



Capital Markets Update and fourth quarter 2020 results

Aker BP today presents its annual update to the capital markets. The strategy remains firm and the company is in excellent position to execute on its plan for profitable growth with low costs and strong environmental performance.

«Aker BP is uniquely positioned for creating substantial value for all stakeholders. The operational performance has never been stronger, the financial position has never been more robust, and our investment opportunities have never been more attractive to pursue,» says CEO Karl Johnny Hersvik.

Efficient low-cost operations with low emissions, project execution through world-class alliances and strong production growth by investing in high-return barrels is a good platform for value creation.

«In 2020, the Aker BP team delivered strong performance in a challenging year. We handled the challenges of the Covid-19 pandemic, we took swift actions to preserve our financial strength by adapting to macro uncertainty and we delivered on our operational targets. The temporary changes to the tax system that a broad political majority in Norway announced in June, have been instrumental for the industry to resume the investment plans and thus increase activity and save jobs,» Hersvik concludes.

Main messages from the Capital Markets Update

Aker BP will remain a pure-play oil and gas company and will contribute to the energy transition through maximizing value creation, minimizing emissions, and by sharing of data and competence to other industries. In 2020, Aker BP's CO₂ emissions were reduced to 4.5 kg per barrel of oil equivalents (boe), which is less than one third of the global industry average. The company is systematically working for further reductions.

Aker BP is dedicated to operating its assets with high efficiency and low cost. In 2020, the production efficiency of Aker BP's operated fields was 92 percent, which is in the top quartile of the industry. Production costs were significantly reduced to USD 8.3 per boe. The company is now implementing a new operating model to drive further improvements in efficiency, cost, and safety. The target is a long-term cost level below USD 7 per boe.

In close collaboration with its alliance partners, Aker BP has established world-class project execution capabilities, and is taking part in the development of a new digital execution model which is expected to lead to further improvement in cost, speed and quality of new projects.

Aker BP continues preparing for final investment decisions for 10-12 new field development projects by the end of 2022. The largest of these is the coordinated development of the NOAKA area. In total, these projects cover more than 500 million barrels of new resources net to Aker BP. With break-even oil prices below 30 dollars per barrel, these projects will create significant value for all stakeholders. When these projects are completed, the company expects to increase its production by 70 percent to more than 350 thousand barrels of oil equivalents per day (mboepd) by 2028.

Aker BP has a strong financial position, with USD 4.5 billion in available liquidity, no debt maturities before 2024, and with investment grade credit rating. Furthermore, the company expects to generate significant positive cash flow in the period up to 2028. This gives a strong financial capacity which allows for reduced debt level and a sustainable growing dividend to shareholders.

2021 guidance summary

- Production 210-220 mboepd net to Aker BP
- Production cost USD 8.5-9.0 per boe, representing a reduction in underlying cost level in Norwegian kroner.
- Increased investment in profitable growth, with total capital spend of USD 2.2-2.3 billion
- Dividends for 2021 proposed at USD 450 million

Fourth quarter 2020 highlights

- Record high production of 223.1 mboepd, up from 201.6 in the previous quarter. The full-year 2020 production was 210.7 mboepd, 35 percent higher than in 2019.
- Production cost per produced unit was USD 8.1 per boe in the quarter. The full-year cost was 8.3 per boe, 33 percent lower than in 2019.
- Net profit in the quarter was USD 129 million. For the full year 2020, net profit was USD 45 million, compared to 145 the

previous year. Main reason for the decrease was a 36 percent drop in realized oil and gas prices compared to the year before.

- The Ærfugl phase I development was completed and started production in the quarter, on time and within budget.
- Production from Johan Sverdrup increased by 12 percent in the quarter to 59.6 mboepd net to Aker BP. The total processing capacity for Johan Sverdrup phase 1 was increased from 470 to 500 thousand barrels per day (mblpd) during the quarter and is expected further increase to 535 mblpd during 2021.
- Total capital spend for 2020 amounted to USD 1.73 billion, approximately USD 0.5 billion lower than originally planned due to the protective measures taken in response to the uncertainty caused by Covid-19 and lower oil prices.
- Dividends paid in 2020 amounted to USD 425 million, following a 50 percent reduction compared to original plan to protect the company's financial position.
- At year-end, Aker BP had total available liquidity of USD 4.5 billion. Net interest-bearing debt was USD 3.6 billion, including 0.2 billion in lease debt.
- Aker BP implemented a wide range of measures to minimise the risk to people and operations from the Covid-19 pandemic and avoided any virus-related disruptions to its operations in 2020.

Management presentations and Q&A conference call

Aker BP is pleased to invite investors, analysts, and media to its Capital Markets Update today. The event will be webcasted at www.akerbp.com/en/cmu.

Program:

08:30 (CET): Presentations by executive management in Aker BP

10:00 (CET): Q&A conference call

To participate in the Q&A conference call, please contact the operator at the telephone numbers listed below. Please join the event 10 minutes prior to scheduled start time and provide the confirmation code or ask for Aker BP's Capital Markets Update.

Norway +47 2350 0296

United Kingdom +44 (0) 330 336 9411

Confirmation code: 1236835

The CMU presentation material, as well as the Fourth quarter 2020 report and presentation are attached, and may also be found on the company's website www.akerbp.com/en.

Capital Markets Update 2021: [AkerBP_CMU_2021.pdf](#)

2020-Q4 report: [AkerBP_2020_Q4_report.pdf](#)

2020-Q4 presentation: [AkerBP_2020_Q4_presentation.pdf](#)

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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 Fomebu, Norway, and is listed on the Oslo Stock Exchange under the ticker 'AKRBP'. 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.