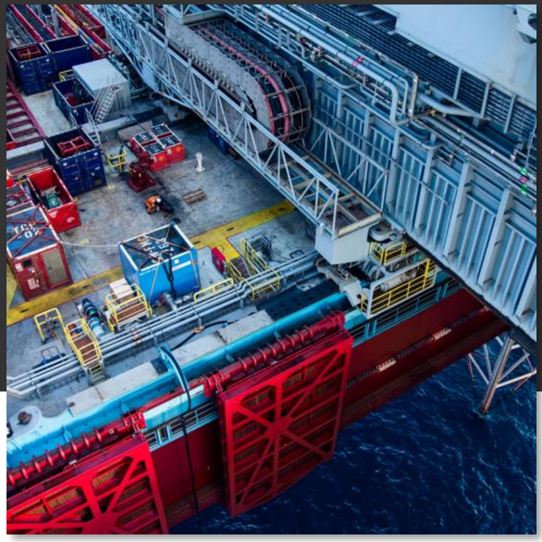
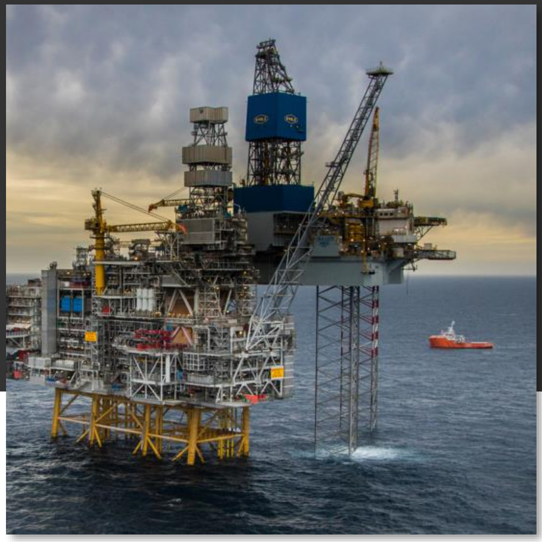
Capital markets update

LONDON, FEBRUARY 7, 2018


Delivering high value

Eldar Sætre, CEO
President and Chief Executive Officer

Arne Sigve Nylund, EVP
Development and Production Norway

Margareth Øvrum, EVP
Technology, Projects and Drilling

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Development and Production International

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Hans Jakob Hegge, CFO
Chief Financial Officer

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", "believe", "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 plans and expectations with respect to market outlook and future economic projections and assumptions; Statoil's focus on capital discipline; expected annual organic production through 2017; projections and future impact of efficiency programmes including expected efficiency improvements, including expectations regarding costs savings from the improvement programme; capital expenditure and exploration guidance for 2017; production guidance; Statoil's value over volume strategy; organic capital expenditure for 2017; Statoil's intention to mature its portfolio; exploration and development activities, plans and expectations, including estimates regarding exploration activity levels; projected unit of production cost; equity production and expectations for equity production growth; planned maintenance and the effects thereof; impact of PSA effects; risks related to Statoil's production guidance; accounting decisions and policy judgments, ability to put exploration wells into profitable production, and the impact thereof; expected dividend payments, the scrip dividend programme and the timing thereof; estimated provisions and liabilities; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to 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

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 developments; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions, including war, political hostilities and terrorism; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields or wells 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; 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, 2016, filed with the U.S. Securities and Exchange Commission (and section 2.10 Risk review - Risk factors thereof). Statoil's 2016 Annual Report and Form 20-F is available at Statoil's website 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 these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.

Prices used in the presentation material are given in real 2017 value, unless otherwise stated. We also confirm that we have obtained approval from IHS Markit, Barclays, IPA, Rushmore and Wood Mackenzie to publish data referred to on slides in this presentation.

Delivering high value

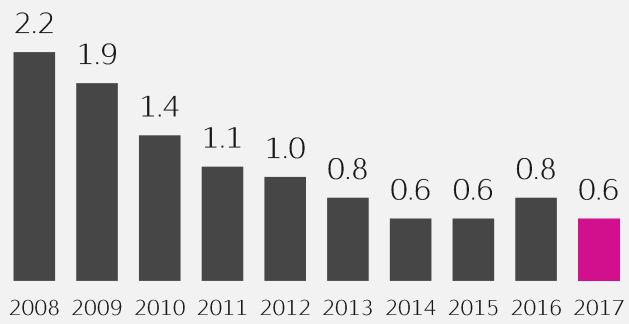
Eldar Sætre
President and Chief Executive Officer

Statoil

Delivering on our strategy

Always safe

Serious incident frequency[1]



High value

Break-even next generation portfolio[2]

21 USD/bbl

Free cash flow positive below

50 USD/bbl

2017 efficiency improvements

1.3 bn USD

Low carbon

CO_2 emissions reduction per boe[3]

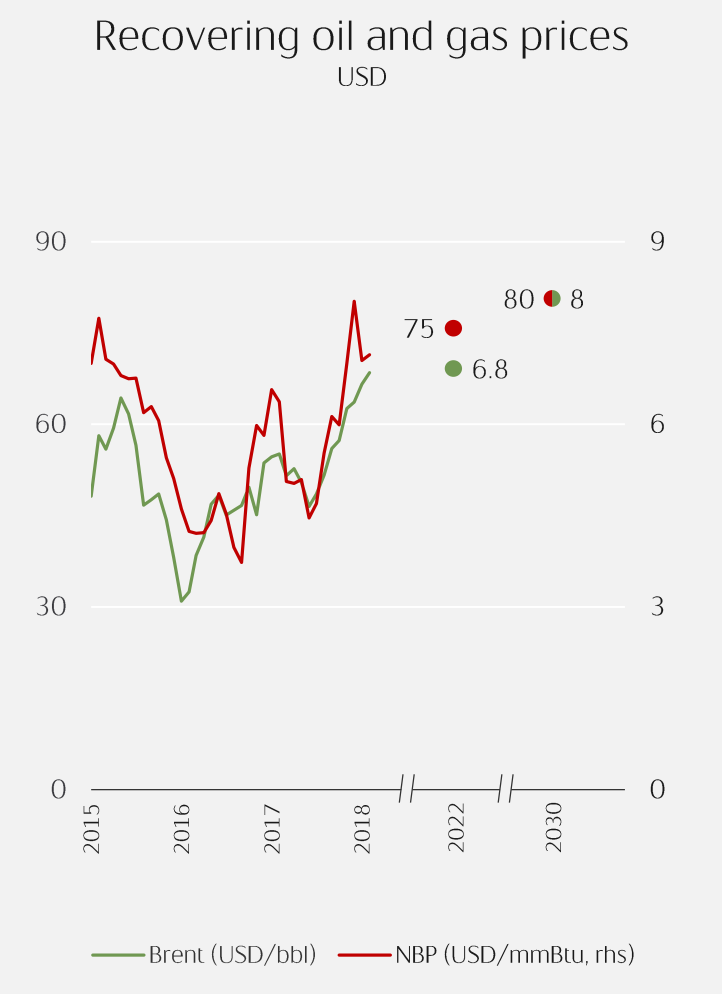
Above 10%

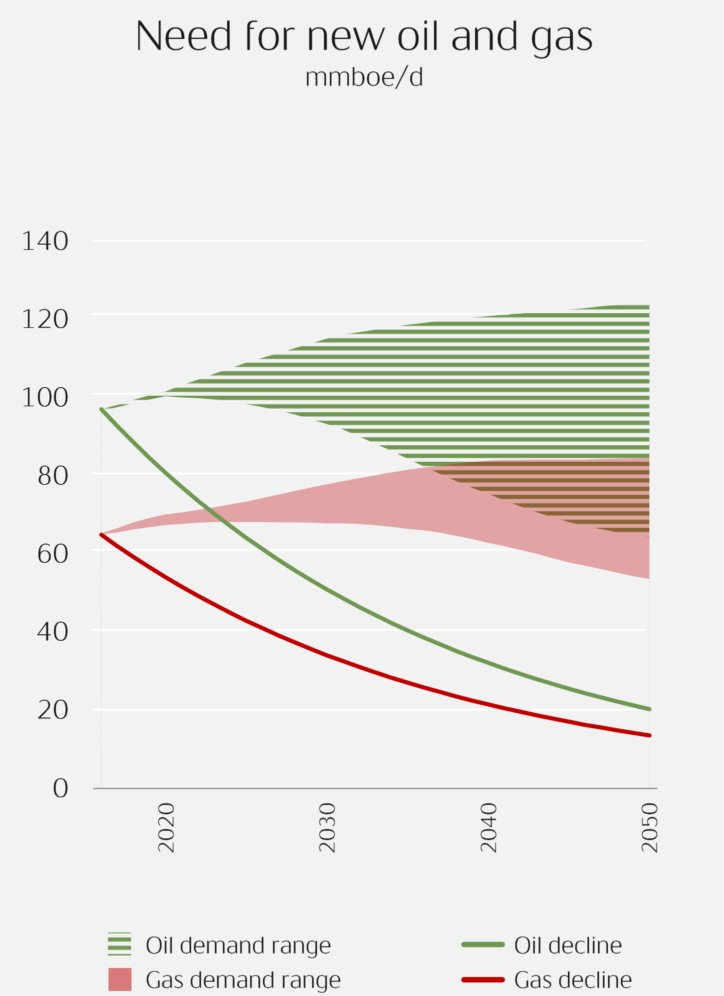
Operated offshore wind

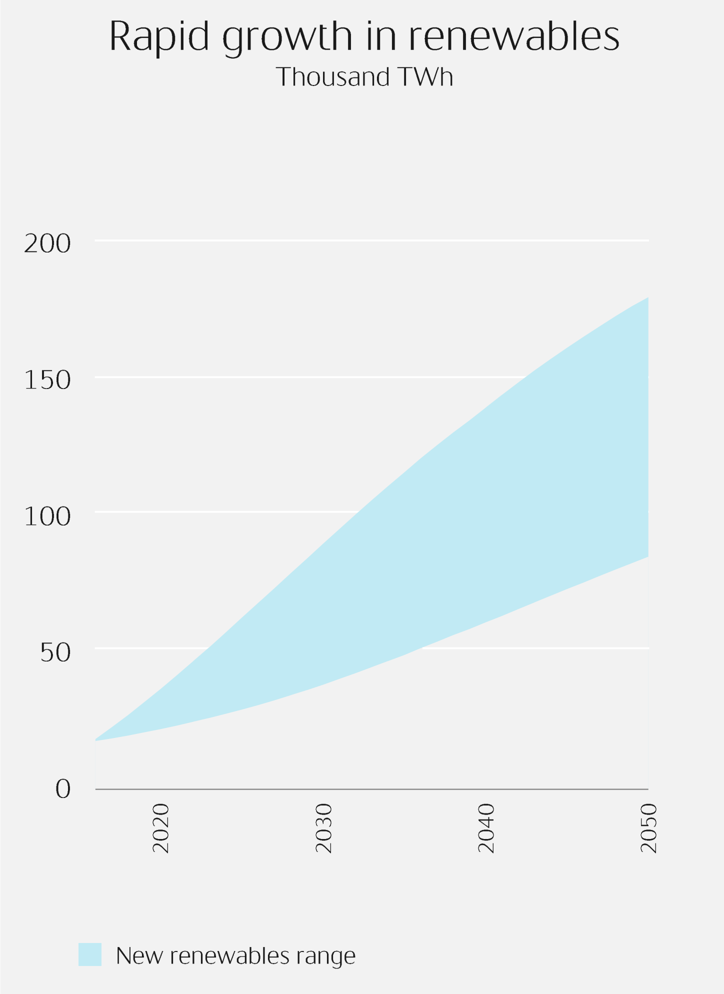
750 mw

1. *Serious incidents per million work-hours.*
2. *Statoil- and partner-operated projects, sanctioned since 2015 or planned for sanction, with start-up by end of 2022. Volume weighted.*
3. *Statoil operated portfolio – compared to 2016.*

Recovering markets - need for significant new energy supplies







Source: Platts, ICIS Heren, NYMEX. Historical prices are monthly averages. Planning assumptions are 2016 real.
Demand scenarios are from Statoil Energy Perspectives 2017. 4.5% decline rate oil and gas.

Strong financial position – increasing dividend

Strong cash generation and value creation

Free cash flow[1] positive	Accumulated free cash flow[2]	Net debt ratio[2]	RoACE[2]
Below	Around	Below	Around
50	12	15%	12%
USD/bbl 2018-20	bn USD 2018-20	2020	2020

Committed to capital distribution

4Q dividend 0.23 USD per share[3]

- 4.5% cash dividend increase
- Reflects earnings growth from sustainable improvements

Scrip program ended as planned

Scope for share buy-backs emerging

- Dependent on macro outlook and portfolio developments
- Near term priority to strengthen balance sheet

1. *Organic free cash flow, excluding considerations from announced transactions.*
2. *Assuming 70 USD/bbl, organic free cash flow, including announced transactions.*
3. *Subject to approval at the Annual General Meeting (AGM).*

Creating value from competence and technology

Value drivers


Operational excellence


World class recovery


Leading project delivery


Premium market access


Digital leader

	Operational excellence	World class recovery	Leading project delivery	Premium market access	Digital leader
NCS	●	●	●	●	●
BRAZIL	●	●	●	●	●
UNCONVENTIONAL	●	●	●	●	●
OFFSHORE WIND	●		●	●	●

Norwegian continental shelf

125 kboe/d
Improved production[1]

50%
Recovery[2], aiming towards 60%

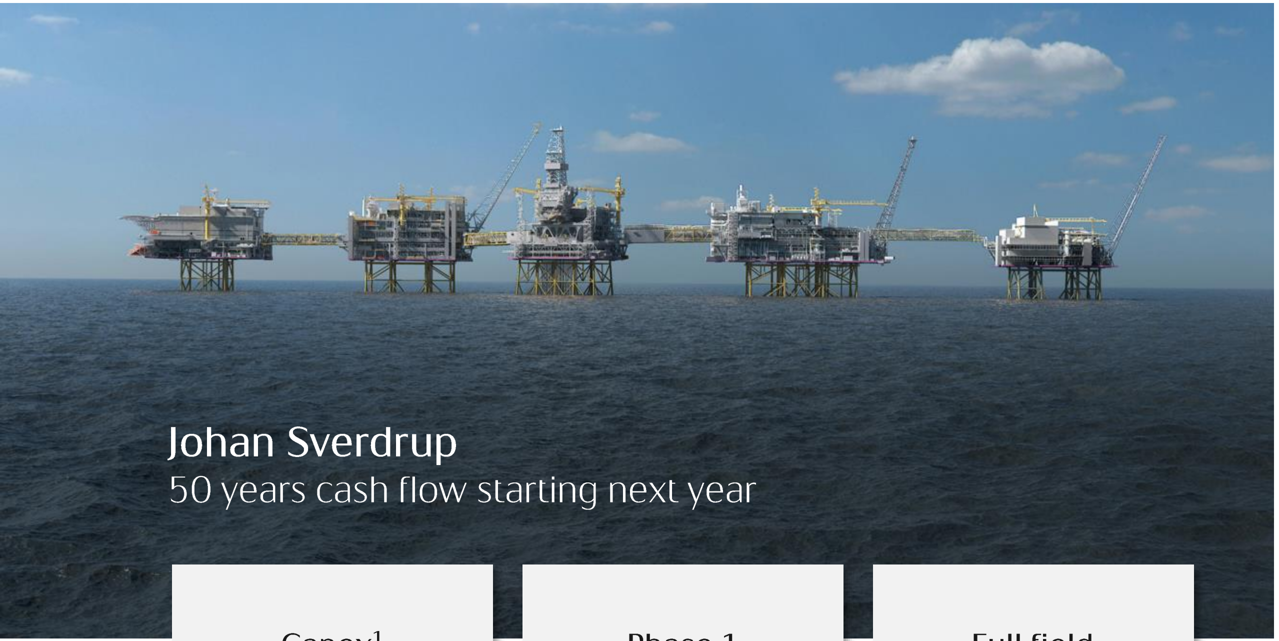
3 bn USD
Net present value increase[3]

Above 40 bcm
Gas produced, record high - at low cost[4]

10%
Savings from first automated drilling[5] and first unmanned platform[6]

1. *Efficiency improvement 2013 to 2017.*
2. *Expected ultimate recovery year-end 2017, average.*
3. *Non-sanctioned or non-government approved projects (with identified business case) 2018 compared to 2016, assuming 70 USD/bbl.*
4. *Statoil share*
5. *Barents Sea exploration campaign.*
6. *Oseberg Vestflanken, unmanned concept versus conventional, at concept selection*

A world class project portfolio

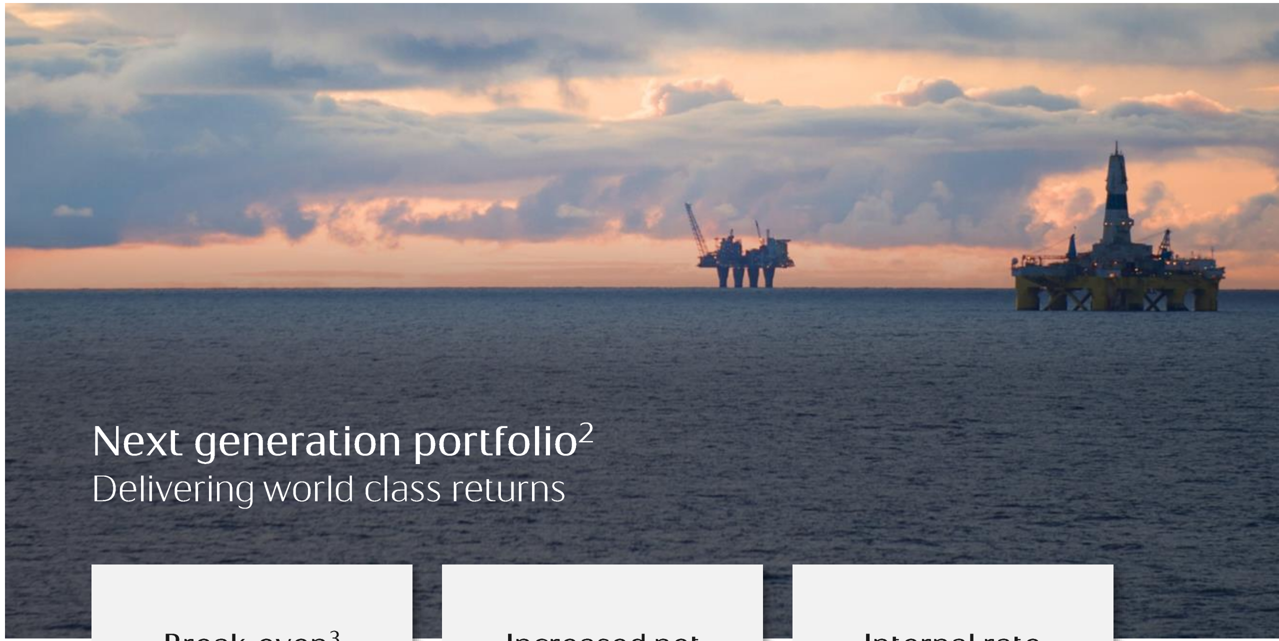


Johan Sverdrup

50 years cash flow starting next year

Capex[1] phase 1	Phase 1 Break-even	Full field Break-even
	Below	Below
88	15	20
bn NOK	USD/bbl	USD/bbl

1. Numbers in 100%, nominal, fixed currency and excluding IOR.



Next generation portfolio[2]

Delivering world class returns

Break-even[3]	Increased net present value[4,5]	Internal rate of return[5]
	Above	Above
21	1.5	30%
USD/bbl	bn USD	

2. Statoil- and partner-operated projects, sanctioned since 2015 or planned for sanction, with start-up by end of 2022.
3. Volume weighted.
4. Increase in value from 2017 to 2018.
5. Assuming 70 USD/bbl.

Renewing and strengthening our resources

Reserve replacement ratio

150%

in 2017

Adding high value barrels

Above

2

bn boe in 2017[1]

Exploration 2018

Around

40

wells

Transactions[2]: **Carcará, Martin Linge, Roncador**

14 commercial discoveries: **Kayak, Cape Vulture, Verbier**

License extensions: **ACG, In Amenas**

New growth opportunities: **Argentina, Turkey**

Non-sanctioned projects with large potential[3]

Carcará　Troll phase 3　Bay du Nord

Increasing resources from 3 to

Around 6 bn barrels

Increased net present value

Around 10 bn USD

1. *Including all Carcará transactions, Argentina and Turkey.*
2. *Subject to closing.*
3. *Non-sanctioned or non-government approved projects (with identified business case) 2018 compared to 2016, assuming 70 USD/bbl. Excludes unconventional.*

Continuing the transformation

Unit production cost[1]	Cost per well	RoACE[2]
Sustain	Around	Above
2017	-10%	10%
level in 2020	2016 to 2018	2018

- Maintaining cost and financial discipline
- Locking in effects
- Continuous improvement

1. USD/boe Statoil share, real, assuming fixed currency.
2. Assuming 70 USD/bbl.

Digitalisation & innovation
Potential

Value creation producing fields[3]

Above 2 bn USD

Automated drilling - cost[4]

Around -15%

Field of the future - facility capex[5]

Around -30%

3. 3% increase in production 2020 to 2025, Statoil share, pre tax.
4. Automated drilling compared to conventional.
5. New concept compared to conventional facility.

Positioned for a low carbon future



Competitive advantage

- Industry leader on carbon intensity
- Stress-testing and transparent reporting
- Resilient in a low-carbon future

Low carbon oil & gas portfolio

- Ambitious CO_2 emission reduction targets
- Exploring for competitive barrels
- Natural gas to replace coal

Industrial position in new energy

- Competitive returns – 9-11%[1]
- 15-20% of capex by 2030[2]
- Maturing CCS[3] project in Norway

1. *Indicative new energy solutions, based on existing projects.*
2. *Indicative, based on potential future corporate portfolio.*
3. *Carbon capture and storage.*

Delivering high value

Growing cash flow, returns and dividend	• Cash flow around 12 bn USD 2018-2020[1] • RoACE around 12% in 2020[1] • Dividend growth 4.5%[2]
Investing in world class projects	• Next generation portfolio[3] - break-even of 21 USD/bbl • Johan Sverdrup Ph. 1 – break-even below 15 USD/bbl • Maintaining strict financial discipline
Leveraging strengths to create value	• Operational excellence • World class recovery • Leading project delivery • Premium market access • Digital leader

1 *Assuming 70 USD/bbl.*
2 *Subject to approval at the Annual General Meeting (AGM).*
3 *Statoil- and partner-operated projects, sanctioned since 2015 or planned for sanction, with start-up by end of 2022. Volume weighted.*

Delivering high value on the NCS

Arne Sigve Nylund
EVP Development and Production Norway

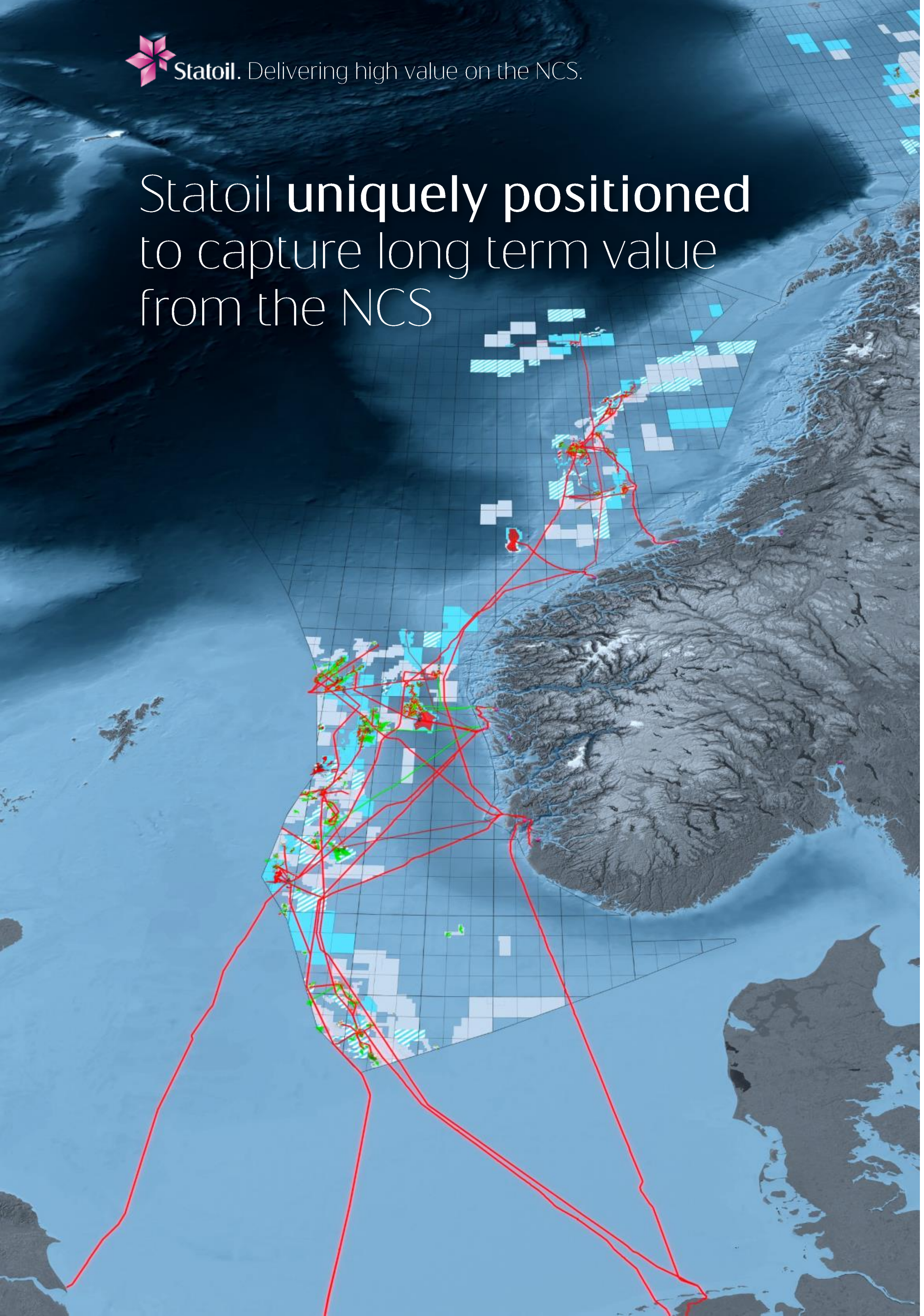
&

Margareth Øvrum
EVP Technology, Projects and Drilling

Statoil

Statoil. Delivering high value on the NCS.

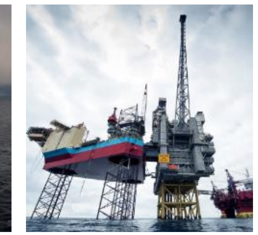
Statoil **uniquely positioned** to capture long term value from the NCS



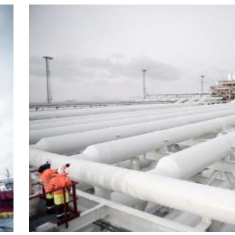
Value drivers

Operational excellence

World class recovery



Leading project delivery



Premium market access

Digital leader

Five decades of renewal and innovation

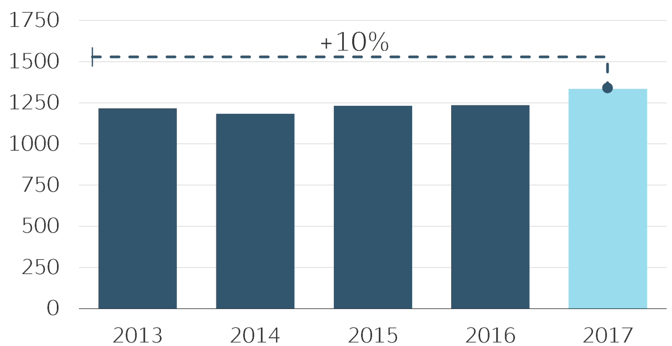
Resources, assets and infrastructure in place

World class project portfolio

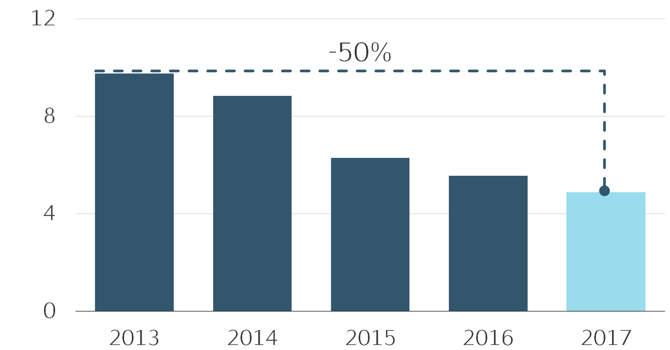
OPERATIONAL EXCELLENCE

Growing production - reducing costs

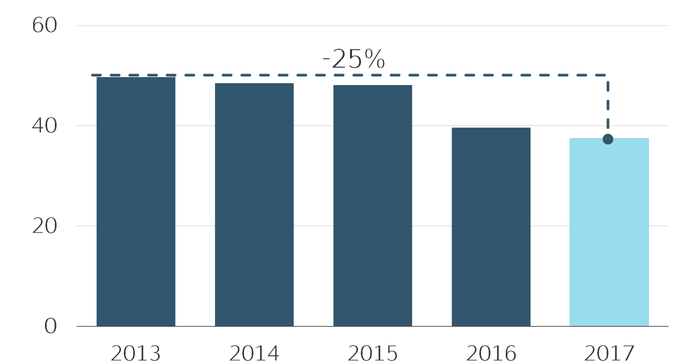
Total production
kboe/d



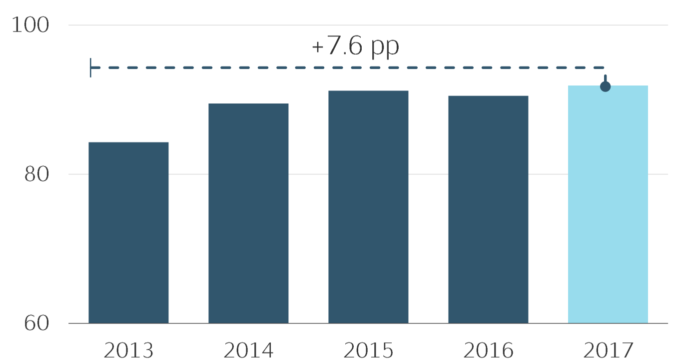
Capex
bn USD



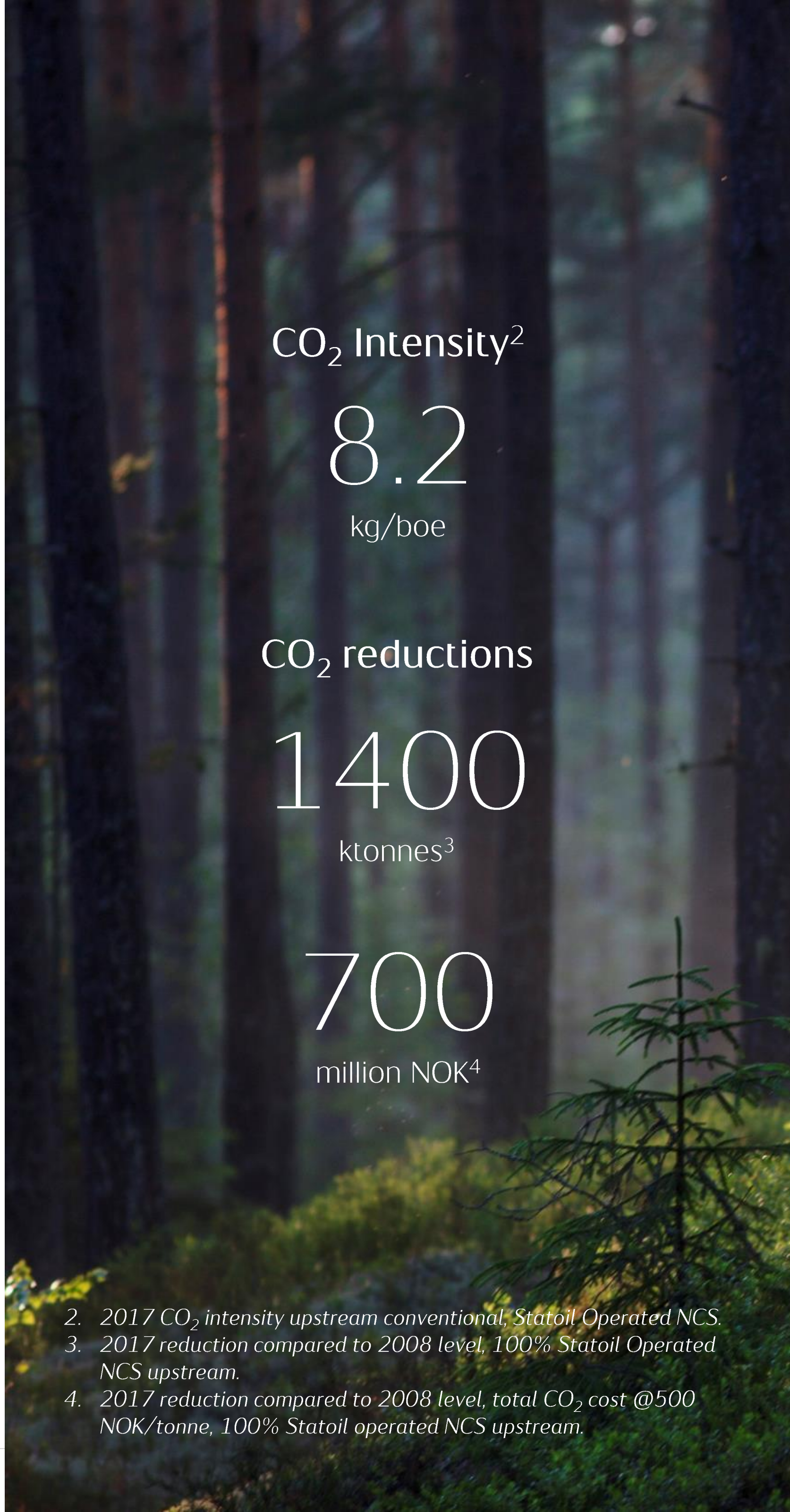
Unit production cost
NOK/boe



Production efficiency[1]



1. *Statoil operated fields. pp = percentage point.*



CO_2 Intensity[2]

8.2

kg/boe

CO_2 reductions

1400

ktonnes[3]

700

million NOK[4]

2. *2017 CO_2 intensity upstream conventional, Statoil Operated NCS.*
3. *2017 reduction compared to 2008 level, 100% Statoil Operated NCS upstream.*
4. *2017 reduction compared to 2008 level, total CO_2 cost @500 NOK/tonne, 100% Statoil operated NCS upstream.*

OPERATIONAL EXCELLENCE

Adding around 125k barrels per day[1]

Unplanned losses

Around

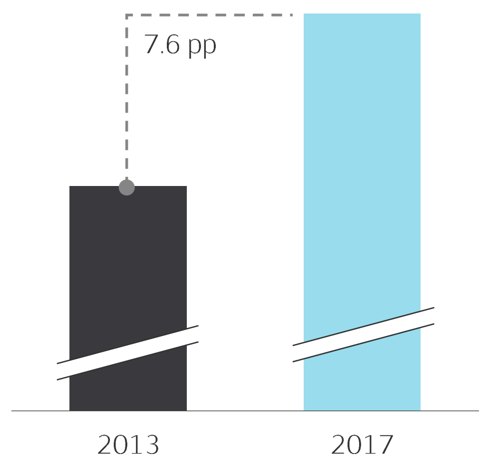
-50%

Planned stops

Around

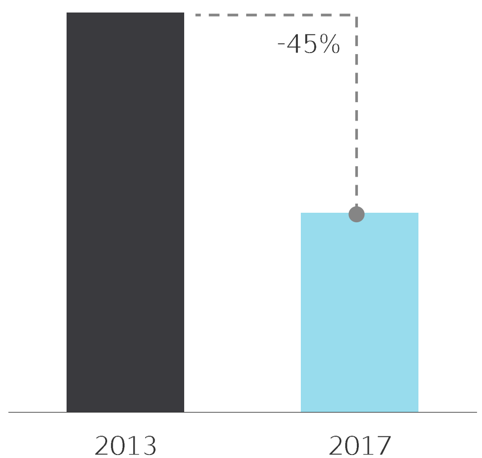
-50%

Increased production efficiency



Production efficiency

More efficient well deliveries[2]



Average number of days per well delivery

Drilling costs[3]

-40%

Drilling efficiency[3]

meters/d

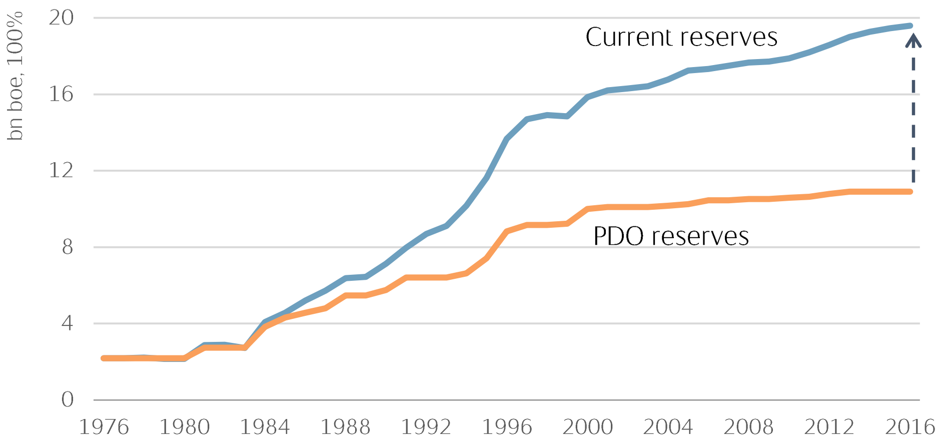
+85%

1. *Statoil operated activity- estimated production increase compared to 2013 performance.*
2. *Production wells on NCS (greenfield and brownfield).*
3. *Average per production well.*

WORLD CLASS RECOVERY

Adding 9 billion barrels of oil reserves[1]

Recoverable oil reserves



Life time extension on

23 installations

ongoing

Recovery factors

PDO[2]	Today[3]	Ambition[4]
30%	50%	60%

1. *100% Statoil operated oil fields in production- equivalent to 3.6 bn barrels Statoil share by 31.12.16.*
2. *Expected ultimate recovery at Plan for development and operation (PDO).*
3. *Expected ultimate recovery year end 2017, average.*
4. *Ultimate recovery ambition, average.*

Annual new wells ambition[5]

Number of production wells

80-100

Reserves (mmboe)[6]

100-120

Break-even

Below 20 USD/boe

Payback time

Less than 10 months

5. *Statoil operated wells.*
6. *Statoil share.*

LEADING PROJECT DELIVERY

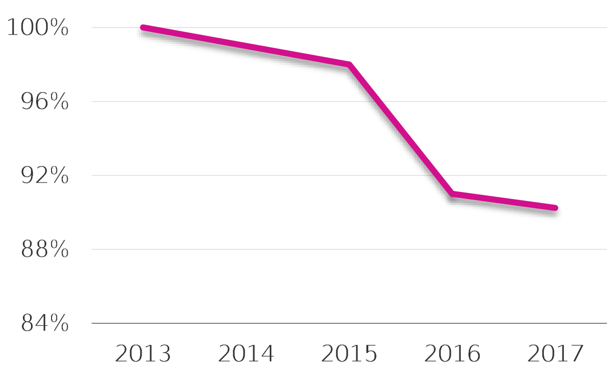
Delivering competitive projects and wells

Next generation portfolio[1]

Break-even[2]	Increased net present value[3,4]	Internal rate of return[4]
21 USD/bbl	Above 1.5 bn USD	Above 30%

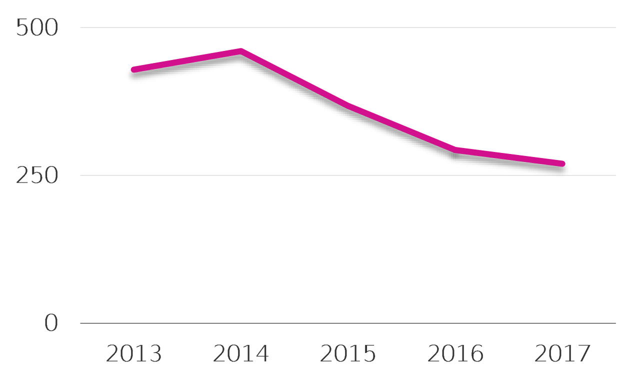
Cost development projects in execution[5]

Percentage



Cost per well[6]

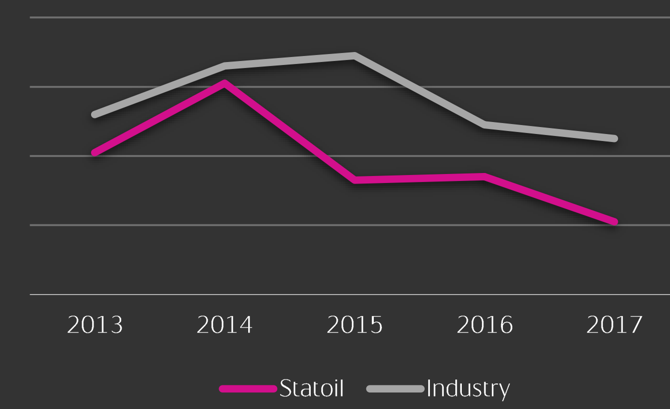
Million NOK/well



1. *Statoil and partner operated projects, sanctioned since 2015 or planned for sanction, with start-up by 2022.*
2. *Volume weighted.*
3. *Increase in value from 2017 to 2018.*
4. *Assuming 70 USD/bbl.*
5. *Statoil operated projects. Expected estimate compared to sanctioned estimate, nominal with fixed currency. Numbers 100%.*
6. *All Statoil operated offshore well deliveries, adjusted for currency effects. Numbers 100%.*

IPA cost efficiency asset[7]

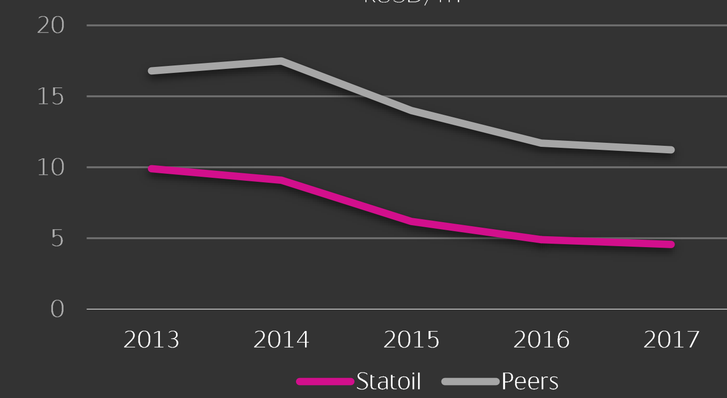
Index



7. *IPA Independent Project Analysis. www.ipaglobal.com. IPA cost efficiency asset score for projects at time of sanctioning. Measures both facilities and drilling scope.*

Rushmore Average cost per meter[8]

kUSD/m



8. *IHS Rushmore. www.RushmoreReviews.com. (All rights reserved). Global well delivery benchmarking data. Offshore development wells, dry hole well cost per meter drilled. Numbers based on status per third quarter 2017.*

LEADING PROJECT DELIVERY

Continuous improvement and lasting changes

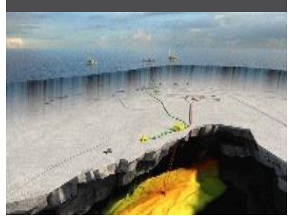
- Simplification in **what** we build and **how** we build
- Perfect well / Perfect project - setting ambitious targets
- Design to value – design to carbon

Oseberg Vestflanken 2

Break-even
16 USD/bbl

Competitive concept
Subsea on slim legs.

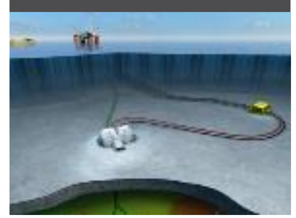
Trestakk



Break-even
14 USD/bbl

Integrated contracts.
Simplified design.

Njord & Bauge



Break-even
24 USD/bbl

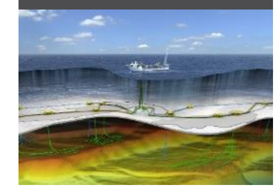
Reuse of existing installations.

Johan Sverdrup full field

Break-even
below 20 USD/bbl

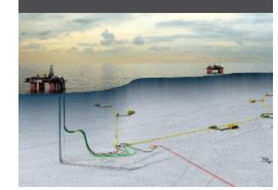
Simplifications & copying.

Johan Castberg

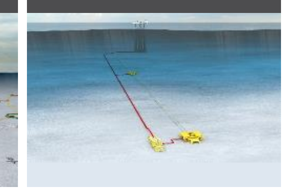


Askeladd Phase 1

Snorre Expansion



Troll Phase 3



Volume weighted break-even
16 USD/bbl

Design to value, standardisation and synergies across the portfolio.

NCS

Brazil

Canada

Tanzania

Concept optimisation.

2013

2017

Johan Sverdrup

Highly profitable production starting next year

- Increased volumes, reduced capex and opex
- 17 wells delivered – more than one year ahead of plan
- More robust schedule

Capex Phase 1[1]	Capex Phase 2[1]	Opex reduction Phase 1[2]
88 bn NOK	Below 45 bn NOK	Around 30%

Break-even Phase 1	Break-even Full field	CO_2 intensity Full field
Below 15 USD/bbl	Below 20 USD/bbl	0.5 kg/boe

1. Numbers 100%, nominal, fixed currency and excluding IOR.
2. Average opex improvement in 100% since Johan Sverdrup Phase 1 PDO.

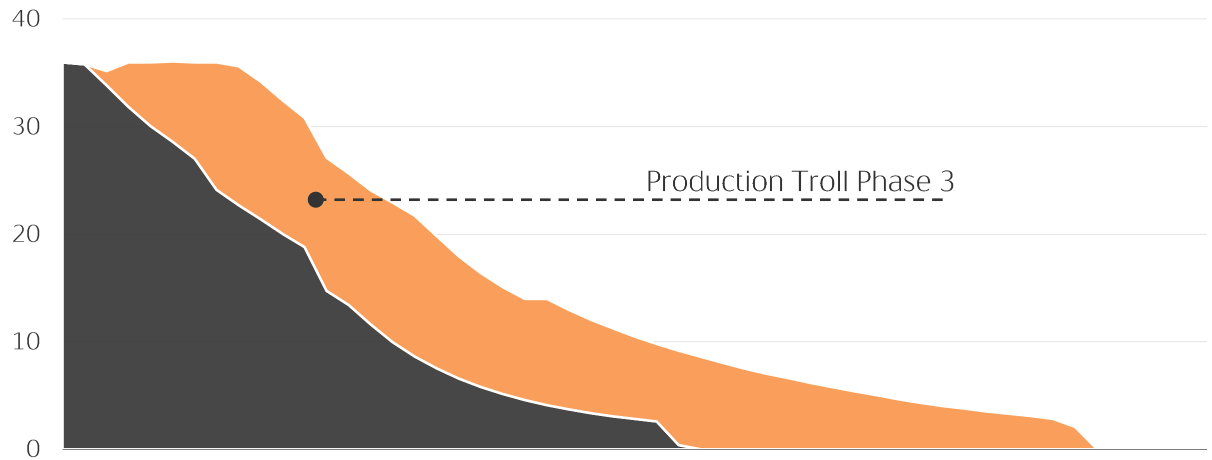
Troll phase 3

Continuous renewal of a giant

- Extended gas plateau by **7 years**
- Extended gas production by **19 years**
- Planned start-up **2021**

Competitive project and well deliveries[1]

Yearly export (bcm)



1. *Assumes yearly production permit of 36 bcm/year and license extension.*

Key project data

Expected reserves

2,200

mmboe

Break-even

Below

10

USD/bbl

CO_2 intensity

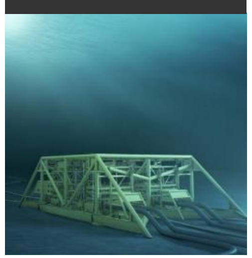
0.1

kg/boe

Roadmap towards an unmanned Remotely Operated Factory - ROF™

Innovation, technology and digitalisation for a future-fit portfolio

Åsgard



In operation

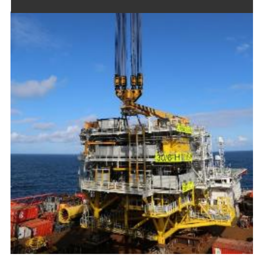
Subsea compression

Hywind Scotland

In operation

Offshore floating wind

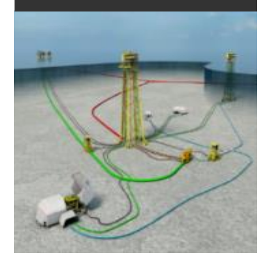
Oseberg Vestflanken 2



Ongoing

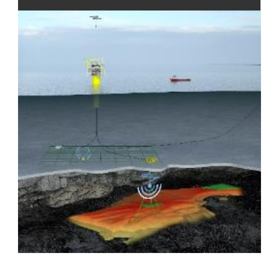
Unmanned Wellhead Platform (UWP™)

Krafla/Askja



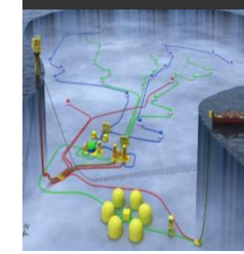
Unmanned production platform, supported from host (UPP™)

Peon



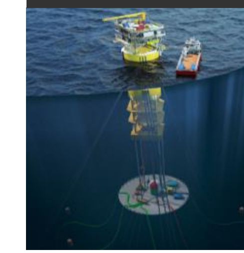
Stand alone gas/condensate development

UK and Barents



Stand alone remote oil and gas field developments

Brazil



Ultra deep water UPP™

Field of the future potential[1]		Automated drilling potential[2]
Capex [3]	Opex	Cost
-30%	-50%	-15%

1. New concept compared to conventional facility.
2. Automated drilling compared to conventional.
3. Facility capex.

DIGITAL LEADER

Digitalisation drives the next wave of improvements

Digitalisation & innovation
Potential

Value creation producing fields[1]

Above **2** bn USD

Automated drilling – cost[2]

Around

-15%

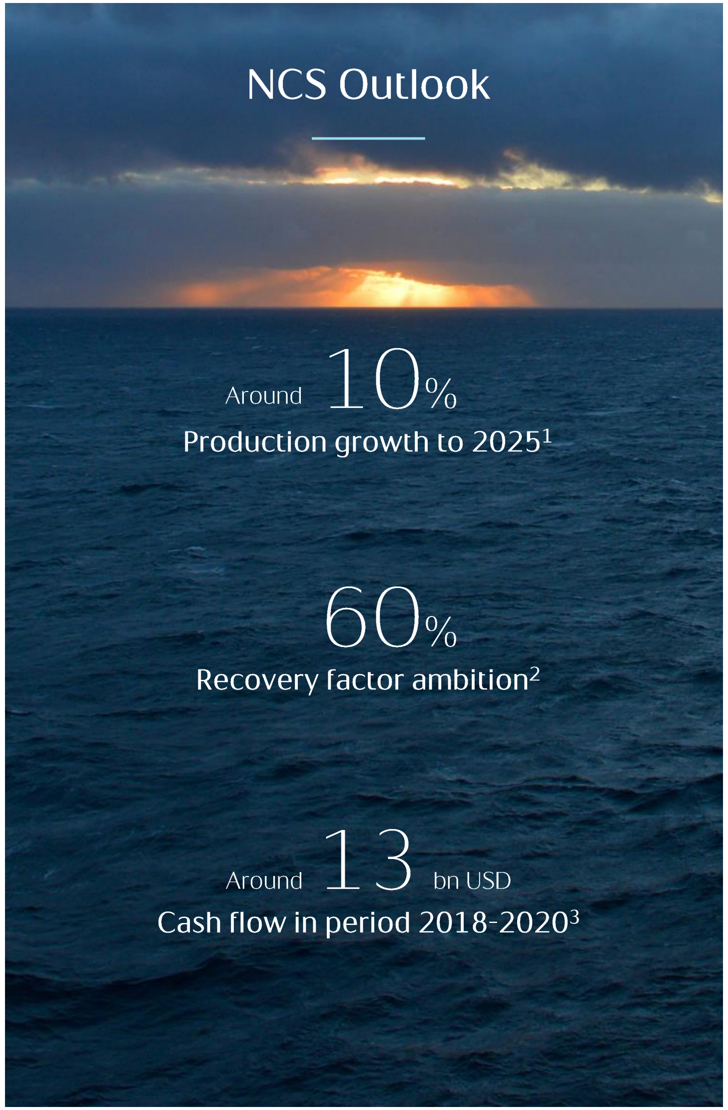
Field of the future – capex[3]

Around

-30%

1. *3% increase in production – 2020 to 2025. Statoil share pre-tax.*
2. *Automated drilling compared to conventional.*
3. *New facility concept compared to conventional.*

Creating value from competence & technology on NCS – leveraging internationally



Value drivers

Operational excellence

World class recovery

Leading project delivery

Premium market access

Digital leader

	Operational excellence	World class recovery	Leading project delivery	Premium market access	Digital leader
NCS	●	●	●	●	●
BRAZIL	●	●	●	●	●
UNCONVENTIONAL	●	●	●	●	●
OFFSHORE WIND	●		●	●	●

1. *Total growth from 2017.*
2. *Ultimate recovery ambition, average.*
3. *Net cash flow after tax and investments from NCS portfolio (producing, sanctioned, non-sanctioned and including Martin Linge considerations) assuming 70 USD/bbl.*

Delivering high value in our international portfolio

Lars Christian Bacher
EVP Development and Production International

&

Torgrim Reitan
EVP Development and Production USA

Statoil

Leveraging experience internationally

Value drivers

Operational excellence

Reduction opex and SG&A/boe 2013 - 2017

34%

World class recovery

US Onshore EUR[1] improvement 2015 - 2017

35%

Leading project delivery

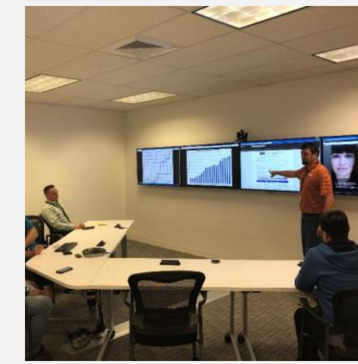
Reduction in break-even[2] 2016 - 2018

40%

Premium market access

Capacity to premium US/CAN gas markets[3]

Above 600 mmBtu/d



Digital leader

Added value from integrated onshore operations centers[4]

Around 500 million USD

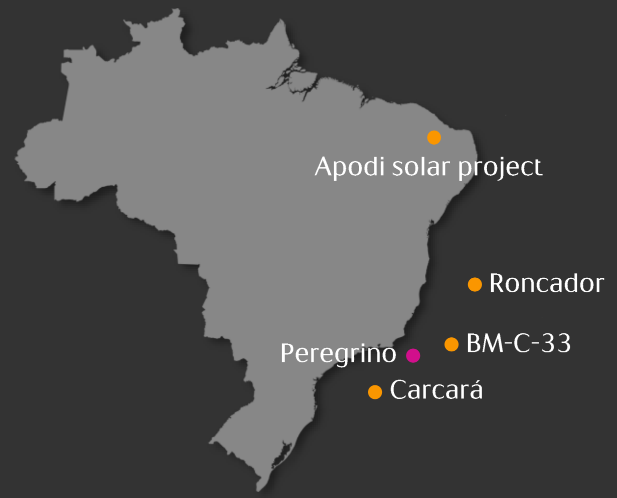
1. Estimated Ultimate Recovery (EUR).
2. Non-sanctioned assuming 70 USD/bbl. Includes projects with identified business case. Excludes unconventional.
3. Current capacity to Canadian. New York and Gulf markets.
4. NPV increase based on the production and opex effects of the integrated operations rooms.

Brazil

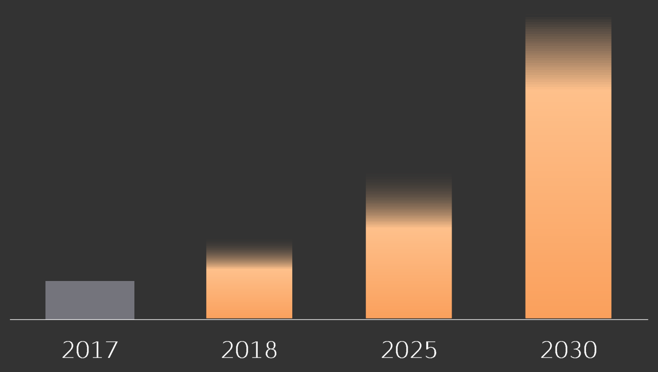
Value creation in a core area

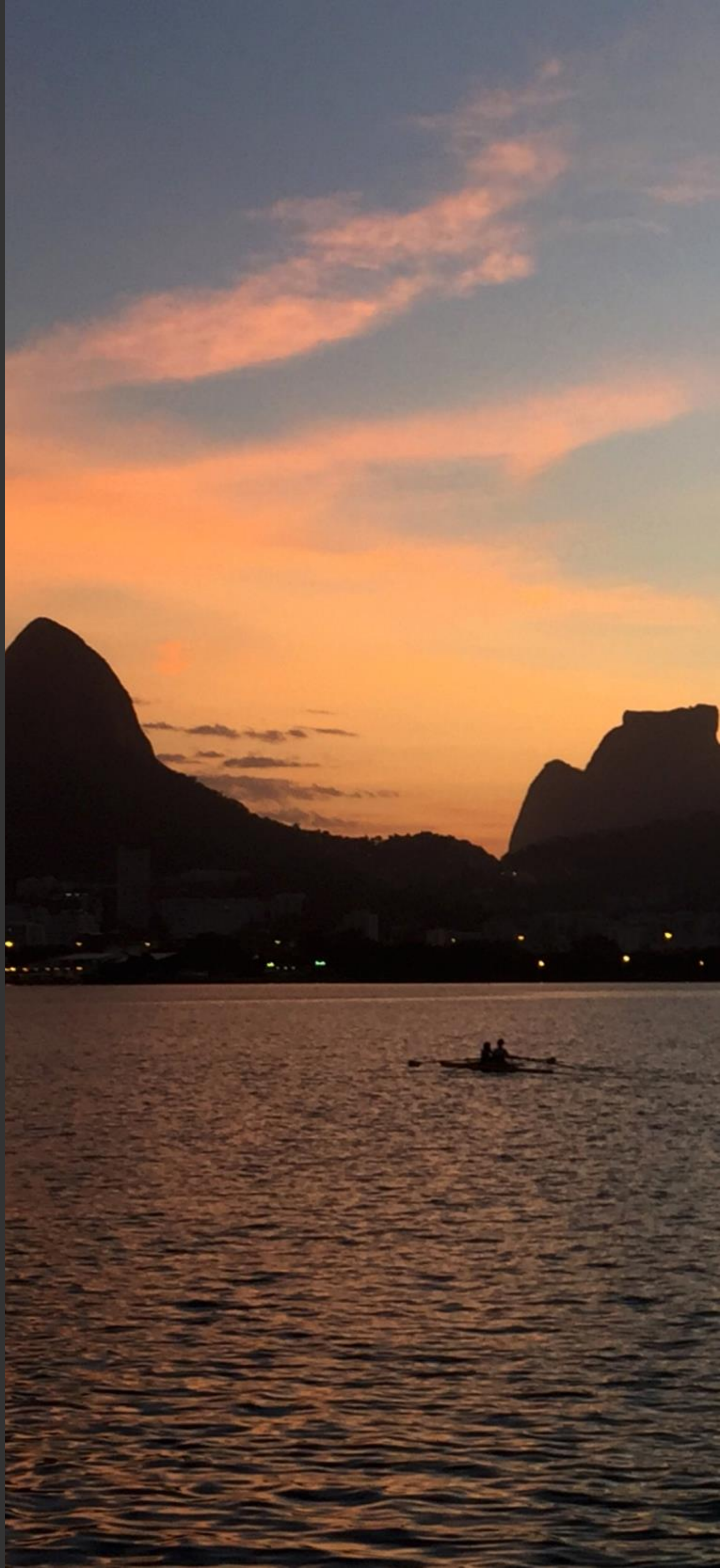
Delivering a high value, low carbon portfolio

- First oil Peregrino phase 2 - 2020
- BM-C-33, opportunity to build a gas value chain
- Carcará, access to a world class pre-salt asset
- Roncador, execution of strategic partnership with Petrobras
- Five firm exploration and appraisal wells with rig options for more in 2018-2020
- Statoil's first solar development project (Apodi)



Leading international operator[1]
with strong equity production growth





1. *Statoil is the operator of Peregrino, BM-C-33, and Carcará.*

Peregrino | Enabling the future through operational excellence

Safe production

Serious incident frequency[1]

Below
0.5

Barrels of oil produced[2]

160
million

Improved profitability

Peregrino phase 1 cost[3] **per boe**

-22%
2013 - 2017

Peregrino phase 2 break-even

42
USD/bbl

Operational efficiency improvement

Production efficiency

10pp
Increase from 2016

Peregrino safety critical maintenance

54%
Improvement from 2015 - 2017

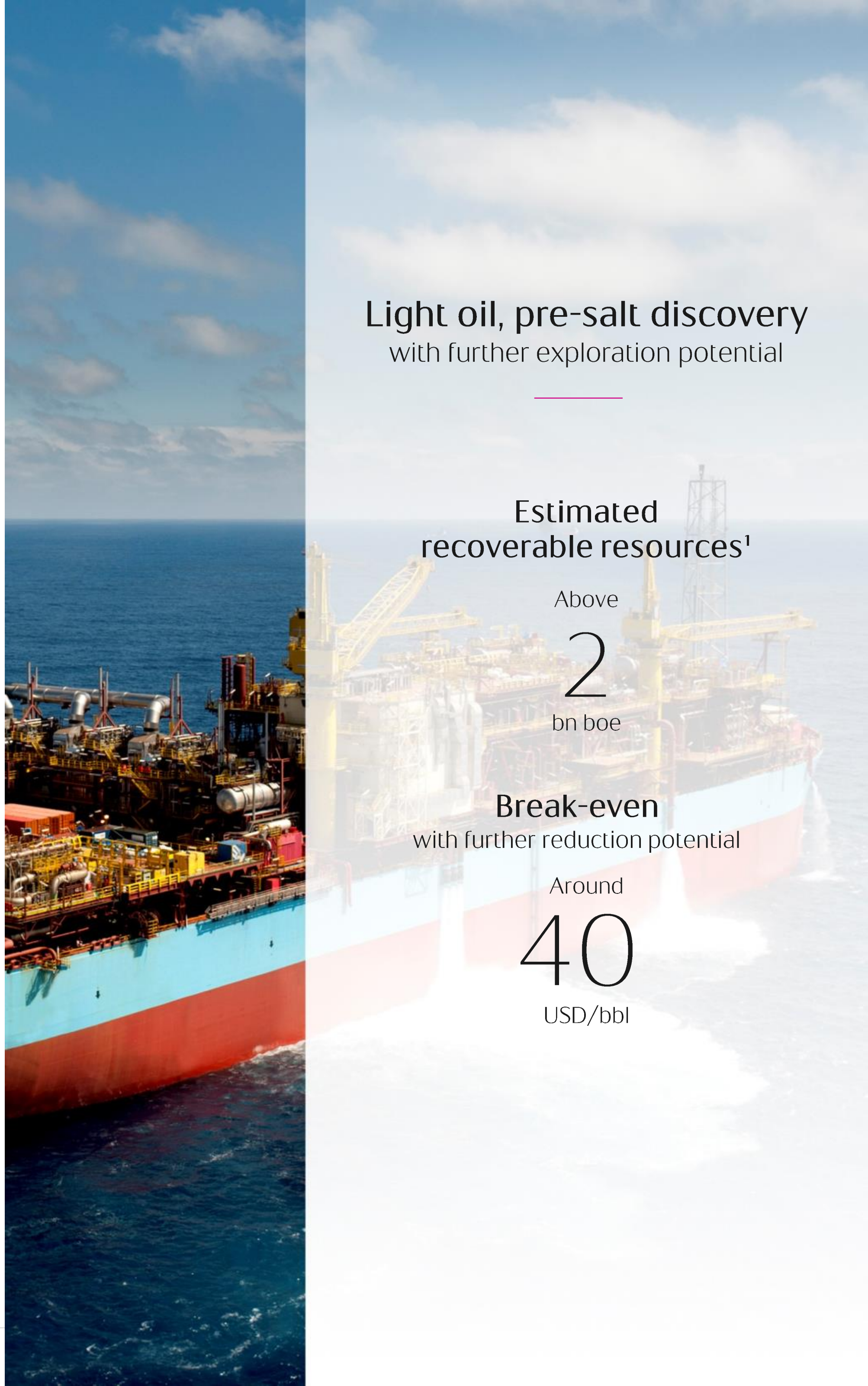
1. *Per million hours worked.*
2. *Since first oil in 2011.*
3. *Opex and capex.*

Carcará | A world class asset

Stepwise acquisitions and farm-down ensuring strong and aligned partnership

- 2016 Acquisition from Petrobras
- 2017 Acquisition from Queiroz Galvão
- 2017 North area award – Pre-Salt Bid Round
- 2017 Farm-down to Exxon and Galp
- 2018 Guanxuma exploration
- 2018 - 2020 Appraisal and exploration
- 2019 - 2020 Unitisation approval
- 2023 - 2024 First oil

Delivering high value and low carbon barrels



Light oil, pre-salt discovery
with further exploration potential

Estimated recoverable resources[1]
Above
2
bn boe

Break-even
with further reduction potential
Around
40
USD/bbl

1. *Volume estimates include Carcará North.*

Roncador | Applying Statoil recovery experience

Large profitable production upside

Barrels of oil in place

10 bn

Expected recovery factor increase

5%

from 2018

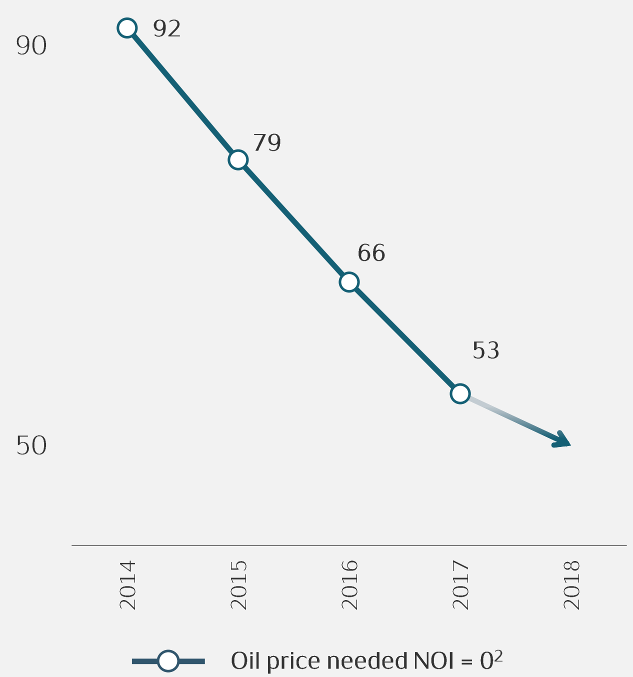
Strategic partnership with Petrobras

- Opportunity for Statoil to leverage IOR experience
- Increase future planned production from 1 bn to 1.5 bn boe and extending life of field by 5-10 years

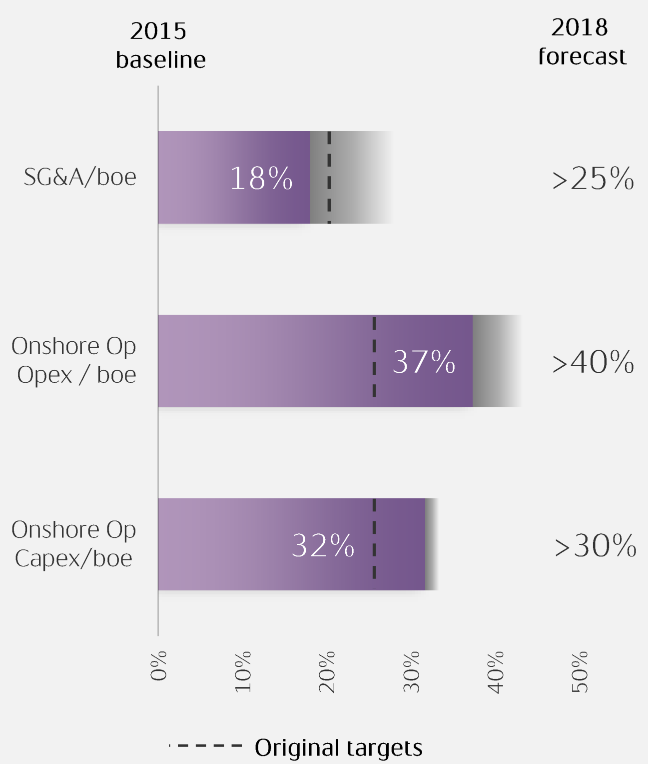
DPUSA
The flexible cash generator at 50 USD WTI

2015-18 Transformation | On Track

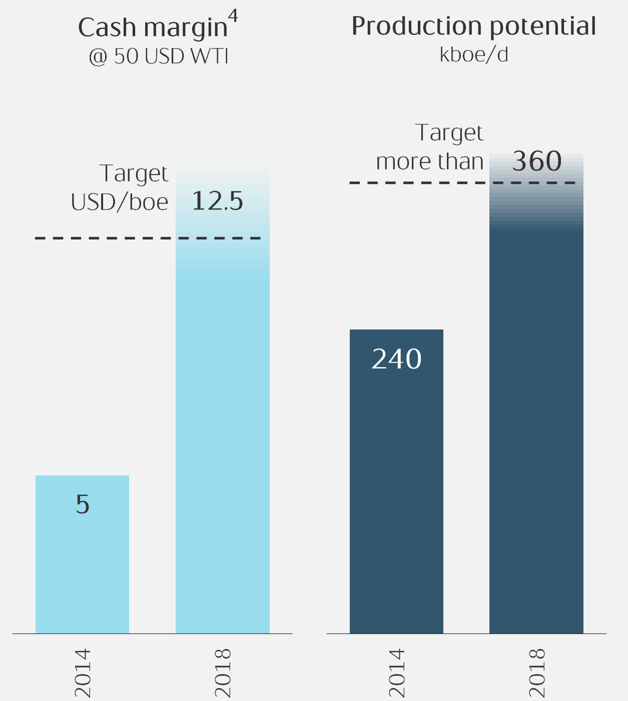
From 90 to 50
Oil price needed NOI = 0[1]



Improve
Improvements beyond targets[3]



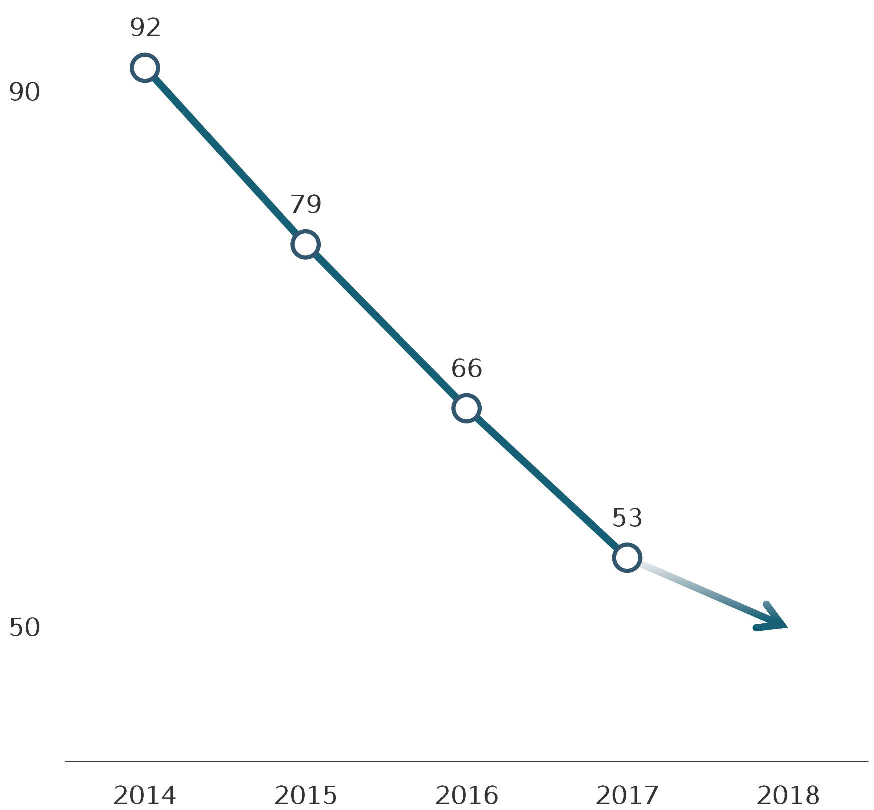
Generate cash
Profitable growth



1. Adjusted NOI; excluding exploration and downstream. Assumes product and gas prices correlate to changes in the WTI price.
2. Impairments since 2014 contribute with approximately 10 USD/bbl.
3. 2018 target for onshore operated capex USD/boe: 25%; onshore opex USD/boe: 25%; SG&A USD/boe: 20%.
4. After tax margin at 50 USD WTI. Assumes product and gas prices correlate with WTI prices.

DPUSA

From needing funding to surplus cash



Oil price needed NOI = 0[1]

1. *Adjusted NOI; excluding exploration and downstream. Assumes product and gas prices correlate to changes in the WTI price.*

DPUSA:

- Around 5 bn USD net cash flow from 2018-2020[2]

US Offshore: Below 50 USD[3] NOI BE[4] from 2018

- Seven producing fields, two in development
- 50% production growth from 2018-2020
- Above 45 USD cash margin per boe at 70 USD[3]

US Onshore: Below 50 USD[3] NOI BE[4] from 2018

- Largest contributor to "90 to 50" improvements
- Bakken and APB[5]: 45-50 USD[3] NOI BE (2018)
- Eagle Ford: Below 70 USD[3] NOI BE (2018)

2. *Assuming 70 USD/bbl WTI, accumulated net cash flow after tax and investments 2018-2020.*
3. *WTI oil price.*
4. *BE = Oil price needed NOI = 0.*
5. *Appalachian basin (Marcellus and Utica).*

Using the whole of Statoil to build competitive advantage onshore

Value drivers

Operational excellence

Drilling efficiency

34%

Increase wells per rig[1]
2016 - 2017

- The perfect well
- Predictive analytics to improve production efficiency

World class recovery

Completion technology

35%

US Onshore EUR[2] improvement
2015 - 2017

- Applying global knowledge
- High R&D and technology content

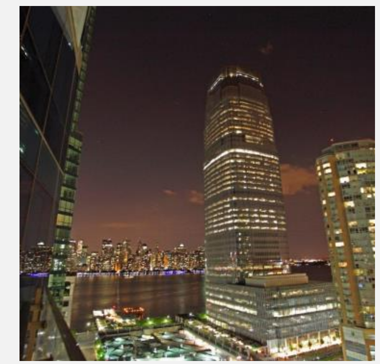
Leading project delivery

Cost reductions

50%

Wells in portfolio below
50 USD WTI break-even

- Standardized facilities design
- Integrated field planning



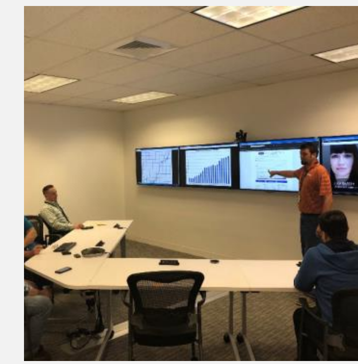
Premium market access

Midstream & marketing

Above
600
mmBtu/d

Capacity to premium
US/CAN gas markets[3]

- Appling 30 years of gas value chain experience
- APB gas sold to Toronto and Manhattan



Digital leader

Integrated remote operations

Around
500
million USD

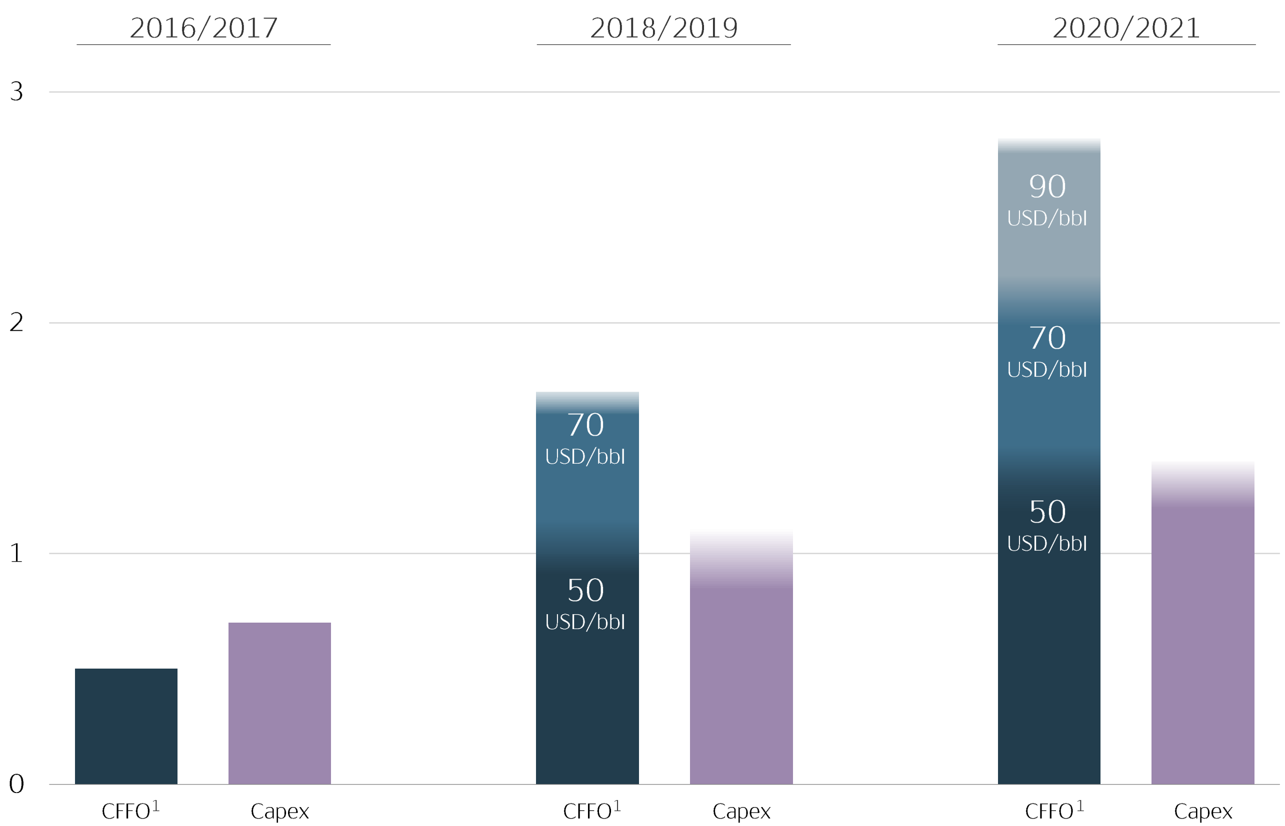
Added value[4]

- Drone based technologies
- Downhole fiber optics

1. *Average number of wells per rig per year improvement.*
2. *Estimate ultimate recovery.*
3. *Current capacity to Canadian, New York and Gulf markets.*
4. *NPV increase based on the production and opex effects of the integrated control rooms.*

US Onshore

Positive earnings, surplus cash, and growing at 50 USD/bbl[1]



1. *WTI price*

2018: The turning point

Positive earnings[2]	Surplus cash[3]
Below **50** USD/bbl	Below **50** USD/bbl

Robust portfolio	Accretive growth[4]
42 USD 2018 Well break-even[3]	Around **50%** Production growth 2017 - 2020

2. *Adjusted NOI; excluding exploration and downstream. Assumes. product and gas prices correlate to changes in the WTI price.*
3. *2018 wells - single well economics model break-even. Excludes SG&A*
4. *Based on current plans.*

DPUSA

US transformation **On track**	• "90-50": 53 USD NOI break-even 2017[1] • 50% production growth 2014-18[2]
Onshore: A **flexible cash generator** at 50 USD[1]	• Positive earnings below 50 USD[1] • Surplus cash below 50 USD[1] • 50% production growth 2017-20[3]

1. *WTI price, adjusted NOI.*
2. *Offshore and onshore.*
3. *Based on current plans.*

Delivering high value in our international portfolio

Improving quality in the portfolio	7 bn USD	Net present value increase[1]
Improving cash margin	Above 30 USD/boe	CFFO after tax (2018 - 2020)[2]
Capturing high value growth	Above 40%	International share of CFFO after tax (2018 - 2020)

1. *Non-sanctioned and non-government approved projects 2018 compared to 2016, assuming 70 USD/bbl.*
2. *Cash margin at 70 USD/bbl.*

Delivering high value

Hans Jakob Hegge
Chief Financial Officer

Statoil

2017 | Strong financial results and deliveries

Results	Adj. earnings	NOI	Free Cash Flow	RRR
	12.6 bn USD	13.8 bn USD	3.1 bn USD	150%

	We promised	We delivered
Organic capex	11 bn USD	9.4 bn USD
Free cash flow positive	50 USD/bbl	Below 50 USD/bbl
Production growth	4-5%	Above 6%
Exploration expenditure	1.5 bn USD	1.3 bn USD
Continuous improvement	1 bn USD	1.3 bn USD[1]

1. *Total 4.5 bn USD since 2013*

4Q 2017 | Solid adjusted earnings from all segments

Group[1]
- Record high production volumes at higher prices

E&P Norway
- Solid operational performance
- Lower depreciation per boe

E&P International
- Increasing production
- Continued cost improvements

MMP
- Higher sale of piped gas
- Strong regularity and refinery margins

Million USD	Group[1] Pre tax	Group[1] After tax	E&P Norway Pre tax	E&P Norway After tax	E&P International Pre tax	E&P International After tax	MMP Pre tax	MMP After tax
4Q' 17	3,956	1,306	3,004	819	438	199	533	292
4Q' 16	1,664	(40)	1,972	552	(681)	(708)	514	275

1. *Includes segments; E&P Norway, E&P International, MMP and Other.*

2017 | Valuable growth

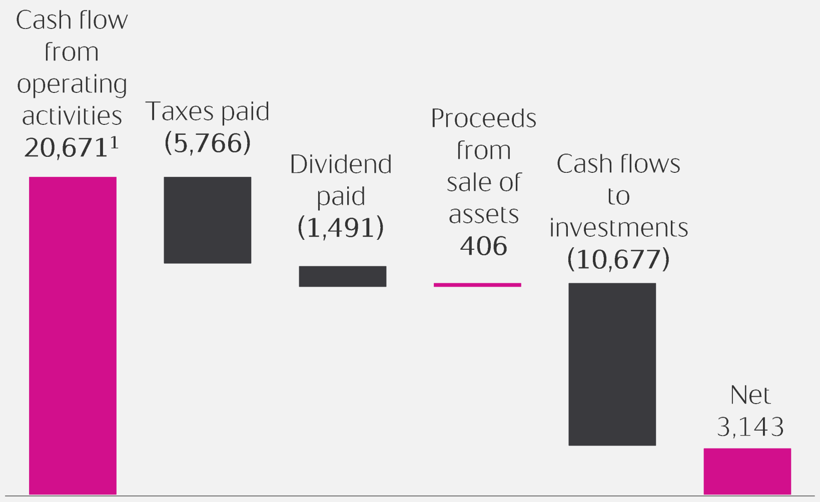
Strong production growth

Above 6% equity growth (kboe/d)

- Record high quarterly and full year production
  - Increased flexible gas production
  - Increased production US onshore
  - Start-up and ramp-up new fields

Strong cash-flow generation

Free cash-flow positive below 50 USD/bbl



- Continued strict capital discipline
- Positive organic cash-flow 4Q 2017
- Net debt 29% - impacted by
  - Increase in working capital
  - Value-enhancing transactions

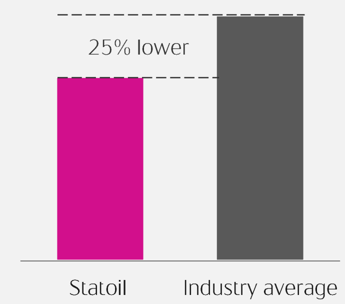
1. *Income before tax (13.420) + non-cash adjustments (7.251).*

Improving from a strong position

Operational

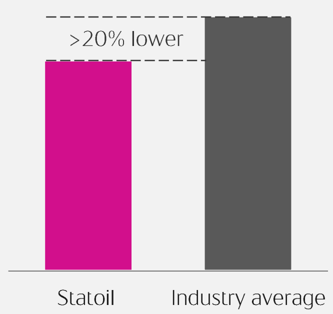
Unit production cost[1,7]

Average global well cost[2]



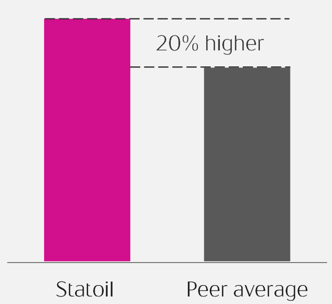
Facility cost[3]

IPA

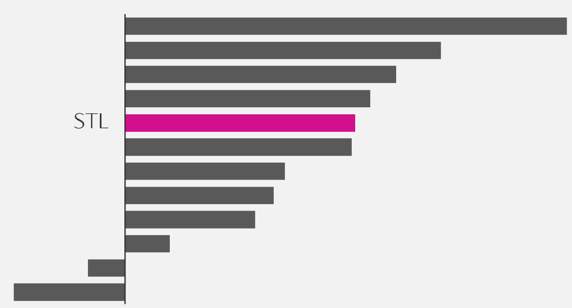


Financial

IRR Projects under development[4,7]



Corporate RoACE[5,7]



Upstream RoACE[6,7]

1. *Source: IHS Markit: USD/boe, 3-year weighted average.*
2. *Source: IHS Rushmore. www.RushmoreReviews.com. All rights reserved. extracted 12.01.2018. Average annual well cost [MUSD] for global offshore development wells drilled in the first three quarters of 2017, excluding Thailand.*
3. *Source IPA: Facilities Cost index for projects with DG3 in 16 & 17, UIBC 2017.*
4. *Source: Wood Mackenzie UDT, IRR capex weighted average, Jan 2018.*
5. *Source: Barclays: - RoACE Rolling 12-month at end of 3Q17.*
6. *Source: Barclays: Upstream RoACE Rolling 12-month at end of 3Q17.*
7. *Peers include: Anadarko, Eni, BP, Shell, ConocoPhillips, Repsol, Chevron, Total, ExxonMobil, OMV, Marathon*

Delivering high value

Sustaining cost reductions

Unit production cost[1] 2020

2017 level

Capex average[2] 2018-20

Around 11 bn USD

Delivering high value growth

Cash flow growth[3] 2017-20

Above 6%

Production growth[4] 2017-20

3-4%

Generating strong cash flow

Accumulated free cash flow[5] 2018-20

12 bn USD

Net debt ratio in 2020[5]

Below 15%

Yielding competitive returns

Increased dividend[6]

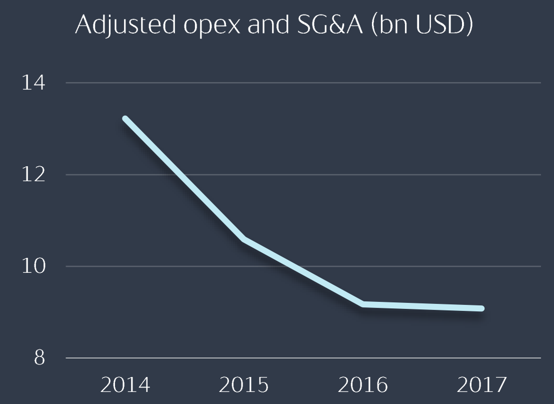
4.5%

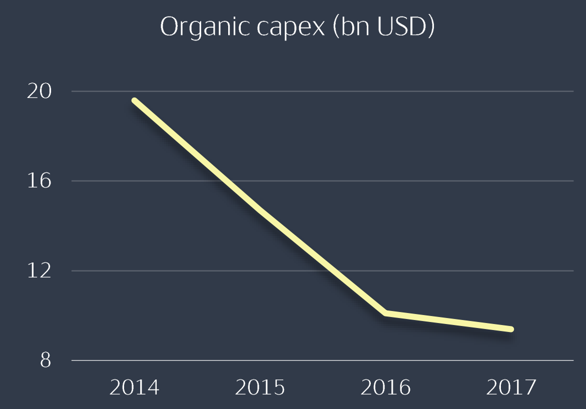
RoACE in 2020[7]

Around 12%

1. *USD/boe Statoil share, real, assuming fixed currency.*
2. *Indicative organic capex, at 8.25 USD/NOK.*
3. *Compound annual growth rate (CAGR), CFFO, assuming 70 USD/bbl 2017 to 2020.*
4. *CAGR.*
5. *Assuming 70 USD/bbl, organic free cash flow, including announced transactions.*
6. *Subject to approval at the Annual General Meeting (AGM).*
7. *Assuming 70 USD/bbl.*

Sustaining the transformed cost level

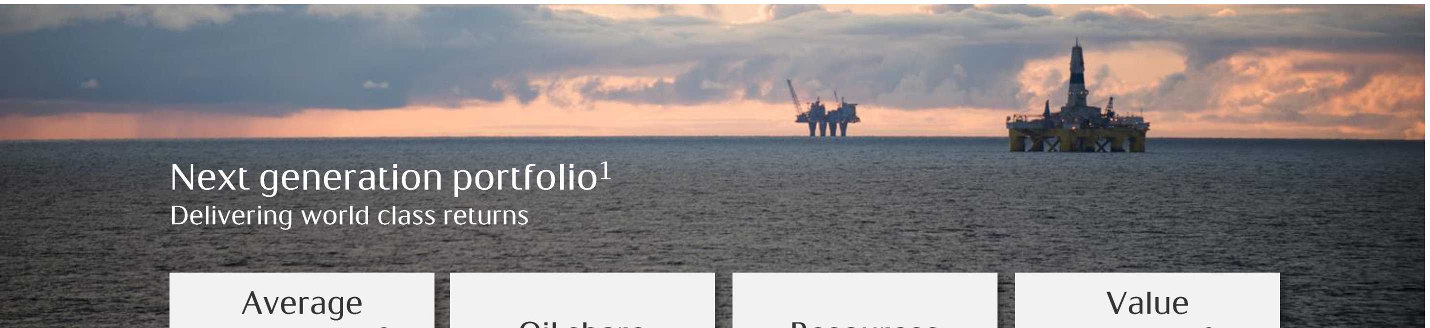




Unit production cost[1]	Cost per well	Capex level[2]
Sustain	Around	Around
2017	-10%	11
level in 2020	2016 to 2018	bn USD in 2018

1. *USD/boe Statoil share, real, assuming fixed currency.*
2. *Organic capex at 8.25 USD/NOK.*

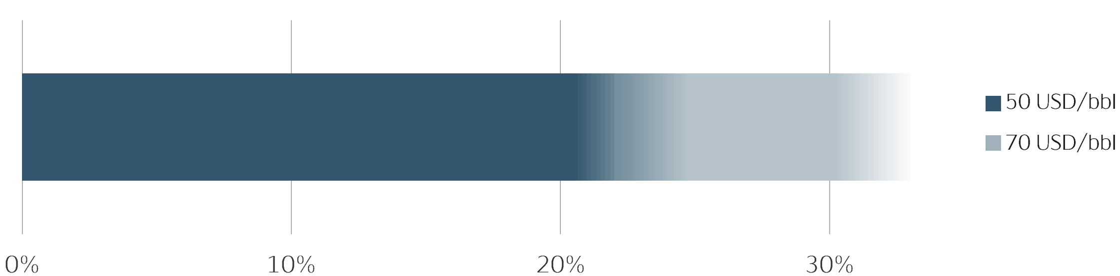
Leading project delivery – world class portfolio

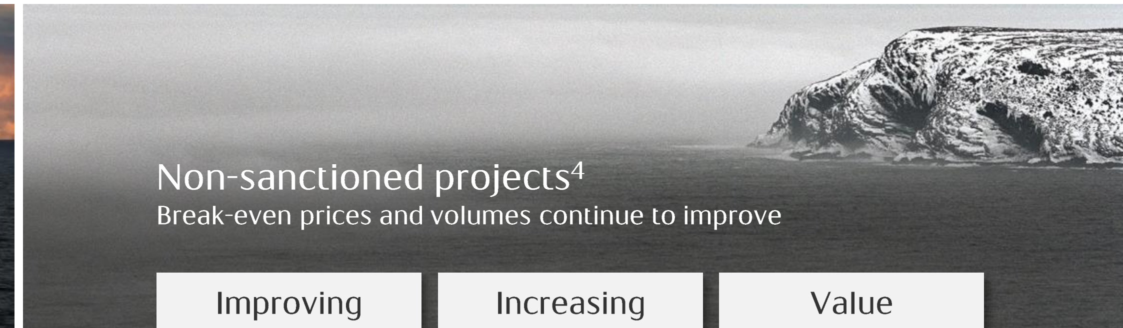


Next generation portfolio[1]

Delivering world class returns

Average break-even[2]	Oil share	Resources	Value increase[3]
21 USD/bbl	65%	Around 3.2 bn boe	Above 1.5 bn USD

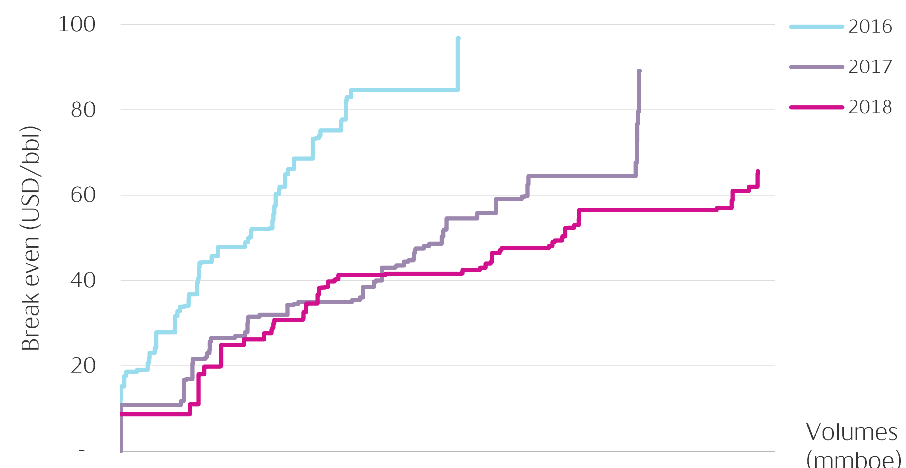




Non-sanctioned projects[4]

Break-even prices and volumes continue to improve

Improving break-even	Increasing resources, 3 to	Value increase
Around 33%	Around 6 bn boe	Around 10 bn USD

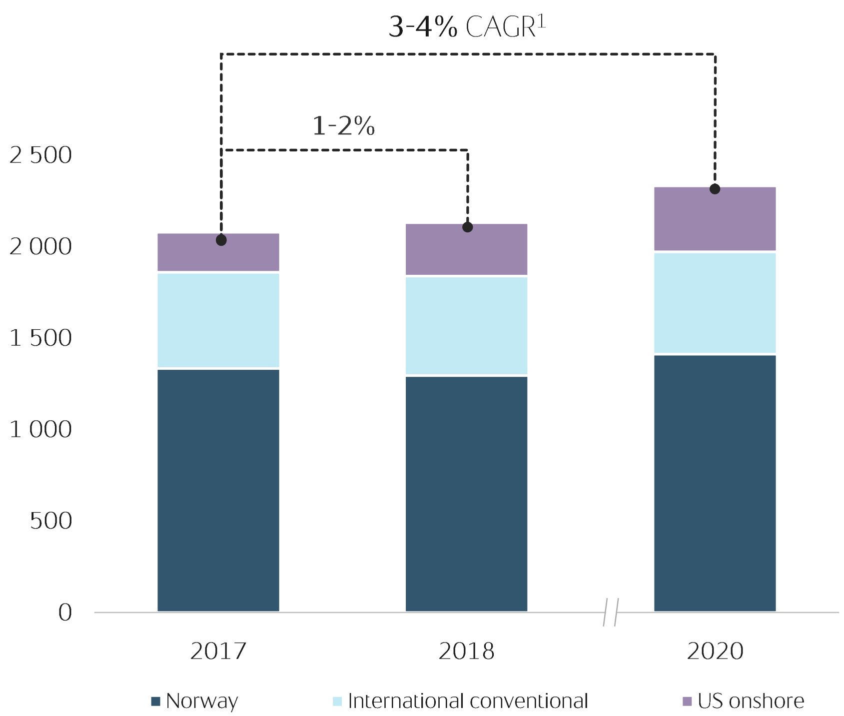


1. *Statoil- and partner-operated projects, sanctioned since 2015 or planned for sanction, with start-up by end of 2022.*
2. *Volume weighted.*
3. *Development from 2017 to 2018.*
4. *Non-sanctioned or non-government approved projects (with identified business case) 2018 compared to 2016, assuming 70 USD/bbl. Excludes unconventional.*

High value production growth

Statoil equity production

kboe/d



Major start-ups planned for 2018-2022[2]

	2018	2019	2020	2021	2022
E&P Norway	Aasta Hansteen Oseberg Vestflanken 2	Johan Sverdrup Martin Linge Trestakk Utgard	Njord Bauge Snøhvit Askeladd	Troll Phase 3 Snorre Expansion	Johan Castberg Johan Sverdrup Future Krafla Grand
E&P Intl	Mariner Stampede TVEX Big Foot Caesar Tonga 2	Utgard UK	Peregrino Phase 2	Vito	North Komsomolskoye
	~170	~300	~90	~150	~300

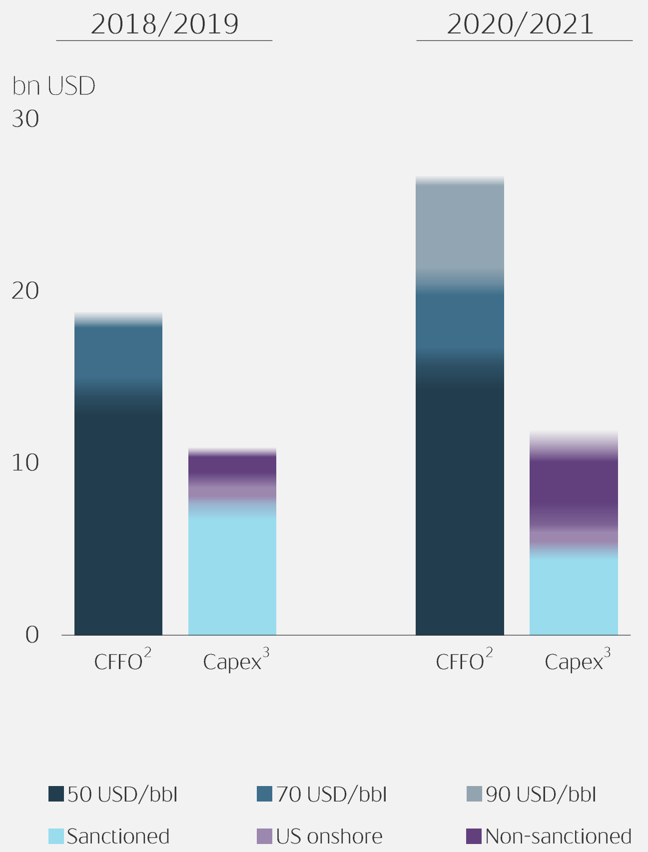
1. *Compound annual growth rate.*

2. *Major projects (list not exhaustive), indicative plateau production, Statoil equity, kboe/d, not applicable for sum of production per year.*

Strong cash flow generation – flexibility maintained

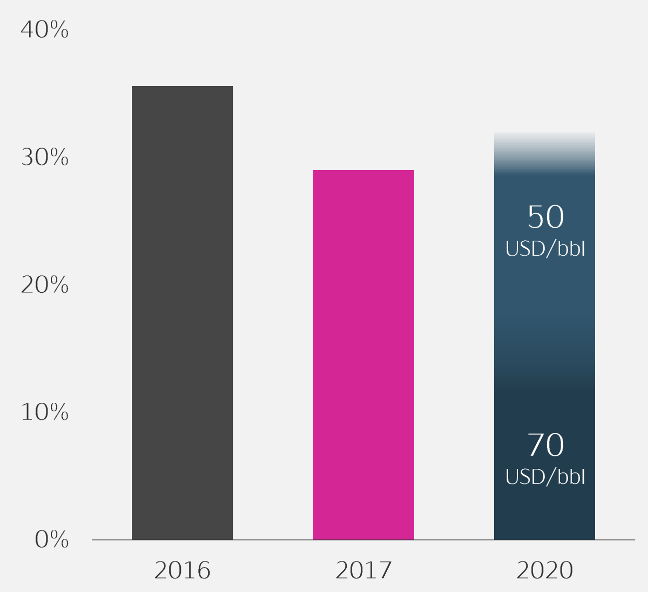
Growing cash flow[1]

Free cash flow positive below 50 USD/bbl



Materially improving net debt ratio[4]

Below 15% at 70 USD/bbl



Firm financial framework

Strong financial position

- A-category rating on stand-alone basis
- Net debt to capital employed ambition at 15-30%

4Q dividend 0.23 USD per share[5]

- 4.5% cash dividend increase
- Reflects earnings growth from sustainable improvements

Scrip program ended as planned

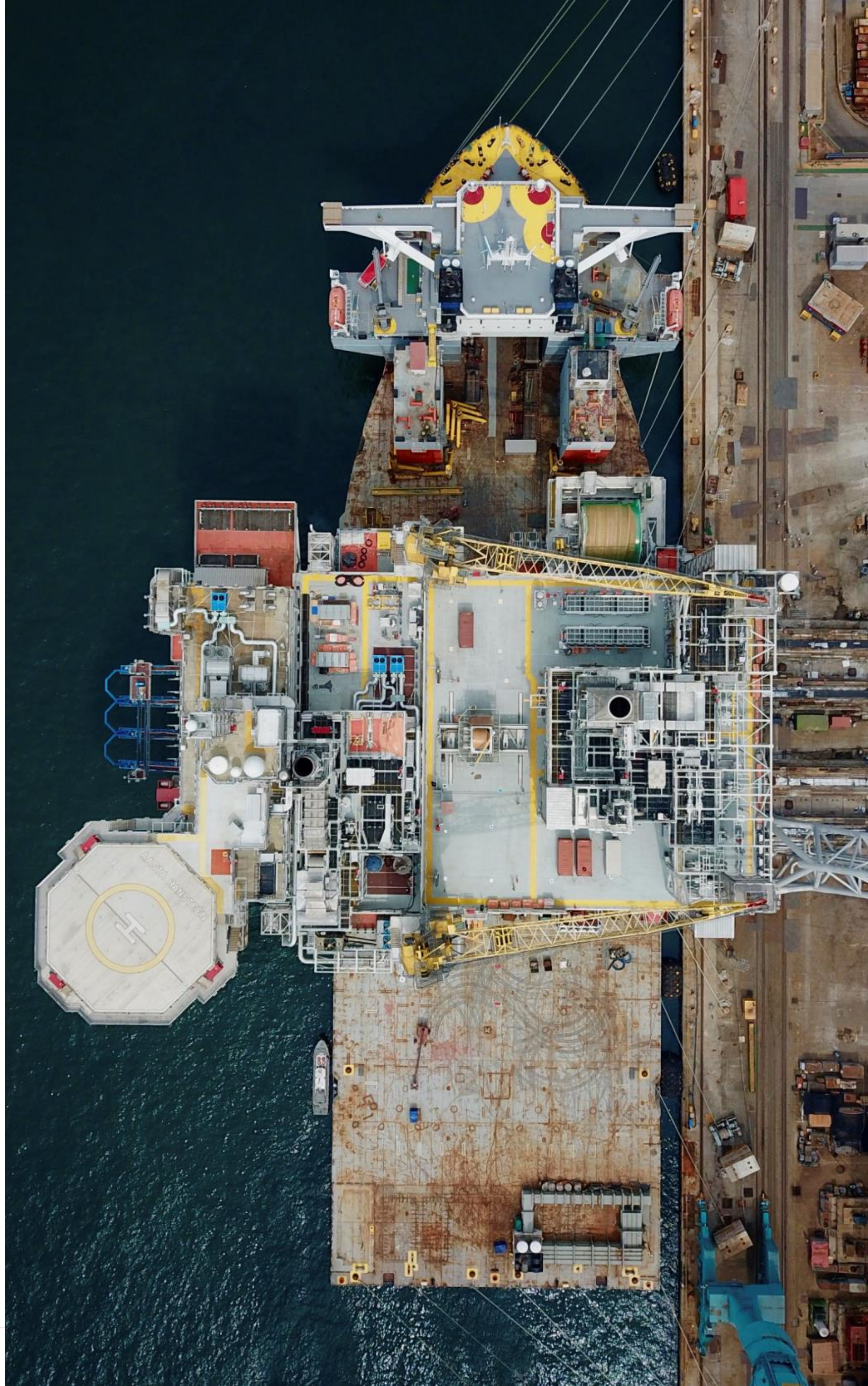
Scope for share buy-backs emerging

- Dependent on macro outlook and portfolio developments
- Near term priority to strengthen balance sheet

1. *Scenario assumptions in real prices (Brent Blend USD per barrel / NBP USD per million Btu): 50/5.5, 70/6.5 and 90/8.5*
2. *Excluding dividend and changes in working capital.*
3. *Excluding considerations.*
4. *Including announced transactions.*
5. *Subject to approval at the Annual General Meeting (AGM).*

2018 | Guidance & outlook

	PERIOD	OUTLOOK
Organic capex	2018	Around 11 bn USD[1]
Exploration	2018	Around 1.5 bn USD
Production	2017 - 2018 2017 - 2020	1-2% 3-4% CAGR



1. *Based on USD/NOK exchange rate of 8.25.*

Delivering high value

Growing cash flow, returns and dividend	• Cash flow around 12 bn USD 2018-2020[1] • RoACE around 12% in 2020[1] • Dividend growth 4.5%[2]
Investing in world class projects	• Next generation portfolio[3] - break-even of 21 USD/bbl • Johan Sverdrup Ph. 1 – break-even below 15 USD/bbl • Maintaining strict financial discipline
Leveraging strengths to create value	• Operational excellence • World class recovery • Leading project delivery • Premium market access • Digital leader

1 *Assuming 70 USD/bbl.*
2 *Subject to approval at the Annual General Meeting (AGM).*
3 *Statoil- and partner-operated projects, sanctioned since 2015 or planned for sanction, with start-up by end of 2022. Volume weighted.*

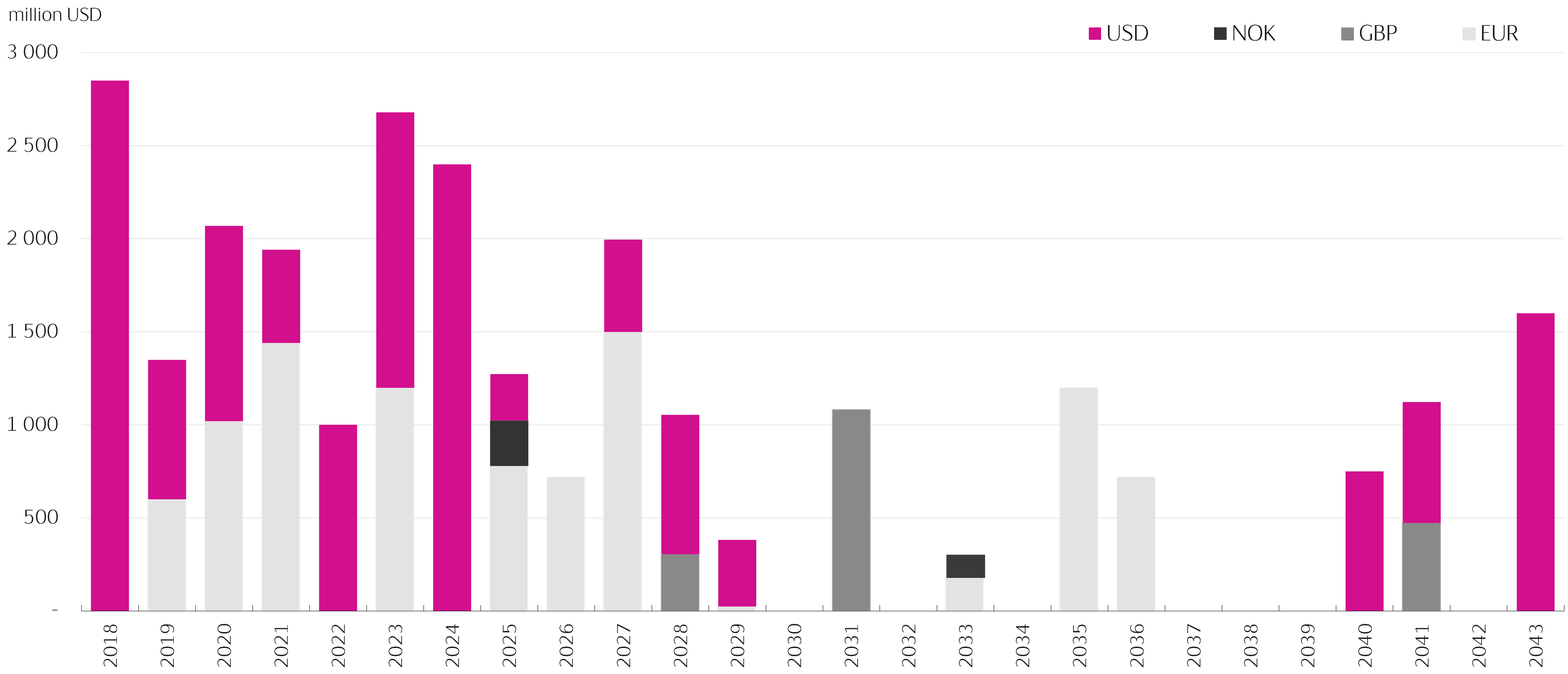
Supplementary information

Statoil

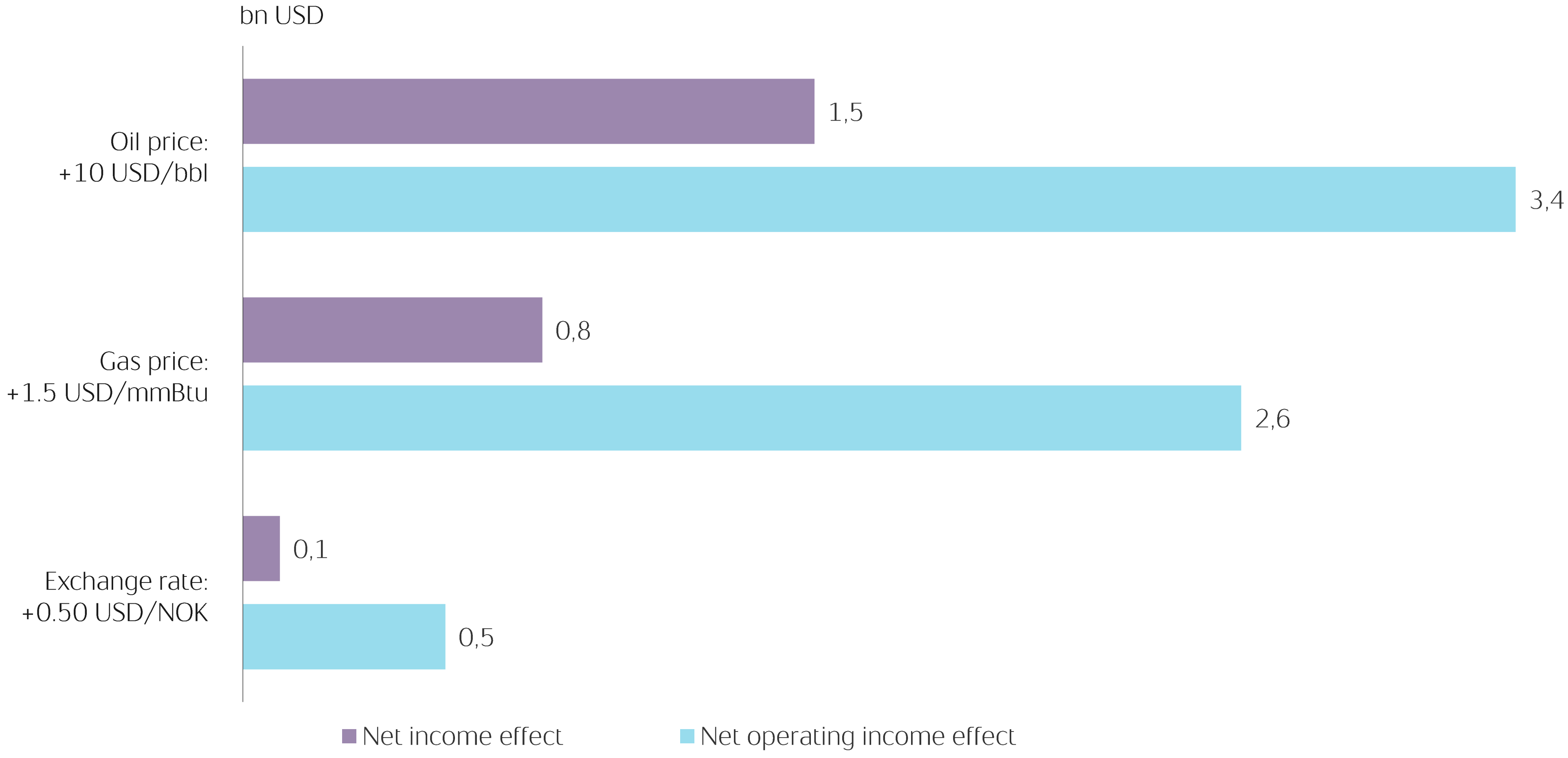
Statoil

Long term debt maturity profile

Redemption profile 31.12.2017



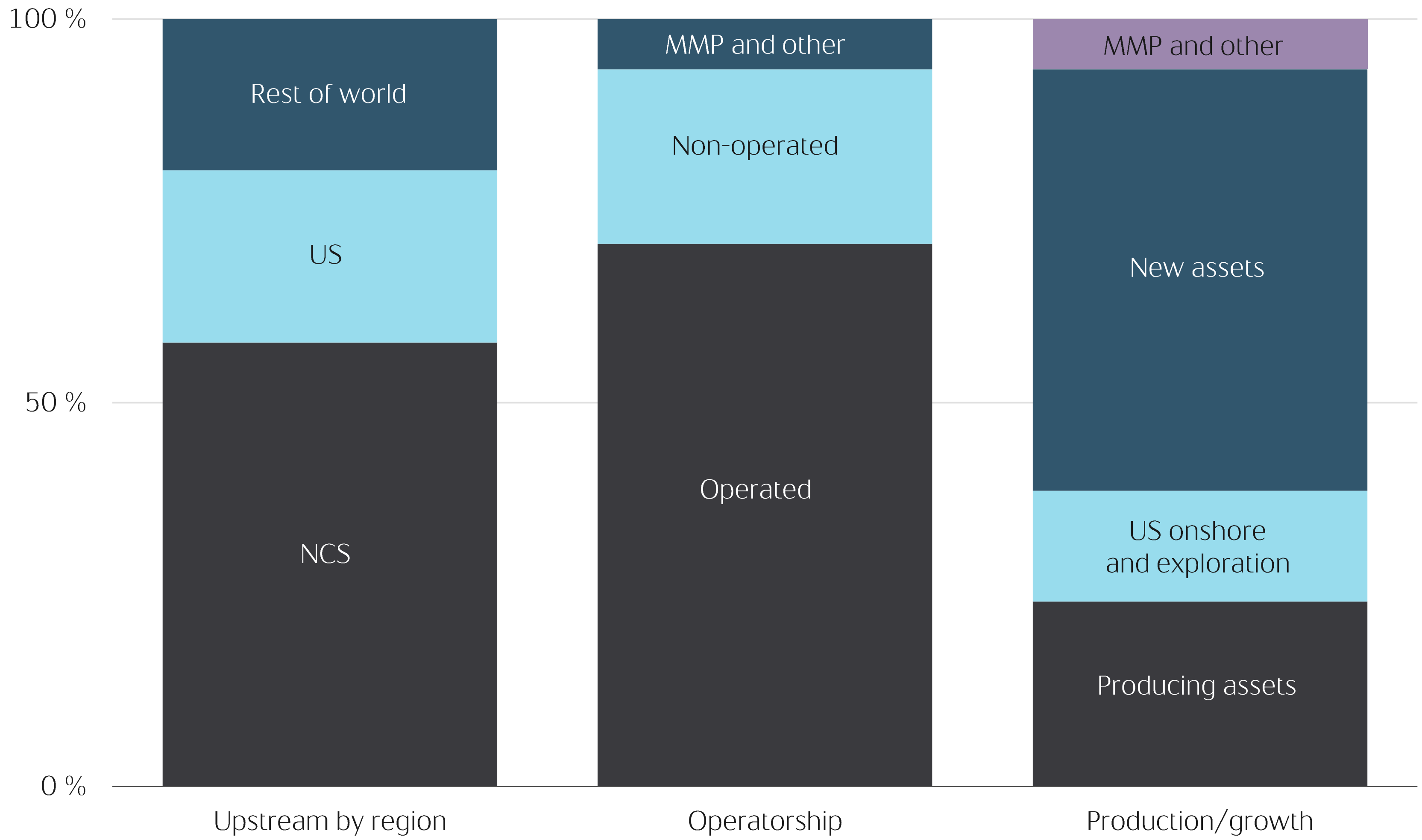
Sensitivities[1]– indicative effects on 2018 results



1. *Based on USD/NOK exchange rate of 8.25.*

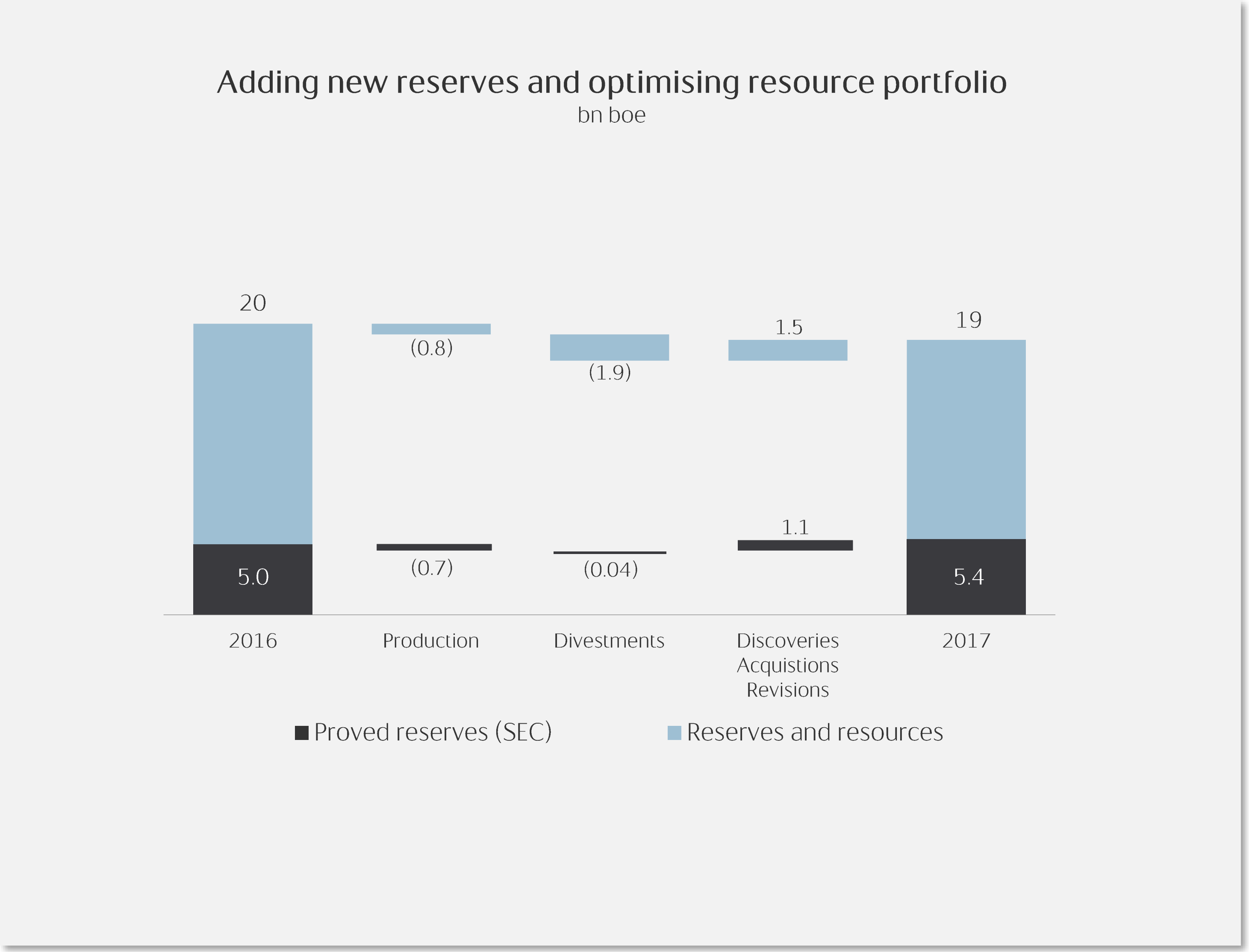
Investing for profitable growth

Investment profile 2018-19



- ~60% on the NCS
- ~70% in operated assets
- ~55% in new assets
- ~90% in upstream

2017 | Reserve replacement ratio of 150%



Reserve replacement ratio
- 150% total
- 148% organic
- 109% organic three-year average

Reserves
- 50/50 split oil and gas
- Around 70% at NCS

Resources
- Over 50% outside Norway
- 78% within OECD

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