QUARTERLY REPORT

Q2 2023

SECOND QUARTER 2023 RESULTS

Aker BP delivered strong operational and financial performance in the second quarter 2023, with the highest production volume and lowest unit cost in the company's history.

Highlights for the quarter

(Numbers in brackets represent the previous quarter)

- New production record of 481 (453) mboepd driven by successful ramp-up of Johan Sverdrup to new plateau level and high production efficiency across the portfolio – full-year guidance increased to 445-470 (430-460) mboepd
- Production cost per boe at USD 5.6 (7.2) – full-year guidance lowered to USD 6.0-7.0 (7.0-8.0) per boe
- Aker BP's industry leading GHG emissions intensity further improved to 2.6 (2.9) kg CO_2e per boe
- All field development projects have received government approval and remain on track
- Significant oil discovery at Øst Frigg – likely to be included in ongoing Yggdrasil project
- Strengthened liquidity and extended debt maturity profile through successful bond transactions
- Operating profit of USD 2,257 (1,961) million and net profit of USD 397 (187) million
- Quarterly dividend of USD 0.55 per share

Comment from Karl Johnny Hersvik, CEO of Aker BP:

"It has been a very strong second quarter for Aker BP. We have produced more oil and gas, at a lower cost, and with lower emissions than ever before in our history. This excellent performance has led us to increase our expectations for the full year of 2023.

Beyond these strong results, I am also pleased that our field development projects are on track, and we have achieved important milestones throughout the quarter. This includes obtaining governmental approvals of all PDOs.

Furthermore, we have had exploration success in the quarter, contributing to the growth of our resource base and the value of our ongoing field development projects.

In summary, it has been a very active and productive quarter, and what I am most proud of is our dedicated team and a company culture for operational excellence and continuous improvement that really makes Aker BP the E&P company of the future."

 All figures are presented in USD unless otherwise stated, and figures in brackets apply to the previous quarter restated.

Key figures

	UNIT	Q2 2023	Q1 2023	Q2 2022 RESTATED	H1 2023	H1 2022 RESTATED
INCOME STATEMENT						
Total income	USD million	3 291	3 310	2 026	6 601	4 318
EBITDA	USD million	3 004	2 933	1 749	5 937	3 755
Net profit/loss	USD million	397	187	206	584	727
Earnings per share (EPS)	USD	0.63	0.30	0.57	0.92	2.02
OTHER FINANCIAL KEY FIGURES						
Net interest-bearing debt	USD million	3 565	2 370	3 835	3 565	3 835
Leverage ratio		0.22	0.16	0.54	0.22	0.54
Dividend per share	USD	0.55	0.55	0.48	1.10	0.95
PRODUCTION AND SALES						
Net petroleum production	mboepd	480.7	452.7	181.3	466.8	194.7
Over/underlift	mboepd	(3.3)	(3.1)	(8.6)	(3.2)	(0.4)
Net sold volume	mboepd	477.4	449.6	172.6	463.6	194.3
- Liquids	mboepd	408.9	384.1	127.5	396.6	149.2
- Natural gas	mboepd	68.5	65.5	45.1	67.0	45.1
REALISED PRICES						
Liquids	USD/boe	76.8	78.4	117.5	77.6	108.0
Natural gas	USD/boe	63.9	98.7	152.6	80.8	161.7
AVERAGE EXCHANGE RATES						
USDNOK		10.71	10.24	9.43	10.48	9.14
EURUSD		1.09	1.07	1.06	1.08	1.09

FINANCIAL REVIEW

Income statement

(USD MILLION)	Q2 2023	Q1 2023	Q2 2022 RESTATED
Total income	3 291	3 310	2 026
EBITDA	3 004	2 933	1 749
EBIT	2 257	1 961	1 157
Pre-tax profit	2 207	1 824	1 107
Net profit/loss	397	187	206
EPS (USD)	0.63	0.30	0.57

The company changed its accounting principle for abandonment provisions in the fourth quarter 2022. The change is related to the discount rate applied in the calculation which will now consist of a risk-free rate only, while it historically has included a credit risk element. This contributes to an increase in the book value of the abandonment provisions and the corresponding assets and leads to higher depreciation. In the fourth quarter 2022, the company also revised its accounting policy related to deferred tax on capitalised interests, increasing the applied deferred tax rate from 22 to 78 percent. Prior periods have been restated accordingly.

Total income in the second quarter amounted to USD 3,291 (3,310) million. Compared to the first quarter, increase in sold volumes was offset by lower oil and gas prices. Realised liquids prices decreased by two percent to USD 76.8 (78.4) per boe and realised natural gas price decreased by 35 percent to USD 63.9 (98.7) per boe. Sold volumes increased by six percent to 477.4 (449.6) mboepd in the quarter.

Production expenses for the oil and gas sold in the quarter amounted to USD 247 (263) million, with lower well intervention at Valhall and strengthening of USD versus NOK as the main reasons for the reduction from last quarter. The average production cost per barrel produced decreased to USD 5.6 (7.2), with higher relative share of production from Johan Sverdrup as one of the contributors for the decrease. See note 3 for further details on production expenses. Exploration expenses amounted to USD 27 (98) million, with less dry well expenses as the main reason for the decrease.

Depreciation amounted to USD 645 (599) million, corresponding to USD 14.7 (14.7) per barrel of oil equivalent.

Impairments amounted to USD 102 (373) million, mainly related to technical goodwill on Edvard Grieg & Ivar Aasen CGU. In addition to technical goodwill not being depreciated, the main reason for the impairment was reduced short term forward prices. Further information is provided in note 5.

Operating profit was USD 2,257 (1,961) million for the second quarter.

Net financial expenses decreased to USD 50 (137) million, positively impacted by gain on repurchase of existing bonds in connection with a new US bond offering. For more details, see note 8 and 14.

Profit before taxes amounted to USD 2,207 (1,824) million. Tax expense was USD 1,811 (1,637) million. The effective tax rate was 82 (90) percent, impacted by the impairment of technical goodwill with no effect on deferred tax. This resulted in a net profit of USD 397 (187) million.

Balance sheet

(USD MILLION)	30.06.2023	31.03.2023	30.06.2022 RESTATED
Goodwill	13 554	13 636	14 246
Property, plant and equipment (PP&E)	16 218	16 220	16 620
Other non-current assets	3 248	3 122	3 181
Cash and equivalent	2 689	3 280	2 154
Other current assets	1 603	1 671	1 581
Total assets	**37 312**	**37 928**	**37 781**
Equity	12 316	12 267	11 919
Bank and bond debt	5 766	5 304	5 834
Other long-term liabilities	14 399	14 184	14 230
Tax payable	3 351	4 758	4 253
Other current liabilities	1 480	1 416	1 545
Total equity and liabilities	**37 312**	**37 928**	**37 781**

Net interest-bearing debt	**3 565**	**2 370**	**3 835**
Leverage ratio	**0.22**	**0.16**	**0.54**

At the end of the second quarter 2023, total assets amounted to USD 37.3 (37.9) billion, of which non-current assets were USD 33.0 (33.0) billion.

Equity amounted to USD 12.3 (12.3) billion at the end of the quarter, corresponding to an equity ratio of 33 (32) percent.

Bond debt totalled USD 5.8 (5.3) billion, and the company's bank facilities were not drawn. In June the company issued two new bonds; USD 500 million Senior Notes with a coupon of 5.6% due in 2028 and USD 1 billion Senior Notes with a coupon of 6.0% due in 2033. USD 1,000 million of the proceeds from the new bonds were used to repurchase existing bonds, as further described in note 14. Other long-term liabilities amounted to USD 14.4 (14.2) billion.

After paying two tax instalments during the second quarter, tax payable decreased by USD 1,407 million to 3,351 (4,758) million.

At the end of the second quarter 2023, the company had total available liquidity of USD 6.1 (6.7) billion, comprising of USD 2.7 (3.3) billion in cash and cash equivalents and USD 3.4 (3.4) billion in undrawn credit facilities.

Cash flow

(USD MILLION)	Q2 2023	Q1 2023	Q2 2022
Cash flow from operations	121	1 682	1 187
Cash flow from investments	(776)	(705)	(1 626)
Cash flow from financing	66	(454)	(210)
Net change in cash & cash equivalents	(589)	523	(649)
Cash and cash equivalents	2 689	3 280	2 154

Net cash flow from operating activities was USD 121 (1,682) million in the quarter. Taxes paid increased by USD 1,248 million to USD 2,817 (1,569) million, as there are two tax instalments due in the second quarter compared to only one instalment in the first quarter each year. Net cash used for investment activities was USD 776 (705) million, of which investments in fixed assets amounted to USD 664 (597) million for the quarter. Investments in capitalised exploration were USD 64 (79) million. Payments for decommissioning activities amounted to USD 48 (29) million.

Net cash inflow from financing activities was USD 66 million, compared to an outflow of 454 million in the previous quarter. The main items consisted of the issuance of new bonds amounting to USD 1.5 billion, repayment of bonds amounting to 1 billion and dividend disbursements of USD 348 (348) million.

Dividends

The Annual General Meeting has authorised the Board to approve the distribution of dividends pursuant to section 8-2 (2) of the Norwegian Public Limited Companies Act.

During the second quarter 2023, the company paid a dividend of USD 0.55 per share. On 12 July 2023, the Board resolved to pay a quarterly dividend of USD 0.55 per share in the third quarter 2023, which will be disbursed on or about 26 July 2023. The ex-dividend date is 18 July 2023.

Hedging

The company uses various types of economic hedging instruments. Commodity derivatives are used to mitigate the financial consequences of potential significant negative movements in oil and gas prices. Aker BP currently has limited exposure to fluctuations in interest rates, but generally manages such exposure by using interest rate derivatives. Foreign exchange derivatives are used to manage the company's exposure to currency risks, mainly costs in NOK, EUR, and GBP. Derivatives are marked to market with changes in market value recognized in the income statement.

The company had no material commodity derivatives exposure per 30 June 2023.

REPORT FOR THE FIRST HALF 2023

	UNIT	H1 2023	H1 2022 RESTATED
Net petroleum production	mboepd	466.8	194.7
Total income	USDm	6 601	4 318
Operating profit	USDm	4 218	2 864
Profit before taxes	USDm	4 031	2 888
Net profit/loss	USDm	584	727
Net interest-bearing debt	USDm	3 565	3 835

The company changed its accounting principle for abandonment provisions in the fourth quarter 2022. The change is related to the discount rate applied in the calculation which will now consist of a risk-free rate only, while it historically has included a credit risk element. This contributes to an increase in the book value of the abandonment provisions and the corresponding assets and leads to higher depreciation. In the fourth quarter 2022, the company also revised its accounting policy related to deferred tax on capitalised interests, increasing the applied deferred tax rate from 22 to 78 percent. Prior periods have been restated accordingly.

The Lundin transaction was completed on 30 June 2022 and almost doubled the group's production and revenue from 1 July 2022. Hence, the first half of 2022 represents the period prior to the Lundin transaction and is thus not directly comparable with the first half of 2023.

During the first six months of 2023, the company reported total income of USD 6,601 (4,318) million. The increase compared to the first half 2022 was mainly driven by production contributions from the Lundin transaction. Production in the period increased to 466.8 (194.7) thousand barrels of oil equivalent per day (mboepd). Average realised liquids prices decreased to USD 77.6 per barrel of oil equivalent (boe), compared to USD 108.0 in the first half 2022, while the average realised price for natural gas decreased to USD 80.8 (161.7) per boe.

Production costs for the oil and gas sold were USD 510 (411) million. Production costs were USD 6.3 (11.8) per produced boe.

Exploration expenses amounted to USD 125 (125) million. EBITDA amounted to USD 5,937 (3,755) million and operating profit was USD 4,218 (2,864) million. Net profit for the first half of 2023 was USD 584 million, compared to a net profit of USD 727 million for the first half of 2022.

Net cash flow from operating activities amounted to USD 1,803 (2,562) million, driven by increased tax payments. Net cash flow to investment activities amounted to USD 1,482 (1,908) million, with the decrease mainly caused by cash consideration paid for Lundin Energy in 2022. Net cash outflow from financing activities was USD 388 million, compared to an outflow of USD 458 million in the previous period.

As of 30 June 2023, the company had net interest-bearing debt of USD 3,565 (3,835) million. Available liquidity was USD 6.1 (5.6) billion comprising of cash and cash equivalents of USD 2,689 (2,154) million and undrawn credit facilities of USD 3.4 (3.4) billion.

Health, Safety, Security and Environment (HSSE) remains the number one priority in all of Aker BP's activities. The company strives to ensure that all its operations, drilling campaigns and projects are carried out under the highest HSSE standards. The company continued to deliver strong HSSE performance during the first half of 2023, with a strong safety record including TRIF of 1.6 and CO_2 emissions of 2.7 kg per boe.

BUSINESS DEVELOPMENT

Licence transactions

Aker BP engaged in multiple license agreements and swaps during the second quarter:

- Purchased a 20 percent interest in production licenses 886 and 886B from Sval Energi, and subsequently traded these away to ConocoPhillips in exchange for a 40 percent interest in production license 782 SC/SB
- Sold a 10 percent interest in production licence 1008 to Wintershall Dea
- Entered a license swap agreement with Vår Energi, wherein Aker BP received a 10 percent interest in production licenses 984 and 984BS in exchange for a 20 percent interest in production license 932

The transactions are subject to government approvals.

OPERATIONAL REVIEW

Aker BP's net production was 43.7 (40.7) million barrels oil equivalent (mmboe) in the second quarter 2023, corresponding to 480.7 (452.7) mboepd. Net sold volume was 477.4 (449.6) mboepd.

Alvheim Area

KEY FIGURES	AKER BP INTEREST*	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Production, mboepd						
Alvheim	80% (65%)	31.8	32.3	35.3	38.1	35.3
Bøyla (incl. Frosk)	80% (65%)	7.1	4.6	3.3	1.8	1.3
Skogul	65%	1.5	1.3	1.6	1.9	2.5
Vilje	46.904%	1.7	1.8	2.2	1.9	2.0
Volund	100% (65%)	2.9	2.8	3.5	5.7	2.8
Total production		45.0	42.8	45.8	49.4	43.8
Production efficiency		100 %	98 %	99 %	100 %	97 %

*Production prior to the third quarter 2022 does not incorporate production related to Lundin Energy's ownership shares in the area. Aker BP's interest prior to the third quarter 2022 is presented in brackets.

Production from the Alvheim area was 45 mboepd net to Aker BP. This is an increase from the previous quarter as Frosk had its first full quarter of production following the production start in March. Production efficiency ended at 100 percent for the quarter.

The lifetime extension project for the Alvheim FPSO is progressing as planned. The purpose is to prolong the lifetime to 2040. The project progressed its technical studies and scope maturation during the second quarter.

The Kobra East & Gekko (KEG) project is progressing on track. The 4-well drilling campaign began in January and has advanced ahead of schedule, with the first two wells already completed and the third currently underway. Initially, production from KEG was planned to commence in the first quarter of 2024. However, considering the strong progress in drilling, there is a possibility of accelerating production to 2023.

The Tyrving Plan for Development and Operations (PDO) was approved by the Ministry of Petroleum and Energy (MPE) 8 June 2023. Fabrication is still ongoing on several locations and the pipelay campaign has commenced during the second quarter. Drilling of the three Tyrving wells is scheduled to start in the first quarter of 2024 with production start in 2025.

Edvard Grieg & Ivar Aasen

KEY FIGURES	AKER BP INTEREST*	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Production, mboepd						
Edvard Grieg Area	65% (0%)	74.9	71.8	86.1	84.8	-
Ivar Aasen	36.1712% (34.7862%)	14.4	12.6	13.6	14.2	7.0
Total production		89.3	84.3	99.7	99.0	7.0
Production efficiency		97 %	87 %	99 %	99 %	52 %

*Production prior to the third quarter 2022 does not incorporate production related to Lundin Energy's ownership shares in the area. Aker BP's interest prior to the third quarter 2022 is presented in brackets.

Net production from Edvard Grieg & Ivar Aasen increased to 89.3 mboepd in the second quarter, driven by increased production efficiency following unplanned shut-downs in the previous quarter.

The Edvard Grieg IOR campaign for 2023 progressed as planned. Two of the three wells were brought on stream in the second quarter. The final well is to be put on stream in the third quarter.

The Hanz project is progressing according to plan. Pipelines to Ivar Aasen have been installed successfully and the project is ready for drilling of the production wells in the third quarter 2023. First oil is expected in first quarter 2024.

The Utsira High Project is progressing as planned with main contracts signed and detailed engineering and procurement ongoing. The project consists of two separate subsea tie-in projects. Symra (previously named Lille Prinsen) will be a tie-in to the Ivar Aasen platform, while Solveig phase 2 will be connected to the Edvard Grieg platform. Drilling will commence in third quarter 2025, while production start-up is scheduled for first quarter 2026 for Solveig and first quarter 2027 for Symra. Gross recoverable resources are estimated to 85 million barrels oil equivalent, and total investments are estimated to approximately NOK 16 billion in real terms. Aker BP is the operator for both developments.

Johan Sverdrup

KEY FIGURES	AKER BP INTEREST*	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Production, mboepd						
Total production	31.5733% (11.5733%)	243.8	215.7	180.6	162.0	57.9

*Production prior to the third quarter 2022 does not incorporate production related to Lundin Energy's ownership shares in Johan Sverdrup. Aker BP's interest prior to the third quarter 2022 is presented in brackets.

Johan Sverdrup produced safely and with high production efficiency in the second quarter.

Production was further ramped up to 755 mbblpd (gross) after successful testing of the Phase 2 facilities together with the existing field centre facilities.

Three new oil production wells were drilled, one from the field centre and two from the Phase 2 subsea templates. The new wells are expected to be put on production during the summer and will bring the total number of producing wells up to 26

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Skarv Area

KEY FIGURES	AKER BP INTEREST	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Production, mboepd						
Total production	23.835 %	41.7	41.8	41.6	42.1	38.9
Production efficiency		98 %	99 %	97 %	97 %	90 %

Skarv produced safely with stable rates at 41.7 mboepd. Production efficiency remained high at 98 percent.

Plan for Development and Operations (PDO) for three separate developments in the Skarv area was approved by the MPE in June. The developments, coordinated by the Skarv Satellite Project (SSP), consist of the gas and condensate discoveries Alve Nord, Idun Nord and Ørn. These projects are estimated to bring approximately 120 million barrels of oil equivalent (gross) through Skarv FPSO from 2027. The SSP project has now entered the execution phase, with detailed engineering and procurement ongoing. Drilling is planned to commence in 2025.

Ula Area

KEY FIGURES	AKER BP INTEREST	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Production, mboepd						
Ula	80 %	6.0	6.1	4.1	2.8	1.9
Tambar	55 %	1.5	2.0	0.7	1.4	0.6
Oda	15 %	1.0	2.5	4.0	4.4	1.2
Total production		8.6	10.6	8.8	8.7	3.7
Production efficiency		72 %	80 %	56 %	62 %	36 %

Production from the Ula area was 8.6 mboepd net to Aker BP in the second quarter. The reduction from the previous quarter was mainly driven by reduced production from the Oda field due to oil and water separation challenges and related maintenance on the main processing plant.

A project is underway to establish a late-life strategy for Ula, to facilitate safe and profitable operations until cease of production in 2028. In parallel, a field decommissioning study to prepare a work program for well plugging and platform removal is ongoing.

Valhall Area

KEY FIGURES	AKER BP INTEREST	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Production, mboepd						
Valhall	90%	41.5	42.9	42.4	40.7	29.1
Hod	90%	10.8	14.5	13.1	10.0	0.8
Total production		52.2	57.4	55.5	50.6	29.9
Production efficiency		89 %	91 %	89 %	87 %	56 %

Production from the Valhall area was 52 mboepd net to Aker BP, with continued good well performance. The production efficiency was reduced to 89 percent due to a planned shutdown.

The Noble Integrator rig continued to support the stimulation and intervention activities at Valhall, aimed at bringing more wells up to their full production potential. During the second quarter the rig started the first phase of a campaign to permanently plug and abandon eight wells at the old Hod A platform. The second phase of this campaign is planned to commence in the second half of 2023 with the rig Noble Invincible.

Valhall PWP-Fenris

The Plan for Development and Operations (PDO) for the joint Valhall PWP & Fenris development project (previously named Valhall NCP & King Lear) was approved by the MPE in June 2023.

The joint development project comprises a new centrally located production and wellhead platform (PWP) bridge-linked to the Valhall central complex with 24 well slots, and an unmanned installation with 8 slots at Fenris tied back 50 kilometres to the PWP. The main ongoing activities are detailed engineering and procurement, which are progressing according to plan. In the second quarter fabrication was started at the Aker Solutions yard in Verdal.

Total recoverable resources for Valhall PWP-Fenris are estimated to be 230 mmboe gross, divided into 160 mmboe at Fenris and 70 mmboe at Valhall. The development plan includes a total of 19 wells, of which 15 at Valhall PWP and 4 at Fenris. Production start is planned in 2027.

The project will also involve a modernisation of Valhall that ensures continued operation when parts of the current infrastructure are to be phased out in 2028, thus enabling production of the remaining Valhall reserves from 2029 onwards, which are estimated at 135-140 mmboe gross. In addition, the project will add gas capacity to Valhall and thus enable Valhall to serve as a hub for potential new gas discoveries in the future.

The development will leverage Valhall's existing power from shore system with minimal emissions, estimated at less than 1 kg CO_2/boe.

Yggdrasil

The Yggdrasil area (formerly NOAKA) is located between Oseberg and Alvheim in the Norwegian North Sea. The area holds several oil and gas discoveries with gross recoverable resources estimated at around 650 million barrels of oil equivalents, with further exploration and appraisal potential.

Yggdrasil consist of the licence groups Hugin, Fulla and Munin. The partners in the licences are Aker BP ASA, Equinor ASA and LOTOS Exploration & Production Norge AS. Aker BP is the operator and will develop and operate the full area.

The final investment decision for the development of Yggdrasil was made by the partners in fourth quarter 2022, and in June 2023 the plans for development and operation were approved by the MPE. Gross investments in the area are estimated to NOK 115 billion in real terms. Production start is planned in 2027.

The Yggdrasil development concept includes a processing platform with well area and living quarters, Hugin A. It will function as an area hub. Hugin A is planned with low manning levels and is also being developed to be periodically unmanned after a few years of operation.

The Frøy field will be developed with a normally unmanned wellhead platform, Hugin B, that will be tied back to Hugin A. Munin will be developed with an unmanned production platform, which will be tied back to Hugin A for oil and produced water processing.

Yggdrasil also represents an extensive subsea development with a total of nine templates, pipelines and umbilicals. 55 wells are planned in the area, of which 38 subsea wells and 17 platform wells. Additionally, the area concept has a high degree of flexibility for potential tie-in of new discoveries.

The Yggdrasil area will be powered from shore to ensure minimal carbon footprint. In March, the MPE awarded Aker BP a licence to connect the platforms in the Yggdrasil area to the onshore power grid.

The Yggdrasil development is now in the execution phase, and the main priorities are currently detailed engineering and procurement. Construction across both Norwegian and international sites is planned to commence this autumn.

In May 2023, Aker BP made a significant oil discovery in the Yggdrasil area in the Øst Frigg Beta/Epsilon exploration well. The discovery is estimated at 53-90 million recoverable barrels of oil equivalent, and studies are underway with the aim to include this new discovery in the scope of the Yggdrasil development project.

EXPLORATION

Total exploration spend in the second quarter was USD 91 (119) million, while USD 27 (98) million was recognised as exploration expenses in the period, relating to dry well costs, seismic, area fees, field evaluation and G&G costs.

The Øst Frigg Beta/Epsilon exploration well in the Yggdrasil was drilled in the quarter. The well resulted in a discovery of 53-90 mmboe, twice as large as the original pre-drill estimate. The discovery is located within production licences 873 and 442. Aker BP is the operator of both licences with an interest of 47.7 and 87.7 percent respectively.

Drilling of the Carmen well in licence 1148 started in the second quarter and was completed in July as a discovery. Aker BP has a 10 percent interest in the licence.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

HSSE is always the number one priority in all of Aker BP's activities. The company strives to ensure that all its operations, drilling campaigns and projects are carried out under the highest HSSE standards.

KEY HSSE INDICATORS	UNIT	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Total recordable injury frequency (TRIF) L12M	Per mill. exp. hours	1.6	1.1	1.1	1.3	1.6
Serious incident frequency (SIF) L12M	Per mill. exp. hours	0.2	0.3	0.4	0.2	0.2
Acute spill	Count	1	1	0	0	0
Process safety events Tier 1 and 2	Count	0	0	0	0	0
GHG emissions intensity*, equity share	Kg CO_2e/boe	2.6	2.9	3.2	3.8	5.3

*The definition of emissions intensity has been changed from previous quarterly reports, and now also includes emissions of methane and N_2O, as well as CO_2 emissions from exploration activities. Previous periods have been restated accordingly.

Safety
The total recordable injuries frequency (TRIF) increased from last quarter due to an increase in the number of personal injuries (all classified with low or moderate severity) which require medical treatment. All injuries are being followed up and investigated in accordance with the company's governing system, and mitigating actions are implemented when necessary.

The serious incident frequency (SIF) went down from the previous quarter, as no serious incidents have been recorded in 2023.

The company had one chemical spill incident in the quarter, involving a leak of 2.5 m^3 of hypochlorite from a pipe flange at Ula.

Decarbonisation
Aker BP's greenhouse gas (GHG) emissions intensity was further reduced to 2.6 (2.9) kg CO_2e per boe in the quarter. The main driver for the reduction was an increased share of production from electrified fields, combined with continued focus on energy efficiency improvements.

OUTLOOK

The Board is of the opinion that Aker BP is uniquely positioned for value creation. The key characteristics of the company are:

- A world-class portfolio of producing assets operated with high efficiency and low cost
- Among the industry's lowest GHG emissions intensity and a clear pathway to net zero
- A comprehensive improvement agenda to drive industrial transformation through alliances and digitalisation
- A unique resource base that enables strong growth based on highly profitable projects in a capital-efficient tax system
- A strong financial framework allowing the company to fund its growth plans and growing dividends in parallel

Guidance
The company's financial plan for 2023 has been updated to reflect the strong performance in the first half, and consists of the following key parameters:

- Production of 445-470 mboepd (previously 430-460)
- Capex of USD 3.0-3.5 billion (unchanged)
- Exploration spend of USD 400-500 million (unchanged)
- Abandonment spend of USD 100-200 million (unchanged)
- Production cost of USD 6.0-7.0 per boe (previously 7.0-8.0)
- Quarterly dividends of USD 0.55 per share, equivalent to an annualised level of USD 2.2 per share (unchanged)

Disclaimer
Forward-looking statements in this report reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may not be within our control. All figures are presented in USD unless otherwise stated, and figures in brackets apply to the previous quarter restated.

FINANCIAL STATEMENTS WITH NOTES

INCOME STATEMENT (UNAUDITED)

				Group		
		Q2	Q1	Q2	01.01.-30.06.	
				Restated		Restated
(USD 1 000)	Note	2023	2023	2022	2023	2022
Petroleum revenues		3 259 914	3 298 239	1 991 666	6 558 153	4 241 488
Other income		30 706	12 115	34 683	42 821	76 149
Total income	2	**3 290 620**	**3 310 354**	**2 026 349**	**6 600 974**	**4 317 637**
Production expenses	3	246 953	263 338	190 394	510 291	410 525
Exploration expenses	4	27 278	97 692	67 301	124 970	124 824
Depreciation	6	645 066	598 952	251 116	1 244 018	550 552
Impairments	5,6	101 533	373 210	340 814	474 742	340 814
Other operating expenses		12 649	16 161	20 098	28 810	27 139
Total operating expenses		**1 033 479**	**1 349 352**	**869 723**	**2 382 831**	**1 453 853**
Operating profit/loss		**2 257 141**	**1 961 002**	**1 156 626**	**4 218 143**	**2 863 784**
Interest income		27 535	25 364	5 450	52 899	6 800
Other financial income		199 780	314 593	210 459	495 885	324 147
Interest expenses		41 111	43 617	27 101	84 728	46 833
Other financial expenses		236 032	433 693	238 093	651 237	260 358
Net financial items	8	**-49 828**	**-137 353**	**-49 285**	**-187 181**	**23 756**
Profit/loss before taxes		**2 207 313**	**1 823 649**	**1 107 341**	**4 030 962**	**2 887 540**
Tax expense (+)/income (-)	9	1 810 581	1 636 669	901 566	3 447 250	2 160 189
Net profit/loss		**396 732**	**186 980**	**205 775**	**583 712**	**727 350**
Weighted average no. of shares outstanding basic and diluted		631 793 145	631 793 145	359 787 854	631 793 145	359 787 854
Basic and diluted earnings/loss USD per share		0.63	0.30	0.57	0.92	2.02

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

				Group		
		Q2	Q1	Q2	01.01.-30.06.	
				Restated		Restated
(USD 1 000)	Note	2023	2023	2022	2023	2022
Profit/loss for the period		396 732	186 980	205 775	583 712	727 350
Total comprehensive income/loss in period		**396 732**	**186 980**	**205 775**	**583 712**	**727 350**

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

		Group			
(USD 1 000)	Note	30.06.2023	31.03.2023	31.12.2022	Restated 30.06.2022
ASSETS					
Intangible assets					
Goodwill	6	13 553 989	13 635 654	13 934 986	14 245 735
Capitalised exploration expenditures	6	315 660	273 097	251 736	202 667
Other intangible assets	6	2 203 358	2 254 664	2 344 354	2 658 270
Tangible fixed assets					
Property, plant and equipment	6	16 218 392	16 219 528	15 886 659	16 619 677
Right-of-use assets	6	460 080	322 819	111 336	134 384
Financial assets					
Long-term receivables		165 242	166 368	169 528	78 639
Other non-current assets		101 403	103 420	104 480	106 804
Long-term derivatives	12	1 880	1 607	2 907	-
Total non-current assets		**33 020 005**	**32 977 157**	**32 805 987**	**34 046 175**
Inventories					
Inventories		173 964	193 178	209 506	160 347
Financial assets					
Trade receivables		486 480	580 093	950 942	735 887
Other short-term receivables	10	932 369	894 160	686 237	676 452
Short-term derivatives	12	10 243	3 165	153 096	8 374
Cash and cash equivalents					
Cash and cash equivalents	11	2 688 845	3 280 245	2 756 012	2 153 644
Total current assets		**4 291 901**	**4 950 842**	**4 755 793**	**3 734 705**
TOTAL ASSETS		**37 311 906**	**37 927 999**	**37 561 780**	**37 780 880**

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

		Group			
(USD 1 000)	Note	30.06.2023	31.03.2023	31.12.2022	Restated 30.06.2022
EQUITY AND LIABILITIES					
Equity					
Share capital		84 348	84 348	84 348	84 348
Share premium		12 946 640	12 946 640	12 946 640	12 946 640
Other equity		-714 994	-764 114	-603 482	-1 112 295
Total equity		**12 315 993**	**12 266 874**	**12 427 506**	**11 918 692**
Non-current liabilities					
Deferred taxes	9	9 725 278	9 502 412	9 359 146	9 333 441
Long-term abandonment provision	15	4 160 762	4 308 764	4 050 396	4 673 417
Long-term bonds	14	5 765 847	5 304 158	5 279 164	5 234 200
Long-term derivatives	12	58 553	45 807	16 981	34 889
Long-term lease debt	7	372 075	244 428	98 095	105 742
Other interest-bearing debt		-	-	-	600 000
Other non-current liabilities		82 340	82 366	82 306	82 385
Total non-current liabilities		**20 164 853**	**19 487 935**	**18 886 088**	**20 064 073**
Current liabilities					
Trade creditors		158 179	69 813	133 875	130 711
Accrued public charges and indirect taxes		28 851	22 291	36 632	55 872
Tax payable	9	3 350 867	4 757 530	5 084 142	4 253 494
Short-term derivatives	12	156 075	184 580	34 924	374 743
Short-term abandonment provision	15	143 918	144 356	115 202	81 337
Short-term lease debt	7	116 290	101 216	36 298	49 035
Other current liabilities	13	876 880	893 405	807 113	852 923
Total current liabilities		**4 831 059**	**6 173 190**	**6 248 186**	**5 798 114**
Total liabilities		**24 995 912**	**25 661 125**	**25 134 274**	**25 862 188**
TOTAL EQUITY AND LIABILITIES		**37 311 906**	**37 927 999**	**37 561 780**	**37 780 880**

STATEMENT OF CHANGES IN EQUITY - GROUP (UNAUDITED)

			Other equity					
				Other comprehensive income				
(USD 1 000)	**Share capital**	**Share premium**	Other paid-in capital	Actuarial gains/losses	Foreign currency translation reserves	Accumulated deficit	**Total other equity**	**Total equity**
Restated equity as of 31.12.2021	**57 056**	**3 637 297**	573 083	-76	-115 491	-1 955 054	**-1 497 538**	**2 196 814**
Dividend distributed	-	-	-	-	-	-171 054	-171 054	-171 054
Restated profit/loss for the period	-	-	-	-	-	521 575	521 575	521 575
Restated equity as of 31.03.2022	**57 056**	**3 637 297**	573 083	-76	-115 491	-1 604 533	**-1 147 017**	**2 547 335**
Dividend distributed	-	-	-	-	-	-171 054	-171 054	-171 054
Private placement	27 292	9 309 343	-	-	-	-	-	9 336 636
Restated profit/loss for the period	-	-	-	-	-	205 775	205 775	205 775
Restated equity as of 30.06.2022	**84 348**	**12 946 640**	573 083	-76	-115 491	-1 569 811	**-1 112 295**	**11 918 692**
Dividends distributed	-	-	-	-	-	-663 623	-663 623	-663 623
Restated profit/loss for the period	-	-	-	-	-	875 590	875 590	875 590
Net sale of treasury shares	-	-	-	-	-	1 524	1 524	1 524
Other comprehensive income for the period	-	-	-	-3	295 325	-	295 323	295 323
Equity as of 31.12.2022	**84 348**	**12 946 640**	573 083	-78	179 834	-1 356 320	**-603 482**	**12 427 506**
Dividend distributed	-	-	-	-	-	-347 612	-347 612	-347 612
Profit/loss for the period		-	-	-	-	186 980	186 980	186 980
Equity as of 31.03.2023	**84 348**	**12 946 640**	573 083	-78	179 834	-1 516 952	**-764 114**	**12 266 874**
Dividend distributed	-	-	-	-	-	-347 612	-347 612	-347 612
Profit/loss for the period	-	-	-	-	-	396 732	396 732	396 732
Equity as of 30.06.2023	**84 348**	**12 946 640**	573 083	-78	179 834	-1 467 833	**-714 994**	**12 315 993**

STATEMENT OF CASH FLOWS (UNAUDITED)

		Group				
		Q2	Q1	Q2	01.01.-30.06.	
				Restated		Restated
(USD 1 000)	Note	2023	2023	2022	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES						
Profit/loss before taxes		2 207 313	1 823 649	1 107 341	4 030 962	2 887 540
Taxes paid	9	-2 816 961	-1 568 942	-748 060	-4 385 903	-1 136 316
Depreciation	6	645 066	598 952	251 116	1 244 018	550 552
Impairment	5,6	101 533	373 210	340 814	474 742	340 814
Expensed capitalised dry wells	4,6	5 043	63 771	33 676	68 814	73 118
Accretion expenses related to abandonment provision	8,15	39 937	40 354	21 551	80 292	42 894
Total interest expenses	8	41 111	43 617	27 101	84 728	46 833
Changes in unrealised gain/loss in derivatives	2,8	-23 110	329 713	211 778	306 603	180 114
Changes in inventories, trade creditors/receivables and accrued income		207 165	133 760	200 652	340 925	-81 087
Changes in other balance sheet items		-285 759	-156 069	-259 399	-441 829	-342 597
NET CASH FLOW FROM OPERATING ACTIVITIES		**121 338**	**1 682 014**	**1 186 570**	**1 803 352**	**2 561 865**
CASH FLOW FROM INVESTMENT ACTIVITIES						
Payment for removal and decommissioning of oil fields	15	-48 445	-28 564	-36 204	-77 008	-52 245
Disbursements on investments in fixed assets (excluding capitalised interest)	6	-663 488	-597 442	-270 769	-1 260 931	-606 076
Disbursements on investments in capitalised exploration	6	-64 166	-79 409	-76 257	-143 576	-124 813
Consideration paid in Lundin Energy transaction net of cash acquired		-	-	-1 242 784	-	-1 242 784
Cash received from sale of financial asset		-	-	-	-	118 005
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**-776 100**	**-705 415**	**-1 626 013**	**-1 481 515**	**-1 907 912**
CASH FLOW FROM FINANCING ACTIVITIES						
Net drawdown/repayment/fees related to revolving credit facility		-975	-	-1 050	-975	-1 050
Repayment of bonds		-1 000 000	-	-	-1 000 000	-
Net proceeds from bond issue		1 488 410	-	-	1 488 410	-
Interest paid (including interest element of lease payments)		-38 340	-77 979	-17 712	-116 319	-73 106
Payments on lease debt related to investments in fixed assets		-18 520	-14 797	-10 704	-33 317	-28 834
Payments on other lease debt		-17 028	-13 524	-9 170	-30 552	-12 804
Paid dividend		-347 612	-347 612	-171 054	-695 224	-342 108
NET CASH FLOW FROM FINANCING ACTIVITIES		**65 935**	**-453 913**	**-209 689**	**-387 978**	**-457 902**
Net change in cash and cash equivalents		**-588 827**	**522 686**	**-649 132**	**-66 141**	**196 051**
Cash and cash equivalents at start of period		3 280 245	2 756 012	2 816 731	2 756 012	1 970 906
Effect of exchange rate fluctuation on cash held		-2 573	1 547	-13 955	-1 026	-13 312
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11	**2 688 845**	**3 280 245**	**2 153 644**	**2 688 845**	**2 153 644**

NOTES (unaudited)

(All figures in USD 1 000 unless otherwise stated)

These unaudited condensed consolidated interim financial statements ("interim financial statements") have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS") IAS 34 "Interim Financial Reporting", thus the interim financial statements do not include all information required by IFRS and should be read in conjunction with the group's 2022 annual financial statements. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have been subject to a review in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The acquisition of the Lundin Energy's oil and gas business ("Lundin Energy") was completed on 30 June 2022, and the transaction was thus reflected in the statement of financial position in the second quarter 2022 report. Hence, Q2 2023 is not directly comparable to Q2 2022 since the latter does not include any activity from Lundin Energy. At 31 December 2022, the merger processes with the legacy Lundin Energy entities were completed. These entities had other functional currency than USD which gave rise to significant currency translation elements in the group consolidation. From 1 January 2023 the activity in the legacy Lundin entities are carried out in the legal entity Aker BP ASA and the mentioned impact on comprehensive income is thus no longer present.

These interim financial statements were authorised for issue by the company's Board of Directors on 12 July 2023.

Note 1 Accounting principles

The accounting principles used for this interim report are consistent with the principles used in the group's 2022 annual financial statements. This includes two changes in accounting principles as described below. The comparison periods Q2 2022 and 1 January to 30 June 2022 have been restated accordingly in this report.

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Discount rate for abandonment provisions

As described in the accounting principles in the 2021 Annual Financial Statements, the discount rate for calculating abandonment provisions has historically included a credit element in addition to a risk free rate. In line with the development in industry practice with regards to the interpretation of the relevant guidelines in IAS 37, the company changed the discount rate in Q4 2022 so that this no longer includes a credit element. Comparative figures from 1 January 2021 was restated accordingly. The table below shows the restatement impact for the comparison period Q2 2022, 1 January to 30 June 2022 and 1 January to 31 December 2021.

Breakdown of restatement impact on the income statement (USD 1 000)	**Q2 2022**	**01.01.-30.06. 2022**	**01.01.-31.12. 2021**
Depreciation - prior to restatement	198 875	430 000	964 083
Depreciation - after restatement	251 116	550 552	1 192 889
Change	52 241	120 552	228 807
Impairment - prior to restatement	422 034	422 034	262 554
Impairment - after restatement	340 814	340 814	262 554
Change	-81 220	-81 220	-
Net financial items - prior to restatement	-61 778	-315	-241 718
Net financial items - after restatement	-49 285	23 756	-189 913
Change	12 493	24 071	51 804
Tax expense/income - prior to restatement	878 370	2 178 389	2 222 080
Tax expense/income - after restatement	910 719	2 166 485	2 084 012
Change	32 349	-11 904	-138 069
Net profit/loss - prior to restatement	187 500	724 411	850 704
Net profit/loss - after restatement	196 622	721 055	811 771
Change	9 122	-3 357	-38 933

Breakdown of restatement impact on the statement of financial position (USD 1 000)	**30.06.2022**	**31.12.2021**
Property, plant and equipment - prior to restatement	15 987 869	7 976 308
Property, plant and equipment - after restatement	16 619 677	10 214 438
Change	631 808	2 238 131
Long-term abandonment provision - prior to restatement	3 849 345	2 656 358
Long-term abandonment provision - after restatement	4 673 417	5 071 491
Change	824 072	2 415 133
Deferred tax - prior to restatement	9 383 567	3 323 213
Deferred tax - after restatement	9 233 594	3 185 144
Change	-149 973	-138 069
Equity - prior to restatement	12 060 830	2 341 891
Equity - after restatement	12 018 539	2 302 957
Change	-42 290	-38 933

Deferred tax on capitalised interest
The tax regime for oil and gas companies in Norway limits the tax deduction on parts of the company's interest expenses to 22 percent, while the general tax rate in the industry is 78 percent. Parts of these interest expenses have been capitalised as Property, plant and equipment, and deferred tax has been calculated at 22 percent in line with the tax deduction outside the special tax regime, in line with industry peers. The company has revised its accounting policy, and concluded to change the applied deferred tax rate from 22 to 78 percent for interest capitalised as Property, plant and equipment, to better reflect the tax consequences that would follow from the manner in which the company expects to recover the carrying amount of Property, plant and equipment. Prior periods have been restated accordingly. The figures below include the restatements related to abandonment provisions in the table above, to the extent applicable.

Breakdown of restating impact on the income statement (USD 1 000)	**Q2 2022**	**01.01.-30.06. 2022**	**01.01.-31.12. 2021**
Tax expense/income - prior to restating	910 719	2 166 485	2 084 012
Tax expense/income - after restating	901 566	2 160 189	2 067 855
Change	-9 153	-6 296	-16 157
Net profit/loss - prior to restatement	196 622	721 055	811 771
Net profit/loss - after restatement	205 775	727 350	827 928
Change	9 153	6 296	16 157

Breakdown of restating impact on the statement of financial position (USD 1 000)	**30.06.2022**	**31.12.2021**
Deferred tax - prior to restating	9 233 594	3 185 144
Deferred tax - after restating	9 333 441	3 291 287
Change	99 847	106 143
Equity - prior to restating	12 018 539	2 302 957
Equity - after restating	11 918 692	2 196 814
Change	-99 847	-106 143

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty are in all material respects the same as those that were applied in the group's 2022 annual financial statements.

Note 2 Income

Breakdown of petroleum revenues (USD 1 000)	Q2 2023	Q1 2023	Group Q2 2022	01.01.-30.06. 2023	01.01.-30.06. 2022
Sales of liquids	2 857 525	2 711 519	1 363 769	5 569 044	2 917 697
Sales of gas	398 503	581 865	626 316	980 368	1 319 450
Tariff income	3 886	4 854	1 581	8 740	4 341
Total petroleum revenues	**3 259 914**	**3 298 239**	**1 991 666**	**6 558 153**	**4 241 488**
Sales of liquids (boe 1 000)	37 212	34 567	11 604	71 779	27 006
Sales of gas (boe 1 000)	6 233	5 896	4 105	12 129	8 158
Other income (USD 1 000)					
Realised gain (+)/loss (-) on commodity derivatives	-	-34	28 657	-34	26 339
Unrealised gain (+)/loss (-) on commodity derivatives	-541	-1 083	-28 706	-1 624	9 742
Gain on license transactions	-	-	11 000	-	11 000
Other income[1]	31 246	13 232	23 733	44 479	29 067
Total other income	**30 706**	**12 115**	**34 683**	**42 821**	**76 149**

[1] The figure includes insurance settlements on Ivar Aasen and Skarv

Note 3 Production expenses

Breakdown of production expenses (USD 1 000)	Q2 2023	Q1 2023	Group Q2 2022	01.01.-30.06. 2023	01.01.-30.06. 2022
Cost of operations	152 994	200 937	147 398	353 930	297 419
Shipping and handling	73 962	74 432	39 382	148 394	89 070
Environmental taxes	16 753	16 478	10 986	33 231	29 211
Production expenses based on produced volumes	**243 709**	**291 847**	**197 766**	**535 556**	**415 701**
Adjustment for over (+)/underlift (-)	3 244	-28 509	-7 372	-25 265	-5 176
Production expenses based on sold volumes	**246 953**	**263 338**	**190 394**	**510 291**	**410 525**
Total produced volumes (boe 1 000)	43 742	40 742	16 494	84 484	35 232
Production expenses per boe produced (USD/boe)	5.6	7.2	12.0	6.3	11.8

Note 4 Exploration expenses

Breakdown of exploration expenses (USD 1 000)	Q2 2023	Q1 2023	Group Q2 2022	01.01.-30.06. 2023	2022
Seismic	1 817	12 339	19 103	14 156	20 549
Area fee	4 156	5 062	3 026	9 218	7 381
Field evaluation	2 247	1 836	1 797	4 084	6 108
Dry well expenses	5 043	63 771	33 676	68 814	73 118
G&G and other exploration expenses	14 014	14 684	9 699	28 698	17 667
Total exploration expenses	**27 278**	**97 692**	**67 301**	**124 970**	**124 824**

Note 5 Impairments

Impairment testing

Impairment tests of individual cash-generating units are performed when impairment/reversal triggers are identified, and goodwill is tested for impairment at least annually. In Q2 2023, impairment test has been performed for fixed assets and related intangible assets, including technical goodwill.

Impairment is recognised when the book value of an asset or a cash-generating unit, including associated goodwill, exceeds the recoverable amount. Correspondingly, a reversal of impairment is recognised when the recoverable amount exceeds the book value. Prior period impairment of goodwill is not subject to reversal. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. The impairment testing for Q2 has been performed in accordance with the fair value method (level 3 in fair value hierarchy) and based on discounted cash flows. The expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money, and the specific risk related to the asset. The discount rate is derived from the weighted average cost of capital (WACC) for a market participant. Cash flows are projected for the estimated lifetime of the fields, which may exceed periods greater than five years.

For producing licenses and licenses in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as of 30 June 2023.

Prices

Future price level is a key assumption and has significant impact on the net present value. Forecasted oil and gas prices are based on management's estimates and available market data. Information about market prices in the near future can be derived from the futures contract market. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil and gas prices are therefore based on the forward curve from the beginning of Q3 2023 to the end of Q2 2026. From Q3 2026, the oil and gas prices are based on the company's long-term price assumptions. Long-term gas price assumption is unchanged from previous quarter. Long-term oil price assumption for the period 2027 to 2035 is updated from 65.0 USD/BOE applied in 2022 and Q1 2023.

The nominal oil prices applied in the impairment test are as follows:

Year	USD/BOE
2023	75.1
2024	73.4
2025	71.0
2026	71.9
From 2027 to 2035 (in real 2023 terms)	70.0
From 2036 (in real 2023 terms)	65.0

The nominal gas prices applied in the impairment test are as follows:

Year	GBP/therm
2023	1.08
2024	1.35
2025	1.14
2026	0.84
From 2027 (in real 2023 terms)	0.67

Oil and gas reserves

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable reserves including potentially additional risked volumes.

Future expenditure

Future capex, opex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost. The cost profiles include an estimated impact of the currently high cost escalation in the industry.

Discount rate

The post tax nominal discount rate used is 8.7 percent, consistent with the rate applied at Q1 2023.

Currency rates

Year	USD/NOK
2023	10.74
2024	10.64
2025	10.64
2026	9.58
From 2027	8.50

The long-term currency rate is updated from 8.00 applied in previous quarters.

Inflation

The long-term inflation rate is assumed to be 2.0 percent. The currently high cost escalation in the industry is reflected in the cash flows rather than in the inflation rate.

Impairment testing of assets including technical goodwill

The technical goodwill recognised in previous business combinations is allocated to each CGU for the purpose of impairment testing. Hence, the impairment test of technical goodwill is included in the impairment testing of assets, and the technical goodwill is written down before the asset. The carrying value of the assets is the sum of tangible assets, intangible assets and technical goodwill as of the assessment date. In line with the methodology described in the annual report, deferred tax (from the date of acquisitions) reduces the net carrying value prior to the impairment charges. When deferred tax liabilities from the acquisitions decreases as a result of depreciation, more goodwill is as such exposed for impairment. This may lead to future impairment charges even though other assumptions remain stable.

Below is an overview of the impairment charge and the carrying value per cash generating unit where impairment has been recognised in Q2 2023:

Cash-generating unit (USD 1 000)	**Edvard Grieg & Ivar Aasen CGU**
Net carrying value	4 067 413
Recoverable amount	3 985 748
Impairment/reversal (-)	**81 665**
Allocated as follows:	
Technical goodwill	81 665
Other intangible assets/license rights	-
Tangible fixed assets	-

The reason for the Edvard Grieg & Ivar Aasen CGU impairment is mainly related to decrease in short-term oil and gas prices and the decrease of deferred tax liabilities as described above, partly offset by the increase in long-term oil price.

Exploration assets

During the quarter, an impairment charge of USD 19.9 million has been recognized related to the exploration well named Ve.

Sensitivity analysis

The table below shows how the impairment or reversal of impairment of assets and technical goodwill would be affected by changes in the various assumptions, given that the remaining assumptions are constant. The figures in the table below are in all material respect related to goodwill impairment, which would have no impact on deferred tax.

		Change in impairment after	
Assumption (USD 1 000)	**Change**	**Increase in assumptions**	**Decrease in assumptions**
Oil and gas price forward period	+/- 50 %	-	2 165 605
Oil and gas price long-term	+/- 20 %	-	627 918
Production profile (reserves)	+/- 5 %	-	117 651
Discount rate	+/- 1 % point	35 478	-
Currency rate USD/NOK	+/- 2.0 NOK	-	393 192
Inflation	+/- 1 % point	-	72 123

In the annual report 2022, a sensitivity analysis towards prices from various IEA scenarios was provided, showing a significant need for impairment in the net zero scenario. The increase in long term oil price assumption increases the gap between the accounting assumptions and the prices in the net zero scenario, and would increase the need for impairment in that scenario accordingly.

Note 6 Tangible fixed assets and intangible assets

TANGIBLE FIXED ASSETS - GROUP

Property, plant and equipment (USD 1 000)	**Assets under development**	**Production facilities including wells**	**Fixtures and fittings, office machinery**	**Total**
Book value 31.12.2022	**1 614 177**	**14 196 407**	**76 075**	**15 886 659**
Acquisition cost 31.12.2022	**1 614 177**	**21 301 017**	**268 306**	**23 183 501**
Additions	497 027	389 789	2 562	889 379
Disposals/retirement	-	-	-	-
Reclassification	-215 487	227 718	3 207	15 438
Acquisition cost 31.03.2023	**1 895 718**	**21 918 525**	**274 075**	**24 088 318**
Accumulated depreciation and impairments 31.12.2022	**-**	**7 104 610**	**192 232**	**7 296 841**
Depreciation	-	532 191	8 820	541 011
Impairment/reversal (-)	30 938	-	-	30 938
Disposals/retirement depreciation	-	-	-	-
Accumulated depreciation and impairments 31.03.2023	**30 938**	**7 636 801**	**201 052**	**7 868 790**
Book value 31.03.2023	**1 864 780**	**14 281 724**	**73 024**	**16 219 528**
Acquisition cost 31.03.2023	**1 895 718**	**21 918 525**	**274 075**	**24 088 318**
Additions	519 968	34 127	2 725	556 820
Disposals/retirement	-	-	-	-
Reclassification	3 897	18 987	-	22 885
Acquisition cost 30.06.2023	**2 419 583**	**21 971 639**	**276 800**	**24 668 023**
Accumulated depreciation and impairments 31.03.2023	**30 938**	**7 636 801**	**201 052**	**7 868 790**
Depreciation	-	571 811	9 029	580 841
Impairment/reversal (-)	-	-	-	-
Disposals/retirement depreciation	-	-	-	-
Accumulated depreciation and impairments 30.06.2023	**30 938**	**8 208 612**	**210 081**	**8 449 631**
Book value 30.06.2023	**2 388 646**	**13 763 027**	**66 719**	**16 218 392**

Production facilities, including wells, are depreciated in accordance with the unit-of-production method. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3 - 5 years. Estimated future Removal and decommissining costs are included as part of cost of production facilities or fields under developement

Right-of-use assets

(USD 1 000)	Drilling Rigs	Vessels and Boats	Office	Other	Total
Book value 31.12.2022	**15 075**	**44 089**	**50 576**	**1 597**	**111 336**
Acquisition cost 31.12.2022	**17 850**	**54 723**	**77 290**	**2 303**	**152 166**
Additions	242 573	-	-	-	242 573
Allocated to abandonment activity	-1 117	-194	-	-	-1 312
Disposals/retirement	-	-	-	-	-
Reclassification	-20 764	-397	-	-	-21 161
Acquisition cost 31.03.2023	**238 543**	**54 131**	**77 290**	**2 303**	**372 267**
Accumulated depreciation and impairments 31.12.2022	**2 776**	**10 634**	**26 714**	**706**	**40 829**
Depreciation	3 970	1 072	3 532	44	8 618
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 31.03.2023	**6 746**	**11 706**	**30 246**	**750**	**49 448**
Book value 31.03.2023	**231 797**	**42 425**	**47 044**	**1 553**	**322 819**
Acquisition cost 31.03.2023	**238 543**	**54 131**	**77 290**	**2 303**	**372 267**
Additions[1)]	179 225	-	380	-	179 605
Allocated to abandonment activity	-2 758	-475	-	-	-3 233
Disposals/retirement	-	-	-	-	-
Reclassification[2)]	-25 987	-205	-	-	-26 192
Acquisition cost 30.06.2023	**389 022**	**53 452**	**77 670**	**2 303**	**522 447**
Accumulated depreciation and impairments 31.03.2023	**6 746**	**11 706**	**30 246**	**750**	**49 448**
Depreciation	8 359	984	3 532	44	12 919
Impairment/reversal (-)	-	-	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 30.06.2023	**15 105**	**12 690**	**33 777**	**794**	**62 367**
Book value 30.06.2023	**373 918**	**40 761**	**43 893**	**1 509**	**460 080**

[1)] The additions are mainly related to the rig Noble Invincible.

[2)] Reclassified mainly to tangible fixed assets in line with the activity of the right-of-use asset.

Right-of-use assets are depreciated linearly over the lifetime of the related lease contract.

INTANGIBLE ASSETS - GROUP

(USD 1 000)	Goodwill	Capitalised exploration expenditures	Other intangible assets Depreciated	Other intangible assets Not depreciated	Total
Book value 31.12.2022	**13 934 986**	**251 736**	**1 432 009**	**912 345**	**2 344 354**
Acquisition cost 31.12.2022	**15 404 399**	**450 301**	**2 361 756**	**1 302 816**	**3 664 572**
Additions	-	79 409	2 573	-	2 573
Disposals/retirement/expensed dry wells	-	63 771	-	-	-
Reclassification	-	5 723	6 946	-6 946	
Acquisition cost 31.03.2023	**15 404 399**	**471 662**	**2 371 275**	**1 295 870**	**3 667 145**
Accumulated depreciation and impairments 31.12.2022	**1 469 413**	**198 565**	**929 747**	**390 471**	**1 320 218**
Depreciation	-	-	49 323	-	49 323
Impairment/reversal (-)	299 332	-	-	42 940	42 940
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 31.03.2023	**1 768 745**	**198 565**	**979 070**	**433 411**	**1 412 481**
Book value 31.03.2023	**13 635 654**	**273 097**	**1 392 205**	**862 459**	**2 254 664**
Acquisition cost 31.03.2023	**15 404 399**	**471 662**	**2 371 275**	**1 295 870**	**3 667 145**
Additions	-	64 166	-	-	-
Disposals/retirement/expensed dry wells	-	5 043	-	-	-
Reclassification	-	3 307	-	-	-
Acquisition cost 30.06.2023	**15 404 399**	**534 092**	**2 371 275**	**1 295 870**	**3 667 145**
Accumulated depreciation and impairments 31.03.2023	**1 768 745**	**198 565**	**979 070**	**433 411**	**1 412 481**
Depreciation	-	-	51 307	-	51 307
Impairment/reversal (-)	81 665	19 868	-	-	-
Disposals/retirement depreciation	-	-	-	-	-
Accumulated depreciation and impairments 30.06.2023	**1 850 410**	**218 433**	**1 030 377**	**433 411**	**1 463 787**
Book value 30.06.2023	**13 553 989**	**315 660**	**1 340 899**	**862 459**	**2 203 358**

Other intangible assets include both planned and producing projects on various fields. The producing projects are depreciated in line with the unit-of-production method for the applicable field.

			Group		
	Q2	Q1	Q2	01.01.-30.06.	
			Restated		Restated
Depreciation in the income statement (USD 1 000)	2023	2023	2022	2023	2022
Depreciation of tangible fixed assets	580 841	541 011	233 329	1 121 851	512 526
Depreciation of right-of-use assets	12 919	8 618	3 496	21 537	6 515
Depreciation of other intangible assets	51 307	49 323	14 291	100 629	31 511
Total depreciation in the income statement	**645 066**	**598 952**	**251 116**	**1 244 018**	**550 552**
Impairment in the income statement (USD 1 000)					
Impairment/reversal of tangible fixed assets	-	30 938	329 945	30 938	329 945
Impairment/reversal of other intangible assets	-	42 940	-	42 940	-
Impairment/reversal of capitalised exploration expenditures	19 868	-	10 869	19 868	10 869
Impairment of goodwill	81 665	299 332	-	380 997	-
Total impairment in the income statement	**101 533**	**373 210**	**340 814**	**474 742**	**340 814**

Note 7 Leasing

The incremental borrowing rate applied in discounting of the nominal lease debt is between 1.8 percent and 6.9 percent, dependent on the duration of the lease and when it was intially recognised.

	Group		
	2023	2023	2022
(USD 1 000)	Q2	01.01.-31.03.	01.01.-31.12.
Lease debt as of beginning of period	**345 644**	**134 393**	**136 213**
New lease debt recognised in the period[2)]	179 605	242 573	33 765
Payments of lease debt[1)]	-42 031	-33 100	-74 068
Interest expense on lease debt	6 483	4 779	7 496
Lease debt from acquisition of Lundin Energy	-	-	34 757
Currency exchange differences	-1 337	-3 001	-3 769
Total lease debt	**488 364**	**345 644**	**134 393**
Short-term	116 290	101 216	36 298
Long-term	372 075	244 428	98 095
[1)] **Payments of lease debt split by activities** (USD 1 000):			
Investments in fixed assets	21 897	17 294	46 942
Abandonment activity	3 612	1 518	751
Operating expenditures	2 664	4 500	13 878
Exploration expenditures	4 528	5 927	6 222
Other income	9 329	3 862	6 275
Total	**42 031**	**33 100**	**74 068**
Nominal lease debt maturity breakdown (USD 1 000)**:**			
Within one year	146 237	114 676	42 646
Two to five years	374 586	245 341	87 179
After five years	18 740	22 463	26 403
Total	**539 563**	**382 480**	**156 227**

[2)] The new lease debt recognised in Q2 2023 is mainly related to the rig Noble Invincible.

The identified leases have no significant impact on the group`s financing, loan covenants or dividend policy. The group does not have any residual value guarantees. Extension options are included in the lease liability when, based on management's judgement, it is reasonably certain that an extension will be exercised.

Note 8 Financial items

(USD 1 000)	Q2 2023	Q1 2023	Group Q2 Restated 2022	01.01.-30.06. 2023	01.01.-30.06. Restated 2022
Interest income	**27 535**	**25 364**	**5 450**	**52 899**	**6 800**
Realised gains on derivatives	507	55 202	4 124	55 708	11 577
Change in fair value of derivatives	23 650	-	-	5 163	1 425
Net currency gains	131 905	259 066	206 334	390 970	212 419
Other financial income[1)]	43 719	325	-	44 044	98 725
Total other financial income	**199 780**	**314 593**	**210 459**	**495 885**	**324 147**
Interest expenses	49 391	46 046	32 373	95 437	62 962
Interest on lease debt	6 483	4 779	1 755	11 262	3 805
Capitalised interest cost, development projects	-27 924	-20 294	-9 627	-48 219	-25 575
Amortised loan costs[2)]	13 162	13 087	2 601	26 248	5 642
Total interest expenses	**41 111**	**43 617**	**27 101**	**84 728**	**46 833**
Realised loss on derivatives	191 536	64 345	29 862	255 881	37 563
Change in fair value of derivatives	-	328 630	183 072	310 143	173 862
Accretion expenses related to abandonment provision	39 937	40 354	21 551	80 292	42 894
Other financial expenses	4 559	364	3 608	4 923	6 040
Total other financial expenses	**236 032**	**433 693**	**238 093**	**651 237**	**260 358**
Net financial items	**-49 828**	**-137 353**	**-49 285**	**-187 181**	**23 756**

1) Mainly related to the net gain from repurchase of bonds, as described in note 14

2) The figure includes amortisation of the difference between fair value and nominal value on the bonds acquired in the Lundin transaction in Q2 2022

Note 9 Tax

Tax for the period (USD 1 000)	Q2 2023	Q1 2023	Group Q2 Restated 2022	01.01.-30.06. 2023	01.01.-30.06. Restated 2022
Current year tax payable/receivable	1 526 272	1 535 967	993 178	3 062 240	2 161 467
Change in current year deferred tax	222 905	110 878	-104 075	333 783	-16 818
Current and deferred tax related to change in tax system	-	-	13 052	-	13 052
Prior period adjustments	61 404	-10 176	-590	51 228	2 488
Tax expense (+)/income (-)	**1 810 581**	**1 636 669**	**901 566**	**3 447 250**	**2 160 189**

Calculated tax payable (-)/tax receivable (+) (USD 1 000)	Group 2023 Q2	2023 01.01.-31.03.	2022 01.01.-31.12.
Tax payable/receivable at beginning of period	-4 757 530	-5 084 142	-1 497 291
Current year tax payable/receivable	-1 526 272	-1 535 967	-7 162 988
Current year tax payable/receivable related to change in tax system	-	-	176 391
Net tax payment/refund	2 816 961	1 568 942	5 332 125
Net tax payable related to acquisition of Lundin Energy	-	-	-2 181 017
Prior period adjustments and change in estimate of uncertain tax positions	-61 443	42 564	29 847
Currency movements of tax payable/receivable	177 416	251 074	245 846
Current tax charged to other comprehensive income (foreign currency translation)	-	-	-27 055
Net tax payable (-)/receivable (+)	**-3 350 867**	**-4 757 530**	**-5 084 142**

Deferred tax liability (-)/asset (+) (USD 1 000)	Group 2023 Q2	2023 01.01.-31.03.	2022 01.01.-31.12.
Deferred tax liability/asset at beginning of period	-9 502 412	-9 359 146	-3 291 287
Change in current year deferred tax	-222 905	-110 878	12 294
Change in current year deferred tax related to change in tax system	-	-	-189 444
Deferred tax related to acquisition of Lundin Energy	-	-	-5 801 917
Prior period adjustments	39	-32 388	-27 925
Deferred tax charged to other comprehensive income (mainly foreign currency translation)	-	-	-60 868
Net deferred tax liability (-)/asset (+)	**-9 725 278**	**-9 502 412**	**-9 359 146**

Reconciliation of tax expense (USD 1 000)	Q2 2023	Q1 2023	Group Q2 Restated 2022	01.01.-30.06. 2023	01.01.-30.06. Restated 2022
78 % tax rate on profit/loss before tax	1 721 792	1 422 519	863 844	3 144 311	2 252 396
Tax effect of uplift	-42 893	-41 011	-26 955	-83 904	-71 735
Permanent difference on impairment	63 702	233 491	-	297 193	-
Foreign currency translation of monetary items other than USD	-95 734	-206 660	-157 597	-302 394	-162 458
Foreign currency translation of monetary items other than NOK	-7 348	-92 944	-61 660	-100 292	-55 438
Tax effect of financial and other 22 % items	64 237	252 867	140 487	317 103	73 560
Currency movements of tax balances[1)]	37 761	76 897	150 268	114 658	147 766
Other permanent differences, prior period adjustments and change in estimate of uncertain tax positions	69 064	-8 491	-6 821	60 574	-23 903
Tax expense (+)/income (-)	**1 810 581**	**1 636 669**	**901 566**	**3 447 250**	**2 160 189**

[1)] Tax balances are in NOK and converted to USD using the period end currency rate. When NOK weakens against USD, the tax rate increases as there is less remaining tax depreciation measured in USD (and vice versa).

From 1 January 2023 the temporary tax regime uplift rate was reduced from from 17.69 to 12.4 percent.

In accordance with statutory requirements, the calculation of current tax is required to be based on each company's local currency. This may impact the effective tax rate as the group’s presentation currency is USD and the operating entities in the group can have different functional currency than USD.

Note 10 Other short-term receivables

(USD 1 000)	Group 30.06.2023	31.03.2023	31.12.2022	30.06.2022
Prepayments	168 072	111 384	123 980	79 295
VAT receivable	14 272	14 276	12 406	15 405
Underlift of petroleum	68 446	75 353	53 630	95 921
Accrued income from sale of petroleum products	518 889	524 861	335 505	363 735
Other receivables, mainly balances with license partners	162 690	168 287	160 715	122 096
Total other short-term receivables	**932 369**	**894 160**	**686 237**	**676 452**

Note 11 Cash and cash equivalents

The item 'Cash and cash equivalents' consists of bank accounts and short-term investments that constitute parts of the group's available liquidity.

Breakdown of cash and cash equivalents (USD 1 000)	Group 30.06.2023	31.03.2023	31.12.2022	30.06.2022
Bank deposits	2 688 845	3 280 245	2 756 012	2 153 644
Cash and cash equivalents	**2 688 845**	**3 280 245**	**2 756 012**	**2 153 644**
Unused RCF facility	3 400 000	3 400 000	3 400 000	3 400 000

The RCF is undrawn as at 30 June 2023 and the remaining unamortised fees of USD 9.9 million related to the facility are therefore included in other non-current assets.

The senior unsecured Revolving Credit Facility (RCF) of USD 3.4 billion was established in May 2019 and consist of two tranches:
(1) Working Capital Facility with a committed amount of USD 1.4 billion until 2025 and USD 1.3 billion until 2026, and
(2) Liquidity Facility with a committed amount of USD 2.0 billion until 2025 and USD 1.65 billion until 2026.

The interest rate for USD is Term SOFR plus a margin of 1.00 percent for the Working Capital Facility and 0.75 percent for the Liquidity Facility. Drawing under the Liquidity Facility will add a utilisation fee. A commitment fee of 35 percent of applicable margin is paid on the undrawn part of the total facility. The financial covenants are as follows:

- Leverage Ratio: Net interest-bearing debt divided by twelve months rolling EBITDAX (excluding any impacts from IFRS 16) shall not exceed 3.5 times
- Interest Coverage Ratio: Twelve months rolling EBITDA divided by Interest expenses (excluding any impacts from IFRS 16) shall be a minimum of 3.5 times

The financial covenants in the group's current debt facilities exclude the effects from IFRS 16, and therefore cannot be directly derived from the group's financial statements. See reconciliations of Alternative Performance Measures for detailed information.

As at 30 June 2023 the Leverage Ratio is 0.22 and Interest Coverage Ratio is 83.5 (see APM section for further details). Based on the group's current business plans and applying oil and gas price forward curves at end of Q2 2023, the group’s estimates show that the financial covenants will continue to comply with the covenants by a substantial margin.

Note 12 Derivatives

(USD 1 000)	Group 30.06.2023	31.03.2023	31.12.2022	30.06.2022
Unrealised gain currency contracts	1 880	1 607	2 907	-
Long-term derivatives included in assets	**1 880**	**1 607**	**2 907**	**-**
Unrealised gain commodity derivatives	-	-	-	8 080
Unrealised gain currency contracts	10 243	3 165	153 096	294
Short-term derivatives included in assets	**10 243**	**3 165**	**153 096**	**8 374**
Total derivatives included in assets	**12 123**	**4 772**	**156 003**	**8 374**
Fair value of option related to sale of Cognite	10 832	15 995	15 995	15 995
Unrealised losses currency contracts	47 720	29 812	986	18 894
Long-term derivatives included in liabilities	**58 553**	**45 807**	**16 981**	**34 889**
Unrealised losses commodity derivatives	1 624	1 083	-	7 326
Unrealised losses currency contracts	154 452	183 497	34 924	367 416
Short-term derivatives included in liabilities	**156 075**	**184 580**	**34 924**	**374 743**
Total derivatives included in liabilities	**214 628**	**230 387**	**51 905**	**409 632**

The group uses various types of financial hedging instruments. Commodity derivatives are used to hedge the price risk of oil and gas and foreign exchange derivatives are used to hedge the group's currency exposure, mainly in NOK, EUR and GBP.

The derivative portfolio is revalued on a mark to market basis, with changes in value recognised in the income statement. The nature of the derivative instruments and the valuation method are consistent with the disclosed information in the annual financial statements as of 31 December 2022. All derivatives are measured at fair value on a recurring basis (level 2 in the fair value hierarchy, except for Cognite put option which is considered level 3).

As of 30 June 2023, the company has foreign exchange contracts to secure USD and EUR value of NOK cashflows for future tax payments and capital expenditure.

Note 13 Other current liabilities

Breakdown of other current liabilities (USD 1 000)	Group 30.06.2023	31.03.2023	31.12.2022	30.06.2022
Balances with license partners	47 793	94 231	43 132	73 620
Share of other current liabilities in licenses	514 932	502 967	460 783	409 480
Overlift of petroleum	20 474	24 136	30 922	113 433
Payroll liabilities, accrued interest and other provisions	293 681	272 071	272 276	256 390
Total other current liabilities	**876 880**	**893 405**	**807 113**	**852 923**

Note 14 Bonds

Senior unsecured bonds (USD 1 000)	Outstanding amount	Group			
		30.06.2023	31.03.2023	31.12.2022	30.06.2022
Senior Notes 3.000% (Jan 20/Jan 25)[2]	USD 95.5 mill	94 079	498 391	498 172	497 733
Senior Notes 2.875% (Sep 20/Jan 26)[2]	USD 129.7 mill	127 900	497 990	497 813	497 458
Senior Notes 2.000% (Jul 21/Jul 26)[2][3]	USD 707.1 mill	651 390	913 848	907 387	894 464
Senior Notes 5.600% (Jun 23/Jun 28)[1]	USD 500 mill	497 185	-	-	
Senior Notes 1.125% (May 21/May 29)	EUR 750 mill	810 666	808 460	795 304	774 017
Senior Notes 3.750% (Jan 20/Jan 30)	USD 1,000 mill	994 805	994 608	994 411	994 016
Senior Notes 4.000% (Sep 20/Jan 31)	USD 750 mill	745 592	745 447	745 302	745 011
Senior Notes 3.100% (Jul 21/Jul 31)[3]	USD 1,000 mill	850 051	845 413	840 776	831 500
Senior Notes 6.000% (Jun 23/Jun 33)[1]	USD 1,000 mill	994 178	-	-	-
Long-term bonds - book value		**5 765 847**	**5 304 158**	**5 279 164**	**5 234 200**
Long-term bonds - fair value		**5 403 561**	**4 972 331**	**4 829 678**	**4 915 338**

[1] In June 2023 the company issued two new US bonds:
- USD 500 million aggregate principal amount of 5.6 percent Senior Notes due 2028
- USD 1,000 million aggregate principal amount of 6.0 percent Senior Notes due 2033

[2] Parts of the proceeds from the new bonds were used to tender for our outstanding bonds maturing in 2025 and 2026. In total we repurchased the following volumes split per bond (principal amount):
- USD 404.5 million on USD Senior Notes 3.000% (Jan 2025)
- USD 370.3 million on USD Senior Notes 2.875% (Jan 2026)
- USD 292.9 million on USD Senior Notes 2.000% (Jul 2026)

The fair value of these bonds were lower than the book value at the time of repurchase. This resulted in a net gain of USD 43.7 million presented as other financial income in Q2.

[3] Prior to the repurchase mentioned above, these bonds had a nominal value of USD 1 billion and were recognised at fair value in connection with the Lundin Energy transaction at 30 June 2022. The difference between fair value and nominal value is linearly amortised over the lifetime of the bonds (see note 8).

Interest is paid on a semi annual basis, except for the EUR Senior Notes which is paid on an annual basis. None of the bonds have financial covenants.

Note 15 Provision for abandonment liabilities

(USD 1 000)	Group 2023 Q2	2023 01.01.-31.03.	2022 01.01.-31.12.
Provisions as of beginning of period	4 453 120	4 165 598	5 172 354
Incurred removal cost	-51 678	-29 875	-79 236
Accretion expense	39 937	40 354	119 895
Abandonment liabilities from acquisition of Lundin Energy	-	-	745 900
Foreign currency translation	-	-	6 692
Impact of changes to discount rate	-211 768	273 999	-1 876 918
Change in estimates and provisions relating to new drilling and installations	75 068	3 044	76 911
Total provision for abandonment liabilities	**4 304 680**	**4 453 120**	**4 165 598**
Short-term	143 918	144 356	115 202
Long-term	4 160 762	4 308 764	4 050 396

Reference is made to note 1 for a description of change in the accounting principle for abandonment provision from Q4 2022. Following the change in accounting principle, the nominal pre-tax discount rate (risk-free) at end of Q2 is between 3.8 percent and 5.4 percent, depending on the timing of the expected cashflows.The corresponding range at end of Q1 was 3.5 to 4.6 percent. The calculations assume an inflation rate of 2.0 percent.

Note 16 Contingent liabilities and assets

During the normal course of its business, the group will be involved in disputes, including tax disputes. The group has made accruals for probable liabilities related to litigation and claims based on management's best judgment and in line with IAS 37 and IAS 12.

Note 17 Subsequent events

The Group has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

Note 18 Investments in joint operations

Total number of licenses	30.06.2023	31.03.2023
Aker BP as operator	120	126
Aker BP as partner	64	68

Changes in production licenses in which Aker BP is the operator:			Changes in production licenses in which Aker BP is a partner:		
License:	30.06.2023	31.03.2023	License:	30.06.2023	31.03.2023
PL 830[2]	0.000%	40.000 %	PL 782SD[2]	0.000%	20.000 %
PL 886[1]	80.000%	60.000 %	PL 917B[2]	0.000%	40.000 %
PL 886B[1]	80.000%	60.000 %	PL 1064[2]	0.000%	20.000 %
PL 906[2]	0.000%	50.000 %	PL 1122[2]	0.000%	20.000 %
PL 1082[2]	0.000%	50.000 %			
PL 1095[2]	0.000%	50.000 %			
PL 1124[2]	0.000%	23.835 %			
PL 1157[2]	0.000%	60.000 %			
Total	**2**	**8**	**Total**	**-**	**4**

[1] License transaction with Sval Energi
[2] Relinquished license or Aker BP has withdrawn from the license

End of financial statement

Alternative Performance Measures

Aker BP may disclose alternative performance measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. Aker BP believes that the alternative performance measures provide useful supplemental information to management, investors, security analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of Aker BP's business operations and to improve comparability between periods.

Abandonment spend (abex) is payment for removal and decommissioning of oil fields[1)]

Capex is disbursements on investments in fixed assets[1)]

Depreciation per boe is depreciation divided by number of barrels of oil equivalents produced in the corresponding period

Dividend per share (DPS) is dividend paid in the quarter divided by number of shares outstanding

EBITDA is short for earnings before interest and other financial items, taxes, depreciation and amortisation and impairments

EBITDAX is short for earnings before interest and other financial items, taxes, depreciation and amortisation, impairments and exploration expenses

Equity ratio is total equity divided by total assets

Exploration spend (expex) is exploration expenses plus additions to capitalised exploration wells less dry well expenses[1)]

Free cash flow (FCF) is net cash flow from operating activities less net cash flow from investment activities

Interest coverage ratio is calculated as twelve months rolling EBITDA, divided by interest expenses, excluding any impacts from IFRS 16.

Leverage ratio is calculated as Net interest-bearing debt divided by twelve months rolling EBITDAX, excluding any impacts from IFRS 16

Net interest-bearing debt is book value of current and non-current interest-bearing debt less cash and cash equivalents

Operating profit/loss is short for earnings/loss before interest and other financial items and taxes

Production cost per boe is production expenses based on produced volumes, divided by number of barrels of oil equivalents produced in the corresponding period (see note 3)

[1)] Includes payments of lease debt as disclosed in note 7.

(USD 1 000)	Note	Q2 2023	Q1 2023	Q2 Restated 2022	01.01.-30.06. 2023	01.01.-31.12. 2022
Abandonment spend						
Payment for removal and decommissioning of oil fields		48 445	28 564	36 204	77 008	78 870
Payments of lease debt (abandonment activity)	7	3 612	1 518	414	5 131	751
Abandonment spend		**52 057**	**30 082**	**36 618**	**82 139**	**79 621**
Depreciation per boe						
Depreciation	6	645 066	598 952	251 116	1 244 018	1 785 672
Total produced volumes (boe 1 000)	3	43 742	40 742	16 494	84 484	112 853
Depreciation per boe		**14.7**	**14.7**	**15.2**	**14.7**	**15.8**
Dividend per share						
Paid dividend		347 612	347 612	171 054	695 224	1 005 731
Number of shares outstanding		631 793	631 793	359 788	631 793	496 765
Dividend per share		**0.55**	**0.55**	**0.48**	**1.10**	**2.02**
Capex						
Disbursements on investments in fixed assets (excluding capitalised interest)		663 488	597 442	270 769	1 260 931	1 580 045
Payments of lease debt (investments in fixed assets)	7	21 897	17 294	11 649	39 192	46 942
CAPEX		**685 386**	**614 737**	**282 418**	**1 300 123**	**1 626 987**
EBITDA						
Total income	2	3 290 620	3 310 354	2 026 349	6 600 974	13 009 898
Production expenses	3	-246 953	-263 338	-190 394	-510 291	-932 870
Exploration expenses	4	-27 278	-97 692	-67 301	-124 970	-242 193
Other operating expenses		-12 649	-16 161	-20 098	-28 810	-52 577
EBITDA		**3 003 740**	**2 933 163**	**1 748 556**	**5 936 903**	**11 782 258**
EBITDAX						
Total income	2	3 290 620	3 310 354	2 026 349	6 600 974	13 009 898
Production expenses	3	-246 953	-263 338	-190 394	-510 291	-932 870
Other operating expenses		-12 649	-16 161	-20 098	-28 810	-52 577
EBITDAX		**3 031 018**	**3 030 856**	**1 815 857**	**6 061 873**	**12 024 451**
Equity ratio						
Total equity		12 315 993	12 266 874	12 427 506	12 315 993	12 427 506
Total assets		37 311 906	37 927 999	37 561 780	37 311 906	37 561 780
Equity ratio		**33%**	**32%**	**33%**	**33%**	**33%**
Exploration spend						
Disbursements on investments in capitalised exploration expenditures		64 166	79 409	76 257	143 576	251 764
Exploration expenses	4	27 278	97 692	67 301	124 970	242 193
Dry well	4	-5 043	-63 771	-33 676	-68 814	-135 800
Payments of lease debt (exploration expenditures)	7	4 528	5 927	5 725	10 455	6 222
Exploration spend		**90 930**	**119 257**	**115 607**	**210 187**	**364 380**

(USD 1 000)	Note	Q2 2023	Q1 2023	Q2 2022	01.01.-30.06. 2023	01.01.-31.12. 2022
Interest coverage ratio						
Twelve months rolling EBITDA		13 964 011	12 708 828	6 563 565	13 964 011	11 782 258
Twelve months rolling EBITDA, impacts from IFRS 16	7	-33 829	-25 672	-14 200	-33 829	-20 835
Twelve months rolling EBITDA, excluding impacts from IFRS 16		*13 930 182*	*12 683 156*	*6 549 366*	*13 930 182*	*11 761 424*
Twelve months rolling interest expenses	8	186 494	169 476	126 794	186 494	154 019
Twelve months rolling amortised loan cost	8	52 421	41 861	11 723	52 421	31 815
Twelve months rolling interest income	8	72 058	49 973	8 583	72 058	25 959
Net interest expenses		*166 858*	*161 364*	*129 933*	*166 858*	*159 876*
Interest coverage ratio[1)]		**83.5**	**78.6**	**50.4**	**83.5**	**73.6**
Leverage ratio						
Long-term bonds	14	5 765 847	5 304 158	5 234 200	5 765 847	5 279 164
Other interest-bearing debt		-	-	600 000	-	-
Cash and cash equivalents	11	2 688 845	3 280 245	2 153 644	2 688 845	2 756 012
Net interest-bearing debt excluding lease debt		*3 077 002*	*2 023 913*	*3 680 556*	*3 077 002*	*2 523 151*
Twelve months rolling EBITDAX		14 206 351	12 991 190	6 868 486	14 206 351	12 024 451
Twelve months rolling EBITDAX, impacts from IFRS 16	7	-33 141	-24 988	-13 004	-33 141	-20 153
Twelve months rolling EBITDAX, excluding impacts from IFRS 16		*14 173 209*	*12 966 202*	*6 855 482*	*14 173 209*	*12 004 299*
Leverage ratio[1)]		**0.22**	**0.16**	**0.54**	**0.22**	**0.21**
Net interest-bearing debt						
Long-term bonds	14	5 765 847	5 304 158	5 234 200	5 765 847	5 279 164
Other interest-bearing debt		-	-	600 000	-	-
Long-term lease debt	7	372 075	244 428	105 742	372 075	98 095
Short-term lease debt	7	116 290	101 216	49 035	116 290	36 298
Cash and cash equivalents	11	2 688 845	3 280 245	2 153 644	2 688 845	2 756 012
Net interest-bearing debt		**3 565 366**	**2 369 557**	**3 835 332**	**3 565 366**	**2 657 545**
Free cash flow						
Net cash flow from operating activities		121 338	1 682 014	1 186 570	1 803 352	5 729 472
Net cash flow from investment activities		-776 100	-705 415	-1 626 013	-1 481 515	-3 116 596
Free cash flow		**-654 762**	**976 599**	**-439 443**	**321 837**	**2 612 876**

[1)] These ratios are calculated based on Aker BP group figures only, with no proforma adjustments for the Lundin Energy transaction.

Operating profit/loss see Income Statement

Production cost per boe see note 3

STATEMENT BY THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

Pursuant to the Norwegian Securities Trading Act section § 5-6 with pertaining regulations, we hereby confirm that, to the best of our knowledge, the company's interim financial statements for the period 1 January to 30 June 2023 have been prepared in accordance with IAS 34, as endorsed by the EU, and in accordance with the requirements for additional information provided for by the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair picture of the company's liabilities, financial position and results overall.

To the best of our knowledge, the Board of Directors' half-yearly report together with the yearly report, gives a true and fair picture of the development, performance and financial position of the company, and includes a description of the principal risk and uncertainty factors facing the company.

The Board of Directors and the CEO of Aker BP ASA
Akerkvartalet, 12 July 2023

Øyvind Eriksen, Chair of the Board

Kjell Inge Røkke, Board member

Anne Marie Cannon, Deputy Chair

Trond Brandsrud, Board member

Valborg Lundegaard, Board member

Murray Auchincloss, Board member

Ingard Haugeberg, Board member

Terje Solheim, Board member

Tore Vik, Board member

Kate Thomson, Board member

Charles Heppenstall, Board member

Hilde Kristin Brevik, Board member

Karl Johnny Hersvik, Chief Executive Officer

To the Shareholders of Aker BP ASA

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Aker BP ASA as at 30 June 2023, and the related condensed consolidated income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the three-month and six-month periods then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation of this interim financial information in accordance with IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Stavanger, 12 July 2023
PricewaterhouseCoopers AS

Gunnar Slettebø
State Authorised Public Accountant

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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