

Third Quarter 2018

Aker BP ASA

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AKER BP ASA

Highlights

Operations

- Q3 production 151 mboepd
- Positive appraisal results – dry wildcats
- Field development projects on track

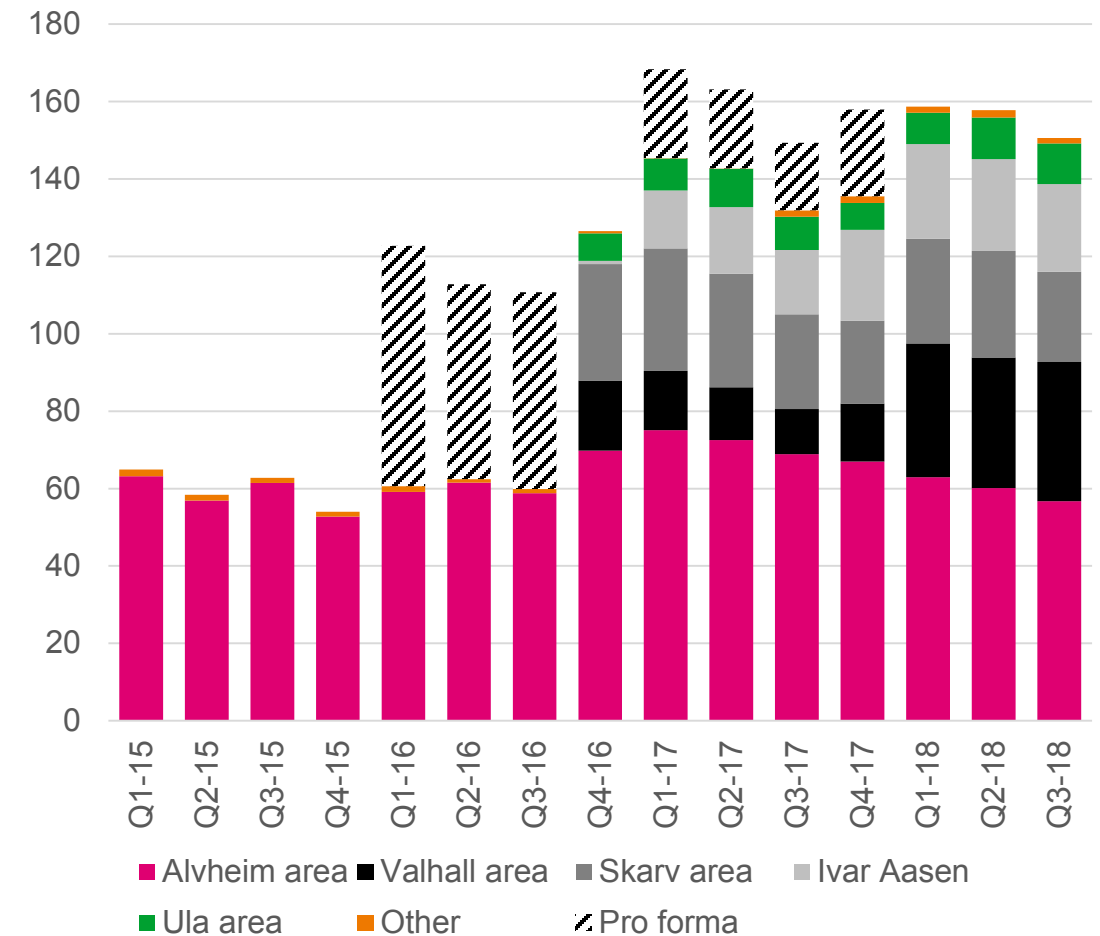
Finance

- Q3 EBITDA USD 736 million, EPS USD 0.35
- Solid cash flow – FCF per share USD 0.67
- Quarterly dividend USD 0.3124 per share

Business development

- Acquisition of portfolio from Total
- Acquisition of King Lear from Equinor
- Submitted applications for next APA round

Oil & gas production, mboepd net



Financials

Third Quarter 2018



FINANCIALS

Statement of income

(USD million)	Q3 2018	Q2 2018	Q3 2017	FY 2017
Total operating income	1,000	975	596	2,563
Production costs	165	164	134	523
Other operating expenses	4	1	3	28
EBITDAX	830	810	459	2,012
Exploration expenses	94	75	64	226
EBITDA	736	735	395	1,786
Depreciation	189	183	175	727
Impairment losses	-	-	1	52
Operating profit/loss (EBIT)	548	552	219	1,007
Net financial items	(58)	(22)	(9)	(196)
Profit/loss before taxes	490	530	209	811
Tax (+) / Tax income (-)	365	394	97	536
Net profit/loss	125	136	112	275
EPS (USD)	0.35	0.38	0.33	0.81

FINANCIALS

Statement of financial position

Assets (USD million)	30.09.18	30.06.18	30.09.17
Goodwill	1,860	1,860	1,817
Other intangible assets	1,979	1,986	1,615
Property, plant and equipment	6,039	5,835	4,782
Receivables and other assets	752	820	676
Calculated tax receivables (short)	1,607	1,596	145
Cash and cash equivalents	127	49	81
Total Assets	12,364	12,147	9,116

Equity and liabilities (USD million)	30.09.18	30.06.18	30.09.17
Equity	3,083	3,064	2,502
Other provisions for liabilities incl. P&A (long)	3,024	2,992	2,308
Deferred tax	1,671	1,525	1,137
Bonds	1,122	1,119	626
Bank debt	1,853	1,898	1,396
Other current liabilities incl. P&A	857	861	882
Tax payable	754	687	265
Total Equity and liabilities	12,364	12,147	9,116

Second quarter cash flow and liquidity

■ Strong operating cash flow

- Higher oil and gas prices
- Production cost USD 11.9 per boe

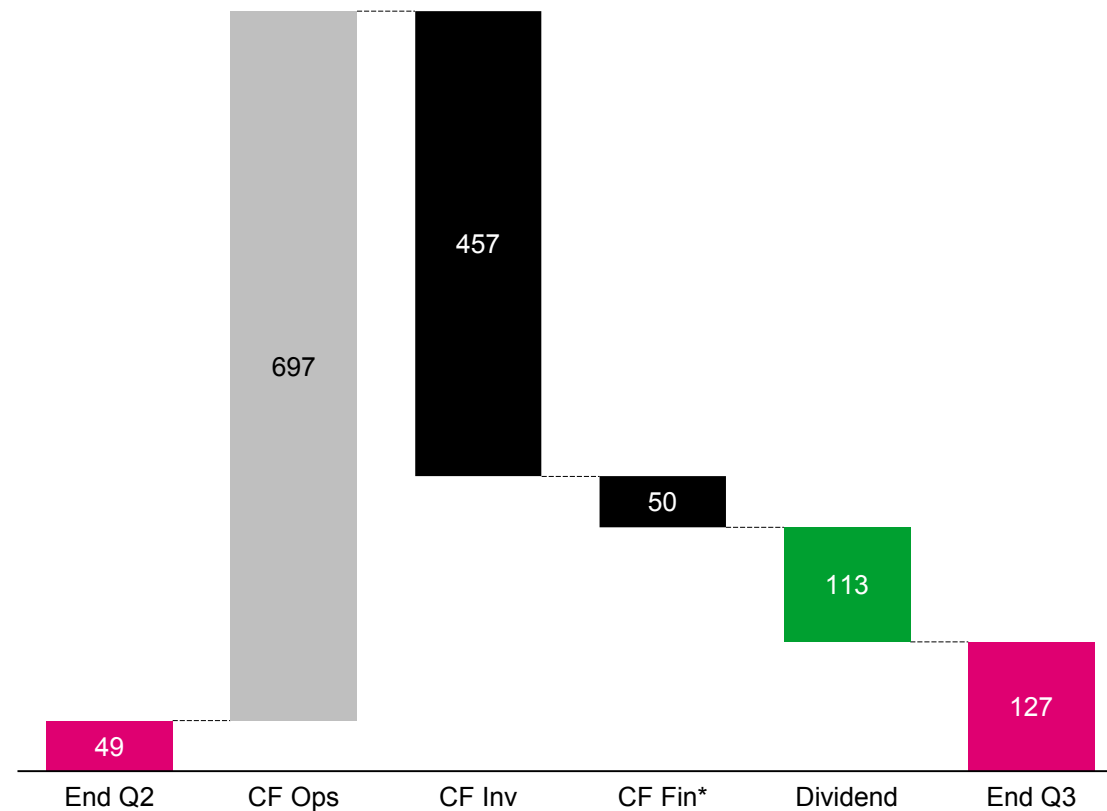
■ Capital spending within plan

- Capex USD 310 million (ex. capitalized interest)
- Expex USD 109 million
- Abex USD 72 million

■ Robust balance sheet

- Net interest-bearing debt (book value) USD 2.85 billion
- Leverage ratio of 0.95x
- Hess tax loss expected to be disbursed in Q4-2018
- Cash and undrawn credit of USD 3.7 billion

Cash flow (USDm)



FINANCIALS

2018 Guidance

Item	Actual YTD per 30 September 2018	Updated 2018 guidance
CAPEX*	USD 823 million	USD ~1.25 billion (previous USD ~1.3 billion)
EXPEX	USD 275 million	USD ~400 million (previous USD ~425 million)
Production	156 mboepd	155 – 160 mboepd (lower half)
Production cost	USD 11.8 per boe	USD ~12 per boe
ABEX	USD 226 million	USD ~250 million

Note: Guidance based on USD/NOK 8.0

FINANCIALS

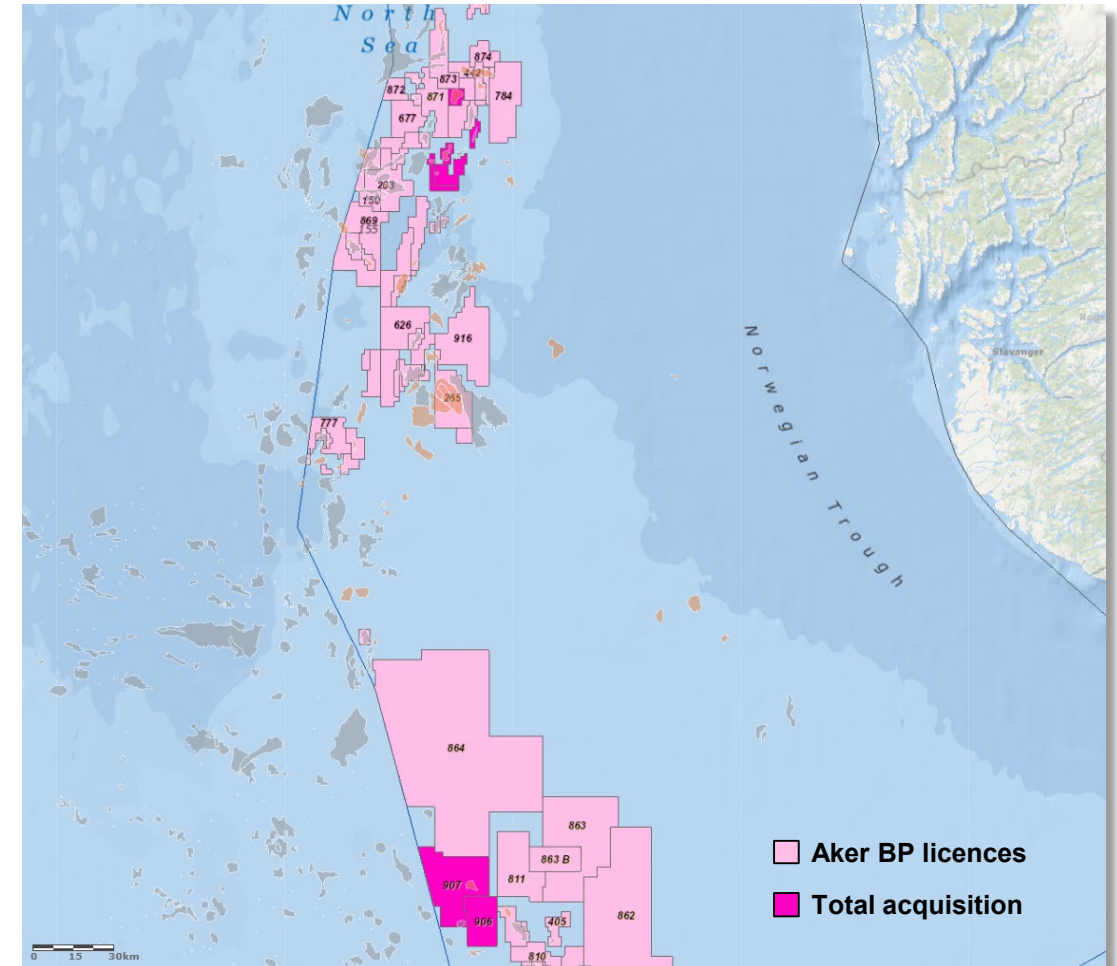
Acquisition of licence portfolio from Total

Strengthening Aker BP's position in core areas

- 11 licences including 4 discoveries
- 83 mmboe net recoverable resources
- Consideration USD 205 million
- Closing expected in Q4

Area	Licence	Acquired interest	Resources net mmboe	New interest	Discovery
Alvheim	036 E	64%	16	64%	Trine
	102 D	40%		50%	
	102 F	40%	6	50%	Trell
	102 G	40%		50%	
	102 C	40%		50%	
Ula	906	20%		60%	
	907	20%		60%	
Skarv	127	50%	44	50%	Alve North
	127 B	50%		50%	
	127 C	100%		100%	
NOAKA	026	62%	17	92%	Rind

Map of acquired licences (ex. Skarv area)



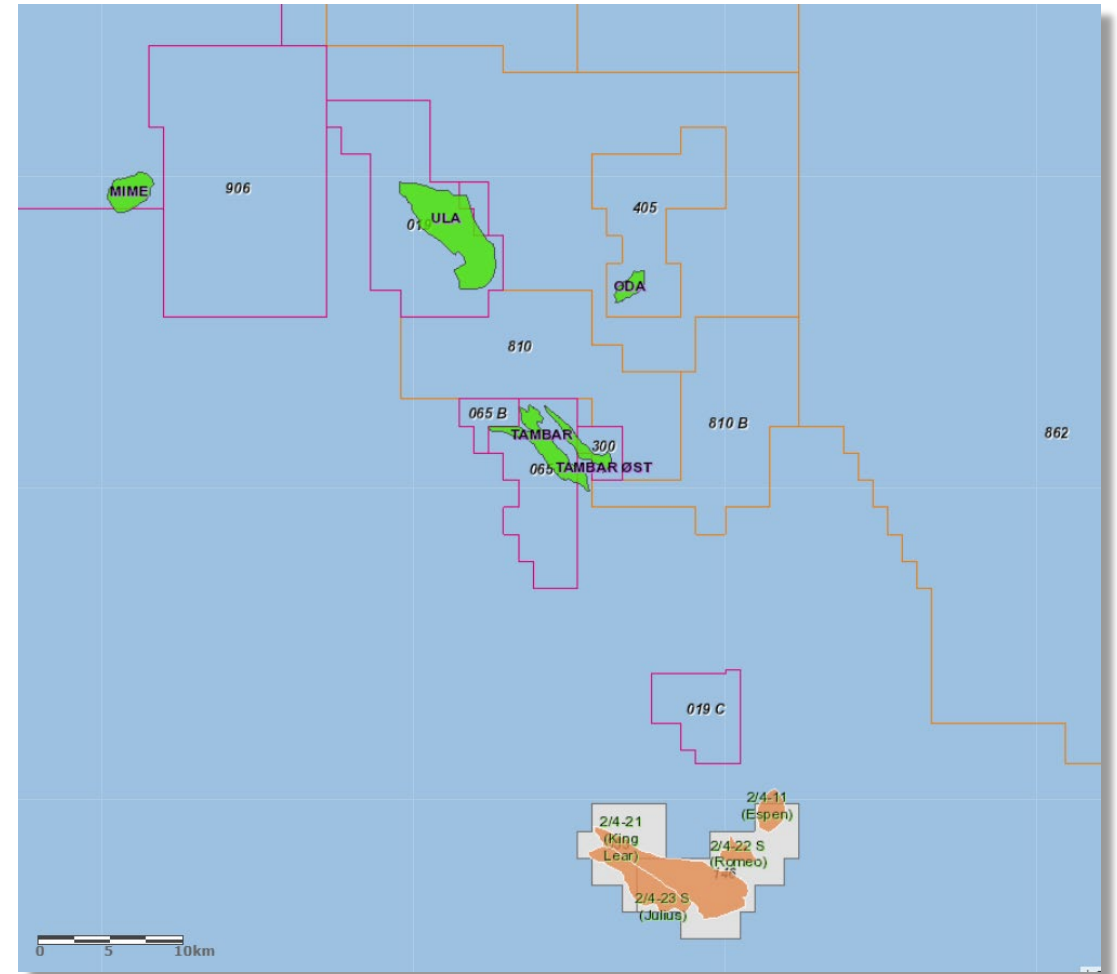
FINANCIALS

Acquisition of King Lear

Planning tie-back to Ula

- **Gas/condensate discovery**
 - NPD estimate: 99 mmboe gross (42% liquids)
- **Acquisition of Equinor's 77.8% interest**
 - Consideration USD 250 million
 - Closing expected in Q4
- **Strong synergies with Ula**
 - Gas from King Lear to be used for injection to increase oil recovery at Ula
 - Total resource potential net to Aker BP above 100 mmboe (including Ula WAG effect)

King Lear and Ula



Operations

Third Quarter 2018



Alvheim

■ **Production efficiency 96%**

- Tri-lateral well with more than 10 km of reservoir drilled
- First well delivered with new alliance model
- Delivered 10% faster than plan

- 40 mmboe gross resources (NPD)
- To be tied back to Alvheim

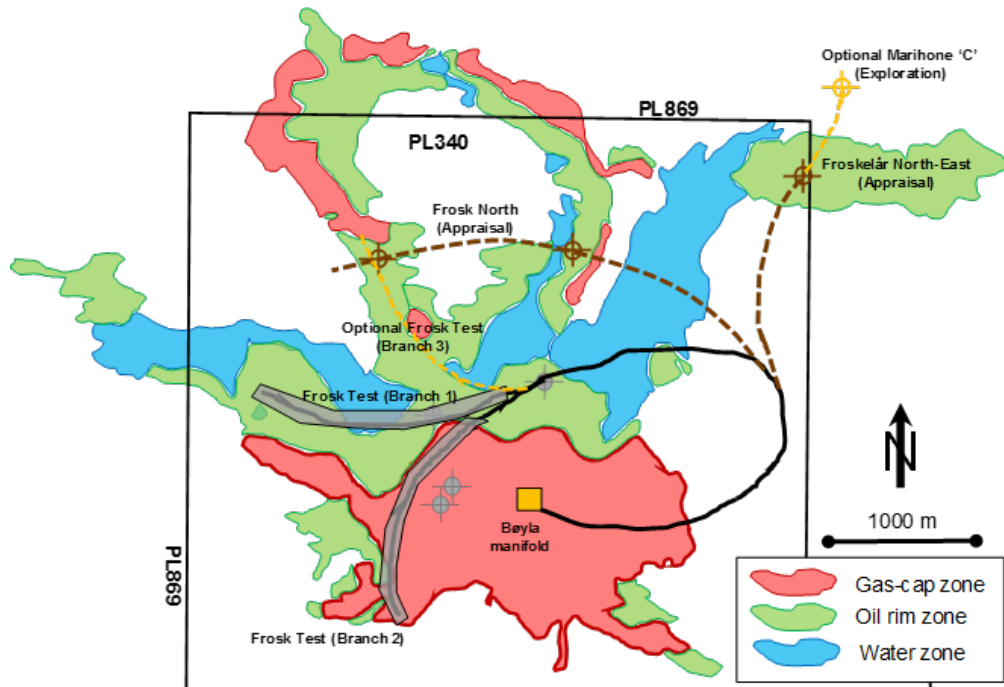
ALVHEIM AREA (~65%)

The success story continues

Frosk leaping ahead

- Exploration drilling on Froskelår and Rumpetroll
- Multilateral production and appraisal well planned in 2019

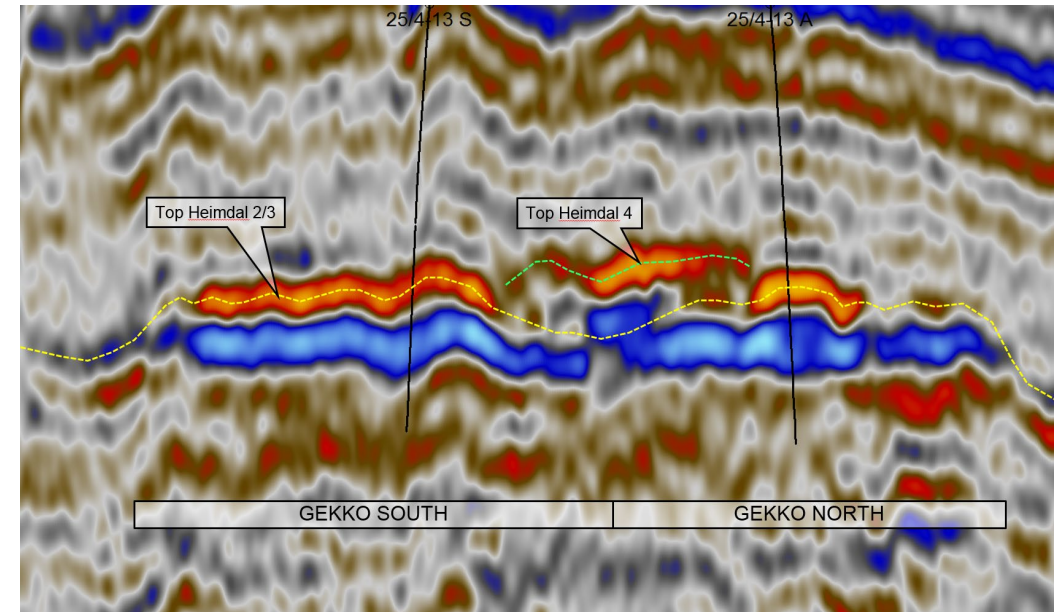
Outline of Frosk test producer well



Gekko resources firmed up

- Oil column thicker than previously assumed
- Excellent reservoir properties
- Estimated gross recoverable resources ~40 mmboe

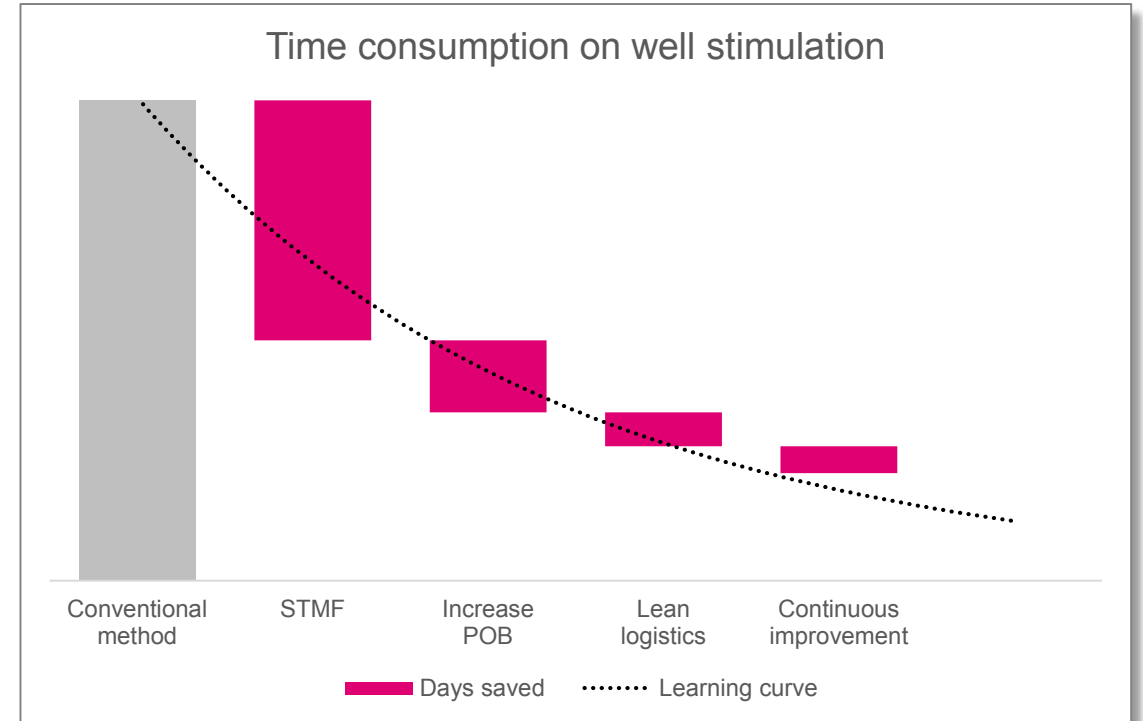
Gekko seismic cross section



Targeting further improvements at Valhall

- **Q3 production 36.0 mboepd net**
 - Up 7% from Q2
 - Production efficiency 88%
 - Completion of new IP wells behind plan
- **Testing Single-Trip Multi-Frac (STMF)**
 - More efficient stimulation method
 - Potential for significant savings for future wells

STMF – significant savings potential

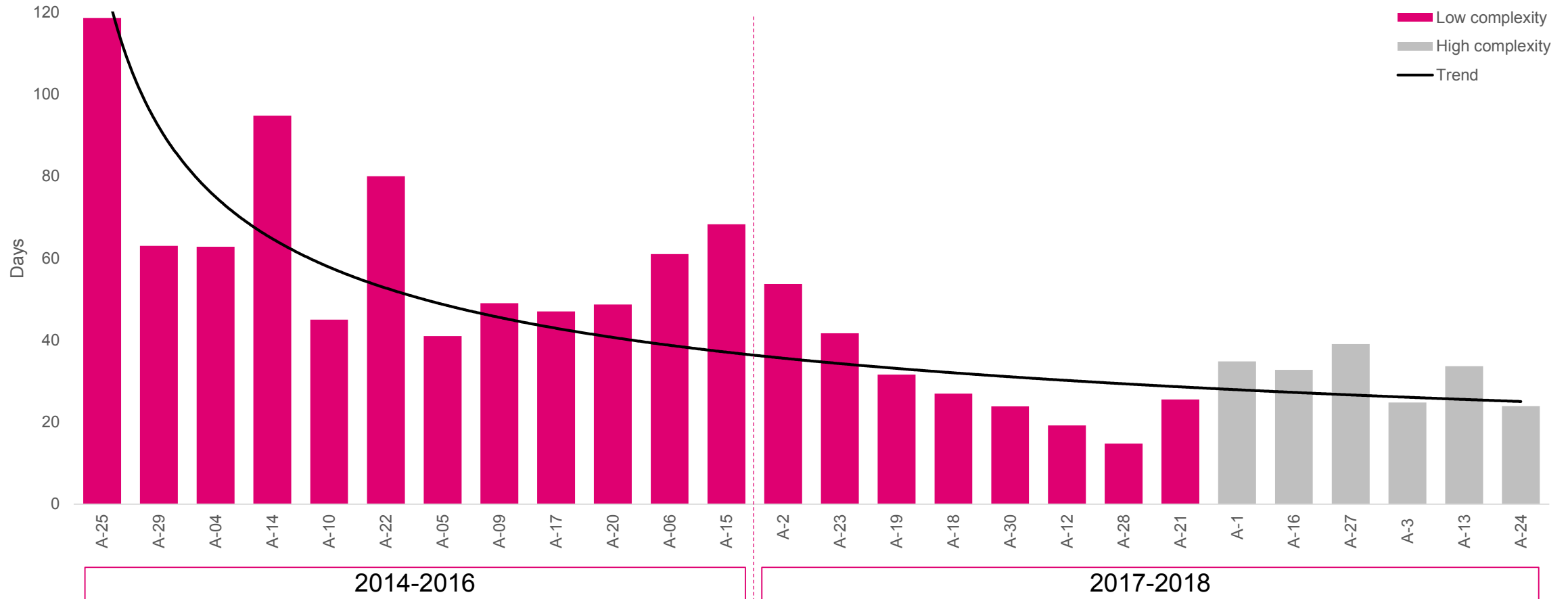


VALHALL AREA (90%)

P&A campaign successfully completed

Average time per well reduced by more than 50 percent

Valhall P&A performance



VALHALL AREA (90%)

Valhall projects on track

Valhall Flank West



Photo: Hans Petter Helland, Aker BP

Valhall Flank North Water Injection



Photo: Marton Audun Haga, Aker BP. Maersk Invincible arriving at Valhall Flank North

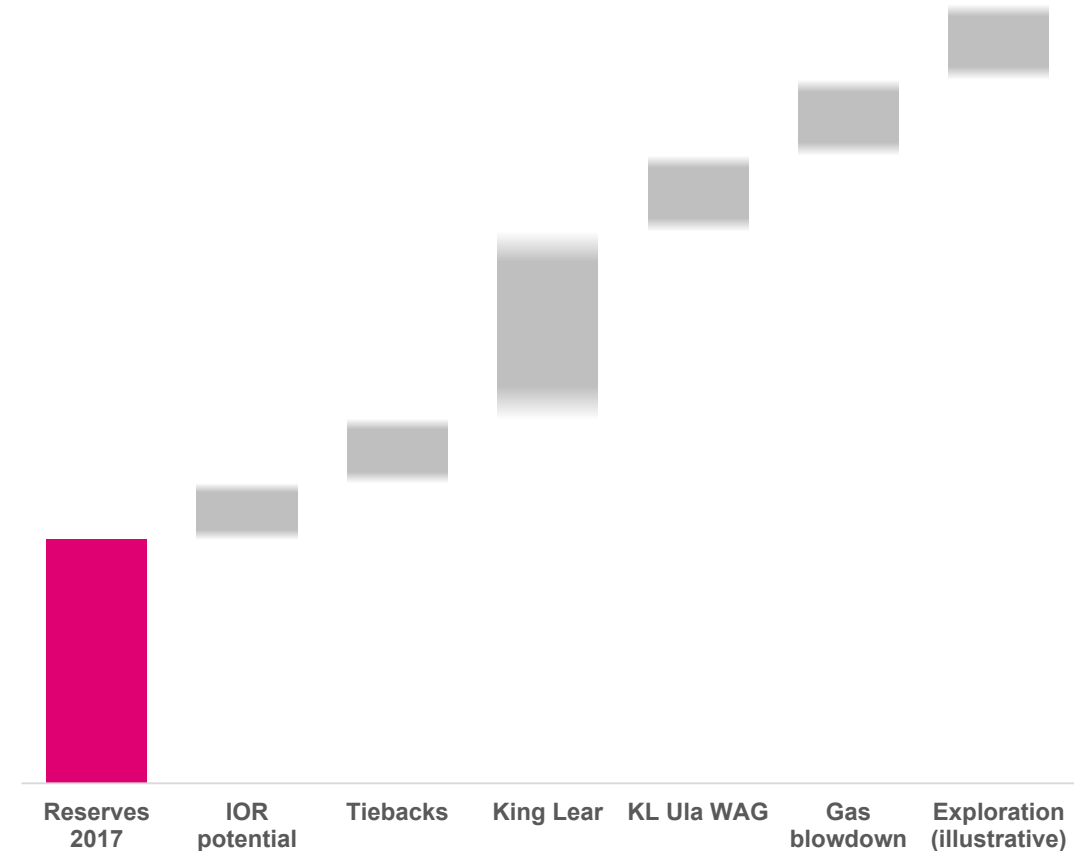
ULA (80%) / TAMBAR (55%)

Rejuvenating Ula as an area hub

Ambition to extend lifetime beyond 2040

- **Conversion of Ula DP underway**
 - Preparing for new drilling campaign next year
- **Oda on track for production start in Q2 2019**
 - Cassidy exploration well coming up
- **Significant IOR potential identified**
 - Ula Triassic
 - Ula WAG
- **Enable additional tieback opportunities**
 - Existing discoveries
 - Exploration opportunities
- **King Lear – perfect fit for Ula**

Significant upside potential in the Ula area



ULA (80%) / TAMBAR (55%)

King Lear – strong synergies with Ula

Among the largest undeveloped discoveries on NCS

■ Gas/condensate discovery

- Resource range 60-170 mmboe gross* (NPD: 99)
- Gas/liquids ratio ~60/40
- Agreement to acquire 77.8% interest from Equinor

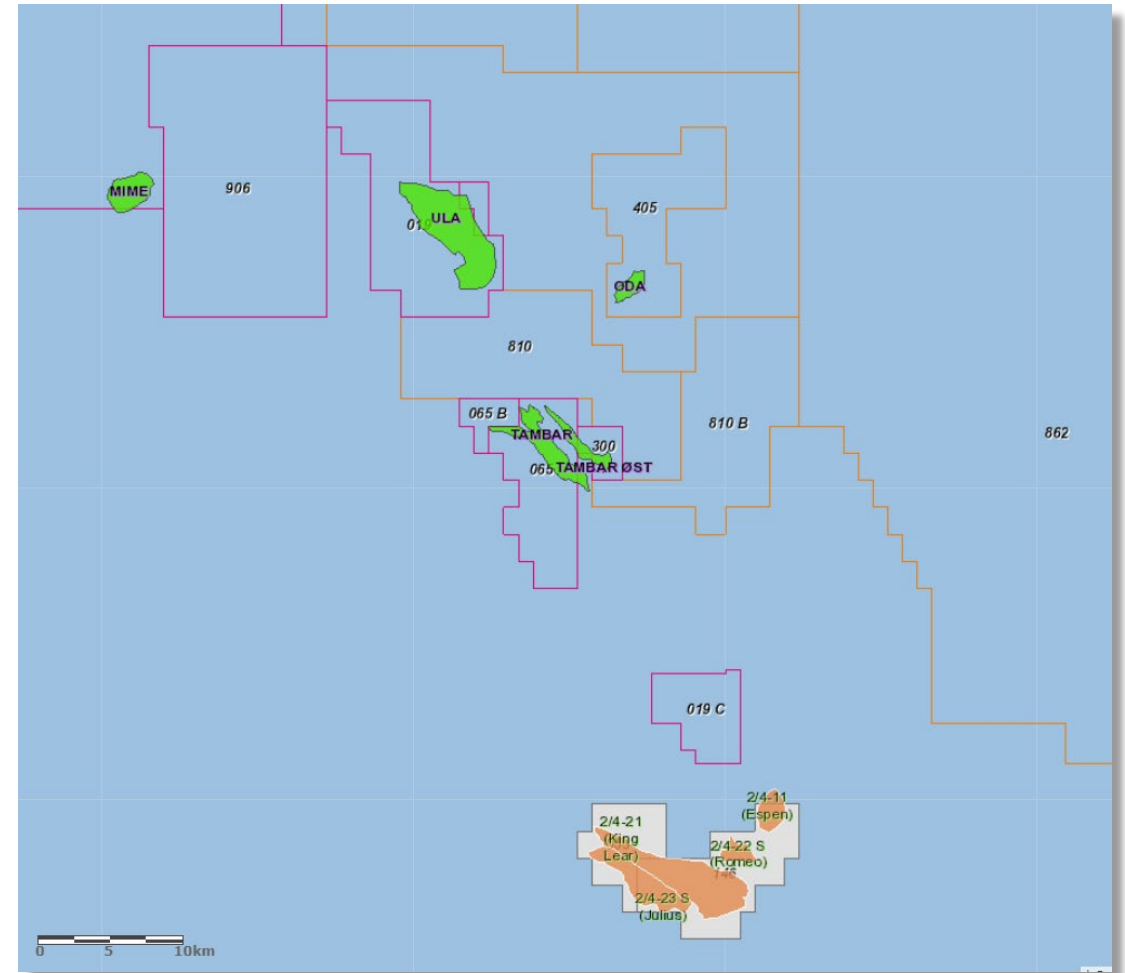
■ Targeting tie-back to Ula

- Wellhead platform with ~50 km pipeline to Ula
- Condensate export through Ula
- Gas to support Ula WAG – residual gas to be exported

■ Significant IOR potential at Ula with WAG

- WAG = Water Alternating Gas injection
- Positive volume effect – and higher value per barrel
- Total resources estimated to more than 100 mmboe net to Aker BP (King Lear plus Ula WAG effect)

King Lear and Ula



IVAR AASEN (34.8%)

Ivar Aasen

- Water injectors completed
- Hanz appraisal in line with expectations



SKARV AREA (23.8%)

Skarv

- Temporarily lower gas exports due to increased gas injection
- Ærfugl development progressing as planned
- Alve North acquisition provides new tie-back opportunity



JOHAN SVERDRUP (11.6%)

Johan Sverdrup progressing steadily



NORTH OF ALVHEIM / ASKJA / KRAFLA

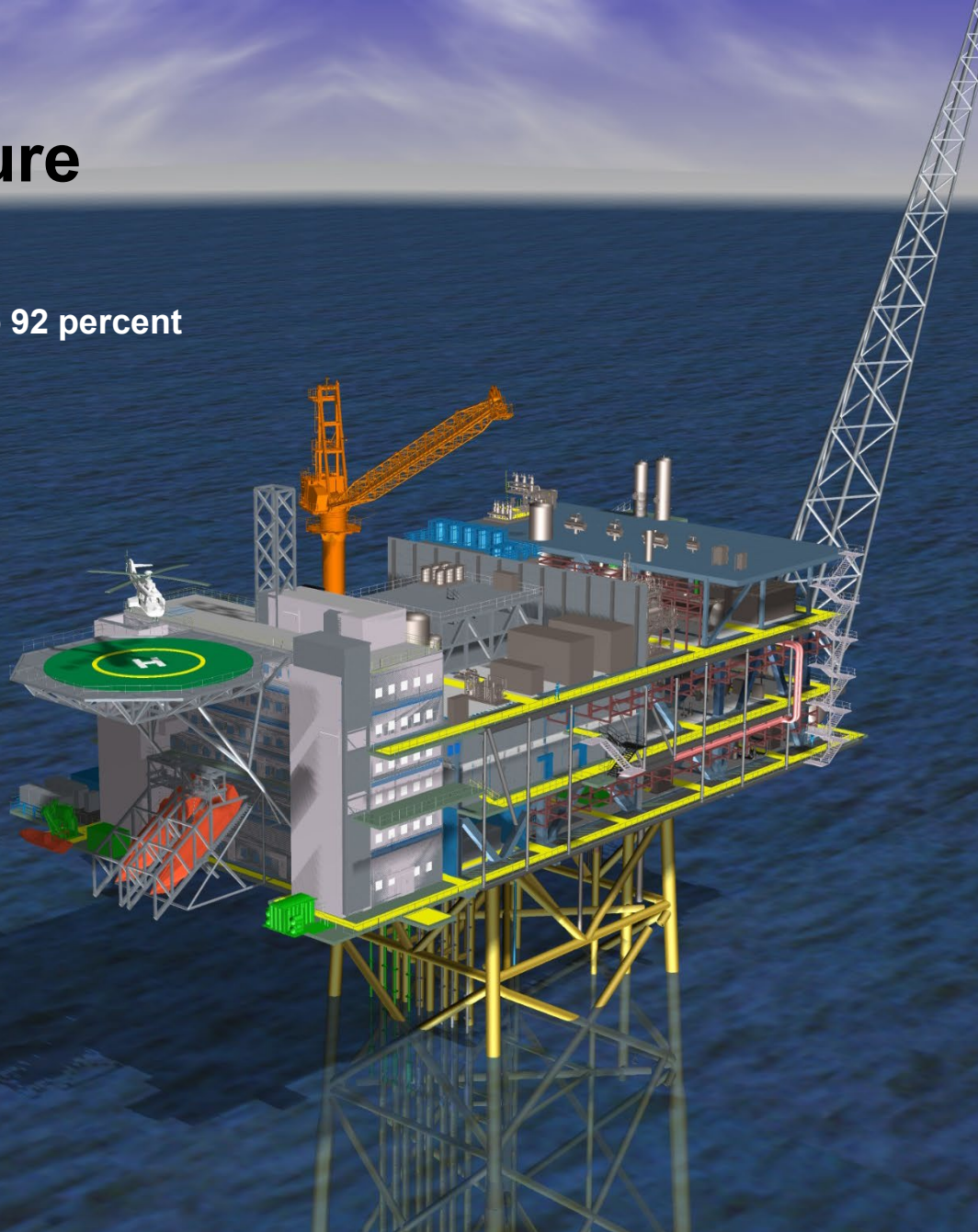
NOAKA – field of the future

- Interest in Rind discovery increased from 30 to 92 percent

- Preparing for concept selection by year-end

- **Aker BP favors a central processing hub**

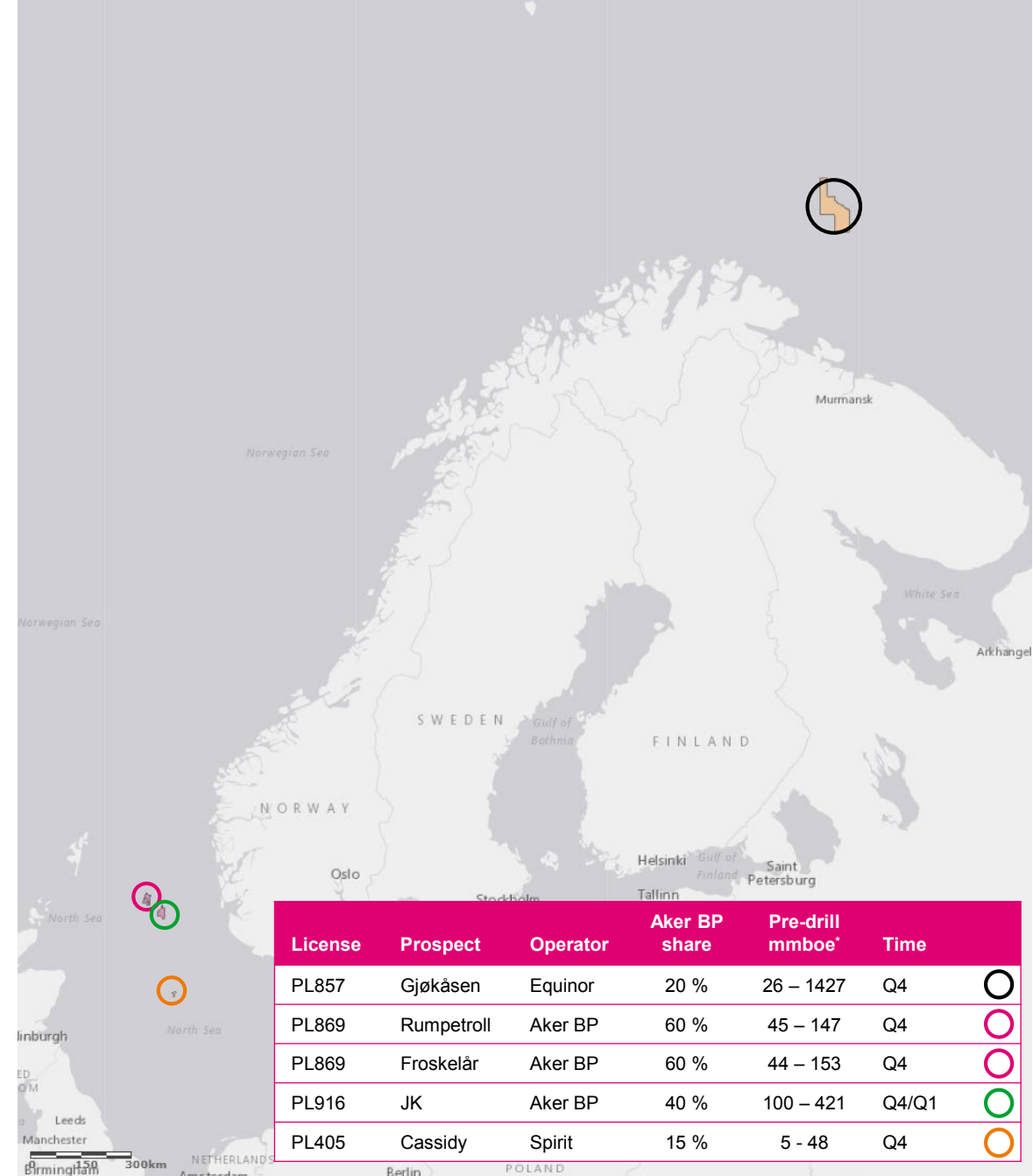
- Maximum resource utilisation
- Highest value creation
- Capacity for future discoveries



EXPLORATION

Exciting drilling ahead

- **Positive appraisals at Gekko and Hanz in Q3**
 - Dry wells on Slengfehøgda, Gråspett and Scarecrow
- **Two follow-up wells to Frosk in Q4**
 - Targeting up to 300 mmboe (gross unrisked)
- **Cassidy back on 2018 plan**
 - Near Oda (Ula tieback)
- **JK – large prospect with a good address**
 - Near Johan Sverdrup and Ivar Aasen
 - Potential for standalone development
- **Gjøkåsen – high risk, high reward in the Barents**
 - Large prospect near the border with Russia



Continued strong focus and speed on our Digital journey

Digital lab running at full speed

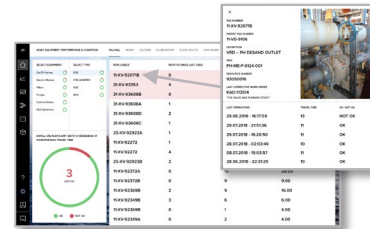


- Dedicated crews addressing specific themes with clear outcomes for “super-sprint” this fall
- Aker BP domain experts, Cognite and 3rd parties
- “Sprint”-based product development with new products/output delivered after two weeks

Delivering tangible results

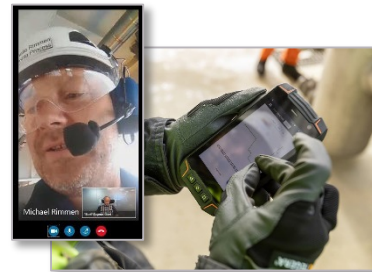
Examples

Condition-based maintenance dashboard for valves and dampers



- Improve tracking of status and use of equipment currently maintained/tested in fixed time intervals
- Eliminate unnecessary testing of valves
- Reduce maintenance cost and production loss

Digital tools made available on handheld devices



- Handheld devices being rolled out to operators
- New applications rolled out on ongoing basis
- Improved efficiency and HSE benefits



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