



Aker BP second quarter and first half year 2019 report

Aker BP reported total income of USD 785 million and operating profit of USD 354 million for the second quarter 2019. Net profit was 62 million USD. All field developments are progressing as planned, and the company's exploration program has been highly successful so far this year. The company paid a dividend of USD 187.5 (USD 0.52 per share) in the quarter.

The company's net production in the second quarter was 127.3 (158.7) thousand barrels of oil equivalents per day ("mboepd"). The decrease was primarily driven by planned maintenance. Net sold volume was 140.7 (162.0) mboepd. The company maintains its full-year production estimate of 155-160 mboepd.

Average realised liquids price was USD 69.3 (63.9) per barrel, while the realised price for natural gas averaged USD 0.16 (0.24) per standard cubic metre ("scm").

Production costs for the oil and gas sold in the quarter amounted to USD 198 (200) million. Production cost per produced barrel oil equivalents ("boe") increased to USD 15.4 (13.4) driven by the lower volume and high maintenance activity. The company expects lower production cost per boe in the second half of 2019, and maintains its guidance of around USD 12.5 per boe on average for the full year.

Exploration expenses amounted to USD 60 (90) million. Total cash spend on exploration was USD 119 (159) million. The company completed four exploration wells in the quarter, of which the Froskelår NE well was classified as a discovery. The Liatårnet well has been completed as a discovery after the end of the quarter. The company has also added two new wells to the 2019 exploration program and has consequently increased its expected exploration spend for the year to around USD 550 (500) million.

Depreciation was USD 168 (183) million, equivalent to USD 14.5 (12.8) per boe. Profit before taxes amounted to USD 268 (249) million. Tax expense was USD 206 (239) million, representing an effective tax rate of 77 (96) per cent. Net profit was USD 62 (10) million.

Investments in fixed assets amounted to USD 414 (364) million in the second quarter. All field development projects, including Johan Sverdrup, Valhall Flank West and Ærfugl progressed according to plan. Abandonment expenditures were USD 40 (21) million, driven by removal of the Valhall QP and plugging of two wells at the abandoned Jette field.

The company successfully put in place a new capital structure in the second quarter. The previous USD 4 billion secured bank facility was replaced with a new USD 4 billion senior unsecured facility at lower cost and extended maturity. The company also issued a new USD 750 million bond. Net interest-bearing debt was USD 2.9 (2.5) billion at the end of the quarter, including USD 0.4 billion in lease debt. Total available liquidity at the end of the quarter was USD 3.3 (3.0) billion.

In May, the company paid a quarterly dividend of USD 0.5207 (NOK 4.52) per share. The Board has resolved to pay a quarterly dividend of USD 187.5 million (USD 0.5207 per share) in August 2019. The Board expects an additional quarterly dividend of USD 187.5 million to be paid in the fourth quarter, implying total annual dividends of USD 750 million. The Board's ambition is to increase the annual dividends by USD 100 million per year until 2023.

[AkerBP Q2 2019](#)

[2019-Q2 presentation](#)

Presentation, webcast and conference call details

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

A live webcast will be available on our website from 08:30 (CEST).

To access the conference call, please contact the conference call operator at the telephone numbers listed below. Please call in 5 minutes prior to the scheduled start time and provide the confirmation code 28 333 53 or ask for the Aker BP Second Quarter 2019 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.