



## Gråsel production has started

**Operator Aker BP and the partners in Skarv (Equinor, Wintershall Dea and PGNiG) report that production has started from Gråsel in the Skarv area, four months ahead of the original schedule.**

*“I’m very proud of the project team and our alliance partners: Only six months have passed since the joint venture decided to develop Gråsel. This must be one of the fastest projects ever executed on the Norwegian shelf,”* says Aker BP CEO, Karl Johnny Hersvik.

*“Together, we have once again completed a profitable project safely, efficiently and within budget – and on top of all that – much faster than planned when the project started,”* Hersvik adds.

The Gråsel reservoir is situated over the Skarv reservoir in the Norwegian Sea, about 210 km west of Sandnessjøen. The reservoir contains around 13 million barrels of oil equivalent. The oil and gas are produced by utilising available capacity on the Skarv production vessel (FPSO).

Total investment costs for the Gråsel project are around NOK 1.2 billion.

### **Break-even price of USD 15 per barrel**

The development consists of a new producer drilled from an existing well slot on the Skarv field, with pressure support from a shared injector for Gråsel and Tilje.

*“The development solution is based on re-use of existing infrastructure. That has helped make Gråsel an extremely robust project, both technically and commercially, and with a break-even price of around 15 dollars per barrel,”* says SVP Operations & Asset Development, Ine Dolve.

*“The stimulus package adopted by the Storting (Norwegian Parliament) last June, which entails more rapid tax depreciations, contributed to make the project even more robust and has accelerated the timeline,”* Dolve adds.

Aker BP’s objective is to produce oil and gas in the most cost-effective way possible so as to maximise value creation for our owners, partners and the greater society – with the lowest possible impact on the climate.

*“The Gråsel project is a superb example of this. The successful early-phase work and the safe and efficient project implementation in cooperation with our alliances is a model for future developments of minor discoveries,”* says Dolve.

### **Seamless cooperation**

The progress in the project has exceeded all expectations:

*“Everyone who has been involved in the project and who has worked either from home offices around the country, or who have been offshore with responsibility for drilling operations, seabed completion or preparation of the Skarv FPSO, have really made a great effort. Together, we have made the Gråsel project a success”* says project manager for the Gråsel development, Mette Nygård.

The record-fast implementation can be credited to good fortune with early access to a drilling rig – and an agile project team using the opportunities that arose:

*“In the planning phase, there was some uncertainty with regard to when we would have access to a drilling rig. When the pieces started to fall into place, the Deepsea Stavanger rig was ready and waiting*

for us as early as April. Then all we had to do was get to work,” says Nygård.

*“The drilling campaign was carried out safely and efficiently, which helped to put us well ahead of the plan. It was also the first time in Aker BP history that a well intervention vessel was used to temporarily plug the injection well. This led to substantial cost reductions by reducing rig time,”* says Nygård.

Production from Skarv has been shut down for 25 days in May and June due to a major planned turnaround (TAR). After planned maintenance and modifications were completed, production was first resumed from the Skarv and Ærfugl Phase 1 fields – before Gråsel was put on stream.

Nygård emphasises that the project has still not crossed the finish line.

*“We still have the final stretch with the injection well, which is necessary to maintain pressure in the Gråsel reservoir. Among other things, this work will require rig time on the field, and the plan is to do this during the third quarter.”*

### **Increased production and extended lifetime**

*“Production start-up from Gråsel is a new milestone in our growth strategy for Skarv. Over the course of the year, the goal is to also bring Phase 2 of the Ærfugl development on stream,”* says Vice President Operations & Asset Development in the Skarv area, Sverre Isak Bjørn.

*“Start-up for Ærfugl and Gråsel will take Skarv back to a plateau production of over 170,000 bbls per day. In addition, the production increase will contribute to a reduction in CO<sub>2</sub> emissions per produced barrel from Skarv FPSO of as much as 30 per cent from 2022, and the Skarv lifetime will be extended by five years,”* according to Bjørn.

A key part of the recently completed turnaround on the Skarv vessel was an upgrade of production capacity in the gas facility. This also means a further increase in capacity to accept production from other discoveries in the area.

*“We’re maturing several development projects with the objective of making investment decisions by the end of 2022. The ambition is to phase in production from these developments over the next four-to-five years. As of today, the Shrek, Idun Nord, Alve Nord and Ørn discoveries are included in our ‘Skarv Satellite project’,”* says Bjørn.

*“We also have further exploration ambitions in the Skarv area, and we’re working on a new exploration campaign including both operated and non-operated wells in 2022,”* Bjørn adds.

#### **SKARV FACTS**

- The Skarv area is located in the northern part of the Norwegian Sea, approx. 210 kilometres from Sandnessjøen.
- The field, operated by Aker BP, is developed with a floating production and storage ship (FPSO), and has one of the world’s largest offshore gas processing facilities on this type of installation.
- Production from the field started in 2013.
- Aker BP has a supply base and operations office in Sandnessjøen. The helicopter base for transporting personnel to the Skarv area is located in Brønnøysund. The bases in Nordland county are also used for the rig activities in the area.
- Development of the Ærfugl field and Gråsel are the first steps on the path to make Skarv an important hub for discoveries in the surrounding area.
- The ambition for the Skarv area is a significant increase in production up to 2040.
- Partners in the Skarv licence are: Equinor Energy AS (36.2%), Wintershall Dea Norge AS (28.1%), Aker BP ASA (23.8%, operator), PGNiG Upstream Norway AS (11.9%)

**Contacts:**

Kjetil Bakken, VP Investor Relations, tel.: +47 918 89 889

Ole-Johan Faret, Press Spokesperson, tel.: +47 402 24 217

**About Aker BP:**

*Aker BP is an independent 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 'AKRBP'. More about Aker BP at [www.akerbp.com](http://www.akerbp.com).*