



DELIVERING IN CHALLENGING TIMES

Maersk Oil

Maersk Group Capital Markets Day, 9 September 2015

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TODAY'S SPEAKERS



Jakob Thomasen
Chief Executive Officer



Graham Talbot
Chief Financial Officer



Gretchen H. Watkins
Chief Operating Officer

DELIVERING RESULTS

Top quartile performance and profitable growth

306,000 boepd

Production growth



300 mmboe

Reserves additions
from sanctioned
major projects
Johan Sverdrup
and Culzean



USD 1.7 billion

Capex and Opex reductions
realised in response to
market changes



A year of progress

- ✓ Strong operational performance improvements
- ✓ First oil on time and on budget from Jack (US), Golden Eagle (UK) and Tyra SE (DK)
- ✓ Sanctioned Culzean (UK) and Johan Sverdrup (NO)
- ✓ Major cost savings realised and more to come
- ✓ Started Qatar bid preparations



AGENDA



OUR RESPONSE
TO THE
MARKET CHANGES



OPTIMISING
FINANCIAL
PERFORMANCE



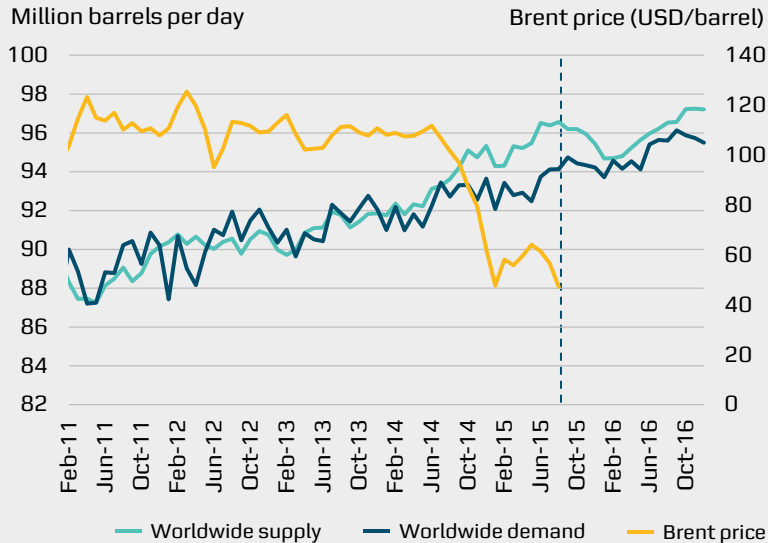
OPERATIONS
EXCELLENCE AND
PROJECT DELIVERY



NAVIGATING
TURBULENT
WATERS

The oil price, looking ahead...

The oil price will likely stay at current levels in the short term...



Source: EIA, August 2015

... but we expect the oil price to go higher as the supply-demand gap normalises

- Today's oil price is challenged by market fundamentals
 - China's oil demand growth
 - OPEC response
 - The strength of US unconventional
- Price recovery is expected in the longer term, but in the short to medium term, the industry must adjust to a new oil price reality



... what it means to the industry...

"Total to cut exploration costs
by 30 pct in 2015"
Reuters, January 2015

"Shell will spend USD 15 billion
less than planned over the next
three years"
Bloomberg, January 2015

"The major changes to the North
Sea tax regime are expected to boost
North Sea oil production by 15%"
BBC, March 2015

"Oil companies are 'winding back'
investments; have canceled or
delayed \$200 billion of projects
since mid-2014"
Wood Mackenzie, July 2015

"Statoil to delay development of
Johan Castberg and Snorre 2040
projects to cut costs"
Oil and Gas Journal, March 2015

"Anadarko writes down the value
of a single field by USD 3.7 billion"
Bloomberg, May 2015

"Shell ditches giant project
following sliding oil price"
Financial Times, August 2015

Industry response

- Major project cancellations and deferrals
- Cost cutting and workforce reductions
- Impairments
- Renegotiation of contracts and project costs



... and what it means to Maersk Oil

How we are different



- Proactive strategy effort in 2014 prepared us for a lower oil price
- Advantage of project sanction timing for our major projects
- Robust core portfolio
- Limited exposure to high-cost, high-risk assets
- Part of APMM Group, financially strong

Maersk Oil response

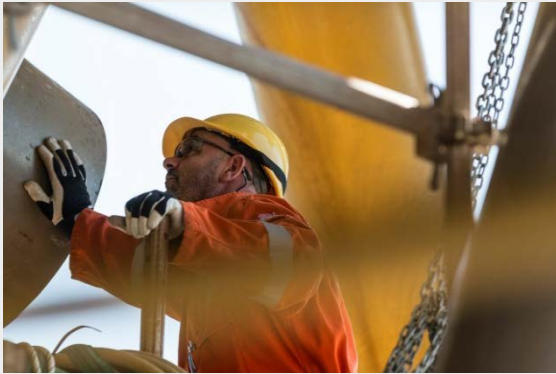


- On target to reach 10% opex reduction end of 2015 with a goal of 20% by end of 2016
- USD 1.3 billion capital expenditure reductions in 2015
- 33% unit operating cost reduction since 2014
- Workforce reductions; 600 positions end of Q2
- Active portfolio management
- Focus shift from organic to inorganic growth

Strategic focus remains, adjusting to market conditions

SHORT-TERM DELIVERY

Operations Excellence



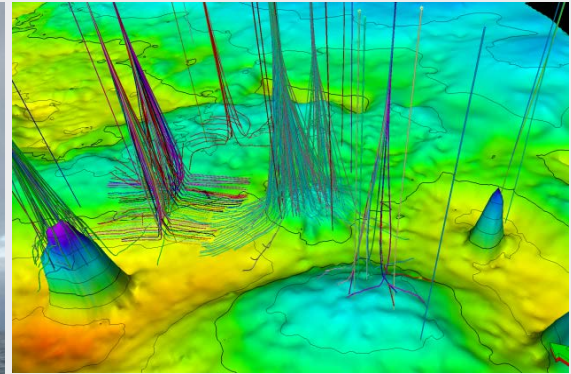
MEDIUM-TERM GROWTH

Project Delivery



LONG-TERM GROWTH

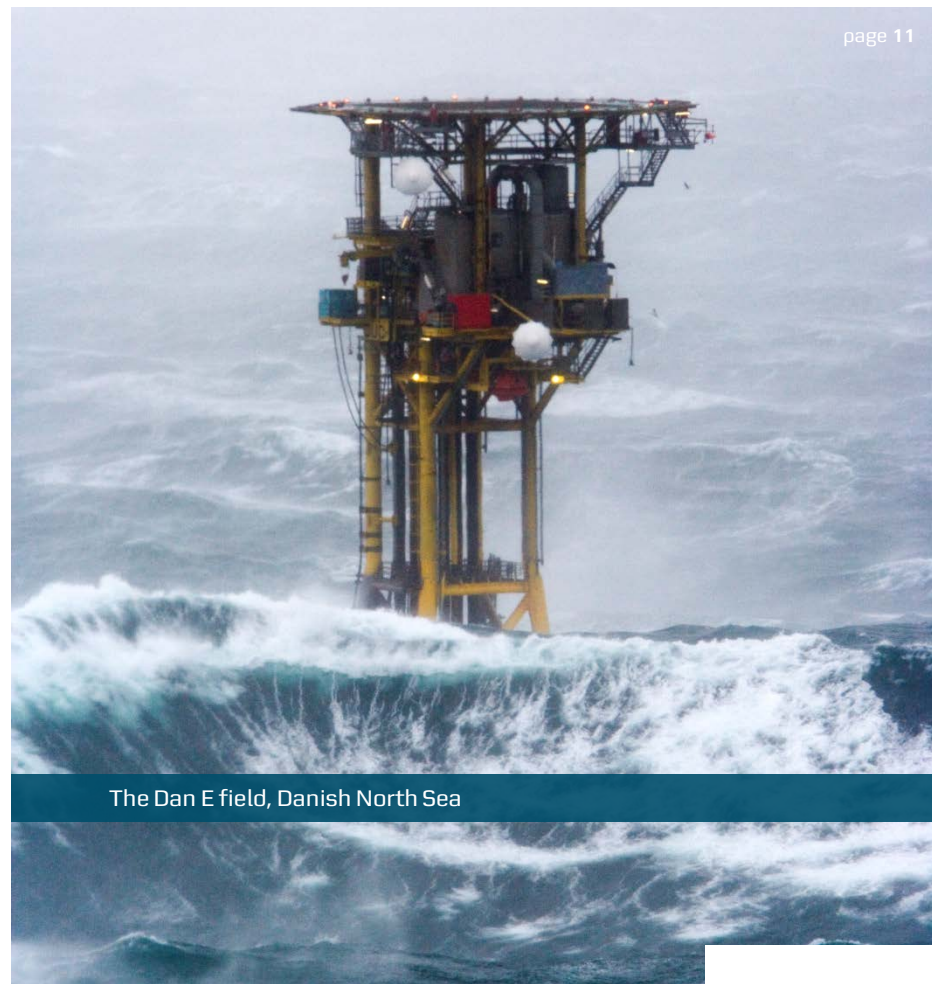
Exploration / Inorganic Growth



COST AND CAPITAL DISCIPLINE - OUR RIGHT TO GROW

Delivering results in turbulent waters

- Production growth
- New cost initiatives will deliver a sustainable and competitive cost base
- Robust portfolio dominated by relatively cost advantaged barrels – several world class projects maturing
- Well positioned for pursuing counter-cyclical inorganic growth opportunities



The Dan E field, Danish North Sea

OPTIMISING FINANCIAL PERFORMANCE



Graham Talbot
Chief Financial Officer

The El Merk facility, Algeria



FINANCIAL AMBITION

Adjusting to the new environment

Continued focus on cost management; USD 1.7 billion Capex and Opex reductions realised



10% ROIC over the cycle



Capital expenditure within investment range of USD 2-4 billion annually



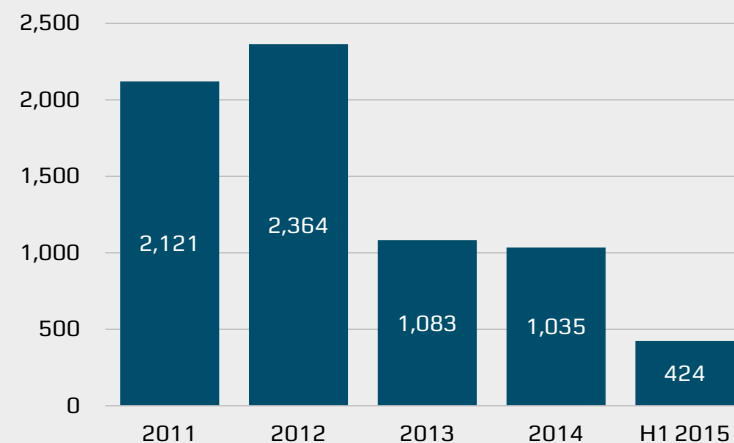
A maturing resource base



Sustaining financial performance

Underlying segment result after tax

(USD million)



Impairments & gains/losses	-9	80	-37	-1,896	-79
Oil price (USD/bbl)	111	112	109	99	58

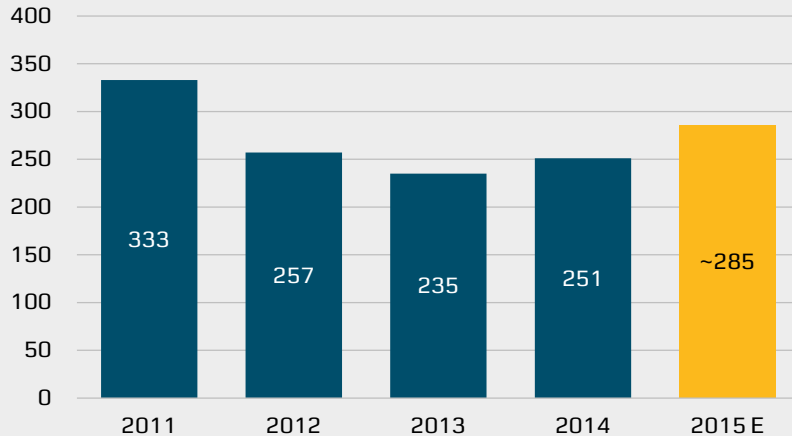
Onshore drilling, Kurdistan Region of Iraq

Entitlement production growth continues

2015 guidance increased from 265,000 boepd to 285,000 boepd

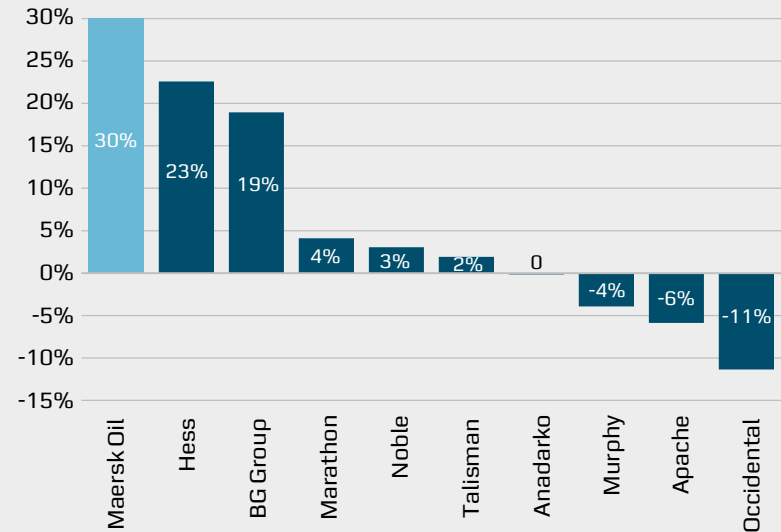
Maersk Oil entitlement production

('000 bpd)



Peer production growth

(Percentage change Q2-2014 to Q2-2015)



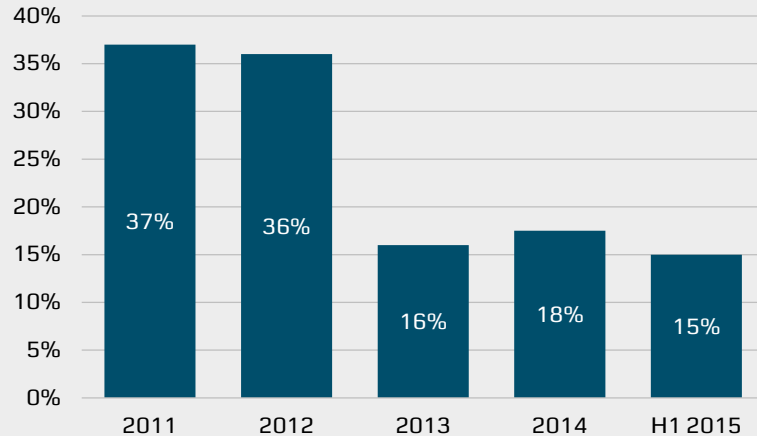
Source: Peer group data based on Evaluate Energy information

Maintaining ROIC > 10% over the cycle

Outcompeting peers in a tough market

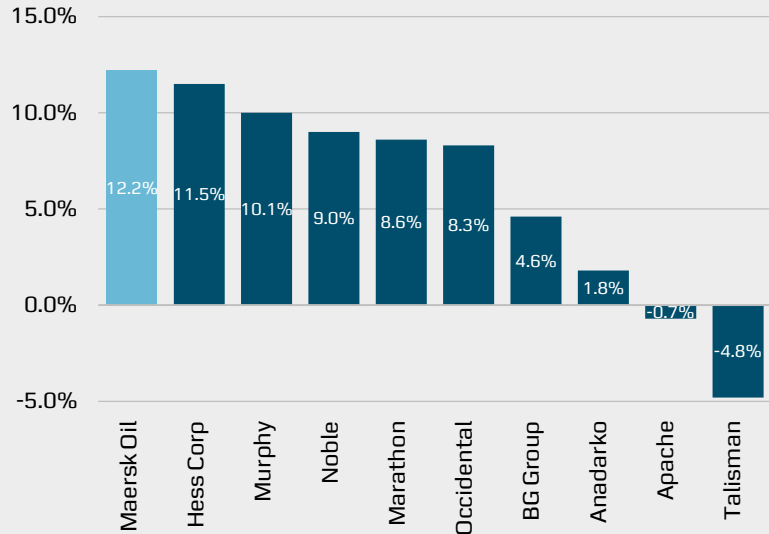
Maersk Oil ROIC (excl. impairments)

(%)



Peer Group ROIC (incl. impairments)

(%, 3 year avg. 2012-2014)

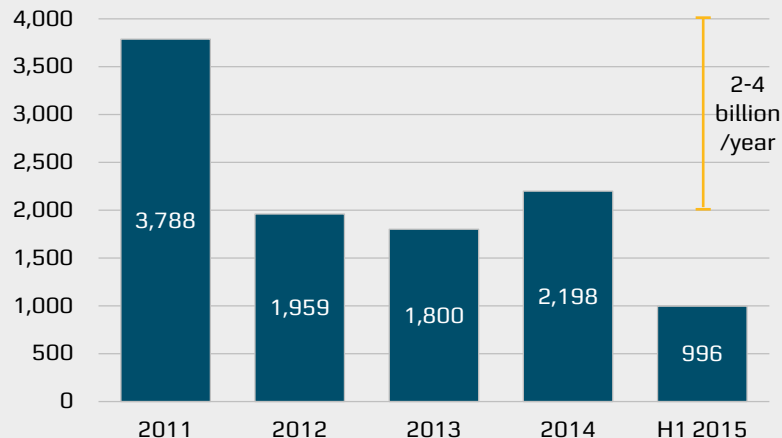


Source: Peer group data based on Evaluate Energy information

Capital discipline – Investing through the cycle

Development Capex¹⁾

(USD million)



- Reducing development Capex towards USD 2-4 billion/year, not including inorganic growth
- Significant Capex reductions realised in 2014/15
- Continuously optimising capital expenditure by active portfolio management and contract re-negotiations
- Chissonga optimisation ongoing
- Investing through the cycle – Johan Sverdrup (NO) and Culzean (UK)

¹⁾ Including acquisitions

Reducing our costs

- Focus on cost leadership and building a sustainable cost base
- On track to reach 10% Opex savings end of 2015 and 20% end of 2016
- Global workforce reduced by 600 positions end of Q2 2015
- Progress on track and well positioned to manage a period of turbulence



Portfolio Management



**Organisational and
Process Efficiency**



**Procurement
and Supply Chain**



**Cost Focus
and Performance
Management**

Adjusting to new market conditions

- Sound financial results in a challenging market
- Continued investment through the cycle
- Material increase in both production and reserves
- Immediate actions taken in response to market conditions to maintain a sustainable cost base
- Major cost reductions achieved and more to come, creating a solid foundation for growth



Employee at the Dunga field, Kazakhstan

OPERATIONS EXCELLENCE AND PROJECT DELIVERY



Gretchen H. Watkins
Chief Operating Officer

Offshore workers, Danish North Sea



Reliable and predictable operations performance



SHORT-TERM DELIVERY

Operations Excellence



MEDIUM-TERM GROWTH

Project Delivery

66%

fewer safety incidents compared to 2009



30%

production growth compared to Q2-2014



33%

reduction of Opex per produced barrel



3

major projects delivered



2

major projects sanctioned



22%

Capex reduction on Culzean (UK)



Our global portfolio

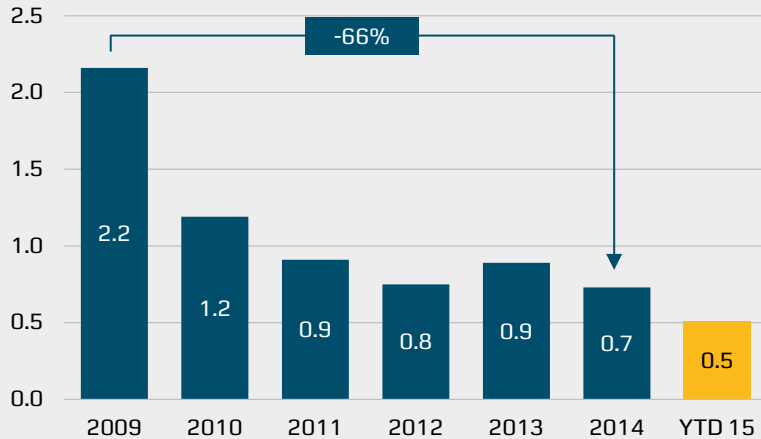


A safer Maersk Oil



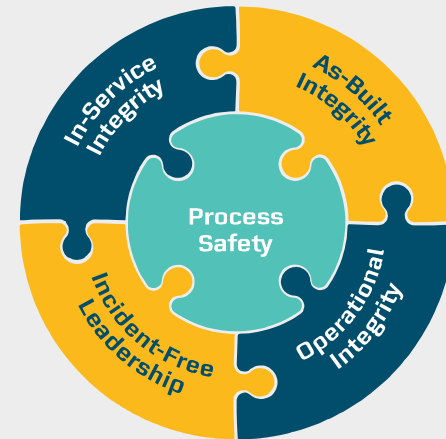
Maersk Oil safety performance

Lost Time Injury Frequency (LTIF) – per million working hours



Process Safety

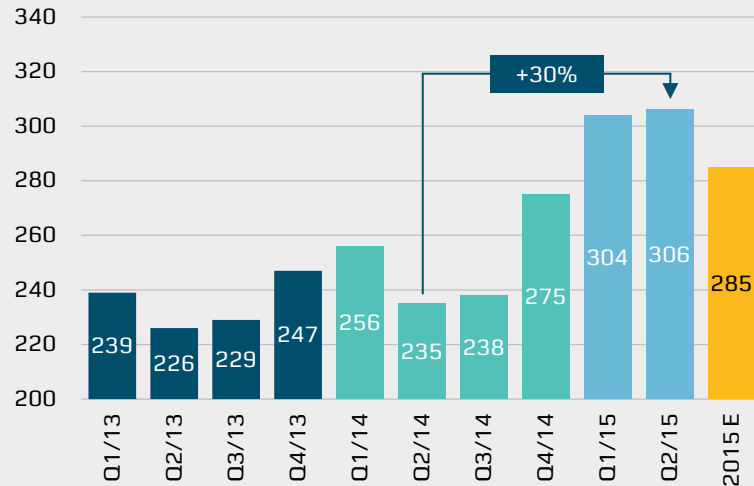
Comprehensive programme to manage process safety



Production growth continues

Maersk Oil entitlement production

('000 bpd)

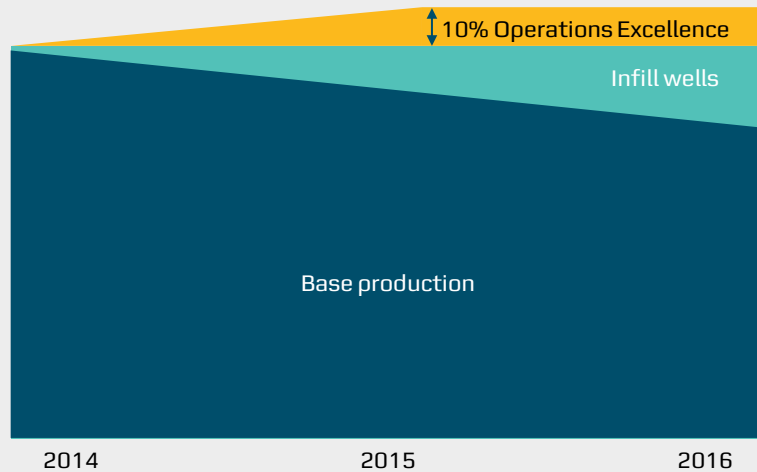


- Entitlement production continues to build
- Operations Excellence is reducing unplanned downtime and increasing production
- More planned shutdowns in 2015 have been completed on time than ever before
- Full year production 2015 is expected to increase 14% over last year

Operations Excellence in mature fields

Adding low cost barrels

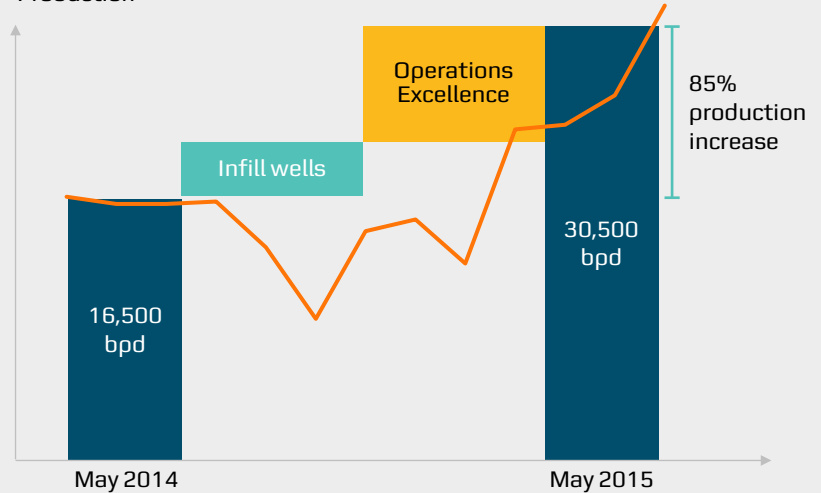
Production



- Infill wells
- Additional production from Operations Excellence

Example: GP3 in UK Central North Sea

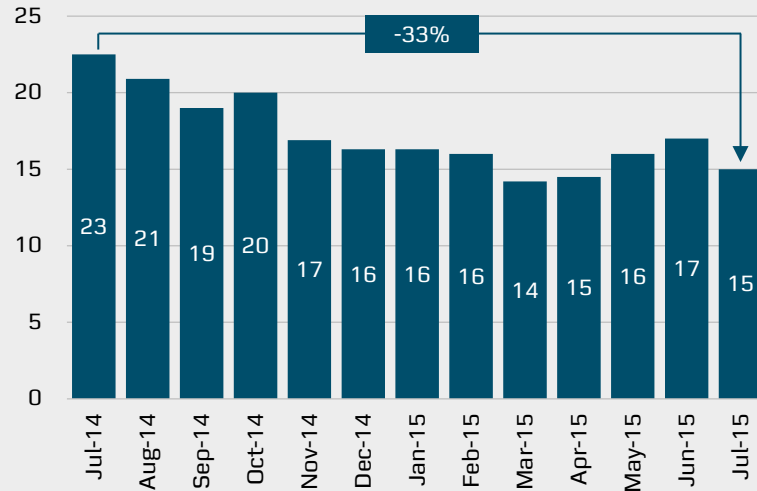
Production



Taking action to reduce operating costs

Development in Opex per barrel

USD/bbl



Note: Opex per barrel is calculated as Opex over equity production, where average cost per barrel has been adjusted to reflect Qatar net share of Opex relative to entitlement production

- ✓ Contract renegotiation
- ✓ Prioritising high value work
- ✓ Standardisation and simplification
- ✓ Ongoing portfolio management

Delivering major capital projects



Golden Eagle, United Kingdom

First oil: Q4-2014

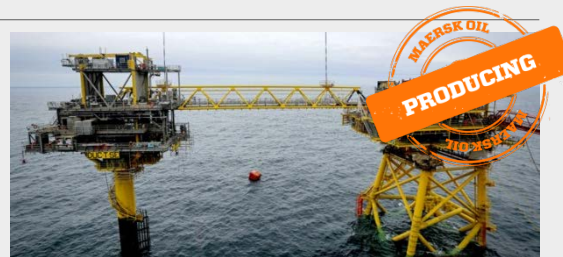
Plateau entitlement production (boepd): 20,000



Jack, USA

First oil: Q4-2014

Plateau entitlement production (boepd): 8,000



Tyra Southeast, Denmark

First oil: Q1-2015

Plateau entitlement production (boepd): 4,000



Chissonga, Angola

Project deferred while under evaluation, investigating potential to improve overall economics and reduce capital costs.



Johan Sverdrup, Norway

Plan for Development and Operation for Phase 1 received 21 August 2015. First oil planned for late-2019.



Culzean, United Kingdom

Sanctioned 31 August 2015. First gas is planned for 2019.

Reliable and predictable operations performance



SHORT-TERM DELIVERY

Operations Excellence



MEDIUM-TERM GROWTH

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fewer safety incidents compared to 2009



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production growth compared to Q2-2014



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reduction of Opex per produced barrel



3

major projects delivered



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Capex reduction on Culzean (UK)





The Global Producer 3 FPSO in the UK North Sea



NAVIGATING TURBULENT WATERS



Jakob Thomasen
Chief Executive Officer

OUR RESPONSE TO THE MARKET CHANGES



Continued focus on cost management

Capex decreased to USD 2-4 billion annually

Active portfolio management

OPTIMISING FINANCIAL PERFORMANCE



Sound financial results in a turbulent market

New cost initiatives will deliver a sustainable and competitive cost base

Major cost reductions achieved and more to come

OPERATIONS EXCELLENCE AND PROJECT DELIVERY



66% fewer safety incidents

30% production growth

33% reduction of Opex per produced barrel

3 major projects delivered

2 major projects sanctioned

NAVIGATING TURBULENT WATERS



Proactive strategy effort in 2014 prepared us for a lower oil price

Material increase in both production and reserves

Maersk Oil is well-positioned for inorganic growth

Long-term profitable growth

Profitable growth



- Maersk Oil will grow to ensure a profitable future
- Focus is on inorganic growth in 2015/16 and investing in exploration acreage to deliver sustained exploration performance by 2016/17
- Longer term, exploration is considered a critical element for reserves replacement
- To deliver both long and short term growth Maersk Oil must expand within our core and beyond



Selecting growth opportunities



Balanced portfolio and cost curve



Geographic fit, risk profile



Production profile & timing



Leveraging our capabilities



Near-term strategic actions 2015/2016

- New cost initiatives to build the basis for growth, 20% Opex savings by end of 2016
- Project delivery
- Operational efficiency to grow production
- Deliver material value-adding inorganic growth opportunities



Employees offshore, Danish North Sea

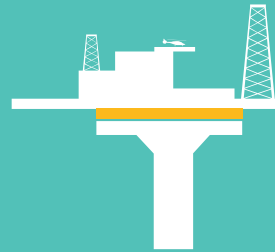
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Thank you