



**Aker BP ASA**

***\$500,000,000 2.875% Senior Notes due 2026***

***\$750,000,000 4.000% Senior Notes due 2031***

Aker BP ASA, incorporated as a public limited liability company under the laws of Norway (the “**Company**”), is offering \$500,000,000 aggregate principal amount of its 2.875% Senior Notes due 2026 (the “**2026 Notes**”) and \$750,000,000 aggregate principal amount of its 4.000% Senior Notes due 2031 (the “**2031 Notes**”) and, together with the 2026 Notes, the “**Notes**”). We will pay interest on the Notes semi-annually on January 15 and July 15 of each year, commencing January 15, 2021. The 2026 Notes will mature on January 15, 2026. The 2031 Notes will mature on January 15, 2031.

At any time prior to the maturity date of the 2026 Notes, we may redeem all or part of the 2026 Notes by paying the redemption prices set forth in this offering memorandum (the “**Offering Memorandum**”), including at 100% of the principal amount of such 2026 Notes, plus accrued and unpaid interest, if any, if the redemption occurs on or after December 15, 2025.

At any time prior to the maturity date of the 2031 Notes, we may redeem all or part of the 2031 Notes by paying the redemption prices set forth in this Offering Memorandum, including at 100% of the principal amount of such 2031 Notes, plus accrued and unpaid interest, if any, if the redemption occurs on or after October 15, 2030.

Upon the occurrence of certain events defined as constituting a change of control triggering event, each holder may require us to repurchase all or a portion of its Notes at 101% of their principal amount, plus accrued and unpaid interest, if any. In the event of certain developments affecting taxation, we may redeem all, but not less than all, of each series of the Notes.

The Notes will be senior unsecured debt of the Company and will rank *pari passu* in right of payment with all of the Company’s existing and future senior obligations, including the Revolving Credit Facility, the Existing Senior Notes due 2024, the Existing 5.875% Senior Notes due 2025, the Existing 3.000% Senior Notes due 2025 and the Existing Senior Notes due 2030 (each as defined herein), and senior in right of payment to all of the Company’s future subordinated obligations. The Notes will be effectively subordinated to all of the Company’s existing and future secured debt to the extent of the value of the collateral securing such debt.

This Offering Memorandum includes information on the terms of the Notes, including redemption and repurchase prices, covenants, events of default and transfer restrictions.

There is currently no public market for the Notes. Application will be made to list the Notes on the Securities Official List of the Luxembourg Stock Exchange (the “**Exchange**”), without admission to trading on one of the securities markets operated by the Exchange. There can be no assurance that the Notes will be listed on the Securities Official List of the Exchange or that any such listing will be maintained.

**Investing in the Notes involves a high degree of risk. See the “*Risk factors*” section of this Offering Memorandum beginning on page 19.**

**2026 Notes Price: 99.778% plus accrued interest, if any, from September 30, 2020.**

**2031 Notes Price: 99.371% plus accrued interest, if any, from September 30, 2020.**

We expect that the Notes will be delivered in book-entry form through The Depository Trust Company (“**DTC**”) on or about September 30, 2020 (the “**Issue Date**”).

**The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any other jurisdiction, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In the United States, this offering is being made only to “qualified institutional buyers” (as defined in Rule 144A of the U.S. Securities Act) in compliance with Rule 144A under the U.S. Securities Act (“Rule 144A”). You are hereby notified that the Initial Purchasers (as defined herein) of the Notes may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. Outside of the United States, this offering is being made in reliance on Regulation S under the U.S. Securities Act. For further details about eligible offerees and resale restrictions, see “*Plan of distribution*” and “*Notice to investors*.”**

*Global Coordinators*

<b>Barclays</b>	<b>BMO Capital Markets</b>	<b>J.P. Morgan</b>	<b>SEB</b>	<b>Wells Fargo Securities</b>
<i>Joint Bookrunners</i>				
<b>ABN AMRO</b>	<b>BNP PARIBAS</b>	<b>Crédit Agricole CIB</b>	<b>HSBC</b>	<b>MUFG</b>

The date of this Offering Memorandum is September 30, 2020.

In making your investment decision, you should rely only on the information contained in, or incorporated by reference into, this Offering Memorandum. We have not, and Barclays Capital Inc., BMO Capital Markets Corp., J.P. Morgan Securities LLC, Skandinaviska Enskilda Banken AB (publ), Wells Fargo Securities, LLC, ABN AMRO Securities (USA) LLC, BNP Paribas Securities Corp., Credit Agricole Securities (USA) Inc., HSBC Securities (USA) Inc. and MUFG Securities Americas Inc. (collectively, the “Initial Purchasers”) have not authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. We and the Initial Purchasers are offering to sell the Notes only in places where offers and sales are permitted. You should not assume that the information contained in, or incorporated by reference into, this Offering Memorandum is accurate as of any date other than the date on the front cover of this Offering Memorandum. Our business or financial condition and other information contained in, or incorporated by reference into, this Offering Memorandum may change after that date.

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## IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

This Offering Memorandum is a document that we are providing only to prospective purchasers of the Notes. You should read this Offering Memorandum and the documents incorporated by reference hereby before making a decision whether to purchase any Notes. You must not:

- use this Offering Memorandum for any other purpose.

We have prepared this Offering Memorandum and the documents incorporated by reference hereby based on information we have or have obtained from sources we believe to be reliable. Summaries of documents contained in this Offering Memorandum may not be complete. We will make copies of actual documents available to you upon request. Neither we, the Initial Purchasers nor the Trustee, Registrar, Transfer Agent or any Paying Agent is providing you with any legal, investment, business, tax or other advice in this Offering Memorandum. You should consult with your own counsel, accountants and other advisors as needed to assist you in making your investment decision and to advise you whether you are legally permitted to purchase the Notes.

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Notes may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; neither we nor the Initial Purchasers shall have any responsibility for any of the foregoing legal requirements.

We are offering the Notes in reliance on (i) an exemption from registration under the U.S. Securities Act for an offer and sale of securities that does not involve a public offering and (ii) a transaction pursuant to Regulation S that is not subject to the registration requirements of the U.S. Securities Act. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under “*Notice to Investors.*” The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the Initial Purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. Neither we nor the Initial Purchasers are making any representation to you that the Notes are a legal investment for you.

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchasers shall have any responsibility therefor.

Neither the U.S. Securities and Exchange Commission (the “SEC”), any U.S. state securities commission nor any non-U.S. securities authority nor other authority has approved or disapproved of the Notes or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects as of the date of this Offering Memorandum, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we as of the date of this Offering Memorandum are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

Neither the Initial Purchasers nor the Trustee, Registrar, Transfer Agent or any Paying Agent makes any representation or warranty, express or implied, as to, and assumes no responsibility for, the accuracy or completeness of the information contained in or incorporated by reference into this Offering Memorandum. Nothing contained in or incorporated by reference into this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past, the present or the future.

We reserve the right to withdraw this offering at any time. We and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part for any reason or no reason, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed. The Initial Purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including in the “*Description of the Notes*” and “*Book-entry, delivery and form*,” is subject to a change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning DTC, Euroclear or Clearstream, we accept no further responsibility in respect of such information.

Application will be made to list the Notes on the Securities Official List of the Exchange, without admission to trading on one of the securities markets operated by the Exchange.

**IN CONNECTION WITH THE OFFER, ISSUE AND SALE OF THE NOTES, BARCLAYS CAPITAL INC., BMO CAPITAL MARKETS CORP., J.P. MORGAN SECURITIES LLC, SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), AND WELLS FARGO SECURITIES, LLC (EACH, A “STABILIZING MANAGER” AND TOGETHER, THE “STABILIZING MANAGERS”) (OR ANY PERSON ACTING ON BEHALF OF THE STABILIZING MANAGERS) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILIZATION MAY NOT NECESSARILY OCCUR. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFERING IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE AND 60 DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES. ANY STABILIZATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGERS (OR ANY PERSON ACTING ON BEHALF THEREOF) IN ACCORDANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.**

#### **NOTICE TO U.S. INVESTORS**

This offering is being made in the United States in reliance upon an exemption from registration under the U.S. Securities Act for an offer and sale of the Notes which does not involve a public offering. In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements. See “*Notice to investors*.”

This Offering Memorandum is being provided (1) to a limited number of U.S. investors that we reasonably believe to be QIBs under Rule 144A under the U.S. Securities Act for informational use solely in connection with their consideration of the purchase of the Notes and (2) to investors outside the United States pursuant to offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act. The Notes described in this Offering Memorandum have not been registered with, recommended by or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any such securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

#### **NOTICE TO CERTAIN OTHER INVESTORS**

***British Virgin Islands*** This Offering Memorandum has not been, and will not be, registered under any laws or regulations of the British Virgin Islands, nor has any regulatory authority in the British Virgin Islands passed comment upon or approved the accuracy or adequacy of it. This Offering Memorandum does not constitute an offer or invitation (whether direct or indirect) to any person in the British Virgin Islands to purchase or subscribe for any Notes and no person in the British Virgin Islands may purchase or subscribe for any Notes.

#### ***Canada***

##### ***Resale Restrictions***

The distribution of Notes in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus

with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the Notes in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

#### *Representations of Canadian Purchasers*

By purchasing Notes in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the Notes without the benefit of a prospectus qualified under those securities laws as it is an “accredited investor” as defined under National Instrument 45-106—*Prospectus Exemptions* or Section 73.3(1) of the Securities Act (Ontario), as applicable;
- the purchaser is a “permitted client” as defined in National Instrument 31-103—*Registration Requirements, Exemptions and Ongoing Registrant Obligations*;
- where required by law, the purchaser is purchasing as principal and not as agent; and
- the purchaser has reviewed the text above under “—*Resale Restrictions.*”

#### *Conflicts of Interest*

Canadian purchasers are hereby notified that the Initial Purchasers are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—*Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

#### *Statutory Rights of Action*

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) such as this document contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

#### *Enforcement of Legal Rights*

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

#### *Taxation and Eligibility for Investment*

Canadian purchasers of Notes should consult their own legal and tax advisors with respect to the tax consequences of an investment in the Notes in their particular circumstances and about the eligibility of the Notes for investment by the purchaser under relevant Canadian legislation.

**Denmark** This Offering Memorandum has not been filed with or approved by any authority in the Kingdom of Denmark. The Notes have not been offered or sold and may not be offered, sold or delivered directly or indirectly in the Kingdom of Denmark, unless in compliance with the Danish Action Trading in Securities (Consolidated Act No. 795 of August 20, 2009, as amended from time to time) and any orders issued thereunder.

**Finland** This Offering Memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Finnish Securities Markets Act (in Finnish: *Arvopaperimarkkinalaki*) nor any other Finnish act or statute. Neither the Finnish Financial Supervisory Authority (in Finnish: *Finanssivalvonta*) nor any other Finnish public body has examined, approved or registered this Offering Memorandum or will examine, approve or register this Offering Memorandum. Accordingly, this

Offering Memorandum may not be made available, nor may the Notes otherwise be marketed or offered for sale or subscription, in Finland other than in circumstances that are deemed not to be an offer to the public under the Finnish Securities Markets Act. Any offer or sale of the Notes in Finland must be made pursuant to a private placement exemption under the Prospectus Regulation, as implemented in the Finnish Securities Markets Act and any regulation made thereunder, as supplemented and amended from time to time.

**France** This Offering Memorandum has not been prepared in the context of a public offering in France within the meaning of Article L. 411-1 of the *Code Monétaire et Financier* and has not been admitted to the clearance procedure of the *Autorité des marchés financiers* (the French financial markets authority, or “AMF”). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France and neither this Offering Memorandum nor any other offering material may be distributed or caused to be distributed, directly or indirectly, to the public in France. Such offers, sales and distributions will only be made in France to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour le compte de tiers*) and/or to qualified investors (*investisseurs qualifiés*) and/or to a limited circle of investors (*cercle restreint d’investisseurs*) each acting for their own accounts, as defined in and in accordance with Articles L. 411-1, L. 411-2 and D. 411-1 to 411-4 of the *Code Monétaire et Financier*.

Prospective investors are informed that:

- (1) this Offering Memorandum has not been and will not be submitted for clearance to the AMF;
- (2) in compliance with Articles L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code Monétaire et Financier*, any investors subscribing for the Notes should be acting for their own account; and
- (3) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code Monétaire et Financier*.

**Hong Kong** The Notes may not be offered or sold in Hong Kong by means of any document other than to (1) “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (2) in circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of the laws of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No invitation, advertisement or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors,” as defined under the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong and any rules made thereunder.

**Italy** This offering of Notes has not been cleared by the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, the Notes may not be offered, sold or delivered, nor may copies of this Offering Memorandum or of any other document relating to the Notes be distributed, in the Republic of Italy, except:

- (1) to qualified investors (*investitori qualificati*), as defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (the “**Intermediaries Regulation**”), pursuant to Article 100, paragraph 1, letter a) of the Italian Legislative Decree No. 58 of February 24, 1998, as amended (the “**Consolidated Financial Act**”) and Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the “**Issuers Regulation**”); or
- (2) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, including, without limitation, as provided under Article 100 of the Consolidated Financial Act and Article 34-ter of the Issuers Regulation.

Any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be effected in accordance with all Italian securities, tax, exchange control and other applicable laws and regulations, and, in particular, made

by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Consolidated Financial Act, the Issuers Regulation, the Intermediaries Regulation and the Italian Legislative Decree No. 385 of September 1, 1993, as amended.

This Offering Memorandum, any other document relating to the Notes, and the information contained therein are intended only for the use of its recipient and, unless in circumstances which are exempted from the rules governing offers of securities to the public pursuant to Article 100 of the Consolidated Financial Act and Article 34-ter of the Issuers Regulation, are not to be distributed, for any reason, to any third party resident or located in the Republic of Italy. No person resident or located in the Republic of Italy other than the original recipients of this Offering Memorandum may rely on it or its content.

**Norway** This Offering Memorandum has not been and will not be filed with or approved by the Norwegian Financial Supervisory Authority, the Oslo Stock Exchange or any other regulatory authority in Norway. The Notes have not been offered or sold and may not be offered, sold or delivered, directly or indirectly, in Norway, unless in compliance with Chapter 7 of the Norwegian Securities Trading Act 2007 and secondary regulations issued pursuant thereto, as amended from time to time (the “**Securities Trading Act**”). Accordingly, this Offering Memorandum may not be made available nor may the Notes otherwise be marketed and offered for sale in Norway other than in circumstances that are deemed not to be a marketing of an offer to the public in Norway in accordance with the Securities Trading Act.

**Singapore** This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, and if the Company has not notified the initial purchasers on the classification of the notes under and pursuant to Section 309(B)(1) of the Securities and Futures Act, Chapter 289 Singapore, this Offering Memorandum or any document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”)) pursuant to Section 274 of the Securities and Futures Act, (ii) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Securities are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,
- securities or securities-based derivatives contracts (each as defined in Section 2(1) of the Securities and Futures Act) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the Securities and Futures Act except:
  - to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
  - where no consideration is or will be given for the transfer;
  - where the transfer is by operation of law;
  - as specified in Section 276(7) of the Securities and Futures Act; or

- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Singapore Securities and Futures Act Product Classification: solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Sweden** This Offering Memorandum has not been and will not be registered with the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*). Accordingly, this Offering Memorandum may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that are deemed not to be an offer to the public under the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*).

**Switzerland** The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes (i) a prospectus as such term is understood pursuant to Article 652a or 1156 of the Swiss Code of Obligations or (ii) a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. In addition, this Offering Memorandum nor any other offering or marketing material relating to the Notes may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes are being offered in Switzerland by way of private placement, without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the Offering and may neither directly nor indirectly be distributed or made available to other persons without the relevant issuer’s express consent.

**United Kingdom** This Offering Memorandum is directed only at persons (“**Relevant Persons**”) who (i) fall within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, (ii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated.

This Offering Memorandum must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Offering Memorandum relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Recipients of this Offering Memorandum are not permitted to transmit it to any other person. The Notes are not being offered to the public in the United Kingdom.

**THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.**



### **Professional Investors and ECPs Only Target Market**

Solely for the purposes of the product approval process of the manufacturers, the target market assessment in respect of the Notes described in this Offering Memorandum has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### **Prohibition of Sales to EEA Retail Investors**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes described in this Offering Memorandum or otherwise making them available to retail investors in the EEA or the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

## FORWARD-LOOKING STATEMENTS

This Offering Memorandum includes statements that are, or may be deemed to be, “forward-looking statements,” within the meaning of the securities laws of certain jurisdictions, including statements under the headings “*Presentation of industry and market data*,” “*Summary*,” “*Risk factors*,” “*Management’s discussion and analysis of financial condition and results of operations*,” “*Our business*” and other sections and in the quarterly and annual financial statements incorporated by reference into the Offering Memorandum. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipate,” “expect,” “suggests,” “plan,” “believe,” “intend,” “estimates,” “targets,” “projects,” “should,” “could,” “would,” “may,” “will,” “forecast,” and other similar expressions or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this Offering Memorandum and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from those made, described in or suggested by the forward-looking statements contained in this Offering Memorandum. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements that we make in this Offering Memorandum speak only as of the date of such statement, and we undertake no obligation and do not intend to update such statements. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may not be within our control. We believe that these risks and uncertainties include, but are not limited to, those described in the “*Risk factors*” section of this Offering Memorandum, including:

- the level of oil and gas prices and market expectations of these;
- changes in general economic, market and business conditions in North America, Western Europe and worldwide;
- the effects of the COVID-19 pandemic or other similar pandemics;
- our ability to find, acquire, develop and produce oil and gas reserves that are economically recoverable;
- drilling, exploration, development and production risks and hazards, including, but not limited to, risks of delays in drilling and additional costs as a result of historically extreme weather;
- the competitiveness of our industry;
- changes in tax regulations for the petroleum industry;
- the concentration of our production in a small number of fields on the NCS;
- unexpected shutdowns of the Alvheim FPSO, Skarv FPSO or other installations;
- material variations in our NGL (as defined herein) and gas production levels relative to our initial estimates;
- significant uncertainty as to the success of exploration, appraisal and development drilling and related activities;
- the success of our capital expenditure programs and our ability to secure financing for our capital expenditure programs and other expenditures;

- fluctuations in the supply and demand for oil, NGLs and gas;
- our ability to continue adding to our existing reserves;
- our ability to keep pace with technological developments in our industry;
- risks related to determination and redetermination of unitized petroleum deposits;
- our reliance on and availability of third-party infrastructure, much of which has been in place for a number of years or has not yet been completed;
- risks relating to our unionized labor force and general labor interruptions;
- our ability to comply with all obligations under licenses, JOAs and field development plans;
- our reliance on the compliance with license obligations, JOAs and field development plans by other license participants and operators;
- delays, additional costs and other difficulties relating to our work with other commercial participants;
- capacity constraints and cost inflations in the service sectors;
- our ability to effectively manage our growth;
- our acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;
- unanticipated increases in our decommissioning obligations;
- unforeseen events and technical failures leading to pollution, such as blow-outs or loss of control over a well;
- adverse changes in the licensing, regulatory, tax and fiscal regimes in Norway;
- our acreage being subject to regulatory and contractual relinquishment obligations;
- regulatory restrictions on our ability to dispose of, sell or transfer a license interest and/or make funds available when needed;
- our vulnerability to adverse market perceptions;
- environmental risks related to Arctic drilling;
- risks related to climate change abatement legislation, including costs of complying with such legislation;
- risks related to cyber security;
- inadequate insurance coverage;
- the failure by us, our contractors and our offtakers and suppliers to obtain access to necessary equipment;
- our actual production and cash flow may vary significantly from reported reserves and resources;
- the possible inaccuracy of estimates of production volumes and reserves made in connection with acquisitions;
- the impact of IFRS requirements on recording non-cash charges and write-downs;

- our dependence on, and our ability to hire and retain, the expertise of certain employees, directors and managers;
- the potential adverse impacts of litigation;
- potential conflicts of interest with our directors, officers and principal shareholders and their respective affiliates;
- changes in tax rates, foreign exchange rates, interest rates and inflation;
- our counterparties being unable to fulfill their obligations;
- our leverage and significant debt service obligations;
- our ability to access debt and equity markets and the availability of such funds;
- the state of the debt and equity markets; and
- other factors discussed or referred to in this Offering Memorandum.

The list above is not exhaustive and there are other factors that may cause our actual results to differ materially from the forward-looking statements contained in this Offering Memorandum. Moreover, new risk factors emerge from time to time, and it is not possible for us to predict all such risk factors. We cannot assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

With respect to forward-looking statements contained in this Offering Memorandum, we have made assumptions (any of which may differ materially from actual results) regarding, among other things:

- future oil, NGL and gas production levels from our properties, the prices obtained from the sales of such production and projected operating costs;
- our ability to obtain additional drilling rigs and other equipment in a timely manner, as required;
- our ability to negotiate access to third-party processing and transportation infrastructure within expected timeframes;
- our ability to achieve construction and development milestones within expected timeframes;
- the planned implementation of our development plan for our properties;
- reserves volumes assigned to our properties at assumed commodity prices;
- our ability to recover reserves volumes assigned to our properties;
- maintaining revenues and operating costs at anticipated levels;
- the level of future capital expenditure required to exploit and develop reserves;
- our ability to obtain financing on acceptable terms;
- our reliance on other license or field participants and their ability to meet commitments under relevant agreements; and
- the state of the debt and equity markets.

Statements relating to reserves are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be economically recovered in the future.

We urge you to read the sections of this Offering Memorandum entitled “*Risk factors*,” “*Management’s discussion and analysis of financial condition and results of operations*,” “*Presentation of industry and market data*” and “*Our business*” for a more complete discussion of the factors that could affect our future performance and the markets in which we operate.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Historical financial information

This Offering Memorandum includes financial information derived from the audited consolidated financial statements of Aker BP as of and for the years ended December 31, 2017, 2018 and 2019. Aker BP's audited consolidated financial statements as of and for the years ended December 31, 2017, 2018 and 2019 are incorporated by reference into this Offering Memorandum and should be read in conjunction with the relevant reports of our independent auditor as such reports relate to our audited consolidated financial statements as of and for the years ended December 31, 2017, 2018 and 2019. Aker BP's audited consolidated financial statements and the accompanying notes thereto, incorporated by reference into this Offering Memorandum, have been prepared in accordance with the Norwegian Accounting Act and International Financial Reporting Standards as adopted by the European Union (“**IFRS**”).

This Offering Memorandum also includes financial information as of and for the six months ended June 30, 2019 and 2020 derived from the unaudited condensed consolidated interim financial statements of Aker BP as at June 30, 2020, June 30, 2019 and March 31, 2020, and the related condensed consolidated income statements and statements of comprehensive income and cash flows for the six-month periods ended June 30, 2020 and 2019, and the three-month periods ended June 30, 2020, June 30, 2019 and March 31, 2020, and the related condensed consolidated statement of changes in equity for the three-month periods ended June 30, 2020 and March 31, 2020, and notes to the condensed consolidated interim financial statements (the “**Interim Financial Statements**”). The Interim Financial Statements are incorporated by reference into this Offering Memorandum and should be read in conjunction with the relevant reports of our independent auditor as such reports relate to the Interim Financial Statements. The Interim Financial Statements and the accompanying notes thereto have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“**IAS 34**”).

Aker BP's audited consolidated financial statements as of and for the year ended December 31, 2017, incorporated by reference into this Offering Memorandum, include (i) Aker BP, (ii) the subsidiary BP Norge AS (“**BP Norge**”) and (iii) the subsidiary Hess Norge AS (“**Hess Norge**”), which was consolidated from December 22, 2017, the closing date of the Hess Norge Acquisition (as defined herein). The activity of Hess Norge was transferred to Aker BP at the same date, December 22, 2017. The subsidiary BP Norge AS was liquidated in the third quarter of 2017, and all of its assets and liabilities were transferred to Aker BP.

Aker BP's audited consolidated financial statements as of and for the year ended December 31, 2018, incorporated by reference into this Offering Memorandum, include (i) Aker BP and (ii) the subsidiary Aker BP AS (previously Hess Norge AS). Aker BP AS was liquidated in the fourth quarter of 2018, and all of its assets and liabilities were transferred to Aker BP.

Aker BP's audited consolidated financial statements as of and for the year ended December 31, 2019, incorporated by reference into this Offering Memorandum, give effect to (i) a change in accounting principles for revenue recognition and (ii) the entry into force of IFRS 16 *Leases*. From January 1, 2019, Aker BP has adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Aker BP previously used the entitlement method, whereby revenue was recognized on the basis of our proportionate share of production during the period, regardless of actual sales. The (i) restated consolidated income statement of Aker BP for the year ended December 31, 2018 and (ii) restated consolidated statement of financial position of Aker BP as of December 31, 2018, in each case included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018. See “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant factors affecting comparability—Changes to accounting principles—Changes in accounting principles for revenue recognition.*” In addition, IFRS 16 *Leases* became effective from January 1, 2019. The new standard replaces the previous lease accounting standard, IAS 17 *Leases*, including related interpretations. We have adopted the modified retrospective approach for IFRS 16, with no restatement of comparative figures with respect to this impact. See “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent accounting announcements—IFRS 16 Leases.*”

We may in the future decide to adopt a different presentation for our financial statements or prepare and present financial statements for the Company and its consolidated subsidiaries. As a result, financial statements may not be comparable to the historical financial information presented in this Offering Memorandum.

### ***Last twelve months financial information***

In this Offering Memorandum, we present certain financial information for the twelve months ended June 30, 2020, including our consolidated income statement information and capital expenditures (the “**LTM Financial Information**”).

We calculated our consolidated income statement information for the twelve months ended June 30, 2020 by adding the unaudited condensed consolidated interim income statement information of Aker BP for the six months ended June 30, 2020 to the audited consolidated financial statements as of and for the year ended December 31, 2019 and subtracting the unaudited condensed consolidated interim income statement information of Aker BP for the six months ended June 30, 2019 and certain reclassification adjustments related to the netting of currency gains/losses and changes in fair value of derivatives for the twelve months ended June 30, 2020.

We calculated our capital expenditures for the twelve months ended June 30, 2020 by (i) adding the line item “disbursements on investments in fixed assets” presented in the unaudited condensed consolidated statement of cash flows of Aker BP for the six months ended June 30, 2020 and the same line item presented in the audited consolidated statement of cash flows of Aker BP for the year ended December 31, 2019 and (ii) subtracting the same line item presented in the unaudited condensed consolidated statement of cash flows of Aker BP for the six months ended June 30, 2019.

The LTM Financial Information has not been audited or reviewed by our auditors, is not required by or presented in accordance with IFRS or any other generally accepted accounting principles and has been prepared for illustrative purposes only. This information is not necessarily representative of our results for any future period or our financial condition for any past date.

### **Non-IFRS financial measures**

This Offering Memorandum contains non-IFRS measures and ratios, including EBITDAX, free cash flow, *as adjusted* total debt, *as adjusted* net debt, *as adjusted* net finance costs and coverage ratios that are not required by, or presented in accordance with, IFRS. Our management uses these measures to calculate operating performance in presentations to our board of directors and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our performance. We present non-IFRS measures and ratios because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance. The non-IFRS measures and ratios may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS. Non-IFRS measures and ratios such as EBITDAX, free cash flow, *as adjusted* total debt, *as adjusted* net debt, *as adjusted* net finance costs and coverage ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to (i) operating profit or profit from continuing activities (as determined in accordance with IFRS) or as any other measure of our operating performance, (ii) cash flows from operating, investing and financing activities or as any other measure of our ability to meet our cash needs or (iii) any other measures of performance under IFRS.

- EBITDAX consists of profit for the period attributable to the owners of Aker BP before taxes (+)/tax income (-), interest income, other financial income, interest expenses, other financial expenses, impairments, depreciation and exploration expenses. EBITDAX is not a measurement of performance under IFRS.
- Free cash flow consists of net cash flow from operating activities, less payment for removal and decommissioning of oil fields, disbursements on investments in fixed assets and disbursements on investments in capitalized exploration.

The following table sets forth a reconciliation of net cash flow from operating activities to free cash flow for Aker BP for the years ended December 31, 2017, 2018 and 2019.

	<b>For the year ended December 31,</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>(in millions of USD)</b>		
Net cash flow from operating activities.....	2,155.5	3,799.6	1,885.1
Payment for removal and decommissioning of oil fields .	(85.7)	(242.5)	(104.9)
Disbursements on investments in fixed assets.....	(977.5)	(1,312.7)	(1,703.2)
Disbursements on investments in capitalized exploration	(111.7)	(128.8)	(370.2)

<b>Free cash flow</b> .....	<b>980.6</b>	<b>2,115.6</b>	<b>(293.2)</b>
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- The ratio of EBITDAX to *as adjusted* net finance costs consists of EBITDAX divided by *as adjusted* net finance costs.
- The ratio of *as adjusted* net debt to EBITDAX consists of *as adjusted* net debt divided by EBITDAX.
- *As adjusted* total debt consists of the aggregate amount of current and non-current liabilities under (i) the Existing Senior Notes due 2022 (net of unamortized fees), (ii) the Existing Senior Notes due 2024 (net of unamortized fees), (iii) the Existing 5.875% Senior Notes due 2025 (net of unamortized fees), (iv) the Existing 3.000% Senior Notes due 2025 (net of unamortized fees), (v) the Existing Senior Notes due 2030 (net of unamortized fees), (vi) the NOK Bond (net of unamortized fees) and (vii) the Revolving Credit Facility (net of unamortized fees) *as adjusted* to give effect to (a) the Notes offering hereby (net of unamortized fees), including the application of the net proceeds therefrom and (b) the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020. See “*Use of proceeds*” and “*Capitalization*.” *As adjusted* total debt excludes long-term lease debt.
- *As adjusted* net debt consists of *as adjusted* total debt, less *as adjusted* cash and cash equivalents.
- *As adjusted* net finance costs is calculated as net financial items *as adjusted* to give effect to (i) the Notes offered hereby, including the application of the net proceeds therefrom and (ii) the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020. See “*Use of proceeds*” and “*Capitalization*.”

We present a reconciliation of each of the non-IFRS measures to the most directly comparable measure calculated and presented in accordance with IFRS and discuss its limitations. For a reconciliation of these non-IFRS measures and such discussions, refer to “*Summary historical and as adjusted selected financial information*.”

Some of the limitations of EBITDAX include:

- it does not reflect our cash expenditures or future requirements for capital investments or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;
- it excludes certain tax payments that represent a reduction in cash available to us;
- it excludes the significant exploration costs related to our exploration activities;
- although depreciation is a non-cash charge, some of the assets being depreciated may need to be replaced in the future and EBITDAX does not reflect any cash requirements that would be required to make such replacements;
- it excludes cash outlays we incur to decommission oil and gas fields that have ceased production, which outlays may be significant especially as some of our legacy producing fields are near the end of their productive life;
- it does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- other companies in our industry may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.



Because of these limitations, EBITDAX and other non-IFRS measures and ratios should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our IFRS results and use these non-IFRS measures and ratios, as applicable, only to supplement your evaluation of our performance.

### **As adjusted financial data**

We present in this Offering Memorandum certain *as adjusted* financial data which is based on our consolidated financial information, *as adjusted* to give effect to (i) the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of proceeds*” and (ii) the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020. Please see “*Summary historical and as adjusted selected financial information—Other historical and as adjusted financial information.*” The *as adjusted* financial data has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act, the Prospectus Regulation or any generally accepted accounting standards. Neither the assumptions underlying the related adjustments nor the resulting *as adjusted* financial data have been audited or reviewed in accordance with any generally accepted auditing standards.

### **Presentation**

Certain numerical figures and percentages set out in this Offering Memorandum (including financial data presented in billions, millions or thousands, and participating interests in our production licenses presented in percentages) have been subject to rounding adjustments and, as a result, the totals of the data in this Offering Memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in “*Management’s discussion and analysis of financial condition and results of operations*” are calculated using the numerical data in the financial statements or the tabular presentation of other data (subject to rounding) contained in or incorporated by reference into this Offering Memorandum, as applicable, and not using the numerical data in the narrative description thereof.

### **Certain reserves, contingent resources and production information**

Certain of our oil and gas reserves data presented in this Offering Memorandum has been prepared by management and certified by AGR Petroleum Services AS (“**AGR**”) in accordance with the Society of Petroleum Engineers’ (“**SPE**”), the American Association of Petroleum Geologists’ (“**AAPG**”), the Society of Petroleum Evaluation Engineers’ (“**SPEE**”), the Society of Exploration Geophysicists’ (“**SEG**”), the Society of Petrophysicists and Well Log Analysts’ (“**SPWLA**”) and the European Association of Geoscientists and Engineers’ (“**EAGE**”) Petroleum Resource Management System (“**SPE PRMS**” or “**PRMS**”), as follows:

- “1P reserves,” or “proved reserves,” are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate.
- “2P reserves,” or “proved plus probable reserves,” are 1P reserves plus those additional reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than 1P reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the estimated 2P reserves. In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P reserves estimate.

In addition, certain of our contingent oil and gas resources data presented in this Offering Memorandum have been prepared by management in accordance with the SPE PRMS as follows, but not certified by AGR:

- “2C resources” or “contingent resources” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not then considered to be commercially recoverable due to

one or more contingencies, that in the “best estimate” scenario have a probability of at least 50% of equaling or exceeding the amounts actually recovered.

We currently retain AGR as our independent reserve engineer for the purposes of certifying the 1P and 2P reserves associated with our asset portfolio and our internal reserve estimates. Estimated reserves presented herein may differ from estimates made in accordance with guidelines and definitions used by other companies in the industry or by the SEC.

Typical to the industry in which we operate, there are a number of uncertainties inherent in estimating quantities of 1P and 2P reserves and contingent resources. Therefore, the reserve and resource information in this Offering Memorandum represents only estimates and such estimates are forward-looking statements which are based on judgements regarding future events and may be inaccurate. See “*Forward-looking statements.*” Reserve assessment is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact manner. The accuracy of any reserve or resource estimate is a function of a number of variable factors and assumptions, many of which are beyond our control, including the quality of available data and of engineering and geological interpretation and judgment. As a result, estimates of different reserve and resource assessors may vary. In addition, results of drilling, testing and production subsequent to the date of an estimate may justify revising the original estimate. Accordingly, due to the inherent uncertainties and the limited nature of reservoir data and the inherently imprecise nature of reserve and resource estimates, the initial reserve and resource estimates are often different from the quantities of oil and gas that are ultimately recovered. The accuracy of such estimates depends primarily on the assumptions upon which they were based.

You should not place undue reliance on the ability of the estimates of 1P and 2P reserves and contingent resources to predict actual 1P and 2P reserves and contingent resources or on comparisons of similar reports concerning other companies, and this Offering Memorandum should be accepted with the understanding that our financial performance subsequent to the date of the estimates may necessitate revision of the 1P and 2P reserves and contingent resources information set forth herein. In addition, except to the extent that we acquire additional properties containing 1P and 2P reserves and contingent resources or conduct successful exploration and development activities, or both, our 1P and 2P reserves and contingent resources will decline as they are produced.

**Potential investors should note that we have not estimated 1P and 2P reserves under the standards of reserves measurement applied by the SEC (the “SEC Basis”) for any of the relevant periods reviewed in this Offering Memorandum, or otherwise. The SEC Basis differs from PRMS.**

Unless otherwise indicated, all production figures are presented on a net to our working interest basis. Where gross amounts are indicated, they are presented on a total project basis—i.e., the total interests of all relevant license holders in the relevant fields and license areas without deduction for the economic interest of other commercial participants, taxes or royalty interests or otherwise. Forecasts of production for individual assets of ours are derived from production estimates included in our reserve reports. Our legal interest and effective working interest in the relevant fields and license areas are separately disclosed. See “*Our business.*” See also “*Our business—Material agreements relating to our assets*” for a more detailed discussion of the terms of the agreements governing our interests.

### ***Hydrocarbon data***

In preparation of its reserves and contingent resources, the Company uses the following standard measures:

- oil volumes of standard cubic meters (“**Sm<sup>3</sup>**”);
- natural gas volumes in billions of standard cubic meters (“**bcm**”);
- NGL volumes in Sm<sup>3</sup>; and
- oil equivalents volumes in millions of barrels of oil equivalents (“**mmboe**”).

This Offering Memorandum presents certain production and reserves-related information on an “equivalency” basis. We have assumed conversion rates of: (i) 6.293 barrels of oil to 1 Sm<sup>3</sup> of crude oil; (ii) 6.293 barrels of oil equivalents to 1,000 m<sup>3</sup> of natural gas; and (iii) 6.293 barrels of oil equivalents to 1 Sm<sup>3</sup> of NGLs. Furthermore, a mass to volume conversion factor (from metric tonnes to Sm<sup>3</sup>) for NGLs of 1.9 Sm<sup>3</sup>/Mton has been applied for all assets, except Skarv and Ærfugl, where a factor of 1.96 has been used. This conversion is

based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalencies at the wellhead. Although these conversion factors are industry accepted conventions, they are not reflective of price or market value differentials between product types and may differ from conversion factors used by others.

There are a number of uncertainties inherent in estimating quantities of 1P and 2P reserves and contingent resources, including many factors beyond our control. Such information represents only estimates and such estimates are forward-looking statements which are based on judgments regarding future events that may be inaccurate. See “*Forward-looking statements.*” Estimation of 1P and 2P reserves and contingent resources is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact manner. The accuracy of any 1P and 2P reserves and contingent resources estimate is a function of a number of factors, many of which are beyond our control, including the quality of available data, and involves engineering and geological interpretation and judgment. As a result, estimates of different engineers may vary. In addition, results of drilling, testing and production subsequent to the date of an estimate may justify revising the original estimate. Accordingly, due to the inherent uncertainties and the limited nature of reservoir data and the inherently imprecise nature of 1P and 2P reserves and contingent resources estimates, the initial 1P and 2P reserves and contingent resources estimates are often different from the quantities of oil and gas that are ultimately recovered.

#### ***AGR certifications of reserves and management estimates of contingent resources***

AGR has certified our 1P and 2P reserve assessments of certain fields in our asset base on a historical basis and provided its opinion as to the reasonableness of our assessments in reports dated:

- January 23, 2017, with respect to the Alvheim, Bøyla, Gina Krog, Hanz, Ivar Aasen, Johan Sverdrup, Vilje, Volund and Oda fields and the Viper and Kobra structures for Proved reserves (1P) and Proved plus Probable reserves (2P);
- June 13, 2017, with respect to the Skarv, Ærfugl, Valhall, Hod, Ula, Tambar and Tambar East fields for Proved reserves (1P) and Proved plus Probable reserves (2P);
- February 28, 2018, with respect to the Alvheim, Bøyla, Gina Krog, Hanz, Ivar Aasen, Johan Sverdrup, Vilje, Volund, Oda, Skarv, Ærfugl, Valhall, Hod, Ula, Tambar and Tambar East fields and the Skogul development for Proved reserves (1P) and Proved plus Probable reserves (2P);
- January 15, 2019, with respect to the Alvheim, Bøyla, Frosk, Gina Krog, Hanz, Ivar Aasen, Johan Sverdrup, Vilje, Volund, Oda, Skarv, Ærfugl, Ærfugl Outer, Valhall, Hod, Ula, Tambar and Tambar East fields and the Skogul development for Proved reserves (1P) and Proved plus Probable reserves (2P); and
- January 15, 2020, with respect to the Alvheim, Atla, Bøyla, Frosk, Gina Krog, Hanz, Ivar Aasen, Johan Sverdrup, Vilje, Volund, Oda, Skarv, Ærfugl, Snadd Outer, Valhall, Hod, Ula, Tambar and Tambar East fields and the Skogul development for Proved reserves (1P) and Proved plus Probable reserves (2P)

(each an “**AGR Report**” or collectively, the “**AGR Reports**”).

The technical personnel responsible for preparing the certification of our reserve estimates at AGR meet the requirements regarding qualifications, independence, objectivity and confidentiality set forth by the SPE. AGR is an independent consultancy and does not own an interest in our properties and is not employed on a contingent fee basis. See “*Our Business—Reserves, resources and operating data—Qualifications of Third-Party engineers.*” Our estimated 1P and 2P reserves as of December 31, 2017, 2018 and 2019 as certified by AGR and included in this Offering Memorandum utilize crude oil and gas price assumptions as described in this Offering Memorandum under the caption “*Summary—Reserves.*”

Management estimates of certain of our contingent resources as of December 31, 2019 included in this Offering Memorandum utilize a crude oil price assumption of \$70.0/bbl (2020) and \$65.0/bbl thereafter, and a gas price assumption of \$5.0/mmbtu (2020 and 2021), \$5.5/mmbtu (2022), \$6.0/mmbtu (2023) and \$7.0/mmbtu thereafter.

**Other commercial participants**

In this Offering Memorandum, when we describe activities in relation to licenses and assets in which we hold interests, references to “we,” “our” and similar words mean, depending on the context, Aker BP and other commercial participants with interests in such licenses and assets.

**Currency presentation and definitions**

In this Offering Memorandum, all references to “U.S. dollars” and “\$” are to the lawful currency of the United States and all references to “Norwegian kroner” and “NOK” are to the lawful currency of the Kingdom of Norway.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We are incorporating by reference certain information into this Offering Memorandum, which means we are disclosing important information to you by referring you to such information. The information being incorporated by reference is an important part of this Offering Memorandum, unless superseded by information contained in this Offering Memorandum, and should be reviewed in full before deciding whether or not to purchase the Notes described herein. Except as expressly stated below, information included on, or accessible from, our website is not incorporated by reference or made a part of this Offering Memorandum.

This Offering Memorandum incorporates by reference, and should be read and construed in conjunction with, the following information:

<b>Document</b>	<b>Pages incorporated</b>
A. The following sections of the Aker BP Q2 2020 Quarterly Report, available from our website at <a href="https://www.akerbp.com/wp-content/uploads/2020/07/Aker-BP-Q2-2020-1.pdf">https://www.akerbp.com/wp-content/uploads/2020/07/Aker-BP-Q2-2020-1.pdf</a> :	
Financial Statements with Notes .....	17 - 35
Alternative Performance Measures.....	36
Statement by the Board of Directors and Chief Executive Officer.....	39
Review Report.....	40
B. The following sections of the Aker BP Annual Report 2019, available from our website at <a href="https://www.akerbp.com/wp-content/uploads/2020/03/Aker-BP-Annual-Report-2019.pdf">https://www.akerbp.com/wp-content/uploads/2020/03/Aker-BP-Annual-Report-2019.pdf</a> :	
Financial Statements with Notes .....	85 - 129
Statement by the Board of Directors and Chief Executive Officer.....	130
Alternative Performance Measures.....	131
Independent Auditor’s Report .....	132 - 136
C. The following sections of the Aker BP Annual Report 2018, available from our website at <a href="https://akerbp.com/wp-content/uploads/2019/03/Aker-BP-Annual-report-2018.pdf">https://akerbp.com/wp-content/uploads/2019/03/Aker-BP-Annual-report-2018.pdf</a> :	
Financial Statements with Notes .....	82 - 130
Statement by the Board of Directors and Chief Executive Officer.....	131
Alternative Performance Measures.....	132
Independent Auditor’s Report .....	133 - 137
D. The following sections of the Aker BP Annual Report 2017, available from our website at <a href="https://akerbp.com/wp-content/uploads/2018/03/AKERBP-Annual-Report-2017.pdf">https://akerbp.com/wp-content/uploads/2018/03/AKERBP-Annual-Report-2017.pdf</a> :	
Financial Statements with Notes .....	59 - 109
Statement by the Board of Directors and Chief Executive Officer.....	110
Alternative Performance Measures.....	111
Independent Auditor’s Report .....	112 - 116

Except as expressly stated above, no part of the preceding items or any other document relating to the items referred to above is incorporated by reference herein.

## DEFINITIONS

Unless otherwise specified or the context requires otherwise in this Offering Memorandum, references to “Aker BP ASA,” “Aker BP,” “the Company,” “we,” “us,” and “our” refer to Aker BP ASA together with its subsidiaries.

The following definitions apply throughout this Offering Memorandum, unless the context otherwise requires. Certain other definitions used in this Offering Memorandum are as set forth in the Glossary. In particular, capitalized terms set forth and used in the sections entitled “*Description of certain financing arrangements*” and “*Description of the Notes*” may have different meanings from the meanings given to such terms and used elsewhere in this Offering Memorandum.

- “2026 Indenture” means the indenture, to be dated as of the Issue Date, among, *inter alios*, the Company and BNY Mellon Corporate Trustee Services Limited, as trustee, pursuant to which the 2026 Notes will be issued;
- “2031 Indenture” means the indenture, to be dated as of the Issue Date, among, *inter alios*, the Company and BNY Mellon Corporate Trustee Services Limited, as trustee, pursuant to which the 2031 Notes will be issued;
- “AGR” means AGR Petroleum Services AS, independent reserve engineers;
- “Alvheim Area Fields” means the Alvheim field, the associated producing Bøyla, Frosk, Vilje and Volund fields, the Viper and Kobra structures and the Skogul development;
- “BP” means BP p.l.c.;
- “BP Acquisition” means the acquisition of BP Norge AS by Det norske (now Aker BP) pursuant to the BP Transaction Agreement which closed on September 30, 2016, the result of which was the creation of a new company, Aker BP, and the subsequent transfer of BP Norge’s operations to Aker BP on December 1, 2016;
- “BP Norge” means BP Norge AS;
- “BP Transaction Agreement” means the acquisition transaction agreement between Det norske (now Aker BP), as purchaser, and BP Global Investments Ltd and Amoco Norway Oil, as sellers, dated June 10, 2016;
- “Det norske” means Det norske oljeselskap ASA, the name of Aker BP prior to the BP Acquisition;
- “DTC” means The Depository Trust Company;
- “Equinor” means Equinor Energy AS (formerly Statoil Petroleum AS), a fully-owned subsidiary of Equinor ASA (formerly Statoil ASA) and Equinor ASA’s operating entity on the NCS;
- “Exchange” means the Securities Official List of the Luxembourg Stock Exchange;
- “Existing Senior Notes due 2022” means the \$400,000,000 in aggregate principal amount of the Company’s 6% Senior Notes due 2022, issued pursuant to an indenture dated July 5, 2017;
- “Existing Senior Notes due 2022 Indenture” means the indenture, dated July 5, 2017 among, *inter alios*, the Company and BNY Mellon Corporate Trustee Services Limited, as trustee, pursuant to which the Existing Senior Notes due 2022 were issued;
- “Existing Senior Notes due 2024” means the \$750,000,000 in aggregate principal amount of the Company’s 4.750% Senior Notes due 2024, issued pursuant to an indenture dated June 19, 2019;

- “Existing Senior Notes due 2024 Indenture” means the indenture, dated June 19, 2019 among, *inter alios*, the Company and BNY Mellon Corporate Trustee Services Limited, as trustee, pursuant to which the Existing Senior Notes due 2024 were issued;
- “Existing 5.875% Senior Notes due 2025” means the \$500,000,000 in aggregate principal amount of the Company’s 5.875% Senior Notes due 2025, issued pursuant to an indenture dated March 22, 2018;
- “Existing 5.875% Senior Notes due 2025 Indenture” means the indenture, dated March 22, 2018 among, *inter alios*, the Company and BNY Mellon Corporate Trustee Services Limited, as trustee, pursuant to which the Existing 5.875% Senior Notes due 2025 were issued;
- “Existing 3.000% Senior Notes due 2025” means the \$500,000,000 in aggregate principal amount of the Company’s 3.000% Senior Notes due 2025, issued pursuant to an indenture dated January 15, 2020;
- “Existing 3.000% Senior Notes due 2025 Indenture” means the indenture, dated January 15, 2020 among, *inter alios*, the Company and BNY Mellon Corporate Trustee Services Limited, as trustee, pursuant to which the Existing 3.000% Senior Notes due 2025 were issued;
- “Existing Senior Notes due 2030” means the \$1,000,000,000 in aggregate principal amount of the Company’s 3.750% Senior Notes due 2030, issued pursuant to an indenture dated January 15, 2020;
- “Existing Senior Notes due 2030 Indenture” means the indenture, dated January 15, 2020 among, *inter alios*, the Company and BNY Mellon Corporate Trustee Services Limited, as trustee, pursuant to which the Existing Senior Notes due 2030 were issued;
- “Hess Norge” means Hess Norge AS (subsequently renamed Aker BP AS);
- “Hess Norge Acquisition” means the acquisition of Hess Norge by Aker BP pursuant to the Hess Norge Transaction Agreement on December 22, 2017 and the subsequent transfer of Hess Norge’s assets to Aker BP on the date thereof. See “*Management’s discussion and analysis of financial condition and results of operations—Significant factors affecting results of operations—Hess Norge Transactions;*”
- “Hess Norge Assets” means Aker BP’s interest in the Hod and Valhall fields and PL220 following the Hess Norge Transactions as further described in “*Management’s discussion and analysis of financial condition and results of operations—Significant factors affecting results of operations—Hess Norge Transactions;*”
- “Hess Norge Transaction Agreement” means the share purchase agreement relating to all the shares in Hess Norge between Aker BP, as buyer, Hess Norway Investments Limited, as seller, and Hess Corporation, as seller guarantor, dated October 24, 2017 pursuant to which Aker BP acquired all of Hess Norge’s interests on the NCS comprised of (i) a 64.2% participating interest in PL006B and a 62.5% participating interest in PL033B, both in the Valhall field, and a 62.5% participating interest in PL033 in the Hod field as well as an associated 64.1% interest in the Valhall Unit, each of which we operate, and (ii) a 15% participating interest in PL 220, which is operated by Equinor Energy AS;
- “Hess Norge Transactions” means the Hess Norge Acquisition and Aker BP’s subsequent sale of a 10% stake in the Valhall and Hod fields to Pandion on December 22, 2017 as further described in “*Management’s discussion and analysis of financial condition and results of operations—Significant factors affecting results of operations—Hess Norge Transactions;*”
- “Indentures” means the 2026 Indenture and the 2031 Indenture, collectively;
- “Interim Financial Statements” means the unaudited condensed consolidated interim financial statements of Aker BP as at June 30, 2020, June 30, 2019 and March 31, 2020, and the related condensed consolidated income statements and statements of comprehensive income and cash flows for the six-month periods ended June 30, 2020 and 2019, and the three-month periods

ended June 30, 2020, June 30, 2019 and March 31, 2020, and the related condensed consolidated statement of changes in equity for the three-month periods ended June 30, 2020 and March 31, 2020, and notes to the condensed consolidated interim financial statements;

- “LIBOR” means London Interbank Offered Rate;
- “Marathon Norway” means Det norske oljeselskap AS, formerly known as Marathon Oil Norge AS, which we acquired pursuant to the Marathon SPA dated June 1, 2014, entered into between Aker BP (then Det norske), as buyer, Marathon Norway Investment Coöperatief U.A., as seller, and Marathon Oil Corporation, as seller’s guarantor, for a cash consideration of \$2.1 billion, which closed on October 15, 2014, and the subsequent integration of the business of Marathon Norway with Det norske;
- “NCS” means the Norwegian Continental Shelf;
- “NGLs” means heavier gaseous hydrocarbons: ethane (C<sub>2</sub>H<sub>6</sub>), propane (C<sub>3</sub>H<sub>8</sub>), normal butane (n-C<sub>4</sub>H<sub>10</sub>), isobutane (i-C<sub>4</sub>H<sub>10</sub>), pentanes and even higher molecular weight hydrocarbons. When processed and purified into finished by-products, all of these are collectively referred to as Natural Gas Liquids or NGLs;
- “NIBOR” means Norwegian Interbank Offered Rate;
- “NOK Bond” and “NOK Bond Agreement” mean the Company’s NOK 1.9 billion unsecured bond, issued pursuant to the bond agreement originally dated July 1, 2013 (as subsequently amended and restated), entered into between the Company and Nordic Trustee ASA, in its capacity as bond trustee. The NOK Bond was fully repaid as of July 2, 2020;
- “OPEC” means the Organization of the Petroleum Exporting Countries;
- “Pandion” means Pandion Energy AS;
- “Revolving Credit Facility” and “Revolving Credit Facility Agreement” mean the \$4.0 billion senior unsecured revolving credit facility dated May 23, 2019, between, among others, Aker BP as borrower and DNB Bank ASA as facility agent. See “*Description of certain financing arrangements—Revolving Credit Facility*,”
- “RBL Facility” mean the reserves-based lending facility originally dated July 8, 2014 (as subsequently amended and restated) between, among others, Aker BP as borrower and DNB Bank ASA, Nordea Bank AB (publ), filial i Norge, Investment Banking, Skandinaviska Enskilda Banken AB (publ) and BNP Paribas as mandated lead arrangers. In connection with our entry into the Revolving Credit Facility, we have repaid and cancelled the RBL Facility;
- “SEC” means the U.S. Securities and Exchange Commission;
- “UKCS” means the United Kingdom Continental Shelf;
- “United Kingdom” or “UK” means the United Kingdom of Great Britain and Northern Ireland;
- “U.S. Exchange Act” means the U.S. Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
- “U.S. Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.



## EXCHANGE RATE INFORMATION

We publish our financial statements in U.S. dollars. The conversion of Norwegian kroner into U.S. dollars in this Offering Memorandum is solely for the convenience of the readers. Neither we nor the Initial Purchasers make any representation that any Norwegian kroner or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Norwegian kroner, as the case may be, at any particular rate, the rates stated below, or at all. The following table sets forth, for the periods and dates indicated, the Central Bank of Norway rate expressed as Norwegian kroner per U.S. dollar. See “*Presentation of financial and other information—Functional and presentation currency.*”

	Norwegian kroner per \$1.00			
	High	Low	Average	Period end
<b>Year</b>				
2017.....	8.6781	7.7121	8.2630	8.2050
2018.....	8.7680	7.6579	8.1363	8.6885
2019.....	9.2607	8.4108	8.8037	8.7803
<b>Months in 2020</b>				
January.....	9.2246	8.7919	8.9538	9.2194
February.....	9.4642	9.1784	9.2920	9.4642
March.....	11.4031	9.2610	10.2202	10.5057
April.....	10.7458	10.1925	10.4435	10.2832
May.....	10.3528	9.6875	10.0874	9.6875
June.....	9.7446	9.2644	9.5261	9.7446
July.....	9.6193	9.0583	9.2968	9.0583
August.....	9.1431	8.7563	8.9450	8.7563
September (through September 18).....	9.1013	8.7076	8.9721	9.0880

Source: Central Bank of Norway, Bloomberg

## PRESENTATION OF INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Offering Memorandum have been obtained from internal surveys, reports and studies, as well as market research, publicly available information and industry publications. We have used the most recent reports and other sources available to derive the data included herein. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, estimates and market research, while believed to be reliable, have not been independently verified by us. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements in this Offering Memorandum.

We cannot assure you that any of the assumptions underlying any statements regarding the oil and gas industry are accurate or correctly reflect our position in the industry. Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, the market statistics included in this Offering Memorandum should be viewed with caution and no representation or warranty is given by any person, including us and the Initial Purchasers, as to their accuracy.

Elsewhere in this Offering Memorandum, statements regarding the oil and gas industry are not based on published statistical data or information obtained from independent third parties, but are based solely on our experience, our internal studies and estimates, and our own investigation of market conditions. We cannot assure you that any of these studies or estimates are accurate, and none of our internal surveys or information have been verified by any independent sources. While we are not aware of any misstatements regarding our estimates presented herein, our estimates involve risks, assumptions and uncertainties and are subject to change based on various factors. See “*Risk factors*” and “*Our business*” in this Offering Memorandum for further discussion.

## SUMMARY

*In this Offering Memorandum, the words “we,” “us,” “our,” “Aker BP” and the “Company” refer to Aker BP ASA together with its subsidiaries on a consolidated basis except where otherwise specified or clear from the context. Any projections and other forward-looking statements in this Offering Memorandum are not guarantees of future performance and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See “Presentation of financial and other information—Certain reserves, contingent resources and production information,” “Forward-looking statements” and “Risk factors.”*

*You should read carefully the entire Offering Memorandum to understand our business, the nature and terms of the Notes and the tax and other considerations that are important to your decision to invest in the Notes, including the risks discussed under the caption “Risk Factors” and “Management’s discussion and analysis of financial condition and results of operations.”*

### Overview

We are a Norwegian oil and gas company with exploration, development and production activities exclusively on the Norwegian Continental Shelf (“NCS”). We rank among the largest independent exploration and production (“E&P”) companies in Europe measured by production. Headquartered in Bærum, Norway, with branch offices in Stavanger, Trondheim, Sandnessjøen and Harstad, Norway, we had 1,756 total employees as of June 30, 2020. We are currently listed on the Oslo Stock Exchange under the symbol “AKERBP.” As of June 30, 2020, we had a portfolio of 142 licenses, with 86 as operator and 56 as a field participant.

As of June 30, 2020 we have interests in seventeen producing fields, predominantly concentrated around six production hubs on the NCS. Our key producing assets are: (i) the Alvheim field, (ii) the Ivar Aasen field, (iii) the Valhall field, (iv) the Ula field, (v) the Skarv field and (vi) the Johan Sverdrup field. In total we operate eleven fields as certain of our operated producing assets contain several fields. Our average net production for the year ended December 31, 2019 was 155.9 Mboepd (80% liquids and 20% gas). Our average net production for the six months ended June 30, 2020 was 208.9 Mboepd (84% liquids and 16% gas).

Our net profit and EBITDAX were negative \$96.9 million and \$2,474.4 million, respectively, for the twelve months ended June 30, 2020. For an explanation of EBITDAX, see “Summary historical and as adjusted selected financial information—Other historical and as adjusted financial information.”

### Our assets

The following table provides a summary of our producing assets and the average net production therefrom for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

Asset	Working interest	Operator	Average net production (boepd)				
			Year ended December 31,			Six months ended June 30,	
			2017 <sup>(8)</sup>	2018 <sup>(9)</sup>	2019	2019	2020
<i>Producing</i>							
Alvheim <sup>(1)</sup>	57.6/65.0%	Aker BP	53,849	40,724	39,183	41,701	35,383
Bøyla	65.0%	Aker BP	4,357	2,913	4,071	2,098	7,099
Gina Krog <sup>(2)</sup>	3.3%	Equinor	798	1,748	1,719	2,085	752
Hod <sup>(3)</sup>	90.0%	Aker BP	530	937	839	647	603
Ivar Aasen <sup>(4)</sup>	34.8%	Aker BP	18,100	23,523	21,810	20,794	22,397
Johan Sverdrup <sup>(5)</sup>	11.6%	Equinor	—	—	7,945	—	47,452
Skarv	23.8%	Aker BP	26,680	25,344	22,260	22,608	20,194
Skogul	65.0%	Aker BP	—	—	—	—	4,760
Tambar / Tambar East	55.0/46.2%	Aker BP	1,941	3,402	2,243	1,684	3,287
Ula	80.0%	Aker BP	6,466	6,032	4,517	4,488	4,881
Valhall <sup>(3)</sup>	90.0%	Aker BP	13,357	35,041	38,166	34,467	47,921
Vilje	46.9%	Aker BP	5,304	4,034	2,326	3,024	3,366
Volund	65.0%	Aker BP	7,342	11,842	8,858	8,140	7,142
Oda	15.0%	Spirit Energy	—	—	1,770	1,031	3,441
Other <sup>(6)</sup>	—	—	103	118	146	136	266
<b>Net production</b>			<b>138,825</b>	<b>155,658</b>	<b>155,852</b>	<b>142,904</b>	<b>208,944</b>
Over/underlift			—	—	1,795	8,399	10,799
<b>Net sold volume<sup>(7)</sup></b>			<b>—</b>	<b>—</b>	<b>157,647</b>	<b>151,303</b>	<b>219,742</b>

(1) The Alvheim field consists of the Kneler, Boa, Kameleon, East Kameleon and Viper-Kobra structures and the Gekko discovery. We own a 57.6% interest in the Boa unit, which has been unitized, and a 65.0% interest in the rest of the Alvheim field.

- (2) We transferred our entire interest in the Gina Krog field to PGNiG Upstream Norway AS as of April 30, 2020.
- (3) The average net production of the Valhall and Hod fields for the year ended December 31, 2017 reflects the average net production prior to the Hess Norge Transactions. As a result of the Hess Norge Transactions, our working interest in the Valhall and Hod fields increased to 90.0% (from 36.0% and 37.5%, respectively).
- (4) The Ivar Aasen field is comprised of the Ivar Aasen Unit, in which we have a 34.8% interest, and the Hanz deposit, in which we have a 35.0% interest.
- (5) Production commenced at the Johan Sverdrup field in October 2019.
- (6) "Other" includes the Atla and Enoch fields.
- (7) From January 1, 2019, we have adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Under the sales method, revenue reflects actual sales regardless of our share of net production. See "*Presentation of Financial Information—Historical Financial Information.*"
- (8) For the year ended December 31, 2017, production figures exclude the production of the Hess Norge Assets as from December 22, 2017, the closing date of the Hess Norge Acquisition through December 31, 2017.
- (9) For the year ended December 31, 2018, production figures include the production of the Hess Norge Assets as from January 1, 2018.

Our total net production and average net production in 2019 was 56.9 mmmboe and 155,852 boepd, respectively.

Our operating team has a history of delivering strong operational performance and low production costs. We had overall production efficiency of 91% and 92% for the years ended December 31, 2018 and 2019, respectively, and 94% for the six months ended June 30, 2020. Our production costs were \$12.1/boe and \$12.4/boe for the years ended December 31, 2018 and 2019, respectively, and \$8.9/boe for the six months ended June 30, 2020 (based on produced volumes). Following commencement of production at the Johan Sverdrup field in October 2019, our production costs have been reduced due to the low production costs associated with this field.

## Reserves

As of December 31, 2019, our 2P reserves were estimated to be 906 mmmboe (83% oil and NGLs). We expect to continue to grow this reserve base through a balance of exploration of new areas, acquisitions and the continued development of our existing fields and discoveries.

The following table sets forth certain information with respect to our estimated 1P and 2P reserves as of December 31, 2017, 2018 and 2019.

	<b>Reserves (mmmboe)</b>		
	<b>as of December 31,</b>		
	<b>2017<sup>(1)</sup></b>	<b>2018<sup>(2)</sup></b>	<b>2019<sup>(3)</sup></b>
1P reserves .....	692	683	666
2P reserves <sup>(4)</sup> .....	914	917	906

Source: Management estimates; reserves as of December 31, 2017, 2018 and 2019 certified by AGR (in each case, except Enoch and Atla).

- (1) Based on an oil price assumption of \$58/bbl (2018) and \$66.6/bbl thereafter, and a gas price assumption of 39.3/pence-therm (2018) and 34.6/pence-therm (2019, 2020 and 2021).
- (2) Based on an oil price assumption of \$75.0/bbl (2019), \$72.0/bbl (2020), \$70.0/bbl (2021) and \$65.0/bbl thereafter, and a gas price assumption of 52.4/pence-therm (2019), 43.8/pence-therm (2020 and 2021) and 45.5/pence-therm (2022).
- (3) Based on an oil price assumption of \$70.0/bbl (2020) and \$65.0/bbl thereafter, and a gas price assumption of \$5.0/mmbtu (2020 and 2021), \$5.5/mmbtu (2022), \$6.0/mmbtu (2023) and \$7.0/mmbtu thereafter.
- (4) 2P reserves (proved plus probable reserves) are inclusive of 1P reserves (proved reserves).

## Strengths

### *Diversified portfolio of scale with material operated oil production*

With a market capitalization of NOK 62.59 billion (approximately \$7.21 billion) as of August 31, 2020, and a diverse producing portfolio of scale on the NCS, we believe we are one of the leading independent offshore E&P companies. Our producing asset portfolio is comprised of fields that have a long, stable track record of production and those that have recently come on-stream. Our average net production for the year ended December 31, 2019 was 155.9 Mboepd (80% liquids and 20% gas). The Johan Sverdrup field (in which we own an 11.6% working interest), which has total expected recoverable resources of between 2,200 mmmboe and 3,200 mmmboe, as estimated by Equinor (which operates the Johan Sverdrup field), came on stream in October 2019 and as of April 2020 had reached the new Phase 1 plateau of 470,000 boepd (gross). The Johan Sverdrup production commenced more than two months ahead of schedule, and NOK 40 billion below the original capex estimates in the PDO. Additionally, we are an active explorer on the NCS. As of June 30, 2020, we had over 140 licenses

making us the third-largest license holder on the NCS by number of licenses, after Equinor and Petoro AS. A majority of these licenses are located in a mature area of the North Sea, close to existing infrastructure, where the economic threshold for field development is normally lower than in the more frontier areas of the shelf. We have balanced our interests in the more mature areas of the NCS, a comparably low risk operating environment, with some high-risk/high-reward opportunities in the Barents Sea. With a strong portfolio of producing assets, large fields under development and a strong exploration portfolio, we are well-positioned across all stages of the E&P life cycle and for future growth of production and reserves.

### ***Strong execution, low production costs and profitable operations***

We believe our production base is profitable, reliable and stable, supported by production costs for the year ended December 31, 2019 and the six months ended June 30, 2020 of \$12.4/boe and \$8.9/boe, respectively (based on produced volumes). We operate most of our key producing assets, and for the year ended December 31, 2019, 77% of our net production came from fields we operate. As the operator of most of our key producing assets, we are well positioned to effectively manage production performance, production costs and the nature, timing and amount of our capital expenditures. Such management promotes the timely implementation of our desired engineering and operating techniques. Our ability to influence the timing and pace of spending is particularly critical in light of historic uncertainties in the oil price environment. We believe that the operating expertise and the experience of our personnel is instrumental to our ability to efficiently and safely manage our production base. We continue to leverage our operational experience in pursuit of production efficiencies and effectively deploy technology to achieve increased regularity and recovery and to realize cost savings.

### ***Low risk and sustainable business model***

All of our production, development and exploration assets are situated in Norway, an Organization for Economic Co-operation and Development (“OECD”) country supported by a historically stable fiscal and regulatory regime which does not impose any local content requirements for oil and gas companies. We believe that our assets are in a proven hydrocarbon basin well understood by engineers and technicians. The geographic footprint of our current operations in Norway is limited to shallow water (meaning operating environments of less than 500 meters) environments and largely centered around five production hubs in the North Sea and the Norwegian Sea: the prospective Utsira High area, the Alvheim area, the Valhall area and the Ula area, in the North Sea, and the Skarv area in the Norwegian Sea. Moreover, we believe our asset base provides significant opportunities to organically grow our production and reserves by using established technologies to discover additional reserves, maximize recoveries of in-place hydrocarbons and manage natural decline rates while conducting our operations in a safe and environmentally responsible manner. We have an ongoing drilling program to optimize resource recovery from producing reservoirs and to develop hydrocarbon accumulations close to existing infrastructure.

We seek to maintain high safety standards by implementing robust processes within our safety standards, processes and policies. We manage the security and emergency-preparedness measures at our facilities and conduct regular trainings and exercises in order to minimize potential incidents on our installations. We offer a professional health service to our staff that we believe is fully compliant with current rules and regulations. In addition we have a close relationship with our main contractors in order to implement our health, safety, security, environment and assurance (“HSSE”) agenda and performance, and manage their verification programs. We work to integrate safety related goals, strategies and action plans in all projects and activities across our entire organization, and we prioritize initiatives aimed at reducing the risk of major accidents at all levels within the Company.

### ***Embedding climate into our decision making***

Our corporate responsibility policies and mechanisms for supervision and control of corresponding activities are regularly reviewed and updated to reflect the change in relevant topics and emerging issues. Climate was formally integrated and embedded into our strategy and decision making in 2018. The Board of Directors has ownership of climate related objectives and expectations in our climate strategy, and review and guide the major plans of action when it comes to investment decisions for climate initiatives.

We have also developed scenarios related to potential future developments of climate change, policy and commodity markets to test the robustness of our business plan and investment decisions. All investment decisions are tested against a carbon price consistent with The International Energy Agency’s (“IEA”) Sustainable Development Scenario. Our carbon price used for investment decisions is \$90/ton CO<sub>2</sub> in 2020, increasing to \$105/ton CO<sub>2</sub> in 2030.

Our goal is to minimize emissions from activities on the NCS through choosing energy-efficient solutions and operations. In the six months ended June 30, 2020, the CO<sub>2</sub> emissions from our equity production was 4.8 kg CO<sub>2</sub>/boe on average. We see this as a competitive advantage, as the global average CO<sub>2</sub> emissions are 17.8 kg CO<sub>2</sub>/boe according to the International Association of Oil & Gas Producers (“IOGP”).

### ***Financial profile with strong cash flow generation***

We are focused on ensuring ample liquidity for the operation and continuing growth of our business. As of June 30, 2020, *as adjusted* to give effect to (i) the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of proceeds*” and (ii) the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020, we had *as adjusted* cash and cash equivalents of \$363.3 million and approximately \$4.0 billion in undrawn commitments under the Revolving Credit Facility. See “*Description of certain financing arrangements—Revolving Credit Facility.*” Our financial profile is supported by the Norwegian fiscal regime, which allows exploration and production companies to effectively offset a nominal 89.6% of development costs and 78% of exploration costs and operational expenditure against their tax liabilities. As a result, we expect 89.6% of our total capital expenditures to be offset against tax liabilities over the next six years. This tax treatment significantly de-risks the financing of our exploration and development program and limits the impact on our cash flow of the pursuit of our long-term goal of expanding and replacing our reserves base. In addition, in an effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 pandemic, the Norwegian Government on June 19, 2020 enacted temporary targeted changes to Norway’s petroleum tax system for investments incurred in 2020 and 2021 and for certain new projects with final investment decisions submitted by end of 2022. As a result, nominal 91.4% of development costs incurred in the years ended December 31, 2020 and 2021, as well as certain future development costs, may be offset against our tax liabilities. See “*Regulation—Norway.*” We believe the totality of the petroleum tax changes will lead to more favorable returns on our investments in field developments and strengthen our liquidity. See “*—Recent developments—Oil price volatility.*” Our asset base has historically generated positive cash flow due to our significant existing oil and gas production and low production costs. During the years ended December 31, 2017, 2018 and 2019, we generated free cash flow of \$1.0 billion, \$2.1 billion and negative \$0.3 billion. For the year ended December 31, 2019, free cash flows were lower than the historical average, primarily due to the large tax refund received in 2018 related to the Hess acquisition, in addition to increased capital expenditure with respect to the Valhall and Johan Sverdrup fields in 2019. During the years ended December 31, 2017, 2018 and 2019, we generated \$2.2 billion, \$3.8 billion and \$1.9 billion in operating cash flow. See “*Presentation of financial and other information—Non-IFRS financial measures*” and “*Management’s discussion and analysis of financial condition and results of operations—Historical cash flows—Cash flow from operating activities.*”

### ***Supportive ownership structure and experienced management and technical teams***

We benefit from a strong and supportive 40% equity owner in Aker ASA, both from an industrial and financial perspective. Aker ASA is a large industrial investment company with a market capitalization of approximately NOK 30.19 billion (approximately \$3.46 billion) as of August 31, 2020. We further benefit from an additional strong and supportive 30% equity owner in BP. BP is one of the world’s largest energy companies by market capitalization and has operations in over 70 countries. Furthermore, our board of directors and senior management team members have an average of approximately 25 years of experience in the oil and gas industry, including substantial experience working on the NCS. The combined industry and regional expertise of our board of directors and management team enables us to better understand and effectively manage the inherent risks associated with our business. We believe that our leadership team has the varied experience and proven track record in the oil and gas industry necessary to identify new production and development opportunities and to continue building a strong platform for the delivery of long-term growth.

### ***Successful and proven approach to M&A integration***

We acquired several of our key producing assets through the execution of a series of successful M&A transactions. For example, we acquired the Skarv, Ula, Valhall, and Hod fields as part of the BP Acquisition. We have also successfully integrated Marathon Norway, BP Norge and Hess Norge into our existing corporate and operational structure. We believe our success is driven by our approach to integration, which is based on a merger strategy focused on developing shared values and vision. We focus on fully integrating new employees within all levels of our existing organization and we adjust our governance structures to fit our post-M&A scale. Our M&A transactions have improved our credit profile by, among other things, accelerating our free cash flow by providing additional upfront production and allowing us to better monetize our assets. The transactions have also allowed us to realize organizational and cost synergies and strengthen our reserves base.

## **Strategies**

### ***Maximize performance of existing producing areas and execute high-quality development projects***

We aim to continue to safely optimize returns from our existing producing assets by using established technologies to maximize recoveries of in-place hydrocarbons and managing natural decline rates by strategic infill drilling. We have an ongoing drilling program to optimize recoveries from producing reservoirs and to develop hydrocarbon accumulations close to existing infrastructure. Furthermore, we focus on reliability and availability of key infrastructure to maintain production levels. We seek to execute projects efficiently and secure new high-quality development projects. To ensure high and sustainable returns on investments, we rank our projects according to break-even oil price and we aim to only invest in projects that are profitable at or below a break-even price of \$30/boe (including a 10% return on investment) and a production cost at or below \$7/boe at sanctioning. We also intend to leverage the value of our existing infrastructure by developing new, smaller deposits in the vicinity of our existing platforms that would be uneconomic without the ability to utilize existing infrastructure. We will also continue our focus on delivering our most significant high-quality development asset, the Johan Sverdrup field. The Johan Sverdrup field commenced production in October 2019, more than two months ahead of schedule, and NOK 40 billion below the original capex estimates in the PDO. Phase 2 of the Johan Sverdrup development project is progressing well, with production start-up expected in the fourth quarter of 2022. We believe the other participants in the field, including the operator Equinor, share the same drive and commitment to delivering Phase 2 of the Johan Sverdrup field on time and on or below budget.

### ***Maintain disciplined capital management and conservative financial profile***

We aim to maintain a conservative financial profile and balance sheet with ample liquidity. We expect to fund exploration and development activities from a combination of production cash flows, proceeds of debt issuances and potentially proceeds from portfolio management activities, such as farm-downs or sales. Any cost overruns in our exploration and development programs are expected to be partially mitigated by the Norwegian tax regime. We closely monitor liquidity risk through cash flow forecasts and sensitivity analyses. We manage our credit risk by assessing the creditworthiness of potential counterparties before entering into transactions with them and we will continue to evaluate their creditworthiness after transactions have been initiated. We maintain a prudent risk management policy based on our continuous monitoring of market conditions, which includes our hedging program, the goal of which is to reduce the risk connected to foreign exchange rates, interest rates and commodity prices. See “*Management’s discussion and analysis of financial condition and results of operations—Qualitative and quantitative disclosures about market risk.*”

### ***Sustaining a competitive cost structure through continuous focus on several improvement areas***

We work to create value and seize opportunities faster by prioritizing flow, rather than resource, efficiency. Ongoing improvement initiatives and organizational efforts are grounded in “LEAN” principles, which include understanding value streams, visualizing progress and ensuring continuous learning. Successful implementation means improved quality and shorter lead times. In addition, we aim to increase our efficiency by digitizing field development and operation throughout the entire life cycle of a field, from exploration to abandonment. We believe that it is possible to safely improve quality and reduce costs through reorganizing the value chain with strategic alliances with suppliers and oilfield services providers. We believe that we can prepare for changing market conditions by developing a flexible business model that anticipates growth and adapts to volatility. Such a business model may allow us to identify and mitigate supply chain risks and to exploit market volatility to gain competitive advantages. For example, we believe the acquisition of Marathon Norway, the BP Acquisition and the Hess Norge Transactions have significantly strengthened our operations and growth potential. Our low production costs and break-even prices help to support our financial performance when faced with volatility in the oil and gas markets.

### ***Continue growing reserves by utilizing exploration skillset and operational expertise and through strategic acquisitions***

Portfolio management and enhancement are integral aspects of our exploration, development and production strategy through which we seek to realize value at an appropriate point in the life cycle of an asset. We will maintain the structure of our successful exploration and development programs, which have resulted in our participation in major discoveries as the Ivar Aasen and the Johan Sverdrup fields, and continue selective development and appraisal programs to combat natural production declines and to maintain existing reserves. Our exploration program is positioned for future growth. We plan to continue focusing our exploration activities in Norway in both mature and frontier areas on the NCS where the stable fiscal regime limits the impact of price

declines and reduces exploration and appraisal risk. We will continue to review exploration opportunities on an ongoing basis and optimize our exploration portfolio to ensure we drill only those wells that we deem to offer an attractive risk/reward profile, and where possible, enable us to leverage our existing infrastructure position on the NCS. Going forward, we will focus on prospects with development potential in the short-term, which we believe we are well positioned to realize due to our extensive regional knowledge and experience on the NCS. To complement our organic growth strategy, we may also consider selective strategic acquisitions of companies and/or interests in licenses with reserves or contingent resources. We evaluate acquisitions based on a set of criteria, including rate of return, field cash flow, operational efficiency, reserve life, development costs and decline profile, as well as quality of the organization. We also continuously seek to optimize our asset portfolio by monetizing certain assets, through divestitures or farm-downs.

## **Recent developments**

### ***COVID-19***

In December 2019, a novel strain of coronavirus (“**COVID-19**”) surfaced in Wuhan, China. The spread of this virus globally has caused significant business disruption, significant volatility in international debt and equity markets and significant disruption to the global economy, including oil and gas markets. See “—*Oil Price Volatility*.”

We have implemented a wide range of measures to minimize the risk to people and operations from the COVID-19 pandemic, including reduced offshore manning, social distancing, travel restrictions and working from home. During the second quarter of 2020, we implemented mandatory testing for all offshore personnel. We have so far avoided any direct virus-related disruptions to our operations and will continue to enforce proper measures to minimize the risk level to our employees and operations.

The full extent to which the COVID-19 pandemic will impact our business will depend on future developments that are uncertain and cannot be accurately predicted, particularly if a “second wave” materializes. The COVID-19 pandemic and associated uncertainties and disruption to the global economy may have negative effects on demand for oil and gas and/or result in interruptions to our operations. Such events may adversely impact our future results from operations and cash flows, and may lead to impairment of assets. We are continuing to monitor developments relating to COVID-19 and are coordinating our operational responses based on existing business continuity plans and guidance from global health organizations and relevant governments. See “*Risk Factors—Risks relating to the oil and gas industry—Our business and results of operations may be adversely affected by the COVID-19 pandemic or other similar pandemics.*”

### ***Oil Price Volatility***

Crude oil prices fell significantly in March 2020, due to a supply surplus from OPEC+ members occurring simultaneously with a collapse in demand due to the impact of the COVID-19 pandemic. Crude oil prices slightly recovered in the second quarter of 2020 primarily due to the announcement that OPEC+ would cut production starting May 1, 2020. In Norway, where Aker BP has production on the NCS, the Norwegian government announced unilateral oil production cuts portioned out to relevant fields via their production licenses of 250,000 barrels a day in June and 134,000 barrels per day in the second half of 2020, and further announced that the start-up of production at several fields would be delayed until 2021. The production curtailments implemented by the MPE have resulted in decreased second quarter production from our Ivar Aasen, Johan Sverdrup, Ula and Tambar fields, and the oil wells at Skarv have been shut-down in order to stay within the production limits imposed by MPE. The average impact on our production is expected to be approximately 5,000 beopd for 2020. For the second quarter of 2020, the production curtailments imposed in Norway have been mitigated by our strong operational performance and increased capacity at Johan Sverdrup.

The fall in oil and gas prices had a negative impact on operational results and cash flows in the first half of 2020, and impairments of \$653.7 million were recognized in the first quarter of 2020; however, the recovery in shorter term oil prices in the second quarter of 2020 has been the main reason for a reversal of \$135.9 million of the impairments of producing fields recognized in the first quarter of the year. We have implemented a wide range of measures to protect financial flexibility, including an updated and reduced investment program and cut in dividends. See “—*Dividend payment*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Future Capital Expenditures.*” As of June 30, 2020, available liquidity on the Revolving Credit Facility was \$3.6 billion and the related financial covenants meet the applicable thresholds by a substantial margin. Following the issuance of the Notes offered hereby, including the application of the net



proceeds therefrom as set forth under “*Use of proceeds*,” we will have approximately \$4.0 billion of undrawn liquidity under the Revolving Credit Facility.

In addition, in an effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 pandemic, the Norwegian Government on June 19, 2020 enacted temporary targeted changes to Norway’s petroleum tax system for investments incurred in 2020 and 2021. The changes were effective from January 1, 2020 and provide companies with a direct tax deduction in the special petroleum tax (56% tax rate) instead of tax depreciation over six years. Tax uplift benefit, which has increased from 20.8% to 24%, will be recognized over one year instead of four years. Tax depreciation towards the ordinary corporate tax (22% tax rate) will continue with a six-year depreciation profile. These changes also apply for all investments according to PDOs/PIOs which have been submitted by the end of 2022 and approved by the MPE between May 12, 2020 and January 1, 2024. The benefits of these tax changes, however, will only apply to investments up to and including the year of planned “first oil” as defined in the approved PDO/PIO. In addition, the tax value of any losses incurred in 2020 and 2021 can be refunded from the state. We believe the totality of the petroleum tax changes will lead to more favorable returns on our investments in field developments and strengthen our liquidity. The impact of the retrospective application of the temporary changes in the tax regulation (changes related to first quarter) is an income of \$40 million included in the line item tax expense (+)/income (-). Following these changes, we have submitted a PDO for the Hod field. In addition, we entered into an agreement in principle with Equinor for a coordinated development of the NOAKA area. See “*Our Business—Key development projects (undeveloped reserves)*” and “*Our Business—Key development projects (contingent resources)—North of Alvheim and Krafla-Askja (PL442, PL026B, PL364, PL272)*.”

#### ***Dividend payment***

In May 2020, we made a dividend payment to our shareholders in the aggregate amount of \$70.8 million. In response to the uncertainty caused by the COVID-19 pandemic and the reduction in oil prices during the first quarter of 2020, the Board of Directors retracted the original dividend plan in order to retain financial flexibility and position the Company for future value accretive organic and inorganic growth opportunities. As of the date hereof, it is the ambition of the Board of Directors to pay total dividends of \$425 million in 2020.

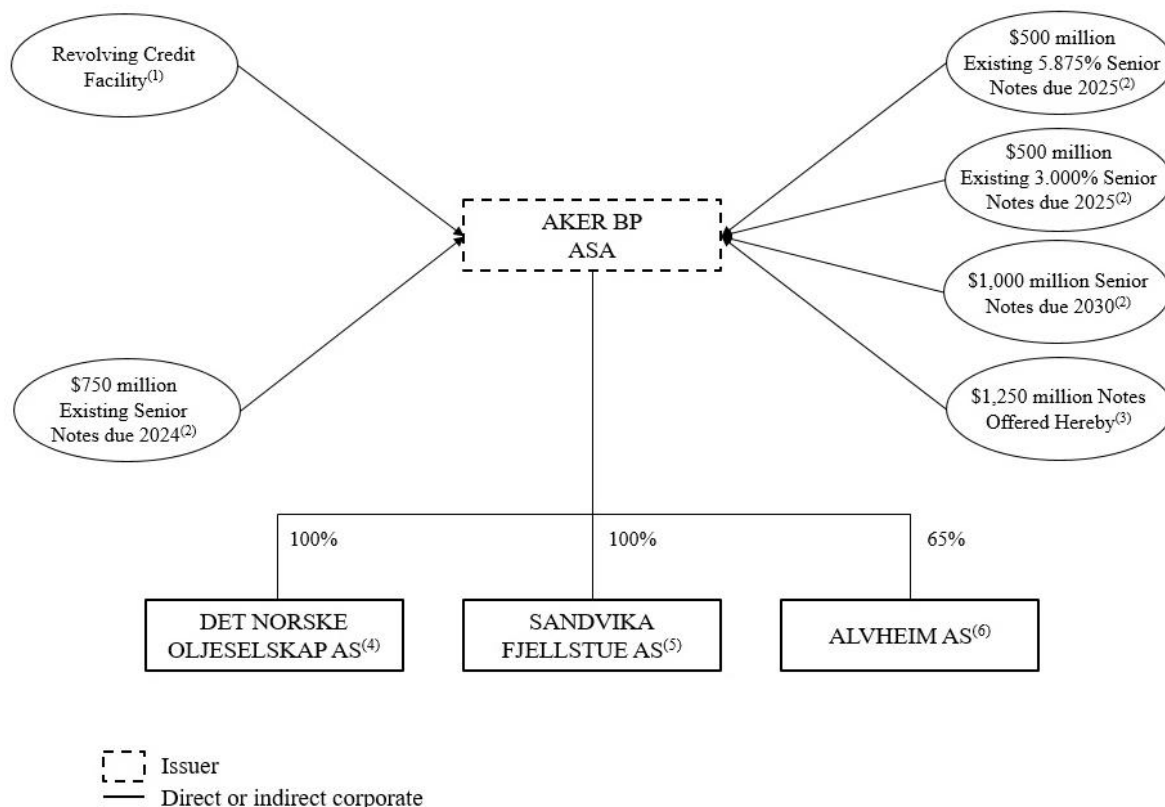
#### ***Current trading***

As a result of the COVID-19 pandemic, we, like other companies in the energy industry, have experienced and expect to continue to experience challenging market conditions. We expect that total income for the three months ended September 30, 2020 will be higher than the total income reported for the three months ended June 30, 2020, primarily due to increased realized commodity prices, partly offset by lower liftings.

On July 2, 2020, we repaid the entire outstanding amount under our NOK 1.9 billion unsecured bond (the “NOK Bond”) issued pursuant to the bond agreement originally dated July 1, 2013 (as subsequently amended and restated), entered into between the Company and Nordic Trustee ASA, in its capacity as bond trustee.

## CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following chart shows a summary of our corporate and financing structure on a *pro forma* basis after giving effect to (i) the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of proceeds*” and (ii) the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020. The chart does not include all of our debt obligations. Our legal interests in our assets vary based on contractual arrangements with other commercial participants and the relevant licenses and related agreements. For a description of our interests in certain assets, see “*Our Business*.” For a summary of the debt obligations identified in this diagram, see “*Description of the Notes*,” “*Description of certain financing arrangements*” and “*Capitalization*.”



- (1) We entered into a revolving credit facility agreement on May 23, 2019 between, among others, DNB Bank ASA as facility agent and Aker BP as borrower, providing us with a senior unsecured revolving credit facility with aggregate commitments of \$4.0 billion (the “**Revolving Credit Facility**”). Following the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of proceeds*,” we will have approximately \$4.0 billion of undrawn liquidity under the Revolving Credit Facility.
- (2) On March 22, 2018, we issued \$500 million in aggregate principal amount of 5.875% senior notes due 2025 (the “**Existing 5.875% Senior Notes due 2025**”). See “*Description of certain financing arrangements—Existing 5.875% Senior Notes due 2025*.” On June 19, 2019, we issued \$750 million in aggregate principal amount of 4.750% senior notes due 2024 (the “**Existing Senior Notes due 2024**”). See “*Description of certain financing arrangements—Existing Senior Notes due 2024*.” On January 15, 2020, we issued \$500 million in aggregate principal amount of 3.000% senior notes due 2025 (the “**Existing 3.000% Senior Notes due 2025**”). See “*Description of certain financing arrangements—Existing 3.000% Senior Notes due 2025*.” On January 15, 2020, we issued \$1,000 million in aggregate principal amount of 3.750% senior notes due 2030 (the “**Existing Senior Notes due 2030**”). See “*Description of certain financing arrangements—Existing Senior Notes due 2030*.”
- (3) Represents the \$500 million aggregate principal amount of 2.875% Senior Notes due 2026 and the \$750 million aggregate principal amount of 4.000% Senior Notes due 2031 offered hereby. The Notes offered hereby will be senior unsecured debt of the Company ranking *pari passu* in right of payment with all existing and future obligations of the Company, including obligations under the Revolving Credit Facility, the Existing Senior Notes due 2024, the Existing 5.875% Senior Notes due 2025, the Existing 3.000% Senior Notes due 2025 and the Existing Senior Notes due 2030, save for any indebtedness preferred by operation of law, that is not expressly contractually subordinated in right of payment to the Notes. The Notes will be effectively subordinated to all of our existing and future secured obligations to the extent of the value of the property and assets securing such obligations. For the twelve months ended June 30, 2020, our subsidiaries contributed a *de minimis* amount to our revenue and EBITDAX. As of June 30, 2020, our subsidiaries represented a *de minimis* amount of our total assets and had nil third-party debt.
- (4) Det norske oljeselskap AS (with organization number 923 702 962) is not consolidated in the group accounts for the year ended December 31, 2018 because all activity conducted by Det norske oljeselskap AS was transferred to Det norske (now Aker BP) in October

2014. As of December 31, 2019, the only remaining asset in Det norske oljeselskap AS was cash equivalents of \$1.0 million, representing the share capital.

- (5) We own 100% of the shares in Sandvika Fjellstue AS, a private limited liability company (with organization number 993 952 451), the only asset of which is Aker BP's conference center and mountain lodge located in Sandvika, Norway used by us for courses, gatherings, management meetings, board meetings and conferences. In addition, our employees may use the mountain lodge in Sandvika in their spare time. Sandvika Fjellstue AS is not consolidated in Aker BP's financial statements as it is not considered material.
- (6) The sole business of Alvheim AS (with organization number 988 585 882) is to act as legal titleholder of the Alvheim FPSO. The licensees in the Alvheim field bear the costs and receive the benefits associated with the operation of the Alvheim FPSO. Thus, Alvheim AS only has the function to serve as title holder of the Alvheim FPSO rather than owning the actual value of the production facilities. Our 65.0% interest in Alvheim AS corresponds to our ownership in the Alvheim field. The other participants in the Alvheim field, ConocoPhillips Scandinavia AS and Lundin Norway AS, own 20.0% and 15.0% of Alvheim AS, respectively. Alvheim AS is not consolidated in Aker BP's financial statements as it is not considered material.

## THE OFFERING

The following is a brief summary of certain terms of this offering. It is not intended to be complete and it is subject to important limitations and exceptions. Accordingly, it may not contain all the information that is important to you. For additional information regarding the Notes, see "Description of the Notes."

<b>Issuer</b> .....	Aker BP ASA, incorporated as a public limited liability company under the laws of Norway.
<b>Notes Offered</b> .....	\$500 million aggregate principal amount of 2.875% Senior Notes due 2026 (the "2026 Notes").  \$750 million aggregate principal amount of 4.000% Senior Notes due 2031 (the "2031 Notes").
<b>Issue Date</b> .....	On or about September 30, 2020.
<b>Issue Price</b>	
<b>2026 Notes</b> .....	99.778% (plus accrued interest, if any, from September 30, 2020).
<b>2031 Notes</b> .....	99.371% (plus accrued interest, if any, from September 30, 2020).
<b>Maturity Date</b>	
<b>2026 Notes</b> .....	January 15, 2026.
<b>2031 Notes</b> .....	January 15, 2031.
<b>Interest Rate</b>	
<b>2026 Notes</b> .....	2.875% per annum.
<b>2031 Notes</b> .....	4.000% per annum.
<b>Interest Payment Dates</b> .....	We will pay interest on the Notes semi-annually in arrears on January 15 and July 15, beginning January 15, 2021. Interest will accrue from September 30, 2020.
<b>Form and Denomination</b> .....	The Company will issue the Notes on the Issue Date in global registered form in minimum denominations of \$150,000 and integral multiples of \$1,000 in excess thereof maintained in book-entry form. Notes in denominations of less than \$150,000 will not be available.
<b>Ranking of the Notes</b> .....	The Notes will: <ul style="list-style-type: none"><li>• be the general senior unsecured obligations of the Company;</li><li>• rank <i>pari passu</i> in right of payment with all existing and future obligations of the Company that are not expressly contractually subordinated in right of payment to the Notes, including the Revolving Credit Facility, the Existing Senior Notes due 2024, the Existing 5.875% Senior Notes due 2025, the Existing 3.000% Senior Notes due 2025 and the Existing Senior Notes due 2030;</li><li>• be senior in right of payment to all future obligations of the Company that are subordinated in right of payment to the Notes;</li><li>• be effectively subordinated to all existing and future secured obligations of the Company to the extent of the value of the property and assets securing such obligations; and</li></ul>

- be structurally subordinated to all existing and future obligations of the Company’s existing and future subsidiaries that do not become guarantors of the Notes.

**Use of Proceeds**..... We estimate that our net proceeds from the sale of the Notes in this offering will be approximately \$1,237 million, after deducting fees and expenses and the Initial Purchasers’ discount. We intend to use the net proceeds from the offering of the Notes to redeem all the outstanding Existing Senior Notes due 2022 and to pay related redemption premia, repay outstanding amounts under the Revolving Credit Facility (without reducing commitments) and for general corporate purposes. Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimates of fees and expenses. For descriptions of our current and anticipated indebtedness following the Offering, See “*Description of certain financing arrangements.*” See also “*Use of proceeds*” and “*Capitalization.*”

**Possible Future Subsidiary Guarantees**..... In the future the Notes may be guaranteed (the “**Note Guarantees**”) by one or more of our subsidiaries in the circumstances described under “*Description of the Notes—Limitation on guarantees of indebtedness by restricted subsidiaries.*” Any such Note Guarantee would be subject to release as described under “*Description of the Notes—Note guarantee release.*”

**Additional Amounts**..... All payments made by or on behalf of the Company under or with respect to the Notes, or by or on behalf of any future Guarantor with respect to any Note Guarantee, will be made without withholding or deduction for taxes unless required by law. If the Company or any Guarantor is required by law to withhold or deduct for taxes imposed by any relevant Tax Jurisdiction (as defined in the “*Description of the Notes—Additional amounts*”) with respect to a payment to the holders of Notes or any Note Guarantee, the Company or the Guarantor, as applicable, will pay the additional amounts necessary in order that the net amount received by each holder after such withholding or deduction will equal the amount such holder would have received in the absence of such withholding or deduction, subject to certain exceptions. See “*Description of the Notes—Additional amounts.*”

**Optional Redemption for Tax Reasons**..... In the event of certain developments affecting taxation the Company may redeem the Notes in whole, but not in part, at any time upon giving prior notice, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to the date of redemption. See “*Description of the Notes—Redemption for changes in taxes.*”

**Optional Redemption**..... Prior to December 15, 2025, the Company has the right to redeem the 2026 Notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (i) 100% of the principal amount of the 2026 Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the 2026 Notes that would be due if the 2026 Notes matured on December 15, 2025, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 40 basis points, plus in each case accrued and unpaid interest to, but not including, the date of redemption (subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date). On or after December 15, 2025, and prior to maturity, the Company has the right to redeem the 2026 Notes at a redemption price equal to 100% of the principal amount of the 2026 Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date). See “*Description of the Notes—Optional Redemption.*”

Prior to October 15, 2030, the Company has the right to redeem the 2031 Notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (i) 100% of the principal amount of the 2031 Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the 2031 Notes that would be due if the 2031 Notes matured on October 15, 2030, discounted to the redemption date on a semi-annual basis at the adjusted treasury rate plus 50 basis points, plus in each case accrued and unpaid interest to, but not including, the date of redemption (subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date). On or after October 15, 2030, and prior to maturity, the Company has the right to redeem the 2031 Notes at a redemption price equal to 100% of the principal amount of the 2031 Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date). See “*Description of the Notes—Optional Redemption.*”

**Change of Control**..... Upon the occurrence of certain change of control triggering events, the Company will be required to offer to repurchase the Notes at a purchase price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, to the date of the purchase. See “*Description of the Notes—Repurchase at the option of holders—Change of control triggering event.*”

**Certain Covenants**..... The Indentures governing the Notes will limit, among other things, the ability of the Company and its restricted subsidiaries to:

- create or incur certain liens;
- guarantee certain types of other indebtedness of the Company or its restricted subsidiaries without also guaranteeing the Notes; and
- merge or consolidate with other entities.

Each of the covenants is subject to a number of important exceptions and qualifications. See “*Description of the Notes—Certain covenants.*”

**Transfer Restrictions** ..... The Notes have not been, and will not be, registered under U.S. federal or state or any foreign securities laws. The Notes are subject to restrictions on transfer and may not be offered or sold except pursuant to an exception from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. See “*Notice to investors.*”

**No Prior Market**..... The Notes will be new securities for which there is no market. Although the Initial Purchasers have informed the Company that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market-making at any time without notice. Accordingly, the Company cannot assure you that an active trading market for the Notes will develop or be maintained.

**Listing**..... Application will be made to admit the Notes to listing on the Luxembourg Stock Exchange Securities Official List, without admission to trading on one of the securities markets operated by the Exchange.

**Governing Law**..... The Notes and the Indentures will be governed by New York law.

**Trustee**..... BNY Mellon Corporate Trustee Services Limited.

**Registrar, Transfer Agent** ..... The Bank of New York Mellon SA/NV, Luxembourg Branch.

**Paying Agent**..... The Bank of New York Mellon, London Branch.

**Risk Factors** ..... Investing in the Notes involves substantial risks. You should consider carefully all the information in this Offering Memorandum and, in particular, you should evaluate the specific risk factors set forth under “*Risk factors*” before making a decision whether to invest in the Notes.

## SUMMARY HISTORICAL AND AS ADJUSTED SELECTED FINANCIAL INFORMATION

The summary historical financial information for Aker BP and its subsidiaries as of and for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 presented herein has been derived from the audited consolidated financial statements of Aker BP as of and for the years ended December 31, 2017, 2018 and 2019 and the unaudited condensed consolidated interim financial statements of Aker BP as of and for the six months ended June 30, 2020, respectively. Aker BP's audited consolidated financial statements as of and for the years ended December 31, 2017, 2018 and 2019 and Interim Financial Statements are incorporated by reference into this Offering Memorandum and should be read in conjunction with the relevant reports of our independent auditor as such reports relate to our audited consolidated financial statements as of and for the years ended December 31, 2017, 2018 and 2019 and our Interim Financial Statements, respectively. See "*Presentation of financial and other information—Historical financial information.*"

Aker BP's audited consolidated financial statements as of and for the year ended December 31, 2019, incorporated by reference into this Offering Memorandum, give effect to (i) a change in accounting principles for revenue recognition and (ii) the entry into force of IFRS 16 *Leases*. From January 1, 2019, Aker BP has adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Aker BP previously used the entitlement method, whereby revenue was recognized on the basis of our proportionate share of production during the period, regardless of actual sales. The (i) restated consolidated income statement of Aker BP for the year ended December 31, 2018 and (ii) restated consolidated statement of financial position of Aker BP as of December 31, 2018, in each case included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Significant factors affecting comparability—Changes to accounting principles—Changes in accounting principles for revenue recognition.*" In addition, IFRS 16 *Leases* became effective from January 1, 2019. The new standard replaces the previous lease accounting standard, IAS 17 *Leases*, including related interpretations. We have adopted the modified retrospective approach for IFRS 16, with no restatement of comparative figures with respect to this impact. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent accounting announcements—IFRS 16 Leases.*"

The LTM Financial Information presented herein has not been audited or reviewed by our auditors, is not required by or presented in accordance with IFRS or any other generally accepted accounting principles and has been prepared for illustrative purposes only. This information is not necessarily representative of our results for any future period or our financial condition for any past date. For a description of the method of calculation of the LTM Financial Information, see "*Presentation of Financial and Other Information—Historical Financial Information—Last twelve months financial information.*"

We did not consolidate Det norske oljeselskap AS, Sandvika Fjellstue AS and Alvheim AS (our only other subsidiaries during the historical periods presented herein) in any of our financial statements as we did not consider them to be material to our financial information. As of the date of this Offering Memorandum, Det norske oljeselskap AS, Sandvika Fjellstue AS and Alvheim AS were our only subsidiaries.

The financial statement data set forth in the following tables should be read in conjunction with "*Presentation of financial and other information,*" "*Capitalization,*" "*Use of proceeds,*" "*Management's discussion and analysis of financial condition and results of operations*" and our audited and unaudited financial statements and the related notes thereto incorporated by reference into this Offering Memorandum. Historical results may not necessarily be indicative of results that may be expected for any future period.

### *Historical income statement information*

	Year ended December 31,			Six months ended June 30,		Twelve months ended June 30,
	2017	2018	2018 <sup>(1)</sup> (restated)	2019	2019	2020 <sup>(2)</sup>
	(in millions of USD)					
Petroleum revenues .....	2,575.7	3,711.5	3,713.0	3,338.7	1,638.2	1,363.3
Other operating income/Other income .....	(12.7)	38.6	38.6	8.4	(17.1)	98.6
<b>Total income</b> .....	<b>2,562.9</b>	<b>3,750.1</b>	<b>3,751.6</b>	<b>3,347.1</b>	<b>1,621.1</b>	<b>1,461.9</b>
Production costs .....	523.4	689.1	693.6	720.3	398.8	352.2
						673.8



	Year ended December 31,				Six months ended June 30,		Twelve months ended June 30,
	2017	2018	2018 <sup>(1)</sup>	2019	2019	2020	2020 <sup>(2)</sup>
	(in millions of USD)						
Exploration expenses.....	225.7	295.9	295.9	305.5	150.6	100.1	255.0
Depreciation .....	726.7	752.4	752.4	811.9	351.0	563.8	1,024.6
Impairments.....	52.3	20.2	20.2	146.8	68.9	517.8	595.7
Other operating expenses .....	27.6	17.0	17.0	35.3	10.7	15.1	39.7
<b>Total operating expenses .....</b>	<b>1,555.7</b>	<b>1,774.7</b>	<b>1,779.1</b>	<b>2,019.8</b>	<b>980.1</b>	<b>1,549.0</b>	<b>2,588.8</b>
<b>Operating profit/(loss).....</b>	<b>1,007.2</b>	<b>1,975.4</b>	<b>1,972.5</b>	<b>1,327.2</b>	<b>641.0</b>	<b>(87.1)</b>	<b>599.1</b>
Interest income .....	7.7	26.0	26.0	16.5	12.8	2.6	6.3
Other financial income .....	75.5	141.8	141.8	35.3	16.6	82.2	112.8 <sup>(3)</sup>
Interest expenses.....	103.6	120.0	120.0	76.6	29.4	87.5	134.7
Other financial expenses .....	175.7	218.3	218.3	218.1	123.6	173.4	279.9 <sup>(3)</sup>
<b>Net financial items .....</b>	<b>(196.1)</b>	<b>(170.5)</b>	<b>(170.5)</b>	<b>(243.0)</b>	<b>(123.6)</b>	<b>(176.1)</b>	<b>(295.5)</b>
<b>Profit/(loss) before taxes .....</b>	<b>811.1</b>	<b>1,804.9</b>	<b>1,802.0</b>	<b>1,084.3</b>	<b>517.4</b>	<b>(263.3)</b>	<b>303.6</b>
Taxes (+)/tax income (-)/Tax expense (+)/income (-) .....	536.3	1,328.5	1,326.2	943.2	444.5	(98.2)	400.5
<b>Net profit/(loss) .....</b>	<b>274.8</b>	<b>476.4</b>	<b>475.8</b>	<b>141.1</b>	<b>72.9</b>	<b>(165.0)</b>	<b>(96.9)</b>

- (1) The restated consolidated financial information of Aker BP as of and for the year ended December 31, 2018, included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018. See “*Presentation of Financial and Other Information—Historical Financial Information.*”
- (2) For a description of the method of calculation of the LTM Financial Information, see “*Presentation of Financial and Other Information—Historical Financial Information—Last twelve months financial information.*”
- (3) Includes reclassification adjustments between Other financial income and Other financial expenses of \$11.9 million relating to the netting of currency gains/losses and changes in fair value of derivatives for the twelve months ended June 30, 2020.

#### **Historical statement of financial position information**

	As of December 31,				As of June 30,	
	2017	2018	2018 <sup>(1)</sup>	2019	2019	2020
	(in millions of USD)					
<b>Assets</b>						
Total non-current assets .....	9,486.5	10,087.7	10,087.7	11,508.2	10,889.1	11,049.7
Total current assets .....	2,532.1	689.5	621.7	718.6	603.4	838.9
<b>Total assets .....</b>	<b>12,018.6</b>	<b>10,777.2</b>	<b>10,709.4</b>	<b>12,226.8</b>	<b>11,492.6</b>	<b>11,888.6</b>
<b>Equity and liabilities</b>						
Total equity.....	2,988.6	2,989.9	2,976.5	2,367.6	2,663.8	1,912.1
<b>Total liabilities .....</b>	<b>9,030.0</b>	<b>7,787.2</b>	<b>7,732.8</b>	<b>9,859.2</b>	<b>8,828.8</b>	<b>9,976.5</b>
<b>Total equity and liabilities .....</b>	<b>12,018.6</b>	<b>10,777.2</b>	<b>10,709.4</b>	<b>12,226.8</b>	<b>11,492.6</b>	<b>11,888.6</b>

- (1) The restated consolidated financial information of Aker BP as of and for the year ended December 31, 2018, included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018.

#### **Historical cash flow statement information**

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	(in millions of USD)				
Net cash flow from operating activities .....	2,155.5	3,799.6	1,885.1	977.2	685.8
Net cash flow from investment activities.....	(3,059.0)	(2,147.1)	(2,178.4)	(1,052.1)	(733.9)
Net cash flow from financing activities .....	1,018.4	(1,837.8)	355.8	132.3	83.6
Cash and cash equivalents at the start of the period .....	115.3	232.5	44.9	44.9	107.1
Cash and cash equivalents at end of period ..	232.5	44.9	107.1	101.8	142.3

## Other historical and as adjusted financial information

	As of and for the year ended December 31,				As of and for the six months ended June 30,		As of and for the twelve months ended June 30,
	2017	2018	2018 <sup>(8)</sup>	2019	2019	2020	2020 <sup>(9)</sup>
			(restated)				
	(in millions of USD)						
EBITDAX <sup>(1)</sup> .....	2,011.9	3,043.9	3,041.0	2,591.4	1,211.6	1,094.6	2,474.4
Capital expenditures <sup>(2)</sup> .....	977.5	1,312.7	N/A	1,703.2	778.2	702.0	1,627.0
As adjusted total debt <sup>(3)</sup> .....							3,946.6
As adjusted net debt <sup>(4)</sup> .....							3,583.4
As adjusted net finance costs <sup>(5)</sup> .....							289.9
Ratio of EBITDAX to as adjusted net finance costs <sup>(6)</sup> .....							8.5x
Ratio of as adjusted net debt to EBITDAX <sup>(7)</sup> .....							1.4x

- (1) EBITDAX consists of profit for the period attributable to the owners of Aker BP before taxes (+)/tax income (-), interest income, other financial income, interest expenses, other financial expenses, impairments, depreciation and exploration expenses. EBITDAX is not a measurement of performance under IFRS. You should not consider EBITDAX as an alternative to (i) operating profit or profit from continuing activities (as determined in accordance with IFRS) or as any other measure of our operating performance, (ii) cash flows from operating, investing and financing activities or as any other measure of our ability to meet our cash needs or (iii) any other measures of performance under IFRS.

We believe that EBITDAX is a useful indicator of our ability to incur and service our indebtedness and can assist securities analysts, investors and other parties to evaluate us. EBITDAX and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing EBITDAX as reported by us to EBITDAX of other companies. EBITDAX as presented here differs from the definition of “Consolidated cash flow” contained in the Indentures. See the below table for a reconciliation of profit for the period from continuing operations to EBITDAX.

	As of and for the year ended December 31,				As of and for the six months ended June 30,		As of and for the twelve months ended June 30,
	2017	2018	2018 <sup>(a)</sup>	2019	2019	2020	2020 <sup>(b)</sup>
			(restated)				
	(in millions of USD)						
Net profit/(loss).....	274.8	476.4	475.8	141.1	72.9	(165.0)	(96.9)
Taxes (+)/tax income (-)/Tax expense (+)/income (-).....	536.3	1,328.5	1,326.2	943.2	444.5	(98.2)	400.5
Interest income.....	(7.7)	(26.0)	(26.0)	(16.5)	(12.8)	(2.6)	(6.3)
Other financial income.....	(75.5)	(141.8)	(141.8)	(35.3)	(16.6)	(82.2)	(112.8)
Interest expenses.....	103.6	120.0	120.0	76.6	29.4	87.5	134.7
Other financial expenses.....	175.7	218.3	218.3	218.1	123.6	173.4	279.9
Impairments.....	52.3	20.2	20.2	146.8	68.9	517.8	595.7
Depreciation.....	726.7	752.4	752.4	811.9	351.0	563.8	1,024.6
Exploration expenses.....	225.7	295.9	295.9	305.5	150.6	100.1	255.0
<b>EBITDAX.....</b>	<b>2,011.9</b>	<b>3,043.9</b>	<b>3,041.0</b>	<b>2,591.4</b>	<b>1,211.6</b>	<b>1,094.6</b>	<b>2,474.4</b>

- (a) The restated consolidated financial information of Aker BP as of and for the year ended December 31, 2018, included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018. See “*Presentation of Financial and Other Information—Historical Financial Information.*”
- (b) For a description of the method of calculation of the LTM Financial Information, see “*Presentation of Financial and Other Information—Historical Financial Information—Last twelve months financial information.*”
- (2) Capital expenditure refers to the disbursements on investments in fixed assets, as reflected in our statement of cash flow, that were incurred during the period to acquire non-current assets such as property, plant and equipment, excluding amounts related to acquisition activities, decommissioning of oil fields and investments in capitalized exploration expenditures. Capital expenditure mainly comprises the costs of developing oil and gas facilities. See “*Management’s discussion and analysis of financial condition and results of operations—Liquidity and capital resources—Historical cash flows.*”
- (3) As adjusted total debt consists of the aggregate amount of current and non-current liabilities under (i) the Existing Senior Notes due 2022 (net of unamortized fees), (ii) the Existing Senior Notes due 2024 (net of unamortized fees), (iii) the Existing 5.875% Senior Notes due 2025 (net of unamortized fees), (iv) the Existing 3.000% Senior Notes due 2025 (net of unamortized fees), (v) the Existing Senior Notes due 2030 (net of unamortized fees), (vi) the NOK Bond (net of unamortized fees) and (vii) the Revolving Credit Facility (including \$19.3 million representing the remaining amortization fee on the undrawn commitments under the Revolving Credit Facility), as adjusted to give effect to (a) the Notes offering hereby (net of unamortized fees), including the application of the net proceeds therefrom and (b) the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020. See “*Use of proceeds*” and “*Capitalization.*” As adjusted total debt excludes long-term lease debt.

(4) As adjusted net debt consists of *as adjusted* total debt, less *as adjusted* cash and cash equivalents.

	<b>As of June 30, 2020</b>
	<b>(in millions of USD)</b>
Revolving Credit Facility <sup>(a)</sup> .....	(19.3)
Existing Senior Notes due 2022 <sup>(b)</sup> .....	—
Existing Senior Notes due 2024 <sup>(c)</sup> .....	742.4
Existing 5.875% Senior Notes due 2025 <sup>(d)</sup> .....	495.0
Existing 3.000% Senior Notes due 2025 <sup>(e)</sup> .....	496.0
Existing Senior Notes due 2030 <sup>(f)</sup> .....	992.4
NOK Bond <sup>(g)</sup> .....	—
2026 Notes offered hereby <sup>(h)</sup> .....	496.0
2031 Notes offered hereby <sup>(i)</sup> .....	744.1
<b>As adjusted total debt</b> .....	<b>3,946.6</b>
<i>As adjusted</i> cash and cash equivalents .....	363.3
<b>As adjusted net debt</b> .....	<b>3,583.4</b>

(a) We entered into a revolving credit facility agreement on May 23, 2019 between, among others, DNB Bank ASA as facility agent and Aker BP ASA as borrower, providing us with a senior unsecured revolving credit facility with aggregate commitments of \$4.0 billion. We intend to use a part of the net proceeds from the offering of the Notes to partially repay outstanding amounts under the Revolving Credit Facility (without reducing commitments). See “*Use of proceeds.*”

The amount shown represents the Revolving Credit Facility as adjusted to give effect to the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of proceeds.*” and \$19.3 million represents the remaining amortization fee on the undrawn commitments under the Revolving Credit Facility.

(b) The amount shown represents the Existing Senior Notes due 2022 *as adjusted* to give effect to the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of proceeds.*” For a discussion of the Existing Senior Notes due 2022, see “*Description of certain financing arrangements—Existing Senior Notes due 2022.*”

(c) Net of unamortized fees of \$7.6 million in connection with the issuance of the Existing Senior Notes due 2024 as of June 30, 2020. For a discussion of the Existing Senior Notes due 2024, see “*Description of certain financing arrangements—Existing Senior Notes due 2024.*”

(d) Net of unamortized fees of \$5.0 million in connection with the issuance of the Existing 5.875% Senior Notes due 2025 as of June 30, 2020. For a discussion of the Existing 5.875% Senior Notes due 2025, see “*Description of certain financing arrangements—Existing 5.875% Senior Notes due 2025.*”

(e) Net of unamortized fees of \$4.0 million in connection with the issuance of the Existing 3.000% Senior Notes due 2025 as of June 30, 2020. For a discussion of the Existing 3.000% Senior Notes due 2025, see “*Description of certain financing arrangements—Existing 3.000% Senior Notes due 2025.*”

(f) Net of unamortized fees of \$7.6 million in connection with the issuance of the Existing Senior Notes due 2030 as of June 30, 2020. For a discussion of the Existing Senior Notes due 2030, see “*Description of certain financing arrangements—Existing Senior Notes due 2030.*”

(g) The NOK Bond was fully repaid on July 2, 2020.

(h) Net of estimated unamortized fees of \$4.0 million in connection with the issuance of the 2026 Notes offered hereby.

(i) Net of estimated unamortized fees of \$5.9 million in connection with the issuance of the 2031 Notes offered hereby.

*As adjusted* total debt and *as adjusted* net debt have been presented for illustrative purposes only and do not purport to project our total debt or net debt for any future period or our financial condition at any future date.

(5) *As adjusted* net finance costs is calculated as net financial items *as adjusted* to give effect to the Notes offered hereby, including the application of the net proceeds therefrom. See “*Use of proceeds*” and “*Capitalization.*” *As adjusted* net finance costs has been presented for illustrative purposes only and does not purport to project our net finance costs for any future period or our financial condition at any future date.

(6) The ratio of EBITDAX to *as adjusted* net finance costs is calculated as EBITDAX divided by *as adjusted* net finance costs. The ratio of EBITDAX to *as adjusted* net finance costs is not a measurement of financial performance under IFRS and should not be considered as a measure of liquidity or an alternative to operating profit or profit for the period or any other performance measure derived in accordance with IFRS.

(7) The ratio of *as adjusted* net debt to EBITDAX is calculated *as adjusted* net debt divided by EBITDAX. The ratio of *as adjusted* net debt to EBITDAX is not a measurement of financial performance under IFRS and should not be considered as a measure of liquidity or alternative to operating profit or profit for the period or any other performance measure derived in accordance with IFRS.

(8) The restated consolidated financial information of Aker BP as of and for the year ended December 31, 2018, included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018. See “*Presentation of Financial and Other Information—Historical Financial Information.*”

(9) For a description of the method of calculation of the LTM Financial Information, see “*Presentation of Financial and Other Information—Historical Financial Information—Last twelve months financial information.*”

## SUMMARY RESERVES, CONTINGENT RESOURCES AND PRODUCTION DATA

In this Offering Memorandum, except as indicated under “*Presentation of financial and other information—Certain reserves, contingent resources and production information,*” references to our reserve volumes and contingent resources have been classified in accordance with SPE’s PRMS. For additional information, please see “*Our business—Reserves, resources and operating data.*”

Reserve estimates provided in this Offering Memorandum are derived from management’s estimates and substantially all have been certified by AGR Petroleum Services AS, independent reserve engineers. The contingent resources data included in this Offering Memorandum have been prepared by management, but have not been certified by AGR. For risks inherent with reserve and resource estimates, please see “*Risk factors—Risks relating to our business—Our oil and gas production could vary significantly from reported reserves and resources.*”

### Reserves and contingent resources

The following table sets forth certain information with respect to our estimated 1P and 2P reserves and contingent resources as of December 31, 2019, based on an oil price assumption of \$70/bbl (2020) and \$65/bbl (following years).

	<b>As of December 31, 2019 (mmboe)</b>
1P Reserves .....	666
2P Reserves <sup>(1)</sup> .....	906
2C Resources <sup>(2)(3)</sup> .....	931

*Source:* Management estimates, 1P and 2P reserves only certified by AGR (except Enoch and Atla).

- (1) 2P reserves (proved plus probable reserves) are inclusive of 1P reserves (proved reserves).
- (2) 2C resources are quantities of estimated “contingent resources” and are in addition to, and not inclusive of, 2P reserves.
- (3) Of our total 2C Resources of 931 mmboe (approximately 75% liquids), NOAKA represents 34%, Valhall area represents 25%, Ula area represents 18%, Alveheim area represents 9% and the other fields collectively represent 14%.

### Production data

The following table details our production on a historical basis for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020. For additional information, see “*Management’s discussion and analysis of financial condition and results of operations.*”

	<b>Year ended December 31,</b>			<b>Six months ended June 30,</b>	
	<b>2017<sup>(1)</sup></b>	<b>2018<sup>(2)</sup></b>	<b>2019<sup>(3)</sup></b>	<b>2019</b>	<b>2020</b>
Average net production (boepd) .....	138,825	155,658	155,852	142,904	208,944
Total net production (mmboe) .....	50.7	56.8	56.9	25.9	38.0
Production costs (\$/boe) .....	10.33	12.10	12.42	14.26	8.91

- (1) Oil and gas production for the year ended December 31, 2017 includes the Gina Krog field. Oil and gas production for the year ended December 31, 2017 excludes production from the Hess Norge Assets.
- (2) Oil and gas production for the year ended December 31, 2018 includes the legacy Hess Norge assets.
- (3) Oil and gas production in the year ended December 31, 2019 and the six months ended June 30, 2020 includes production at the Johan Sverdrup field, which commenced in October 2019.

## RISK FACTORS

*In addition to the other information contained in, or incorporated by reference into, this Offering Memorandum, you should carefully consider the following risk factors before purchasing the Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, results of operations, cash flow and financial condition. If any of the possible events described below were to occur, our business, prospects, financial condition and results of operations could be materially and adversely affected. If that happens, we may not be able to pay interest or principal on the Notes when due and you could lose all or part of your investment.*

*This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Offering Memorandum.*

### **Risks relating to the oil and gas industry**

*Our business depends significantly on the level of oil and gas prices, which are volatile, and are further subject to market expectations regarding such prices. If oil and gas prices decline, our results of operations, cash flows, financial condition and access to capital could be materially and adversely affected.*

Our revenues, cash flow, reserve estimates, profitability and rate of growth depend substantially on prevailing international and local prices of oil and gas. Because oil and gas are globally traded, we are unable to control the prices we receive for the oil and gas we produce.

Oil and gas prices are volatile and are subject to significant fluctuations for many reasons, including, but not limited to:

- changes in global and regional supply and demand, and expectations regarding future supply and demand for oil and gas, even relatively minor changes;
- geopolitical uncertainty;
- availability of pipelines, tankers and other transportation and processing facilities;
- proximity to, and the capacity and cost of, transportation;
- petroleum refining capacity;
- price, availability and government subsidies of alternative fuels;
- price and availability of new technologies;
- the ability and willingness of the members of OPEC and other oil-producing nations to set and maintain specified levels of production and prices;
- political, economic and military developments in producing regions, particularly the Middle East, Russia, Africa and Central and South America, and domestic and foreign governmental regulations and actions, including import and export restrictions, taxes, repatriations and nationalizations;
- global and regional economic conditions;
- trading activities by market participants and others either seeking to secure access to oil and gas or to hedge against commercial risks, or as part of investment portfolio activity;
- weather conditions and natural disasters; and
- terrorism or the threat of terrorism, cyber security attacks, war or threat of war, which may affect supply, transportation or demand for hydrocarbons and refined petroleum products.

It is impossible to accurately predict future oil and gas price movements. Historically, crude oil prices have been highly volatile and subject to large fluctuations in response to relatively minor changes in the demand for oil. For example, during the first half of 2020, oil prices dipped below approximately \$19.33 per barrel and rose to approximately \$41.15 per barrel by June 30, 2020. Crude oil prices fell significantly in March 2020, due to a supply surplus from OPEC+ members occurring simultaneously with a collapse in demand due to the impact of the COVID-19 pandemic. Crude oil prices slightly recovered in the second quarter of 2020 primarily due to the announcement that OPEC+ would cut production starting May 1, 2020. In Norway, where Aker BP has production on the NCS, the Norwegian government announced unilateral oil production cuts portioned out to relevant fields via their production licenses of 250,000 barrels a day in June and 134,000 barrels per day in the second half of 2020, and further announced that the start-up of production at several fields would be delayed until 2021. The production curtailments implemented by the MPE have resulted in decreased second quarter production from our Ivar Aasen, Johan Sverdrup, Ula and Tambar fields, and the oil wells at Skarv have been shut-down in order to stay within the production limits imposed by MPE. The average impact on our production is expected to be approximately 5,000 beopd for 2020.

Our profitability is determined in large part by the difference between the income received from the oil and gas that we produce and our operational costs, taxation, as well as costs incurred in transporting and selling the oil and gas. Therefore, lower prices for oil and gas may reduce the amount of oil and gas that we are able to produce economically or may reduce the economic viability of the production levels of specific wells or of projects planned or in development to the extent that production costs exceed anticipated revenue from such production. This may result in our having to make substantial downward adjustments to our oil and gas reserves. See “—*Sustained lower oil and gas prices or future price declines could result in a reduction in the carrying value of our assets, which could adversely affect our results of operations.*”

The economics of producing from some wells and assets may also result in a reduction in the volumes of our reserves which can be produced commercially, resulting in decreases to our reported commercial reserves. Further reductions in commodity prices may result in a reduction in the volumes of our reported reserves. We might also elect not to produce from certain wells at lower prices, or the other license participants may not want to continue production regardless of our position. For example, in response to the uncertainty caused by the COVID-19 pandemic and the sharp reduction in oil prices, we made significant changes to our investment program for the year ended December 31, 2020. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Future Capital Expenditures*” and “*Risks relating to our business—We are subject to third-party risk in terms of operators and other license participants.*” All of these factors could result in a material decrease in our net production revenue, causing a reduction in our oil and gas exploration and development activities and acquisition of reserves. In addition, certain development projects could become unprofitable as a result of a decline in price and could result in us having to postpone or cancel a planned project, or if it is not possible to cancel the project, carry out the project with negative economic impact. Further, a reduction in oil prices may lead our producing fields to be shut down and enter into the decommissioning phase earlier than estimated.

Additionally, adverse changes to commodity prices could reduce our ability to refinance our outstanding indebtedness in the event lenders or investors reduce access to liquidity in response to such adverse changes. Changes in oil and gas prices may therefore adversely affect our business, results of operations, cash flow, financial condition and prospects.

***Sustained lower oil and gas prices or future price declines could result in a reduction in the carrying value of our assets, which could adversely affect our results of operations.***

Sustained lower oil and gas prices may cause us to make substantial downward adjustments to our oil and gas reserves. If this occurs, or if our estimates of production or economic factors change, we may be required to write-down, as a non-cash charge to earnings, the carrying value of our proved oil and gas properties for impairments. For example, the sharp drop in global oil prices in 2020 caused an impairment charge of \$653.7 million in the first quarter of 2020. Prices remain volatile and are lower than the industry has experienced prior to the recent decline. The COVID-19 pandemic and concerns about global economic growth have caused considerable uncertainty in the market for crude oil, natural gas and other commodities, lowering demand forecasts. If the business and other economic interruptions caused by COVID-19 last longer than we expect (particularly if a “second wave” materializes), oil prices may decline further. See “—*Our business depends significantly on the level of oil and gas prices, which are volatile, and are further subject to market expectations regarding such prices. If oil and gas prices decline, our results of operations, cash flows, financial condition and access to capital could be materially and adversely affected.*”

Accounting rules applicable to us require that we periodically review the book value of our properties and goodwill for possible impairment. Based on specific market factors and circumstances at the time of prospective impairment reviews and the continuing evaluation of development plans, production data, economics and other factors, we have in the past been required, and may in the future be required to write down the carrying value of our oil and natural gas properties or goodwill to the extent that such tests indicate that the carrying value may not be recoverable due to a reduction of the estimated useful life or estimated future cash flows of our oil and natural gas properties. Such write-downs constitute a non-cash charge against current earnings.

Adverse changes to commodity prices could cause us to record additional impairments (on top of the additional impairments we have accounted for) of our oil and gas properties and goodwill in future periods, which could materially adversely affect our results of operations in the period incurred.

The majority of the goodwill recognized from the acquisitions of Marathon Norway, BP Norge and Hess Norge is, for the purpose of impairment testing, allocated to fields from each respective company. The lifetime of this technical goodwill will be limited by the lifetime of the fields to which it is allocated. Impairment to this technical goodwill is therefore expected to be charged as the reserves are being produced. We must fully impair this goodwill when the relevant fields no longer have economical reserves. Therefore, the goodwill related to these acquisitions should be fully impaired at the time that the related fields have ceased production. According to IFRS, goodwill shall not be subject to depreciation and the decrease in technical goodwill therefore needs to be presented as impairment. Going forward, management therefore expects additional impairment charges of the goodwill recognized in relation to the acquisitions of Marathon Norway, BP Norge and Hess Norge which could materially affect our results of operations in the period incurred.

In addition, the depreciation of oil and gas assets charged to our income statement is dependent on the estimate of our oil and gas reserves. An increase in estimated reserves will cause a reduction to our income statement charge because a larger base exists on which to depreciate the assets. Correspondingly, a decrease in estimated reserves will cause an increase to our income statement charge. The estimate of oil and gas reserves also underpins the net present value of a field used for impairment calculations, and reductions to the commercial reserves estimate can lead to an impairment charge.

***We are affected by the general global economic and financial market situation.***

We may be affected by the general state of the economy and business conditions, including but not limited to, the occurrence of recession and inflation, unstable or adverse credit markets, fluctuations in operating expenses, technical problems, work stoppages or other labor difficulties, property or casualty losses which are not adequately covered by insurance, and changes in governmental regulations, such as increased taxation or the introduction of new regulations, increasing operating costs and capital expenditure, which may materially and adversely affect our business, operating results, cash flow and financial conditions. Weak global or regional economic conditions may negatively impact our business in ways that we cannot predict. Global financial markets and economic conditions have been severely disrupted and volatile in recent years and remain subject to significant vulnerabilities, such as the deterioration of fiscal balances and the rapid accumulation of public debt, continued deleveraging in the banking sector and a limited supply of credit. As a result of disruptions in the credit markets and higher capital requirements, many lenders have increased margins on lending rates, enacted tighter lending standards, required more restrictive terms (including higher collateral ratios for advances, shorter maturities and smaller loan amounts), or have refused to refinance existing debt at all. Additional tightening of capital requirements, and the resulting policies adopted by lenders, could further reduce lending activities. We may experience difficulties obtaining financing commitments or be unable to fully draw on the capacity under committed loans we arrange in the future if our lenders are unwilling to extend financing to us or unable to meet their funding obligations due to their own liquidity, capital or solvency issues. We cannot be certain that financing will be available on acceptable terms or at all. If financing is not available when needed, or is available only on unfavorable terms, we may be unable to meet our future obligations as they come due. Our failure to obtain such funds could have a material adverse effect on our business, results of operations and financial condition, as well as our ability to service our indebtedness.

***Our business and results of operations may be adversely affected by the COVID-19 pandemic or other similar pandemics.***

In December 2019, a novel strain of coronavirus (“COVID-19”) surfaced in Wuhan, China. The spread of this virus globally has caused significant business disruption, significant volatility in international debt and equity markets and significant disruption to the economy. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the global economy. The extent to

which COVID-19 impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions taken or being continued to contain it or treat its impact.

As a result of COVID-19 or other similar pandemics or adverse public health developments, particularly in Norway, our operations may experience delays or disruptions, such as the temporary suspension of operations at one or more of our operating facilities. For example, in response to the uncertainty caused by the COVID-19 pandemic and the sharp reduction in oil prices, we made significant changes to our investment program for the year ended December 31, 2020. See “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Future Capital Expenditures.*” In addition, we have implemented other measures to minimize the risk to people and operations from the COVID-19 pandemic, including reduced offshore manning, social distancing, travel restrictions and working from home. If significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions, facility closures or other restrictions in connection with COVID-19, our business, financial condition and results of operations could be materially and adversely affected.

If the business interruptions caused by COVID-19 last longer than we expect (particularly if a “second wave” materializes), we may continue to seek other sources of liquidity, and there can be no guarantee that additional liquidity will be readily available or available on favorable terms and in an amount sufficient to enable us to service and repay our indebtedness or to fund our other liquidity needs. A shortage of liquidity and credit could trigger a worldwide economic recession, which could be exacerbated by adverse developments in global or national political and macroeconomic conditions. Any deterioration in financial markets could impair our ability to obtain financing in the future, including our ability to incur additional indebtedness to operate our ongoing operations, fund liquidity needs or to refinance the Notes.

The extent to which COVID-19 will impact us remains uncertain due to numerous evolving factors that we are unable to predict. Although our production efficiency has remained high and has not been significantly impacted by COVID-19, the COVID-19 pandemic could have material adverse effects on our business, results of operations and financial condition, including, among other risks:

- delayed execution of projects or increased project costs due to governmental restrictions and measures put in place to safeguard employees and contractors, which may cause delays in expected future cashflow;
- increased currency and interest volatility and/or reduced access to external capital;
- resource limitations in business critical teams and loss of production volume due to the unavailability of qualified personnel, third party utilities or spare parts;
- increased cyber security threats as a result of phishing campaigns and targeted attacks while a larger number of our employees work remotely; and
- potential permanent reduction in demand for oil and gas.

Any of the foregoing risks could materially and adversely affect our business, financial condition and results of operations. To the extent COVID-19 continues to adversely affect general economic conditions or our business, operations, financial condition or operating results, it may also have the effect of heightening other risks described in this “*Risk Factors*” section.

***We are dependent on finding, acquiring, developing and producing oil and gas reserves that are economically recoverable. Unless we replace our oil and natural gas reserves, our reserves and production will decline, which would adversely affect our business, financial condition and results of operations.***

Oil and gas exploration and production activities are capital intensive and inherently uncertain in their outcome. Significant expenditure is required to establish the extent of oil and gas reserves through seismic and other surveys and drilling and there can be no certainty that further commercial quantities of oil and gas will be discovered or acquired by us. Our existing and future oil and gas appraisal and exploration projects may therefore involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Few prospects that are explored are ultimately developed into producing oil and gas fields. Even if we are able to discover or acquire commercial quantities of oil and gas in the future, there can be no assurance that these will be commercially developed.



Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. Additionally, the cost of operations and production from successful wells may be materially adversely affected by unusual or unexpected geological formation pressures, oceanographic conditions, hazardous weather conditions, delays in obtaining governmental approvals or consents, shut-ins of connected wells, difficulties arising from environmental or other challenges or other factors. Any inability on our part to recover our costs and generate profits from our exploration and production activities could have a material adverse effect on our business, results of operations, cash flow and financial condition.

Additionally, production from oil and natural gas reservoirs, particularly in the case of mature fields, is generally characterized by declining production rates that vary depending upon reservoir characteristics and other factors. The rate of decline will change if production from existing wells declines in a different manner than we have estimated and can change under other circumstances. Thus, our future oil and natural gas reserves and production and, therefore, our cash flow and results of operations are highly dependent upon our success in efficiently developing and exploiting our current properties and economically finding or acquiring additional recoverable reserves. We may not be able to develop, find or acquire additional reserves to replace our current and future production at acceptable costs. If we are unable to replace our current and future production, the value of our reserves will decrease, and our business, financial condition and results of operations would be adversely affected.

***Exploration and production operations involve numerous operational risks and hazards which may result in material losses or additional expenditures.***

Developing oil and gas resources and reserves into commercial production involves a high degree of risk. Our operations are subject to all the risks common in our industry. These hazards and risks include, but are not limited to, encountering unusual or unexpected rock formations or geological pressures, geological uncertainties, seismic shifts, blowouts, oil spills, uncontrollable flows of oil, gas or well fluids, explosions, fires, improper installation or operation of equipment and equipment damage or failure.

Given the nature of our offshore operations, our exploration, production and drilling facilities are also subject to the hazards inherent in marine operations, such as capsizing, sinking, grounding and damage from severe storms or other severe weather conditions.

The offshore operations conducted by us involve risks including, but not limited to, high pressure drilling, mechanical difficulties, or equipment failure which increase the risk of delays in drilling and of operational challenges arising, as well as material costs and liabilities occurring.

If any of these events were to occur in relation to any of our licenses, they could, among other adverse effects, result in environmental damage, injury to persons and loss of life and a failure to produce oil and/or gas in commercial quantities. They could also result in significant delays to drilling programs, a partial or total shutdown of operations, significant damage to our equipment and equipment owned by third parties and personal injury or wrongful death claims being brought against us. These events can also put at risk some or all of our licenses and could result in us incurring significant civil liability claims (as BP incurred following the Macondo well blowout), significant fines or penalties as well as criminal sanctions potentially being enforced against Aker BP and/or our officers. We may also be required to curtail or cancel any operations on the occurrence of such events.

In our capacity as holder and operator of licenses under the Norwegian Petroleum Act, we are subject to strict statutory liability in respect of losses or damage suffered as a result of pollution caused by spills or discharges of petroleum from facilities or otherwise resulting from our petroleum activities on the NCS. The statutory regulations set out that anyone who suffers damage or loss as a result of pollution caused by any of the license areas can claim compensation from us without needing to demonstrate that the damage is due to any fault on our part. Furthermore, the statutory regulations also restrict the right to claim recourse in cases where pollution damage is caused by our contractors' or agent's actions or omissions. As some fields in which we hold an interest straddle the boundary between the NCS and the UKCS, we could also be subject to UK law and regulations with respect to any incidents in those fields.

Any of the above circumstances could materially and adversely affect our business, results of operations, cash flow and financial condition.

***The market in which we operate is highly competitive.***

The oil and gas industry is very competitive. Competition is particularly intense in the acquisition of (prospective) oil and gas licenses. Our competitive position depends on our geological, geophysical and engineering expertise, financial resources, ability to develop our assets and ability to select, acquire, and develop proved reserves. Many companies in the oil and gas industry not only engage in the acquisition, exploration, development and production of oil and gas reserves, but also carry on refining operations and market refined products. In addition, we compete with major oil and gas companies and other companies within industries supplying energy and fuel in the marketing and sale of oil and gas to transporters, distributors and end users, including industrial, commercial, and individual consumers. We also compete with other oil and gas companies in attempting to secure drilling rigs and other equipment necessary for drilling and completion of wells. Such equipment may be in short supply from time to time. In addition, equipment and other materials necessary to construct production and transmission facilities may be in short supply from time to time. Finally, companies and private equity firms not previously investing in oil and gas may choose to acquire reserves to establish a firm supply or simply as an investment. Any such companies will also constitute competition for us. Any of the above circumstances could materially and adversely affect our business, results of operations, cash flow and financial condition.

***We may not be able to keep pace with technological developments in our industry.***

The oil and gas industry is characterized by rapid and significant technological advancements and the introduction of new products and services using new technologies. As others use or develop new technologies, we may be placed at a competitive disadvantage or may be forced by competitive pressures to implement those new technologies at substantial costs. In addition, other oil and gas companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages, which may in the future allow them to implement new technologies before we can. We may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies we use now or in the future were to become obsolete, our business, prospects, financial condition and results of operations could be materially adversely affected. In addition, any new technology that we implement may have unanticipated or unforeseen adverse consequences, either to our business or to the industry as a whole.

***Our business and financial condition could be adversely affected if Norwegian tax regulations for the petroleum industry are amended.***

Through our development projects, we have built up a significant tax balance that can be utilized against future production revenues. There is no assurance that future political conditions in Norway will not result in the government adopting different policies for petroleum taxation. In the event there are changes to this tax regime, it could lead to new investments being less attractive and prevent or slow our future growth.

Furthermore, the amounts of taxes we must pay could also change significantly as a result of new interpretations of the relevant tax laws and regulations or changes to such laws and regulations. In addition, tax authorities could review and question our tax returns leading to additional taxes and tax penalties which could be material.

The Norwegian Government has recently implemented a tax reform in Norway. The tax reform has, inter alia, led to a reduction in the general corporate tax rate, while the special petroleum tax rate has been increased. The overall effect of the rate changes for the petroleum sector is that the total marginal tax rate of 78% has remained unchanged. In addition, in 2020 the Parliament passed provisional tax rules for the petroleum sector in order to secure and stimulate new investments on the Norwegian Continental Shelf, which are further described below. Further tax reforms may result in additional changes in the Norwegian tax system (which may include changes in the tax treatment of interest costs and withholding taxes) that may affect our current and future tax positions, net income after tax and financial condition.

Separately, within the current tax regime, at any time at which we claim tax refunds for our exploration costs the Norwegian tax authorities may take a different view from us as to whether certain costs qualify as deductible exploration costs eligible for a tax refund or the law may change as to what costs qualify as deductible exploration costs or whether a tax refund may be obtained in respect of such costs. In that event, we may not be able to claim tax refunds for all of our exploration costs, (including costs relating to our drilling units). To the extent our assumptions as to what tax refunds may be obtained in respect of exploration costs are wrong (due to a

successful challenge by the tax authorities or a change in law), our results of operations and financial condition could be materially adversely affected.

Pursuant to the current Norwegian Tax Administration Act, the Norwegian tax authorities may change a taxpayer's tax assessment within five years after the end of the tax year (or ten years in a severe penalty tax case or upon notice of criminal tax evasion). Even though we are of the opinion that we have provided the tax authorities with correct and complete information, there can be no assurance that the tax authorities will not change, or at least claim to have the authority to change, our assessment from previous tax years within these time limits.

In addition, in an effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 pandemic, the Norwegian Government on June 19, 2020 enacted temporary targeted changes to Norway's petroleum tax system for investments incurred in 2020 and 2021. The changes were effective from January 1, 2020 and provide companies with a direct tax deduction for investments and uplift in the special petroleum tax base (56% tax rate). Tax uplift benefit, which has temporarily increased from 20.8% to 24%, will be recognized over one year instead of over four years. Tax depreciation towards the ordinary corporate tax (22% tax rate) will continue with a six-year depreciation profile. These changes also apply for all investments according to PDOs/PIOs which have been submitted by the end of 2022 and approved by the MPE between May 12, 2020 and January 1, 2024. The benefits of these tax changes, however, will only apply to investments up to and including the year of planned "first oil" as defined in the approved PDO/PIO. In addition, the tax value of any losses incurred in 2020 and 2021 can be refunded from the state.

### **Risks relating to our business**

#### ***Our current production and expected future production is concentrated in a limited number of fields.***

Our production of oil and gas is concentrated in a limited number of offshore fields. If mechanical or technical problems, storms or other events or problems affect the production on one of these offshore fields, it may have direct and significant impact on a substantial portion of our production or if the actual reserves associated with any one of our fields are less than the estimated reserves, our results of operations and financial condition could be materially adversely affected.

Any decrease in production volumes or reserve estimates in our key producing assets, including the Johan Sverdrup, Alvheim, Ivar Aasen, Valhall or Skarv fields may adversely affect our results of operation and financial condition. Moreover, we and the other license participants have made, and will continue to make, significant capital expenditures with regard to the subsea development of these fields and their related facilities. Any cost overruns or delays in the subsea development or in completion and delivery of these facilities could have a material adverse effect on our business, results of operations, cash flow and financial condition. Further, if the current agreements we have in place pursuant to which we sell crude oil from these fields for any reason should be terminated or expire, a contract with a new buyer may not be signed at the time our existing contract terminates, or the sale price we obtain for the crude may be significantly less than that currently paid to us, or the volumes of production a buyer is required to take could be reduced.

Further, while we expect that a large proportion of our future production will come from the Johan Sverdrup field, future production may materially deviate from our projections. Certain of our material licenses are in various phases of development without current production. The early stages, being the exploration or development period of a license, are commonly associated with higher risk, requiring high levels of capital expenditure without a commensurate degree of certainty of a return on that investment. Our capital expenditures may not guarantee the successful production of oil and gas in line with our projections. Other events, such as unexpected drilling conditions, equipment failures or accidents, breaches of security, adverse weather and the unavailability of drilling rigs, among others, in the fields in which we have an interest could, similarly, adversely affect our results of operations and financial condition. See "*Risks relating to the oil and gas industry—Exploration, development and production operations involve numerous operational risks and hazards which may result in material losses or additional expenditures.*"

#### ***Unexpected shutdowns may occur at one or more of our fields.***

We are sensitive to major and long-lasting shutdowns or technical issues on our producing fields. We have insurance in place in accordance with the requirements set by the Norwegian authorities for all assets covering Physical Damage, Operators Extra Expense ("OEE") and Third Party Liability. In addition we have loss of production insurance ("LOPI") for 100% of our production from all of our producing fields except Valhall and

Johan Sverdrup, where the LOPI is constrained by a combined single limit (“CSL”). A CSL is the maximum combined total amount that will be paid out, and if the loss on Valhall or Johan Sverdrup exceeds this limit, the claim payout may not be sufficient to provide full LOPI coverage. The LOPI insurance is not a legal requirement and is subject to discussions at every policy renewal. However, the insurance program we have in place may be insufficient to offset the impact of any major incident of any of the fields. A significant shutdown or other serious technical issues at our producing fields, or other issues relating to our oil and gas production causing a large reduction in production levels, may materially affect our profitability. This is a result of the increase in costs and reduction in income which normally arise from such delays and through claims for compensation from third parties. Delays may also result in cancellation of contracts, which may adversely affect our business, results of operations, cash flow and financial condition.

***There are risks related to determination and redetermination of unitized petroleum deposits.***

According to the Norwegian Petroleum Act, unitization is required if a petroleum deposit extends over several production licenses and these production licenses have a different ownership representation. Consensus must be achieved between the licensees on the most rational coordination of the joint development and ownership distribution of the petroleum deposit, which must be set out in an agreement regulating the joint development, production, utilization and cessation of the petroleum activities related to the licenses. If such consensus is not reached within reasonable time, the MPE may determine how such joint petroleum activities shall be conducted, including the apportionment of the deposit, which may diverge from the other participants’ recommendations. In 2015, for example, the MPE made a decision on the distribution of ownership interests in the Johan Sverdrup field following arbitration between the field participants before the Norwegian Petroleum Directorate (“NPD”). The decision awarded us a total ownership interest in the Johan Sverdrup field of 11.6%.

UOAs relating to our production licenses can typically also include a redetermination clause, stating that the apportionment of the deposit between licenses can be adjusted within certain agreed time periods. This is, for example, the case for the UOA for the Johan Sverdrup field according to which a redetermination process may be initiated by any of the unit interest holders beginning in 2025. Any such determination or redetermination of our interest in any of our licenses may have a negative effect on our interest in the unitized deposit, including our unit interest, the tract participation in which we hold an interest and cash flow from production. No assurance can be made that any such determination or redetermination will be satisfactorily resolved or will be resolved within reasonable time and without incurring significant costs. Any determination or redetermination negatively affecting our interest in a unit may have a material adverse effect on our business, results of operations, cash flow, financial condition and prospects.

***Our development projects are associated with risks relating to delays and costs.***

Our on-going development projects involve advanced engineering work, extensive procurement activities and complex construction work to be carried out under various contract packages at different locations onshore. Furthermore, we (together with the other license participants), must carry out drilling operations, install, test and commission offshore installations and obtain governmental approval to take them into use, prior to commencement of production. The complexity of our development projects, including the development of Johan Sverdrup makes them sensitive to circumstances which may affect the planned progress or sequence of the various activities, and this may result in delays or cost increases.

Our current or future projected target dates for production may be delayed and significant cost overruns may be incurred due to delays, changes in any part of our development projects, technical difficulties, project mismanagement, equipment failure, natural disasters, political, economic, taxation, legal, regulatory or social uncertainties, piracy, terrorism, visa issues or protests or cyber security attacks which may materially adversely affect our future business, operating results, financial condition and cash flow. Ultimately, there are risks that the rights granted under our licenses or agreements with the government may be forfeited and we may be liable to pay large penalties, which could jeopardize our ability to continue operations.

Going forward, we, or the operator of licenses in which we have an interest, may be unable to explore, appraise or develop petroleum operations, or the development or production of oil and/or gas may be delayed as a result of, among other things, activities such as the failure of the other license participants and counterparties to obtain equipment, equipment failure, natural disasters, political, economic, taxation, legal, regulatory or social uncertainties, piracy, terrorism, visa issues or protests. Moreover, the other license participants and counterparties consist of a diverse base with no single material source of credit risk. A general downturn in financial markets and economic activity may result in a higher volume of late payments and outstanding receivables, which may in turn adversely affect our business, results of operations, cash flows and financial condition.

Furthermore, our estimated exploration costs are subject to a number of assumptions that may not materialize. Any such inability to explore, appraise or develop petroleum operations or non-materialization of assumptions regarding exploration costs, may have a material adverse effect on our growth ambitions, future business and revenue, operating results, financial condition and cash flow.

***We are exposed to risks relating to labor disputes.***

While we generally enjoy good labor relations with our employees, strikes, labor disruptions and other types of conflicts with employees including those of our independent contractors or their unions may occur at our operations. Labor disruptions may be used not only for reasons specific to our business, but also to advocate labor, political or social goals. Any such disruptions or delays in our business activities may result in increased operational costs or decreased revenues from delayed or decreased (or zero) production and significant budget overruns. If such disruptions are material, they could materially adversely affect our business, results of operations, cash flow and financial condition.

***Our exploration and production operations are dependent on our compliance with obligations under licenses, joint operating agreements and field development plans.***

All exploration and production licenses for the NCS have incorporated detailed and mandatory work programs that are required to be fulfilled within a specific timespan. These may include, among others, seismic surveys to be performed, wells to be drilled and development decisions to be taken. Failure to comply with the obligations under the licenses may lead to fines, penalties, restrictions, revocation of licenses and termination of related agreements, which could materially and adversely affect our business, results of operations, cash flows and financial condition.

A failure to comply with the payment obligations (cash calls) under the standard joint operating agreements (“JOA”) for our licenses, may lead to penal interest on the defaulted amount, loss of voting rights and information within the license and a right for the other licensees to acquire our participating interest on terms that are unfavorable to us and disconnected from the value of the license interest. All such sanctions could materially and adversely affect our business, financial conditions and results of operations.

***We are subject to third-party risk in terms of operators, other license participants and contractors.***

Where we are not the operator of a license, although we may have consultation rights or the right to withhold consent in relation to significant operational matters depending on the level of our interest in such license (as most decisions by the management committee only require a majority vote), we have limited control over management of the assets and mismanagement by the operator or disagreements with the operator as to the most appropriate course of action, which may result in significant delays, losses or increased costs to us.

The terms of the relevant operating agreements generally impose standards and requirements in relation to the operator’s activities. However, there can be no assurance that such operators will observe such standards or requirements, and this could result in a breach of the relevant operating agreement.

There is a risk that other participants with interests in our licenses may not be able to fund or may elect not to participate in, or consent to, certain activities relating to those licenses which require such participant’s consent, including but not limited to, decisions relating to drilling programs, such as the number, identity and sequencing of wells, appraisal and development decisions, decisions relating to production and also any decision to not drill at all (e.g., “drill or drop” decisions). In these circumstances, it may not be possible for such activities to be undertaken by us alone or in conjunction with other participants at the desired time or sequence or at all. Inversely, decisions by the other participants to engage in certain activities as noted in the preceding sentence, may also be contrary to our desire not to engage in or commence such activities and may require us to incur our share of costs in relation thereto, which may become significant, or that the other participants may enforce decisions which will delay or affect the profitability of a project. This is especially an inherent risk in fields under development where we only hold a minority interest, as the management committee makes all the decisions from planning to operations of the project licenses.

Other participants in our licenses may default on their obligations to fund capital or other funding obligations in relation to the assets. In such circumstances, we may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall ourselves. We may not have the resources to meet these obligations.

Any disagreement, absence of consent, delay, opposition, breach of agreement, or inability to undertake activities or failure to provide funding of the kind identified above could materially adversely affect our business, results of operations, cash flow and financial condition.

Failure of other license participants to comply with obligations under the relevant licenses pursuant to which we operate, may lead to fines, penalties, restrictions and revocation of the license. Further, the license participants are jointly and severally responsible to the Norwegian Government for financial obligations arising out of petroleum activities pursuant to such license. Hence, if one or more of the other licensees fails to cover their share of a license cost (e.g. related to the mandatory work program or decommissioning liability), we can be held liable for such licensee's share of the relevant cost.

If any of the other license participants become insolvent or otherwise unable to pay debts as they come due, the license interest awarded to them may be revoked by the relevant government authority which will then reallocate the license interest. Although we anticipate that the relevant government authority may permit us to continue operations at a field during a reallocation process, there can be no assurance that we will be able to continue operations pursuant to these reclaimed licenses or that any transition related to the reallocation of the license would not materially disrupt our operations or development or productions schedule. The occurrence of any of the situations described above could materially and adversely affect our business, results of operations, cash flow and financial condition.

Market conditions may also impair the liquidity situation of contractors and consequently their ability to meet their obligations to us. This may in turn impact both project timelines and cost. The incurrence of cost overruns or delays could have a material adverse effect on our business, results of operations, cash flow and financial condition.

***We are exposed to losses on our operated assets.***

We are the operator for several of our licenses. Although the operatorship is performed based on a "no gain, no loss" principle, the other license participants are provided with audit rights and other rights that may ultimately inflict losses on us as an operator should we be found not to have managed the operatorship in compliance with relevant requirements. The incurrence of such losses could have a material adverse effect on our business, results of operations, cash flow and financial condition.

***We are subject to risks relating to capacity constraints and cost inflation in the service sector.***

We are, similar to other exploration and production companies, reliant upon services, goods and equipment provided by contractors and other companies to carry out our operations. As there are numerous material projects to be carried out on the NCS in the years to come, there is a continuing risk of capacity constraints and cost inflation in the service sector. If we are unable to obtain the services, goods or equipment necessary to carry out our operations (including our current and planned exploration and development projects), or if any of our contractors are unable or unwilling to carry out our services or deliver goods or equipment to us as planned or otherwise become unable to respect their obligations, become insolvent or otherwise unable to pay debts as they come due, our operations or projects may suffer from delays and a subsequent decrease in net production and/or revenue, which may materially adversely affect our business, results of operations, cash flow and financial condition.

***We may not have access to necessary infrastructure or capacity booking for the transportation of oil and gas.***

We are dependent on capacity (whether through pipelines, tankers or otherwise) to transport and sell our oil and gas production. We, or the license group in which we hold an interest, may need to rely on access to third-party infrastructure to be able to transport produced oil and gas (e.g., by depending on obtaining approval for construction of pipelines in close proximity to or crossing third-party infrastructure or being able to acquire the necessary capacity to transport gas). There can be no assurance that we will be able to get access to necessary infrastructure at an economically justifiable cost or access necessary infrastructure at all. For example, Marathon Norway did not hold any future booking capacity in Gassled nor any long-term National Transmission System ("NTS") entry capacity to bring gas into NTS through aggregated system entry points such as at St. Fergus in Scotland through the Scottish Area Gas Evacuation ("SAGE") pipeline system. If access to third-party infrastructure and necessary capacity bookings are unavailable or unavailable at an economically justifiable cost, our income relating to the sale of oil and gas may be reduced, which may materially adversely affect our business, results of operations, cash flow and financial condition.

***We face risks related to decommissioning activities and related costs.***

There are significant uncertainties relating to the estimated costs for decommissioning of our current licenses including the schedule for removal of each installation and performance of other decommissioning activities. For example, the Jette and Varg fields both ceased production in the year ended December 31, 2016, and we have performed plug and abandonment operations on Valhall during 2017 and 2018. Our decommissioning liability increased significantly due to the acquisitions of BP Norge and Hess Norge. In addition, in connection with the Hess Norge Acquisition, we entered into a decommissioning agreement with Hess Norway Investment Limited (“HNIL”) providing for certain decommissioning security provisions with regard to Hess Norge’s interests. We agreed, on certain conditions, to provide HNIL with security in respect of the payment of certain of HNIL’s decommissioning obligations arising in relation to Hess Norge’s license interests in the form of a letter of credit or a parent company guarantee. Furthermore, we are liable for our share of costs related to the removal and abandonment of certain gas transportation facilities owned by Gassled, a Norwegian joint venture owned by a number of oil and gas companies operating on the NCS. Additionally, the limited examples of current asset decommissioning activities on the NCS increases the uncertainty in estimating decommissioning costs and liabilities. No assurance can be given that the anticipated costs and time of removal are correct and any deviation from such estimates may have a material adverse effect on our business, results of operations, cash flow and financial condition.

Also, under the Norwegian Petroleum Act, licensees are responsible to the Norwegian Government for making sure that a decision relating to disposal is carried out, unless otherwise decided by the MPE. Within the joint venture, the licensees are: (i) primarily liable to each other on a pro-rata basis and (ii) secondarily jointly and severally liable for all decommissioning obligations arising by virtue of the joint venture’s activities.

In Norway, there is no obligation or tradition for license participants to provide security for their respective share of any decommissioning liabilities ahead of actual decommissioning. Hence, if one or more of the other licensees fails to cover its respective share of decommissioning costs, we can be held liable for such licensee’s share of such costs without the ability to rely or draw down on any security a defaulting licensee may have previously provided. Furthermore, under the Norwegian Petroleum Act, a licensee assigning its interest in a license remains secondarily liable for decommissioning costs related to facilities existing at the time of assignment in the event that the decommissioning costs are not covered by the current licensees. Any significant increase in decommissioning costs relating to our current or previous licenses may materially and adversely affect our business, results of operations, cash flow and financial condition.

Certain fields in which we hold an interest straddle the boundary between the UKCS and the NCS. Even though our interests are in the Norwegian sector, we may still have responsibilities under or become liable for decommissioning obligations under UK legislation. In particular, we may be liable for the full costs of decommissioning any offshore installation located in the UK if our own production is recovered or stored by owners of such installation.

***We are exposed to political and regulatory risks.***

The oil and gas industry in general is subject to extensive government policies and regulations. No assurance can be given that existing legislation or new interpretation of existing legislation, will not result in a curtailment of production, delays or a material increase in operating costs and capital expenditure for our activities or otherwise adversely affect our financial condition, results of operations or prospects. Further, a failure to comply with applicable legislation, regulations and conditions or orders issued by the regulatory authorities, may lead to fines, penalties, restrictions, withdrawal of licenses and termination of related agreements, which could have the same effect on our business, results of operations, cash flow and financial condition.

We conduct exploration and development activities in Norway and are dependent on receipt of government approvals and permits to develop our assets. The Norwegian Petroleum Act, among other things, sets out different criteria for the organization, competence and financial capability that a licensee at the NCS must fulfill at all times. We are qualified to conduct our operations on the NCS, however, there is no assurance that future political conditions in Norway will not result in the government adopting new or different policies and regulations on exploration, development, operation and ownership of oil and gas, environmental protection, and labor relations. For example, in April 2020, the Norwegian government announced unilateral oil production cuts portioned out to relevant fields via their production licenses of 250,000 barrels a day in June and 134,000 barrels per day in the second half of 2020, and further announced that the start-up of production at several fields would be delayed until 2021. The production curtailments implemented by the MPE have resulted in decreased second quarter production from our Ivar Aasen, Johan Sverdrup, Ula and Tambar fields, and the oil wells at Skarv have

been shut-down in order to stay within the production limits imposed by MPE. The average impact on our production is expected to be approximately 5,000 beopd for 2020. The Norwegian government also confirmed that the start-up production of several fields would be delayed until 2021. See “*Regulation—Norway—Production*” and “*Summary—Overview—Recent Developments—Oil Price Volatility*.” Further, we may be unable to obtain or renew required drilling rights, licenses, permits and other authorizations and these may also be suspended, terminated or revoked prior to their expiration. This may affect our ability to undertake exploration and development activities in respect of present and future assets, as well as our ability to raise funds for such activities. Also, there can be no assurance that our licenses granted by the MPE will be extended or will not be revoked in the future. Furthermore, there is a risk that the MPE stipulates conditions for any such extension or for not revoking any licenses. Lack of governmental approvals or permits or delays in receiving such approval may delay our operations, increase our costs and liabilities or affect the status of our contractual arrangements or our ability to meet our contractual obligations. Any of the above factors may have a material adverse effect on our business, results of operations, cash flow and financial condition.

***Our ability to sell or transfer license interests may be restricted by provisions in our joint operating agreements or applicable legislation.***

Our exit strategy in relation to any particular oil and gas interest may be subject to the prior approval of the other license participants pursuant to JOAs, UOAs and approval from the MPE and Ministry of Finance, thus restricting our ability to dispose of, sell or transfer a license interest and make funds available when needed.

If the mandatory work obligations set by the MPE in the licenses have not been carried out, assignment of our participating interest in a license is subject to the approval of the management committee in the license. Further, any transfer of a license interest is subject to approval by the MPE and the Norwegian Ministry of Finance. Whether such approval will be given may be determined by the stage of the relevant project (whether the license is in the exploration, development or production phase), outstanding obligations, the potential buyers, political conditions in Norway and applicable policies and regulations on exploration, development and operation on the NCS. Further, under applicable Norwegian law, we may be subject to secondary liability for decommissioning costs in relation to licenses that have been sold by us if the buyer should default on his license obligations, see “*Regulation—Decommissioning*” and “*Regulation—Transfer restrictions—Assignment of license interests and change of control*.”

***We are vulnerable to adverse market perception.***

We are vulnerable to adverse market perception as we must display a high level of integrity and maintain the trust and confidence of investors, the other license participants, public authorities and counterparties. Any mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, allegations of such activities, or negative publicity resulting from such other activities, or the association of any of the above with Aker BP could materially adversely affect our reputation and the value of our brand, as well as our business, results of operations, cash flow and financial condition.

***We may be subject to liability under environmental laws and regulations.***

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and directives and federal, county and other local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills and releases or emissions of various substances produced in association with oil and gas operations. This legislation also requires that wells and facility sites are operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. We are subject to legislation and regulatory requirements in relation to the emission of carbon dioxide, methane, nitrous oxide and other greenhouse gases. Compliance with such legislation and requirements can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material, in addition to loss of reputation. Environmental legislation and regulations are evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, and potentially increased capital expenditures and operating costs. The discharge of oil, gas or other pollutants into the air, soil or water may give rise to material liabilities to the Norwegian state, foreign governments and third parties and may require us to incur material costs to remedy such discharge. No assurance can be given that environmental laws or regulations will not result in a curtailment or shut down of production or a material increase in the costs of production, development or exploration activities or otherwise materially adversely affect our business, results of operations, cash flow and financial condition.



Furthermore, environmental concerns relating to the oil and gas industry's operating practices are expected to increasingly influence government regulation and consumption patterns which favor cleaner burning fuels such as gas. Future compliance with existing emissions legislation or any future emissions legislation could adversely affect our profitability. Future legislative initiatives designed to reduce the consumption of hydrocarbons could also have an impact on our ability to market our oil and gas and the prices which we are able to obtain, which in turn may adversely affect our business, results of operations, cash flow and financial condition.

We have been operating in the oil and gas business for many years. While we are not currently aware of any pollution or environmental liabilities that are expected to be material in relation to our operations on the NCS, we may potentially be subject to various liabilities such as pollution and environmental liabilities related to our business.

***Our operations in the Barents Sea expose us to additional environmental risks relating to Arctic drilling.***

Over the past several years, our operations have expanded to include several fields in the Barents Sea. Arctic drilling presents a unique operating environment characterized by remoteness, the lack of ancillary supporting infrastructure, the presence of sea ice, extended periods of darkness and cold, and hurricane-strength storms. These factors make operations in the Arctic difficult, result in increased operating costs and also increase the risk of incidents resulting from our operations, such as oil spills. In addition, the Arctic Ocean is an ecologically sensitive area, and any spills or other environmental incidents that may occur could result in increased response and remedial costs and other liabilities. Any spills in the eastern section of the Barents Sea may also cross the border into Russian waters, which may expose us to responsibilities and liability pursuant to relevant Russian legislation. Moreover, environmental non-governmental organizations ("NGOs") frequently oppose Arctic drilling. These NGOs could initiate legal or other actions that may delay our exploration and production activities in this area. Any of the above factors could have a material adverse effect on our business, results of operations, cash flow, financial condition and prospects.

***Climate change and climate change legislation and regulatory initiatives could adversely affect our business and ongoing operations.***

Our business and results of operations could be adversely affected by climate change and the adoption of new climate change laws, policies and regulations. Growing concerns about climate change and greenhouse gas emissions have led to the adoption of various regulations and policies, including the Paris Agreement negotiated at the 2015 United Nations Conference on Climate Change, which requires participating nations to reduce carbon emissions every five years beginning in 2023. Multiple plans have also been proposed in the Norwegian parliament to reduce carbon emissions from companies operating in certain sectors, including the oil and gas industry. For example, in June 2017, the Norwegian Parliament passed legislation that seeks to reduce greenhouse gas emissions from 1990 levels by at least 40% by 2030. In February 2020, the Norwegian government presented updated goals to the UN in accordance with the Paris Agreement, with the aim of reducing greenhouse gas emissions by 50% to 55% (compared to 1990 levels) by 2030. Further, the current goal is to reduce emissions by 90% to 95% (compared to 1990 levels) by 2050, with the intention of becoming a low-emission society. The Norwegian government also has a "zero emission vision" for the transport sector, and continues to stimulate the development of zero and low emission shipping solutions. In addition, the Norwegian government has announced its intention to phase out the sale of fossil fuel powered vehicles for personal use in favor of electric vehicles by 2025.

The emission reduction strategies and other provisions of Norwegian climate change law, the Paris Agreement or similar legislative or regulatory initiatives enacted in the future, could adversely impact our business by imposing increased costs in the form of taxes or for the purchase of emission allowances, limiting our ability to develop new oil and gas reserves, decreasing the value of our assets, or reducing the demand for hydrocarbons and refined petroleum products.

Additionally, some scientists have concluded that increasing concentrations of greenhouse gases in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts, floods and other climatic events. Our offshore operations are particularly at risk from severe climatic events. If any such climate changes were to occur, they could have an adverse effect on our financial condition and results of operations.

***Our insurance may not provide sufficient funds to protect us from liabilities that could result from our operations.***

Oil and gas exploration, development, and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, fires, explosions, blowouts, and oil spills, each of which could result in substantial damage to oil and gas wells, production facilities, other property, and the environment, or result in personal injury and business interruption.

We maintain a number of separate insurance policies to protect our core businesses against loss and liability to third parties. Insured risks typically include general liability, workers' compensation and employee liability, professional indemnity and material damage. Furthermore, not all mentioned risks are insurable, or only insurable at a disproportionately high cost. Although we maintain liability insurance in an amount that we consider adequate and consistent with industry standards, the nature of these risks is such that liabilities could materially exceed policy limits or not be insured at all, in which event we could incur significant costs that could have adverse effect on our financial condition, results of operation and cash flow. Any uninsured loss or liabilities, or any loss and liabilities exceeding the insured limits, may adversely affect our business, results of operations, cash flow and financial condition.

***Availability of drilling equipment and other required equipment and access restrictions may affect our operations.***

Oil and gas exploration and development activities are dependent on the availability of specialized equipment, including, but not limited to, drilling and related equipment in the particular areas where such activities will be conducted. From time to time the demand for limited equipment may be high or access restrictions will affect the availability and cost of such equipment, and from time to time may delay exploration and development activities. Also, to the extent we are not the operator of our oil and gas assets, we will depend on such operators for the timing of activities related to such assets and will be largely unable to direct or control the activities of such operators. If any of these risks materialize, they may have a material adverse effect on our business, results of operations, cash flow and financial condition.

***Our oil and gas production could vary significantly from reported reserves and resources.***

The reserves set forth in this Offering Memorandum represent estimates only and are based on a technical expert's reports. In addition, the resources set forth in this Offering Memorandum represent management's estimates. The standards utilized to prepare the commercial reserves and contingent resources information that has been included in this Offering Memorandum, are different from the standards of reporting adopted in other jurisdictions. Investors, therefore, should not assume that the data found in the reserves and resources information set forth in this Offering Memorandum is directly comparable to similar information that has been prepared in accordance with the reserve and resource reporting standards of other jurisdictions.

In general, estimates of economically recoverable oil reserves and resources are based on a number of factors and assumptions made as of the date on which the reserves estimates were determined, such as geological and engineering estimates (which have inherent uncertainties), historical production from our fields, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs, all of which may vary considerably from actual results.

Underground accumulations of hydrocarbons cannot be measured in an exact manner and estimates thereof are a subjective process aimed at understanding the statistical probabilities of recovery. Estimates of the quantity of economically recoverable oil and gas reserves, rates of production and the timing of development expenditures depend upon several variables and assumptions, including the following:

- production history compared with production from other comparable producing areas;
- quality and quantity of available data;
- access to production profiles and economic models supplied by third parties;
- interpretation of the available geological and geophysical data;
- effects of regulations adopted by governmental agencies;
- future percentages of international sales;

- future oil prices;
- capital investments;
- timeliness of the commencement and completion of production phases;
- effectiveness of the applied technologies and equipment;
- renewals of licenses beyond their stated expiry dates;
- future operating costs, tax on the extraction of commercial minerals, development costs and workover and remedial costs; and
- the judgment of the persons preparing the estimate.

As all reserve estimates are subjective, each of the following items may differ materially from those assumed in estimating reserves:

- the quantities and qualities that are ultimately recovered;
- the timing of the recovery of oil and gas reserves;
- the production and operating costs incurred;
- the amount and timing of additional exploration and future development expenditures; and
- future hydrocarbon sales prices.

Many of the factors in respect of which assumptions are made when estimating reserves are beyond our control and therefore these estimates may prove to be incorrect over time. Evaluations of reserves necessarily involve multiple uncertainties. The accuracy of any reserves or resources evaluation depends on the quality of available information and oil and gas engineering and geological interpretation. In preparing its reserve reports, AGR relied on estimates of costs, production profiles and economic models supplied by us and by third parties, such as Equinor and the Norwegian government, the accuracy of which cannot be guaranteed. Drilling, interpretation, testing and production after the date of the estimates may require substantial upward or downward revisions in our reserves or resources data. Moreover, different reserve engineers may make different estimates of reserves and cash flows based on the same available data. Actual production, revenues and expenditures with respect to reserves and resources will vary from estimates and the variances may be material.

The uncertainties in relation to the estimation of reserves summarized above also exist with respect to the estimation of resources. The probability that contingent resources will be economically recoverable, is considerably lower than for commercial reserves. Volumes and values associated with contingent resources should be considered with higher uncertainty than volumes and values associated with reserves.

If the assumptions upon which the estimates of our oil and gas reserves and resources have been based prove to be incorrect or if the actual reserves or recoverable resources available to us are otherwise less than the current estimates or of lesser quality than expected, we may be unable to recover and produce the estimated levels or quality of oil and gas set out in this Offering Memorandum and this may materially and adversely affect our business, prospects, financial condition and results of operations.

***Accounting policies may result in non-cash charges and write-downs considered unfavorably by the market.***

IFRS requires that management apply certain accounting policies and make certain estimates and assumptions, which affect reported amounts in our consolidated financial statements. The accounting policies may result in non-cash charges to net income and material write-downs of net assets in our financial statements. Such non-cash charges and write-downs may be viewed unfavorably by the market and result in an inability to borrow funds and/or may result in a significant decline in the trading price of our shares, which may materially and adversely affect our business, prospects, financial condition and results of operations.

***We may not be successful in attracting and retaining sufficiently skilled employees.***

The successful development and performance of our business depends on our ability to attract and retain skilled professionals with appropriate experience and expertise. Attracting and retaining additional key personnel will assist in the expansion of our business and the loss of key employees could also have a material negative effect on our business. We face significant competition for skilled personnel and there can be no assurance that we will have access to sufficiently skilled and experienced professionals. This may be particularly evident for our offshore activities, where the location of our production facilities and shift work arrangements associated with offshore work, may negatively affect our ability to attract the necessary employment resources, as skilled personnel may be reluctant to take on such assignments.

Additionally, there is no assurance that we will successfully attract and retain personnel required to continue to expand our business and to execute our business strategy successfully. Failure to attract or retain such employees could result in the inability to maintain the appropriate technological standard or take advantage of new opportunities that may arise, which may in turn lead to a subsequent decline in competitiveness and could materially adversely affect our business, results of operations, cash flow and financial condition.

***We face the risk of litigation or other proceedings in relation to our business.***

We face the risk of litigation and other proceedings in relation to our business. The outcome of any litigation may expose us to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention, which may in turn adversely affect our business, results of operations, cash flow and financial condition.

***We may experience conflicts of interest.***

There are potential conflicts of interest to which the directors, officers and principal shareholders may be subject to in connection with our operations. Some of our directors, officers and principal shareholders are or may become engaged in other oil and gas interests (including interests relating to oil and gas services) on their own behalf and/or on behalf of other companies resulting in a conflict of interest and situations may arise where the directors and officers will be in direct competition with Aker BP. Such conflicts, if any, will be subject to the procedures and remedies under Norwegian company law, petroleum law and general Norwegian law, but may not prevent adverse effects for us with regard to such conflicts. Our directors, officers and principal shareholders may not devote their time on a full-time basis to our affairs as a result of such conflicts. Certain members of our board of directors and senior management own collectively, directly and indirectly, a significant part of the outstanding share capital of the Company, and are therefore able to influence the decision-making of the Company. See “Principal Shareholders.”

***If we fail to identify appropriate acquisition targets or integrate acquisitions successfully, our future growth and performance could be adversely affected.***

We have historically undertaken a number of acquisitions of oil and gas assets (or the acquisition of companies holding such assets) including, but not limited to, Marathon Norway in 2014, BP Norge in 2016 and Hess Norge in 2018.

We will continue to consider acquisition opportunities that fit within our overall strategy, including seeking to maintain or increase our commercial reserves and contingent resources. However, competition for the acquisition of any assets that we have identified as being appropriate in light of our overall strategy may be intense and, as a result, we may be unable to acquire such assets on commercially acceptable terms, or at all. In addition, there can be no assurance that any potential acquisition will be successful and any unsuccessful acquisition could adversely affect our business, results of operations, cash flow and financial condition. In addition, the due diligence process for any acquisition is inherently subjective. If our due diligence investigation with respect to an acquisition fails to identify material information, we may later be forced to write-down or write-off the value of certain assets, modify our business plan or incur impairment or other charges.

Following any acquisition, our future growth and performance will depend in part on our ability to manage growth effectively, including, but not limited to, our ability to complete the successful integration of acquisitions. For example, the integration of BP Norge and Hess Norge into our existing business involved the merger and integration of companies that had previously operated independently, a difficult process that involved risks, including failure to realize expected synergies. There can be no assurance that we will achieve the anticipated synergies or other benefits from the integration. Our future growth and performance will partly depend,

among other factors, on our ability to integrate future acquisitions, to adequately manage the number of employees and to implement technical solutions including IT systems and software and operational efficiency in our “new” organizations in Oslo, Stavanger, Trondheim, Sandnessjøen and Harstad. Any failure to successfully grow our operations, and/or to manage such growth, could have a materially adverse effect on our business, results of operations, cash flow and financial condition.

***Our development projects require substantial capital expenditures. We may be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in our oil and gas reserves.***

We make and expect to continue to make substantial capital expenditures in our business for the development, production and acquisition of oil and natural gas reserves. We intend to finance the majority of our future capital expenditures with cash flow from operations and borrowings under our Revolving Credit Facility and other debt facilities. Our cash flows from operations and access to capital are subject to a number of variables which we do not control, including:

- our proved reserves;
- the level of oil and natural gas we are able to produce from existing wells;
- the price at which our oil and gas are sold;
- our ability to acquire, locate and produce new reserves; and
- general market conditions.

Our Revolving Credit Facility and, to a lesser extent, the Existing Senior Notes due 2024, the Existing 5.875% Senior Notes due 2025, the Existing 3.000% Senior Notes due 2025, the Existing Senior Notes due 2030 and the Notes restrict our ability to obtain certain types of new financing. If additional capital is needed, we may not be able to obtain additional debt or equity financing. If cash generated by operations or cash available under our Revolving Credit Facility or other debt facilities is not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations relating to development of our prospects, which in turn could lead to a decline in our oil and natural gas reserves, or if it is not possible to cancel or stop a project, us being legally obliged to carry out the project contrary to our desire or with negative impact on our business. Further, we may fail to make required cash calls and breach license obligations, which could lead to adverse consequences, see “—Risks relating to our business—Our exploration and production operations are dependent on our compliance with obligations under licenses, joint operating agreements and field development plans.” All of the above could adversely affect our production, revenues and results of operations as well as have an adverse effect on our ability to service our debt.

***Changes in foreign exchange rates may affect our results of operations and financial position.***

We are exposed to market fluctuations in foreign exchange rates. Revenues are in U.S. dollars for oil and in euros and pounds sterling for gas, while operational costs, taxes and investment are in several other currencies, including Norwegian kroner. Significant fluctuations in exchange rates between U.S. dollars and Norwegian kroner could make the reported results more volatile.

***Tax disputes could have a material adverse effect on our business, results of operations, and financial condition.***

We become involved from time to time in certain tax disputes with the Norwegian tax authorities. In particular, we are involved on an ongoing basis in disputes in Norway relating to transfer pricing issues (i.e., whether specific transaction prices (such as rig hire, gas sales, insurance premiums, interest rates and intercompany charges) are set in accordance with the arm’s-length principle). Most of the tax disputes we are party to are legacy disputes inherited from BP Norge and Hess Norge through the BP acquisition and the Hess acquisition. See “Our business—Oil taxation office assessment.” Although we believe our inter-company arrangements are based on accepted tax standards, from time to time competent tax authorities have disagreed, and may in the future disagree, with the pricing methodology applied and subsequently challenge the amount of profits reported therein, which may increase our tax liabilities. We believe that we have made appropriate accruals in our financial statements for such disagreements and challenges.

***Our digital infrastructure systems may be subject to intentional and unintentional disruption, and our confidential information may be misappropriated, stolen or misused, which could adversely impact our business and reputation.***

We could be a target of cyber-attacks designed to penetrate our network security or the security of our digital infrastructure, misappropriate proprietary information, commit financial fraud and/or cause interruptions to our activities, including a reduction or halt in our production. Such attacks could include hackers obtaining access to our systems, the introduction of malicious computer code or denial of service attacks. If an actual or perceived breach of our network security occurs, it could adversely affect our business or reputation, and may expose us to the loss of information, litigation and possible liability. Such a security breach could also divert the efforts of our technical and management personnel. In addition, such a security breach could impair our ability to operate our business and provide products and services to our customers. If this happens, our reputation could be harmed, our revenues could decline and our business could suffer.

In addition, confidential information that we maintain may be subject to misappropriation, theft and deliberate or unintentional misuse by current or former employees, third-party contractors or other parties who have had access to such information. Any such misappropriation and/or misuse of our information could result in us, among other things, being in breach of certain data protection and related legislation. We expect that we will need to continue closely monitoring the accessibility and use of confidential information in our business, educate our employees and third-party contractors about the risks and consequences of any misuse of confidential information and, to the extent necessary, pursue legal or other remedies to enforce our policies and deter future misuse.

We collect, store and use personal data in the ordinary course of our business operations, and are therefore subject to data protection legislation (including the General Data Protection Regulation (EU 2016/679) (the “**GDPR**”). Non-compliance or technical defects resulting in a leak or the misuse of such data could result in fines, damage to our reputation and/or otherwise harm our business.

#### **Risks relating to the Notes and our structure**

***Our leverage and debt service obligations could adversely affect our business, financial condition, results of operations and our ability to satisfy our obligations under our debt, including the Notes.***

As of June 30, 2020, we had an aggregate amount of \$3,946.6 million of *as adjusted* total debt outstanding, of which \$742.4 million would have been unsecured indebtedness represented by the Existing Senior Notes due 2024 (net of \$7.6 million in unamortized fees), \$495.0 million would have been unsecured indebtedness represented by the Existing 5.875% Senior Notes due 2025 (net of \$5.0 million in unamortized fees), \$496.0 million would have been unsecured indebtedness represented by the Existing 3.000% Senior Notes due 2025 (net of \$4.0 million in unamortized fees), \$992.4 million would have been unsecured indebtedness represented by the Existing Senior Notes due 2030 (net of \$7.6 million in unamortized fees), nil would have been outstanding under the NOK Bond and \$1,240.1 million would have been unsecured indebtedness represented by the Notes (net of \$9.9 million in estimated unamortized fees). *As adjusted* total debt includes \$19.3 million representing the remaining amortization fee on the undrawn commitments under the Revolving Credit Facility. See “*Capitalization*” and “*Description of certain financing arrangements.*” *As adjusted* total debt excludes long-term lease debt.

We are permitted to borrow substantial additional indebtedness, including secured debt, in the future under the terms of the Indentures.

The degree to which we are leveraged could have important consequences to our business and holders of the Notes, including:

- making it difficult for us to satisfy our obligations with respect to the Notes or our other indebtedness;
- increasing our vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby reducing the availability of such cash flow for other purposes;

- limiting our ability to obtain additional financing to fund working capital, capital investments, acquisitions, debt service requirements, business ventures, or other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business, the competitive environment and the industry in which we do business; and
- adversely affecting our competitive position if our debt burden is higher than that of our competitors.

Any of these or other consequences or events could have a material adverse effect on our business, financial condition and results of operations and our ability to satisfy our obligations under the Notes.

***Despite our current level of debt, we may incur substantially more debt in the future, which may make it difficult for us to service our debt, including the Notes.***

We and our existing subsidiaries or any future subsidiaries may incur substantial additional indebtedness in the future, including secured indebtedness and indebtedness that is structurally senior to the Notes. Although the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture contain restrictions governing the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. If we or our subsidiaries incur new debt or other obligations, the related risks that we face, as described in “—*Our leverage and debt service obligations could adversely affect our business, financial condition, results of operations and our ability to satisfy our obligations under our debt, including the Notes*” and elsewhere in these “*Risk factors*,” could increase. In addition, the Indentures, the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture do not prevent us from incurring obligations that do not constitute indebtedness as defined under those agreements.

For further information regarding our leverage and for more information about our outstanding indebtedness, see “*Management’s discussion and analysis of financial condition and results of operations*” and “*Description of certain financing arrangements*.”

***Your right to receive payments under the Notes will be structurally subordinated to claims of existing and future creditors or our non-guarantor subsidiaries.***

The Notes will be structurally subordinated to future obligations of our existing subsidiaries and any of our future non-guarantor subsidiaries. As a holder of the Notes, you will not have any claim as a creditor against our existing subsidiaries, which will not guarantee the Notes, or against any of our future subsidiaries that do not become guarantors of the Notes. Generally, indebtedness and other liabilities, including trade payables, whether secured or unsecured, and claims of preference shareholders, if any, of those non-guarantor subsidiaries will be structurally senior to your claims against those subsidiaries. In the event of an insolvency, liquidation or other reorganization of our existing subsidiaries or any future non-guarantor subsidiaries, holders of their debt and their trade creditors will typically be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available to distribution to you as common bond holders. As of June 30, 2020, our subsidiaries had nil financial debt.

***We require a significant amount of cash to service our debt and sustain our operations, and our ability to generate sufficient cash depends on many factors beyond our control.***

Our ability to make payments on, or repay or refinance, our debt, and to fund working capital and capital investments, will depend on our future operating performance and ability to generate sufficient cash. This depends on the success of our business strategy and on general economic, financial, competitive, market, legislative, regulatory, technical and other factors as well as the risks discussed in these “*Risk factors*,” many of which are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture, the Existing Senior Notes due 2030 Indenture, our other debt agreements and other agreements we may enter into in the future. Specifically, we will only be permitted to draw under the Revolving Credit Facility if, under the relevant agreement, no default is continuing or would result from the utilization and the repeating

representations are true in all material respects. Further, the available commitments under the Revolving Credit Facility may vary on the terms set out therein. We cannot assure you that our business will generate sufficient cash flow from operations or that future debt and equity financings will be available to us in an amount sufficient to enable us to pay our debt, including the Notes, or to fund our other liquidity needs.

We cannot assure you that we will be able to refinance or repay any of our debt at maturity, upon acceleration or early repayment, including the Notes, on commercially reasonable terms or at all. Any refinancing of our debt could be at higher interest rates than our current debt and may require us to comply with more onerous covenants, which could further restrict our business operations. If we are unable to make payments or refinance our debt or obtain new financing under these circumstances, we would have to consider other options, such as:

- selling assets;
- seeking to raise additional capital;
- forgoing opportunities such as acquisitions of other businesses; or
- reducing or delaying our business activities and capital investments.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on commercially reasonable terms, if at all. Any failure to make payments on our debt, including the Notes, on a timely basis would likely result in a reduction of our credit rating, which could also harm our ability to incur additional indebtedness. In addition, the terms of our debt, including the Notes, the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture, limit, and any future debt may also limit our ability to pursue any of these alternatives. There can be no assurance that any assets that we may elect to sell can be sold or that, if sold, the timing of such sale will be acceptable and the amount of proceeds realized will be sufficient to satisfy our debt service and other liquidity needs. If we are unsuccessful in any of these efforts, we may not have sufficient cash to meet our obligations, which could cause an event of default under our debt and result in:

- our debt holders declaring all outstanding principal and interest to be immediately due and payable; and
- us being forced into bankruptcy or liquidation, which could result in you losing your investment in the Notes.

***We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.***

The Revolving Credit Facility Agreement restricts, among other things, our and our subsidiaries' ability to:

- merge or consolidate if such merger or consolidation would have a material adverse effect;
- demerge, except if such demerger constitutes a permitted disposal;
- create a security interest over any of our assets, unless such arrangement constitutes permitted security;
- sell, lease or transfer certain assets; and
- incur secured indebtedness, except in relation to certain exemptions such as the ability (i) to incur secured indebtedness which does not at any given time exceed in aggregate 2.5% of our total assets and (ii) of a subsidiary holding ownership in the NOAKA area (to the extent relevant) to incur secured indebtedness for the purpose of the exploration, development and operations of the NOAKA project, provided that such subsidiary will finance its assets and operations without recourse to any security granted by us.

Furthermore, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture restrict, and the Indentures will restrict, among other things, our ability and our subsidiaries' ability to:



- create or incur certain liens;
- guarantee certain types of our other indebtedness without also guaranteeing the Notes; and
- merge or consolidate with other entities.

All these limitations are subject to significant exceptions and qualifications. See “*Description of the Notes—Certain covenants.*” Our compliance with these covenants could reduce our flexibility in conducting our operations, particularly by:

- affecting our ability to react to changes in market conditions, whether by increasing our vulnerability in relation to unfavorable economic conditions or by preventing us from profiting from an improvement in those conditions;
- affecting our ability to pursue business opportunities and activities that may be in our interest;
- limiting our ability to obtain certain additional financing in order to meet our working capital requirements, make investments or acquisitions and carry out refinancing; and
- forcing us to dedicate a significant portion of our cash flows to payment of the sums due for such loans, thus reducing our ability to utilize our cash flows for other purposes.

In addition, we are, or expect to be, subject to affirmative and negative covenants contained in the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture, including the requirements under the Revolving Credit Facility Agreement to maintain a specified ratio of net debt to consolidated EBITDAX and a specified ratio of consolidated EBITDA to Group (as defined in the Revolving Credit Facility Agreement) interest expenses. See “*Description of certain financing arrangements.*” Our ability to meet financial ratios and other tests can be affected by events beyond our control, and we cannot assure you that we will meet them. A breach of any of those covenants, ratios, tests or restrictions could result in an event of default under any of the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture. Upon the occurrence of any event of default under the Revolving Credit Facility Agreement, subject to applicable grace periods and other limitations on acceleration or enforcement, the relevant creditors could cancel the availability of the facilities and elect to declare all amounts outstanding, together with accrued interest, immediately due and payable. In addition, any default under the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture or the Existing Senior Notes due 2030 Indenture could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Indentures. If our creditors, including the creditors under the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture, accelerate the payment of those amounts, we cannot assure you that our cash flow or our assets and the assets of our existing subsidiaries or any future subsidiaries would be sufficient to repay in full such amounts and to satisfy all other liabilities of our existing subsidiaries or any future subsidiaries which may be due and payable and to repay amounts outstanding under the Notes.

***Part of our outstanding borrowings bear interest at floating rates which could rise significantly, thereby increasing our interest cost and reducing cash flow.***

Part of our outstanding indebtedness, including borrowings under the Revolving Credit Facility, bears, or will bear, interest at per annum rates equal to LIBOR, EURIBOR or NIBOR (depending on the respective debt facility and the currency of amounts drawn), in each case adjusted periodically, plus a margin. Interest rates could rise significantly in the future, thereby increasing our interest expenses associated with these obligations, reducing cash flow available for capital investments and limiting our ability to make payments on the Notes. Although we have entered into certain hedging arrangements designed to fix a portion of these rates and may continue to do so, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. In addition, hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements.

LIBOR, EURIBOR, NIBOR and other interest rates or other types of rates and indices which are deemed to be “benchmarks” are or may be the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on July 27, 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or NIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including but not limited to the Revolving Credit Facility). Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or NIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

***There are circumstances other than repayment or discharge of the Notes under which future Note Guarantees, if any, will be released automatically, without your consent or the consent of the Trustee.***

The Notes will not be guaranteed on the Issue Date. However, under various circumstances, future Note Guarantees, if any, will be released automatically as described under “*Description of the Notes—Note Guarantees release.*”

***Claims of secured creditors (if any) of the Company will have priority with respect to their collateral over the claims of unsecured creditors, such as the holders of the Notes, to the extent of the value of the assets securing such indebtedness.***

The Notes will not be secured by any of the Company’s assets. As a result, claims of secured creditors (if any) of the Company will have priority with respect to the assets securing their indebtedness over the claims of holders of the Notes. As such, the Notes will be effectively subordinated to any future secured indebtedness and other secured obligations of the Company to the extent of the value of the assets securing such indebtedness or other obligations (except to the extent such assets in the future also secure the Notes on an equal and ratable basis or priority basis). See “*Description of certain financing arrangements.*” In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of the Company at a time when it has secured obligations, holders of secured indebtedness (if any) will have priority claims to the assets of the Company that constitute their collateral (other than to the extent such assets in the future also secure the Notes on an equal and ratable basis or priority basis). The holders of the Notes will participate ratably with all holders of the unsecured indebtedness of the Company, and potentially with all its other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of the Company. The claims of holders of the Notes and other unsecured creditors will also depend on whether there is any value left in the bankruptcy estate besides any secured assets. If any of the secured indebtedness of the Company becomes due or the creditors thereunder proceed against the operating assets that secure such indebtedness, our assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Notes. As a result, holders of Notes may receive less, ratably, than holders of secured indebtedness (if any) of the Company.

***The insolvency laws of Norway may not be as favorable to you as insolvency laws of jurisdictions with which you may be familiar and may preclude the holders of the Notes from recovering payments due on the Notes.***

Aker BP is organized under the laws of Norway. Future subsidiaries of the Company may be incorporated in other jurisdictions and may be subject to the insolvency laws of such jurisdictions.

The insolvency laws of these jurisdictions may not be as favorable to your interests as creditors as the bankruptcy laws of the United States, or certain other jurisdictions.

There are no previous examples of a license holder on the NCS opening debt or bankruptcy proceedings, and hence there is a lack of precedence on the application of relevant regulations in a bankruptcy scenario. If the Company or other association holding the license is dissolved or enters into debt settlement proceedings or bankruptcy proceedings or if any security interest (e.g., a parent company guarantee, to the extent it becomes applicable) provided to the Norwegian State pursuant to the Petroleum Act has become significantly weakened,

the MPE has discretionary powers to revoke the license interests of the debtor, but shall for secured license interests first notify and allow the pledgee to initiate a forced realization of the license interests without undue delay. The surplus from such forced realization will benefit the other creditors in the order of priority; see “*Certain insolvency law considerations*” and “—*Claims of the secured creditors of the Company will have priority with respect to their collateral over the claims of unsecured creditors, such as the holders of the Notes, to the extent of the value of the assets securing such indebtedness.*” The return for the unsecured creditors in a bankruptcy proceeding will further depend on the ability of the bankruptcy estate to realize the values of any unsecured assets, including the value obtainable in the market in a distressed situation and statutory restrictions imposed on the bankruptcy estate, see “*Certain insolvency law considerations.*” Further, there may be restrictions in place with respect to the seizure of facilities or other petroleum assets on the NCS.

Any of the issues described above may cause delays and uncertainty regarding the enforcement of your rights.

If the Company or a subsidiary in the future would choose to organize itself in another jurisdiction and experiences financial difficulties, it may not be possible to predict with certainty in which jurisdiction the insolvency or similar proceedings would first be commenced or how these proceedings would be resolved. The insolvency, administration and other laws of the jurisdictions in which the respective companies are organized or operate may be materially different from, or conflict with, each other. Any conflict between them could call into question whether, and to what extent, the laws of any particular jurisdiction should apply. There can be no assurance as to how the insolvency laws of these jurisdictions will be applied in relation to one another. Any such conflict may result in greater uncertainty and delay regarding enforcement of your rights.

For a more detailed description of the insolvency laws of Norway, see “*Certain insolvency law considerations.*”

***Future Note Guarantees, if any, will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.***

The Notes will not be guaranteed on the Issue Date. Future Note Guarantees, if any, will provide holders of the Notes with a direct claim against a Guarantor. However, the Indentures will provide that future Note Guarantees, if any, will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering such Note Guarantee voidable or otherwise limited or ineffective under applicable law or causing the officers of such Guarantor to incur personal civil or criminal liability, and enforcement of such Note Guarantee will be subject to certain defenses generally available a Guarantor in the relevant jurisdiction. These laws and defenses include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference, insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, related third-party transactions, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor may have no liability or decreased liability under its Note Guarantee depending on the amounts of its other obligations and applicable law. Limitations on the enforceability of judgments obtained in New York courts in the jurisdiction of incorporation of a Guarantor could also limit the enforceability of the relevant Note Guarantee against such Guarantor. Although laws differ among jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) avoid or invalidate all or a portion of a Guarantor’s obligations under its Note Guarantee, (ii) direct the holders of the Notes to return any amounts paid under a Note Guarantee to the relevant Guarantor or to a fund for the benefit of a Guarantor’s other creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the relevant Note Guarantee was incurred with actual intent to give preference to one creditor over another, to hinder, delay or defraud creditors or shareholders of the Guarantor or, in certain jurisdictions, the granting of the Guarantee has the effect of giving a creditor a preference or the recipient was aware that the Guarantor was insolvent when it granted the relevant Note Guarantee;
- the Guarantor did not receive fair consideration or reasonably equivalent value or corporate benefit for the relevant Note Guarantee and the Guarantor: (i) was insolvent or rendered insolvent because of the relevant Note Guarantee; (ii) was undercapitalized or became undercapitalized because of the relevant Guarantee; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the relevant Note Guarantee was not validly established or authorized or otherwise contravenes the relevant Guarantor’s articles of association;
- the relevant Note Guarantee was held to exceed the corporate objects of the Guarantor or not to be in the best interests or for the corporate benefit of the Guarantor; or
- the amount paid or payable under the relevant Note Guarantee was in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our future subsidiaries pursuant to the Indentures.

We cannot assure you which standard a court would apply in determining whether a Guarantor was “insolvent” at the relevant time or that, regardless of the method of valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Note Guarantee was issued, that payments to holders of the Notes constituted preferences, transactions at an undervalue, fraudulent transfers or conveyances on other grounds.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, is greater than the fair value of all its assets;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent liabilities, as they become due; or
- it cannot pay its debts as they become due.

The liability of each Guarantor, if any, under its Note Guarantee will be limited to the amount that will result in such Note Guarantee not constituting a preference, transaction at an undervalue, fraudulent conveyance or improper corporate distribution or otherwise being set aside. There can be no assurance, however, as to what standard a court will apply in making a determination of the maximum liability of each Guarantor. There is a possibility that the entire Note Guarantee may be set aside, in which case the entire liability may be extinguished.

If a court decided that a Note Guarantee was a preference, transaction at an undervalue, fraudulent transfer or conveyance and voided such Note Guarantee, or held it unenforceable for any other reason, you may cease to have any claim in respect of a relevant Guarantor and would be a creditor solely of the Company and, if applicable, of the other Guarantors under the relevant Note Guarantees which have not been declared void. If any Note Guarantee is invalid or unenforceable, in whole or in part, or to the extent the agreed limitation of the Note Guarantee obligations apply, the Notes would be effectively subordinated to all liabilities of the applicable Guarantor.

***We may not be able to obtain the funds required to repurchase the Notes upon a change of control triggering event.***

The Indentures will contain provisions relating to certain events constituting a “change of control triggering event” of the Company. Upon the occurrence of a change of control triggering event, we may be required to offer to repurchase all outstanding Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase.

If a change of control triggering event were to occur, we cannot assure you that we would have sufficient funds available at such time to pay the purchase price of the outstanding Notes or that the restrictions in the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture or our other existing contractual obligations would allow us to make such required repurchases. A change of control may result in an event of default or mandatory prepayment under, or acceleration of, our other indebtedness. For example, lenders under Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and the Existing Senior Notes due 2030 Indenture may require the repayment of the respective indebtedness outstanding thereunder upon the occurrence of a change of control triggering event. The

repurchase of the Notes pursuant to such a change of control triggering event offer could also cause a default under our other indebtedness, even if the change of control triggering event itself does not. The source of funds for any repurchase required will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets or sales of equity or funds provided by subsidiaries. If we require third-party financing to make an offer to repurchase the Notes upon a change of control triggering event, we cannot assure you that we will be able to obtain such financing. Any failure by the Company to offer to purchase the Notes upon a change of control triggering event would constitute a default under the Indentures, which would, in turn, trigger a default under the Revolving Credit Facility Agreement, the Existing Senior Notes due 2024 Indenture, the Existing 5.875% Senior Notes due 2025 Indenture, the Existing 3.000% Senior Notes due 2025 Indenture and/or the Existing Senior Notes due 2030 Indenture. See “*Description of the Notes—Repurchase at the option of holders—Change of control triggering event.*”

The change of control triggering event provision contained in the Indentures may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger, recapitalization or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a “change of control” as defined in the Indentures. Except as described under “*Description of the Notes—Repurchase at the option of holders—Change of control.*” the Indentures do not contain provisions that would require the Company to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transactions.

The definition of “change of control” in the Indentures includes a disposition of all or substantially all the assets of the Company and its subsidiaries, taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of the Company and its subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Company is required to make an offer to repurchase the Notes.

***You may face currency exchange risks or adverse tax consequences by investing in the Notes denominated in currencies other than your reference currency.***

The Notes will be denominated and payable in U.S. dollars. If you are a pounds sterling, euros, Norwegian kroner or other non-U.S. dollar investor, an investment in the Notes could have currency exchange related risks due to, among other factors, possible significant changes in the value of the U.S. dollar to pounds sterling, euro or other relevant currencies because of economic, political or other factors over which we have no control. Depreciation of the U.S. dollar against pounds sterling, euro, Norwegian kroner or other relevant currencies could cause a decrease in the effective yield of the Notes below their stated coupon rate and could result in a loss to you when the return on the Notes is translated into the reference currency to which you measure the return on your investments.

There may be tax consequences for you as a result of any foreign currency exchange gains or losses resulting from your investment in the Notes. You should consult your tax advisor concerning the tax consequences to you of acquiring, holding and disposing of the Notes.

***The transferability of the Notes will be limited under applicable securities laws, which may adversely affect their liquidity and value.***

The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or any other jurisdiction. Therefore, you may not transfer or sell the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws or laws of any other jurisdiction, or pursuant to an effective registration statement, and you may be required to bear the risk of your investment in the Notes for an indefinite period of time. The Notes are not being offered for sale in the United States except to “qualified institutional buyers” in accordance with Rule 144A, and we have not agreed to or otherwise undertaken to register the Notes with the SEC (including by way of an exchange offer). In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than \$150,000. It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See “*Notice to Investors.*”

***You may be unable to enforce judgments obtained in U.S. courts against the Company.***

Aker BP and its subsidiaries are organized outside of the United States. All of our directors and executive officers listed herein are non-residents of the United States and all their respective assets and the Company's assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Company or its directors and executive officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. Additionally, there is doubt as to the enforceability in many foreign jurisdictions of civil liabilities based on the civil liability provisions of the federal or state securities laws of the United States against entities and persons who are not residents of the United States. See "*Service of process and enforcement of civil liabilities.*"

***The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.***

The Notes will initially be issued in global form and held through DTC. We refer to beneficial interests in such global notes as "Book-Entry Interests."

Interests in the global notes will trade in book-entry form only, and the Notes in definitive registered form, or Definitive Registered Notes, will be issued in exchange for Book-Entry Interests only in very limited circumstances. Owners of Book-Entry Interests will not be considered owners of the Notes. DTC, or its nominee, will be the sole registered holder of the global notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the Notes will be made to the Paying Agent, which will make payments to DTC. Thereafter, such payments will be credited to participants' accounts that hold Book-Entry Interests in the global notes representing the Notes and credited by such participants to indirect participants. After payment to DTC, none of the Company, any future Guarantors, the Trustee or the Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments of interest, principal or other amounts by DTC or to owners of Book-Entry Interests. Accordingly, if you own a Book-Entry Interest, you must rely on the procedures of DTC, and if you are not a participant in DTC, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Indentures.

Unlike holders of the Notes themselves, owners of Book-Entry Interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes (including upon the occurrence of an event of default). Instead, if you own a Book-Entry Interest, you will be reliant on the custodian or its nominee (as registered holder of the Notes) to act on your instructions and will be permitted to act directly only to the extent you have received appropriate proxies to do so from DTC or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions or to take any other action (including exercising your rights under the Notes) on a timely basis. See "*Book-entry, delivery and form.*"

***There may not be an active trading market for the Notes, in which case your ability to sell the Notes may be limited.***

The Notes are new securities for which there is currently no market. We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the prices at which you may be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including the liquidity of the market for the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our own financial condition, performance and prospects, as well as third-party recommendations. Historically, the market for non-investment grade securities has from time to time been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes will depend on the number of holders of the Notes and may be adversely affected by a general decline in the market for similar securities. In addition, the trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. Although the Initial Purchasers have informed the Company that they intend to continue to make a market in the Notes, they are not obligated to do so

and they may discontinue market-making at any time without notice. Accordingly, the Company cannot assure you that an active trading market for the Notes will be maintained.

Although an application will be made for the Notes to be listed on the Securities Official List of the Exchange, we cannot assure you that the Notes will be, or remain, listed. No assurance is made as to the liquidity of the Notes as a result of listing on the Securities Official List of the Exchange or another recognized listing exchange for comparable issuers, failure to be approved for listing or the delisting of the Notes (whether or not for an alternative admission to listing on another stock exchange), as applicable, from the Securities Official List of the Exchange may have a material adverse effect on a holder's ability to resell the Notes in the secondary market.

***Under certain circumstances, following a tender offer or offer to purchase the Notes, the Company may, at its option, redeem all of the remaining Notes of non-tendering holders.***

If, pursuant to any tender offer or other offer to purchase all of the 2026 Notes or 2031 Notes, as applicable, holders of not less than 90% of the aggregate principal amount of the then outstanding 2026 Notes or 2031 Notes, as applicable, validly tender and do not withdraw such 2026 Notes or 2031 Notes, as applicable, the Indentures permit the Company, or any third-party on behalf of the Company, at its option, to redeem the remaining outstanding Notes of the relevant series at a price equivalent to the price paid pursuant to such tender offer or offer to purchase (excluding any early tender premium or similar payment). As a consequence, holders of the 2026 Notes or 2031 Notes, as applicable, may be required to surrender such Notes against their will at a price equivalent to no more than the highest price paid to tendering holders, including if such price is below par, and may not receive the return holders of such Notes expect to receive on such Notes. See “*Description of the Notes—Optional redemption upon certain tender offers.*”

***The Indentures will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.***

The Indentures with respect to the Notes offered hereby will not be required to, and will not be, qualified under the U.S. Trust Indenture Act of 1939, as amended (the “*TIA*”) and will not incorporate or include and will not be subject to any of the provisions of the TIA. Consequently, the holders of Notes are not be entitled to the protections provided under the TIA to holders of debt securities issued under a qualified indenture, including those respecting preferential collections by the trustee or conflicting interests of the trustee. See “*Description of the Notes.*”

***The Notes may be redeemed due to a Norwegian tax reform.***

As discussed above in “*Risks relating to the oil and gas industry—Our business and financial condition could be adversely affected if Norwegian tax regulations for the petroleum industry are amended,*” the Norwegian Government has recently implemented a tax reform in Norway. The Norwegian Government has presented a discussion paper on domestic withholding tax on interest payments paid to related parties who are tax resident in a low-tax jurisdiction, with a possible implementation during 2021. However, the outcome of the public hearing and the parliamentary process (i.e. the design of a possible domestic withholding tax, hereunder or whether any exemptions will apply, for example for interest payments on listed bonds) is uncertain. Hence, there is a risk that withholding tax on payments under the Notes will be introduced which will entitle us to redeem the Notes. See “*Description of the Notes—Redemption for changes in taxes.*”

## USE OF PROCEEDS

We estimate that our net proceeds from the sale of the Notes in this offering will be approximately \$1,237 million, after deducting fees and expenses and the Initial Purchasers' discount. We intend to use the net proceeds from the offering of the Notes to redeem all the outstanding Existing Senior Notes due 2022 and to pay related redemption premia, repay outstanding amounts under the Revolving Credit Facility (without reducing commitments) and for general corporate purposes.

Actual amounts may vary from estimated amounts depending on several factors, including differences from our estimates of fees and expenses. For descriptions of our current and anticipated indebtedness following the Offering, see "*Description of certain financing arrangements.*" See also "*Capitalization.*"



## CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2020, on (i) a historical basis, (ii) an *as adjusted* basis to give effect to the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020 and (iii) an *as further adjusted* basis to give effect to the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of proceeds*”.

This table should be read in conjunction with “*Use of proceeds*,” “*Management’s discussion and analysis of financial condition and results of operations*,” “*Description of certain financing arrangements*” and the financial statements and the accompanying notes incorporated by reference into this Offering Memorandum. Except as set forth below, there have been no other material changes to our capitalization since June 30, 2020.

	Actual historical	Adjustments	As adjusted for the repayment of the NOK Bond <sup>(1)</sup>	Adjustments	As further adjusted for the issuance of the Notes <sup>(2)</sup>
	As of June 30, 2020				
	(in millions of USD)				
<b>Cash and cash equivalents</b> .....	142.3	—	142.3	220.9	363.3
<b>Debt</b>					
Revolving Credit Facility <sup>(3)</sup> .....	380.7	209.8	590.5	(609.8)	(19.3)
Existing Senior Notes due 2022 <sup>(4)</sup> .....	396.0	—	396.0	(396.0)	—
Existing Senior Notes due 2024 <sup>(5)</sup> .....	742.4	—	742.4	—	742.4
Existing 5.875% Senior Notes due 2025 <sup>(6)</sup> .....	495.0	—	495.0	—	495.0
Existing 3.000% Senior Notes due 2025 <sup>(7)</sup> .....	496.0	—	496.0	—	496.0
Existing Senior Notes due 2030 <sup>(8)</sup> .....	992.4	—	992.4	—	992.4
2026 Notes offered hereby <sup>(9)</sup> .....	—	—	—	496.0	496.0
2031 Notes offered hereby <sup>(10)</sup> .....	—	—	—	744.1	744.1
<b>Total long-term debt</b> <sup>(11)</sup> .....	<b>3,502.5</b>	<b>209.8</b>	<b>3,712.3</b>	<b>234.3</b>	<b>3,946.6</b>
NOK Bond <sup>(12)</sup> .....	209.8	(209.8)	—	—	—
<b>Total short-term debt</b> .....	<b>209.8</b>	<b>(209.8)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total equity</b> <sup>(13)</sup> .....	<b>1,912.1</b>	<b>—</b>	<b>1,912.1</b>	<b>(10.3)</b>	<b>1,901.7</b>
<b>Total capitalization</b> <sup>(14)</sup> .....	<b>5,624.4</b>	<b>—</b>	<b>5,624.4</b>	<b>224.0</b>	<b>5,848.4</b>

(1) Represents our unaudited consolidated cash and cash equivalents and capitalization as of June 30, 2020, on an *as adjusted* basis to give effect to the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020. The NOK Bond was repaid with drawings under the Revolving Credit Facility.

(2) Represents our unaudited consolidated cash and cash equivalents and capitalization as of June 30, 2020, on an *as further adjusted* basis to give effect to the issuance of the Notes offered hereby, including the application of the net proceeds therefrom to redeem all the outstanding Existing Senior Notes due 2022 and to pay related redemption premia, repay outstanding amounts under the Revolving Credit Facility (without reducing commitments) and for general corporate purposes, as set forth under “*Use of proceeds*.”

(3) We entered into a revolving credit facility agreement on May 23, 2019 between, among others, Aker BP as borrower and DNB Bank ASA as facility agent, providing us with a senior unsecured revolving credit facility with aggregate commitments of \$4.0 billion. During the period from June 30, 2020 to September 18, 2020, we made net drawings of \$50 million under our Revolving Credit Facility. See “*Description of certain financing arrangements—Revolving Credit Facility*.”

The *as adjusted* amount shown represents the Revolving Credit Facility, *as adjusted* to give effect to the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020. The NOK Bond was repaid with drawings under the Revolving Credit Facility.

The *as further adjusted* amount shown represents the Revolving Credit Facility *as further adjusted* to give effect to the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of Proceeds*,” and includes \$19.3 million in connection with the remaining amortization fee on the undrawn commitments under the Revolving Credit Facility.

(4) Represents the Existing Senior Notes due 2022, net of unamortized fees of \$4.0 million incurred as of June 30, 2020 in connection with the issuance thereof. For a discussion of the Existing Senior Notes due 2022, see “*Description of certain financing arrangements—Existing Senior Notes due 2022*.”

The *as further adjusted* amount shown represents the Existing Senior Notes due 2022 *as further adjusted* to give effect to the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of Proceeds*.”

(5) Represents the Existing Senior Notes due 2024, net of unamortized fees of \$7.6 million incurred as of June 30, 2020 in connection with the issuance thereof. For a discussion of the Existing Senior Notes due 2024, see “*Description of certain financing arrangements—Existing Senior Notes due 2024*.”

(6) Represents the Existing 5.875% Senior Notes due 2025, net of unamortized fees of \$5.0 million incurred as of June 30, 2020 in connection with the issuance thereof. For a discussion of the Existing 5.875% Senior Notes due 2025, see “*Description of certain financing arrangements—Existing 5.875% Senior Notes due 2025*.”

- (7) Represents the Existing 3.000% Senior Notes due 2025, net of unamortized fees of \$4.0 million incurred as of June 30, 2020 in connection with the issuance thereof. For a discussion of the Existing 3.000% Senior Notes due 2025, see “*Description of certain financing arrangements—Existing 3.000% Senior Notes due 2025.*”
- (8) Represents the Existing Senior Notes due 2030, net of unamortized fees of \$7.6 million incurred as of June 30, 2020 in connection with the issuance thereof. For a discussion of the Existing Senior Notes due 2030, see “*Description of certain financing arrangements—Existing Senior Notes due 2030.*”
- (9) Reflects the impact of the effects of estimated unamortized fees of \$4.0 million in connection with the issuance of the 2026 Notes offered hereby.
- (10) Reflects the impact of the effects of estimated unamortized fees of \$5.9 million in connection with the issuance of the 2031 Notes offered hereby.
- (11) Total long-term debt excludes \$156.4 million of long-term lease debt.
- (12) The NOK Bond was fully repaid on July 2, 2020.
- (13) Represents the impact on total equity of the expensing of the Initial Purchasers’ discounts of \$5.8 million and in respect of the redemption of the Existing Senior Notes due 2022 as if such redemption had occurred as at June 30, 2020, the expensing of \$4.0 million of unamortized fees and redemption premia of \$6.0 million (net of taxes of \$5.5 million).
- (14) Capitalization is calculated as the sum of total long-term debt and total equity.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is intended to assist in providing an understanding of our financial condition, changes in historical financial condition and results of operations as of and for the years ended December 31, 2017, 2018 and 2019 and as of and for the six months ended June 30, 2019 and 2020. Following the Hess Norge Acquisition, our audited financial statements as of and for the year ended December 31, 2017, incorporated by reference into this Offering Memorandum, include the financial information of Hess Norge from December 22, 2017. The words "we," "us," "our," "Aker BP" and the "Company" refer to Aker BP ASA together with its subsidiaries on a consolidated basis. We encourage you to read the following discussion in conjunction with the section entitled "Summary financial information" as well as with our financial statements and the related notes thereto incorporated by reference into this Offering Memorandum. The following discussion includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of some of those risks and uncertainties please refer to the sections entitled "Forward-looking statements" and "Risk factors."

### Overview

We are a Norwegian oil and gas company with exploration, development and production activities exclusively on the NCS. We rank among the largest independent E&P companies in Europe measured by production. Headquartered in Bærum, Norway, with branch offices in Stavanger, Trondheim, Sandnessjøen and Harstad, Norway, we had 1,756 total employees as of June 30, 2020. We are currently listed on the Oslo Stock Exchange under the symbol "AKERBP." As of June 30, 2020, we had a portfolio of 142 licenses, with 86 as operator and 56 as a field participant.

As of June 30, 2020 we have interests in seventeen producing fields, predominantly concentrated around six production hubs on the NCS. Our key producing assets are: (i) the Alvheim field, (ii) the Ivar Aasen field, (iii) the Valhall field, (iv) the Ula field, (v) the Skarv field and (vi) the Johan Sverdrup field. In total we operate eleven fields as certain of our operated producing assets contain several fields. Our average net production for the year ended December 31, 2019 was 155.9 Mboepd (80% liquids and 20% gas). Our average net production for the six months ended June 30, 2020 was 208.9 Mboepd (84% liquids and 16% gas).

Our net profit and EBITDAX were negative \$96.9 million and \$2,474.4 million, respectively, for the twelve months ended June 30, 2020. For an explanation of EBITDAX, see "Summary historical and as adjusted selected financial information—Other historical and as adjusted financial information."

### Our assets

The following table provides a summary of our producing assets and the average net production therefrom for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

Asset	Working interest	Operator	Average net production (boepd)				
			Year ended December 31,		Six months ended June 30,		
			2017 <sup>(8)</sup>	2018 <sup>(9)</sup>	2019	2019	2020
<i>Producing</i>							
Alvheim <sup>(1)</sup>	57.6/65.0%	Aker BP	53,849	40,724	39,183	41,701	35,383
Bøyla	65.0%	Aker BP	4,357	2,913	4,071	2,098	7,099
Gina Krog <sup>(2)</sup>	3.3%	Equinor	798	1,748	1,719	2,085	752
Hod <sup>(3)</sup>	90.0%	Aker BP	530	937	839	647	603
Ivar Aasen <sup>(4)</sup>	34.8%	Aker BP	18,100	23,523	21,810	20,794	22,397
Johan Sverdrup <sup>(5)</sup>	11.6%	Equinor	—	—	7,945	—	47,452
Skarv	23.8%	Aker BP	26,680	25,344	22,260	22,608	20,194
Skogul	65.0%	Aker BP	—	—	—	—	4,760
Tambar / Tambar East	55.0/46.2%	Aker BP	1,941	3,402	2,243	1,684	3,287
Ula	80.0%	Aker BP	6,466	6,032	4,517	4,488	4,881
Valhall <sup>(3)</sup>	90.0%	Aker BP	13,357	35,041	38,166	34,467	47,921
Vilje	46.9%	Aker BP	5,304	4,034	2,326	3,024	3,366
Volund	65.0%	Aker BP	7,342	11,842	8,858	8,140	7,142
Oda	15.0%	Spirit Energy	—	—	1,770	1,031	3,441
Other <sup>(6)</sup>	—	—	103	118	146	136	266
<b>Net production</b>			<b>138,825</b>	<b>155,658</b>	<b>155,852</b>	<b>142,904</b>	<b>208,944</b>
Over/underlift			—	—	1,795	8,399	10,799
<b>Net sold volume<sup>(7)</sup></b>			<b>—</b>	<b>—</b>	<b>157,647</b>	<b>151,303</b>	<b>219,742</b>

- (1) The Alvheim field consists of the Kneler, Boa, Kameleon, East Kameleon and Viper-Kobra structures and the Gekko discovery. We own a 57.6% interest in the Boa unit, which has been unitized, and a 65.0% interest in the rest of the Alvheim field.
- (2) We transferred our entire interest in the Gina Krog field to PGNiG Upstream Norway AS as of April 30, 2020.
- (3) The average net production of the Valhall and Hod fields for the year ended December 31, 2017 reflects the average net production prior to the Hess Norge Transactions. As a result of the Hess Norge Transactions, our working interest in the Valhall and Hod fields increased to 90.0% (from 36.0% and 37.5%, respectively).
- (4) The Ivar Aasen field is comprised of the Ivar Aasen Unit, in which we have a 34.8% interest, and the Hanz deposit, in which we have a 35.0% interest.
- (5) Production commenced at the Johan Sverdrup field in October 2019.
- (6) "Other" includes the Atla and Enoch fields.
- (7) From January 1, 2019, we have adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Under the sales method, revenue reflects actual sales regardless of our share of net production. See "*Presentation of Financial Information—Historical Financial Information.*"
- (8) For the year ended December 31, 2017, production figures exclude the production of the Hess Norge Assets as from December 22, 2017, the closing date of the Hess Norge Acquisition through December 31, 2017.
- (9) For the year ended December 31, 2018, production figures include the production of the Hess Norge Assets as from January 1, 2018.

Our total net production and average net production in 2019 was 56.9 mmmboe and 155,852 boepd, respectively.

Our operating team has a history of delivering strong operational performance and low production costs. We had overall production efficiency of 91% and 92% for the years ended December 31, 2018 and 2019, respectively, and 94% for the six months ended June 30, 2020. Our production costs were \$12.1/boe and \$12.4/boe for the years ended December 31, 2018 and 2019, respectively, and \$8.9/boe for the six months ended June 30, 2020 (based on produced volumes). Following commencement of production at the Johan Sverdrup field in October 2019, our production costs have been reduced due to the low production costs associated with this field.

## Reserves

As of December 31, 2019, our 2P reserves were estimated to be 906 mmmboe (83% oil and NGLs). We expect to continue to grow this reserve base through a balance of exploration of new areas, acquisitions and the continued development of our existing fields and discoveries.

The following table sets forth certain information with respect to our estimated 1P and 2P reserves as of December 31, 2017, 2018 and 2019.

	<b>Reserves (mmmboe)</b>		
	<b>as of December 31,</b>		
	<b>2017<sup>(1)</sup></b>	<b>2018<sup>(2)</sup></b>	<b>2019<sup>(3)</sup></b>
1P reserves .....	692	683	666
2P reserves <sup>(4)</sup> .....	914	917	906

*Source:* Management estimates; reserves as of December 31, 2017, 2018 and 2019 certified by AGR (in each case, except Enoch and Atla).

- (1) Based on an oil price assumption of \$58/bbl (2018) and \$66.6/bbl thereafter, and a gas price assumption of 39.3/pence-therm (2018) and 34.6/pence-therm (2019, 2020 and 2021).
- (2) Based on an oil price assumption of \$75.0/bbl (2019), \$72.0/bbl (2020), \$70.0/bbl (2021) and \$65.0/bbl thereafter, and a gas price assumption of 52.4/pence-therm (2019), 43.8/pence-therm (2020 and 2021) and 45.5/pence-therm (2022).
- (3) Based on an oil price assumption of \$70.0/bbl (2020) and \$65.0/bbl thereafter, and a gas price assumption of \$5.0/mmbtu (2020 and 2021), \$5.5/mmbtu (2022), \$6.0/mmbtu (2023) and \$7.0/mmbtu thereafter.
- (4) 2P reserves (proved plus probable reserves) are inclusive of 1P reserves (proved reserves).

We are a Norwegian oil and gas company with exploration, development and production activities exclusively on the NCS. As of June 30, 2020, we had over 140 licenses on the NCS making us the third-largest license holder on the NCS by number of licenses, after Equinor and Petoro AS. Most of these licenses are located in the mature area of the North Sea, close to existing infrastructure, where the economic threshold for field development is lower than in the more frontier areas of the shelf. We have balanced our interests in the more mature areas of the NCS, a comparably low risk operating environment, with some high-risk/high-reward opportunities in the Barents Sea.

With a strong portfolio of producing assets, large fields under development and a strong exploration portfolio, we are well-positioned across all stages of the E&P life cycle and for future growth of production and reserves.

## Significant factors affecting results of operations

### Hess Norge Transactions

On December 22, 2017 we completed the acquisition of 100% of the shares in Hess Norge, a wholly owned subsidiary of Hess Norway Investments Limited, for a cash consideration of \$2 billion, excluding interim settlement amounts (the “**Hess Norge Acquisition**”). The operations of Hess Norge have been included in our consolidated financial statements from December 22, 2017. We also assumed Hess Norge’s tax positions, including a tax loss carry forward with a nominal after tax value of \$1.5 billion (being the NOK denominated tax loss carry forward balance of NOK 13.0 billion as booked in Hess Norge’s audited financial statements as of and for the year ended December 31, 2016, translated at an exchange rate of 8.62).

In connection with the Hess Norge Acquisition, we obtained a \$1.5 billion bridge loan facility, the terms of which included a mandatory repayment clause triggered by the refund of the Hess Norge tax loss carry forward. The refund took place in November 2018 and the bridge loan facility was repaid and cancelled at the same time.

The table below sets out Hess Norge’s interests on the NCS, all of which we acquired as part of the Hess Norge Acquisition.

<u>License</u>	<u>Field/prospect</u>	<u>Working interest</u>	<u>Operator</u>
006 B(1) .....	Valhall	64.2%	Aker BP
033.....	Hod	62.5%	Aker BP
033 B <sup>(1)</sup> .....	Valhall	62.5%	Aker BP
220.....	Norwegian Sea	15.0%	Equinor

(1) We also acquired Hess Norge’s 64.1% working interest in the Valhall Unit.

Subsequently, in connection with the completion of the Hess Norge Acquisition, we sold a 10.0% stake in the each of the Valhall and Hod fields to Pandion for a cash consideration of \$170 million on December 22, 2017 (together with the Hess Norge Acquisition, the “**Hess Norge Transactions**”). Following completion of the Hess Norge Transactions, and giving effect to the interests we held in the Valhall and Hod fields prior to the Hess Norge Transactions, we hold a 90.0% interest in each of the Valhall and Hod fields, which was reflected in our production reporting as from January 1, 2018.

We accounted for the Hess Norge Acquisition as a business combination using the purchase method of accounting in accordance with IFRS 3, which involved measuring the cost of the Hess Norge Acquisition and allocating it to identifiable assets acquired and identifiable liabilities assumed, measured at their fair value as of the date of completion. After the Hess Norge Acquisition, we allocated the excess of the consideration paid for Hess Norge over the fair value of Hess Norge’s identifiable net assets to goodwill, in the amount of \$181.9 million. For the year ended December 31, 2018 and 2019 and the six months ended June 30, 2020, respectively, no impairment charge to this goodwill has been recognized. As of June 30, 2020, the remaining goodwill attributable to the Hess Norge Acquisition primarily relates to the requirement to recognize deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination.

### Production volumes

Production volumes are a primary revenue driver. Our production levels also affect our reserves and depletion charges. The following table details our production on a historical basis for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020. For additional information, see “*Management’s discussion and analysis of financial condition and results of operations.*”

	<u>Year ended December 31,</u>			<u>Six months ended June 30,</u>	
	<u>2017</u>	<u>2018<sup>(1)</sup></u>	<u>2019</u>	<u>2019</u>	<u>2020</u>
			<b>(in boepd)</b>		
Average net liquid production .....	108,589	122,554	124,846	112,361	175,435
Average net gas production .....	30,236	33,104	31,007	30,543	33,508
<b>Average net production.....</b>	<b>138,825</b>	<b>155,658</b>	<b>155,852</b>	<b>142,904</b>	<b>208,944</b>

(1) Oil and gas production for the year ended December 31, 2018 includes production from the legacy Hess Norge assets from January 1, 2018.

The following table provides a summary of our production licenses and, as applicable, the average net production therefrom for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

Asset	Working interest	Operator	Average net production (boepd)				
			Year ended December 31,			Six months ended June 30,	
			2017 <sup>(8)</sup>	2018 <sup>(9)</sup>	2019	2019	2020
<i>Producing</i>							
Alvheim <sup>(1)</sup>	57.6/65.0%	Aker BP	53,849	40,724	39,183	41,701	35,383
Bøyla	65.0%	Aker BP	4,357	2,913	4,071	2,098	7,099
Gina Krog <sup>(2)</sup>	3.3%	Equinor	798	1,748	1,719	2,085	752
Hod <sup>(3)</sup>	90.0%	Aker BP	530	937	839	647	603
Ivar Aasen <sup>(4)</sup>	34.8%	Aker BP	18,100	23,523	21,810	20,794	22,397
Johan Sverdrup <sup>(5)</sup>	11.6%	Equinor	—	—	7,945	—	47,452
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Skogul	65.0%	Aker BP	—	—	—	—	4,760
Tambar / Tambar East	55.0/46.2%	Aker BP	1,941	3,402	2,243	1,684	3,287
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Vilje	46.9%	Aker BP	5,304	4,034	2,326	3,024	3,366
Volund	65.0%	Aker BP	7,342	11,842	8,858	8,140	7,142
Oda	15.0%	Spirit Energy	—	—	1,770	1,031	3,441
Other <sup>(6)</sup>	—	—	103	118	146	136	266
<b>Net production</b>			<b>138,825</b>	<b>155,658</b>	<b>155,852</b>	<b>142,904</b>	<b>208,944</b>
Over/underlift			—	—	1,795	8,399	10,799
<b>Net sold volume<sup>(7)</sup></b>			<b>—</b>	<b>—</b>	<b>157,647</b>	<b>151,303</b>	<b>219,742</b>

- (1) The Alvheim field consists of the Kneler, Boa, Kameleon, East Kameleon and Viper-Kobra structures and the Gekko discovery. We own a 57.6% interest in the Boa unit, which has been unitized, and a 65.0% interest in the rest of the Alvheim field.
- (2) We transferred our entire interest in the Gina Krog field to PGNiG Upstream Norway AS as of April 30, 2020.
- (3) The average net production of the Valhall and Hod fields for the year ended December 31, 2017 reflects the average net production prior to the Hess Norge Transactions. As a result of the Hess Norge Transactions, our working interest in the Valhall and Hod fields increased to 90.0% (from 36.0% and 37.5%, respectively).
- (4) The Ivar Aasen field is comprised of the Ivar Aasen Unit, in which we have a 34.8% interest, and the Hanz deposit, in which we have a 35.0% interest.
- (5) Production commenced at the Johan Sverdrup field in October 2019.
- (6) "Other" includes the Atla and Enoch fields.
- (7) From January 1, 2019, we have adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Under the sales method, revenue reflects actual sales regardless of our share of net production. See "Presentation of Financial Information—Historical Financial Information."
- (8) For the year ended December 31, 2017, production figures exclude the production of the Hess Norge Assets as from December 22, 2017, the closing date of the Hess Norge Acquisition through December 31, 2017.
- (9) For the year ended December 31, 2018, production figures include the production of the Hess Norge Assets as from January 1, 2018.

In Norway, where Aker BP has production on the NCS, the Norwegian government announced unilateral oil production cuts portioned out to relevant fields via their production licenses of 250,000 barrels a day in June and 134,000 barrels per day in the second half of 2020, and further announced that the start-up of production at several fields would be delayed until 2021. The production curtailments implemented by the MPE have resulted in decreased second quarter production from our Ivar Aasen, Johan Sverdrup, Ula and Tambar fields, and the oil wells at Skarv have been shut-down in order to stay within the production limits imposed by MPE. The average impact on our production is expected to be approximately 5,000 boepd for 2020. For the second quarter of 2020, the production curtailments imposed in Norway have been mitigated by our strong operational performance and increased capacity at Johan Sverdrup.

### Crude oil and gas prices

Our results of operations are affected by the market price for crude oil and gas. Crude oil and gas prices have historically been volatile, dependent upon the balance between global supply and demand and particularly sensitive to OPEC production levels.

#### Crude oil prices

Crude oil prices fell significantly in March 2020, due to a supply surplus from OPEC+ members occurring simultaneously with a collapse in demand due to the impact of the COVID-19 pandemic. Crude oil

prices slightly recovered in the second quarter of 2020 primarily due to the announcement that OPEC+ would cut production starting May 1, 2020.

Although our results of operations during the six months ended June 30, 2020 were negatively impacted by oil price declines, this impact was partially mitigated by our hedging program. With the current unstable macro-environment, we are continuously evaluating and assessing opportunities for hedging as part of a prudent financial risk management process. Our total hedging volume for the year ending December 31, 2020 is approximately 20% of our estimated oil production for 2020, corresponding to approximately 70% of the after-tax value of our production. As of June 30, 2020, we have put options in place for approximately 19% of our estimated oil production in the second half of 2020, corresponding to approximately 67% of the after-tax value of our production. The average strike price for these put options is \$28.40/bbl. See “*Risk factors—Risks relating to the oil and gas industry—Our business depends significantly on the level of oil and gas prices, which are volatile and have recently declined significantly. If oil and gas prices remain at current levels or decline further, our results of operations, cash flows, financial condition and access to capital could be material and adversely affected.*”

The average Brent crude oil quoted price increased from \$54.74 per barrel for the year ended December 31, 2017 to \$71.69 per barrel for the year ended December 31, 2018. The average Brent crude price decreased in the year ended December 31, 2019, with an average Brent crude oil price of \$64.16.

The following table sets forth information on Brent crude oil prices for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

(in \$/bbl)	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
Average price for the period.....	54.74	71.69	64.16	66.17	42.10
Highest price for the period.....	67.02	86.29	74.57	74.57	68.91
Lowest price for the period.....	44.82	50.47	54.91	54.91	19.33

Source: Bloomberg

Our oil sales are generally priced against the Norwegian crude oil benchmark, the Norm price, which tracks the Brent crude price. The Norm price is set quarterly by an independent body appointed by the Norwegian Government, the Norm Price Board.

#### Gas prices

European spot natural gas prices strengthened significantly in 2018. The following table sets forth information on average quoted gas prices for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

(in pence/therm)	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
Average price for the period.....	45.34	59.32	37.88	40.05	18.82
Highest price for the period.....	66.31	77.71	63.55	63.55	33.07
Lowest price for the period.....	33.72	46.67	24.18	24.18	8.34

Source: Bloomberg

#### Impairment of assets

Movements in crude oil and gas prices also have a significant effect on the carrying value of our assets and results of operations in that we consider decreases in market prices for crude oil and gas as impairment triggers of our fixed assets, related intangible assets and goodwill. We recognize impairment charges when the book value of an asset or a cash-generating unit, including allocated goodwill, exceeds its recoverable amount, and our management’s estimates regarding future crude oil and gas prices are key assumptions of our assessment of recoverable amounts. The main parts of the goodwill recognized from the Marathon Acquisition, the BP Acquisition and the Hess Norge Acquisition are, for the purpose of impairment testing, allocated to fields from Marathon Norway, BP Norge, and Hess Norge, respectively. Hence, this goodwill will have a limited lifetime and needs to be fully removed from the balance sheet when the relevant fields have no more economical reserves. According to IFRS, goodwill shall not be subject to depreciation and the decrease in goodwill therefore needs to be presented as impairment. Going forward, management therefore expects additional impairment charges of the

goodwill recognized in both the Marathon Acquisition and the BP Acquisition. For the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, we recognized total net impairment charges of \$230.8 million with respect to goodwill associated with the BP Acquisition and we recognized no impairment charges with respect to goodwill associated with the Marathon Acquisition and the Hess Norge Acquisition.

### ***Project management and operational efficiency***

We are engaged in complex, long-term, capital intensive projects requiring a high degree of project management expertise to maximize efficiency. Specific factors that can affect the performance of major projects include our ability to: negotiate successfully with other license participants, governments, suppliers, customers, or others; manage changes in operating conditions and costs, including costs of third party equipment or services such as drilling rigs and transportation; and prevent, to the extent possible, and respond effectively to unforeseen technical difficulties that could delay project startup or cause unscheduled project downtime. An important component of our competitive performance, especially given the commodity-based nature of our business, is our ability to operate efficiently, including our ability to manage expenses and optimize production yields on an ongoing basis. This requires continuous management focus, including technology improvements, cost control, productivity enhancements, regular reappraisal of our asset portfolio, and the recruitment, development and retention of high caliber employees.

Following the Marathon Acquisition and the BP Acquisition, we combined the exploration and development capabilities of the Aker BP team with the significant operational expertise and knowledge of the BP Norge and Marathon Norway teams.

### ***Taxation***

Taxation has a significant impact on our results of operations, as we have benefited from tax incentives provided under Norwegian law to licensees that operate on the NCS. The Norwegian fiscal regime incentivizes offshore investments through special rules relating to depreciation and uplift.

The total marginal income tax rate for companies engaged in upstream petroleum activities is 78%, consisting of a 22% general corporate tax and a 56% special petroleum tax to the Norwegian Government for the income year 2020.

Companies that are not in a tax paying position may claim a cash refund from the Norwegian Government every year equal to the tax value of direct and indirect costs (other than financial charges) incurred in exploration for petroleum resources. The tax value of such direct and indirect costs equals their aggregate amount multiplied by the current combined petroleum tax rate of 78% (comprising of the corporate tax rate of 22% and a special petroleum tax rate of 56% for the income year 2020. See “*Regulation—The Petroleum Taxation Act*”). The refund will reduce the tax loss carry-forward correspondingly. The amount of exploration cost may not exceed a company’s annual net loss from petroleum activities, to ensure that the costs have not already been offset against taxable income.

Under current Norwegian tax law, investments made in production facilities, pipelines and related installations can be depreciated on a straight line basis over six years (78% tax rate), commencing on the date we incurred the capital expenditure. Further, such investment is subject to a special uplift deduction of 5.2% (as per the 2020 rate) over four years against the special petroleum tax (56% tax rate in 2020). For investment costs incurred from May 5, 2013 until December 31, 2016, the uplift rate is 5.5% over four years. For investment costs incurred in 2017, the uplift rate is 5.4% over four years. For investment costs incurred in 2018, the uplift rate is 5.3% over four years. As such, the Norwegian tax regime allows us to offset investments made on the Johan Sverdrup and Ivar Aasen projects against income from production from producing fields, such as the Alvheim Area Fields, Valhall and Skarv based on the above depreciation and uplift profiles. See “*Regulation—The Petroleum Taxation Act*” for further details on the Norwegian petroleum tax system. As of June 30, 2020, the value of our tax balances was approximately \$2.1 billion.

In addition, in an effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 pandemic, the Norwegian Government on June 19, 2020 enacted temporary targeted changes to Norway’s petroleum tax system for investments incurred in 2020 and 2021. The changes were effective from January 1, 2020 and provide companies with a direct tax deduction in the special petroleum tax (56% tax rate) instead of tax depreciation over six years. Tax uplift benefit, which has increased from 20.8% to 24%, will be recognized over one year instead of four years. Tax depreciation towards the ordinary corporate tax (22% tax rate) will continue with a six-year depreciation profile. These changes also apply for all investments



according to PDOs/PIOs which have been submitted by the end of 2022 and approved by the MPE between May 12, 2020 and January 1, 2024. The benefits of these tax changes, however, will only apply to investments up to and including the year of planned “first oil” as defined in the approved PDO/PIO. In addition, the tax value of any losses incurred in 2020 and 2021 can be refunded from the state. We believe the totality of the petroleum tax changes will lead to more favorable returns on our investments in field developments and strengthen our liquidity. The impact of the retrospective application of the temporary changes in the tax regulation (changes related to first quarter) is an income of \$40 million included in the line item tax expense (+)/income (-).

In accordance with statutory requirements, our calculation of current tax is required to be based on NOK functional currency and we must pay our taxes in NOK. This may impact our tax rate, as our functional currency is USD. Our tax balances in NOK are converted in our financial statements to USD using their period end currency rate. When NOK weakens against the USD, the tax rate increases as there is less remaining tax depreciation in USD (and vice versa).

### ***Significant factors affecting comparability***

#### ***Hess Norge Transactions***

The operations of Hess Norge have been included in Aker BP’s consolidated financial statements, incorporated by reference into this Offering Memorandum, from December 22, 2017, the completion date of the Hess Norge Acquisition. We consider the impact on the income statement for the period between December 22, 2017 (the closing date of the Hess Norge Acquisition) and December 31, 2017 to be immaterial, except for certain currency impacts which have been reflected in the financial statements.

### ***Changes to accounting principles***

#### ***Changes in accounting principles for revenue recognition***

As a result of recent developments in International Financial Reporting Interpretations Committee discussions regarding the interpretation of IFRS 15 (*Revenue from Contracts with Customers*), we changed our accounting principles for revenue recognition from the entitlement method to the sales method from January 1, 2019. Under the sales method, changes in over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Under the entitlement method, we previously recognized revenue on the basis of the proportionate share of production during the period, regardless of actual sales. As a result of our adoption of the sales method of revenue recognition, the comparative figures for the year ended December 31, 2018 with respect to the income statement, statement of comprehensive income and statement of cash flow, and as of December 31, 2018 with respect to the statement of financial position that are included in the audited consolidated financial statements as of and for the year ended December 31, 2019 have been restated to give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018. We have not restated any other prior periods. See “—*Recent accounting pronouncements.*”

#### ***IFRS 16 Leases***

We adopted IFRS 16 with effect from January 1, 2019. See “—*Recent accounting pronouncements*” for an explanation of how the adoption impacted our audited consolidated financial statements as of and for the year ended December 31, 2019 and is expected to affect our financial statements in future periods.

### **Explanation of income statement items**

#### ***Petroleum revenues***

Petroleum revenues include recognized oil income, gas income and tariff income. From January 1, 2019, revenues from petroleum products are recognized on the basis of actual volumes sold (sales method). Prior to January 1, 2019, revenues from petroleum production were recognized on the basis of the Company’s working interest in its respective licenses and the associated production during the period, regardless of actual sales (entitlement method). Revenue is presented net of customs, excise taxes and royalties paid in kind on petroleum products. See “*Significant factors affecting results of operations—Changes in accounting principles for revenue recognition.*”

### ***Other operating income***

Other operating income includes revenues gained outside of our producing assets and relate primarily to gains on asset swaps, gains/losses on commodity derivatives and non-recurring items such as gains arising from changes to the pension schemes.

### ***Production costs***

Production costs include costs associated with the operation and maintenance of subsea installations, modifications, production vessels, platforms/FPSOs, well intervention and workover activities and environmental tax. Production costs also include provisions for onerous contracts as well as the share of payroll and administration expenses that can be ascribed to operations. As a result of the change in accounting principles for revenue recognition, production costs from January 1, 2019 (as well as the restated production costs for the year ended December 31, 2018 included in the audited consolidated financial statements as of and for the year ended December 31, 2019, incorporated by reference into this Offering Memorandum) are based on sold volumes. Prior to January 1, 2019, production costs were based on produced volumes. See “—*Recent accounting announcements.*”

### ***Exploration expenses***

Exploration expenses include seismic, area fees, expensed capitalized wells, and other exploration costs. We expense all exploration costs as incurred, except for the acquisition costs of licenses (which are capitalized as intangible assets) and drilling costs for exploration wells (which are temporarily capitalized pending the evaluation of potential discoveries of oil and gas resources and charged to the income statement if no resources are discovered or if their recovery is considered technically or commercially unfeasible).

### ***Depreciation***

Depreciation includes the depreciation of tangible assets, such as production facilities, removal and decommissioning costs, wells, office machinery, fixtures and fitting and intangible assets, such as licenses and software. For more information regarding the calculation of depreciation, please see “—*Critical accounting policies and judgments—Depreciation.*”

### ***Impairments***

We regularly assess our assets with a finite useful life for potential loss in value when certain events or changes in circumstances indicate that the book value of the assets is materially higher than the recoverable amount. The recoverable amount is the higher of the asset’s fair value less cost to sell and value in use. Impairment losses include any necessary decrease in the book value that occurs from such an assessment. For producing licenses and licenses in the development phase, recoverable amount is estimated based on discounted future after tax cash flows. Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves. Impairment of goodwill is valued by assessing the recoverable value of the cash-generating unit to which the goodwill is related. Changes in oil and gas prices may affect the carrying value of our assets and result in the need to make impairments.

### ***Other operating expenses***

Other operating expenses consist of costs not directly related to our producing assets, such as office costs, advertising and profiling expenses, travel expenses, underwriters’, consultants’ and auditors’ fees, preparation for operation on development licenses and other administrative costs.

### ***Interest income***

Interest income consists of interest revenue gained from interest-bearing assets, including cash held on account of the other license participants.

### ***Other financial income***

Other financial income includes return on financial investments and derivatives, currency gains and gains realized and unrealized through the change in fair value of certain financial instruments we hold.

## Interest expenses

Interest expenses include general interest expenses related to interest-bearing loans and amortized loan costs, reduced by capitalized interest development costs for projects.

## Other financial expenses

Other financial expenses include currency losses, accretion, realized losses on certain financial instruments we hold and unrealized losses in the fair value of certain financial instruments we hold.

## Tax expense (+)/income (-)

Our tax expense/income recorded includes changes in our recognized deferred taxes and taxes payable directly against our profit for the period (or tax loss recorded if we are not profitable for the period). If there is a tax loss, we may receive a refund corresponding to the tax on our exploration activity, which is recognized as tax benefit. In connection with the temporary targeted changes to Norway's petroleum tax system, we may receive a refund corresponding to the total tax value of any losses incurred in 2020 and 2021.

## Results of operations

The table below sets out a summary of our income statement information for the periods presented.

	Year ended December 31,			Six months ended	
	2017	2018	2018 <sup>(1)</sup> (restated) (in millions of USD)	2019	2020
<b>Results</b>					
Petroleum revenues .....	2,575.7	3,711.5	3,713.0	3,338.7	1,638.2
Other operating income/Other income .....	(12.7)	38.6	38.6	8.4	(17.1)
<b>Total income</b> .....	<b>2,562.9</b>	<b>3,750.1</b>	<b>3,751.6</b>	<b>3,347.1</b>	<b>1,621.1</b>
Production costs .....	523.4	689.1	693.6	720.3	398.8
Exploration expenses .....	225.7	295.9	295.9	305.5	150.6
Depreciation .....	726.7	752.4	752.4	811.9	351.0
Impairments .....	52.3	20.2	20.2	146.8	68.9
Other operating expenses .....	27.6	17.0	17.0	35.3	10.7
<b>Total operating expenses</b> .....	<b>1,555.7</b>	<b>1,774.7</b>	<b>1,779.1</b>	<b>2,019.8</b>	<b>980.1</b>
<b>Operating profit/(loss)</b> .....	<b>1,007.2</b>	<b>1,975.4</b>	<b>1,972.5</b>	<b>1,327.2</b>	<b>641.0</b>
Interest income .....	7.7	26.0	26.0	16.5	12.8
Other financial income .....	75.5	141.8	141.8	35.3	16.6
Interest expenses .....	103.6	120.0	120.0	76.6	29.4
Other financial expenses .....	175.7	218.3	218.3	218.1	123.6
<b>Net financial items</b> .....	<b>(196.1)</b>	<b>(170.5)</b>	<b>(170.5)</b>	<b>(243.0)</b>	<b>(123.6)</b>
<b>Profit/(loss) before taxes</b> .....	<b>811.1</b>	<b>1,804.9</b>	<b>1,802.0</b>	<b>1,084.3</b>	<b>517.4</b>
Taxes (+)/tax income (-)/Tax expense (+)/income (-) .....	536.3	1,328.5	1,326.2	943.2	444.5
<b>Net profit/(loss)</b> .....	<b>274.8</b>	<b>476.4</b>	<b>475.8</b>	<b>141.1</b>	<b>(165.0)</b>

- (1) The audited consolidated financial statements as of and for the year ended December 31, 2019, incorporated by reference into this Offering Memorandum, give effect to a change in accounting principles for revenue recognition. From January 1, 2019, Aker BP has adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Aker BP previously used the entitlement method, whereby revenue was recognized on the basis of the proportionate share of production during the period, regardless of actual sales. The restated consolidated financial information of Aker BP as of and for the year ended December 31, 2018, included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018.

The table below sets out a summary of our average oil and gas production, average realized oil and NGL and gas prices and production costs for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

	Year ended December 31,			Six months ended	
	2017 <sup>(1)</sup>	2018 <sup>(2)(3)</sup>	2019	2019	2020
Average net production (boepd) .....	138,825	155,658	155,852	142,904	208,944
Average realized oil and NGL price (\$/boe) .....	55.08	70.80	64.80	66.40	36.80
Average realized gas price (\$/Sm3) .....	0.21	0.29	0.18	0.20	0.11
Production costs (\$/boe) .....	10.33	12.10	12.42	14.26	8.91

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- (1) Oil and gas production for the year ended December 31, 2017 includes the Gina Krog field. Oil and gas production for the year ended December 31, 2017 excludes production from the Hess Norge Assets.
  - (2) Oil and gas production for the year ended December 31, 2018 includes the legacy Hess Norge assets.
  - (3) From January 1, 2019, we have adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Under the sales method, revenue reflects actual sales regardless of our share of net production. The comparative figures for the year ended December 31, 2018 have been restated to give effect to the sales method of revenue recognition. See “*Presentation of Financial Information—Historical Financial Information.*”

## ***Comparison of results of operations for the six months ended June 30, 2019 and 2020***

### *Petroleum revenue*

Petroleum revenue decreased by \$274.9 million from \$1,638.2 million for the six months ended June 30, 2019 to \$1,363.3 million for the six months ended June 30, 2020. Our average daily production increased by 66,040 boepd from 142,904 boepd for the six months ended June 30, 2019 to 208,944 boepd for the six months ended June 30, 2020. Our net sold volumes also increased by 68,439 boepd to 219,742 boepd for the six months ended June 30, 2020 compared to 151,303 boepd for the corresponding period in 2019. The decrease in petroleum revenue was primarily the result of lower realized prices in connection with the COVID-19 pandemic and a supply surplus from OPEC+ members, partially offset by an increase in sold volumes due to strong production following the successful start at Johan Sverdrup in the fourth quarter of 2019.

Our average realized oil and NGL price was \$36.80/boe for the six months ended June 30, 2020 compared to \$66.40/boe for the corresponding period in 2019. The average Brent price per barrel was \$42.10 for the six months ended June 30, 2020 compared to \$66.17 for the corresponding period in 2019. Our average realized natural gas price was \$0.11/Sm<sup>3</sup> for the six months ended June 30, 2020 compared to \$0.20/Sm<sup>3</sup> for the corresponding period in 2019.

### *Other income*

Other income increased by \$115.7 million, from a loss of \$17.1 million for the six months ended June 30, 2019 to a gain of \$98.6 million for the six months ended June 30, 2020. The increase in other income was primarily due to realized gains related to our oil price hedging program during the second quarter of 2020. This program consists of put options to provide downside protection. As oil prices decreased during the quarter, the value of these options increased.

### *Production costs*

Production costs decreased from \$398.8 million for the six months ended June 30, 2019 to \$352.2 million for the six months ended June 30, 2020. Production costs per produced unit for the six months ended June 30, 2019 were \$14.26/boe compared to \$8.91/boe for the six months ended June 30, 2020 (based on produced volumes). The decrease in production costs per barrel was due in part to start up of production at the low-production cost Johan Sverdrup field in the fourth quarter of 2019, weaker NOK and the postponements of non-critical activities in response to the COVID-19 pandemic.

### *Exploration expenses*

Exploration expenses decreased by \$50.5 million, from \$150.6 million for the six months ended June 30, 2019 compared to \$100.1 million for the six months ended June 30, 2020. We participated in a total of two exploration wells during the six months ended June 30, 2020 and a total of ten exploration wells during the six months ended June 30, 2019. The decrease in exploration expenses was primarily due to lower dry well cost.

### *Depreciation*

Depreciation increased by \$212.8 million from \$351.0 million for the six months ended June 30, 2019 to \$563.8 million for the six months ended June 30, 2020. The increase in depreciation was primarily due to production start on Johan Sverdrup, Skogul, Valhall Flank West and other projects.

### *Impairments*

Impairments increased by \$448.9 million from \$68.9 million for the six months ended June 30, 2019 to \$517.8 million for the six months ended June 30, 2020. The increase in impairment losses was related to updates to certain of our assumptions near-term oil and gas prices and updated cost and production profiles in the six

months ended June 30, 2020, resulting in a reduction of the valuation of the Ula cash generating unit and Ivar Aasen cash generating unit which triggered an impairment charge of \$223.7 million in total. The remaining impairment in the six months ended June 30, 2020 was recognized on certain exploration projects, mainly King Lear, Trell & Trine, Caterpillar and Filicudi. Impairment losses for the six months ended June 30, 2019 were primarily related to a reduction in the value of the Ula cash generating unit.

#### *Other financial income*

Other financial income increased by \$65.6 million from \$16.6 million for the six months ended June 30, 2019 to \$82.2 million for the six months ended June 30, 2020. The increase in other financial income was primarily the result of currency gains in the first half of 2020, mainly as a result of strengthened USD against NOK.

#### *Interest expenses*

Interest expenses increased by \$58.1 million, from \$29.4 million for the six months ended June 30, 2019 to \$87.5 million for the six months ended June 30, 2020. The increase in interest expenses was primarily due to a decrease in capitalized interest as a result of Johan Sverdrup entering production in the second half of 2019.

#### *Other financial expenses*

Other financial expenses increased by \$49.8 million from \$123.6 million for the six months ended June 30, 2019 to \$173.4 million for the six months ended June 30, 2020. The increase in other financial expenses was primarily due to a realization of foreign exchange derivatives, partly offset on other financial income, and a change in the fair value of derivatives.

#### *Tax expense (+)/income (-)*

Tax expense decreased by \$542.7 million from \$444.5 million for the six months ended June 30, 2019 to an income of \$98.2 million for the six months ended June 30, 2020. The tax benefit of \$98.2 million was primarily due to an increase in deferred tax liabilities and a decrease in tax payable as a result of the recently implemented temporary changes to the Petroleum Tax Law (see “*Significant factors affecting results of operations—Taxation,*” above). The decrease in our effective tax rate for the six months ended June 30, 2020 was primarily due to recently implemented temporary changes to the Petroleum Tax Law partly offset by non-tax deductible impairments of technical goodwill and currency effects.

### ***Comparison of results of operations for the year ended December 31, 2018 (restated) and 2019***

#### *Petroleum revenue*

Petroleum revenue decreased by \$374.4 million from \$3,713.0 million for the year ended December 31, 2018 to \$3,338.7 million for the year ended December 31, 2019. Our average daily production remained relatively stable at 155,658 boepd for the year ended December 31, 2018 and 155,852 boepd for the year ended December 31, 2019. Our net sold volumes also increased by 3,089 boepd to 157,647 boepd for the year ended December 31, 2019 compared to 154,558 boepd for the corresponding period in 2018. The decrease in petroleum revenue was primarily the result of lower realized prices.

Our average realized oil and NGL price was \$64.80/boe for the year ended December 31, 2019 compared to \$70.80/boe for the corresponding period in 2018. The average Brent price per barrel was \$71.69 for the year ended December 31, 2018 compared to \$64.16 for the corresponding period in 2019. Our average realized natural gas price was \$0.18/Sm<sup>3</sup> for the year ended December 31, 2019 compared to \$0.29/Sm<sup>3</sup> for the corresponding period in 2018.

#### *Other operating income*

Other operating income decreased by \$30.2 million, from \$38.6 million for the year ended December 31, 2018 to \$8.4 million for the year ended December 31, 2019. The decrease in other operating income was primarily due to realized and unrealized losses on oil derivatives related to our oil price hedging program. This program consists of put options to provide downside protection. As oil prices increased during the year, the value of these options was reduced.

### *Production costs*

Production costs increased by \$26.7 million, from \$693.6 million for the year ended December 31, 2018 to \$720.3 million for the year ended December 31, 2019. Production costs per produced unit for the year ended December 31, 2018 were \$12.10/boe compared to \$12.42/boe for the year ended December 31, 2019 (based on produced volumes). The increase in production costs per barrel was mainly due to high maintenance activity, particularly at Valhall and Ula.

### *Exploration expenses*

Exploration expenses increased by \$9.6 million, from \$295.9 million for the year ended December 31, 2018 compared to \$305.5 million for the year ended December 31, 2019. In the year ended December 31, 2018, we participated in a total of ten exploration and appraisal wells compared to a total of sixteen exploration wells during the year ended December 31, 2019. The Froskelår appraisal well and the Liatårnet, Ørn, Froskelår NE, Busta and Shrek wells resulted in discoveries. The increase in exploration expenses was primarily due to higher dry well costs, partially offset by lower seismic and field evaluation costs.

### *Depreciation*

Depreciation increased by \$59.5 million from \$752.4 million for the year ended December 31, 2018 compared to \$811.9 million for the year ended December 31, 2019. The increase in depreciation was primarily due to production start on Johan Sverdrup and Frosk Test Producer.

### *Impairments*

Impairments increased by \$126.6 million from \$20.2 million for the year ended December 31, 2018 to \$146.8 million for the year ended December 31, 2019. The increase in impairment losses was related to updates to certain of our assumptions regarding cost and production profiles for future developments and near-term oil and gas prices. This resulted in a reduction of the valuation of the Ula cash generating unit, which triggered an impairment charge of \$147.3 million for the year ended December 31, 2019. The impairment charge for the year ended December 31, 2018 related primarily to Gina Krog, and was partially offset by an impairment reversal of \$5 million on other assets.

### *Other financial income*

Other financial income decreased by \$106.5 million from \$141.8 million for the year ended December 31, 2018 to \$35.3 million for the year ended December 31, 2019. The decrease in other financial income was primarily due to a decrease in realized gains on derivatives, partially offset by higher currency gains arising from USD/NOK exchange rates during the period.

### *Interest expenses*

Interest expenses decreased by \$43.4 million, from \$120.0 million for the year ended December 31, 2018 to \$76.6 million for the year ended December 31, 2019. The decrease in interest expenses was primarily due to higher capitalization of interest costs as the balances for assets under construction increased during 2019, particularly due to construction in connection with the Johan Sverdrup development.

### *Other financial expenses*

Other financial expenses remained relatively stable at \$218.3 million for the year ended December 31, 2018 and \$218.1 million for the year ended December 31, 2019. In 2019, other financial expenses primarily related to a loss associated with changes in the fair value of interest rate and currency derivative contracts in addition to the expense of remaining unamortized fees in relation to the repayment of the RBL Facility.

### *Taxes (+)/tax income (-)*

Tax expense decreased by \$383.0 million from \$1,326.2 million for the year ended December 31, 2018 to \$943.2 million for the year ended December 31, 2019. The decrease in our tax expense was primarily due to lower taxable profits. The increase in our effective tax rate for the year ended December 31, 2019 was primarily due to an impairment of technical goodwill which is not tax deductible.

## ***Comparison of results of operations for the years ended December 31, 2017 and 2018***

### *Petroleum revenue*

Petroleum revenue increased by \$1,135.8 million to \$3,711.5 million for the year ended December 31, 2018, from \$2,575.7 million for the year ended December 31, 2017. Our average daily production increased to 155,658 boepd for the year ended December 31, 2018 from 138,825 boepd for the year ended December 31, 2017. The increase in petroleum revenue and average daily production was primarily the result of the acquisition of Hess Norge and higher average realized oil and NGL and gas prices as further described below. The year ended December 31, 2018 included full year production from, among others, the Hess Norge Assets, including the Hod and Valhall fields, which were acquired as part of the Hess Norge Acquisition.

The higher average realized oil and NGL and gas prices complemented the increase in production. Our average realized oil and NGL price was \$71.92/boe for the year ended December 31, 2018 compared to \$55.08/boe for the corresponding period in 2017. The average Brent price per barrel was \$71.69 for the year ended December 31, 2018 compared to \$54.74 for the corresponding period in 2017. The average realized natural gas price was \$0.29/Sm<sup>3</sup> for the year ended December 31, 2018 compared to \$0.21/Sm<sup>3</sup> for the corresponding period in 2017.

### *Other operating income*

Other operating income increased by \$51.3 million, from a loss of \$12.7 million for the year ended December 31, 2017 to income of \$38.6 million for the year ended December 31, 2018. The increase in other operating income was primarily due to non-recurring tariff compensation, as well as the effect of oil derivative movements, which was positive in 2018.

### *Production costs*

Production costs increased by \$165.7 million from \$523.4 million for the year ended December 31, 2017 to \$689.1 million for the year ended December 31, 2018. Production costs for the year ended December 31, 2018 were \$12.10/boe as compared with \$10.33/boe for the year ended December 31, 2017. The increase in production costs was primarily due to the full-year impact of our increased interest in Valhall and Hod following the Hess Norge Acquisition in the fourth quarter of 2017.

### *Exploration expenses*

Exploration expenses increased by \$70.2 million from \$225.7 million for the year ended December 31, 2017 to \$295.9 million for the year ended December 31, 2018. The increase in exploration expenses was primarily due to an increase in seismic costs and field evaluation costs, mainly related to the exploration drilling of several new exploration growth options in the Tampen area as well as exploration drilling around the Skarv, Alvheim, Ivar Aasen and Ula areas. The increase in exploration expenses was partially offset by lower dry well expenses and area fees.

### *Depreciation*

Depreciation increased by \$25.8 million from \$726.7 million (\$14.3/boe) for the year ended December 31, 2017 to \$752.4 million (\$13.2/boe) for the year ended December 31, 2018. The increase in depreciation was primarily due to increased production from Valhall and Hod following the Hess Norge Acquisition in the fourth quarter of 2017.

### *Impairments*

Impairments decreased by \$32.2 million from \$52.3 million for the year ended December 31, 2017 to \$20.2 million for the year ended December 31, 2018. The impairment losses were primarily due to a \$25.2 million impairment loss on the Gina Krog asset in 2017, partially offset by a \$5.0 million reversal of impairment on other assets.

### *Other financial income*

Other financial income increased by \$66.3 million from \$75.5 million for the year ended December 31, 2017 to \$141.8 million for the year ended December 31, 2018. The increase in other financial income was due to an increase in realized gains on derivatives.

### Interest expenses

Interest expenses increased by \$16.4 million, from \$103.6 million for the year ended December 31, 2017 to \$120.0 million for the year ended December 31, 2018. The increase in interest expenses was primarily due to interest associated with the \$1.5 billion bridge loan facility obtained in connection with the Hess Norge Acquisition.

### Other financial expenses

Other financial expenses increased by \$42.6 million from \$175.7 million for the year ended December 31, 2017 to \$218.3 million for the year ended December 31, 2018. The increase in other financial expenses was primarily due to loss on interest rate and currency derivatives

### Tax expense (+)/income (-)

Tax (expense) increased by \$792.1 million from \$536.3 million for the year ended December 31, 2017 to \$1,328.5 million for the year ended December 31, 2018. The primary reason for the increase in our tax charge was increased income before tax along with the effects of foreign exchange movements.

## Liquidity and capital resources

Our liquidity needs consist of funding operating expenses, changes in working capital, payment of dividends, capital expenditures, debt service requirements and other liquidity requirements that may arise from time to time, including, without limitation, (i) refinancing of outstanding debt, (ii) acquisitions and other investment opportunities, (iii) exploration and development capital expenditure and (iv) payments in the ordinary course of business.

### Debt commitments

The table below shows the payment structure for our financial commitments, based on undiscounted contractual payments, as of June 30, 2020, *as adjusted* to give effect to the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under “*Use of Proceeds.*”

	<u>Book value</u>	<u>Less than 1 year</u>	<u>1 - 2 years</u>	<u>2 - 5 years</u>	<u>Over 5 years</u>	<u>Sum</u>
			(in millions of USD)			
<i>Non-derivative financial liabilities</i>						
Revolving Credit Facility .....	(19.3)	17.1	15.5	14.7	—	47.3
NOK Bond <sup>(1)</sup> .....	209.8	216.2	—	—	—	216.2
Existing Senior Notes due 2024 .....	742.4	36.1	36.1	822.2	—	894.5
Existing 5.875% Senior Notes due 2025 .....	495.0	29.8	29.8	581.9	—	641.5
Existing 3.000% Senior Notes due 2025 .....	496.0	15.2	15.2	538.0	—	568.4
Existing Senior Notes due 2030 .....	992.4	38.0	38.0	114.1	1,171.1	1,361.2
2026 Notes offered hereby <sup>(2)</sup> .....	496.0	7.3	14.6	43.7	515.2	580.8
2031 Notes offered hereby <sup>(3)</sup> .....	744.1	15.2	30.4	91.3	933.8	1,070.6
Trade creditors and other liabilities .....	607.6	607.6	—	—	—	607.6
<i>Derivative financial liabilities</i>						
Derivatives .....	104.8	89.9	15.0	—	—	104.8
<b>Total .....</b>	<b><u>4,868.9</u></b>	<b><u>1,072.4</u></b>	<b><u>194.6</u></b>	<b><u>2,205.9</u></b>	<b><u>2,620.0</u></b>	<b><u>6,093.0</u></b>

(1) The NOK Bond was fully repaid on July 2, 2020.

(2) Represents the \$500 million aggregate principal amount of the 2026 Notes offered hereby, net of estimated unamortized fees of \$4.0 million.

(3) Represents the \$750 million aggregate principal amount of the 2031 Notes offered hereby, net of estimated unamortized fees of \$5.9 million.

Our liquidity requirements arise principally from our capital expenditure and working capital requirements. For the periods presented in this Offering Memorandum, we met our capital expenditure and working capital requirements primarily from oil and gas sales revenues and the proceeds of debt and equity financing. On November 22, 2017 we issued 22,376,438 new shares following a private placement at a subscription price of NOK 184 per share, as part of our funding strategy for the Hess Norge Acquisition.

We believe that, following the issuance of the Notes and the application of proceeds of the Notes offered hereby (see “*Use of Proceeds*”), our operating cash flows, borrowing capacity under the Revolving Credit Facility, and the proceeds of the Notes offered hereby will be sufficient to meet our foreseeable liquidity requirements and



commitments over the next twelve months. Our actual financing requirements will depend on a number of factors, many of which are beyond our control. See “*Risk factors—Risks relating to the Notes and our structure—Our leverage and debt service obligations could adversely affect our business, financial condition, results of operations and our ability to satisfy our obligations under our debt, including the Notes*” and “*Description of certain financing arrangements.*”

### ***Dividend and buy-back program***

In 2017, 2018 and 2019, we paid quarterly dividends of \$0.185 per share, \$0.3124 per share and \$0.5207 per share, respectively, representing total dividend payments of \$250 million in 2017, \$450 million in 2018 and \$750 million in 2019, respectively. We have paid dividends to shareholders on February 24, 2020 (\$0.5901 per share), on May 22, 2020 (\$0.1967 per share), and on August 10, 2020, 2020 (\$0.1967 per share), resulting in a total dividend of \$354.1 million in 2020 to date. In response to the uncertainty caused by the COVID-19 pandemic and the reduction in oil prices during the first quarter of 2020, the Board of Directors retracted the original dividend plan in order to retain financial flexibility and position the Company for future value accretive organic and inorganic growth opportunities. As of the date hereof, it is the ambition of the Board of Directors to pay total dividends of \$425 million in 2020.

Our board of directors has a mandate until our next general meeting in 2021 for the Company to acquire its own shares equivalent to up to 5% of the Company’s total share capital. Under this mandate, the Company to date in 2020 has acquired 1,017,451 shares which have subsequently been sold to the Company’s employees as part of an annual share savings plan. As of June 30, 2020, the Company held 500,000 treasury shares.

### ***Historical cash flows***

The following table sets forth our cash flow information, extracted from our financial statements incorporated by reference into this Offering Memorandum, for the periods presented.

	<b>For the year ended December 31,</b>				<b>For the six months ended June 30,</b>	
	<b>2017</b>	<b>2018</b>	<b>2018 (restated)<sup>(1)</sup></b>	<b>2019</b>	<b>2019</b>	<b>2020</b>
<i>Cash flow from operating activities</i>						
Profit/(loss) before taxes .....	811.1	1,804.9	1,802.0	1,084.3	517.4	(263.3)
Taxes paid .....	(101.1)	(606.1)	(606.1)	(618.6)	(314.4)	(128.7)
Taxes refunded .....	404.7	1,513.4	1,513.4	—	—	—
Depreciation .....	726.7	752.4	752.4	811.9	351.0	563.8
Net impairment losses/Impairments.....	52.3	20.2	20.2	146.8	68.9	517.8
Accretion expenses.....	129.6	128.7	128.7	121.7	60.0	58.7
Interest expenses <sup>(2)</sup> .....	156.7	200.5	200.5	199.6	102.7	99.4
Interest paid <sup>(2)</sup> .....	(145.9)	(195.7)	(195.7)	(194.0)	(99.4)	(78.6)
Changes in derivatives .....	(34.5)	11.6	11.6	22.5	11.7	64.5
Amortized loan costs.....	36.9	29.7	29.7	21.7	12.8	10.0
Amortization of fair value of contracts .....	11.7	56.8	56.8	—	—	—
Expensed capitalized dry wells .....	75.4	65.9	65.9	176.4	87.2	38.8
Changes in inventories, accounts payable and receivables.....	(7.6)	(7.8)	(7.8)	14.4	5.7	47.7
Changes in other current balance sheet items	39.4	25.0	28.0	98.6	173.5	(244.4)
<b>Net cash flow from operating activities.....</b>	<b>2,155.5</b>	<b>3,799.6</b>	<b>3,799.6</b>	<b>1,885.1</b>	<b>977.2</b>	<b>685.8</b>
<i>Cash flow from investment activities</i>						
Payment for removal and decommissioning of oil fields .....	(85.7)	(242.5)	(242.5)	(104.9)	(60.3)	(35.9)
Disbursements on investments in fixed assets	(977.5)	(1,312.7)	(1,312.7)	(1,703.2)	(778.2)	(702.0)
Disbursements on investments in capitalized exploration .....	(111.7)	(128.8)	(128.8)	(370.2)	(213.5)	(50.7)
Acquisitions of companies (net of cash acquired).....	(2,055)	—	—	—	—	—
Cash received from sale of licenses .....	171.0	—	—	—	—	54.7
Disbursements on investments in licenses .....	—	(463.0)	(463.0)	(0.1)	(0.1)	—
<b>Net cash flow from investment activities ...</b>	<b>(3,059.0)</b>	<b>(2,147.1)</b>	<b>(2,147.1)</b>	<b>(2,178.4)</b>	<b>(1,052.1)</b>	<b>(733.9)</b>
<i>Cash flow from financing activities</i>						
Net drawdown/repayment of long-term debt.	(777.9)	(380.3)	—	—	—	—
Repayment of bond (DETNOR03) .....	(330.0)	—	—	—	—	—
Net repayment of short-term debt .....	—	(1,500.0)	(1,500.0)	—	—	—
Net drawdown/repayment of revolving credit facility .....	—	—	—	1,425.2	775.3	(1,051.6)

	For the year ended December 31,				For the six months ended June 30,	
	2017	2018	2018 (restated) <sup>(1)</sup>	2019	2019	2020
Net drawdown/repayment of reserve-based lending facility .....	—	—	(380.3)	(950.0)	(950.0)	—
Net proceeds from bond issue .....	—	—	492.4	740.2	740.2	1,487.4
Net cash received from issuance of new shares .....	489.4	—	—	—	—	—
Net proceeds from issuance of debt .....	1886.9	492.4	—	—	—	—
Payments on lease debt related to investments in fixed assets .....	—	—	—	(88.7)	(37.8)	(45.0)
Payments on other lease debt .....	—	—	—	(20.9)	(9.8)	(16.8)
Paid dividend .....	(250.0)	(450.0)	(450.0)	(750.0)	(375.0)	(283.3)
Net purchase/sale of treasury shares .....	—	—	—	—	(10.7)	(7.1)
<b>Net cash flow from financing activities .....</b>	<b>1,018.4</b>	<b>(1,837.8)</b>	<b>(1,837.8)</b>	<b>355.8</b>	<b>132.3</b>	<b>83.6</b>
Net change in cash and cash equivalents .....	114.9	(185.3)	(185.3)	62.5	57.3	35.5
Cash and cash equivalents at start of period ..	115.3	232.5	232.5	44.9	44.9	107.1
Effect of exchange rate fluctuation on cash held <sup>(3)</sup> .....	2.3	(2.2)	(2.2)	(0.3)	(0.4)	(0.3)
<b>Cash and cash equivalents at end of period .....</b>	<b>232.5</b>	<b>44.9</b>	<b>44.9</b>	<b>107.1</b>	<b>101.8</b>	<b>142.3</b>
<i>Specification of cash equivalents at end of period</i>						
Bank deposits and cash .....	231.5	44.9	44.9	107.1	101.8	142.3
Restricted bank deposits .....	1.0	—	—	—	—	—
<b>Cash and cash equivalents at end of period .....</b>	<b>232.5</b>	<b>44.9</b>	<b>44.9</b>	<b>107.1</b>	<b>101.8</b>	<b>142.3</b>

- (1) The audited consolidated financial statements as of and for the year ended December 31, 2019, incorporated by reference into this Offering Memorandum, give effect to a change in accounting principles for revenue recognition. From January 1, 2019, Aker BP has adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Aker BP previously used the entitlement method, whereby revenue was recognized on the basis of the proportionate share of production during the period, regardless of actual sales. The restated consolidated financial information of Aker BP as of and for the year ended December 31, 2018, included for comparative purposes in the audited consolidated financial statements as of and for the year ended December 31, 2019, give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018.
- (2) Due to the impact of IFRS 16, includes the interest element of lease payments for the year ended December 31, 2019 and the six months ended June 30, 2020.
- (3) Effect of exchange rate fluctuation on cash held is the currency difference which arises as a result of converting cash and cash equivalents to period end rates. The rest of the cash flow statement line-items are converted based on average rates for the respective years.

#### *Cash flow from operating activities*

Net cash flow from operating activities was \$685.8 million for the six months ended June 30, 2020 compared to \$977.2 million for the six months ended June 30, 2019. The decrease in operating cash flows was primarily due to lower realized oil and gas prices, partially offset by an increase in sold volumes and lower taxes paid. The decrease in net cash flow from operating activities was also impacted by significant changes in working capital and other current balance sheet items.

Net cash flow from operating activities was \$1,885.1 million for the year ended December 31, 2019 compared to \$3,799.6 million for the year ended December 31, 2018. The decrease in operating cash flows was primarily due to a \$1,513.4 million tax refund received in 2018 following the liquidation of Aker BP AS (formerly, Hess Norge) and lower realized oil and gas prices, partially offset by an increase in sold volumes.

Net cash flow from operating activities was \$3,799.6 million for the year ended December 31, 2018 compared to \$2,155.5 million generated for the year ended December 31, 2017. The increase in operating cash flows was primarily due to higher realized oil and gas prices, higher produced volumes and a \$1,513.4 million tax refund received following the liquidation of Aker BP AS (formerly, Hess Norge). These were partially offset by higher taxes paid.

#### *Cash flow from investment activities*

Net cash flow used in investment activities was \$733.9 million for the six months ended June 30, 2020 compared to \$1,052.1 million used for the six months ended June 30, 2019. The decrease in cash flow used in

investment activities was due to a \$162.8 million decrease in investments in capitalized exploration and a \$76.2 million decrease in investments in fixed assets, primarily as a result of changes to our investment plan as a result of the COVID-19 pandemic and reduced capital expenditure with respect to the Valhall and Johan Sverdrup fields, following successful start-up of the Johan Sverdrup field in late 2019, and a decrease in payments for removal and decommissioning of oil fields, partially offset by a \$54.7 million inflow during the six months ended June 30, 2020 in connection with the transfer to PGNiG Upstream Norway AS (“**PGNiG**”) of the Company’s 3.3% interest in the non-operated Gina Krog field and an 11.9175% interest in license 127C, in exchange for PGNiG’s 5% interest in license 838 and a cash consideration.

Net cash flow used in investment activities was \$2,178.4 million for the year ended December 31, 2019 compared to \$2,147.1 million used for the year ended December 31, 2018. The increase in cash flow used in investment activities was due to a \$390.5 million increase in investment in fixed assets, primarily related to increased capital expenditure with respect to the Valhall and Johan Sverdrup fields in 2019. The increase was also partially offset by a \$221.5 million decrease in investments in intangible assets, including capitalized exploration and licenses. The increase in cash flow used in investment activities was partially offset by a decrease in payments for removal and decommissioning of oil fields.

Net cash flow used in investment activities was \$2,147.1 million for the year ended December 31, 2018 compared to \$3,059.0 million used for year ended December 31, 2017. The decrease in cash flow used in investment activities was primarily due to investments in fixed assets and payments related to license acquisitions, including the acquisition of Total E&P Norge AS’s interest in a portfolio of 11 licenses on the NCS and the acquisition of Equinor’s interest in the King Lear gas/condensate discovery in the North Sea in 2017.

For a more detailed description of our recent capital expenditure, see “—*Capital expenditure.*”

#### *Cash flow from financing activities*

Net cash flow from financing activities was \$83.6 million for the six months ended June 30, 2020 compared to \$132.3 million for the six months ended June 30, 2019. The lower financing cash flows for the six months ended June 30, 2020 were due to a \$876.9 million increase in repayment of debt, partially offset by a \$747.2 million increase in proceeds from bond issuance and a \$91.7 million decrease in dividend distributions.

Net cash flow from financing activities was an inflow of \$355.8 million for the year ended December 31, 2019 compared to an outflow of \$1,837.8 million for the year ended December 31, 2018. The higher financing cash flows for the year ended December 31, 2019 were primarily due to \$1,425.2 million in proceeds from the drawdown under the Revolving Credit Facility, partially offset by a \$569.7 million increase in repayment under the reserve-based lending facility. The increase was also due to the repayment in 2018 of the \$1.5 billion bridge loan facility obtained in relation to the Hess Norge Acquisition and a \$247.7 million increase in proceeds from the bond issuance in June 2019, partially offset by a \$300.0 million increase in dividend distributions.

Net cash flow from financing activities was an outflow of \$1,837.8 million for the year ended December 31, 2018 compared to an inflow of \$1,018.4 million for the year ended December 31, 2017. The decrease in financing cash flows was primarily due to the repayment of the \$1.5 billion bridge loan facility obtained in relation to the Hess Norge Acquisition, fewer proceeds from the issuance of debt in 2018 as compared to 2017 and a \$200.0 million increase in dividend distributions compared to the year ended December 31, 2017.

#### *Capital expenditure*

The primary objective of our capital management is to optimize the return on investment, by managing our capital structure to achieve capital efficiency while maintaining flexibility for future acquisitions. We regularly monitor the capital requirements of the business over the short, medium and long-term, in order to enable us to better anticipate the timing of requirements for additional capital.

Capital expenditure represents the cash outflows incurred during the period to acquire non-current assets such as property, plant and equipment and excludes amounts related to acquisition activities, decommissioning of oil fields and investments in capitalized exploration expenditures. Capital expenditure mainly comprises the costs of developing oil and gas facilities. Capital expenditure represents the line item “disbursements on investments in fixed assets” presented in our financial statements, incorporated by reference into this Offering Memorandum. The following table sets forth our capital expenditure for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

	Year ended December 31,			Six months ended	
	2017	2018	2019	June 30,	
				2019	2020
	(in millions of USD)				
Capital expenditure.....	(977.5)	(1,312.7)	(1,703.2)	(778.2)	(702.0)

Capital expenditure has historically mainly comprised the costs of developing oil and gas facilities.

Our capital expenditure in the six months ended June 30, 2020 of \$702.0 million related primarily to fields under development, mainly consisting of the Johan Sverdrup Phase 2 project and continued investments in Valhall Flank West. During the first quarter of 2020, we made significant changes to our investment program as a result of the COVID-19 pandemic, including putting on hold all non-sanctioned field development projects and the postponement of several exploration wells. For further information on our planned capital expenditure program for 2020, see “—*Future Capital Expenditures.*”

Our capital expenditure in the year ended December 31, 2019 of \$1,703.2 million related primarily to fields under development, mainly consisting of Johan Sverdrup (which commenced production in October 2019), and capital projects on Valhall.

Our capital expenditure in the year ended December 31, 2018 of \$1,312.7 million related primarily to projects under development during that period, mainly consisting of Johan Sverdrup, Ærfugl, Skogul and Valhall Flank West as well as other capital projects on Valhall.

Our capital expenditure in the year ended December 31, 2017 of \$977.5 million related primarily to fields under development during that period, mainly consisting of Johan Sverdrup, and capital projects for fields in operations, including Ivar Aasen, Alvheim, Valhall and Hod.

### ***Future Capital Expenditures***

We expect that our capital expenditures will be driven largely by our exploration and appraisal activities and development of new oil and gas projects through to production. In response to the uncertainty caused by the COVID-19 pandemic and the drop in global oil prices during the first quarter of 2020, all non-sanctioned field development projects were put on hold, and several exploration wells were postponed. Following the changes to Norwegian petroleum tax introduced in June 2020, which incentivize investment activity through improved liquidity and project economics, we have targeted capital expenditures of approximately \$1,350 million in 2020 (a reduction of 10% compared to our capital markets update in February 2020) assuming a U.S. dollar to Norwegian kroner exchange rate of \$1.00 to NOK 10.00. Our estimated capital expenditure for 2020 will primarily relate to the Hod development, Phase 2 of the development of the Johan Sverdrup field and our ongoing field development project at Ærfugl and Skogul.

We expect our capital expenditures and exploration expenditures for the year ending December 31, 2020 to be approximately \$1,350 million and \$350 million (a reduction of 30% compared to our capital markets update in February 2020), respectively, assuming a U.S. dollar to Norwegian kroner exchange rate of \$1.00 to NOK 10.00. We had exploration expenditures of \$111.9 million in the six months ended June 30, 2020. Our estimated exploration expenditure will primarily relate to our exploration program comprising six exploration wells.

In addition, we anticipate approximately \$200 million in abandonment expenditure, mainly relating to plugging of depleted wells in the Valhall area, of which we had spent \$39 million in the six months ended June 30, 2020.

### **Lease and other commitments**

#### *Significant lease agreements*

We currently have in place commitments on three rigs. This includes two jack-up rigs from Mærsk Drilling: the Mærsk Invincible and Mærsk Integrator. The Mærsk Invincible is contracted by the Valhall license until May 2022. The Mærsk Integrator is contracted until the end of 2020 by the Ivar Aasen license for infill drilling, and is then expected to be used on other licenses under a contract extension until October 2021.

We have one semi-submersible rig commitment contract with Odfjell Drilling: the Deepsea Nordkapp. The Deepsea Nordkapp is on a three year contract commitment until June 2022, with a further one year option to extend the contract to June 2023 available for commitment by October 29, 2020.

We have other lease agreements related to the rental of supply and standby vessels and have additional lease commitments pertaining to our ownership in oil and gas fields operated by other license participants. We have also entered into leases relating to our office premises.

As of December 31, 2019, the payments associated with our leases recognized in the statement of financial position in accordance with IFRS 16 fall due as follows:

<b>Lease debt maturity</b>	<b>As of December 31, 2019</b> (in USD millions)
<i>Within one year</i> .....	127.7
<i>Two to five years</i> .....	175.9
<i>After five years</i> .....	61.5
<b>Total</b> .....	<b>365.2</b>

Non-lease components such as the service element of rig commitments are not included as part of the lease debt. As at December 31, 2019, these amounted to \$123 million.

#### *Capital commitments and other contractual obligations*

Our capital commitments and other contractual obligations are mainly related to rig commitments not recognized as lease liabilities, rig leases not yet commenced and booked future gas transportation capacity. Parts of the rig leases have been entered into in our name at the initial signing, and have subsequently been partly allocated to licensees.

As of December 31, 2019, the payments associated with our capital commitments recognized in the statement of financial position fall due as follows:

<b>Capital commitments</b>	<b>As of December 31, 2019</b> (in USD millions)
<i>Within one year</i> .....	355.4
<i>One to five years</i> .....	520.2
<i>After five years</i> .....	103.0
<b>Total</b> .....	<b>978.5</b>

The figures presented above have been calculated on the basis of our assumed net share based on the planned use of the related leased assets as at December 31, 2019. As a result of the planned duration for each of these licenses, the short-term exemption in IFRS 16 will be applied. It is thus not expected that these commitments at any point in time will be recognized as a lease liability. The figures presented above exclude any liabilities disclosed in the section “—*Significant lease agreements*,” above, in relation to right-of-use assets.

### **Qualitative and quantitative disclosures about market risk**

#### *Credit risk management*

Credit risk refers to the risk that a counterparty will fail to perform or fail to pay amounts due, resulting in financial loss to us. A significant portion of our accounts receivable balance is with customers and other commercial participants in the international oil and gas industry. The risk of counterparties being financially incapable of fulfilling their obligations is regarded as minor as there have not historically been any losses on accounts receivable. The Company’s customers and the other license participants are large and credit worthy oil companies, and it has not been necessary to make any provision for bad debt. With respect to our decommissioning obligations, we are exposed to the risk of the other commercial participants defaulting on their proportionate share of decommissioning costs once such costs became payable.

Our maximum credit risk exposure corresponds to the book value of accounts receivable and other short-term receivables. As of December 31, 2019 and June 30, 2020, this amount was \$524.0 million and \$410.6 million, respectively.

In the management of our liquid assets, low credit risk is prioritized. Liquid assets are placed in bank deposits, bonds and funds that represent a low credit risk.

### ***Liquidity risk management***

Liquidity and refinancing risks refer to the risk that we will not be able to obtain sufficient financing from lenders and the capital markets to meet our working capital and project financing and refinancing requirements. We monitor our liquidity risk by reviewing our cash flow requirements on a regular basis relative to our funding sources, cash flow generation from our producing asset base and our existing bank facilities. Specifically, we ensure that we have sufficient liquidity or committed borrowing facilities to meet our operational funding requirements and service our debt and adhere to our financial covenants. We closely monitor and manage our liquidity requirements through the use of both short-term and long-term cash flow projections, supplemented by maintaining debt financing plans and active portfolio management. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in commodity prices, different production rates from our portfolio of producing fields and potential delays in development projects. In addition to our operating cash flows, portfolio management opportunities are reviewed to potentially enhance our financial capacity and flexibility. Ultimate responsibility for liquidity risk management rests with our board of directors, which has built a liquidity risk management framework which we believe to be appropriate for the management of all our funding and liquidity management requirements.

We also have liability for decommissioning our assets. We calculate our estimate of such decommissioning costs in accordance with the Norwegian Petroleum Activities Act and international regulations and guidelines. See “*Regulation.*” The provisions we make represent the present value of decommissioning costs that are expected to be incurred assuming no further development of our assets. These provisions have been estimated based on internal and third-party estimates. We estimate our future liability based on what we believe is a reasonable assumption regarding the current economic environment. These estimates are reviewed regularly to take into account any material changes to the assumptions. We cannot assure you, however, that actual decommissioning costs will not be materially greater than our estimates and affect our liquidity requirements.

As of December 31, 2019 and June 30, 2020, our excess liquid assets are mainly deposited in bank accounts and we had cash and cash equivalents of \$107.1 million and \$142.3 million, respectively.

### ***Foreign currency risk management***

We generally conduct and manage our business in U.S. dollars, Norwegian kroner, euros and pounds sterling. Our main revenues and current drawings under our Revolving Credit Facility are denominated in U.S. dollars. Revenues from sale of petroleum and gas are in U.S. dollars, euros and pounds sterling. Our operational, development and exploration liabilities are denominated in various currencies with a large majority in Norwegian kroner and U.S. dollars.

We are mainly exposed to fluctuations in other currencies against the U.S. dollar, in particular the Norwegian kroner. We measure our market risk exposure by running various sensitivity analyses including assessing the impact of reasonably possible movements in key variables. As of December 31, 2019, a 10% increase in the Norwegian kroner to U.S. dollar exchange rate would have resulted in a \$14.9 million increase in our pre-tax profit, while a 10% decrease would have resulted in a \$21.5 million decrease in our pre-tax profit. Our net exposure to Norwegian kroner as of December 31, 2019 was negative \$1,055.3 million. These amounts include the impact from currency derivatives.

We are also exposed to change in other exchange rates such as GBP/USD and EUR/USD, but the amounts are deemed immaterial.

### ***Commodity price risk management***

We are exposed to the impact of changes in oil and gas prices on our revenue and profits. Our policy is to adopt a flexible approach toward oil price hedging, based on an assessment of the benefits of forward hedging monthly sales contracts for the purpose of establishing greater certainty of cash flow. If we believe that the hedging contract will provide an enhanced cash flow, we may choose to enter into an oil price hedge.

With the current unstable macro-environment, we are continuously evaluating and assessing opportunities for hedging as part of a prudent financial risk management process. Our total hedging volume for the year ending December 31, 2020 is approximately 20% of our estimated oil production for 2020, corresponding to approximately 70% of the after-tax value of our production. As of June 30, 2020, we have put options in place

for approximately 19% of our estimated oil production in second half of 2020, corresponding to approximately 67% of the after-tax value of our production. The average strike price for these put options is \$28.40/bbl. See *“Risk factors—Risks relating to the oil and gas industry—Our business depends significantly on the level of oil and gas prices, which are volatile and have recently declined significantly. If oil and gas prices remain at current levels or decline further, our results of operations, cash flows, financial condition and access to capital could be material and adversely affected.”*

### ***Interest rate risk management***

Interest rate risk refers to the risk that market interest rates will increase, resulting in higher borrowing costs under our Revolving Credit Facility, which has a floating interest rate. We assess the benefits of interest rate hedging on borrowings on a continuous basis. If a hedging contract provides a reduction in the interest rate risk at a price that we deem acceptable, then we may choose to enter into an interest hedge. In order to manage interest rate risk, our general policy is to limit fixed rate debt to 60% of our gross debt at any one time. As of June 30, 2020, fixed rate debt represented 83% of our gross debt. We actively use interest rate swaps to manage our exposure to interest rate risk.

Our exposure to the risk of changes in market interest rates relates primarily to our borrowings under the Revolving Credit Facility, which can have a NIBOR, EURIBOR and/or LIBOR-linked interest rate (depending on the currencies drawn). We may be affected by changes in market interest rates at the time we refinance any of our indebtedness. See *“Risk factors—Risks relating to the Notes and our structure—Part of our outstanding borrowings bear interest at floating rates which could rise significantly, thereby increasing our interest cost and reducing cash flow.”*

### **Important accounting judgments, estimates and assumptions**

This *“Management’s discussion and analysis of financial condition and results of operations”* discusses our financial statements, which have been prepared in accordance with IFRS. Accounting estimates are an integral part of the preparation of the financial statements and the financial reporting process and are based upon current judgments. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Certain accounting estimates are particularly sensitive because of their complexity and the possibility that future events affecting them may differ materially from our current judgments and estimates. See *“Risk factors—Risks relating to our business—Our business and financial condition could be adversely affected if the Norwegian tax regulations for the petroleum industry are amended.”*

This listing of important accounting policies is not intended to be a comprehensive list of all our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by IFRS, with no need for management’s judgment regarding accounting policy. We believe that of our significant accounting policies, the following policies may involve a higher degree of judgment and complexity. We encourage you to read the following discussion in conjunction with the notes to the financial statements incorporated by reference into this Offering Memorandum.

### ***Goodwill allocation and methodology for impairment testing***

For the purpose of impairment testing, goodwill is allocated to a cash-generating unit (“CGU”), or groups of CGUs that are expected to benefit from the synergies of the business combination from which it arose. The appropriate allocation of goodwill requires management’s judgment and may significantly impact any subsequent impairment charge. Although not an IFRS term, we use the term “technical goodwill” to describe the category of goodwill arising as an offsetting account to deferred tax liabilities recognized in business combinations. There are no specific IFRS guidelines pertaining to the allocation of technical goodwill, and management has therefore applied the general guidelines for allocating goodwill for the purpose of impairment testing. In general, technical goodwill is allocated at the CGU level for impairment testing purposes, while residual goodwill may be allocated across all CGUs based on the facts and circumstances of the business combination.

When performing the impairment test for technical goodwill, deferred tax liabilities recognized in relation to the acquired licenses reduce the net carrying value prior to any impairment charges. This methodology avoids an immediate impairment of all technical goodwill. When deferred tax liabilities from the initial recognition decreases, additional technical goodwill is ‘exposed’ to impairment. Subsequent to the initial purchase price allocation, depreciation of book values will result in decreasing deferred tax liabilities.

Accounting estimates are used to determine reported amounts, including the depreciation of assets, the cost and timing of decommissioning activities, impairment testing of goodwill and the recognition and measurement of tax liabilities. Whilst these estimates are based on management's best judgment and assessments of previous and current events and actions, the actual results may deviate from the original estimates. Changes to accounting estimates are recognized in the period when they arise. The main sources of uncertainty for us when using estimates relate to reserve estimates. See "*—Proven and probable oil and gas reserves.*"

### ***Proven and probable oil and gas reserves***

Oil and gas reserves are estimated by the Company's experts in accordance with industry standards. The estimates are based on the Company's own assessment of internal information and information received from operators. In addition, proven and probable reserves are certified by an independent third party. Proven and probable oil and gas reserves consist of the estimated quantities of crude oil, natural gas and condensates shown by geological and technical data to be recoverable with reasonable certainty from known reservoirs under existing economic and operational conditions, i.e. on the date that the estimates are prepared. Current market prices are used in the estimates.

Proven and probable reserves and production volumes are used to calculate the depreciation of oil and gas fields by applying the unit-of-production method. Reserve estimates are also used as basis for impairment testing of license-related assets and goodwill. Changes in petroleum prices and cost estimates may change reserve estimates and accordingly economic cut-off, which may impact the timing of assumed decommissioning and removal activities. Changes to reserve estimates can also result from updated production and reservoir information. Future changes to proven and probable oil and gas reserves can have a material effect on depreciation, life of field, impairment of license-related assets and goodwill, and operating results.

Reserves are estimated using standard recognized evaluation techniques. See "*Presentation of financial and other information—Certain reserves, contingent resources and production information.*"

### ***Successful effort method—exploration***

Expenses relating to the drilling of exploration wells are temporarily recognized in the statement of financial position as capitalized exploration expenditures, pending an evaluation of potential oil and gas discoveries. If resources are not discovered, or if recovery of the resources is considered technically or commercially unviable, the costs of exploration wells are expensed. Judgments as to whether this expenditure should remain capitalized or be expensed at the reporting date may materially affect the operating result for the period.

### ***Fair value measurement***

The fair values of non-financial assets and liabilities are required to be determined, for example in a business combination, to determine the allocation of purchase price in an asset deal or when the recoverable amount of an asset or CGU is based on fair value less cost to sell. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The fair value of oil fields in production and development phase is normally based on discounted cash flow models, where the determination of inputs to the model may require significant judgment from management, as described in the section below regarding impairment.

### ***Impairments and reversal of impairment***

Changes in the expected future value/cash flows of CGUs results in impairment if the estimated recoverable value is lower than the book value (including any allocated goodwill). Estimates of recoverable value involve the application of judgment and assumptions, including in relation to the modelling of future cash flows to estimate the CGUs value in use or fair value.



The evaluation of impairment requires long-term assumptions concerning a number of often volatile economic factors, including future oil prices, oil production, currency exchange rates and discount rates. Such assumptions require the estimation of relevant factors such as long-term prices, the levels of capital and operating expenditures, production estimates and decommissioning costs. These evaluations are also necessary to determine a CGU's fair value unless information can be obtained from an actual observable market transaction.

### ***Decommissioning and removal obligations***

The Company has obligations to decommission and remove offshore installations at the end of their production period. Obligations associated with decommissioning and removal of long-term assets are recognized at present value of future expenditures at the date they are expected to be incurred. At the initial recognition of an obligation, the estimated cost is capitalized as production plant and depreciated over the useful life of the asset (typically by application of the unit-of-production method). There is significant future uncertainty in the estimate of costs for decommissioning and removal, as these estimates are based on currently applicable laws and regulations, and existing technologies. Many decommissioning and removal activities will take place many decades in the future, and the technology and related costs are expected to evolve in this time. The estimates include costs based on expected removal concepts using existing technology and estimated costs of maritime operations, hiring of single-lift and heavy-lift barges and drilling rigs. As a result, there may be significant adjustments to the estimates of decommissioning liabilities and associated assets that can affect future financial results.

### ***Income tax***

Income tax expense, tax payables or receivables, and deferred taxes are based on management's interpretation of applicable laws and regulations, and on relevant court decisions where relevant. These estimates are dependent on management's ability to interpret and apply the requirements of tax and other relevant legislation, and requires judgment in respect of the recognition and measurement of any disputed tax positions.

### ***Recent accounting announcements***

#### ***IFRS 16 Leases***

IFRS 16 Leases was issued in January 2016 and became effective from January 1, 2019. The new standard replaced the previous lease accounting standard, IAS 17 Leases, including related interpretations. The new standard introduced a single on-balance sheet accounting model for all leases, which resulted in the recognition of a lease liability and a right of use asset ("**RoU Asset**") on the balance sheet.

We have applied the modified retrospective approach with no restatement of comparative figures. The lease liability at the date of the initial application is measured at the present value of the remaining lease payments, discounted using our incremental borrowing rate of approximately 6.7%. The borrowing rate is derived from the terms of our existing credit facilities. RoU Assets are depreciated over the lease term as this is ordinarily shorter than the useful life of the assets.

We have applied the exemption for short term leases (12 months or less) and low value leases. This means that related lease payments are not recognized in the balance sheet, but expensed or capitalized in line with the accounting treatment for other non-lease expenses. The inclusion of non-lease components may vary across different lease categories, but for the most material class of assets (rigs), we have excluded the non-lease components when measuring the lease liability.

We may enter into lease contracts as an operator on behalf of a license, and for such leases only recognized our net share of the related lease liability. Whether a contract is entered into on behalf of the license is subject to a contract specific assessment, but the general principle is that there needs to be a direct link between the lease contract and the license or field on which the RoU Asset shall be used. Other lease contracts, such as offices and supply vessels not linked to specific fields, are recognized on a gross basis although the related cashflows are charged to the license partners, typically via cost pools. For such contracts, the partner's share of the cost recovered by the company are presented as other income.

We may enter into lease contracts in our own name at the initial signing, and subsequently allocate the related RoU Asset to operated licenses. In such cases, the license allocation will normally be the basis for determining both the commencement and the duration of the lease (and application of the short-term lease exemption).

The lease liability and corresponding RoU Asset was \$390 million at initial recognition on January 1, 2019. Existing onerous lease contract values (recognized based on IFRS 3 in previous years business combinations) of \$149 million, reduced the value of the corresponding RoU Asset. The transition has no impact on equity.

The IFRS 16 impact on the income statement is immaterial in 2019, as the majority of the RoU Assets have mainly been used in activity not charged to the income statement, such as field development (including production drilling) and plugging and abandonment. The main impact on the statement of cash flows is that lease payments are generally presented under financing activities whilst they have been presented as operating or investing activities under IAS17.

#### *IFRS 9 Financial Instruments*

IFRS 9 *Financial Instruments*, which replaced IAS 39 *Financial Instruments: Recognition and Measurement*, was issued in July 2014. The standard introduced new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 became effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Based on the group's financial instruments and the related accounting treatment during 2018, the adoption of IFRS 9 did not have any significant impact on our financial statements.

#### *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 Revenue from Contracts with Customers was issued in May 2014 and established a new five-step model that applies to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard superseded all previous revenue recognition requirements under IFRS, including IAS 18 *Revenue*. Either a full or modified retrospective application was required for annual periods beginning on or after January 1, 2018 with early adoption permitted. We have applied the modified retrospective approach.

Under IFRS 15, revenue is recognized when the customer obtains control of the liquids or gas, which will ordinarily be at the point of delivery when title passes. Prior to January 1, 2019, the Company applied the entitlement method of revenue recognition. Changes in over/underlift balances included in revenues under the Company's entitlement method prior to January 1, 2019, did not meet the IFRS 15 definition of revenue from contracts with customers, and so was classified as "Other revenues" in the financial statements of the Company as of and for the year ended December 31, 2018. These "Other revenues" were aggregated with the IFRS 15 revenues from contract with customers and presented as a single line item "Petroleum Revenues" in the Income Statement for the year ended December 31, 2018. As a result, there was no change to reported "Petroleum Revenues" in the Income Statement for the year ended December 31, 2018 following the implementation of IFRS 15. Additionally, there was no impact on the profit, cash flows or equity of the Company as a result of the adoption of IFRS 15. As described further in "*—Significant factors affecting comparability—Changes in accounting principles for revenue recognition,*" from January 1, 2019, the Company changed to the sales method of revenue recognition, whereby changes in over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost.

The audited consolidated financial statements as of and for the year ended December 31, 2019 include comparative financial information presenting (i) the restated consolidated income statement of Aker BP for the year ended December 31, 2018 and (ii) the consolidated statement of financial position of Aker BP as of December 31, 2018, in each case restated to give effect to the sales method of revenue recognition as if it had been adopted on January 1, 2018.

## OUR BUSINESS

The 1P and 2P reserves data presented in this section have been certified at our request by AGR in accordance with SPE's PRMS guidelines and definitions (except as otherwise indicated in "Presentation of financial and other information—Certain reserves, contingent resources and production information"). Estimated 1P and 2P reserves presented herein may differ from estimates made in accordance with guidelines and definitions used by other companies in the industry or by the SEC. See "Presentation of financial and other information—Certain reserves, contingent resources and production information." Unless otherwise indicated, all production figures are presented on a net to our working interest basis. Where gross amounts are indicated, they are presented on a total basis—i.e., the actual interest of the relevant license holder in the relevant fields and license areas without deduction for the economic interest of the other commercial participants, taxes or royalty interests or otherwise. Our legal interest and effective working interest in the relevant fields and license areas are separately disclosed. See "—Material agreements relating to our assets" for a more detailed discussion of the terms of the agreements governing our interests. Any projections and other forward-looking statements in this section are not guarantees of future performance and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "Risk factors" and "Forward-looking statements."

### Overview

We are a Norwegian oil and gas company with exploration, development and production activities exclusively on the NCS. We rank among the largest independent E&P companies in Europe measured by production. Headquartered in Bærum, Norway, with branch offices in Stavanger, Trondheim, Sandnessjøen and Harstad, Norway, we had 1,756 total employees as of June 30, 2020. We are currently listed on the Oslo Stock Exchange under the symbol "AKERBP." As of June 30, 2020, we had a portfolio of 142 licenses, with 86 as operator and 56 as a field participant.

As of June 30, 2020 we have interests in seventeen producing fields, predominantly concentrated around six production hubs on the NCS. Our key producing assets are: (i) the Alvheim field, (ii) the Ivar Aasen field, (iii) the Valhall field, (iv) the Ula field, (v) the Skarv field and (vi) the Johan Sverdrup field. In total we operate eleven fields as certain of our operated producing assets contain several fields. Our average net production for the year ended December 31, 2019 was 155.9 Mboepd (80% liquids and 20% gas). Our average net production for the six months ended June 30, 2020 was 208.9 Mboepd (84% liquids and 16% gas).

Our net profit and EBITDAX were negative \$96.9 million and \$2,474.4 million, respectively, for the twelve months ended June 30, 2020. For an explanation of EBITDAX, see "Summary historical and as adjusted selected financial information—Other historical and as adjusted financial information."

### Our assets

The following table provides a summary of our producing assets and the average net production therefrom for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020.

Asset	Working interest	Operator	Average net production (boepd)				
			Year ended December 31,			Six months ended June 30,	
			2017 <sup>(8)</sup>	2018 <sup>(9)</sup>	2019	2019	2020
<i>Producing</i>							
Alvheim <sup>(1)</sup>	57.6/65.0%	Aker BP	53,849	40,724	39,183	41,701	35,383
Bøyla	65.0%	Aker BP	4,357	2,913	4,071	2,098	7,099
Gina Krog <sup>(2)</sup>	3.3%	Equinor	798	1,748	1,719	2,085	752
Hod <sup>(3)</sup>	90.0%	Aker BP	530	937	839	647	603
Ivar Aasen <sup>(4)</sup>	34.8%	Aker BP	18,100	23,523	21,810	20,794	22,397
Johan Sverdrup <sup>(5)</sup>	11.6%	Equinor	—	—	7,945	—	47,452
Skarv	23.8%	Aker BP	26,680	25,344	22,260	22,608	20,194
Skogul	65.0%	Aker BP	—	—	—	—	4,760
Tambar / Tambar East	55.0/46.2%	Aker BP	1,941	3,402	2,243	1,684	3,287
Ula	80.0%	Aker BP	6,466	6,032	4,517	4,488	4,881
Valhall <sup>(3)</sup>	90.0%	Aker BP	13,357	35,041	38,166	34,467	47,921
Vilje	46.9%	Aker BP	5,304	4,034	2,326	3,024	3,366
Volund	65.0%	Aker BP	7,342	11,842	8,858	8,140	7,142
Oda	15.0%	Spirit Energy	—	—	1,770	1,031	3,441
Other <sup>(6)</sup>	—	—	103	118	146	136	266
<b>Net production</b>			<b>138,825</b>	<b>155,658</b>	<b>155,852</b>	<b>142,904</b>	<b>208,944</b>
Over/underlift			—	—	1,795	8,399	10,799
<b>Net sold volume<sup>(7)</sup></b>			<b>—</b>	<b>—</b>	<b>157,647</b>	<b>151,303</b>	<b>219,742</b>

- (1) The Alvhheim field consists of the Kneler, Boa, Kameleon, East Kameleon and Viper-Kobra structures and the Gekko discovery. We own a 57.6% interest in the Boa unit, which has been unitized, and a 65.0% interest in the rest of the Alvhheim field.
- (2) We transferred our entire interest in the Gina Krog field to PGNiG Upstream Norway AS as of April 30, 2020.
- (3) The average net production of the Valhall and Hod fields for the year ended December 31, 2017 reflects the average net production prior to the Hess Norge Transactions. As a result of the Hess Norge Transactions, our working interest in the Valhall and Hod fields increased to 90.0% (from 36.0% and 37.5%, respectively).
- (4) The Ivar Aasen field is comprised of the Ivar Aasen Unit, in which we have a 34.8% interest, and the Hanz deposit, in which we have a 35.0% interest.
- (5) Production commenced at the Johan Sverdrup field in October 2019.
- (6) "Other" includes the Atla and Enoch fields.
- (7) From January 1, 2019, we have adopted the sales method of revenue recognition, where over/underlift balances are valued at production cost including depreciation and presented as an adjustment to cost. Under the sales method, revenue reflects actual sales regardless of our share of net production. See "*Presentation of Financial Information—Historical Financial Information.*"
- (8) For the year ended December 31, 2017, production figures exclude the production of the Hess Norge Assets as from December 22, 2017, the closing date of the Hess Norge Acquisition through December 31, 2017.
- (9) For the year ended December 31, 2018, production figures include the production of the Hess Norge Assets as from January 1, 2018.

Our total net production and average net production in 2019 was 56.9 mmboe and 155,852 boepd, respectively.

Our operating team has a history of delivering strong operational performance and low production costs. We had overall production efficiency of 91% and 92% for the years ended December 31, 2018 and 2019, respectively, and 94% for the six months ended June 30, 2020. Our production costs were \$12.1/boe and \$12.4/boe for the years ended December 31, 2018 and 2019, respectively, and \$8.9/boe for the six months ended June 30, 2020 (based on produced volumes). Following commencement of production at the Johan Sverdrup field in October 2019, our production costs have been reduced due to the low production costs associated with this field.

## Reserves

As of December 31, 2019, our 2P reserves were estimated to be 906 mmboe (83% oil and NGLs). We expect to continue to grow this reserve base through a balance of exploration of new areas, acquisitions and the continued development of our existing fields and discoveries.

The following table sets forth certain information with respect to our estimated 1P and 2P reserves as of December 31, 2017, 2018 and 2019.

	<b>Reserves (mmboe)</b>		
	<b>as of December 31,</b>		
	<b>2017<sup>(1)</sup></b>	<b>2018<sup>(2)</sup></b>	<b>2019<sup>(3)</sup></b>
1P reserves .....	692	683	666
2P reserves <sup>(4)</sup> .....	914	917	906

Source: Management estimates; reserves as of December 31, 2017, 2018 and 2019 certified by AGR (in each case, except Enoch and Atla).

- (1) Based on an oil price assumption of \$58/bbl (2018) and \$66.6/bbl thereafter, and a gas price assumption of 39.3/pence-therm (2018) and 34.6/pence-therm (2019, 2020 and 2021).
- (2) Based on an oil price assumption of \$75.0/bbl (2019), \$72.0/bbl (2020), \$70.0/bbl (2021) and \$65.0/bbl thereafter, and a gas price assumption of 52.4/pence-therm (2019), 43.8/pence-therm (2020 and 2021) and 45.5/pence-therm (2022).
- (3) Based on an oil price assumption of \$70.0/bbl (2020) and \$65.0/bbl thereafter, and a gas price assumption of \$5.0/mmbtu (2020 and 2021), \$5.5/mmbtu (2022), \$6.0/mmbtu (2023) and \$7.0/mmbtu thereafter.
- (4) 2P reserves (proved plus probable reserves) are inclusive of 1P reserves (proved reserves).

## Strengths

### *Diversified portfolio of scale with material operated oil production*

With a market capitalization of NOK 62.59 billion (approximately \$7.21 billion) as of August 31, 2020, and a diverse producing portfolio of scale on the NCS, we believe we are one of the leading independent offshore E&P companies. Our producing asset portfolio is comprised of fields that have a long, stable track record of production and those that have recently come on-stream. Our average net production for the year ended December 31, 2019 was 155.9 Mboepd (80% liquids and 20% gas). The Johan Sverdrup field (in which we own an 11.6% working interest), which has total expected recoverable resources of between 2,200 mmboe and 3,200

mmboe, as estimated by Equinor (which operates the Johan Sverdrup field), came on stream in October 2019 and as of April 2020 had reached the new Phase 1 plateau of 470,000 boepd (gross). The Johan Sverdrup production commenced more than two months ahead of schedule, and NOK 40 billion below the original capex estimates in the PDO. Additionally, we are an active explorer on the NCS. As of June 30, 2020, we had over 140 licenses making us the third-largest license holder on the NCS by number of licenses, after Equinor and Petoro AS. A majority of these licenses are located in a mature area of the North Sea, close to existing infrastructure, where the economic threshold for field development is normally lower than in the more frontier areas of the shelf. We have balanced our interests in the more mature areas of the NCS, a comparably low risk operating environment, with some high-risk/high-reward opportunities in the Barents Sea. With a strong portfolio of producing assets, large fields under development and a strong exploration portfolio, we are well-positioned across all stages of the E&P life cycle and for future growth of production and reserves.

### ***Strong execution, low production costs and profitable operations***

We believe our production base is profitable, reliable and stable, supported by production costs for the year ended December 31, 2019 and the six months ended June 30, 2020 of \$12.4/boe and \$8.9/boe, respectively (based on produced volumes). We operate most of our key producing assets, and for the year ended December 31, 2019, 77% of our net production came from fields we operate. As the operator of most of our key producing assets, we are well positioned to effectively manage production performance, production costs and the nature, timing and amount of our capital expenditures. Such management promotes the timely implementation of our desired engineering and operating techniques. Our ability to influence the timing and pace of spending is particularly critical in light of historic uncertainties in the oil price environment. We believe that the operating expertise and the experience of our personnel is instrumental to our ability to efficiently and safely manage our production base. We continue to leverage our operational experience in pursuit of production efficiencies and effectively deploy technology to achieve increased regularity and recovery and to realize cost savings.

### ***Low risk and sustainable business model***

All of our production, development and exploration assets are situated in Norway, an Organization for Economic Co-operation and Development (“OECD”) country supported by a historically stable fiscal and regulatory regime which does not impose any local content requirements for oil and gas companies. We believe that our assets are in a proven hydrocarbon basin well understood by engineers and technicians. The geographic footprint of our current operations in Norway is limited to shallow water (meaning operating environments of less than 500 meters) environments and largely centered around five production hubs in the North Sea and the Norwegian Sea: the prospective Utsira High area, the Alvheim area, the Valhall area and the Ula area, in the North Sea, and the Skarv area in the Norwegian Sea. Moreover, we believe our asset base provides significant opportunities to organically grow our production and reserves by using established technologies to discover additional reserves, maximize recoveries of in-place hydrocarbons and manage natural decline rates while conducting our operations in a safe and environmentally responsible manner. We have an ongoing drilling program to optimize resource recovery from producing reservoirs and to develop hydrocarbon accumulations close to existing infrastructure.

We seek to maintain high safety standards by implementing robust processes within our safety standards, processes and policies. We manage the security and emergency-preparedness measures at our facilities and conduct regular trainings and exercises in order to minimize potential incidents on our installations. We offer a professional health service to our staff that we believe is fully compliant with current rules and regulations. In addition we have a close relationship with our main contractors in order to implement our health, safety, security, environment and assurance (“HSSE”) agenda and performance, and manage their verification programs. We work to integrate safety related goals, strategies and action plans in all projects and activities across our entire organization, and we prioritize initiatives aimed at reducing the risk of major accidents at all levels within the Company.

### ***Embedding climate into our decision making***

Our corporate responsibility policies and mechanisms for supervision and control of corresponding activities are regularly reviewed and updated to reflect the change in relevant topics and emerging issues. Climate was formally integrated and embedded into our strategy and decision making in 2018. The Board of Directors has ownership of climate related objectives and expectations in our climate strategy, and review and guide the major plans of action when it comes to investment decisions for climate initiatives.

We have also developed scenarios related to potential future developments of climate change, policy and commodity markets to test the robustness of our business plan and investment decisions. All investment decisions are tested against a carbon price consistent with The International Energy Agency's ("IEA") Sustainable Development Scenario. Our carbon price used for investment decisions is \$90/ton CO<sub>2</sub> in 2020, increasing to \$105/ton CO<sub>2</sub> in 2030.

Our goal is to minimize emissions from activities on the NCS through choosing energy-efficient solutions and operations. In the six months ended June 30, 2020, the CO<sub>2</sub> emissions from our equity production was 4.8 kg CO<sub>2</sub>/boe on average. We see this as a competitive advantage, as the global average CO<sub>2</sub> emissions are 17.8 kg CO<sub>2</sub>/boe according to the International Association of Oil & Gas Producers ("IOGP").

### ***Financial profile with strong cash flow generation***

We are focused on ensuring ample liquidity for the operation and continuing growth of our business. As of June 30, 2020, *as adjusted* to give effect to (i) the issuance of the Notes offered hereby, including the application of the net proceeds therefrom as set forth under "Use of proceeds" and (ii) the repayment of the NOK Bond, which occurred as of July 2, 2020, as though such repayment had occurred on June 30, 2020, we had *as adjusted* cash and cash equivalents of \$363.3 million and approximately \$4.0 billion in undrawn commitments under the Revolving Credit Facility. See "Description of certain financing arrangements—Revolving Credit Facility." Our financial profile is supported by the Norwegian fiscal regime, which allows exploration and production companies to effectively offset a nominal 89.6% of development costs and 78% of exploration costs and operational expenditure against their tax liabilities. As a result, we expect 89.6% of our total capital expenditures to be offset against tax liabilities over the next six years. This tax treatment significantly de-risks the financing of our exploration and development program and limits the impact on our cash flow of the pursuit of our long-term goal of expanding and replacing our reserves base. In addition, in an effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 pandemic, the Norwegian Government on June 19, 2020 enacted temporary targeted changes to Norway's petroleum tax system for investments incurred in 2020 and 2021 and for certain new projects with final investment decisions submitted by end of 2022. As a result, nominal 91.4% of development costs incurred in the years ended December 31, 2020 and 2021, as well as certain future development costs, may be offset against our tax liabilities. See "Regulation—Norway." We believe the totality of the petroleum tax changes will lead to more favorable returns on our investments in field developments and strengthen our liquidity. See "Recent developments—Oil price volatility." Our asset base has historically generated positive cash flow due to our significant existing oil and gas production and low production costs. During the years ended December 31, 2017, 2018 and 2019, we generated free cash flow of \$1.0 billion, \$2.1 billion and negative \$0.3 billion. For the year ended December 31, 2019, free cash flows were lower than the historical average, primarily due to the large tax refund received in 2018 related to the Hess acquisition, in addition to increased capital expenditure with respect to the Valhall and Johan Sverdrup fields in 2019. During the years ended December 31, 2017, 2018 and 2019, we generated \$2.2 billion, \$3.8 billion and \$1.9 billion in operating cash flow. See "Presentation of financial and other information—Non-IFRS financial measures" and "Management's discussion and analysis of financial condition and results of operations—Historical cash flows—Cash flow from operating activities."

### ***Supportive ownership structure and experienced management and technical teams***

We benefit from a strong and supportive 40% equity owner in Aker ASA, both from an industrial and financial perspective. Aker ASA is a large industrial investment company with a market capitalization of approximately NOK 30.19 billion (approximately \$3.46 billion) as of August 31, 2020. We further benefit from an additional strong and supportive 30% equity owner in BP. BP is one of the world's largest energy companies by market capitalization and has operations in over 70 countries. Furthermore, our board of directors and senior management team members have an average of approximately 25 years of experience in the oil and gas industry, including substantial experience working on the NCS. The combined industry and regional expertise of our board of directors and management team enables us to better understand and effectively manage the inherent risks associated with our business. We believe that our leadership team has the varied experience and proven track record in the oil and gas industry necessary to identify new production and development opportunities and to continue building a strong platform for the delivery of long-term growth.

### ***Successful and proven approach to M&A integration***

We acquired several of our key producing assets through the execution of a series of successful M&A transactions. For example, we acquired the Skarv, Ula, Valhall, and Hod fields as part of the BP Acquisition. We have also successfully integrated Marathon Norway, BP Norge and Hess Norge into our existing corporate and

operational structure. We believe our success is driven by our approach to integration, which is based on a merger strategy focused on developing shared values and vision. We focus on fully integrating new employees within all levels of our existing organization and we adjust our governance structures to fit our post-M&A scale. Our M&A transactions have improved our credit profile by, among other things, accelerating our free cash flow by providing additional upfront production and allowing us to better monetize our assets. The transactions have also allowed us to realize organizational and cost synergies and strengthen our reserves base.

## **Strategies**

### ***Maximize performance of existing producing areas and execute high-quality development projects***

We aim to continue to safely optimize returns from our existing producing assets by using established technologies to maximize recoveries of in-place hydrocarbons and managing natural decline rates by strategic infill drilling. We have an ongoing drilling program to optimize recoveries from producing reservoirs and to develop hydrocarbon accumulations close to existing infrastructure. Furthermore, we focus on reliability and availability of key infrastructure to maintain production levels. We seek to execute projects efficiently and secure new high-quality development projects. To ensure high and sustainable returns on investments, we rank our projects according to break-even oil price and we aim to only invest in projects that are profitable at or below a break-even price of \$30/boe (including a 10% return on investment) and a production cost at or below \$7/boe at sanctioning. We also intend to leverage the value of our existing infrastructure by developing new, smaller deposits in the vicinity of our existing platforms that would be uneconomic without the ability to utilize existing infrastructure. We will also continue our focus on delivering our most significant high-quality development asset, the Johan Sverdrup field. The Johan Sverdrup field commenced production in October 2019, more than two months ahead of schedule, and NOK 40 billion below the original capex estimates in the PDO. Phase 2 of the Johan Sverdrup development project is progressing well, with production start-up expected in the fourth quarter of 2022. We believe the other participants in the field, including the operator Equinor, share the same drive and commitment to delivering Phase 2 of the Johan Sverdrup field on time and on or below budget.

### ***Maintain disciplined capital management and conservative financial profile***

We aim to maintain a conservative financial profile and balance sheet with ample liquidity. We expect to fund exploration and development activities from a combination of production cash flows, proceeds of debt issuances and potentially proceeds from portfolio management activities, such as farm-downs or sales. Any cost overruns in our exploration and development programs are expected to be partially mitigated by the Norwegian tax regime. We closely monitor liquidity risk through cash flow forecasts and sensitivity analyses. We manage our credit risk by assessing the creditworthiness of potential counterparties before entering into transactions with them and we will continue to evaluate their creditworthiness after transactions have been initiated. We maintain a prudent risk management policy based on our continuous monitoring of market conditions, which includes our hedging program, the goal of which is to reduce the risk connected to foreign exchange rates, interest rates and commodity prices. See “*Management’s discussion and analysis of financial condition and results of operations—Qualitative and quantitative disclosures about market risk.*”

### ***Sustaining a competitive cost structure through continuous focus on several improvement areas***

We work to create value and seize opportunities faster by prioritizing flow, rather than resource, efficiency. Ongoing improvement initiatives and organizational efforts are grounded in “LEAN” principles, which include understanding value streams, visualizing progress and ensuring continuous learning. Successful implementation means improved quality and shorter lead times. In addition, we aim to increase our efficiency by digitizing field development and operation throughout the entire life cycle of a field, from exploration to abandonment. We believe that it is possible to safely improve quality and reduce costs through reorganizing the value chain with strategic alliances with suppliers and oilfield services providers. We believe that we can prepare for changing market conditions by developing a flexible business model that anticipates growth and adapts to volatility. Such a business model may allow us to identify and mitigate supply chain risks and to exploit market volatility to gain competitive advantages. For example, we believe the acquisition of Marathon Norway, the BP Acquisition and the Hess Norge Transactions have significantly strengthened our operations and growth potential. Our low production costs and break-even prices help to support our financial performance when faced with volatility in the oil and gas markets.

***Continue growing reserves by utilizing exploration skillset and operational expertise and through strategic acquisitions***

Portfolio management and enhancement are integral aspects of our exploration, development and production strategy through which we seek to realize value at an appropriate point in the life cycle of an asset. We will maintain the structure of our successful exploration and development programs, which have resulted in our participation in major discoveries as the Ivar Aasen and the Johan Sverdrup fields, and continue selective development and appraisal programs to combat natural production declines and to maintain existing reserves. Our exploration program is positioned for future growth. We plan to continue focusing our exploration activities in Norway in both mature and frontier areas on the NCS where the stable fiscal regime limits the impact of price declines and reduces exploration and appraisal risk. We will continue to review exploration opportunities on an ongoing basis and optimize our exploration portfolio to ensure we drill only those wells that we deem to offer an attractive risk/reward profile, and where possible, enable us to leverage our existing infrastructure position on the NCS. Going forward, we will focus on prospects with development potential in the short-term, which we believe we are well positioned to realize due to our extensive regional knowledge and experience on the NCS. To complement our organic growth strategy, we may also consider selective strategic acquisitions of companies and/or interests in licenses with reserves or contingent resources. We evaluate acquisitions based on a set of criteria, including rate of return, field cash flow, operational efficiency, reserve life, development costs and decline profile, as well as quality of the organization. We also continuously seek to optimize our asset portfolio by monetizing certain assets, through divestitures or farm-downs.

**Our history**

The following provides a brief summary of our history and development:

- 2001..... Petra AS was founded by Petroleum Geo Services (PGS) ASA as an E&P company with focus to exploit the potential of petroleum resources on the NCS. The potential benefits of collaboration between Petra and PGS were the main argument for establishment. Petra was approved as a license holder and operator on the NCS in February 2002, being the first Norwegian newcomer on the NCS over the preceding 10 years.
- 2005..... PGS sold Petra to Talisman Energy. Soon after, the management team in Petra established a new company, Petra Management. The new company negotiated a contract with Talisman Energy for the purchase of some of the assets Talisman had acquired from Petra's former owner. The result was the basis for the establishment of a new E&P company in Trondheim. "New" Petra was established, with financial support from local investors.
- 2007-2008 ..... Petra merged with the Norwegian arm of DNO, which was organized through the company NOIL Energy. DNO changed its name to DNO International, while Petra, as the surviving entity of the merger, changed its name to Det norske oljeselskap ASA or simply "Det norske" colloquially. The two companies were formally merged in 2008. In the same year, Det norske discovered Draupne, later renamed to Ivar Aasen. We are the operator and hold an ownership interest of 34.8% in the unit comprising the Ivar Aasen and West Cable deposits.
- 2009..... A merger with Aker Exploration, an E&P company established by the Aker group in 2006, was formally approved in October 2009 with Aker Exploration as the surviving entity. The name of the merged company remained Det norske oljeselskap ASA. Aker ASA became our largest shareholder with an ownership interest of approximately 49.99%. Aker ASA holds 40.00% of the shares in the Company pursuant to the BP Acquisition in 2016.
- 2011..... The Company participated in the significant discovery made by Equinor, at that time called Aldous Major, later to be known as part of Johan Sverdrup.
- 2012..... The Company submits the PDO for the Ivar Aasen field to the Ministry of Petroleum and Energy. This is the Company's first major development as operator.
- 2013..... With start-up of production on Jette, the Company becomes a fully-fledged oil company with activities in the entire chain of value creation: exploration, development and production.

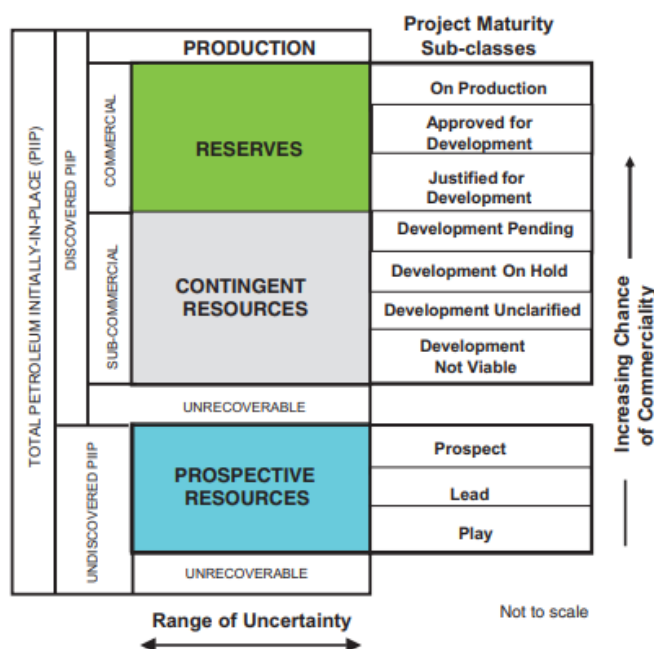


- 2014..... The Company entered into an agreement to acquire all outstanding shares in Marathon Oil Norway. Following completion, the Company diversified its asset base to support further growth.
- 2015..... On February 13, 2015, the PDO for Johan Sverdrup was submitted to the MPE. The Company acquired Svenska Petroleum Exploration AS and Premier Oil Norge AS in 2015.
- 2016..... On June 10, 2016, the Company entered into an agreement with BP p.l.c. to merge with BP Norge through a share purchase transaction, the BP Acquisition. The merged Company, Aker BP, moved its headquarters to Fornebuporten, Bærum, Norway. On September 30, 2016, the Company completed the closing of the BP Acquisition and merger with BP Norge. The merged Company began trading on the Oslo Stock Exchange under the symbol AKERBP. On December 24, 2016 the Company achieved first oil at the Ivar Aasen field.
- 2017..... On December 22, 2017, the Company acquired Hess Norge, and simultaneously divested a 10.0% share in Valhall and Hod to Pandion, following which we hold a 90.0% interest in each of the Valhall and Hod fields.
- 2018..... On July 31, 2018, the Company acquired the interests of Total E&P Norge in a portfolio of 11 licenses on the NCS. On October 15, 2018, the Company acquired Equinor’s 77.8% interest in the King Lear gas/condensate discovery in the Norwegian North Sea.
- 2019..... On October 5, 2019, the Johan Sverdrup field, in which the Company has an 11.6% interest, commenced production. Johan Sverdrup has expected recoverable reserves of 2.7 billion barrels of oil equivalent.
- 2020..... In April 2020 oil production at the Johan Sverdrup field reached the new phase 1 plateau of 470,000 barrels of oil per day.

**Reserves, resources and operating data**

We retain AGR Petroleum Services AS our independent reserve engineer for the purposes of certifying the reserves associated with our asset portfolio and our internal reserve estimates. Except as otherwise indicated, our reserves are generally estimated and classified in accordance with the SPE’s Petroleum Resources Management System (PRMS). See “*Presentation of financial and other information—Certain reserves, contingent resources and production information.*”

The framework is illustrated in the figure below:



Our total 1P reserves (P90/1P) and total 2P reserves (P50/2P) as of December 31, 2019 were estimated to be 666 mmbob and 906 mmbob, respectively.

1P and 2P reserves and contingent resources are estimated using standard recognized evaluation techniques. The reserve estimates for each asset are prepared by management and certified by AGR annually or more frequently upon the occurrence of a material change or acquisition. We provide AGR technical information including production, geological, geophysical, petrophysical, engineering and financial data, as well as fiscal terms applicable to the various assets. Costs consistent with the activities required to produce the 1P and 2P reserves are provided. AGR certifies the information provided and recommends changes to the technical assumptions as required. Our petroleum engineering department under the leadership of management maintains oversight and compliance responsibility for our internal reserve estimate process.

AGR has performed an independent review of our reserves, and has certified a 1P reserve estimate that is approximately 2.5% larger than our estimate, caused by a difference in timing and a slightly different way of calculating economic cut-off. As our estimate is lower than AGR's estimate, our number is considered to have a probability larger than 90%, well in line with PRMS requirements.

Potential investors should note that we have not estimated 1P and 2P reserves under the standards of reserves management applied by the SEC (the "**SEC Basis**") for any of the relevant periods reviewed in this Offering Memorandum, or otherwise. The SEC Basis differs from PRMS. See "*Presentation of financial and other information.*"

#### ***Qualifications of third-party engineers***

The technical personnel responsible for preparing the certification of our reserve estimates at AGR meet the requirements regarding qualifications, independence, objectivity and confidentiality set forth by the SPE. AGR is a globally recognized expert consultancy group who provide Certified Reserves Audits and Competent Person's Reports (CPR) to clients including international oil companies, government organizations and banks. AGR perform studies to standards which are accepted by, among others, the Oslo Stock Exchange, Australian Securities Exchange, London Stock Exchange, SEC as well as international commercial and institutional banks. In April 2019, an affiliate of Aker ASA, Akastor ASA, completed a merger (the "**AGR Merger**") between First GEO, a wholly-owned subsidiary of Akastor ASA, and AGR. Following the AGR Merger, Akastor ASA indirectly holds 100% of the shares and 55% of the economic interest in AGR, with the remaining 45% economic interest held by certain existing shareholders of AGR. Following the AGR Merger, AGR remains an independent consulting firm and does not own an interest in our properties and is not employed on a contingent fee basis. See "*Presentation of financial and other information.*"

The below tables present our 1P and 2P reserves as of December 31, 2019 per projects and reserve class.

	Sub-class "On-Production"						
	1P / P90 (low estimate)						
	Interest %	Gross oil/cond (million barrels)	Gross NGL (million barrels)	Gross gas (million barrels)	Gross oil equival. (million barrels)	Net oil equival. (million barrels)	Gross oil/cond. (million barrels)
Alvheim Kameleon / Kneler .....	65.0%	30	–	2	32	21	44
Boa Base .....	57.6%	8	–	1	9	5	13
Bøyla Base .....	65.0%	2	–	–	2	1	3
Frosk Test Production .....	65.0%	–	–	–	–	–	1
Vilje Base .....	47.0%	7	–	–	7	3	12
Volund Base .....	65.0%	5	–	1	6	4	8
Ula Base .....	80.0%	5	–	–	5	4	7
Ula Drilling (Ula D) – Re-completion .....	80.0%	1	–	–	1	1	1
Tambar Base .....	55.0%	3	–	1	4	2	4
Tambar East Base .....	46.0%	–	–	–	–	–	–
Valhall Base .....	90.0%	129	5	20	154	139	167
Hod Base .....	90.0%	3	–	–	3	3	3
Skarv Base .....	24.0%	15	17	77	109	26	27
Ærfugl A-1H .....	24.0%	3	5	24	33	8	4
Ivar Aasen Base .....	35.0%	57	3	10	70	24	97
Johan Sverdup Phase 1 .....	11.6%	1,640	42	50	1,732	200	1,946
Gina Krog Base .....	3.3%	49	22	62	133	4	58
Oda .....	15.0%	15	–	–	15	2	28
Atla Base .....	10.0%	–	–	–	–	–	–
Enoch Base .....	2.0%	–	–	–	–	–	1
<b>Total .....</b>		<b>1,973</b>	<b>94</b>	<b>250</b>	<b>2,317</b>	<b>449</b>	<b>2,425</b>

	Sub-class "Approved for Development"							
	IP / P90 (low estimate)							
	Interest %	Gross oil/cond (million barrels)	Gross NGL (million barrels)	Gross gas (million barrels)	Gross oil equival. (million barrels)	Net oil equival. (million barrels)	Gross oil/cond. (million barrels)	Gross NGL (million barrels)
Johan Sverdup Phase 2 .....	11.6%	400	1	1	402	46	587	
Hanz.....	35.0%	12	1	2	15	5	15	
Alvheim Kameleon Gas Cap Blow								
Down .....	65.0%	–	–	10	10	7	–	
Kameleon Infill Mid.....	65.0%	3	–	–	3	2	4	
Skogul.....	65.0%	5	–	1	6	4	9	
Valhall Flank North Water Injection...	90.0%	6	–	–	6	6	7	
Valhall Flank South West Infill								
Drilling .....	90.0%	2	–	–	2	2	4	
Valhall Flank West Project .....	90.0%	32	2	7	41	37	43	
Valhall Flank West V-12 Infill.....	90.0%	2	–	1	3	3	3	
Valhall Flank West V-4 Infill.....	90.0%	2	–	1	3	3	3	
Valhall IP drilling programme .....	90.0%	8	–	1	10	9	10	
Valhall Tor Fm Infill PSCN .....	90.0%	2	–	1	3	3	3	
Valhall WP Production recovery .....	90.0%	12	1	3	16	14	19	
Ula Drilling phase 1 .....	80.0%	15	–	–	15	12	28	
Tambar K2 Sidetrack.....	55.0%	1	–	–	1	–	3	
Snadd Outer.....	30.0%	2	5	23	30	9	3	
Ærfugl Phase 1 .....	23.8%	13	14	64	91	22	20	2
Ærfugl Phase 2 .....	23.8%	4	6	27	37	9	6	1
<b>Total .....</b>		<b>522</b>	<b>30</b>	<b>142</b>	<b>694</b>	<b>192</b>	<b>769</b>	<b>4</b>

	Sub-class "Justified for Development"						
	1P / P90 (low estimate)						
	Interest %	Gross oil/cond (million barrels)	Gross NGL (million barrels)	Gross gas (million barrels)	Gross oil equival. (million barrels)	Net oil equival. (million barrels)	Gross oil/cond. (million barrels)
Frosk Test Production unsanctioned .....	65.0%	1	-	-	1	1	3
Boa Sidetrack South .....	57.6%	2	-	1	3	2	3
Ivar Aasen OP-E-SK2 .....	34.8%	1	-	-	1	1	3
Ivar Aasen OP-W .....	34.8%	1	-	-	2	1	3
Hod Field Development Project .....	90.0%	20	1	3	24	21	30
<b>Total .....</b>		<b>26</b>	<b>1</b>	<b>4</b>	<b>31</b>	<b>25</b>	<b>41</b>
<b>Total reserves .....</b>		<b>2,521</b>	<b>125</b>	<b>396</b>	<b>3,042</b>	<b>666</b>	<b>3,235</b>

Net attribute million barrels of oil equivalents (mmboe)	Aggregated reserves, production, developments and adjustments					
	On Production		Approved for Development		Justified for Development	
	1P/P90	2P/P50	1P/P90	2P/P50	19/P90	2P/P50
<b>Balance as of 31.12.2018 .....</b>	<b>255</b>	<b>344</b>	<b>410</b>	<b>543</b>	<b>18</b>	
Production.....	-56.5	-56.5	-	-	-	
Transfer.....	242.6	299.2	-225.6	-271	-16.9	
Revisions .....	8.2	-6.5	-4.7	-3.5	-	
IOR .....	-	-	2.1	3.1	2.8	
Discovery and extensions.....	-	-	10.1	16.2	21.3	
Acquisition and sale .....	-	-	-	-	-	
<b>Balance as of 31.12.2019 .....</b>	<b>449</b>	<b>580</b>	<b>192</b>	<b>288</b>	<b>25</b>	
<b>Delta 19-18.....</b>	<b>194</b>	<b>236</b>	<b>-218</b>	<b>-255</b>	<b>7</b>	

- (1) Note that the production numbers included herein are approximate, based on actual production for the first ten months ended October 31, 2019 and a projected result, our actual production for the year ended December 31, 2019 may differ slightly from the figures included herein.

## Key producing licenses

### *Alvheim (PL036C, PL088BS, PL203)*

Location: .....	Offshore, NCS
Production Facility: .....	Alvheim FPSO
Aker BP Working Interest (excluding Boa): .....	65.0%
Aker BP Unitized Working Interest (Boa): .....	57.6%
Operator: .....	Aker BP
Field Participants:.....	ConocoPhillips Skandinavia AS, Lundin Norway AS

Alvheim is an oil and gas field located in the Norwegian sector of the Central North Sea at a water depth between 120 to 130 meters. The field lies in Blocks 24/6, 24/9, 25/4 and 25/7, and is comprised of the producing Alvheim field (Boa, Kneler, and Kameleon structures), the producing Viper and Kobra structures, and the Gekko discovery.

The productive horizon for the Alvheim field is the Middle to Late Palaeocene/Early Eocene Heimdal Formation and Hermod sandstones, which exists at a depth of approximately 2,100 meters below sea level. Alvheim was developed using the Alvheim FPSO. The Alvheim FPSO provides for the transport of oil by shuttle tanker and transportation of gas to the SAGE system, with the associated gas ultimately exported to St. Fergus, UK. The Bøyla, Vilje and Volund fields are also tied back to the Alvheim FPSO. The Alvheim FPSO is characterized by high uptime, historically with availability (excluding planned maintenance work) for 2017, 2018, 2019 and the six months ended June 30, 2020 of 97.5%, 97.0%, 96.9% and 97.0%, respectively.

First production for the Alvheim field began in June 2008. Since then, the estimated recoverable volumes of oil and gas from the Alvheim area have increased significantly as a result of greater in place volumes than previously estimated, in addition to the development of satellite fields, additional horizontal and multilateral wells, additional infill wells and better than anticipated reservoir flow behavior. Further, improved reliability combined with optimization work has increased the production capacity of the Alvheim FPSO to about 157 Mboepd up from the original design of 120 Mboepd. The cessation of production of the Alvheim field is estimated to be 2033, with subsequent abandonment expected between 2033 and 2035.

The Boa reservoir is a connecting reservoir of the Alvheim field that straddles the Norway/UK border. The Boa reservoir is unitized with Verus Petroleum Limited, which is the owner on the UK side.

### *Valhall (PL006B, PL033B)*

Location: .....	Offshore, NCS
Production Facility: .....	Valhall Platform
Aker BP Working Interest: .....	90.0% (Valhall) / 90.0% (Hod)
Operator: .....	Aker BP
Field Participants:.....	Pandion Energy AS

Valhall is a large oil field located in the southern part of the Norwegian sector of the North Sea at a water depth of 70 meters. The field was discovered in 1975, and production began in 1982. The Valhall field produces from a reservoir consisting of Late Cretaceous chalk in the Tor Formation and the Hod Formation. The reservoir is located at a depth of approximately 2,400 meters. The chalk in the Tor Formation is heavily fractured.

The field is part of a mega structure containing two fields: Valhall and Hod. Hod was discovered in 1974. Oil and natural gas liquids are piped via the Ekofisk platform to Teesside, United Kingdom, and dry-gas is transported through the Norpipe pipeline to Emden, Germany. The South Flank and North Flank came on stream in 2003 and 2004, respectively. The Valhall field had production efficiency of 87.2% in 2018, 81.6% in 2019 and 83.1% in the six months ended June 30, 2020. Production efficiency in 2019 was negatively impacted by a planned maintenance shutdown in June 2019.

The Valhall license has a decommissioning program underway for certain installations. Planning has started for the decommissioning and removal of certain platforms, and the plugging and abandonment of certain Valhall wells was completed in 2018. The progress of the plugging and abandonment program exceeded our expectations and was completed sooner than originally scheduled.

The PDO for the Valhall Flank West development was submitted to Norwegian authorities in December 2017. The development project was executed on schedule, and production started in December 2019. The drilling and stimulation campaign was completed in August 2020, and the ramping up of production is continuing.

Further Valhall field development is ongoing. We are also progressing the Valhall Flank North Water Injection project to increase resource recovery from the northern basin and redevelop the Hod field. Additionally, we will mature and progress further infield opportunities in order to maintain the Valhall Asset economic life well beyond the current production license duration. On June 24, 2020, the Company and Pandion Energy submitted a PDO for the Hod field and first oil is planned for first quarter 2022.

The Valhall concession period currently expires in 2028. The resource potential extends beyond the concession period, and there is track record across the industry of achieving extensions to license concessions. We believe the cessation of production will be subject to the technical life of the facilities and the economic cut-off. The design life for the Valhall Production and Hotel platform extends until 2049 and the design life for the Drilling and Water Injection Platform is 2033. The design life for the Flank North, Flank South, and Wellhead platforms was recently extended to 2028.

**Skarv (PL262, PL212B, PL212)**

Location: .....	Offshore, NCS
Production Facility: .....	Skarv FPSO
Aker BP Working Interest: .....	23.8%
Operator: .....	Aker BP ASA
Field Participants:.....	Equinor, Wintershall Dea Norge AS, PGNiG Upstream Norway AS

The Skarv area is located in the western flank of the northern ridge of the Norwegian Sea, approximately 210 kilometers from Sandnessjøen at a depth of approximately 350 to 450 meters. The Skarv field is our northernmost producing field. The field is developed with the Skarv FPSO equipped with one of the world’s largest offshore gas processing plants. Subsea wells are tied back to the Skarv FPSO from five subsea templates. The Skarv FPSO had production efficiency of 91.3% in 2018, 96.4% in 2019 and 98.0% in the six months ended June 30, 2020. The field came on stream in December 2012 and has a design field life of 25 years. During the year ended December 31, 2016, production from the Skarv area was successfully moved to low-pressure gas production. The Skarv license concession period currently expires in 2033, and the original Skarv FPSO design life is 2035. The resource potential extends beyond the concession period, and there is track record across the industry of achieving extensions to license concessions. We believe the cessation of production will be subject to the technical life of the facilities and the economic cut-off.

**Ivar Aasen Unit (PL001B, PL242, PL457BS)**

Location: .....	Offshore, NCS
Production Facility: .....	Ivar Aasen
Aker BP Working Interest: .....	34.8%
Operator: .....	Aker BP
Field Participants:.....	Equinor, Spirit Energy Norway AS, Wintershall Dea Norge AS, Neptune Energy Norge AS, Lundin Energy Norway AS, OKEA ASA

The Ivar Aasen is an oil field situated west of the Johan Sverdrup field in the North Sea at a water depth of 110 meters, containing the Ivar Aasen reservoir and the West Cable reservoir. Ivar Aasen consists of shallow marine sandstones in the Hugin Formation and fluvial sandstones in the Sleipner and Skagerrak Formations. Ivar Aasen contains oil at a depth of approximately 2,400 meters, and parts of the associated reservoir have an overlying gas cap. The Ivar Aasen field had production efficiency of 93.2% in 2018, 92.3% in 2019 and 97.5% in the six months ended June 30, 2020.

The Ivar Aasen PDO was approved by the Norwegian Parliament in May 2013 and the field came on stream in December 2016, on time and on budget. The estimated economic life of the Ivar Aasen field is 23 years. On June 30, 2014, a UOA for Ivar Aasen and West Cable was entered into with the licensees in PL001B, PL242, PL457BS and PL338BS. The UOA was approved by the MPE on October 29, 2014. The Ivar Aasen development plan (Ivar Aasen and West Cable discoveries) includes production of the reserves also from the Hanz (PL028B) discovery.

The development of Ivar Aasen is coordinated with the adjacent Edvard Grieg field, which receives partially processed oil and gas from the Ivar Aasen field for further processing and export. The Edvard Grieg platform also provides the Ivar Aasen platform with gas lift and electricity.

**Ula (PL019, PL019E), Tambar (PL065, PL019F) and Tambar East (PL065, PL300)**

Location: .....	Offshore, NCS
Production Facility: .....	Ula Platform
Aker BP Working Interest (Ula):.....	80.0%
Aker BP Working Interest (Tambar): .....	55.0%
Aker BP Working Interest (Tambar East): .....	46%
Operator: .....	Aker BP
Field Participants:.....	DNO Norge AS, Repsol Norge AS, INEOS E&P Norge AS, KUFPEC Norway AS

Ula is an oil field located in the southern part of the Norwegian sector of the North Sea. The main reservoir is located at a depth of approximately 3,345 meters in the Ula formation in the Upper Jurassic Formation. The Ula field had production efficiency of 67.0% in 2018, 69.2% in 2019 and 84.1% in the six months ended June 30, 2020.

Ula production commenced in 1986. The main driver mechanism is water-alternating-gas injection (WAG). A total of 47 wells have been drilled, out of which seven are currently producing. Ula is currently maturing additional wells as a continuation of an infill drilling program which started in 2019. We are also active in the areas around Ula and we are reviewing further opportunities identified in the annual Award in Predefined Areas (APA) rounds. Successful award of new acreage and subsequent discoveries may lead to further Ula tie-ins in the future. The Ula facilities are currently used as processing facilities for the Tambar, Blane and Oda fields.

The Aker BP operated Tambar and Tambar East fields, developed with a wellhead platform tied into Ula, commenced production in 2001. The drive mechanism is pressure depletion. Infill drilling on Tambar commenced production in 2018. The gas lift facilities for the Tambar wells came on-line in 2019.

In connection with the potential development of certain discoveries, including the King Lear discovery acquired in 2018, we have implemented programs on the Ula field aimed at improving the technical condition and extending the expected life of the facilities. Additional development of the field may lead to the introduction of a new platform at Ula in the mid-2020s.

The Ula field concession period currently expires in 2028. The resource potential extends beyond the concession period, and there is a track record across the industry of achieving extensions to license concessions. We believe the cessation of production will be subject to the ultimate technical lifetime of the facilities and the economic cut-off.

**Johan Sverdrup (PL265, PL502)**

Location: .....	Offshore, NCS
Production Facility: .....	Johan Sverdrup
Aker BP Working Interest: .....	11.6%
Operator: .....	Equinor Energy AS
Field Participants:.....	Aker BP ASA, Lundin Norway AS, Petoro AS, Total E&P Norge AS

Johan Sverdrup is one of the largest fields on the NCS and is located on the Utsira High in the North Sea at a water depth of 110 meters. The field reservoir consists of Lower Cretaceous/Upper Jurassic highly porous and permeable sandstone. It is a fault bounded three-way dip closure located at a depth of 1,900 meters. Production commenced in October 2019 and in late April 2020 oil production reached the new Phase 1 plateau of 470,000 barrels of oil per day. The properties of the reservoir have been thoroughly documented through more than 35 appraisal wells and production tests in several wells, as well as in the production from the eight production wells currently on stream. The field's coarse grain size entails large pores and exceptionally good flow properties. The ultimate recovery rate of the field is expected to be high. The field's operator, Equinor, has a target recovery efficiency of more than 70%.

The Johan Sverdrup field is among the largest discoveries in the history of the NCS and as of December 31, 2018, the Johan Sverdrup field had certified gross reserves of 2.681 billion boe (310 million boe net to us). When the field is fully developed, it is expected to reach a plateau production capacity of 690,000 bopd.

The Johan Sverdrup project is being developed in two phases. The PDO for Phase 1 of the Johan Sverdrup development, comprising of two plans for installation and operation for pipeline transportation and a power from shore solution, was approved by the MPE in August 2015. The work preceding the investment decision and submission of the PDO was led by Equinor as operator. The Phase 1 project was completed in



October 2019 and production commenced more than two months ahead of schedule, and NOK 40 billion below the original capex estimates in the PDO. The PDO for Phase 2 was submitted in August 2018 and approved by Norwegian authorities in May 2019. Phase 2 of the Johan Sverdrup development, which includes the construction of a subsea production system, reconstruction of the existing riser platform and a new processing platform, is expected to come on stream at the end of 2022.

Fully developed, 62 oil, production and water injection wells are planned to be drilled on the Johan Sverdrup field. Oil and gas from the Johan Sverdrup field is transported to shore via dedicated pipelines. The oil is transported to the Mongstad terminal in the county of Vestland. The gas is transported via the Statpipe system to Kårstø in the county of Rogaland for processing and onward transportation. Phase 2 of the Johan Sverdrup development will be supplied with power from shore, with two converter stations at Kårstø supplying direct current through two independent power cable systems.

The gross investment cost estimate for Phase 2 has been reduced to NOK 41 billion (nominal number at project currency exchange rates), a total reduction of 40% since the Phase 1 PDO estimates in 2015. According to the operator, the break-even price for the full field development is less than \$20.00/boe. According to the operator, a more streamlined operation and maintenance model, combined with increased use of digital and automated solutions, has also helped reduce estimated annual operating costs by nearly NOK 1 billion, or approximately 30%, since the PDO was approved in February 2015.

### Key development projects (undeveloped reserves)

#### *Hod (PL033)*

On June 24, 2020, the Company and Pandion Energy submitted a PDO for the Hod field. Production start is planned for the first quarter of 2022, with recoverable reserves for Hod estimated at around 40 mmboe. Hod will be developed with a Normally Unmanned Installation (“**NUI**”), remotely controlled from our Valhall field center. The project will have very low CO<sub>2</sub> emissions due to power from shore, in line with our goal to minimize the footprint of our operations. Total investments for the development are estimated at around \$600 million, and the break-even price for field development is expected to be under \$25.00/boe. Hod is among the first projects to be realized under the recently introduced temporary changes to the Norwegian petroleum tax system.

#### *Ærfugl (PL212E, PL212B, PL262, PL212)*

The Ærfugl field development, operated by Aker BP, is a major subsea project in two phases. Both phases will be tied into the existing production vessel (FPSO) on the Skarv field. The PDO for both phases of the Ærfugl development was submitted to the Ministry of Petroleum and Energy in December 2017. Phase 1, which develops the southern part of the Ærfugl field, consists of three new wells. Phase 2 consists of an additional three wells in the northern part of the field, and in November 2019, the partnership decided to proceed with Phase 2 of the project, three years ahead of the original plan. The first half of 2020 saw the successful start-up of the first Ærfugl Phase 2 well. This means that production start-up for Phase 2 came before the start-up of Ærfugl Phase 1. Production for Phase 1 is expected to start during the fourth quarter of 2020.

### Key development projects (contingent resources)

We have contingent resources in a wide range of assets. The following table provides a summary of our total net contingent resources estimates as of December 31, 2019, by our production licenses and discoveries as of December 31, 2019.

Area	As of December 31, 2019 (mmboe)
<i>Production area</i>	
<b>Alvheim area</b> .....	<b>78</b>
Alvheim Gekko/Kobra East.....	29
Frosk Development Project.....	18
Other <sup>(1)</sup> .....	31
<b>Ula area</b> .....	<b>159</b>
King Lear.....	82
King Lear Ula field WAG.....	38
Other <sup>(2)</sup> .....	39
<b>Valhall area</b> .....	<b>208</b>

Hod Field Development Expansion .....	10
Hod Diatomite (Hod Upper Diatomite) .....	21
Valhall (Upper) Diatomite .....	63
Valhall Additional Infill Drilling .....	48
Other <sup>(3)</sup> .....	66
<b>NOAKA</b> .....	<b>316</b>
Frigg Gamma .....	75
Frøy .....	37
Fulla .....	26
Langfjellet .....	30
Rind .....	30
Askja .....	118
Other <sup>(4)</sup> .....	—
<b>Other<sup>(5)</sup></b> .....	<b>170</b>
<b>Total</b> .....	<b>931</b>

- (1) The Alvheim area also included the Trelle, '25/4-2 Trine fields and Froskelår projects as of December 31, 2019.
- (2) The Ula area also included the Ula URD Unit F wells, Ula A 18 ReDrill Phase 2, Ula Triassic Development, Ula life extension and Krabbe fields and projects as of December 31, 2019.
- (3) The Valhall area also included Valhall Flank West Waterflood, Valhall Extended Production, Valhall WP Production Recovery Waterflood, Valhall redrill and Valhall Tor Fm Infill PWCC3 projects as of December 31, 2018.
- (4) The Askja/Krafla also included the Krafla and Central fields and projects as of December 31, 2019.
- (5) "Other" includes the Ivar Aasen IOR 08, Gråsel, Alve Nord, Idun North, Filicudi, Garantiana, Gina Krog IOR and Gotha fields and projects as of December 31, 2019.

#### ***North of Alvheim and Krafla-Askja (PL442, PL026B, PL364, PL272)***

The North of Alvheim and Krafla-Askja ("NOAKA") area consists of the discoveries Frigg Gamma Delta, Langfjellet, Frøy, Fulla, Rind and Askja-Krafla. Gross resources in the area are estimated to be more than 500 mmboe. We are the operator of the NOAKA area and hold working interests of 40% to 92% in the constitutive fields.

We and the other license partners (Equinor and Grupa Lotos) have performed detailed studies of different development solutions for the NOAKA area. In January 2020, a joint task force between Equinor and Aker BP recommended a development concept for the area with an unmanned gas hub in the northern Krafla field area ("UPP") operated by Equinor, a manned processing hub in the southern NOA field area ("PdQ") operated by Aker BP and several satellite platforms and tiebacks to cover the various discoveries.

In June 2020, we and Equinor entered into an agreement in principle on commercial terms for a coordinated development of the NOAKA area and have started preparations for submitting a PDO in 2022. The development will include a processing platform in the South operated by Aker BP and an unmanned processing platform in the North operated by Equinor, as recommended by the January task force.

In July 2019, we completed the Liatårnet exploration well in license 442 in the NOAKA area. The well has proved oil with a gross resource estimate of 80-200 mmboe. Further data acquisition and analysis will be undertaken to determine the drainage strategy, recovery factor and commercial potential for the discovery.

#### **Exploration activity**

In the year ended December 31, 2018, we participated in a total of ten exploration and appraisal wells. We discovered hydrocarbons in one exploration well, and one appraisal well was successful. The net resource addition from these wells is estimated to be 55 mmboe. Total exploration expenses amounted to \$295.9 million. In addition, capitalized exploration expenditures increased by \$62.0 million from December 31, 2017. Total exploration expenditures (being exploration expenses plus capitalized exploration) were \$357.9 million in the year ended December 31, 2018, including \$79.3 million related to field evaluation costs for previous discoveries. Excluding field evaluation costs, the after-tax finding cost was \$1.1 per barrel oil equivalents.

In the year ended December 31, 2019, we participated in a total of sixteen exploration wells and discovered around 170 mmboe net to the Company. Total exploration expenses amounted to \$305.5 million. In addition, capitalized exploration expenditures increased by \$193.9 million from December 31, 2018. We discovered hydrocarbons in the Froskelår Main in the Alvheim area. The Froskelår Main discovery is estimated to contain 60 to 130 mmboe. We are the operator of Froskelår Main with a 60% working interest. The license partners are Lundin Norway (20%) and Vår Energi (20%).

Additionally, the Liatårnet, Ørn, Froskelår NE and Shrek exploration wells were classified as discoveries. On April 30, 2020, we acquired an additional 5% interest in license 838 (bringing our total interest to 35%), which is located near the Skarv field and holds the Shrek discovery, from PGNiG Upstream Norway and assumed operatorship of the license. License 838 contains the recent Shrek discovery near the Aker BP operated Skarv field. We believe our operatorship will enable an efficient development of this discovery as a tie-back to the Skarv FPSO.

Aker BP's original exploration plan for 2020 consisted of participation in ten exploration wells and total exploration investments of approximately USD 500 million. Due to the COVID-19 crisis and the sharp reduction in oil prices, the planned exploration activity for 2020 has been reduced to six wells and total exploration investments of approximately \$350 million. In the six months ended June 30, 2020, two of these exploration wells have been drilled. The current drilling schedule reflects our plans as of September 2020 and is subject to, among other things, changes due to rig availability, operational considerations and business development activities. In addition, we continue to review our exploration and drilling programs on an ongoing basis, in light of the uncertainty caused by the COVID-19 pandemic and recent oil price declines. See *“Overview—Recent Developments—Oil price volatility,” “Overview—Recent Developments—COVID-19” and “Risk Factors—Risks relating to the oil and gas industry—Our business and results of operations may be adversely affected by the COVID-19 pandemic or other similar pandemics.”*

### **Material agreements relating to our assets**

The material agreements governing our activities can be divided into three main categories as follows: (a) license agreements, associated venture agreements and external venture agreements; (b) supply chain agreements of a certain character; and, (c) financial agreements, including terms for our activities.

#### ***Agreements for petroleum activities***

It is conditional to the award of a production license that the prospective licensees enter into an agreement for petroleum activities. Such agreement consists of certain specific provisions stipulated by the MPE which set out, among other things, the voting rules in the license, the JOA to be entered into among the licensees and a standard accounting agreement. The latter regulates the accounting and financial aspects of the (non-incorporated) license joint venture. Upon assignment of a participating interest in a license, it follows from the JOA that the assignment agreement shall contain provisions stipulating that the assignee shall be bound by the JOA and the conditions of the relevant production license with subsequent amendments and supplements.

The licensee JOA establishes the joint venture principles and governs the relationship between the licensees, including the basis for day-to-day management of the activities, allocation of costs, decision-making processes, the operators' duties, etc. A management committee is established as the supreme body of the license joint venture, in which all licensees are represented and have a vote pursuant to their participating interest, which is specifically determined for each license and corresponding JOA. The produced petroleum is allocated to the licensees in accordance with their shares in the license pursuant to the JOA.

If a petroleum deposit extends over more than one production license, the affected licensees must enter into a unitization agreement (“UOA”). Our UOAs are typically based on standard terms approved by the MPE, and regulate main commercial provisions such as the scope of the unit, the tract participation and unit interest split and voting rules. The standard terms are based on the standardized JOA terms. UOAs create a new joint venture and a new management committee, consisting of all licensees in the respective production licenses over which the deposit extends. A UOA governs, among other things, (i) the formation of a unit; (ii) the tract participation of each license, which may be re-determined from time to time in specific units; (iii) the operator's rights, duties and obligations; and (iv) the work program and the relationship between the licensees for the coordinated activities, including the establishment of a management committee. The UOAs for fields straddling the UK continental shelf and the NCS, such as Boa and Enoch, largely include similar provisions, but are based on contracts used on the UK continental shelf that deviate from NCS standards and such UOAs (as well as any subsequent amendments thereto) are subject to the approval of both the MPE and the UK Oil & Gas Authority (or its predecessor, the Department of Energy and Climate Change). The petroleum produced from the field or fields covered by a UOA are allocated to the unit participants in accordance with their unit interest share, as applicable.

The main voting rule in JOAs and UOAs usually requires a combination of the number of licensees and the level of participating interest they represent for a decision to be passed. A normal passmark is a majority of the participants and a majority of participating interests. In such a situation, for example, at least three of four participants representing 50% interest must vote in favor of a particular venture decision. There are, however,

deviations from this majority rule. As an example, some decisions require approval by all participating parties. These types of unanimous decisions include relinquishment of acreage and development decisions regarding new deposits, among others. Additionally, all voting must be unanimous in licenses with only two licensees. See “*Regulation—The licensing system*” and “*Risk factors—Risks relating to our business—We are subject to third-party risk in terms of operators and other license participants.*”

### ***Lifting, transportation and processing agreements***

For all our producing assets, we have gas and oil lifting agreements regulating the detailed offtake of the products. In addition we enter into agreements, as required, for further transportation, processing, storage and terminal services for the various products. We also provide processing, transportation and terminal services for third parties (for example, our Ula platform center is the host center for the Tambar, Blane and Oda fields). In such cases, we enter into field to field agreements that are based on the principle for the life of field. Some of our oil fields also have offshore loading arrangements which are entered into for a specified period of time with options to extend the arrangements.

### ***Oil and gas export***

All of our producing oil and gas assets require us to enter into export arrangements.

Oil production and liquids exported from the Valhall and Ula field centers to Teesside are regulated by life of field agreements or until cessation of the Ekofisk center. Oil production and liquids exported from Johan Sverdrup to the Mongstad terminal are similarly regulated.

The oil production from the Ivar Aasen field is transported to the Edvard Grieg platform for final processing. The blended Ivar Aasen and Edvard Grieg crude is then transported to the Grane Pipeline where it is blended with the Grane crude and transported to the Sture terminal where it is sold as Grane Blend. This is regulated by life of field contracts with the Edvard Grieg field, the Grane pipeline owners and the Sture terminal owners. For the Alvheim and Skarv FPSOs, the oil is transported by shuttle tankers and regulated by contracts of affreightment with Altera Loading PTE Ltd.

Most of our gas volumes are transported to Emden through the Gassled system, operated by Gassco AS (a Norwegian state owned company), which is mainly regulated by Norwegian petroleum legislation. The decommissioning obligations in the Gassled system are shared between all NCS shippers on the basis of transported volumes and regulated by agreement. The gas exported from Alvheim and Ivar Aasen is transported to the St Fergus gas terminal in the UK and regulated through agreements with the SAGE owners.

Most of our gas sales are linked to gas hub prices, but some volumes, such as Valhall gas and Ula and Valhall NGLs, are subject to long-term sales agreements.

### ***Farm-in and farm-out agreements and assignment of license interest***

As part of a continuous program to optimize our portfolio, we relinquish exploration licenses where we see no further potential, and farm-in and out licenses, or purchase or sell licenses interests on a regular basis. A farm-in/farm-out involves a situation where the owner of a license transfers all or a portion of its financial interest in a license, or a part of its interest in the production from a license, to another company in return for the performance of some agreed-upon action, for example, to undertake exploration of a field, drill one or more wells or develop the field. Transfers of license interests are subject to approval by the MPE and the Ministry of Finance (see “*Regulation—Transfer restrictions—Assignment of license interests and change of control.*”)

A transfer of a license interest for producing assets on the NCS leaves a secondary liability for the seller, should the buyer later fail to fulfil any decommissioning obligations existing at the time of the transaction. In such a situation, the seller can be protected by a decommissioning security agreement with the buyer. We, for example, hold such a security agreement following the former equity disposal in the Draugen field.

### ***Other material agreements***

Certain material procurement agreements relate specifically to field development, including facility construction and drilling of wells.

### *Aker BP facility contracts*

For sanctioned projects, we enter into agreements related to field development to deliver activity on our operated licenses. The Hod field development submitted a PDO in June 2020. The main contracts we have entered into with relation to the Hod field development are (i) heavy lift and transport with Heerema Marine Contractors, (ii) detailed engineering and construction of jacket and topsides with Aker Solutions ASA, Kvaerner ASA and ABB AS and (iii) subsea flowlines and subsea production systems with Subsea7 AS and Aker Solutions ASA. The Hod field development will include the construction and installation of a NUI tied to the Valhall processing platform. The original Valhall and Hod development removal project was awarded to Excalibur Marine Contractors (Allseas). The original Valhall and Hod platforms, including the quarters platform, drilling platform, production and compression platform, Hod wellhead platform and the 2/4-G riser platform (at Ekofisk), are currently in various stages of late life and will be removed. The removal campaigns will take place in 2021 to 2022 and 2024 to 2025 in order to minimize production impacts.

### *Drilling rig contracts*

We currently have in place commitments on three rigs. This includes two jack-up rigs from Mærsk Drilling: the Mærsk Invincible and Mærsk Integrator. The Mærsk Invincible is contracted by the Valhall license until May 2022. The Mærsk Integrator is contracted until the end of 2020 by the Ivar Aasen license for infill drilling, and is then expected to be used on other licenses under a contract extension until October 2021.

We have one semi-submersible rig commitment contract with Odfjell Drilling: the Deepsea Nordkapp. The Deepsea Nordkapp is on a three year contract commitment until June 2022, with a further one year option to extend the contract to June 2023 available for commitments by October 29, 2020.

### *Johan Sverdrup contracts*

Equinor, as the operator of the Johan Sverdrup field, has entered into and will continue to enter into agreements related to the development of the field, on behalf of the joint venture. The Johan Sverdrup Phase 1 development is complete and production commenced in October 2019. Production well drilling from the fixed Drilling Platform at the field center is expected to continue for the next several years. Odfjell Drilling and Baker Hughes Norway AS hold the drilling and drilling services contracts. In August 2018, the PDO for Phase 2 (full field development) was submitted to the MPE, which approved the plan in May 2019. The main contracts have been awarded, all to major contractors. Aibel AS has been awarded the main contract, including the second oil processing platform (P2) plus the bridge from oil processing platform P2 to the Phase 1 riser platform. In addition, Aibel AS has been awarded the contract for building the second onshore ACDC converter station for power from shore to the Johan Sverdrup Field. Siemens AS was awarded the contract for the ACDC converter itself as well as the DCAC converter module to be installed on oil processing platform P2. A joint venture between Kvaerner AS and Aker Solutions ASA was awarded the contract for a new utility module to be installed at the riser platform, in addition to all modification work related to Phase 2 at the field center. Kvaerner AS is also constructing the steel jacket for oil processing platform P2. Subsea installation contracts have been awarded to TechnipFMC plc (subsea production system fabrication and installation) and Subsea 7 S.A. (infield pipeline fabrication and installation). Odfjell Drilling has been awarded the contract for Phase 2 production drilling on the satellite well templates, starting in 2022 with the semi-submersible rig Deepsea Atlantic, which also drilled all the predrilled wells for Phase 1. The main remaining unawarded Phase 2 contracts are semi-drilling devices and offshore hook-up and commissioning support.

### *Gassco*

Aker BP has provided a Bank Guarantee of NOK 1.1 billion to Gassco as security for future committed transportation tariffs.

## **Product lifting and distribution**

### *Product sales*

Aker BP sells its oil at spot prices under an offtake and marketing agreement with BP Oil International Limited (“BPOI”). The crude oil is sold on a back-to-back basis by BPOI on our behalf. In addition, our gas and other products are sold under various agreements.

### *Alvheim area fields contracts*

Produced oil from the Alvheim Area Fields is exported from the Alvheim FPSO under the shuttle tanker services contract with Altera Loading PTE Ltd.

Rich gas from the Alvheim, Volund, Bøyla and Skogul fields is exported to the UK via the SAGE terminal at St. Fergus. The NGL content in the rich gas is swapped with dry gas from the Beryl field on an energy equivalent basis. Consequently, Aker BP is taking redelivery of dry gas volumes at St. Fergus for sale into the UK National Gas Grid.

### *Ivar Aasen contracts*

Partially processed oil and gas from Ivar Aasen is transported to the nearby Edvard Grieg platform for processing and onwards export. Ivar Aasen receives gas lift and power from the Edvard Grieg platform. Ivar Aasen's production capacity and services at Edvard Grieg are regulated by a tie-in and processing agreement.

Oil production from Ivar Aasen is blended with Edvard Grieg oil and transported via the Edvard Grieg oil pipeline to the Grane oil pipeline, where it is further blended with the Grane crude oil and transported to the Sture terminal. At the Sture terminal, the oil is sold spot as Grane Blend. Shipper agreements are in place for oil transport, processing and storage with Edvard Grieg oil pipeline, Grane oil pipeline and Oseberg transportation system as owner of the Sture terminal, all of which are operated by Equinor.

The rich gas production from Ivar Aasen is combined with the Edvard Grieg gas and transported via the Utsira High Gas Pipeline to the SAGE pipeline system and then to the SAGE terminal for rich gas processing. The NGLs are split from the rich gas at SAGE and exported to the SEGAL system where it is fractionated into different products and finally shipped out from Braefoot Bay.

### *Skarv contracts*

Oil produced from the Skarv field is exported from the Skarv FPSO under the shuttle tanker services contract with Teekay Navion Offshore Loading PTE Ltd.

Rich gas from the Skarv field is exported through the Aasgard Transportation system (Gassled Area B) to Kaarstoe (Gassled Area C) for processing and fractioning. From Kaarstoe the dry gas is exported through the Gassled Area D dry gas system to continental Europe or the UK. NGLs are sold free on board from Kaarstoe.

### *Valhall contracts*

Oil and NGLs from the Valhall area are exported through the Norpipe system to the Teesside Terminal for processing and fractioning. The Valhall crude is sold as Ekofisk Blend. NGLs are sold free on board at Teesside.

Dry gas from the Valhall area is exported into the Gassled dry gas system (Area D) at the Ekofisk Entry point and then primarily exported to Emden in Germany. The majority of gas volumes are sold under life of field contracts while a smaller portion is sold on term contracts.

### *Ula contracts*

Oil and NGLs from the Ula field center are exported through the Norpipe system to the Teesside Terminal for processing and fractioning. The Ula crude is sold as Ekofisk Blend. NGLs are sold free on board at Teesside.

Gas processed at the Ula field center is currently not exported, but injected into the Ula field as part of the WAG scheme for enhanced oil recovery.

## **Suppliers and third-party contractors**

### *Operation and maintenance contracts*

The operation and maintenance of the export pipelines and downstream processing is mainly covered under Lifting, Transport and Processing Agreements. The Company is also operating a few infield pipelines and carries out inspection, maintenance and pigging activities as required. The downstream systems normally have a comprehensive turn-around every third year for approximately three weeks which is notified in advance.

## **FPSO shuttle tanker contracts and other export contracts**

The Company is the operator of the Alvheim and Skarv FPSOs. Further, the Company is part owner of the Alvheim FPSO through the Alvheim AS, and is co-owner in the Skarv FPSO, corresponding to the respective field interests. The onward transportation of crude oil is regulated by Contract of Affreightment with a vessels provider.

For Valhall Hod, Ula Tambar, Oda, Ivar Aasen and Johan Sverdrup, there are contracts in place relating to the use of transportation facilities and export terminals. These contracts are based on standard industry terms with relevant modifications.

### *Alvheim FPSO*

We have a 65.0% share in Alvheim AS, the entity which is the registered owner of the Alvheim FPSO. The other shareholders of Alvheim AS are the other participants in the Alvheim fields: Lundin Energy Norway AS and ConocoPhillips Skandinavia AS. The Alvheim fields are developed by production systems on the NCS seabed, with production manifolds and associated flowlines connecting to the Alvheim FPSO, which is moored by a twelve-point asymmetric mooring system. The oil produced from the Alvheim field is held for processing and interim storage before being buoy-loaded to tankers. The Alvheim FPSO has six production risers, one gas export riser, one gas lift riser, one water injection/disposal riser and three dynamic umbilicals. It has the capacity to process, per day, 150,000 boe of oil, 225,000 boe of water and 21,000 boe (125 million standard cubic feet) of natural gas. The Alvheim FPSO has crude oil storage capacity of 580,000 boe.

### *Skarv FPSO*

We hold a 23.8% share in the Skarv FPSO and the other shareholders include Equinor, Wintershall Dea GmbH and PGNiG Norway AS. The Skarv field is developed with subsea production wells tied back to the FPSO. The Skarv FPSO has a 15 point mooring system. The Skarv FPSO turret design includes three segments each having seven risers, umbilical and power cable slots. The FPSO has the capacity to process, per day, 85,000 barrels of oil, 10,000 barrels of water and 690 million standard cubic feet of gas. It has an oil storage capacity of 850,000 barrels. Oil is exported by shuttle tankers and rich gas is exported via pipeline to the Gassled system.

### *Johan Sverdrup*

We hold an 11.6% share in the Johan Sverdrup unit and the other shareholders are Equinor Energy AS (operator), Petoro AS, Lundin Energy Norway AS and Total E&P Norge AS. The Johan Sverdrup field commenced production October 5, 2019 and the oil is exported through a new pipeline to the Mongstad Terminal with underground storage caverns. The rich gas is exported to the Kårstø Terminal (Gassled Area C) via a new pipeline connected to Statpipe (Gassled Area A). Phase II production start-up is scheduled to begin in the fourth quarter of 2022.

## **Seasonality**

Seasonal weather conditions (e.g., winter conditions in the NCS area) and lease stipulations can limit our drilling, producing and offloading activities and other oil and gas operations in certain areas. Such occurrences can increase competition for equipment, supplies and personnel during the spring and summer months, which can lead to shortages and increase costs or delay our operations. See “*Risk factors—Risks relating to the oil and gas industry.*”

## **Competition**

The oil industry is competitive, and we compete with a substantial number of other companies, many of which have greater resources than we do. Many of these companies explore for, produce and market oil and gas, carry on refining operations and market the resulting products on a worldwide basis. Our competitors include national oil companies, major international oil and gas companies as well as independent oil and gas companies. The oil and gas business is highly competitive in the search for and acquisition of reserves, in the procurement of rigs and other production equipment, in the production and marketing of oil and gas and in the recruitment and employment of qualified personnel. See “*Risk factors—Risks relating to our business—We may not be successful in attracting and retaining sufficient skilled employees*” and “*Risk factors—Risks relating to the oil and gas industry—The market in which we operate is highly competitive.*”

In addition, we compete with oil and gas companies in accessing production licenses made available by the Norwegian government, securing protective cross-border acreage from the UK government, or bidding for farm-ins and other contractual interests in licenses for sale by third parties. Competition for such assets is likely to come from companies already present in the region in which the production licenses are located, as well as new entrants. Competition also exists between producers of oil and gas and other industries producing alternative energy and fuel, such as solar and wind.

Furthermore, competitive conditions may be substantially affected by various forms of energy legislation and regulation considered from time to time by the governments of the jurisdictions in which we operate. It is not possible to predict the nature of any such legislation or regulation that may ultimately be adopted or its effects upon our future operations. Such legislation and regulations may, however, substantially increase the costs of developing, producing, marketing or exploring for gas and oil and may prevent or delay the commencement or continuation of a particular operation. The effect of these risks cannot be accurately predicted. See “*Risk factors—Risks relating to our business—We are exposed to political and regulatory risks*” and “*Risk factors—Risks relating to our business—Climate change and climate change legislation and regulatory initiatives could adversely affect our business and ongoing operations.*”

### Research and development, patents and licenses

Our research and development activities support our overall strategy of becoming a leading E&P company operating on the NCS. Exploration has been a core activity since our inception, and understanding the subsurface is still our research priority, together with the digitalization of our systems, tools and processes.

We see large improvement potential within subsurface disciplines, especially within the imaging and interpretation disciplines, driven partly by using advanced seismic acquisition and special processing. We work with vendors, universities and research institutions, and apply results of these collaborations in the new exploration opportunities. Using this model of tight alliances, we are also making technological developments related to understanding source rocks, reservoirs and traps, and we are implementing the results from several years of field work at relevant locations in Svalbard as well. Based on these projects, Aker BP has the ambition to be a leader in basin integration.

To support our ambitious flow efficiency goals, we have started several major digitalization projects . The aim is to digitalize work streams from discovery to production, including, for example, improvements in the well planning process, or digitally enhanced production optimization. We are still identifying many new areas where digital transformation could have a significant positive impact.

Aker BP and BP have a technology agreement and collaborate to ensure continued safe and efficient operations on the legacy BP fields. The agreement will be used to strengthen both companies with regard to technologies deemed critical for future activities.

The following table sets forth our gross research and development expenditure activities for the years ended December 31, 2017, 2018 and 2019 and for the six months ended June 30, 2019 and 2020.

	For the year ended December 31,			For six months ended June 30,	
	2017	2018	2019	2019	2020
	(in millions of USD)				
Research and development expenditure .....	23.4	53.0	60.8	21.3	11.0

We do not hold any single trademark, patent, group of related trademarks or patents that we consider critical or essential to our business.

### Health, safety, security, environment and assurance

The purpose of our HSSEQ policy is to execute our operations in a way that allows us to:

- Avoid harm and injuries to personnel, the environment and all assets;
- Avoid work-related illness; and



- Ensure safe, compliant and cost-effective operations.

Aker BP aims to achieve this purpose by:

- Commitment and accountability from all employees and contractors;
- Demonstrating good role model behavior using our values to proactively embed HSSE in our activities;
- Minimizing the risk of major accidents at all levels within the Company;
- Prioritizing and integrating HSSE in our goals, strategies, action plans and performance agreements;
- Contributing to reduced CO<sub>2</sub> emissions and climate impact;
- Assessing and managing security threats;
- Commitment to quality management and lean principles throughout the organization;
- Assuring processes and measuring process performance and effectiveness; and
- Ensuring that strategic partnerships with contractors and suppliers create value.

Additionally, we target a stable HSSE performance both during and after the integration phase of an M&A transaction.

The total recordable injuries frequency across our operations for 2019 was 3.1, which was an increase from 2.98 in 2018. The frequency of serious incidents at Aker BP was unchanged at 0.6 for 2019 compared to 0.6 in 2018. All events were investigated according to company procedures and lessons learned were implemented. With the challenging market situation, organizational changes and currently high activity level, special attention is paid to preventing injuries at all levels in the organization. However, the risks inherent to offshore oil and gas exploration and production activities mean that we cannot guarantee that incidents will not occur. See *“Risk factors—Risks relating to the oil and gas industry—Exploration and production operations involve numerous operational risks and hazards which may result in material losses or additional expenditures.”*

We have worked systematically to protect our personnel and to ensure continued and uninterrupted production from all our assets during the COVID-19 outbreak. We have put policies and procedures in place, which have been effective and will remain as long as necessary. We continue to work to maintain safe and reliable operations as activity slowly normalizes. As of September 2020, we have not experienced any confirmed infections in our operations or a weakening of HSSE performance resulting from the COVID-19 pandemic.

The Petroleum Safety Authority (“PSA”) carried out a total of 26 audits of our operations and activities in 2019. Other authorities, such as the Norwegian Environment Agency (“NEA”) and the Norwegian Radiation and Nuclear Safety Authority, conducted nine audits.

We received a notice of order for Ula from the PSA related to the audit “Logistics and management of health risk” in May 2019. This audit identified 13 deviations from various health and safety regulations at Ula within areas such as maintenance, training of employees and risk evaluation. The PSA identified four “improvement points”, which are items which the PSA believe are deviations from health and safety regulations, but where they do not have sufficient information to demonstrate it. The Company identified actions to correct the findings from this audit and submitted a response to the order to PSA by the due date. PSA confirmed in a letter dated September 19, 2019 that its audit had been closed. In addition, we are conducting a large work program to rejuvenate the facilities at Ula in order for it to continue to be a safe and reliable operating hub for the coming decades.

From the third quarter of 2018 to January 2019, PSA also conducted an investigation following an event on Tambar in which a walkway on an offshore vessel struck the Tambar platform during a planned test program ahead of final mobilization of the Tambar platform. The incident resulted in limited damage to the installation but had potential to cause a major accident if another location had been selected as landing point for the walkway. Aker BP responded to the investigation report in February 2019.

During an inspection from the NEA in September 2019, a discrepancy between Ivar Aasen’s reported discharges and the field discharge permit was identified. The original discharge permit was based on estimates, as prior to start-up of Ivar Aasen we had no operational experience for the field. Following start-up of the field, an increased need for certain chemicals was required in order to remove algae and bacteria (organic fouling) from the sea water facilities. During the same period, there was an increased need for power, which led to more frequent use of the gas compressors than anticipated. This has led to a higher emission of methane and non-methane volatile organic compounds (“NMVOC”). We reported the correct discharge and emission numbers to NEA during this period. However, an updated revision of the Application for Discharge (“AfD”) was not sent until July 2019. The NEA initiated the inspection while the AfD was being processed, but had not yet been completed. We received a notice of order from the NEA to investigate the environmental consequences of the discharge volumes in the updated AfD and to describe the corrective measures to reduce discharge from the sea water system necessary for Ivar Aasen production. We submitted a response to the improvement notice and the inspection report together with the Det Norske Veritas (Norway) Germanischer Lloyd assessment of the environmental consequences of the discharges to the NEA on November 1, 2019. A second updated AfD for Ivar Aasen was submitted to the NEA on November 6, 2019. Although the NEA issued a new discharge permit for Ivar Aasen, the NEA subsequently reported the matter to the police.

Based on the exceedance of the discharge permit on Ivar Aasen, we conducted a review of all assets to verify compliance with respective discharge permits. During this review, an overconsumption of chemicals and excess discharge of chemicals and drainage water over a period of four months in 2019 was identified on the Alvheim asset. The NEA issued an updated discharge permit in June 2019, which was based on a decision to replace chemicals with an alternative technology. The revised conditions in the discharge permit were not operationalized and therefore chemicals included in the previous discharge permit were still in use and led to breach of the discharge permit. The discrepancy was disclosed during the above mentioned review and was handled in accordance with company processes. A revised AfD was sent in November 2019 and an updated discharge permit for Alvheim was issued by the NEA in February 2020, which now includes the same chemicals that were the cause of the permit breach. Due to this matter, the NEA conducted an inspection on Alvheim in February 2020. Aker BP responded to the inspection report in April 2020 and the process was closed by NEA in June 2020, but the NEA also reported this matter to the police during the summer of 2020. The normal penalty for these types of cases, where breaches have occurred but are subsequently rectified, is monetary fines.

Based on previous practice in similar cases, a fine of approximately NOK 10 million (approximately \$1.1 million) is anticipated in relation to each of the Ivar Aasen and Alvheim infringements, respectively.

We maintained a Climate Disclosure Project (“CDP”) score of B in 2019. Overall the average emission of Carbon Dioxide from our operated fields in 2017, 2018 and 2019 were 7.2 kilograms/boe, 7.0 kilograms/boe and 7.9 kilograms/boe, respectively. In 2018, our CO<sub>2</sub> intensity was 7.0 kg CO<sub>2</sub>/boe (equity share) and in 2019, our CO<sub>2</sub> intensity was 6.9 kg CO<sub>2</sub>/boe (equity share), which is less than half the global average, and below the average for the NCS. Following the first quarter of 2020, we have moved to reporting equity-based CO<sub>2</sub> intensity, which includes our equity share of non-operated and operated assets based on scope 1 emissions (i.e., direct emissions from owned or controlled sources). For the six months ended June 30, 2020, our CO<sub>2</sub> intensity was 4.8 kg CO<sub>2</sub>/boe (equity share).

Energy efficiency is an integral part of our commitment to low carbon intensity and from 2022 three of our assets will be fully electrified (Valhal, Johan Sverdrupp and Ivar Aasen). In particular, we estimate that at the Johan Sverdrup field emissions will be a record low of 0.67 kg (or 4% of the world average) per barrel produced.

We are also a founding partner of the Centre for the Fourth Industrial Revolution Norway (C4IR Norway), a technology center dedicated to harnessing the advances of technology to preserve the ocean and improve the environmental footprint of ocean industries.

## **Corporate governance**

### ***The Norwegian Code of Practice for Corporate Governance***

The Norwegian Corporate Governance Board (“NCGB”) has issued the Norwegian Code of Practice for Corporate Governance. Adherence to the Norwegian Code of Practice for Corporate Governance is based on a “comply or explain” principle, which means that a company must comply with all the recommendations of the Norwegian Code of Practice for Corporate Governance or explain why it has chosen an alternative approach to specific recommendations. We are in all material aspects in compliance with the current edition of the Norwegian Code of Practice for Corporate Governance.

We are also bound by certain corporate governance rules as a company listed on the Oslo Stock Exchange. The Oslo Stock Exchange requires listed companies to publish an annual statement of their policy on corporate governance in accordance with the Norwegian Code of Practice in force at the time. Continuing obligations for corporate governance for companies listed on Oslo Stock Exchange mirror that of the Norwegian Code of Practice for Corporate Governance and the Norwegian Accounting Act.

### ***Ethics and Compliance***

We have developed an ethics and compliance program (the “**Ethics and Compliance Program**”) to ensure compliance with the values and ethical principles outlined in our code of conduct (the “**Code of Conduct**”). The Code of Conduct is our main governance tool and is intended to be a resource to help us act in accordance with our core values and conduct business with integrity. We expect our business partners to adhere to standards which are consistent with the Code of Conduct, as well as to adhere to all applicable laws and regulations.

Our Ethics and Compliance Program includes training requirements for all employees and hire-ins, routines for speaking up if an employee or hire-in observes or experiences breaches of the Code of Conduct, background checks and monitoring of business partners, and communication and awareness of topics described in the Code of Conduct. Our lead compliance officer is responsible for developing and overseeing the program.

We strive to comply with all laws, regulations and conventions in the areas in which we operate; however, the established Code of Conduct extends beyond compliance. The Code of Conduct requires that we do business and conduct ourselves in accordance with these standards, including, but not limited to, with respect to anti-corruption, money laundering, conflicts of interest, insider trading, fair competition, trade laws and sanctions, asset and information security, human rights, diversity and equal opportunities, anti-harassment, health and safety regulations and corporate social responsibility.

We are committed to conducting our business in an ethical manner and we work to ensure that our business partners share this commitment. As set out in our Code of Conduct and anti-corruption policy, we do not tolerate any form of bribery or corruption. Our employees, or others who represent Aker BP, must not give or receive, or agree to give or receive, any form of improper advantage. Our representatives shall not offer, give, accept or receive gifts, except for promotional items of minimal value. Our no gifts policy is explained in our anti-corruption policy.

The Code of Conduct also requires that employees take steps to avoid conflicts of interest. Employees and others who represent Aker BP shall act impartially in all business matters. We may not give organizations, businesses or individuals unfair advantages. Employees must not become involved in matters that could damage our interests or in any way prevent employees from acting in an independent and impartial manner. Employees and others who act on behalf of the Company must avoid becoming involved in situations where concerns pertaining to an individual’s personal interests might be raised. Employees are obligated to notify their superiors of any business dealings that directly or indirectly, financially or otherwise, could benefit closely related parties such as a spouse, relative, partner or friend.

We take a favorable view of participation by employees on the boards and governing bodies of other businesses and organizations. It is a condition that the latter are not in competition or direct conflict with the Company’s interests. Employees must inform their immediate superiors of such offices in order to ascertain that the offices are not in any way incompatible with each individual’s job responsibilities towards Aker BP. Participation in social events organized by business partners must be ethically justifiable so that it does not adversely affect the market’s trust in the Company.

Employees, consultants or others in possession of inside information relating to Aker BP are prohibited from selling, purchasing and subscribing for shares, and from trading company bonds. Anyone in possession of inside information must not advise others on trading of shares issued by Aker BP or related instruments.

Even where we have business ethics policies and procedures in place, there can be no assurance that such policies and procedures have been or will be followed at all times or have or will effectively detect and prevent all violations of the Code of Conduct, applicable laws and every instance of fraud, bribery, and corruption in every jurisdiction in which one or more of our employees, consultants, agents, other commercial participants, contractors or sub-contractors are located.

## **Co-licensees and other commercial participants**

Our license assets are owned, explored and developed through joint venture agreements established by the MPE and other commercial agreements with international and national oil and gas companies and/or service providers. The MPE also determines the licensee group and makes final decisions on license share assignment. When we evaluate whether to enter into a commercial agreement or joint venture, we seek prospective commercial partners who will complement our existing strengths. We conduct thorough business and financial diligence on all our prospective commercial co-licensees and strive to ensure they will be able to finance their portion of any development.

During the lifecycle of the commercial agreements or joint ventures, we often have a very active role in the technical, financial and administrative management of operations, including in situations in which we do not take on an official operator role. We typically maintain involvement with many aspects of operations and provide draft compliance reports and other required government submissions. We work closely with the other licensees and other commercial partners to ensure that we remain in compliance with the ongoing obligations under the licenses or agreements pursuant to which we operate. For details with respect to the Norwegian licensing system, see “*Regulation.*”

For a discussion of certain risks associated with our reliance on commercial partners, see “*Risk factors—Risks relating to our business—We are subject to third-party risk in terms of operators and partners.*”

## **Insurance**

We have travel insurance and health insurance for our employees and also keep an employer’s liability insurance which covers occupational injury/disease, leisure accident, other illness and group life assurance. In addition we have an extended Directors and Officers liability insurance covering the whole organization in the event of a loss as a result of decisions and actions taken within the scope of their regular duties.

Further, we have insurance for all assets covering physical damage, OEE and third party liability in accordance with the requirements set by the Norwegian authorities. In addition, we have insurance for LOPI for 100% of our production from all of our producing fields except Valhall and Johan Sverdrup, where the LOPI is constrained by a CSL. A CSL is the maximum combined total amount that will be paid out, and if the loss on Valhall or Johan Sverdrup exceeds this limit, the claim payout may not be sufficient to provide full LOPI coverage. The LOPI insurance is not a legal requirement and is subject to discussions at every policy renewal. Our current LOPI insurance covers loss of production after 45 days at \$40/barrel (net) for 18 months. The insurance program we have in place may reduce the impact on our business of any accidental shutdown of any of these fields. We have construction all risks (“**CAR**”) insurance for all ongoing projects covering both the risk of physical damage and liability. For decommissioning projects we have decommissioning all risks (“**DAR**”) insurance in place to cover general liability and damage to existing property as well as risk of pollution. Furthermore, all our assets are insured in the commercial market with a minimum S&P rating of A-.

We have insurance in place for all our operations as required and in accordance with industry practice and at levels that we feel will adequately provide for our needs and the risks we face. We cannot assure you, however, that our insurance coverage will adequately protect us from all risks that may arise or in amounts sufficient to prevent any material loss. See “*Risk factors—Risks relating to our business—Our insurance may not provide sufficient funds to protect us from liabilities that could result from our operations.*”

## **Legal and arbitration proceedings**

We become involved from time to time in various claims and lawsuits arising in the ordinary course of our business. Other than as disclosed in “*Risk factors—Risks relating to our business—We face the risk of litigation or other proceedings in relation to our business*” we are not involved in any ongoing governmental, legal or arbitration proceedings which, either individually or in the aggregate, have had, or are expected to have, a material adverse effect on our financial position or profitability, nor, so far as we are aware, are any such proceedings pending or threatened.

## **Oil taxation office assessment**

We are, on a running basis, party to certain tax disputes with the Norwegian tax authorities. Most of these disputes relate to transfer pricing issues (i.e., whether specific transaction prices (such as rig hire, gas sales, insurance premiums, interest rates, intercompany charges) are set in accordance with the arm’s-length principle).

Most of the tax disputes we are party to are legacy disputes inherited from BP Norge and Hess Norge through the BP Acquisition and the Hess Norge Acquisition. The BP Acquisition and the Hess Norge Acquisition were approved by the Norwegian Ministry of Finance *inter alia* on the condition that Aker BP became party to, and liable towards the tax authorities with respect to, all tax/duty claims against BP Norge and Hess Norge related to previous tax income years. With respect to such inherited disputes, the ultimate economic liability is subject to the terms and conditions of the BP Transaction Agreement and the Hess Norge Transaction Agreement.

## Employees

We believe we have a strong and established team of highly competent professionals in our core in-house disciplines of subsurface, operations, project management and commercial. Most of our staff began their careers with major oil companies or leading service companies, and all have direct experience of working on North Sea assets and field developments. Our business model involves using the services of the NCS's highly developed oil and gas industry supply chain to supplement our in-house capabilities, benefiting from the dedicated and highly experienced resources of our contracting partners for execution of our operational programs. We believe we have well-established working relationships with these core contracting partners.

The table below sets out our approximate number of employees as of the periods indicated.

	As of December 31,			As of June 30,	
	2017	2018	2019	2019	2020
Employees, at period end .....	1,371	1,649	1,742	1,757	1,756

We rely on independent contractors for a variety of work related to development programs. See “—*Supplies and third-party contractors.*” We believe that we have satisfactory working relationships with our employees and have not experienced any significant labor disputes or work stoppages.

### *Employee benefits and compensation schemes*

Our employees may opt for a company subsidized loan agreement through Nordea Bank AB (publ), filial i Norge, with a maximum loan amount of 200% of base salary. The Company subsidizes approximately 0.5% to 2%, based on interest rates offered by the bank. Over the last five years the subsidy has been approximately 1% due to low interest rate levels in Norway. The current Aker BP bonus scheme is based on the Company's performance. This bonus program applies to all employees, though with variable bonus potential based on job grades.

Additionally, we have an employee share purchase program. This program applies to employees who are permanent employees employed at the time of purchase. Eligible employees may purchase shares in amounts equal to a minimum of NOK 10,000 up to a maximum of 20% of their respective base salary and are subject to a three-year lock-up during which they are not allowed to sell the shares. A discount of 20% is applied to employee share purchases.

### *Pension program*

We offer a defined contribution pension plan to all employees.

## Description of subsidiaries

Our corporate structure chart is found above in “*Corporate structure and certain financing arrangements.*”

### *Alvheim AS*

We hold a 65.0% interest in the Norwegian limited liability company Alvheim AS, organization number 988 585 882. ConocoPhillips Skandinavia AS and Lundin Norway AS, the other participants in the Alvheim field, hold 20.0% and 15.0% of the shares, respectively. The ownership interest in Alvheim AS is equal to the participant's interest in the Alvheim field. The sole business of Alvheim AS is to act as legal titleholder of the Alvheim FPSO. The costs of and benefits from operating the Alvheim FPSO are borne by the participants in the Alvheim field. Alvheim AS only has the function to serve as titleholder rather than owning the actual value of the production facilities. This entity does not hold any material assets or liabilities and is not consolidated in our financial statements.

***Det norske oljeselskap AS***

We are the sole shareholder of the private limited liability company Det norske oljeselskap AS (formerly Marathon Oil Norge AS) with organization number 923 702 962. The shares in Det norske oljeselskap AS were acquired in connection with the acquisition of Marathon Norway, and its assets, rights and liabilities were subsequently transferred to us. This entity does not hold any material assets or liabilities and is not consolidated in our financial statements.

***Sandvika Fjellstue AS***

We own all shares in the private limited liability company Sandvika Fjellstue AS with organization number 993 952 451, the assets of which include our conference center and mountain lodge located in Sandvika, Norway, used by us for courses, gatherings, management meetings, board meetings and conferences. In addition, our employees may use the mountain lodge in Sandvika in their spare time. Sandvika Fjellstue AS is not consolidated in our annual financial statements as it is not considered material.

## REGULATION

Like other participants in the industry, we are subject to various laws and regulations administered by local, national, supranational and other government entities. The legal framework applicable to the oil and gas industry is extensive and has a significant impact on oil and gas exploration, development, production and marketing activities. Any change in laws and regulations could potentially increase the cost of doing business, and consequently, affect profitability. Some of the legislation and regulation affecting the oil and gas industry in Norway carry significant penalties for failure to comply and can result in other liabilities and claims, and in some instances revocation of a license. Because the enactment of new laws affecting the oil and gas business is common and because existing laws are often amended or reinterpreted, we are unable to predict with certainty the future cost or impact of complying with such laws. See *“Risk factors—Risks relating to our business.”*

From time to time, we receive notices and inquiries from regulatory authorities and others asserting that we are not in compliance with applicable laws and regulations. In some instances, litigation may ensue. In addition, individuals may initiate litigation against us. See *“Our business—Legal and arbitration proceedings.”*

Below is a summary of certain key legal and regulatory regimes that we operate under in Norway and the NCS, where our assets are located. For a discussion of certain risks associated with the legal and regulatory regimes, see *“Risk factors—Risks relating to our business.”*

### Norway

#### *General framework*

Oil and gas operations on the NCS are subject to extensive regulation, where the main objective is to ensure the Norwegian State’s supervision and control over the petroleum activities on the NCS through all phases of the operations, in addition to ensuring that the Norwegian State obtains tax revenues from such activities in accordance with the Norwegian petroleum taxation regime. The principal Norwegian legislation governing petroleum activities in Norway and on the NCS is the Norwegian Act relating to Petroleum Activities of 29 November 1996 No 72 (the **“Petroleum Act”**) and regulations issued thereunder, as well as the Norwegian Act relating to the Taxation of Subsea Petroleum Deposits of 13 June 1975 No 35 (the **“Petroleum Taxation Act”**). The legal basis for the government regulation of the petroleum sector on the NCS is set forth in Section 1-1 of the Petroleum Act, which states that the proprietary right to subsea petroleum deposits and the exclusive right to resource management is vested in the Norwegian State.

The Petroleum Act provides the overall principles applicable for operations on the NCS and the legal framework for the licensing system, whereby petroleum activities such as exploration and production cannot be carried out unless a license has been awarded. The Petroleum Act also regulates exploration, development, production, transportation of petroleum, decommissioning, liabilities etc., but more detailed regulation on these issues are set forth in regulations issued under the Petroleum Act, which are also supplemented by other statutes such as the Working Environment Act and the Pollution Control Act.

The Petroleum Taxation Act sets out the legal basis for taxation of offshore petroleum activities.

The ultimate regulatory authority with respect to the petroleum activities on the NCS is exercised by the Norwegian Parliament (**“Stortinget”**). The overall responsibility for ensuring that the petroleum activities are carried out in accordance with the regulatory framework adopted by Stortinget, rests with the MPE. Subordinated to the MPE is the NPD—whose activities mainly relate to resource management where it has been delegated authority and day-to-day issues. The NPD acts as an advisor to the MPE, and it collects, analyses and presents data from the NCS. The NPD also collects fees from the petroleum industry and stipulates regulations and guidelines in areas where it has been delegated authority. The PSA, the regulatory authority for technical and operational safety, including emergency preparedness, and for the working environment, is subordinated to the Ministry of Labour and Social Affairs. Policy and legislation concerning taxation of the petroleum industry is handled by the Ministry of Finance and annual tax assessments are carried out by the Oil Taxation Office. The Norwegian Environment Agency has regulatory responsibility for pollution caused by petroleum activities on the NCS.

The level of state participation in petroleum activities is high. The Norwegian State is the largest participant on the NCS, by way of its majority shareholding in Equinor ASA, which in turn owns 100% of Equinor Energy AS (Equinor’s operating entity on the NCS), and by way of the State’s Direct Financial Interest (**“SDFI”**),

whereby the State participates directly in various production licenses. The SDFI is managed by the State-owned company Petoro AS.

### *Overview of the licensing system*

The Norwegian offshore licensing system comprises various types of licenses, standard license terms, standard license agreements and other governmental approval mechanisms.

Companies can apply for an exploration license for the purpose of exploration activities, typically performing geological and other surveys (excluding drilling to oil-bearing strata) in a certain area. Such licenses are granted for a period of three calendar years, unless another period of time is stipulated. This license does not give any exclusive rights in the relevant area or any preferential right when production licenses are granted.

The production license is the core government decision document in the licensing system. It governs the licensees' rights and obligations towards the State and gives the licensee an exclusive right to explore for (including exploration drilling), develop and produce petroleum in the block(s) covered by the license. There are two systems for awarding production licenses on the NCS. Production licenses may be awarded in ordinary licensing rounds, which normally are arranged every second year. In addition, as from 2003, unlicensed acreage in mature areas on the NCS is opened for application in annual award procedures (the Awards in Predefined Areas ("APA") licensing rounds). The APA licensing rounds ensure that areas close to existing and planned infrastructure are available for the industry. The area available through this type of award will be expanded as new areas mature.

Companies can apply for license awards individually or in groups. To be eligible for a license award, the Company must be qualified as either a licensee or operator on the NCS, meaning that it must fulfil government requirements, inter alia, regarding its organization, capacity and competence, and have sufficient financial strength. A system of pre-qualification of licensees and operators has been established to simplify the award process. There is no direct cash payment to the State for the award of development or production licenses; however, an application fee applies for the handling of each license application. An important factor which the MPE regularly assesses in the competition for awards is the nature and extent of mandatory work obligations which the applicant is willing to assume.

The production license is normally awarded to a group of several oil companies, such companies becoming licensees upon such an award. One of them is appointed by the MPE as operator and becomes responsible for the daily operations of the licensees' joint activities.

### *Duration and extension of production licenses*

A production license is initially granted for a period of up to 10 years (the "**Initial Phase**"), in which the mandatory work program imposed by the production license must be completed. If the Initial Phase is granted for a shorter period of time, the MPE may subsequently extend the license period within the 10 year limit.

Such mandatory work programs typically include certain actions to be performed within a set deadline from the license award, inter alia: (i) decision gates (for example, the licensees may have to, within a set deadline from the license award, decide whether to drill an exploration well or alternatively surrender the license) ("drill or drop"), and (ii) fixed activities (such as collecting and reprocessing seismic data or drill exploration wells).

After fulfilment of the mandatory work program and the conditions otherwise applicable to the individual production license, the licensees may demand that the license term is extended. Such extension period (often referred to as the "**Producing Phase**") is stipulated specifically for each production license and is normally set for up to 30 years, but extension may in certain cases be given for up to 50 years. An area fee will apply after the Initial Phase, based on the size of the acreage of the license area.

When particular reasons warrant it, the MPE may on application from the license group extend a production license in excess of the initially stipulated Production Phase. A new extension of the production license is typically relevant for fields with significant remaining resources at the end of the license period. If the MPE grants an extension in excess of the extension period, the MPE may stipulate revised terms and conditions for such particular extension. Thus, it is up to the MPE to decide whether a new extension shall be granted and if the conditions for the activity in the license shall be amended or continued along the lines of the plans that are submitted.



### ***The joint operating agreement and the governance of the joint venture***

One of the conditions for the award of a production license is that the licensees in each license enter into an agreement for petroleum activities. Such agreement consists of certain special provisions—which set out e.g. the voting rules in the license, the standard JOA stipulated by the MPE and a standard accounting agreement. The latter regulates the accounting and financial aspects of the (non-incorporated) license joint venture.

The JOA governs the relationship between the licensees, as it forms the basis for day-to-day management of the activities, allocation of costs, decision making processes, the operators' duties etc. A management committee is established as the supreme body of the license joint venture, in which all licensees are represented—and may vote in accordance with their participating interest. All produced petroleum is allocated to the respective licensees in accordance with their participating interest in the license and disposal of petroleum is performed by or on behalf of the individual licensees, not the joint venture.

The management committee will by the end of each year decide the work program and budget for the following year. These decisions are made by a majority vote in accordance with the applicable voting rules within the license and will become binding for all the licensees. The work program may also include other commitments and additional activities to the mandatory work program set by the MPE, thus imposing additional capital expenditure and payment obligations on each licensee.

The MPE will appoint one operator for each joint venture. The operator is responsible for the daily operations of the parties' joint activities in accordance with the terms of the production license, the JOA, the decisions of the management committee and the applicable laws and regulations and other resolutions made by the authorities. The operator shall in its capacity as such neither have profit nor loss through the execution of its duties (the so-called "no gain, no loss" principle).

The operator shall act on behalf of the licensees in the joint venture for joint venture activities. This includes the rights and obligations to obtain all necessary consents, approvals and licenses, to enter into requisite agreements in the name of and on behalf of the joint venture, and to make payments in accordance with the JOA of all expenses incurred from the activities for the licensees of the joint venture. If the joint venture or any of the licensees sustain losses arising from the operator's performance of its functions as an operator, the operator shall only be liable for such losses provided it is the result of willful misconduct or gross negligence by the management or supervisory personnel of the operator or any of its affiliated companies. The operator is not liable for losses caused by delay in or stop of production. Nor is the operator liable for any loss suffered by the licensees in connection with damages to third parties caused by a spill of petroleum outside the safety zone in excess of the loss the operator suffers as a licensee.

Within the joint venture, the licensees are: (i) primarily liable to each other on a pro-rata basis and (ii) secondarily jointly and severally liable for all obligations arising by virtue of the joint venture's activities. Each licensee is obliged to provide sufficient funds to cover all expenses related to the license, and failure to meet the funding obligations may ultimately give the other licensees the right to take over such defaulting licensee's participating interest on unfavorable terms for the licensee in default. Towards the Norwegian State, the licensees are however jointly and severally liable for all financial obligations arising out of commitments and petroleum activities pursuant to the license, the Petroleum Act and other applicable legislation. If the joint venture defaults on the mandatory work obligations and costs related thereto, the license may be revoked by the MPE.

#### ***Unitization***

If a petroleum deposit straddles an area covered by more than one production license, the licensees to such affected licenses must coordinate their activity, most commonly by entering into a UOA. A UOA creates a new joint venture and a new management committee for the coordinated activities, consisting of all licensees in the respective production licenses overlying the deposit. Such agreement forms a prevailing contract for the licensees' rights in the joint deposit, which in practice replaces the respective JOAs and the accounting agreements but only to the extent of the area covered by the joint deposit. The licensees' interests in the unit are distributed based on the distribution of the deposit between the production licenses, so a licensee's interest in a joint deposit will be equal to its interest share in the license, multiplied by the proportion of the deposit attributable to such license. This distribution may be subject to periodic subsequent redetermination which will affect the parties' participating interests in the unit.

## ***Exploration***

As mentioned above, while certain preliminary exploration activities can be carried out pursuant to an exploration license, exploration drilling (to and in oil-bearing strata) can only be carried out pursuant to a production license. The operator must obtain consent from the PSA and the NPD prior to commencing drilling operations. Such consent must be obtained for each exploration well. When applying for such consent, the operator must submit detailed information with regard to both technical and environmental aspects of the planned operation, and comprehensive HSSE procedures must be in place, including the establishment of emergency preparedness procedures. Permits to discharge to sea and air must also be obtained from the Norwegian Environment Agency.

## ***Development***

Prior to the development of a petroleum deposit, the licensees must submit a Plan for Development and Operation (“**PDO**”) to the authorities. The PDO, inter alia, sets out the development solution, estimated development costs, the planned production profile for the deposit as well as information regarding decommissioning. Moreover, the PDO shall comprise information on facilities for utilization and transportation of petroleum.

The PDO is subject to approval by the MPE and shall also be presented to Stortinget if the estimated investment is more than NOK 20 billion. According to the provisions of the JOA, the management committee in the license joint venture decides by majority vote on whether to submit a PDO to the MPE for approval. In addition, each licensee must individually accede to the plan to become bound by it. If a licensee does not accede to a PDO, the licensees that have acceded to the PDO may carry out the development project on their own (“sole risk”) based on their participating interest in the sole risk project. The licensee not participating retains its rights in the license acreage outside the deposit which is comprised by the project.

## ***Infrastructure***

In order to construct and operate facilities for transportation and utilization of petroleum, typically pipelines and processing facilities, a Plan for Installation and Operation (“**PIO**”) must be submitted to the MPE for approval (if the right to installation and operation does not already follow from an approved PDO).

Generally, the MPE may decide that owners of transportation and processing facilities shall provide third party access to the facilities. If no agreement for such use is reached, the MPE can impose a solution on the parties. As for the Gassled joint venture, which comprises virtually all transportation and processing facilities for gas transportation on the NCS as well as receiving terminals in the UK and on the European continent, the Petroleum Act sets out a general right to third-party access in accordance with applicable EU legislation. Such access is not unconditional, however, as the Regulation to the Petroleum Act sets out certain criteria that must be fulfilled. Access may, for example, be limited due to capacity constraints. Further, this scheme only applies for gas which meets technical requirements to be safely transported through Gassled.

## ***Production***

Based on the production profile in the PDO, the NPD issues annual production permits allowing the licensees to produce defined volumes of petroleum, considering, among other things, proper resource management of the reservoir. In addition, the licensees need consents to use the installations and permits for discharges and emissions. The main principle for the NPD is to ensure maximum depletion of petroleum from the reservoirs. If important public interests are at stake, the Norwegian State may instruct licensees on the NCS to reduce the production of petroleum.

In May 2020, the Norwegian government announced unilateral oil production cuts portioned out to relevant fields via their production licenses of 250,000 barrels a day in June and 134,000 barrels per day from July 1, 2020 through the end of 2020. In December 2020, the total production on the NCS (for all licensees) will likely amount to 300,000 barrels less per day than planned for prior to the announcement of these production cuts. The MPE has communicated that they will try to distribute the reduction, taking into account long term agreements on the delivery of gas and petroleum reserves which are partly located on another state’s continental shelf. The reduction will be made on a field basis, and the aim is a fair distribution between the licensees. The reduction does not encompass gas and condensate fields, or cross-border reserves. In addition, there are certain exceptions for production on oil fields where resource management considerations are relevant, for example oil fields in late life with falling production. The reduction amount for the individual oil fields is to be calculated based on a reference

production, as informed during the application for a production license for 2020 and adjusted for new information. The Norwegian government also confirmed that the start-up production of several fields would be delayed until 2021.

The production curtailments implemented by the MPE have resulted in decreased second quarter production from our Ivar Aasen, Johan Sverdrup, Ula and Tambar fields, and the oil wells at Skarv have been shut-down in order to stay within the production limits imposed by MPE. The average impact on our production is expected to be approximately 5,000 beopd for 2020. For the second quarter of 2020, the production curtailments imposed in Norway have been mitigated by our strong operational performance and increased capacity at Johan Sverdrup.

#### ***Parent company guarantee to the Norwegian State***

According to the Petroleum Act, the MPE has the right, at any time, to demand adequate financial security for obligations and liabilities related to the petroleum activities of a licensee on the NCS. The MPE has wide authorizations to require any form of security it deems appropriate.

In practice, the MPE's assessment of the financial security requirements will typically take place in relation to the regulatory approval process for a transaction or pre-qualification. Further, the MPE has a fairly consistent administrative practice to require a parent company guarantee ("PCG") in cases where more than 50% of the licensee is directly or indirectly owned by another legal entity. The MPE's current administrative practice implies that a legal entity owning less than 50% of the buyer is not normally required to issue a PCG. The PCG has a standard format and is granted to the Norwegian State to guarantee fulfilment of obligations undertaken by the licensee, and for the licensee's possible liabilities in connection with petroleum activities. The PCG is uncapped. If the security provided for the Company's obligations and liabilities becomes significantly weakened, the MPE has the right to revoke the license.

As of today, no shareholder holds more than 50% of the shares in Aker BP ASA. No parent company guarantee has been issued for the fulfilment of Aker BP's obligations and liabilities under these rules.

#### ***Liability in the joint venture***

The liability provisions in the JOA regulate the internal liability in the joint venture; whilst the licensees' liability towards third parties and the State follow from Norwegian laws and regulations, most importantly the Petroleum Act. Within the joint venture, the JOA establishes a primary pro rata secondary joint and several liability scheme among the licensees for obligations arising by virtue of the joint venture's activities. This means that the licensees are primarily liable for their share of the joint venture obligations in accordance with their participating interest, but that in the event that a licensee fails to pay any amount, the other licensees are liable for their pro rata share of the amount which has not been paid. As such, each of the licensees bears the risk of the other licensees' creditworthiness. Failure to meet the funding obligations may lead to a range of consequences and may ultimately give the other licensees the right to take over such defaulting licensees' participating interest on potentially unfavorable terms for the licensee in default and its creditors. The right has priority over a security arrangement over the license interest, such as a pledge.

#### ***Liability towards third parties***

The Petroleum Act regulates the licensee's liability against third parties. Towards the Norwegian State, the licensees are jointly and severally liable for all financial obligations arising out of commitments and petroleum activities pursuant to the license, the Petroleum Act and other applicable legislation. If the joint venture defaults on the mandatory work obligations and costs related thereto, the license may be revoked by the MPE. Further, if liability in respect of a third party is incurred by anyone undertaking tasks for a licensee, the licensees shall be liable for damages to the same extent as, and jointly and severally with, the responsible contractor and, if applicable, his employer.

#### ***Environmental conditions for exploring and development—pollution liability and discharge permits***

##### ***Liability for pollution damage***

Chapter 7 of the Petroleum Act imposes strict liability for pollution damage on all the licensees, and a licensee is liable for pollution damage without regard to fault. However, if it is demonstrated that an inevitable event of nature, act of war, exercise of public authority or a similar force majeure event has contributed to a considerable degree to the damage or its extent under circumstances which are beyond the control of the liable

party, the liability may be reduced to the extent it is reasonable, with particular consideration given to the scope of the activity, the situation of the party that has sustained damage and the opportunity for taking out insurance on both sides.

A claim against the licensees for compensation relating to pollution damage is initially directed to the operator. If any part of the compensation is left unpaid on the due date by the operator, this part shall be covered by the licensees in accordance with their participating interest in the license. If any licensee fails to cover his share, the liability relating to this share is to be allocated proportionately between the other licensees. Furthermore, the statutory regulations contain provisions channeling pollution liability to the licensees as well as restrictions on the licensees' right to claim recourse in cases where pollution damage is caused by their contractors or other third parties' acts or omissions.

#### *Discharge permits*

Emissions and discharges from Norwegian petroleum activities are regulated through several acts, including the Petroleum Act, the CO<sub>2</sub> Tax Act, the Sales Tax Act, the Greenhouse Gas Emission Trading Act and the Pollution Control Act. Discharges of oil and chemicals in relation to exploration, development and production of oil and gas are regulated under the Pollution Control Act. In accordance with the provisions of the Pollution Control Act, the operator must apply for a discharge permit from relevant authorities on behalf of the license group in order to discharge any pollutants into the water. Further, the Petroleum Act states that burning of gas in flares beyond what is necessary to ensure normal operations is not permitted without approval from the MPE.

All operators on the NCS are under an obligation to, and are responsible for, establishing sufficient procedures for the monitoring and reporting of any discharge into the sea. A joint database called the Environmental Web has been established for reporting emissions to air and discharges to sea from the petroleum activities. All operators on the NCS report emission and discharge data directly into the database.

#### *Decommissioning*

The Petroleum Act requires that the licensees submit a decommissioning plan to the MPE for decommissioning and cessation of the production activities. Unless the MPE decides or approves otherwise, the decommissioning plan must be submitted not earlier than five years and not later than two years before the production license expires or is relinquished or use of the facility is expected to finally cease. The MPE then decides, based on the decommissioning plan, on the plan for the disposal of the facilities.

Pursuant to the Petroleum Act, the licensees are responsible for making sure that a decision relating to disposal is carried out, unless otherwise decided by the MPE. Within the joint venture, the licensees are: (i) primarily liable to each other on a pro-rata basis and (ii) secondarily jointly and severally liable for all decommissioning obligations arising by virtue of the joint venture's activities.

In principle, the decommissioning costs are covered by the licensees on a pro rata basis. The costs are petroleum tax deductible for the licensees based on the then-prevailing tax rate. Following a transfer of a participating interest, however, the seller of the participating interest remains liable on a secondary basis for its pro rata share of decommissioning costs towards the remaining licensees and the Norwegian State if its successor defaults on its obligations to pay such cost. Such liability is on an after tax basis, meaning that a seller being held liable on a secondary pro rata basis must pay its share of the decommissioning cost less the value of any tax deductions (currently net 22% of its share of the decommissioning cost). The seller's liability is restricted to the facilities and wells existing at the time of transfer of the relevant license interest. Further, the seller of shares (directly or indirectly) in a company holding licenses on the NCS will in accordance with MPE practice remain secondary liable for the company's decommissioning costs, see further below under "*Transfer restrictions—Assignment of license interests and change of control*".

The Boa reservoir and the Enoch field both straddle the dividing line between the NCS and the UKCS and, therefore, we may be subject to the UK decommissioning regime although our installations for our fields are located in the Norwegian, and not the UK sector.

#### *Transfer restrictions—Assignment of license interests and change of control*

Before the obligatory work commitment pursuant to the production license has been carried out a licensee cannot assign its participating interest or part thereof to others than an affiliated company without the consent of the management committee. After the mandatory work obligation has been completed, assignment may take place without consent from the other licensees. However, if it is the operator who assigns his participating interest and

the operatorship is to be assigned to the new licensee, consent from the other licensees is in practice normal to obtain as part of the MPE's approval process for change of operator.

Assignments of participating interest in production licenses are subject to the MPE's approval pursuant to the Petroleum Act Section 10-12, and also requires an approval from the Ministry of Finance pursuant to the Petroleum Taxation Act Section 10. The MPE and the Ministry of Finance may set specific conditions for their approval. The Ministry of Finance's consent is, provided that certain criteria are met, automatically obtained by making a filing to the Ministry of Finance in accordance with the provisions of the Regulation to the Petroleum Taxation Act Section 10. The Ministry of Finance will apply a principle of tax neutrality, which means that the seller's gain from the sale shall not be taxable, and the purchaser's costs in acquiring the interest shall not be deductible for Norwegian tax purposes, see "*Regulation—Transfer of License Interest—Tax treatment.*"

Depending on the nature of the transferred assets, other regulatory approvals may also be required.

Neither applicable Norwegian legislation nor the JOA stipulate a right of first refusal for the other licensees if a participating interest is assigned. The Norwegian State has a right of first refusal, but this right has to our knowledge not been used in practice.

The JOA does not contain change of control provisions. Consent from other licensees is therefore not required upon a change of control event in a company being a licensee. However, transfers of direct or indirect controlling interests in companies holding production licenses are subject to consent from the MPE pursuant to the Petroleum Act. In practice, the MPE often distinguishes between various levels of control: negative control (generally, over 33.3%), positive control (generally, over 50%), full control (generally, over 66.7%) and full ownership (will generally apply at 90% as this triggers a squeeze-out right for the shareholder over the remaining shares). The requirement for approval arises when an investor moves from one level to a higher level and also applies for intra group transactions. In addition, when approval from the MPE is required under the Petroleum Act, an approval is also required from the Ministry of Finance under the Petroleum Taxation Act. The MPE and the Ministry of Finance may set specific conditions for their approvals.

Pursuant to the Petroleum Act, the seller of a participating interest in a production license will remain secondary liable towards the other licensees and the Norwegian State for the financial obligations of decommissioning of facilities and wells that existed at the time of transfer of the participating interest to the buyer, in case the buyer does not fulfil its decommissioning obligations as a licensee. The MPE may set specific conditions for their approval of a transaction involving participating interests in production licenses or transfers of direct or indirect controlling interests in companies holding production licenses. The MPE has stated that they will routinely consider stipulating a secondary decommissioning liability for the seller of shares in an NCS company holding participating interests in producing fields as part of the regulatory approval process for share transactions. Such secondary decommissioning liability for the seller of shares in an NCS company has been implemented in several transactions whereby the seller or the parent company of the seller has been required to provide a guarantee covering this secondary liability. In a transaction, the seller and the buyer normally consider the expected decommissioning obligations in the valuation of the assets and may typically enter into a decommissioning security arrangement to protect the seller from such potential secondary liability.

#### ***The Norwegian State's right to take over facilities***

The Norwegian State is entitled to take over the fixed facilities of the licensees when a production license expires, is relinquished or revoked. In respect of facilities on the NCS, the Norwegian State decides whether and to what extent any compensation will be payable for facilities taken over. If the Norwegian State should choose to take over onshore facilities, the ordinary rules of compensation in connection with the expropriation of private property apply. Licenses for the establishment of facilities for the transportation and utilization of petroleum (pipelines etc.) typically include a clause whereby the Norwegian State can require that the facilities are to be transferred to it free of charge on expiry of the license period.

#### ***Revocation of licenses if a licensee is dissolved or enters into debt settlement proceedings or bankruptcy proceedings***

If a company holding a license interest is dissolved or enters into debt settlement proceedings or bankruptcy proceedings, the MPE has a right to revoke the licenses held by such licensee. See "*Certain Insolvency Law Considerations.*" If there are fixed facilities on the field where the license is revoked, the Norwegian State is given a right to take over such facilities, see "*Regulation—The Norwegian State's right to take over facilities.*"

The revocation of a license by the MPE, for whatever reason, does not entail release from the financial obligations following from the Petroleum Act, regulations issued pursuant to the Petroleum Act or the license. If a mandatory work obligation or other obligation has not been fulfilled, the MPE may demand payment, in full or in part, of the amount which fulfillment of the obligation would have cost. The amount shall be stipulated by the MPE with binding effect.

### ***The Petroleum Taxation Act***

Companies participating in exploration, production and pipeline transportation of petroleum on the NCS are liable to petroleum tax pursuant to the Petroleum Taxation Act. The total marginal income tax rate for companies engaged in such activities is 78%, consisting of a 22% general corporate tax and a 56% special petroleum tax to the Norwegian State for the income year 2020. The petroleum tax is levied on a corporation net profit level, not on a ring-fenced basis.

In brief, the petroleum tax system can be described as follows (income year 2020):

Sales income (crude oil valued at norm prices)  
– Operating costs (inclusive exploration costs and indirect taxes)  
– Depreciation (16<sup>2</sup>/<sub>3</sub>% for 6 years)  
–/+ Net financial cost/income  
≡ Corporate tax base taxed at 22%.  
–/+ Adjustment for capped financial cost/income for special tax  
– Accelerated depreciation for special petroleum tax pursuant to temporary tax rules  
– Uplift (5.2% for 4 years, alternatively 24% in the year of investment pursuant to temporary tax rules)  
≡ Special petroleum tax base taxed at 56%.

Crude oil that is extracted from the NCS is for tax purposes assessed according to a norm price system, whereby the sales prices are fixed by an administrative body. The norm price shall correspond to the price at which petroleum could have been traded between independent parties in an open market. Income generated by sale of gas is, with very few exceptions, assessed on actual arm's length sales prices.

A licensee on the NCS that is subject to Norwegian petroleum tax can deduct all relevant exploration and production costs, inclusive duties and transportation costs (tariff payments).

Investments in production installations and pipelines are permitted depreciated pursuant to a straight-line method at a rate of 16.67% annually from the year in which the investments take place, i.e. depreciation for 6 years (at a tax rate of 78%). Other types of investments related to the petroleum activity on the NCS may give depreciation deductions according to the ordinary reducing balance system (at a tax rate of 78%). In addition, for investment costs incurred in 2019, an uplift of 5.2% annually is granted for four years in the special petroleum tax base (with a tax rate of 56%) based on investments in production installations and pipelines. For investment costs incurred in 2018, the uplift rate is 5.3% over four years. For investment costs incurred in 2017, the uplift rate is 5.4% over four years. For investment costs incurred from May 5, 2013 until December 31, 2016 the uplift rate is 5.5% over four years. The purpose of the uplift is to contribute to ensuring that normal returns are not subject to the special petroleum tax.

In addition, in an effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 pandemic, the Norwegian Government on June 19, 2020 enacted temporary targeted changes to Norway's petroleum tax system for investments incurred in 2020 and 2021. The changes were effective from January 1, 2020 and provide companies with a direct tax deduction in the special petroleum tax (56% tax rate) instead of tax depreciation over six years. Tax uplift benefit, which has increased from 20.8% to 24%, will be recognized over one year instead of four years. Tax depreciation towards the ordinary corporate tax (22% tax rate) will continue with a six-year depreciation profile. These changes also apply for all investments according to PDOs/PIOs submitted by the end of 2022 but approved by the Ministry of Petroleum and Energy between May 12, 2020 and January 1, 2024. However, this only comprises investments up to and including the year of planned "first oil" as defined in the approved PDO/PIO. In addition, the tax value of any losses incurred in 2020 and 2021 will be refunded by the Norwegian state. We believe the totality of the petroleum tax changes will lead to more favorable returns on our investments in field developments and strengthen our liquidity. The impact of the retrospective application of the temporary changes in the tax regulation (changes related to first quarter) is an income of \$40 million included in the line item tax expense (+)/income (-).

For reference, an illustrative overview of tax shield calculations has been included below regarding the ordinary tax rules and the temporary changes to Norway's petroleum tax system. The illustration for the ordinary tax rules sets out the straight-line method depreciation at a rate of 16.67% annually from the year in which the investments take place as well as the uplift of 5.2% annually for four years in the special petroleum tax base (with a tax rate of 56%).

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>SUM</b>
Investment .....	-100.0						
Tax Depreciation (6 yrs).....	+13.0	+13.0	+13.0	+13.0	+13.0	+13.0	+78.0
Uplift (4 yrs).....	+2.9	+2.9	+2.9	+2.9			+11.6
<b>SUM</b> .....	<b>+15.9</b>	<b>+15.9</b>	<b>+15.9</b>	<b>+15.9</b>	<b>+13.0</b>	<b>+13.0</b>	<b>+89.6</b>
Remaining Tax Value.....	89.6	73.7	57.8	41.9	26.0	13.0	—

The illustration below regarding the temporary tax changes sets out a straight-line method depreciation at a rate of 16.67% annually from the year in which the investments take place (tax rate of 22%), direct deduction in the special petroleum tax (tax rate of 56%) in the year of investment as well as uplift of 24% for one year in the special petroleum tax base (56% tax rate).

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>SUM</b>
Investment .....	-100.0						
Tax Depreciation (corp. tax, 6 yrs).....	+3.7	+3.7	+3.7	+3.7	+3.7	+3.7	+22.00
Tax Depreciation (spec. tax, 1 yr.) .....	+56.0						+56.00
Uplift (1 yr.) .....	+13.4						+13.4
<b>SUM</b> .....	<b>+73.1</b>	<b>+3.7</b>	<b>+3.7</b>	<b>+3.7</b>	<b>+3.7</b>	<b>+3.7</b>	<b>+91.4</b>
Remaining Tax Value.....	91.4	18.3	14.7	11	7.3	3.7	—

Net financial costs incurred on interest-bearing debt and related foreign currency exchange gains (losses) are deductible against income taxed at 78%, but are capped as follows:

$$\text{Offshore tax deduction} = (\text{Net interest cost} + \text{exchange gain(loss)}) \times 50\% \times \begin{matrix} \text{Tax value offshore assets 31.12} \\ \text{Average interest-bearing debt} \end{matrix}$$

The tax value of the offshore assets equals capitalized cost after tax depreciation as of December 31 in the income year in question. Any costs in excess of this cap fall within the ordinary corporate tax regime (onshore) together with other general financial items, implying that such costs are deductible against income taxable at the general tax rate of 22%. If the taxpayer does not have any income which is taxed under the ordinary corporate tax regime from which the excess costs can be deducted, the taxpayer may deduct an amount from its offshore income but only so as to give it an effective deduction against 22% tax.

The timing of income and deductions generally follows the realization principle for tax purposes, i.e. when the income is received, or the expense is unconditionally incurred by the taxpayer. Provisions in the accounts based on prudent accounting principles are generally not deductible for tax purposes.

Losses can be carried forward indefinitely. Interest is added for losses incurred in 2002 and subsequent years. The calculated interest is added to loss carry forward at the end of each year. Losses generated by other activities taxable to Norway may as a general rule not be set off against assessed income for special petroleum tax (56%) and there are limitations on the right to set off other losses against the offshore general income tax (22%). If there remains an uncovered loss upon the discontinuation of activities that are liable to special petroleum tax, the taxpayer may claim payment from the State of the tax value of such loss, see "*Regulation—Refund of tax value of loss carry-forward upon cessation.*"

Pursuant to the provisional tax rules, the tax value of losses incurred in 2020 and 2021 (in both the ordinary tax base and in the special tax base (including the uplift of 24%)) will be refunded in cash by the Norwegian state. The refund may be available in advance of the tax assessment on a running basis through the instalment tax regime (i.e. three repayments made in the second half of the income year (August 1, October 1 and December 1) and three repayments made in the first half of the following year (February 1, April 1 and June 1)). The refund will be based on a preliminary estimate of the loss carried forward with a final settlement in the fourth quarter following the income year. The refund claim cannot be pledged.

### ***Refund of tax value of exploration cost***

Companies which are not in a tax paying position may annually claim a refund from the Norwegian State of the tax value of direct and indirect costs, except financial cost, incurred in connection with exploration for petroleum resources on the NCS. The tax value is set to the total of relevant direct and indirect exploration costs multiplied by the tax rate, currently 78%. The refund will reduce the tax loss to be carried forward correspondingly. The amount of exploration costs may not exceed the annual net loss from the petroleum activities of the taxpayer, to ensure that the costs are not already set off against taxable income. A future exploration refund claim may be transferred or assigned by the company entitled to the tax refund.

### ***Refund of tax value of loss carry forward upon cessation***

Companies may claim a refund of the tax value of losses and uplift carried forward when the entire business activity liable to the special petroleum tax ceases. The tax value is the loss and uplift carried forward multiplied with the tax rate, which is currently 78% for loss carry forward and 56% for uplift carried forward. As a result, a company may sell its entire petroleum license portfolio and subsequently claim a tax refund of the tax value of its loss and uplift carried forward in the tax return for the exit year. A consent from the Ministry of Finance to such tax treatment is needed if the asset transaction involves a related party. Norway's sovereign credit rating as of December 31, 2018 was AAA with stable outlook and Aaa with stable outlook for S&P and Moody's, respectively.

Alternatively, a loss and uplift carried forward may be transferred to a buyer together with the entire business activity in which the loss originated. Thus, if a company sells all its production licenses, it may also transfer the loss carried forward to the buyer, who in turn, can set off the loss against other taxable income. The same applies upon a merger with another company, where the transferring company may transfer the loss to the receiving company.

### ***Transfer of license interest—Tax treatment***

Direct and indirect assignments of petroleum production licenses on the NCS are subject to an approval by the MPE under the Petroleum Act Section 10-12 and by the Ministry of Finance under the Petroleum Taxation Act Section 10. In Regulations dated July 1, 2009 the Ministry of Finance has decided that certain, typical, transactions comprised by Petroleum Taxation Act Section 10 shall be approved on terms set out in the regulations, without any processing of applications, provided that the parties submit certain information to the Ministry of Finance and the Oil Taxation Office.

For transactions not covered by the said Regulations, the companies have to apply for an approval from the Norwegian Ministry of Finance. The Ministry of Finance may set out specific conditions pursuant to Guidelines issued on July 1, 2009 which may also deviate from the general tax legislation.

The guiding principle for approvals under Petroleum Taxation Act Section 10 is that the transaction should be revenue neutral to the Norwegian State based on an "after-tax method", i.e. that the total anticipated tax payments of the buyer and the seller before and after the transaction remain unchanged. The existing tax balances (depreciation and uplift) will, as a main rule, be transferred from the seller to the buyer together with the assets (tax continuity). Thus, there will be no step up of the tax balances as a result of the transaction. Practice concerning such transactions has undergone considerable changes over the years, but will now follow the most recent Regulations and Guidelines issued by the Ministry of Finance on July 1, 2009.



## MANAGEMENT

### Overview

The Board of Directors is responsible for the overall management of Aker BP (the “**Board of Directors**”) and may exercise all the powers of Aker BP. In accordance with Norwegian law, the Board of Directors is responsible for, among other things: (i) supervising the general and day-to-day management of Aker BP’s business; (ii) ensuring proper organization, preparing plans and budgets for its activities; (iii) ensuring that Aker BP’s activities, accounts and asset management are subject to adequate controls; and (iv) undertaking investigations necessary to ensure compliance with its duties.

The Board of Directors may delegate such matters as it seems fit to the executive management of Aker BP (the “**Senior Management**”). Our Senior Management is responsible for the day-to-day management of Aker BP’s operations in accordance with instructions set out by the Board of Directors. Among other responsibilities, the CEO is responsible for keeping our accounts in accordance with existing Norwegian legislation and regulations and for managing our assets in a responsible manner. In addition, at least once a month the CEO must brief the Board of Directors about Aker BP’s activities, financial position and operating results.

### Board of directors

The persons set forth below are our current members of the Board of Directors. The address for each of our directors in relation to their directorship is Akerkvartalet, Building B, Oksenøyveien 10, 1366 Lysaker, Norway.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Øyvind Eriksen.....	56	Chairman
Anne Marie Cannon .....	63	Deputy Chair
Gro G. Kielland .....	61	Board member
Kjell Inge Røkke .....	61	Board member
Trond Brandsrud.....	61	Board member
Katherine Anne Thomson.....	52	Board member
Murray Auchincloss .....	49	Board member
Terje Solheim .....	58	Non-Executive Director (employee representative)
Anette Hoel Helgesen.....	32	Non-Executive Director (employee representative)
Ingard Haugeberg .....	58	Non-Executive Director (employee representative)
Ørjan Holstad .....	30	Non-Executive Director (employee representative)

The composition of our Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice of October 30, 2014. The Norwegian Corporate Governance Code provides that a board member is generally considered to be independent when he or she does not have any personal, material business or other contacts that may influence the decisions he or she makes as a board member.

Set out below are brief biographies of the directors of Aker BP.

*Mr. Øyvind Eriksen*—Mr. Øyvind Eriksen holds a law degree from the University of Oslo. He has almost 20 years’ experience in the legal industry, having begun his career at the law firm BAHR in 1990. During his time at BAHR, he became a partner in 1996 and a director/chairman in 2003. Mr. Eriksen is the President and CEO of Aker ASA, the chairman of the Board of Directors of Aker Solutions ASA, Cognite AS, Aker Capital AS, Aker Kværner Holding AS and REV Ocean Inc. and director of several companies, including Aker Energy AS, Akastor ASA, The Resource Group TRG AS, TRG Holding AS, The Norwegian Cancer Society, Flette AS and Gluteus Medius AS, among others. Mr. Eriksen is currently the Chairman of the Board of Directors at Aker BP. Mr. Eriksen is a Norwegian citizen.

*Ms. Anne Marie Cannon*—Ms. Cannon has more than 35 years’ experience in the oil and gas sector in both industry and investment banking. She has served as the Deputy Chairman of the board since 2013, and she is a member of the Audit and Risk Committee at Aker BP. She is currently a non-executive director on the board of Aker Energy AS, Premier Oil and STV Group. Ms. Cannon joined PJT Partners as a Senior Advisor in 2019. Between 2000 and 2013 she served as a Senior Advisor to the Natural Resources Group at Morgan Stanley focusing on upstream M&A. Prior to this Ms. Cannon was an Executive Director on the boards of Hardy Oil & Gas and British Borneo and previously held senior financial roles at J Henry Schroder Wagg and Shell UK

Exploration & Production. She holds a Bachelor of Science (Honours) Degree from Glasgow University. Ms. Cannon is a British citizen.

*Ms. Gro G. Kielland*—Ms. Kielland has a Master of Science degree and a Diploma of Education from the Norwegian University of Science and Technology. Ms. Kielland has had a number of leading positions in the oil and gas industry both in Norway and abroad, among others as CEO of BP Norge. Ms. Kielland is Chairman of the Board of FPE Sontum and Origo Solutions, and serves as a Non-Executive Director of Agile Rig & Modules, Buhr AS and Eureka Pumps AS. Mr. Kielland is a Norwegian citizen.

*Mr. Kjell Inge Røkke*—Mr. Røkke is Aker ASA's primary owner and Chairman, and has been a driving force in the development of Aker ASA since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business, harvesting fish and processing them at sea. Mr. Røkke owns 68.2% of Aker ASA through The Resource Group TRG AS and subsidiaries. Mr. Røkke is currently director of several companies, including Aker BP, Kvaerner, Aker Energy, Aker Biomarine and Ocean Yield, among others. Mr. Røkke is a Norwegian citizen.

*Mr. Trond Brandsrud*—Mr. Brandsrud is the Chairman of the Audit and Risk Committee at Aker BP. Mr. Brandsrud is also currently the Chairman of Nordbrand Invest AS. Mr. Brandsrud has previously acted as Chief Financial Officer of Lindorff A/S and from 2010 to 2015, he acted as the Chief Financial Officer of Aker ASA, and from 2007 to 2010 he acted as the CFO of Seadrill Management AS. Prior to these roles, Mr. Brandsrud acted in various leading financial positions in Royal Dutch Shell plc. Mr. Brandsrud holds a Master of Science degree from the Norwegian School of Economics and Business Administration. Mr. Brandsrud is a Norwegian citizen.

*Ms. Katherine Anne Thomson*—Ms. Thomson is the Senior Vice President for Treasury and Senior Vice President for Finance for Other Business and Corporate, having previously held the positions of Group Treasurer for the BP Group and Group Head of Tax. In her current roles, Ms. Thomson has responsibility for the central financing of the BP Group and for providing commercial finance support to the innovation and engineering business and the regions, cities and solutions business within BP. She is also currently a member of the audit and risk committee. Prior to joining BP, Ms. Thomson qualified as a chartered accountant with Deloitte. She moved into international tax with Charter plc where she became Head of Tax in 1998, before joining Ernst & Young in 2001 in M&A tax. Ms. Thomson is also a director of several BP Group companies. Ms. Thomson is a British citizen.

*Mr. Murray Auchincloss*—Mr. Auchincloss is the Chief Financial Officer for BP p.l.c. as of July 1, 2020. He is a member of BP's Executive Board and attends the Main Board Audit Committee. Mr. Auchincloss joined Amoco Canada in 1992 and BP through the merger in 1999. He has built a career performing a range of commercial and leading roles across BP. Most recently he served as BP's Upstream CFO (2015 to 2020). Mr. Auchincloss holds a Bachelor of Finance degree from the University of Calgary. He also completed his Chartered Financial Analyst (CFA) designation in 1995. Mr. Auchincloss is a British citizen.

*Mr. Terje Solheim*—Mr. Solheim is the General Manager of Aker BP's Harstad office. Mr. Solheim has been with Aker BP since 2013 and has held several positions with the Company. He has extensive background from the Norwegian Armed Forces, and was one of the founders of Norwegian Petro Services (NPS). He came to Aker BP from Det Norske Veritas (DNV). Mr. Solheim is a Norwegian citizen.

*Mrs. Anette Hoel Helgesen*—Mrs. Helgesen is the HSSEQ Manager for Projects and Concept development. She has been with Aker BP since 2011. Mrs. Helgesen has held several different positions as process engineer (project, engineering & operations) and onshore operations supervisor for the Valhall Field. Mrs. Helgesen has a MSc in Chemical Engineering from NTNU, Trondheim. Mrs. Helgesen is a Norwegian citizen.

*Mr. Ingard Haugeberg*—Mr. Haugeberg serves as a fulltime employee representative. Prior to this position, he was the HSSE Site Lead on the Ula field. Mr. Haugeberg has broad experience from the Royal Norwegian Air Force in Bodø as an industry mechanic and as department manager for Safelift A/S. He started in Amoco Norge as a mechanic on the Valhall field in 1991. From 1998, he has held several positions in BP Norge. Mr. Haugeberg has also held a number of different directorships in BP Norge, Industrimaskiner A/S, Global Clean Energy, I/E Media and trippEl A/S. He is trained as an electro-mechanical repairer at the Royal Norwegian Air Force technical school centre in Kjevik and has a company approved bachelor in mechanics. Mr. Haugeberg is a Norwegian citizen.

*Mr. Ørjan Holstad*—Mr. Holstad trained as an Instrument Technician and has been an employee of BP Norge (now Aker BP) since 2010. His experience in the oil and gas industry includes service as a fulltime employee representative at BP Norge, from 2014 to 2016. He now serves as a fulltime employee representative at Aker BP. Mr. Holstad is a Norwegian citizen.

## Senior management

<b>Name</b>	<b>Age</b>	<b>Position</b>
Karl Johnny Hersvik.....	48	Chief Executive Officer
David Torvik Tønne.....	35	Chief Financial Officer
Øyvind Bratsberg.....	61	Special Advisor
Evy Glørstad.....	45	Senior Vice President Exploration & Reservoir Development
Ine Dolve.....	45	Senior Vice President Operations and Asset Development
Lars Høier.....	53	Senior Vice President and Asset Manager NOAKA
Arne Tommy Sigmundstad.....	49	Senior Vice President Drilling and Wells
Per Harald Kongelf.....	60	Senior Vice President Improvement
Marit Blaasmo.....	44	Senior Vice President HSSEQ
Lene Landøy.....	40	Senior Vice President Strategy and Business Development
Knut Sandvik.....	58	Senior Vice President Projects

Our Senior Management consists of the CEO, Karl Johnny Hersvik, and ten other executive officers. Set out below are brief biographies of the members of the Senior Management.

*Mr. Karl Johnny Hersvik*—Mr. Hersvik is the CEO of Aker BP. Mr. Hersvik holds a *Cand Scient* degree in Industrial Mathematics from the University of Bergen. Prior to joining Equinor in 1998 he was a co-founder of several IT start-ups. Since 1998 he has held many professional and management positions in Norsk Hydro and StatoilHydro, most recent as Senior Vice President Research, Development and Innovation. Mr. Hersvik holds several board positions including chairman of the OG21, a non-governmental organization studying oil and gas in the 21<sup>st</sup> century. He is also a member of several industry academia collaboration boards.

*Mr. David Torvik Tønne*—Mr. Tønne is the Chief Financial Officer of Aker BP and was previously VP Corporate Controlling in Aker BP. Mr. Tønne has been with the company since January 2017. Mr. Tønne holds a master's degree in finance from NHH Norwegian School of Economics. Prior to joining Aker BP, he worked for The Boston Consulting Group.

*Mr. Øyvind Bratsberg*—Mr. Bratsberg has approximately 30 years of experience in the oil and gas industry within marketing, business development, and operational roles. He has experience in commercial negotiations and management, and has comprehensive familiarity with offshore operations and project development. Mr. Bratsberg previously served as the chief operating officer of Det norske, and later as the senior vice president for technology and field development as well as the senior vice president for drilling and wells. He currently serves as the special advisor to the CEO. Before joining Aker BP, Mr. Bratsberg was employed in Equinor where he was responsible for the Equinor's early-phase field development. Mr. Bratsberg hold a Master of Science degree in Mechanical Engineering from the Norwegian University of Science and Technology.

*Ms. Evy Glørstad*—Ms. Glørstad is the Senior Vice President of Exploration & Reservoir Development at Aker BP, and was previously Asset Development Manager for NOAKA. Ms. Glørstad has been with the company since 2011. Ms. Glørstad holds a PhD in Petroleum geology/sedimentology. She has a broad experience as a geologist from BP in Norway and the US. Her PhD focused on seismic stratigraphy, providing stratigraphic control to all sub-projects under PETROBAR, and focused on the Triassic succession in the Barents Sea. She has held several managerial positions in Aker BP since joining the company.

*Ms. Ine Dolve*—Ms. Dolve is the Senior Vice President of Operations and Asset Development at Aker BP, and was previously Vice President of Operations and Asset Development for Skarv at Aker BP. Ms. Dolve holds a degree from NHH in Bergen, and has a Master's in International Management from ESADE in Barcelona. Further, Ms. Dolve holds a degree from The Royal Naval Academy.

*Mr. Lars Høier*—Mr. Høier is the Senior Vice President and Asset Manager for NOAKA at Aker BP. Mr. Høier joined Aker BP in July 2019, and previously held a position in Aker BP as VP for Concept Development and Technology. Prior to joining Aker BP, he had over 20 years of experience from Equinor, with positions including SVP for R&D, as well as production director for several assets, among them the Troll field. Mr. Høier

holds a Cand Scient degree in Physics from the University in Oslo and a PhD in Petroleum technology from the Norwegian University of Science and Technology (NTNU).

*Mr. Arne Tommy Sigmundstad*—Mr. Sigmundstad is the Senior Vice President of Drilling and Wells at Aker BP. He has previously held the position of vice president of wells at Asia Pacific BP Plc and served as director of the board at Vico Indonesia. Mr. Sigmundstad joined BP in 2000, and has broad experience within the oil and gas industry from companies such as Baker Hughes and Philips. Within BP, Mr. Sigmundstad has held different operational, engineering and management positions throughout Norway, the United Kingdom, Azerbaijan and Indonesia. Mr. Sigmundstad holds a Master's degree in Petroleum engineering from Stavanger University.

*Mr. Per Harald Kongelf*—Mr. Kongelf is the Senior Vice President of Improvement at Aker BP. Prior to joining Aker BP, Mr. Kongelf served as head of Norwegian operations at Aker Solutions, and from 2000 - 2003 served as investment manager at Energy Future Invest AS (Norway). Mr. Kongelf holds a Master of Science degree from Norwegian University of Science and Technology in Trondheim and has more than 25 years of industrial experience through numerous technical and management positions in Aker Solutions.

*Mrs. Marit Blaasmo*—Mrs. Blaasmo is the Senior Vice President for Health, Safety, Security, Environment and Quality at Aker BP. Ms. Blaasmo has been with Aker BP since 2017 and holds a degree in Petroleum Engineering from Norwegian University of Science and Technology. Prior to joining Aker BP, Ms. Blaasmo held multiple roles within the Drilling & Wells department at Baker Hughes INTEQ and Equinor.

*Ms. Lene Landøy*—Mrs. Landøy is the Senior Vice President of Strategy & Business Development at Aker BP. Mrs. Landøy has been with the company since January 2017. Mrs. Landøy has a master's degree in finance from NHH Norwegian School of Economics/University of California Los Angeles. She also holds a master's degree in international finance from the Skema Business School in France. Prior to joining Aker BP, she led Equinor's business development unit on the NCS.

*Mr. Knut Sandvik*—Mr. Sandvik is the Senior Vice President of Projects at Aker BP. He has worked for Aker Solutions for more than 30 years, joining what was then Norwegian Contractors as a field engineer in 1987. Throughout his career, Mr. Sandvik has held various senior project and leadership positions across the organization, gaining valuable experience from both the engineering, subsea and maintenance fields. His last two roles have been as a member of the executive management team, first as EVP Projects and more recently as EVP Greenfield Projects. He holds a degree in Mechanical Offshore Engineering from Heriot-Watt University in Scotland.

## **Board Committees**

### ***Nomination Committee***

Our articles of association provide for a Nomination committee composed of a minimum of three members who are elected by the general meeting. The Nomination Committee is responsible for nominating the members of the Board of Directors, the Corporate Assembly and the Nomination Committee. The Nomination Committee of Aker BP is comprised of the following members: Svein Oskar Stoknes (Chairman), Ingebret Hisdal and Donna Riley. No members of the Nomination Committee are members of executive management of the Board of Directors of Aker BP.

### ***Audit and Risk Committee***

We have an Audit and Risk Committee, which is comprised of the following members: Trond Brandsrud (Chairman), Anne Marie Cannon and Katherine Anne Thomson, all members of the Board of Directors. The primary purposes of the Audit and Risk Committee are to:

- assist the Board of Directors in discharging its duties relating to the safeguarding of assets; the operation of adequate system and internal controls;
- control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- provide support to the Board of Directors on the risk profile and risk management of Aker BP.

The Audit and Risk Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations. The Chair of the Audit and Risk Committee, Trond Brandsrud, is considered to have experience and formal background qualifying as “financial expert” according to the requirement stated in the Public Limited Liability Company Act.

#### ***Organizational Development and Compensation Committee***

We have an Organizational Development and Compensation Committee, which is comprised of the following members: Øyvind Eriksen, Gro Kielland and Terje Solheim. The Organizational Development and Compensation Committee is established to ensure that remuneration arrangements support the strategy of the business and enable the recruitment, succession planning and leadership development, and motivation and retention of senior executives while complying with the requirements of regulatory and governance bodies, satisfying the expectations of shareholders and remaining consistent with the expectations of the wider employee population.

## PRINCIPAL SHAREHOLDERS

Aker BP has issued share capital of NOK 360,113,509 comprised of 360,113,509 common shares with a par value of NOK 1, each being fully paid up, as of September 14, 2020. The following table sets forth certain information concerning the significant shareholders with a notifiable interest of our common shares as of September 14, 2020:

<b>Name of shareholder</b>	<b>Number of common shares</b>	<b>Total percentage of shares owned</b>
Aker Capital AS .....	144,049,005	40.00%
BP Exploration Operating Company Limited .....	108,021,449	30.00%
Folketrygdfondet .....	14,356,126	3.99%
Assorted other shareholders.....	93,686,929	26.01%
<b>Total</b> .....	<b>360,113,509</b>	<b>100.00%</b>

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the course of our ordinary business activities, we may from time to time enter into agreements with or render services to related parties. In turn, such related parties may render services or deliver goods to us as part of their business. Purchase and supply agreements between subsidiaries and affiliated companies and with associated companies or shareholders of such associated companies are entered into from time to time within the ordinary course of business.

We believe that all transactions with affiliated companies are negotiated and conducted on a basis equivalent to those that would have been achievable on an arm's-length basis, and that the terms of these transactions are comparable to those currently contracted with unrelated third party suppliers, manufacturers and service providers. Aker BP has no report related parties in accordance with the *Allmennaksjeloven* (the Norwegian Public Limited Liability Companies Act).

Aker ASA (through Aker Capital AS) is our largest shareholder with a total equity interest of 40.00%. The entire Aker group is deemed to be a related party due to the indirect ownership of Aker ASA. BP, through BP Exploration Operating Company Limited, is our second largest shareholder with a total equity interest of 30.00%. The entire BP group is deemed to be a related party due this indirect ownership of Aker BP AS. See "*Principal Shareholders*."

### Transactions with related parties

In connection with our development projects, agreements have been entered into with Aker Solutions and its subsidiaries, which are subsidiaries of Aker ASA, and certain subsidiaries of BP. All transactions with related parties are carried out on the basis of the "arm's-length" principle.

Our share of transactions for the years ended December 31, 2018 and 2019 are included in the table below.

Related party	Receivables (+) / liabilities (-)	Year ended December 31,	
		2018	2019
(in thousands of USD)			
Aker Solutions Companies .....	Trade creditors	(6,759)	(1,221)
Cognite AS .....	Trade creditors	(1,244)	-
Kværner AS .....	Trade creditors	(1,051)	-
Other Aker Group Companies .....	Trade creditors	(706)	(1,916)
Other BP Group Companies .....	Trade creditors	(7)	(1)
Aker Energy Ghana AS .....	Trade debtors	564	-
BP Oil International Ltd. ....	Trade debtors	205,750	126,224
BP Global Investments Ltd. ....	Trade debtors	2,840	-
Other BP Group Companies .....	Trade debtors	349	858
Other Aker Group Companies .....	Trade debtors	-	145

Related party	Revenues (-) / expenses (+)	Year ended December 31,	
		2018	2019
(in thousands of USD)			
Aker ASA .....	Board remuneration etc.	258	553
Aker Energy AS .....	Recharge of consultants and shared services	-	(2,280)
First Geo AS .....	Exploration expenses	5,446	5,533
Kværner AS .....	Other operating expenses	68,616	37,623
Aker Solutions ASA .....	Development costs	206,081	220,523
Aker Energy Ghana .....	Recharge of consultants and shared services	(12,149)	-
Akastor Real Estate AS .....	Office rental	1,289	2,948
Cognite AS .....	Other operating expenses	11,425	11,053
OCY Alexandra AS .....	Platform supply vessel leases	10,689	-
OCY Frayja Limited .....	Platform supply vessel leases	801	4,251
OCY Orla Limited .....	Platform supply vessel leases	801	4,251
Other Aker companies .....	Operating expenses	1,237	1,091
BP Exploration Operating Company	Purchases of consultant and shared services and merger cost	1,870	2,884
BP International Ltd .....	Purchases of consultant and shared services	1,182	-
Other BP Group Companies .....	Other operating expenses	(1,532)	854
BP Oil International Ltd .....	Sales of Oil and NGL	(3,297,563)	(2,880,261)
BP Gas Marketing Ltd .....	Sales of Gas	(380,389)	(279,191)

## DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

*The following summary of the material terms of certain financing arrangements to which we and certain of our subsidiaries are a party does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. For further information regarding our existing indebtedness, see “Use of proceeds,” “Capitalization” and “Management’s discussion and analysis of financial condition and results of operations.” Some of the capitalized terms used herein are defined in the applicable agreements and not all such definitions have been included herein.*

### Revolving Credit Facility

#### Overview

On May 23, 2019, we entered into a \$4.0 billion senior unsecured multicurrency revolving credit facilities agreement (the “**Revolving Credit Facility**”) with ABN AMRO Bank N.V., Oslo Branch, Skandinaviska Enskilda Banken AB (publ), Barclays Bank PLC, Bank of Montreal, London, BNP Paribas S.A. Norway Branch, Danske Bank A/S, DNB Bank ASA, ING Belgium NV/SA, MUFG Bank, Ltd., Nordea Bank Abp, filial i Norge and Swedbank AB (publ) as mandated lead arrangers and bookrunners; Crédit Agricole Corporate and Investment Bank, Citigroup Global Markets Limited, HSBC France, J.P. Morgan Securities PLC, UniCredit Bank AG and Wells Fargo Bank International UC as mandated lead arrangers; ABN AMRO Bank N.V., Oslo Branch, and Skandinaviska Enskilda Banken AB (publ) as documentation agents; Nordea Bank Abp, filial i Norge as fronting bank, DNB Bank ASA as facility agent and Aker BP ASA as borrower. Loans under the facility may be utilized towards working capital and general corporate purposes of Aker BP and its subsidiaries (the “**Group**”), including, *inter alios*, (i) capital expenditures (including capital expenditures related to acquisitions), (ii) payment of interest fees, costs and expenses in relation to the facility, (iii) payment of dividends and (iv) meeting obligations relating to letters of credit issued to members of the Group.

#### Borrower

Aker BP ASA is the borrower under the Revolving Credit Facility.

#### The facilities

The initial aggregate commitment under the Revolving Credit Facility is \$4.0 billion comprising two equal tranches of \$2.0 billion. The termination date of the first facility (the “**Working Capital Facility**”) is three years after the date of the facility agreement and the termination date for the second facility (the “**Liquidity Reserve Facility**”) is five years from signing of the facility agreement. The Liquidity Reserve Facility also includes two twelve-month extension options, the first of which was exercised in April 2020.

We may utilize the Revolving Credit Facility by drawing loans and issuing letters of credit. The Working Capital Facility must be in force and fully utilized before drawings are permitted under the Liquidity Reserve Facility.

#### Repayment and prepayment

Each loan drawn under the Revolving Credit Facility must be repaid on the last day of its interest period (subject to roll-over provisions). Any loans repaid or prepaid may be re-borrowed subject to customary terms and exceptions. Any outstanding amounts under the Working Capital Facility or (as the case may be) the Liquidity Reserve Facility will be repaid in full and cancelled at each facilities respective termination date (subject to any available extensions).

#### Mandatory prepayment

The Revolving Credit Facility contains provisions facilitating the cancellation of a lender’s commitment, repayment of lenders and terminating the obligation of the fronting bank (the bank which issues letters of credit under the Revolving Credit Facility) to provide letters of credit if it becomes unlawful for that lender (or fronting bank, in relation to letters of credit issued under the Revolving Credit Facility) to perform any of its obligations or to fund or maintain its participation in any utilization.

The Revolving Credit Facility further contains provisions allowing, on certain terms, lenders to suspend further funding and/or request prepayment and cancellation under any finance document upon (i) certain events



constituting a change of control, or (ii) delisting of the Company from Oslo Stock Exchange, on the terms set out therein.

### ***Voluntary prepayment and cancellation***

The Revolving Credit Facility contains provisions facilitating the full or partial voluntary cancellation of an available facility in the minimum amount of \$25,000,000, and/or voluntary prepayment of utilizations in whole or part by a minimum amount of \$25,000,000.

The Revolving Credit Facility further contains certain provisions for voluntary prepayment and cancellation in the event of defaulting lenders and tax and increased cost events.

Subject to certain conditions, amounts may be cancelled, and loans drawn may be prepaid. Any amount cancelled may not be reinstated. Any prepayment shall be made together with accrued interest on the amount prepaid and, subject to breakage costs, without premium or penalty.

### ***Interest and fees***

The rate of interest payable on the loans under the Revolving Credit Facility is calculated as the percentage rate per annum which equals the aggregate of the applicable margin and LIBOR (or NIBOR in relation to any loan in NOK and EURIBOR in relation to any loan in EUR). The applicable margin is calculated based on a margin ratchet which sets out the applicable margin for the Working Capital Facility and the Liquidity Reserve Facility, respectively, depending on the long term corporate credit rating assigned to the Company by Moody's, S&P and Fitch.

Certain fees are also payable, including, but not limited to: (i) a commitment fee on available commitments and (ii) a commission on letters of credit issued.

### ***Representations and warranties***

The Revolving Credit Facility includes certain customary representations and warranties, subject to certain agreed exceptions and qualifications.

### ***Information covenants***

The Revolving Credit Facility includes certain information covenants requiring the Company to procure the delivery of certain information, subject to certain agreed exceptions and qualifications, including but not limited to:

- financial information and statements;
- compliance certificates;
- any downgrade or upgrade in the long term corporate credit rating of the Company;
- information relating to defaults; and
- various information concerning its business, assets, liabilities and legal matters.

### ***General covenants***

The Revolving Credit Facility includes certain covenants restricting the Company and its subsidiaries' operations and their ability to take certain actions, subject to certain agreed exceptions and qualifications, including but not limited to:

- creating or permitting security interest over its assets (negative pledge) (with certain exceptions such as financial assistance in the ordinary course of business);
- incurring secured indebtedness, unless for certain exemptions, most notably secured indebtedness up to an amount of 2.5% of our total assets, and secured indebtedness incurred by a subsidiary holding ownership in the NOAKA area (to the extent relevant), and always provided

that such subsidiary will finance its assets and operations without recourse to any security granted by us;

- allowing changes to its corporate existence;
- entering into a merger, business combination or corporate reorganization of the company involving the assets and obligations of the company if such merger, business combination or corporate reorganization would have a material adverse effect (and subject to mandatory prepayment in the case of a change of control event);
- restrictions on disposals, with the exception of permitted disposals comprising any sale, lease, transfer (including demerger) or other disposal made for a fair market value consideration on conditions customary for such transactions and such transaction would not have a material adverse effect;
- changing the general nature of its business; and
- making distributions on account of its share capital is permitted unless an event of default has occurred and for as long as it is continuing.

The Company must further procure the satisfaction of certain covenants, subject to certain agreed exceptions and qualifications, including but not limited to:

- compliance with law including environmental law;
- meeting certain requirements relating to payment of taxes, obtaining tax credits and deductions and filing tax returns;
- maintaining the validity and enforceability of finance documents and ranking of debt under finance documents;
- maintaining required authorizations;
- using facility proceeds in compliance with sanctions laws; and
- satisfaction of certain requirements for insurance.

#### ***Financial covenants***

The Revolving Credit Facility contains certain financial covenants to be calculated and satisfied in accordance with the terms therein, including, but not limited to:

- the ratio of the Group's total net debt divided by the Group's EBITDAX shall not (when calculated) exceed 3.5x at all times; and
- the ratio of the Group's EBITDA divided by the Group's interest expenses shall be (when calculated) a minimum of 3.5x at all times.

#### ***Events of default***

The Revolving Credit Facility sets out certain events of default, the occurrence of which would allow lenders to, inter alia, accelerate or cancel the facility, demand cash cover in relation to letters of credit, demand repayment of loans and exercise rights under the finance document. The events of default are customary provisions for a corporate revolving facility.

#### ***Governing law***

The Revolving Credit Facility is governed by Norwegian law.

## Existing Senior Notes

### *Existing Senior Notes due 2022*

On July 5, 2017, we issued \$400 million 6.0% Senior Notes due 2022 (the “**Existing Senior Notes due 2022**”). The interest on the Existing Senior Notes due 2022 is payable semi-annually on January 1 and July 1 of each year and interest payment commenced on January 1, 2018. The Existing Senior Notes due 2022 mature on July 1, 2022.

We intend to use the net proceeds from the offering of the Notes to, among other things, redeem all the outstanding Existing Senior Notes due 2022 and to pay related redemption premia. See “*Use of proceeds.*”

We may redeem all or part of the Existing Senior Notes due 2022 prior to July 1, 2019, at a redemption price equal to 100% of the principal amount of such notes redeemed, plus accrued and unpaid interest, if any, plus a “make whole” premium. On or after July 1, 2019, we may on any one or more occasions redeem all or a part of the Existing Senior Notes due 2022 at specified redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest, if any, to the applicable date of redemption. The specified redemption prices decrease annually to 100% on or after July 1, 2021.

The Existing Senior Notes due 2022 are senior unsecured debt of the Company and rank *pari passu* in right of payment with all of our existing and future senior obligations and senior in right of payment to all of our future subordinated obligations. The Existing Senior Notes due 2022 are effectively subordinated to all of our existing and future secured debt to the extent of the value of the collateral securing such debt.

We have agreed to observe certain covenants with respect to the Existing Senior Notes due 2022 including limitations on our ability to create or incur certain liens, guarantee certain types of other indebtedness of the Company or its restricted subsidiaries without also guaranteeing the Notes and merge or consolidate with other entities. Upon the occurrence of certain events defined as constituting a change of control triggering event, holders of the Existing Senior Notes due 2022 have the right to require us to repurchase all or any part of their Existing Senior Notes due 2022 at a purchase price equal to 101% of the aggregate principal amount of the Existing Senior Notes due 2022 repurchased, plus accrued and unpaid interest to the date of purchase.

The Existing Senior Notes due 2022 contain various events of default, including, among others, non-payment, breach of certain covenants, breach of other obligations set forth in the Existing Senior Notes due 2022 Indenture, default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) aggregating in excess of \$100 million in principal amount, failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$100 million (net of any amount with respect to which a reputable and solvent insurance company has acknowledged liability in writing), which judgments are not paid, discharged, stayed or fully bonded for a period of 60 days (or, if later, the date when payment is due pursuant to such judgment), and certain events of bankruptcy and insolvency, the occurrence of which, with respect to certain events of default, would result in the Existing Senior Notes due 2022 becoming due and payable or, with respect to certain other events of default, would allow noteholders to declare the Existing Senior Notes due 2022 due and payable.

The offering of the Existing Senior Notes due 2022 was not registered under the Securities Act or any U.S. state securities laws. The Existing Senior Notes due 2022 were offered and sold within the United States only to qualified institutional buyers as defined in Rule 144A under the Securities Act and to persons outside the United States in reliance on Regulation S under the Securities Act. The Existing Senior Notes due 2022 are listed on the Official List of The International Stock Exchange and admitted to dealing on the Official List of The International Stock Exchange.

### *Existing Senior Notes due 2024*

On June 19, 2019, we issued \$750 million 4.750% Senior Notes due 2024 (the “**Existing Senior Notes due 2024**”). The interest on the Existing Senior Notes due 2024 is payable semi-annually on June 15 and December 15 of each year and interest payments will commence on December 15, 2019. The Existing Senior Notes due 2024 mature on June 15, 2024.

We may redeem all or part of the Existing Senior Notes due 2024 prior to June 15, 2021, at a redemption price equal to 100% of the principal amount of such notes redeemed, plus accrued and unpaid interest, if any, plus a “make whole” premium. On or after June 15, 2021, we may on any one or more occasions redeem all or a part of the Existing Senior Notes due 2024 at specified redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest, if any, to the applicable date of redemption. The specified redemption prices decrease annually to 100% on or after June 15, 2023.

The Existing Senior Notes due 2024 are senior unsecured debt of the Company and rank *pari passu* in right of payment with all of our existing and future senior obligations and senior in right of payment to all of our future subordinated obligations. The Existing Senior Notes due 2024 are effectively subordinated to all of our existing and future secured debt to the extent of the value of the collateral securing such debt.

We have agreed to observe certain covenants with respect to the Existing Senior Notes due 2024 including limitations on our ability to create or incur certain liens, guarantee certain types of other indebtedness of the Company or its restricted subsidiaries without also guaranteeing the Notes and merge or consolidate with other entities. Upon the occurrence of certain events defined as constituting a change of control triggering event, holders of the Existing Senior Notes due 2024 have the right to require us to repurchase all or any part of their Existing Senior Notes due 2024 at a purchase price equal to 101% of the aggregate principal amount of the Existing Senior Notes due 2024 repurchased, plus accrued and unpaid interest to the date of purchase.

The Existing Senior Notes due 2024 contain various events of default, including, among others, non-payment, breach of certain covenants, breach of other obligations set forth in the Existing Senior Notes due 2024 Indenture, default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) aggregating in excess of \$100 million in principal amount, failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$100 million (net of any amount with respect to which a reputable and solvent insurance company has acknowledged liability in writing), which judgments are not paid, discharged, stayed or fully bonded for a period of 60 days (or, if later, the date when payment is due pursuant to such judgment), and certain events of bankruptcy and insolvency, the occurrence of which, with respect to certain events of default, would result in the Existing Senior Notes due 2024 becoming due and payable or, with respect to certain other events of default, would allow noteholders to declare the Existing Senior Notes due 2024 due and payable.

The offering of the Existing Senior Notes due 2024 was not registered under the Securities Act or any U.S. state securities laws. The Existing Senior Notes due 2024 were offered and sold within the United States only to qualified institutional buyers as defined in Rule 144A under the Securities Act and to persons outside the United States in reliance on Regulation S under the Securities Act. The Existing Senior Notes due 2024 are listed on the Securities Official List of the Luxembourg Stock Exchange.

#### ***Existing 5.875% Senior Notes due 2025***

On March 22, 2018, we issued \$500 million 5.875% Senior Notes due 2025 (the “**Existing 5.875% Senior Notes due 2025**”). The interest on the Existing 5.875% Senior Notes due 2025 is payable semi-annually on March 31 and September 30 of each year and interest payment commenced on September 30, 2018. The Existing 5.875% Senior Notes due 2025 mature on March 31, 2025.

We may redeem all or part of the Existing 5.875% Senior Notes due 2025 prior to March 31, 2021, at a redemption price equal to 100% of the principal amount of such notes redeemed, plus accrued and unpaid interest, if any, plus a “make whole” premium. On or after March 31, 2021, we may on any one or more occasions redeem all or a part of the Existing 5.875% Senior Notes due 2025 at specified redemption prices (expressed as percentages of principal amount), plus accrued and unpaid interest, if any, to the applicable date of redemption. The specified redemption prices decrease annually to 100% on or after March 31, 2023.

The Existing 5.875% Senior Notes due 2025 are senior unsecured debt of the Company and rank *pari passu* in right of payment with all of our existing and future senior obligations and senior in right of payment to all of our future subordinated obligations. The Existing 5.875% Senior Notes due 2025 are effectively subordinated to all of our existing and future secured debt to the extent of the value of the collateral securing such debt.

We have agreed to observe certain covenants with respect to the Existing 5.875% Senior Notes due 2025 including limitations on our ability to create or incur certain liens, guarantee certain types of other indebtedness of the Company or its restricted subsidiaries without also guaranteeing the Notes and merge or consolidate with other entities. Upon the occurrence of certain events defined as constituting a change of control triggering event, holders of the Existing 5.875% Senior Notes due 2025 have the right to require us to repurchase all or any part of their Existing 5.875% Senior Notes due 2025 at a purchase price equal to 101% of the aggregate principal amount of the Existing 5.875% Senior Notes due 2025 repurchased, plus accrued and unpaid interest to the date of purchase.

The Existing 5.875% Senior Notes due 2025 contain various events of default, including, among others, non-payment, breach of certain covenants, breach of other obligations set forth in the Existing 5.875% Senior Notes due 2025 Indenture, default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) aggregating in excess of \$100 million in principal amount, failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$100 million (net of any amount with respect to which a reputable and solvent insurance company has acknowledged liability in writing), which judgments are not paid, discharged, stayed or fully bonded for a period of 60 days (or, if later, the date when payment is due pursuant to such judgment), and certain events of bankruptcy and insolvency, the occurrence of which, with respect to certain events of default, would result in the Existing 5.875% Senior Notes due 2025 becoming due and payable or, with respect to certain other events of default, would allow noteholders to declare the Existing 5.875% Senior Notes due 2025 due and payable.

The offering of the Existing 5.875% Senior Notes due 2025 was not registered under the Securities Act or any U.S. state securities laws. The Existing 5.875% Senior Notes due 2025 were offered and sold within the United States only to qualified institutional buyers as defined in Rule 144A under the Securities Act and to persons outside the United States in reliance on Regulation S under the Securities Act. The Existing 5.875% Senior Notes due 2025 are listed on the Securities Official List of the Luxembourg Stock Exchange, without admission to trading on one of the securities markets operated by the Luxembourg Stock Exchange.

#### ***Existing 3.000% Senior Notes due 2025***

On January 15, 2020, we issued \$500 million 3.000% Senior Notes due 2025 (the “**Existing 3.000% Senior Notes due 2025**”). The interest on the Existing 3.000% Senior Notes due 2025 is payable semi-annually on January 15 and July 15 of each year and interest payment commenced on July 15, 2020. The Existing 3.000% Senior Notes due 2025 mature on January 15, 2025.

We may redeem all or part of the Existing 3.000% Senior Notes due 2025 prior to December 15, 2024 at a redemption price equal to 100% of the principal amount of such notes redeemed, plus accrued and unpaid interest, if any, plus a “make whole” premium.

The Existing 3.000% Senior Notes due 2025 are senior unsecured debt of the Company and rank *pari passu* in right of payment with all of our existing and future senior obligations and senior in right of payment to all of our future subordinated obligations. The Existing 3.000% Senior Notes due 2025 are effectively subordinated to all of our existing and future secured debt to the extent of the value of the collateral securing such debt.

We have agreed to observe certain covenants with respect to the Existing 3.000% Senior Notes due 2025 including limitations on our ability to create or incur certain liens, guarantee certain types of other indebtedness of the Company or its restricted subsidiaries without also guaranteeing the Notes and merge or consolidate with other entities. Upon the occurrence of certain events defined as constituting a change of control triggering event, holders of the Existing 3.000% Senior Notes due 2025 have the right to require us to repurchase all or any part of their Existing 3.000% Senior Notes due 2025 at a purchase price equal to 101% of the aggregate principal amount of the Existing 3.000% Senior Notes due 2025 repurchased, plus accrued and unpaid interest to the date of purchase.

The Existing 3.000% Senior Notes due 2025 contain various events of default, including, among others, non-payment, breach of certain covenants, breach of other obligations set forth in the Existing 3.000% Senior Notes due 2025 Indenture, default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of

its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) aggregating in excess of \$125 million in principal amount, failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$125 million (net of any amount with respect to which a reputable and solvent insurance company has acknowledged liability in writing), which judgments are not paid, discharged, stayed or fully bonded for a period of 60 days (or, if later, the date when payment is due pursuant to such judgment), and certain events of bankruptcy and insolvency, the occurrence of which, with respect to certain events of default, would result in the Existing 3.000% Senior Notes due 2025 becoming due and payable or, with respect to certain other events of default, would allow noteholders to declare the Existing 3.000% Senior Notes due 2025 due and payable.

The offering of the Existing 3.000% Senior Notes due 2025 was not registered under the Securities Act or any U.S. state securities laws. The Existing 3.000% Senior Notes due 2025 were offered and sold within the United States only to qualified institutional buyers as defined in Rule 144A under the Securities Act and to persons outside the United States in reliance on Regulation S under the Securities Act. The Existing 3.000% Senior Notes due 2025 are listed on the Securities Official List of the Luxembourg Stock Exchange, without admission to trading on one of the securities markets operated by the Luxembourg Stock Exchange.

### ***Existing Senior Notes due 2030***

On January 15, 2020, we issued \$1,000 million 3.750% Senior Notes due 2025 (the “**Existing Senior Notes due 2030**”). The interest on the Existing Senior Notes due 2030 is payable semi-annually on January 15 and July 15 of each year and interest payment commenced on July 15, 2020. The Existing Senior Notes due 2030 mature on January 15, 2030.

We may redeem all or part of the Existing Senior Notes due 2030 prior to October 15, 2029 at a redemption price equal to 100% of the principal amount of such notes redeemed, plus accrued and unpaid interest, if any, plus a “make whole” premium.

The Existing Senior Notes due 2030 are senior unsecured debt of the Company and rank *pari passu* in right of payment with all of our existing and future senior obligations and senior in right of payment to all of our future subordinated obligations. The Existing Senior Notes due 2030 are effectively subordinated to all of our existing and future secured debt to the extent of the value of the collateral securing such debt.

We have agreed to observe certain covenants with respect to the Existing Senior Notes due 2030 including limitations on our ability to create or incur certain liens, guarantee certain types of other indebtedness of the Company or its restricted subsidiaries without also guaranteeing the Notes and merge or consolidate with other entities. Upon the occurrence of certain events defined as constituting a change of control triggering event, holders of the Existing Senior Notes due 2030 have the right to require us to repurchase all or any part of their Existing Senior Notes due 2030 at a purchase price equal to 101% of the aggregate principal amount of the Existing Senior Notes due 2030 repurchased, plus accrued and unpaid interest to the date of purchase.

The Existing Senior Notes due 2030 contain various events of default, including, among others, non-payment, breach of certain covenants, breach of other obligations set forth in the Existing Senior Notes due 2030 Indenture, default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) aggregating in excess of \$125 million in principal amount, failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$125 million (net of any amount with respect to which a reputable and solvent insurance company has acknowledged liability in writing), which judgments are not paid, discharged, stayed or fully bonded for a period of 60 days (or, if later, the date when payment is due pursuant to such judgment), and certain events of bankruptcy and insolvency, the occurrence of which, with respect to certain events of default, would result in the Existing Senior Notes due 2030 becoming due and payable or, with respect to certain other events of default, would allow noteholders to declare the Existing Senior Notes due 2030 due and payable.

The offering of the Existing Senior Notes due 2030 was not registered under the Securities Act or any U.S. state securities laws. The Existing Senior Notes due 2030 were offered and sold within the United States only to qualified institutional buyers as defined in Rule 144A under the Securities Act and to persons outside the United States in reliance on Regulation S under the Securities Act. The Existing Senior Notes due 2030 are

listed on the Securities Official List of the Luxembourg Stock Exchange, without admission to trading on one of the securities markets operated by the Luxembourg Stock Exchange.

## DESCRIPTION OF THE NOTES

Aker BP ASA (the “**Company**”) will issue (i) \$500,000,000 in aggregate principal amount of its 2.875% senior notes due 2026 (the “**2026 Notes**”) under an indenture (the “**2026 Indenture**”) among the Company, BNY Mellon Corporate Trustee Services Limited, as trustee (the “**Trustee**”), The Bank of New York Mellon, London Branch, as Paying Agent and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Transfer Agent and Registrar, and (ii) \$750,000,000 in aggregate principal amount of its 4.000% senior notes due 2031 (the “**2031 Notes**”) and, together with the 2026 Notes, the “**Notes**”) under an indenture (the “**2031 Indenture**” and, together with the 2026 Indenture, the “**Indentures**”) among the Company, the Trustee, The Bank of New York Mellon, London Branch, as Paying Agent and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Transfer Agent and Registrar; in each case, in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. The terms of the Notes include those set forth in the respective Indenture. The Indentures will not be qualified under, incorporate by reference or include or be subject to any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. See “*Risk factors—Risks relating to the Notes and our structure—The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.*”

The following description is a summary of the material provisions of the Indentures and the Notes. This description does not restate those documents in their entirety. We urge you to read the Indentures and the Notes because they, and not this description, will define your rights as holders of the relevant series of Notes. Copies of the Indentures (including the form of the each series of Notes) will be available as set forth below under the caption “*—Additional information.*”

You can find the definitions of certain terms used in this “*Description of the Notes*” under the subheading “*—Certain definitions.*” Certain defined terms used in this “*Description of the Notes*” but not defined below under “*—Certain definitions*” or elsewhere in this description have the meanings assigned to them in the respective Indenture. For purposes of this “*Description of the Notes*,” the term “**Company**” refers only to Aker BP ASA and not to any of its subsidiaries, and unless the context requires otherwise, references in this “*Description of the Notes*” to the Notes include the Notes and any additional Notes that are issued.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indentures.

### Brief description of the Notes

The Notes will:

- be general obligations of the Company;
- rank *pari passu* in right of payment with all existing and future obligations of the Company that are not expressly contractually subordinated in right of payment to the Notes, including the Existing Senior Notes due 2024, the Existing 5.875% Senior Notes due 2025, the Existing 3.000% Senior Notes due 2025, the Existing Senior Notes due 2030 and the Revolving Credit Facility, save for any claims which are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application;
- be senior in right of payment to all existing and future obligations of the Company that are expressly contractually subordinated in right of payment to the Notes;
- be effectively subordinated to all existing and future secured obligations of the Company to the extent of the value of the property and assets securing such obligations, unless such assets also secure the Notes on an equal and ratable or senior basis; and
- be structurally subordinated to all existing and future obligations of the Company’s Subsidiaries that do not guarantee the Notes.

As of June 30, 2020, we had an aggregate amount of \$3,946.6 million of *as adjusted* total debt outstanding, of which \$742.4 million would have been unsecured indebtedness represented by the Existing Senior Notes due 2024 (net of \$7.6 million in unamortized fees), \$495.0 million would have been unsecured indebtedness represented by the Existing 5.875% Senior Notes due 2025 (net of \$5.0 million in unamortized fees), \$496.0 million would have been unsecured indebtedness represented by the Existing 3.000% Senior Notes due 2025 (net of \$4.0 million in unamortized fees), \$992.4 million would have been unsecured indebtedness represented by the



Existing Senior Notes due 2030 (net of \$7.6 million in unamortized fees), nil would have been outstanding under the NOK Bond and \$1,240.1 million would have been unsecured indebtedness represented by the Notes (net of \$9.9 million in estimated unamortized fees). *As adjusted* total debt includes \$19.3 million representing the remaining amortization fee on the undrawn commitments under the Revolving Credit Facility See “*Capitalization*” and “*Description of certain financing arrangements.*” *As adjusted* total debt excludes long-term lease debt.

Initially, none of the Company’s Subsidiaries will guarantee the Notes and the Company will not have any obligation to cause any of its Subsidiaries to guarantee the Notes in the future (except as required under the circumstances described below under the caption “—*Certain covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*”). In the event of a bankruptcy, liquidation or reorganization of any Subsidiary that is not a Guarantor, such Subsidiary will pay the holders of its debt and its trade creditors before it will be able to distribute any of its assets to the Company or a Guarantor, if any. None of the Company’s operations are conducted through its Subsidiaries. As of and for the year ended December 31, 2019 and the six months ended June 30, 2020, respectively, the Company represented 100% of the consolidated petroleum revenues and 100% of consolidated EBITDAX and 100% of its consolidated assets.

### **Principal, maturity and interest**

The Company will issue \$500 million in aggregate principal amount of 2026 Notes and \$750 million in aggregate principal amount of 2031 Notes in this offering. The Company may issue additional Notes (the “**Additional Notes**”) under the Indentures from time to time after this offering. The Notes and any Additional Notes subsequently issued under an Indenture will be treated as a single class for all purposes under that Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Company will issue each series of Notes in minimum denominations of \$150,000 and integral multiples of \$1,000 in excess thereof. The 2026 Notes and the 2031 Notes will each constitute separate series of Notes under their respective Indenture. Except as otherwise provided herein, each series of Notes will be treated as a single class for all purposes under their respective Indenture, including for purposes of voting and taking all other actions permitted by holders of the 2026 Notes and the 2031 Notes, respectively. The 2026 Notes will mature on January 15, 2026. The 2031 Notes will mature on January 15, 2031.

Interest on the 2026 Notes will accrue at the rate of 2.875% per annum and interest on the 2031 Notes will accrue at the rate of 4.000% per annum. Interest on the Notes will be payable semi-annually in arrears on January 15 and July 15, commencing on January 15, 2021. Interest on overdue principal and interest, if any, will accrue at a rate that is 1.0% higher than the then applicable interest rate on the Notes. The Company will make each interest payment to the holders of record on the immediately preceding January 1 and July 1 in the case of Global Notes and Definitive Registered Notes.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. The interest amount will be calculated by applying the applicable rate to the aggregate principal amount outstanding of the relevant series of Notes.

### **Transfer and exchange**

Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “**144A Global Note**”). Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “**Reg S Global Note**” and, together with the 144A Global Note, the “**Global Notes**”).

Ownership of interests in the Global Notes (“**Book-Entry Interests**”) will be limited to persons that have accounts with DTC or persons that may hold interests through such participants, including through Euroclear and Clearstream. Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under “*Notice to investors.*” In addition, transfers of Book-Entry Interests between participants in DTC, participants in Euroclear or participants in Clearstream will be effected by DTC, Euroclear or Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by DTC, Euroclear or Clearstream and their respective participants. Book-Entry Interests in a 144A Global Note (the “**144A Book-Entry Interests**”) may be transferred to a person who takes delivery in the form of Book-Entry Interests in a Reg S Global Note (the “**Reg S Book-Entry Interests**”) only upon delivery by the transferor of a written certification (in the form

provided in the Indentures) to the effect that such transfer is being made in accordance with Regulation S under the U.S. Securities Act. Reg S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the Indentures) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act.

Any Book-Entry Interest that is transferred will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If definitive Notes in registered form (“**Definitive Registered Notes**”) are issued, they will be issued for each applicable series of Notes only in denominations of \$150,000 and integral multiples of \$1,000 in excess thereof upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indentures. It is expected that such instructions will be based upon directions received by DTC from the participant that owns the relevant Book-Entry Interest. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indentures or as otherwise determined by the Company in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under “*Notice to Investors*.”

Subject to the restrictions on transfer referred to above, each series of Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in denominations of \$150,000 in principal amount or integral multiples of \$1,000 in excess thereof. In connection with any such transfer or exchange, the Indentures will require the transferring or exchanging holder, among other things, to furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at DTC, Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any taxes, duties and governmental charges in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the holder of the Notes, other than any transfer taxes or similar governmental charges payable in connection with such transfer or exchange.

Notwithstanding the foregoing, the Company is not required to register the transfer of any Definitive Registered Notes:

- (1) for a period of 15 calendar days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 calendar days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a period of 15 calendar days prior to the record date with respect to any interest payment date; or
- (4) which the holder of the Notes has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer.

#### **Paying agent and registrar for the Notes**

The Company will maintain one or more paying agents (each, a “**Paying Agent**”) for the Notes. The initial Paying Agent will be The Bank of New York Mellon, London Branch (the “**Paying Agent**”).

The Company will also maintain both a registrar (the “**Registrar**”) and a transfer agent (the “**Transfer Agent**”). The initial Registrar will be The Bank of New York Mellon SA/NV, Luxembourg Branch and the initial Transfer Agent will be The Bank of New York Mellon SA/NV, Luxembourg Branch. The Registrar will maintain a register reflecting record ownership of the applicable series of Global Notes and any Definitive Registered Notes outstanding from time to time, and the Transfer Agent will facilitate transfers of the applicable series of any Definitive Registered Notes on behalf of the Company.

#### **Note Guarantees**

The Notes offered hereby will not be guaranteed on the Issue Date. Although there will be no initial Guarantors, if required by the covenant described below under the caption “—*Certain covenants—Limitation on guarantees of indebtedness by restricted subsidiaries*” or clause (iii) of the final paragraph of the covenant

described under “—*Merger, consolidation or sale of assets,*” certain Restricted Subsidiaries may provide a Note Guarantee in the future. To the extent provided in future, any Note Guarantee will be a joint and several obligation of each Guarantor.

The Note Guarantee of each Guarantor, if any, will:

- be a general obligation of that Guarantor;
- rank *pari passu* in right of payment with all obligations of such Guarantor that are not expressly subordinated in right of payment to the Note Guarantee, save for any claims which are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application; and
- be effectively subordinated to all secured obligations of the relevant Guarantor, to the extent of the value of the property and assets securing such obligations, unless such assets also secure the Note Guarantee on an equal and ratable or senior basis.

Any Guarantees of the Notes that are subject to limitations under applicable law will be contractually limited under the applicable Note Guarantees to reflect such limitations with respect to maintenance of share capital, corporate benefit, financial assistance, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners. For a description of such limitations, see “*Risk factors—Risks relating to the Notes and our structure—Future guarantees, if any, will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.*”

#### **Note Guarantees release**

The Note Guarantee of a Guarantor will be automatically and unconditionally released and discharged without any further action by the Company, the relevant Guarantor or the Trustee, and such Guarantor’s obligations under the Note Guarantee and the Indentures will terminate and be of no further force and effect:

- (1) in connection with any sale or other disposition of all or substantially all of the properties or assets of that Guarantor (including by way of merger, amalgamation or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Subsidiary of the Company;
- (2) in connection with any sale or other disposition of the Capital Stock of that Guarantor (whether by direct sale or through a holding company) to a Person that is not (either before or after giving effect to such transaction) the Company or a Subsidiary of the Company, if as a result of such disposition such Guarantor no longer qualifies as a Subsidiary of the Company;
- (3) with respect to the applicable series of Notes, upon repayment in full of the Notes of such series or upon Legal Defeasance or Covenant Defeasance as described below under the caption “—*Legal defeasance and covenant defeasance*” or upon satisfaction and discharge of the Indentures as described under the caption “—*Satisfaction and discharge*;”
- (4) upon the liquidation, winding up, dissolution or corporate reorganization of such Guarantor on a solvent basis; *provided* that no Default or Event of Default has occurred and is continuing or would be caused thereby;
- (5) as described below under the caption “—*Amendment, supplement and waiver*;”
- (6) upon such Guarantor consolidating or amalgamating with, merging into or transferring all of its properties or assets to the Company or another Guarantor, and as a result of, or in connection with, such transaction such Guarantor dissolving or otherwise ceasing to exist;
- (7) as described in the fourth paragraph of the covenant described below under the caption “—*Certain covenants—Limitation on Guarantees of Indebtedness by Restricted Subsidiaries*;”
- (8) to the extent that applicable law prohibits or restricts such Guarantor from continuing to Guarantee the Notes; and

- (9) with respect to a Guarantor that is not a Significant Subsidiary, so long as no Event of Default has occurred and is continuing; *provided* that substantially concurrently with such release, the holders of all Indebtedness under the Revolving Credit Facility and any Pari Passu Debt that constitutes Public Indebtedness, to the extent any such Indebtedness is guaranteed by such Guarantor, also release their Guarantee by such Person.

The Indentures will provide that any release of a Note Guarantee may be evidenced by the delivery by the Company to the Trustee of an Officer's Certificate of the Company. The Trustee shall take all necessary actions, including the granting of releases or waivers, to effectuate any release in accordance with these provisions, subject to customary protections and indemnifications.

#### **Additional amounts**

All payments made by or on behalf of the Company under or with respect to the Notes or by or on behalf of any future Guarantor with respect to any Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction for, or on account of, such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which the Company or any Guarantor is then incorporated, organized or resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of the Company or any Guarantor (including the jurisdiction of any Paying Agent) or any political subdivision thereof or therein (each, a "**Tax Jurisdiction**") will at any time be required to be made from any payments made by or on behalf of the Company under or with respect to the Notes or by or on behalf of any of the Guarantors with respect to any Note Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Company or the relevant Guarantor, as applicable, will pay such additional amounts (the "**Additional Amounts**") as may be necessary in order that the net amounts received in respect of such payments by each holder of Notes after such withholding or deduction (including any such withholding or deduction from such Additional Amounts) will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding or deduction; *provided, however*, that no Additional Amounts will be payable with respect to:

- (1) any Taxes, to the extent such Taxes would not have been imposed but for the existence of any present or former connection between the holder (or between a fiduciary, settler, beneficiary, member or shareholder of, or possessor of a power over, the relevant holder, if the relevant holder is an estate, nominee, trust, partnership, limited liability company or corporation) or the beneficial owner of the Notes and the relevant Tax Jurisdiction (including being a resident of such jurisdiction for Tax purposes), other than the mere holding of such Note, the enforcement of rights under such Note or under a Note Guarantee or the receipt of any payments in respect of such Note or a Note Guarantee;
- (2) any Taxes, to the extent such Taxes were imposed as a result of the presentation of a Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period);
- (3) any estate, inheritance, gift, sales, transfer, personal property or similar Taxes or excise tax imposed on a transfer of Notes;
- (4) Taxes imposed on or with respect to a payment made to a holder or beneficial owner of Notes who would have been able to avoid such withholding or deduction by presenting the relevant Notes to another Paying Agent;
- (5) any Taxes payable other than by deduction or withholding from payments under, or with respect to, the Notes or with respect to any Note Guarantee;
- (6) any Taxes, to the extent such Taxes are imposed, withheld or deducted by reason of the failure of the holder or beneficial owner of Notes to comply with any reasonable written request of the Company, addressed to the holder and made at least 30 days before any such withholding or deduction is to be made, to satisfy any certification, identification, information or other reporting requirements, whether required by statute, treaty, regulation or administrative practice of a Tax Jurisdiction, as a precondition to exemption from, or reduction in the rate of deduction or withholding of, Taxes imposed by the Tax Jurisdiction (including, without limitation, a certification that the holder or beneficial owner is not

resident in the Tax Jurisdiction), but in each case, only to the extent the holder or beneficial owner is legally entitled to satisfy such requirement;

- (7) any Taxes imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the “Code”) as of the Issue Date (or any amended or successor version of such Sections), any current or future regulations or official interpretations thereof, any similar law or regulation adopted pursuant to an intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any agreements entered into pursuant to section 1471(b)(1) of the Code;
- (8) any Tax that is imposed on or with respect to any payment made to any holder who is a fiduciary or partnership or an entity that is not the sole beneficial owner of such payment, to the extent that a beneficiary or settlor (for tax purposes) with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment would not have been entitled to the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the actual holder of the applicable Note; or
- (9) any combination of items (1) through (8) above.

In addition to the foregoing, the Company and the Guarantors, if any, will also pay and indemnify the holders for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto), which are levied by any Tax Jurisdiction on the execution, delivery, issuance or registration of any of the Notes, the Indentures or any Note Guarantee or any other document referred to therein, except for any such taxes imposed or levied as a result of a transfer after the Issue Date.

If the Company or any Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, the Company or the relevant Guarantor, as the case may be, will deliver to the Trustee and Paying Agent on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 30 days prior to that payment date, in which case the Company or the relevant Guarantor shall notify the Trustee promptly thereafter) an Officer’s Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer’s Certificate must also set forth any other information reasonably necessary to enable any Paying Agent to pay Additional Amounts to holders on the relevant payment date. The Trustee and Paying Agent shall be entitled to rely solely on such Officer’s Certificate as conclusive proof that such payments are necessary.

The Company or the relevant Guarantor will make (or cause to be made) all withholdings and deductions for, or on account of, Taxes required by law and will remit (or cause to be remitted) the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Company or the relevant Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Company or the relevant Guarantor will furnish to the Trustee (or to a holder upon written request), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Company or the Guarantor, as the case may be, or if, notwithstanding such entity’s efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee) by such entity.

Whenever in the Indentures or in this “*Description of the Notes*” there is mentioned, in any context, the payment of amounts based upon the principal amount of the Notes or of principal, interest or any other amount payable under, or with respect to, any of the Notes or any Note Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indentures or any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Company or any Guarantor is incorporated, organized or resident for tax purposes or any political subdivision thereof or therein or any jurisdiction from or through which such Person makes any payment on the Notes (or any Note Guarantee) or any political subdivision thereof or therein.

## Optional redemption

Each series of Notes will be redeemable at the Company's option prior to maturity at the prices set forth below. The Company and any Subsidiary may acquire, or cause to be acquired, the Notes by means other than a redemption, whether pursuant to a tender offer, open market purchase or otherwise. The Company may redeem the 2026 Notes or the 2031 Notes together or separately.

At any time prior to December 15, 2025 (the "**2026 Par Call Date**") the Company may redeem, in whole or in part, the 2026 Notes, and at any time prior to October 15, 2030 (the "**2031 Par Call Date**") and, each of the 2026 Par Call Date and 2031 Par Call Date an "**Applicable Par Call Date**") the Company may redeem, in whole or in part, the 2031 Notes, in each case at the option of the Company at any time and upon notice as described below, at a redemption price equal to the greater of (1) 100% of the principal amount of the series of Notes being redeemed and (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the series of Notes being redeemed matured on the Applicable Par Call Date (excluding any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 40 basis points, in the case of the 2026 Notes, or 50 basis points, in the case of the 2031 Notes, as applicable, plus in each case accrued and unpaid interest to, but not including, the redemption date.

"**Treasury Rate**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to a maturity (computed as of the third business day immediately preceding the redemption date) of the Comparable Treasury Issue, assuming a price of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"**Comparable Treasury Issue**" means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the series of Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes of such series (assuming for this purpose that the Notes of such series mature on the Applicable Par Call Date).

"**Comparable Treasury Price**" means (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"**Independent Investment Banker**" means any Reference Treasury Dealer (as defined below) selected by the Company, which will initially be Barclays Capital Inc., BMO Capital Markets Corp., J.P. Morgan Securities LLC, Skandinaviska Enskilda Banken AB (publ) and Wells Fargo Securities, LLC.

"**Reference Treasury Dealer**" means each of (1) Barclays Capital Inc., BMO Capital Markets Corp., J.P. Morgan Securities LLC, Skandinaviska Enskilda Banken AB (publ) and Wells Fargo Securities, LLC and their respective successors; *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in the United States (a "**Primary Treasury Dealer**"), the Company shall substitute therefor any Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by the Company.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

On or after the Applicable Par Call Date and prior to maturity, the Company may redeem the relevant Notes at a redemption price equal to 100% of the principal amount of the Notes of such series being redeemed, plus accrued and unpaid interest to, but not including, the redemption date (subject to the right of holders of record on the relevant regular record date that is prior to the redemption date to receive interest due on an interest payment date).

All redemptions of the Notes will be made upon not less than 10 days' nor more than 60 days' prior notice, except that a redemption notice may be made more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indentures. Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions

thereof called for redemption on the applicable redemption date. If a redemption date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such redemption date if it were a Business Day for the intervening period.

Notice of any redemption may, at the Company's discretion, be subject to one or more conditions precedent. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice shall describe each such condition and, if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied or waived, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed.

#### **Optional redemption upon certain tender offers**

In connection with any tender offer or other offer to purchase for all of the 2026 Notes or 2031 Notes, as applicable, if holders of not less than 90% of the aggregate principal amount of the then outstanding 2026 Notes or 2031 Notes, as applicable, validly tender and do not validly withdraw such 2026 Notes or 2031 Notes, as applicable, in such tender offer and the Company, or any third party making such tender offer in lieu of the Company, purchases all of the 2026 Notes or 2031 Notes, as applicable, validly tendered and not validly withdrawn by such holders, all of the holders of the relevant series of Notes that remain outstanding will be deemed to have consented to a redemption of the 2026 Notes or 2031 Notes, as applicable, on the terms set forth in this paragraph and, accordingly, the Company or such third party will have the right upon not less than 10 days nor more than 60 days' prior notice to the holders of the applicable series of Notes following such purchase date, to redeem all 2026 Notes or 2031 Notes, as applicable, that remain outstanding following such purchase at a price equal to the price paid (excluding any early tender premium or similar payment) to each other holder in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption.

#### **Redemption for changes in taxes**

The Company may redeem the Notes, in whole but not in part, at its discretion at any time upon giving not less than 10 days nor more than 60 days' prior notice to the holders of the applicable series of Notes (which notice will be irrevocable and given in accordance with the procedures described in "*—Selection and notice*"), at a redemption price equal to 100% of the aggregate principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption (a "**Tax Redemption Date**") and all Additional Amounts (if any) then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the applicable series of Notes on the relevant record date to receive interest due on an interest payment date that is on or prior to the Tax Redemption Date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the applicable series of Notes, the Company or a Guarantor, if any, is or would be required to pay Additional Amounts, and the Company or Guarantor, if any, cannot avoid any such payment obligation by taking reasonable measures available to it (*provided* that changing the jurisdiction of the Company is not a reasonable measure for purposes of this section), and the requirement arises as a result of:

- (1) any amendment to, or change in, the laws or treaties (or any regulations or rulings promulgated thereunder) of a relevant Tax Jurisdiction which change or amendment becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); or
- (2) any amendment to, or change in, an official position, or the introduction of an official position, regarding the interpretation, administration or application of such laws, regulations, treaties or rulings (including by virtue of a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) which amendment, change or introduction becomes effective on or after the Issue Date (or, if the applicable Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date).

The Company will not give any such notice of redemption earlier than 60 days prior to the earliest date on which the Company or Guarantor, if any, would be obligated to make such payment or withholding if a payment in respect of the applicable series of Notes or Note Guarantees was then due, and the obligation to pay Additional Amounts must be in effect at the time such notice is given. Prior to the publication or, where relevant, mailing of any notice of redemption of the Notes of such series pursuant to the foregoing, the Company will deliver to the

Trustee an opinion of independent tax counsel reasonably acceptable to the Trustee, to the effect that there has been such amendment or change or introduction which would entitle the Company to redeem the Notes of such series under this provision of the Indentures. In addition, before the Company publishes or mails notice of redemption of the Notes of such series as described above, it will deliver to the Trustee an Officer's Certificate, in form and substance reasonably satisfactory to the Trustee, to the effect that the obligation to pay Additional Amounts cannot be avoided by the Company or Guarantor, if any, taking reasonable measures available to it.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and opinion of counsel as sufficient evidence of the existence and satisfaction of the conditions precedent as described above, in which event it will be conclusive and binding on the holders of the applicable series of Notes.

### **Mandatory redemption**

The Company will not be required to make mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase the Notes as described below under the caption "*—Repurchase at the option of holders—Change of control triggering event.*"

### **Repurchase at the option of holders**

#### ***Change of Control Triggering Event***

If a Change of Control Triggering Event occurs with respect to the 2026 Notes or the 2031 Notes, each holder of such series of Notes will have the right to require the Company to repurchase all or any part (equal to \$150,000 or an integral multiple of \$1,000 in excess thereof, for each applicable series of Notes) of that holder's Notes pursuant to an offer (the "**Change of Control Offer**") on the terms set forth in the Indentures. In the Change of Control Offer, the Company will offer a payment in cash (the "**Change of Control Payment**") equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest on the Notes repurchased to the date of purchase (the "**Change of Control Payment Date**"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control Triggering Event, the Company will mail a notice to each holder (with a copy to the Trustee) or otherwise deliver a notice (with a copy to the Trustee) in accordance with the procedures described under "*— Selection and notice,*" describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is mailed or delivered, pursuant to the procedures required by the Indentures and described in such notice.

On the Change of Control Payment Date, the Company will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Paying Agent the Notes properly accepted.

The Paying Agent will promptly mail or cause to be delivered to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note will be in a principal amount of \$150,000 or an integral multiple of \$1,000 in excess thereof, for each applicable series of Notes. Any Note so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date unless the Company defaults in making the Change of Control Payment. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described herein that require the Company to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indentures are applicable.



Except as described above with respect to a Change of Control Triggering Event, the Indentures will not contain provisions that permit the holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

If a Change of Control Triggering Event occurs with respect to the 2026 Notes, there can be no assurance that a similar event would occur with respect to the 2031 Notes. If a Change of Control Triggering Event occurs with respect to the 2031 Notes, there can be no assurance that a similar event would occur with respect to the 2026 Notes.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the time and otherwise in compliance with the requirements set forth in the Indentures applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption of all outstanding Notes has been given pursuant to the Indentures as described above under the caption “—*Optional redemption*,” unless and until there is a default in payment of the applicable redemption price.

The occurrence of certain events that would constitute a Change of Control could constitute a mandatory prepayment under the Revolving Credit Facility and could allow holders of the Existing Senior Notes due 2024, Existing 5.875% Senior Notes due 2025, the Existing 3.000% Senior Notes due 2025 or the Existing Senior Notes due 2030 to exercise a right to require the Company to repurchase their debt. Future debt of the Company or its Subsidiaries may also contain descriptions of certain change of control events that, if they occurred, would constitute a default under such debt or require such debt to be repurchased. In addition, the exercise by the holders of the Notes of their right to require the Company to purchase the Notes could cause a default under, or require a repurchase of, other debt, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company. If a Change of Control Offer is made, there can be no assurance that the Company will have sufficient funds or other resources to pay the Change of Control Payment for all the Notes that might be delivered by holders thereof seeking to accept the Change of Control Offer and to repurchase any other debt that may be required to be repaid or offered to be redeemed following a change of control. See “*Risk factors—Risks relating to the Notes and our structure—We may not be able to obtain the funds required to repurchase the Notes upon a change of control triggering event.*”

A Change of Control Offer may be made in advance of a Change of Control Triggering Event, and conditioned upon the occurrence of such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control Triggering Event at the time of making the Change of Control Offer.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Company and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of the Notes to require the Company to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the properties or assets of the Company and its Subsidiaries may be uncertain.

The provisions under the Indentures relating to the Company’s obligation to make an offer to repurchase the Notes as a result of a Change of Control Triggering Event may be waived or modified with the consent of the holders of a majority in aggregate principal amount of the Notes.

If and for so long as the Notes are listed on the Securities Official List of the Exchange and the rules of the Exchange so require, the Company will notify the Exchange of such Change of Control Offer and any relevant details relating to such Change of Control Offer.

### **Selection and notice**

If less than all of any series of Notes are to be redeemed at any time, the Trustee, a Paying Agent or the Registrar will select Notes of such series for redemption on a *pro rata* basis (or, in the case of Notes issued in global form as discussed under “*Book-entry, delivery and form*,” based on a method that most nearly approximates a *pro rata* selection) unless otherwise required by law or applicable stock exchange or depository requirements.

For each applicable series of Notes, no Notes of \$150,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 days but not more than 60 days before the redemption

date to each holder of Notes recorded in the register to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indentures.

If the Company elects to redeem the Notes or portions thereof and requests the Trustee to distribute to the holders any amounts deposited in trust (which, for the avoidance of doubt, will include accrued and unpaid interest to the date fixed for redemption) prior to the date fixed for redemption in accordance with the provisions described below under the caption “*Satisfaction and discharge*,” the applicable redemption notice will state that holders will receive such amounts deposited in trust prior to the date fixed for redemption and mention the payment date.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancellation of the original Note. A notice of redemption shall state whether the redemption is conditioned on any events and, if so, a detailed explanation of such conditions. Subject to the satisfaction of any conditions precedent set forth in a notice of redemption, Notes called for redemption become due on the date fixed for redemption. On or after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Neither the Trustee, any Paying Agent nor the Registrar shall be liable to any person for any such selections made by them in accordance with the provisions described in the three preceding paragraphs.

For Notes which are represented by global certificates held on behalf of DTC, notices may be given by delivery of the relevant notices to DTC for communication to entitled account holders in substitution for the aforesaid mailing. So long as any Notes are listed on the Securities Official List of the Exchange and the rules of the Exchange so require, any such notice to the holders of the relevant Notes shall also to the extent and in the manner required by such rules, be posted on the official website of the Exchange and, in connection with any redemption, the Company will notify the Exchange of any change in the principal amount of Notes outstanding.

## **Certain covenants**

### ***Negative Pledge***

If the Company or any Restricted Subsidiary incurs any Indebtedness secured by a Lien (other than a Permitted Lien) on any Principal Property or on any Capital Stock of a Restricted Subsidiary (a “**Restricted Lien**”), the Company or such Restricted Subsidiary, as the case may be, will secure the Notes equally and ratably with (or, at its option, prior to) the Indebtedness so secured until such time as such Indebtedness is no longer secured by a Lien, unless after giving effect thereto the aggregate principal amount of all such Indebtedness secured by a Restricted Lien then outstanding would not exceed an amount equal to 15.0% of Consolidated Total Assets. The restrictions set forth in the preceding sentence will not apply to any Indebtedness secured by a Permitted Lien, and all Indebtedness secured by a Permitted Lien shall be excluded in computing the amount of Indebtedness secured by a Lien outstanding for purposes of this covenant.

Any Lien created for the benefit of the holders of the Notes pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Lien relating to such Indebtedness that gave rise to the obligation to so secure the Notes. In addition, the Indentures will provide for the release of any such Lien under any one or more of the following circumstances: (1) upon payment in full of principal, interest and all other obligations in respect of the Notes issued under the Indentures or discharge or defeasance thereof as described below under the caption “—*Legal defeasance and covenant defeasance*” and “—*Satisfaction and discharge*;” (2) in the case of a Guarantor that is released from its Note Guarantee in accordance with the Indentures, the release of the property and assets and Capital Stock of such Guarantor; (3) in connection with any disposition of the property or assets subject to such Lien, directly or indirectly, to any Person other than the Company or any of its Subsidiaries; (4) as described below under the caption “—*Amendment, supplement and waiver*” or (5) in a transaction that complies with the provisions described below under the caption “—*Merger, consolidation and sale of assets*;” provided that in such a transaction where any Guarantor ceases to exist, any then-existing Lien securing the Notes on the Capital Stock of such Guarantor will be released and will reattach (or a new Lien will be created) over the Capital Stock of the successor entity pursuant to a new share pledge (on terms substantially equivalent to the then existing Lien on the Capital Stock of such Guarantor). Each of these releases of Liens described in this paragraph shall be effected by the applicable security agent and, to the extent it is necessary, the Trustee without the consent of the holders of Notes.

### ***Merger, consolidation or sale of assets***

The Company will not, directly or indirectly (i) consolidate, amalgamate or merge with or into another Person (whether or not the Company is the surviving corporation) or (ii) sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Subsidiaries, taken as a whole, in one or more related transactions, to another Person, unless:

- (1) either: (a) the Company is the surviving corporation; or (b) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company) or to which such sale, assignment, transfer, lease, conveyance or other disposition has been made is an entity organized or existing under the laws of any member state of the European Union as in effect on December 31, 2003 (including, for avoidance of doubt, the United Kingdom), Switzerland, Norway, Canada, Australia, Japan, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than the Company) or the Person to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Company under the Notes and the Indentures pursuant to a supplemental indenture in a form reasonably acceptable to the Trustee;
- (3) immediately after such transaction or transactions, no Default or Event of Default exists; and
- (4) the Company shall have delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that such consolidation, amalgamation, merger or disposition and such supplemental indenture (if any) comply with this covenant; *provided* that in giving an opinion of counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

The surviving entity will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Indentures, but, in the case of a lease of all or substantially all of its properties or assets, the Company will not be released from the obligation to pay the principal of and interest and premium, if any, on the Notes.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the properties or assets of a Person.

Clause (3) of the first paragraph of this covenant will not apply to any merger, consolidation or amalgamation of the Company or any Subsidiary with or into an Affiliate solely for the purpose of reincorporating the Company or such Subsidiary in another jurisdiction.

Nothing in the Indentures will prevent and this covenant will not apply to (i) the Company consolidating or amalgamating with, or merging or liquidating into a Subsidiary for the purpose of reincorporating the Company in another jurisdiction, (ii) the Company selling, assigning, transferring, leasing, conveying or otherwise disposing of all or substantially all of the properties or assets of the Company to a Subsidiary; *provided* that such Subsidiary simultaneously executes and delivers a supplemental indenture to the respective Indenture providing for a Guarantee of payment of the Notes by such Subsidiary, (iii) any Subsidiary consolidating or amalgamating with, merging or liquidating into or disposing of all or part of its properties or assets to the Company or another Subsidiary or (iv) any liquidation, winding up, dissolution or corporate reorganization of any Subsidiary of the Company on a solvent basis.

### ***Limitation on Guarantees of Indebtedness by Restricted Subsidiaries***

The Company will not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to Guarantee, assume or in any other manner become liable for the payment of any Public Indebtedness of the Company (other than the Notes), unless, subject to the limitations set forth in the Indentures, such Restricted Subsidiary executes and delivers a supplemental indenture to the respective Indenture providing for a Guarantee of payment of the Notes by such Restricted Subsidiary within 10 Business Days thereof, which Note Guarantee will be senior in right of payment to or *pari passu* in right of payment with such Restricted Subsidiary's Guarantee of such other Indebtedness.

The foregoing paragraph will not be applicable to any Guarantees of any Restricted Subsidiary:

- (1) existing on the date of the Indentures and identified in a schedule thereto;
- (2) that existed at the time such Person became a Restricted Subsidiary if the Guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary;
- (3) arising due to the granting of a Permitted Lien; or
- (4) given to a bank or trust company having combined capital and surplus and undivided profits of not less than \$250.0 million, whose debt has a rating, at the time such Guarantee was given, of at least “A” or the equivalent thereof by S&P and at least “A2” or the equivalent thereof by Moody’s, in connection with the operation of cash management programs established for the Company’s benefit or that of any Restricted Subsidiary.

In addition, notwithstanding anything to the contrary herein:

- (1) no Guarantee shall be required if such Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Company or such Restricted Subsidiary or (C) any significant cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Guarantee, which cannot be avoided through measures reasonably available to the Company or the Restricted Subsidiary; and
- (2) each such Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Future Guarantees granted pursuant to this provision will be released as set forth under “—*Note Guarantees Release.*” A Note Guarantee of a future Guarantor granted pursuant to this provision will be deemed to provide by its terms that it shall be automatically and unconditionally released and discharged substantially concurrently with the release of all such future Guarantor’s Guarantees or other assumptions of liability for Public Indebtedness of the Company that required the granting of a Note Guarantee pursuant to this provision by such future Guarantor, following delivery of a written notice of the release from the Note Guarantee by the Company to the Trustee. The Trustee shall take all necessary actions to reflect the release of a Note Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

### **Reports**

(1) The Company will make available, upon request, to any holder of Notes or prospective purchaser of Notes in the United States, in connection with any sale thereof, the information specified in Rule 144A(d)(4) under the U.S. Securities Act, unless the Company is subject to Section 13 or 15(d) of the U.S. Exchange Act at or prior to the time of such request.

(2) So long as any Notes are outstanding, the Company shall furnish to the Trustee (which shall distribute the same to a holder of Notes upon such holder’s written request):

(a) within 120 days after the end of each of the Company’s fiscal years beginning with the fiscal year ending December 31, 2020, annual reports containing the following information with respect to the Company only: (a) audited consolidated balance sheet of the Company as of the end of the two most recent fiscal years and audited consolidated income statements and statements of cash flow of the Company for the two most recent fiscal years, including complete notes to such financial statements and the report of the independent auditors on the financial statements; (b) an operating and financial review of the audited financial statements, including a discussion of the results of operations including a discussion of financial condition and liquidity and capital resources, and a discussion of material commitments and contingencies and critical accounting policies; (c) a description of the business, all material affiliate transactions, Indebtedness and material financing arrangements and all material debt instruments; and (d) material risk factors and material recent developments; *provided* that (for so long as the Norwegian Securities Trading Act and the Oslo Stock Exchange require annual reports and the

Company is subject to such requirements) any item of disclosure that complies in all material respects with the requirements of the Norwegian Securities Trading Act and the Oslo Stock Exchange for annual reports with respect to such item will be deemed to satisfy the Company's obligations under this clause (i) with respect to such item;

(b) within 90 days after the end of each of the Company's first three fiscal quarters of each fiscal year beginning with the quarter ending September 30, 2020, quarterly reports containing the following information with respect to the Company only: (a) an unaudited condensed consolidated balance sheet as of the end of such year-to-date period and unaudited condensed statements of income and cash flow for the year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year period for the Company, together with condensed note disclosure; (b) an operating and financial review of the unaudited financial statements including a discussion of the consolidated financial condition and results of operations of the Company and any material change between the year-to-date period and the corresponding period of the prior year; and (c) material recent developments; *provided* that (for so long as the Norwegian Securities Trading Act and the Oslo Stock Exchange require interim reports and the Company is subject to such requirements) any item of disclosure that complies in all material respects with the requirements of the Norwegian Securities Trading Act and the Oslo Stock Exchange for interim reports with respect to such item will be deemed to satisfy the Company's obligations under this clause (ii) with respect to such item; and

(c) promptly after the occurrence of any material acquisition, disposition or restructuring of the Company and its Restricted Subsidiaries, taken as a whole, or any senior executive officer changes at the Company or changes in auditors of the Company or other material event that the Company announces publicly, a report containing a description of such event (but only to the extent that such acquisition, disposition, restructuring, change or event has been required to be publicly announced or disclosed by the Norwegian Securities Trading Act and the Oslo Stock Exchange for so long as the Company is subject to such requirements);

*provided, however,* that any reports set out in this paragraph delivered to the Trustee via e-mail or other electronic means shall be deemed to have been "furnished" to the Trustee in accordance with the terms of this paragraph.

All financial statements shall be prepared in accordance with IFRS on a consistent basis for the periods presented. Except as provided for above, no report need include separate financial statements for the Company or Subsidiaries of the Company or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in this Offering Memorandum.

The Company will also make available copies of all reports required by clauses (i)-(iii) of the second paragraph of this covenant either (i) on the Company's website or (ii) publicly available through substantially comparable means (as determined by an Officer of the Company in good faith) (it being understood that, without limitation, making such reports available on Bloomberg or another private electronic information service will constitute substantially comparable public availability). In addition, in the case of furnishing the information pursuant to clauses (i) and (ii) of the second paragraph of this covenant, the Company will promptly thereafter hold a conference call with holders of the Notes hosted by an Officer of the Company to discuss the operations of the Company and its Subsidiaries in respect of the relevant period. So long as the Company is listed on the Oslo Stock Exchange, it shall satisfy this requirement by providing an invitation to its quarterly investor presentations by way of notices disseminated via Bloomberg or other private information system or postings on the Company's website following the delivery of its annual and quarterly financial reports in compliance with the Norwegian Securities Trading Act.

Notwithstanding the foregoing, the Company will be deemed to have provided such information to the Trustee, the holders of the Notes and prospective holders of the Notes if such information referenced in clauses (1) and (2) of the first paragraph of this covenant has been posted to the Company's website.

The Company may satisfy its obligations and the requirements of this covenant by furnishing reports and information relating to any Parent consolidating reporting at its level in a manner consistent with that described in this covenant; *provided* that such reports and other information are accompanied by a reasonably detailed, unaudited description of any material differences between the information relating to such Parent and its Subsidiaries, on the one hand, and the information relating to the Company and its Subsidiaries, on the other hand.

## Events of Default and remedies

Each of the following is an “**Event of Default**”:

- (1) default for 30 days in the payment when due of interest or Additional Amounts, if any, with respect to the Notes;
- (2) default in the payment when due (at final maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;
- (3) failure by the Company or any Guarantor to comply with the provisions described above under the caption “—*Certain covenants—Merger, consolidation or sale of assets;*”
- (4) failure by the Company for 30 days after written notice to the Company by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with any of the provisions described above under the caption “—*Repurchase at the option of holders—Change of control triggering event*” above;
- (5) failure by the Company or relevant Guarantor for 90 days after written notice to the Company by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding to comply with any of the other agreements in the Indentures;
- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created, after the Issue Date, if that default:
  - (a) is caused by a failure to pay principal of such Indebtedness at final maturity thereof after giving effect to any applicable grace periods provided in such Indebtedness and such failure to make any payment has not been waived or the maturity of such Indebtedness has not been extended (a “**Payment Default**”); or
  - (b) results in the acceleration of such Indebtedness prior to its express maturity,and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$150 million or more; *provided, however*, that if (i) any such Payment Default is cured or waived, (ii) any such acceleration is rescinded, or (iii) such Indebtedness is repaid, in each case, during the 30 Business Day period commencing upon the end of any applicable grace period for such Payment Default or the occurrence of such acceleration, as the case may be, any Default or Event of Default or any acceleration of the Notes caused by such Payment Default or acceleration shall be automatically rescinded, so long as such rescission does not conflict with any judgment, decree or applicable law;
- (7) failure by the Company or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$150 million (net of any amount with respect to which a reputable and solvent insurance company has acknowledged liability in writing), which judgments are not paid, discharged, stayed or fully bonded for a period of 60 days (or, if later, the date when payment is due pursuant to such judgment);
- (8) except as permitted by the Indentures (including with respect to any limitations), any Note Guarantee of a Significant Subsidiary is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be in full force and effect, or any Guarantor that is a Significant Subsidiary or any Person acting on behalf of any such Guarantor that is a Significant Subsidiary, denies or disaffirms its obligations under its Note Guarantee; and
- (9) certain events of bankruptcy or insolvency described in the Indentures with respect to the Company or any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute

a Significant Subsidiary, except as a result of, or in connection with, any liquidation, winding up, dissolution or corporate reorganization on a solvent basis.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, all then outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all of the then outstanding Notes to be due and payable immediately by notice in writing to the Company and, in case of a notice by holders, also to the Trustee specifying the respective Event of Default and that it is a notice of acceleration.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or Additional Amounts or premium, if any.

Subject to the provisions of the Indentures relating to the duties of the Trustee in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indentures at the request or direction of any holders of Notes unless such holders have offered to the Trustee, and the Trustee has received, indemnity and/or security satisfactory to it against any loss, liability or expense. Except (subject to the provisions described under “—*Amendment, supplement and waiver*”) to enforce the right to receive payment of principal, premium, if any, or interest or Additional Amounts when due, no holder of a Note may pursue any remedy with respect to the Indentures or the Notes unless:

- (1) such holder has previously given the Trustee notice that an Event of Default is continuing;
- (2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;
- (3) such holders have offered the Trustee and the Trustee has received security and/or indemnity satisfactory to it against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may, on behalf of the holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indentures, if the rescission would not conflict with any judgment or decree, except a continuing Default or Event of Default in the payment of interest or Additional Amounts or premium on, or the principal of, the Notes held by a non-consenting holder (which may be waived with the consent of holders of at least 90% of the aggregate principal amount of the then outstanding Notes).

The Indentures will provide that (i) if a Default occurs for a failure to deliver a report or a certificate in connection with another default (an “**Initial Default**”) then at the time such Initial Default is cured, such Default for a failure to deliver a report or required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant described above under the caption “—*Certain covenants—Reports*” or otherwise to deliver any notice or certificate pursuant to any other provision of the Indentures shall be deemed to be cured upon the delivery (prior to acceleration of the relevant breach) of any such report, notice or certificate, even though such delivery is not within the prescribed period specified in the Indentures.

In the case of any Event of Default occurring by reason of any willful action (or inaction) taken (or not taken) by or on behalf of the Company in bad faith with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to the optional redemption provisions of the Indentures or was required to repurchase the Notes, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

The Company will be required to deliver to the Trustee annually a statement regarding compliance with each Indenture.

### **No personal liability of directors, officers, employees and stockholders**

No director, officer, employee, incorporator or stockholder of the Company or any Guarantor, as such, will have any liability for any obligations of the Company or the Guarantors under the Notes, the Indentures or the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal or Norwegian securities laws.

### **Legal Defeasance and Covenant Defeasance**

The Company may at any time, at its option, elect to have all of its obligations discharged with respect to a series of the outstanding Notes and all obligations of the Guarantors of such series discharged with respect to their Note Guarantees (“**Legal Defeasance**”) except for:

- (1) the rights of holders of such series of outstanding Notes to receive payments in respect of the principal of, or interest (including Additional Amounts) or premium, if any, on, Notes of such series when such payments are due from the trust referred to below;
- (2) the Company’s obligations with respect to Notes of such series concerning registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the Trustee, and the Company’s and the Guarantors’ obligations in connection therewith; and
- (4) the Legal Defeasance and Covenant Defeasance provisions of the Indentures.

In addition, the Company may, at its option and at any time, elect to have the obligations of the Company and the Guarantors, if any, released with respect to certain covenants (including the Company’s obligation to make Change of Control Offers) that are described in the Indentures (“**Covenant Defeasance**”) and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to such series of Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment or, solely with respect to the Company, bankruptcy, receivership, rehabilitation and insolvency events) described above under the caption “—*Events of Default and remedies*” will no longer constitute an Event of Default with respect to the Notes of such series. If the Company exercises either its Legal Defeasance or Covenant Defeasance option, each Guarantor, if any, will be released and relieved of any obligations under its Note Guarantee with respect to the Notes of such series.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Company must irrevocably deposit with the Trustee (or such other entity designated or appointed as agent by the Trustee for this purpose), in trust, for the benefit of the holders of the Notes of such series, cash in U.S. dollars, non-callable U.S. Government Obligations or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient to pay the principal of, or interest (including Additional Amounts) and premium, if any, on, the outstanding Notes of such series on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether such Notes are being defeased to such stated date for payment or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Company must deliver to the Trustee an opinion of United States counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm that, the holders of the outstanding Notes of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;



- (3) in the case of Covenant Defeasance, the Company must deliver to the Trustee an opinion of United States counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes of such series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indentures) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;
- (5) the Company must deliver to the Trustee an Officer's Certificate in form and substance reasonably satisfactory to the Trustee stating that the deposit was not made by the Company with the intent of preferring the holders of Notes of such series over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and
- (6) the Company must deliver to the Trustee an Officer's Certificate in form and substance reasonably satisfactory to the Trustee and an opinion of counsel, subject to customary assumptions and qualifications, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

#### **Amendment, supplement and waiver**

Except as provided in the next two succeeding paragraphs, the 2026 Indenture, the 2026 Notes and any Note Guarantees in respect thereof may be amended or supplemented with the consent of the Company and the holders of a majority in aggregate principal amount of the 2026 Notes then outstanding, and the 2031 Indenture, the 2031 Notes and any Note Guarantees in respect thereof may be amended or supplemented with the consent of the Company and the holders of a majority in aggregate principal amount of the 2031 Notes then outstanding (in each case including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the relevant Notes), and any existing Default or Event of Default or compliance with any provision of the relevant Indenture, Notes and any Note Guarantees may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding relevant Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes).

Unless consented to by the holders of at least 90% of the aggregate principal amount of then outstanding 2026 Notes, in the case of the 2026 Notes, or the holders of at least 90% of the aggregate principal amount of then outstanding 2031 Notes, in the case of the 2031 Notes (in each case including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the relevant Notes), without the consent of the Company and each holder of Notes affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

- (1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to the redemption or repurchase of the Notes (other than provisions relating to the covenants described above under the caption "*—Repurchase at the option of holders*");
- (3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;
- (4) waive a Default or Event of Default in the payment of principal of, or interest, Additional Amounts or premium, if any, on, the Notes (except a rescission of acceleration of a series of Notes by the holders of a majority in aggregate principal amount of the then outstanding Notes of such series and a waiver of the payment default that resulted from such acceleration);
- (5) make any Note payable in money other than that stated in the Notes;
- (6) waive a redemption or repurchase payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "*—Repurchase at the option of holders*");

- (7) release the Note Guarantees of a Significant Subsidiary, except in accordance with the terms of the Indentures;
- (8) impair the contractual right expressly set forth in the Indentures or the Notes of any holder of Notes to institute suit for the enforcement of any payment on or with respect to such holder's Notes or any Note Guarantee in respect thereof;
- (9) make any change to the ranking of the Notes or Note Guarantees, in each case in a manner that materially adversely affects the rights of the holders of the Notes; or
- (10) make any change in the preceding amendment, supplement and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Company, the Guarantors, if any, and the Trustee may amend or supplement the Indentures, the Notes and the Note Guarantees, if any:

- (1) to cure any ambiguity, defect or inconsistency;
- (2) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided*, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code);
- (3) to provide for the assumption of the Company's or a Guarantor's obligations to holders of Notes and Note Guarantees in the case of a transaction described under "*—Certain covenants—Merger, consolidation or sale of assets;*"
- (4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indentures of any such holder in any material respect;
- (5) to conform the text of the Indentures, the Notes or the Note Guarantees to any provision of this "*Description of the Notes*" to the extent that such provision in this "*Description of the Notes*" was intended to be a verbatim recitation of a provision of the Indentures, the Notes or the Note Guarantees;
- (6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indentures as of the Issue Date;
- (7) to allow any Guarantor to Guarantee the Notes or to evidence the release of Note Guarantees pursuant to the terms of the Indentures;
- (8) to the extent necessary to provide for the granting of a security interest for the benefit of any Person; *provided* that the granting of such security interest is not prohibited under the Indentures;
- (9) to evidence and provide for the acceptance and appointment of a successor trustee under the Indentures; or
- (10) to make such provisions or changes as necessary (as determined in good faith by the Company) for the issuance of Additional Notes (including, without limitation, with a view to complying with applicable securities laws).

In formulating its opinion on such matters, the Trustee shall be entitled to rely absolutely on such evidence as it deems appropriate, including opinions of counsel and Officer's Certificates.

The consent of the holders of Notes is not necessary under the Indentures to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described above under the caption "*—Certain covenants;*" shall be deemed to impair or affect any rights of holders of the Notes to receive payment of principal of, or premium, if any, or interest on, the Notes.

## Satisfaction and discharge

The Indentures and the Note Guarantees, if any, will be discharged and will cease to be of further effect with respect to either series of Notes issued thereunder (except as to surviving rights of the Trustee and the Company's obligations with respect thereto and rights to transfer or exchange Notes of such series and as otherwise specified in the Indentures), when:

- (1) either:
  - (a) all Notes of such series that have been authenticated, except lost, stolen or destroyed Notes of such series that have been replaced or paid and Notes of such series for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Registrar for cancellation; or
  - (b) all Notes of such series that have not been delivered to the Registrar for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year, and the Company or any Guarantor has irrevocably deposited or caused to be so deposited with the Trustee (or such other entity designated or appointed as agent by the Trustee for this purpose) as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, non-callable U.S. Government Obligations or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of any interest, to pay and discharge the entire Indebtedness on the Notes of such series not previously delivered to the Registrar for cancellation for principal, premium, Additional Amounts, if any, and accrued interest to the date of final maturity or redemption;
- (2) in the case of clause (1)(b), no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;
- (3) the Company or any Guarantor has paid or caused to be paid all sums payable by it under the Indentures with respect to the Notes of such series; and
- (4) the Company has delivered irrevocable instructions to the Trustee under the Indentures to apply the deposited money toward the payment of the Notes of such series at final maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2), (3) and (4)).

If requested in writing by the Company to the Trustee and Paying Agent no later than five Business Days prior to such distribution (which request may be included in the applicable notice of redemption or pursuant to the above referenced Officer's Certificate), the Trustee shall distribute any amounts deposited to the holders prior to Stated Maturity or the redemption date, as the case may be. For the avoidance of doubt, the distribution and payment to holders prior to the maturity or redemption date as set forth above shall not include any negative interest, present value adjustment, break cost or any additional premium on such amounts. To the extent the Notes of such series are represented by a global note deposited with a depository for a clearing system, any payment to the beneficial holders holding interests as a participant of such clearing system shall be subject to the then applicable procedures of the clearing system.

## Financial calculations

When calculating the availability under any basket under the Indentures (including those based upon Consolidated Total Assets), in each case, in connection with any acquisition, disposition, merger, joint venture, investment, incurrence, or other similar transaction where there is a time difference between commitment and closing or incurrence (including in respect of Indebtedness), the date of determination of such basket and of any Default or Event of Default shall, at the option of the Company, be the date the definitive agreements for such

acquisition, disposition, merger, joint venture, investment, incurrence or other similar transaction are entered into and such baskets shall be calculated on a pro forma basis after giving effect to such acquisition, disposition, merger, joint venture, investment, incurrence or other similar transaction and the other transactions to be entered into in connection therewith (including any Incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket). For the avoidance of doubt, (1) if any of such baskets are exceeded as a result of fluctuations in such basket (including due to fluctuations in Indebtedness or Consolidated Total Assets of the Company or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant transaction, such baskets will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the transactions are permitted hereunder; and (2) such baskets shall not be tested at the time of consummation of such transaction or related transactions; *provided, further*, that if the Company elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions (including any repayment or redemption or incurrence of Indebtedness and the use of proceeds thereof or Incurrence of a Lien) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets under the Indentures after the date of such agreement and before the consummation of such transactions.

### **Judgment currency**

Any payment on account of an amount that is payable in U.S. dollars which is made to or for the account of any holder or the Trustee in lawful currency of any other jurisdiction (the “**Judgment Currency**”), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Company or any Guarantor, shall constitute a discharge of the Company or the Guarantor’s obligation under the Indentures and the Notes or Note Guarantee, as the case may be, only to the extent of the amount of U.S. dollars with such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the first Business Day following receipt of the payment in the Judgment Currency. If the amount of U.S. dollars that could be so purchased is less than the amount of U.S. dollars originally due to such holder or the Trustee, as the case may be, the Company and the Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indentures or the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

### **Concerning the trustee**

BNY Mellon Corporate Trustee Services Limited is appointed as Trustee under each Indenture. The Indentures will provide that, except for during an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indentures. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indentures will not be construed as an obligation or duty.

The Company shall deliver written notice to the Trustee within 30 days of becoming aware of the occurrence of a Default or an Event of Default. The Trustee will be permitted to engage in other transactions; *however*, if it acquires any conflicting interest, of which it has actual knowledge, it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. In case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its rights or powers, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indentures at the request of any holder of Notes, unless such holder has offered to the Trustee, and the Trustee has received, security and/or indemnity satisfactory to it against any loss, liability or expense.

The Company and the Guarantors jointly and severally will indemnify the Trustee for certain claims, loss, Taxes, liabilities and expenses incurred without gross negligence, fraud or willful misconduct on its part, arising out of or in connection with its duties.

## **Additional information**

Anyone who receives this Offering Memorandum may, following the Issue Date, obtain copies of the Indentures without charge by writing to Aker BP ASA, Akerkvartalet, Building B, Oksenøyveien 10, 1366 Lysaker, Norway, care of Vice President, Investor Relations.

## **Consent to jurisdiction and service of process**

The Indentures will provide that each of the Company and any Guarantors appoint CT Corporation System as its agent for service of process in any suit, action or proceeding with respect to the Indentures, the Notes and the Note Guarantees brought in any competent U.S. federal or New York state court located in the City of New York and will submit to such non-exclusive jurisdiction.

## **Enforceability of judgments**

Since substantially all of the assets of the Company and its Subsidiaries are outside the United States, any judgment obtained in the United States against the Company or any future Guarantor, including judgments related to payments with respect to the Notes, may not be collectable within the United States. A final judgment obtained in the United States against the Company or any Guarantor for a sum of money in relation to the Indentures, the Notes or the Note Guarantees would only be recognized by the Norwegian courts and enforceable in Norway pursuant to the Norwegian Civil Procedure Act insofar as this would not be illegal or contrary to public policy in Norway. See “*Service of process and enforcement of civil liabilities.*”

## **Prescription**

Claims against the Company or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will not be permitted ten years after the applicable due date for payment thereof. Claims against the Company or any Guarantor for the payment of interest on the Notes will not be permitted six years after the applicable due date for payment of interest.

## **Certain definitions**

Set forth below are certain defined terms used in the Indentures. Reference is made to the Indentures for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“*Beneficial Owner*” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficial Ownership,” “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“*Board of Directors*” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

“*Borrowing Base Facilities*” means one or more debt facilities, instruments or arrangements incurred by the Company or any Subsidiary with banks or, *provided* that a majority of the aggregate lending commitments or debt proceeds of each, as applicable, are provided by banks, with funds or other institutions or investors, providing for revolving credit loans, term loans or letters of credit, or other Indebtedness, pursuant to a reserves or resources-based borrowing base or other asset-backed base or calculation based on the present value of estimated future oil and gas revenues or development financing, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any promissory notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Borrowing Base Facilities” shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in London, Oslo or New York or another place of payment under the Indentures are authorized or required by law to close.

“*Capital Lease Obligation*” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“*Capital Stock*” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or, membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“*Cash Equivalents*” means:

- (1) securities issued or directly and fully guaranteed or insured by the government of the United States of America, a member state of the European Union on December 31, 2003 (including, for the avoidance of doubt, the United Kingdom), Switzerland, Norway, Canada, Australia or Japan (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the United States, the relevant member state of the European Union, Switzerland, Norway, Canada, Australia or Japan, as the case may be, having maturities of not more than fifteen months from the date of acquisition;
- (2) certificates of deposit, time deposits, eurodollar time deposits, money market deposits, overnight bank deposits or bankers’ acceptances (and similar instruments) having maturities of not more than 15 months from the date of acquisition thereof issued by any commercial bank, the long-term debt of which is rated at the time of acquisition thereof at least “BBB” or the equivalent thereof by S&P, or “Baa2” or the equivalent thereof by Moody’s or the equivalent rating category of another internationally recognized rating agency, or having combined capital and surplus in excess of \$250.0 million;

- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any financial institution meeting the qualifications specified in clause (2) above;
- (4) commercial paper rated at the time of acquisition thereof at least “A-2” or the equivalent thereof by S&P or “P-2” or the equivalent thereof by Moody’s, or carrying an equivalent rating by an internationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of investments, and in any case maturing within one year after the date of acquisition thereof;
- (5) in the case of any Subsidiary of the Company located outside the United States, Canada and the European Union, any substantially similar investment to the kinds described in clauses (2) and (3) of this definition obtained in the ordinary course of business and (i) with the highest ranking obtainable in the applicable jurisdiction or (ii) with any bank, trust company or similar entity, which would rank, in terms of combined capital and surplus and undivided profits or the ratings on its long-term debt, among the top five banks in such jurisdiction; and
- (6) interests in any investment company or money market fund which invests 95% or more of its assets in instruments of the type specified in clauses (1) through (4) above.

“*Change of Control*” means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d) of the U.S. Exchange Act), other than one or more Permitted Holders;
- (2) the adoption of a plan relating to the liquidation or dissolution of the Company; or
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any “person” (as defined above), other than one or more Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Company, measured by voting power rather than number of shares,

*provided* that no Change of Control shall be deemed to occur by reason of the Company becoming a Subsidiary of a Successor Parent Holding Company.

“*Change of Control Triggering Event*” means, with respect to the 2026 Notes or the 2031 Notes, the occurrence of both a Change of Control and a Rating Event with respect to such series of Notes.

“*Clearstream*” means Clearstream Banking S.A. as in effect on the date hereof or any successor securities clearing agency.

“*Company*” means Aker BP ASA, and its successors and assigns.

“*Consolidated Total Assets*” means the total assets of the Company and its Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of the Company prepared in accordance with IFRS, *as adjusted* to give *pro forma* effect to acquisitions and dispositions made prior to or that are made on the date of determination, *provided*, that the *pro forma* calculation may give effect to Limited Condition Acquisitions for which definitive agreements have been entered into, in accordance with the provisions set forth under “—*Financial calculations*”. Subject to the provisions set forth under “—*Financial calculations*,” Consolidated Total Assets shall be measured (a) in connection with the incurrence of Liens securing revolving facilities or Borrowing Base Facilities, on the most recent date on which the commitments are obtained or the date on which the new Indebtedness is incurred, at the Company’s option, and (b) in connection with the incurrence of Liens securing term Indebtedness, on the date on which new Indebtedness is incurred, in each case by reference to the balance sheet date of the most recent quarter for which internal consolidated financial statements of the Company are available.

“*Contingent Obligations*” means, with respect to any Person, any obligation of such Person Guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that, in each case,

does not constitute Indebtedness (“primary obligations”) of any other Person (the “primary obligor”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
  - (a) for the purchase or payment of any such primary obligation; or
  - (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof; or
- (4) for the avoidance of doubt, any contingent obligations in respect of workers’ compensation claims, early retirement or termination obligations, pension fund obligations or contributions, or similar claims, obligations or contributions or social security or wage taxes.

“*continuing*” means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

“*Credit Facilities*” means, one or more debt facilities, instruments or arrangements incurred by the Company or any Subsidiary (including, without limitation, any Borrowing Base Facilities, the Revolving Credit Facility or commercial paper facilities and overdraft facilities) with banks or, *provided* that a majority of the aggregate lending commitments or debt proceeds of each, as applicable, are provided by banks, with funds or other institutions or investors, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables) or letters of credit, notes or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or trustees or other banks, funds, institutions or investors and whether provided under any Borrowing Base Facilities, the Revolving Credit Facility or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any promissory notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facilities” shall include any agreement or instrument (1) changing the maturity of any Indebtedness incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“*Currency Exchange Protection Agreement*” means, in respect of any Person, any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party.

“*Default*” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“*Disqualified Stock*” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature; *provided*, that only the portion of Capital Stock which so matures or is mandatorily redeemable, or is so redeemable at the option of the holder thereof prior to such date, will be deemed to be Disqualified Stock.



“*Dollar-Denominated Production Payments*” means production payment obligations recorded as liabilities in accordance with IFRS, together with all undertakings and obligations in connection therewith.

“*Euroclear*” means Euroclear Bank SA/NV and its successors, as operator of the Euroclear System.

“*Exchange*” means the Luxembourg Stock Exchange.

“*Existing 3.000% Senior Notes due 2025*” means the \$500,000,000 in aggregate principal amount of the Company’s 3.000% Senior Notes due 2025, issued pursuant to an indenture dated January 15, 2020 between, among others, the Issuer and BNY Mellon Corporate Trustee Services Limited.

“*Existing 5.875% Senior Notes due 2025*” means the \$500,000,000 in aggregate principal amount of the Company’s 5.875% Senior Notes due 2025, issued pursuant to an indenture dated March 22, 2018 between, among others, the Issuer and BNY Mellon Corporate Trustee Services Limited.

“*Existing Senior Notes due 2024*” means the \$750,000,000 in aggregate principal amount of the Company’s 3¾% Senior Notes due 2024, issued pursuant to an indenture dated June 19, 2019 between, among others, the Issuer and BNY Mellon Corporate Trustee Services Limited.

“*Existing Senior Notes due 2030*” means the \$1,000,000,000 in aggregate principal amount of the Company’s 3.750% Senior Notes due 2030, issued pursuant to an indenture dated January 15, 2020 between, among others, the Issuer and BNY Mellon Corporate Trustee Services Limited.

“*Fair Market Value*” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, as determined in good faith by a responsible accounting or financial officer of the Company.

“*Fitch*” means Fitch, Inc. or any successor to its ratings business.

“*Guarantee*” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keepwell, to maintain financial statement conditions or otherwise), or entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however*, that the term “Guarantee” will not include the endorsements for collection or deposit in the ordinary course of business or any obligation to the extent it is payable only in Capital Stock of the guarantor that is not Disqualified Stock. The term “Guarantee” used as a verb has a corresponding meaning.

“*Guarantors*” means any Person that Guarantees the Notes in accordance with the provisions of each Indenture, and its respective successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of the respective Indenture.

“*Hedging Obligations*” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements, other agreements or arrangements designed to manage interest rates or interest rate risk;
- (2) any foreign exchange contract, currency swap agreement, currency option, cap, floor, ceiling or collar agreement or other similar agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates;
- (3) any forward contract, commodity futures contract, commodity option agreement, commodity swap agreement, cap, floor, ceiling or collar agreement or other similar agreement or arrangement designed to protect against fluctuations in the price of commodities used, produced, processed or sold by that Person or any of its Subsidiaries at the time; and
- (4) other agreements or arrangements designed to protect such Person against fluctuations in interest rates, commodity prices, weather conditions or currency exchange rates, including Currency Exchange Protection Agreements.

“*Hydrocarbons*” means oil, gas, casing head gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all constituents, elements or compounds thereof and products refined or processed therefrom.

“*IFRS*” means International Financial Reporting Standards as adopted by the European Union and in effect on the Issue Date or, with respect to the covenant “*Reports*,” as in effect from time to time. Notwithstanding the foregoing, for purposes of any calculations pursuant to each Indenture (but not for purposes of the financial statements required to be delivered pursuant to the “*Reports*” covenant), IFRS will be deemed to treat operating leases in a manner consistent with the treatment thereof under IFRS as in effect prior to January 1, 2019, notwithstanding any modifications or interpretative changes thereto that may occur on or after January 1, 2019.

“*Indebtedness*” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables):

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of bankers’ acceptances (or reimbursement obligations in respect thereof except to the extent any such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of incurrence), in each case, other than Trade Instruments;
- (4) representing Capital Lease Obligations;
- (5) representing any Hedging Obligations;
- (6) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons; and
- (7) the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person (including, with respect to any Production Payment, any warranties or guarantees of production or payment by such Person with respect to such Production Payment, but excluding other contractual obligations of such Person with respect to such Production Payment);

*provided* that the foregoing indebtedness (other than letters of credit and Hedging Obligations) shall be included in this definition of Indebtedness only if, and to the extent that, the indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with IFRS; *provided* that, notwithstanding any consolidation under IFRS, the preceding items shall not constitute “*Indebtedness*” for purposes hereof if (i) such Indebtedness is incurred by an orphan vehicle whose shares are not owned by such specified Person or any of its Subsidiaries and (ii) such Indebtedness is neither Guaranteed by, nor secured by the assets of, such specified Person or any of its Subsidiaries. Notwithstanding the foregoing, indebtedness shall be included in the definition of Indebtedness after deducting any receivable due from another Person (other than the specified Person and its Restricted Subsidiaries) who has an interest in an asset financed with such indebtedness to the specified Person or any Restricted Subsidiary in respect of such other Person’s interest in the relevant asset. Subject to clause (7) of the preceding sentence, neither Dollar-Denominated Production Payments nor Volumetric Production Payments shall be deemed to be Indebtedness.

The term “*Indebtedness*” shall not include:

- (1) any lease of property which would be considered an operating lease under IFRS;
- (2) for the avoidance of doubt, Contingent Obligations;
- (3) any obligation of a Person in respect of a farm-in agreement or similar arrangement whereby such Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are

shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or gas property;

- (4) in-kind obligations relating to net oil or natural gas balancing positions arising in the ordinary course of business; or
- (5) in connection with the purchase by the Company or any Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing.

“*Investment Grade Rating*” means a rating equal to or higher than Baa3 (or equivalent) by Moody’s or BBB– (or the equivalent) by S&P and Fitch, or an equivalent rating by any other Rating Agency.

“*Issue Date*” means September 30, 2020.

“*Lien*” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof.

“*Moody’s*” means Moody’s Investors Service, Inc. or any successor to its ratings business.

“*NOK*” means the lawful currency of Norway.

“*Note Guarantee*” means the Guarantee by a Guarantor of the Company’s Obligations under each Indenture and each series of Notes pursuant to the respective Indenture.

“*Obligations*” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“*Offering Memorandum*” means the offering memorandum dated September 30, 2020.

“*Officer*” means, with respect to any Person, a member of the Board of Directors, the chief executive officer, the president, the chief financial officer, any vice president, the treasurer, any managing director, any responsible accounting or financial officer, the secretary or the equivalent position of any of the foregoing or any other Person that the Board of Directors of such Person shall designate for such purpose.

“*Officer’s Certificate*” means a certificate signed on behalf of any Person by one or more Officers of such Person.

“*Oil and Gas Business*” means:

- (1) the acquisition, exploration, exploitation, development, servicing, production, operation and disposition of interests in oil, natural gas, natural gas liquids, liquefied natural gas and other Hydrocarbon and mineral properties or products produced in association with the foregoing;
- (2) the gathering, marketing, distributing, compressing, handling, developing, treating, refining, processing, storing, terminalling, selling, hedging, swapping and transporting of any production from oil, natural gas, natural gas liquids, liquefied natural gas and other Hydrocarbon and mineral properties (whether or not such properties are owned by the Company or its Subsidiaries) and products produced in association therewith, or in constructing or contracting with third parties for the construction of infrastructure in support of the same and the marketing of oil, natural gas, other hydrocarbons and minerals obtained from unrelated Persons;
- (3) any other related energy business, including, without limitation, (i) power generation and electrical transmission business, directly or indirectly from renewable sources, oil, natural gas and other Hydrocarbons and minerals produced substantially from properties in which the Company or its Subsidiaries, directly or indirectly, owns or participates and (ii) providing or sourcing front end studies or other engineering solutions, subsea production equipment or offshore field design for oil and gas companies;

- (4) any business relating to oil and gas field seismic mapping, sales, service provision and technology development; and
- (5) any business or activity relating to, arising from, or necessary, appropriate or incidental to the activities described in clauses (1), (2), (3) or (4) of this definition.

“*Parent*” means any Person of which the Company at any time is or becomes a Subsidiary after the Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

“*Pari Passu Debt*” means Indebtedness of the Company or any Guarantor that ranks equally in right of payment to the Notes or the applicable Note Guarantee.

“*Permitted Holder*” means (1) Aker ASA or any one of its Subsidiaries; (2) BP p.l.c. or any one of its Subsidiaries; (3) any of the officers, directors, and other members of senior management of the Company or any of its Subsidiaries who at any date Beneficially Own or have the right to acquire, directly or indirectly, Capital Stock of the Company or any Parent; (4) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any Permitted Holder specified in clause (1), (2) or (3) above, provided that, without giving effect to the existence of such group or any other group, any of the Persons described in clauses (1), (2) and (3), collectively, Beneficially Own Voting Stock representing 50% or more of the total voting power of the Voting Stock of the Company (or any Parent) then held by such group; and (5) any Affiliate or Related Person of a Permitted Holder described in either of clause (1) or (2) above, and any successor to such Permitted Holder, Affiliate or Related Person.

“*Permitted Liens*” means, with respect to any Person:

- (1) Liens securing Indebtedness incurred under any Credit Facilities other than Public Indebtedness and Syndicated Term Facilities; *provided* that no such Liens are contractually subordinated to any other such Lien;
- (2) Liens other than Liens permitted by clause (1) of this definition of “*Permitted Liens*” in favor of the Company or any Restricted Subsidiary;
- (3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated or amalgamated with the Company or any Subsidiary of the Company; *provided* that such Liens were in existence prior to the contemplation of such merger, consolidation or amalgamation and do not extend to any assets other than those of the Person merged into or consolidated or amalgamated with the Company or the Subsidiary;
- (4) Liens on property (including Capital Stock) existing at the time of acquisition of the property by the Company or any Subsidiary of the Company; *provided* that such Liens were in existence prior to such acquisition, and not incurred in contemplation of, such acquisition;
- (5) Liens existing on the Issue Date (other than any Liens described in clause (1) of this definition);
- (6) Liens on Capital Stock of and assets of any Restricted Subsidiary that is not a Guarantor that secures Indebtedness of such Restricted Subsidiary or any other Restricted Subsidiary that is not a Guarantor;
- (7) Liens for Taxes, assessments or governmental charges or claims that (x) are not yet due and payable or (y) that are being contested in good faith by appropriate proceedings;
- (8) survey exceptions, easements or reservations of, or rights of others for, licenses, rights of way, gas and oil pipelines, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (9) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;

- (10) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of customs duties in connection with the importation of goods;
- (11) any attachment, prejudgment or judgment Lien that does not constitute an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;
- (12) Liens created for the benefit of (or to secure) the Notes (or the Note Guarantees);
- (13) Liens for the purpose of securing (a) all or any part of the purchase price, lease expense, rental payments or cost of design, construction, installation or improvement of, or any other capital expenses or operating expenses in relation to, any FPSO, rig or production facility, used or useful in the Oil and Gas Business and (b) the payment of all or a part of the purchase price or lease expense of, or Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness with respect to, or the repair, improvement, construction cost or cost of design, development, transportation, installation, migration or drydocking of property, plant or equipment or other assets used in the ordinary course of business of the Company or any of its Restricted Subsidiaries;
- (14) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained or deposited with a depository institution;
- (15) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (16) Liens in respect of Production Payments and Reserve Sales, *provided* such Liens are limited to the property that is the subject of such Production Payment and Reserve Sale;
- (17) Liens on pipelines and pipeline facilities that arise by operation of law;
- (18) Liens arising under oil and gas leases or subleases, assignments, farm-out agreements, farm-in agreements, division orders, contracts for the sale, purchase, exchange, transportation, gathering or processing of Hydrocarbons, unitizations and pooling designations, declarations, orders and agreements, development agreements, partnership agreements, operating agreements, royalties, royalty trusts, working interests, carried working interests, net profit interests, joint interest billing arrangements, joint venture agreements, participation agreements, production sales contracts, area of mutual interest agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or geophysical permits or agreements, licenses, sublicenses and other agreements which are customary in the Oil and Gas Business; *provided, however*, in all instances that such Liens are limited to the assets that are subject to the relevant agreement, program, order or contract;
- (19) any (a) interest or title of a lessor or sublessor under any lease, Liens reserved in oil, gas or other Hydrocarbons, mineral leases for bonus, royalty or rental payments and for compliance with the terms of such leases; (b) restriction or encumbrance that the interest or title of such lessor or sublessor may be subject to (including without limitation, ground leases or other prior leases of the demised premises, mortgages, mechanics' liens, tax liens, and easements); or (c) subordination of the interest of the lessee or sublessee under such lease to any restrictions or encumbrance referred to in the preceding subclause (b);
- (20) Liens arising under the Indentures in favor of the Trustee for its own benefit and similar Liens in favor of other trustees, agents and representatives arising under instruments governing Indebtedness permitted to be incurred under the Indentures, *provided, however*, that such Liens are solely for the benefit of the trustees, agents or representatives in their capacities as such and not for the benefit of the holders of the Indebtedness;
- (21) Liens securing Indebtedness arising as a result of (the establishment of) a fiscal unity for corporate income tax or value added tax purposes of which any Restricted Subsidiary is a member;

- (22) Liens securing Hedging Obligations incurred not for speculative purposes, including in connection with any commodities hedging or marketing activities or any permitted Oil and Gas Business activities;
- (23) Liens upon specific items of inventory, receivables or other goods (or the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances or receivables securitizations issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory, receivables or other goods (or the proceeds thereof);
- (24) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;
- (25) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord, contractor or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary (including those arising from progress or partial payments by a third party relating to such property or assets) and subordination or similar agreements relating thereto and (ii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (26) Liens (including put and call arrangements) on Capital Stock or other securities of any Subsidiary that is not a Restricted Subsidiary that secure Indebtedness of Subsidiaries other than Restricted Subsidiaries;
- (27) pledges of goods, the related documents of title or other related documents arising or created in the ordinary course of the Company or any Restricted Subsidiary's business or operations as Liens only for Indebtedness to a bank or financial institution directly relating to the goods or documents on or over which the pledge exists;
- (28) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;
- (29) Liens on any proceeds loan made by the Company or any Restricted Subsidiary in connection with any future incurrence of Indebtedness permitted under the Indentures and securing that Indebtedness;
- (30) Liens created on any asset of the Company or a Restricted Subsidiary established to hold assets of any stock option plan or any other management or employee benefit or incentive plan or unit trust of the Company or a Restricted Subsidiary securing any loan to finance the acquisition of such assets;
- (31) Liens over treasury stock of the Company or a Restricted Subsidiary purchased or otherwise acquired for value by the Company or such Restricted Subsidiary pursuant to a stock buy-back scheme or other similar plan or arrangement;
- (32) the following ordinary course items:
  - (a) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;
  - (b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or the like Liens arising by contract or statute in the ordinary course of business;
  - (c) pledges or deposits made in the ordinary course of business (A) in connection with leases, tenders, bids, statutory obligations, surety or appeal bonds, government contracts, performance bonds and similar obligations, (B) in connection with workers' compensation, unemployment insurance and other social security legislation (including, in each case, Liens to secure letters of credit issued to assure payment of such obligations) or (C) to secure plugging and abandonment obligations;
  - (d) Liens arising from Uniform Commercial Code financing statement filings under U.S. state law (or similar filings under applicable jurisdictions) regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

- (e) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings in the ordinary course of business;
  - (f) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;
  - (g) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities; and
  - (h) Liens securing Trade Instruments; and
- (33) any extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (2) through (32) (but excluding clause (14)); *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“*Principal Property*” means any property interest in oil, natural gas or other minerals in place or in geothermal resources in place owned by the Company or any of its Subsidiaries and the net book value of which property interest or interests exceeds the greater of (a) \$297.2 million and (b) 2.5% of Consolidated Total Assets (unless the Board of Directors determines that any such property interest is not material to the Company and its Subsidiaries taken as a whole).

“*Production Payments*” means, collectively, Dollar-Denominated Production Payments and Volumetric Production Payments.

“*Production Payments and Reserve Sales*” means the grant or transfer by the Company or a Subsidiary of the Company to any Person of a royalty, overriding royalty, net profits interest, Production Payment, partnership or other interest in oil and gas properties, reserves or the right to receive all or a portion of the production or the proceeds from the sale of production attributable to such properties, in each case, where the holder of such interest has recourse solely to such production or proceeds of production, subject to the obligation of the grantor or transferor to operate and maintain, or cause the subject interests to be operated and maintained, in a reasonably prudent manner or other customary standard or subject to the obligation of the grantor or transferor to indemnify for environmental, title or other matters customary in the Oil and Gas Business, including any such grants or transfers pursuant to incentive compensation programs on terms that are reasonably customary in the Oil and Gas Business for geologists, geophysicists and other providers of technical services to the Company or a Subsidiary of the Company.

“*Public Indebtedness*” means any capital markets Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (x) a public offering or (y) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A under the U.S. Securities Act (or Rule 144A and Regulation S under the U.S. Securities Act) whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale. For the avoidance of doubt, the term “*Public Indebtedness*” shall not be construed to include any Indebtedness issued to institutional investors in a direct placement of such Indebtedness that is not underwritten by an intermediary (it being understood that, without limiting the foregoing, a financing that is distributed to not more than fifteen Persons (provided that multiple managed accounts and affiliates of any such Persons shall be treated as one Person for the purposes of this definition) shall be deemed not underwritten), or any commercial bank or similar Indebtedness, receivables financing, Capital Lease Obligation or recourse transfer of any financial asset or any other type of Indebtedness incurred in a manner not customarily viewed as a “securities offering.”

“*Rating Agencies*” means (1) S&P, (2) Moody’s, (3) Fitch and (4) if S&P, Moody’s, Fitch or any of these shall not make a rating of the Notes available, an internationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P, Moody’s, Fitch or any of these, as the case may be.

“*Rating Category*” means (1) with respect to S&P, any of the following categories: AAA, AA, A, BBB, BB, B, CCC, CC, C and D (or equivalent successor categories); (2) with respect to Moody’s any of the following categories: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C and D (or equivalent successor categories); and (3) the equivalent

of any such category of S&P or Moody's used by another Rating Agency. In determining whether the rating of the applicable series of Notes has decreased by one or more category, a single decrease in gradation within a Rating Category as well as between Rating Categories (+ and – for S&P; 1, 2 and 3 for Moody's; or the equivalent gradations for another Rating Agency) shall be treated as a decrease in one category but changes in outlook shall not. For example, in the case of S&P, a rating decline from BB+ to BB will constitute a decrease in one Rating Category.

“*Rating Event*” means (1) if on the date of the first public announcement of an event that constitutes a Change of Control the applicable series of Notes is then rated by two or more Rating Agencies as having an Investment Grade Rating, there is a decrease in the rating of the applicable series of Notes by one or more of the Rating Agencies on or within 60 days of the date of the Change of Control (which period shall be extended for an additional 60 days if any Rating Agency has publicly announced that it is considering a possible downgrade of the applicable series of Notes) which causes the applicable series of Notes to no longer have an Investment Grade Rating from one or more Rating Agencies or (2) if on the date of first public announcement of an event that constitutes a Change of Control the applicable series of Notes are not then rated by two or more Rating Agencies as having an Investment Grade Rating, there is a decrease in the Rating Category of the applicable series of Notes by at least one of the Rating Agencies on or within 60 days of the date of the Change of Control (which period shall be extended for an additional 60 days if any Rating Agency has publicly announced that it is considering a possible downgrade of the applicable series of Notes) which decrease results in the rating on the applicable series of Notes by such Rating Agency to be at least one Rating Category below the rating of the applicable series of Notes issued by such Rating Agency immediately preceding the public announcement of the event that continues the relevant Change of Control.

“*Related Person*” with respect to any Permitted Holder, means:

- (1) any controlling equity holder or majority (or more) owned Subsidiary of such Permitted Holder; or
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein.

“*Restricted Subsidiary*” of a Person means any Subsidiary of the referent Person that, as of the applicable date of determination, (i) is a Guarantor or (ii) directly, or indirectly through ownership in another Subsidiary of such Person, owns or leases any Principal Property.

“*Revolving Credit Facility*” means the \$4.0 billion senior unsecured revolving credit facility dated May 23, 2019, between, among others, the Company as borrower and DNB Bank ASA as facility agent, as amended from time to time.

“*S&P*” means S&P Global Ratings and any successor to its ratings business.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Significant Subsidiary*” means, at the date of determination, any Restricted Subsidiary that, together with its Subsidiaries which are Restricted Subsidiaries, (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Company or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Company.

“*Stated Maturity*” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“*Subsidiary*” means, with respect to any specified Person:

- (1) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of its



Voting Stock is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof);

- (2) any corporation, association or other business entity of which that Person or one or more of the other Subsidiaries of that Person (or any combination thereof), directly or indirectly, has the right to appoint a majority of the directors, managers or trustees, as applicable, or has the operational control of the corporation, association or other business entity and the financial results of such corporation, association or other business entity are consolidated with the financial results of such Person or one or more of the other Subsidiaries of that Person (or any combination thereof); and
- (3) any partnership, joint venture, limited liability company or similar entity of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“*Successor Parent Holding Company*” with respect to any Person means any other Person more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, Beneficially Owned by one or more Persons that Beneficially Owned more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person.

“*Syndicated Term Facilities*” means one or more debt facilities with banks or other institutional lenders providing for term loans that are underwritten or arranged by mandated arrangers with the primary goal of being distributed and broadly syndicated to institutional investors in the international syndication loan markets. For the avoidance of doubt and without limitation, (1) revolving credit facilities, (2) Borrowing Base Facilities, (3) bilateral facilities, (4) club credit facilities provided by relationship banks, and (5) Trade Instruments will not be deemed to be Syndicated Term Facilities for purposes of this definition.

“*Tax*” means any tax, duty, levy, impost, assessment or other governmental charge of whatever nature (including penalties, interest and any other additions thereto). “*Taxes*” and “*Taxation*” shall be construed to have corresponding meanings.

“*Trade Instruments*” means any performance bonds, advance payment bonds, letters of credit, bankers’ acceptances or similar instruments issued in respect of the obligations of the Company or any of its Subsidiaries arising in the ordinary course of business.

“*U.S. dollars*” or “*\$*” means the lawful currency of the United States of America.

“*U.S. Government Obligations*” means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

“*U.S. Exchange Act*” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

“*U.S. Securities Act*” means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

“*Volumetric Production Payments*” means production payment obligations recorded as deferred revenue in accordance with IFRS, together with all related undertakings and obligations.

“*Voting Stock*” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

## BOOK-ENTRY, DELIVERY AND FORM

### General

The Notes sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the “**Regulation S Global Note**”).

The Notes sold within the United States to qualified institutional buyers, pursuant to Rule 144A, will initially be represented by a global note in registered form without interest coupons attached (the “**144A Global Note**” and, together with the Regulation S Global Note, the “**Global Notes**”). On the closing date the Global Notes will be deposited with a custodian of DTC and registered in the name of Cede & Co., as nominee of DTC.

Investors who are qualified institutional buyers and who purchase Notes in reliance on Rule 144A may hold their interests in a Rule 144A Global Note directly through DTC if they are DTC participants, or indirectly through organizations that are DTC participants. Investors who hold beneficial interests in a Regulation S Global Note may hold such interests directly through DTC if they are DTC participants, or indirectly through organizations that are DTC participants. DTC will hold interests in the Regulation S Global Note on behalf of their participants through their respective depositories, which in turn will hold the interests in the Regulation S Global Note in customers’ securities accounts in the depositories’ names on the books of DTC. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by DTC and its participants. The Book-Entry Interests in the Global Notes will be issued only in denominations of \$150,000 and integral multiples of \$1,000 in excess thereof.

The Book-Entry Interests will not be held in definitive form. Instead, DTC will credit on its book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such a participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, owners of interests in the Global Notes will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or “holder” of Notes under the Indentures for any purpose.

So long as the Notes are held in global form, DTC (or its nominee) will be considered the holder of Global Notes for all purposes under the Indentures. As such, participants must rely on the procedures of DTC and indirect participants must rely on the procedures of DTC and the participants through which they own Book-Entry Interests to exercise any rights of holders under the Indentures.

None of the Company, any future Guarantor, the Trustee, the Paying Agent, the Registrar or the Transfer Agent under the Indenture governing each series of the Notes, nor any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

### Issuance of Definitive Registered Notes

Under the terms of the Indenture governing each series of the Notes, owners of Book-Entry Interests will receive definitive Notes in registered form (the “**Definitive Registered Notes**”):

- if DTC notifies the Company that it is unwilling or unable to continue to act as depository and the Company does not appoint a successor depository within 120 days;
- if the Company, at its option but subject to DTC’s rules, notifies the Trustee in writing that it elects to exchange in whole, but not in part, the Global Note for Definitive Registered Notes; or
- if DTC so requests following an event of default under the Indentures.

In such an event, the Company will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of DTC or the Company, as applicable (in accordance with its customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend referred to in “*Notice to Investors*,” unless that legend is not required by the Indentures governing the Notes or applicable law.

## **Redemption of Global Notes**

In the event any Global Note, or any portion thereof, is redeemed, DTC will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by DTC in connection with the redemption of such Global Note (or any portion thereof). The Company understands that under existing practices of DTC if fewer than all of the Notes are to be redeemed at any time, DTC will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate; *provided, however*, that no Book-Entry Interest of less than \$150,000 in principal amount may be redeemed in part.

## **Payments on Global Notes**

The Company will make payments of amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts) to the Paying Agent. The Paying Agent will, in turn, make such payments to DTC or its nominee, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indentures governing the Notes, the Company, the Trustee, the Paying Agent, the Transfer Agent and the Registrar will treat the registered holder of the Global Notes (i.e., the nominee for DTC) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Company nor the Trustee or any of their respective agents has or will have any responsibility or liability for:

- any aspects of maintaining, supervising or reviewing the records of DTC or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- DTC or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name."

To tender Book-Entry Interests in a change of control offer, the holder of the applicable Global Note must, within the period specified in such offer, give notice of such tender to the tender agent or depository for such offer and specify the principal amount of Book-Entry Interests to be tendered.

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes through DTC in dollars.

## **Action by owners of book-entry interests**

DTC has advised the Company that it will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. DTC will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Notes. However, if there is an event of default under the Notes, DTC reserves the right to exchange the Global Notes for Definitive Registered Notes in certificated form, and to distribute such Definitive Registered Notes to their respective participants.

## **Transfers**

Transfers between participants in DTC will be done in accordance with DTC rules and will be settled in immediately available funds. If a holder requires physical delivery of Definitive Registered Notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such holder must transfer its interest in the Global Notes in accordance with the normal procedures of DTC and in accordance with the provisions of the Indentures governing the Notes.

The Global Notes will bear a legend to the effect set forth in "*Notice to investors.*" Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in "*Notice to Investors.*"

During the period ending 40 days after the commencement of the offering of the Notes (the “**40-Day Period**”), beneficial interests in a Regulation S Global Note may be transferred to a U.S. person only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Trustee a certificate (in the form provided in the Indentures governing the Notes) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Notice to Investors*” and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Subject to the foregoing, and as set forth in “*Notice to investors*,” Book-Entry Interests may be transferred and exchanged as described under “*Description of the Notes—Transfer and exchange*.” Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in the other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Global Note and become a Book-Entry Interest in the other Global Note, and accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it retains such a Book-Entry Interest.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under “*Description of the Notes—Transfer and exchange*” and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indentures governing the Notes) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “*Notice to Investors*.”

Transfers involving an exchange of a Regulation S Book-Entry Interest for 144A Book-Entry Interest will be done by DTC by means of an instruction originating from the Trustee through the DTC Deposit/Withdrawal at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the 144A Global Note. The policies and practices of DTC may prohibit transfers of Book-Entry Interests in the Regulation S Global Note prior to the expiration of the 40-Day Period.

#### **Information concerning DTC**

All Book-Entry Interests will be subject to the operations and procedures of DTC. The Company provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Company nor the Initial Purchasers nor the Trustee, the Paying Agent, the Transfer Agent or the Registrar is responsible for those operations or procedures. DTC has advised the Company that it is:

- a limited purpose trust company organized under New York Banking Law;
- a “banking organization” under New York Banking Law;
- a member of the Federal Reserve System;
- a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
- a “clearing agency” registered under Section 17A of the U.S. Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of transactions among its participants. It does this through electronic book-entry changes in the accounts of securities participants, eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (including Euroclear and Clearstream). DTC’s owners are the NYSE Euronext and the Financial Industry Regulatory Authority, Inc. and a number of its direct participants. Other parties, such as banks, brokers and dealers and trust companies, who clear through or maintain a custodial relationship with a direct participant, also have access to the DTC system and are known as indirect participants.

Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in DTC or otherwise take actions in respect of such interest, may be limited by the lack of a

definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited.

### **Global clearance and settlement under the book-entry system**

The Notes represented by the Global Notes are expected to be admitted to listing on the Securities Official List of the Exchange and to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore be required by DTC to be settled in immediately available funds. You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving Notes through DTC on days when such system is open for business. Such system may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

Although DTC currently follows the foregoing procedures to facilitate transfers of interests in the Global Notes among participants in DTC, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Company, any future Guarantor, the Trustee, the Paying Agent, the Paying Agent or any of their respective agents will have any responsibility for the performance by DTC or its respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

### **Initial settlement**

Initial settlement for the Notes will be made in U.S. dollars. Book-Entry Interests owned through DTC accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of DTC participants on the Business Day following the settlement date against payment for value on the settlement date.

### **Secondary market trading**

The Book-Entry Interests will trade through participants of DTC and will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

## TAXATION

### Certain United States federal income tax considerations to U.S. holders

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes, but does not purport to be a complete analysis of all potential tax effects. The summary is limited to consequences relevant to a U.S. holder (as defined below), except for discussions on Additional Notes (as defined under “*Description of the Notes—Principal, maturity and interest*”) and FATCA (as defined under “*—Foreign account tax compliance act*”), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. This discussion is based upon the Internal Revenue Code of 1986, as amended (the “**Code**”), Treasury regulations issued thereunder, and judicial and administrative interpretations thereof, each as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. No rulings from the U.S. Internal Revenue Service (the “**IRS**”) have been or are expected to be sought with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the Notes or that any such position would not be sustained.

This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a holder in light of such holder’s particular circumstances, including the impact of the unearned income Medicare contribution tax, or to holders subject to special rules, such as certain financial institutions, U.S. expatriates, insurance companies, dealers in securities or currencies, traders in securities, U.S. holders whose functional currency is not the U.S. dollar, tax exempt organizations, regulated investment companies, real estate investment trusts, partnerships or other pass through entities or arrangements and investors in such entities or arrangements, persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement, persons liable for alternative minimum tax, U.S. holders that hold Notes through non-U.S. brokers or other non-U.S. intermediaries and persons holding the Notes as part of a “straddle,” “hedge,” “conversion transaction” or other integrated transaction for U.S. federal income tax purposes. In addition, this discussion is limited to persons who purchase the Notes in the offering hereby for cash at original issue and at their “issue price” (the first price at which a substantial amount of the Notes is sold to the public for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and who hold the Notes as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, this discussion does not address any beneficial owner of the Notes that participates in a repurchase of the Existing Senior Notes due 2022.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of a Note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation or any entity taxable as a corporation for U.S. federal income tax purposes created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia; (iii) any estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a U.S. person.

If any entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partner and the partnership. A partnership considering an investment in the Notes, and partners in such a partnership, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the Notes.

**Prospective purchasers of the Notes should consult their tax advisors concerning the tax consequences of holding Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of other U.S. federal tax laws (such as estate and gift tax laws) and state, local, non-U.S. or other tax laws.**

#### *Characterization of the Notes*

In certain circumstances, we may be obligated to make payments on the Notes in excess of stated principal and interest (see “*Description of the Notes—Additional amounts*” and “*Description of the Notes—Repurchase at the option of holders—Change of control triggering event*”). We intend to take the position that the foregoing contingencies should not cause the Notes to be treated as contingent payment debt instruments. This

position is based, in part, on assumptions regarding the likelihood of such payments as of the date of issuance of the Notes. Assuming such position is respected, a U.S. holder would be required to include in income the amount of any such additional payments at the time such payments are received or accrued in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes. Our position is binding on a holder unless the holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged our position, and the Notes are treated as contingent payment debt instruments, U.S. holders could be required to accrue interest income at a rate higher than their yield to maturity and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange, retirement or redemption of a Note. This disclosure assumes that the Notes will not be considered contingent payment debt instruments. U.S. holders are urged to consult their own tax advisors regarding the potential application of the contingent payment debt instrument rules to the Notes and the consequences thereof.

### ***Payments of stated interest***

Payments of stated interest on the Notes (including any Additional Amounts and without reduction for any taxes withheld) generally will be includible in the gross income of a U.S. holder as ordinary income at the time that such payments are received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

### ***Foreign tax credit***

A U.S. holder may be able to claim a credit (or, at such holder's election, a deduction in lieu of such credit) with respect to any non-U.S. withholding taxes deducted from a payment on the Notes in computing such holder's U.S. federal income tax liability. Interest income on a Note generally will constitute foreign source income and generally will be considered "passive category income" in computing the foreign tax credit. There are significant complex limitations on a U.S. holder's ability to claim foreign tax credits. U.S. holders should consult their tax advisors regarding the creditability or deductibility of any withholding taxes.

### ***Sale, exchange, retirement, redemption or other taxable disposition of Notes***

Upon the sale, exchange, retirement, redemption or other taxable disposition of a Note, a U.S. holder generally will recognize gain or loss equal to the difference, if any, between the amount realized upon such disposition (less any amount equal to any accrued but unpaid stated interest, which will be taxable as stated interest income as discussed above to the extent not previously included in income by the U.S. holder) and such U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note generally will be the purchase price of such Note paid by such U.S. holder. Any gain or loss recognized upon the sale, exchange, retirement, redemption or other taxable disposition of a Note generally will be U.S. source capital gain or loss and generally will be long-term capital gain or loss if the U.S. holder held the Note for more than one year on the date of disposition. Long-term capital gains of non-corporate U.S. holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

### ***Additional Notes***

The Company may issue Additional Notes as described under "*Description of the Notes—Principal, maturity and interest.*" In some cases, these Additional Notes may be treated as a separate series of notes for U.S. federal income tax purposes, even if they are treated for non-tax purposes as part of the same series as the Notes offered hereunder. In such case, the Additional Notes may be considered to be issued with original issue discount for U.S. federal income tax purposes, which may affect the market value of the Notes offered hereby if the Additional Notes are not otherwise distinguishable from such Notes.

### ***Information reporting and backup withholding***

In general, payments of interest on the Notes and the proceeds of the sale or other disposition (including a retirement or redemption) of a Note paid to a U.S. holder may be required to be reported to the IRS unless the U.S. holder properly establishes that it is a corporation or other exempt recipient. Backup withholding may apply to such payments if the U.S. holder fails to provide the applicable withholding agent with a taxpayer identification number or a certification that it is not subject to backup withholding. U.S. Holders may be required to provide such certification on IRS Form W-9.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

### *Tax return disclosure requirements*

Individuals (and certain entities treated as individuals for this purpose) that own “specified foreign financial assets” (which includes debt of foreign entities) with an aggregate value in excess of certain thresholds generally are required to file an information report on IRS Form 8938 with respect to such assets with their tax returns. If a U.S. holder does not file a required IRS Form 8938, such holder may be subject to substantial penalties and the statute of limitations on the assessment and collection of all U.S. federal income taxes of such holder for the related tax year may not close before the date which is three years after the date on which such report is filed. The Notes may constitute specified foreign financial assets subject to these reporting requirements unless the Notes are held in an account at certain financial institutions. Under certain circumstances, an entity may be treated as an individual for purposes of these rules.

U.S. holders are urged to consult their tax advisors regarding the application of the foregoing disclosure requirements to their ownership of the Notes, including the significant penalties for noncompliance.

### *Foreign account tax compliance act*

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as “**FATCA**”) and subject to the proposed regulations discussed below, a “foreign financial institution” may be required to withhold U.S. tax on certain payments treated as attributable to certain U.S. source payments (so-called “foreign passthru payments”). Currently, the term “foreign passthru payment” is not defined and it is unclear whether or to what extent payments on the Notes would be considered foreign passthru payments, assuming the Company were treated as a foreign financial institution. If and when final regulations are published defining such term, the Notes will be considered “grandfathered” from FATCA because they were issued on or prior to the date that is six months after the date on which such final regulations are published, unless the Notes are materially modified after such date. However, if Additional Notes are issued after the expiration of the grandfather period, have the same CUSIP or ISIN as the Notes offered hereby, and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered hereby, as subject to withholding under FATCA. Under proposed regulations, any FATCA withholding on foreign passthru payments on debt instruments that are not otherwise grandfathered would only apply to foreign passthru payments made on or after the date that is two years after the date on which final regulations are published in the Federal Register defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. In the event any FATCA withholding is imposed with respect to any payments on the Notes, there will be no Additional Amounts payable to compensate for the withheld amount.

Norway has entered into an intergovernmental agreement with the United States to implement FATCA in a manner that may alter the rules described herein. Under the intergovernmental agreement, the Company may be required to report certain information regarding investors to tax authorities in Norway, which information may be shared with taxing authorities in the United States. Holders should consult their own tax advisors on how these rules may apply to their investment in the Notes.

### **Certain Norwegian considerations**

The following is a general description of certain Norwegian tax consequences resulting from the acquisition, ownership and disposition of the Notes. This description does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase the Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser subject to special tax regimes, such as banks, insurance companies or tax-exempt organizations. This summary is based on the laws (including tax treaties) currently in force and as applied on the date of this Offering Memorandum in the Kingdom of Norway which are subject to change, possibly with retroactive effect.

**PROSPECTIVE PURCHASERS OF THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES UNDER THE TAX LAWS APPLICABLE IN THE KINGDOM OF NORWAY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR WHOSE TAX LAWS APPLY TO THEM FOR OTHER REASONS.**

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian holder of the Notes refers to the tax residency and not the nationality of the holder of the Notes. The Norwegian Government has recently implemented a tax reform in Norway. As part of the tax reform, the general tax rate has



been lowered from 28% to 22% in addition to changes in the system for tax on employment income and share income received by individuals. The tax reform may result in further changes in the general Norwegian tax system. The Norwegian Government has presented a discussion paper on domestic withholding tax on interest payments paid to related parties who are tax resident in a low-tax jurisdiction with a possible implementation in 2021. The outcome of the public hearing and the parliamentary process (i.e. the design of a possible domestic withholding tax) is uncertain.

### ***Taxation of interest***

#### *Norwegian Holders of the Notes*

Both corporate and individual holders of the Notes who are residents in Norway for tax purposes (“**Norwegian Holders**”) are subject to Norwegian tax on interest accrued with a flat tax rate currently at 22%. If the Notes are not listed in a regulated market within six months following issuance, Norwegian Holders who are individuals resident in Norway for tax purposes will be subject to additional Norwegian taxes on the interest received at a flat tax rate of currently 22%. The basis for the additional tax is equal to the interest accrued on the Notes reduced by the tax rate of 22% and less a risk-free interest rate (“*skjermingsfradrag*”). The risk-free interest rate is determined by the Norwegian Directorate of Taxes based on the interest rate published by Norges Bank on a bi-monthly basis.

Any interest accrued in U.S. dollars under the Notes is converted to Norwegian kroner when calculating the taxable interest income.

#### *Non-Norwegian Holders of the Notes*

In general, payments of interest on the Notes issued to holders of the Notes who are not resident in Norway for tax purposes (“**Non-Norwegian Holders**”) are, under present Norwegian law, not subject to Norwegian tax. Payments to non-Norwegian holders of the Notes may therefore be made without any withholding tax or deduction for any Norwegian taxes, duties, assessments or governmental charges. Please note that the Government may introduce domestic withholding tax on interest payments.

If the Notes are held by an individual or by a company not resident of Norway, that is performing business activities in Norway, and the Notes are effectively connected with such business activities in Norway, interest accrued will be taxed in Norway with a tax rate of 22%.

### ***Taxation of capital gains or losses on disposal of the notes***

#### *Norwegian holders of the notes*

Capital gains realized by Norwegian Holders upon the sale, disposal or other redemption of the Notes will be subject to Norwegian taxation at the rate of 22%. Losses will be tax deductible.

The taxable gain or deductible loss is calculated per Note and is equal to the sales price less the Norwegian Holder’s cost price of the Note, including costs incurred in relation to the acquisition or realization of the Note. Any gain received in U.S. dollars when realizing the Notes is converted to Norwegian kroner when calculating the taxable gain.

If the Norwegian Holder owns Notes acquired at different points in time, the Notes that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

#### *Non-Norwegian holders of notes*

Capital gains or profits realized on the sale, disposal or other redemption of the Notes by Non-Norwegian Holders are not subject to Norwegian taxes or duties.

A tax liability in Norway will arise if the Non-Norwegian Holder is performing a business activity in Norway and the Notes are effectively connected with such business activities, see “*Taxation of interest—Non-Norwegian holders of the Notes,*” above.

### ***Net wealth tax***

Corporate holders of the Notes that are resident in Norway for tax purposes are exempt from Norwegian net wealth tax.

Individual holders of the Notes who are tax resident in Norway are liable to net wealth tax. The value of the Notes is included in the basis for the computation of net wealth tax imposed on individual Norwegian holders of the Notes. As of January 1, 2020, the marginal net wealth tax rate is 0.85%. The tax value of listed Notes is set equal to the quoted value as of January 1 in the year of the tax assessment (i.e., the year following the relevant fiscal year). The tax value of unlisted Notes is equal to the presumed market value of the Notes as of January 1 in the year of the tax assessment.

Non-Norwegian Holders are not liable to Norwegian net wealth tax on the holding of the Notes unless the Non-Norwegian Holder is an individual and the Notes are effectively connected with a business that the individual holder of the Notes carries out in Norway.

### ***VAT and transfer taxes***

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of the Notes.

## CERTAIN ERISA CONSIDERATIONS

*The following is a summary of certain considerations associated with the purchase of the Notes by employee benefit plans that are subject to Title I of ERISA, individual retirement accounts (“IRAs”) and other plans and arrangements that are subject to Section 4975 of the Code or employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of ERISA or the Code (“**Similar Laws**”), and entities whose underlying assets are considered to include “plan assets”, within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA), of any such plan, account or arrangement (each, a “**Plan**”).*

### General Fiduciary Matters

ERISA imposes certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA and ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of a Plan subject to Title I of ERISA and/or Section 4975 of the Code (an “**ERISA Plan**”) and its fiduciaries or other interested parties. Under ERISA and Section 4975 of the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation to such an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes of a portion of the assets of any Plan, a fiduciary should consult with its counsel in order to determine the suitability of the Notes for such Plan, including whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law and the need for, and the availability, if necessary, of any exemptive relief under any such laws or regulations. In addition, a fiduciary of a Plan should consult with its counsel in order to determine if the investment satisfies the fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Each ERISA Plan, including IRAs and other arrangements that are subject to Section 4975 of the Code, should consider the fact that none of the Company, the Initial Purchasers, the Guarantors or any of their respective affiliates (the “**Transaction Parties**”) is acting, or will act, as a fiduciary to any ERISA Plan with respect to the decision to purchase or hold the Notes. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the Notes. All communications, correspondence and materials from the Transaction Parties with respect to the Notes are intended to be general in nature and are not directed at any specific purchaser of the Notes, and do not constitute advice regarding the advisability of investment in the Notes for any specific purchaser. The decision to purchase and hold the Notes must be made solely by each prospective ERISA Plan purchaser on an arm’s length basis.

### Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in certain transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of Notes by an ERISA Plan with respect to which a Transaction Party is considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of Notes by a Plan, depending on the type and circumstances of the fiduciary making the decision to acquire such Notes and the relationship of the party in interest or disqualified person to the Plan. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Plan and non-fiduciary service providers to the Plan. In addition, the United States Department of Labor has issued prohibited transaction class exemptions (“**PTCEs**”) that may apply to the acquisition and holding of the Notes. These class exemptions (as

may be amended from time to time) include, without limitation, PTCE 84-14 (respecting transactions effected by independent “qualified professional asset managers”), PTCE 90-1 (respecting insurance company pooled separate accounts), PTCE 91-38 (respecting bank collective investment funds), PTCE 95-60 (respecting life insurance company general accounts) and PTCE 96-23 (respecting transactions directed by in-house asset managers).

Each of these PTCEs contains conditions and limitations on its application. Thus, the fiduciaries of a Plan that is considering acquiring and/or holding the Notes in reliance of any of these, or any other, PTCEs should carefully review the conditions and limitations of the PTCE and consult with their counsel to confirm that it is applicable. There can be no, and we do not provide any, assurance that any PTCE or any other exemption will be available with respect to any particular transaction involving the Notes.

Because of the foregoing, the Notes should not be purchased or held by any person investing assets of any Plan, unless such purchase and holding would not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or any similar violation of applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive, nor should it be construed as legal advice. Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering acquiring the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the suitability of an acquisition of the Notes in light of such prospective purchaser’s particular circumstances, potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investments and whether an exemption would be applicable to the purchase and holding of the Notes. The sale of a Note to a Plan is in no respect a representation by any Transaction Party or any of their respective affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

## **Representation**

Accordingly, by acceptance of a Note, or any interest therein, each purchaser and subsequent transferee will be deemed to have represented and warranted that (A) either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Note constitutes assets of any Plan; or (ii) (a) the purchase and holding of the Notes or any interest therein by it will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws, and (b) none of the Company, the Initial Purchasers or the Guarantors or any of their respective affiliates is acting as a fiduciary to any Plan with respect to the decision to purchase or hold the Notes or has been relied on for any advice with respect to the decision to purchase or hold the Notes, and (B) it will not sell or otherwise transfer such Notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such Note or any interest therein.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the “**Purchase Agreement**”) dated September 23, 2020 by and among the Company and the Initial Purchasers, we have agreed to sell to each Initial Purchaser, and each Initial Purchaser has agreed, severally and not jointly, to purchase from us, together with all other Initial Purchasers, the 2026 Notes in the aggregate principal amount of \$500 million and the 2031 Notes in the aggregate principal amount of \$750 million.

The Purchase Agreement provides that the obligations of the Initial Purchasers to pay for and accept delivery of the Notes are subject to customary closing conditions.

The Initial Purchasers propose to offer the Notes initially at the price indicated on the cover page hereof. After the initial offering of the Notes, the offering price and other selling terms of the Notes may from time to time be varied by the Initial Purchasers without notice. Certain Joint Bookrunners are not broker-dealers registered with the SEC and, therefore, may not make sales of any Notes in the U.S. or to U.S. persons except in compliance with applicable U.S. laws and regulations. To the extent that such Joint Bookrunners intend to effect sales of the Notes in the United States, they will do so only through one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law.

Persons who purchase Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the offering price set forth on the cover page hereof.

The Purchase Agreement provides that we will indemnify and hold harmless the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and will contribute to payments that the Initial Purchasers may be required to make in respect thereof. The Company has agreed, subject to certain limited exceptions, that during the period from the date hereof through and including the date that is 60 days after the date hereof, neither the Company nor any of its subsidiaries will, without the prior written consent of the Global Coordinators (not to be unreasonably withheld or delayed), offer, sell, contract to sell, issue or otherwise dispose of, except as provided in the Purchase Agreement, any debt securities issued or guaranteed by the Company or its subsidiaries that are (i) substantially similar to the Notes and (ii) are offered and sold pursuant to Rule 144A and/or Regulation S of the Securities Act (other than the Notes).

The Notes have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act and to certain persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act. Resales of the Notes are restricted as described under “*Notice to investors.*”

Each Initial Purchaser has represented, warranted and agreed that it:

- has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to us; and
- has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering of the Notes, the distribution of this Offering Memorandum and resale of the Notes. See “*Notice to investors.*”

We have also agreed that we will not at any time offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any securities under circumstances in which such offer, sale, pledge, contract or disposition would cause the exemption afforded by Section 4(a)(2) of the U.S. Securities Act or the safe harbor of Rule 144A and Regulation S under the U.S. Securities Act to cease to be applicable to the offer and sale of the Notes.

The Notes are a new issue of securities for which there currently is no market. We will apply to list the Notes on the Securities Official List of the Exchange, however, we cannot assure you that the Notes will be approved for listing or that such listing will be maintained.

The Initial Purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. The Initial Purchasers are not obligated, however, to make a market in the Notes, and any market-making activity may be discontinued at any time at the sole discretion of the Initial Purchaser without notice. In addition, any such market-making activity will be subject to the limits imposed by the U.S. Exchange Act. Accordingly, we cannot assure you that any market for the Notes will develop, that it will be liquid if it does develop, or that you will be able to sell any Notes at a particular time or at a price which will be favorable to you. See *“Risk factors—Risks relating to the Notes and our structure—There may not be an active trading market for the Notes, in which case your ability to sell the notes may be limited.”*

We expect that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be five business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (“T + 5”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or the next two business days will be required, by virtue of the fact that the Notes initially will settle in five business days, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to make such trades should consult their own legal advisor.

In connection with the offering, issue and sale of the Notes, Barclays Capital Inc., BMO Capital Markets Corp., J.P. Morgan Securities LLC, Skandinaviska Enskilda Banken AB (publ) and Wells Fargo Securities, LLC (each, a **“Stabilizing Manager”** and together, the **“Stabilizing Managers”**), or persons acting on its behalf, may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Stabilizing Managers, or persons acting on their behalf, may bid for and purchase Notes in the open markets to stabilize the price of the Notes. The Stabilizing Managers, or persons acting on their behalf, may also over allot the offering, creating a syndicate short position, and may bid for and purchase Notes in the open market to cover the syndicate short position. In addition, the Stabilizing Managers, or persons acting on their behalf, may bid for and purchase Notes in market making transactions as permitted by applicable laws and regulations and impose penalty bids. These activities may stabilize or maintain the respective market price of the Notes above market levels that may otherwise prevail. The Stabilizing Managers are not required to engage in these activities, and may end these activities at any time. Accordingly, no assurances can be given as to the liquidity of, or trading markets for, the Notes.

The Initial Purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the U.S. Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position for the relevant Initial Purchaser. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve purchase of the Notes in the open market after the distribution has been completed to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker or dealer when the Notes originally sold by that broker or dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

Certain of the Initial Purchasers or their respective affiliates from time to time have provided in the past, may currently provide and may provide in the future investment banking, financial advisory, mergers and acquisitions and commercial banking services to us and our affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, certain of the Initial Purchasers or their affiliates that have a lending relationship with us routinely hedge, and certain other of the Initial Purchasers

or their affiliates that have a lending relationship with us may hedge, their credit exposure to us consistent with their respective customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. In addition, the Initial Purchasers may, now or in the future, own, acquire or dispose of securities of us and our affiliates in the ordinary course of business for their own account or for the account of others and act as counterparties in any hedging arrangements we have entered into, or may enter into in the future, and receive customary fees for their services in such capacities. The Company has agreed to pay the Initial Purchasers certain customary fees for their services in connection with this offering and to reimburse them for certain costs and expenses incurred. Additionally, certain of the Initial Purchasers or their respective affiliates are holders of the Existing Senior Notes due 2022 and will receive proceeds of the offering of the Notes pursuant to the redemption of all the outstanding Existing Senior Notes due 2022 and the payment of related redemption premia. Certain Initial Purchasers, or their respective affiliates, are lenders under the Revolving Credit Facility. Lenders under the Revolving Credit Facility will receive the proceeds of this offering in connection with the repayment of the drawn commitments thereunder.

## NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes have not been and will not be registered under the U.S. Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) in reliance on Rule 144A under the U.S. Securities Act and in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

We have not registered and will not register the Notes under the U.S. Securities Act and, therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, we are offering and selling the Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to “qualified institutional buyers,” commonly referred to as “QIBs,” as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States in an offshore transaction in accordance with Regulation S.

We use the terms “offshore transaction,” “U.S. person” and “United States” with the meanings given to them in Regulation S.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the Initial Purchasers as follows:

- (1) You understand and acknowledge that the Notes have not been registered under the U.S. Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any other securities laws, including sales pursuant to Rule 144A under the U.S. Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.
- (2) You are not our “affiliate” (as defined in Rule 144 under the U.S. Securities Act) or acting on our behalf and that either:
  - (a) you are a QIB, within the meaning of Rule 144A under the U.S. Securities Act and are aware that any sale of these Notes to you will be made in reliance on Rule 144A under the U.S. Securities Act, and such acquisition will be for your own account or for the account of another QIB; or
  - (b) you are purchasing the Notes in an offshore transaction in accordance with Regulation S under the U.S. Securities Act.
- (3) You acknowledge that none of us or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to us or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning us and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.
- (4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view



to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

- (5) You agree on your own behalf and on behalf of any investor account or accounts for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the “**Resale Restriction Termination Date**”) that is one year (in the case of Rule 144A Notes) after the later of the date of the original issue and the last date on which we or any of our affiliates were the owner of such Notes (or any predecessor thereto) only (i) to us, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the U.S. Securities Act or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to our and the trustee’s rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing in the relevant Indenture is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

By acceptance of a Note, you will be deemed to have represented and agreed that (A) either (i) no portion of the assets used by you to acquire and hold the Notes or an interest therein constitutes assets of (a) any employee benefit plans that are subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), (b) plans, individual retirement accounts (“**IRAs**”) and other arrangements that are subject to Section 4975 of the Code, (c) entities whose underlying assets are considered to include “plan assets” (within the meaning of 29 C.F.R. 2510.3-101, as modified by Section 3(42) of ERISA) of such employee benefit plans, plans, accounts or arrangements (each item described in clauses (a) through (c), an “**ERISA Plan**”), or (d) benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-US plans (as described in Section 4(b)(4) of ERISA) that are not subject to ERISA or Section 4975 of the Code but which may be subject to non-US, federal, state, or local laws or regulations (“**Similar Laws**”) that are substantially similar to Section 406 of ERISA or Section 4975 of the Code (together with ERISA Plans, “**Plans**”) or (ii) (a) the acquisition and holding by you of the Notes or an interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or violation of any applicable Similar Laws, and (b) if a portion of the assets used by you to acquire and hold the Notes or an interest therein constitutes assets of an ERISA Plan, neither we, the Initial Purchasers, the Guarantors nor any of their respective affiliates (the “**Transaction Parties**”) has acted as the ERISA Plan’s fiduciary (within the meaning of ERISA or the Code), or has been relied on for advice, with respect to your decision to acquire and hold the Notes or an interest therein, and (B) you will not sell or otherwise transfer such Note or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its acquisition and holding of such Note or any interest therein.

Each purchaser acknowledges that each Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS

SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS ACQUIRING THIS SECURITY IN AN "OFFSHORE TRANSACTION" PURSUANT TO REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "**RESALE RESTRICTION TERMINATION DATE**") WHICH IS [IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S)] [IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF (I) THE ORIGINAL ISSUE DATE HEREOF (II) THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND (III) THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)] ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT ("**RULE 144A**"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING IN THE INDENTURE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

- (6) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.
- (7) You acknowledge that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the U.S. Securities Act.

- (8) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth therein have been complied with.
- (9) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Notes is no longer accurate, you shall promptly notify us and the initial purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.
- (10) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under “*Plan of distribution.*”

## **LEGAL MATTERS**

The validity of the Notes and certain other legal matters are being passed upon for us by Latham & Watkins (London) LLP with respect to matters of U.S. federal and New York state law, and certain other legal matters are being passed upon for us by Advokatfirmaet BAHR AS with respect to matters of Norwegian law. Certain legal matters will be passed upon for the Initial Purchasers by Kirkland & Ellis International LLP with respect to matters of U.S. federal law and New York state law and by Advokatfirmaet Thommessen AS with respect to matters of Norwegian law.

## **INDEPENDENT AUDITORS**

The consolidated financial statements of Aker BP as of December 31, 2017, 2018 and 2019 and for each of the years then ended (which also include the audited unconsolidated financial statements of Aker BP (parent company)), incorporated by reference into this Offering Memorandum, have been audited by KPMG AS, independent auditors as stated in their reports incorporated by reference herein.

With respect to the Interim Financial Statements, incorporated by reference herein, the independent auditors have reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included in the Company's Interim Financial Statements, and incorporated by reference herein, states that they did not audit and they do not express an opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Their report also includes an other matter paragraph to explain that their report does not extend to the summary financial information for interim periods included in note 20 therein which is not a required disclosure under International Accounting Standard 34, Interim Financial Reporting.

## **INDEPENDENT PETROLEUM ENGINEERS**

Estimates of our 1P and 2P reserves as of December 31, 2017, 2018 and 2019 were based on reserve reports prepared by management and were certified by AGR Petroleum Services AS, independent reserve engineers while estimates of our contingent resources as of December 31, 2017, 2018 and 2019 were based on reserve reports prepared by management and were not certified by AGR Petroleum Services AS.

## AVAILABLE INFORMATION

Each purchaser of Notes from an Initial Purchaser will be furnished a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum and any related amendments or supplements to this Offering Memorandum acknowledges that:

- (1) such person has been afforded an opportunity to request from us and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (2) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (3) except as provided pursuant to clause (1) above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by either us or the Initial Purchasers.

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, we will, unless we are then subject to Section 13 or 15(d) under the U.S. Exchange Act, make available to any holder or beneficial holder of a Note, or to any prospective purchaser of a Note designated by such holder or beneficial holder, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act upon the written request of any such holder or beneficial owner. Any such request should be directed to Aker BP ASA, Akerkvartalet, Building B, Oksenøyveien 10, 1366 Lysaker, Norway. Pursuant to the Indentures that will govern the Notes, we will agree to furnish periodic information to the holders of the Notes. See “*Description of the Notes—Certain covenants—Reports.*”

As a listed company on the Oslo Stock Exchange, we are subject to continuous disclosure and other obligations applicable to Norwegian reporting issuers under applicable Norwegian securities laws. We file annual and quarterly reports, management’s discussion and analyses, and other information with the governing securities authority in Norway.

## SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are incorporated under the laws of the Kingdom of Norway.

All our directors and executive officers live outside the United States. Substantially all our and their assets are located outside the United States. As a result, although we have appointed an agent for service of process under the Indentures governing the Notes, it may be difficult for you to serve process on those persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States.

### Norway

Norwegian courts will, as a general rule, not recognize or enforce judgments rendered by a foreign court unless Norway has entered into a bilateral or multilateral treaty with the relevant country or countries regarding the recognition and enforcement of judgments and subject to the provisions of section 19-16 of the Norwegian Dispute Act of 2005 No. 90 (*Tvisteloven*) (the “**Dispute Act**”). Due to the Lugano Conventions on the Recognition of Judgments in Civil and Commercial Matters (the “**Lugano Convention**”), Norwegian courts will recognize as a valid judgment, and enforce, any final civil judgment obtained in a foreign court in a state which is a party to the Lugano Convention, without a further reexamination of the merits of the case. The exceptions stated in the Lugano Convention itself will apply.

There is currently no treaty or bilateral agreement in place between the United States and Norway that provides for reciprocal recognition and enforcement of judgments by a U.S. federal or state court, in civil and commercial matters. Thus, a judgment from a U.S. federal or state court would as a main rule not be enforceable in Norway without an independent review of the merits of the case.

However, a judgment rendered by a foreign court (e.g. the courts of United States) may nevertheless be recognized and enforced in Norway without reexamination of the merits of the case if the foreign proceedings and the judgment itself fulfill the conditions stated in the Norwegian Enforcement Act of 1992 No. 86 (*Tvangsfullbyrdelsesloven*) and the Dispute Act. Such conditions can include, without limitation:

- the respective parties thereto have submitted the matter in dispute in writing to a court or tribunal in the agreed jurisdiction,
- there is no other mandatory venue for such dispute,
- such judgment obtained is final and enforceable in and pursuant to the laws of the country where it was issued, and
- the acceptance and enforcement of the judgment shall not be in conflict with Norwegian mandatory laws or public policy.

In any other event, judgments by the court of a state that has no treaty or bilateral agreement with Norway on recognition and enforcement of judgements against any Norwegian party would not be recognized or enforceable in Norway without a retrial on the merits of the case. A retrial is dependent on Norwegian courts having jurisdiction. Where a Norwegian party has accepted the jurisdiction of a foreign court in a written agreement, any judgment rendered pursuant to that agreement will be enforceable in Norway in accordance with the provisions of sections 4-6 and 19-16 of the Dispute Act. See “*Description of the Notes—Consent to jurisdiction and service of process.*”

## CERTAIN INSOLVENCY LAW CONSIDERATIONS

*The following is a brief description of certain insolvency law considerations. The descriptions below do not purport to be complete or discuss all of the limitations or considerations that may affect the Notes or any future Note Guarantees. Proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future Guarantor of the Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and to collect payment in full under the Notes or any future Note Guarantees. Prospective investors in the Notes should consult their own legal advisors with respect to such limitations and considerations. See "Risk factors—Risks Relating to the Notes and Our Structure—The insolvency laws of Norway may not be as favorable to you as insolvency laws of jurisdictions with which you may be familiar and may preclude holders of the Notes from recovering payments due on the Notes."*

### **Insolvency**

Norwegian insolvency legislation is regulated by the Norwegian Bankruptcy Act of June 8, 1984 No. 58 (*Konkursloven*) (the "**Bankruptcy Act**"), which sets forth the various procedures to be followed both in the case of court-administered debt negotiations and bankruptcy proceedings. Further, relevant rules are laid down in non-statutory law and the Norwegian Creditors Recovery Act of June 8, 1984 No. 59 (*Dekningsloven*) (the "**Recovery Act**"), which contains general provisions on, among other things, the priority of claims.

As a result of the financial distress caused by the COVID-19 outbreak in the spring of 2020, the Norwegian government passed the Norwegian Temporary Act on Reorganization to Mitigate the Economic Hardship Resulting from COVID-19 (*Rekonstruksjonsloven*) (the "Temporary Reorganization Act") on April 28, 2020. The Temporary Reorganization Act will replace certain provisions of the Recovery Act and other relevant acts until its expiry, which is currently set to be January 1, 2022.

### **Insolvency Proceedings**

The key features of the Norwegian bankruptcy proceedings are (i) the seizure and subsequent disposal of the debtor's assets, (ii) the assessment and ranking of claims, (iii) the testing and revocation of transactions (including the securing of existing claims) made prior to bankruptcy, (iv) the handling of the debtor's contractual relationships and (v) the distribution of funds (if any) in accordance with the priority rules. If the business operations of the bankrupt company are continued, they are in practice continued at the risk of, and only to the extent guaranteed by, the creditors.

Bankruptcy proceedings may be opened provided that the debtor is insolvent. Both the debtor and the creditors (holding or pretending to hold a claim) can petition for bankruptcy.

There are two requirements for a debtor to be deemed to be insolvent. The debtor must (i) be unable to service its debt as it becomes due (the "cash flow test"), and (ii) the debtor must be in "deficit" (the company's debts must exceed the sum of its assets, based on real, not book, values) (the "balance sheet test").

During bankruptcy proceedings the debtor's assets are controlled by the court-appointed liquidator (usually a lawyer), on behalf of the bankruptcy estate. The main task of the liquidator is to turn all the debtor's assets into cash in the manner assumed to be most profitable for the estate (the creditors), and then distribute the available cash to the rightful creditors.

All of the debtor's assets will in practice be seized by the bankruptcy estate, and the debtor may not dispose of the seized assets in any way while the bankruptcy proceedings are ongoing. The bankruptcy estate may also seize assets held by third parties, if these assets are acquired from the debtor in an unlawful manner, or if the acquisition lacks legal protection, or if the transaction can be reversed according to the Recovery Act. The bankruptcy estate is a separate legal entity, which is authorized to exercise all ownership interests and rights with respect to the seized assets, including, but not limited to, the realization of assets.

Secured creditors are, in principle, not deemed to be part of the bankruptcy proceedings to the extent the value of the security is sufficient to cover the underlying obligations of the debtor. The secured creditors may, in principle, realize the security, and cover their claims; however, keeping in mind that the realization of a number of categories of security during the first six months after the opening of a bankruptcy will be subject to the approval of the bankruptcy estate (the same principles apply to official debt negotiations). The bankruptcy estate has the right, subject to certain conditions being fulfilled, to realize the security and divide the proceeds between the secured creditors and other holding legal rights in the assets.

If a company holding license interests on the NCS is dissolved or enters into bankruptcy proceedings, the MPE has discretionary powers to revoke the license interests of such company. For pledged license interests, the MPE shall first give a pledgee notice in writing allowing the pledgee to initiate a forced sale of the license interest without undue delay. There are no examples of bankruptcy proceedings concerning a license holder on the NCS, and there is therefore a lack of precedents on the application of the regulations to unsecured license interests or secured license interests not realized by the pledgee.

Furthermore, the bankruptcy estate and any entity providing financing of debt reorganization proceedings under the Temporary Reorganization Act has a statutory first lien of up to 5% of the estimated value or sales value of assets secured by the debtor for its own debt which may be subject to attachment charge or bankruptcy seizure or by a third party for the debtor's indebtedness, but limited to 700 times the applicable Norwegian court fee for each registered asset. The purpose of such statutory lien is to secure necessary costs related to bankruptcy proceedings and debt reorganization proceedings. Such statutory lien is not applicable to financial security (cash deposits and financial instruments) established pursuant to the Norwegian Financial Collateral Act No. 17/2004 (*Lov om finansiell sikkerhetsstillelse*) (the "**Financial Collateral Act**") or the Norwegian Liens Act No. 2/1980 (*Panteloven*) (the "**Liens Act**") Section 6-4 (9).

Any under-secured amount (any amount exceeding the value of the secured assets) will be deemed an ordinary (unsecured) claim.

In a Norwegian bankruptcy, the claims are provided with the following priority:

- secured claims (valid and perfected security covered up to the value of the secured asset-either after the realization by the secured creditor itself or after realization undertaken by the bankruptcy estate);
- super-priority claims (claims that arise during the bankruptcy proceedings, liquidator's costs and obligations of the estate);
- salary claims (within certain limitations);
- tax claims (such as withholding tax and value-added tax within certain limitations);
- ordinary unsecured claims (all other claims unless subordinated, including unsecured debt, trade creditors and indemnity claims); and
- subordinated claims (including interest incurred after the opening of bankruptcy proceedings, claims subordinated by agreement, liquidated damages and penalty claims).

Creditors will obtain recovery from the surplus remaining after claims with better priority have been settled.

Pursuant to the Recovery Act, the bankruptcy estate may be entitled to set aside or reverse transactions carried out in the three- to twelve-month period (and, in respect of transactions in favor of related parties, up to two years) before the opening of the bankruptcy proceedings, such as extraordinary payments of certain creditors, security established for existing debt and transactions at an undervalue. The bankruptcy estate may also, under certain circumstances, be entitled to set aside or reverse transactions made in bad faith or negligently which in an improper manner increase the debtor's debt, favor one or more creditors at the expense of others or deprive the debtor of assets which may otherwise have served to cover the creditors' claims, in which case the time limit for challenges by the estate is increased to ten years.

Pursuant to the Temporary Reorganization Act, debtors that are facing or in the near future will face serious economic problems may petition to the court for the commencement of debt reorganization proceedings. Any of the company's creditors may request debt reorganization proceedings if the debtor is unable to meet its obligations as they fall due. The goal of such proceedings is to enable the debtor to restructure its debts, following either unanimous creditor consent ("Unanimous Reorganization") or consent from a requisite majority of the creditors affected (a "Non-Unanimous Reorganization"). The commencement of debt reorganization proceedings results in the appointment of a reorganization official and a creditor committee that together form a reorganization committee. The reorganization committee is charged with supervising the debtor during the proceedings and assisting it with putting forward a reorganization proposal to its creditors. Subject to certain exceptions, the enforcement rights of creditors are suspended during the proceedings.



A debtor in debt reorganization proceedings has certain possibilities for securing new financing with security interests over its assets that rank ahead of existing security interests. First, the debtor may, subject to the consent of the reorganization committee, offer superpriority security interests over its plant and machinery, inventory and trade receivables to lenders financing the continuation of the debtor's business activities during the proceedings and the associated expenses. There is no numerical limit to the sums that may be secured on a superpriority basis, but existing secured creditors may petition for the reversal of the reorganization committee's consent if the superpriority security interest has a material adverse effect on their position. Second, loans obtained to finance the continuation of the debtor's business activities during the proceedings and the associated expenses enjoy a statutory first lien over all of the debtor's assets, subject to the limitations described above.

Assets (including receivables) acquired by a debtor while under debt reorganization proceedings will as a starting point fall outside the scope of existing security interests.

A Unanimous Reorganization may in principle consist of any amendments to the debtor's debts. The adoption of a reorganization proposal as Unanimous Reorganization generally requires the consent of all creditors concerned. However, in the event that no creditors have rejected the proposal following the expiry of a voting period set by the reorganization official, the proposal will be deemed approved if it has been approved by creditors representing three-fourths of the claims affected.

The following measures may be imposed as part of a Non-Unanimous Reorganization:

- a rescheduling of the debtor's payment obligations;
- a reduction of the debtor's debts;
- the conversion of debt to equity capital;
- the transfer of all or parts of the debtor's business and assets to a purchaser;
- the transfer and winding up of all the debtor's business and assets with the debtor being released from debts exceeding the proceeds of the winding up; and/or
- a combination of the above measures.

A Non-Unanimous Reorganization cannot encroach upon the rights of non-consenting secured creditors, creditors that enjoy preferential priority in bankruptcy (except for certain tax claims) and creditors with set-off rights. However, secured claims may be encroached upon if and to the extent the reorganization committee deems that the claim exceeds the value of the secured assets.

The adoption of a Non-Unanimous Reorganization requires the approval of creditors representing a majority of the claims with voting rights. The claims with voting rights will generally be the claims that are affected by the proposal.

Following the approval of a requisite majority, a Non-Unanimous Reorganization must be sanctioned by the court. The court may, in addition to reviewing whether procedural requirements have been observed, review the fairness of the proposal. Such review will take into account whether individual creditors have been compensated to consent to the reorganization, the burden-sharing among the creditors and whether creditors are worse off than if the debtor was instead subject to bankruptcy proceedings.

### ***Solvent enforcement***

Enforcement of security normally requires that the pledgee or chargee files an application to the enforcement authorities for the enforcement of the security. Certain types of security may, however, be enforced without the involvement of the enforcement authority or a court, typically security established pursuant to the Financial Collateral Act and charges over monetary claims. A provision granting the secured party such right of enforcement is typically included in any security agreement between the pledger/charger and the secured party.

Enforcement of a guarantee claim against a solvent guarantor will in principle require a final, legally binding judgment by a court (unless the guarantee is made as an enforceable promissory note). Thereafter the creditor may apply to the enforcement authorities for enforcement of his or her claim against the assets of the guarantor.

### *Creation and enforcement of security*

Norwegian law provides for effectively creating security over a range of closely defined asset types (a floating charge may be established over certain asset types of a Norwegian company).

As a main rule, a secured creditor does not have a general step-in right to security assets in an enforcement situation and agreements on enforcement cannot validly be entered into prior to the occurrence of an event of default. Instead, enforcement must be sought through the Norwegian courts and/or the Norwegian enforcement authorities. However, this is different for the enforcement of share pledges in a Norwegian limited company if the share pledge is in accordance with the Financial Collateral Act whereby the parties are free (within reasonable limits) to agree on the enforcement process in the share pledge agreement.

Also, for specific security assets, and under certain circumstances, a creditor may take possession or directly enforce its rights upon enforcement. This is the case for security established over receivables (such as trade receivables or bank account claims) whereby the secured party may instruct the relevant debtor to pay the outstanding amounts directly to the secured party instead of the charger.

The concept of a security trustee, as it is understood under common law, does not exist under Norwegian law. In practice, in an arrangement with a security agent acting on behalf of the secured parties, as these exist from time to time, it is generally recognized under Norwegian law that the security agent will be able to enforce the security on behalf of the secured parties and apply any proceeds to the secured parties. In order to commence any legal action regarding a claim (for enforcement purposes or otherwise) against the debtor the security agent may, however, be required to disclose to the court the identity of the creditors and have the creditors join in or participate as claimants in the proceedings. It has been established by the Norwegian Supreme Court that a bond trustee for an undisclosed number of bondholders can, based on the provisions in the bond agreement, take legal action against the issuer on behalf of and in lieu of the bondholders and without having to disclose the identity of the bondholders.

## LISTING AND GENERAL INFORMATION

- (1) Application will be made to list the Notes on the Securities Official List of the Exchange. There can be no assurance that the Notes will be listed on the Securities Official List of the Exchange or that such listing of the Notes will be maintained.
- (2) We accept responsibility for the information contained in this Offering Memorandum. To the best of our knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of this Offering Memorandum. There has been no material adverse change in the financial position and prospects of the Company since the date of the last financial statements incorporated by reference in this Offering Memorandum.
- (3) Neither we nor any of our subsidiaries is a party to any litigation that, in our judgment, is material in the context of the issue of the Notes, except as disclosed herein.
- (4) We have appointed The Bank of New York Mellon, London Branch, as our Paying Agent and The Bank of New York Mellon SA/NV, Luxembourg Branch as our Registrar and Transfer Agent. The Paying Agent will act as intermediary between the holders of the Notes and us so long as the Notes are listed on the Securities Official List of the Exchange.
- (5) The 2026 Notes and the 2031 Notes have been accepted for clearance and settlement through the facilities of DTC. The 2026 Rule 144A Global Notes have a CUSIP of 00973RAG8 and the 2026 Regulation S Global Notes have a CUSIP of R0139KAC4. The 2026 Rule 144A Global Notes have an ISIN of US00973RAG83 and the 2026 Regulation S Global Notes have an ISIN of USR0139KAC47. The 2031 Rule 144A Global Notes have a CUSIP of 00973RAJ2 and the 2031 Regulation S Global Notes have a CUSIP of R0139KAD2. The 2031 Rule 144A Global Notes have an ISIN of US00973RAJ23 and the 2031 Regulation S Global Notes have an ISIN of USR0139KAD20.
- (6) The Company is a Norwegian public limited liability company (“*allmennaksjeselskap*” or “*ASA*”), incorporated under the laws of Norway and in accordance with the Norwegian Public Limited Liability Companies Act. The Company was incorporated on May 2, 2006. Its registration number is 989 795 848. Its registered office is at Akerkvartalet, Building B, Oksenøyveien 10, 1366 Lysaker, Norway. Its principal telephone number is +47 51 35 30 00.

## GLOSSARY

For additional definitions, see “*Definitions.*”

“ <b>1P</b> ” .....	Proved reserves. Quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate
“ <b>2C</b> ” .....	Contingent resources. Quantities of estimated contingent resources (being those quantities estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not then considered to be commercially recoverable due to one or more contingencies) that in the “best estimate” scenario have a probability of at least 50% of equaling or exceeding the amounts actually recovered
“ <b>2P</b> ” .....	Proved reserves plus probable reserves. Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than 1P reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P reserves estimate
“ <b>P50</b> ” .....	2P reserves
“ <b>P90</b> ” .....	1P reserves
“ <b>accumulation</b> ” .....	an individual body of moveable petroleum. A known accumulation (one determined to contain Reserves) must have been penetrated by a well
“ <b>ACDC</b> ” .....	alternating current (AC) and/or direct current (DC)
“ <b>APA</b> ” .....	awards in predefined areas (relates to licensing rounds on the NCS)
“ <b>appraisal well</b> ” .....	well drilled to assess characteristics (such as flow rate or volume) of a proven hydrocarbon accumulation
“ <b>barrel</b> ” or “ <b>b</b> ” or “ <b>bbl</b> ” .....	a stock tank barrel, a standard measure of volume for oil, condensate and natural gas liquids, which equals 42 U.S. gallons
“ <b>Bbls</b> ” .....	barrels
“ <b>block</b> ” .....	a designated area of 250 square kilometers or a subpart thereof, comprising one-thirtieth of the quadrant
“ <b>boe</b> ” .....	barrels of oil equivalent
“ <b>boepd</b> ” .....	barrels of oil equivalent per day
“ <b>bopd</b> ” .....	barrels of oil per day
“ <b>Brent</b> ” .....	a particular type of crude oil that is a light, sweet oil produced in the North Sea with most of it being refined in Northwest Europe. Brent is a benchmark oil
“ <b>burner tip</b> ” .....	the physical point at which gas is consumed

“contingent resources” .....	Contingent resources. Quantities of estimated contingent resources (being those quantities estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not then considered to be commercially recoverable due to one or more contingencies) that in the “best estimate” scenario have a probability of at least 50% of equaling or exceeding the amounts actually recovered
“crude oil” .....	unrefined oil
“DG” or “decision gate” .....	a process management technique in which an initiative or project is divided into several stages or phases, separated by gates. Entry and exit criteria are established for each decision gate; continuation beyond the decision gate is contingent on the agreement of the decision makers.
“drill” or “drop” .....	exploration license whereby licensees have a prescribed period of time to either drill a well or drop a license
“E&P” .....	exploration and production
“EURIBOR” .....	Euro Interbank Offered Rate
“exploration well” .....	a well drilled to find hydrocarbons in an unproved area or to extend significantly a known oil or natural gas reservoir
“farm-down” or “farm-out” .....	to assign an interest in a license to another party
“farm-in” .....	to acquire an interest in a license from another party
“field” .....	an area consisting of either a single reservoir or multiple reservoirs, all grouped on or related to the same individual geological structural feature and/or stratigraphic condition
“FOB” .....	free on board prices exclude all insurance and freight charges. Most oil is sold either FOB (effectively priced at the loading point) or CIF (effectively priced at the delivery port).
“formation” .....	a body of rock that is sufficiently distinctive and continuous that it can be mapped
“FPSO” .....	a floating production, storage and offloading vessel used by the offshore oil and gas industry for the processing of hydrocarbons and for storage of oil
“GAAP” .....	generally accepted accounting principles
“GDP” .....	gross domestic product
“HSSE” .....	Health, Safety, Security and Environment
“HSSEQ” .....	Health, Safety, Security, Environment and Quality
“hydrocarbons” .....	compounds formed primarily from the elements hydrogen and carbon and existing in solid, liquid or gaseous forms
“IAS” .....	International Accounting Standards
“IFRS” .....	International Financial Reporting Standards as adopted by the EU
“IAS 19” .....	an accounting rule concerning employee benefits under the IFRS rules set by the International Accounting Standards Board
“JOA” .....	joint operating agreement

“ <b>license</b> ” .....	each and all licenses in which the Company holds a Participating Interest prior to or following the Notes Issue, as the case may be
“ <b>lifting</b> ” .....	the process of loading a tanker with oil or otherwise transporting production from a production site to a terminal or place of sale
“ <b>Mboepd</b> ” .....	thousand barrels of oil equivalent per day
“ <b>Mton</b> ” .....	Metric tonnes (1Mton = 1000 kg)
“ <b>MMbbl</b> ” .....	million barrels of oil
“ <b>mmboe</b> ” .....	million barrels of oil equivalent
“ <b>MMbtu</b> ” .....	million British Thermal Units
“ <b>MPE</b> ” .....	Ministry of Petroleum and Energy
“ <b>net reserves</b> ” .....	reserves net to our working interest in a given field
“ <b>NOK</b> ” .....	Norwegian kroner
“ <b>Norm price</b> ” .....	the price for oil produced on the NCS set by the Norwegian Government for taxation purposes—the Norm price is based on the price at which unrelated parties could sell their oil production in a free market
“ <b>NPD</b> ” .....	Norwegian Petroleum Directorate
“ <b>NUI</b> ” .....	A Normally Unmanned Installation (NUI) is a type of automated offshore oil and/or gas platform designed to be primarily operated remotely, without the constant presence of personnel.
“ <b>OECD</b> ” .....	Economic Co-operation and Development
“ <b>Oslo Stock Exchange</b> ” .....	Oslo Børs ASA
“ <b>participating interest</b> ” .....	the participating interest and other rights and benefits under a given License and/or JOA conferred by that License and/or JOA on the Company, together with all rights and obligations attaching to the same
“ <b>PDO</b> ” .....	Plan for Development and Operation
“ <b>Petroleum Act</b> ” .....	The Norwegian Act 29 November 1996 No. 72 relating to Petroleum Activities
“ <b>PIO</b> ” .....	Plan for Installation and Operation
“ <b>PL</b> ” .....	Production License on the NCS
“ <b>Plug and Abandon</b> ” ..	to plug, usually with cement and heavy mud, and abandon a well after the end of its productive life. Generally, the wellhead is removed, the casing cut off, and a steel plate is welded over the top
“ <b>Pollution Control Act</b> ” .....	The Norwegian Act 13 March 1981 No. 6 relating to Pollution Control
“ <b>probable reserves</b> ” ...	those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves

“ <b>production well</b> ” .....	a well drilled to obtain production from a proven oil or gas field. Production wells may be used either to extract hydrocarbons from a field or to inject water or gas into a reservoir to improve production
“ <b>production</b> ” .....	the cumulative quantity of oil and gas that has been recovered at a given date
“ <b>production costs per barrel</b> ” .....	for Aker BP: the production costs for the period divided by the amount of production in the same period
“ <b>production efficiency</b> ” .....	the achieved production for a given period as a percentage of total production capacity for such period
“ <b>prospect</b> ” .....	a project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target
“ <b>proved reserves</b> ” .....	those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves
“ <b>PSA</b> ” .....	(Norwegian) Petroleum Safety Authority
“ <b>Petroleum Taxation Act</b> ” .....	Norwegian Act 13 June 1975 No. 35 relating to the Taxation of Subsea Petroleum Deposits
“ <b>quadrant</b> ” .....	a designated area of one degree longitude by one degree latitude
“ <b>recoverable reserves</b> ” .....	the proportion of oil and/or gas in a reservoir that can be removed using currently available techniques
“ <b>reservoir</b> ” .....	a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system
“ <b>SDFI</b> ” .....	State’s Direct Financial Interest (relates to the Norwegian State)
“ <b>seismic survey</b> ” .....	a method by which an image of the earth’s subsurface is created through the generation of shockwaves and analysis of their reflection from rock strata. Such surveys can be done in two, three or four dimensional form. See “3D seismic” and “4D seismic”
“ <b>Sm<sup>3</sup></b> ” .....	standard cubic meter
“ <b>technical goodwill</b> ” ..	describes a category of goodwill arising as an offsetting account to deferred tax recognized in business combinations
“ <b>UOA</b> ” .....	Unitization Agreement
“ <b>USD</b> ” .....	United States dollar
“ <b>WAG</b> ” .....	an enhanced oil recovery process whereby water injection and gas injection are carried out alternately for periods of time in order to provide better sweep efficiency and reduce gas channeling from injector to producer.
“ <b>workover</b> ” .....	refers to any kind of oil well intervention involving invasive techniques, such as repairing lines and casing or removing sand build up

**THE COMPANY**

**Aker BP ASA**

Akerkvartalet, Building B  
Oksenøyveien 10  
1366 Lysaker  
Norway

**LEGAL ADVISORS**

*To the Company:*

*As to U.S. federal and New York Law*

**Latham & Watkins (London) LLP**

99 Bishopsgate  
London EC2M 3XF  
United Kingdom

*As to Norwegian Law*

**Advokatfirmaet BAHR AS**

Tjuvholmen allé 16  
Postboks 1524 Vika, NO-0117  
Oslo  
Norway

*To the Initial Purchasers:*

*As to U.S. federal and New York Law*

**Kirkland & Ellis International LLP**

30 St Mary Axe  
London EC3A 8AF  
United Kingdom

*As to Norwegian Law*

**Advokatfirmaet Thommessen AS**

Haakon VIIs gate 10  
Postboks 1484 Vika, NO-0116  
Oslo  
Norway

*To the Trustee:*

**McDermott Will & Emery UK LLP**

110 Bishopsgate  
London EC2N 4AY  
United Kingdom

**TRUSTEE**

**BNY Mellon Corporate Trustee  
Services Limited**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR AND TRANSFER AGENT**

**The Bank of New York Mellon SA/NV,  
Luxembourg Branch**  
Vertigo Building—Polaris  
2 - 4 Rue, Eugène Ruppert  
L-2453 Luxembourg

**PAYING AGENT**

**The Bank of New York Mellon,  
London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom





**Aker BP ASA**

**\$500,000,000 2.875% Senior Notes due 2026**

**\$750,000,000 4.000% Senior Notes due 2031**

**OFFERING MEMORANDUM**

*Global Coordinators*

**Barclays**

**BMO Capital Markets**

**J.P. Morgan**

**SEB**

**Wells Fargo Securities**

*Joint Bookrunners*

**ABN AMRO**

**BNP PARIBAS**

**Crédit Agricole CIB**

**HSBC**

**MUFG**

September 30, 2020

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