigation on walk path to equipment
  - Augmented reality to overlay equipment data
  - Expert support live video feed on tablet
  - Work order process integrated into portable device
  - Maintenance planning optimization (timing and walking routes)
  - Capture images of equipment to enable time lapse of critical equipment
  - Update 3D model based on scans from application
IMPROVE

Ivar Aasen digital operations model

Aker BP’s laboratory for developing the digital oil field

- Digital twin based on live data from the Cognite data platform
- Digital tools, e.g. Cognite Operations Support
- Integrate OEMs in operations, e.g. Framo
- Predictive maintenance based on machine learning on top of Cognite platform
- Automation of repetitive tasks
- New business models for sourcing products and services
- Remote operations to reduce waste and increase quality
**IMPROVE**

**PUSH – Digital project execution**

- Joint collaboration between Aker Solutions and Aker BP where the objective is to radically improve the way offshore projects are engineered.

- Developing digital tools to reduce execution time by 25 percent and reduce costs from discovery to operations.

- Initial focus on front end and platform solutions.

- **PUSH will ultimately provide a digital red thread from engineering to operations**
  - Generate 3D digital twin of the platform
  - Accessing historical data and drawings: Re-using design properties and information to save engineering cost.

- **PUSH is currently being tested and implemented in the NOAKA project**
  - Master equipment list for concept studies
  - Automated topside weight estimation
  - Automated generation of topside 3D layouts.

Accellerating the transition to fully digitized field development projects.
Current state
High degree of rework in subsurface projects and limited ability to benchmark performance of equipment and assets

- Inaccessible data in a world of silos
- Poor quality and not standardized formats
- Locked in applications
- Specialized systems not using open source limit open innovation
- Limited sharing, and “internal data” below critical mass

Desired state
Faster maturation of subsurface projects and faster learning enabled by industry benchmarks

- All data consumable with open API standards feasible for big data analytics
- Separation of data and applications
- Sharing of data across the value chain and between peers
- Open source software
- Sharing of workflows

IMPROVE
Data liberation and sharing will improve NCS competitiveness
Improvement is a strategic imperative

Aker BP is running a comprehensive efficiency improvement program

- Reorganising the value chain with strategic partnerships and alliances
- Be at the forefront for digitizing E&P
- Minimize waste
  Maximize flow efficiency
  =
  Reduced execution time
  Improved margins
- Value chain based on a shared LEAN understanding, toolbox and culture
- Flexible business model ready for growth and volatility
Johan Sverdrup development on track

- **Project progressing according to plan:**
  - Construction was close to 80% complete by end 2017
  - Drilling platform modules integrated on barge in Norway
  - Riser platform modules ready for transport to Norway in February
  - 9 water injectors pre-drilled and completed

- **Costs continue to come down**
  - Phase 1 CAPEX estimated at NOK 92 billion (nom.) with break-even oil price below 20 USD/boe
  - Full field CAPEX estimated at NOK 132 – 147 billion (nom.) with break-even oil price below 25 USD/boe

- **The project aims to deliver PDO for phase 2 in the second half of 2018**
GROW

Targeting an area solution for NOAKA

- Statoil, LOTOS and Aker BP have agreed to establish an area forum to evaluate a joint area development for North of Alvheim* and Krafla/Askja (NOAKA)

- Two area solutions to be evaluated;
  - PQ alternative with a field hub with processing platform in the middle of the area
  - UPP x 2 alternative with two unmanned processing platforms, one in Krafla/Askja area and one in the North of Alvheim area

- Gross resources in the area estimated to be in excess of 500 mmboe
  - Including tie-in from Frigg and Rind

- Concept selection targeted for Q1-18

* North of Alvheim consist of Frigg Gamma Delta (PL442), Langfjellet (PL442), Frøy (PL364) and Fulla (PL873)
Maturing of selected concept towards DG2 should be based on concept that facilitates for highest area resource recovery

The NOAKA area is prospective with a lot of possible future tie-ins from exploration prospects
- Unrisked exploration resources in the area is estimated to about 400 mmboe
- PQ alternative will include a processing platform located centrally in the area within effective reach of existing and new discoveries

The PQ alternative have an acceptable break-even price and high value creation
- Low risk development with PQ platform based on conventional design and proven technology
- Area fields developed as subsea or unmanned wellhead platforms with tie-back to the PQ platform
- Power to be supplied from shore
### GROW

**Project inventory provides flexibility**

<table>
<thead>
<tr>
<th>Project</th>
<th>Operator</th>
<th>Aker BP Equity</th>
<th>Gross mmboe</th>
<th>Plateau production (gloss)</th>
<th>Est. first oil/gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valhall IP wells</td>
<td>Aker BP</td>
<td>90.0%</td>
<td>54</td>
<td>~12 mboepd</td>
<td>2018</td>
</tr>
<tr>
<td>Boa infills 2017</td>
<td>Aker BP</td>
<td>57.6%</td>
<td>15</td>
<td>~8 mboepd</td>
<td>2018</td>
</tr>
<tr>
<td>Tambar development</td>
<td>Aker BP</td>
<td>55.0%</td>
<td>26</td>
<td>~10 mboepd</td>
<td>2018</td>
</tr>
<tr>
<td>Kameleon infill South</td>
<td>Aker BP</td>
<td>65.0%</td>
<td>5</td>
<td>~6 mboepd</td>
<td>2018</td>
</tr>
<tr>
<td>Johan Sverdrup</td>
<td>Statoil</td>
<td>11.6%</td>
<td>2,594</td>
<td>~660 mboepd</td>
<td></td>
</tr>
<tr>
<td>Oda</td>
<td>Centrica</td>
<td>15.0%</td>
<td>47</td>
<td>~30 mboepd</td>
<td>2019</td>
</tr>
<tr>
<td>Ula WAG from Tambar/Oda</td>
<td>Aker BP</td>
<td>80.0%</td>
<td>15</td>
<td>~7 mboepd</td>
<td>2019</td>
</tr>
<tr>
<td>Valhall Flank North injector</td>
<td>Aker BP</td>
<td>90.0%</td>
<td>7</td>
<td>~2 mboepd</td>
<td>2019</td>
</tr>
<tr>
<td>Valhall Flank West</td>
<td>Aker BP</td>
<td>90.0%</td>
<td>60</td>
<td>~30 mboepd</td>
<td>2019</td>
</tr>
<tr>
<td>Valhall Flank South infill</td>
<td>Aker BP</td>
<td>90.0%</td>
<td>14</td>
<td>-</td>
<td>2019</td>
</tr>
<tr>
<td>Skogul</td>
<td>Aker BP</td>
<td>65.0%</td>
<td>10</td>
<td>~13 mboepd</td>
<td>2020</td>
</tr>
<tr>
<td>Ærfugl</td>
<td>Aker BP</td>
<td>23.8%</td>
<td>275</td>
<td>~108 mboepd</td>
<td>2020</td>
</tr>
<tr>
<td>Valhall Lower Hod</td>
<td>Aker BP</td>
<td>90.0%</td>
<td>65</td>
<td>-</td>
<td>2020</td>
</tr>
<tr>
<td>Hanz</td>
<td>Aker BP</td>
<td>35.0%</td>
<td>18</td>
<td>~21 mboepd</td>
<td>2021</td>
</tr>
<tr>
<td>Gekko/Kobra East</td>
<td>Aker BP</td>
<td>65.0%</td>
<td>35</td>
<td>-</td>
<td>2021</td>
</tr>
<tr>
<td>Caterpillar</td>
<td>Aker BP</td>
<td>65.0%</td>
<td>9</td>
<td>-</td>
<td>2021</td>
</tr>
<tr>
<td>Garantiana</td>
<td>Statoil</td>
<td>30.0%</td>
<td>73</td>
<td>-</td>
<td>2022</td>
</tr>
<tr>
<td>NOAKA*</td>
<td>Aker BP</td>
<td>Various</td>
<td>279</td>
<td>-</td>
<td>2022</td>
</tr>
<tr>
<td>Hod re-development</td>
<td>Aker BP</td>
<td>90.0%</td>
<td>71</td>
<td>-</td>
<td>2022</td>
</tr>
</tbody>
</table>

Additional possible projects include:
- IOR drilling at Ivar Aasen and Johan Sverdrup
- Trelt
- Valhall Upper diatomite
- Hod Upper diatomite
- Valhall and Hod extended production
- Valhall Flank West waterflood
- Ula infill drilling
- Gohta & Filicudi

* Frigg Gamma Delta, Frøy, Langfjellet, Fulla, Krafja, Askja, Rind
Creating the leading explorer

ENSURE
long term reserve replacement and value creation

ESTABLISH
new core areas

DISCOVER
250 mmboe net to Aker BP in 2016 - 2020

CONTINUOUS
positioning for significant additional discoveries

IMPROVE
data quality and technology to create a competitive edge
NCS production stable to 2025 – then what?

Decline after 2025 – possible to mitigate?
- Postponement to 2025 by upsides in fields and discoveries
- Yet to Find in known basins and unopened basins

NCS robust in several demand scenarios
- Offshore less hit by global peak demand than unconventionals
- Based on cost curve, NCS more competitive than other offshore

Source: NPD, Aker BP, Rystad Energy
Exploration thriving on the NCS

Aker BP 2018 exploration campaign

- Skewed towards frontier prospects
- 12 exploration wells
- Risked pre drill estimates ranging from 50 – 150 mmboe net to Aker BP

Trends

- Exploration well cost reduced by ~50%
- Development cost reduced significantly
- Increased area of influence for cluster developments
- Digitalisation will further strengthen cost reduction trend
Barents Sea: A long term game

- Disappointing exploration wells in 2017
- Continued exploration on new plays/areas in 2018

Barents Sea still above global exploration average:

Source: NPD/Woodmac, 2006-2017
Northern areas - Exploration campaign 2018

Barents Sea
- Stangnestind megaclosure, new play
- Svanefjell possible high-impact well
- Four partner wells, diversified targets

Skarv
- Kvitungen Tumler – potential high value creation
**GROW | EXPLORATION**

**North Sea: Increasing value of producing assets - Establishing new fields**

**Twofold Exploration task:**

1. Deliver high value volumes to Aker BP production hubs
   - Alvheim
   - Ula
   - Valhall

2. Reveal hydrocarbon accumulations to establish new core areas
   - Sleipner Area – possible new hub
   - Raudåsen
   - Possible new APA 2017 well
The producing assets – how to create high value

Exploration within tie-in radius to producing assets

- Even small discoveries close to existing fields create large values
- Require unified seismic data sets covering the entire area of interest
- Invested USD 10 million in new 3D data in southern North Sea (out of total USD 50 million)
- Value creation example: Minimum economic field size near Ula is 5 mmboe
### Summary 2018 exploration wells

<table>
<thead>
<tr>
<th>License</th>
<th>Prospect name</th>
<th>Operator</th>
<th>Aker BP share</th>
<th>Pre-drill mmboe*</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL340</td>
<td>Frosk</td>
<td>Aker BP</td>
<td>65 %</td>
<td>3 - 21</td>
<td>Q1</td>
</tr>
<tr>
<td>PL790</td>
<td>Raudåsen</td>
<td>Aker BP</td>
<td>30 %</td>
<td>9 - 74</td>
<td>Q1</td>
</tr>
<tr>
<td>PL839</td>
<td>Kvitungen Tumler</td>
<td>Aker BP</td>
<td>24 %</td>
<td>37 - 269</td>
<td>Q1</td>
</tr>
<tr>
<td>PL659</td>
<td>Svanefjell</td>
<td>Aker BP</td>
<td>50 %</td>
<td>17 - 331</td>
<td>Q2</td>
</tr>
<tr>
<td>PL858</td>
<td>Stangnestind</td>
<td>Aker BP</td>
<td>40 %</td>
<td>30 - 190</td>
<td>H2</td>
</tr>
<tr>
<td>PL777</td>
<td>Hornet</td>
<td>Aker BP</td>
<td>40 %</td>
<td>17 - 166</td>
<td>Q4</td>
</tr>
<tr>
<td>PL033</td>
<td>Hod Appraisal</td>
<td>Aker BP</td>
<td>90 %</td>
<td>-</td>
<td>Q4</td>
</tr>
<tr>
<td>PL857</td>
<td>Gjøkåsen</td>
<td>Statoil</td>
<td>20 %</td>
<td>26 - 1427</td>
<td>Q3</td>
</tr>
<tr>
<td>PL721</td>
<td>Gråspett</td>
<td>DEA</td>
<td>40 %</td>
<td>32 - 263</td>
<td>Q4</td>
</tr>
<tr>
<td>PL852</td>
<td>Scarecrow</td>
<td>Spirit</td>
<td>40 %</td>
<td>83 - 245</td>
<td>Q4</td>
</tr>
<tr>
<td>PL722</td>
<td>Shenzhou</td>
<td>Statoil</td>
<td>20 %</td>
<td>40 - 295</td>
<td>Q4</td>
</tr>
<tr>
<td>PL405</td>
<td>Cassidy</td>
<td>Spirit</td>
<td>15 %</td>
<td>5 - 48</td>
<td>Q4</td>
</tr>
</tbody>
</table>

* Preliminary volume span (gross)
Finance

Alexander Krane
Chief Financial Officer
Funding our business

- Strong cash flow generation in the years to come

- USD 2.9 billion in liquidity provides capital flexibility
  - Attractive organic reinvestment opportunities
  - Inorganic growth opportunities

- Strong support from principal owners Aker ASA (40%) and BP plc (30%)

- Credit rating obtained in 2017

Financial strengths

- Ownership
- Cash flow
- Balance sheet
- Financial risk management
- Taxes
- Liquidity

Credit rating:
- Standard & Poor's: BB+
- Moody's: Ba2
FINANCE

Debt structure

Pro-forma Q4-17 debt capacity and drawings (USDm)

<table>
<thead>
<tr>
<th></th>
<th>Undrawn</th>
<th>Drawn</th>
</tr>
</thead>
<tbody>
<tr>
<td>RBL</td>
<td>1,330</td>
<td>4,000</td>
</tr>
<tr>
<td>Bank term loan</td>
<td>1,500</td>
<td>2,55</td>
</tr>
<tr>
<td>DETNOR02</td>
<td>255</td>
<td>400</td>
</tr>
<tr>
<td>US bond</td>
<td>400</td>
<td>6,155</td>
</tr>
<tr>
<td>Pro-forma</td>
<td>2,670</td>
<td>3,485</td>
</tr>
</tbody>
</table>

Debt maturity profile (USDbn)

- RBL - drawn (LIBOR + 2.0 - 3.0%)
- Bank Term Loan (LIBOR + 1.5 - 2.0%)
- US bond (6.0% fixed)
- DETNOR02 (NIBOR + 6.5%)
- RBL - undrawn
FINANCE

Tax regime supportive of growth

NCS tax system and implications for Aker BP

Key attractions of the NCS tax system

- ~90% of investments recovered over 6 years
- OPEX, exploration and decommissioning costs 78% immediate tax recovery
- Financial costs recovered ~50%**
- Full tax recovery under all scenarios
  - If not in tax position, losses accumulated
  - Losses refunded if petroleum activities discontinued

Aker BP considerations

- Gearing considered relative to tax receivable
  - Current debt position more than covered by tax receivable
- Tax balances expected to increase going forward due to organic capex program

---

Tax-adjusted net debt (USDbn) prelim. end 2017

```
<table>
<thead>
<tr>
<th></th>
<th>Prel. end 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest-bearing debt*</td>
<td>3.2</td>
</tr>
<tr>
<td>Non deprec. Tax balances</td>
<td>1.5</td>
</tr>
<tr>
<td>Tax losses</td>
<td>0.5</td>
</tr>
<tr>
<td>Tax payable (2017 activity)</td>
<td>1.5</td>
</tr>
<tr>
<td>Adjusted net cash position</td>
<td>0.2</td>
</tr>
</tbody>
</table>
```

(Numbers may not add due to rounding)

---

* Estimated book value, before adjustments for tax receivables
** Depending on tax balances and debt, estimate for 2018
FINANCE

Financial risk management

Hedging

- Hedging policies in place to mitigate foreign exchange and commodity risks
- Foreign Exchange
  - Aker BP is a USD-company and is mainly exposed to investments, operating costs in NOK and tax balances nominated in NOK
- Commodities
  - Policy to secure up to ~30% of production volume (100% of after-tax value)
  - Loss of production insurance covered after 45 days at net USD 50/bbl
- Interest rate
  - Of total gross debt, 22%** is at fixed rate

Overview of current commodity hedges

<table>
<thead>
<tr>
<th>Commodity Hedges</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Hedged of total oil production</td>
<td>20%</td>
<td>-</td>
</tr>
<tr>
<td>Put option strike price</td>
<td>USD 50-60/bbl</td>
<td>-</td>
</tr>
<tr>
<td>Cost of hedge (weighted average, pre-tax)</td>
<td>USD 1.82/bbl</td>
<td>-</td>
</tr>
</tbody>
</table>

* Corresponding to approximately 50% of after-tax exposure
** As of 11 Jan 2018
2018 guidance

<table>
<thead>
<tr>
<th>Item</th>
<th>2018 guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Production</td>
<td>155 – 160 mboepd</td>
</tr>
<tr>
<td>2018 Production cost</td>
<td>USD ~12 per boe</td>
</tr>
<tr>
<td>2018 CAPEX</td>
<td>USD ~1.3 billion</td>
</tr>
<tr>
<td>2018 EXPEX</td>
<td>USD ~350 million</td>
</tr>
<tr>
<td>2018 decommissioning expenditures</td>
<td>USD ~350 million</td>
</tr>
</tbody>
</table>

*Note: Guidance based on USD/NOK 8.0

* All amounts are presented pre-tax
FINANCE

2018 guidance - production and production cost

Key activities

- **2018 production expected between 155 – 160 mboepd**
  - 80% liquids / 20% gas

- **2018 production cost expected to average ~12 USD/boe**
  - Including tariffs and transportation costs

- **Aim to reduce unit costs across the portfolio**
  - Cost reduction
  - Investments to increase production

Comparison of operated hubs, 2018 vs 2017 (9m)
FINANCE

2018 guidance - CAPEX

Key activities

- **Alvheim area**
  - Drilling Kameleon infill South and Volund sidetrack North
  - Skogul: Construction of subsea systems and flowlines

- **Valhall area**
  - IP drilling program (3 wells)
  - Flank West: Detailed engineering and start-up of construction
  - Flank North water injection: drilling of one well

- **Ula area**
  - Tambar and Oda development, Ula power project

- **Skarv area**
  - Ærfugl: Fabrication of subsea production systems, control cables and flowlines

- **Johan Sverdrup**
  - Offshore installation of platforms and steel jackets
  - Construction of the first process platform and living quarter
  - Installation of oil and gas export pipelines and power cable
  - Engineering and procurement for Phase 2

 Assumes USD/NOK = 8.0

~1.3 USD\text{bn}
FINANCE

2018 guidance – EXPEX and Decommissioning

Exploration expenditures
- Drilling of 12 exploration wells (7 operated)
- Field evaluation costs (NOAKA, Hod redevelopment)
- Seismic acquisition on/near existing acreage
- Area fees and other exploration costs

Decommissioning expenditures
- Continuous P&A activity on Valhall until 2020
- Decommissioning program for legacy assets (Varg, Jette) and Ula area

Assumes USDNOK = 8.0
FINANCE

Cash flow outlook 2018

- 2018 cash flow illustration based on mid-point of production guidance range
- Tax losses from Hess Norge expected to be settled in 2018
- Total investments (CAPEX, EXPEX, DECOM) of USD 2.0 bn equalling 35 USD per boe of estimated 2018 production
- Cash cost (pre-tax) of USD 16 per boe
- Cash break-even in 2018 at a realized hydrocarbon price of approximately USD 29 per boe before dividends

Illustrative 2018 break-even prices

<table>
<thead>
<tr>
<th>Realized Hydrocarbon Price (USD/boe)</th>
<th>50</th>
<th>60</th>
<th>70</th>
<th>80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production cost (USD/boe)</td>
<td>(12)</td>
<td>(12)</td>
<td>(12)</td>
<td>(12)</td>
</tr>
<tr>
<td>Other OPEX (USD/boe)</td>
<td>(1 )</td>
<td>(1 )</td>
<td>(1 )</td>
<td>(1 )</td>
</tr>
<tr>
<td>Financial cost (USD/boe)</td>
<td>(3 )</td>
<td>(3 )</td>
<td>(3 )</td>
<td>(3 )</td>
</tr>
<tr>
<td>Cash taxes (USD/boe)</td>
<td>(4 )</td>
<td>(8 )</td>
<td>(12)</td>
<td>(16)</td>
</tr>
<tr>
<td>Netback (USD/boe)</td>
<td>30</td>
<td>36</td>
<td>42</td>
<td>48</td>
</tr>
</tbody>
</table>

| CAPEX (USD/boe)                     | (23)| (23)| (23)| (23)|
| EXPEX (USD/boe)                     | (6 )| (6 )| (6 )| (6 )|
| Decommissioning expenditures (USD/boe)| (6 )| (6 )| (6 )| (6 )|
| Investments (USD/boe)               | (35)| (35)| (35)| (35)|
| Tax refund (USD/boe)                | 26 | 26 | 26 | 26 |

Free cash flow (ex. working capital) (USD/boe): 21, 27, 33, 39
Cash flow break-even before dividends (USD/boe): 29
Cash flow B/E post dividends (USD/boe): 37

Assumes USDNOK = 8.0

* Numbers may not add due to rounding
** Not including effects of commodity hedges
Concluding remarks

Karl Johnny Hersvik
Chief Executive Officer
CONCLUDING REMARKS

Aker BP investment case

- **Well positioned to be profitable across the market cycles**
  - Purely operating on the NCS: Low political risk and attractive fiscal regime
  - Strong balance sheet and capital flexibility: USD 2.9 billion in liquidity
  - Robust investment program with average break-even of 18 USD/bbl*
  - Substantial cash generation and growing dividends

- **Extensive improvement agenda to strengthen long-term competitiveness**
  - Reorganizing the value chain with strategic partnerships and alliances
  - Aim to be an industry reference for digital project execution
  - Focus on flow efficiency to substantially reduce execution time

- **Strong platform for future growth**
  - Materially oil-weighted portfolio (~80% liquids): 2P reserves of 913 mmboe and 2C contingent resources of 785 mmboe at year-end 2017
  - Potential to reach 330 mboepd in 2023 (13% CAGR)
  - Proven M&A track record – targeting further selective inorganic growth

*Sanctioned projects, discounted to 01.01.2018*
CONCLUDING REMARKS

Priorities going forward

- Safe and efficient operations
- Excellent project delivery

- Relentless focus on cost reductions and productivity gains
- Mature projects to below 35 USD/boe break-even

- Maximize recovery from existing resource base
- Pursue inorganic growth opportunities