Update on US Onshore August 2014
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Onshore operator commitments

1. Safe operations
2. Minimizing our environmental footprint
3. Earning trust
4. Always improving
Premium portfolio in core plays

**Bakken**
- ~290,000 net acres
- Concentrated liquids drilling
- Production 50,200 boepd

**Eagle Ford**
- ~59,000 net acres
- Liquids ramp-up
- Production 37,700 boepd

**Marcellus**
- ~605,000 net acres
- Production 121,900 boepd
Long-term production growth

- 2013  Eagle Ford operator
- 2012  Marcellus operator
- 2011  Bakken operator
- 2010  Eagle Ford
- 2008  Marcellus JV
Increased value (US onshore well manufacturing)

Total well cost ~ 90% of upstream capex, 25% to 50% reduced drilling cost, 30% to 50% reduced drilling time

Further total well cost reduction potential ~15% by 2016

Upside from new technology development
The way forward

Continuous focus on cost, efficiency and optimisation of operations

- High performance / automated rigs
- Advanced ancillary drilling services;
- Remote monitoring of well / facility performance

Fast-track identification, development and implementation of short-term technology upsides

- Choke management
- Refracturing
- Emissions, water and waste Management

Prioritised development of potential game-changing technologies

- Non-aqueous fracturing systems
- Cost-effective gas injection EOR technologies
- Advanced proppants
The Marcellus: an onshore giant

**One of the largest gas fields in the world**
- $14 \times 10^6$ M cubic meters (500 tcf)

**Statoil’s position**
- ~2448 sq kms.
- Operator of 368 sq kms. (Ohio and W. Virginia)
- Interest in 1300 wells
- 2Q 2014 production 122 mboe/d (equity)

- Production 420 M cubic meters/day
- Forecast 840 M cubic meters/day by 2030
Midstream: capturing value in the US market

Secured access from northern Marcellus production area to premium markets in Toronto and New York

- Pipeline capacity of 320,000 MMBtu/day\(^1\) to Toronto region since Nov-2012
- Pipeline capacity of 205,000 MMBtu/day\(^2\) to New York City since Nov-2013

Exploring new mid- and downstream opportunities for Southern Marcellus

- Sales of gas liquids
- New pipeline options to reach premium markets

* Source: Platts (historic) and NGX (forward 30-Jun-2014)
1) Equivalent to ~ 55,000 boe/d and 0.32 bcf/d
2) Equivalent ~ 35,000 boe/d and 0.2 bcf/d