



2<sup>nd</sup> Quarter 2014

Helge Lund, President & CEO

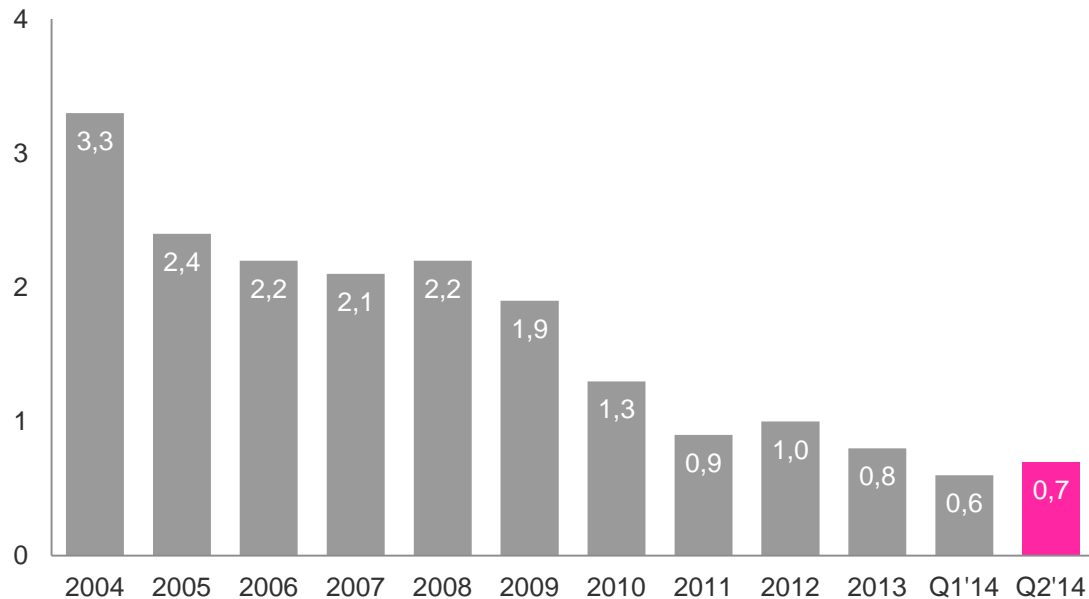
# On track

- Strong operational performance
- Adjusted earnings impacted by divestments, seasonal effects and lower gas prices
- Deferring gas production to enhance value
- Continued exploration success
- Guiding unchanged



# Safety and security

## Serious incident frequency

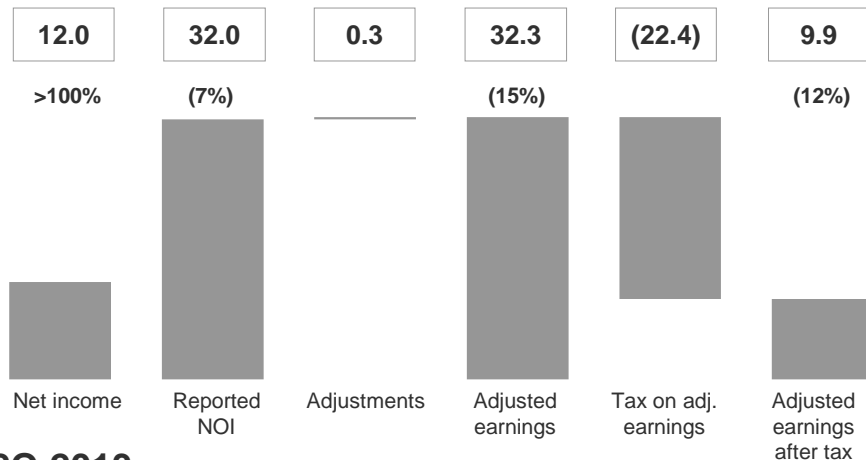


# Solid financial results

- Impacted by divestments, seasonal effects and lower gas prices
- Firm underlying cost control
- DD&A impacted by start-ups and seasonal effects
- Quarter-specific items
  - Gain from divestment
  - Impairment US onshore

## 2Q 2014

NOK bn



## 2Q 2013

NOK bn



# Adjusted earnings by segment

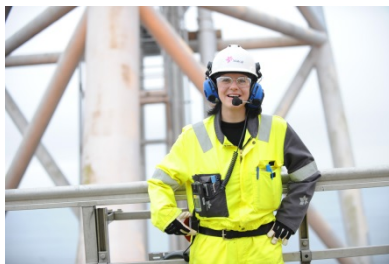
## Statoil Group <sup>1)</sup>



*World's largest hydrocarbon discovery YTD made in Tanzania*

## D&P Norway

Strong operational performance



*High production regularity*

## D&P International

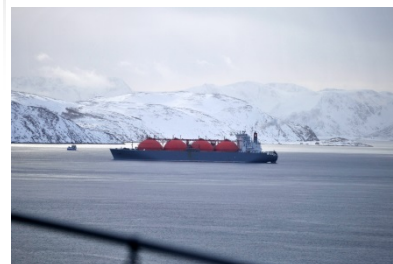
High production and strong cash flow



*CLOV field on stream in Angola*

## MPR

Lower gas volumes, continued challenging refinery margins



*Strong contributions from LNG*

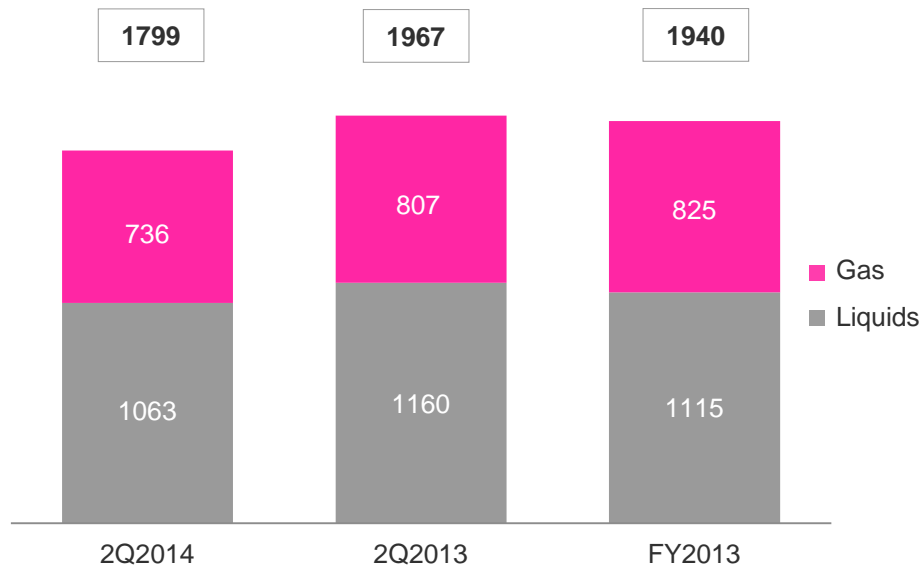
NOK bn	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax
2Q'14	32.3	9.9	24.1	6.7	6.3	2.9	2.4	0.7
2Q'13	38.0	11.3	31.5	8.3	5.9	3.2	0.8	0.1

# Production as expected

- High regularity on NCS
- Starting and ramping up new fields
- High maintenance activity
- Deferring gas production to enhance value
- Divestments and redetermination

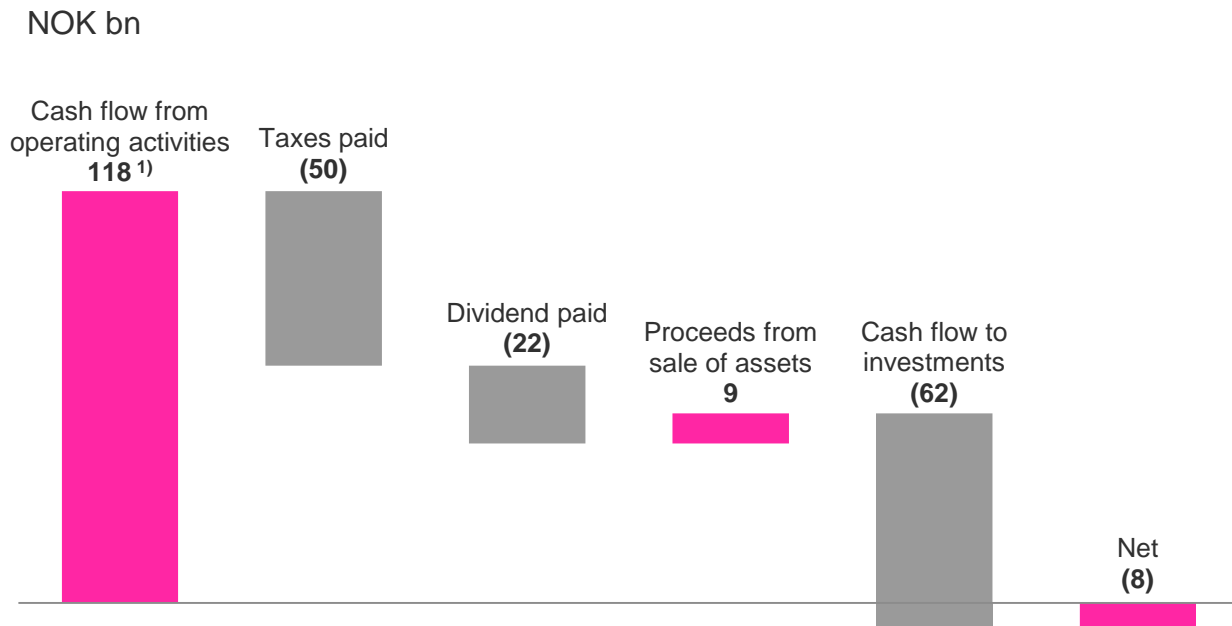
## Equity production

mboe/d



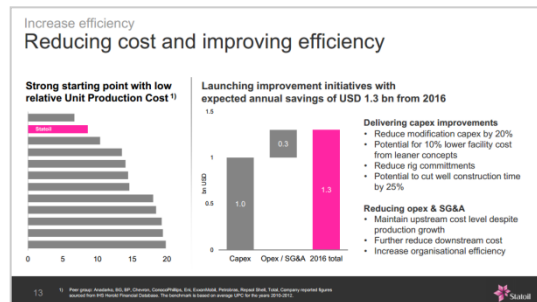
# Solid cash flow from operations

- 2013 full year dividend paid in 2Q
- Net debt ratio of 16%
- 2Q 2014 dividend: 1.80 NOK/share



# Making progress on cost and capital efficiency

## CMU February 2014



Expected annual savings of  
USD 1.3 bn from 2016

## Improvement initiatives

- Delivering capex improvements
- Reducing opex & SG&A
  - Implemented reductions of around 1000 positions in staffs and support services
- Identified additional potential efficiencies of 1100-1400 positions

## Technical efficiency

### Specific high-impact projects

1. End-to-end well delivery
2. Strengthen early phase
3. Standardisation and industrialisation
4. Operations, maintenance and modification excellence
5. Supplier management and efficiency
6. Simplification and resource prioritisation

# Predictable and competitive project execution



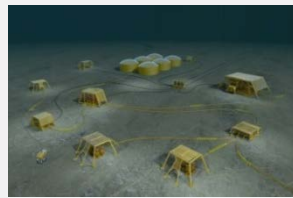
NCS drilling:  
High efficiency



Tanzania deep water:  
High efficiency



Gudrun: Delivered,  
on time, below cost



Åsgard subsea  
compression: On track



Johan Sverdrup:  
Competitive solutions



Bakken: Drilling per  
well further reduced



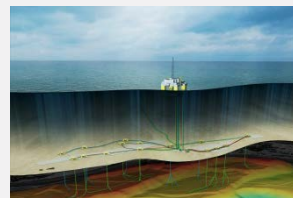
Troll 3&4: High value  
new barrels



Valemon: Arriving in  
Norway from Korea



Aasta Hansteen:  
Fabrication started



Johan Castberg:  
Optimising the project

# Outlook

2014

- ~ 2% production growth from rebased level
- Organic capex ~ USD 20 billion
- Exploration activity ~ USD 3.5 billion
- ~ 50 exploration wells
- Planned 2014 maintenance ~ 50 mboed
  - 3Q ~ 60mboed



Thank you

