



AKERBP: Update on third quarter 2019 financial results

Aker BP will publish its financial report for the third quarter 2019 on Tuesday 22 October 2019. The company issues this statement to summarise its production and sales volumes and certain accounting-related topics for the quarter.

Oil and gas production and sales

Aker BP's net production in the third quarter 2019 was 146.1 thousand barrels of oil equivalents per day ("mboepd"). The production volumes were below plan mainly due to delayed stimulation and consequently start of production from new wells at Valhall following the planned maintenance shutdown in June. The delay has no impact on reserves. The start-up of new wells at Valhall, and the ramp-up of the Johan Sverdrup field which started production in early October, are expected to contribute to significant production growth over the coming quarters.

Net sold volumes, which are the basis for revenue recognition in the financial statement, were 143.3 mboepd, reflecting 2.9 mboepd in underlift. Production volumes per field are specified below. The volumes are subject to final re-allocation.

Asset	Q3-19	Q2-19	Q3-18
Alvheim area	51.4	53.1	56.7
Ivar Aasen	22.5	19.1	22.7
Skarv	21.7	22.7	23.3
Ula area	8.6	6.2	10.5
Valhall area	40.3	24.5	36.0
Other	1.7	1.7	1.4
Net production	146.1	127.3	150.6
Over/(underlift)	(2.9)	13.4	(2.3)
Net sold volume	143.3	140.7	148.3
Of which liquids	113.4	112.8	117.6
Of which natural gas	29.8	27.9	30.7

Operating expenses

As described in the second quarter 2019 report, the company in June discovered a failure in the tether frame connections on one of the Mid Water Assemblies ("MWA") at Alvheim. In the third quarter, costs related to repairs amounted to approximately USD 14 million net to Aker BP. These costs will be recorded as production costs in the third quarter, with any related insurance recoveries to be recognised in future periods.

Impairment of technical goodwill

The company expects to make an impairment charge in the third quarter 2019 of approximately USD 80 million related to technical goodwill. There is no deferred tax associated with technical goodwill, hence this charge will not be tax deductible.

Tax

The effective tax rate for the third quarter is expected to be impacted by impairment of technical goodwill and an increase in deferred tax primarily driven by currency movements (stronger USD versus NOK). As a result, the effective tax rate is expected to be well above 100 percent for the quarter. The tax payments during the quarter were USD 106 million, in line with previous guidance.

Disclaimer

The information in this statement is based on a preliminary assessment of the company's third quarter 2019 financial results. The company has not completed its financial reporting and related review and control procedures. The estimates provided may therefore be subject to change and the financial statements finally approved and released by the company may deviate materially from the information herein.

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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.