



Statoil Technology Conference 20th April 2017



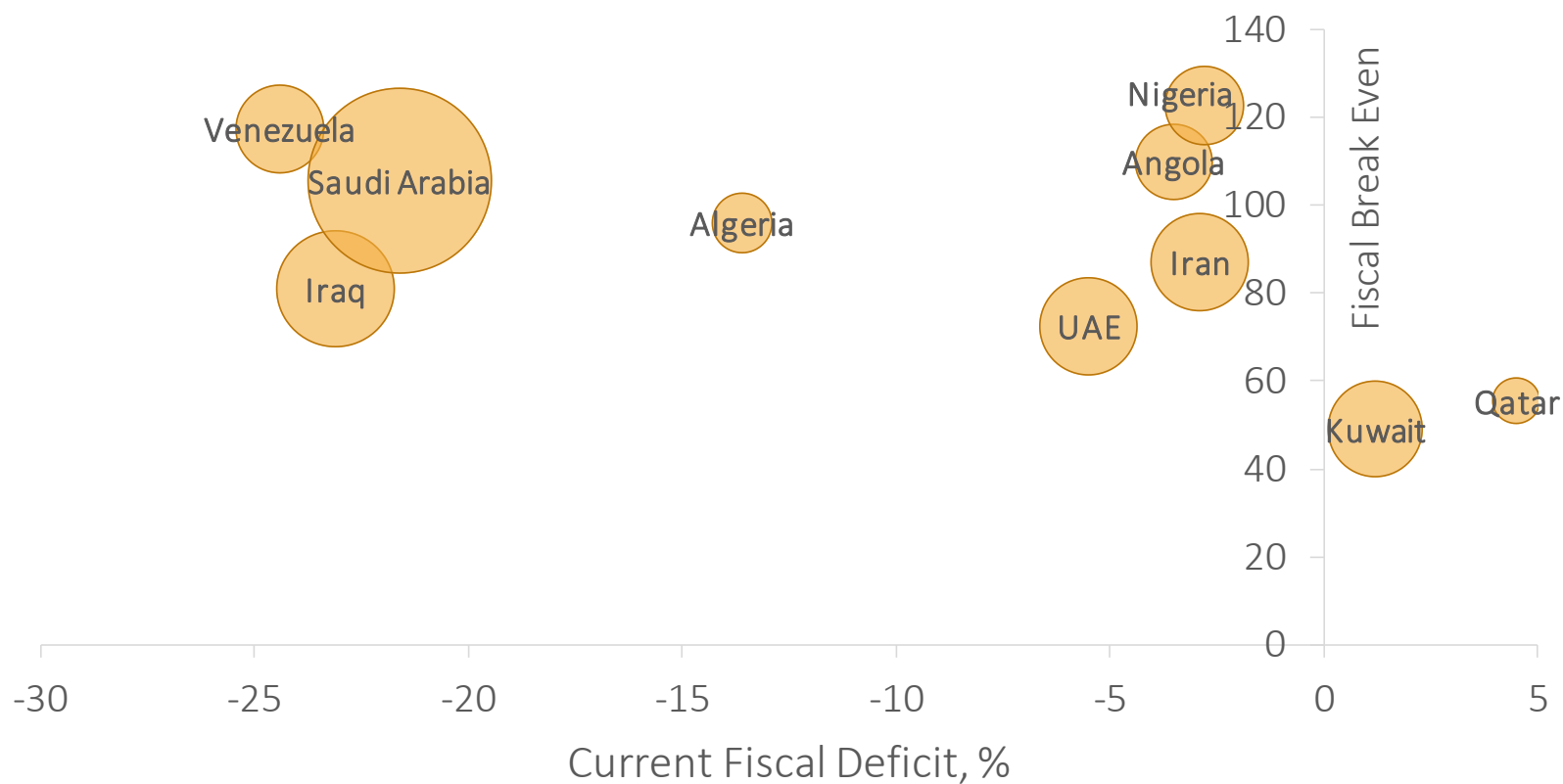
Why are we here

- Introduce Energy Ventures Private Equity (EVPE)
- Technology is fundamental to EV strategy
- Explain how EVPE can help create value for companies
- Elaborate on our investment criteria
- Put ourselves forward as the growth-enabling investor of choice for companies seeking for growth capital

Backdrop

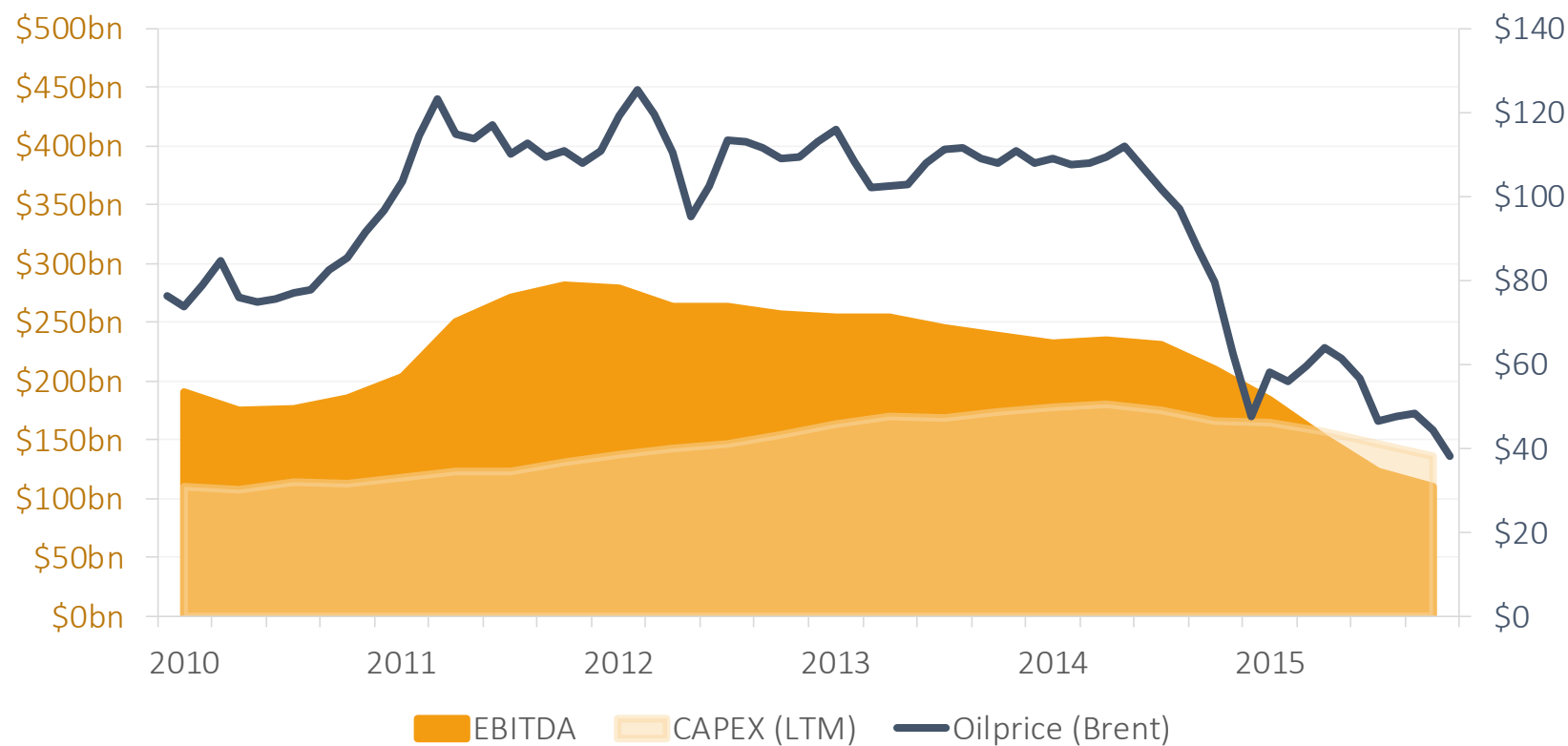
Current oil price not sustainable for OPEC

OPEC Production, Break Even oil price and Fiscal deficit



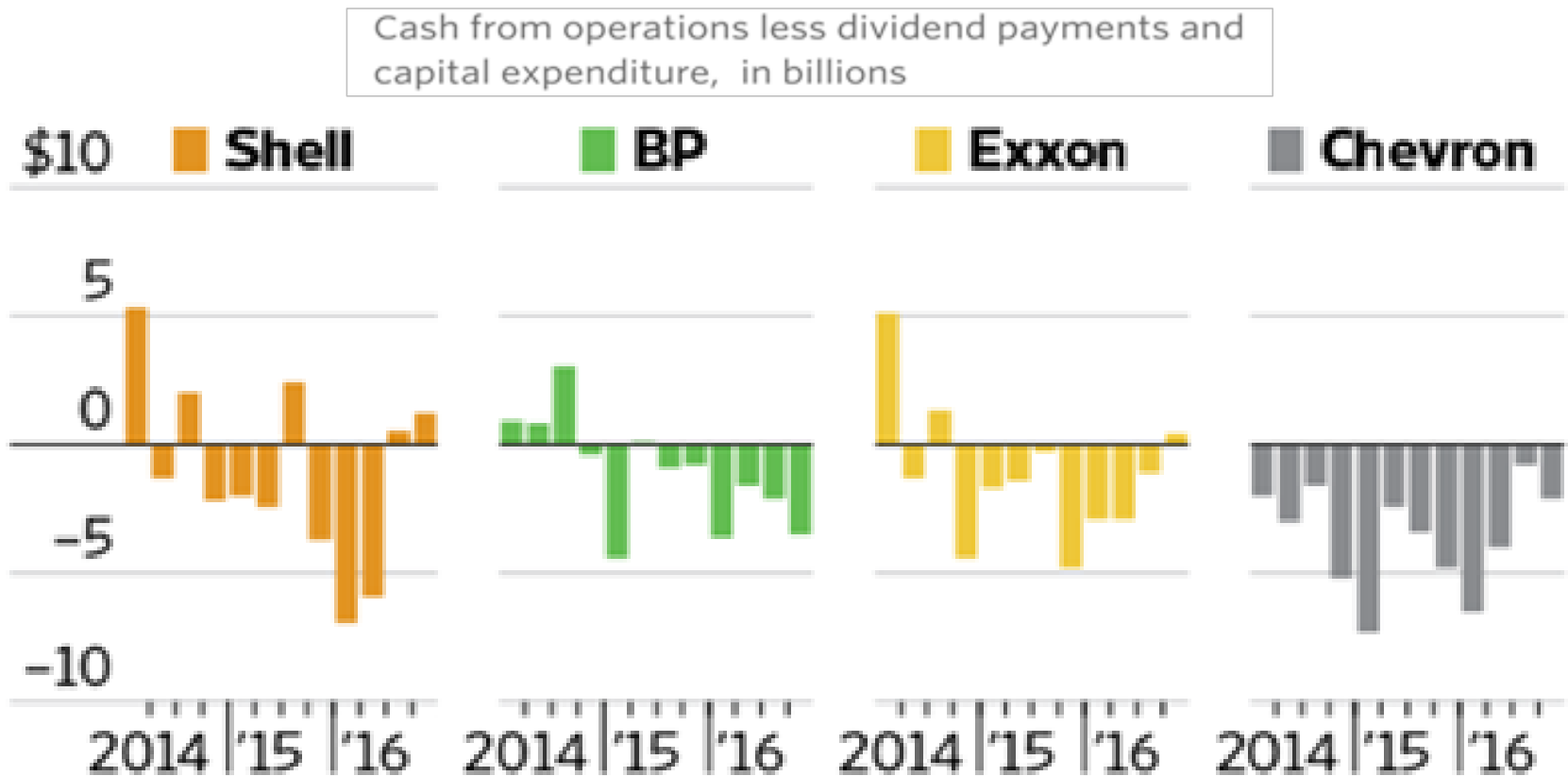
Super majors struggled from 2014

Cash flow negative before dividend
Conoco Phillips, Total, ExxonMobil, Shell, Chevron and BP



but are generally now improving

Big oil companies are struggling with cash conversion, largely reflective of the global oil & gas market



Conclusion

1

The boom years since 2000 made the industry complacent

2

Rumors of the oil industry's death are greatly exaggerated

3

No more room for supply chain squeeze, current levels may not be sustainable

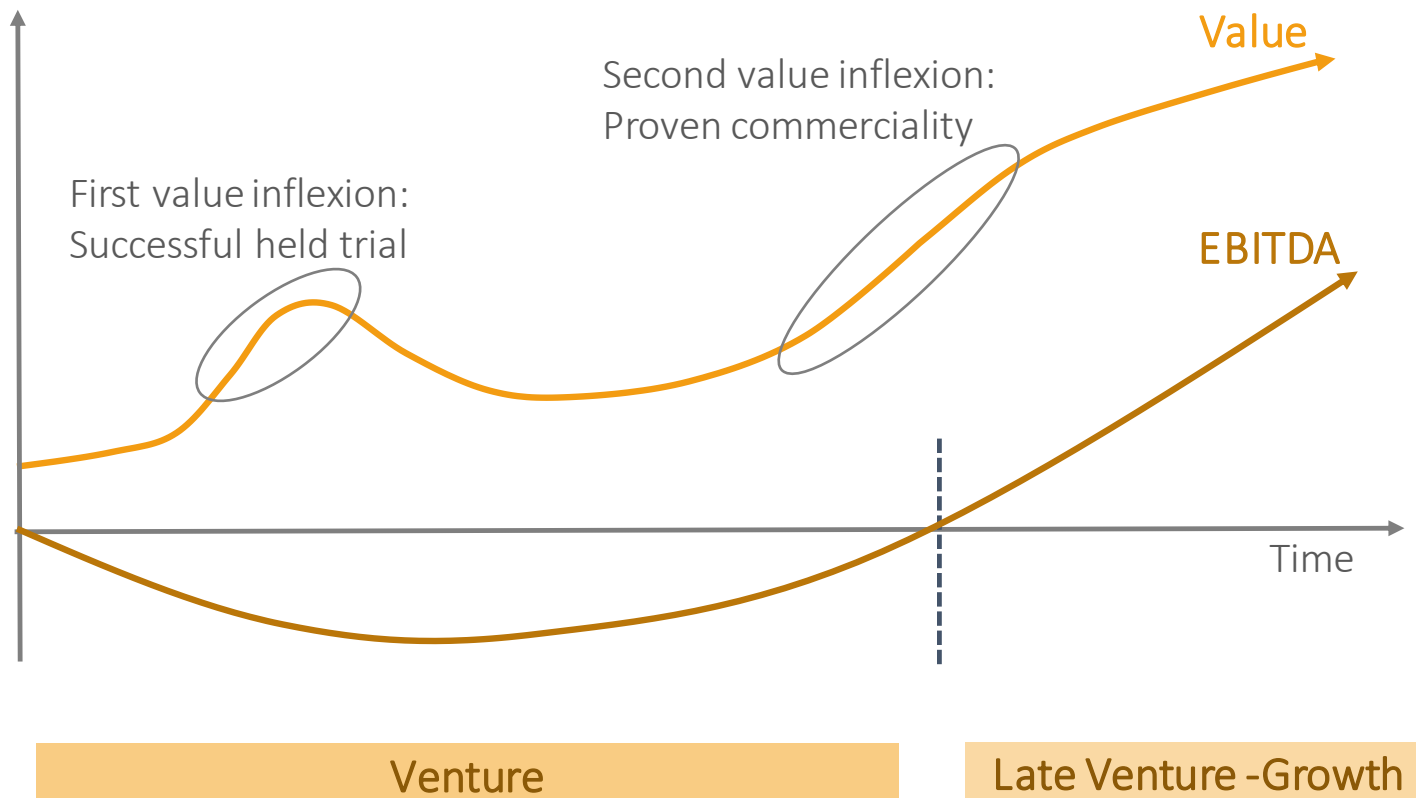
4

Longer term investment in supply is required to meet \$1 trillion capex deferment by industry to meet future supply challenges

5

Technology that reduce cost, reduce risk and improves productivity are key

Investment value and risk paradox

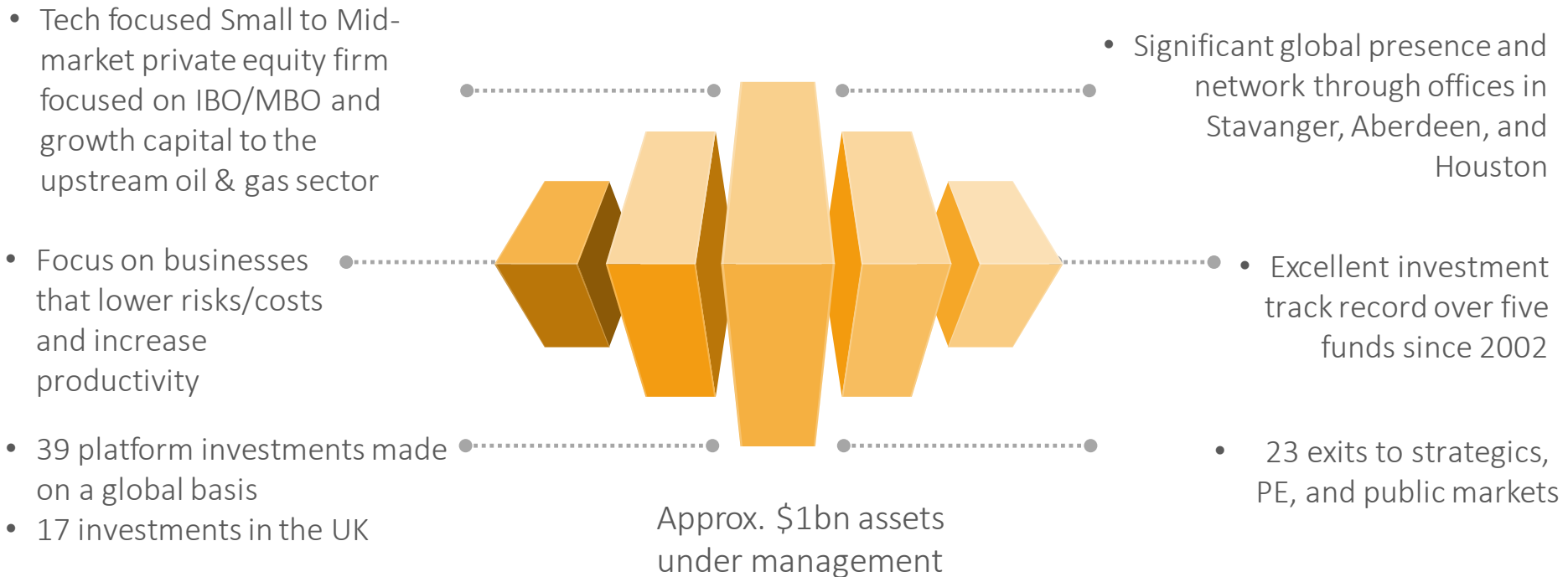


EV's focus is on high growth energy technology companies
with **proven commerciality**

EVV

Energy Ventures Private Equity







Technology growth equity investments in Upstream Oil & Gas











Unique Senior Network of Industry Experts

Provide **global reach, board leadership and expert opinions** on future macro trends in the oil & gas industry

Operating Partners

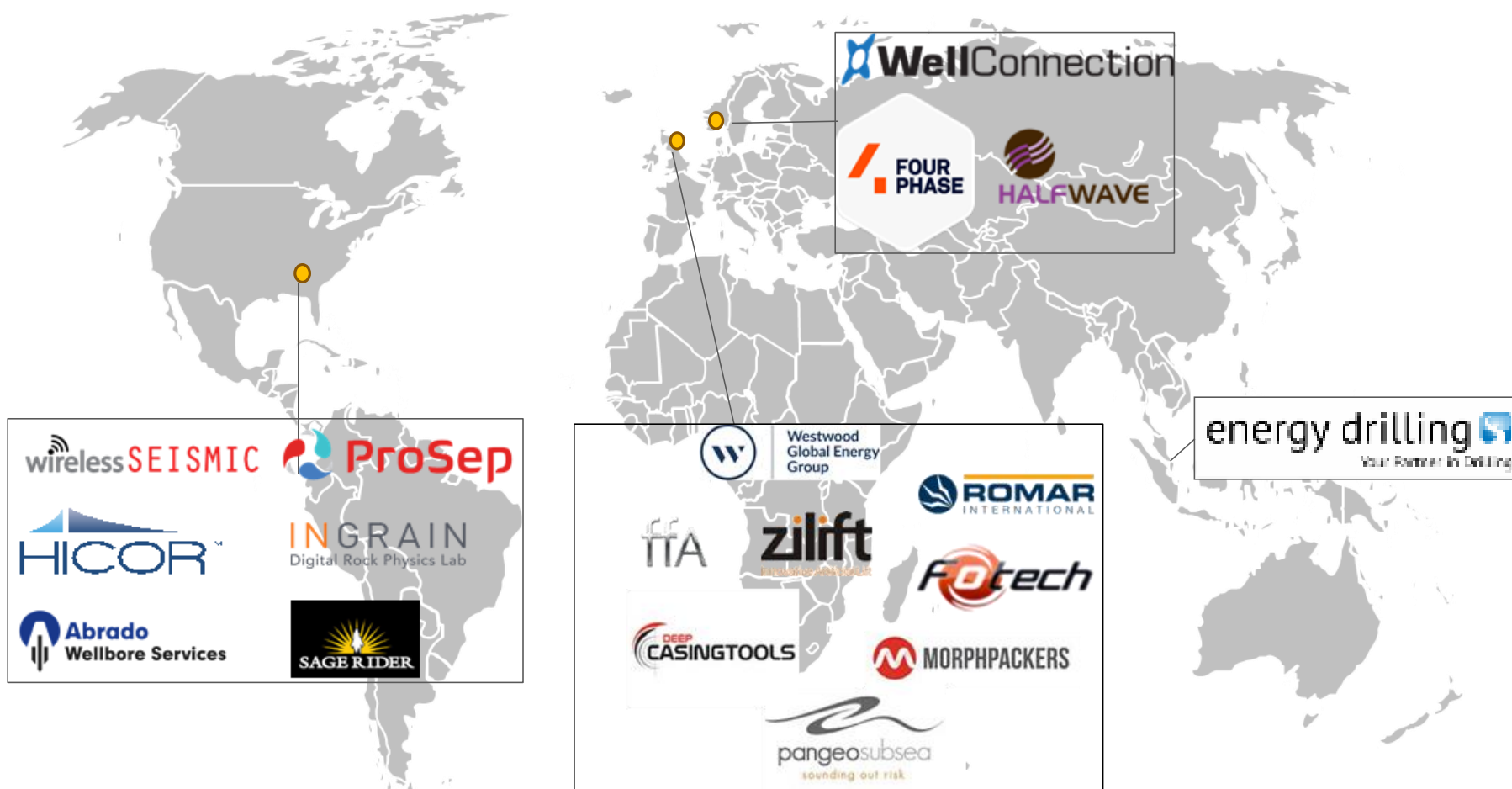
Gavin Prise		Former CEO of Expro	
Andrew Boland		Former MD, Research at Peters & Co. Limited	
Saad Bargach		Former senior executive at Schlumberger and Partner in Lime Rock Partners	

Advisory Board

Paul Ching		Former VP R&D, Shell E&P	
Karl Johnny Hersvik		CEO, Aker BP	
Sergio Martinez-Burgos		Director, Investments, Temasek	
José Formigli		Former Chief Exp. & Prod. Officer & Executive Board Member, Petrobras	
Dr. Vikram Rao		Exec. Director, RETC; Former CTO, Halliburton	
Dr. Ram Shenoy		Former CTO, ConocoPhillips; Former VP Research, Schlumberger	
Richard Spears		MD, Spears & Associates	
Carl Trowell		President & CEO of Ensco plc; Former President, Schlumberger IPM & SPM	













































Global Experience

EVPE has experience of managing companies worldwide



Supported by Experienced EVPE Team

Deep industry and PE experience is fundamental to EVPE strategy

	Name	Sectors	PE	O&G	Prior Roles		Name	Sectors	PE	O&G	Prior Roles
STAVANGER	 Kjell Jacobsen Exec Chairman	 	8	35	President & CEO, Seadrill; President & CEO, Smedvig	HOUSTON	 Anoop Poddar Senior Partner	 	10	20	VP, Simmons & Co; Drilling Engineer, Schlumberger
	 Helge Tveit M. Partner	 	13	27	Exec. Advisor, BP Norway; Strat. Planning Director, Amoco		 Shantanu Agarwal Partner	 	6	15	Co-founder, Oscomp; Associate, McKinsey; BD Manager, Schlumberger
	 Einar Gamman Senior Partner	 	15	30	Deputy MD, Smedvig; BD Manager, ABB; Project Engineer, Tentech		 Matt Anstead Partner	 	7	16	VP, Simmons & Co.; Field Engineer, Schlumberger
	 Rune Jensen Senior Partner	 	10	35	Managing Partner, Progressus; CEO, Alliance		 Espen Strøm Director	 	8	11	Financial Analyst, Exxon Mobil
	 Per Arne Jensen Senior Partner	 	9	25	Managing Partner, Progressus; CEO, Figgjo		 Atif Ali Senior Analyst		4	4	PPHB, Duff & Phelps
	 Pelle Bildtsén CFO		14	16	Corporate Advisor, Melberg; Associate, Procuritas	ABERDEEN	 Greg Herrera Senior Partner	 	11	25	VP, Simmons & Co.; Hydril; Founde of Rototec
	 Kjetil Norheim Analyst		2	2	MSc -HEC Lausanne		 Tomas Hvamb Inv. Director	 	3	11	VP, Barclays Bank
							 Karem Kobayashi Senior Associate		3	10	BG Group
							 Rajat Maheshwari Analyst	 	2	5	Sales and Field Geophysicist, Schlumberger

Reservoir Evaluation
& Exploration

Drilling & Well
Construction

Intervention,
Completion & Lift

Field Development,
Facilities & HSE

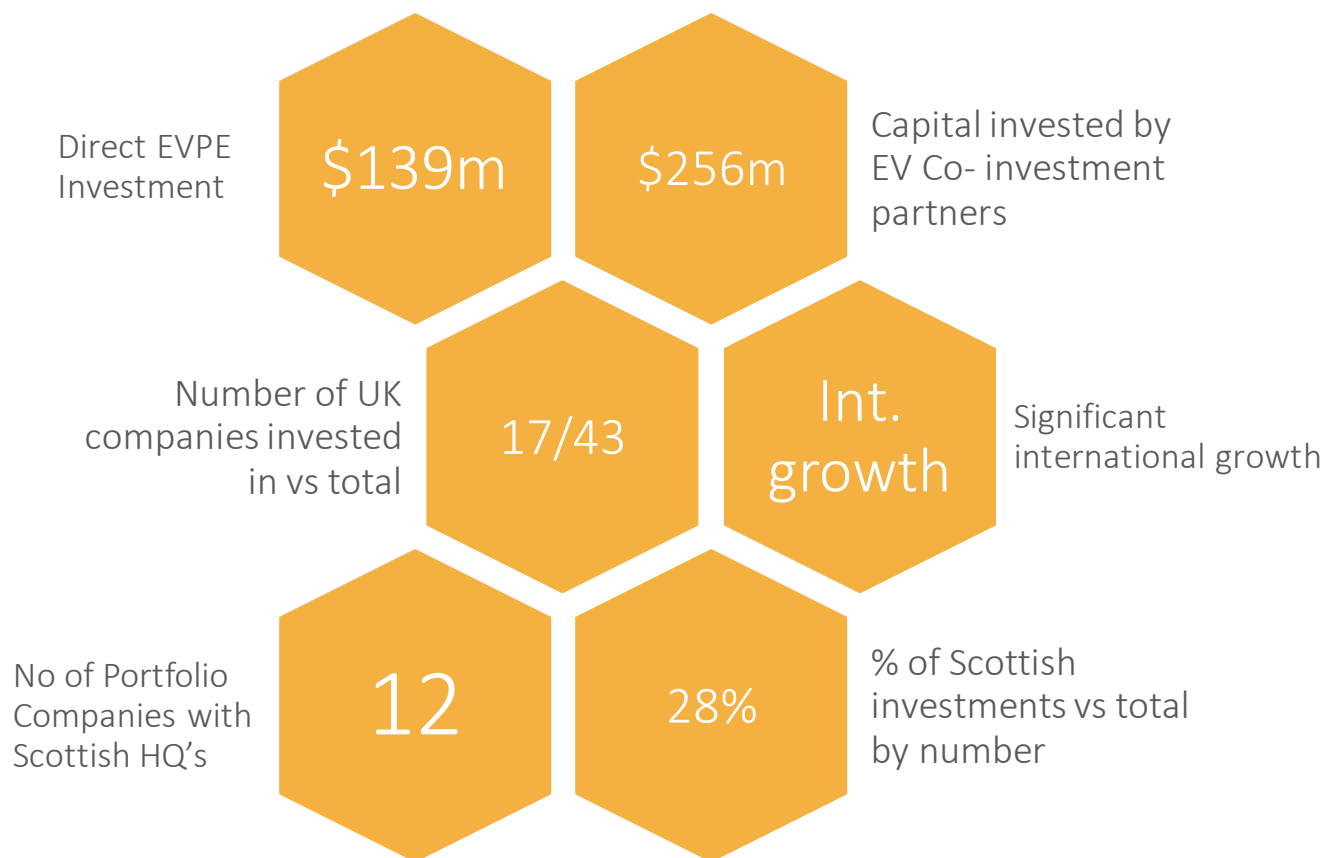
Others (Finance/IT)

Rifle Shot Upstream Focus

Broad expertise enables investments across the industry

	RESERVOIR EVALUATION & EXPLORATION	DRILLING & WELL CONSTRUCTION	INTERVENTION, COMPLETION & LIFT	FIELD DEVELOPMENT, FACILITIES & HS
Exited	  	    	   	     
Current	    	    	   	   

A leading OFS investor in Scotland



Lessons Learned

EVV invest in attractive growth business that reduces cost/risk or improves productivity

Venture Investments

- Adoption risk
- Cash consumption
- Challenging valuation metrics for acquirer/investor
- Scaling of the businesses is expensive and risky








Growth investments

- Transition risk from Venture org to commercial org.
- Global customer /adoption risk
- Ability to deploy more capital
- Potentially closer to exit...

Overview of Most Recent Investments

Proven technology & Small to Mid-Market Focus

	 ¹	 ¹	 ¹	 ²	 ²
Investment Date	Q3 2013	Q2 2014	Q4 2014	Q1 2015	Q3 2015
Strategy	Technology c and Buy-and-Build	Techy/Organic	Tech/Organic/ Buy-and-Build	Buy-and-Build	Buy-and-Build
2016 Sales	Annual sales ranging from \$10m to \$40m				
What does it do?	Completion and optimization technologies capitalizing on shale plays	De-sanding technology for production and intervention management	Magnetic separation, fluids handling and environmental services	Specialist Energy, Software, Information & Analytics Platform	Leading provider of IMR services on NCS
HQ	Houston, USA	Os, Norway	Aberdeen, UK	Aberdeen, UK	Stavanger, Norway
#of Bolt-on Acquisitions	3	0	0	4	4

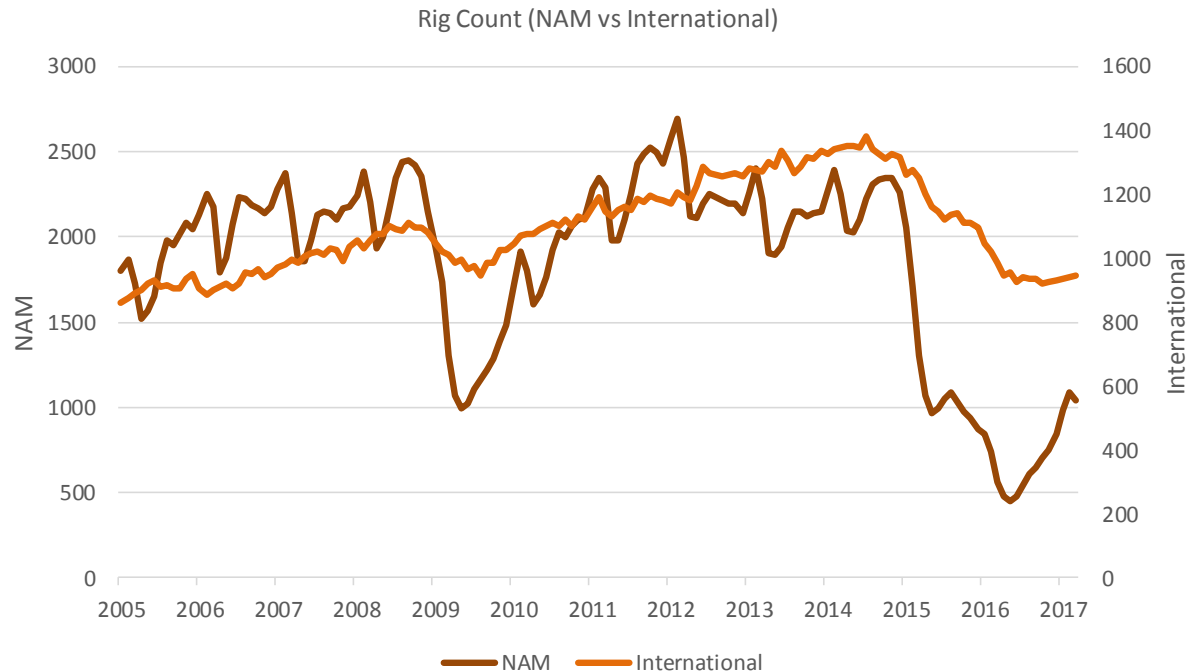
¹ EV Fund IV Investment; ² EV Fund V investment

\$150m of committed capital into businesses

Current investment Backdrop Key Industry KPI's & M&A

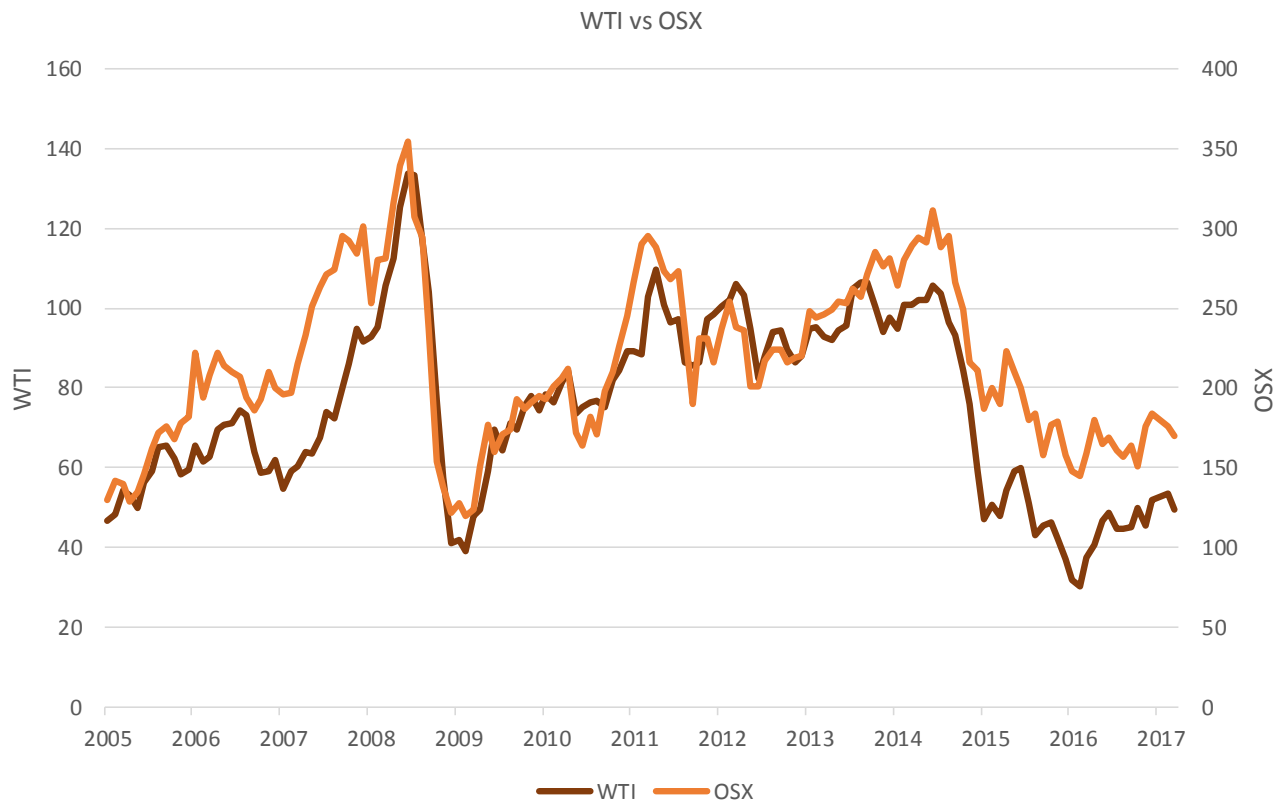
We seem to have “bottomed”

- NAM rig count has seen a significant improvement from H2 2016 (which is normally a lead market indicator of a broader market recovery)
- International rig count has remained flat from H2 2016, but hopefully we’ll see some improvement on the back of re-bouncing onshore count activity



But public markets remain uncertain for OFS

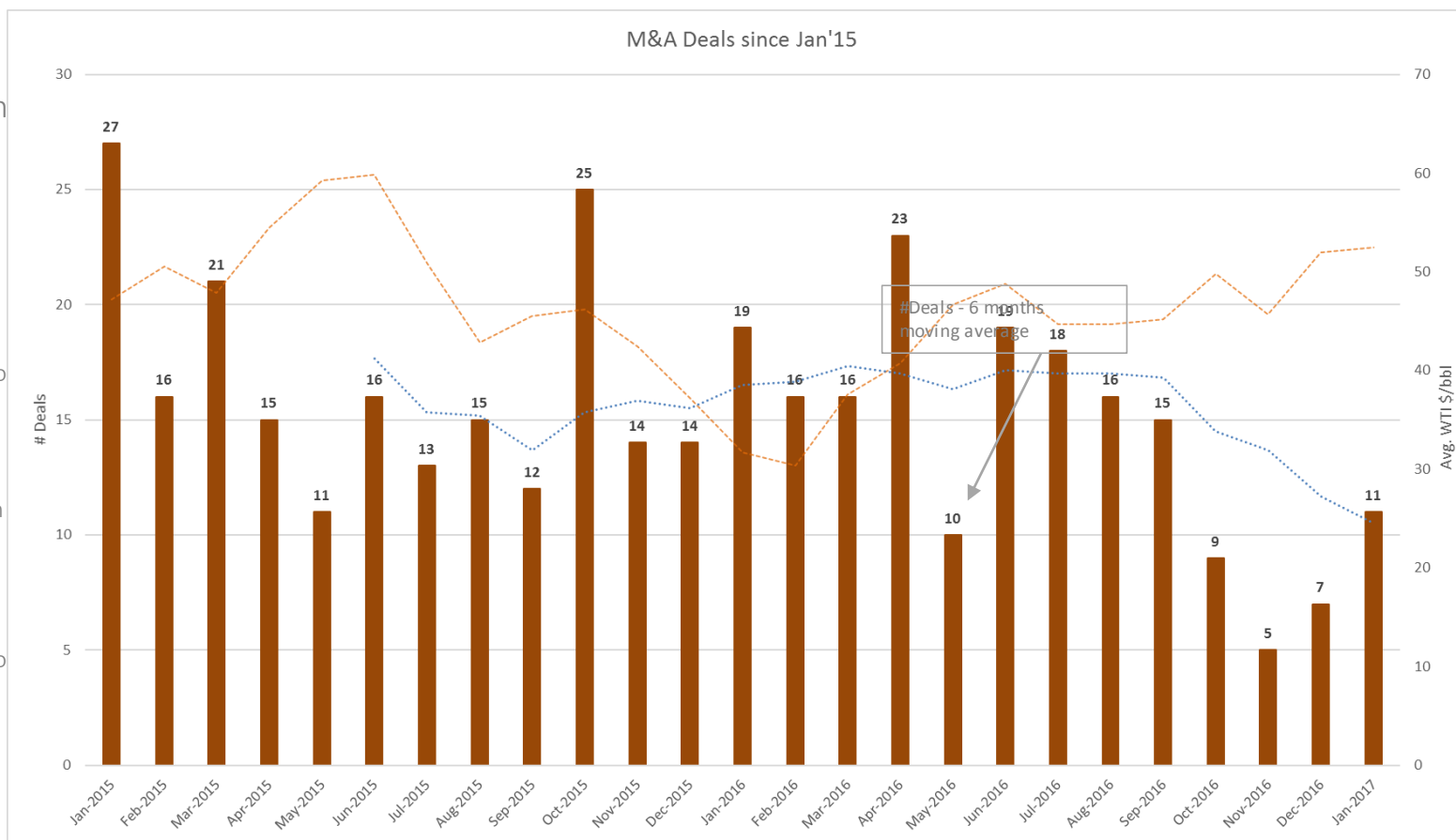
- Oil price recovered continues to hover around \$50/bbl
- OSX appears range bound between 150 and 180.



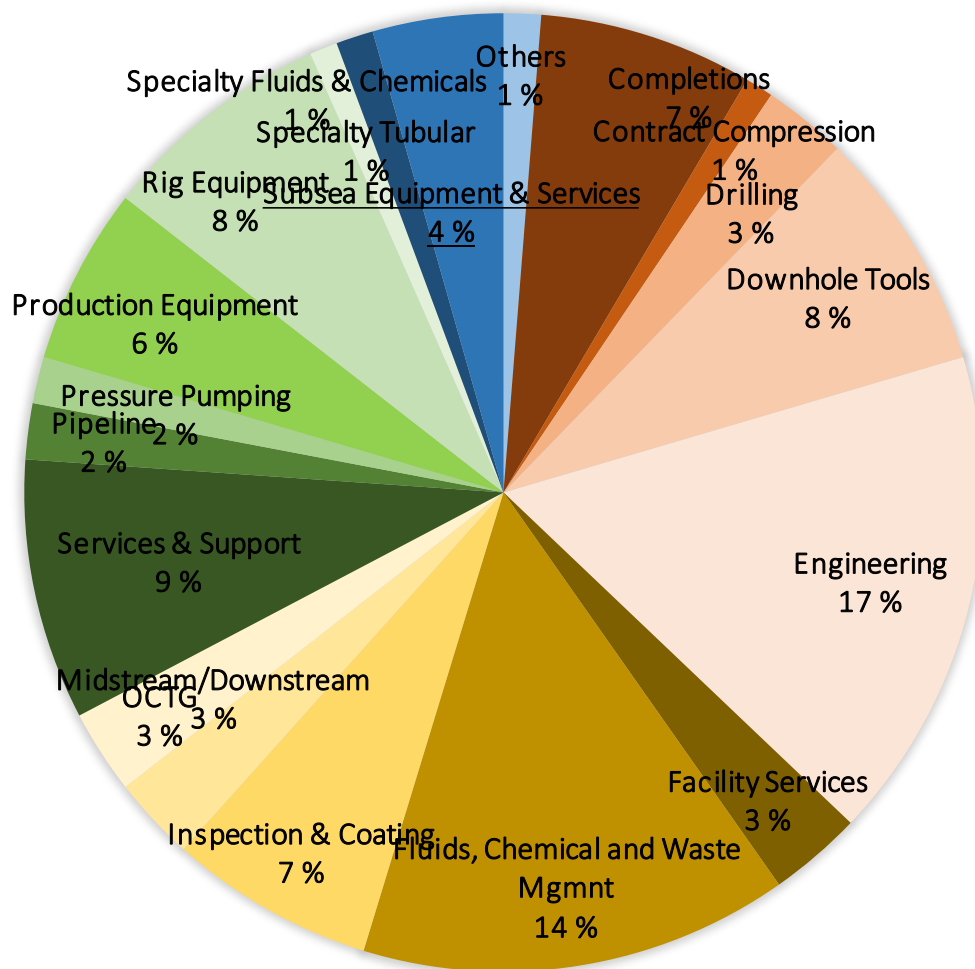
Resulting in recent weak M&A, now improving

- OFS M&A volume decreased through Q4 but is showing some signs of recovery

- In 2016 EV had 3 exit including sale of Meta to SLB and Read Cased Hole to Norvestor
- Other notable technology sales in the last quarter include Darcy sale (to HAL), Peak Oil Services sale (to SLB), Axiom sale (to NOV), Fjords Processing (NOV), and Caledyne (to Baker Hughes)

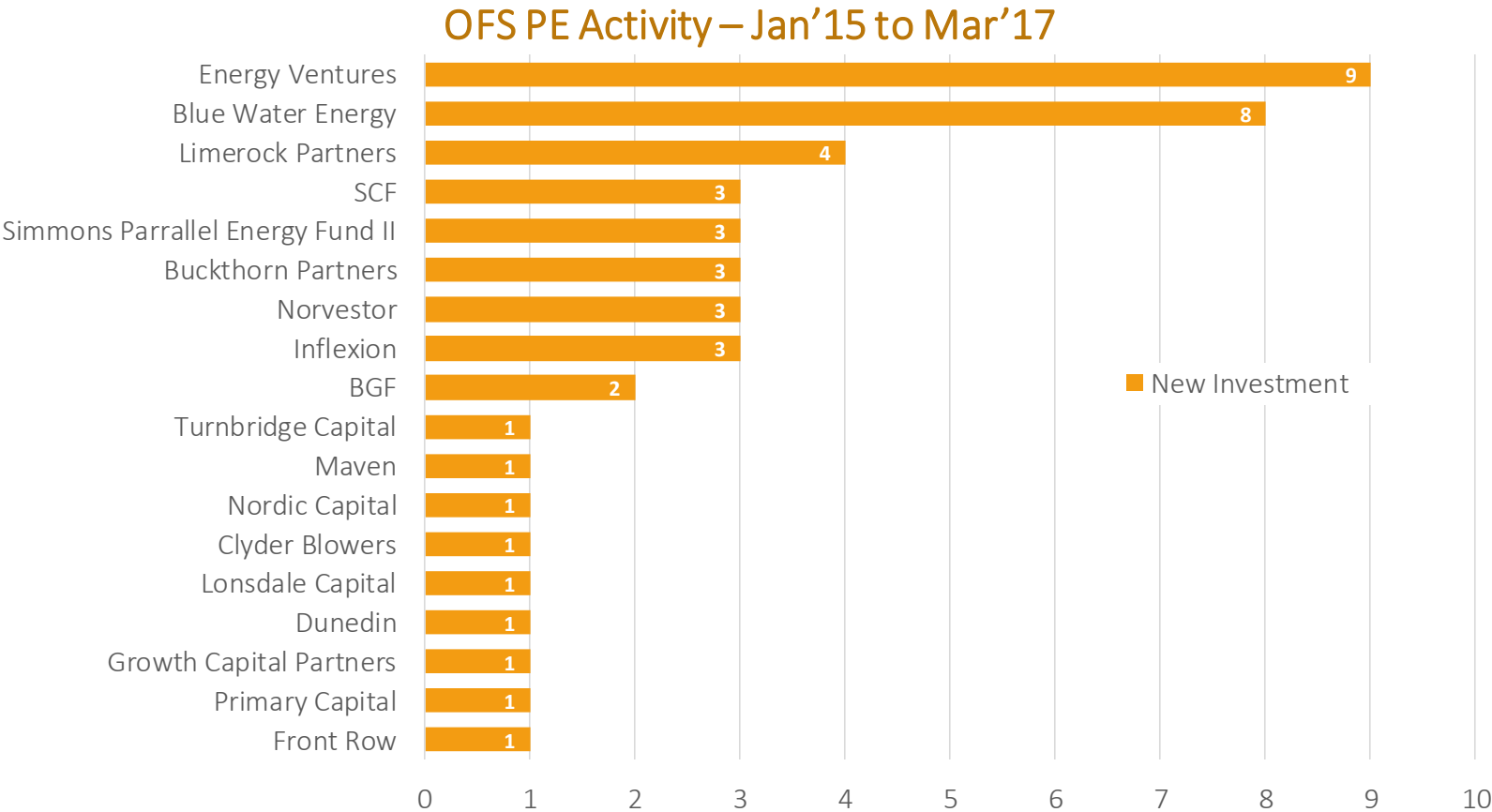


And diversified M&A interest



Select North Sea OFS PE Landscape

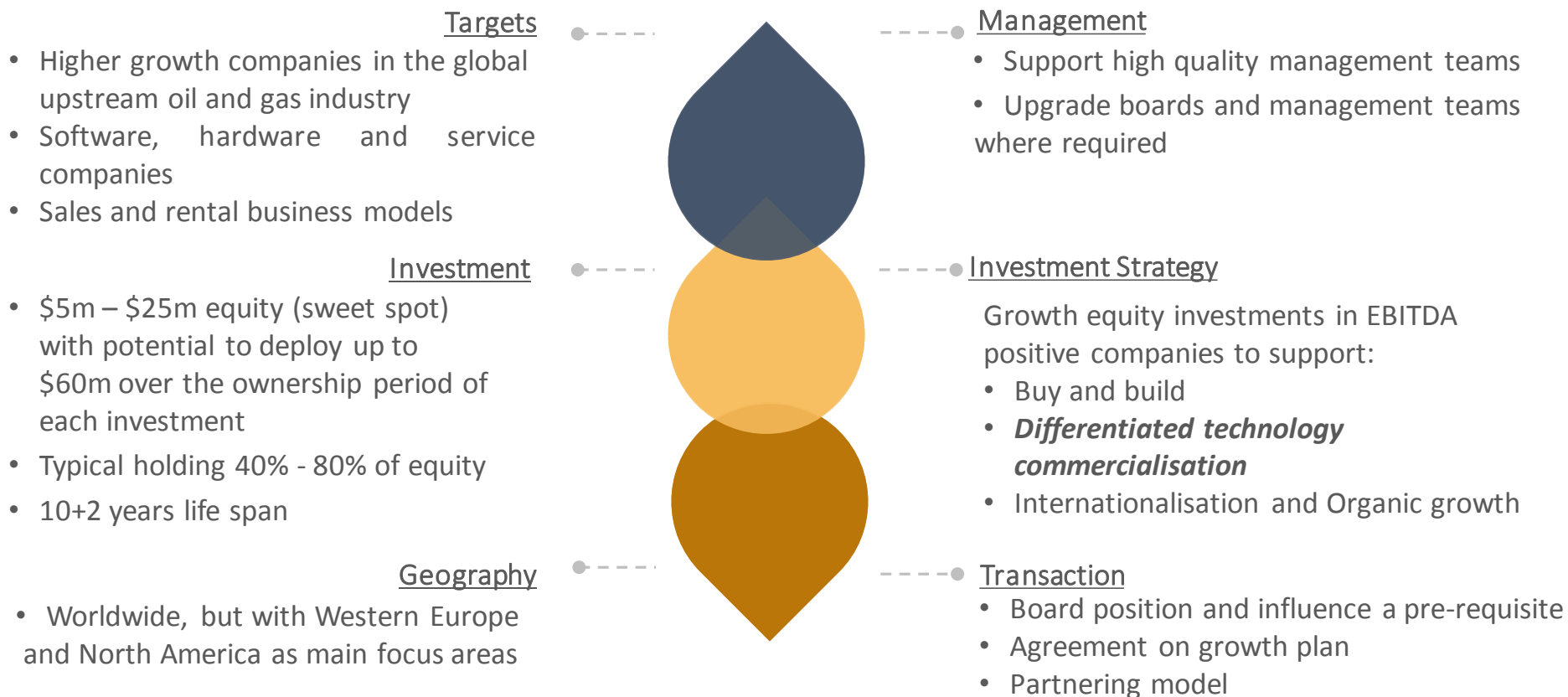
EVPE remains one of the most active PE investor in the OFS space in the North Sea



Investment Criteria and how we add value

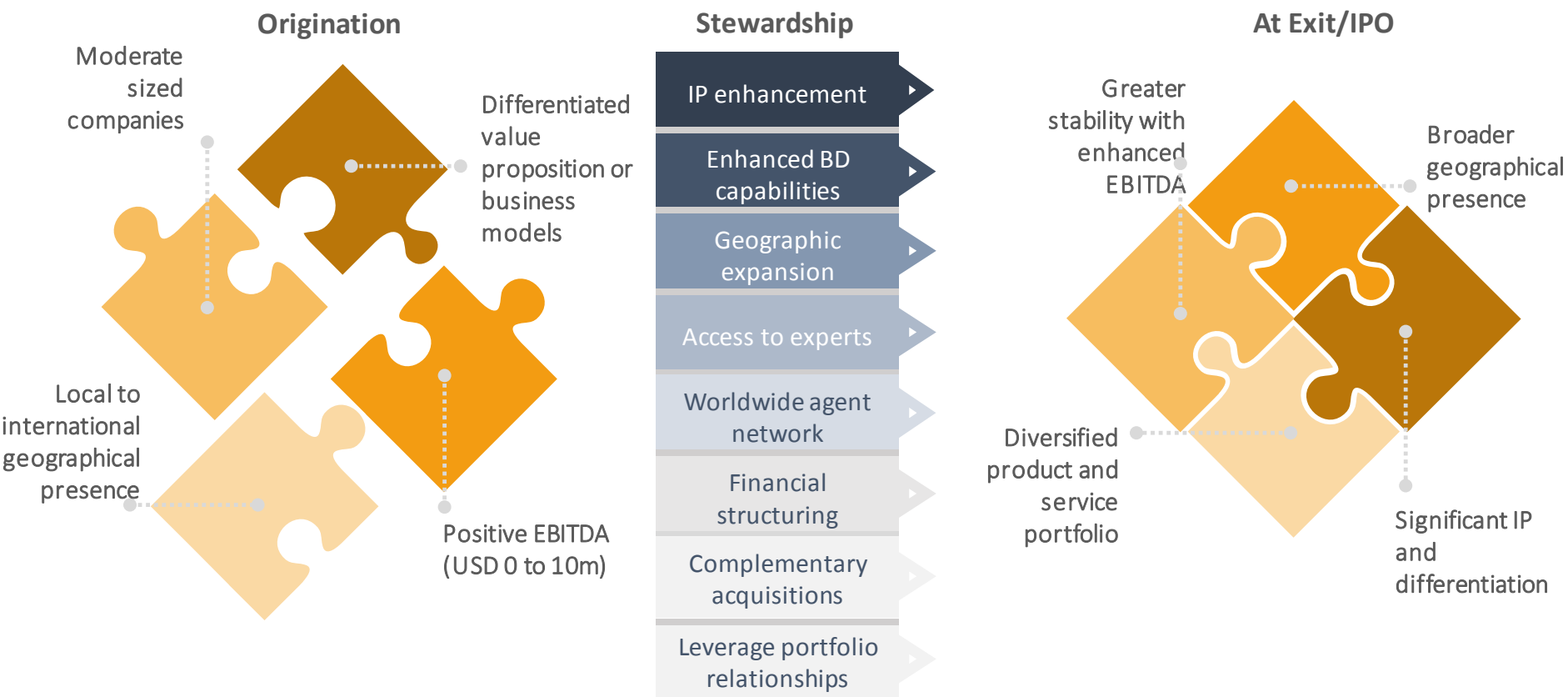
Investment criteria

Businesses helping customers find and produce oil and gas in more **efficient, cost-effective and environmentally-friendly** ways

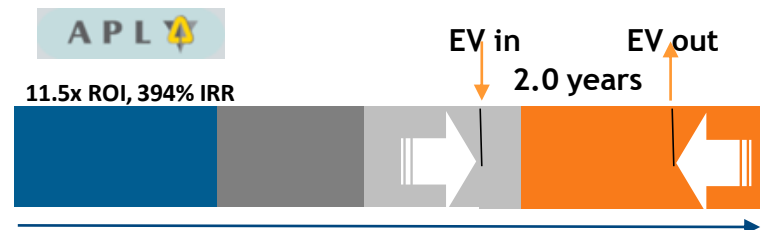
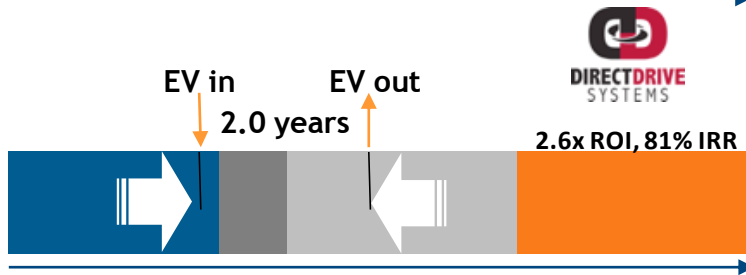
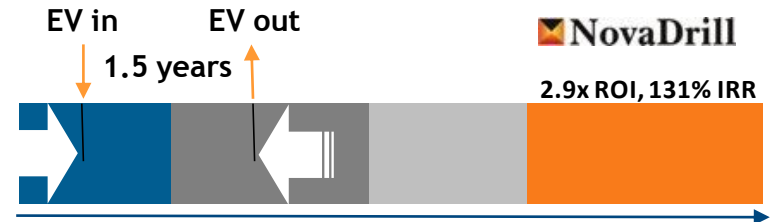
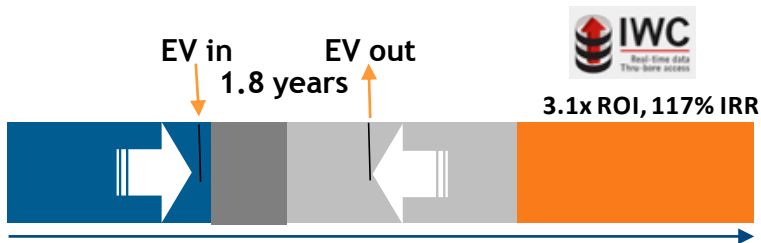
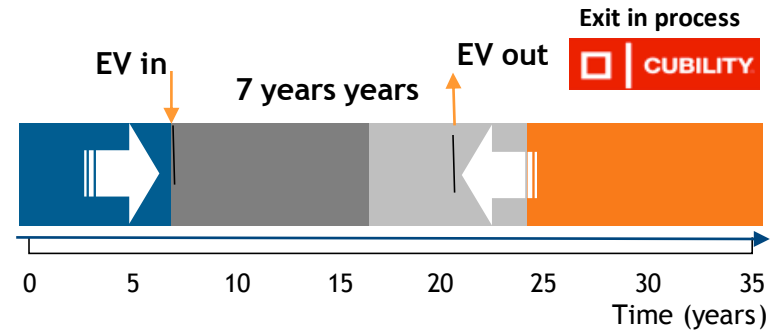
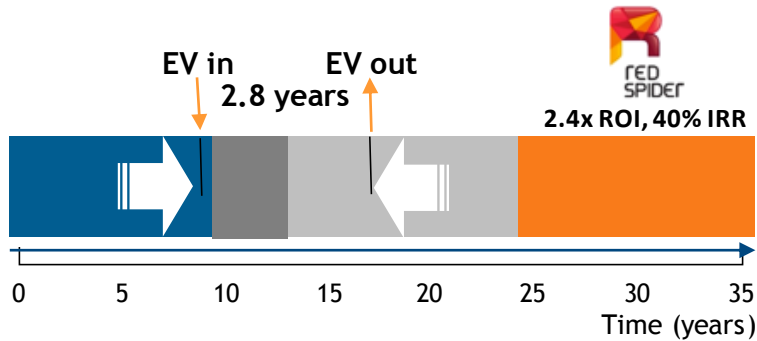


How We Create Value

Partner with management and owners to build fundamentally better companies



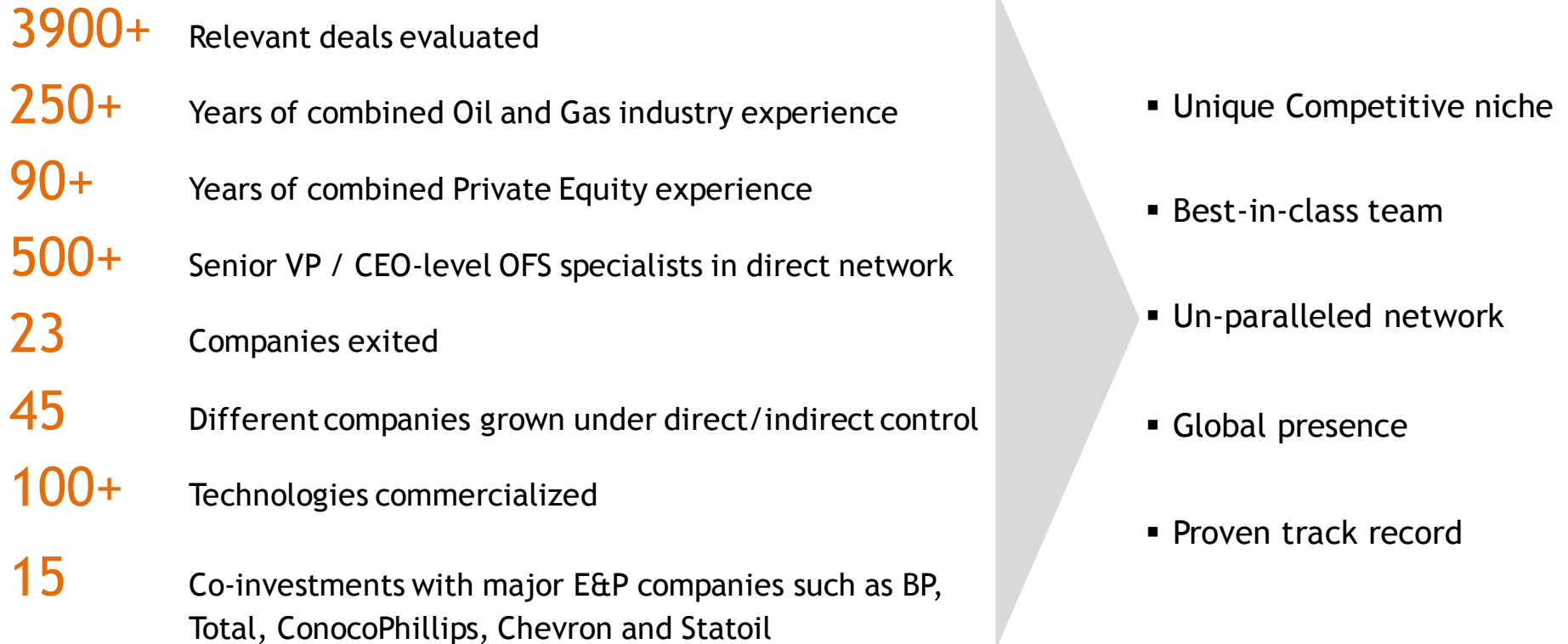
The “Proof in the pudding”



Energy Ventures portfolio companies are significantly accelerated through technology adoption cycle

■ Idea to prototype ■ Prototype to Field test ■ Field Test to Commercial ■ Commercial to standard

The EV Partnering Differentiator



Summary

- We work in a partnership model with stakeholders
- We believe that we have the experience, expertise, and geographical reach that would enable rapid growth of subsea businesses
- We have capital to invest in new platforms and “add-on” acquisition to existing portfolio companies
- We would like to have an opportunity to discuss your strategic funding need

Thank you

- EVPE Contacts:
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 - Per Arne Jensen, Senior Partner (pf@evpe.com)
 - Anoop Poddar, Senior Partner (ap@evpe.com)

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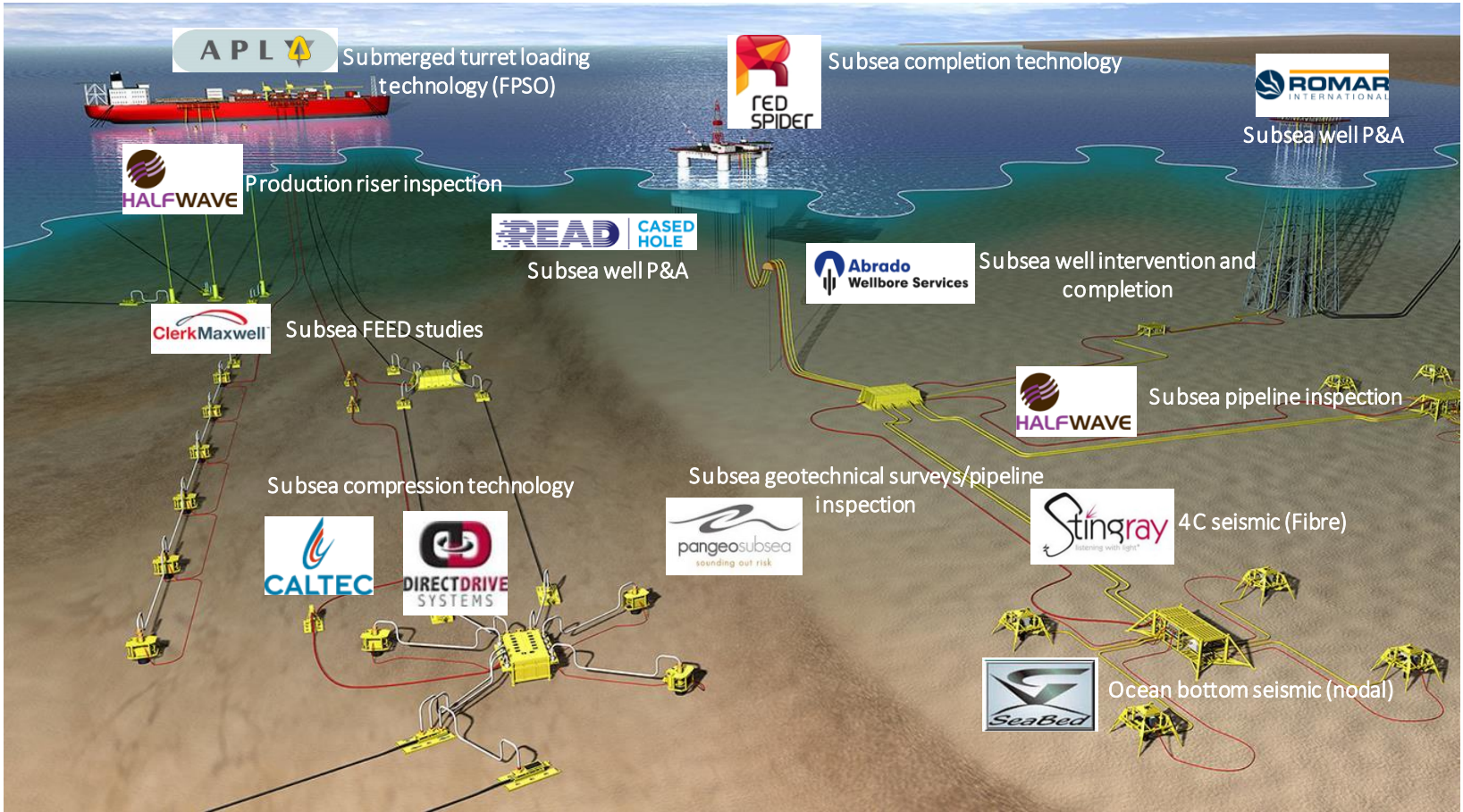
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Furthermore, in the event of a departure of a key employee of the General Partner or Investment Advisor, there is no guarantee that the General Partner or the Investment Advisor would be able to recruit a suitable replacement or that any delay in doing so would not adversely affect the performance of the Fund. Changes in legal, tax and regulatory regimes may occur during the life of the Fund which may have an adverse effect on it or its investments. The tax treatment of an investment in the Fund is complex. Potential investors are urged to consult their tax advisors with respect to their particular tax situations and the tax effect of an investment in the Fund. Investments in unquoted companies can be difficult to realize. At the termination of the Fund such investments may be distributed in specie so that investors may then become minority shareholders in unquoted companies. There will be no public or private market for the interests in the Fund and none is expected to develop. In addition, the interests in the Fund are not transferable except with the consent of the General Partner, which may be withheld by the General Partner in its sole discretion, and subject to the terms and conditions of the Partnership Agreement. Limited Partners may not withdraw capital from the Fund. Consequently, Limited Partners may not be able to liquidate their investments prior to the end of the Fund’s term. The Funds’ respective fees and expenses may be substantial, and may offset their respective investment profits. The Funds’ investments will be subject to the risks inherent in the ownership and operation of energy-related assets. General risks include but are not limited to unforeseen shift in the oil and gas supply-demand balance, resulting in changes to commodity prices that would negatively impact the pricing and liquidity of the Fund’s prospective investments. Local, regional or worldwide economic or political changes, as well as regulatory changes or administrative practices over which the Funds have no control, including the regulatory environment, interest rates; currency fluctuations; exchange controls; inflation; liquidity of markets; tax policies; environmental legislation and other political, social and economic developments that may occur in the jurisdictions in which the Funds’ respective assets operate. The development of new technology is associated with significant uncertainty concerning both the quality of the end result, the financial and human resources needed and the time required. Product development is frequently associated with cost overruns and delays as well as technical problems. There is no guarantee that when the technology development is completed and ready to be introduced to the market that the technology is competitive and that there are customers that are willing to purchase products based on the technology at fair prices. The world has a substantial requirement for energy that is expected to persist into the foreseeable future. It is likely that oil and gas will remain the primary source for satisfying this demand. However, other energy sources may develop to the detriment of the oil and gas industry in its current form.

Additional information about Energy Ventures Private Equity, the Energy Ventures Private Equity Funds, their respective affiliates and the information contained herein is available upon request.

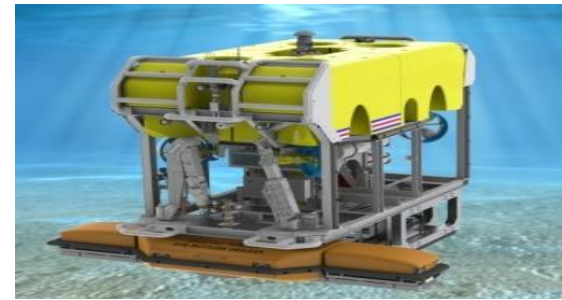
Subsea

We believe in Subsea - EV Experience



Assisted in significant tech development

eMotion VeriClean® ART Scan™
Sub-Bottom Imager™
Powerball CSM-1000™ ZeroTime™
Acoustic Corer™
SS2000 CASE System CASE eNode
STL™
EZ-CLEAN SCR1000™
eRED-FB
OptaSeis™ SS1000
CASE 4DNode MAG-TRAPSTM
Magnogrid I-SEP® SAL™
MUDVIPER™
Medusa™ VSeRED
THRU-TUBING MAG-TRAPSTM



Outlook - somewhat countercyclical

- Global OFS sales bottom in 2016, down > 50% (\$450bn → \$220bn) from 2014 peak. 2017 up by 8%
- For global OFS sales of offshore focused products/services, 2016 is down c. 50% (\$250bn → \$130bn), while 2017 continues flat to down
- Subsea industry conditions and near-term outlook are still challenging
- Oil price has improved over the last 10 months (supply and demand becoming more balanced?)
- Lower project costs are causing operators to review their future projects
- 2017 likely to be the bottom of the market with slow recovery starting in 2018
- Now is the opportunity to re-position, re-structure, optimise, and prepare for the upturn and EVPE would like to partner in helping subsea companies achieve that

