

Aker BP company presentation

November 2022

The E&P company of the future

Created by combining two leading independents

- ✓ World-class assets with high efficiency and low cost
- ✓ Low emissions and clear pathway to net zero
- ✓ Driving transformation through digital and alliances
- ✓ Profitable growth from unique resource base
- ✓ Financial strength & growing dividends



Active industrial
shareholders:



~21%



~16%

Nemesia

~14%

Other

~49%

Highlights

Third quarter 2022

Excellent operational performance

- Higher production efficiency
- Improved safety and lower CO₂ intensity
- Organisational integration completed 1 Oct

Progressing the growth portfolio

- Johan Sverdrup phase 2 on track for first oil in Q4
- Preparing for investment decisions on PDO portfolio
- New discoveries in the Skarv area

Strong financial results

- Record-high FCF of USD 1.9 billion
- Deleveraging continues – net debt USD 2.2 billion
- Quarterly dividend USD 0.525 per share

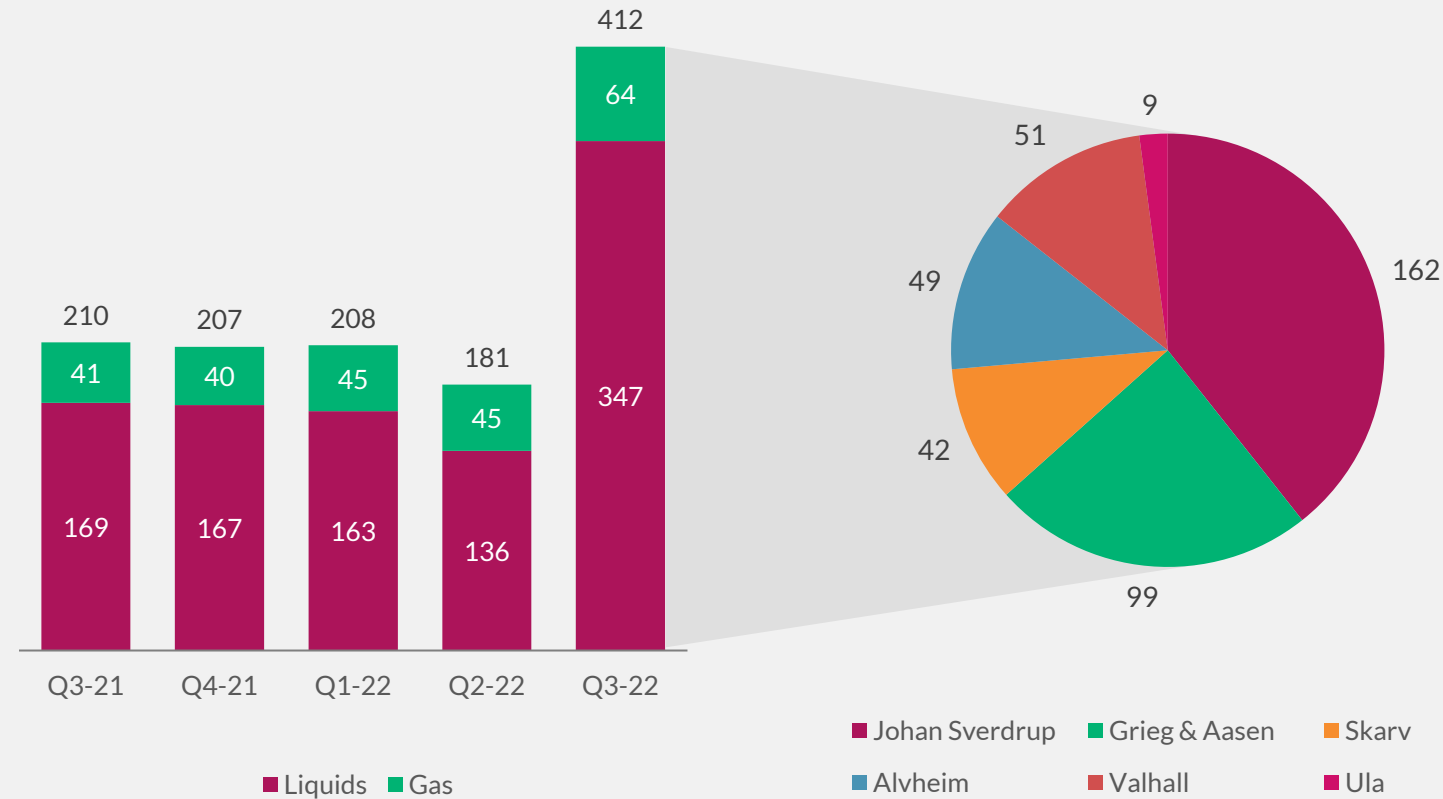
Photo from the installation of gas lift pipeline at Kobra East Gekko in July 2022



Production review

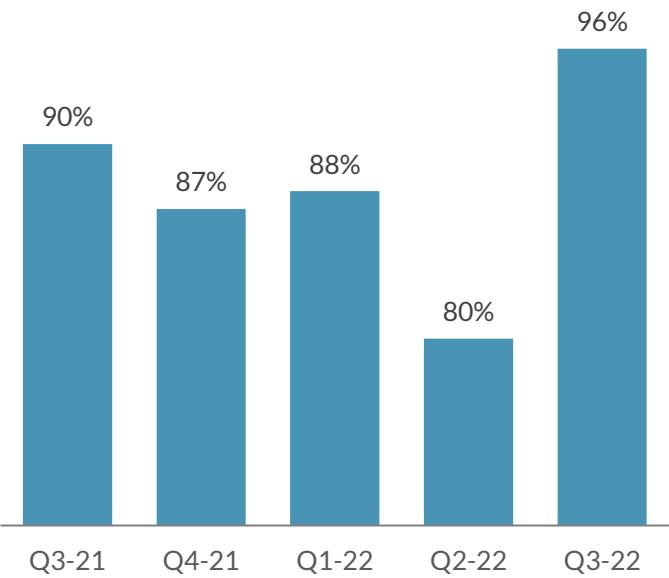
Oil and gas production

mboepd



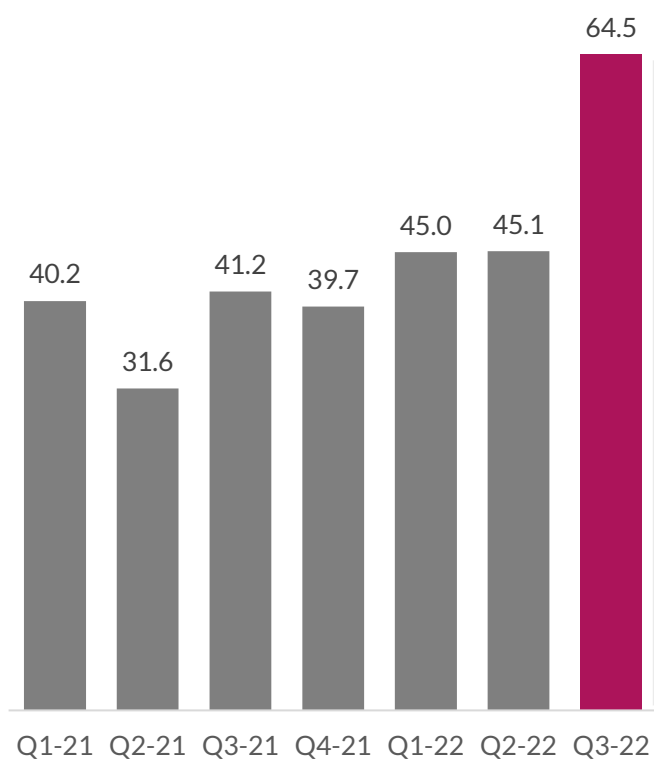
Production efficiency

Capacity utilisation



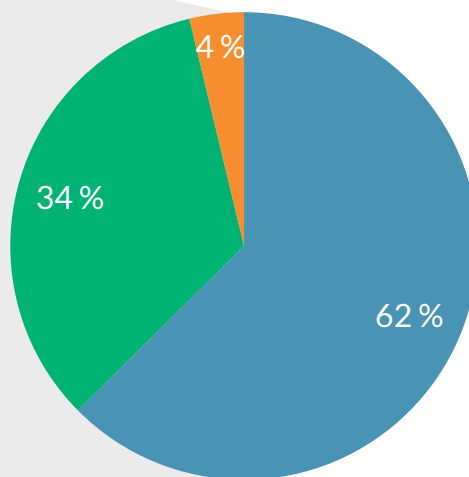
Record-high prices for natural gas

Gas sales, mboepd



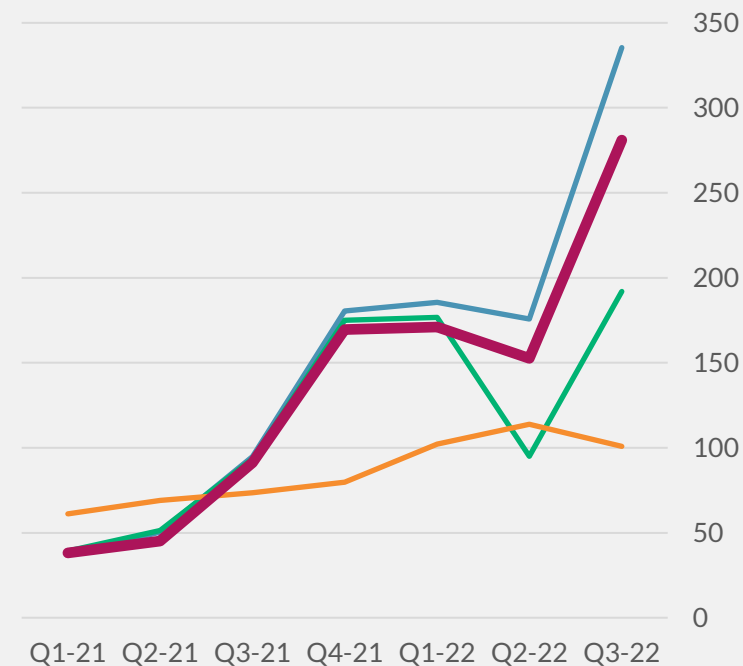
Gas pricing points

■ TTF day ahead ■ NBP day ahead ■ Oil linked



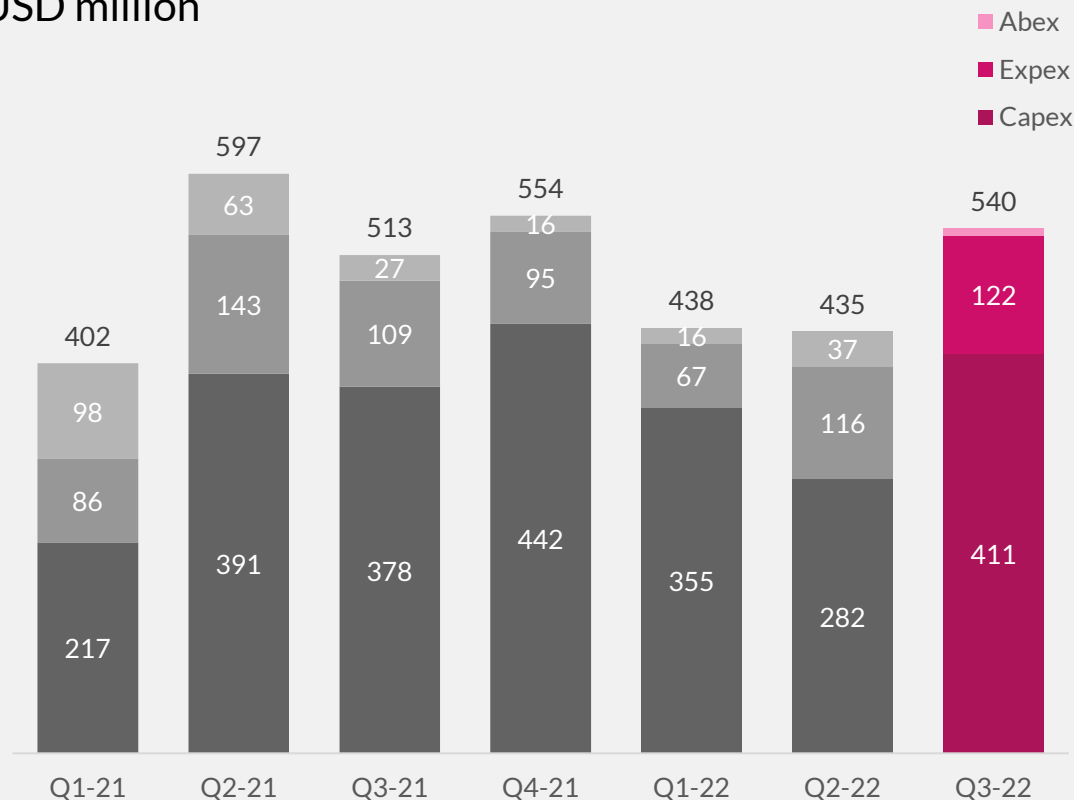
Gas prices, USD/boe

— TTF day ahead — NBP day ahead
— Brent — Aker BP realised



Capital spend

USD million



Capex

- Q3 first time incl. activities acquired from Lundin
- Spend below budget due to phasing and weak NOK
- Ramp up in Q4 with FID on several projects

Expex

- 6 wells drilled in the quarter
- Spending in accordance with plan
- 5 wells remaining in 2022

Abex

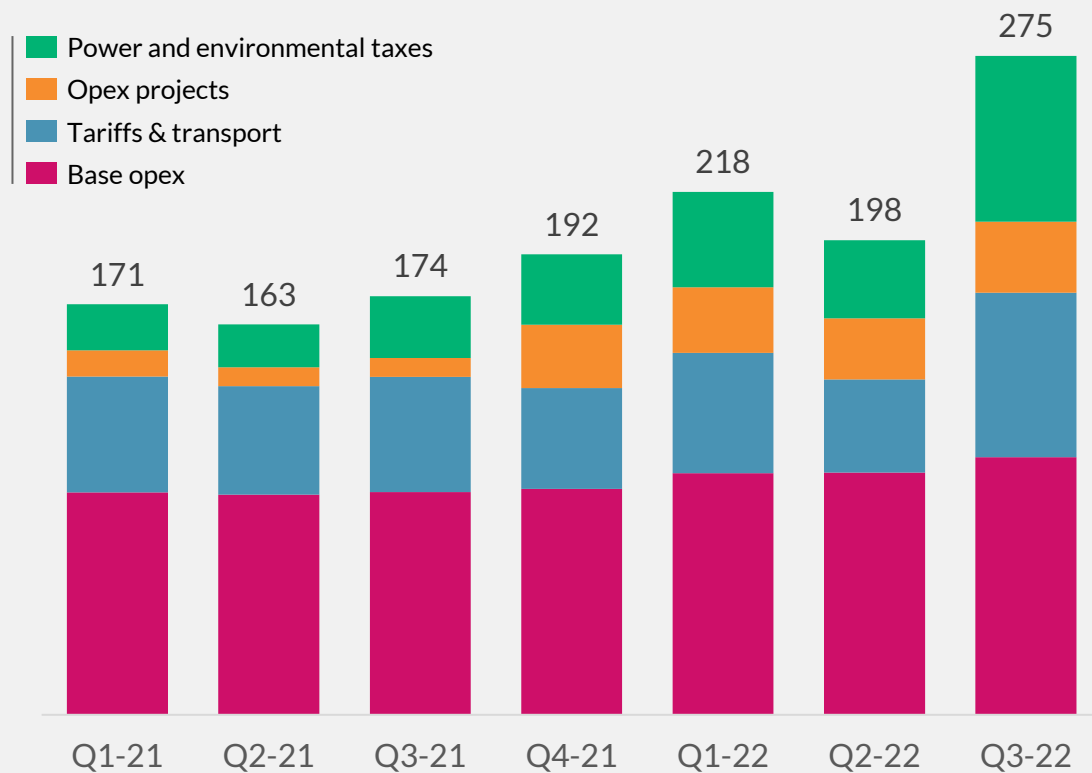
- Limited activity in the quarter
- Spending in accordance with plan

Production cost

Lower unit cost in Q3 due to changed production mix and higher production efficiency

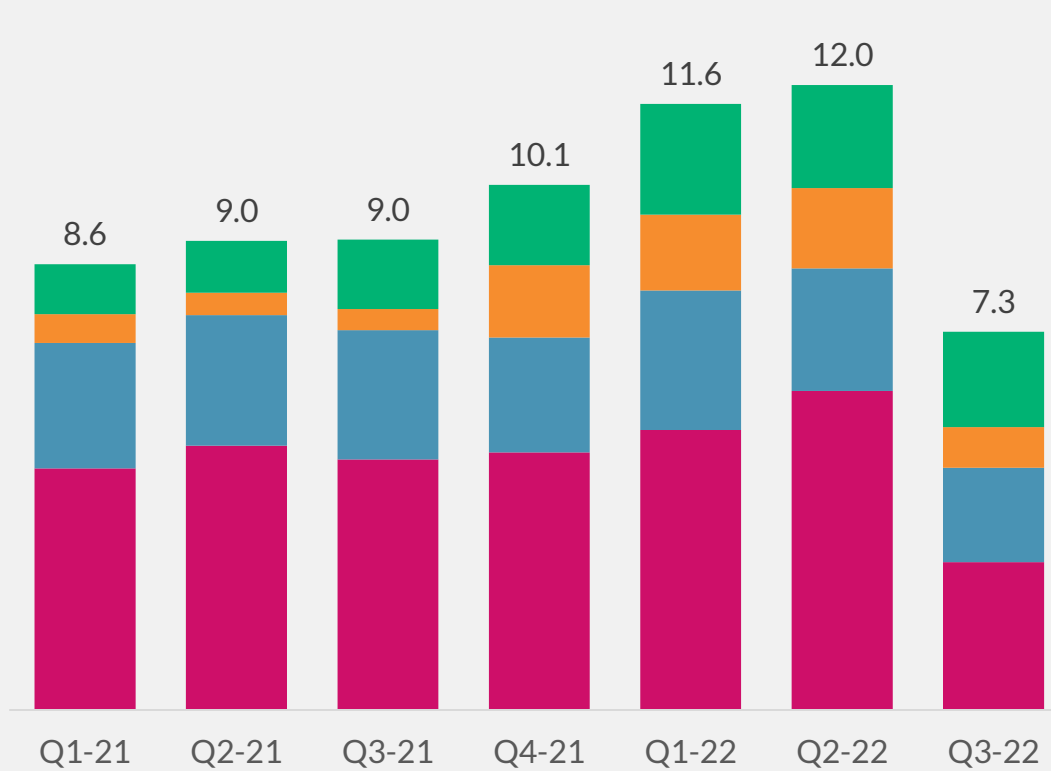
Production cost

USD million



Production cost

USD/boe



Income statement

Third quarter 2022

USD million	Q3 2022	Q2 2022	Change	Comment
Total income	4 866	2 026	2 840	1
Production costs	236	190	46	
Other operating expenses	9	20	(11)	
EBITDAX	4 621	1 816	2 805	
Exploration expenses	85	67	18	
EBITDA	4 536	1 749	2 787	
Depreciation	522	199	323	2
Impairments	55	422	(367)	3
Operating profit (EBIT)	3 959	1 128	2 831	
Net financial items	(177)	(62)	(116)	4
Profit/loss before taxes	3 782	1 066	2 716	
Tax (+) / Tax income (-)	2 998	878	2 120	
Net profit / loss	783	188	596	
EPS (USD)	1.24	0.52		

Comments

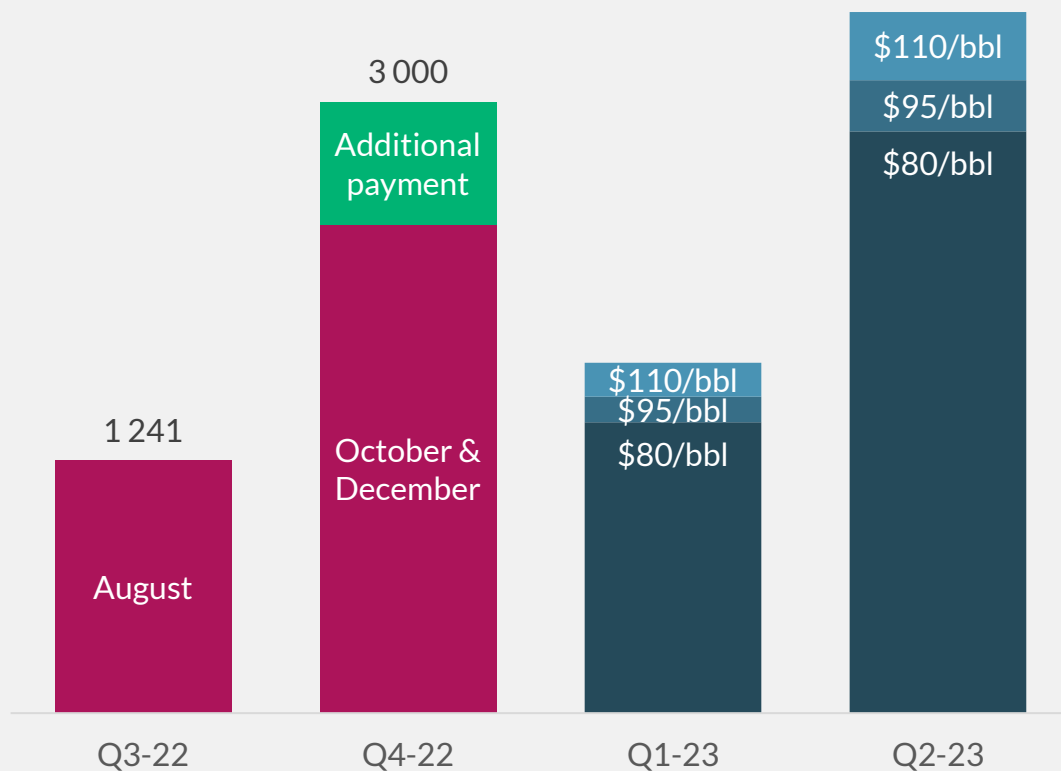
1. Gas ~34% and liquids ~65% in Q3
2. Corresponds to USD 13.8/boe (12.1 in Q2)
3. Related to Ula, driven by changes in profiles and decrease in prices
4. Mainly currency effects driving increase

In addition, other comprehensive income (OCI) includes a negative forex translation effect of USD 1 013 million

Tax guidance

Tax payments - Sensitivity for fiscal year 2022

USD million



Tax instalments for fiscal year 2022 set in June

- Q3 and Q4-22 instalments fixed
- Based on forecast full-year 2022 performance for combined company
- Opportunity to adjust in Oct-22 and Jan-23

Adjustment in October 2022

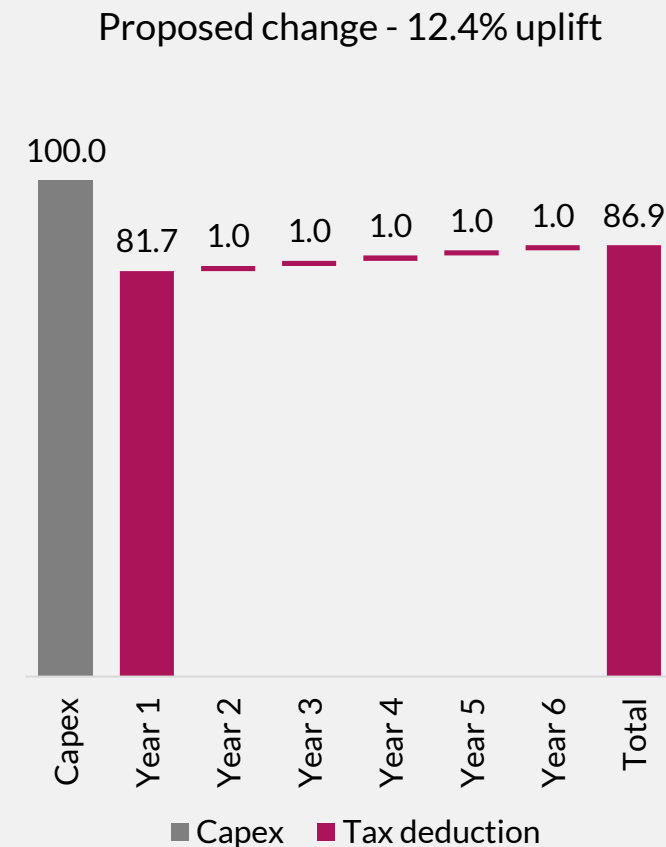
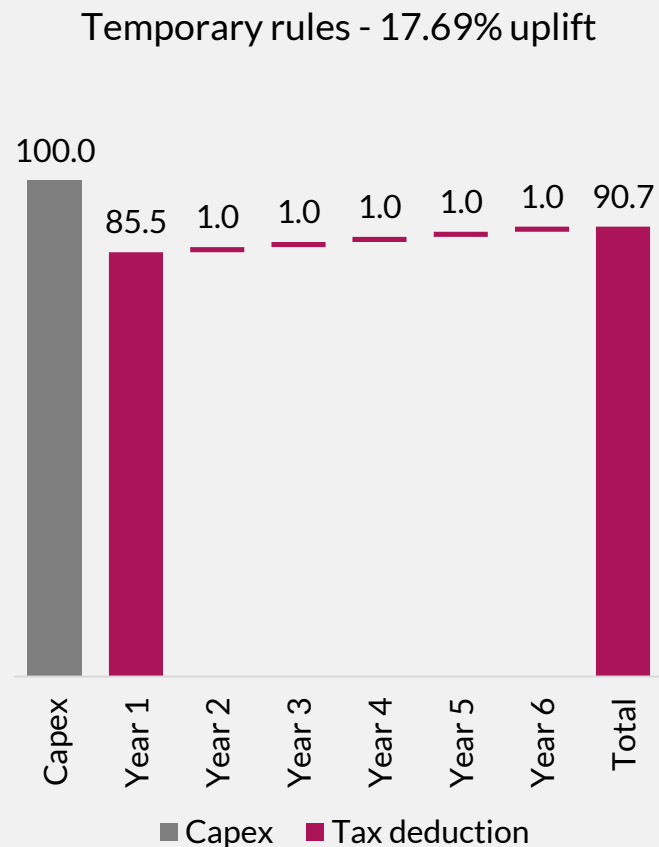
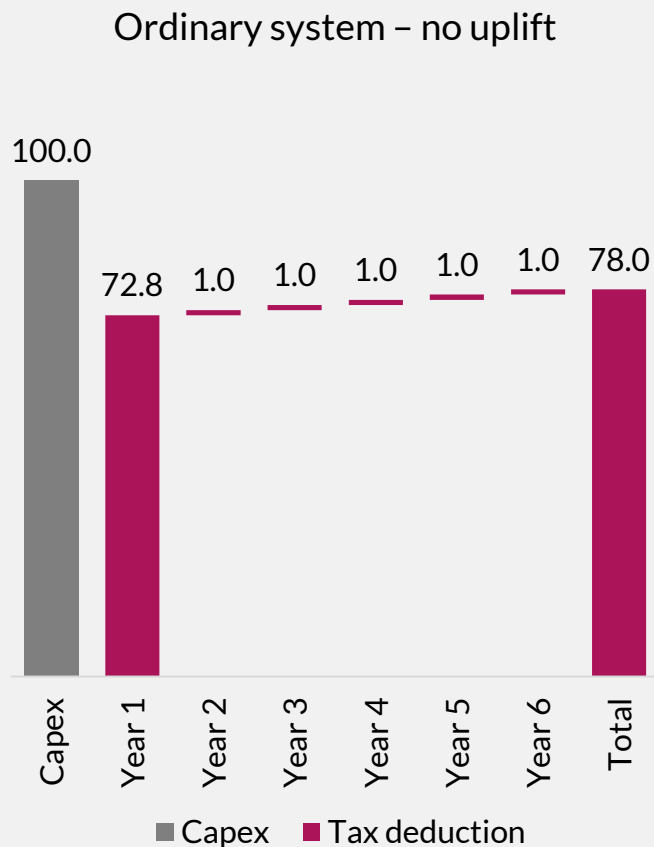
- Full-year tax estimate increased due to high prices
- Voluntary additional payment of NOK 6 bn in October
- Avoiding interest expenses

Sensitivity for payments in H1-23

- Brent price assumptions given for Q4 2022
- Gas prices assumed fixed at ~\$30/mmbtu
- USDNOK 10.0

Proposed change to temporary tax rules

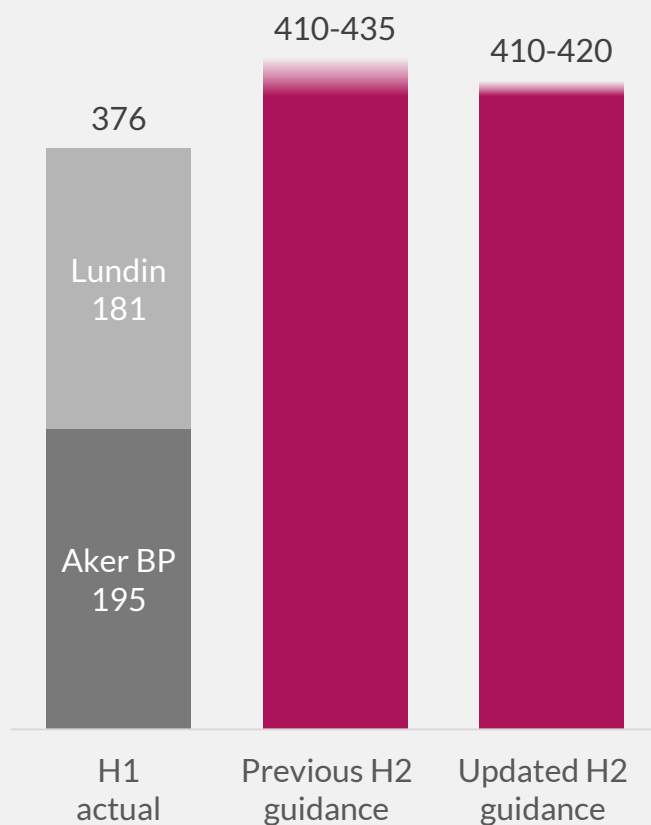
Government proposal to reduce uplift from 17.69% to 12.4% for investments made under temporary tax rules



Operational guidance for second half 2022

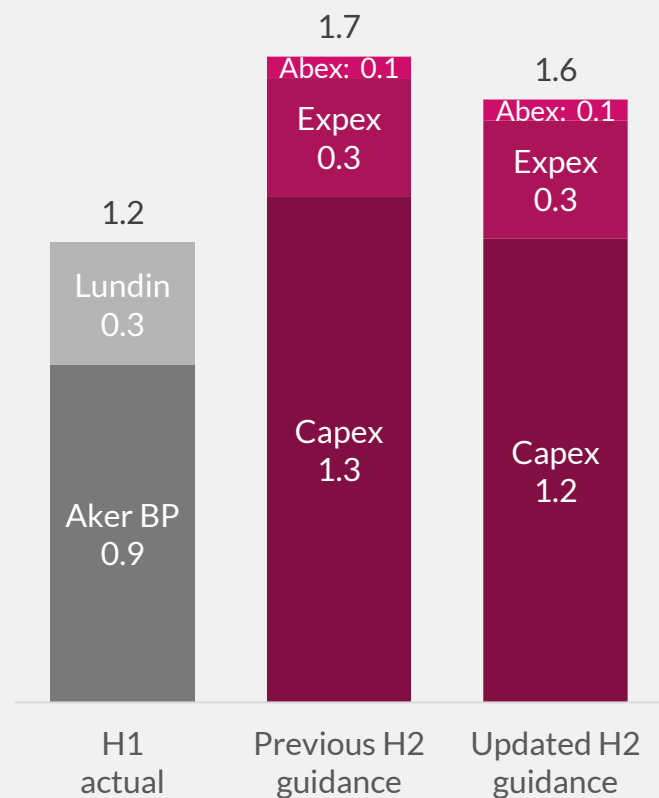
Production

mboepd



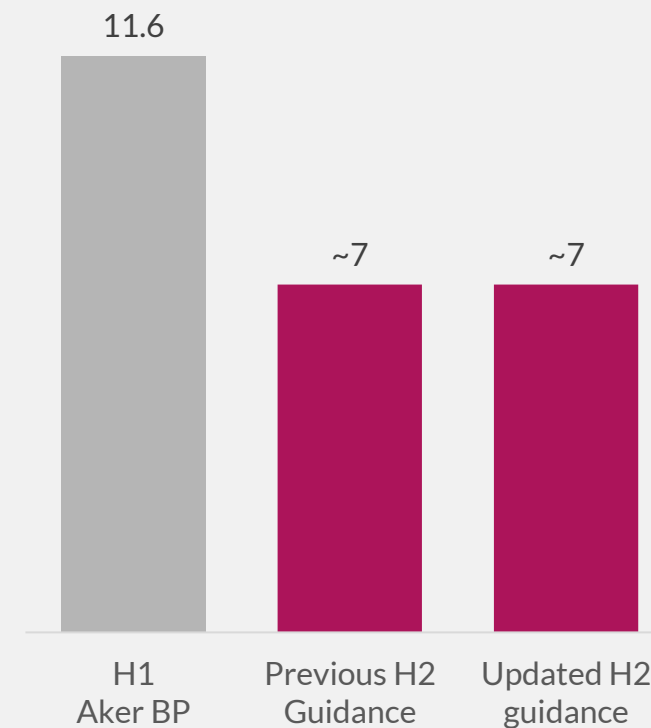
Capital spend

USD billion



Production cost

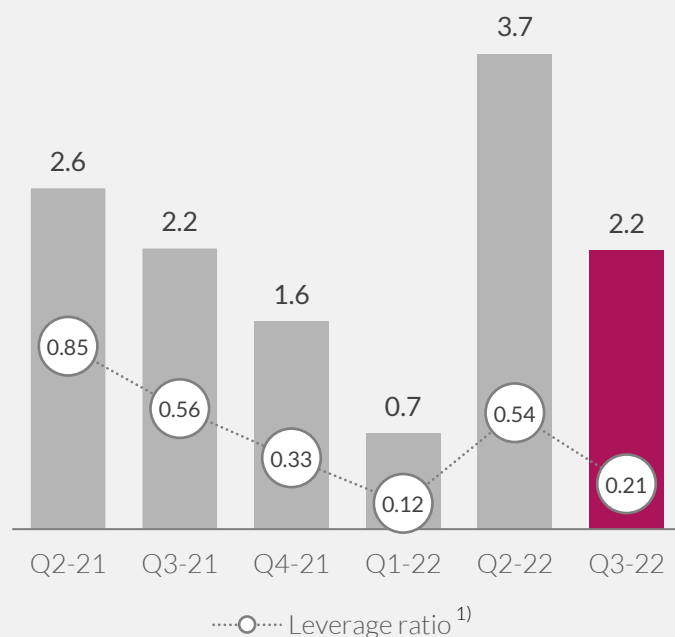
USD/boe



Superior financial flexibility

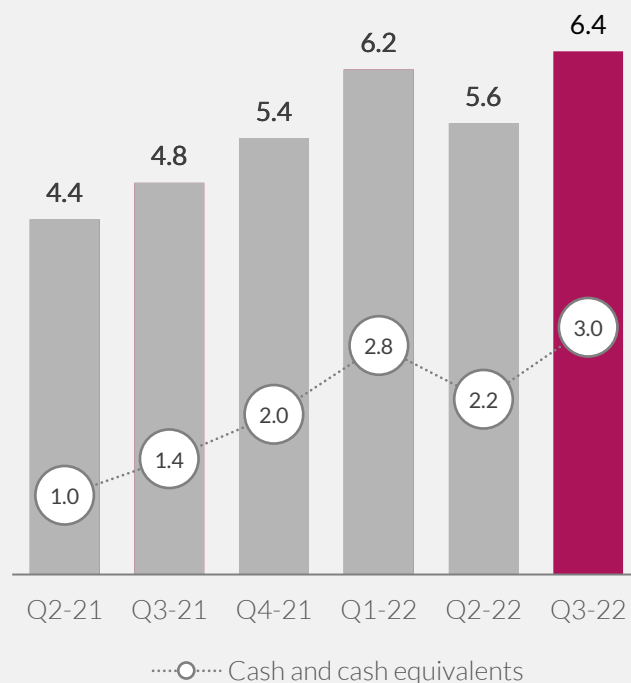
Net interest-bearing debt

Excl. leases, USD billion



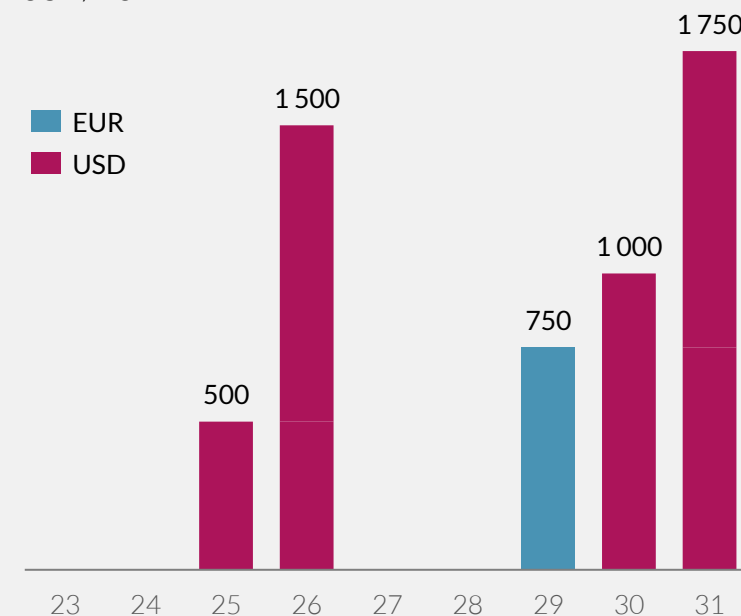
Liquidity available ²⁾

USD billion



Bond maturities

USD/EUR million



S&P Global
Ratings

BBB

Investment grade credit ratings

MOODY'S **Baa2**

FitchRatings **BBB**

1) Net interest-bearing debt divided by EBITDAX last 12 months, excluding effects of IFRS16 Leasing

2) Liquidity available: Undrawn bank facilities and Cash and cash equivalents

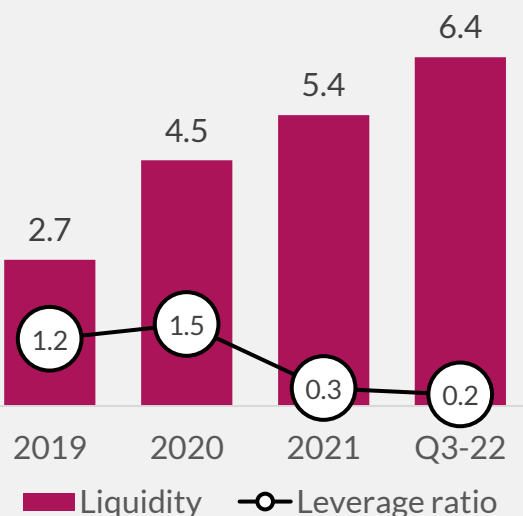
Capital allocation priorities stand firm

Aker BP's financial frame – designed to drive value creation and shareholder return

1 Financial capacity

Maintain financial flexibility and investment grade credit rating

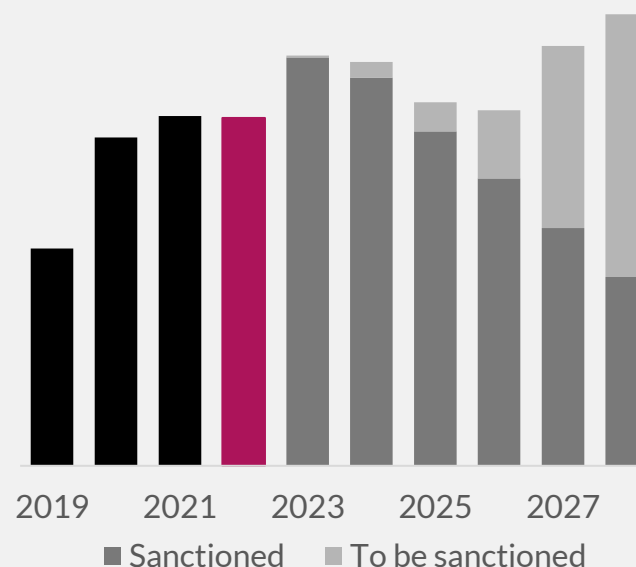
Liquidity (USD billion)



2 Profitable growth

Invest in robust projects with low break-evens

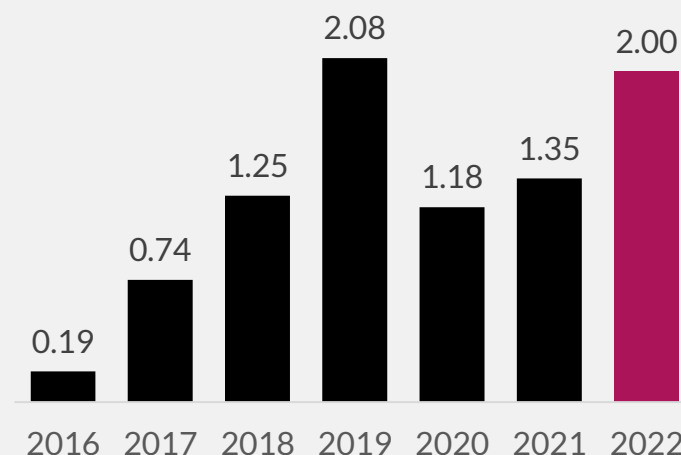
Production (mboepd)



3 Return value

Resilient dividend growth in line with long-term value creation

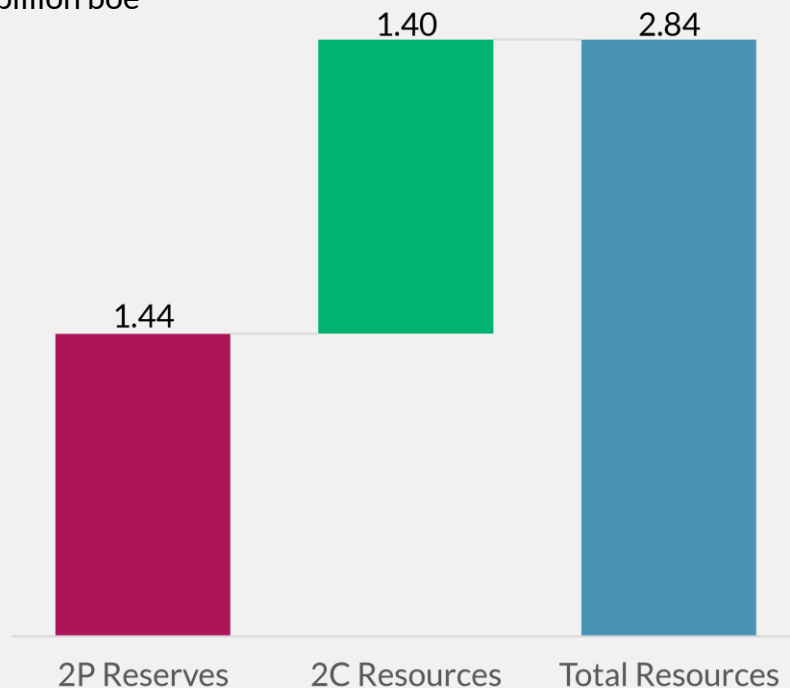
Dividends (USD/share)



Profitable growth from unique resource base

Reserves and resources per end-2021

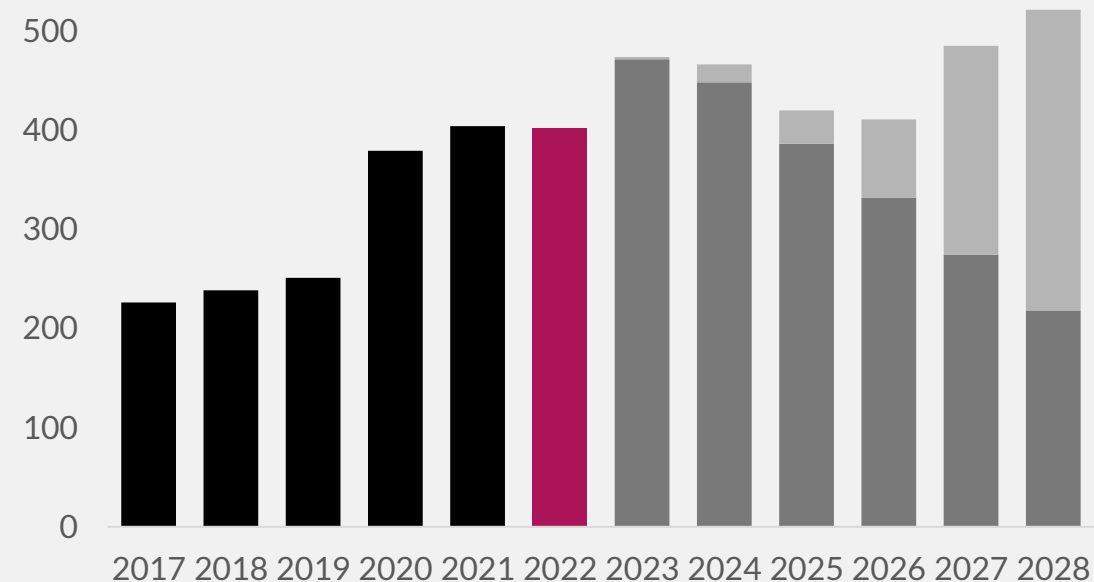
billion boe



Production outlook excl. 3P and exploration upsides

mboepd

■ Actual ■ Sanctioned ■ Non-sanctioned

**\$30/bbl**

NPV10 breakeven target

Capital efficient

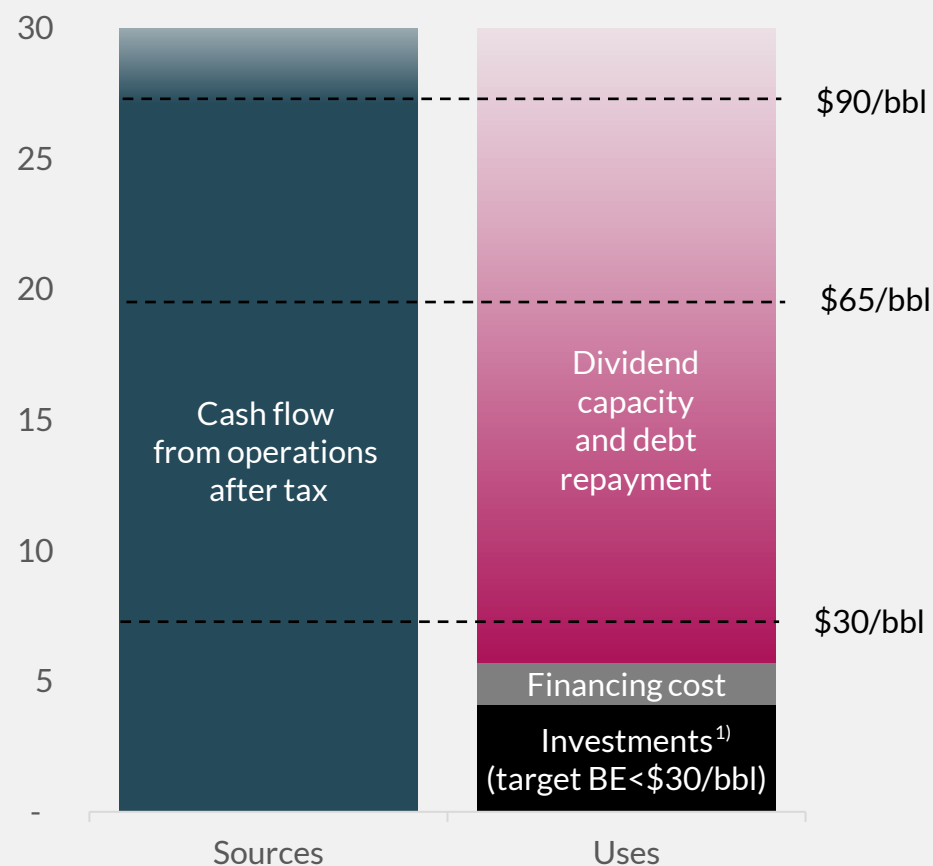
supportive tax system

~525 mboepd

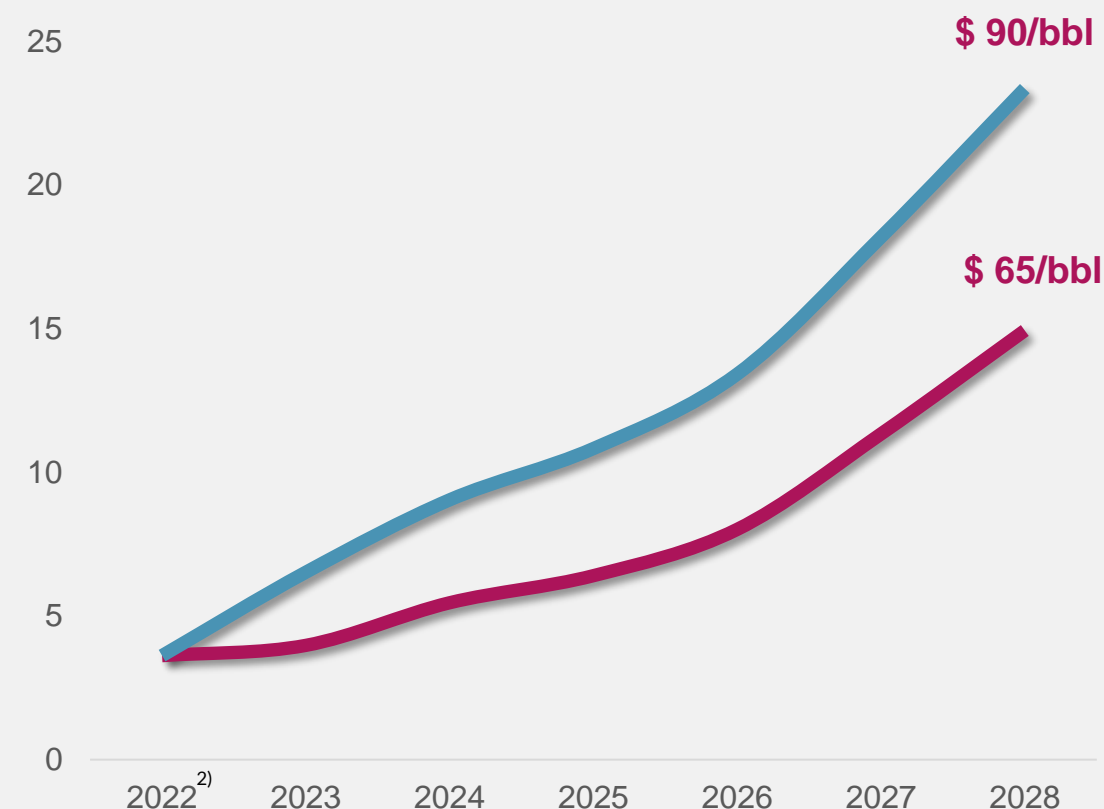
Production by 2028

Strong and resilient cash flow generation

Aker BP value creation plan 2022-2028
USD billion, accumulated



Free cash flow scenarios
USD billion, accumulated

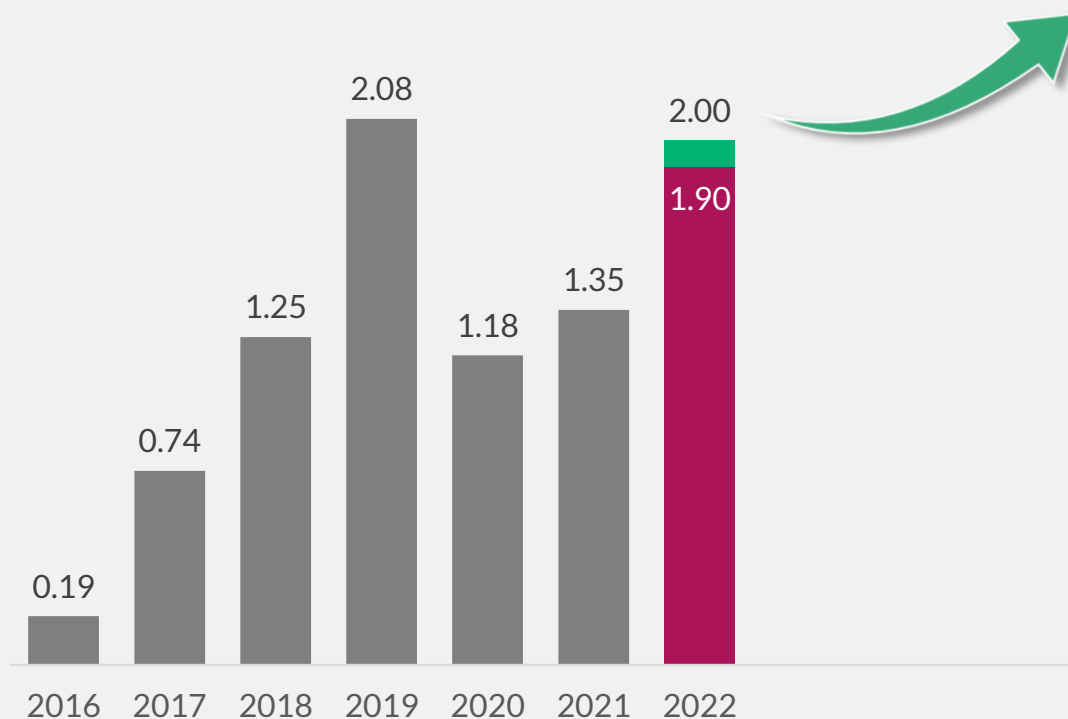


1) Investments after tax deductions. BE: break-even oil price using 10% discount rate

2) 2022 FCF estimate is based on a fixed oil price assumption of USD 100/bbl

Returning value

Aker BP dividends
USD per share



USD 2.0/share

Updated guidance for full year 2022

~48%

Yearly growth from 2021

~11%

Quarterly growth from Q2 2022

Resilient growth

Ambition to grow by minimum 5% per year
at oil prices above 40 \$/bbl

Goodwill explained

Goodwill

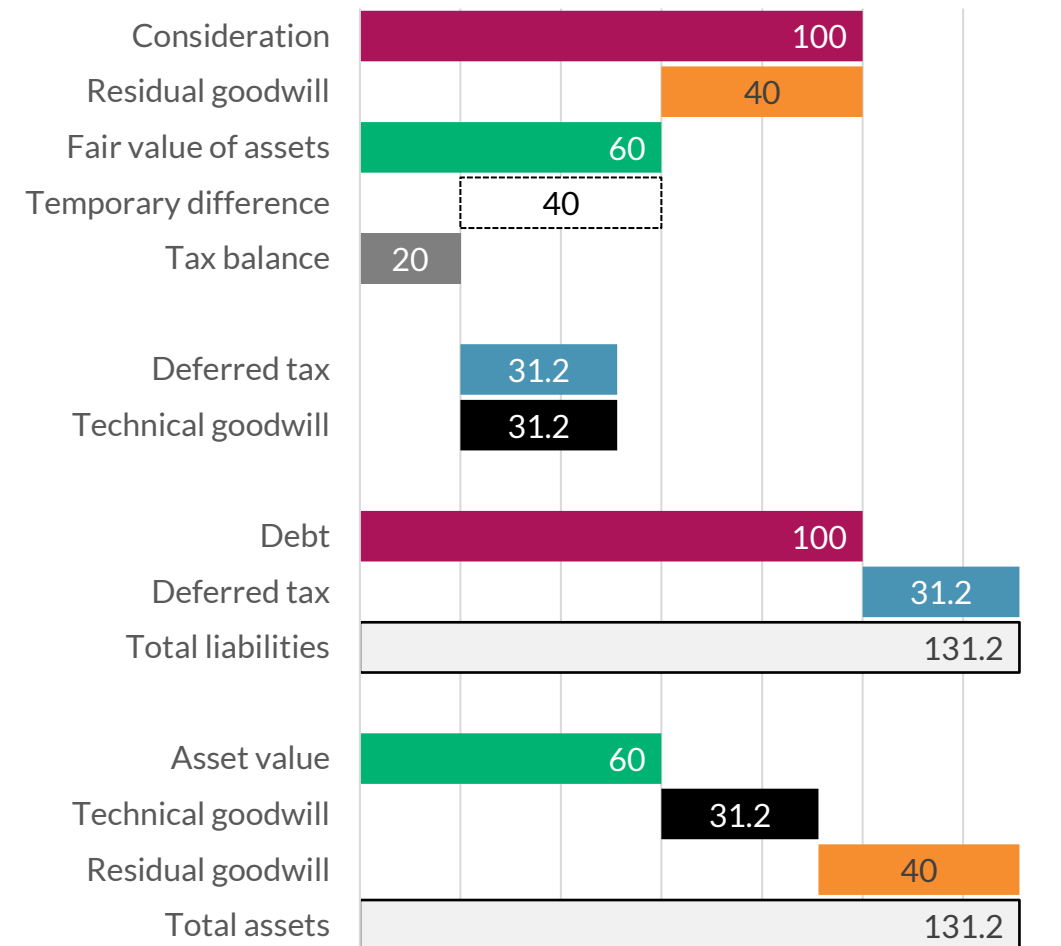
- Residual goodwill: Part of the consideration amount that can not be allocated to specific items in the balance sheet
- Technical goodwill: Mirroring the gross-up effect of deferred tax

Tax balance and deferred tax

- Tax balance: remaining un-depreciated asset value in the tax accounts
- Temporary difference: difference between book value and tax balance
- Deferred tax: 78% of temporary difference

Assumptions used in example →

- Consideration 100
- Fair value 60
- Tax balance 20
- The rest is math...



Strategy update

2022

Our strategic priorities next 5 years

Aker BP's strategic framework

Return maximum value to our shareholders and our society

Lead the transformation of E&P

Digitalisation – Alliances – Future Operations



Operate safely and efficiently



Decarbonise our business



Deliver growth on time,
cost and quality

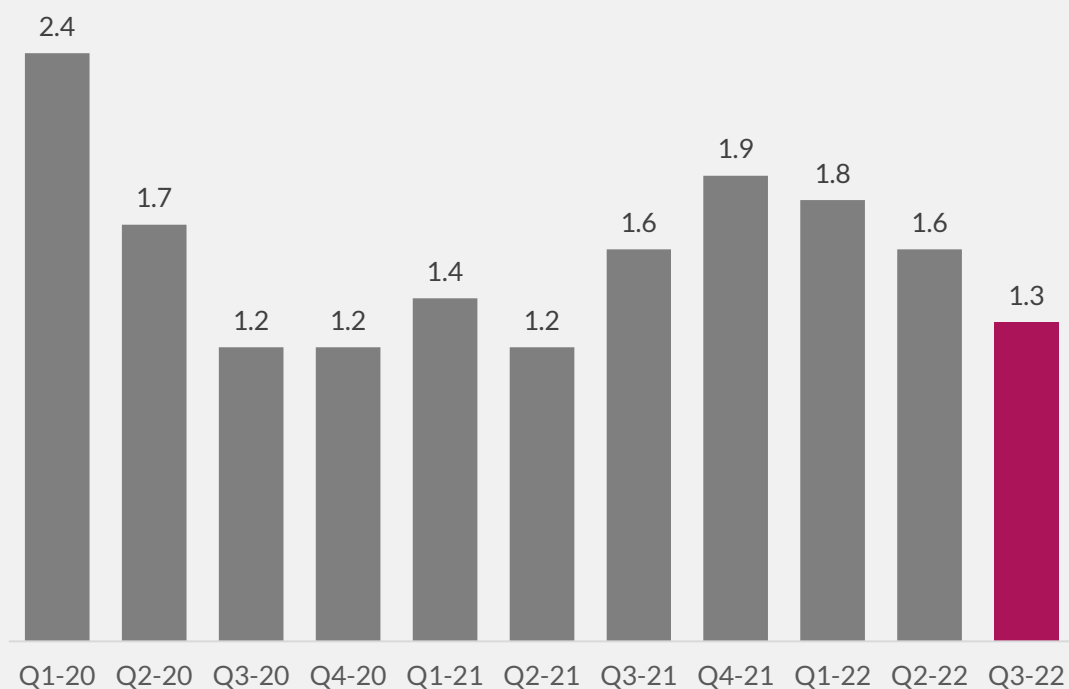


Establish the next wave of
profitable growth options

#One Team – The most attractive place to work

Safety – priority number one

Injury frequency (TRIF) ¹⁾



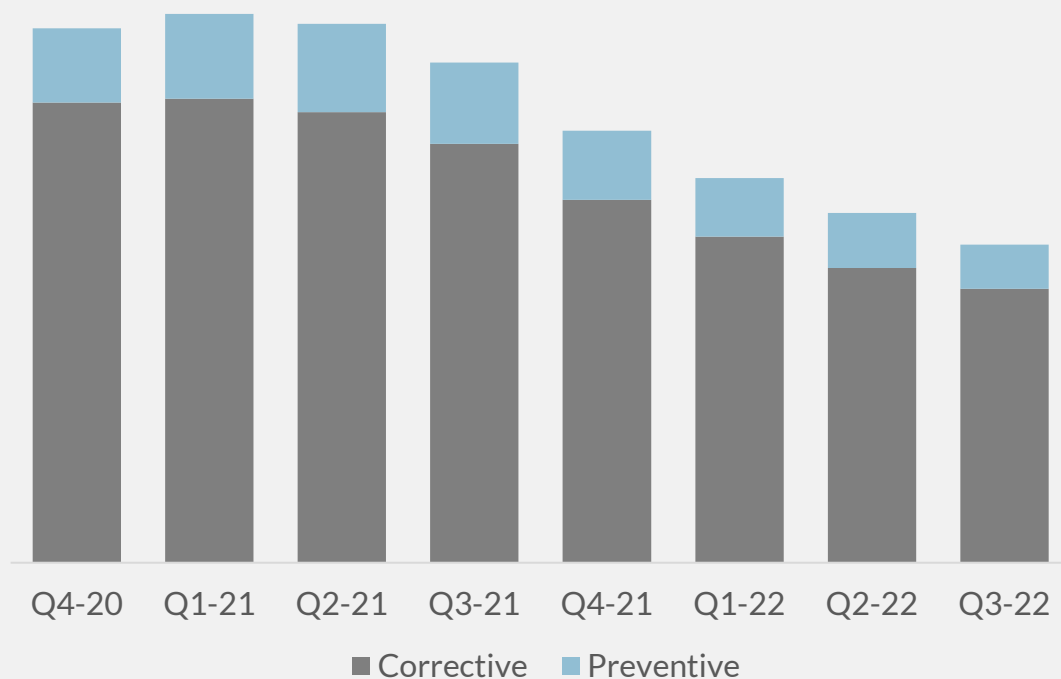
1) Total recordable injuries per million exp. hours, rolling 12 months average



Reducing the maintenance backlog

An example of how Aker BP works to improve production efficiency

Maintenance hours overdue ¹⁾



- Systematic improvement work targeting maintenance backlog
- Reduced backlog reduces risk of unplanned downtime
- Reduction by over 40% in total maintenance hours overdue since first quarter 2021

1) Includes all Aker BP operated assets, excluding Edvard Grieg.

World-class portfolio of producing assets

Large scale, low risk assets on the Norwegian Continental Shelf

2P reserves¹⁾

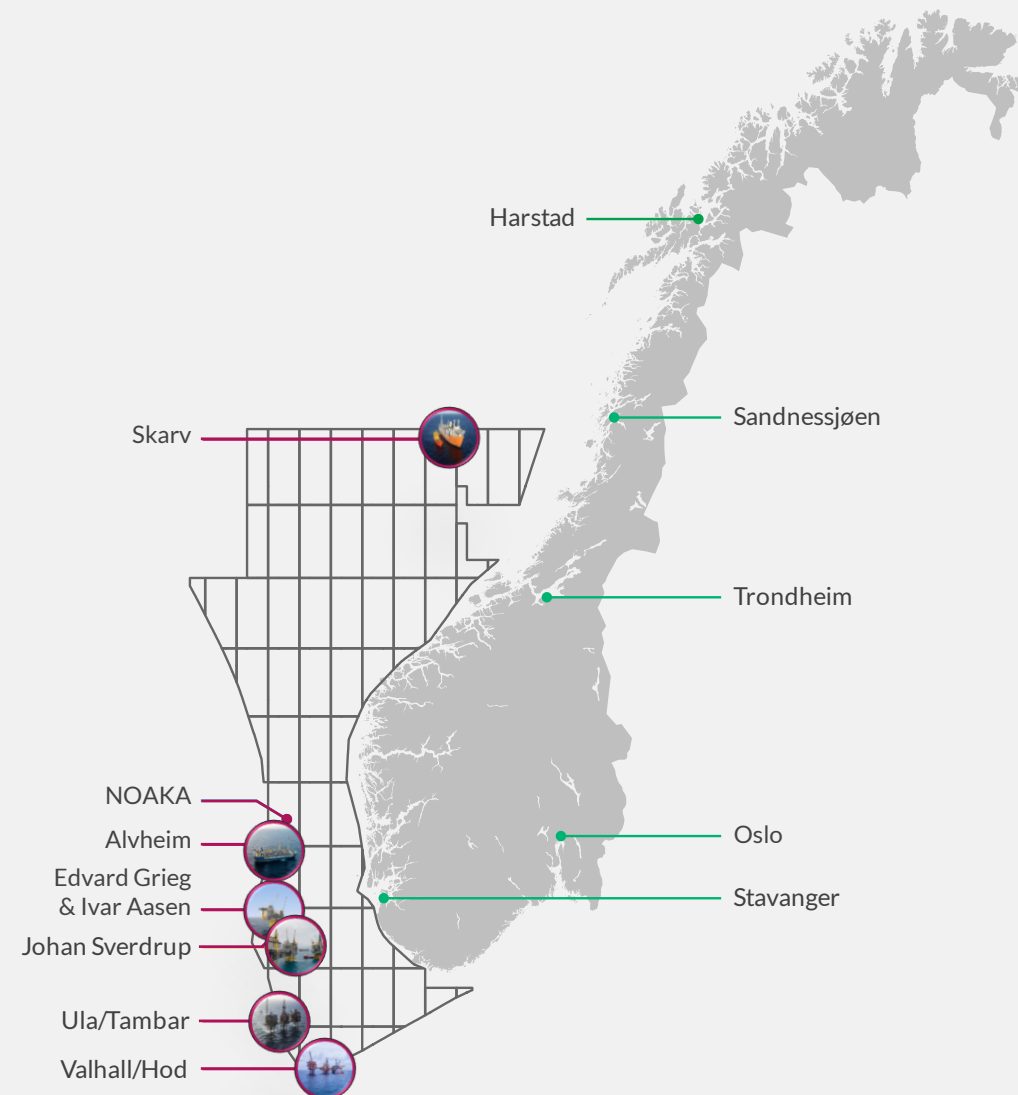
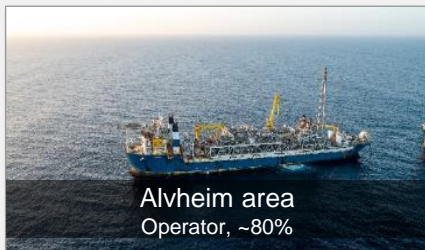
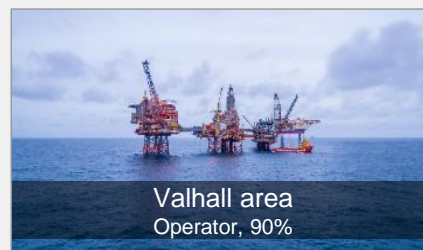
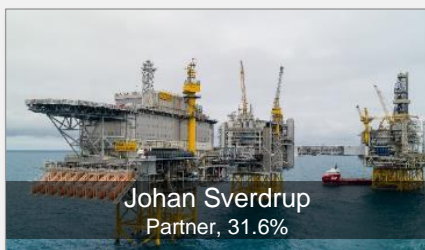
1.4bn
boe

2C resources¹⁾

1.4bn
boe

2022e

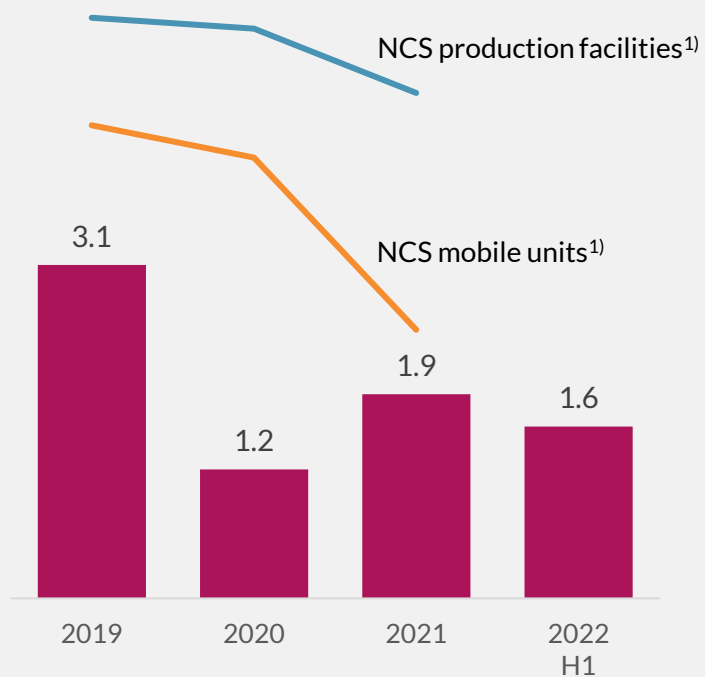
>400
mboepd



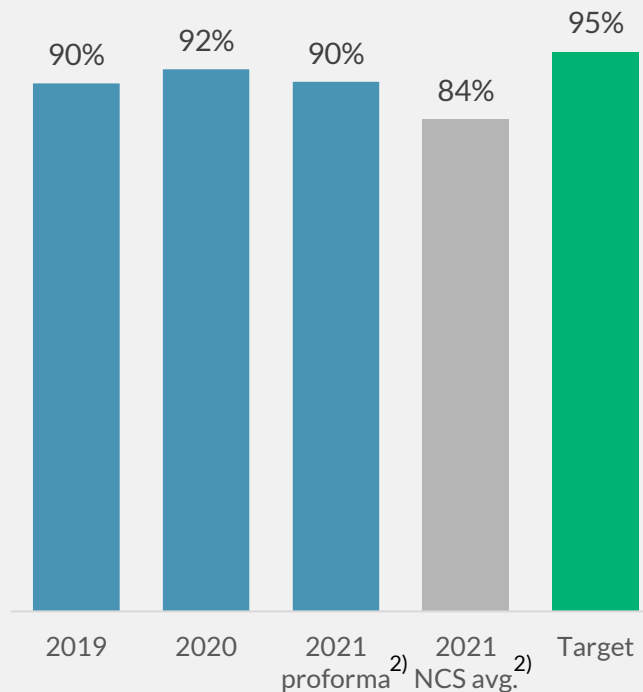
1) Reserves and resources as at end 2021

Safe and efficient operations

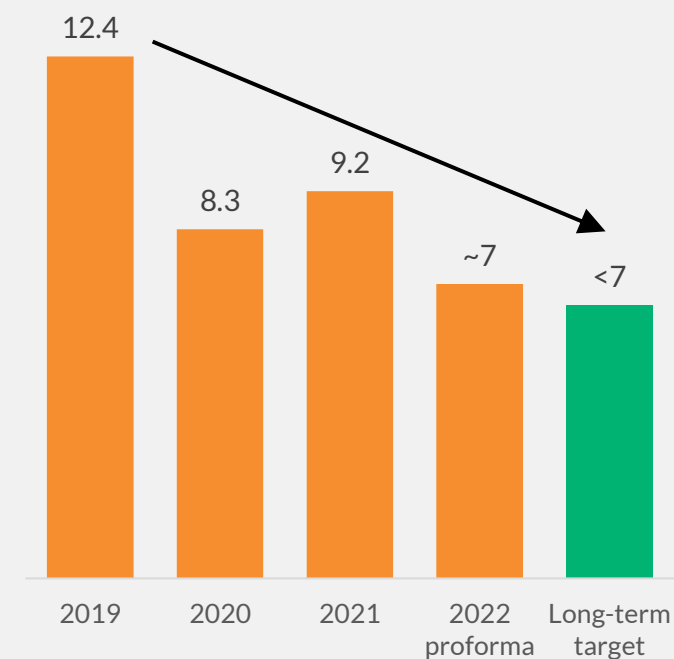
Injury frequency (TRIF)



Production efficiency % of max production potential



Production cost forecast USD/boe



1) Source: RNNP 2021 (Petroleum Safety Authority Norway)

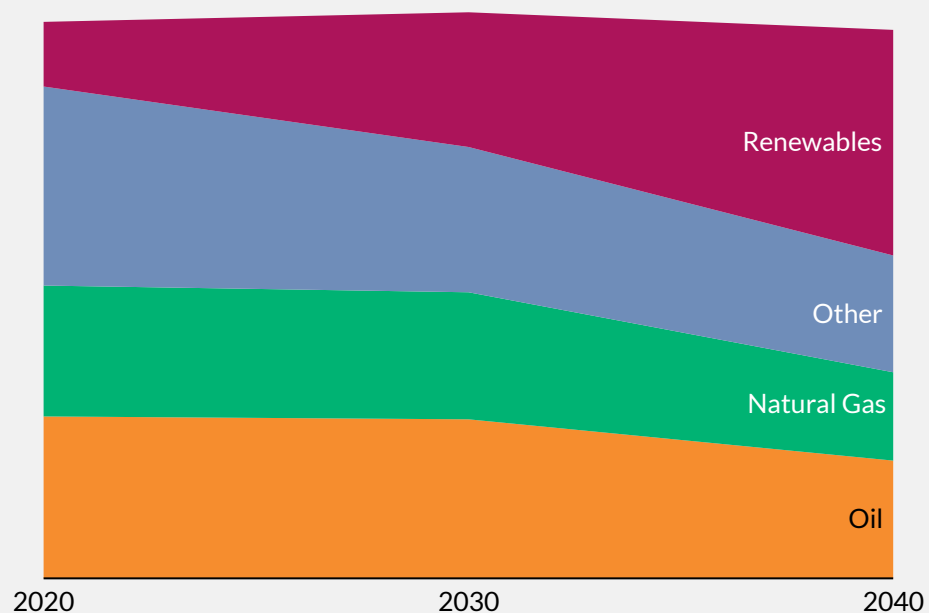
2) Source: Aker BP and McKinsey operations benchmark. 2021 proforma includes all Aker BP operated assets and Edvard Grieg

The challenge

Affordable, sustainable and reliable energy for all

Oil & gas will remain a crucial part of the energy mix

Sustainable Development scenario (SDS)



Source: World energy outlook 2021, Energy supply mix

Aker BP's contribution as a pure play E&P company



Maximize value creation
for shareholders and the society while
producing the energy the world needs



Minimize emissions
from our operations



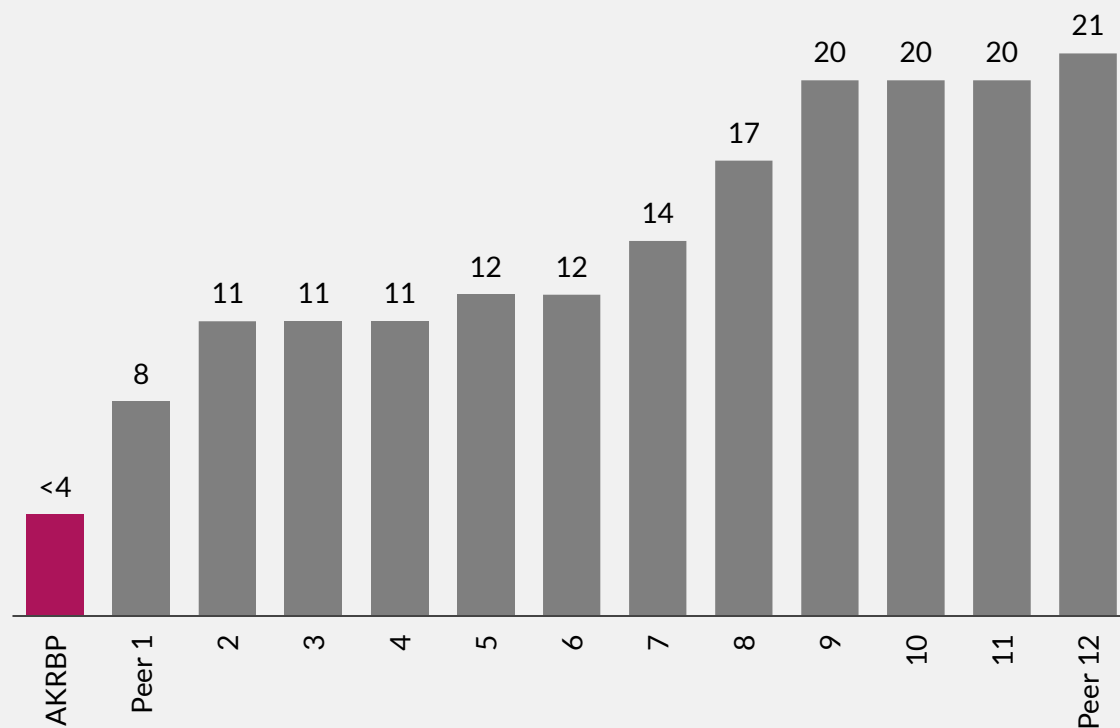
Share technology and knowledge
to enable new industries

World-class low emissions

Leading the way on low carbon

Emissions intensity 2020

kg CO₂/boe, equity share



Source: Rystad. Selection of independents with 2021e production > 100 mboepd and mainly offshore assets
Includes APA, BHP, COP, BHR, HES, MUR, Neptune Energy, OXY, Spirit Energy, Vår Energy, Wintershall
DEA, WPL

Key drivers behind Aker BP's low emissions

Electrification

Power from Shore to Valhall (2012) – Johan Sverdrup (2019) –
Edvard Grieg & Ivar Aasen (late 2022)

Efficiency improvements

Portfolio-wide program achieving
year-by-year improvements in Energy Efficiency

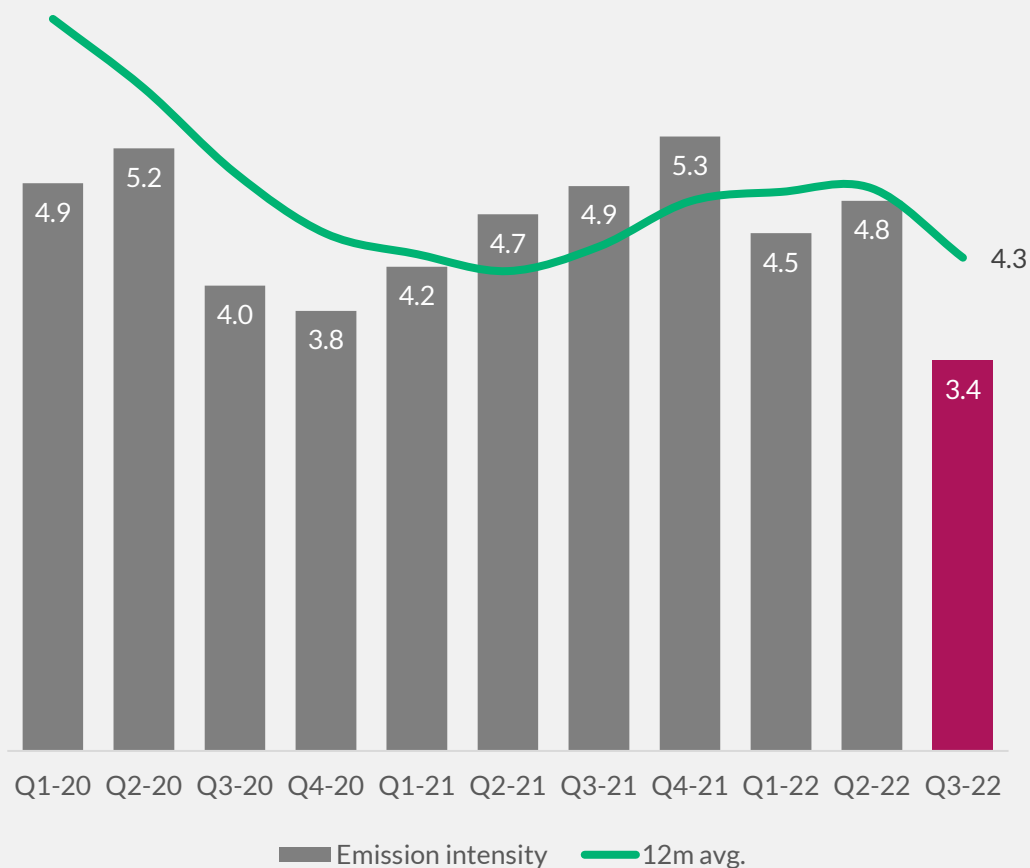
Production optimisation

Continuous field development through
Aker BP's alliance model to keep production high

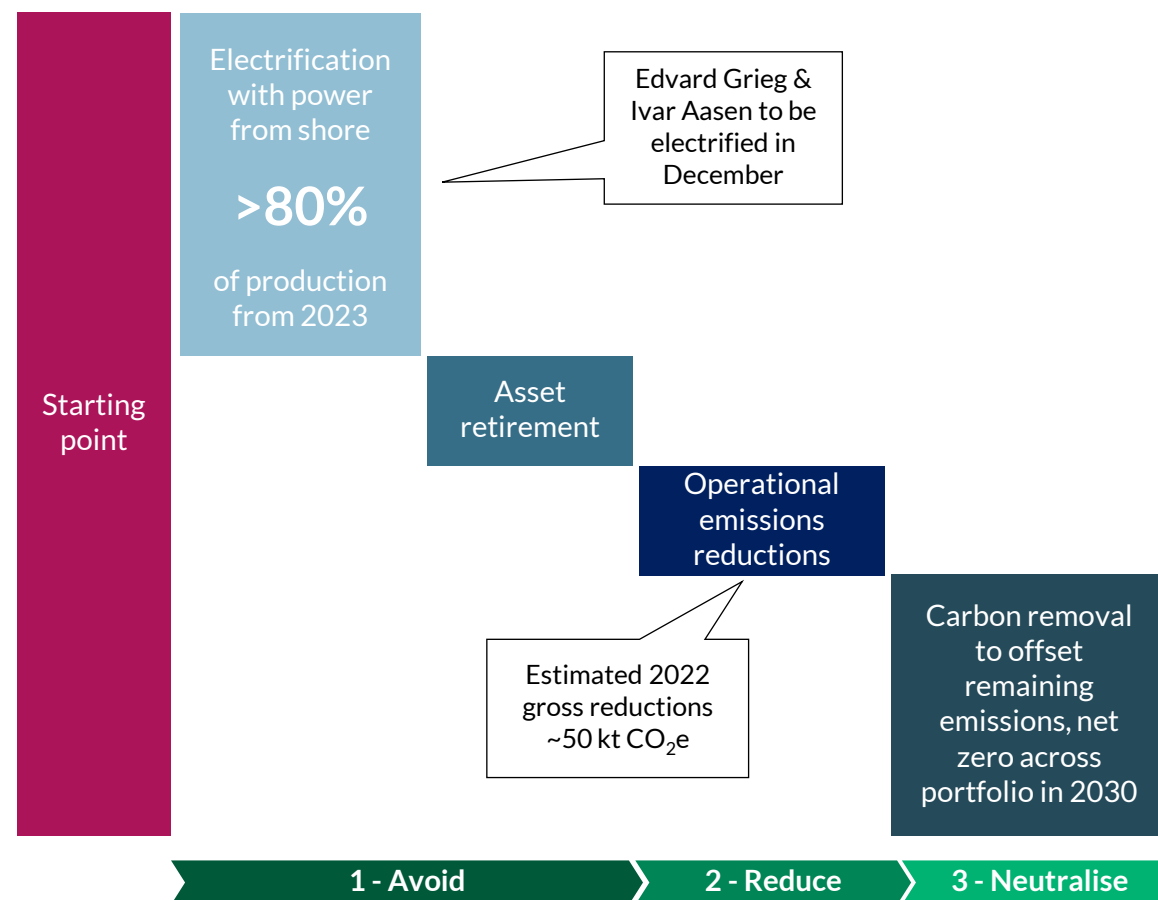
A leader in low-emissions oil and gas production

CO₂ emissions intensity further reduced

Kg CO₂ per boe produced



Plan to reach net zero across operations by 2030 ¹⁾



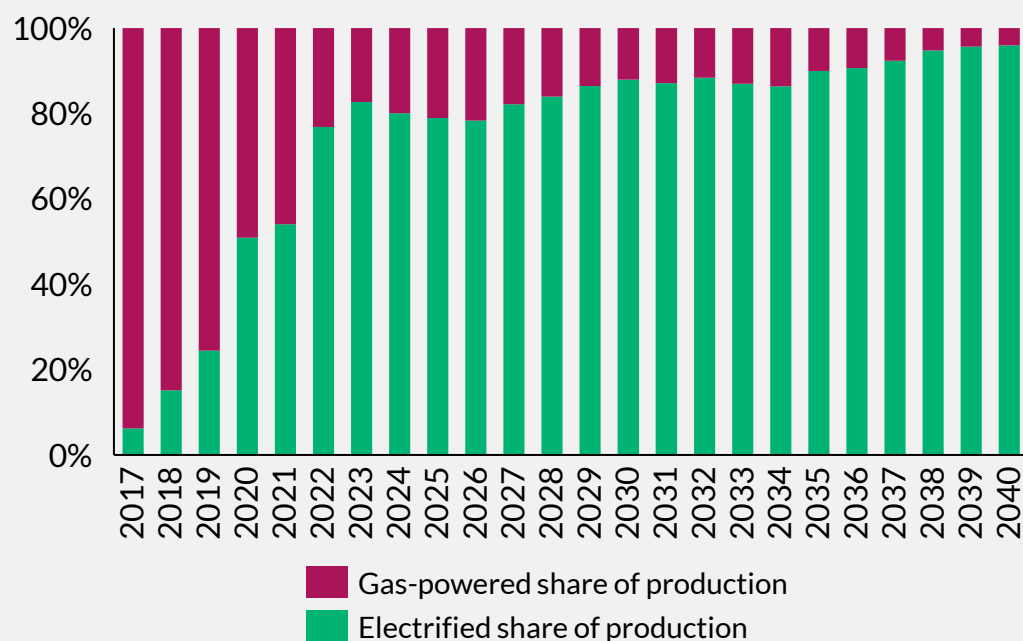
1) Net zero across Scope 1 + 2, on an equity basis.

Aker BP set to further improve emissions performance

Concrete actions taken to reduce emissions

More than 80% of production with ~0 scope 1 emissions

Driven by continued electrification and asset retirement



Energy efficiency: Targeting 2% improvement p.a.

Examples of recent achievements¹⁾

2020: 19 000 tonnes (+60 000 tonnes with temporary effect)

- Change Skarv gas export specifications and reduce pressure loss
- Optimised Ula WAG scheme reduced injection pressure

2021: 22 000 tonnes

- Rebundled Alvheim compressors
- Modifications on rig to optimise fuel consumption

2022: 39 000 tonnes (YTD estimate)

- Change two Alvheim water injection pumps
- Optimise Skarv gas injection and rate

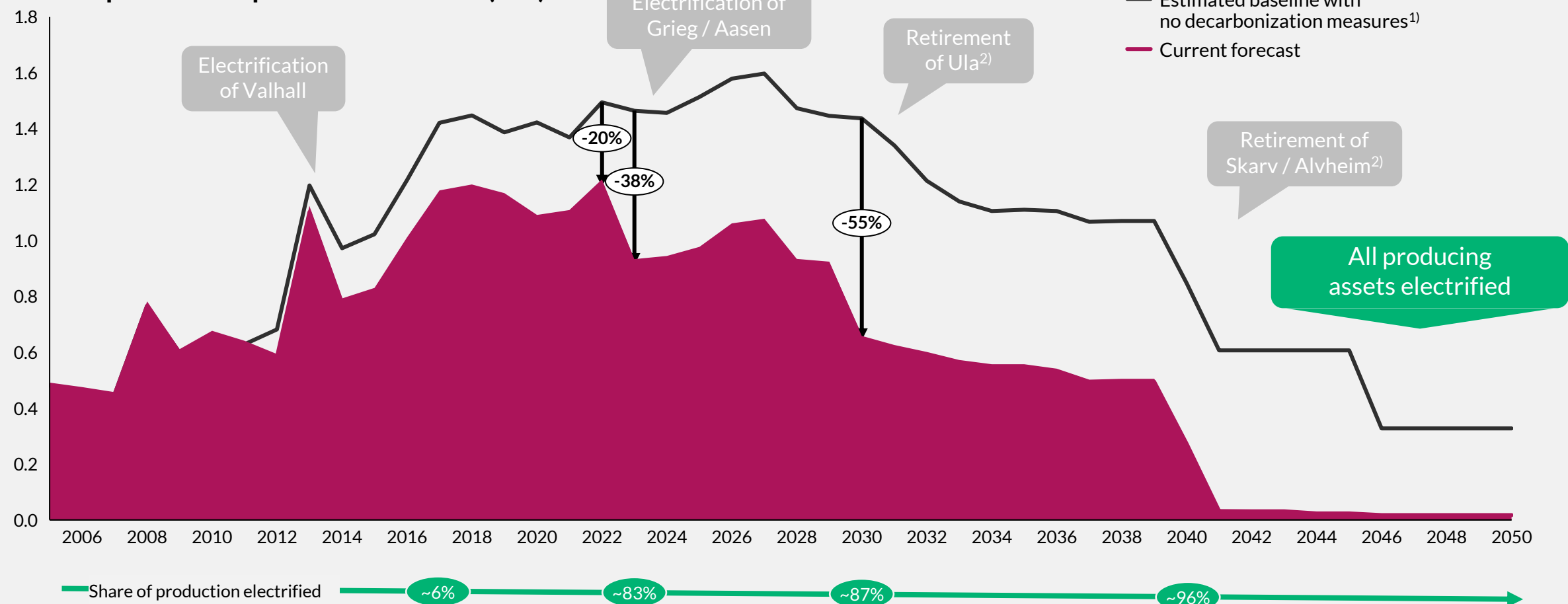
Successful decarbonisation strategy results in forecast emissions intensity of < 4 kg CO₂/boe until 2035

1) Non-exhaustive list. Effects are gross tonnes CO₂ equivalents and Aker BP's best estimates

Clear pathway to reduce absolute emissions close to zero

Aker BP high level CO₂ emissions forecast of operated assets

Gross operated scope 1 & 2 emissions (MT)



1) Current best estimate of hypothetical emissions if no electrification or energy efficiency measures had been implemented

2) Based on current business plan and could change based on economic cut-off

Neutralising residual emissions from 2030

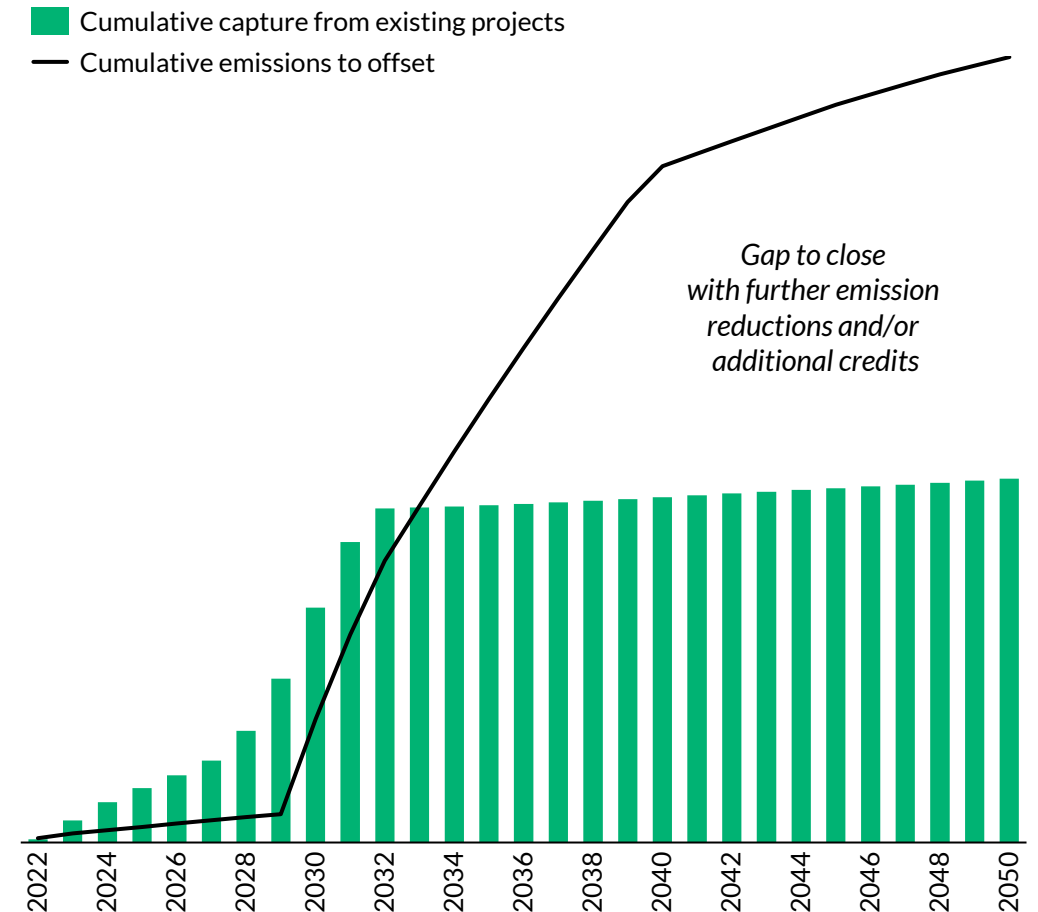
- ✓ Leading low CO₂ intensity is a competitive advantage for Aker BP to become net zero across operations
- ✓ Main priority is to avoid and reduce our own emissions
- ✓ Residual emissions will be neutralised from 2030
 - For every ton CO₂ we emit in 2030 onwards¹⁾, Aker BP will remove one ton from the atmosphere
- ✓ Neutralisation through high integrity carbon credits
 - > 50% of cumulative credits needed to 2040 secured already, mostly through two proprietary reforestation projects²⁾
- ✓ Evaluating CCS³⁾ as a standalone business opportunity and potential decarbonisation lever longer term

1) Aker BP's equity share of Scope 1 and Scope 2 emissions

2) VCS or GoldStandard registered reforestation projects

3) Carbon Capture and Storage

CO₂ neutralisation status

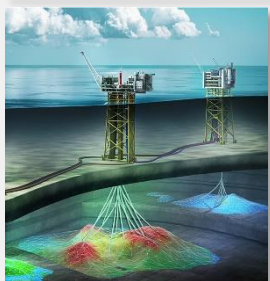


Project portfolio progressing according to plan



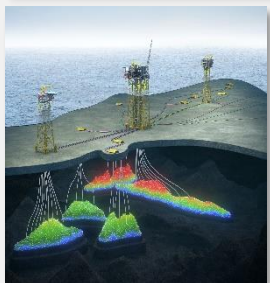
Alvheim

- ✓ Frosk on track for first oil in H1 2023
- ✓ Kobra East Gekko in execution – first oil 2024
- ✓ Trell & Trine PDO submitted – first oil 2025



Edvard Grieg & Ivar Aasen

- ✓ Hanz in execution – first oil 2024
- ✓ PDO for Utsira High Projects in December (Lille Prinsen, Rolvsnes and Solveig)



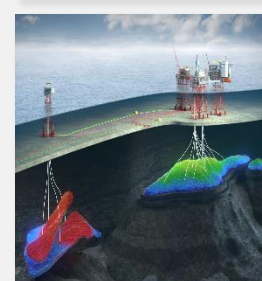
NOAKA

- ✓ PDO in December
- ✓ Operatorship for Krafla to be transferred to Aker BP following PDO submission



Skarv

- ✓ PDO for Skarv Satellites in December
- ✓ Laying foundations for next wave of tie-backs with new discoveries and farm-ins



Valhall PWP / Fenris

- ✓ Renamed from Valhall NCP / King Lear
- ✓ PDO in December
- ✓ First oil 2027



Wisting

- ✓ As of 10.11.2022 the partnership has decided to postpone FID to 2026

PDO projects

Process towards final investment decisions

Technical work completed

- All FEEDs finalised in Q3
- Readiness reviews ongoing

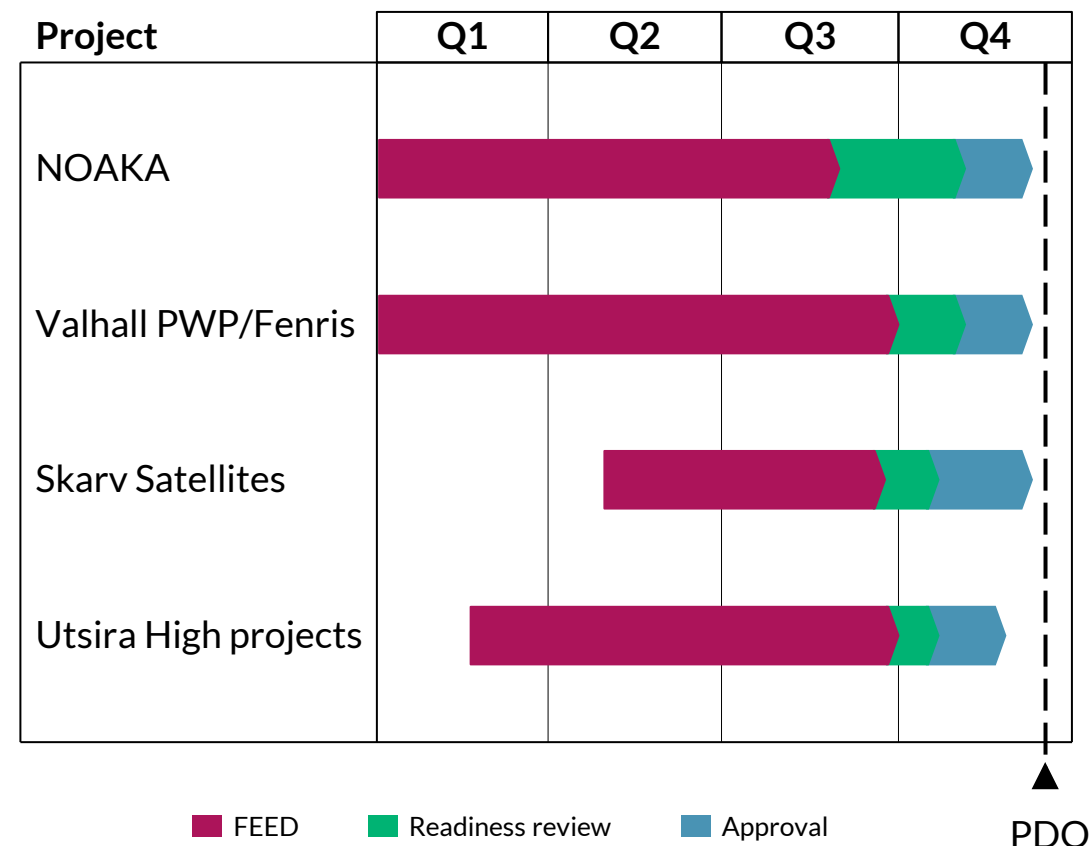
Economic evaluations ongoing

- Price risk on input factors
- Assess impact of proposed tax change

Final investment decisions in December

- Project economics and risks
- Supply chain capacity
- Corporate priorities

Status and plan for Aker BP-operated PDO projects

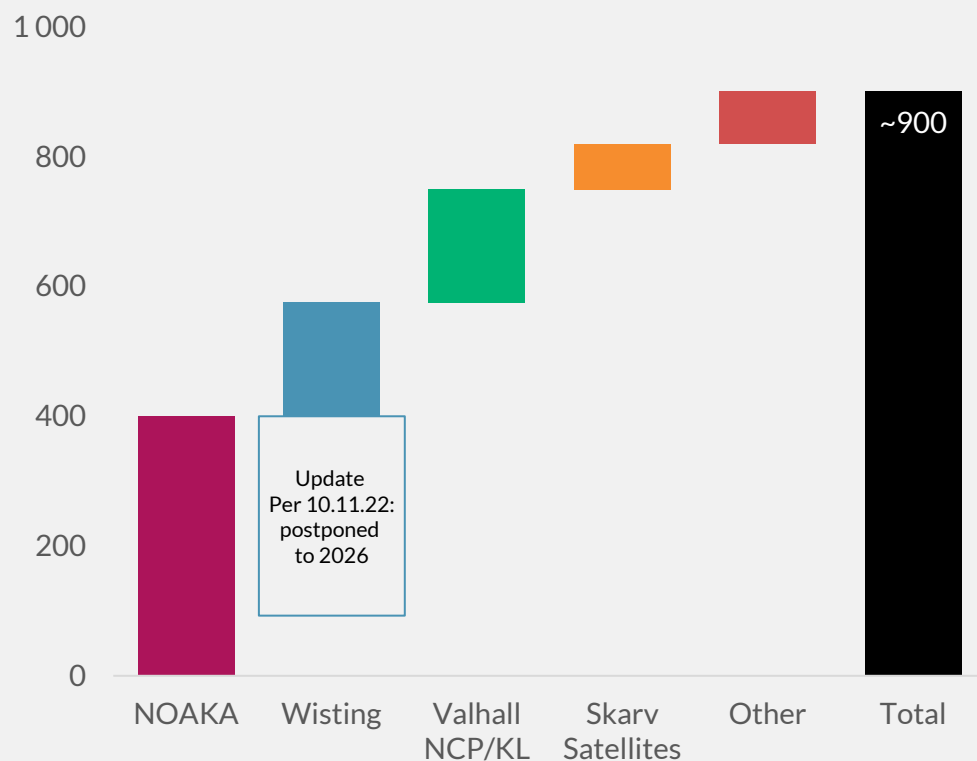


Investing in highly profitable growth

Aiming to sanction ~900 of 1,400 mmboe by end 2022 in new developments¹⁾

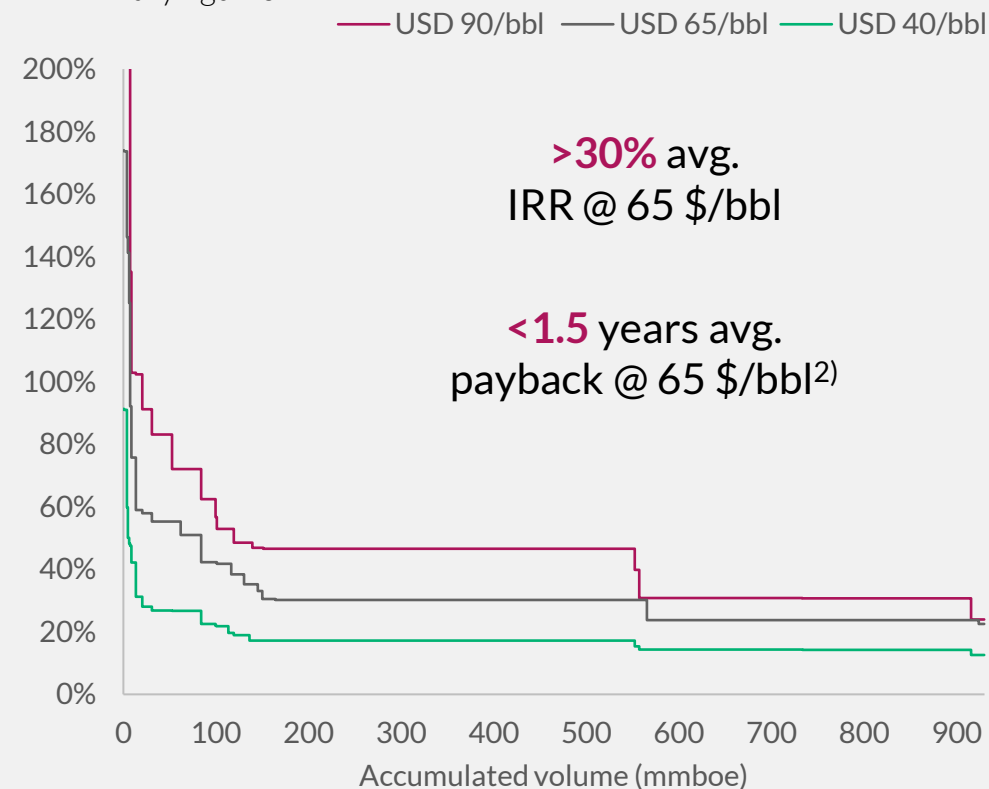
Projects targeting FID by end-22

mmboe net to Aker BP



Post tax unlevered IRR for projects with FID by end-2022

Preliminary figures



1) >700 mmboe of these 900 mmboe expected to be transferred from 2C to 2P after final investment decision (FID)

2) Company estimates. Brent real 2022. From year of first oil

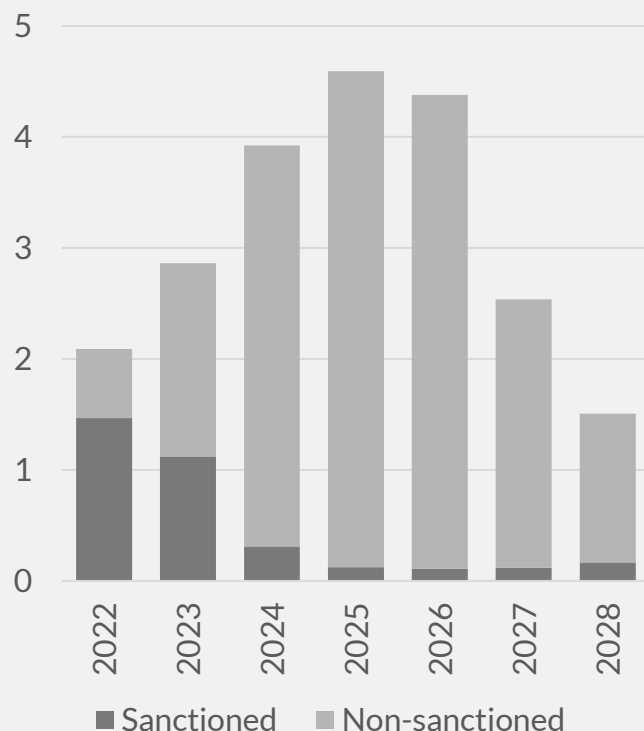
TO BE UPDATED

Investment-friendly fiscal regime

Accelerated tax deductions reduce financial risk and improve project economics

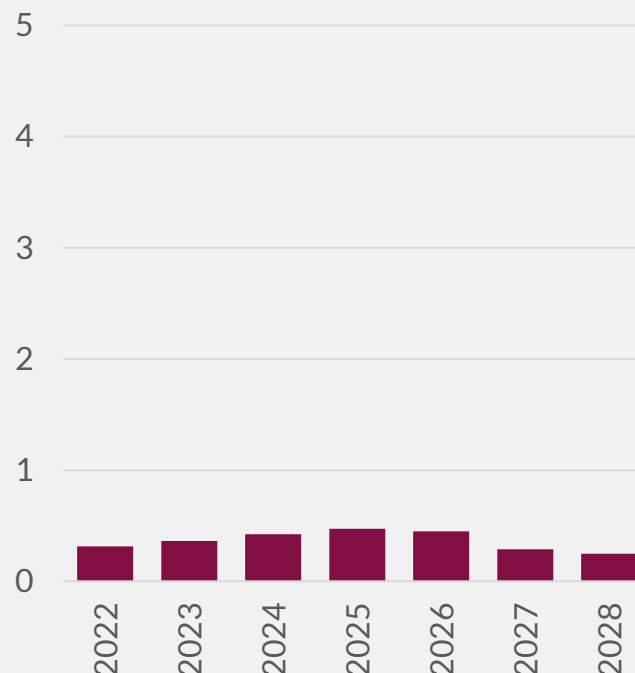
Aker BP est. capex before tax

USD billion



Aker BP est. capex after tax

USD billion



New tax system approved in June

Will work in tandem with temporary system from 2020 in response to the pandemic

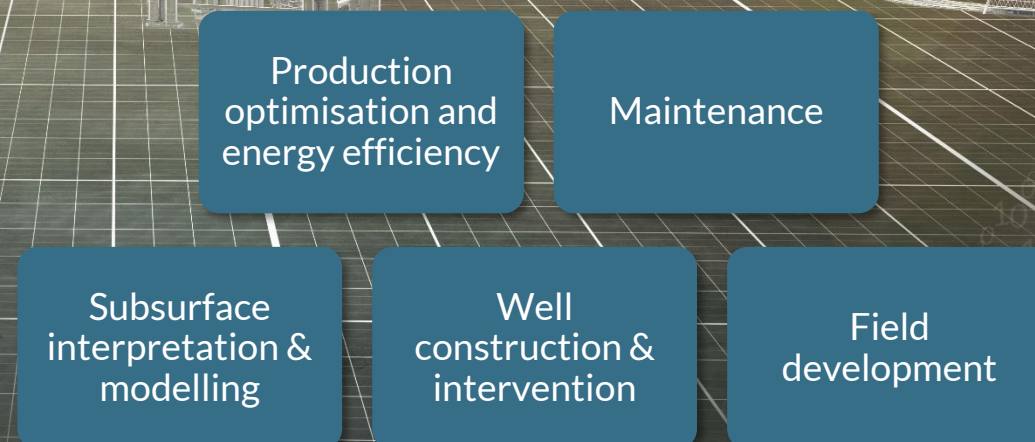
Temporary system applicable to projects with final investment decision by end 2022

- Effectively lowers full-cycle breakeven oil prices by USD 5-10/bbl (NPV-10)
- ~90% tax deduction for capex until production start (~85% in the first year)

Driving the transformation of the E&P industry

Strategic alliances to reorganise the value chain

Digital transformation of core processes



Alliances – the cornerstone of our execution model

Key to secure capacity in the supply chains

Long-term collaboration model

- One team
- Common goals
- Shared incentives

Key benefits

- Access to capacity and competence
- Improved efficiency
- Drive continuous improvement

Alliances established with leading suppliers

- Covering >90% of capital spend
- Across all major categories

Aker BP's alliance model



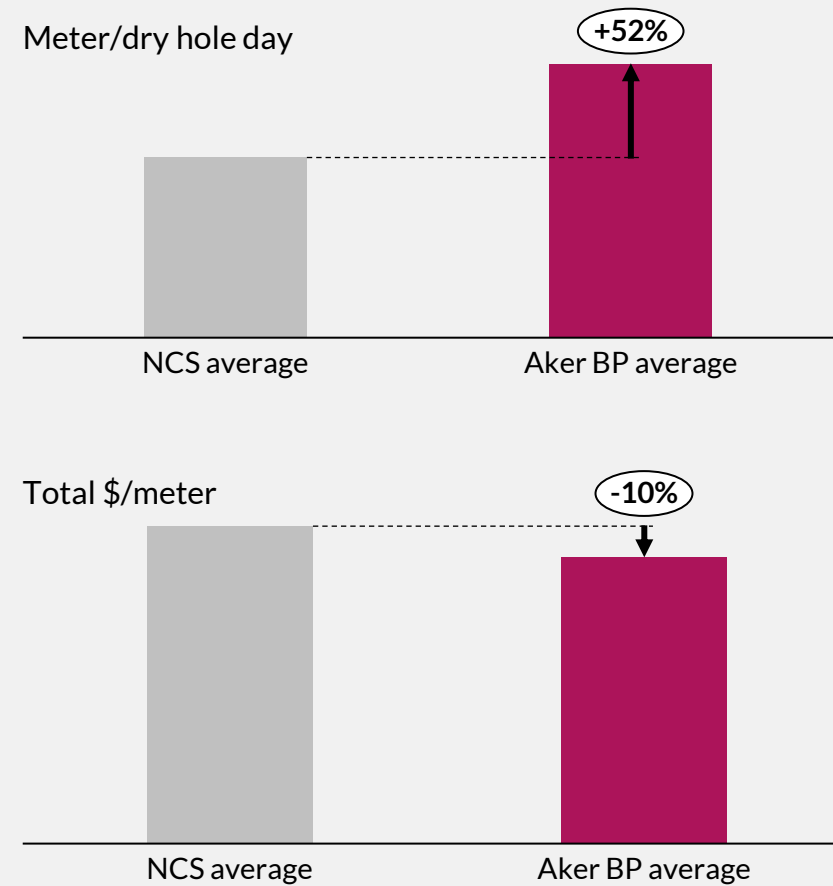
Transforming drilling performance

Enabled by digitalization and world-class alliance partners



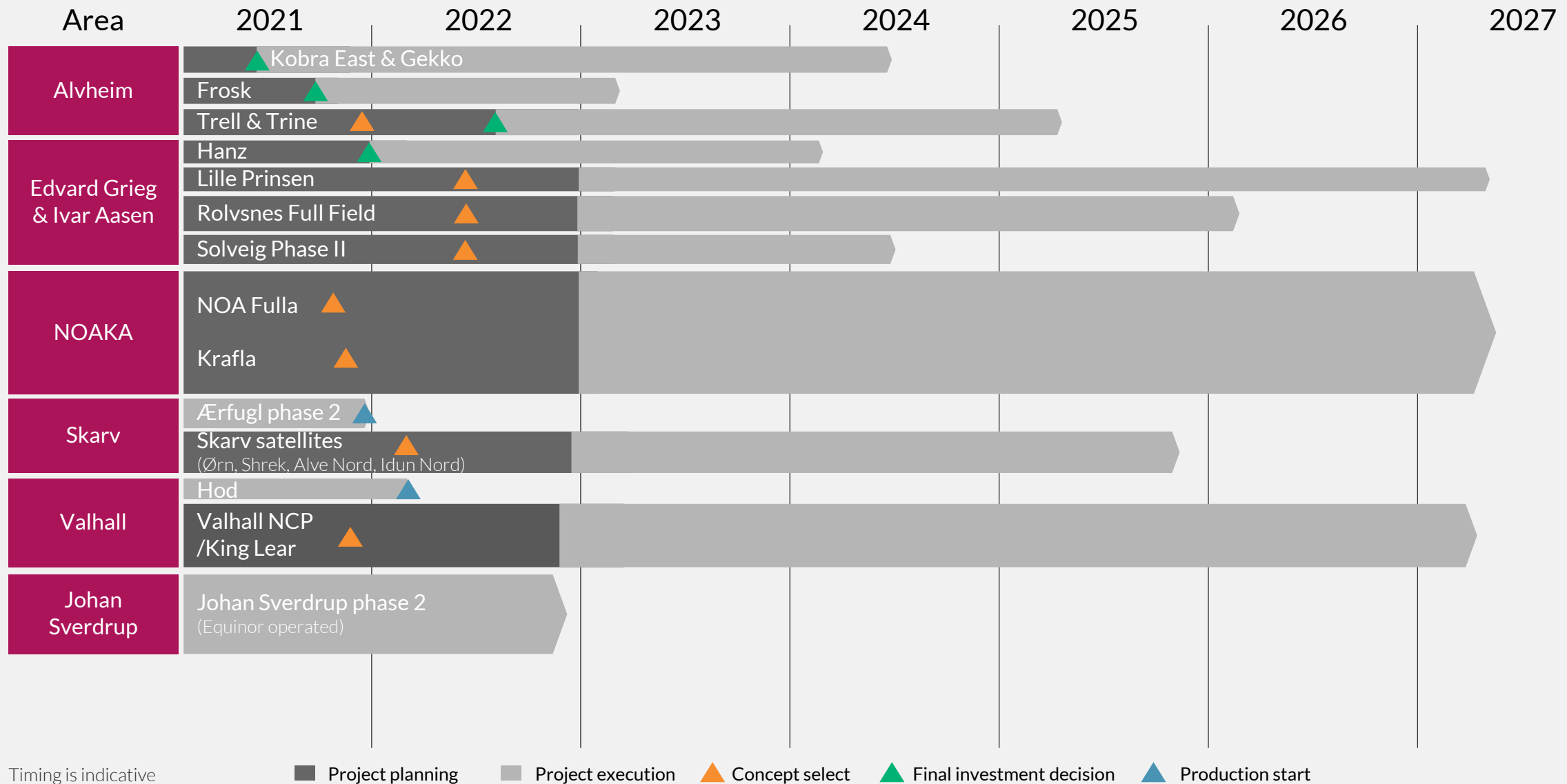
Performance Benchmark from Drilling & Wells

Rushmore benchmarking 2021-2022



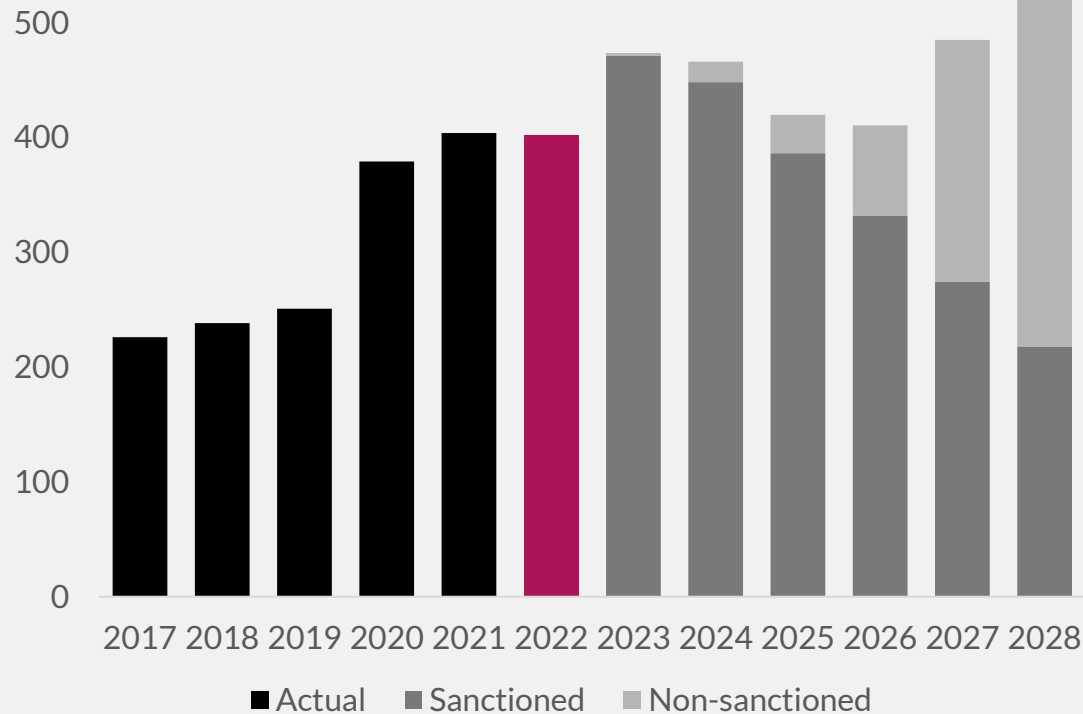
Source: Rushmore Reviews. All rights reserved. Extracted 06.07.2022. Search Criteria (Rig Type: Semi-Sub & Jack Up, Well Type: Development & Exploration, Year: 2021-2022, Hole Type: New Well & Slot Recovery, Is Multilateral: True & False, Is HPHT: False, Following areas: Norway, Total number of wells: 89)

On track to sanction >700 mmboe by end-2022



Strong production growth with high-return barrels

Production outlook¹⁾ mboepd



1) Does not include 3P or exploration upsides

~525 mboepd

production by 2028

30 \$/bbl

Targeted NPV-10 breakeven

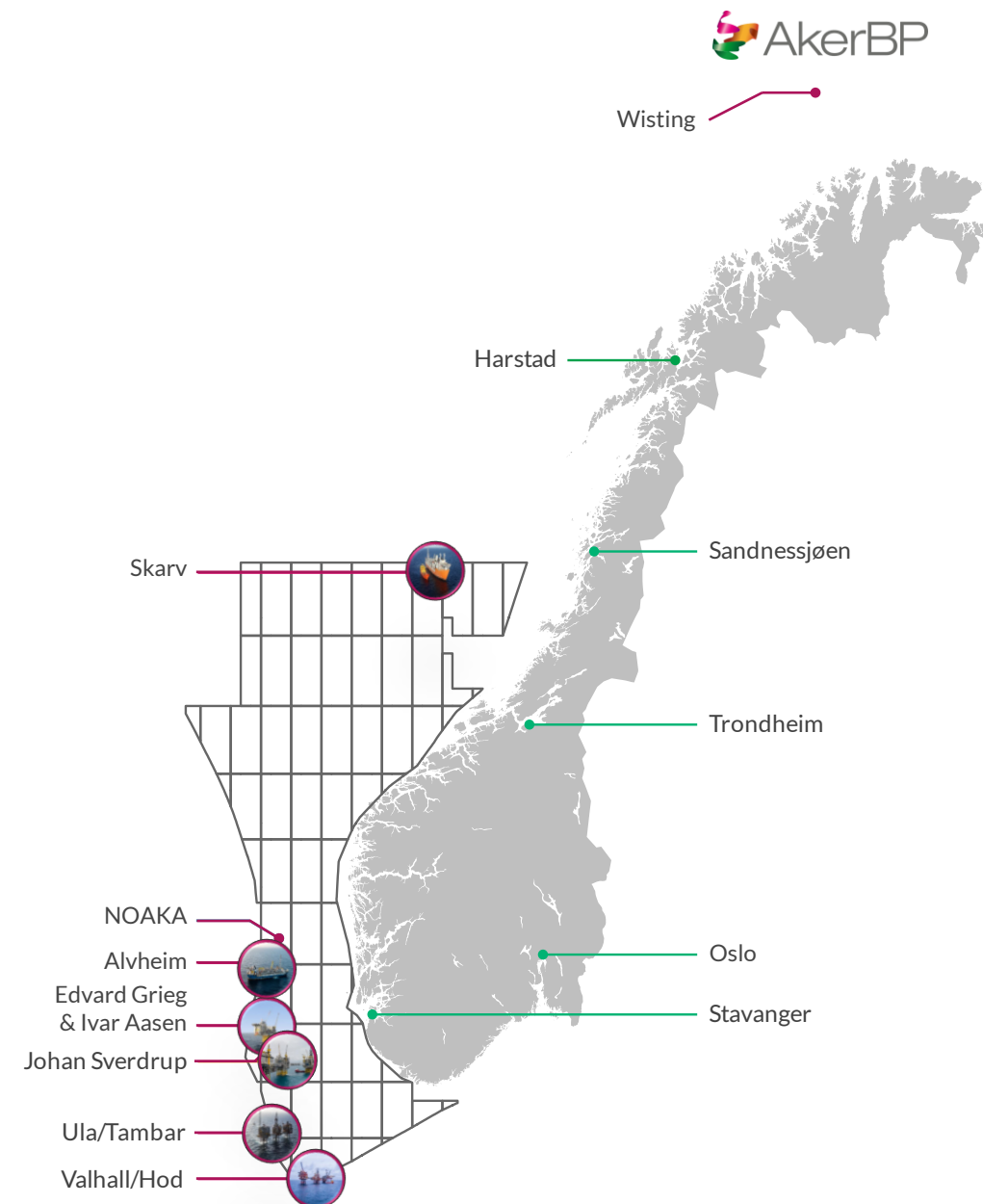
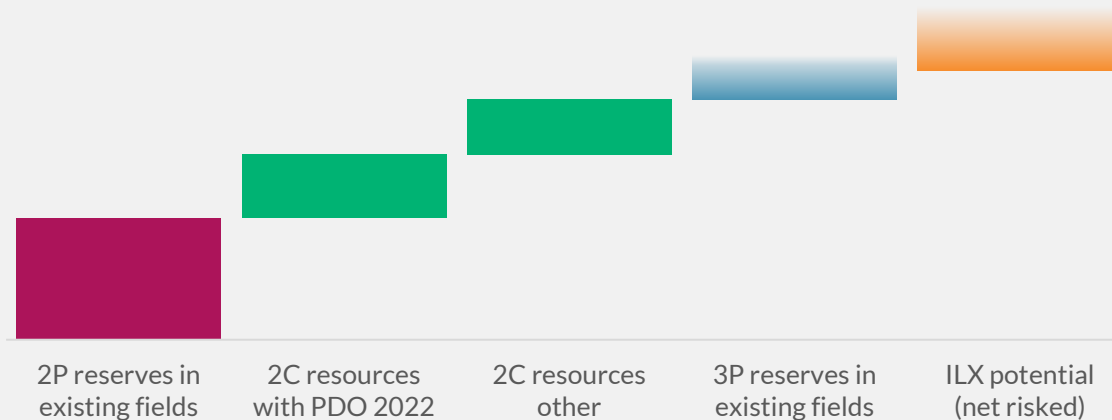
Capital efficient

with supportive tax system

Significant upsides to current plans around existing assets

- Skarv: Exploration prospectivity (ILX) and development of tight reservoirs
- Edvard Grieg/Ivar Aasen: Infills, ILX and basement upside enabled by 4D seismic
- Johan Sverdrup: Infill drilling to extend plateau and accelerate production
- Valhall: Infill enabled by lower drilling cost and new completion technology
- Alvheim & NOAKA: Infill and ILX enabled by 4D seismic and lower drilling costs

Reserves and resources billion boe



Exploration strategy

Uniquely positioned on the NCS

- Second largest licence holder with 189 licences
- Operator for ~70%

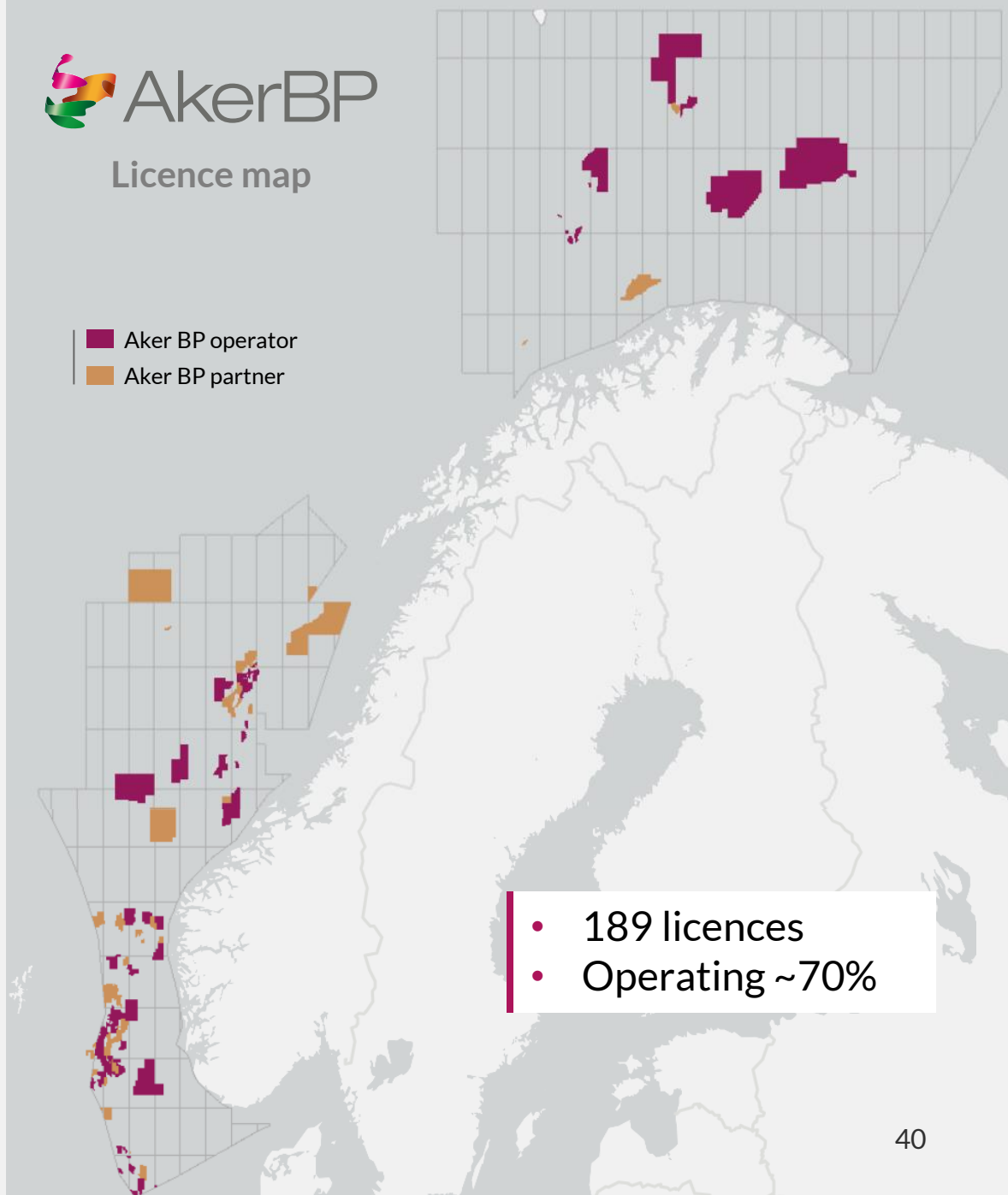
Targeting 250 mmboe by 2027

- Drill 10-15 exploration wells per year
- 80/20 near-field/new areas

New ways of working

- Combining two strong teams
- Investing in technology and digitalisation



- 
- Aker BP operator
- Aker BP partner

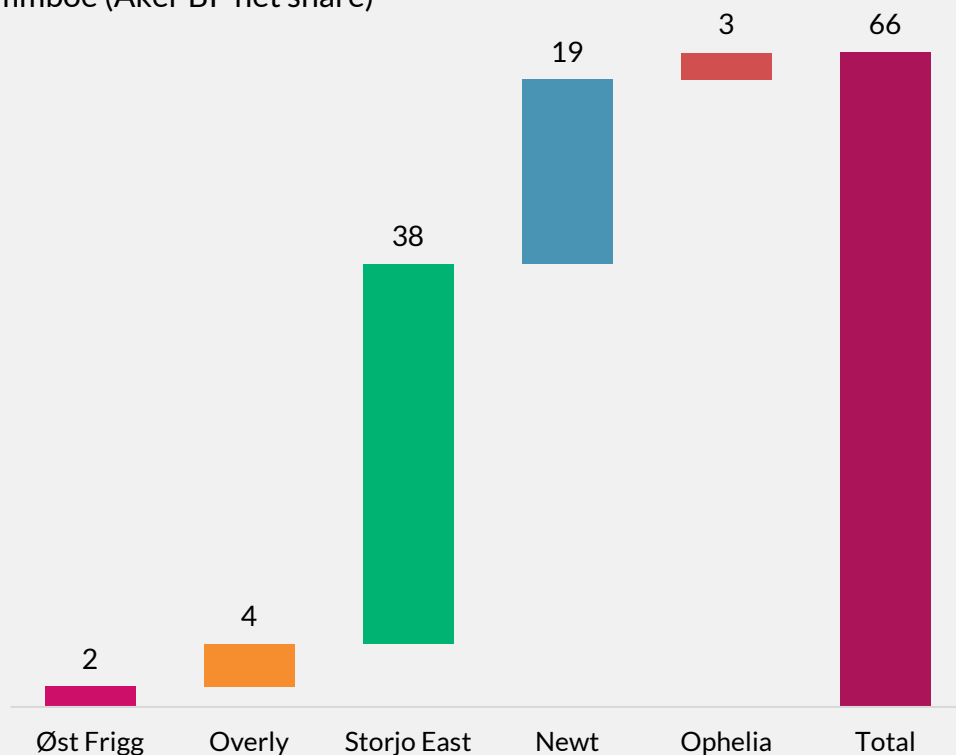
- 189 licences
- Operating ~70%

2022 exploration program

Discoveries adding growth opportunities

Preliminary estimates of YTD discoveries¹⁾

mmboe (Aker BP net share)



¹⁾ Midpoint estimates

Remaining exploration program 2022

Licences	Prospect	Operator	Aker BP share	Pre-drill P90-P10	Status
PL261	Storjo East	Aker BP	70%	14 - 46	30-80 mmboe
PL782S	Busta (Lamba)	CoP	20%	8 - 114	Dry
PL1104	Poseidon	Equinor	40%	50 - 300	Dry
PL941	Newt	Aker BP	80%	13 - 33	11-36 mmboe
PL941	Barlindåsen	Aker BP	80%	18 - 86	Dry
PL929	Ophelia	Neptune	10%	10 - 40	16-39 mmboe
PL943	Uer	Equinor	10%	7 - 93	Dry
PL867	Gjegnalanden	Aker BP	80%	3 - 124	Q4
PL1141	Styggehøe	Aker BP	70%	10 - 41	Q4
PL554	Angulata	Equinor	30%	8 - 64	Q4
PL265	P-Graben (Sverdrup)	Equinor	27%	5 - 19	Q4
PL229G	Lupa	Vår	50%	24 - 143	Q4

Disciplined approach to M&A

Value creation through a combination of M&A and organic growth



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