



## Statoil ASA

*(incorporated with limited liability in the Kingdom of Norway)*

Notes issued under the programme may be unconditionally and irrevocably guaranteed by

## Statoil Petroleum AS

*(incorporated with limited liability in the Kingdom of Norway)*

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### US\$8,000,000,000 Euro Medium Term Note Programme

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On 21 March 1997, Statoil ASA entered into a Euro Medium Term Note Programme (the **Programme**) and issued an Offering Circular on that date describing the Programme. The Programme has been subsequently amended and updated. This Offering Circular supersedes any previous dated offering circulars. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued prior to the date hereof.

Under this Programme, Statoil ASA (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed US\$8,000,000,000 (or its equivalent in other currencies calculated as described herein).

The payments of all amounts due in respect of the Notes issued by the Issuer may be unconditionally and irrevocably guaranteed by Statoil Petroleum AS (the **Guarantor**).

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 5 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a **Dealer** and together the **Dealers**). References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".**

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Offering Circular to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a Final Terms document (the Final Terms) which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange.

Copies of Final Terms will be available from the registered office of the Issuer and from the specified office set out below of each of the Paying Agents. In addition, copies of each Final Terms relating to Notes which are either admitted to trading on the London Stock Exchange's regulated market or offered in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Directive (as defined below) will be available on the website of the London Stock Exchange. Copies of each Final Terms relating to Notes which are admitted to trading on any other regulated market in the European Economic Area or offered in any other Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be available for viewing in accordance with Article 14(2) of the Prospectus Directive and the rules and regulations of the relevant regulated market.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer, the Guarantor and the relevant Dealer. The Issuer may also issue unlisted Notes.

Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (the **CRA Regulation**) will be disclosed in the Final Terms.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplemental offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

#### Arranger

**Barclays Capital**

#### Dealers

**Barclays Capital  
BofA Merrill Lynch  
Deutsche Bank**

**BNP PARIBAS  
Citi  
Société Générale Corporate & Investment Banking  
The Royal Bank of Scotland**

*This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the Prospectus Directive).*

*The Issuer and the Guarantor (the Responsible Persons) accept responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular. Each investor contemplating purchasing any Notes should review the documents incorporated by reference.*

*The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the Programme or the Notes or their distribution.*

*No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.*

*Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Guarantor, the Paying Agents or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer by or on behalf of the Issuer, the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.*

*The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme.*

*The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering*

*Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France and Norway) and Japan (see “Subscription and Sale” below).*

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the Securities Act) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (see “Subscription and Sale” below).*

*All references in this Offering Circular to “NOK” refer to Norwegian Kroner, those to “U.S. dollars”, “US\$”, “USD” and “\$” refer to United States dollars, those to “Sterling” and “£” refer to pounds Sterling, and those to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.*

*In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.*

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## DESCRIPTION OF THE PROGRAMME

*The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes", "Terms and Conditions of the Notes" below shall have the same meanings in this description.*

<b>Issuer:</b>	Statoil ASA
<b>Guarantor:</b>	Notes issued under the Programme may be guaranteed by Statoil Petroleum AS
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see " <i>Risk Factors</i> ").
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	Barclays Bank PLC
<b>Dealers:</b>	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Deutsche Bank AG, London Branch Merrill Lynch International Société Générale The Royal Bank of Scotland plc
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> " below).
<b>Notes with a maturity of less than one year:</b>	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purpose of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see " <i>Subscription and Sale</i> " below).
<b>Issuing and Principal Paying Agent:</b>	The Bank of New York Mellon
<b>Paying Agent:</b>	The Bank of New York Mellon (Luxembourg) S.A.
<b>Size:</b>	Up to US\$8,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, Notes will be denominated in such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian Kroner, South African Rand, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Final Terms).
<b>Redenomination:</b>	If the Specified Currency of an issue of Notes is a currency of one of the countries that subsequently participates in the third stage of European economic and monetary union or otherwise participates in European economic and monetary union in a manner with similar effect to such third stage, the Issuer may specify in the applicable Final Terms that such Notes will include a redenomination clause providing for the redenomination of the Specified Currency in euro, and, if so specified, the wording of the redenomination clause will be set out in full in the applicable Final Terms.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	The Notes will be in bearer form. Each Tranche of Notes will initially be represented by a temporary global Note which will be deposited on the relevant Issue Date with, in the case of Notes issued in new global note form, a common safekeeper, or, in the case of Notes not issued in new global note form, a common depositary for Euroclear Bank S.A./N.V. ( <b>Euroclear</b> ) and Clearstream Banking, <i>société anonyme</i> ( <b>Clearstream, Luxembourg</b> ) and/or any other agreed clearance system and which will be exchangeable, upon request, as described therein for either a permanent global Note or definitive Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case not earlier than 40 days after the completion of distribution of all Notes upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note will be exchangeable, unless otherwise specified in the applicable Final Terms, upon request as described therein, in whole but not in part for definitive Notes upon (i) not less than 60 days' written notice to the Agent or (ii) only upon the occurrence of an Exchange Event as described in " <i>Form of the Notes</i> " below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of



Euroclear, Clearstream, Luxembourg and/or any other agreed clearance system, as appropriate.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined either:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer,

as indicated in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

**Index Linked Notes:**

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as the Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).

**Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:**

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both, as indicated in the applicable Final Terms.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of such Day Count Fraction as is indicated in the applicable Final Terms.

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

<b>Redemption:</b>	<p>The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer (<b>Issuer Call</b>) and/or the Noteholders (<b>Investor Put</b>) upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>The Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.</p> <p>Notes issued on terms that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution, see "<i>Certain Restrictions — Notes with a maturity of less than one year</i>" above.</p>
<b>Denomination of Notes:</b>	<p>The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p>
<b>Taxation:</b>	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within Norway, subject as provided in "<i>Terms and Conditions of the Notes — Taxation</i>".</p>
<b>Negative Pledge:</b>	<p>The terms of the Notes will contain a negative pledge provision, as further described in "<i>Terms and Conditions of the Notes — Negative Pledge</i>".</p>
<b>Cross Default:</b>	<p>The terms of the Notes will contain a cross-default provision as further described in "<i>Terms and Conditions of the Notes — Events of Default</i>".</p>
<b>Status of the Notes:</b>	<p>The Notes will constitute, subject to the provisions of Condition 3 unsecured and unsubordinated obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject as provided above, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.</p>



<b>Guarantee:</b>	The Final Terms may provide that Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under such guarantee will be direct, unconditional and subject to the provisions of unsecured obligations of the Guarantor and will rank <i>pari passu</i> and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Guarantor from time to time outstanding.
<b>Substitution:</b>	The terms of the Notes will contain a provision permitting the substitution, without the consent of Noteholders, of a subsidiary of the Issuer as principal debtor in respect of the relevant Series of Notes, subject to satisfaction of further conditions, as further described in <i>"Terms and Conditions of the Notes – Substitution"</i> .
<b>Rating:</b>	Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.
<b>Listing:</b>	<p>Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Offering Circular to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series.</p> <p>Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not and, if so, on which stock exchange(s) and/or markets the Notes are to be listed and/or admitted to trading.</p>
<b>Governing Law:</b>	English law.
<b>Selling Restrictions:</b>	<p>There are selling restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, France and Norway) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See <i>"Subscription and Sale"</i> below.</p> <p>The Issuer is Category 2 for the purpose of Regulation S under the United States Securities Act of 1933, as amended. The Notes will be issued in compliance with the TEFRA D Rules.</p>

## RISK FACTORS

*The Issuer and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Guarantor is a wholly owned subsidiary of the Issuer and engaged in entirely the same business as the Issuer. The risk factors mentioned in this Offering Circular apply to the Guarantor unless the context requires otherwise.*

*The Issuer and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer and/or, in respect of Guaranteed Notes, the Guarantor, to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligation under Notes issued under the Programme and the Guarantor's ability to fulfil its obligations under the Guarantee**

#### ***Investors are relying solely on the creditworthiness of the Issuer and the Guarantor***

The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively and will rank equally among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively (other than obligations preferred by mandatory provisions of law). Purchasers of Notes rely on the creditworthiness of the Issuer and, if applicable, the Guarantor and no other person.

In addition, investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Notes.

#### ***Risks Related to the Business of the Statoil Group (Statoil)***

*A substantial or prolonged decline in oil or natural gas prices would have a material adverse effect on Statoil.*

Historically, the prices of oil and natural gas have fluctuated greatly in response to changes in many factors. Statoil does not and will not have control over the factors that affect the prices of oil and natural gas. These factors include:

- global and regional economic and political developments in resource-producing regions, particularly in the Middle East and South America;
- global and regional supply and demand;
- the ability of the Organization of the Petroleum Exporting Countries (Opec) and other producing nations to influence global production levels and prices;
- prices of alternative fuels that affect the prices realised under Statoil's long-term gas sales contracts;
- governmental regulations and actions;
- global economic conditions;

- war or other international conflicts;
- changes in population growth and consumer preferences;
- the price and availability of new technology; and
- weather conditions.

It is impossible to predict future price movements for oil and natural gas with certainty. A prolonged decline in oil and natural gas prices will adversely affect Statoil's business, results of operations, financial condition, liquidity and its ability to finance planned capital expenditure. In addition to the adverse effect on revenues, margins and profitability from any fall in oil and natural gas prices, a prolonged period of low prices or other indicators could lead to further reviews for impairment of the group's oil and natural gas properties. Such reviews would reflect the management's view of long-term oil and natural gas prices and could result in a charge for impairment that could have a significant effect on Statoil's results of operations in the period in which it occurs. Rapid material and/or sustained reductions in oil, gas and product prices can have an impact on the validity of the assumptions on which strategic decisions are based and can have an impact on the economic viability of projects that are planned or in development.

*Exploratory drilling involves numerous risks, including the risk that Statoil will encounter no commercially productive oil or natural gas reservoirs. This could materially adversely affect Statoil's results.*

Statoil is exploring or considering exploring in various geographical areas, including resource provinces such as the Norwegian Sea, the Barents Sea, the deepwater US Gulf of Mexico, the Arctic, onshore Algeria and Libya, as well as off the coasts of Alaska, Angola, Brazil and Venezuela, where environmental conditions are challenging and costs can be high. In addition, Statoil's use of advanced technologies requires greater pre-drilling expenditure than traditional drilling strategies. The cost of drilling, completing and operating wells is often uncertain. As a result, Statoil may experience cost overruns or may be required to curtail, delay, or cancel drilling operations because of a variety of factors, including equipment failures or accidents, changes in governmental requirements, unexpected drilling conditions, pressure or irregularities in geological formations, adverse weather conditions and shortages of or delays in the availability of drilling rigs and the delivery of equipment. For example, Statoil has entered into long-term leases for drilling rigs that may turn out not to be required for the operations for which they were originally intended, and Statoil cannot be certain that these rigs will be re-employed or at what rates they will be re-employed. Fluctuations in the market for leases of drilling rigs will also have an impact on the rates Statoil can charge in re-employing these rigs. Statoil's overall drilling activity or drilling activity within a particular project area may be unsuccessful. Such failure will have a material adverse effect on Statoil's results of operations and financial condition.

*Statoil is exposed to a wide range of health, safety, security and environmental risks that could result in significant losses.*

Exploration for, and the production and transportation of oil and natural gas is hazardous, and technical integrity failure, operator error, natural disasters or other occurrences can result, among other things, in oil spills, gas leaks, loss of containment of hazardous materials, blowouts, cratering, fires, equipment failure and loss of well control. The risks associated with exploration for and production and transportation of oil and natural gas are heightened in the difficult geographies, climate zones and environmentally sensitive regions in which Statoil operates. All modes of transportation of hydrocarbons, including by road, rail, sea or pipeline, are particularly susceptible to a loss of containment of hydrocarbons and other hazardous materials, and, given the high volumes involved, could present a significant risk to people and the environment. Offshore operations are subject to marine perils, including severe storms and other adverse weather conditions and vessel collisions, as well as interruptions or termination by governmental authorities based on safety,

environmental and other considerations. Acts of terrorism against Statoil's plants and offices, pipelines, transportation or computer systems could severely disrupt businesses and operations and could cause harm to people. Failure to manage the foregoing risks could result in injury or loss of life, damage to the environment, damage or destruction of wells and production facilities, pipelines and other property and could result in regulatory action, legal liability, damage to Statoil's reputation, a significant reduction in Statoil's revenues and an increase in its costs, and could have a material adverse effect on Statoil's operations or financial condition.

*Statoil's crisis management systems may be ineffective.*

Statoil has developed contingency plans to continue or recover operations following a disruption or incident. An inability to restore or replace critical capacity to an agreed level within an agreed time frame could prolong the impact of any disruption and could severely affect business and operations. Likewise, Statoil has crisis management plans and capability to deal with emergencies at every level of its operations. If Statoil does not respond or is not seen to respond in an appropriate manner to either an external or internal crisis, its business and operations could be severely disrupted.

*If Statoil fails to acquire or find and develop additional reserves, Statoil's reserves and production will decline materially from their current levels.*

The majority of Statoil's proved reserves are on the Norwegian continental shelf (**NCS**), a maturing resource province. Unless Statoil conducts successful exploration and development activities and/or acquires properties containing proved reserves, its proved reserves will decline as reserves are produced. Successful implementation of Statoil's group strategy is critically dependent on sustaining long-term reserves replacement. If upstream resources are not progressed to proved reserves in a timely and efficient manner, Statoil will be unable to sustain the long-term replacement of reserves. In addition, the volume of production from oil and natural gas properties generally declines as reserves are depleted. For example, some of Statoil's major fields, such as Gullfaks, are dependent on satellite fields to maintain production and, unless efforts to improve the development of satellite fields are successful, production will gradually decline.

In a number of resource-rich countries, national oil companies control a significant proportion of oil and gas reserves that remain to be developed. To the extent that national oil companies choose to develop their oil and gas resources without the participation of international oil companies or if Statoil is unable to develop partnerships with national oil companies, Statoil's ability to find and acquire or develop additional reserves will be limited.

Statoil's future production is highly dependent on its succeeding in finding or acquiring and developing additional reserves. If Statoil is unsuccessful, it may not meet its long-term ambitions for growth in production, and its future total proved reserves and production will decline, adversely affecting Statoil's results of operations and financial condition.

*Statoil encounters competition from other oil and natural gas companies in all areas of its operations, including the acquisition of licences, exploratory prospects and producing properties.*

The oil and gas industry is extremely competitive, especially with regard to exploration for, and exploitation and development of new sources of oil and natural gas.

Some of Statoil's competitors are much larger, well-established companies with substantially greater resources. In many instances, they have been engaged in the oil and gas business for much longer than Statoil. These larger companies are developing strong market power through a combination of different factors, including:

- diversification and the reduction of risk;
- the financial strength necessary for capital-intensive developments;

- exploitation of benefits of integration;
- exploitation of economies of scale in technology and organisation;
- exploitation of advantages in terms of expertise, industrial infrastructure and reserves; and
- strengthening of positions as global players.

These companies may be able to pay more for exploratory prospects and productive oil and natural gas properties and may be able to define, evaluate, bid for and purchase a greater number of properties and prospects, including operatorships and licences. They may also be able to invest more in developing technology than Statoil's financial or human resources permit. Statoil's performance could be impeded if competitors were to develop or acquire intellectual property rights to technology that Statoil requires or if Statoil's innovation were to lag behind the industry.

*Statoil's development projects and production activities involve many uncertainties and operating risks that can prevent Statoil from realising profits and cause substantial losses.*

Statoil's development projects and production activities may be curtailed, delayed or cancelled for many reasons, including equipment shortages or failures, natural hazards, unexpected drilling conditions or reservoir characteristics, pressure or irregularities in geological formations, accidents, mechanical and technical difficulties and industrial action. These projects and activities will also often require the use of new and advanced technologies, which may be expensive to develop, purchase and implement, and may not function as expected. In addition, some of Statoil's developments will be located in deep waters or other hostile environments, such as the Gulf of Mexico and the Barents Sea, or may be in challenging reservoirs, which can exacerbate such problems. There is a risk that development projects that Statoil undertakes may not yield adequate returns.

Statoil's development projects and production activities on the NCS also face the challenge of remaining profitable. Statoil is increasingly developing smaller satellite fields in mature areas, and Statoil's activities are subject to the Norwegian State's relatively high taxes on offshore activities. In addition, Statoil's development projects and production activities, particularly those in remote areas, could become less profitable, or unprofitable, if Statoil experiences a prolonged period of low oil or gas prices or cost overruns.

*Statoil faces challenges in achieving its strategic objective of successfully exploiting growth opportunities.*

An important element of Statoil's strategy is to continue to pursue attractive growth opportunities available to it, by both enhancing and repositioning its asset portfolio and expanding into new markets. The opportunities that Statoil is actively pursuing may involve the acquisition of businesses or properties that complement or expand its existing portfolio. The challenges to renewal of Statoil's upstream portfolio are growing due to increasing global competition for access to opportunities.

Statoil's ability to successfully implement this strategy will depend on a variety of factors, including its ability to:

- identify acceptable opportunities;
- negotiate favourable terms;
- develop new market opportunities or acquire properties or businesses promptly and profitably;
- integrate acquired properties or businesses into Statoil's operations;
- arrange financing, if necessary; and
- comply with legal regulations.



As Statoil pursues business opportunities in new and existing markets, it anticipates significant investments and costs in connection with the development of such opportunities. Statoil may incur or assume unanticipated liabilities, losses or costs associated with assets or businesses acquired. Any failure by Statoil to successfully pursue and exploit new business opportunities could result in financial losses and inhibit growth.

Any such new projects Statoil acquires will require additional capital expenditure and will increase the cost of its discoveries and development. These projects may also have different risk profiles than Statoil's existing portfolio. These and other effects of such acquisitions could result in Statoil's having to revise either or both of its forecasts with respect to unit production costs and production.

In addition, the pursuit of acquisitions or new business opportunities could divert financial and management resources away from Statoil's day-to-day operations to the integration of acquired operations or properties. Statoil may require additional debt or equity financing to undertake or consummate future acquisitions or projects, and such financing may not be available on terms satisfactory to it, if at all, and it may, in the case of equity, be dilutive to its earnings per share.

*Statoil faces challenges in the renewable energy sector.*

Although energy production from renewables is currently modest in most countries, wind power, solar energy and biofuels are developing into significant industries. Statoil cannot predict the demand for renewables. Statoil believes that technological innovation and the integration of trend-breaking technologies, such as biotechnology and other new ideas, are key to advancing in the renewable energy sector and ensuring a profitable, sustainable, low-carbon energy future. Some of Statoil's competitors may be able to invest more in developing technology in the renewable energy sector than Statoil. Statoil's performance in the renewable energy sector could be impeded if competitors develop or acquire intellectual property rights to technology that Statoil requires or if Statoil's innovation lags behind the industry. In addition, projects in renewable energy involve emerging technologies, evolving manufacturing techniques and/or cutting edge implementation. There is little precedence for incorporating certain renewable aspects into new or existing projects.

*Statoil may not be able to produce some of its oil and gas economically due to the lack of necessary transportation infrastructure when a field is in a remote location.*

Statoil's ability to exploit economically any discovered petroleum resources beyond its proved reserves will depend, among other factors, on the availability of the infrastructure required to transport oil and gas to potential buyers at a commercially acceptable price. Oil is usually transported by tankers to refineries, and natural gas is usually transported by pipeline to processing plants and end-users. Statoil may not be successful in its efforts to secure transportation and markets for all of its potential production.

*Some of Statoil's international interests are located in politically, economically and socially unstable areas, which could disrupt its operations.*

Statoil has assets located in politically, economically and socially unstable regions around the world where threats such as war, terrorism, border disputes, guerrilla activities, expropriation, nationalisation of property, civil strife, strikes, political unrest and insurrections are present. These threats or some of them, may impact Statoil's activities in regions such as the Middle East, North Africa, the Caspian and countries like Nigeria, Angola and Venezuela. The occurrence of incidents resulting from political, economic or social instability could disrupt Statoil's operations and further business opportunities in any of these regions, including leading to a decline in production. This could have a material adverse effect on Statoil's results of operations or financial condition.



*Statoil's operations are subject to political and legal factors in the countries in which it operates.*

Statoil has assets in a number of countries with emerging or transitioning economies that lack well-established and reliable legal systems, where the enforcement of contractual rights is uncertain or where the governmental and regulatory framework is subject to unexpected change. Statoil's exploration and production activities in these countries are often undertaken together with national oil companies and are subject to a significant degree of state control. In recent years, governments and national oil companies in some regions have begun to exercise greater authority and impose more stringent conditions on companies engaged in exploration and production activities. Statoil expects this trend to continue. Intervention by governments in such countries can take a wide variety of forms, including:

- restrictions on exploration, production, imports and exports;
- the awarding or denial of exploration and production interests;
- the imposition of specific seismic and/or drilling obligations;
- price controls;
- tax or royalty increases, including retroactive claims;
- nationalisation or expropriation of Statoil's assets;
- unilateral cancellation or modification of Statoil's licence or contractual rights;
- the renegotiation of contracts;
- payment delays; and
- currency exchange restrictions or currency devaluation.

The likelihood of these occurrences and their overall effect on Statoil vary greatly from country to country and are not predictable. If such risks materialise, they could cause Statoil to incur material costs and/or cause Statoil's production to decrease, potentially having a material adverse effect on Statoil's operations or financial condition.

Due to the outbreak of political unrest in Libya, in February 2011, the United States (**US**), the United Nations (**UN**), the European Union (**EU**) and several countries implemented certain sanctions in relation to Libya. The future impact of the ongoing unrest, potential political changes and international sanctions on Statoil's current Libyan operations is uncertain.

*Statoil's activities in certain countries could lead to US sanctions.*

Certain countries, including Iran and Cuba, have been identified by the US State Department as state sponsors of terrorism.

In October 2002, Statoil signed a participation agreement with Petropars of Iran, pursuant to which it assumed the operatorship for the offshore part of phases 6-7-8 of the South Pars gas development project in the Persian Gulf. In total, Statoil's estimated capital expenditures for the offshore development of South Pars phases 6-7-8 is USD 746 million. Final settlement with the partner on the sharing of parts of the capital expenditures may lead to an adjustment of Statoil's final investment amount. Adjusted for an impairment in 2005, a partial reversal of impairment in 2009 and cumulative depreciation charges, the net book value was USD 227 million at year end 2010. In addition, as a result of the merger with Norsk Hydro's oil and gas business, Statoil owns a 75% interest in the Anaran Block in Iran, which was acquired by Norsk Hydro in 2000. Following the commerciality declaration of the Azar discovery in the Anaran Block in August 2006, Norsk Hydro agreed to conduct negotiations with the National Iranian Oil Company for a Master Development Plan and a Development Service Contract. The Anaran Block is currently in the exploration phase. Statoil had invested USD 104 million in the project, but this amount has been fully written off following an

impairment review in 2008. Work on this project has stopped. Also as a result of the merger with Norsk Hydro's oil and gas business, Statoil now owns a 100% interest in the Khorramabad Exploration Block, for which Statoil is the operator. In September 2006, Norsk Hydro signed the Khorramabad Exploration and Development Contract with the National Iranian Oil Company, with a total commitment of USD 49.5 million over four years relating to seismic surveys and other exploration activities. Statoil completed the gathering of seismic data in the Khorramabad Exploration Block in the fourth quarter of 2008. No further activity is planned for this licence. Statoil will not make any future investments in Iran under the present circumstances, but is committed to fulfilling its contractual obligations in respect of South Pars.

On 30 September 2010, the US State Department announced that Statoil was eligible to avoid sanctions under the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 (**CISADA**) relating to its activities in Iran because Statoil had pledged to end its investments in Iran's energy sector. In 2009, Statoil had voluntarily provided officials from the US State Department with information about its activities and investments in Iran. CISADA came into effect on 1 July 2010. Among other things, CISADA amends certain sections of the Iran Sanctions Act of 1996. CISADA requires the President of the United States to sanction companies that make investments that enhance Iran's ability to develop petroleum resources or provide or facilitate the production or importation of refined petroleum products into Iran. Such sanctions could include prohibiting transactions in foreign exchange in which the sanctioned entity has any interest, prohibiting transfers of credit or payments via financial institutions in which the sanctioned entity has any interest, prohibiting property transactions by the sanctioned entity in which the property is subject to the jurisdiction of the United States, the denial of US bank loans and restrictions on the importation of goods produced by the sanctioned company.

Statoil's activities in Cuba consist of a 30% interest in six deepwater exploration blocks acquired from Repsol-YPF in 2006. As of 31 December 2010, Statoil invested USD 12.5 million in these projects. These activities are not material to Statoil's business, financial condition or results of operations, as the total amount invested in these operations represented less than 0.02% of its total assets as of 31 December 2010.

Statoil is also aware of initiatives by certain US states and US institutional investors, such as pension funds, to adopt or consider adopting laws, regulations or policies requiring among other things divestment from, reporting of interests in, or agreeing not to make future investments in, companies that do business with countries designated as state sponsors of terrorism. These policies could have an adverse impact on investment by certain investors in Statoil's securities.

*Statoil's activities in certain countries could lead to other sanctions.*

In 2010, the UN and the EU adopted new restrictive measures in relation to Iran. With effect from 14 January 2011, Norway adopted similar regulations. These restrictive measures cover the areas of trade, financial services, energy and transport, as well as additional measures relating to visa bans and asset freezes. Although Statoil cannot predict the interpretation or implementation of the new legislation or restrictive measures with respect to Statoil's activities in and relating to Iran, the restrictive measures will not apply to the Shah Deniz gas field in Azerbaijan, in which NIOC has an interest.

*Statoil is exposed to potentially adverse changes in the tax regimes of each jurisdiction in which it operates.*

Statoil operates in approximately 40 countries around the world, and any of these countries could modify its tax laws in ways that would adversely affect Statoil. Most of Statoil's operations are subject to changes in tax regimes in a similar manner to other companies in its industry. In addition, in the long-term, the marginal tax rate in the oil and gas industry tends to change with the price of crude oil. Significant changes in the tax regimes of countries in which Statoil operates could have a material adverse affect on its liquidity and results of operations.

*Statoil's insurance coverage may not adequately protect Statoil.*

Statoil maintains insurance coverage that includes coverage for physical damage to Statoil's oil and gas properties, third party liability, workers' compensation and employers' liability, general liability, sudden pollution and other coverage. Statoil's insurance coverage includes deductibles that must be met prior to recovery. Additionally, Statoil's insurance is subject to caps, exclusions and limitations, and there is no assurance that such coverage will adequately protect Statoil against liability from all potential consequences and damages.

In light of the accident at the BP-operated Macondo well in the Gulf of Mexico, Statoil may not be able to secure similar coverage for the same costs. Future insurance coverage for the industry could increase in cost and may include higher deductibles or retentions. In addition, some forms of insurance may become unavailable in the future or unavailable on terms that Statoil believes are economically acceptable.

*Statoil's crude oil and natural gas reserve data are only estimates, and Statoil's future production, revenues and expenditures with respect to its reserves may differ materially from these estimates.*

The reliability of proved reserve estimates depends on:

- the quality and quantity of Statoil's geological, technical and economic data;
- whether the prevailing tax rules and other governmental regulations, contracts and oil, gas and other prices will remain the same as on the date estimates are made;
- the production performance of Statoil's reservoirs; and
- extensive engineering judgments.

Many of the factors, assumptions and variables involved in estimating reserves are beyond Statoil's control and may prove to be incorrect over time. The results of drilling, testing and production after the date of the estimates may require substantial upward or downward revisions in Statoil's reserve data. In addition, fluctuations in oil and gas prices will have an impact on Statoil's proved reserves relating to fields governed by production sharing agreements (**PSAs**), since part of its entitlement under PSAs relates to the recovery of development costs. Any downward adjustment could lead to lower future production and thus adversely affect Statoil's financial condition, future prospects and market value.

*Statoil faces foreign exchange risks that could adversely affect its results of operations.*

Statoil's business faces foreign exchange risks because a large percentage of its revenues and cash receipts are denominated in USD, while sales of refined products can be in a variety of currencies. Fluctuations between the USD and other currencies may adversely affect Statoil's business and can give rise to foreign exchange exposures, with a consequent impact on underlying costs and revenues.

*Statoil is exposed to risks relating to trading and supply activities.*

Statoil is engaged in substantial trading and commercial activities in the physical markets. Statoil also uses financial instruments such as futures, options, over-the-counter (**OTC**) forward contracts, market swaps and contracts for differences related to crude oil, petroleum products, natural gas and electricity in order to manage price volatility. Statoil also uses financial instruments to manage foreign exchange and interest rate risk.

Although Statoil believes it has established appropriate risk management procedures, trading activities involve elements of forecasting and Statoil bears the risk of market movements - the risk of significant losses if prices develop contrary to expectations - and the risk of default by counterparties. Any of these risks could have an adverse effect on Statoil's results of operations and financial condition.

*Statoil may fail to attract and retain senior management and skilled personnel.*

The attraction and retention of senior management and skilled personnel is a critical factor in the successful implementation of Statoil's strategy as an international oil and gas group. Statoil may not always be successful in hiring or retaining suitable senior management and skilled personnel. Failure to recruit or retain senior management and skilled personnel or to more generally maintain good employee relations could compromise the achievement of Statoil's strategy. Such failure could cause disruption to the management structure and relationships, an increase in costs associated with staff replacement, lost business relationships or reputational damage. An inability to attract or retain suitable employees could have a significant adverse impact on Statoil's ability to operate.

*Failure to meet Statoil's ethical and social standards could harm its reputation and business.*

Statoil's code of conduct, which applies to all employees of the group, including hired personnel, consultants, intermediaries, lobbyists and others who act on its behalf, defines Statoil's commitment to high ethical standards and compliance with applicable legal requirements wherever Statoil operates. Incidents of ethical misconduct or non-compliance with applicable laws and regulations could be damaging to Statoil's reputation, competitiveness and shareholder value. Multiple events of non-compliance could call into question the integrity of Statoil's operations.

Statoil sets itself high standards of corporate citizenship and aspires to contribute to a better quality of life through the products and services it provides. If it is perceived that Statoil is not respecting or advancing the economic and social progress of the communities in which it operates, Statoil's reputation and shareholder value could be damaged.

### ***Risks Related to Increased Regulation and Regulatory Compliance***

*Compliance with health, safety and environmental laws and regulations that apply to Statoil's operations could materially increase Statoil's costs.*

Statoil incurs, and expects to continue to incur, substantial capital, operating, maintenance and remediation costs relating to compliance with increasingly complex laws and regulations for the protection of the environment and human health and safety, including:

- costs of preventing, controlling eliminating or reducing certain types of emissions to air and discharges to the sea, including costs incurred in connection with government action to address the risk of spills and concerns about climate change;
- remediation of environmental contamination caused by Statoil's activities or accidents at various facilities owned or previously-owned by Statoil and at third party sites where its products or waste have been handled or disposed of;
- compensation of persons and/or entities claiming damages as a result of Statoil's activities or accidents; and
- costs in connection with the decommissioning of drilling platforms and other facilities.

For example, under the Norwegian Petroleum Act of 29 November 1996, as a holder of licences on the NCS, Statoil is subject to statutory strict liability in respect of losses or damage suffered as a result of pollution caused by spills or discharges of petroleum from petroleum facilities covered by any of Statoil's licences. This means that anyone who suffers losses or damage as a result of pollution caused by operations in any of Statoil's NCS licence areas can claim compensation from Statoil without having to demonstrate that the damage is due to any fault on Statoil's part.

Furthermore, in countries where Statoil operates or expects to operate in the near future, new laws and regulations, the imposition of stricter requirements on licences, increasingly strict enforcement of or new interpretations of existing laws and regulations, the aftermath of operational catastrophes in

which Statoil or members of its industry are involved or the discovery of previously unknown contamination may require future expenditure in order to, among other things:

- modify operations;
- install pollution control equipment;
- implement additional safety measures;
- perform site clean-ups;
- curtail or cease certain operations;
- temporarily shut down Statoil's facilities;
- meet technical requirements; or
- establish credentials in order to be permitted to commence drilling.

In particular, following the incident on the BP-operated Macondo well, Statoil may be required to incur significant costs in connection with changes in laws or regulations and/or drilling delays and recertifications that could affect Statoil's operations in the Gulf of Mexico, on the NCS and around the world. Any such changes, delays or recertifications could have a material adverse effect on Statoil's operations, results or financial condition.

Compliance with laws, regulations and obligations relating to climate change and other environmental regulations could result in substantial capital expenditure, reduced profitability as a result of changes in operating costs, and revenue generation and strategic growth opportunities being affected. Many of Statoil's mature fields are producing increasing quantities of water with oil and gas. Statoil's ability to dispose of this water in environmentally acceptable ways may have an impact on its oil and gas production.

If Statoil does not apply its resources to overcome the perceived trade-off between global access to energy and the protection or improvement of the natural environment, it could fail to live up to its aspirations of zero or minimal damage to the environment and contributing to human progress.

*As a result of EU directives, competition is expected to increase in the European gas market, currently Statoil's main market for gas sales.*

The general liberalisation of European gas markets could increase competition and adversely affect Statoil's ability to expand or even maintain its current market position or result in a reduction in prices in its gas sales contracts.

Most of Statoil's gas is sold under long-term gas contracts to customers in the EU, a gas market that will continue to be affected by changes in EU regulations and the implementation of such regulations in EU member states. As a result of the directives, Statoil's ability to expand or even maintain its current market position could be materially adversely affected and quantities sold under its gas sales contracts may be subject to a material reduction in gas prices.

Fundamental changes continue to take place in the organisation and operation of the European gas market with the aim of opening national markets to competition and integrating them into a single market for natural gas. This process started with the EU Gas Directive, which became effective in August 2000.

In July 2009, the EU adopted an expansive legislative package setting out new regulations for the internal markets for energy, electricity and gas that is required to be implemented by the member states by March 2011. The new regulations contain numerous requirements for energy companies relating to supply, transmission and distribution. The requirements include greater separation of production and supply activities from transmission and distribution activities; the establishment of independent national electricity regulators charged with supporting competitive, secure and



environmentally-sustainable internal markets for electricity and gas, and the harmonisation of technical standards in order to promote cross-border collaboration and investment. The new regulations also provide for a European Agency for the Cooperation of Energy Regulators with competence to oversee many parts of the legislative package.

Another EU initiative that is likely to impact the market for gas involves the environmental package implemented in December 2008, which strengthens and extends the Emissions Trading Scheme and creates national targets for renewable energy. This will have positive and negative impacts on the competitive position of natural gas as a fuel.

The third focus area of EU energy policy is supply security, which has led to increased focus on projects that diversify gas supplies to the EU. As a result, the Caspian region, where Statoil participates in the Shah Deniz field, is now receiving increasing attention from the EU. Solutions aimed at bringing Caspian gas to Europe are receiving political support from the EU in an attempt to resolve the complex transportation issue in the region.

*Political and economic policies of the Norwegian State could affect Statoil's business.*

The Norwegian State plays an active role in the management of NCS hydrocarbon resources. In addition to its direct participation in petroleum activities through the State's Direct Financial Interest (**SDFI**) and its indirect impact through tax and environmental laws and regulations, the Norwegian State awards licences for reconnaissance, production and transportation, and it approves, among other things, exploration and development projects, gas sales contracts and applications for (gas) production rates for individual fields. The Norwegian State may, if important public interests are at stake, also instruct Statoil and other oil companies to reduce the production of petroleum. Furthermore, in the production licences in which the SDFI holds an interest, the Norwegian State retains the ability to direct petroleum licensees' actions in certain circumstances.

If the Norwegian State were to take additional action under its extensive powers over activities on the NCS or to change laws, regulations, policies or practices relating to the oil and gas industry, Statoil's NCS exploration, development and production activities and its results of operations could be materially and adversely affected.

#### ***Risks related to ownership by the principal shareholder and its involvement in the SDFI***

The interests of Statoil's majority shareholder, the Norwegian State, may not always be aligned with the interests of its other shareholders, and this may affect Statoil's decisions relating to the NCS.

The Norwegian Parliament, known as the Storting, and the Norwegian State have resolved that the Norwegian State's shares in Statoil and the SDFI's interest in NCS licences must be managed in accordance with a coordinated ownership strategy for the Norwegian State's oil and gas interests. Under this strategy, the Norwegian State has required Statoil to continue to market the Norwegian State's oil and gas together with its own oil and gas as a single economic unit.

Pursuant to the coordinated ownership strategy for the Norwegian State's shares in Statoil and the SDFI, the Norwegian State requires Statoil, in its activities on the NCS, to take account of the Norwegian State's interests in all decisions that may affect the development and marketing of Statoil's and the Norwegian State's oil and gas.

The Norwegian State directly held 67% of Statoil's ordinary shares as of 12 March 2011. A two-thirds majority is required to decide matters submitted to a vote of shareholders. The Norwegian State therefore effectively has the power to influence the outcome of any vote of shareholders due to the percentage of Statoil's shares it owns, including amending Statoil's articles of association and electing all non-employee members of the corporate assembly. The employees are entitled to be represented by up to one-third of the members of the board of directors and one-third of the corporate assembly.

The corporate assembly is responsible for electing Statoil's board of directors. It also makes recommendations to the general meeting concerning the board of directors' proposals relating to the



company's annual accounts, balance sheet, allocation of profits and coverage of loss. The interests of the Norwegian State in deciding these and other matters and the factors it considers when casting its votes, especially under the coordinated ownership strategy for the SDFI and Statoil's shares held by the Norwegian State, could be different from the interests of its other shareholders. Accordingly, when making commercial decisions relating to the NCS, Statoil has to take the Norwegian State's coordinated ownership strategy into account, and it may not be able to fully pursue its own commercial interests, including those relating to its strategy for the development, production and marketing of oil and gas.

If the Norwegian State's coordinated ownership strategy is not implemented and pursued in the future, then Statoil's mandate to continue to sell the Norwegian State's oil and gas together with its own oil and gas as a single economic unit is likely to be prejudiced. Loss of the mandate to sell the SDFI's oil and gas could have an adverse effect on Statoil's position in its markets.

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### ***Because the Notes are unsecured, your right to receive payments may be adversely affected***

The Notes will be unsecured. The Notes are not subordinated to any of the Issuer's other debt obligations and therefore they will rank equally with all of its other unsecured and unsubordinated indebtedness. As of 31 December 2010, Statoil had NOK 837 million aggregate principal amount of secured indebtedness outstanding. If the Issuer defaults on the Notes or the Guarantor defaults on the guarantee, or in the event of bankruptcy, liquidation or reorganisation, then, to the extent that the Issuer or the Guarantor has granted security over its assets, the assets that secure these debts will be

used to satisfy the obligations under that secured debt before the Issuer or the Guarantor could make payment on the Notes. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features.

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified;
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield;
- (viii) the issuer of a security that serves as an index or part of an index for any such Notes will have no involvement in the offer and sale of the Index Linked Notes and no obligations to the investors of the Index Linked Notes. Such issuer may take actions, such as a merger or sale of assets, without regard to the interests of the investors. Any of these actions could adversely affect the value of any Notes indexed to that security or to an index of which that security is a component;

- (ix) some indices may consist of or refer to several or many different securities, commodities or currencies or other instruments or measures. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value or level of the index is calculated. An alteration may result in a decrease in the value of or return on an Index Linked Note that is linked to such index;
- (x) an index may become unavailable or impossible to calculate in the normal manner, due to events such as war, natural disasters, cessation of publication of the index or a suspension or disruption of trading in one or more securities, commodities or currencies or other instruments or measures on which the index is based. If an index becomes unavailable or impossible to calculate in the normal manner, the terms of a particular Index Linked Note may allow the calculation agent to delay determining the amount payable as principal or interest on an Index Linked Note, or the calculation agent may use an alternative method to determine the value of the unavailable index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that any alternative method of valuation will produce a value identical to the value that the actual index would produce. If an alternative method of valuation for an index is used, the value of the Notes linked to such index, or the rate of return on it, may be lower than it otherwise would be; and
- (xi) the Issuer may engage in hedging activities that could adversely affect Notes with principal or interest determined by reference to a Relevant Factor. In order to hedge an exposure on particular Notes with principal or interest determined by reference to a Relevant Factor, the Issuer may, directly or through our affiliates, enter into transactions involving such Notes, the applicable Relevant Factor, commodities or currencies or other instruments or measures that underlie the Relevant Factor or derivative instruments, such as swaps, options or futures, on the Relevant Factor or any of its component items. By engaging in transactions of this kind, the Issuer could adversely affect the value of such Notes. It is possible that the Issuer could achieve substantial returns from its hedging transactions while the value of such Notes may decline.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Moreover, some Notes are linked to indices that are not commonly used or that have been developed only recently. The lack of a trading history may make it difficult to anticipate the volatility or other risks associated with Index Linked Notes of this kind. In addition, trading in these indices or their underlying stocks, commodities or currencies or other instruments or measures, or options or futures contracts on these stocks, commodities or currencies or other instruments or measures, may be limited, which could increase their volatility and decrease the value of the related Index Linked Notes or the rates of return on them. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of their particular circumstances.

#### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

#### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally.

#### *Modification, waivers and substitution*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States of the European Union (**Member States**) are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the

Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

#### *Trading in the clearing systems*

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

*Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with Statoil.*

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

#### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes



generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Purchasers of the Notes rely on the creditworthiness of the Issuer and, if applicable, the Guarantor and no other person. Investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of Statoil may adversely affect the market value of the securities.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies will be disclosed in the Final Terms.

#### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been approved by the UK Listing Authority or filed with it shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors' reports and the consolidated audited annual financial statements for the financial years ended 31 December 2009 and 31 December 2010 of Statoil ASA contained on pages 202 to 292 and 206 to 292 respectively of Statoil ASA's Annual Reports on Form 20-F for the years ended 31 December 2009 and 31 December 2010;
- (b) the unaudited consolidated financial statements of Statoil ASA for the period ended 31 March 2011 contained on pages 27 to 39 of Statoil ASA's Financial statements and review – 1st quarter 2011; and
- (c) the auditors' reports and the non-consolidated audited annual financial statements for the financial years ended 31 December 2009 and 31 December 2010 of Statoil Petroleum AS.

Following the publication of this Offering Circular a supplement may be prepared by the Issuers and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered offices of the Issuer and the Guarantor and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes. The Issuer and the Guarantor have undertaken to the Dealers in the Programme Agreement (as defined in "*Subscription and Sale*") that they will each comply with section 87G of the Financial Services and Markets Act 2000.

## FORM OF THE NOTES

### 1. General

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) which will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream, Luxembourg, société anonyme (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for, Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section "Form of the Notes" to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

On and after the date (the **Exchange Date**) which is the later of (i) 40 days after the temporary global Note is issued and (ii) 40 days after the completion of distribution of all the Notes is certified to the Agent (the **Distribution Compliance Period**), interests in any temporary global Note issued will be exchangeable (free of charge) upon a request as described therein either for interests in a permanent global Note without receipts, interest coupons or talons (a **Permanent Global Note**) or for definitive Notes in bearer form with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification exchange of the temporary global Note is improperly withheld or refused. Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Payments of principal and interest (if any) on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that, a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global note) to the Agent as described therein or (b) only the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and

Clearstream, Luxembourg have been closed for a continuous period of 14 days (other than by reason of holiday statutory or otherwise) or have announced an intention permanently to cease business, or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to the Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all permanent global Notes, definitive Notes, receipts, interest coupons and talons:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in “*Terms and Conditions of the Notes – Events of Default*”. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to its securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Note, unless within a period of 7 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, such global Note will become void. At the same time, holders of interests in such global Note credited to their accounts with Euroclear and Clearstream, Luxembourg will become entitled to proceed directly against the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor on the basis of statements of account provided with Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 29 November 2010, executed by the Issuer.

## 2. Form of Final Terms

The Final Terms applicable to each Tranche of Notes will be in the following form and will contain such information as is applicable in respect of such Notes (all references to numbered Conditions being to the relevant Condition in the Terms and Conditions of the relevant Notes (the **Conditions**)):

[Date]

### STATOIL ASA

#### Guaranteed by STATOIL PETROLEUM AS

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
Issued pursuant to the US\$8,000,000,000  
Euro Medium Term Note Programme

#### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 1 June 2011 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer



6. (i) **Specified Denominations:** [     ]  
 (No Notes may be issued which have a minimum denomination of less than EUR 100,000 (or equivalent in another currency).)  
 (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 minimum denomination is not required.)
- (ii) **Calculation Amount:** [     ]  
 (If only one Specified Denomination, insert the Specified Denomination.  
 If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. [(i)] **Issue Date [and Interest Commencement Date]:** [     ]  
 [(ii)] **Interest Commencement Date (if different from the Issue Date):** [     ]
8. **Maturity Date:** [Fixed rate – specify date/Floating rate - Interest Payment Date falling in or nearest to the relevant month and year]
9. **Interest Basis:** [[     ] per cent Fixed rate]  
 [[LIBOR/EURIBOR] +/- [     ] per cent Floating Rate Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [specify other]  
 (further particulars specified below)
10. **Redemption/Payment Basis:** [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [specify other]  
 (N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation (EC/809/2004) will apply.)
11. **Change of Interest Basis or Redemption/Payment Basis:** [Specify details of any provision for convertibility of Notes into another interest basis or redemption/ payment basis]
12. **Put/Call Options:** [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]

13. **[Date [Board] approval for issuance of Notes [and Guarantee] obtained:** [ ]  
*(N. B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*
14. **Method of distribution:** [Syndicated/Non-syndicated]
- Provisions Relating to Interest (if any) Payable**
15. **Fixed Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) **Rate(s) of Interest.** [ ] per cent per annum (payable [annually/semi-annually/quarterly/monthly] in arrear) (If payable other than annually, consider amending Condition 4)
- (ii) **Interest Payment Date(s):** [[ ] in each year up to including the Maturity Date]/ *[Specify other] (NB: This will need to be amended in the case of long or short coupons)*
- (iii) **Fixed Coupon Amount(s):** [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*
- (iv) **Broken Amount(s):** [ ] per Calculation Amount, payable on the  
*(Applicable to Notes in definitive form)* Interest Payment Date falling [in/on] [ ]
- (v) **Day Count Fraction:** [30/360 or Actual/Actual (ICMA) or *specify other*]  
*(NB: If interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)*
- (vi) **Determination Date(s):** [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration)] (NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) **Other terms relating to the method of calculating interest for Fixed Rate Notes:** [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) **Specified Period (s)/Specified Interest Payment Dates:** [ ]
- (ii) **Business Day Convention:** [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day



	Convention/Preceding Convention/[specify other]]	Business	Day
(iii) <b>Additional Business Centre(s):</b>	[ ]		
(iv) <b>Manner in which the Rate of Interest and Interest Amount are to be determined:</b>	[Screen Rate Determination/ISDA Determination/ specify other]		
(v) <b>Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):</b>	[ ]		
(vi) <b>Screen Rate Determination:</b>	[ ]		
– <b>Reference Rate:</b>	<i>(Either LIBOR, EURIBOR or other, although additional information is required if other - including any amendment to the fall back provisions in the Agency Agreement)</i>		
– <b>Interest Determination Date(s):</b>	[ ]		
– <b>Relevant Screen Page:</b>	[ ]		
(vii) <b>ISDA Determination:</b>			
– <b>Floating Rate Option:</b>	[ ]		
– <b>Designated Maturity:</b>	[ ]		
– <b>Reset Dates:</b>	[ ]		
(viii) <b>Margin (s):</b>	[+/-] [ ]	per cent	per annum
(ix) <b>Minimum Rate of Interest:</b>	[ ]	per cent	per annum
(x) <b>Maximum Rate of Interest:</b>	[ ]	per cent	per annum
(xi) <b>Day Count Fraction:</b>	[ ]		
(xii) <b>Fall back provisions, rounding provisions, and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:</b>	[ ]		
<b>17. Zero Coupon Note Provisions</b>	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>		
(i) <b>Accrual Yield:</b>	[ ]	per cent	per annum
(ii) <b>Reference Price:</b>	[ ]		

- (iii) **Any other formula/basis of determining amount payable:** [ ]  
*(Consider applicable day count fraction if euro denominated)*
- (iv) **Day Count Fraction in relation to Early Redemption Amounts and late payment:** [Conditions 6(e)(iii) and 6(j) apply/specify *other*]
- 18. Index Linked Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) **Index/Formula** [give or annex details]
- (ii) **Calculation Agent** [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) **Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent)** [ ]
- (iv) **Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:** [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (v) **Specified Period (s)/Specified Interest Payment Dates:** [ ]
- (vi) **Business Day Convention:** [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify *other*]
- (vii) **Additional Business Centre(s):** [ ]
- (viii) **Minimum Rate of Interest:** [ ] per cent per annum
- (ix) **Maximum Rate of Interest:** [ ] per cent per annum
- (x) **Day Count Fraction:** [ ]
- 19. Dual Currency Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the*

*Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

- (i) **Rate of Exchange/method of calculating Rate of Exchange:** [give or annex details]
- (ii) **Party, if any responsible for calculating the principal and/or interest due (if not the Agent):** [ ]
- (iii) **Provisions applicable calculation by reference to Rate of Exchange impossible or impracticable:** [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) **Person at whose option Specified Currency(ies) is/are payable:** [ ]

### Provisions Relating to Redemption

**20. Issuer Call** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) **Optional Redemption Date(s):** [ ]
- (ii) **Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):** [[ ] per Calculation Amount/specify other/ see Appendix]
- (iii) **If redeemable in part:**
  - (a) **Minimum Redemption Amount:** [ ]
  - (b) **Higher Redemption Amount:** [ ]
- (iv) **Notice period (if other than as set out in the Conditions):** [ ]

**21. Investor Put** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) **Optional Redemption Date(s):** [ ]
- (ii) **Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):** [[ ] per Calculation Amount/specify other/ see Appendix]
- (iii) **Notice period (if other than as set out in the Conditions):** [ ]

**22. Final Redemption Amount** [[ ] per Calculation Amount/specify other/ see Appendix]

*(N.B. In relation to any issue of Notes which are expressed at paragraph 6 above to have a*

*minimum denomination and tradeable amounts above such minimum denomination which are smaller than it the following wording should be added: "For the avoidance of doubt, in the case of a holding of Notes in an integral multiple of [ ] in excess of [ ] as envisaged in paragraph 6 above, such holding will be redeemed at its nominal amount"*)

*(N.B. If the Final Redemption Amount is other than 100 per cent of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation (EC/809/2004) will apply.)*

- 23. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)):** [ ] per Calculation Amount/specify other/ see Appendix]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

**24. Form of Notes:**

**[(i) Form:]**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon [not less than 60 days' notice] [only upon the occurrence of an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] (N.B. In the case of securities with a minimum denomination of €100,000 and integral multiples of €1,000 thereafter will be exchangeable for definitive Notes only upon the occurrence of an Exchange Event. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented by a Temporary Global Note exchangeable for definitive Notes.)

*[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.<sup>1</sup>]*

**[(ii) New Global Notes:**

[Yes] [No]

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<sup>1</sup> Include for Notes that are to be offered in Belgium.

25. **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** [Not Applicable/give details] (Note that this item relates to the place of payment, and not interest period end dates, to which items 16(iii) and 18(vi) relate)
26. **Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes/No: If yes, give details]
27. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:** [Not Applicable/give details] (NB: a new form of Temporary Global Note may be required for Partly Paid issues)
28. **Details relating to Instalment Notes: Instalment Amount, Instalment Date:** [ ]
29. **Redenomination:** Redenomination [not] applicable (if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)
30. **Other final terms:** [Not Applicable/give details] (When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive)  
(Consider including a term providing for tax certification if required to enable interest to be paid gross by Issuer.)

## Distribution

31. (i) **If syndicated, names of Managers:** [Not Applicable/give names]  
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) **Date of [Subscription] Agreement:** [ ]  
(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).
- (iii) **Stabilising Manager (if any):** [Not Applicable/give names]



- 32. **In non-syndicated, name of relevant Dealer:** [Not Applicable/give names]
- 33. **U.S. Selling Restrictions:** [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- 34. **Additional selling restrictions:** [Not Applicable/give names]

**Purpose of Final Terms**

These Final Terms comprise the details required for issue and admission to trading on the London Stock Exchange’s regulated market of the Notes described herein pursuant to the listing of the US\$8,000,000,000 Euro Medium Term Note Programme of Statoil ASA.

**No Breach of Borrowing Limit**

The Issuer confirms that it is not in breach of, and the issue of the Notes will not breach, any corporate borrowing limits which the Issuer is subject to.

**Responsibility**

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer	[Signed on behalf of the Guarantor:
By .....	By .....
Duly authorised	Duly authorised]

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listed on the Official List of the UK Listing Authority with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listed on the Official List of the UK Listing Authority with effect from [ ].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading : [ ]

### 2. RATINGS

Ratings: The Notes to be issued [have been rated]/[are expected to be]:

[S & P: [ ]]

[Moody's: [ ]]

[[Other]: [ ]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer [ ]]

[(ii)] Estimated net proceeds: [ ]

[(iii)] Estimated total expenses: [ ].

(N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks such reasons are inserted in (i) and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

### 5. YIELD (Fixed Rate Notes only)

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING** *(Index-Linked Notes only)*

*[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]*

*[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]*

*[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

*(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**7. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** *(Dual Currency Notes only)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]*

*(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

**8. OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream, Luxembourg, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): [ ]

(vi) [Intended to be held in a manner : [Yes] [No]  
which would allow Eurosystem  
eligibility

*[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if “yes” selected in which case the Notes must be issued in NGN form]*



## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or listing authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each temporary global Note, permanent global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which will include certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Statoil ASA (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the *Notes* shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency;
- (ii) definitive Notes issued in exchange for a global Note; and
- (iii) any global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement (such Agency Agreement, as modified and/or restated and/or supplemented from time to time, the **Agency Agreement**) dated 29 November 2010 and made among the Issuer, Statoil Petroleum AS (the **Guarantor**), The Bank of New York Mellon as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

If so indicated in the applicable Final Terms, the Notes will have the benefit of the deed of guarantee executed by the Guarantor (such deed as modified and/or restated and/or supplemented from time to time, the **Guarantee**) dated 29 November 2010.

Interest bearing definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of any Coupons, and shall, unless the context otherwise requires, include the holders of any Talons.

As used herein, **Tranche** means all Notes with the same Issue Date and which are subject to the same Final Terms and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 29 November 2010 and made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Agent and the other Paying Agents. Copies of the applicable Final Terms are available for viewing at and copies may be obtained from the registered office of the Issuer and from the specified office of each of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to identity. In addition, copies of each Final Terms relating to the Notes which are either admitted to trading on the London Stock Exchange’s regulated market or offered in the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Directive will be available at the website of the Regulatory News Service operated by the London Stock Exchange. Copies of each Final Terms relating to Notes which are admitted to trading on any other regulated market in the European Economic Area or offered in any other Member State of the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will be available for viewing in accordance with Article (2) of the Prospectus Directive and the rules and regulations of the relevant regulated market. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. Form, Denomination and Title**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. The Issuer, the Guarantor, and any Paying Agent may deem and treat the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership

or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

## 2. Status of the Notes and the Guarantee

### (a) Status of the Notes

The Notes and the relative Receipts and Coupons (if any) constitute (subject to Condition 3) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the relative Receipts and Coupons (if any) shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

### (b) Status of Guarantee

The obligations of the Guarantor under the Guarantee constitute (subject to Condition 3 below) A unsecured and unsubordinated obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) at least equally with all its other present and future unsecured and unsubordinated obligations.

## 3. Negative Pledge

### (a) So long as any Note, Receipt or Coupon remains outstanding (as defined in the Agency Agreement):

- (i) the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (**Security**) upon the whole or any part of its undertaking, assets or revenues present or future to secure any of its Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt of any other person; or
- (ii) the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor will procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure any of the Issuer's or Guarantor's (in the case of Notes having the benefit of the Guarantee) Relevant Debt, or any guarantee of or indemnity in respect of any of

the Issuer's or Guarantor's (in the case of Notes having the benefit of the Guarantee) Relevant Debt; or

- (iii) the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor will procure that no other person gives any guarantee of, or indemnity in respect of, any of its Relevant Debt,

unless, at the same time or prior thereto, the Issuer's obligations under the Notes, the Receipts and Coupons or (in the case of Notes having the benefit of the Guarantee) the Guarantor's obligations under the Guarantee (if any):

- (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be; or
- (bb) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

- (b) For the purposes of this Condition:

**Relevant Debt** means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market.

#### 4. Interest

- (a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation

Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by

which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions, **Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these conditions:

**Determination Period** means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date following after, such date); and

**sub-unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

*(b) Interest on Floating Rate Notes and Index Linked Interest Notes*

*(i) Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an Interest Payment Date) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.



Such interest will be payable in respect of each Interest Period (which expression, shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, **Business Day** means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

*(ii) Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

*(A) ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA

Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes,

published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), (i) **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions, (ii) the definition of **Banking Day** in the ISDA Definitions shall be amended to insert after the words “are open for” in the second line, the word “general” and (iii) **Euro-zone** means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty.

*(B) Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

*(iii) Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

where:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (v) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D<sub>2</sub> will be 30.

(vi) *Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.



## 5. Payments

### (a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or at the option of the payee by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7. References to “Specified Currency” will include any successor currency under applicable law.

### (b) Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Index Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

*(c) Payments in respect of global Notes*

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States.

A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

*(d) General provisions applicable to payments*

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee), adverse tax consequences to the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee).

*(e) Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the

relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (i) in the case of Notes in definitive form only, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; and
- (ii) a Business Day (as defined in Condition 4(b)(i)).

*(f) Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## **6. Redemption and Purchase**

*(a) At Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

*(b) Redemption for Tax Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or (in the case of Notes having the benefit of the Guarantee) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days (or, in the case of Floating Rate Notes, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Floating Rate Notes plus 60 days) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer or, as the case may be, two directors of the Guarantor (in the case of Notes having the benefit of the Guarantee) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

*(c) Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer shall, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(which notices shall be irrevocable), redeem all or, if so specified in the applicable Final Terms, some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than a Higher Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 15 days prior to the Selection Date.

*(d) Redemption at the Option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms the Issuer will, upon the expiry of such

notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Notes (other than Zero Coupon Notes but including Instalment Notes and Partly Paid Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and



y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360 day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360 or on such other basis of calculation as may be specified in the applicable Final Terms.

(f) *Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) *Purchases*

The Issuer or the Guarantor (in the case of Notes having the benefit of the Guarantee) may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor (in the case of Notes having the benefit of the Guarantee), surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## **7. Taxation**

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of



Norway or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) shall pay such additional amounts as will result in receipt by the holders of the Notes, Receipts or Coupons of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment in the Kingdom of Norway; or
- (b) the holder of which is liable for such taxes duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of such Note, Receipt or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

**Relevant Date** means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

## **8. Prescription**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **9. Events of Default**

If any one or more of the following events (each an **Event of Default**) shall occur and is continuing:

- (a) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor fails to pay any principal or interest on any of the Notes when due and such failure continues, in the case of interest, for a period of fourteen days; or
- (b) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given to the Agent at its specified office by any Noteholder; or
- (c)
  - (i) there shall have been accelerated because of default the maturity of any other present or future indebtedness in respect of moneys borrowed or raised of the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor; or
  - (ii) any such indebtedness is not paid at final maturity (as extended by any applicable grace period); or

- (iii) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds US\$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(c) operates);

- (d) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor; or
- (e) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, the Guarantor or any Principal Subsidiary, or the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor ceases or threatens to cease to carry on all or a material part of its business or operations, except:
  - (i) in the case of an Asset Transfer, provided that the Subsidiary to which the undertaking of assets are transferred, unconditionally and irrevocably guarantees the obligations of the Issuer under the Notes and Coupons pursuant to a guarantee in the form of a deed poll to be dated on or about the date of the Asset Transfer in the form substantially the same as the Guarantee; or
  - (ii) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation:
    - (a) on terms approved by an Extraordinary Resolution of the Noteholders; or
    - (b) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor (as the case may be) or another of their Subsidiaries; or
- (f) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or
- (g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in (d) to (f) above,

then any Note may, by notice given in writing to the Agent at its specified office by the holder be declared immediately due and payable whereupon it shall become immediately due and payable at the Early Redemption Amount (as described in Condition 6(e)), together with accrued interest (if any) to the date of repayment, without further formality unless such Event of Default shall have been remedied prior to the receipt of such notice by the Agent.

As used herein:

**Asset Transfer** means, at any particular time, any transfer or transfers by the Issuer or the Guarantor of all or a material part of the business or operations of the Issuer or, as the case may be, the Guarantor to a Subsidiary of the Issuer;

**Principal Subsidiary** means at any particular time, a Subsidiary whose total assets represent not less than 10 per cent of the consolidated total assets of the Issuer and its consolidated Subsidiaries as shown by the latest consolidated balance sheet of the Issuer; and

**Subsidiary** means, at any particular time, a company of which the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor directly or indirectly owns or controls at least a majority of the outstanding voting stock giving power to elect a majority of the Board of Directors of such company.

#### **10. Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent or any Replacement Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

#### **11. Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee) is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (ii) the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee) will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (iii) there will at all times be a Paying Agent with a specified office outside Norway; and
- (iv) there will at all times be an Agent.

In addition, the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee) shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

#### **12. Exchange of Talons**

On and after the Interest Payment Date, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

### **13. Notices**

All notices regarding the Notes shall be published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times or any other daily newspaper in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in both newspapers, on the date of the first publication in both such newspapers.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on any stock exchange or admitted to trading by another relevant authority, such stock exchange or relevant authority permits), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

### **14. Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of interest on the Notes, (iii) to change the currency of payment of the Notes or the Receipts or Coupons, (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel the obligations of the Guarantor under the Guarantee, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Receiptholders or Couponholders.

The Agent, the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

## **15. Substitution**

The Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor under the Notes, Receipts and the Coupons a company (the Substitute) as principal debtor under the Notes, Receipts or Coupons in the manner specified in Schedule 6 to the Agency Agreement, provided that no payment in respect of the Notes, the Receipts or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the Deed Poll), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

- (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder, Receiptholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
- (ii) the obligations of the Substitute under the Deed Poll, the Notes, Receipts and the Coupons shall be unconditionally and irrevocably guaranteed by the Issuer by means of the Deed Poll;
- (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts and Coupons represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of the Issuer have been taken, fulfilled and done and are in full force and effect;
- (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
- (v) each stock exchange or listing authority which has the Notes listed on such stock exchange shall have confirmed that following the proposed substitution of the Substitute the Notes would continue to be listed on such stock exchange;
- (vi) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition 15 and the other matters specified in the Deed Poll; and
- (vii) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in Condition 9, shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect and the provisions of Condition 9(c)- 9(f) inclusive shall be deemed to apply in addition to the guarantor.

## **16. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes



or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

#### **17. Contracts (Rights of Third Parties) Act 1999**

A person who is not a Noteholder has no right under the Contracts (Rights of Third Parties) Act 1999 (the Act) to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

#### **18. Governing Law and Submission to Jurisdiction**

- (a) The Agency Agreement, the Guarantee, the Notes, the Receipts and the Coupons and any non contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.
- (b) The courts of England are to have jurisdiction to settle any disputes (including a dispute relating to any non-contractual obligations) which may arise out of or in connection with the Notes, Receipts or Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes, Receipts or Coupons (**Proceedings**) may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders, Receiptholders and Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) Each of the Issuer and the Guarantor irrevocably appoints Statoil (U.K.) Limited at its registered office in England for the time being at One Kingdom Street, Paddington Central, London W2 6BD to receive service of process in any Proceedings in England based on any of the Notes, Receipts or Coupons. If for any reason the Issuer or Guarantor does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.



## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If in respect of any particular issue of Notes which are derivative securities for the purposes of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

# STATOIL

## Overview

### *Statoil ASA*

Statoil ASA (the **Company**) is the parent company of the Statoil Group (**Statoil** or the **Group**), an integrated energy company, and has its registered office and principal place of business at Forusbeen 50, N-4035 Stavanger, Norway, telephone + 47 51 99 00 00. Statoil ASA is a public limited company with an indefinite lifetime, was incorporated under the laws of Norway in September 1972 and is registered in the Norwegian Register of Business Enterprises in 8910 Brønnøysund, Norway under organisation number 923 609 016.

The purpose of Statoil ASA, as set out in its articles of association, is to engage in exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products and other forms of energy as well as other business. Such activities may be carried out through participation in, or cooperation with, other companies.

### *Statoil Petroleum AS*

Statoil Petroleum AS (**SP**) was incorporated in Norway in February 2007 under organisation number 990 888 213. SP is registered as a limited company and operates under the laws of Norway. SP's registered office is at Forusbeen 50, N-4035 Stavanger, Norway, and the telephone number of its registered office is + 47 51 99 00 00.

SP is a 100% owned subsidiary of the Company. The purpose of SP, as set out in its articles of association, is to engage in exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products and other forms of energy as well as other business. Such activities may be carried out through participation in, or cooperation with, other companies.

### *Business of SP*

SP is the owner of a considerable portion of the assets of Statoil (including licences, production plants and transportation systems as well as shareholdings in several international subsidiaries). Its main revenues are derived from the sale of crude oil and natural gas. SP has no employees and is controlled and operated through the business lines of the Company, which as 100% owner, defines and develops the framework within which SP conducts its business subject to any limitation set out in the articles of association and applicable law. The business transactions of SP are carried out by the employees of the Company as an integrated part of the other business operations carried out by Statoil. The operations of SP are financed through cash-flow from its operations, as well as with long-term loans from the Company.

### *Business and strategy of Statoil*

The information about Statoil's competitive position in this section is based on a number of sources, including investment analysts' reports, independent market studies and Statoil's internal assessments of its market share based on publicly available information about the financial results and performance of market players.

Statoil is an integrated energy company that is primarily engaged in oil and gas exploration and production activities. Statoil is headquartered in Norway and it is present in 42 countries worldwide. Statoil is the leading operator on the Norwegian continental shelf (**NCS**). It is also expanding its international activities. Entitlement oil and gas production outside Norway accounted for 19.5% of Statoil's total production in 2010, which averaged 1,705 mmbbl per day. As of 31 December 2010, Statoil had proved reserves of 2,124 mmbbl of oil and 509 bcm (equivalent to 18.0 tcf) of natural gas, corresponding to aggregate proved reserves of 5,325 mmbbl.

Statoil is among the world's largest net sellers of crude oil and condensate, and it is the second largest supplier of natural gas to the European market. Statoil also has substantial processing and refining activities. Furthermore, Statoil is contributing to the development of new energy resources, having ongoing activities in the fields of wind power and biofuels and is at the forefront in relation to the implementation of technologies for carbon capture and storage (CCS).

Statoil markets and sells the Norwegian State's share of oil and gas production from the NCS. The Norwegian State has direct participating interests in licences and petroleum facilities on the NCS, organised through the State's direct financial interest (SDFI). In addition to its own volumes, Statoil markets and sells the SDFI share of NCS oil and gas production. All purchases and sales of SDFI oil production are recorded as purchases (net of inventory variation) and revenue, respectively. Statoil sells, in its own name, but for the Norwegian State's account and risk, the State's production of natural gas. This sale, and related expenditures refunded by the State, are recorded net in Statoil's financial statements.

In October 2010, Statoil formed a stand-alone company, Statoil Fuel & Retail ASA, comprising its energy and retail business, which successfully completed an initial public offering. As of 31 March 2011, Statoil held a 54% majority ownership interest in Statoil Fuel & Retail ASA.

As of 31 December 2010, there were approximately 30,300 employees in the Statoil group. Of this total, 10,400 were employees of the Statoil Fuel & Retail group.

Statoil's strategy is to profitably grow its long-term oil and gas production while gradually building a position in renewable energy production.

Statoil's overall long-term strategy as an upstream-oriented, technology-driven company is based on the following key components:

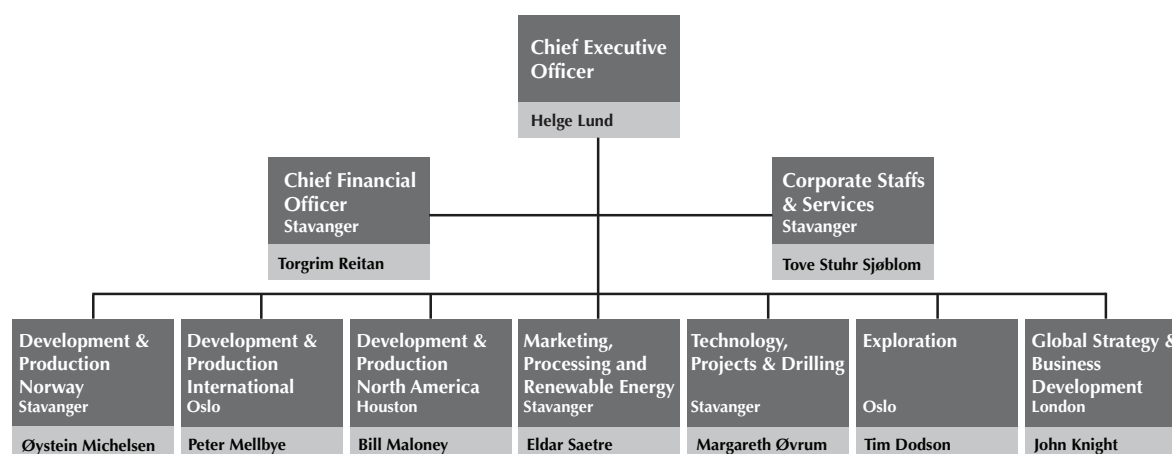
- Deliver on operations and HSE.
- Utilise technology and management capabilities to capture the full potential of Statoil's positions on the NCS.
- Deliver profitable international growth in the short and medium-term from existing positions, while creating new opportunities for long-term value creation.
- Use exploration as an important growth tool to secure long-term production capacity.
- Develop profitable midstream and downstream positions in support of Statoil's upstream activities.
- Minimise carbon emissions from, and the general environmental impact of, upstream and midstream activities.
- Pursue selected business opportunities for renewable energy production and CCS.
- Apply technology and innovate in order to create value and accelerate asset developments.
- Utilise organisational capabilities as a global energy company.

Statoil is addressing the challenges of growing its production, reserves and resource base through efficiency improvements resulting from simplification and renewal of its organisation, and by continually reviewing its portfolio in light of global business opportunities.

Statoil's growth strategy is based on exploration, focused business development, strategic acquisitions and divestments, and building long-term partnerships. Statoil's aim is to increase the scale of its operations in terms of production, reserves and technological and geographical breadth, and to bring its resource base closer to production. Statoil will continue to deliver profitable projects in a range of complex technical and stakeholder environments.

Statoil's short-term priorities are to conduct safe operations and to deliver production growth in line with its guidelines.

A new corporate structure was implemented with effect from 1 January 2011 (see the figure and descriptions below\*). The changes were made in order to simplify the organisation and clarify international accountability.



\*For reporting segments, see below.

### Development and Production business areas

Statoil's Development and Production business areas encompass its worldwide upstream activities for development and production of oil and gas. Development and Production Norway (**DPN**) comprises Statoil's upstream activities on the NCS, Development and Production North America (**DPNA**) comprises Statoil's upstream activities in North America, and Development and Production International (**DPI**) comprises Statoil's worldwide upstream activities that are not included in the DPN and DPNA business areas.

In the previous corporate structure, Statoil's upstream activities were organised into the Exploration & Production Norway and International Exploration & Production business areas. Over the past few years, Statoil has made large investments in North America. Establishing DPNA as a separate business area reflects the importance of the region to Statoil's business.

### Marketing, Processing and Renewable Energy

The activities previously included in Natural Gas, Manufacturing & Marketing and the New Energy unit of Technology & New Energy comprise Marketing, Processing and Renewable Energy (**MPR**). Statoil expects that combining these activities will create synergies in operating its onshore plants and marketing and trading activities.

### Technology, Projects and Drilling

The new business area Technology, Projects and Drilling (**TPD**) combines the activities previously included in the Technology unit of Technology & New Energy, the Projects & Procurement business area and the Drilling and Well unit of Exploration & Production Norway. Combining these activities simplifies work processes and significantly reduces the numbers of internal interfaces.

### Exploration

Exploration is a new business area. Statoil's exploration activities were previously part of Exploration & Production Norway and International Exploration & Production. Statoil expects that a single global

exploration business area will strengthen the deployment of resources to priority activities across the portfolio.

### Global Strategy and Business Development

Global Strategy and Business Development (**GSB**) is also a new business area. GSB is responsible for setting the corporate strategy, business development, and merger and acquisition activities.

### Reporting Segments

Prior to 1 January 2011, Statoil reported its operations in five reporting segments: Exploration and Production Norway, International Exploration and Production, Natural Gas, Manufacturing and Marketing and Fuel & Retail. Projects & Procurement and Technology & New Energy were reported as part of "Other" for segment reporting. Since 1 January 2011, Statoil has reported its business in four reporting segments, which are based on its new corporate structure: Development & Production Norway (**D&P Norway**), Development & Production International (**D&P International**) which combines the DPI and DPNA business areas, Marketing, Processing & Renewable Energy and Statoil Fuel & Retail. The activities included in the Exploration business area are, for reporting purposes, allocated to and presented in the respective Development and Production segments. The TPD and GSB business areas and the Corporate Staffs and Services are reported as part of "Other" for segment reporting.

Statements contained below regarding exploration and development projects and production estimates are forward-looking and are subject to significant risks and uncertainties. Although Statoil believes that the expectations reflected in the forward-looking statements are reasonable, it cannot be assured that the Group's actual levels of activity, production or performance will meet these expectations (see "*Risk Factors*").

## **Operations**

### ***D&P Norway***

D&P Norway consists of Statoil's exploration, field development and operations activities on the NCS.

At the end of 2010, the Group was the operator of 44 developed fields on the NCS. For the year 2010, Statoil's equity and entitlement production on the NCS was 1,374 mmboe per day, which was about 73% of its total production. Acting as operator, Statoil was responsible for approximately 75% of all oil and gas production on the NCS. In 2010, its average daily production of oil and natural gas liquids (**NGL**) on the NCS was 705 mboe, while its average daily gas production on the NCS was 106.4 mmcm (3.8 bcf).

Statoil has ownership interests in exploration acreage throughout the licenced parts of the NCS, both within and outside its core production areas. At the end of 2010 the Group participated in 213 licences on the NCS and was operator for 157 of them.

Statoil has organised its production operations into four business clusters – Operations West, Operations North Sea, Operations North and Partner Operated Fields. The Operations West and Operations North Sea clusters cover Statoil's licences in the North Sea. Operations North covers Statoil's licences in the Norwegian Sea and in the Barents Sea, while Partner Operated Fields cover the whole NCS.

### Oil and Gas Reserves

At the end of 2010, Statoil had a total of 1,241 mmbbl of proved oil reserves and 463 bcm (16.3 tcf) of proved natural gas reserves on the NCS.

The following table sets forth the Company's NCS proved reserves as of the end of the periods indicated. The data are stated net of royalties in kind.

Year	Oil/NGL Natural Gas		bcf	Total mmboe
	mmbbls	bcm		
2010 Proved reserves end of year .....	1,241	463	16,343	4,153
of which, proved developed reserves .....	950	389	13,721	3,394
2009 Proved reserves end of year .....	1,351	480	16,938	4,369
of which, proved developed reserves .....	1,028	401	14,138	3,548
2008 Proved reserves end of year .....	1,396	498	17,581	4,529
of which, proved developed reserves .....	1,113	410	14,482	3,693

### Reserve Information

The NCS assets of Statoil are held within SP. As at 31 December 2010, Statoil's total proved reserves on the NCS represented approximately 78% of Statoil's total proved reserves worldwide.

NCS production	For the year ended 31 December		
	2008	2009	2010
Entitlement liquids (mboe per day) .....	824	784	704
Entitlement natural gas (mboe per day) .....	637	666	669
Total entitlement liquids and gas production (mboe per day)....	1,461	1,450	1,374

The following table shows the NCS production fields and field areas in which Statoil participated in 2010. Amounts are stated net of royalties in kind. Field areas are groups of fields operated as a single entity.

Business cluster	Geographical area	StatoilHydro's equity interest in% <sup>(4)</sup>	Operator	On stream	Licence Expiry date	Producing wells		Average daily production in 2010
						Oil	Gas	Mboe/day
<b>Operations North Sea</b>								
Sleipner Øst.....	The North Sea	59.60	Statoil	1993	2028	0	10	<b>20.5</b>
Sleipner Vest .....	The North Sea	58.35	Statoil	1996	2028	0	20	<b>76.8</b>
Gungne .....	The North Sea	62.00	Statoil	1996	2028	0	4	<b>11.8</b>
Troll Phase 1 (Gas).....	The North Sea	30.58	Statoil	1996	2030	0	39	<b>162.8</b>
Troll Phase 2 (Oil) .....	The North Sea	30.58	Statoil	1995	2030 <sup>(2)</sup>	117	0	<b>36.7</b>
Fram .....	The North Sea	45.00	Statoil	2003	2024	9	0	<b>29.2</b>
Kvitebjørn .....	The North Sea	58.55	Statoil	2004	2031	0	10	<b>96.2</b>
Visund .....	The North Sea	53.20	Statoil	1999	2023	6	1	<b>24.2</b>
Vega .....	The North Sea	60.00	Statoil	2010	2035	0	2	<b>0.3</b>
Vega Sør .....	The North Sea	45.00	Statoil	2010	2024	2	0	<b>0.1</b>
Gjøa .....	The North Sea	20.00	GDFSuez	2010	2028	3(17)	2	<b>1.3</b>
Grane .....	The North Sea	36.66	Statoil	2003	2030 <sup>(3)</sup>	25	0	<b>54.7</b>
Veslefrikk .....	The North Sea	18.00	Statoil	1989	2015	17	0	<b>2.5</b>
Huldra .....	The North Sea	19.88	Statoil	2001	2015	0	5	<b>3.6</b>
Glitne .....	The North Sea	58.90	Statoil	2001	2013	6(4)	0	<b>2.6</b>
Heimdal .....	The North Sea	29.87	Statoil	1985	2021 <sup>(5)</sup>	0	3	<b>1.2</b>
Brage .....	The North Sea	32.70	Statoil	1993	2015 <sup>(6)</sup>	21	0	<b>9.9</b>
Vale.....	The North Sea	28.85	Statoil	2002	2021	0	1 <sup>(7)</sup>	<b>0.1</b>
Vilje.....	The North Sea	28.85	Statoil	2008	2021	2	0	<b>8.8</b>
Volve .....	The North Sea	59.60	Statoil	2008	2028	3	0	<b>19.8</b>
Total Operation North Sea ..						211	97	<b>562.9</b>



Business cluster	Geographical area	StatoilHydro's equity interest in% <sup>(1)</sup>	Operator	On stream	Licence Expiry date	Producing wells		Average daily production in 2010
						Oil	Gas	Mboe/day
<b>Operations West</b>								
Statfjord Unit .....	The North Sea	44.34	Statoil	1979	2026	68 <sup>(8)</sup>	8	<b>48.7</b>
Statfjord Nord .....	The North Sea	21.88	Statoil	1995	2026	7	0	<b>1.7</b>
Statfjord Øst.....	The North Sea	31.69	Statoil	1994	2026 <sup>(9)</sup>	7	0	<b>5.5</b>
Sygna .....	The North Sea	30.71	Statoil	2000	2026 <sup>(10)</sup>	3	0	<b>0.3</b>
Gullfaks .....	The North Sea	70.00	Statoil	1986	2016	95	9	<b>109.8</b>
Snorre .....	The North Sea	33.32	Statoil	1992	2015 <sup>(11)</sup>	27	0	<b>34.6</b>
Tordis area .....	The North Sea	41.50	Statoil	1994	2024	6	0	<b>5.2</b>
Vigdis area .....	The North Sea	41.50	Statoil	1997	2024	14	0	<b>15.1</b>
Gimle .....	The North Sea	65.13	Statoil	2006	2016	2	0	<b>2.5</b>
Oseberg .....	The North Sea	49.30	Statoil	1988	2031	62	0	<b>101.7</b>
Tune.....	The North Sea	50.00	Statoil	2002	2032	0	4	<b>6.0</b>
Total Operations West .....						291	21	<b>331.3</b>
<b>Operations North</b>								
Alve.....	The Norwegian Sea	85.00	Statoil	2009	2029	0	1	<b>19.2</b>
Kristin .....	The Norwegian Sea	55.30	Statoil	2005	2033 <sup>(12)</sup>	12	0	<b>41.9</b>
Norne .....	The Norwegian Sea	39.10	Statoil	1997	2026	9	0	<b>14.2</b>
Urd .....	The Norwegian Sea	63.95	Statoil	2005	2026	3	0	<b>4.6</b>
Heidrun .....	The Norwegian Sea	12.41	Statoil	1995	2024	29 <sup>(13)</sup>	0	<b>8.8</b>
Åsgard .....	The Norwegian Sea	34.57	Statoil	1999	2027	0	37	<b>123.4</b>
Mikkel .....	The Norwegian Sea	43.97	Statoil	2003	2022 <sup>(14)</sup>	0	3	<b>22.6</b>
Morvin.....	The Norwegian Sea		Statoil	2010	2027	1	0	<b>4.6</b>
Njord.....	The Norwegian Sea	20.00	Statoil	1997	2021 & 2023 <sup>(15)</sup>	6 <sup>(16)</sup>	0	<b>10.4</b>
Tyrihans.....	The Norwegian Sea	58.84	Statoil	2009	2029	4	0	<b>42.1</b>
Snøhvit .....	The Barents Sea	33.53	Statoil	2007	2035	0	9	<b>37.0</b>
Yttergryta .....	The Norwegian Sea	45.75	Statoil	2009	2027	0	1	<b>4.5</b>
Total Operations North .....						64	51	<b>333.4</b>
<b>Partner Operated Fields</b>								
Ormen Lange.....	The Norwegian Sea	28.92	Shell	2007	2041	0	12	<b>21.0</b>
Ekofisk area .....	The North Sea	7.60	Conoco Phillips	1971	2028	153	0	<b>108.6</b>
Ringhorne Øst .....	The North Sea	14.82	ExxonMobil	2006	2030	3	0	<b>2.9</b>
Sigyn .....	The North Sea	60.00	ExxonMobil	2002	2018	1	2	<b>10.8</b>
Enoch .....	The North Sea	11.78	Talisman	2007	2018	1	0	<b>2.1</b>
Skirne .....	The North Sea	10.00	Total	2004	2025	0	2	<b>0.5</b>
Total Partner Operated Fields						158	16	<b>146.0</b>
Total.....						724	185	<b>1373.7</b>

- (1) Equity interest as of 31 December 2010.
- (2) Troll Phase 2 (Oil) has 64 multi branched wells
- (3) Grane has 9 multi branched wells
- (4) Glitne 1 multi branched well
- (5) PL036 expires in 2021 and PL102 expires in 2025. The owner share of the topside facilities is 39.44%, however the owner share of the reservoir and production is 29.87%.
- (6) PL185 expires in 2015 and PL053B and PL055 both expire in 2017
- (7) Vale 1 multi branched well
- (8) 89 single completed wells. 4 multiple completed wells
- (9) PL037 expires in 2026 and PL089 expires in 2024
- (10) PL037 expires in 2026 and PL089 expires in 2024
- (11) PL089 expires in 2024 and PL057 expires in 2015
- (12) PL134B expires in 2027 and PL199 expires in 2033
- (13) 1 multi branched well
- (14) PL092 expires in 2020 and PL121 expires in 2022
- (15) PL107 expires in 2021 and PL132 expires in 2024
- (16) 1 multi branched well
- (17) From 2011 Gjøa will be reported as a partner operated field

## ***D&P International***

D&P International is responsible for exploration, development and production of oil and gas outside the NCS.

In 2010, Statoil was engaged in production in 11 countries outside of Norway: Canada, the US, Venezuela, Algeria, Angola, Libya, Nigeria, the UK, Azerbaijan, Russia and Iran. In 2010, Statoil's international production represented 27 % of its total equity production of oil and gas, and D&P International's share is expected to increase significantly in the future.

Statoil has exploration licences in North America (Canada and the US), South America (Brazil, Cuba and Venezuela), Africa (Algeria, Angola, Egypt, Libya, Mozambique, Nigeria and Tanzania), the European and Caspian area (the Faroes, Greenland, Ireland, the UK and Azerbaijan), and the Middle East and Asia (India, Iran and Indonesia).

The main sanctioned development projects in which Statoil is involved are in the US and Angola. Statoil believes it is well positioned for further growth through a substantial pre-sanctioned project portfolio, including a strengthened onshore US position following the Eagle Ford acquisition (see below).

In 2010, Statoil brought a partner into the Peregrino offshore heavy oil field project in Brazil by agreeing to sell a 40% share to the Sinochem Group from China. The transaction closed in April 2011. Statoil also brought a partner into its Canadian oil sands project in 2010 by selling a 40% share to PTT Exploration & Production PCL (PTTEP) from Thailand. The transaction closed January 2011. Statoil retains a 60% share and the operatorship in both developments. In October 2010, Statoil acquired 67,000 net acres in the Eagle Ford shale gas formation in Southwest Texas through agreements with Enduring Resources, LLC and Talisman Energy Inc. This Eagle Ford position complements Statoil's existing US onshore portfolio, and entails supplying a different range of hydrocarbons to different markets. Major additions to Statoil's international portfolio in recent years include entry into the Marcellus shale gas play in the US in 2008 and entry into the West Qurna 2 field in Iraq in late 2009.

### Reserves

At the end of 2010, Statoil's international proved oil and NGL reserves were 883 mmbbls of oil and the proved gas reserves 45.9 bcm (1.6 tcf), a total of 1,172 mmboe.

The following table sets forth the Group's total international proved reserves as at 31 December of each of the last three years.

<b>Year</b>	<b>Oil/NGL mmbbls</b>	<b>Natural Gas bcm</b>	<b>Natural Gas bcf</b>	<b>Total mmboe</b>
2010 Proved reserves at end of year.....	883	45.9	1,621	1,172
of which, proved developed reserves .....	407	27.7	977	581
2009 Proved reserves at end of year.....	824	34.3	1,210	1,039
of which, proved developed reserves .....	413	24.1	852	565
2008 Proved reserves at end of year.....	805	39.7	1,403	1,055
of which, proved developed reserves .....	406	20.6	727	536

## Production

Statoil's petroleum production outside Norway in 2010 amounted to an average of 332 mboe per day of entitlement production. The following tables set forth the Group's average daily international entitlement production for each of the last three years.

International production	For the year ended 31 December		
	2008	2009	2010
Entitlement liquids (mboe per day) .....	232	283	263
Entitlement natural gas (mboe per day) .....	59	74	68
Total entitlement liquids and gas production (mboe per day)....	290	357	332

The following table applies to Statoil's production outside Norway in 2010:

Field	Statoil's equity interest in per cent	Operator	On stream	License expiry	Producing wells	Average daily entitlement production <sup>(1)</sup> mboe/day	Average daily equity production mboe/day
Canada .....					65	18.2	18.2
Canada: Hibernia .....	5.00 %	HMDC	1997	2027	35	7.7	7.7
Canada: Terra Nova .....	15.00 %	Suncor	2002	2022	15	10.2	10.3
Canada: Leismer Demo <sup>(1)</sup> ....	60.00 %	Statoil	2010	HBP <sup>(2)</sup>	15	0.2	0.2
USA .....					244	62.3	62.3
USA: Lorien .....	30.00 %	Noble	2006	HBP	2	0.6	0.6
USA: Front Runner .....	25.00 %	Murphy Oil	2004	HBP	6	1.7	1.7
USA: Spiderman Gas .....	18.33 %	Anadarko	2007	HBP	3	3.9	3.9
USA: Q Gas .....	50.00 %	Statoil	2007	HBP	1	4.6	4.6
USA: San Jacinto Gas .....	26.67 %	ENI	2007	HBP	2	1.1	1.1
USA: Zia.....	35.00 %	Devon	2003	HBP	1	0.2	0.2
USA: Seventeen Hands.....	25.00 %	ENI	2006	HBP	1	0.0	0.0
USA: Marcellus shale gas ..	32.50 %	Chesapeake	2008	HBP	162	11.0	11.0
USA: Eagleford shale .....	43.00 %	Talisman	2010	HBP	47	0.2	0.2
USA: Eagleford shale .....	4.00 %	Laredo	2010	HBP	9	0.0	0.0
USA: Tahiti .....	25.00 %	Chevron	2009	HBP	7	31.1	31.1
USA: Thunderhawk.....	25.00 %	Murphy Oil	2009	HBP	3	8.0	8.0
Latin America .....					497	13.1	13.1
Venezuela: PetroCedeño <sup>(3)</sup>	9.68 %	PetroCedeño	2008	2032	497	13.1	13.1
North Africa .....					241	36.2	69.5
Algeria: In Salah.....	31.85 %	Sonatrach/BP/Statoil	2004	2027	36	20.0	42.7
Algeria: In Amenas .....	50.00 %	Sonatrach/BP/Statoil	2006	2022	21	12.2	22.4
Libya: Mabruk <sup>(4)</sup> .....	5.00 %	Total	1995	2028	63	1.4	1.6
Libya: Murzuq .....	2.40 %	Repsol	2003	2032	121	2.6	2.8

Field	Statoil's equity interest in per cent	Operator	On stream	License expiry	Producing wells	Average daily entitlement <sup>(1)</sup> production mboe/day	Average daily equity production mboe/day
Sub Saharan Africa .....					155	128.2	219.6
Angola: Kizomba A .....	13.33 %	ExxonMobil	2004	2026	27	5.1	17.4
Angola: Kizomba B .....	13.33 %	ExxonMobil	2005	2027	25	7.5	23.4
Angola: Xikomba .....	13.33 %	ExxonMobil	2003	2027	4	0.9	1.7
Angola: Marimba North ....	13.33 %	ExxonMobil	2007	2027	3	2.4	4.5
Angola: Mondo .....	13.33 %	ExxonMobil	2008	2029	9	5.9	10.4
Angola: Saxi-Batuque .....	13.33 %	ExxonMobil	2008	2029	7	9.9	11.9
Angola: Girassol/Jasmim ..	23.33 %	Total	2001	2022	25	8.2	24.8
Angola: Dalia .....	23.33 %	Total	2006	2024	27	29.4	56.1
Angola: Rosa .....	23.33 %	Total	2007	2022	12	15.5	19.5
Angola: Block 4/05.....	20.00 %	Sonangol P&P	2009	2026	3	3.0	3.2
Nigeria: Agbami <sup>(5)</sup> .....	20.21 %	Chevron	2008	2024	13	40.3	46.6
Caspian .....					71	55.6	110.5
Azerbaijan: ACG .....	8.56 %	BP	1997	2024	67	23.0	70.4
Azerbaijan: Shah Deniz ....	25.50 %	BP	2006	2031	4	32.5	40.1
Western Europe .....					75	7.1	7.1
UK: Alba .....	17.00 %	Chevron	1994	2018	39	4.8	4.8
UK: Jupiter .....	30.00 %	ConocoPhillips	1995	2010	15	1.0	1.0
UK: Schiehallion .....	5.88 %	BP	1998	2017	21	1.3	1.3
Other areas.....					19	11.0	13.6
Russia: Kharyaga <sup>(6)</sup> .....	30.00 %	Total	1999	2032	19	6.1	8.7
Iran: South Pars.....	37.00 %	POGC	2008	2012		4.9	4.9
Total .....					1,367	332	514

- (1) Statoil has sold a 40% interest in the oil sands project to PTTEP of Thailand with a valuation date of 1 January 2011. The transaction was closed in January 2011. Statoil will act as Managing Partner and retain 60% ownership of the partnership holding the oil sands project, and will continue to be operator of the project.
- (2) Held by Production (HBP): A company's right to own and operate an oil and gas lease is perpetuated beyond its original primary term, as long thereafter as oil and gas is produced in paying quantities. In the case of Canada, besides continue being in production status, other regulatory requirements must be met.
- (3) PetroCedeño is a non-consolidated company.
- (4) Renegotiation of the PSA by the Libyan State oil Company (NOC) for the Mabruk field was completed in January 2010. Statoil's equity share in Mabruk was reduced from 25.0% to 5.0% effective as of 1 January 2008.
- (5) Following a technical re-assessment of the resource inventory, Statoil's interest in the unitised field has been increased from 18.85% to 20.21% effective from 1 July 2010.
- (6) With effect from 1 January 2010, the Russian state oil company Zarubezhneft became a partner in the Kharyaga PSA with a 20% interest, thus reducing Statoil's share from 40% to 30%.

The following table contains certain key international projects coming on stream between 2011 and 2013:

Sanctioned projects coming on stream 2011-2013*	Statoil's share	Operator	Time of sanctioning	Production start
Brazil: Peregrino.....	60%	Statoil	2007	2011
Angola: Pazflor.....	23.33 %	Total	2007	2011
Angola: PSVM .....	13.33 %	BP	2008	2011
The USA: Caesar Tonga phase 1 .....	23.55 %	Anadarko	2009	2012
Angola: Kizomba satellites phase 1 .....	13.33 %	Exxon	2009	2012
Ireland: Corrib .....	36.50 %	Shell	2003	2013

\* Not exhaustive

## ***Marketing, Processing & Renewable Energy***

### Natural Gas

Statoil is involved in the transportation, processing and marketing of natural gas worldwide, including the development of additional processing, transportation and storage capacity.

Statoil is also responsible for marketing gas supplies originating from the SDFI. In total, the Group accounts for approximately 80% of all Norwegian gas exports and is responsible for technical operation of the majority of the export pipelines and onshore plants in the processing and transportation system for Norwegian gas (Gassled).

Statoil's natural gas business is conducted from three locations in Norway (Stavanger, Kårstø and Kollsnes) and from offices in Belgium, the UK, Germany, Turkey, Azerbaijan and the US (Houston, Texas and Stamford, Connecticut).

In 2010, Statoil sold 38.7 bcm (1.37 tcf) of natural gas from the NCS on its own behalf, in addition to approximately 35.3 bcm (1.25 tcf) of NCS gas on behalf of the Norwegian State. Statoil's total European gas sales, including third party gas, amounted to 85.9 bcm (3.04 tcf) in 2010. That makes Statoil the second largest gas supplier to Europe. In addition, Statoil sold 5.5 bcm (0.19 tcf) of gas originating from its international positions, mainly in Azerbaijan and the US, 3.0 bcm (0.11 tcf) of which was entitlement gas.

Statoil has a significant interest in the NCS pipeline system owned by Gassled, which is the world's largest offshore gas pipeline transportation system, totalling approximately 8,100 kilometres. This network links gas fields on the NCS with processing plants on the Norwegian mainland and with terminals at six landing points located in France, Germany, Belgium and the United Kingdom. It thus gives Statoil access to customers throughout Europe.

### Crude oil, Liquids and Products

Statoil is one of the world's major net sellers of crude oil, operating from sales offices in Stavanger, Oslo, London, Singapore, Stamford and Calgary and selling and trading crude oil, condensate, NGL and refined products.

Statoil markets its own volumes and SDFI's equity production of crude oil and NGL, in addition to third party volumes. In 2010, Statoil's total sales of crude and condensate were equivalent to 694 million bbls, including supplies to its own refineries. In addition, the Group traded approximately 18 million tonnes of refined oil products and 13 million tonnes of natural gas liquids (NGL) in 2010. The main crude oil market for Statoil is northwestern Europe. Volumes are also sold to North America and Asia. Most of the crude oil volumes are sold in the spot market based on publicly quoted market prices. Of the total 694 million bbls sold in 2010, approximately 44% were Statoil's own equity volumes.

### Processing and Manufacturing

Statoil runs two refineries, one methanol plant and three crude oil terminals. In 2010, the refinery throughput was 14.7 million tonnes. Statoil is majority owner (79%) and operator of the Mongstad refinery in Norway, which has a crude oil distillation capacity of 180 mbbbl per day, and the sole owner and operator of the Kalundborg refinery in Denmark, which has a crude oil and condensate distillation capacity of 118 mbbbl per day. In addition, Statoil has rights to 10% of production capacity at the Shell-operated refinery in Pernis, the Netherlands, which has a crude oil distillation capacity of 400 mbbbl per day. The Group's methanol operations consist of an 81.7% stake in the gas-based methanol plant at Tjeldbergodden, Norway. Tjeldbergodden has a design capacity of 0.95 million tonnes per year and produced approximately 10% of the European market's demand for methanol in 2010.

Statoil also operates the Oseberg Transportation System (36.2% stake) including the Sture crude oil terminal.

#### Offshore wind projects

Statoil utilises its offshore competence in marine operations and offshore maintenance to give the Group a competitive edge in offshore wind projects. It currently operates one large development, Sheringham Shoal, off the UK coast, and is involved in planning one of the world's largest offshore wind developments, Dogger Bank, which is also off the UK coast. In addition, Statoil has designed, built and successfully tested the world's first floating wind turbine, Hywind. As part of its strategy of focusing on offshore wind projects, it has been decided to sell the Group's onshore wind portfolio.

Carbon capture and storage (**CCS**). CCS is seen as one of the main methods of combating climate change. Statoil has long been regarded as a pioneer of CCS in oil and gas production, and the Group currently operates some of the world's largest CCS projects.

Statoil is also engaged in the development of potential medium and long-term breakthrough technologies for carbon capture. Together with Gassnova (which represents the Norwegian government in matters relating to CCS), the South African integrated energy and chemical company Sasol, and Shell, Statoil is building a centre for carbon capture technologies at Mongstad, known as the CO<sub>2</sub> Technology Centre Mongstad (TCM).

#### **Statoil Fuel & Retail**

On 17 March 2010, Statoil ASA's board of directors approved the creation of a stand-alone energy and retail business by means of an initial public offering on the Oslo Stock Exchange. In October 2010, the Group's Energy & Retail business became a stand-alone entity, Statoil Fuel & Retail ASA (**Statoil Fuel & Retail**), through an initial public offering and listing on the Oslo Stock Exchange. Statoil consolidates the results of Statoil Fuel & Retail in its financial statements, and as of 31 March 2011, Statoil owned 54% of the shares in Statoil Fuel & Retail.

Statoil Fuel & Retail is a leading Scandinavian road transportation fuel retailer with over 100 years of operations in the region. Statoil Fuel & Retail also has established with a strong presence in Poland, Latvia, Lithuania and Estonia. In Russia, it has a presence in the fuel retail market in the Murmansk, St. Petersburg/Leningrad and Pskov regions.

As at 31 December 2010, Statoil Fuel & Retail had a network of 2,283 fuel stations across its eight countries of operations, comprising a combination of full-service stations, which have integrated convenience stores, and automated fuel stations and truck stops. Of these, 1,765 fuel stations are located in Scandinavia, and 518 are located in Poland, Latvia, Lithuania, Estonia and Russia.

In addition, Statoil Fuel & Retail is involved in the sale of stationary energy (mainly heating oil, kerosene, LPG and heavy fuel for industrial purposes) and marine fuel (marine gasoil and heavy fuel) as well as aviation fuel, lubricants and chemicals.

#### **Recent Developments**

##### ***D&P Norway***

- On 1 April, Statoil announced a significant oil discovery on the Skrugard prospect in the Barents Sea.
- Holdings in 11 new production licences were awarded to Statoil in the 21st licensing round on the NCS, of which eight were operatorships.
- Heidrun redetermination led to increased ownership for Statoil of 0.87%.



The following table presents D&P Norway's average daily production for the first quarter 2010 and the first quarter 2011.

D&P Norway production	First quarter 2010	First quarter 2011
Entitlement liquids (mboe per day) .....	777	705
Entitlement natural gas (mboe per day) .....	769	739
Total entitlement liquids and gas production (mboe per day) .....	1,546	1,444

### ***D&P International***

- On 28 March, Statoil became the partner in the Marine Well Containment Company (MWCC), an organisation committed to improving capabilities for containing a potential future underwater well control incident in the US Gulf of Mexico.
- On 9 April, the Statoil operated Peregrino offshore field in Brazil started production.
- On 14 April, Statoil's sale of 40% of the Peregrino offshore field in Brazil to Sinochem Group was formally closed.

The following table presents D&P International's average daily production for the first quarter 2010 and the first quarter 2011.

D&P International production	First quarter 2010	First quarter 2011
Entitlement liquids (mboe per day) .....	288	243
Entitlement natural gas (mboe per day) .....	82	78
Total entitlement liquids and gas production (mboe per day) .....	370	321

### ***Marketing, Processing & Renewable Energy***

- Statoil announced it is considering a partial divestment of its shares in the gas transport consortium Gassled on the NCS.
- Statoil entered into a long term sales contract for marketing of a significant part of the Peregrino volumes.

### **Employees**

As at 31 December 2010, Statoil had approximately 30,300 employees, of whom approximately 63% were employed in Norway.

The table below provides an overview of the number of permanent employees in the Group from 2008 to 2010. The table does not include employees of affiliated companies.

	Number of employees as of 31 December		
	2008	2009	2010
Geographical Region			
Norway .....	17,891	18,100	18,838
Europe (excluding Norway) .....	10,475	9,593	10,335
Africa .....	144	165	140
Asia .....	169	150	145
North America .....	448	584	713
South America .....	102	147	173
Total .....	29,229	28,739	30,344

### Legal Proceedings

Statoil is involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its business. Statoil is currently not aware of any legal proceedings or claims that it believes could have, individually or in the aggregate, significant effects on its financial position or profitability or its results of operations or liquidity.

### Litigation Involving SP

SP is currently not aware of any legal proceedings or claims that it believes could have, individually or in the aggregate, a significant effect on its financial position or profitability or its results of operations or liquidity.

### The Norwegian State as a Shareholder

The following table shows the number of Statoil shares directly owned by the Norwegian State as of the date of this document. The Company has not been notified of any other beneficial owner of 5% or more of its ordinary shares as of the date of this document.

	% of shares
The Norwegian State (Ministry of Petroleum and Energy) .....	67.00

The Norwegian State does not have any voting rights that differ from the rights of other ordinary shareholders. As the State, acting through the Minister of Petroleum and Energy, owns in excess of two-thirds of the shares in the Company, it has under Norwegian company law the sole power to amend the Articles of Association. As long as the State owns more than one-third of Statoil's shares, it is also able to prevent any proposed amendments to the Articles of Association. In addition, as a majority shareholder, the Norwegian State has the power to control any decision at general meetings of the Company's shareholders that requires a majority vote, including the election of the majority of the corporate assembly, which has the power to elect the board of directors and approve the dividend proposed by the board of directors.

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to decisions in favour of certain shareholders or third parties to the detriment of other shareholders or the Company.

## Management

The management of the Company is vested in its board of directors and Chief Executive Officer. The Chief Executive Officer is responsible for the day-to-day management of the Company in accordance with the instructions, policies and operating guidelines set out by the board of directors.

The business address of the directors, executive committee members and corporate assembly members is c/o Statoil at the corporate headquarters at Forusbeen 50, N-4035 Stavanger, Norway.

## Board of Directors

The Company's directors, age and their position are identified below.

Name	Born	Position
Svein Rennemo .....	1947	Chair
Marit Arnstad .....	1962	Deputy Chair
Roy Franklin .....	1953	Director
Bjørn Tore Godal .....	1945	Director
Lady Barbara Judge .....	1946	Director
Grace Reksten Skaugen .....	1953	Director
Jakob Stausholm .....	1968	Director
Lill-Heidi Bakkerud <sup>(1)</sup> .....	1963	Director
Einar Arne Iversen <sup>(1)</sup> .....	1962	Director
Morten Svaan <sup>(1)</sup> .....	1956	Director

(1) Elected by the employees.

**Svein Rennemo.** Chair of the board since 1 April 2008. Svein Rennemo is a Norwegian citizen and he lives in Norway. He is an economist from the University of Oslo. During the period 1972 to 1982, he was an analyst and monetary policy and economics adviser with Norges Bank (the Norwegian central bank), the OECD Secretariat in Paris and the Ministry of Finance. He held various management positions in Statoil ASA from 1982 to 1994, latterly as head of the petrochemical division. Mr Rennemo worked for Borealis from 1994 to 2001, first as deputy CEO and CFO and from 1997 as CEO. He was also CEO of Petroleum Geo-Services AS since 2002, a position he left on 1 April 2008. Today, Mr Rennemo is chair of the board of Tomra Systems ASA and Pharmaq AS. He is also a member of the board's compensation committee.

**Marit Arnstad.** Deputy chair. Ms Arnstad is a Norwegian citizen and she lives in Norway. She graduated in law at the University of Oslo. Ms Arnstad was Minister of Petroleum and Energy from 1997 to 2000. She was also a member of the Storting for the Centre Party during the periods 1993 to 1997 and 2001 to 2005, and head of the party's parliamentary group from 2003 to 2005. Before 1993, she was a Higher Executive Officer of the Ministry of the Environment. Today, she is a lawyer with the law firm Arntzen de Besche Trondheim AS. Ms. Arnstad is chair of the board of the Norwegian University of Science and Technology (NTNU) and of Statskog SF, deputy chair of the board of Polaris Media ASA and a member of the board of Aker Seafoods ASA. Ms Arnstad was a member of the board of Statoil ASA from June 2006 and has been deputy chair of the board since 1 October 2007. She is also a member of the board's HSE and ethics committee.

**Roy Franklin.** Board member. Roy Franklin is a United Kingdom citizen and he lives in the United Kingdom. He has a Bachelor of Science in geology from the University of Southampton in the United Kingdom. He has broad experience from management positions in several countries, including positions with BP, Paladin Resources plc and Clyde Petroleum plc. He is a non-executive chair of the board of Keller Group plc, a London-based international engineering company. He is also a board member of the Australian oil and gas company Santos Ltd and Boart Longyear Limited, a Salt Lake City-headquartered and Australian-listed provider of drilling services and equipment to the minerals exploration industry worldwide. In 2004, he was awarded an OBE for his work for the British oil and

gas industry. Mr Franklin has been a member of the board of Statoil ASA since 1 October 2007. He is also a member of the board's audit committee and chair of the board's HSE and ethics committee.

**Bjørn Tore Godal.** Board Member. Bjørn Tore Godal is a Norwegian citizen and he lives in Norway. He holds a Bachelor of Arts degree from the University of Oslo in political science, history and sociology. Mr Godal was a member of the Norwegian parliament for 15 years in the period 1986 to 2001. He served as Minister for Trade and Shipping, Minister for Defence and Minister of Foreign Affairs for a total of eight years between 1991 and 2001. He has also served as special adviser for international energy and climate issues at the Ministry of Foreign Affairs in the period 2007 to 2010. From 2003 to 2007 Mr Godal served as Norway's ambassador to Germany, and from 2002 to 2003 he was a senior adviser at the Department of Political Science at the University of Oslo. He is also chairman of the Council of the Norwegian Defence University College (NDUC). Mr Godal has been a member of the board of Statoil ASA since 1 September 2010. He is also a member of the board's compensation committee and the board's HSE and ethics committee.

**Lady Barbara Judge.** Board Member. Lady Barbara Judge holds American and British citizenships and she lives in the United Kingdom. Lady Judge is a JD from New York University Law School and holds a Bachelor of Arts in History from the University of Pennsylvania. She has for 10 years served as a commercial lawyer focusing on securities and corporate finance. Between 1984 and 1994 she held a number of senior executive positions within the finance industry. Since 1994 she has built and developed a broad portfolio of public and private non-executive and advisory roles focused on energy and regulatory frameworks. Among other things she has served as chair of the UK Atomic Energy Authority from 2004 to 2010, has been deputy chair of the Financial Reporting Council, the UK regulatory authority for accounting and corporate governance and a board member of the Energy Group of the UK Department of Trade and Industry. From 2000 to 2005 she was also a founder and executive chair of Private Equity Investor PLC in London. Today, Lady Judge is a board member and chair of the UK Pension Protection Fund and Motricity, Inc. and a board member of NV Bekaert SA and Magna International Inc. Lady Judge has been a member of the board of Statoil ASA since 1 September 2010. She is also a member of the board's audit committee.

**Grace Reksten Skaugen.** Board member. Grace Reksten Skaugen is a Norwegian citizen and she lives in Norway. She has a doctorate in laser physics from the Imperial College of Science and Technology at the University of London and an MBA from the Norwegian School of Management (BI). Ms Skaugen is a self-employed business consultant. She was a director of Corporate Finance in Enskilda Securities in Oslo from 1994 to 2002. Ms Skaugen has also worked with venture capital and shipping in Oslo and London and carried out research in microelectronics at Columbia University in New York. Ms Skaugen is chair of the boards of Entra Eiendom AS, Ferd Holding and Norsk Institutt for Styremedlemmer. She is also a member of the board of the Swedish listed company Investor AB. Ms Skaugen has been a member of the board of Statoil ASA since 2002 and is chair of the board's compensation committee.

**Jakob Stausholm.** Board member. Jakob Stausholm is a Danish citizen and he lives in Denmark. He has a Master of Science in economics from the University of Copenhagen. He is chief financial officer of the global facility services provider ISS A/S. Before joining ISS's corporate executive committee in 2008, he was employed by the Shell Group for 19 years and held a number of management positions, including vice president finance for the group's exploration and production in Asia and the Pacific, chief internal auditor and CFO of group subsidiaries. Mr Stausholm has been a member of the board of Statoil ASA since July 2009 and is chair of the board's audit committee.

**Lill-Heidi Bakkerud.** Board member. Lill-Heidi Bakkerud is a Norwegian citizen and she lives in Norway. She has a craft certificate as a process/chemistry worker. Ms. Bakkerud represents the employees on the board, and is a full-time employee representative as leader of the Statoil branch of the Industry Energy (IE) trade union. She has worked as a process technician at the petrochemical plant in Bamble and on the Gullfaks field in the North Sea. Today, she is a member of IE's executive committee and holds a number of offices as a result of this. Ms. Bakkerud was a member of the board

of Statoil ASA from 1998 to 2002 and has been again since 2004. She is also a member of the board's HSE and ethics committee.

**Einar Arne Iversen.** Board member. Einar Arne Iversen is a Norwegian citizen and he lives in Norway. He qualified as an engineer at the NKI Technical College. Mr. Iversen represents the employees on the board. Mr Iversen joined Statoil in 1986. He has worked on technical training in Bergen and was training manager at Tjeldbergodden. He has been deputy head/head of the NITO trade union since 1998. He was a member of the corporate assembly of Statoil ASA from 2000 to 2009, and has been a member of the board of Statoil ASA since June 2009.

**Morten Svaan.** Board member. Morten Svaan is a Norwegian citizen and he lives in Norway. He has a PhD in chemistry from the Norwegian University of Science and Technology and a degree in business economics from the Norwegian School of Management (BI). Mr. Svaan represents the employees on the board, and was chief employee representative for the Statoil branch of the NIF/Tekna union from 2000 to 2004. He has worked for Statoil since 1985. He is presently working on health, safety and the environment for the Technology, Projects & Drilling business area, largely focusing on safety and emergency response. Mr. Svaan has been a member of the board of Statoil ASA since June 2002. He is also a member of the board's audit committee.

### ***Executive Committee***

The president and Chief Executive Officer (**CEO**) has overall responsibility for the day-to-day operations of Statoil. The president and CEO is responsible for developing Statoil's business strategy and presenting it to the board of directors for decision, for development and execution of the business strategy, and for nurturing a performance-driven, value-based culture.

The president and CEO appoints the corporate executive committee (**CEC**). Members of the CEC have a collective duty to safeguard and promote the corporate interests of Statoil and to provide the president and CEO with the best possible basis for setting the Group's direction, making decisions and ensuring execution and follow-up of business activities. In addition, each of the CEC members heads separate business areas or staff functions.

The members of the executive committee, age and position are identified below:

Helge Lund	Born 1962	President and Chief Executive Officer
Torggrim Reitan	Born 1969	Chief Financial Officer and Executive Vice President
Tove Stuhr Sjøblom	Born 1966	Chief Staff Officer and Executive Vice President
Øystein Michelsen	Born 1956	Executive Vice President, Development and Production Norway
Peter Mellbye	Born 1949	Executive Vice President, Development and Production International
Bill Maloney	Born 1955	Executive Vice President, Development and Production North America
Tim Dodson	Born 1959	Executive Vice President, Exploration
Margareth Øvrum	Born 1958	Executive Vice President, Technology, Projects and Drilling
Eldar Sætre	Born 1956	Executive Vice President, Marketing, Processing and Renewable Energy
John Knight	Born 1958	Executive Vice President, Global Strategy and Business Development

### ***Corporate Assembly***

Pursuant to the Norwegian Public Limited Liability Companies Act, companies with more than 200 employees must elect a corporate assembly unless otherwise agreed between the Company and a majority of its employees.

Two-thirds of the members are elected by the AGM and one-third by the employees.

The responsibilities of the corporate assembly include electing the board of directors, overseeing the board and CEO's management of the Company, making decisions on investments of considerable magnitude in relation to the Company's resources and making decisions involving the rationalisation or reorganisation of operations that will entail major changes in or reallocation of the workforce.

The duties of the corporate assembly are defined in section 6-37 of the Norwegian Public Limited Liability Companies Act.

Members of the corporate assembly elected by the shareholders:

Olaug Svarva  
Managing director, the Norwegian National Insurance Fund (Chair)

Idar Kreutzer  
CEO, Storebrand (Deputy Chair)

Karin Aslaksen  
Executive vice president, Orkla ASA

Tore Ulstein  
Deputy CEO, Ulstein Group

Greger Mannsverk  
Managing director, Bergen Group Kimek AS

Steinar Olsen  
Chair of the board of directors, MI Norge AS

Ingvald Strømmen  
Dean at the Norwegian University of Science and Technology

Rune Bjerke  
CEO, DnB NOR

Live Haukvik Aker  
Partner in the Considium Consulting Group AS

Siri Kalvig  
UiS, StormGeo AS

Thor Oskar Bolstad  
Manager, Herøya Industripark, Norsk Hydro ASA, Porsgrunn

Barbro Hætta-Jacobsen  
Medical doctor, Universitetssykehuset, Nord-Norge

Members of the corporate assembly elected by and among the employees:

Eldfrid Irene Hognestad  
Stig Læg Reid  
Per Martin Labråthen  
Anne Kristi Horneland  
Jan-Eirik Feste  
Oddbjørn Viken

### ***Potential Conflicts of Interest***

There are no potential conflicts of interest of the directors, members of the executive committee or members of the corporate assembly and their private interests and/or other duties.



## ***Management of SP***

### Board of Directors and Management

Torgrim Reitan	Chairman	Executive Vice President and CFO
Nina Birgitte Koch	Board Member	Senior Vice President DPN Finance & Control
Asleiv Jon Brandsøy	Board Member and General Manager	Controller Finance & Control
Odd Helge Bruvik	Board Member	Manager of Corporate Tax
Siv Helen Rygh Torstensen	Board Member	General Counsel

There are no conflicts of interest between the duties of the persons listed above to SP and their private interests or other duties.

The business address of the directors and management of SP is c/o Statoil Petroleum, at Forusbeen 50, N-4035 Stavanger, Norway.

Statoil has adopted corporate governance policies, which apply to all of its subsidiaries, including SP, which comply with all applicable corporate governance regulations.

## TAXATION

### Norway

The following summary is based on current Norwegian law and practice, which is subject to changes that could prospectively or retrospectively modify or adversely affect the stated tax consequence. Prospective purchasers of Notes should consult their own professional advisers as to their respective tax positions.

Payments made by the Issuer under Notes to persons who are not Norwegian residents for tax purposes (**Non-residents**), whether in respect of principal or interest on Notes, are not subject to any tax imposed by Norway or any political subdivision thereof or therein except for payments attributable to such a person's branch, permanent establishment or operation in Norway that may be subject to tax imposed by Norway or any political subdivision thereof or therein.

In the event that any withholding is subsequently imposed with respect to any such payment as described in "Terms and Conditions of the Notes – Taxation", the Issuer will (subject to certain exceptions and limitations) pay such additional amounts under the Notes as will result (after deduction of said withholding tax) in the payment of the amounts which would otherwise have been payable in respect of such Notes had there been no such withholding tax.

In addition, no income, capital gains, transfer or similar tax is currently imposed by Norway or any political subdivision thereof or therein on a Non-resident's sale, redemption or other disposition of Notes, except for payments attributable to a Non-resident's branch, permanent establishment or operation in Norway that may be subject to tax imposed by Norway or any political subdivision thereof or therein.

### EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (the **Programme Agreement**) 1 June 2011 agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under “Form of the Notes”, “Terms and Conditions of the Notes” above. In the Programme Agreement, the Issuer, failing which, the Guarantor, (in the case of Notes having the benefit of the Guarantee) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

### Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) by the Issuer.
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the

registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Norway**

Each Dealer has represented and agreed that no offering material in relation to the Programme or any Notes has been or will be approved by the Oslo Stock Exchange or the Norwegian Financial Supervisory Authority. Accordingly, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that no Notes may be the subject of a public offer in Norway, as described in the Norwegian Securities Trading Act 2007, Section 7-2, and notes denominated in NOK may only be issued in compliance with the Norwegian Securities Register Act.

## **France**

The Issuer, the Guarantor and each Dealer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the applicable Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, investing for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French *Code monétaire et financier*. This Offering Circular has not been submitted to the clearance procedures of the French *Autorité des marchés financiers*. The Notes may be resold to the public in France only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and the *Règlement général* of the French *Autorité des marchés financiers*.

## **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee) nor any other Dealer shall have any responsibility therefor.

Without prejudice to the obligations of the Dealers set out above, the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee) and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 9 December 2010, and the giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 15 March 2011.

### Listing of Notes

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a temporary global Note initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or before 7 June 2011.

### Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available from the registered office of the Issuer and the Guarantor, as the case may be, and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

- (i) the constitutional documents (with a direct and accurate English translation thereof) of each of the Issuer and the Guarantor;
- (ii) the auditors' reports and the consolidated audited annual financial statements for the financial years ended 31 December 2009 and 31 December 2010 of Statoil ASA contained on pages 202 to 292 and 206 to 292 respectively of Statoil ASA's Annual Reports on Form 20-F for the years ended 31 December 2009 and 31 December 2010;
- (iii) the unconsolidated audited financial statements of Statoil Petroleum AS for the financial years ended 31 December 2009 and 31 December 2010 (with a direct and accurate English translation thereof) together with the audit reports prepared in connection therewith;
- (iv) the most recently published consolidated audited annual financial statements of the Group and the most recently published interim consolidated financial statements (if any) of the Group (with a direct and accurate English translation thereof), in each case together with any audit or review reports prepared in connection therewith;
- (v) the Programme Agreement, the Agency Agreement, the Guarantee, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes, the Receipts and the Coupons, the Talons and the Deed of Covenant;
- (vi) a copy of this Offering Circular; and
- (vii) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent, as the case may be, as to the identity of such holder) to this Offering Circular and any other documents incorporated herein or therein by reference.



## **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream, Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg.

## **Conditions for Determining Price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

## **Significant or Material Change**

There has been (i) no significant change in the financial or trading position of the Group since 31 March 2011, or the Guarantor since 31 December 2010 and (ii) there has been no material adverse change in the prospects of the Guarantor or the Issuer since 31 December 2010.

## **Litigation**

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either the Issuer or the Guarantor is aware) in the past 12 months which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor or the Group.

## **Auditors**

The auditors of the Issuer and the Guarantor are Ernst & Young AS (**Ernst & Young**), members of the Norwegian Institute of Public Accountants. Ernst & Young has audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) the consolidated financial statements of Statoil ASA which have been prepared in accordance with IFRS as adopted by the EU and as issued by the International Accounting Standards Board (IASB), for each of the periods ending 31 December 2009 and 31 December 2010. Ernst & Young has also audited the financial statements of Statoil Petroleum AS which have been prepared in accordance with Norwegian Generally Accepted Accounting Principles, in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including International Standards on Auditing, for each of the periods ending 31 December 2009 and 31 December 2010.

## **Post-Issuance Information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

**THE ISSUER**

**Registered Office**

**Statoil ASA**  
Forusbeen 50  
N-4035 Stavanger  
Norway

**THE GUARANTOR**

**Statoil Petroleum AS**  
Forusbeen 50  
N-4035 Stavanger  
Norway

**ISSUING AND PRINCIPAL PAYING AGENT**

**The Bank of NewYork Mellon**

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United Kingdom

**PAYING AGENT**

**The Bank of NewYork Mellon (Luxembourg) S.A.**

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## **AUDITORS**

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Norway

## **DEALERS**

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London E14 4BB  
United Kingdom

### **BNP PARIBAS**

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