



# 1<sup>st</sup> Quarter 2018 results

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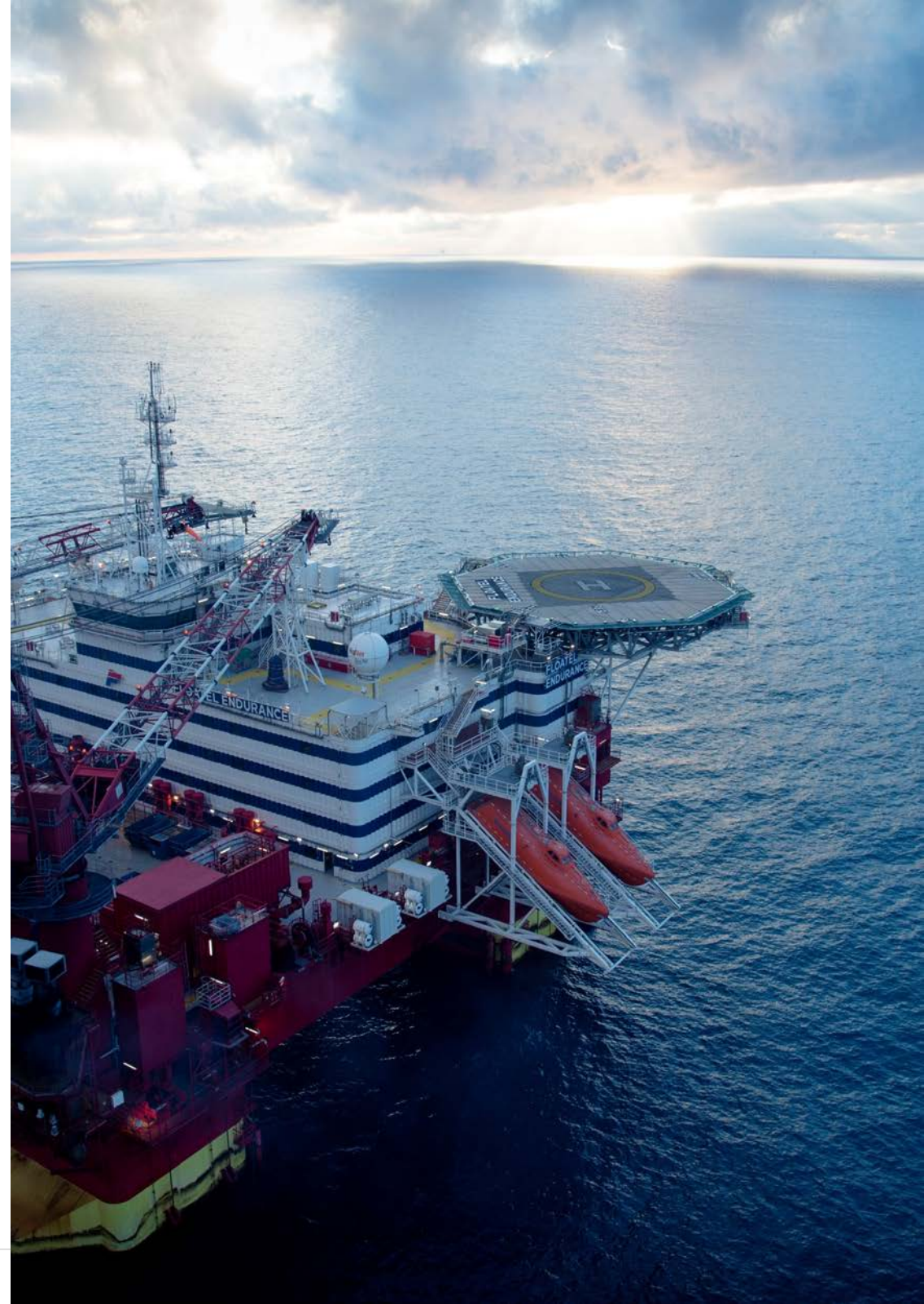
Eldar Sætre

President and Chief Executive Officer



## First quarter 2018

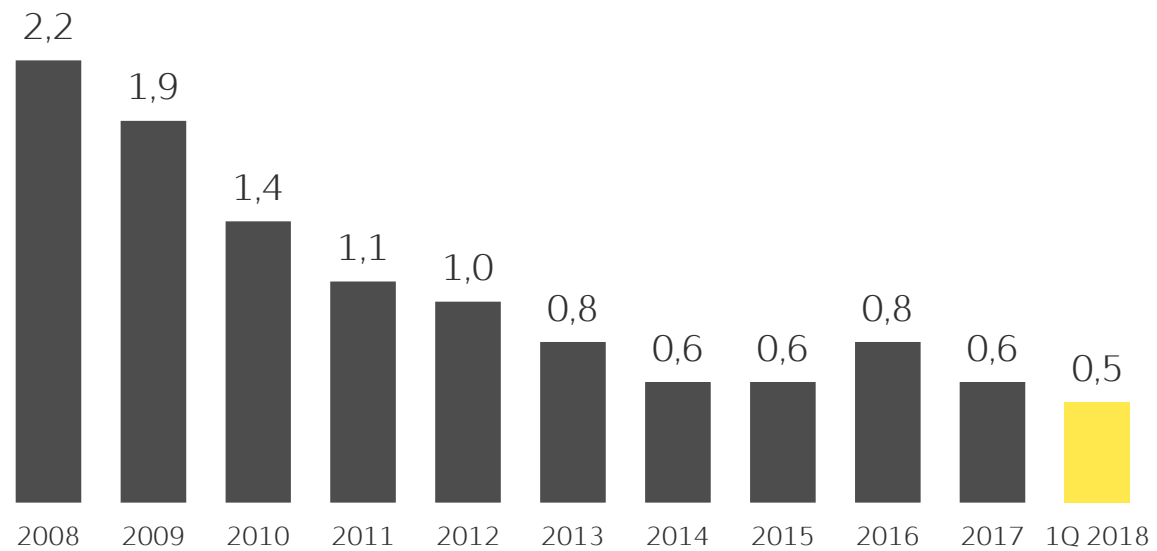
- Solid earnings and very strong cash flow
  - Net debt ratio reduced to 25.1%
- High production at higher prices
- Project portfolio progressing according to plan
- Dividend of USD 0.23 per share



## Safety

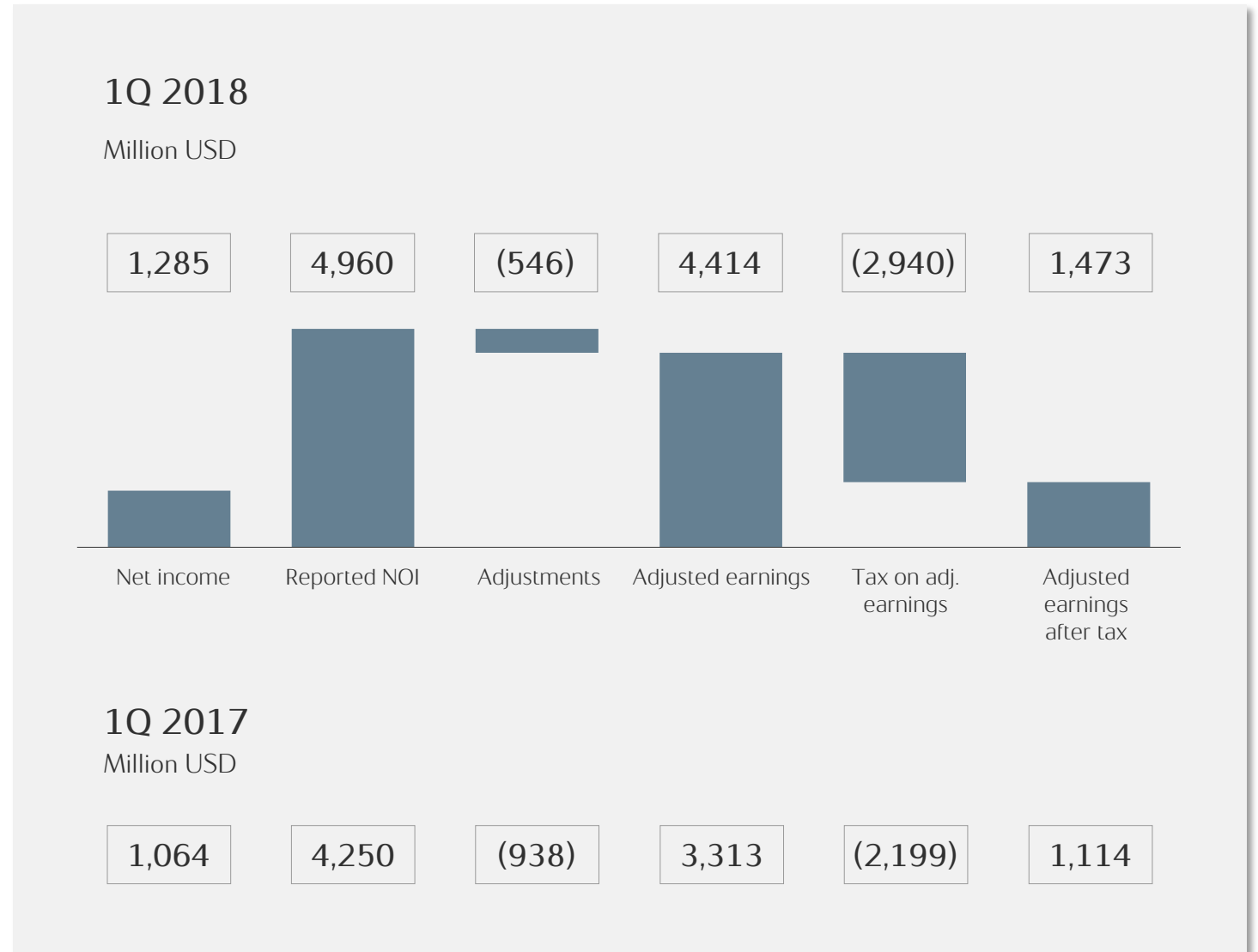
### Serious incident frequency

Serious incidents per million work-hours, 12-month rolling figures



## Financial results

- High production capturing higher prices
- Sustaining cost improvements
- Tax rate at 66.6%



## Solid adjusted earnings from all segments



### E&P Norway

- Continued high production level
- Stable underlying operating cost

### E&P International

- Record high production
- Stable underlying operating cost

### MMP

- Strong results from gas business and high regularity at the onshore plants
- Lower refinery margins

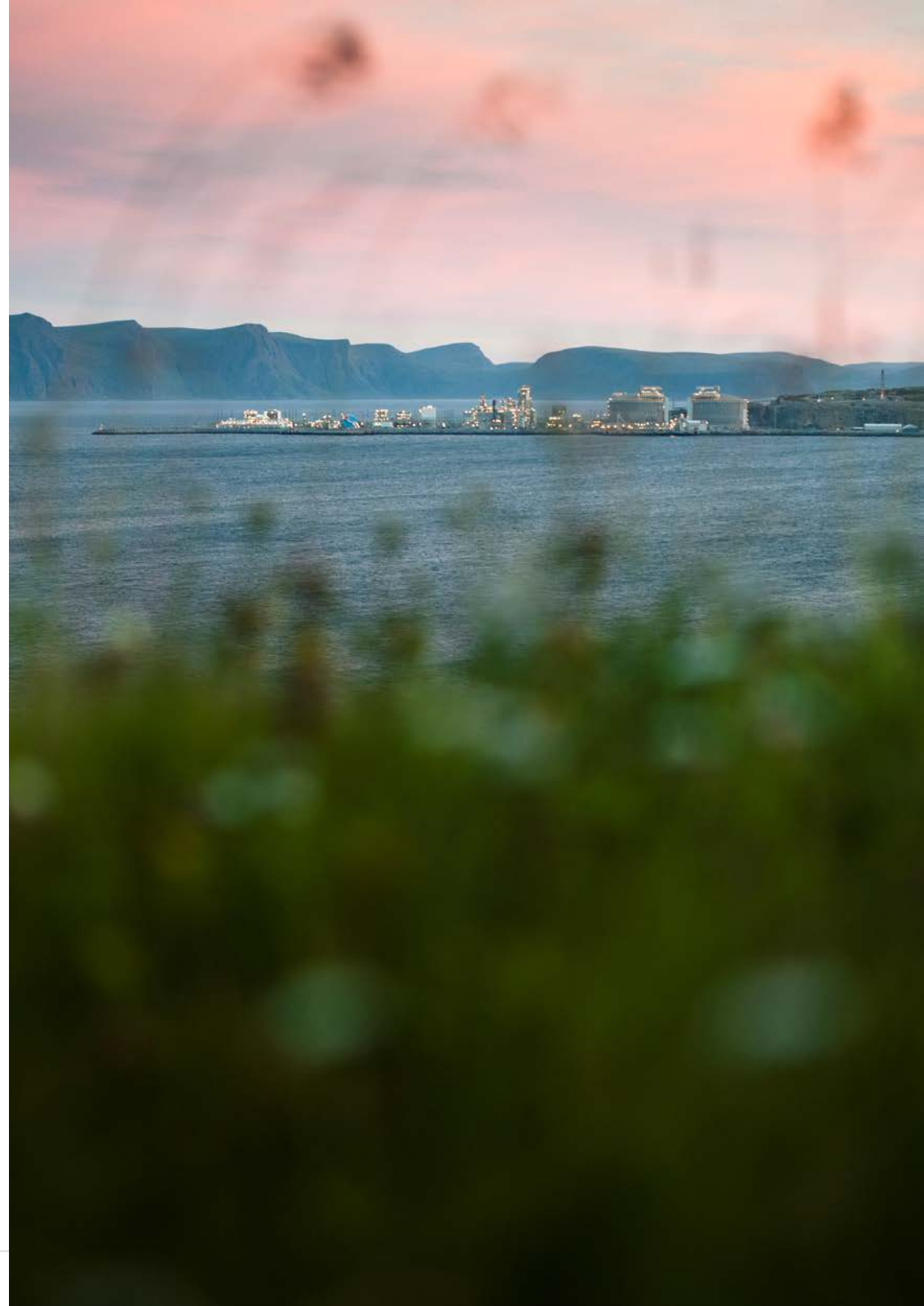
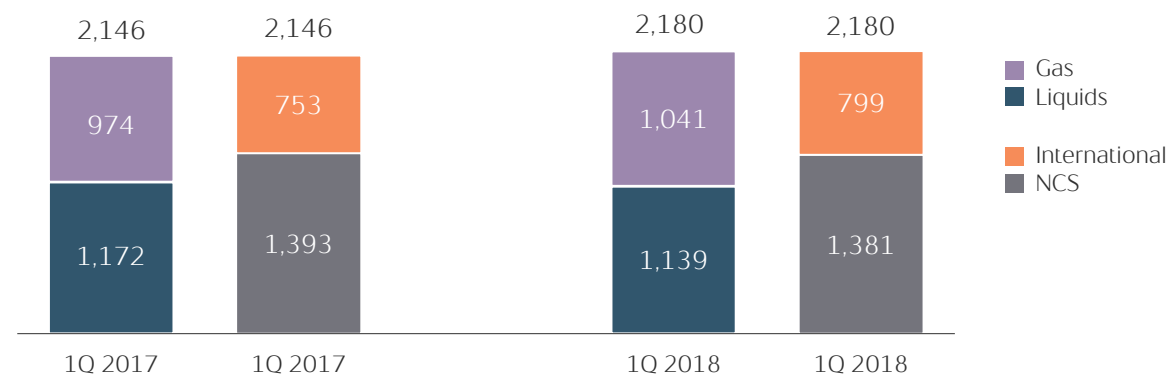
Million USD	E&P Norway		E&P International		MMP	
	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax
1Q' 18	3,372	965	638	426	454	237
1Q' 17	2,621	679	272	155	500	321

## High production

- Record high international production
- Higher gas deliveries into strong markets
- Increased well capacity
- Solid production regularity
- Ramp-up of new fields

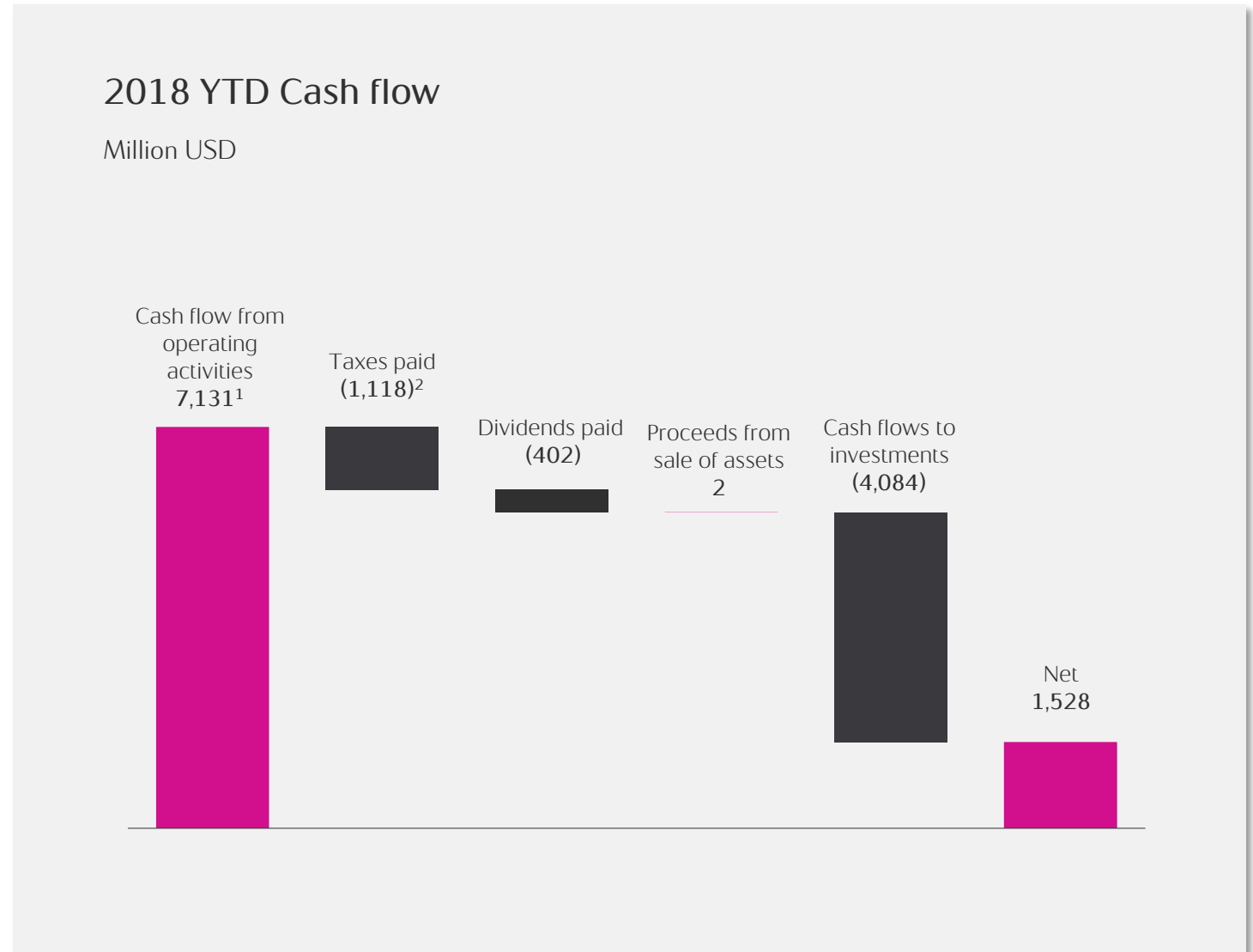
## Equity production

mboe/d



## Strong free cash generation

- Very strong cash flow from operations
- Net debt ratio reduced from 29.0% to 25.1%
- Martin Linge consideration paid first quarter
- Continued strict capital discipline

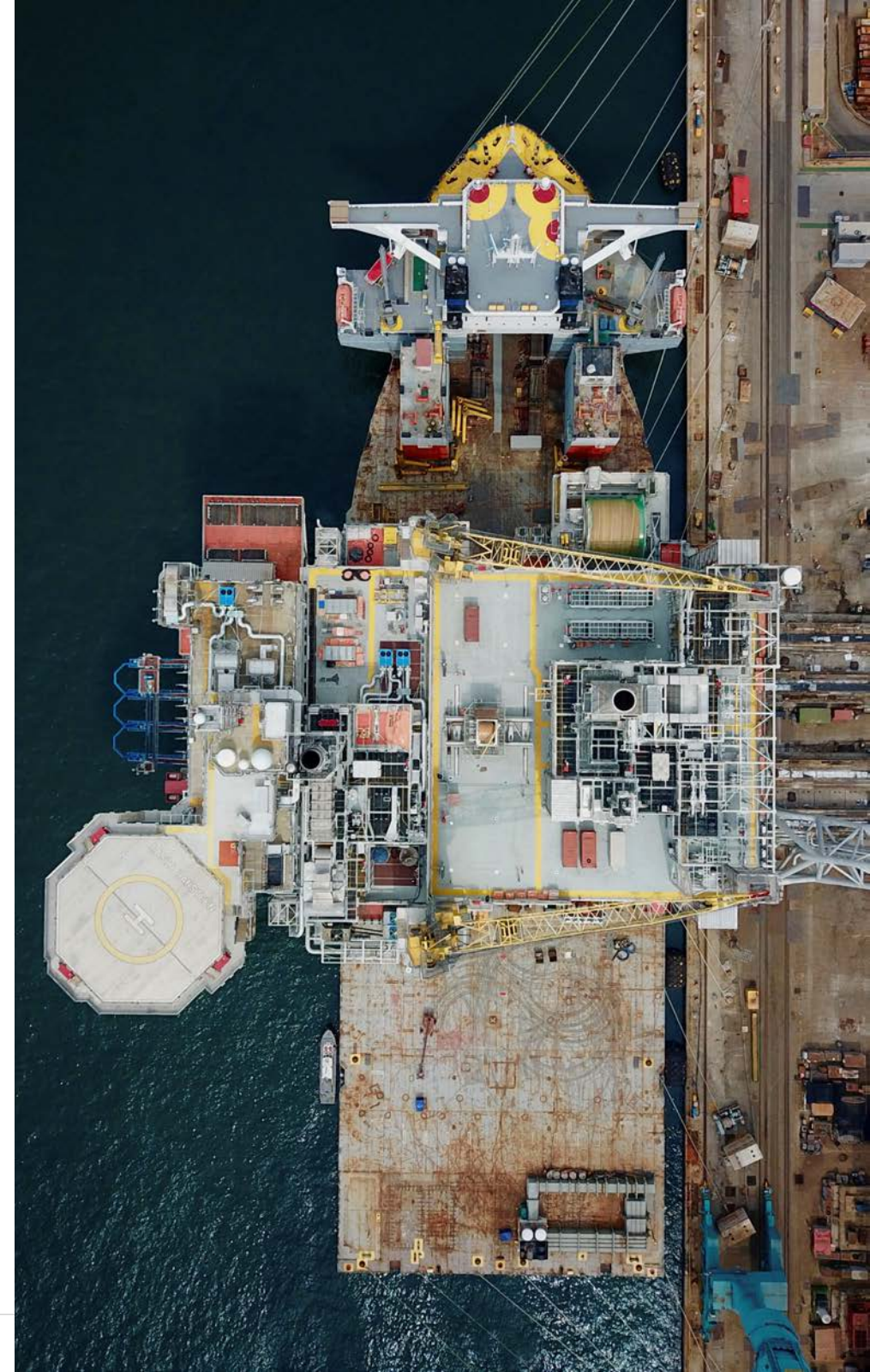


1. Income before tax (4,540) + non-cash adjustments (2,591).  
 2. One of six NCS tax instalments in 2018

# Outlook

	PERIOD	OUTLOOK
Organic capex	2018	Around <b>11</b> bn USD <sup>1</sup>
Exploration	2018	Around <b>1.5</b> bn USD
Production	2017 - 2018 2017 - 2020	<b>1-2%</b> <b>3-4%</b> CAGR
Maintenance	2018	Around <b>30</b> mboe per day
	2Q 2018	Around <b>50</b> mboe per day

1. Based on USD/NOK exchange rate of 8.25.







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# 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", "believe", "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 plans and expectations with respect to market outlook and future economic projections and assumptions; Statoil's focus on capital discipline; expected annual organic production through 2018; projections and future impact of efficiency programmes including expected efficiency improvements, including expectations regarding costs savings from the improvement programme; capital expenditure and exploration guidance for 2018; production guidance; Statoil's value over volume strategy; organic capital expenditure for 2018; Statoil's intention to mature its portfolio; exploration and development activities, plans and expectations, including estimates regarding exploration activity levels; projected unit of production cost; equity production and expectations for equity production growth; planned maintenance and the effects thereof; impact of PSA effects; risks related to Statoil's production guidance; accounting decisions and policy judgments, ability to put exploration wells into profitable production, and the impact thereof; expected dividend payments; estimated provisions and liabilities; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to 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 developments; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions, including war, political hostilities and terrorism; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields or wells 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, 2017, filed with the U.S. Securities and Exchange Commission (and section 2.11 Risk review – Risk factors thereof). Statoil's 2017 Annual Report and Form 20-F is available at Statoil's website [www.statoil.com](http://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 these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.

Prices used in the presentation material are given in real 2018 value, unless otherwise stated.