



Statoil



Exploring for high-value barrels

Tim Dodson, Executive Vice President Exploration, Statoil
Swedbank Nordic Energy Summit – 19 March 2015

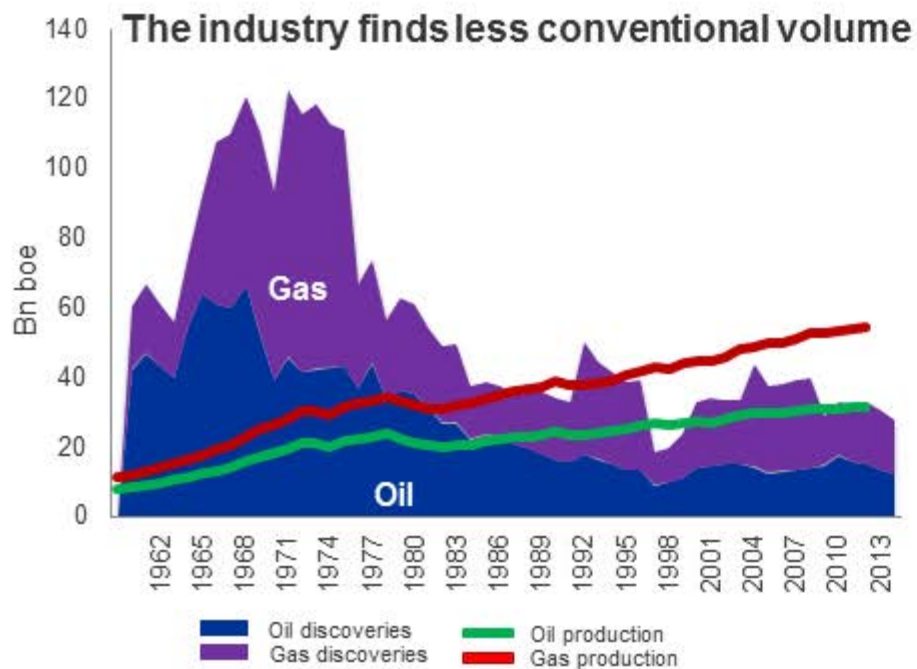
Forward looking statements

This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding future financial position, results of operations and cash flows; changes in the fair value of derivatives; future financial ratios and information; future financial or operational portfolio or performance; future market position and conditions; business strategy; growth strategy; future impact of accounting policy judgments; sales, trading and market strategies; research and development initiatives and strategy; market outlook and future economic projections and assumptions; competitive position; projected regularity and performance levels; expectations related to our recent transactions and projects, completion and results of acquisitions, disposals and other contractual arrangements; reserve information; future margins; projected returns; future levels, timing or development of capacity, reserves or resources; future decline of mature fields; planned maintenance (and the effects thereof); oil and gas production forecasts and reporting; domestic and international growth, expectations and development of production, projects, pipelines or resources; estimates related to production and development levels and dates; operational expectations, estimates, schedules and costs; exploration and development activities, plans and expectations; projections and expectations for upstream and downstream activities; oil, gas, alternative fuel and energy prices; oil, gas, alternative fuel and energy supply and demand; natural gas contract prices; timing of gas off-take; technological innovation, implementation, position and expectations; projected operational costs or savings; projected unit of production cost; our ability to create or improve value; future sources of financing; exploration and project development expenditure; effectiveness of our internal policies and plans; our ability to manage our risk exposure; our liquidity levels and management; estimated or future liabilities, obligations or expenses and how such liabilities, obligations and expenses are structured; expected impact of currency and interest rate fluctuations; expectations related to contractual or financial counterparties; capital expenditure estimates and expectations; projected outcome, objectives of management for future operations; impact of PSA effects; projected impact or timing of administrative or governmental rules, standards, decisions, standards or laws (including taxation laws); estimated costs of removal and abandonment; estimated lease payments, gas transport commitments and future impact of legal proceedings are forward-looking statements. You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of Norway and other oil-producing countries; EU directives; general economic conditions; political and social stability and economic growth in relevant areas of the world; the sovereign debt situation in Europe; global political events and actions, including war, terrorism and sanctions; security breaches; situation in Ukraine; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; unsuccessful drilling; an inability to find and develop reserves; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of field partners; the actions of governments (including the Norwegian state as majority shareholder); counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; industrial actions by workers and other factors discussed elsewhere in this report. Additional information, including information on factors that may affect Statoil's business, is contained in Statoil's Annual Report on Form 20-F for the year ended December 31, 2013, filed with the U.S. Securities and Exchange Commission, which can be found on Statoil's website at www.statoil.com.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this report, either to make them conform to actual results or changes in our expectations.

More challenging context



Demanding market environment

- Increased investments
- Reduced margins
- Lower oil price

Source: IHS

Strengthening our capacity to create long-term value

Well prepared

Firm priorities, stepping up commitments

High value growth

- ~2% organic production growth 2014-15
- Reducing organic capex levels to USD 15 bn in 2015
- FCF to cover dividend in 2015@100, 2017@80 and 2018@60
- Robust financials. Maintaining 15-20% net debt to capital employed

Increase efficiency

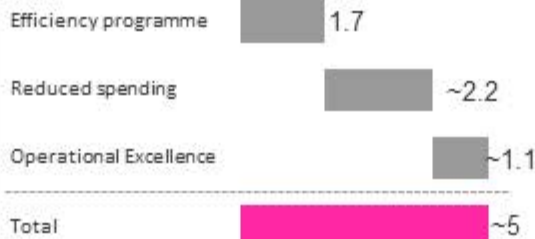
- USD 5 bn in cash improvements
- Increasing efficiency programme target by 30%
- Cash flow neutrality reduced by USD ~30 per barrel

Prioritise capital distribution

- Firm dividend policy
- 4Q 2014 dividend maintained at NOK 1.30/share

The Capital Markets Update 2014

Seizing the opportunity



Cash improvements of USD ~5 bn

Investing in world-class projects



The Johan Sverdrup Field

- Efficiency programme on track
- Strengthened balance sheet
- High-graded portfolio

- Stepping up efficiency programme
- Strict capital prioritisation
- Managing portfolio flexibility

- Safe and efficient operations
- Strong and flexible portfolio
- Long-term value creation

Committed to exploration

A leading explorer



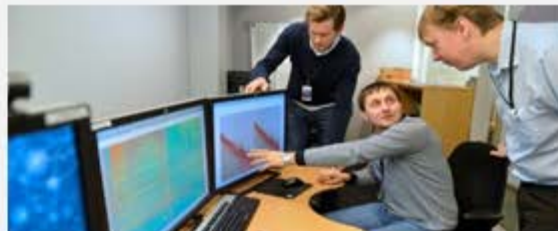
- 4.4 billion boe discovered last four years
- Top quartile explorer for the fourth year*
- Significantly increased efficiency

Consistent exploration effort in 2015



- USD 3.2 billion in exploration spend
- Extensive drilling programme in high-value basins

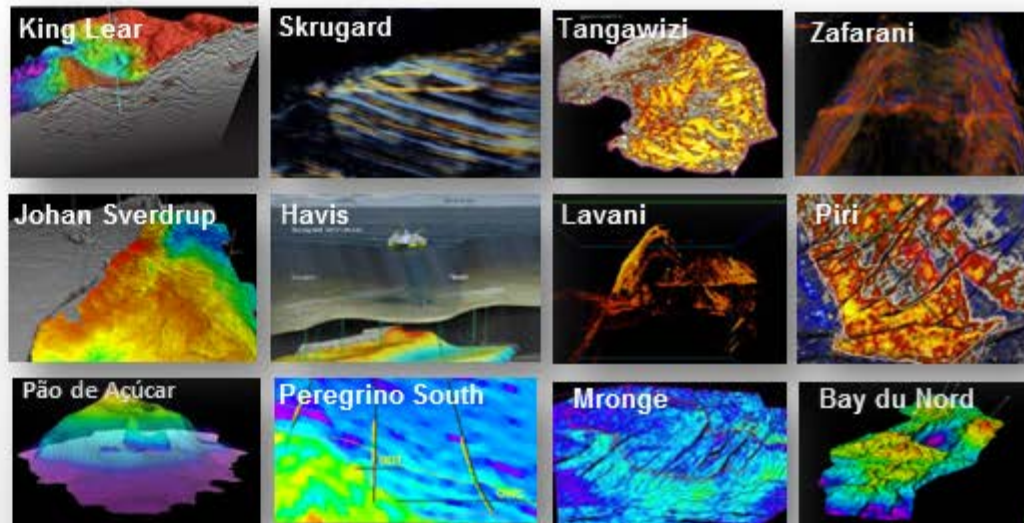
Build for the future



- Deepening positions in prolific basins
- Entry into five new basins
- Actively pursue play-opening opportunities

Consistent world class performance

- 12 high impact discoveries
- Opened 6 new plays
- Safe and efficient operations



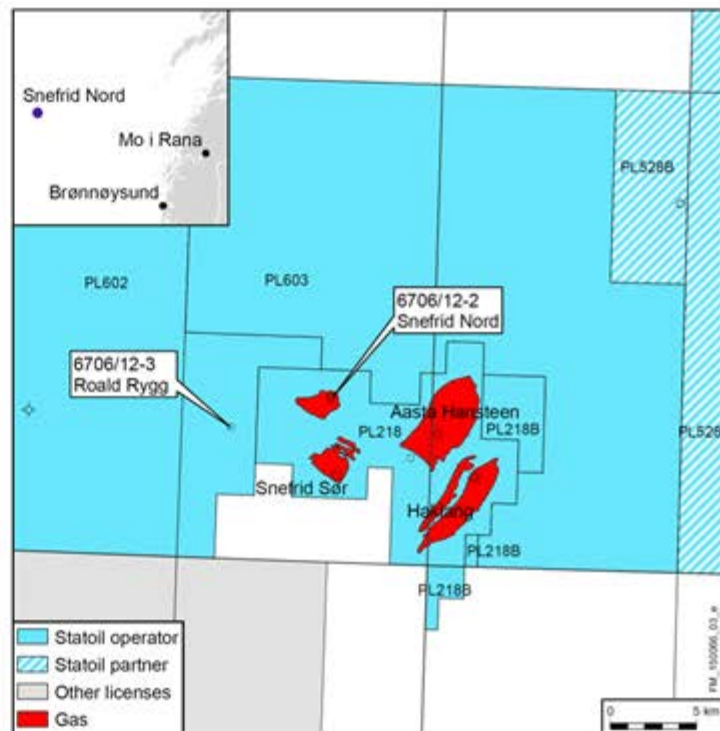
Extensive drilling programme in high-value basins

- Following up on successes
- Pursue play opening opportunities and deepening positions in prolific basins
- Focus on high value barrels in the Atlantic margin



Making the Aasta Hansteen project more robust

- Targeted and timely two-well exploration campaign in the Aasta Hansteen area
- Snefrid Nord gas discovery, PL218
 - Increases the resource base for the Aasta Hansteen development project by ~15%
- Roald Rygg, PL602
 - Test further upside potential in the area



Actively replenishing the portfolio

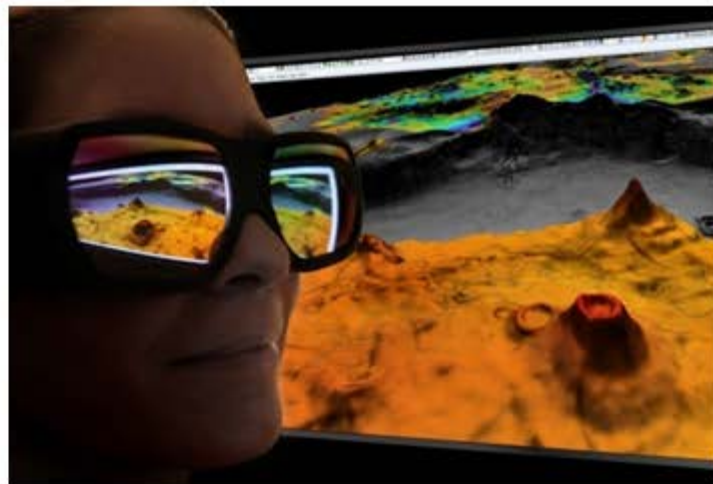
- Accessed five new basins in Algeria, Australia, Colombia, New Zealand* and Myanmar*
- Deepened positions in Norway, United Kingdom, Brazil and U.S. GoM



* Pending governmental approvals

Ambition: a leading explorer

- Investigating through the cycle
- Exploring to create long term value
- Shaping our future



Thank you



Photo: Audun Groth