



Aker BP third quarter 2018 results

Aker BP (OSE:AKERBP) reports total income of USD 1,000 million and operating profit of USD 548 million for the third quarter 2018. Net profit was USD 125 million and earnings per share were USD 0.35. The company paid a dividend of USD 0.3124 (NOK 2.53) per share in the quarter.

The company's net production in the third quarter was 150.6 (131.9) thousand barrels of oil equivalents per day ("mboepd"). For the first nine months, production was 155.6 mboepd, and the company still expects full-year production to be within the previously communicated range of 155-160 mboepd.

Record high revenue

Revenues were positively impacted by increased oil and gas prices. Average realised prices were USD 78 (55) per barrel of oil, and USD 0.30 (0.20) per standard cubic metre ("scm") of natural gas.

Production costs amounted to USD 165 (134) million or USD 11.9 (11.1) per barrel oil equivalents ("boe"). For the first nine months, production cost per boe averaged USD 11.8, and remains in line with the company's estimate of around USD 12 per boe for the full year.

Successful appraisals

Exploration expenses amounted to USD 94 (64) million. This was driven by three dry exploration wells, as well as seismic acquisitions and field evaluation expenses. The appraisal wells at Gekko and Hanz were successful. The company's estimated exploration spend for 2018 has been revised down to USD 400 million (previously USD 425 million).

Operating profit (EBIT) was USD 548 (219) million, after depreciation of USD 189 (175) million or USD 13.6 (14.5) per boe. Net financial expenses were USD 58 (9) million, while taxes amounted to USD 365 (97) million. Net profit was USD 125 (112) million for the third quarter.

Reduced capex estimate

Investments in fixed assets amounted to USD 340 (226) million, driven by field development projects across the company's portfolio. The Aker BP-operated field developments of Ærfugl, Valhall Flank West and Skogul as well as the Johan Sverdrup development are all progressing according to plan. The company's capex estimate for 2018 has been reduced from around USD 1.3 billion to around USD 1.25 billion.

Abandonment payments ("abex") amounted to USD 72 (27) million, driven by a campaign to plug and abandon old wells on the Valhall field. This campaign has now been completed, within the revised abex estimate of USD 250 million for 2018.

The company's net interest-bearing debt was USD 2.85 billion at the end of the third quarter. Total available liquidity was USD 3.7 billion. In August, the company paid a quarterly dividend of USD 112.5 million or USD 0.3124 per share. The Board has resolved to pay the same amount in dividend in November.

Strengthening Aker BP's position in core areas

In July, Aker BP entered into an agreement to acquire 11 licences, including four discoveries, from Total E&P Norge for USD 205 million. In October, the company entered into an agreement to acquire 77.8 percent of the King Lear discovery from Equinor for USD 250 million. Both transactions are subject to approval by Norwegian authorities.

Presentation and webcast

The full report and presentation are attached and can also be found on www.akerbp.com.

[Aker BP third quarter 2018 report](#)

[2018-Q3 Presentation](#)

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About Aker BP:

Aker BP is a fully-fledged E&P company with exploration, development and production activities on the Norwegian Continental Shelf. Aker BP is the operator of Alvheim, Ivar Aasen, Skarv, Valhall, Hod, Ula and Tambar. The company is also a partner in the Johan Sverdrup field. Aker BP is headquartered at Fornebu, Norway, and is listed on the Oslo Stock Exchange under the ticker 'AKERBP'. More about Aker BP at www.akerbp.com.

This information is subject to disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.