

Before the publication of **Statoil's 2Q results 27 July**, we invite you to provide your input to the analyst consensus estimates by filling in the attached spreadsheet and resend to Statoil IR. Consensus will be established around the following items:

- Adjusted earnings per reporting segment and tax on adjusted earnings per segment
- Adjusted exploration expense for DPN and DPI
- Equity production (split between liquids and gas, NCS and from international fields)
- Impact from PSA and US royalty barrels (to reach your estimated entitlement production)
- Liquids price in the quarter (separate lines for DPN and DPI)

We invite you to provide tax on adjusted earnings per reporting segment, so that total tax on adjusted earnings will just be a formula adding the individual tax amounts from DPN, DPI, MMP and Other. We remind you that we will report in USD and ask for consensus contributions in USD million. We also remind you that the result for Financials is not included in the adjusted numbers and we will therefore ask you NOT to consider this in the input above.

For your convenience, we hereby remind you of some factors relevant for our 2Q results as well as other information that might be useful:

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

- Normally NCS production in 2Q (and 3Q) is seasonally below 1Q and 4Q numbers due to gas production in the heating months and regular maintenance during the summer months. There has been no indication that this seasonal trend has been altered this year. No operational disruptions have been reported from Statoil.
- The Norwegian Petroleum Directorate publishes [monthly production figures](#), normally issued 10-15 days into a month, giving preliminary figures for the previous month and more detailed information for earlier months. Data from NPD per field [can be found here](#) (download possible). Statoil is not responsible for any NPD data, but you may find the data convenient. In 2q there has also been turnaround impacting the production. Most of the turnaround took place in June and field specific details will not be visible in NPD data before the Statoil 2q-release.
- We remind you that the assets on NCS Norway have NOK as functional currency, i.e. the accounts are recorded in NOK. Currency movements will hence impact depreciation (assets to be depreciated are recorded in NOK) as this is translated into USD as the reporting currency.

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

- No operational disruptions have been reported from Statoil. As planned, less than half of the guided turnaround for Statoil this quarter took place outside Norway.
- Statoil divested the oil sands asset (KKD), the transaction was completed in 1q17. Leismer (KKD) will not impact 2q17 numbers.
- Bakken will see some increase in production compared to last quarter due to seasonal (weather) impact in the last quarters.
- The DPI result will be impacted by the reversal of accruals as a dispute has been resolved this quarter. The total impact on reported net income (IFRS) will be positive, somewhat below USD 1 bn, for Statoil. The impact on the adjusted result is expected to be around USD 600 mill. Both numbers post tax. No impact on the cash flow for this quarter is expected as a result of this.

#### **MMP**

- The preliminary internal gas transfer price for 2Q will be published [on our web page](#) on, or around, 4 July. Note that we are using USD/mmbtu in our reporting. You will find some historical data calculated in USD/mmbtu on the website. The conversion we apply is 1 mmBtu equalling 26.28 Scm3. NOK/USD is calculated using average currency rates for the quarter.

- Given normal volume and trading conditions the adjusted result for MMP has been in the range USD 250-500 million/quarter, typically lower in the summer due to seasonal variations on price and volume (both Europe and US).
- Turn-around at Hammerfest LNG (Melkøya/Snøhvit) in May and June, lead to reduced LNG cargoes in the quarter.

### Exploration

- We estimate that over time, roughly 3/4 of exploration expenditure is expensed. The results for each individual quarter will however depend upon the outcome of the wells finalised as well as our share of the cost. In addition expensed exploration depends upon results from wells from previous quarter(s). Well costs are activated (capitalised) as they are being drilled. In case of a negative result the entire cost will be expensed in the quarter when the well is completed. Note that our capex guiding includes an estimate for capitalised exploration.
- In addition there are other costs like seismic acquisition, early phase development etc. that will hit the exploration expense cost line.
- We have had activity in eight wells in the second quarter, 3 on NCS and 5 international. Four wells completed, one of them in Norway.

### Other information:

- Follow [this link](#) for reports, web-cast, presentations, and transcripts from previous quarters.
- The annual report and 20-F for 2016 [was presented 17 March](#). The reports do contain relevant information in order to understand our business, reporting and numbers.
- Please note that there have been two dividend payments in 2Q17 (no payments took place in 1Q17).
  - The result of 3q16 [dividend issue](#) was announced April 5. and [April 7](#).
  - And the result of the [dividend issue](#) for 4q16 was announced June 21 and [22. June](#).
- A summary, as well as minutes, of the Statoil AGM [was released 11 May](#).

### Guiding:

- Organic capital expenditures for 2017 (i.e. excluding acquisitions, capital leases and other investments with significant different cashflow pattern) are estimated at around USD 11 billion
- Guidance of a total exploration activity level of around USD 1.5 billion for 2017, excluding signature bonuses.
- The equity production for 2017 is estimated to be around 4-5% above the 2016 level (rebased 2016 of 1958 mboe/d, adjusted for the KKD/oil sands-transaction).
- For the period 2016 – 2020 organic production growth is expected at around 3% CAGR
- Indicative effects from Production Sharing Agreement (PSA-effect) and US royalties are estimated to be around 150 mboe per day in 2017 based on an oil price of USD 40 per barrel and 165 mboe per day based on an oil price of USD 70 per barrel
- Scheduled maintenance activity is estimated to reduce quarterly production by approximately 75 mboe per day in the second quarter of 2017. In total, maintenance is estimated to reduce equity production by around 30 mboe per day for the full fiscal year 2017, which is lower than the 2016 impact
- The guiding of the financial result, excluding FX and derivatives, is around minus USD 150-200 million (assuming an approximately normal result for the financial investments).

**The 2Q results will be reported 27 July at 07:00 CET.**

For more information please visit our [web-page](#). You may find useful historic information under the heading "[information for analysts](#)".

We will make the aggregated, average consensus numbers available through our web-page (about one week ahead of the quarterly release).