

## Press release

11 May 2009

# High production and solid operations

## StatoilHydro's first quarter 2009, operating and financial review

**StatoilHydro's first quarter 2009 net operating income was NOK 35.5 billion, compared to NOK 51.4 billion in the first quarter of 2008. The quarterly result was negatively affected by a 41% drop in oil prices, partly offset by a 23% increase in the average price of natural gas and a 7% increase in lifted volumes of oil and gas.**

In addition to low crude oil prices, the first quarter net income was influenced by currency effects and an unusually high effective tax rate. In the first quarter of 2009, net income was NOK 4.0 billion compared to NOK 16.0 billion in the same quarter a year ago.

A new functional currency in the parent company has introduced reduced currency effects on net financial income. While taxes payable are unaffected by this change, taxable income exceeded consolidated accounting income before tax by approximately NOK 10 billion, thus contributing to a tax rate of 87.4%. Adjusted for this difference, the tax rate amounted to 66.4%.

"Recession and uncertainty in the world economy is continuing to impact energy demand and energy prices. Facing the turmoil, we are continuing to pursue further cost reductions, increased efficiency and operational improvements," says StatoilHydro's chief executive Helge Lund.

Noting that the first quarter result was strongly influenced by low crude oil prices, currency effects and unusual income tax effects due to the new functional currency, the chief executive emphasises that operations and production have been satisfactory:

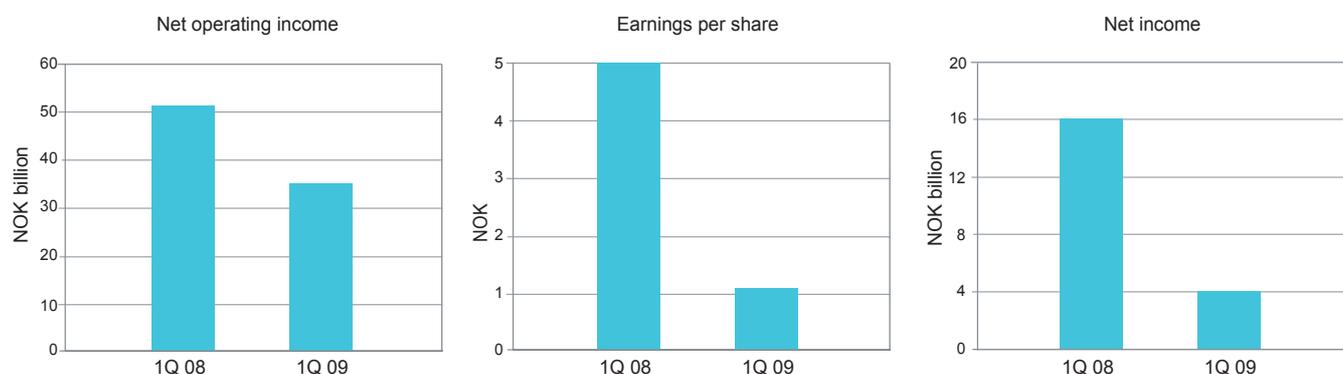
"We delivered record production and reliable operations during the first months of the year. The start-up of new fields like the Tahiti field in the US Gulf of Mexico and Alve on the Norwegian continental shelf (NCS) are recent milestones underpinning our long term growth strategy."

"Our long-term strategy remains firm. We have strengthened our portfolio of exploration acreage in Norway and the US Gulf of Mexico and we have maintained high exploration activity, with good results. We have also strengthened our position within renewable energy through the sanctioning of the Sheringham Shoal offshore wind farm in the United Kingdom," says Mr Lund.

Total equity production of liquids and gas in the first quarter of 2009 was 2.074 million barrels of oil equivalent per day, up 1% from the first quarter of 2008.

Adjusted for certain items that may not be specifically related to StatoilHydro's underlying operational performance in the individual reporting period, **adjusted earnings** in the first quarter of 2009 were NOK 36.0 billion, compared to NOK 51.5 billion in the first quarter of 2008. The decrease in adjusted earnings was mainly due to lower liquids prices, only partly offset by higher income from natural gas sales.

### Performance update



In the first quarter of 2009, StatoilHydro delivered total liquids and gas entitlement production of 1,935 mboe per day, which is a 2 % increase compared to the 1,889 mboe per day in the first quarter of 2008. Total liftings of liquids and gas were 1,964 mboe per day in the first quarter of 2009, a 7% increase from 1,836 mboe in the first quarter of 2008. Total equity production increased from 2,048 mboe per day the first quarter of 2008 to 2,074 mboe per day in the first quarter of 2009.

**Adjusted earnings** for the first quarter of 2009 decreased to NOK 36.0 billion, down 30% from NOK 51.5 billion in the first quarter of 2008. Lower liquids prices and lower liquids volumes were partly offset by the positive effects from higher volumes and prices for natural gas.

StatoilHydro delivered an extensive exploration programme in the first quarter of 2009. Of a total of 21 exploration wells completed before 31 March 2009, nine were drilled outside the NCS. Twelve wells have been announced as discoveries, of which two are located outside the NCS. An additional seven wells have been completed since 31 March 2009.

In the first quarter of 2009, production started from the Yttergyta field (6 January) and the Alve field (19 March), both on the NCS.

**Return on average capital employed after tax (ROACE)** [1] for the 12 months ended 31 March 2009 was 20.5%, compared to 22.5% for the 12 months ended 31 March 2008. The decrease was due to a lower income and higher average capital employed. ROACE is defined as a non-GAAP financial measure. [2]

In the first quarter of 2009, earnings per share based on net income were NOK 1.15 compared to NOK 5.01 in the first quarter of 2008.

## Profit and loss discussion

### Change in legal structure and consequential change in functional currency

Effective 1 January 2009, the legal structure was changed to optimise the legal structure of group companies to the operating activities after the merger. Notably, all exploration, production and midstream activities related to the NCS have been moved to a subsidiary company and its subsidiaries, leaving primarily financing and downstream activities in the parent company. Consequently, the functional currency for the parent company and certain other subsidiary companies has been changed to USD, while the fiscal currency, the currency in which the tax base is computed, remains unchanged. The group will also maintain NOK as the presentation currency.

This change in functional currency impacts our financial statements in several ways:

The **new** functional currency being USD means that USD denominated monetary assets and liabilities that in the past gave rise to material currency gains and losses recognised in the income statement will no longer be remeasured with effects recognised in the income statement. Conversely, and in contrast to prior periods, there will now be currency exchange effects related to NOK denominated monetary assets and liabilities that will be recognised in the income statement.

The **difference** between functional currency and presentation currency will cause certain translation differences in that assets and liabilities denominated in other currencies than NOK will trigger translation differences that will be recorded directly to Equity.

The **difference** between fiscal currency and functional currency will in turn cause taxable income or loss on monetary assets and liabilities denominated in the functional currency that will not correspond to income or cost in the income statement. The taxable income may therefore be significantly higher or lower than the accounting income before tax. However, the change in functional currency will not affect the amount of **taxes payable**.

It is not allowed to restate prior period financial statements due to the change in functional currency. Direct comparison between periods should therefore be done with caution, bearing in mind the general differences described above.

In the first quarter of 2009, the **net operating income** was NOK 35.5 billion, compared to NOK 51.4 billion in the first quarter of 2008.

Net operating income includes certain items that management considers not to be reflective of StatoilHydro's underlying operational performance. Management adjusts for these items to arrive at adjusted earnings. **Adjusted earnings** is a supplemental non-GAAP measure to StatoilHydro's IFRS measure of net operating income which management believes provides an indication of StatoilHydro's underlying operational performance in the period and facilitates a better evaluation of operational trends between periods.

In the first quarter of 2009, lower fair value of derivatives (NOK 0.1 billion) and impairment charges net of reversals (NOK 2.4 billion) negatively impacted net operating income, while overlift (NOK 0.6 billion), higher values of products in operational storage (NOK 0.5 billion), gain on sale of assets (NOK 0.3 billion) and reversal of other accruals (NOK 1.5 billion) had a positive impact on net operating income for the first quarter of 2009.

Adjusted for these items and effects of inter-company eliminations (NOK 0.9 billion), **adjusted earnings** were NOK 36.0 billion in the first quarter of 2009.

In the first quarter of 2008 impairment net of reversals (NOK 2.5 billion) and underlift (NOK 1.7 billion) negatively impacted net operating income while higher value of derivatives (NOK 0.8 billion), higher values of products in operational storage (NOK 0.3 billion), gain on sale of assets (NOK 1.7 billion) had a positive impact on net operating income in the first quarter of 2008.

Adjusted for these items and effects of eliminations (NOK 1.3 billion), adjusted earnings were NOK 51.5 billion in the first quarter 2008.

The decrease in adjusted earnings from first quarter 2008 to first quarter 2009 was mainly due to the drop in prices of liquids, increased exploration expenses primarily due to higher exploration activity and increased depreciation costs because of higher equity production and new fields coming on stream. The decrease was partly offset by increased revenues from both higher volumes and prices for natural gas and from the strengthening of USD versus NOK.

IFRS income statement (in NOK billion)	First quarter			Full year
	2009	2008	Change	2008
Total revenues and other income				
Revenues	<b>112.6</b>	157.7	(29 %)	652.0
Net income (loss) from associated companies	<b>0.0</b>	(0.2)	112 %	1.3
Other income	<b>0.1</b>	1.6	(94 %)	2.8
<b>Total revenues and other income</b>	<b>112.8</b>	159.2	(29 %)	656.0
Operating expenses				
Purchase, net of inventory variation	<b>44.1</b>	77.6	(43 %)	329.2
Operating expenses	<b>13.9</b>	13.4	4 %	59.3
Selling, general and administrative expenses	<b>2.7</b>	3.0	(8 %)	11.0
Depreciation, amortisation and impairment	<b>11.2</b>	9.5	17 %	43.0
Exploration expenses	<b>5.3</b>	4.2	24 %	14.7
<b>Total operating expenses</b>	<b>(77.2)</b>	(107.7)	28 %	(457.2)
<b>Net operating income</b>	<b>35.5</b>	51.4	(31 %)	198.8
<b>Net financial items</b>	<b>(3.9)</b>	3.9	(200 %)	(18.4)
<b>Income tax</b>	<b>(27.6)</b>	(39.3)	(30 %)	(137.2)
<b>Net income</b>	<b>4.0</b>	16.0	(75 %)	43.3
<b>Adjusted earnings</b> (in NOK billion)				
<b>Total revenues and other income adjusted</b>	<b>112.3</b>	157.6	(29 %)	653.1
Purchase, net of inventory variation adjusted	<b>44.6</b>	77.9	(43 %)	326.3
Operating expenses adjusted	<b>14.9</b>	13.5	11 %	59.7
Selling, general and administrative expenses adjusted	<b>2.6</b>	3.0	(11 %)	10.5
Depreciation, amortisation and impairment adjusted	<b>10.9</b>	9.5	14 %	40.5
Exploration expenses adjusted	<b>3.2</b>	2.1	49 %	12.2
<b>Adjusted earnings [12]</b>	<b>36.0</b>	51.5	(30 %)	203.9

Adjusted earnings by segment (in NOK billion)	First quarter			Full year
	2009	2008	Change	2008
E&P Norway	29.7	42.4	(30 %)	168.0
International E&P	0.3	6.1	(95 %)	16.1
Natural Gas	5.0	3.0	67 %	11.9
Manufacturing & Marketing	1.6	0.2	741 %	8.3
Other	(0.6)	(0.1)	(412 %)	(0.4)
<b>Adjusted earnings [12]</b>	<b>36.0</b>	<b>51.5</b>	<b>(30 %)</b>	<b>203.9</b>

For net operating income by segment, see note 3 to the Financial Statements

Financial data	First quarter			Full year
	2009	2008	Change	2008
Weighted average number of ordinary shares outstanding	3,184,829,044	3,186,561,366		3,185,220,293
Earnings per share	1.15	5.01	(77 %)	13.58
ROACE (last 12 months) [12]	20.5 %	22.5 %	(9 %)	21.0 %
Cash flows provided by operating activities (billion)	8.2	26.9	(69 %)	102.5
Gross investments (billion)	19.5	14.9	31 %	95.4
Net debt to capital employed ratio [12]	19.5 %	1.8 %	1000 %	17.5 %

Operational data	First Quarter			Full year
	2009	2008	Change	2008
Average liquids price (USD/bbl)	42.7	93.5	(54 %)	91.0
USD/NOK average daily exchange rate	6.87	5.32	29 %	5.6
Average liquids price (NOK/bbl) [3]	294	497	(41 %)	513
Gas prices (NOK/scm)	2.54	2.07	23 %	2.40
Refining margin, FCC (USD/boe) [4]	5.4	6.2	(13 %)	8.2
Total entitlement liquids production (mboe per day)[5]	1,104	1,099	0 %	1,055
Total entitlement gas production (mboe per day)	831	790	5 %	696
Total entitlement liquids and gas production (mboe per day) [6]	1,935	1,889	2 %	1,751
Total equity gas production (mboe per day)	860	824	4 %	725
Total equity liquids production (mboe per day)	1,214	1,224	(1 %)	1,200
Total equity liquids and gas production (mboe per day)	2,074	2,048	1 %	1,925
Total liquids liftings (mboe per day)	1,132	1,046	8 %	1,019
Total gas liftings (mboe per day)	832	790	5 %	696
Total liquids and gas liftings (mboe per day) [7]	1,964	1,836	7 %	1,714
Production cost entitlement volumes (NOK/boe, last 12 months) [8]	37.5	45.2	(17 %)	38.1
Equity production cost excluding restructuring and gas injection cost (NOK/boe, last 12 months) [10]	34.1	31.7	8 %	33.3

**Total liquids and gas liftings** in the first quarter of 2009 were 1,964 mboe per day, compared to 1,836 mboe per day in the first quarter of 2008. In the first quarter of 2009 there was an overlift of 43.2 mboe per day [5] compared to an underlift in the first quarter of 2008 of 35.9 mboe per day.

**Total liquids and gas entitlement production** in the first quarter of 2009 was 1,935 mboe per day, compared to 1,889 mboe per day in the first quarter of 2008. Average equity [10] production was 2,074 mboe per day in the first quarter of 2009 compared to 2,048 mboe per day in

the first quarter of 2008. The increase in entitlement production mainly stems from ramp-up in production from new fields and more wells coming on stream and was only partly offset by cuts in Opec quotas, maintenance activity, shut downs and declining production from maturing fields.

Exploration (in NOK billion)	First quarter			Full Year
	2009	2008	Change	2008
Exploration expenditure activity	5.2	3.9	34 %	17.8
Expensed, previously capitalised exploration expenditure	2.7	2.2	21 %	4.8
Capitalised share of current period's exploration activity	(2.6)	(1.9)	(41 %)	(6.8)
Reversal of impairment	0.0	0.0	-	(1.1)
Items impacting exploration expenses	(2.1)	(2.1)	0 %	(2.5)
Adjusted exploration expenses [12]	3.2	2.1	49 %	12.2

**Exploration expenditure** was NOK 5.2 billion in the first quarter of 2009, compared to NOK 3.9 billion in the first quarter of 2008. The increase was mainly due to higher exploration activity and increased drilling costs. Exploration expenditure reflects exploration activities in the period.

**Adjusted exploration expenses** for the period consist of exploration expenditure adjusted for the period's change in capitalised exploration expenditure and for certain items impacting the net operating income as described above. The adjusted exploration expenses increased to NOK 3.2 billion in the first quarter of 2009 from NOK 2.1 billion in the first quarter of 2008.

In the first quarter of 2009, a total of 21 exploration and appraisal wells and one exploration extension well were completed, 12 on the NCS and nine internationally. Twelve exploration and appraisal wells and one exploration extension well have been declared as discoveries. In the first quarter of 2008, a total of 21 exploration and appraisal wells were completed, six on the NCS and 15 internationally. Seven exploration and appraisal wells were declared as discoveries.

A number of wells completed internationally have encountered hydrocarbons but we need to carry out a more extensive evaluation before making a public announcement.

Drilling of 17 exploration and appraisal wells was ongoing at the end of first quarter 2009.

**Production cost per boe** was NOK 37.5 for the 12 months ended 31 March 2009, compared to NOK 45.2 for the 12 months ended 31 March 2008. [8] Based on equity volumes, [10] the production cost per boe for the two periods was NOK 34.2 and NOK 41.9, respectively.

The production cost per boe decreased mainly due to non-recurring restructuring cost relating to the merger of Statoil ASA and Hydro Petroleum in 2007, and partial reversal of the restructuring cost in the fourth quarter 2008.

Adjusted for restructuring costs and other costs arising from the merger recorded in the fourth quarter of 2007 and gas injection costs, the production cost per boe of equity production for the 12 months ended 31 March 2009 was NOK 34.1. The comparable figure for the 12 months ended 31 March 2008 was NOK 31.7. These figures have not been normalised for the currency effects described above. The increase is partly due to currency effects from the strengthening of USD versus NOK. Normalised production cost is defined as a non-GAAP financial measure. [2]

**Net financial items** amounted to a loss of NOK 3.9 billion in the first quarter of 2009, compared to an income of NOK 3.9 billion in the first quarter of 2008.

As a result of the new functional currency in the parent company, StatoilHydro ASA, the US dollar denominated non-current monetary liabilities that impacted net foreign exchange gains and losses in prior periods, do not impact the income statement in 2009. Correspondingly, the Norwegian kroner denominated taxes payable impacting net foreign exchange gains and losses in 2009, did not have such an impact on the income statement in prior periods. Translation differences arising from changes in the USDNOK exchange rates and the presentation of USD denominated monetary assets and liabilities in Norwegian kroner within the financial statements have been recorded directly to Equity.

In the first quarter of 2009, net foreign exchange gains and losses amounted to a loss of NOK 1.5 billion, compared to a NOK 3.4 billion gain in the first quarter of 2008. The NOK 4.9 billion increase in cost is mostly attributable to the effects of the change in functional currency.

Interest and other financial expenses amounted to NOK 2.9 billion and NOK 0.1 billion in the first quarters of 2009 and 2008, respectively. The NOK 2.8 billion increase in cost is mostly related to a NOK 1.7 billion loss on derivative financial instruments in the first quarter of 2009, which compares to a gain on derivative financial instruments of NOK 0.8 billion in the first quarter of 2008.

Summarised, net financial items changed by NOK 7.8 billion from the first quarter of 2008 to the first quarter of 2009, primarily due to NOK 4.9 billion effects of foreign exchange and the change in functional currency in particular, and to some extent due to NOK 2.5 billion from changes in the fair value of financial derivatives.

Exchange rates	31 March 2009	31 December 2008	31 March 2008
USDNOK	6.68	7.00	5.09
EURNOK	8.89	9.87	8.05

**Income taxes** were NOK 27.6 billion in the first quarter of 2009, equivalent to a tax rate of 87.4%, compared to NOK 39.3 billion in the first quarter of 2008, equivalent to a tax rate of 71.0%. The increase in the tax rate was mainly due to currency effects related to the change of functional currency for certain companies. These companies are taxable in a different currency than the functional currency. In the first quarter of 2009 the taxable income is higher than the Income before tax, which increases the tax rate in the quarter. In addition, the tax rate was increased by relatively higher income from the NCS.

In the first quarter of 2009, income before tax amounted to NOK 31.6 billion, while taxable income was estimated to be NOK 10.0 billion higher. This difference in taxable income arose in companies which are taxable in a different currency than the functional currency, and amounted to NOK 2.5 billion in taxes. Adjusted for this difference, the tax rate amounted to 66.4%.

## Outlook

At the strategy update in January 2009, StatoilHydro presented a forecast for **equity production** of 1,950 mboe per day in 2009 and 2,200 mboe per day in 2012. The estimate for 2009 excludes any adverse effects of potential Opec quotas. Operational regularity, gas offtake and commercial considerations related to gas sales activities represent the most significant risks to the production guiding. The guidance for 2012 reflects expected effects of our recent acquisitions of US shale gas and the remaining 50% of the Peregrino development.

**Maintenance** activity is expected to influence our equity production by approximately 80 mboe per day in the second quarter of 2009, and 30 mboe per day for the full year.

**Capital expenditures for 2009, excluding acquisitions**, are estimated at around USD 13.5 billion. Approximately 50% of the forecasted investments for 2009 are in new assets contributing to growth in oil and gas production, about one third are related to investments in currently producing assets, with the remainder in other activities.

**Unit production cost** for equity volumes is estimated in the range of NOK 33 to 36 per barrel in the period from 2009 to 2012, excluding purchases of fuel and gas for injection. For 2009, the unit production cost is expected to be in the upper end of this range.

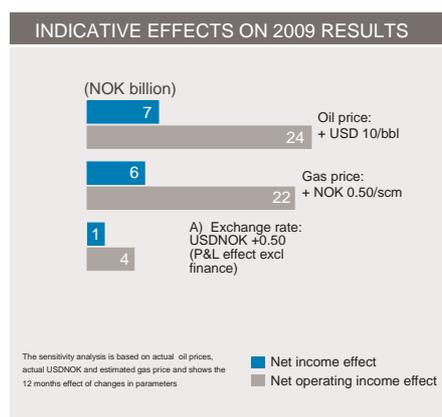
StatoilHydro's ambition is to deliver a competitive **ROACE** compared with its peer group.

Exploration drilling is the primary tool for growing our business. The company will continue to high-grade the large portfolio of exploration assets and expects to maintain a high level of **exploration activity** in 2009, although slightly lower than in 2008. StatoilHydro expects to complete approximately 65 to 70 exploration and appraisal wells in 2009. Rigs have already been secured for most of the exploration drilling in 2009 and to some extent also for subsequent years. The exploration activity is estimated at USD 2.7 billion for 2009.

The year 2008 was one of the most **volatile periods in the natural gas, product, gas liquid and crude oil markets**. We anticipate that these commodity prices will remain at relatively low levels and that prices will continue to be volatile at least in the near term.

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. See "Forward-Looking Statements" below.

## Risk update



### Risk factors

The results of operations largely depend on a number of factors, most significantly those that affect the price received in NOK for products sold. Specifically, such factors include the level of liquids and natural gas prices; trends in the exchange rate between the USD and the NOK, liquids and natural gas production volumes, which in turn depend on entitlement volumes under profit sharing agreements and available petroleum reserves, and StatoilHydro's, as well as our partners' expertise and co-operation in recovering oil and natural gas from those reserves; and changes in StatoilHydro's portfolio of assets due to acquisitions and disposals.

The illustration shows how certain changes in the crude oil prices (a substitute for liquids prices), natural gas contract prices and the USD/NOK exchange rate, if sustained for a full year, could impact our net operating income in 2009. Changes in commodity prices, currency and interest rates may result in income or expense for the period as well as changes in the fair value of derivatives in the balance sheet.

The illustration is not intended to be exhaustive with respect to risks that have or may have a material impact on the cash flows and results of operation. See the annual report for 2008 for a more detailed discussion of risks to which StatoilHydro is exposed.

### Financial risk management

StatoilHydro has policies in place to manage acceptable risk for commercial and financial counterparties and the use of derivatives and market activities in general. StatoilHydro has so far had only limited exposure towards those more distressed parties and instruments during the current financial crisis. The turmoil in the financial markets has not caused us to make any changes in our risk management policies, but we have tightened our practices with respect to credit risk and liquidity management. There have been only insignificant counterparty losses incurred so far. The group's exposure towards financial counterparties is still considered to have an acceptable risk profile, but it is anticipated that the risk may increase if the financial crisis worsens. This may be somewhat reduced by the effects of national and international actions by nations and national banks.

The markets for short- and long-term financing are currently considered to function comfortably for borrowers with StatoilHydro's credit standing and general characteristics. However, under current circumstances uncertainty still exists. Funding costs for short maturities are generally at historically low levels. Long-term funding costs are at attractive absolute levels although the credit spread element for corporate issuers is significantly higher compared to levels existing before the financial crisis. With regard to liquidity management, focus is on finding the right balance between risk and reward and most funds are currently placed in short term AA- and AAA-rated non-Norwegian government certificates or with banks with AA-rating. These are our internal credit ratings.

In accordance with our internal credit rating policy, we reassess counterparty credit risk at least annually and assess counterparties that we identify as high risk more frequently. The internal credit ratings reflect our assessment of the counterparties' credit risk and are similar to rating categories used by well known credit rating agencies, such as Standard & Poor's and Moody's.

### Health, safety and the environment (HSE)

The total recordable injury frequency was 4.4 in the first quarter of 2009 compared to 5.4 in the first quarter of 2008. The serious incident frequency decreased from 2.7 in the first quarter of 2008 to 2.4 in the first quarter of 2009. There were no fatal accidents in the first quarter of 2009.

The number of accidental oil spills in the first quarter of 2009 increased compared to the first quarter of 2008, and the volume increased from 16 cubic metres in the first quarter of 2008 to 26 cubic metres in the first quarter of 2009.

HSE	First quarter		Year 2008
	2009	2008	
Total recordable injury frequency	4.4	5.4	5.4
Serious incident frequency	2.4	2.7	2.2
Accidental oil spills (number)	95	80	401
Accidental oil spills (cubic metres)	26	16	342

## Important events

- Effective 1 January, the StatoilHydro group completes an internal reorganisation of its activities leading to a **change in the parent company functional currency**. While the presentation currency and the respective fiscal currencies remain the same, the new functional currency causes fewer and different currency effects than in previous years.
- On 6 January StatoilHydro **started gas production from the Yttergryta subsea field** at the Åsgard field in the Norwegian Sea.
- On 13 January StatoilHydro **found oil north of the Norne field** in the Norwegian Sea. Development using the Norne production and storage vessel will be considered.
- On 27 January **gas exports from the Kvitebjørn field in the North Sea resumed** after successful repairs to the gas pipeline between the platform and the Kollsnes processing plant near Bergen.
- On 30 January a **small oil discovery** was made in the **Curran** prospect, south of the Tune field on the NCS.
- On 2 February, there was a **discovery in the Heidelberg prospect in the deepwater Gulf of Mexico** operated by Anadarko. StatoilHydro has a 12% working interest in Heidelberg.
- On 5 February **gas and condensate were found** when StatoilHydro completed the drilling of an exploration well in the **Fulla prospect**, north-east of the Frigg field in the North Sea.
- On 11 February StatoilHydro **submitted its master plan for carbon capture at Mongstad** to the Ministry of Petroleum and Energy and the Ministry of the Environment.
- On 18 February partners in the Troll licence announced a decision to **adjust its plan to further develop installations and operations on the Troll field** in the North Sea.
- On 26 February StatoilHydro and Statkraft **jointly participated** in The Crown Estate's **third licence round for UK offshore wind farms**.
- On 3 March **oil was discovered in block 31 off Angola** operated by BP in which StatoilHydro is a partner and holds a 13.33% interest.
- On 4 March StatoilHydro **executed debt capital market transactions** issuing EUR 1,300,000,000 4.375% notes due 11 March 2015, EUR 1,200,000,000 5.625% notes due 11 March 2021, and GBP 800,000,000 6.875% notes due 11 March 2031.
- On 9 March **new oil and gas was encountered in the Katla** prospect which is situated near existing infrastructure south-west of the Oseberg South platform in the North Sea.
- On 16 March **gas was found in the Asterix prospect** west in deepwater Norwegian Sea.
- On 18 March StatoilHydro was the **highest bidder on 23 leases** in the central area lease sale in the US Gulf of Mexico.
- On 19 March **production started in the Alve gas and condensate field** located in the Norwegian Sea, extending the life of Norne from 2016 to 2021.
- On 24 March the board of directors proposes to **change the name to Statoil ASA** at the company's Annual General Meeting on 19 May.
- On 25 March **oil was struck** during the drilling of an exploration well and a sidetrack north of the **Vigdis East field** in the North Sea.
- On 25 March **Kurt Anker Nielsen resigned** from his position as a member of the board of directors.

## Subsequent important events:

- On 1 April StatoilHydro and Norwegian utility company **Statkraft agreed to jointly develop the 315 MW Sheringham Shoal Offshore Wind Farm** off the coast of Norfolk in the UK.
- On 2 April StatoilHydro's **board sanctioned the Caesar Tonga Project** in the Gulf of Mexico operated by Anadarko.
- On 3 April StatoilHydro **farmed into three North Sea licences** located close to the Luno and Ragnarrock discoveries and existing StatoilHydro operated infrastructure on the Sleipner and Grane fields.
- On 8 April **hydrocarbons encountered** while drilling on the deepwater **Mizzen** prospect in the Flemish Pass Basin, off Newfoundland.
- On 14 April StatoilHydro **acquired a 40% stake in 50 blocks from BHP Billiton** in the frontier DeSoto Canyon area of the US Gulf of Mexico.
- On 16 April StatoilHydro **executed debt capital market transactions** issuing USD 500,000,000 3.875% Notes due April 2014, and USD 1,500,000,000 5.25% Notes due April 2019.
- On 17 April StatoilHydro reached a mutual agreement to **transfer full responsibility for the abandonment of the Lufeng field** in the South China sea to the Chinese National Offshore Oil Company (CNOOC).
- On 30 April the Ministry of Petroleum and Energy announced that StatoilHydro was **awarded 12 new production licences** in the 20th licensing round, five of which are operatorships.
- On 5 May StatoilHydro announced the sale of all its assets on the Danish continental shelf to Bayerngas.
- On 6 May, StatoilHydro received first oil from the Chevron-operated **Tahiti** field in the US Gulf of Mexico.
- A person died on 7 May, after an **accidental fall** on the Oseberg B platform operated by StatoilHydro in the North Sea. Investigations have been launched by the police and the Petroleum Safety Authority Norway (PSA). StatoilHydro will conduct its own inquiry into the incident.

To see end notes referenced in main table and text please download our complete report from our website - <http://www.statoilhydro.com/en/investorcentre/results/quarterlyresults/pages/default.aspx>

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