Statoil

1st quarter 2011

Torgrim Reitan, CFO

Oslo, 4 May 2011

Strong industrial progress

- Strong financial results and strong balance sheet
- Successful exploration
- New production capacity on stream
- Demonstrating value creation through field development and transactions

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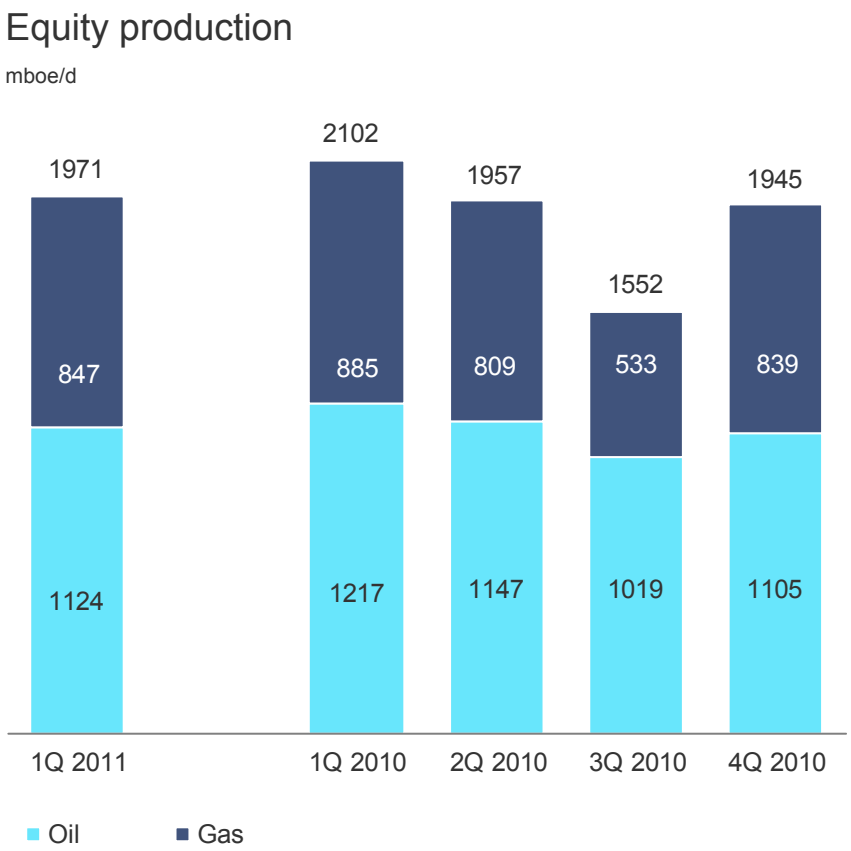
Production

- Production as expected - 6% below 1Q 2010
  - Gullfaks impact
  - Lower gas off-take
  - Gradual ramp-up of new production



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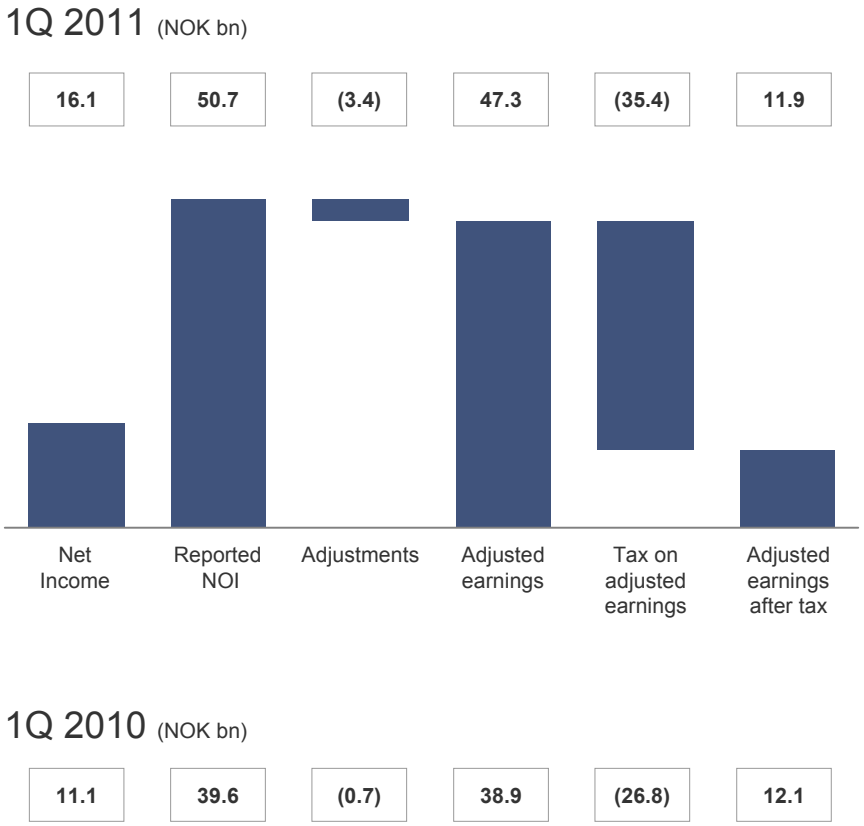
Solid earnings

- Oil price up 33% (NOK)
- Gas price up 20% (NOK)
- Oil and gas lifting down 12%



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Adjusted earnings by Business Area

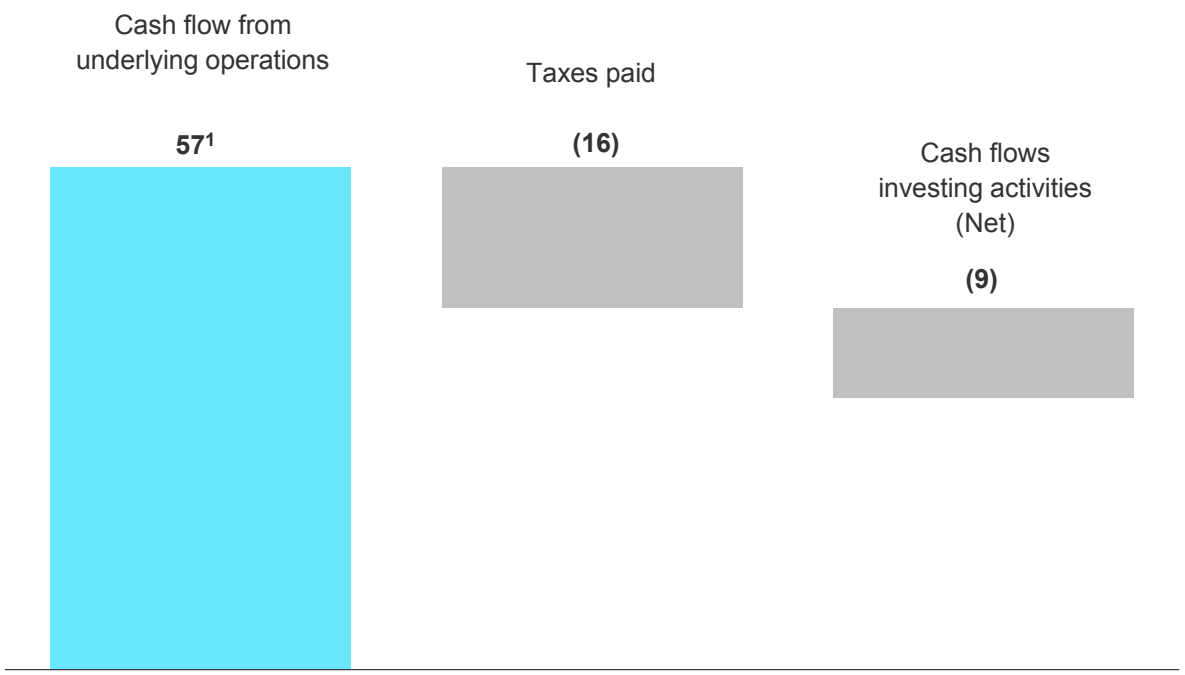
NOK bn.	1Q 2011		1Q 2010	
	Adjusted earnings		**Adjusted earnings**	
Business area	**pre tax**	after tax	**pre tax**	after tax
D&P Norway	**39.4**	9.7	**29.1**	7.5
D&P International	**5.2**	1.4	**4.5**	2.6
Marketing, Processing & Renewable energy (MPR)	**2.7**	0.6	**5.1**	1.8
Fuel & Retail	**0.3**	0.2	**0.4**	0.2
Other	**(0.4)**	(0.1)	**(0.2)**	0.1
Total adjusted earnings	**47.3**	11.9	**38.9**	12.1

Taxes

Composition of tax expense and effective tax rate	Adjusted earnings	Tax on adjusted earnings	Tax rate
D&P Norway	39.4	(29.7)	75 %
D&P International	5.2	(3.8)	72 %
Marketing, Processing & Renewable energy	2.7	(2.0)	76 %
Fuel & Retail	0.3	(0.1)	29 %
Other	(0.4)	0.2	67 %
Total adjusted earnings	47.3	(35.4)	74.8 %

- Tax on reported earnings 68.0 %

Strong cash flow from underlying operations



- Strong cash generation
- Solid financial position
- Investments according to plan

[1]Income before tax (50) + Non cash adjustments (7)

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Forward looking and guiding

Forward looking

- Total maintenance effect in 2Q at approximately 100 mboed, 70% liquids
- Total maintenance effect for the year estimated at approximately 50 mboed, mostly liquids

Guiding 2011

- Organic capex of USD ~16 billion
- Exploration activity USD ~3 billion

Production guiding towards 2012

- ~3 percent CAGR 2010-2012
- 2011 production expected around 2010 level or slightly below

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Thank you

Supplementary information

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Items impacting net operating income 1Q

(NOK billions)	1Q 2011		1Q 2010	
	Before tax	After tax	Before tax	After tax
Impairments	**(0.9)**	**(0.9)**	**0.1**	**0.1**
DPI	0,0	0.0	0.3	0.3
MPR	(0.9)	(0.9)	(0.2)	(0.2)
Derivatives IAS 39	**2.6**	**2.1**	**(0.3)**	**(0.1)**
DPN	(0.3)	0.0	0.2	(0.0)
DPI	0.1	0.1	0.0	0.0
MPR	2.8	2.0	(0.5)	(0.1)
(Overlift)/Underlift	**1.7**	**0.7**	**(0.4)**	**(0.4)**
DPN	1.0	0.2	0.3	0.1
DPI	0.7	0.5	(0.7)	(0.5)
Other	**(6.9)**	**(7.1)**	**(0.1)**	**0.5**
Operational Storage (MPR)	(0.8)	(0.6)	(0.5)	(0.4)
Other accruals (DPN+MPR)	0.0	0.0	0.0	0.0
Provisions (MPR)	(0.7)	(0.7)	0.0	0.0
(Gain)/Loss sale of asset (DPN)	0.1	0.0	0.0	0.0
(Gain)/Loss sale of asset (DPI)	(5.6)	(5.3)	0.0	0.0
(Gain)/Loss sale of asset (MPR)	0.0	0.0	(0.3)	(0.3)
Increased cost accrual (MPR)	0.0	0.0	0.5	0.5
Currency effects fixed assets (MPR)	-	(0.1)	-	0.1
Currency effects fixed assets (DPI)	-	(0.5)	-	0.5
Eliminations	0.1	0.1	0.2	0.1
Adjustments to net operating income	**(3.4)**	**(5.1)**	**(0.7)**	**0.1**

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Tax rate reconciliation 1Q 2011

Composition of tax expense and effective tax rate	Before tax	Tax	Tax rate
Total adjusted earnings	**47.3**	**(35.4)**	**75 %**
Adjustments	**(3.4)**	**(1.7)**	**49 %**
Net Operating Income	**50.7**	**(33.7)**	**66 %**
Financial items excluding FX and IR derivatives	***(0.5)***	***(0.5)***	
Total	**50.3**	**(34.2)**	**68 %**

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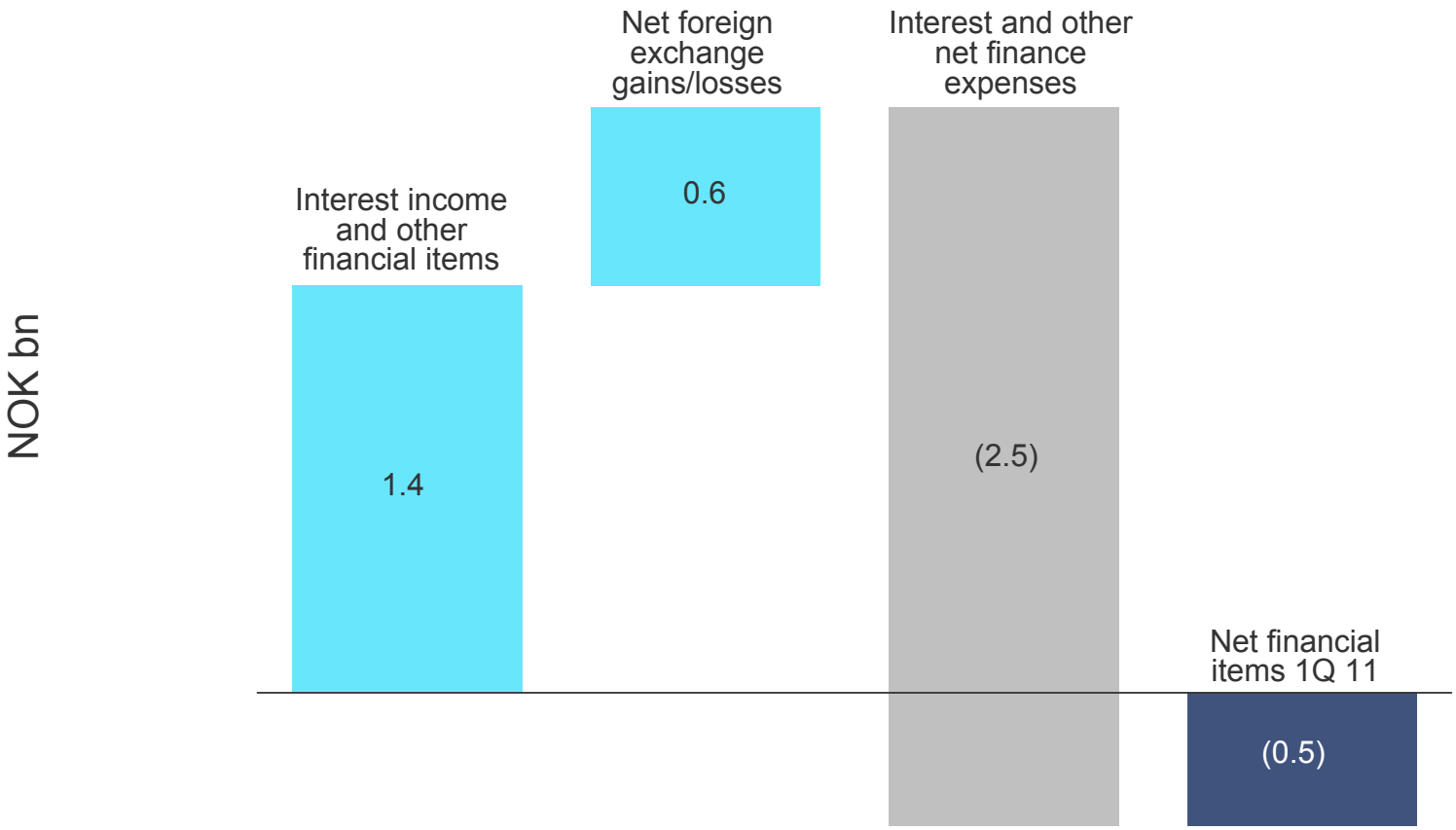
Net Financial Items

1Q 2011



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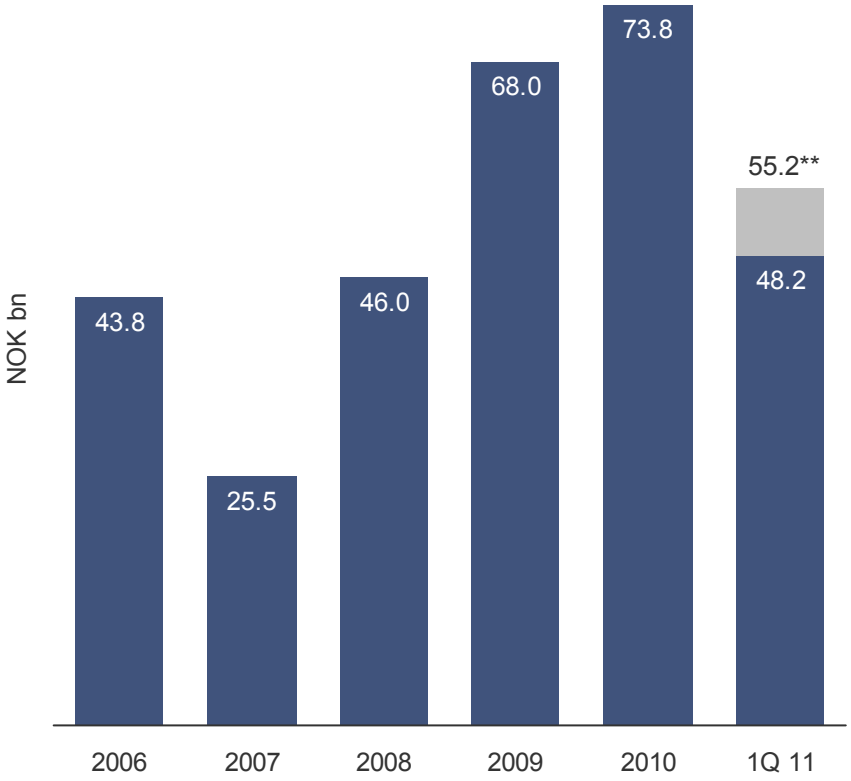
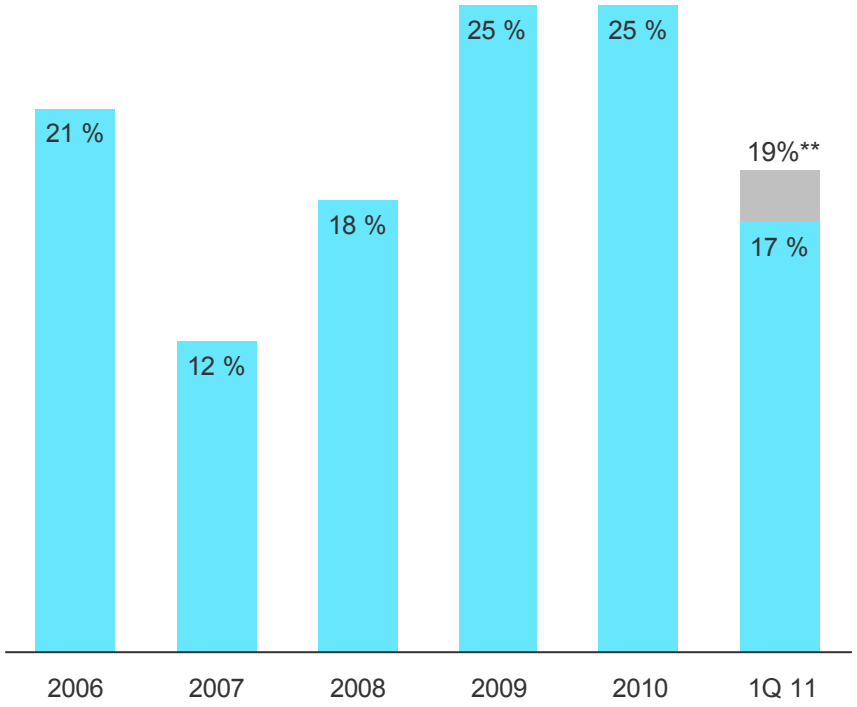
Development in net debt to capital employed

Net financial liabilities



Net debt to capital employed*



* Net debt to capital employed ratio = Net financial liabilities/capital employed
** Adjusted for increase in cash for tax payment

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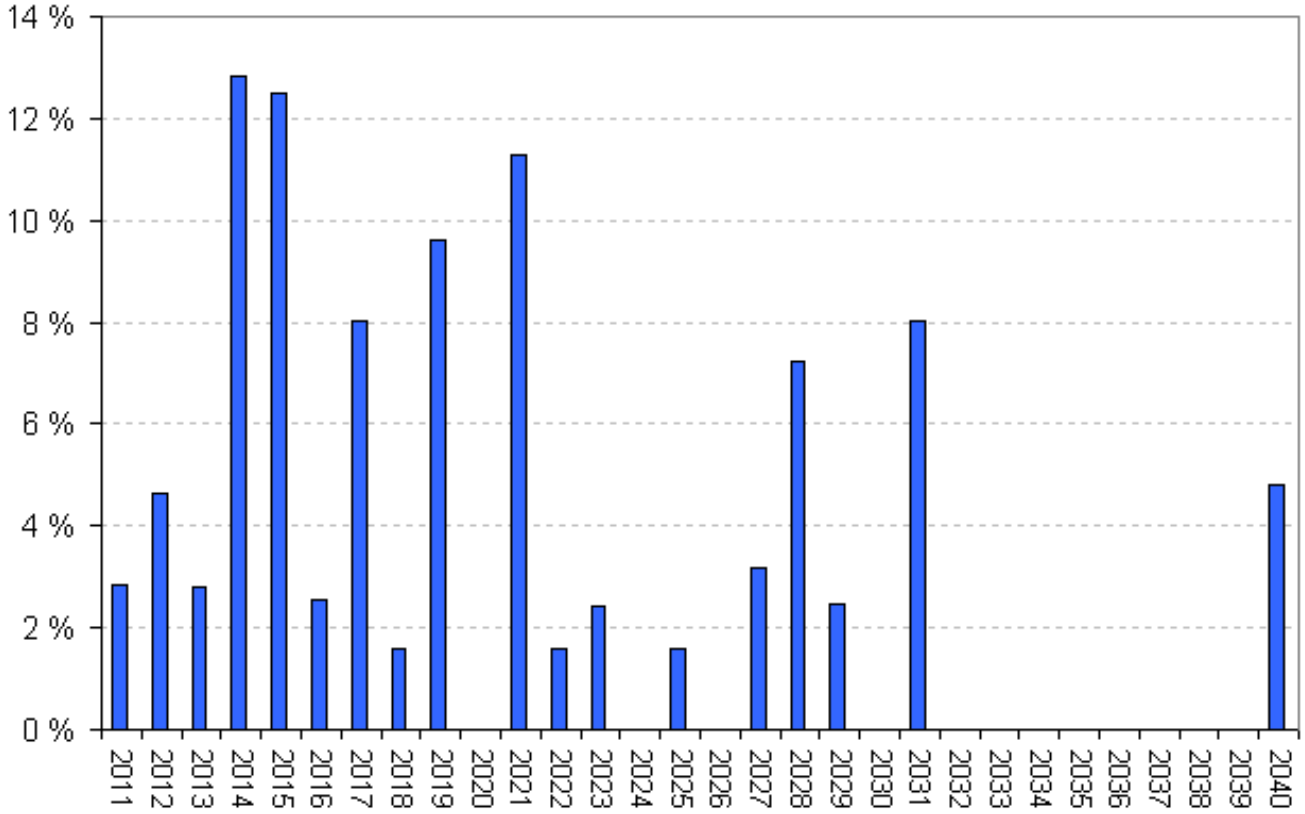
Long term debt portfolio

Redemption profile – 31.03.2011



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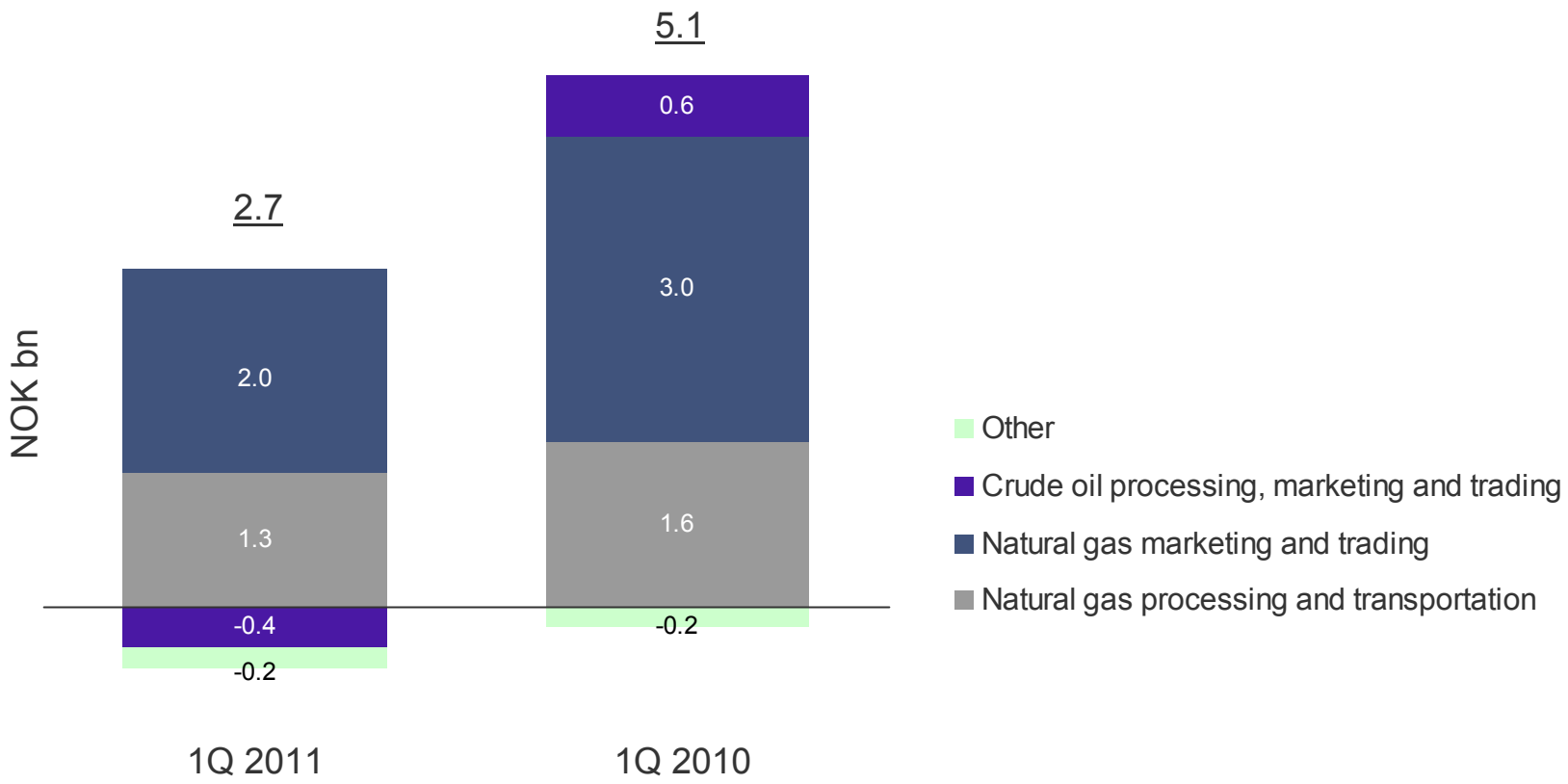
Adjusted earnings break-down

- Marketing, processing and renewables



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Statoil production per field

- DPN 1Q 2011

Statoil-operated 1000 boed	Statoil share	Produced volumes Oil	Gas	Total
Alve	85.00%	5.9	9.0	14.9
Brage	32.70%	7.0	0.6	7.6
Fram	45.00%	22.9	4.8	27.7
Gimle	65.13%	2.3	0.0	2.3
Glitne	58.90%	1.9	0.0	1.9
Grane	36.66%	57.2	0.0	57.2
Gullfaks	70.00%	58.3	25.3	83.6
Heidrun	*1	14.4	1.7	16.1
Heimdal	*2	0.1	0.8	0.9
Huldra	19.88%	0.3	2.2	2.5
Kristin	55.30%	15.5	18.1	33.6
Kvitebjørn	58.55%	33.5	73.8	107.3
Mikkel	43.97%	9.7	12.7	22.4
Morvin	64.00%	8.6	0.0	8.6
Njord	20.00%	7.3	7.5	14.8
Norne	*3	17.3	2.0	19.3
Oseberg	*4	67.5	26.0	93.4
Sleipner	*5	25.1	81.5	106.6
Snorre	31.32%	35.9	0.3	36.2
Snøhvit	33.53%	7.2	27.0	34.2
Statfjord	*6	36.4	10.9	47.3
Tordis	41.50%	6.1	2.8	8.9
Troll Gass	30.58%	7.4	202.4	209.8
Troll Olje	30.58%	36.2	0.0	36.2
Tyrihans	58.84%	56.3	0.0	56.3
Vale	28.85%	0.0	0.0	0.0
Vega	*7	7.3	10.1	17.4
Veslefrikk	18.00%	2.1	0.0	2.1
Vigdis	41.50%	17.3	2.5	19.8
Vilje	28.85%	8.3	0.0	8.3
Visund	53.20%	16.8	12.0	28.8
Volve	59.60%	11.9	1.0	12.9
Åsgard	34.57%	54.4	70.7	125.2
Yttergryta	45.75%	2.2	2.4	4.7
Total Statoil-operated		660.7	608.2	1268.9

Partner-operated 1000 boed	Statoil share	Produced volumes Oil	Gas	Total
Ekofisk	7.60%	16.7	2.9	19.6
Enoch	11.78%	0.4	0.0	0.4
Gjøa	20.00%	8.9	8.0	16.9
Ormen Lange	28.92%	8.9	113.0	121.9
Ringhorne Øst	14.82%	2.6	0.1	2.7
Sigyn	60.00%	6.6	5.0	11.6
Skirne	10.00%	0.3	1.6	1.9
Total partner-operated		44.4	130.6	175.0
Total production		705.0	738.8	1443.9

*1 Statoil share in Heidrun 12.41% in January and February. 49.17% share in period March - October 2011.
*2 Statoil's share of the reservoir and production at Heimdal is equal to 29.87%.
The ownershare of the topside facilities is equal to 39.44%
*3 Norne 39.10%, Urd 63.95%
*4 Oseberg 49.3%, Tune 50.0%
*5 Sleipner Vest 58.35%, Sleipner Øst 59.60%, Gungne 62.00%
*6 Statfjord Unit 44.34%, Statfjord Nord 21.88%, Statfjord Øst 31.69%, Sygna 30.71%
*7 Vega 60%, Vega Sør 45%. A unitisation is concluded in 1Q 2011- Statoil share is 54%.

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Statoil equity production per field

- DPNA & DPI 1Q 2011

DPNA 1000 boed	Statoil share	Produced volumes Liquids	Gas	Total
Lorien	30.00%	0.4	0.1	0.5
Front Runner	25.00%	1.3	0.2	1.5
Spiderman	18.33%	0.1	2.9	3.0
Zia	35.00%	0.1	0.0	0.1
Seventeen Hands	25.00%	0.0	0.1	0.1
Marcellus	Varies	0.1	22.8	22.9
Eagle Ford	50.00%	0.5	2.5	3.0
Tahiti	25.00%	30.3	1.3	31.6
Thunderhawk	25.00%	5.3	0.6	5.9
Hibernia	5.00%	7.3		7.3
Terra Nova	15.00%	6.7		6.7
Leismer Demo	60.00%	2.5		2.5
Total Equity production DPNA		54.6	30.5	85.1

DPI 1000 boed	Statoil share	Produced volumes Liquids	Gas	Total
Alba	17.00%	4.8		4.8
Jupiter	30.00%		0.6	0.6
Schiehallion	5.88%	1.4	0.0	1.5
Azeri Chiraq (ACG EOP)	8.56%	67.3		67.3
Shah Deniz	25.50%	8.7	26.0	34.7
Petrocedeño*	9.68%	14.5		14.5
Girassol/Jasmin	23.33%	31.5		31.5
Kizomba A	13.33%	15.1		15.1
Kizomba B	13.33%	22.0		22.0
Dalia	23.33%	54.5		54.5
Rosa	23.33%	20.5		20.5
In Salah	31.85%		51.3	51.3
In Amenas	50.00%	28.2		28.2
Marimba	13.33%	3.5		3.5
Kharyaga	30.00%	9.1		9.1
Murzuk	2.40%	1.7		1.7
Mabruk	5.00%	0.9		0.9
Mondo	13.33%	9.9		9.9
Saxi-Batuque	13.33%	11.8		11.8
Agbami	20.21%	50.2		50.2
South Pars	37.00%	3.7		3.7
Gimboa	20.00%	3.9		3.9
Total equity production DPI		364.0	77.9	441.9
Total equity production DPI & DPNA		418.6	108.4	527.0

* Petrocedeño is a non-consolidated company

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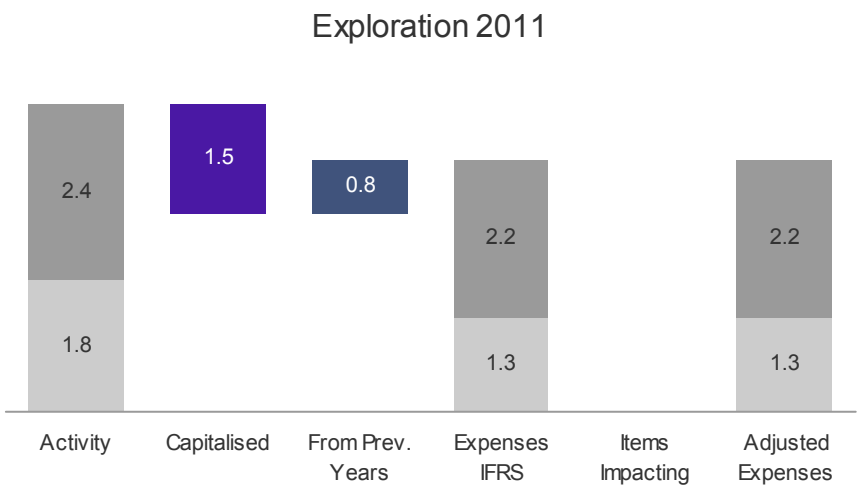
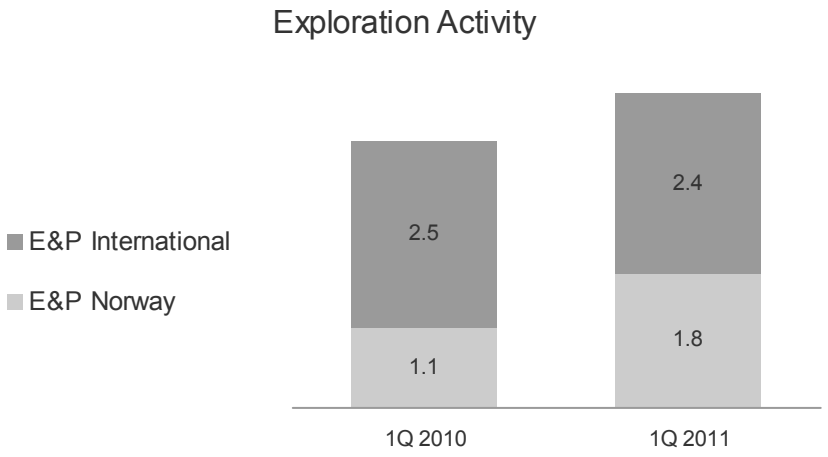
Exploration Statoil group

Exploration Expenses (in NOK billion)	First quarter 2011	First quarter 2010	Full year 2010
Exploration Expenditure (Activity)	4.2	3.6	16.8
Capitalized Exploration	-1.5	-1.4	-3.9
Expensed from Previous Years	0.8	1.0	2.9
Acquired Undeveloped Areas	0.0	0.0	0.0
Exploration Expenses IFRS	**3.5**	**3.2**	**15.8**

Exploration Expenses (in NOK billion)	First quarter 2011	First quarter 2010	Full year 2010
Norway	1.3	1.1	5.5
International	2.2	2.1	10.3
Other	0.0	0.0	0.0
Exploration Expenses IFRS	**3.5**	**3.2**	**15.8**





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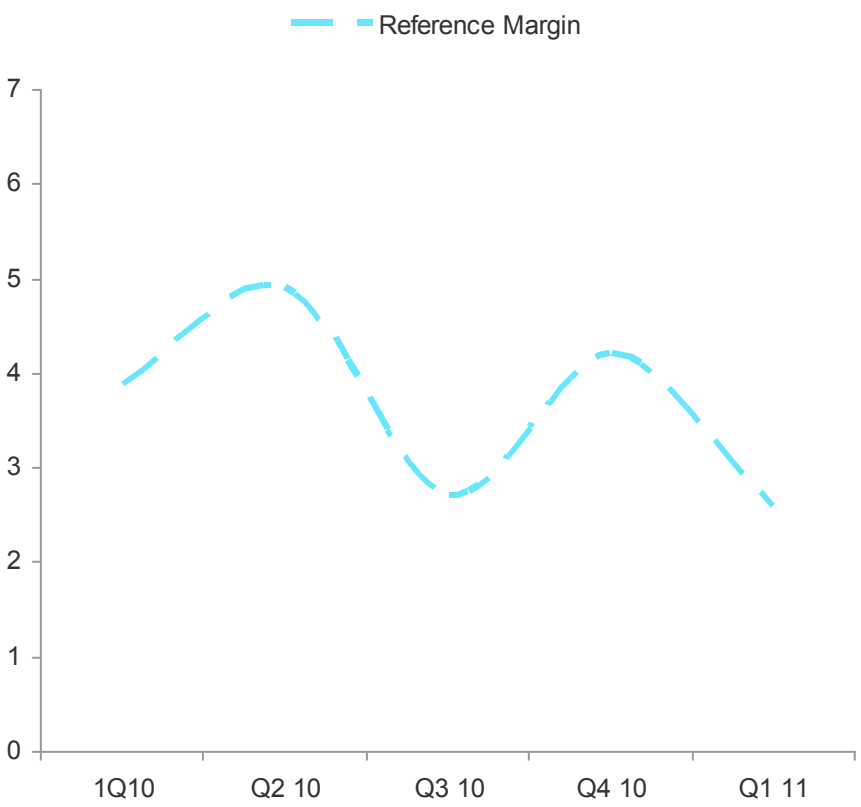
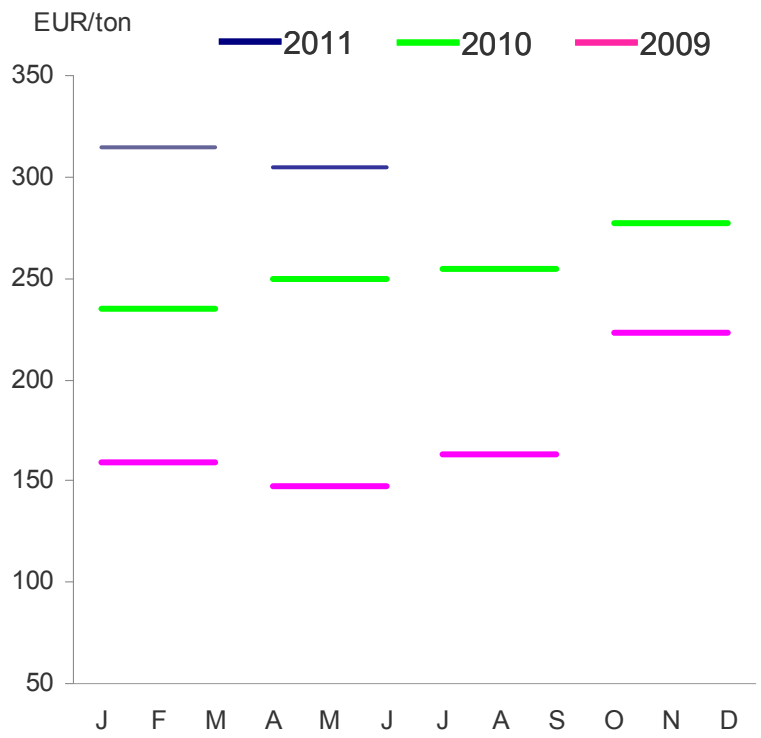
Margins and prices

Refining margins



Methanol contract price



* The reference margin gives a simplified picture of the average gross margin of Mongstad and Kalundborg.

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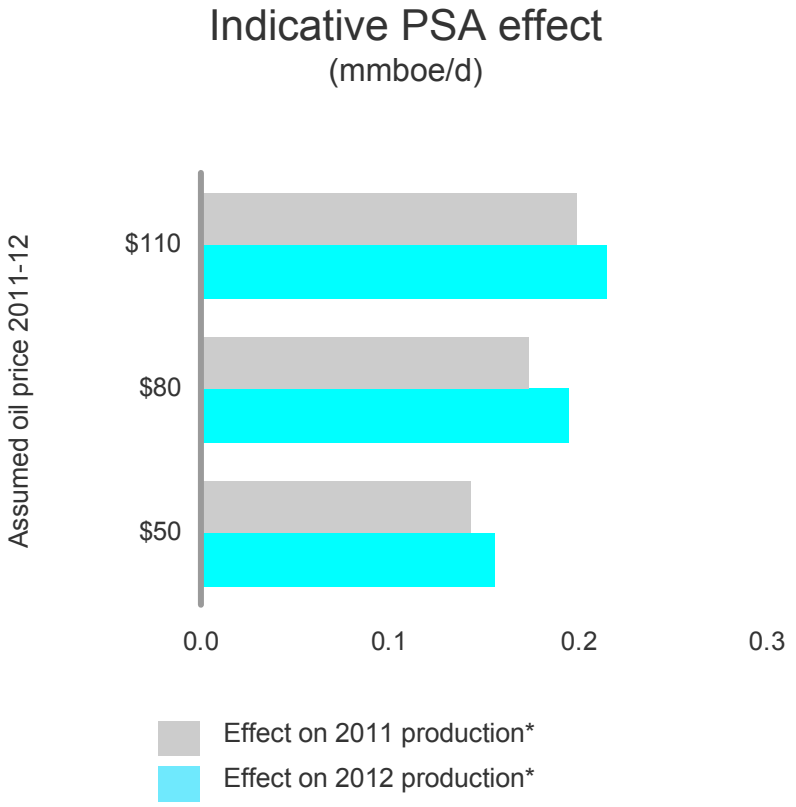
Indicative PSA effects

- ~70% of international equity production in 2012 subject to PSA
- PSA effect in 2011 expected to be slightly lower than 2010 for comparable prices



* Guiding based on EPA price scenarios for the whole period

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Reconciliation of adjusted earnings to net operating income

Items impacting net operating income (in NOK billion)	First quarter 2011	2010	Change
Net operating income	50.7	39.6	28 %
Total revenues and other income	(0.2)	(1.7)	(85 %)
Change in fair value of derivatives	(0.0)	(0.3)	(94 %)
Inefficient hedge of inventories	2.7	0.0	>100 %
Impairment of investments	0.0	0.0	-
Reversal of impairment of investments	0.0	(0.2)	(100 %)
Over/underlift	2.4	(1.1)	>(100 %)
Gain/Loss on sales of assets	(5.6)	(0.3)	>100 %
Provisions	0.0	0.0	-
Eliminations	0.3	0.2	50 %
Other Adjustments	0.0	0.0	-
Accrual for take of pay contract	0.0	0.0	-
Purchase net of inventory variation	(0.8)	(0.5)	60 %
Operational storage effects	(0.8)	(0.5)	60 %
Accrual for take of pay contract	0.0	0.0	-
Miscalleneous	0.0	0.0	-
Eliminations	0.0	0.0	-
Operating expenses	(0.8)	1.2	>(100 %)
Over/underlift	(0.8)	0.6	>(100 %)
Restructuring costs	0.0	0.0	-
Other adjustments	0.0	0.0	-
Accrual for take of pay contract	0.0	0.0	-
Eliminations	(0.2)	0.0	-
Gain/Loss on sales of assets	0.1	0.0	-
Provisions	0.0	0.5	(100 %)
Selling, general and administrative expenses	(0.7)	0.0	-
Restructuring costs	0.0	0.0	-
Other adjustments	0.0	0.0	-
Provisions	(0.7)	0.0	>(100 %)
Depreciation, amortisation and impairment	(0.9)	0.0	-
Impairment	0.0	0.0	-
Other adjustments	0.0	0.0	-
Reversal of impairment	(0.9)	0.0	>(100 %)
Exploration expenses	0.0	0.3	(100 %)
Impairment	0.0	0.3	(100 %)
Reversal of impairment	0.0	0.0	-
Other	0.0	0.0	-
Sum of adjustments	(3.4)	(0.7)	>100 %
Adjusted earnings	47.3	38.9	22 %

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Forward looking statements

This Operating and Financial Review contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "believe", "continue", "could", "estimate", "expect", "intend", "likely", "may", "objective", "outlook", "plan", "propose", "should", "will" and similar expressions to identify forward-looking statements.

All statements other than statements of historical fact, including, among others, statements such as those regarding: expected equity production; regularity, efficiency and productivity goals for future operations and projects; our financial position, results of operations and cash flows; expected dividend; our future market position; business strategy; expected changes in ownership interests and structures; expected project development expenditures; plans for future development (including redevelopment) and operation of projects; reserve information; reserve recovery factors; future reserve replacement ratio; entitlement volumes; expected timing of resumption of certain exploration drilling in the US Gulf of Mexico; future ability to utilise and develop our expertise; future growth (including future production growth); our future ability to create value; oil and gas production forecasts; future composition and maturity of our exploration and project portfolios; exploration expenditure; expected exploration and development activities and plans; planned turnarounds and other maintenance; expected unit production cost; expected refining margins; expected gap between entitlement and equity volumes; expected impact of contractual arrangements on equity volumes; expected production and capacity of projects; projected impact of laws and regulations (including taxation laws); the impact of the uncertain world economy; expected capital expenditures; our expected ability to obtain short term and long term financing; our ability to manage our risk exposure; the projected levels of risk exposure with respect to financial counterparties; our ability to obtain financing at attractive funding cost levels; the expected impact of currency and interest rate fluctuations (including USD/NOK exchange rate fluctuations) on our financial position; oil, gas and alternative fuel price levels and volatility; oil, gas and alternative fuel supply and demand; the markets for oil, gas and alternative fuel; projected operating costs; the completion of acquisitions, disposals and other contractual arrangements; estimated values in use; estimated cash flows; estimated costs (including costs for plugging and abandonment of wells); estimated future operational leasing commitments; future number of vessels employed; estimated decline of mature fields; future market conditions; future utilisation of capacity contracts; our HSE objective; impact of PSA effects; and the obtaining of regulatory and contractual approvals, 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, including the risks described above in "Risk update".

These forward-looking statements reflect current views with respect to 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; currency exchange rates; interest rates; trading activities; the political and economic policies of Norway and other oil-producing countries; general economic conditions; political stability and economic growth in relevant areas of the world; global political events and actions, including war, terrorism and sanctions; changes in laws and governmental regulations; the lack of necessary transportation infrastructure when a field is in a remote location; the timing of bringing new fields on stream; material differences from reserves estimates; an inability to find and develop reserves; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; security breaches; the actions of competitors; our ability to successfully exploit growth opportunities; the actions of field partners; industrial actions by workers; failing to attract and retain senior management and skilled personnel; failing to meet our ethical and social standards; operational catastrophes; security breaches; natural disasters and adverse weather conditions and other changes to business conditions; 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 2010 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission, which can be found on Statoil's website at 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 the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this review, either to make them conform to actual results or changes in our expectations.

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Statoil

- Statoil is an integrated technology-based international energy company primarily focused on upstream oil and gas operations
- Headquartered in Norway we have more than 30 years of experience from the Norwegian continental shelf, pioneering complex offshore projects under the toughest conditions.
- Our culture is founded on strong values and a high ethical standard.
- We aim to deliver long-term growth and continue to develop technologies and manage projects that will meet the world’s energy and climate challenges in a sustainable way.
- Statoil is listed on NYSE and Oslo Stock Exchange