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Aker BP on track to start up Yggdrasil, Valhall-PWP Fenris projects in 2027

Aker BP is on track to kick off production next year from its major Yggdrasil and Valhall-PWP Fenris projects in the Norwegian North Sea, although it has acknowledged cost increases for both developments, partly reflecting work to ensure they stay on schedule for their projected start-ups.

The Oslo-listed operator, in a second-quarter report published today (Wednesday), said that capital expenditure on Yggdrasil is now expected to be \$12.5-13 billion net to the company on a pretax basis, up from \$12.1 billion, while net investment on Valhall-PWP Fenris is expected to be \$7.3-7.6 billion, up from \$7 billion.

Chief financial officer David Tønne told an earnings conference call that Aker BP had updated its investment estimates to take account of remaining worksopes on the developments, including offshore hook-up and completion activity.

In Yggdrasil, which straddles blocks 25/1, 25/2, 25/3, 25/5 and 30/11, Tønne said the increased capex estimate mainly reflects additional activity being carried out onshore before sailaway and to support efficient project execution. For Valhall-PWP Fenris, in block 2/4, the higher cost estimate primarily relates to the volume of remaining offshore work, including hook-up and completion, he added.

However, both Tønne and CEO Karl Johnny Hersvik emphasised their view that the developments remain on track to start up in 2027, with a number of milestones passed during the latest three-month period. "In Yggdrasil, the commissioning of the power-from-shore system and the offshore installation of the Hugin B topsides mark significant progress," said Hersvik.

The operator reported that the topsides facility for the Munin platform is on track for sailaway in August, with the 29,000-tonne deck for the Hugin A platform scheduled to follow suit in December.

Pipelaying across the Yggdrasil area was also said to have been completed in the second quarter, with umbilical installation progressing and the first Frigg East bundle also installed. *(Continued on page 2)*