

Before the publication of **Statoil's 3Q results 27 October**, we invite you to provide your input to the analyst consensus estimates by filling in the attached spreadsheet. 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.

### Reporting format

- As we recently changed to USD reporting, please note that you will find quarterly results in USD for 2014 and 2015 [to the right on this web-page](#)
- We have previously disclosed rolling four-quarter production cost per boe in the 2Q and 4Q reports. After 2Q16, we will not provide this metric in the quarterly reports, only in the 20-F.
  - To explain the cost trends we have increasingly focused on total opex and SG&A, which also covers the cost elements that are not classified as production costs. Currency volatility and our exposure to both NOK and USD have also made one single unit cost level in a common currency less informative wrt underlying performance.
- Statoil generally assesses minor changes and improvements to the format in the financial statements every quarter. Beyond the change regarding disclosure of production unit cost as described above, we are not aware of any changes to the format this quarter, though we cannot rule out the likelihood that some changes may be decided as part of the process. It should in any case not impact numbers or the main tables in the report.

For your convenience, we hereby remind you of some factors relevant for our 3Q results as well as other information that might be useful. All items have been discussed/made public before, see for instance [transcript for 4Q15/CMU](#) or [transcript for 2Q16](#) for reference:

### D&P Norway

- Normally NCS production in 3Q (and 2Q) 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. Statoil has guided turnaround level of 115 mboe for 3Q and this applies predominantly for Norway majority of the turnaround is linked to fields with gas production.
- We remind you that OPEX is more linked to absolute level on the field than volume produced. Also note that turnaround activities normally add to OPEX.
- No operational disruptions have been reported from Statoil. Goliat (in the Barents Sea) suspended production for about four weeks this quarter (ref info in the public domain).
- 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.

- 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.
- Statoil submitted development plans for two tie-ins; [Utgard](#) and [Byrding](#).
- Statoil updated the [Johan Sverdrup](#) plan in 3Q.

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

- The revised participation interest for Agbami (Nigeria) is yet to be implemented by the unit. Statoil will report 3Q production corresponding to the participation interest of 20.21%, but make provisions so that adjusted earnings will reflect participation interest of 15.04%
- [Statoil announced divestment of assets in Marcellus](#) in 2Q and [in 3Q](#). The transactions closed in 3Q.

#### **MMP**

- The preliminary internal gas transfer price for 3Q will be published [on our web-pages](#) around 4 October. Note that we are now using USD/mmbtu in our reporting in order to correspond with the change in reporting currency. You will find some historical data calculated in USD/mmbtu on the website. The conversion we apply is 1 mmBtu equalling 26.28 Scm<sup>3</sup>. NOK/USD is calculated using average currency rates for the quarter.

#### **Exploration**

- We estimate that over time, roughly 2/3 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.
- In addition there are other costs like seismic acquisition, early phase development etc. that will hit the exploration expense cost line.
- We had activity in seven wells in the third quarter, six completed wells. Four of the completed wells were in Norway.

#### **Other information:**

- Follow [this link](#) for reports, web-cast, presentations, and transcripts from previous quarters.
- Selected historical data in USD . Note the link to an excel sheet on the page.
- The annual report and 20-F for 2015 was presented 18 March. This, as well as other useful annual reporting, can be found on our [web-page](#) download centre.
- Statoil issued a [prospectus](#) preparing for the dividend issue for 1Q16 dividend under the scrip programme. Although intended for eligible shareholders, the document contains information that could be of general interest. The results of the scrip programme are described [here](#), it is worth noting that total number of shares in the company is as of end 3Q16 approximately 3,227 mill shares (note this number includes ca 10 million treasury shares so 3,217 mill is outstanding).
- Statoil announced 3 May [an increase in ownership in Lundin Petroleum](#) in exchange for the entire 15% working interest in Edvard Grieg and interests in associated pipelines. Reporting of our proportionate share of Lundin's net earnings and production will consequently be relevant from 3Q16
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**Guiding:**

- Production growth 2014-2017; ~1% annual growth from a rebased 2014 number of 1.868 million boe (“rebased” is 2014 production adjusted 59 kbd for Wintershall and OMV transactions).
- Production growth 2017-2019; 2-4% organic annual production growth.
- Annual production impact from PSA and US royalties for 2016 are expected around 135 mboe per day at Brent price of \$40/bbl and 165 mboe per day at \$70/bbl.
- Scheduled maintenance is planned to have a negative impact on equity production of approximately 115 mboe per day in 3Q16.
- In total, maintenance is estimated to have a negative impact on equity production of around 60 mboe per day for the full year 2016, of which the majority is liquids.
- Organic capex 2016: around USD 12 bn.
- Total exploration expenditure level is expected at around USD 1.8 billion, excluding signature bonuses.
- The guiding of the financial result, excluding FX and derivatives, is minus around USD 150-200 million (assuming an approximately normal investment result for the financial investments).

**The 3Q results will be reported 27 October at 07:00 CET.**

For more information please visit our [web-page](#). You may find [analytical information](#) on the web under Key financials. [Historic production data](#) is available in excel format.