First Quarter
2018

Aker BP ASA

KARL JOHNNY HERSVIK, CEO
ALEXANDER KRANE, CFO
7 MAY 2018
Disclaimer

This Document includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Document are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Aker BP ASA’s lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Aker BP ASA’s businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Document. Although Aker BP ASA believes that its expectations and the Document are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Document. Aker BP ASA is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Document, and neither Aker BP ASA nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.
AKER BP ASA

Highlights

Operations
- Record production of 158.6 mboepd
- Field developments on track
- Exploration success near Alvheim

Finance
- Free cash flow* of USD 222 million (USD 0.62 per share)
- Issued new USD 500 million bond
- Quarterly dividend of USD 112.5 million (USD 0.31 per share)

Building for the future
- Awarded 23 new licenses in APA round
- Secured additional rig capacity
- Working towards NOAKA concept selection

* Net cash flow from operating activities less net cash flow to investing activities
## FINANCIALS
### Statement of income

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q1 2017</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total operating income</strong></td>
<td>890</td>
<td>646</td>
<td>2,563</td>
</tr>
<tr>
<td><strong>Production costs</strong></td>
<td>173</td>
<td>121</td>
<td>523</td>
</tr>
<tr>
<td><strong>Other operating expenses</strong></td>
<td>4</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td><strong>EBITDAX</strong></td>
<td>712</td>
<td>517</td>
<td>2,012</td>
</tr>
<tr>
<td><strong>Exploration expenses</strong></td>
<td>55</td>
<td>30</td>
<td>226</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>658</td>
<td>487</td>
<td>1,786</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>185</td>
<td>184</td>
<td>727</td>
</tr>
<tr>
<td><strong>Impairment losses</strong></td>
<td>-</td>
<td>30</td>
<td>52</td>
</tr>
<tr>
<td><strong>Operating profit/loss (EBIT)</strong></td>
<td>472</td>
<td>273</td>
<td>1,007</td>
</tr>
<tr>
<td><strong>Net financial items</strong></td>
<td>(47)</td>
<td>(47)</td>
<td>(196)</td>
</tr>
<tr>
<td><strong>Profit/loss before taxes</strong></td>
<td>425</td>
<td>227</td>
<td>811</td>
</tr>
<tr>
<td><strong>Tax (+) / Tax income (-)</strong></td>
<td>264</td>
<td>158</td>
<td>536</td>
</tr>
<tr>
<td><strong>Net profit/loss</strong></td>
<td>161</td>
<td>69</td>
<td>275</td>
</tr>
<tr>
<td><strong>EPS (USD)</strong></td>
<td>0.45</td>
<td>0.20</td>
<td>0.81</td>
</tr>
</tbody>
</table>
## Statement of financial position

<table>
<thead>
<tr>
<th>Assets (USD million)</th>
<th>31.03.18</th>
<th>31.12.17</th>
<th>31.03.17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>1,860</td>
<td>1,860</td>
<td>1,818</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>1,992</td>
<td>1,982</td>
<td>1,664</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5,665</td>
<td>5,582</td>
<td>4,600</td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>764</td>
<td>775</td>
<td>678</td>
</tr>
<tr>
<td>Calculated tax receivables (short)</td>
<td>1,666</td>
<td>1,586</td>
<td>395</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>38</td>
<td>233</td>
<td>183</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>11,985</strong></td>
<td><strong>12,019</strong></td>
<td><strong>9,337</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and liabilities (USD million)</th>
<th>31.03.18</th>
<th>31.12.17</th>
<th>31.03.17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>3,110</td>
<td>2,989</td>
<td>2,455</td>
</tr>
<tr>
<td>Other provisions for liabilities incl. P&amp;A (long)</td>
<td>2,955</td>
<td>2,942</td>
<td>2,325</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>1,357</td>
<td>1,307</td>
<td>1,164</td>
</tr>
<tr>
<td>Bonds</td>
<td>1,128</td>
<td>622</td>
<td>513</td>
</tr>
<tr>
<td>Bank debt</td>
<td>1,958</td>
<td>2,767</td>
<td>2,000</td>
</tr>
<tr>
<td>Other current liabilities incl. P&amp;A</td>
<td>923</td>
<td>1,041</td>
<td>760</td>
</tr>
<tr>
<td>Tax payable</td>
<td>554</td>
<td>351</td>
<td>120</td>
</tr>
<tr>
<td><strong>Total Equity and liabilities</strong></td>
<td><strong>11,985</strong></td>
<td><strong>12,019</strong></td>
<td><strong>9,337</strong></td>
</tr>
</tbody>
</table>
**FINANCIALS**

**First quarter 2018 cash flow and liquidity**

- **Strong operating cash flow**
  - Operating cash flow USD 600 million
  - Increased production and higher oil prices
  - Production cost in line with guidance

- **Investing to drive profitable growth**
  - Capex USD 257 million mainly related to Johan Sverdrup, Valhall and Tambar developments
  - Exploration success at Frosk – USD 39 million capitalized (total exploration spend USD 80 million)
  - Decommissioning spend USD 82 million

- **Robust financial position**
  - Free cash flow of USD 222 million – 2x dividend cover
  - Issued USD 500 million in 2025 notes
  - Net interest-bearing debt (book value) USD 3.0 billion
  - Cash and undrawn credit of USD 3.5 billion
  - Leverage ratio of 1.27x
  - Hess tax loss expected to be disbursed in 2H-18

---

*Including FX effects on cash held*
## FINANCIALS

### 2018 Guidance

No changes since CMD in January 2018

<table>
<thead>
<tr>
<th>Item</th>
<th>2018 guidance</th>
<th>Actual per Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX*</td>
<td>USD ~1.3 billion</td>
<td>USD 237 million</td>
</tr>
<tr>
<td>EXPEX</td>
<td>USD ~350 million</td>
<td>USD 80 million</td>
</tr>
<tr>
<td>Production</td>
<td>155 – 160 mboepd</td>
<td>158.6 mboepd</td>
</tr>
<tr>
<td>Production cost</td>
<td>USD ~12 per boe</td>
<td>USD 12.1 per boe</td>
</tr>
<tr>
<td>Decommissioning cost</td>
<td>USD ~350 million</td>
<td>USD 82 million</td>
</tr>
</tbody>
</table>

*Note: Guidance based on USD/NOK 8.0*
Operations

Q1 2018
OPERATIONS

High activity level

Investing in value-accretive projects across the portfolio

Alvheim
- Boa wells on stream
- Infill drilling
- Skogul development
- Frosk oil discovery with follow-up potential

Valhall
- Drilling of IP wells
- Valhall Flank West
- Valhall Flank North WI sanctioned
- Continued P&A

Ula
- Tambar wells on stream
- Oda development

Ivar Aasen
- Drill two water injectors
- Exploration well on Slengfehøgda and Hanz appraisal

Skarv
- Repaired two wells
- Ærfugl development
- Kvitungen Tumler dry
- Ærfugl appraisal
ALVHEIM AREA (≈65%)

Exploration success at Frosk

A new chapter in the Alvheim story

- **Frosk proved 30-60 mmboe oil**
  - Located near Bøyla which is tied back to Alvheim
  - Provides an ideal basis for profitable expansions

- **Exploration program expanded**
  - Additional rig capacity secured from Q4-18
  - Planning 2-3 wells on Froskelår and Rumpetroll

- **Continued high activity in the Alvheim area**
  - Skogul PDO approved – project on track
  - Two new Boa wells on production in Q1
  - Kameleon to be spud in Q2
  - Gekko appraisal in Q3
### EXPLORATION

#### 2018 exploration schedule

<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>Discovery</td>
<td>Q1</td>
</tr>
<tr>
<td>PL790</td>
<td>Raudåsen</td>
<td>Aker BP</td>
<td>30 %</td>
<td>Dry well</td>
<td>Q1</td>
</tr>
<tr>
<td>PL839</td>
<td>Kvitungen Tumler</td>
<td>Aker BP</td>
<td>24 %</td>
<td>Dry well</td>
<td>Q1</td>
</tr>
<tr>
<td>PL869</td>
<td>Frosk area</td>
<td>Aker BP</td>
<td>60 %</td>
<td>45 – 149</td>
<td>Q4</td>
</tr>
<tr>
<td>PL869</td>
<td>Frosk area</td>
<td>Aker BP</td>
<td>60 %</td>
<td>17 – 60</td>
<td>Q4</td>
</tr>
<tr>
<td>PL869</td>
<td>Frosk area</td>
<td>Aker BP</td>
<td>60 %</td>
<td>7 – 22</td>
<td>Q4</td>
</tr>
<tr>
<td>PL869</td>
<td>Frosk area</td>
<td>Aker BP</td>
<td>60 %</td>
<td>45 – 149</td>
<td>Q4</td>
</tr>
<tr>
<td>PL869</td>
<td>Frosk area</td>
<td>Aker BP</td>
<td>60 %</td>
<td>17 – 60</td>
<td>Q4</td>
</tr>
<tr>
<td>PL869</td>
<td>Frosk area</td>
<td>Aker BP</td>
<td>60 %</td>
<td>7 – 22</td>
<td>Q4</td>
</tr>
<tr>
<td>PL916</td>
<td>JK</td>
<td>Aker BP</td>
<td>40 %</td>
<td>100 – 421</td>
<td>Q4</td>
</tr>
<tr>
<td>PL203</td>
<td>Gekko Appraisal</td>
<td>Aker BP</td>
<td>65 %</td>
<td>9 – 54</td>
<td>Q4</td>
</tr>
<tr>
<td>PL028B/PL915</td>
<td>Slengfeshågda (and Hanz appraisal)</td>
<td>Aker BP</td>
<td>35 %</td>
<td>3 – 22</td>
<td>Q3</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>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>Q2</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>

Out of 2018 plan: Stangnestind, Hod Appraisal, Hornet and Shenzhou

* Preliminary volume span (gross)
VALHALL AREA (90%)

Full speed ahead at Valhall

- **Valhall Flank West on track**
  - PDO approved in March
  - Steel cutting started in April
  - Started Valhall field centre modifications

- **Valhall Flank North Water Injection project approved**
  - Water injection to boost oil recovery
  - Drilling planned in Q4-18
  - Start water injection in Q2-19

- **Maturing further opportunities**
  - Hod redevelopment
  - Flank South infill wells
  - Lower Hod formation
Ærfugl development on track

- **Ærfugl PDO approved in April**
  - Subsea tie-back to Skarv FPSO
  - 275 mmboe gross reserves
  - Main contracts awarded
  - Production start 2020

- **Technology qualification on track**
  - Electrically trace heated pipe-in-pipe to prevent hydrate formation and improving production efficiency
  - Hybrid Vertical Xmas Trees to allow direct wellbore access and reduce future intervention costs

- **Attractive economics and further upside potential**
  - Break-even of 18.5 USD/boe (PDO assumptions)
  - Positive appraisal well in Q1
  - Potential for accelerated production by debottlenecking

---

**SKARV AREA (23.8%)**

![Reserves gross mmboe](chart)

- **At concept selection** 197 mmboe
- **At PDO submission** 275 mmboe
  - Increase of 40%

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

- **At concept selection** 10.6 NOKbn
- **At PDO submission** 8.5 NOKbn
  - Decrease of 20%

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

- **At concept selection** 32.0 USD/bbl
- **At PDO submission** 18.5 USD/bbl
  - Decrease of 42%
Making Tambar great again
- Two wells put on production late Q1
- Gas lift to start in Q4 after Ula modifications
- Increased production and lower unit cost

Oda on track
- On track for production start in Q2-19
- Will enable increased WAG injection at Ula

2018 Ula area production (net to Aker BP)
IVAR AASEN (34.8%)

Drilling on at Ivar Aasen

- **High operational efficiency**
  - Plant availability 98%
  - Net production efficiency 89%
    - Due to Edvard Grieg and SAGE availability issues
  - Piloting digital operations

- **More drilling underway**
  - Two water injectors in Q2
  - One dual-purpose well to appraise Hanz and test new exploration target (Slengfehøgda) in Q3

<table>
<thead>
<tr>
<th>Ivar Aasen net production (mboepd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4-16</td>
</tr>
<tr>
<td>0.8</td>
</tr>
</tbody>
</table>
First topside successfully installed at Johan Sverdrup
Common area development is the preferred solution
- Significant resources identified
- Limited infrastructure available
- Supported by Norwegian authorities

Aker BP recommends a central processing hub
- Allows for economic recovery of all fields in the area
- Higher resource recovery and socio-economic benefits
- Opens up for new exploration upsides

Aker BP’s ambition is to make NOAKA the first energy positive field development on the NCS
- Zero emissions
- 100% electric – power from shore and offshore wind
- Onshore control room, digitalization and automatization

Concept selection in 2018
- Original plan was Q1-18
- The delay provides opportunity for a more ambitious development
- Building on positive digitalization experience from Ivar Aasen
AKER BP ASA

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