



Aker BP's Capital Markets Day 2019

Profitable growth and increasing dividends

Strong performance in 2018 puts Aker BP in a good position to raise its growth ambition to organically triple its production by 2025, to cut production costs from USD 12 to USD 7 per barrel and to significantly increase the dividend payments to shareholders.

– *Excellent execution and rapid change towards lower cost, lower emissions and improved efficiency are key ingredients to value creation in Aker BP. As we deliver profitable projects and grow the company, we also increase our ambitions for cash dividends to our shareholders, says Karl Johnny Hersvik, Chief Executive Officer of Aker BP.*

He continues: – *The future of the E&P industry belongs to the most competitive and efficient oil companies.*

Aker BP also reports increased reserves and resources and maintains excellent results in exploration, drilling and wells, projects and production. The company has a strong cash flow outlook and a robust balance sheet.

Main messages at the Capital Markets Day:

- Potential to triple production by 2025 based on existing portfolio
- Targeting production costs of USD 7 per barrel in 2023
- The Board proposes dividends for 2019 of USD 750 million, up from USD 450 million in 2018, with an ambition to increase the dividend payments by USD 100 million per year to 2023
- High-potential 2019 exploration program with 15 prospects to be drilled, targeting net unrisked prospective resources of 500 million barrels of oil equivalents ("mmboe")
- Increased reserves (2P) to 917 mmboe, driven by conversion of resources to reserves.
- Strengthened position in core areas in Norway after the acquisition of 11 licenses from Total and the acquisition of the King Lear discovery from Equinor, adding contingent resources (2C) totaling 173 mmboe
- Increased contingent resources (2C) to 946 mmboe, driven by acquisitions and discoveries.
- Roll-out of industry-leading digital solutions at all operated assets. Effective from 16 January 2019, the Ivar Aasen-platform is the first manned platform in Norway to be controlled from an onshore control room

Guidance summary:

	2018 preliminary	2019 Guidance
Production	155.7 mboepd	155-160 mboepd
Capex	USD 1.20 billion	USD 1.6 billion
Exploration spend	USD 359 million	USD 500 million
Abandonment spend	USD 243 million	USD 150 million
Production cost per boe	USD ~12	USD ~12.5
Dividend proposal	USD 450 million	USD 750 million

Low carbon operator at the forefront of digitalization

Aker BP continues to be an operator with low carbon emissions intensity; less than half the global average, and below the average for the Norwegian Continental Shelf.

– *In cooperation with other great companies, we are going to reduce emissions, improve safety and increase efficiency through the entire value chain, says Hersvik.*

Leveraging strong industrial alliances and enabling new business models with its partners continues to be an important part of Aker BP's strategy going forward.

The company is developing and adopting industry-leading digital solutions. Effective from 16 January 2019, Aker BP is the first company in Norway to control a manned platform from shore after the successful onshoring of the Ivar Aasen control room. Both on the Ivar Aasen platform and on Skarv FPSO, operators are using hand-held tablets connecting them with live data in Aker BP's Industrial Data Platform. The roll-out continues on the company's remaining assets.

– *Sharing of industrial data will help us drive innovation in all areas of the E&P industry. We are already seeing design improvements and onshore monitoring of our equipment. This has facilitated smarter contracts with suppliers, enabling new business models for the future. This is only the beginning, says Karl Johnny Hersvik, Chief Executive Officer of Aker BP.*

Strong performance in 2018 – a foundation for continued growth

Aker BP produced 155.7 mboepd, in line with the guidance for 2018. Production costs in 2018 were USD 12 per boe. Capital spending amounted to USD 1.2 billion, USD 100 million below plan, and all current field developments remain on track.

– *We have delivered on the goals we set for 2018. Aker BP is well positioned to deliver on our high ambitions for the coming years, says Hersvik.*

Aker BP increased its reserves to 917 mmboe in 2018, driven by conversion of resources to reserves, especially in the Valhall area. Through license acquisitions and discoveries, the company's contingent resources increased to 946 mmboe.

Strong organic growth from existing portfolio

The company has a large and robust opportunity set in its existing portfolio. These opportunities represent a potential to triple Aker BP's production by 2025.

- First oil from Johan Sverdrup is planned for November 2019. At full production (Q4 2022) Johan Sverdrup will contribute more than 75 mboepd net to Aker BP.
- Aker BP is targeting an area development of 550 mmboe at NOAKA. Full cycle project break-even for Aker BP's PQ concept is USD 35 per barrel, significantly better than the alternative UPP concept.
- The company continues to unlock the resource potential in the Valhall area. Sanctioned and non-sanctioned projects will contribute to double the Valhall production compared to 2018.
- The Ærfugl development will boost production from Skarv, and the production from Ivar Aasen is expected to remain stable around current levels. Significant resource additions in the Alvheim can increase production towards 2023.
- Aker BP's ambition to rejuvenate Ula as an area hub includes increased oil recovery from the Ula reservoir, tie-ins of discoveries including King Lear, and exploration potential in the area.

- We see large opportunities for value creation from all our assets. Digital innovations and industrial alliances will help us achieve our growth ambitions in an efficient manner, says Hersvik.

Increasing value creation yields increasing dividends

The profitable growth projections and the strong balance sheet facilitate a higher dividend payout from the company. The Board proposes dividends for 2019 of USD 750 million, up from USD 450 million in 2018, with an ambition to increase the dividend payments by USD 100 million per year to 2023.

- Aker BP's ambition is to return the value creation to the shareholders. The dividend ambition is a reflection of the company's growth, value creation and strong financial position, Hersvik says.

Large and promising exploration program for 2019

The company has a large and promising exploration program for 2019. In total, Aker BP plans to participate in 15 exploration wells, targeting 500 mmboe of net prospective resources.

- This is a very exciting exploration program. We are investing to find profitable barrels around our hubs, test new plays and to generate new potential stand-alone development opportunities for Aker BP, says Hersvik.

Presentation and webcast

The Capital Markets Day presentations will be given today at Fornebuporten (Grand Hall, building B), Oksenøyveien 10, Lysaker, Norway. Registration from 08:30 (CET).

A live webcast of the presentations will be available on our website www.akerbp.com, and will start at 09:00 (CET) today.

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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.