

1<sup>st</sup> Quarter 2014  
Torgrim Reitan, CFO

# Highlights

- Strong financial results and operational performance
- Good contribution from North America value chain
- Project execution on track,
  - Gudrun on stream,
  - Johan Sverdrup concept selection
- Firm cost control
- Proposed 1Q 2014 dividend of 1.80 NOK/share



# Financial results

- Lower liquid price and increased gas price
  - Strengthening on NOK
- Firm cost control
  - Higher transportation
  - New field start-up
- Lower tax rate

## 1Q 2014

NOK bn



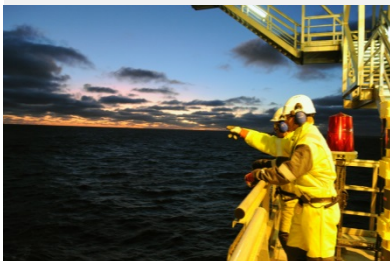
## 1Q 2013

NOK bn



# Adjusted earnings by segment

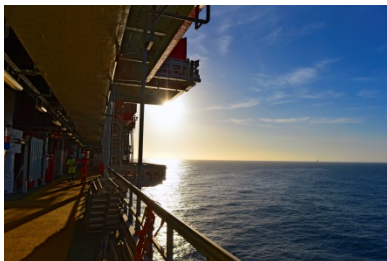
## Statoil Group <sup>1)</sup>



*Drilling rig in Barents Sea*

## D&P Norway

On-time project delivery



*Gudrun on stream*

## D&P International

Strong production



*Pazflor field, Angola*

## MPR

High value gas trading and optimisation



*Manhattan gas pipeline*

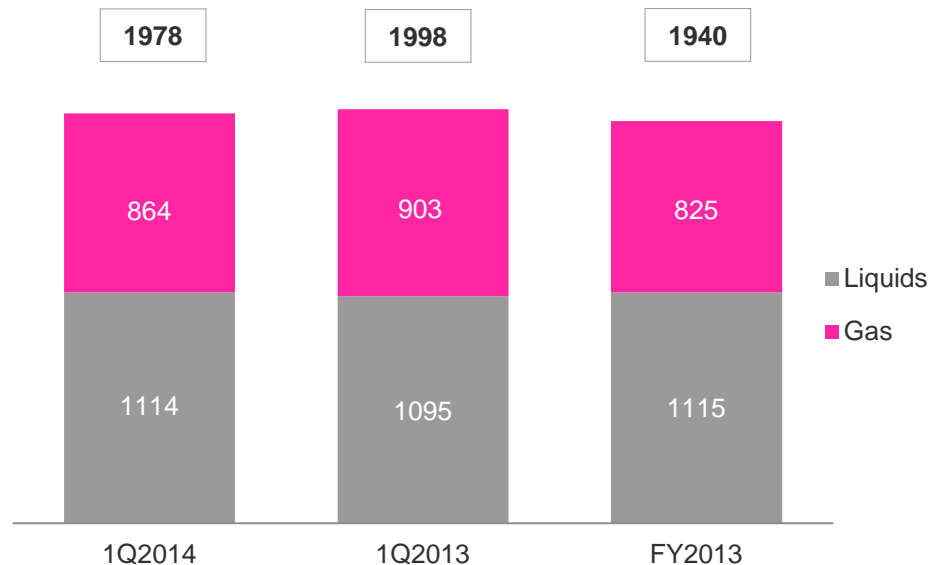
	Statoil Group <sup>1)</sup>		D&P Norway		D&P International		MPR	
	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax	Pre tax	After tax
NOK bn								
1Q'14	46.0	15.8	34.2	9.0	6.9	3.9	5.9	3.5
1Q'13	42.4	12.0	34.9	9.6	4.9	1.6	2.6	0.8

# Production

- Production as expected,
  - high liquids production
  - lower gas offtake
  - divestments, redetermination and decline as expected
- High regularity on NCS

## Equity production

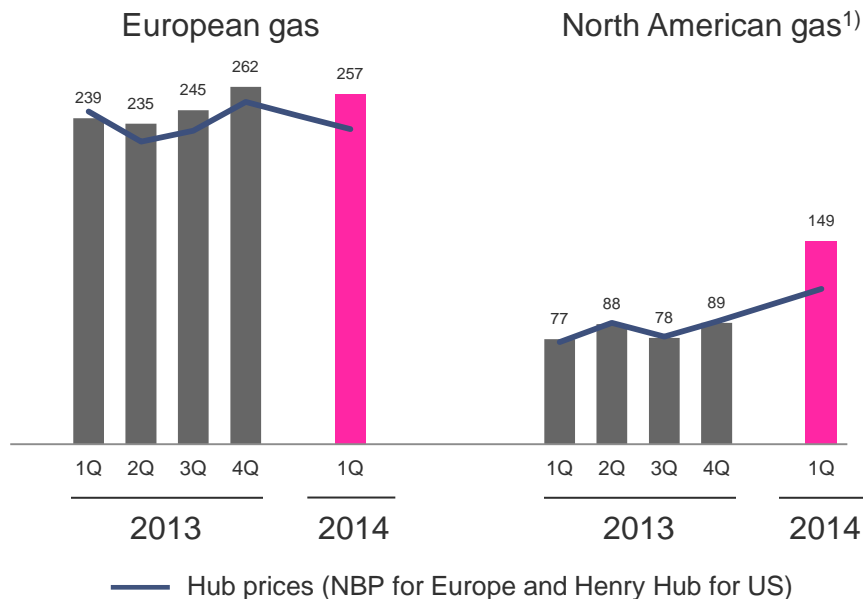
mboe/d



# Realising strong prices

## Average invoiced prices

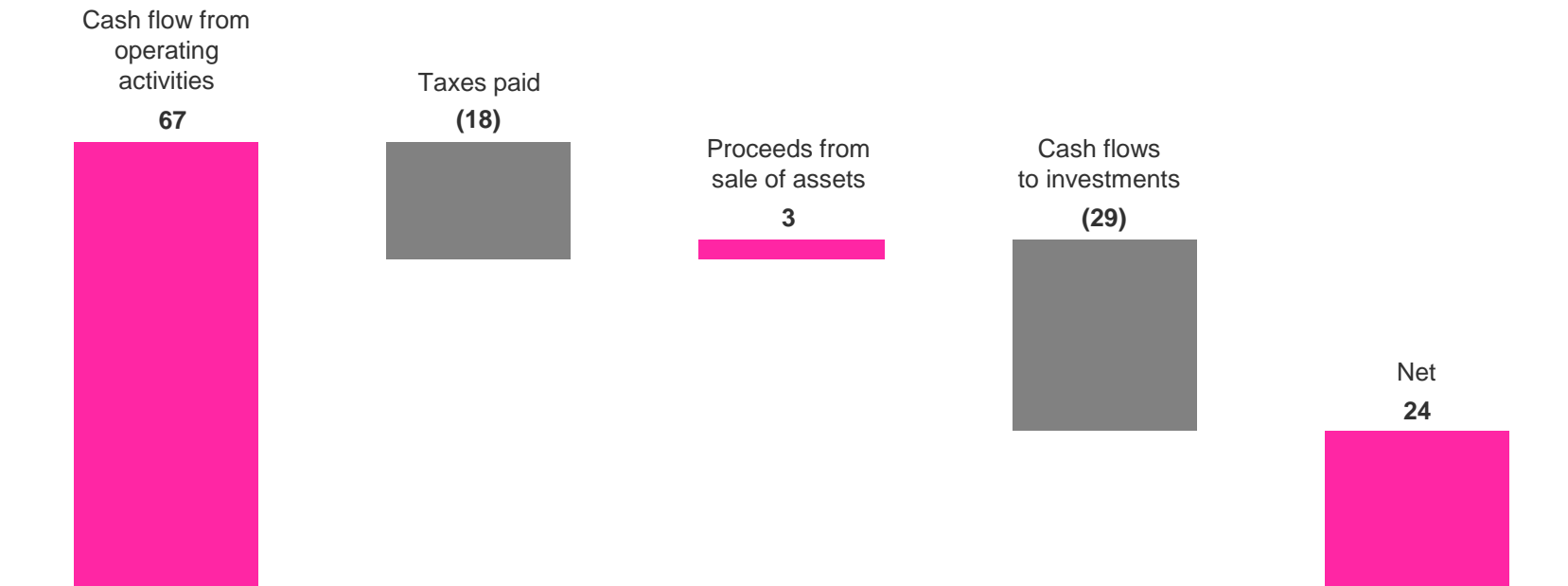
øre/sm<sup>3</sup>



- Modernised European gas sales portfolio
  - Increased gas indexation and direct sales
  - Increased flexibility
- Secured access to premium markets in North America
  - Strong contribution in first quarter
  - Exceptionally cold winter

# Cash flow 2014

**NOK bn**





# Outlook

2014

- ~ 2% production growth from rebased level
- Organic capex ~ USD 20 billion
- Exploration activity ~ USD 3.5 billion
- ~ 50 exploration wells
- Planned maintenance ~ 55 mboed
  - 2Q ~ 110 mboed, 3Q ~ 60mboed





Thank you



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# Items impacting net operating income 1Q

NOK bn	1Q 2014			1Q 2013	
	Before tax	After tax		Before tax	After tax
<b>Impairments (Net of reversal)</b>	<b>0.2</b>	<b>0.2</b>		<b>0.0</b>	<b>0.0</b>
DPI	0.4	0.4		0.0	0.0
MPR	(0.2)	(0.1)		0.0	0.0
<b>Derivatives IAS 39</b>	<b>0.1</b>	<b>(0.1)</b>		<b>1.6</b>	<b>0.5</b>
DPN	0.4	0.1		0.8	0.2
MPR	(0.3)	(0.2)		0.8	0.3
<b>(Overlift)/Underlift</b>	<b>(0.1)</b>	<b>0.1</b>		<b>(0.4)</b>	<b>(0.3)</b>
DPN	(0.2)	0.0		0.4	0.1
DPI	0.1	0.1		(0.9)	(0.4)
<b>Other</b>	<b>(5.5)</b>	<b>(7.4)</b>		<b>3.3</b>	<b>2.7</b>
Operational Storage (MPR)	0.3	0.2		(0.2)	(0.1)
Other adjustments (DPN+DPI+MPR)	(2.8)	(4.9)		0.7	0.2
Provisions (DPN+MPR)	0.0	0.0		4.9	4.3
(Gain)/Loss sale of asset (DPN+DPI+MPR)	(1.8)	(1.8)		0.1	0.0
Currency effects fixed assets (DPI)	0.0	0.0		0.0	(0.1)
Currency effects fixed assets (MPR)	0.0	0.0		0.0	0.1
<b>Eliminations</b>	<b>(1.1)</b>	<b>(0.9)</b>		<b>(2.3)</b>	<b>(1.7)</b>
<b>Adjustments to net operating income</b>	<b>(5.4)</b>	<b>(7.2)</b>		<b>4.4</b>	<b>2.8</b>

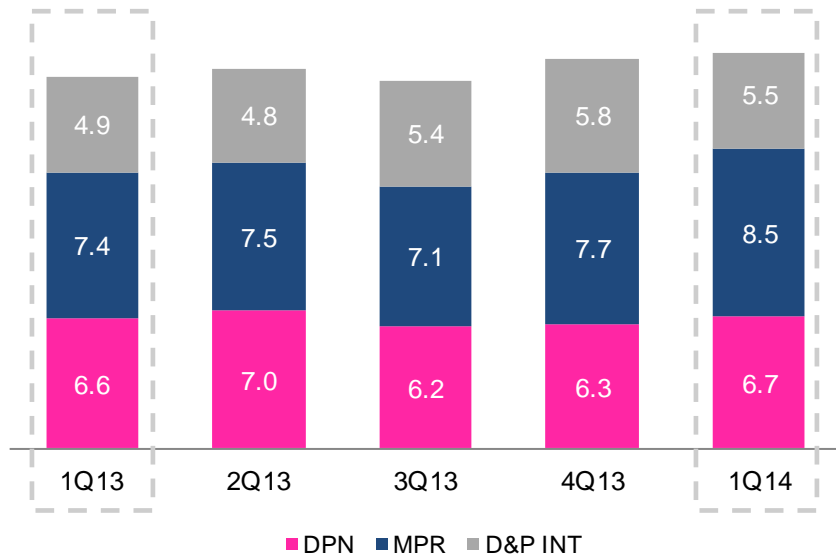
# Tax rate reconciliation 1Q 2014

Composition of tax expense and effective tax rate	Adjusted earnings	Tax on adjusted earnings	Tax rate
D&P Norway	34.2	(25.2)	74 %
D&P International	6.9	(3.0)	43 %
Marketing, Processing & Renewable energy	5.9	(2.4)	41 %
Other	(0.9)	0.4	39 %
<b>Total adjusted earnings</b>	<b>46.0</b>	<b>(30.2)</b>	<b>65.6 %</b>
<b>Adjustments</b>	<b>5.4</b>	<b>1.8</b>	
<b>Net Operating Income</b>	<b>51.4</b>	<b>(28.4)</b>	<b>55.3 %</b>
Tax on NOK 1.7 bn taxable currency gains		(0.5)	
FX and IR derivatives	1.8	(0.5)	
Financial items excluding FR and IR derivatives	(1.1)	1.0	
<b>Net financial income</b>	<b>0.7</b>	<b>(0.1)</b>	<b>9.0 %</b>
<b>Income before tax</b>	<b>52.2</b>	<b>(28.5)</b>	<b>54.6 %</b>

# Cost and DD&A

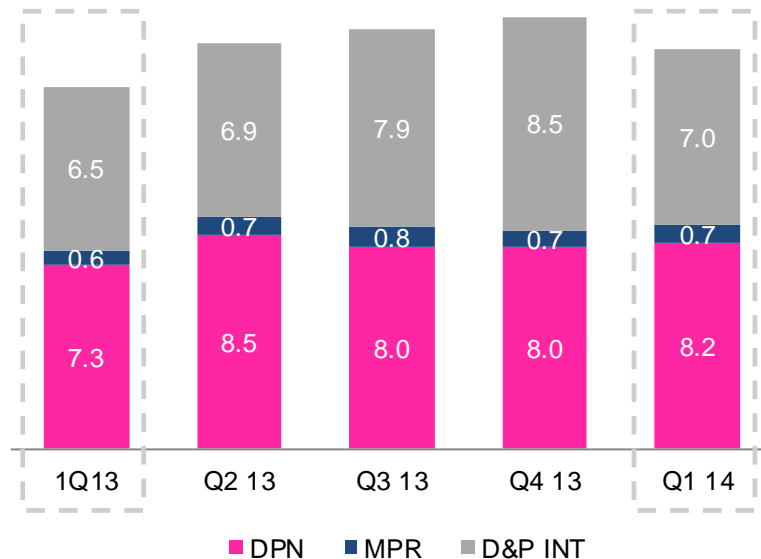
## Focus on cost<sup>1)</sup>

Adjusted opex and SG&A, NOK bn

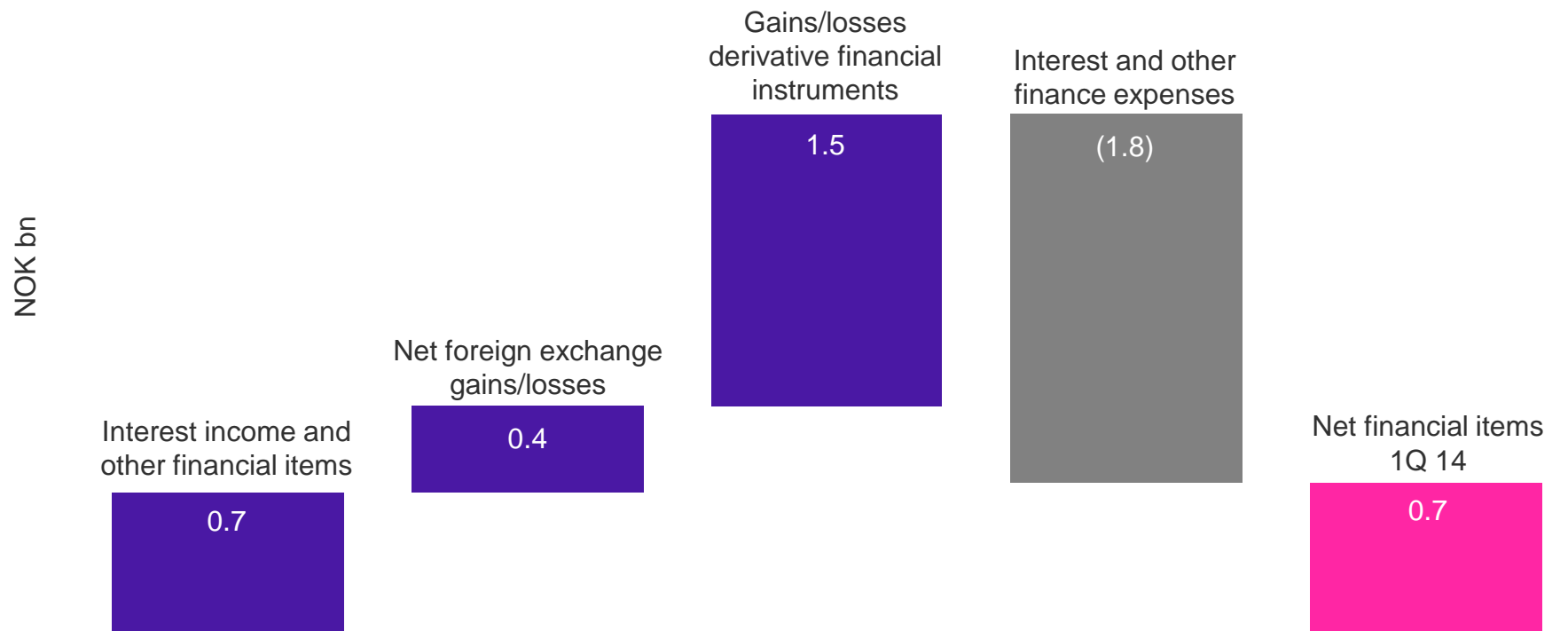


## New production increases DD&A<sup>1)</sup>

Adjusted DD&A, NOK bn



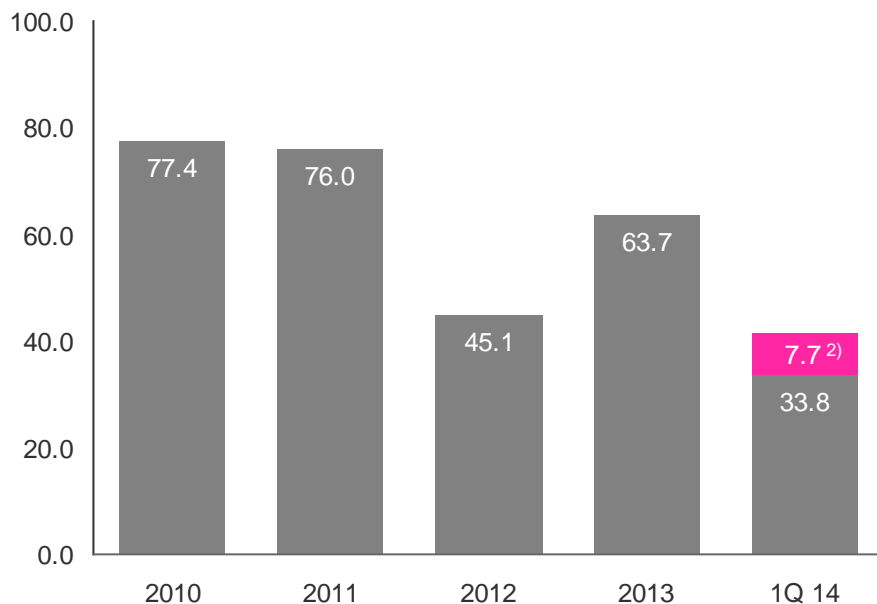
# Net Financial Items 1Q 2014



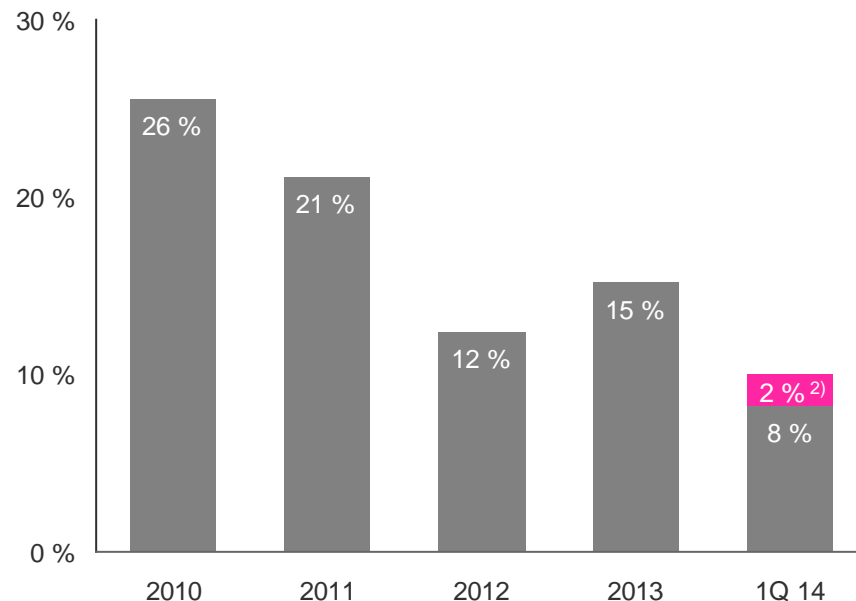


# Development in net debt to capital employed

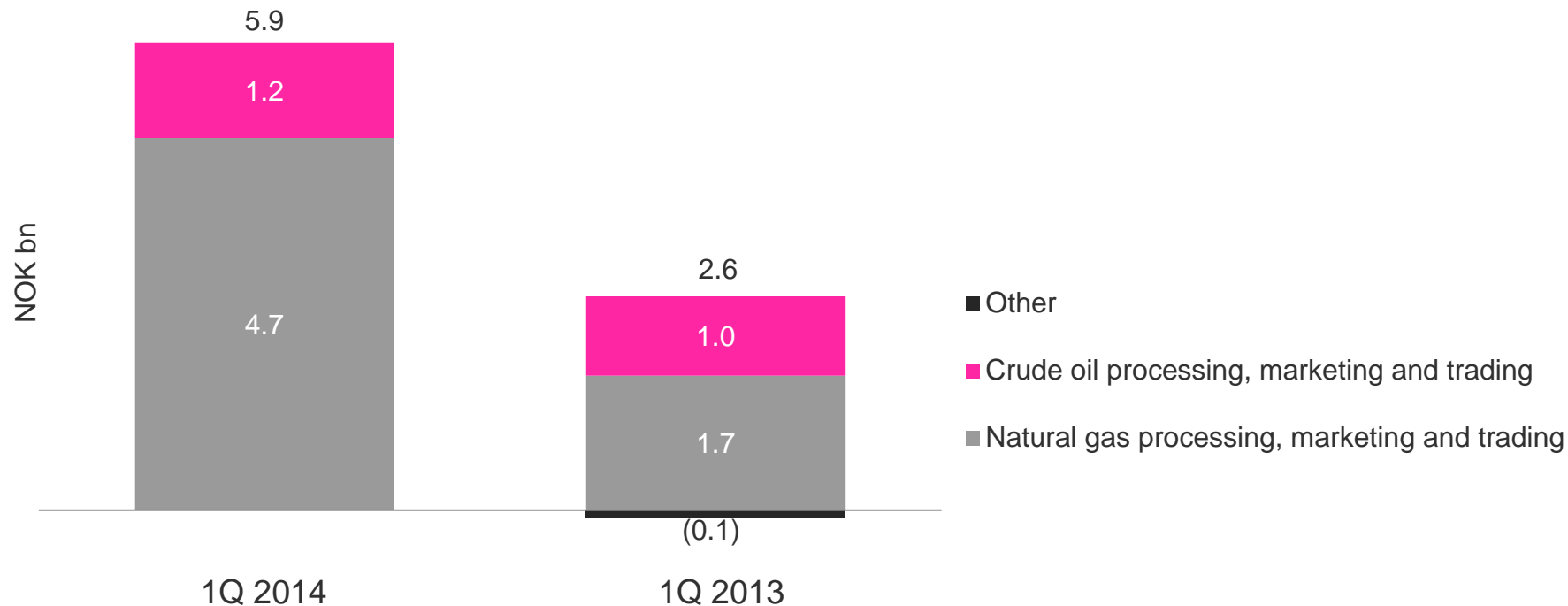
Net financial liabilities  
(NOK bn)



Net debt to capital employed <sup>1)</sup>



# MPR Adjusted Earnings – Break down



# Statoil Equity Production per Field

Statoil-operated 1000 boed	Statoil share	Produced volumes		
		Liquid	Gas	Total
Alve	85.00 %	6.0	8.6	14.5
Fram	45.00 %	18.4	5.0	23.3
Gimle	65.13 %	0.8	0.1	0.8
Grane	*1	31.1	0.0	31.1
Gulfaks	51.00 %	47.8	26.2	74.0
Heidrun	13.04 %	6.9	1.7	8.6
Heimdal	*2	0.0	0.0	0.0
Huldra	19.88 %	0.4	1.8	2.2
Kristin	55.30 %	11.1	10.8	21.9
Kviteseid	39.55 %	18.9	52.1	71.0
Mikkil	43.97 %	6.7	9.5	16.2
Morvin	64.00 %	15.7	8.1	23.8
Njord	20.00 %	0.0	0.0	0.0
Norne	*3	22.3	2.6	24.9
Hyme	35.00 %	0.0	0.0	0.0
Oseberg	*4	63.0	26.2	89.2
Sleipner	*5	18.8	51.8	70.6
Snorre	*6	31.6	-0.1	31.6
Snøhvit	36.79 %	10.0	40.6	50.6
Statfjord	*7	25.0	12.0	37.0
Tordis	41.50 %	6.5	0.2	6.7
Troll Gass	30.58 %		185.9	185.9
Troll Olje	30.58 %	52.6		52.6
Tyrhans	58.84 %	41.4	7.6	49.0
Vega	24.00 %	9.3	6.8	16.1
Veslefrikk	18.00 %	2.2	0.7	2.9
Vigdis	41.50 %	18.3	0.4	18.7
Visund	53.20 %	20.9	13.9	34.8
Volve	59.60 %	7.6	0.6	8.3
Åsgard	34.57 %	43.4	61.2	104.6
Yttergryta	45.75 %	1.5	3.9	5.4
Total Statoil-operated		537.9	538.5	1076.3

Partner-operated 1000 boed	Statoil share	Produced volumes		
		Liquid	Gas	Total
Vilje	28.85 %	5.5	0.0	5.5
Ekofisk	7.60 %	12.8	1.9	14.7
Enoch	11.78 %		0.0	0.0
Gjøa	5.00 %	3.1	3.3	6.4
Ormen Lange	*8	3.1	66.1	69.2
Ringhorne Øst	14.82 %	1.8	0.0	1.8
Sigyn	60.00 %	2.0	2.3	4.3
Skarv	36.17 %	30.5	23.4	53.9
Marulk	50.00 %	2.6	9.2	11.8
Total partner-operated		61.4	106.3	167.7
Total production		599.2	644.8	1244.0

\*1 Grane 36,66% Svalin 57,0%

\*2 Statoil share of the reservoir and production at Heimdal is 19,87 %.The ownershare of the topside facilities is equal to 29,443%

\*3 Norne 39.10%, Urd 63.95%,Skuld 63,95%

\*4 Oseberg 49.3%, Tune 50.0%

\*5 Sleipner Vest 58.35%, Sleipner Øst 59.60%, Gungne 62.00%

\*6 Snorre changed ownershare 01.01.2014 from 33,32% to 33,28%

01.01.2014: Oil: 32,23%

\*7 Statfjord Unit 44.34%, Statfjord Nord 21.88%, Statfjord Øst 31.69%, Sygna 30.71%

\*8 Ormen Lange changed ownershare 01.07.2013 from 28,9169% to 25,342%

# Statoil Equity Production per Field

Development and Production International (DPI) 1000 boed	Produced equity volumes - Statoil share			
	Statoil share	Liquids	Gas	Total
ACG	8.56 %	55.3		55.3
Agbami	20.21 %	49.1		49.1
Alba	17.00 %	2.7		2.7
Dalia	23.33 %	37.0		37.0
Gimboa	20.00 %	1.6		1.6
Girassol	23.33 %	23.1		23.1
In Amenas	45.90 %	19.6		19.6
In Salah	31.85 %		40.3	40.3
Jupiter	30.00 %		0.1	0.1
Kharyaga	30.00 %	9.6		9.6
Kizomba A	13.33 %	12.6		12.6
Kizomba B	13.33 %	12.4		12.4
Kizomba Satellites	13.33 %	6.6		6.6
Mabruk	12.50 %			0.0
Marimba	13.33 %	1.7		1.7
Mondo	13.33 %	4.6		4.6
Murzuq	10.00 %	5.4		5.4
Pazflor	23.33 %	49.8		49.8
Peregrino	60.00 %	41.1		41.1
Petrocedefio*	9.68 %	11.2		11.2
PSVM	13.33 %	20.9		20.9
Rosa	23.33 %	14.8		14.8
Saxi Batuque	13.33 %	7.4		7.4
Shah Deniz**	25.50 %	12.6	40.9	53.5
DPI production 1Q14		399.1	81.3	480.4

\* Petrocedefio is a non-consolidated company

\*\* Statoil has signed an agreement to divest a 10% share of its holding in Shah Deniz

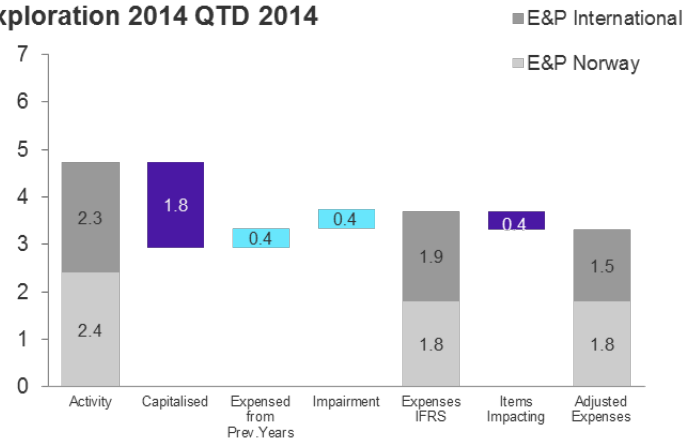
DPNA 1000 boed	Produced equity volumes - Statoil share			
	Statoil share	Liquids	Gas	Total
Marcellus*	Varies	10.1	119.2	129.3
Bakken*	Varies	44.9	4.5	49.4
Eagle Ford*	Varies	18.0	13.0	31.0
Tahiti	25.00 %	15.9	1.1	17.0
Leismer Demo	60.00 %	8.4	0.0	8.4
Terra Nova	23.55 %	7.2	0.0	7.2
Hibernia	15.00 %	6.6	0.0	6.6
Caesar Tonga	5.00 %	3.7	0.5	4.2
Zia**	35.00 %			
Spiderman	18.33 %			
Total Equity production from fields in DPNA		114.8	138.3	253.1
* Statoil's actual working interest can vary depending on wells and area.				
** Currently shut-in due to flowline issues.				

# Exploration Statoil group

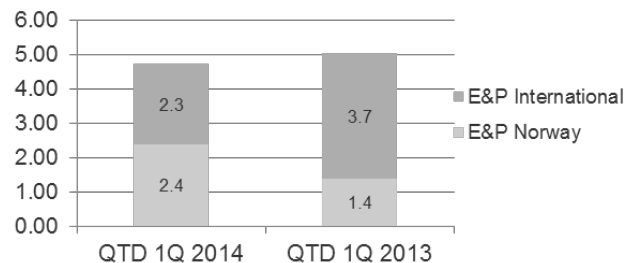
Exploration Expenses (in NOK billion)	First quarter	
	2014	2013
Exploration Expenditure (Activity)	4.7	5.1
Capitalised Exploration	(1.8)	(2.0)
Expensed from Previous Years	0.4	0.0
Impairment/Reversal of Impairment	0.4	0.0
<b>Exploration Expenses IFRS</b>	<b>3.7</b>	<b>3.1</b>
Items Impacting	(0.4)	0.0
<b>Exploration Expenses Adjusted</b>	<b>3.3</b>	<b>3.1</b>

Exploration Expenses (in NOK billion)	First quarter	
	2014	2013
Norway	1.8	0.9
International	1.9	2.2
<b>Exploration Expenses IFRS</b>	<b>3.7</b>	<b>3.1</b>

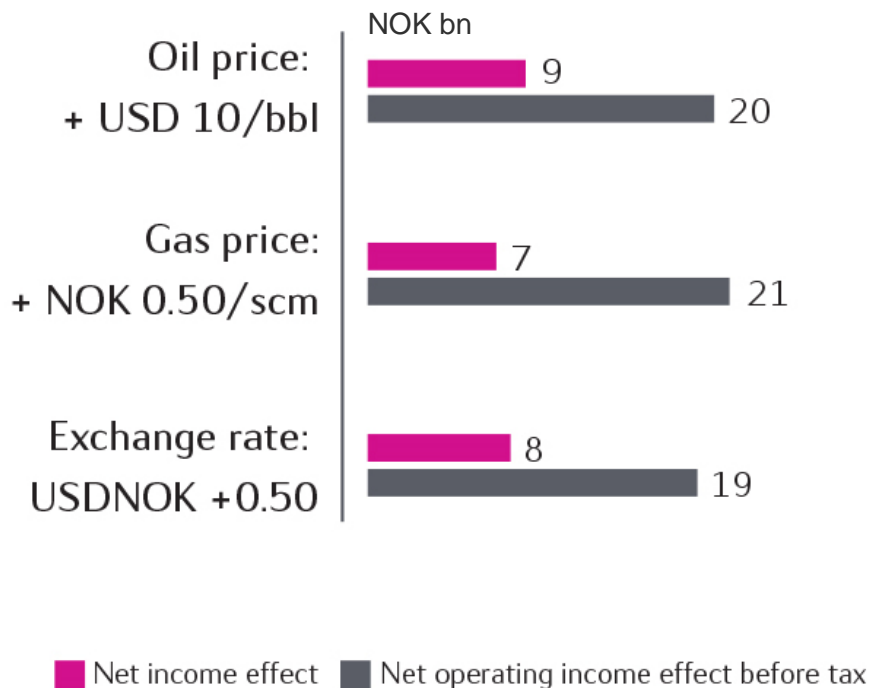
Exploration 2014 QTD 2014



Exploration activity QTD 2014



# Sensitivities<sup>1)</sup> – Indicative effects on 2014 results



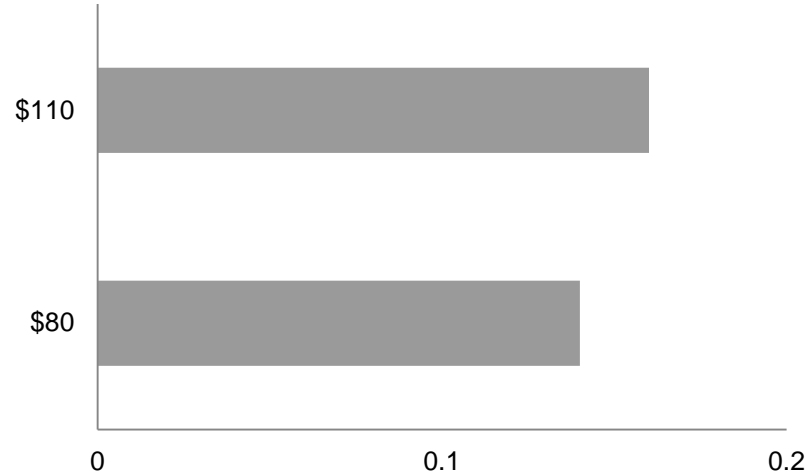


# Indicative PSA and royalty effects

## Indicative PSA effect

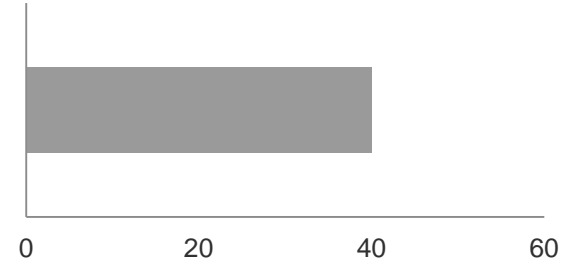
(mmboe/d)

Assumed oil price 2014



## Indicative royalty effect USA and Canada

(mboe/d)



# Reconciliation of Adjusted Earnings to Net Operating Income

Items impacting net operating income (in NOK billion)	First quarter	
	2014	2013
<b>Net operating income</b>	<b>51.4</b>	<b>38.0</b>
<b>Total revenues and other income</b>	<b>(5.7)</b>	<b>(0.8)</b>
Change in Fair Value of derivatives	0.2	1.4
Periodisation of inventory hedging effect	(0.1)	0.2
Over/Underlift	(0.0)	(0.1)
Other Adjustments	(2.8)	0.0
Gain/loss on sale of assets	(1.8)	0.0
Eliminations	(1.1)	(2.3)
<b>Purchases [net of inventory variation]</b>	<b>0.3</b>	<b>(0.2)</b>
Operational Storage effects	0.3	(0.2)
<b>Operating expenses</b>	<b>(0.1)</b>	<b>5.4</b>
Over/Underlift	(0.1)	(0.3)
Other Adjustments	0.0	0.7
Gain/loss on sale of assets	(0.0)	0.1
Provisions	0.0	4.9
<b>Depreciation, amortisation and impairment</b>	<b>(0.2)</b>	<b>0.0</b>
Reversal of Impairment	(0.2)	0.0
<b>Exploration expenses</b>	<b>0.4</b>	<b>0.0</b>
Impairment	0.4	0.0
<b>Sum of adjustments</b>	<b>(5.4)</b>	<b>4.4</b>
<b>Adjusted earnings</b>	<b>46.0</b>	<b>42.4</b>

# Forward looking statements

This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding future financial position, results of operations and cash flows; changes in the fair value of derivatives; future financial ratios and information; future financial or operational portfolio or performance; future market position and conditions; business strategy; growth strategy; future impact of accounting policy judgments; sales, trading and market strategies; research and development initiatives and strategy; market outlook and future economic projections and assumptions; competitive position; projected regularity and performance levels; expectations related to our recent transactions and projects, such as the Rosneft cooperation, developments at Johan Sverdrup, the Wintershall agreement, the Ormen Lange redetermination, the farming down of interests in Mozambique and the sale of producing assets in the Gulf of Mexico; completion and results of acquisitions, disposals and other contractual arrangements; reserve information; future margins; projected returns; future levels, timing or development of capacity, reserves or resources; future decline of mature fields; planned maintenance (and the effects thereof); oil and gas production forecasts and reporting; domestic and international growth, expectations and development of production, projects, pipelines or resources; estimates related to production and development levels and dates; operational expectations, estimates, schedules and costs; exploration and development activities, plans and expectations; projections and expectations for upstream and downstream activities; oil, gas, alternative fuel and energy prices; oil, gas, alternative fuel and energy supply and demand; natural gas contract prices; timing of gas off-take; technological innovation, implementation, position and expectations; projected operational costs or savings; projected unit of production cost; our ability to create or improve value; future sources of financing; exploration and project development expenditure; effectiveness of our internal policies and plans; our ability to manage our risk exposure; our liquidity levels and management; estimated or future liabilities, obligations or expenses and how such liabilities, obligations and expenses are structured; expected impact of currency and interest rate fluctuations; expectations related to contractual or financial counterparties; capital expenditure estimates and expectations; projected outcome, objectives of management for future operations; impact of PSA effects; projected impact or timing of administrative or governmental rules, standards, decisions, standards or laws (including taxation laws); estimated costs of removal and abandonment; estimated lease payments, gas transport commitments and future impact of legal proceedings 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 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. 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; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of Norway and other oil-producing countries; EU directives; general economic conditions; political and social stability and economic growth in relevant areas of the world; the sovereign debt situation in Europe; global political events and actions, including war, terrorism and sanctions; security breaches; situation in Ukraine; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; unsuccessful drilling; an inability to find and develop reserves; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of field partners; the actions of governments (including the Norwegian state as majority shareholder); counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals (including in relation to the agreement with Wintershall); industrial actions by workers 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 Annual Report on Form 20-F for the year ended December 31, 2013, filed with the U.S. Securities and Exchange Commission, which can be found on Statoil's website at [www.statoil.com](http://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 report, either to make them conform to actual results or changes in our expectations.

# Investor Relations in Statoil

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