



# Crossing energy frontiers

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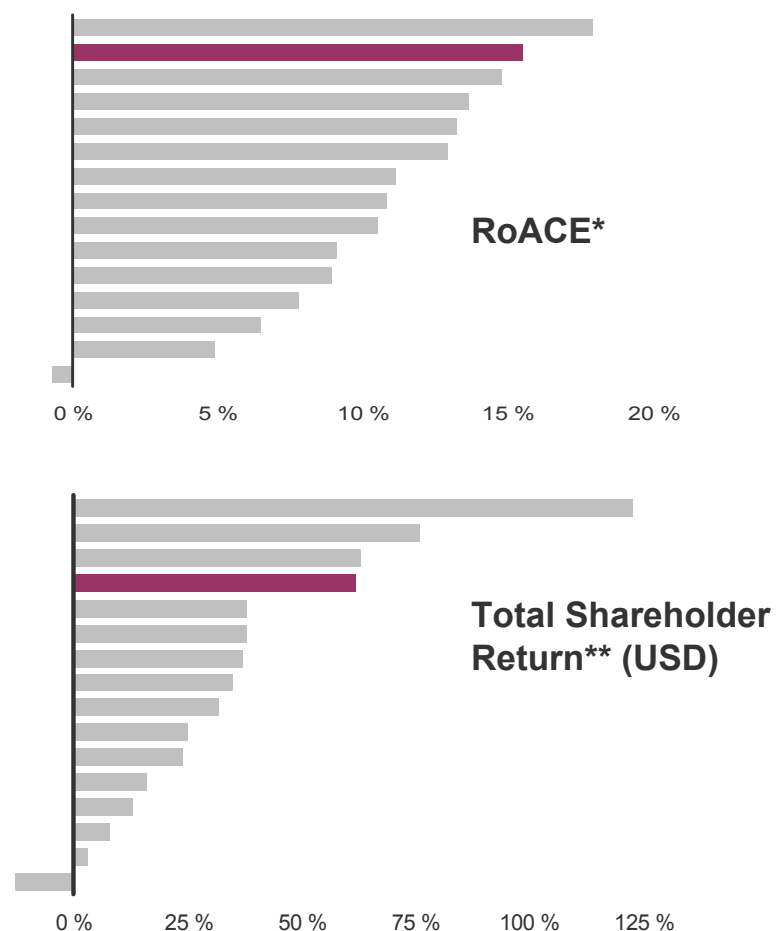
Strategy Update

Feb. 11 2010

# Well positioned for profitable growth

- Significant cost reductions, maintaining competitive position
- High value portfolio, with upside potential
- Strong financial platform

## Attractive returns (2009)



\*RoACE peer group comparison is provided by Barclays Capital. The calculation is based on estimates of full year adjusted earnings after tax divided by estimates of average capital employed. Barclays Capital calculations of RoACE may differ from actual figures presented in the quarterly reports.

\*\*Source Total Shareholder Return: Bloomberg

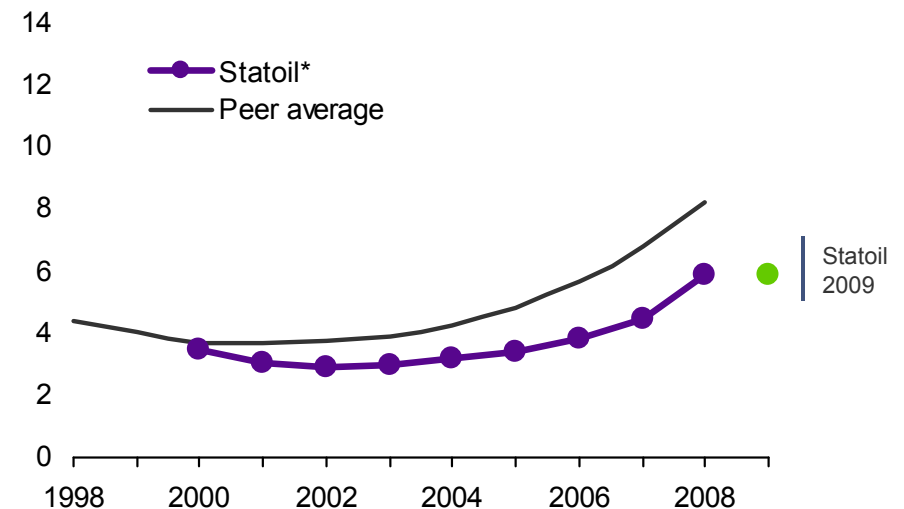
Peer group: Anadarko, BG, BP, Chevron, ConocoPhillips, Devon Energy, Encana, Eni, ExxonMobil, Lukoil (only TSR), Occidental, Petrobras, Repsol YPF, Shell, Statoil, Total



# Competitive unit production cost

**Unit Production Cost**  
(3 year avg., USD/boe)

- Capturing cost improvements
  - 2009 unit production cost of around NOK 35 per boe\*\*
  - 2010 at NOK 35-36 per boe
  
- Continuous efforts to offset upward unit cost trend on mature NCS assets



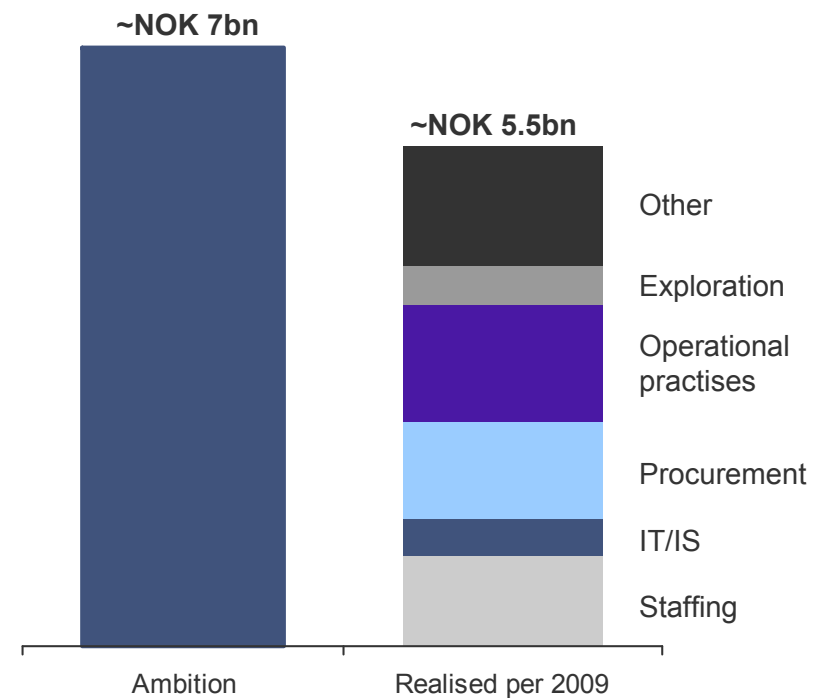
\*Excluding StatoilHydro merger restructuring costs in 2007, source: PFC Energy  
Peer group: BG, BP, Chevron, ConocoPhillips, Eni, ExxonMobil, Shell, Total

\*\*Excluding purchase of injection gas

# Realised merger synergies

- Realised annual improvements of ~ NOK 5.5bn out of ~NOK 7bn
- Around 75% of synergies are cost savings
- Remaining potential to be realised during 2010

**Merger synergies – net Statoil share**  
(NOK bn)

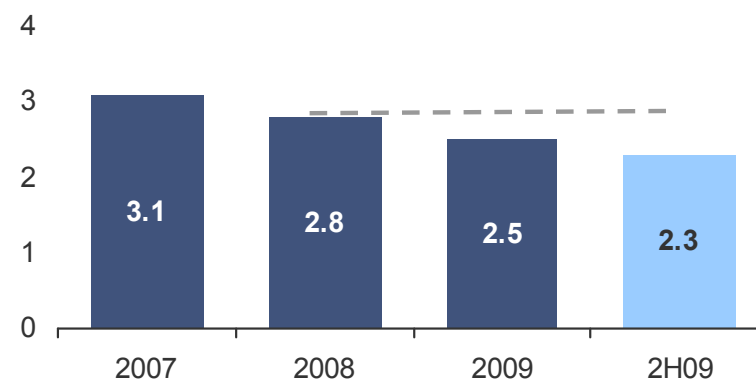




# Administrative cost savings

- Current administrative cost level (SG&A) down by ~NOK 2.0bn compared to 2008
- Strong focus on securing sustainable cost reduction

Quarterly SG&A\* average  
(NOK bn)

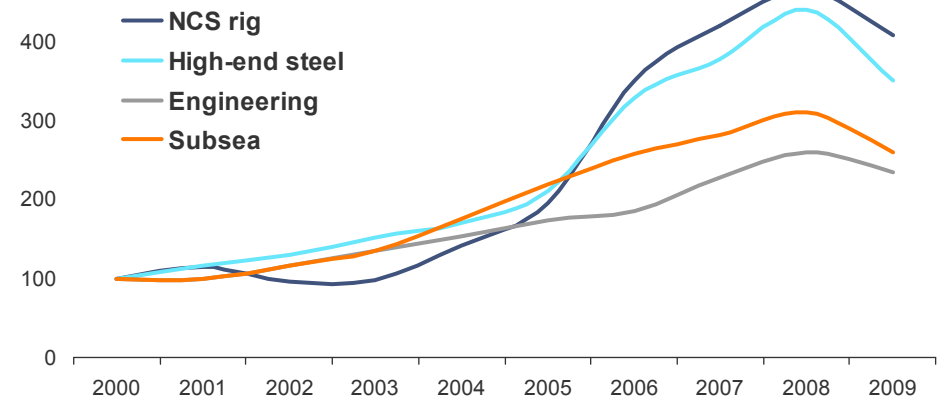


\*Selling, General and Administrative (SG&A) expenses adjusted for inflation and based upon Adjusted Earnings

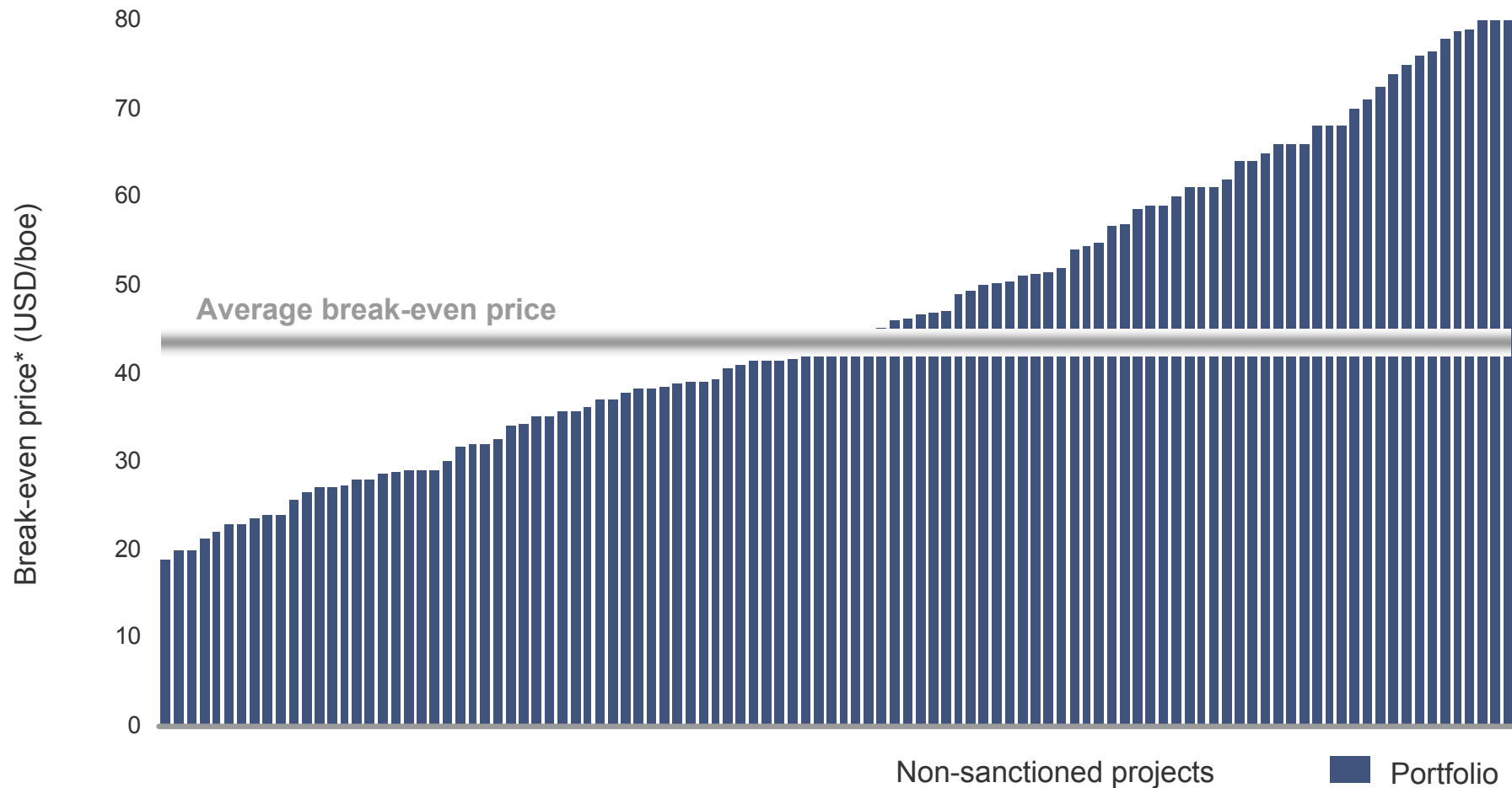
# Cost of supplies and services reduced

- Average prices back to late 2007 levels, most impact in capital intensive segments
- Gradual impact on our cost base
- Further cost-reduction potential related to standardisation, quality improvements and technical solutions

Supplier market cost indices



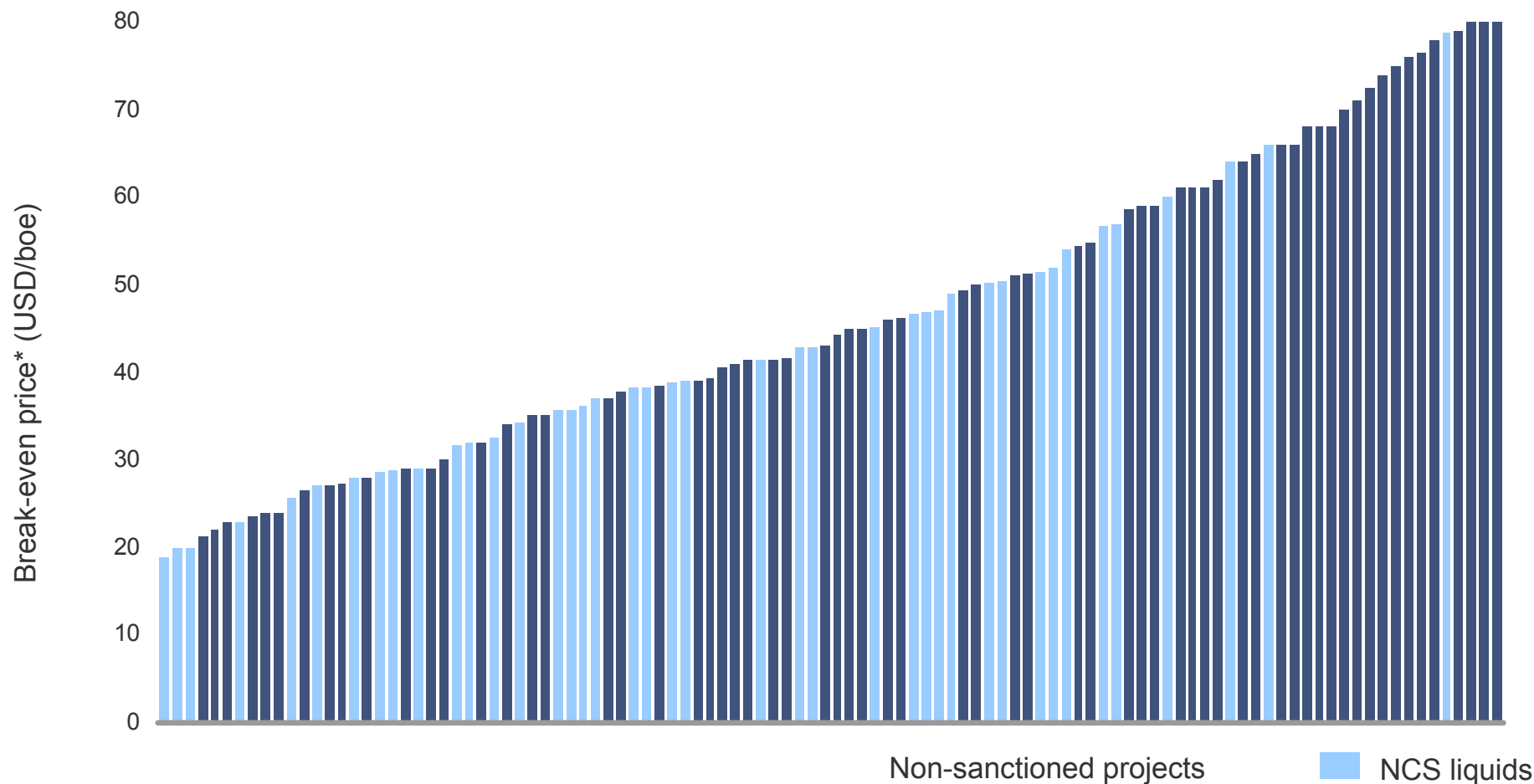
# High value portfolio with upside potential



\*Estimated project NPV equals zero at Statoil's hurdle rate

# High value portfolio with upside potential

NCS liquids portfolio - leveraging existing infrastructure

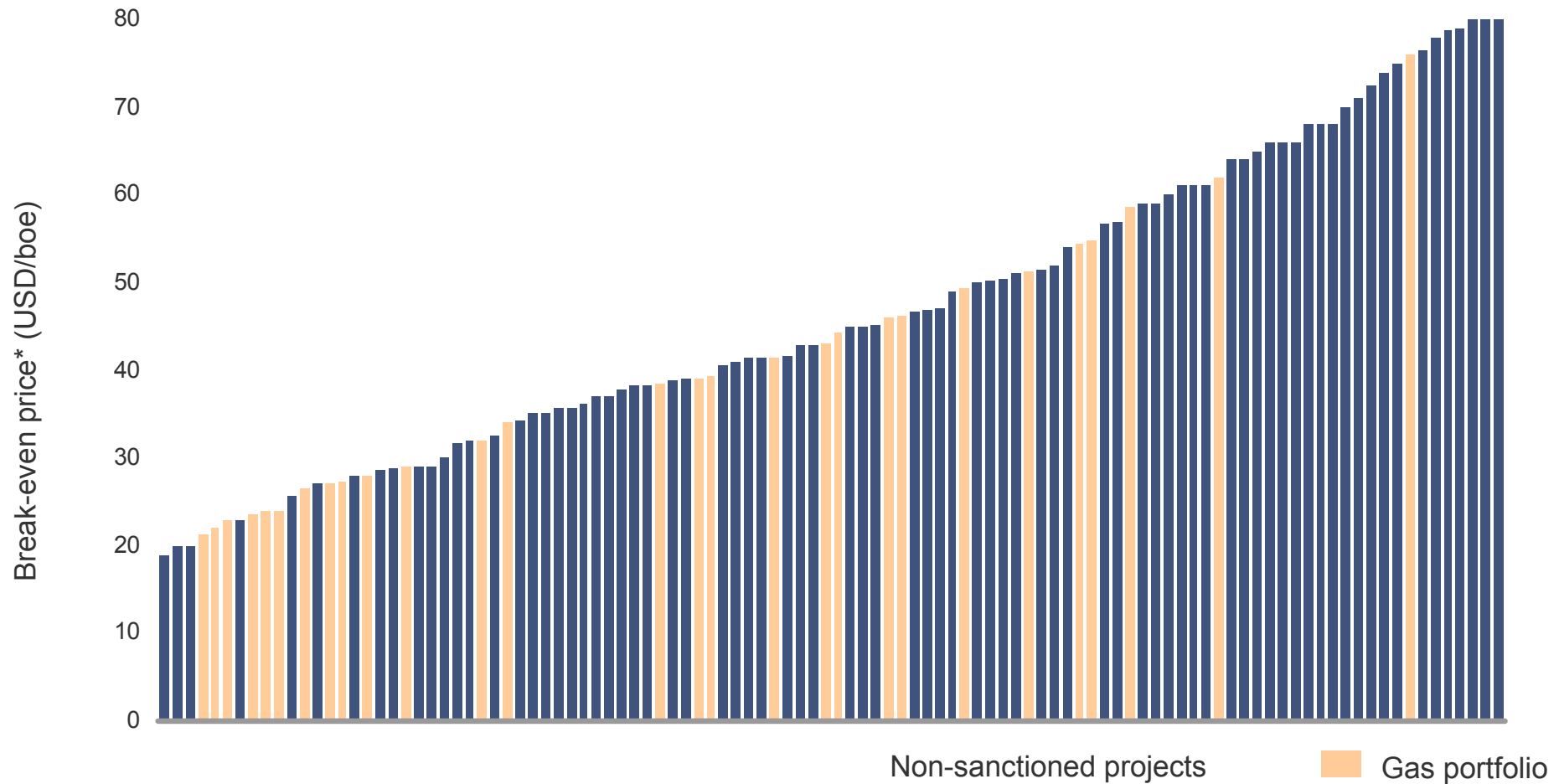


\*Estimated project NPV equals zero at Statoil's hurdle rate



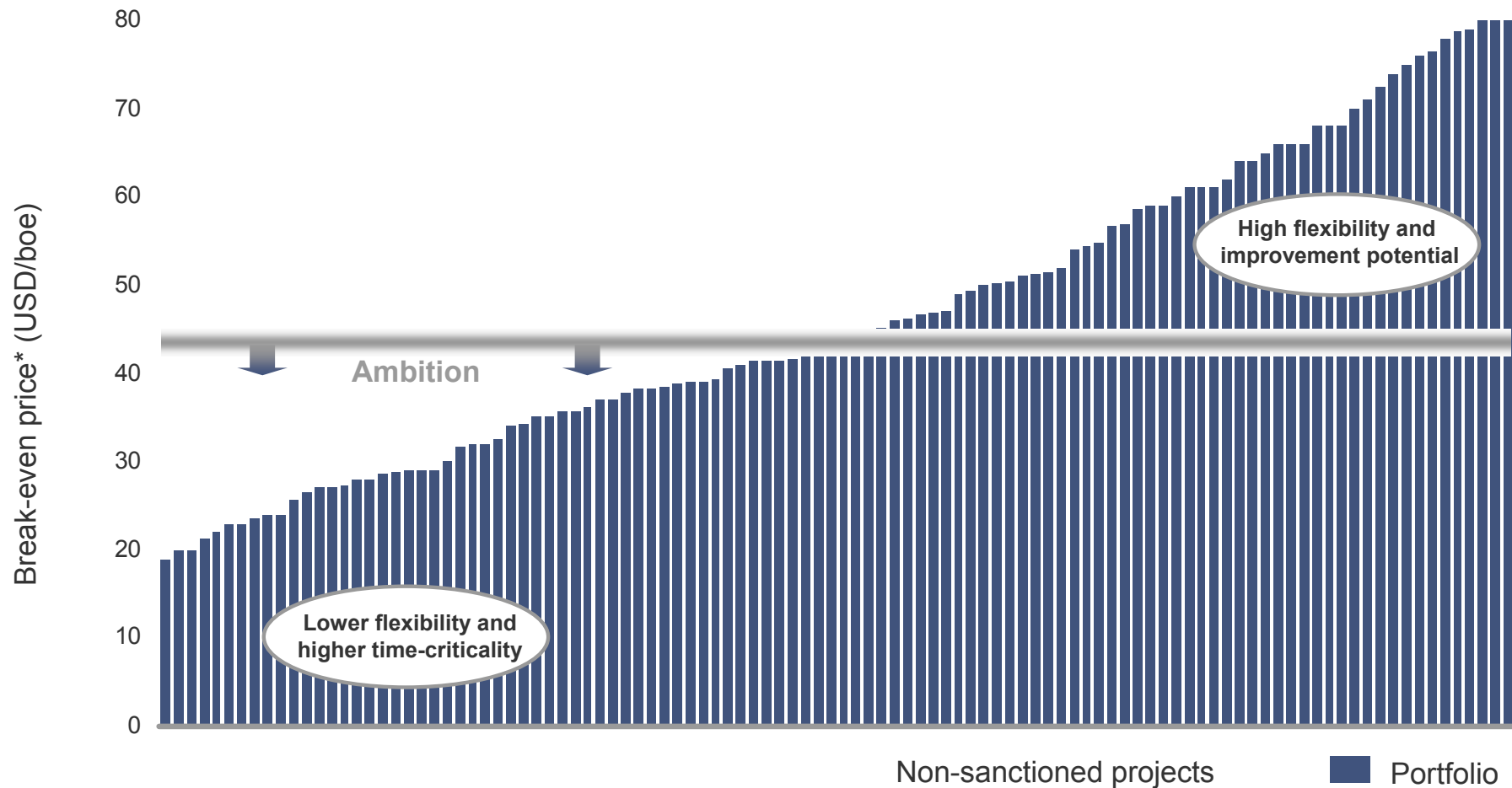
# High value portfolio with upside potential

## High value gas portfolio



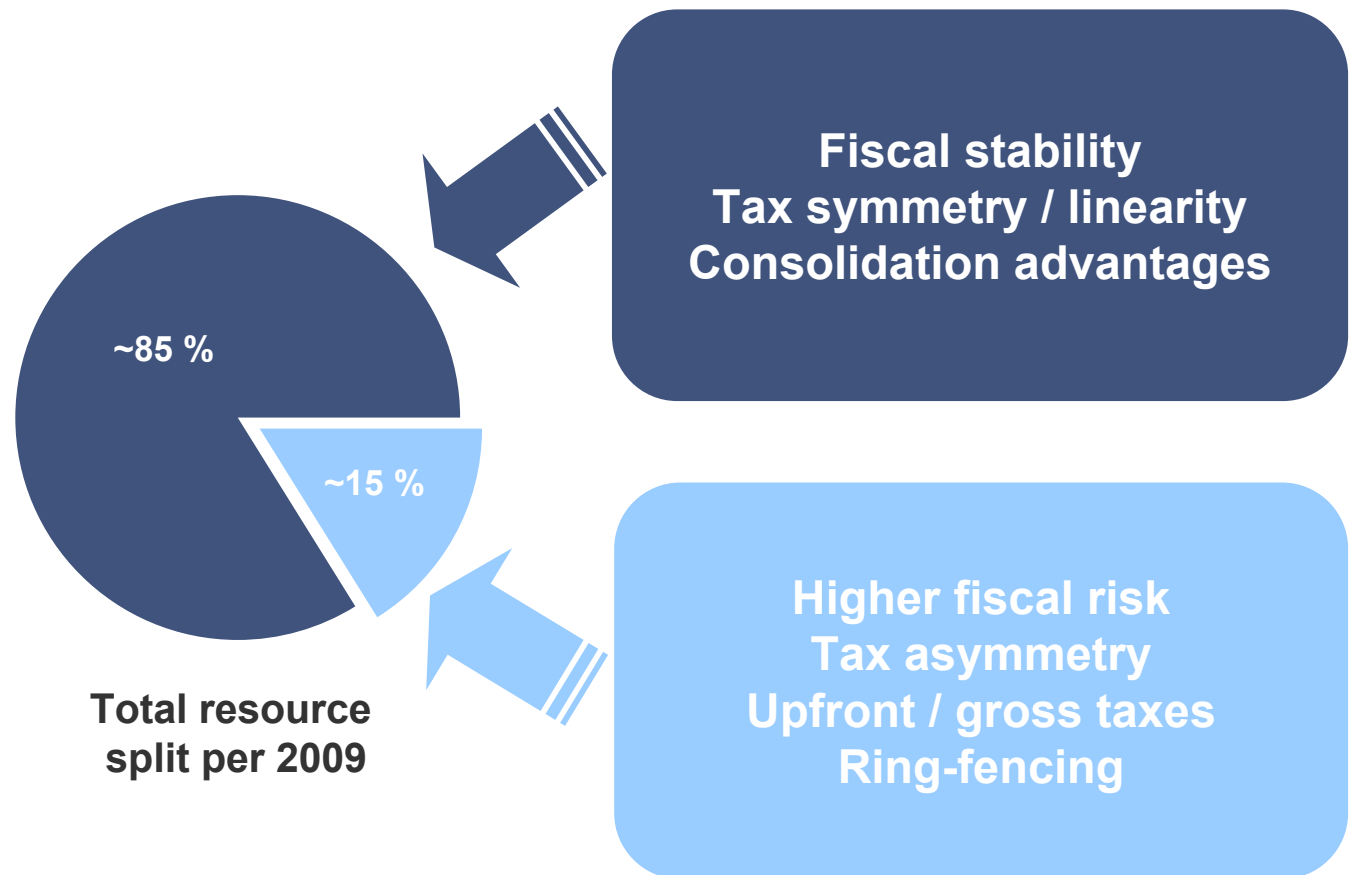
\*Estimated project NPV equals zero at Statoil's hurdle rate

# High value portfolio with upside potential



\*Estimated project NPV equals zero at Statoil's hurdle rate

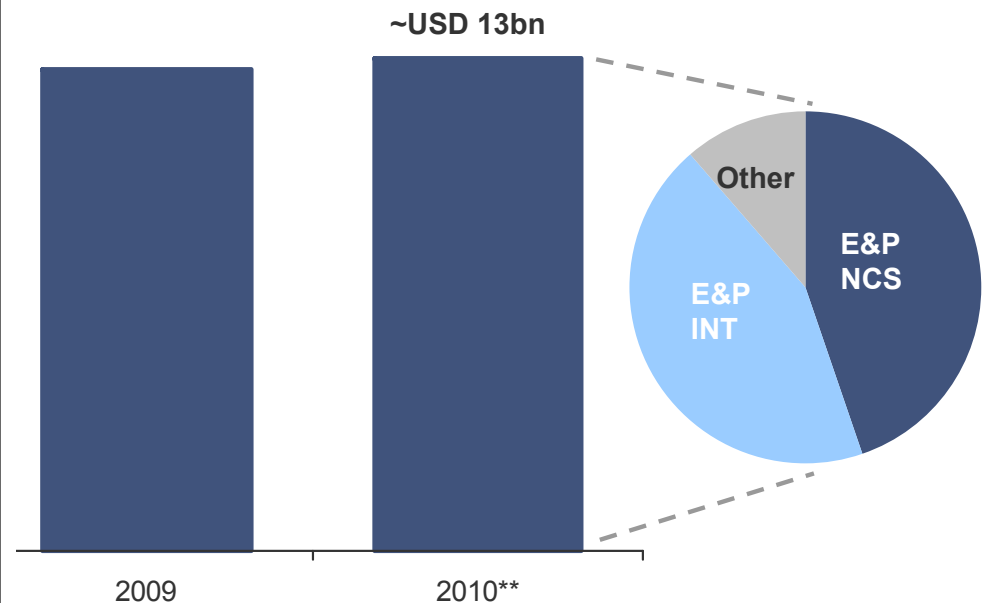
# Attractive financial risk profile



# Stable investment level

- Five new fields in production in 2010
- Average break-even price around USD 35 per boe (similar to 2009)
- 2010 capex split
  - NCS 45%
  - International E&P 45%
  - Mid-, downstream and New Energy: ~10%

## Capital Expenditure\*



\*Exclusive of capitalization of financial leases

\*\*Based on 6.00 NOK/USD

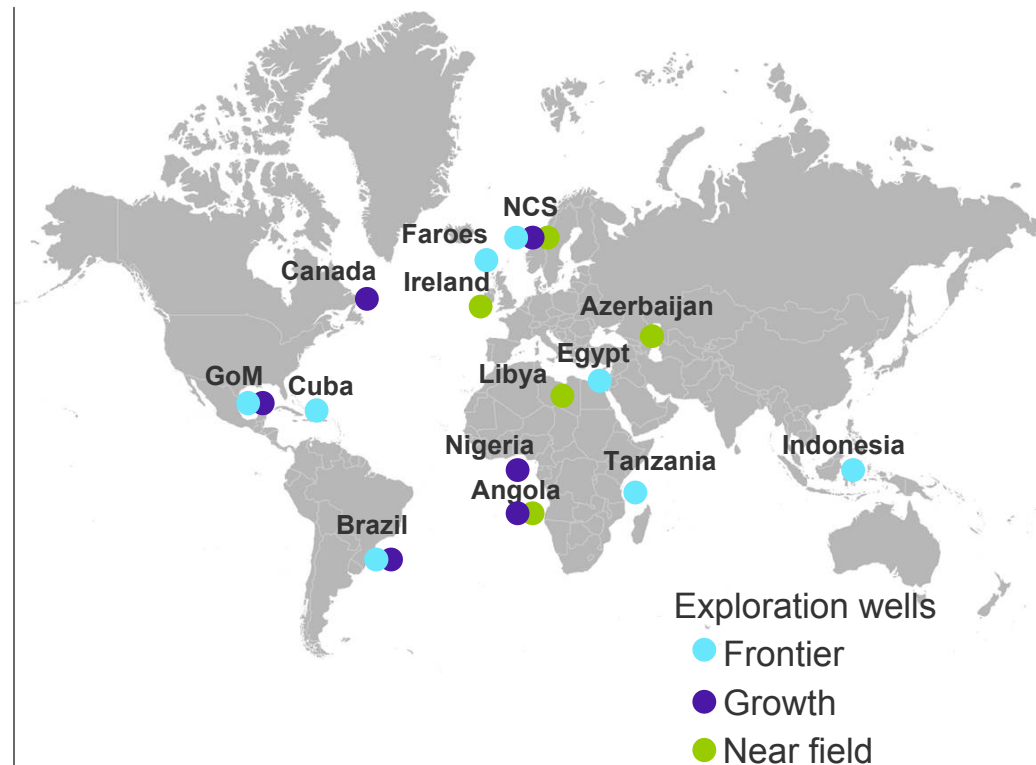
# Continued strong focus on exploration

## 2010 activity

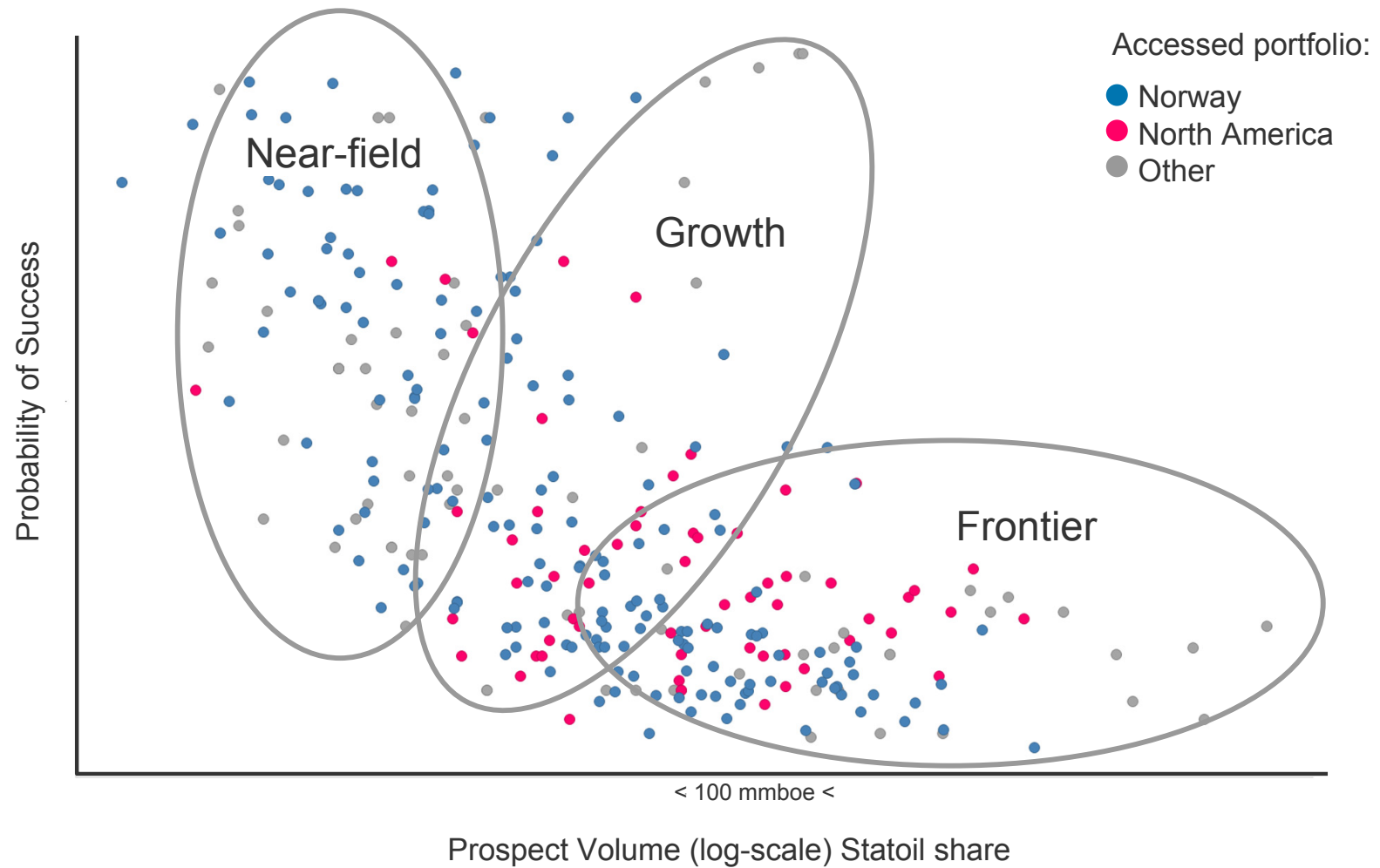


- Around 50 wells
- Exploration activity at USD 2.3bn
- Access to new impact opportunities

## 2010/2011 activity



# High impact exploration portfolio

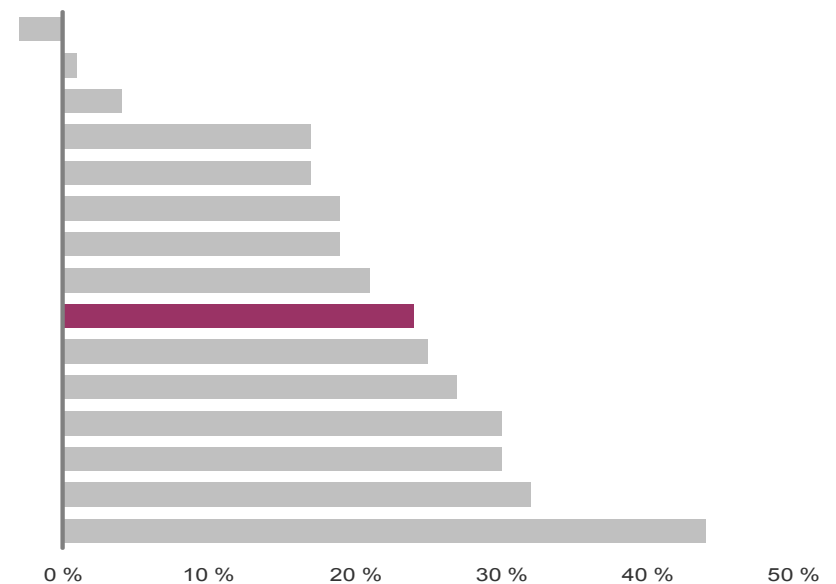




# Strong financial position

- Net debt ratio around 25% in 2010 with current commodity environment
- Low refinancing risk
- Cost effective and active debt management
- Attractive 2009 dividend proposal:
  - NOK 6.0 per share
  - 104% of Net Income
  - Dividend yield: 4.5%\*\*

**Net debt to capital employed\***  
(forecast year end 2009)



\*Source: Barclays Capital

Peer group: Anadarko, BG, BP, Chevron, ConocoPhillips, Devon Energy, Encana, Eni, ExxonMobil, Occidental, Petrobras, Repsol YPF, Shell, Statoil, Total

\*\*Share price as of January 31 2010; NOK 134 per share

# Guiding summary

## 2010

- Equity production and cost:
  - 1.925-1.975mmboe/d
  - Unit production cost at NOK 35-36 per boe
- Capex and exploration:
  - Stable capital expenditures\* ~USD 13bn
  - Exploration activity at USD 2.3bn – around 50 wells

## 2012

- Equity production:
  - 2.1-2.2mmboe/d

\*Exclusive of capitalization of financial leases

