

Den norske stats oljeselskap a.s Annual report and accounts 1982



statoil

Den norske stats oljeselskap a.s

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The Board of Directors

Chairman:
Finn Lied, Director
Vice-Chairman:
Fredrik Thoresen, Managing Director
Thor Andreassen, Managing Director
Benedicte Berg Schilbred,
Managing Director
Finn T. Isaksen, Managing Director
Erling Haug, Licence Manager
Atle A. Thunes, Senior Project Engineer

Alternate members:

Jan Skaar, Director
Gerd Schanche, Housewife
Margaret B. L. Sanner, Senior Secretary
Hans Jacob Fevang, Planner
Gunnar Langvik, Section Manager
Jan Gerhard Thoresen,
Procurement Manager

Auditor

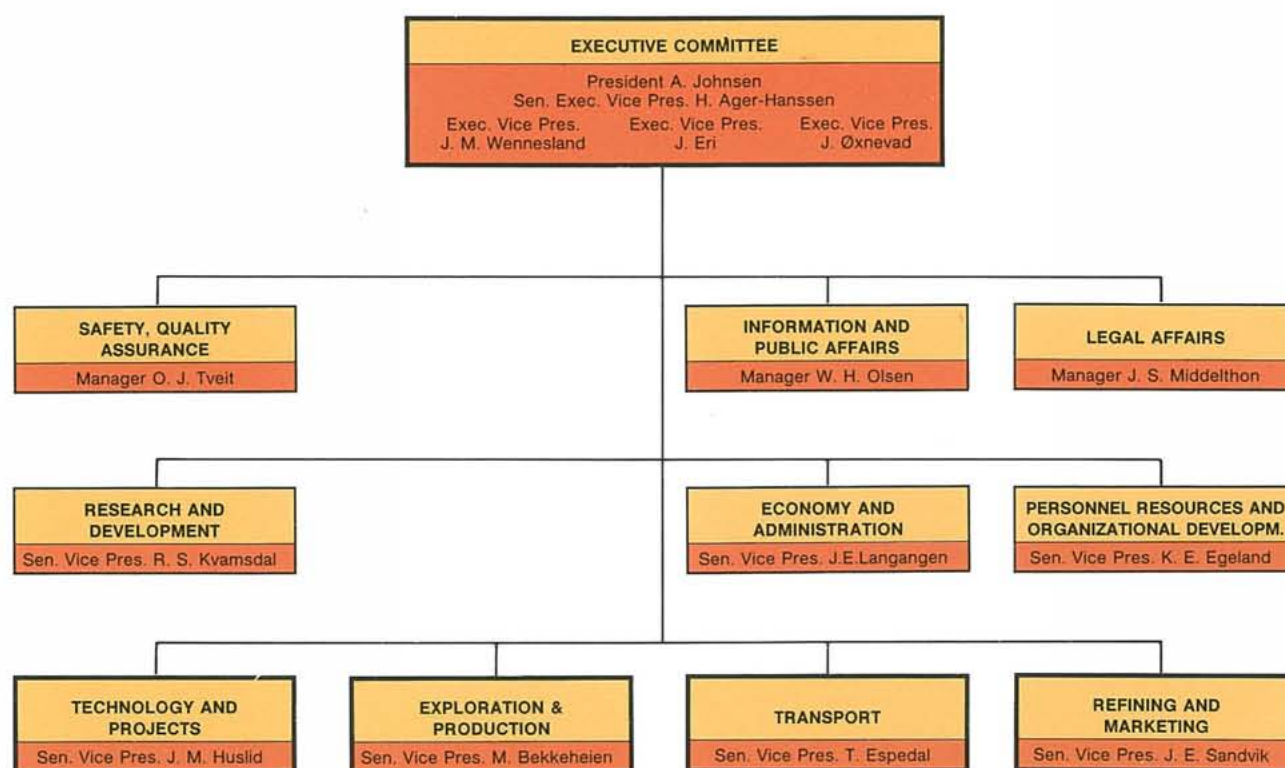
Endresen, Klette & Co.,
State Authorized Auditors

Company Assembly

Chairman:
Egil Aarvik, Editor
Vice-Chairman:
Evy Buverud Pedersen,
Trade Union Secretary
Odd Bakkejord, Trade Union Secretary
Grethe Westergaard-Bjørlo, Teacher
Bodil Bjartnes, Adviser
Egil Flaatin, Director
Johan Nordvik, Mayor
Martha Sæter, Clerk
Bjørn Lian, Section Manager
Aina Jørgensen, Economic Coordinator
Vidar Thomassen, Systems Engineer
Lars Bakka, Legal Counsel

Alternate members

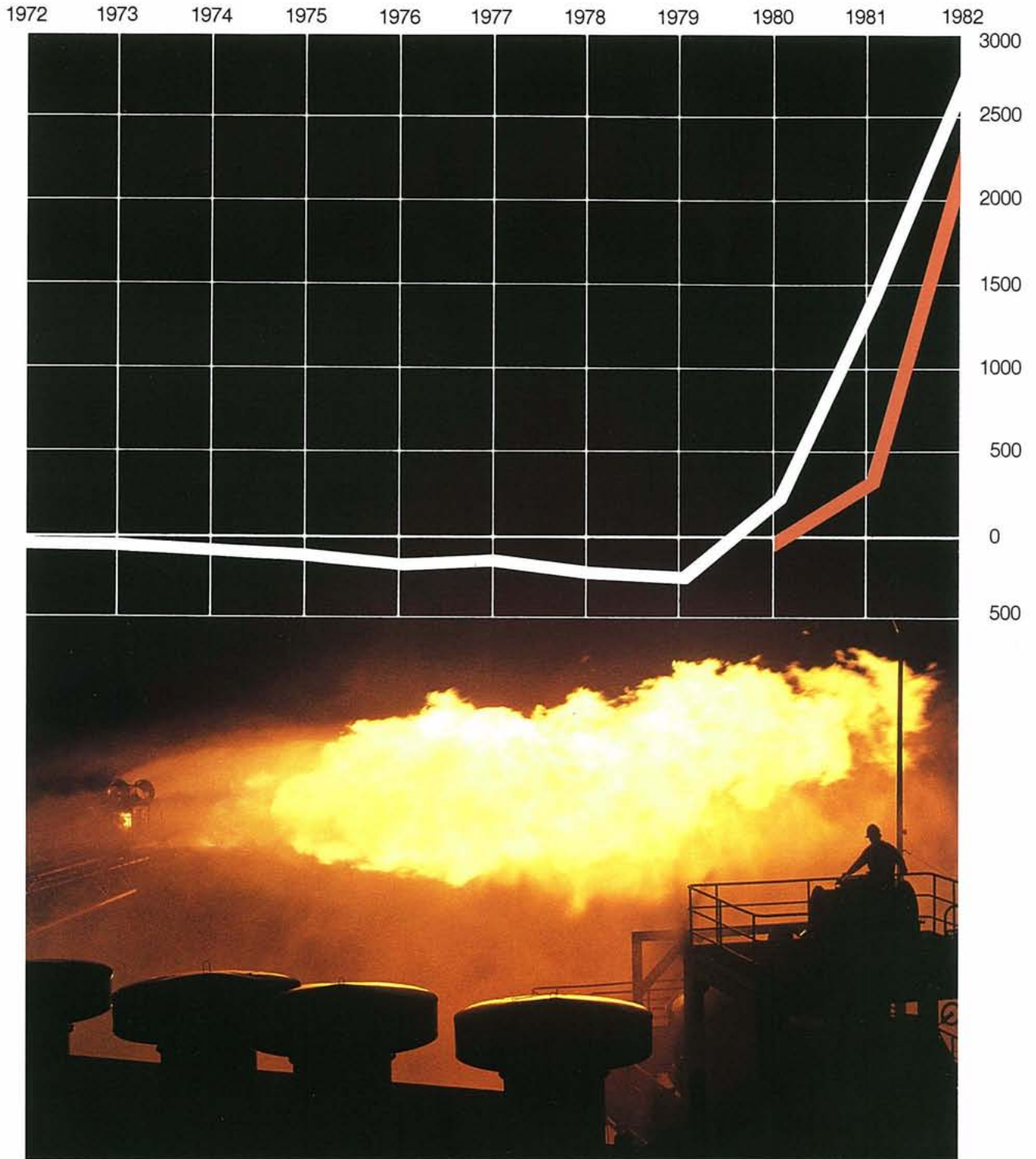
Alv Jacob Fostervoll, County Governor
Johannes Andreassen,
Administration Manager
Ragnhild Midtbø, Teacher
Jan I. Holm, Marine Adviser
Tine Ihle, Senior Secretary
Inger Helen Førland, Senior Engineer
Lars Sund, Research Coordinator
Kjell Mork-Knudsen, Systems Manager
Victor Jensen, Procurement Officer
Trond Eilertsen,
Junior Drilling Supervisor
Jan Rafdal, Senior Engineer



Cover photo:

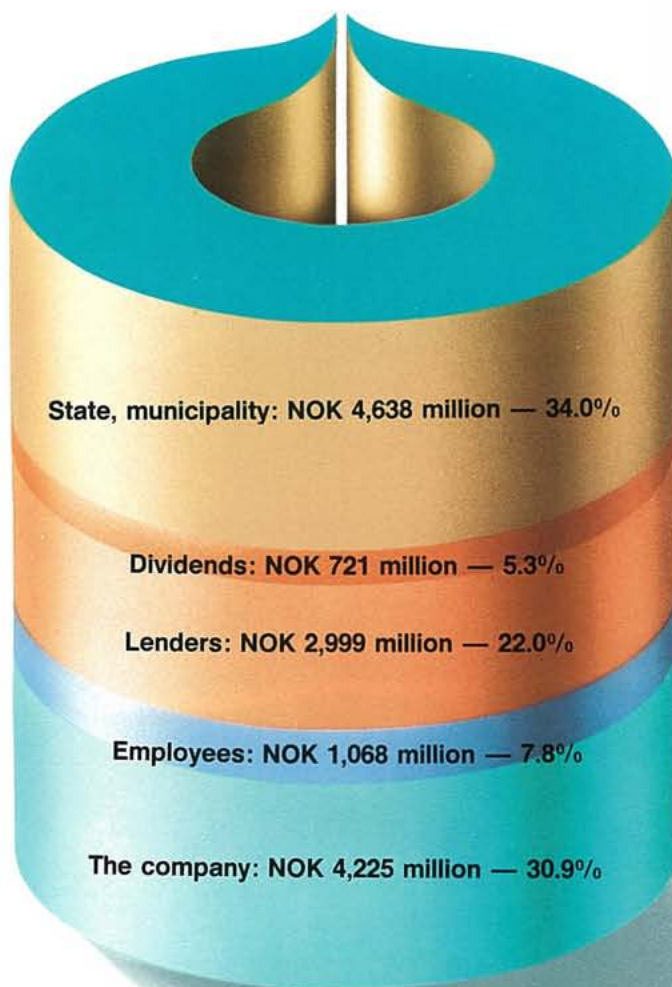
The three first stages of the Statoil headquarters in Stavanger are now finished. We see some of the employees gathered in the patio between the buildings.

Statoil's financial result 1972 - 1982



Statoil's financial result in 1982 was NOK 2,729 million before taxes.
Estimated taxes are NOK 2,296 million.
The upper curve indicates the result before taxes during the period
1972 - 1982, while the lower curve
shows taxes paid in 1981 and estimated taxes for 1982.

Statoil's value added for the last 10 years



Statoil's value added during the last 10 years amount to NOK 13,651 million. The distribution of the value added is illustrated above.

The Government's dividends are the dividends paid for 1981 plus the Board's suggested dividends for 1982. Paid taxes, estimated taxes, dividends paid and dividends suggested total NOK 5,359 million during the period. In addition there are taxes deducted for the employees of NOK 288 million.

Statoil's first decade was characterized by the development of an organization designed to meet the large challenges of the oil and gas business. Knowledge and decentralization are important aspects of this development.

The Statoil Group had 2,900 employees at the end of 1982. In addition to the parent company Statoil, the consolidated companies include Rafinor A/S at Mongstad and Norsk Olje a.s, headquartered in Oslo.

The Statoil headquarters is in Stavanger; in addition the company has offices in Oslo, Bergen, Trondheim, Harstad, at Tysvær and on Sotra. Statoil has offices abroad in Beijing (Peking), London and Stockholm.

A Gullfaks production company has been established in Bergen, in addition to a separate

exploration department. Statoil has a project office in Asker near Oslo. In Trondheim there is a department under the Division for Technology and Development, and a department for research and development. There is an exploration and a drilling department in Harstad, and a production organization is being planned. Statoil has a drilling department on Sotra. At Tysvær there is a project office and an operating company for the Statpipe terminal. The operating company for the pipeline and the riser platforms will be set up on Karmøy.

Statoil is also engaged in base activities in Stavanger, Kristiansund, Brønnøysund, Sandnessjøen, Harstad and Hammerfest, on Sotra, at Florø, Træna and Andenes.

Highlights

Amounts in millions of NOK

Profit and loss statement

	The consolidated company			1982	Statoil	
	1982	1981	1980		1981	1980
Operating revenue	16 938	13 681	8 719	14 326	11 593	7 151
Operating result	5 747	3 839	1 463	5 360	3 679	1 392
Financial expenditure	2 332	1 734	656	2 138	1 565	548
Result before year end adjustments	3 432	1 933	813	3 235	1 950	848
Net income	402	1 019	203	433	1 052	223

Balance sheet

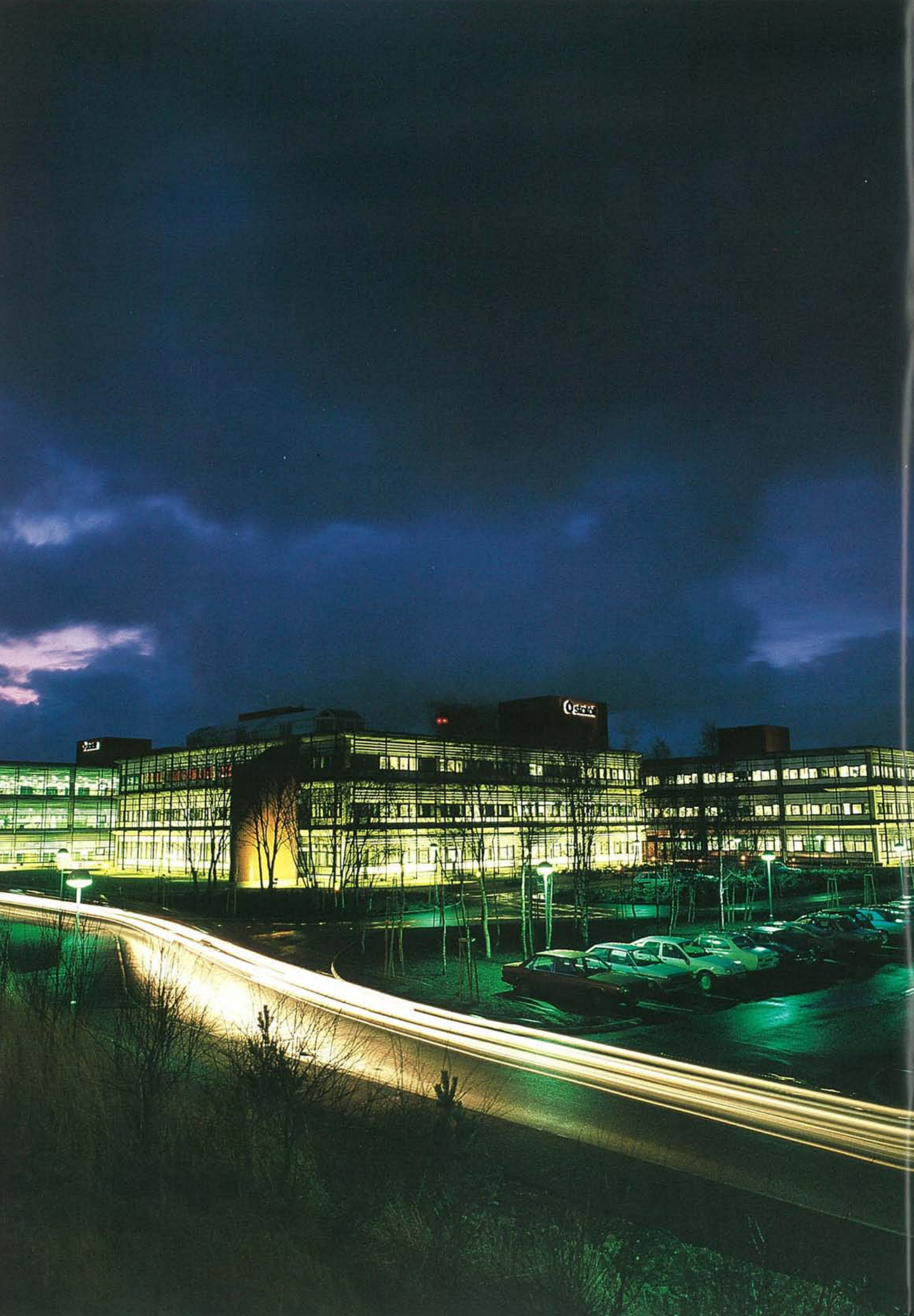
	The consolidated company			1982	Statoil	
	1982	1981	1980		1981	1980
Current assets	3 886	2 849	3 119	2 943	2 044	2 352
Investment capital	17 714	13 029	11 474	16 886	12 178	10 600
Current liabilities	6 422	3 748	3 116	5 849	3 064	2 447
Long-term debt	11 529	8 631	9 019	10 455	7 691	8 090
Shareholder's equity	3 370	3 336	2 317	3 521	3 456	2 404

Personnel

	The consolidated company			1982	Statoil	
	1982	1981	1980		1981	1980
Number of employees as of 31 Dec.	2 933	2 645	2 335	1 660	1 362	1 059
Salaries and social costs	617	471	347	366	250	157

Other highlights

	The consolidated company			1982	Statoil	
	1982	1981	1980		1981	1980
Investments	6 123	3 091	2 610	5 928	2 953	2 465
Ordinary depreciation	859	679	489	707	531	352
Shares	2 944	2 944	2 944	2 944	2 944	2 944



Report of the Board of Directors for 1982

Introduction

1982 showed good results for the consolidated companies. The result before year end adjustments increased from NOK 1,933 million in 1981 to NOK 3,432 million in 1982. The result after taxes was NOK 402 million compared to NOK 1,019 million the year before. The reason for the reduced result after taxes is the increase in taxes as a consequence of previous years' deficit being covered in 1980 and 1981.

Exploration and production

Statfjord

In 1982, the average daily production of crude oil from Statfjord A was 221,000 barrels compared to 162,000 barrels in 1981. A total of 10.7 million tonnes were produced from Statfjord A, of which Statoil's share was 4.5 million tonnes.

Statfjord B went on stream on 5 November 1982. Increase in daily production has been on schedule, and at the end of 1982 production reached 82,000 barrels. The cost estimates for platform B are some NOK 10.8 billion.

Construction of the Statfjord C platform is on schedule. The concrete structure was floated out from the dock in the spring of 1982 and slip forming was started. Lifting of deck modules began in January 1983. The C platform is scheduled to be ready for production at the beginning of 1986.

Based on the revised cost estimates for the B platform from 1981, the cost estimates for the C platform were revised again at year end 1981. This resulted in a readjustment from NOK 12.3 to NOK 13.1 billion.

The Statoil operating result from Statfjord production was NOK 5.6 billion in 1982.

Murchison

Crude oil production from the Murchison field was 5.3 million tonnes in 1982, of which Statoil received about 0.4 million tonnes. Statoil's operating result was NOK 568 million.

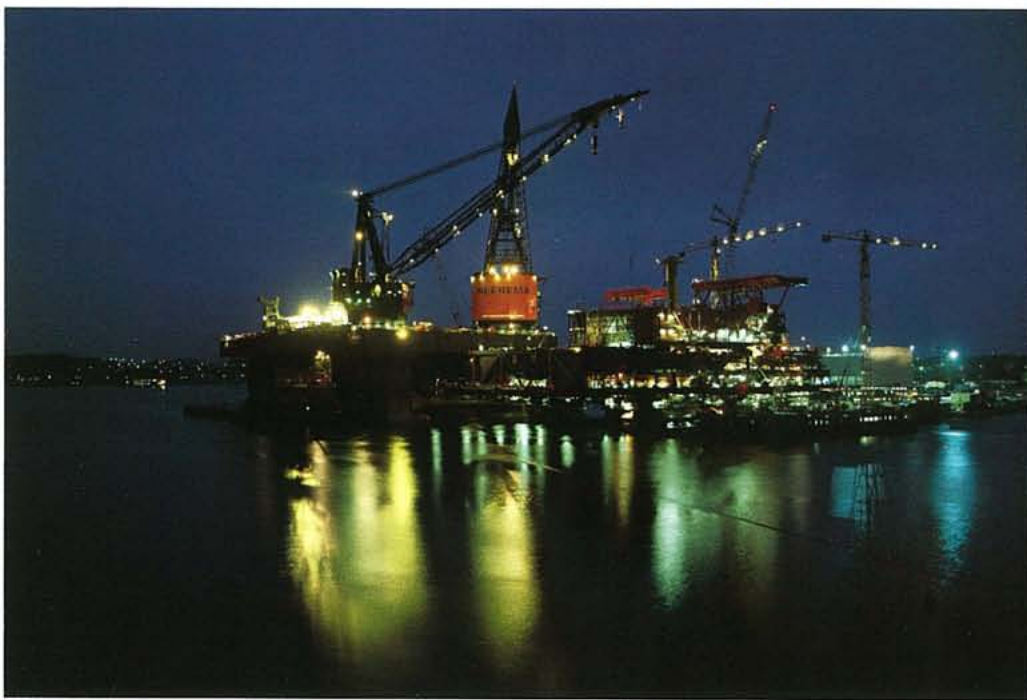
Norwegian authorities gave permission to the Norwegian licensees in Murchison to land the Murchison gas in the UK. At the same time, it was decided to exercise the Norwegian group's option to become a licensee in the pipeline from Murchison to the Brent field. From Brent the gas will flow through the Flags system to St. Fergus in Scotland.

Frigg

At Frigg, 16.7 billion cubic metres of gas were produced in 1982. The Statoil share of the production was 515 million cubic metres. The Statoil operating result from Frigg was NOK 342 million in 1982.

Development of North East Frigg is on schedule and the field is expected to be ready for production 1 January 1984.

Statfjord B went on stream on 5 November 1982.



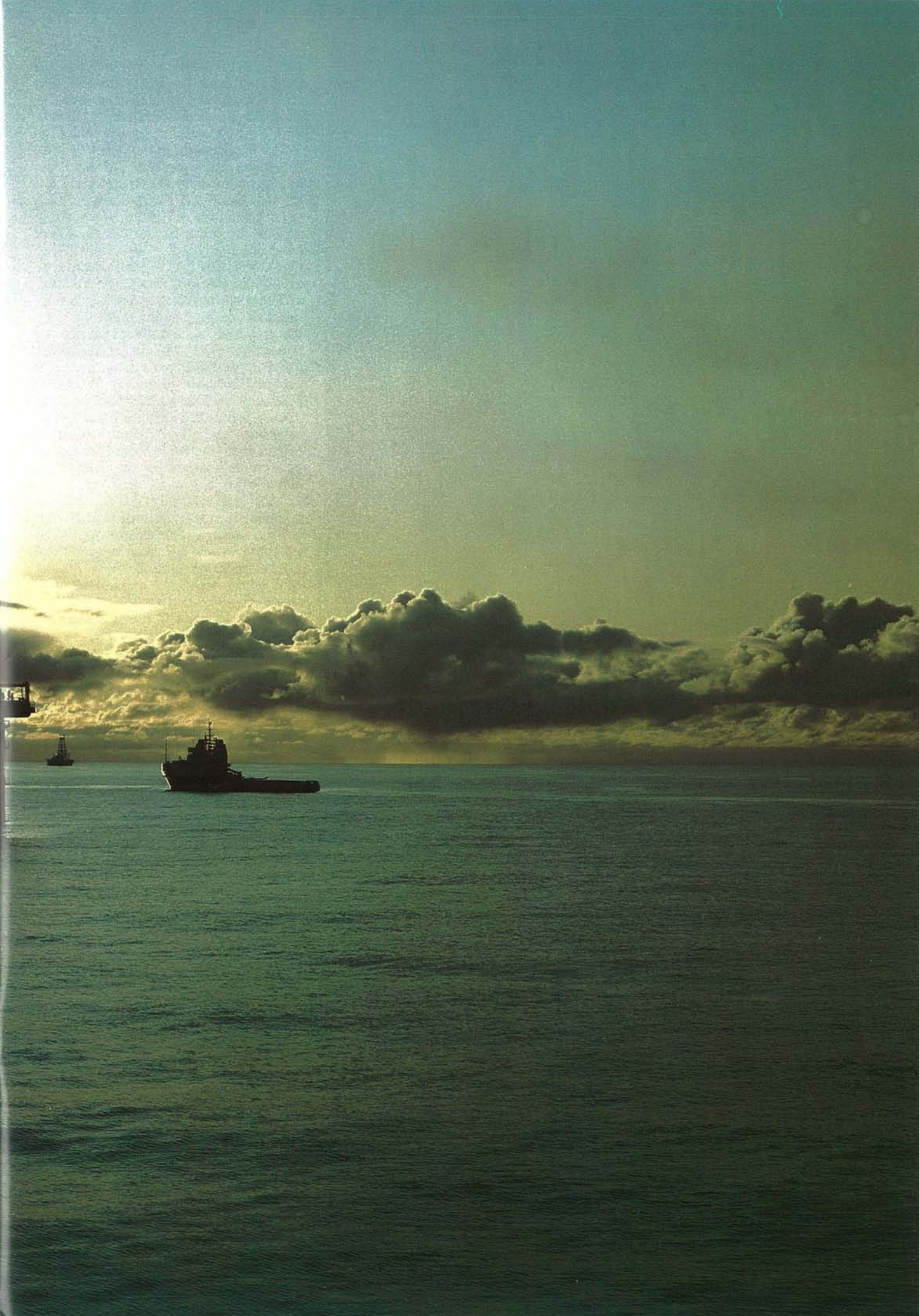
Gullfaks

The Gullfaks development is a major task for Statoil. The company is operator and has an 85 per cent share of the field. The total recoverable reserves are estimated at 210 million tonnes of oil and 29 billion cubic metres of gas.

The construction of Statfjord C is on schedule. Modules are being hoisted onto the deck at Rosenberg Shipyard, Stavanger.

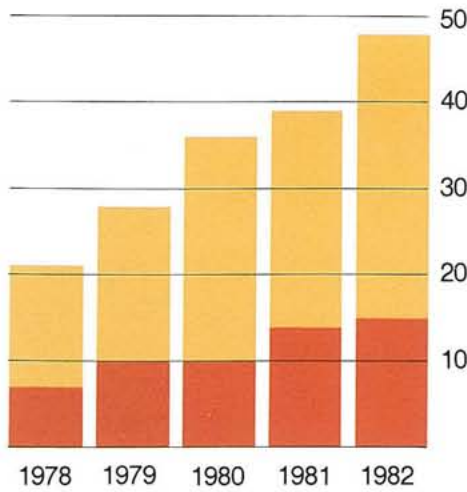
The drilling rig *Neptuno Nordraug* in the Midnight Sun on Tromsøflaket in the summer of 1982.



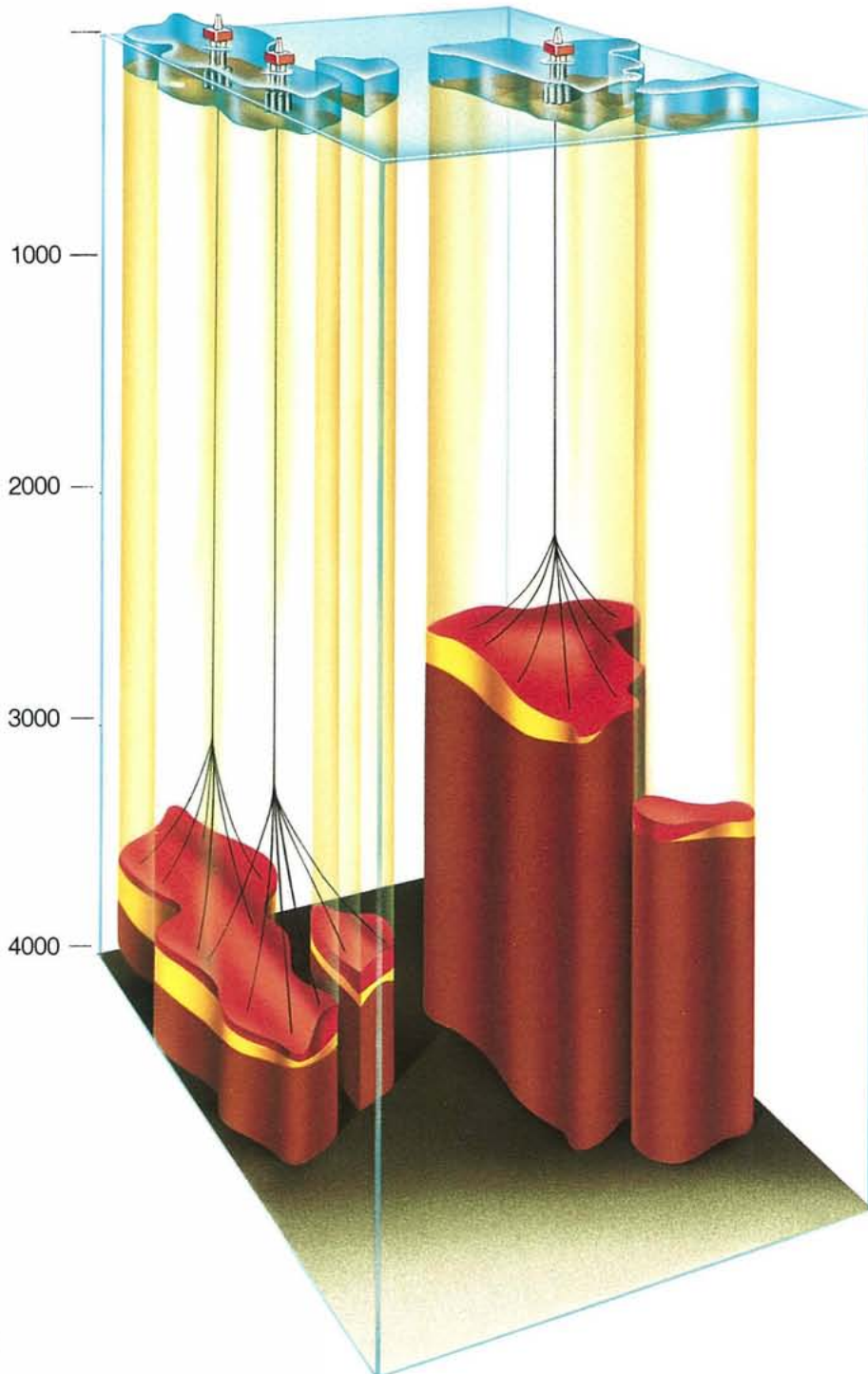


Spudded exploration and delineation wells on the Norwegian continental shelf.

Other companies operator
 Statoil operator



Exploration activity in the Sleipner area has been extensive in 1982. We see an artist's impression of a three-dimensional map over the area. The red part is filled with gas, the yellow with water. The figure is elongated vertically to better illustrate the shape of the structures.



Phase 1 of the field development includes two platforms. The Gullfaks A platform is an integrated drilling, production and quarters platform, which is scheduled to go on stream in 1987. Pre-engineering of the A platform was ready in 1982 and detail engineering of deck and modules was started. Contracts for building of concrete structure, outfitting of shafts as well as building of the quarters area have been signed. The total investment costs for the A platform are estimated at NOK 15.9 billion.

The Gullfaks B platform is an integrated drilling and quarters platform, which is scheduled to go on stream in 1989. The B platform will have a concrete base structure. The preliminary cost estimates for the B platform are NOK 12.1 billion.

Development of Gullfaks is on schedule both as regards time and price. The Gullfaks production company was established in Bergen in July 1982.

Heimdal

The Heimdal development is on schedule, with Elf Aquitaine Norge a.s as operator. Statoil owns 40 per cent of the field. Pre-engineering was ready in 1982 and detail engineering is in progress. All major building contracts are signed.

The dry gas from the Heimdal field has been sold to buyers on the Continent and will be transported through the Statpipe/Norpipe system. Condensate will be sent through the pipeline to the Brae platform in the British sector and from there on through the Brae-Forties system to Cruden Bay in Scotland.

The operator presented a revised cost estimate of NOK 9.2 billion compared to previous estimates of NOK 7.8 billion. The reason for this increase is that a large part of the platform work must be carried out offshore. Production start is scheduled for summer 1986.

Ula

The Ula field, in block 7/12, is located about 65 kilometres north of the Ekofisk area. British Petroleum Development of Norway (BP) is operator, and Statoil owns 12.5 per cent. The estimated recoverable reserves of the field are 21 million tonnes of oil and slightly more than 1 billion cubic metres of gas.

In the autumn of 1982, the operator presented a revised plan for the Ula development with a cost estimate of close to NOK 12 billion. In addition, there are investments in an oil transportation system. Based on the revised development plan, Statoil decided, in December 1982, to participate in the field development.

The field is planned with three steel platforms, one for each of the following three functions: production, drilling and quarters area. The gas will be transported via Cod to Ekofisk and further on through Norpipe's gas pipeline to Emden in West Germany. Oil will be piped via Ekofisk to Teesside.

K/18 - L/16

The K/18 and L/16 blocks are on the Dutch continental shelf. The Norwegian Parliament decided to let Statoil exercise its option to participate in these blocks with a share of 7.5 per cent, which the company did in July 1982.

In December 1982, the Statoil Board of Directors decided to participate in the development of K/18 in accordance with the development plans worked out by the operator, Conoco. These plans include a drilling platform and a production platform, as well as a pipeline to the Helder field. From Helder, the oil will be transported ashore through an existing pipeline. The development costs are estimated at about NOK 1.8 billion. Production start is scheduled autumn 1984.

Exploration for Oil and Gas

In 1982, there have been drilled more exploration and delineation wells on the Norwegian continental shelf than in any previous year. A total of 48 wells were spudded, of which Statoil is operator for 15. To carry out this drilling programme, Statoil used up to five rigs at the same time.

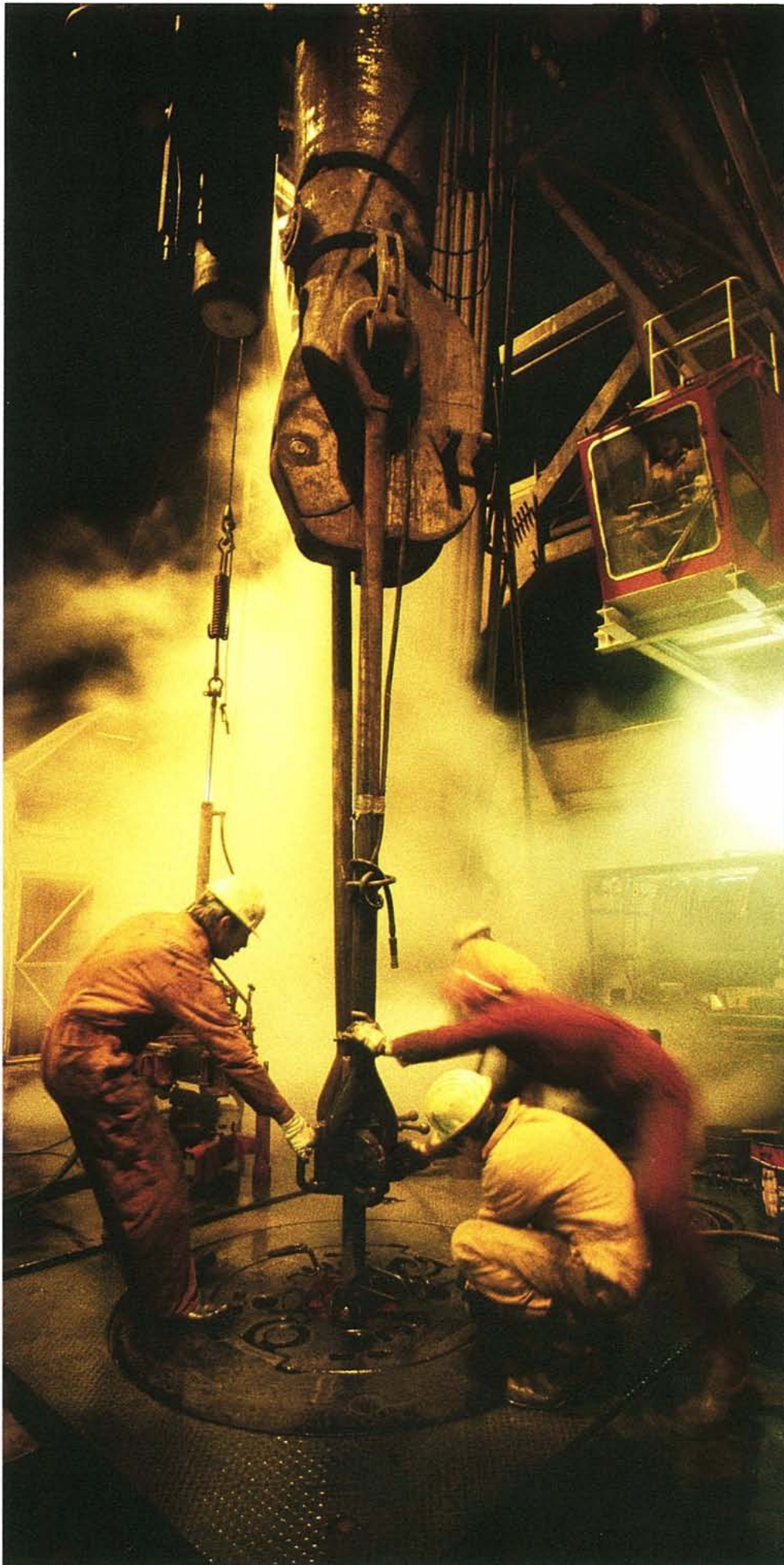
In addition to new discoveries in the Sleipner area and on Tromsøflaket, gas was found in the blocks 30/2 and 30/3.

As part of the fifth round of concessions, six new licences were awarded north of the 62nd parallel in 1982. Statoil became operator for one block on Haltenbanken and one on Tromsøflaket. In the seventh round of concessions, Statoil was given the operatorship for two blocks on Trænabanken. Statoil owns 50 per cent in all these licences.

The seismic surveys were also extensive in 1982. To carry out the planned exploration programme, Statoil has entered into a long-term contract with Geco for chartering of a seismic vessel from March 1982.

The Sleipner Area

Statoil explored the Sleipner area extensively in 1982. Two wells in the eastern structure in block 15/9 have confirmed the interesting discovery made in 1981. One well, drilled in the southwestern part of the block, was dry, while a discovery was made in



The crew on board the *Dyvi Delta* prepare a test on block 30/2.

the southeastern part. The reserves of the last discovery have not yet been decided. Statoil's estimates for recoverable reserves in the Sleipner area are about 170 billion cubic metres of gas and 70 million cubic metres of condensate. Negotiations for the sale of gas are in progress.

Tommeliten

Earlier, gas/condensate has been proven in the two separate structures in Tommeliten, where Statoil is operator. One well was drilled in the northern structure in 1982, and it will probably lead to a readjustment of the reserve basis. Statoil is currently working on field development studies.

Oseberg

On 1 April 1982, Norsk Hydro took over the operatorship for block 30/6 after Statoil had drilled six wells. Later, three more wells have been drilled in Oseberg. A fourth



The activity at the supply bases increases, here at Norbase in Hammerfest.

well, which was dry, was drilled in a separate structure in the block.

Licence 079, which includes the parts of block 30/9 that are part of the Oseberg structure in block 30/6, was in 1982 awarded to Norsk Hydro, Saga Petroleum and Statoil, with Norsk Hydro as operator. Statoil's share of licence 079 is 70 per cent. A five per cent share was retained for a possible new Norwegian company. In 1982, the operator drilled and tested one well in block 30/9. The recoverable reserves of the complete Oseberg field are estimated at 90 million tonnes of oil and 50 billion cubic metres of gas, of which about 30 per cent are found in block 30/9.

Work on the commerciality declaration and the field development plan is in progress.

Troll

At the end of 1982, the operator, A/S Norske Shell, had drilled ten

wells in block 31/2, of which nine were on the Troll field. The total recoverable gas reserves are estimated at about 400 billion cubic metres.

The results from drilling and ongoing field development studies indicate that only oil from the western part of block 31/2 is commercial. Phase 1 of the development will therefore probably be based on a combined gas and oil production from one platform. The operator plans to present a commerciality report in 1983/84.

The Troll field stretches over four blocks, of which only 31/2 has been awarded. The total recoverable reserves may be about 1,600 billion cubic metres of gas. Half of the reserves are probably found in block 31/6. The Government has suggested Statoil as operator for blocks 31/3 and 31/5, and Norsk Hydro as operator for 31/6. For all blocks, the Government suggests an ownership distribution of 85 per cent to Statoil, 9 per cent to Norsk Hydro and 6 per cent to Saga Petroleum. Statoil has underlined to the authorities the particular importance of block 31/6, and said that it would be natural to give Statoil the operatorship of this particular block.

Tromsøflaket

Statoil proved the Askeladden field in block 7120/8 on Tromsøflaket in 1981. During summer 1982, the discovery was confirmed by a new well in the southern part of the structure, at the same time as new discoveries were made in the adjacent blocks 7120/7 and 7120/9. More than 200 billion cubic metres of gas have been proven in the area.

Statoil has initiated studies to find possible technically and economically feasible development alternatives for Askeladden and adjacent fields.

Supply Base Activities

In 1982, Statoil was engaged in supply base activities in Hammerfest, Harstad, Kristiansund, Stavanger and on the island of Sotra. These supply base activities have been increasing.

In connection with the start-up of exploration drilling on Trænabanken in 1983, Statoil has been engaged in supply base projects in Helgeland, in the county of Nordland. Statoil owns 50 per cent in a limited company that will establish a supply base in Sandnessjøen and a helicopter base in Brønnøysund. Statoil has also agreed with the Træna municipality to establish an oil contingency depot.

Together with Norsk Hydro, Statoil has agreed with the Harstad municipality to rent an area of 40 decares (10 acres) to establish a permanent supply base in Harstad.

The Coast Center Base on Sotra will serve as supply base for the Gullfaks development and the fourth phase has been approved for construction. Statoil has appointed Florø as the supply base for bulk supply and pipe storage. In 1982, Statoil decided to participate as shareholder in a base company in Flora municipality.

Transportation

Statpipe

Development of the Statpipe gas transportation system is on schedule. A pipeline for rich gas will be laid from Statfjord to Kårstø, where the wet gas will be separated at a terminal and stored for shipment. Dry gas will be transported through a pipeline to Ekofisk and further on through the Norpipe system to the Continental buyers. Total investment costs in Statpipe are estimated at NOK 20.3 billion. The system will go on stream on 1 January 1986.

Pre-engineering of pipelines and riser platforms was ready in 1982. Detail engineering is now in progress. Deliveries of pipes started in the first half of 1982. In June, coating of concrete started in Esbjerg, Denmark and at Åndalsnes, Norway. The riser platforms are under construction. At the Kalstø landfall on Karmøy, the pipeline will be protected in a concrete tunnel, built in the autumn of 1982.



The Statpipe gas gathering system will tie Statfjord and Gullfaks directly to the Continental buyers via the Norpipe system from Ekofisk to Emden.

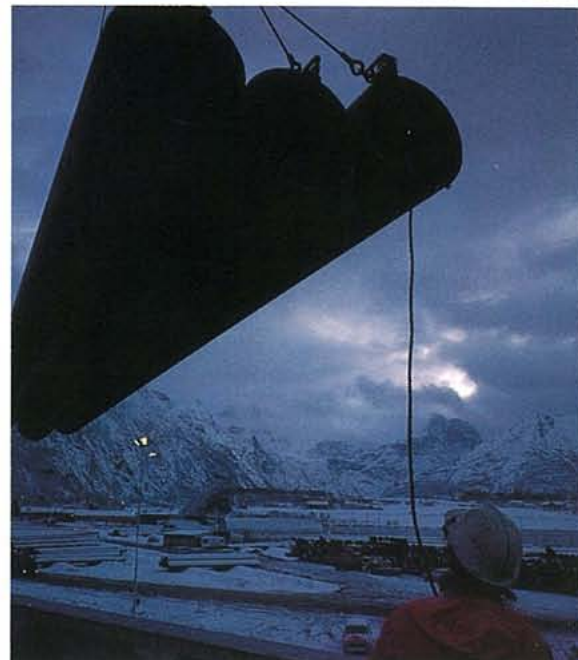
The gas pipeline from Statfjord and Gullfaks comes ashore at Kalstø on Karmøy. A concrete tunnel protects the pipeline against the waves in the hostile seashore area.



Site work at Kårstø is well under way. The area where the terminal will be built has been levelled and the foundation work has started.



Pipe for the Statpipe system is loaded in Japan - and unloaded at Åndalsnes, Norway.



In 1982, work on the onshore pipeline route to Kårstø has been concentrated on the tunnel under the fjords of Karmsundet, Førdesfjorden and Førlandsfjorden. This work is ahead of schedule.

In 1982, sites have been bought at Bygnes on the island of Karmøy for building of a control centre for the platforms and pipeline.

Pre-engineering of the terminal is ready and detail engineering has started. Levelling work on the terminal area at Kårstø is nearly finished. It has been decided not to build an ethane separator at Kårstø for the time being. Instead, ethane will flow with the dry gas to the Continent.

Norpipe

In 1982, Norpipe a.s and Norpipe Petroleum UK Ltd. had a total turnover of about NOK 3,020 million and this gave a profit after taxes of NOK 225 million. Statoil received NOK 137 as a dividend of its 50 per cent share in the two companies.

Operation of the pipeline system was satisfactory. There was a certain decline in transported quantity as a consequence of reduced Ekofisk production. To Teesside 14.8 million tonnes of crude oil were transported, a reduction of 10.8 per cent over 1981. To Emden 13.2 billion cubic metres of gas were transported, which is 1.5 per cent less than in 1981.

Statfjord Transport

In 1982, 106 cargoes of crude oil were transported from the Statfjord field to various ports in Northern Europe. Offshore loading was satisfactory, with a regularity of nearly 100 per cent. Statfjord Transport has four tankers at its disposal and has entered into a long-term charter agreement of one more ship, which is expected to be delivered in the middle of 1983.

Refining and Marketing

Sale of Crude Oil

In 1982, Statoil's total access to crude oil was 7.2 million tonnes. Of this, 2.5 million tonnes were royalty oil bought from the state at market price (norm price).

About 2.4 million tonnes of Statoil's crude oil were delivered through the refinery at Mongstad. The remainder was sold, mainly to customers in Northwestern Europe.

The international market for crude oil was relatively weak in 1982, with a low demand and high supply. The market was kept in a fair balance, mainly by OPEC's production regulation. The weak demand is due to low economic activity, energy conservation, stock decline and transfer

to other sources of energy. Global oil consumption was about four per cent less than in 1981. There is expected to be a decline in the demand for oil in 1983, too.

OPEC introduced a new production regulation in March 1982. Maximum total OPEC production was fixed at a daily average of 17.5 million barrels, which was distributed among the different member countries. Some OPEC countries exceeded their quotas during the year, but Saudi Arabia had a low production to keep OPEC's total production in a fair balance with the demand.

Through the year, OPEC maintained the reference price of USD 34 per barrel for Arabian Light.

At the beginning of 1982, the contract price for North Sea oil was about USD 37 per barrel. During the first half of 1982, the producers reduced their prices by three dollars per barrel to about USD 34 per barrel. This price level was maintained in the third and fourth quarters of 1982.

Due to the increasing dollar exchange rate, the oil price in Norwegian currency rose from NOK 1,626 per tonne in January to NOK 1,854 per tonne in December.

Refining, and Sale of Refined Products

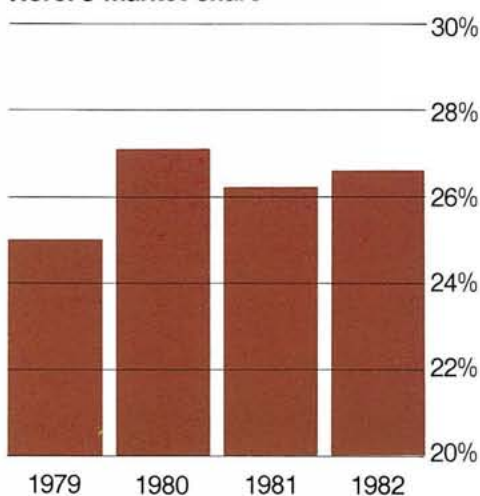
The operation of the Mongstad refinery has been satisfactory with a capacity use of 74 per cent, which ensures a maximum upgrading of heavier products to lighter ones.

To meet the demands of the authority concerning reduced lead content in petrol, the owner companies have started building a facility for production of super petrol with a low lead content. The facility is scheduled to be ready for operation in the autumn 1983, and it is estimated to cost about NOK 120 million.

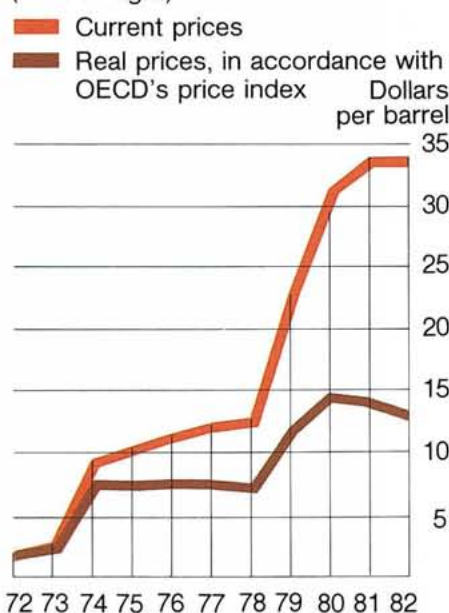
The Statoil Group exported more than one million tonnes of oil products from the Mongstad refinery in 1982. The export includes mainly the products naphtha and gas oils, which were mostly sold on a contract basis to companies in Western Germany, the U.K. and The Netherlands.

The Statoil Board of Directors decided on 16 December 1982 to expand the refinery to 6.5 million tonnes per year and to build a crude oil terminal at Mongstad. The expansion will increase the upgrading capacity of the refinery, which will result in a better exploitation of the low-sulphur North Sea oil. After this expansion, the refinery will be in a strong position from a competitive point of view, compared to other Western European refineries. If the authorities approve the expansion plans in the spring of 1983, the enlarged refinery and the

Norol's market share



Development of crude oil prices (Arabian light)



crude oil terminal will be ready for production in 1988.

Norsk Olje a.s

In Norway, Norsk Olje a.s (Norol), handles all marketing of the consolidated companies' refined products.

Total domestic sale of petroleum products was 6.5 million tonnes. This was an decline over 1981 of about two per cent. Norol's market share for sale of refined products in Norway increased from 26.2 per cent in 1981 to 26.6 per cent in 1982.

Norol's sales amounted to NOK 5,844 million, and a net income of NOK 39 million after taxes. The operating result for 1982 was NOK 395 million. This is a considerable improvement compared to 1981. The result improvement is due partly to inventory profits and partly to regulation of prices to consumers in step with the increase of the dollar exchange rate, while the increase in production cost did not have an effect before two to three months later.

Norol's investments in 1982 were NOK 160 million. They are mainly in new petrol stations and a strengthening of the distribution net work. In addition a marketing test with petrol mixed with methanol was initiated. About 600 people in Tromsø, Stavanger and Hamar take part in the test.

Sale of Gas

In 1982, Statoil sold 515 million cubic metres of gas from the Frigg field to the UK.

The final agreements for sale of gas from Statfjord, Heimdal and Gullfaks were signed with various buyers on the Continent.

The Western European gas industry is now investing considerable sums in a new infrastructure to be able to offer gas to more consumers in the future. Therefore people in Western Europe will increase their use of gas for domestic purposes, where the good quality of the gas can be better exploited.

Statoil's total access to wet gas was about 40,000 tonnes in 1982. The sales value for the wet gas was satisfactory.

Petrochemicals

The marketing conditions for plastic raw material grew worse in 1982 compared to 1981. The market prices are low. Statoil's share of the petrochemical activity at Bamble gave a negative operating result of 12 million in 1982.

The production at Noretyl has been very satisfactory from a technical point of view. At Norpolefin's facilities, considerable improvements in product quality and regularity were achieved compared to 1981.



Top:
The Mongstad refinery, an artist's impression after the expansion suggested by Statoil

Middle:
The Statfjord field in January 1983. *M/T Jarena* the newest Statfjord tanker, at the Statfjord A loading buoy. Behind the buoy we see the Statfjord A platform, and left, at a distance, Statfjord B.

Bottom:
Statoil and Norol have started a marketing test with petrol mixed with methanol. The Norol petrol station at Hinna near Stavanger supplies test cars with the mixture.

The results of the Statoil petrochemical activity is still not satisfactory. It will be necessary to take further steps to improve the profitability.

Other activities

Surveys

Statoil contributed to the work of the Ministry of Petroleum and Energy with an analysis of perspectives for petroleum activities over the next few years. Statoil's analysis is an appendix to Parliamentary Report No. 40 (1982/83). During the year, meetings

Within the 'Northern Norway Programme' Statoil has also carried out studies of transportation alternatives and possibilities for use of gas if it should be landed in Northern Norway.

Transportation of oil and gas in the same pipeline can give increased profitability of field development. Statoil has been working on several projects related to two phase transportation of petroleum. Furthermore, Statoil contributed to the establishment of petroleum technical research centres in Trondheim and Stavanger. These

safety and contingency research were finished in 1982. Statoil was engaged in implementing these programmes.

Organization and Environment

Wage and Labour Relations

The cooperation between the operating companies on the Norwegian continental shelf has been considerably strengthened through the Norwegian Employers' Association for Operating Companies (NOAF). NOAF carried out long negotiations with the

The final agreements for sale of Statfjord gas to Continental buyers were signed in Stavanger in November 1982. Total value of the gas in the Statpipe fields Statfjord, Heimdal and Gullfaks is estimated at almost NOK 150 billion. Klaus Liesen, Chairman of the Ruhrgas AG Board of Directors, (left) and Arve Johnsen, President of Statoil.



were held with the Skånland Committee and the Mellbye Committee, which are preparing reports of the various aspects of the oil business.

Research and Development

Statoil's efforts within petroleum related research and development were kept at a high level of activity.

Statoil has been working on an industrial development programme for deep sea technology, particularly with respect to production equipment for Troll. Special emphasis has been put on developing platform equipment and seabed installations.

In phase I of the programme, nearly 100 Norwegian companies and research institutions have been asked to present suggestions for the project. In the next phase, some of these ideas will be further developed.

centres will be important resources for future petroleum geared research in Norway.

Safety and Quality Assurance

Statoil's work with safety and quality assurance was above all concentrated around the company's drilling activity and Statoil's large development projects, Gullfaks and Statpipe. The company's quality insurance system was used and further developed in connection with the company's large development projects. In all the company's projects a number of quality and safety revisions were carried out.

The company was engaged in projects concerning well control and oil contingency.

The large public programmes for

Operator Employees' Association (OAF) without the parties' reaching an agreement. The matter was decided by the National Arbitration Board in December 1982.

Negotiations about wage regulation with the employee organizations, the Norwegian Society of Chartered Engineers (NIF), the Norwegian Oil and Petrochemical Trade Union (NOPEF), the Norwegian Society of Engineers (NITO), and the Norwegian Office Workers Association (NF), were brought before NAF and the trade unions centrally before the parties reached an agreement.

Employees and Work Environment

At the end of 1982, there was a total of 2,933 employees in the consolidated companies. The number of employees in Statoil was 1,660.

Statoil carried out training within various fields. Furthermore, internal training for managers was developed. Several of the company's female employees get further education with financial support from Statoil.

For training of operating and drilling personnel in managing positions, Statoil has personnel stationed with other oil companies in Norway and abroad. To secure recruitment of qualified operating personnel for the Gullfaks production company, Statoil decided to start a separate training course as a supplement to ordinary training.

The company and Work Environment Committee had many meetings with a number of important matters on the agenda. In particular, the development of the Gullfaks and Statpipe operating organizations should be mentioned.

The Board of Directors wishes to thank all employees for valuable effort and good cooperation in 1982.

Organization and Administration

Statoil's organization chart is shown on page 2.

In accordance with the aims of the authorities to spread oil activities, Statoil has continued decentralizing operative functions. Statoil's production company for Gullfaks is being established in Bergen. The Statpipe operating organization has been set up at Kårstø and on Karmøy. A separate drilling department was established in Harstad in 1982.

After an application from Statoil, the Ministry of Local Government and Labour decided to remove the company's upper limit of employees in Stavanger.

It has been decided to establish a separate subsidiary in the Netherlands to take care of the company's interests in blocks K/18 and L/16.

Economy and Financing

The Accounts for 1982

The Statoil Group's total sales in 1982 were NOK 16,769 million, of which NOK 9,610 million was export. This gives a sales increase of 24 per cent. The growth was mainly due to the increased production from the Statfjord field and the high dollar exchange rate.

The consolidated profit and loss account showed an operating result of NOK 5,747 million. The annual net income after deduction of minority interests was NOK 402 million. The Statoil accounts show an annual net income of NOK 433 million.

The Board of Directors proposes that the net income for 1982 is used in the following manner:

Net income 1982	NOK 433 million
Brought forward from 1981	NOK 19 million
Reserve fund	NOK 452 million
Dividends	NOK 89 million
Carried forward to 1983	NOK 353 million
	NOK 10 million

For 1982, remuneration to the Board of Directors was NOK 166,200, to the Company Assembly NOK 100,785 and salary to the Statoil president was NOK 508,910.

The Statoil Group invested in 1982 NOK 6,123 million, of which Statoil's own investment was NOK 5,928 million. The major part of the investment was made in Statfjord, Statpipe and Gullfaks.

Reference is made to the accounts with comments.

Financing

The currency markets were characterised by a gradually stronger American dollar during the year. The decrease of the interest rate in the USA during the second half year was followed by corresponding interest rate reductions in other important countries. Consequently, the difference of the rate of interest between the dollar and other currencies did not change much during this period. Compared to Norwegian kroner, the dollar increased from about NOK 5.80 at the beginning of the year to about NOK 7.30 in November. At the end of 1982 the exchange rate was about NOK 7.06.

The major part of Statoil's foreign currency debt is in dollar. Repayment of these loans will mainly take place during the period from 1983 to 1989. As a consequence of the increased value of the dollar in 1982, a further NOK 1,076 million was allocated to cover unrealised currency loss on long-term loans.

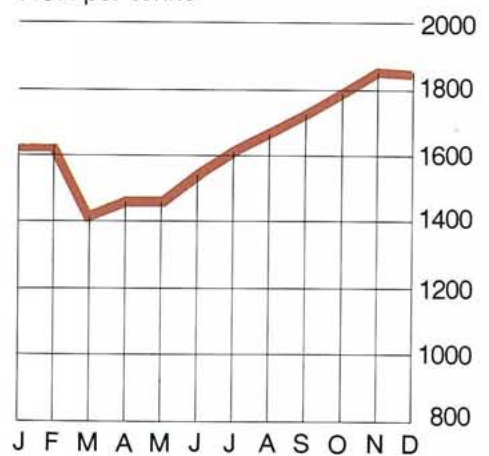
The high rate of the dollar gives increased income in kroner from the sale of petroleum. In total, Statoil benefits from a high dollar exchange rate.

Statoil's interest expenses in 1982 were about NOK 918 million. This gives an average interest rate of about 10 per cent.

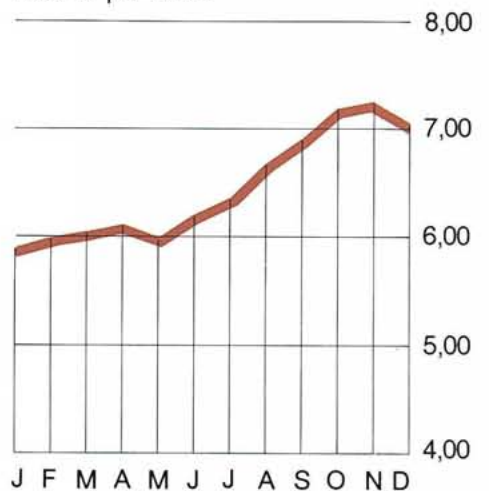
Statoil's total need for capital in 1982 was NOK 4,960 million. Of this, NOK 2,354 million came from internal sources, while NOK 2,606 million was financed by an increase of long-term debt. Loan repayments were NOK 299 million.

As operator, Statoil has carried out comprehensive work in connection with export credit loans to finance foreign deliveries to Statpipe and

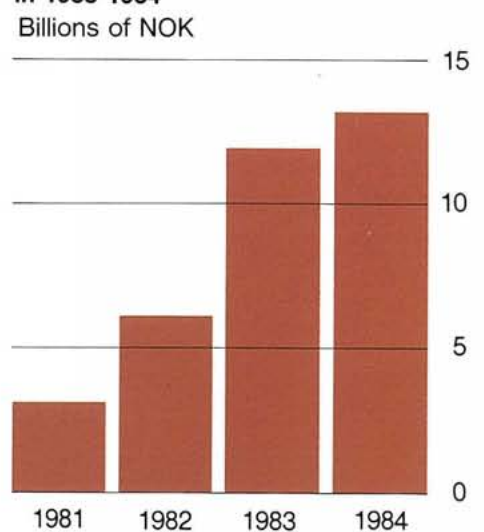
Development of crude oil price in 1982
NOK per tonne



Development of USD in 1982
Kroner per dollar



The consolidated investments in 1981-1982 and estimated investments in 1983-1984



Gullfaks. Furthermore, the company has entered into agreements for export credits for Heimdal and North East Frigg.

In the revised national budget for 1982, the Government gave Statoil the opportunity to borrow NOK 1 billion from Norwegian banks and credit institutions. During the autumn the company used this opportunity. Statoil made a public bond issue of NOK 200 million.

Prospects

The crude oil market is characterised by low demand and high supply. On a short-term basis this may force prices down. The contract price for North Sea oil was reduced by USD 3.50 to USD 30.50 per barrel, effective from 1 February 1983.

However, the American economy shows signs of improvement. A rising business curve may spread to the rest

of the world. In the Board's opinion, the crude oil price will increase on a long-term basis.

The fluctuations of the dollar exchange rate will influence the Statoil financial results. The rate was high in 1982, which gave Statoil increased income.

As a consequence of a certain increase in production, Statoil's Board expects a moderate increase in company income in the years to come. 1983 will be the first complete production year for the Statfjord B platform.

The Group's refining will also give an increasing operating result in the years to come. However, the petrochemical activity will continue to give negative operating results, even though there are some signs of improvement.

Against this background, a moderate increase of net income is expected

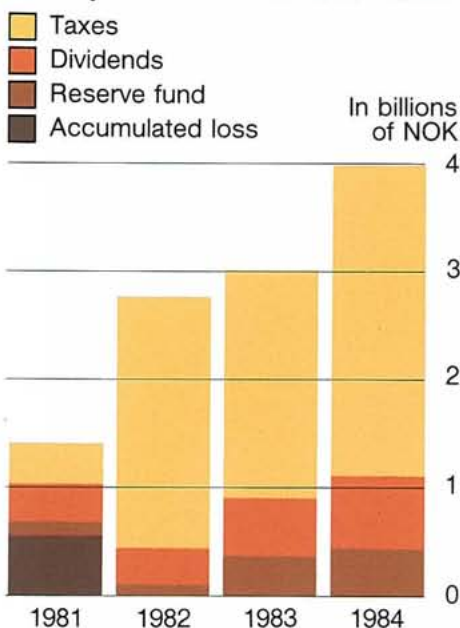
in the years to come. However, the Board would like to underline the uncertainty of the situation.

Gullfaks and Statpipe will continue to be major development projects, but Statfjord and Heimdal will also demand considerable investments. The investments of these four development projects will make up 85 per cent of the Group's total investments in 1983, estimated at NOK 12 billion.

To carry out the investment programme, it will be necessary to arrange new long-term loans of considerable amounts. Financial charges will consequently be a major item in the Statoil accounts.

Projects will give large income, mainly in dollars. Due to the currency risk it will be appropriate for the company to arrange the major part of the loans in the same currency.

The consolidated companies' result before taxes and the distribution optional. Actual result for 1981—1982 and expected result for 1983—1984.



The Statoil Board of Directors in January 1983. Seated, from left to right: Benedicte Berg Schilbred, Finn Lied and Fredrik Thoresen. Behind, from left to right: Thor Andreassen, Finn T. Isaksen, Atle A. Thunes, Erling Haug and Arve Johnsen, President.

Stavanger, 24 February 1983

Finn Lied

Finn Lied
Chairman

F. Thoresen

Fredrik Thoresen
Vice chairman

Benedicte Berg Schilbred

Benedicte Berg Schilbred

Finn T. Isaksen

Finn T. Isaksen

Thor Andreassen

Thor Andreassen

Erling Haug

Erling Haug

Atle A. Thunes

Atle A. Thunes

Profit and loss statement for 1982

Amounts in millions of NOK

	The consolidated companies		Statoil	
	1982	1981	1982	1981
Operating revenue				
Sales (1)	16 769	13 499	14 283	11 547
Other revenues (2)	169	182	43	46
Revenue	<u>16 938</u>	<u>13 681</u>	<u>14 326</u>	<u>11 593</u>
Operating costs				
Direct costs	5 882	4 942	5 035	4 769
Salaries and social costs	617	471	366	250
Other costs (3)	3 984	3 495	2 945	2 305
Depreciation	859	679	707	531
Loss on receivables (4)	21	13	2	
Changes in inventories	— 172	242	— 89	59
Operating costs	<u>11 191</u>	<u>9 842</u>	<u>8 966</u>	<u>7 914</u>
Operating result	<u>5 747</u>	<u>3 839</u>	<u>5 360</u>	<u>3 679</u>
Financial income and financial costs				
Dividends received (5)	139	92	138	92
Interest income and other financial income	434	219	384	181
Interest to consolidated companies			2	3
Interest costs and other financial costs (19)	2 905	2 045	2 658	1 835
Net financial costs	<u>2 332</u>	<u>1 734</u>	<u>2 138</u>	<u>1 565</u>
Result before extraordinary items	<u>3 415</u>	<u>2 105</u>	<u>3 222</u>	<u>2 114</u>
Extraordinary income and costs				
Extraordinary income (6)	19	3	13	1
Extraordinary costs	2	175		165
Net extraordinary items	<u>17</u>	<u>— 172</u>	<u>13</u>	<u>— 164</u>
Result before year end adjustments	<u>3 432</u>	<u>1 933</u>	<u>3 235</u>	<u>1 950</u>
Year end adjustments				
Taxation (7)	2 314	352	2 296	350
Provision for tax depreciation (8)	579	540	513	548
Other year end adjustments (9)	127		— 7	
Total year end adjustments	<u>3 020</u>	<u>892</u>	<u>2 802</u>	<u>898</u>
Net income	<u>412</u>	<u>1 041</u>	<u>433</u>	<u>1 052</u>
Minority interest share (10)	10	22		
Consolidated companies' share (11)	<u>402</u>	<u>1 019</u>		

Consolidated balance sheet as of 31 December 1982

Amounts in millions of NOK

	The consolidated companies		Statoil	
	1982	1981	1982	1981
Assets				
CURRENT ASSETS				
Cash and short-term deposits				
Cash and short-term deposits (12)	383	258	110	41
Short-term receivables				
Shares	4	4		
Accounts receivable	1 616	1 317	981	614
Receivables of subsidiaries			471	452
Other short-term receivables (13)	604	486	559	518
Inventories				
Raw materials	449	138	446	138
Products for sale	830	646	376	281
Total current assets	<u>3 886</u>	<u>2 849</u>	<u>2 943</u>	<u>2 044</u>
INVESTMENT CAPITAL				
Long term receivables and investments				
Shares in subsidiaries (14) (15)			295	295
Shares in other companies (16)	491	488	489	486
Long-term receivables	75	75	40	37
Fixed assets (17)				
Facilities in production	9 741	5 669	8 881	4 738
Construction in progress, etc.	6 842	6 288	6 780	6 269
Ships	77	85		
Furniture, equipment, etc.	127	107	112	98
Real estate	361	317	289	255
Total investment capital	<u>17 714</u>	<u>13 029</u>	<u>16 886</u>	<u>12 178</u>
Total assets	<u>21 600</u>	<u>15 878</u>	<u>19 829</u>	<u>14 222</u>

Stavanger, 24

Finn Lied
Chairman

Fredrik Thoresen
Vice-Chairman

Thor Andreassen

Finn T. Isaksen

	The consolidated companies		Statoil	
	1982	1981	1982	1981
Liabilities and shareholder's equity				
Current liabilities				
Short-term bank credits	60	78		1
Provisions for taxation	465	353	226	121
Interest incurred, not due	168	121	155	111
Suppliers	1 393	995	1 304	906
Debt to subsidiaries			45	29
Calculated taxes	1 187	150	1 169	149
Other short-term debt	2 123	1 644	2 028	1 444
Next year's installment on long-term liabilities	1 026	407	922	303
Total current liabilities	<u>6 422</u>	<u>3 748</u>	<u>5 849</u>	<u>3 064</u>
Long-term debt (18)				
Export credits	661	370	613	362
Bank loans	4 980	3 468	4 327	2 892
Bonds and notes outstanding	2 446	2 222	2 367	2 137
Loans from the Norwegian Government	2 412	2 102	2 331	2 022
Currency risk fund (19)	1 643	504	1 553	477
Other long-term debt (20)	339	274	186	104
Subordinated debt	74	98		
Next year's installment on long-term liabilities	— 1 026	— 407	— 922	— 303
Total long-term debt	<u>11 529</u>	<u>8 631</u>	<u>10 455</u>	<u>7 691</u>
Conditional tax-free allocation				
Stock valuation reserve	79	17	4	11
Regional development fund	26			
Classification fund	10	1		
Consolidation fund	9			
Total conditional tax-free allocations	<u>124</u>	<u>18</u>	<u>4</u>	<u>11</u>
Minority interests	<u>155</u>	<u>145</u>		
Shareholder's equity				
Compulsory shareholder's equity				
Share capital: 29,435,000 shares at NOK 100 each	2 944	2 944	2 944	2 944
Reserve fund	125		125	
Free shareholder's equity				
Brought forward as of 1 January	— 101	— 627	19	— 540
Net income	402	1 019	433	1 052
Total shareholder's equity	<u>3 370</u>	<u>3 336</u>	<u>3 521</u>	<u>3 456</u>
Total liabilities and shareholder's equity	<u>21 600</u>	<u>15 878</u>	<u>19 829</u>	<u>14 222</u>
Contingent liabilities, joint and several liability, etc. (21)	177	175	145	138

February 1983

Benedicte Berg Schilbred

Erling Haug

Atle A. Thunes

Arve Johnsen
President

Comments to financial statement

The consolidated financial statements are founded on the same accounting principles as are applied to the parent company. In addition to Statoil, the consolidated financial statements include Norsk Olje a.s, where Statoil has a 73.62 per cent share, Rafinor A/S & Co., of which the consolidated companies own 164/230.

Accounting principles

The following items are charged to the profit and loss account

- Expenditures concerning licences in the exploration phase.
- Expenditures for research, special studies and development projects.
- Interests and other financial expenditures.

The following items are capitalised and subject to later depreciation

- Expenditures related to commercial fields where Statoil has exercised its option to participate in field development

Depreciation

Ordinary depreciation on offshore facilities is in accordance with the unit of production method. According to this method the annual ordinary depreciation percentage appears as the relation between the annual production amount and the total estimated, recoverable reserves of the field reduced by a safety margin of 15 per cent. Further depreciation, calculated as the difference between the 6 year depreciation according to the Norwegian Petroleum Revenue Tax Act and the unit of production method, is found under year end adjustments in the consolidated profit and loss statement.

Ordinary depreciation of fixed assets onshore are estimated on the basis of their expected life. Any provision for tax depreciation of these assets will be booked under year end adjustments.

Conversion principles for foreign currency

Items in foreign currency are converted into Norwegian kroner(NOK) according to the following principles:

- Revenues and expenditures are converted into Norwegian kroner (NOK) according to the prevailing exchange rate at the time of payment.
- Current assets and current liabilities are converted at the rate of exchange prevailing as of 31 December.
- Fixed assets are entered at the prevailing exchange rate at the time of procurement.
- Long-term debts are converted at the exchange rates prevailing when the loans were drawn. If the debt calculated according to the rates of exchange for all currencies as of 31 December is higher than the comparable booked debt, a provision is made for an amount equal to the difference, and at the same time the amount is expensed as a financial cost. Realised currency losses are charged under financial costs to the extent they are not covered by previous provisions. Currency gains are charged as income only when such gains are realised in connection with payment of debt.

Partnerships and limited partnerships

Statoil's shares in partnerships and limited partnerships are included in the respective items in the statement of profit and loss and in the balance sheet.

In the limited partnerships in which Statoil participates, the partners, according to existing accounting agreements, have the right to audit the operators' accounts within two years after the end of the financial year. Corrections which might be the consequence of such audits will, in Statoil's accounts, lead to changes in a later year.

Inventories

Inventories of crude oil, petroleum products, and equipment are valued at the lower of purchase/production cost or net market price.

Principles used for consolidating companies

- Shares in subsidiaries are eliminated using the past equity method. Possible surplus value which is a result of the elimination is charged to the corresponding assets and is depreciated accordingly.
- Internal current accounts, internal sale, internal gains, and other internal transfers are eliminated in the consolidated balance sheet and the consolidated statement of profit and loss.

Notes to financial statements for 1982

1. Sales are distributed as follows:

Millions of NOK	The consolidated companies		Statoil	
	1982	1981	1982	1981
Norway				
Crude oil and gas	1 808	945	1 808	945
Refined products	4 520	4 485	3 297	3 431
Petrochemical products, etc.	831	574	244	219
Exports				
Crude oil and gas	8 227	5 233	8 227	5 233
Refined products	949	1 891	273	1 348
Petrochemical products, etc.	434	371	434	371
	16 769	13 499	14 283	11 547

2. The item, other revenues, refers to rental income, NOK 142 million and sale of seismic data, NOK 27 million.

3. For Statoil, the item includes royalty to the state in the amount of NOK 1,034 million. For the consolidated companies the item also includes NOK 622 million in petrol tax. Exploration costs of NOK 441 million are part of this item.

4. Amount allocated to cover possible loss on receivables.

5. Statoil's dividends received refers to dividends for the financial year 1981 of NOK 88 million from Norpipe a.s and NOK 33 million from Norpipe Petroleum UK Ltd. In addition, advance dividends of NOK 6 million for 1982 from Norpipe Petroleum UK Ltd. are included. An additional sum of NOK 10 million for tax credit on dividends for the years 1979 - 1982 is included, according to the tax agreement between Norway and the U.K.

6. Extraordinary income applies mainly to settlement after changed cost distribution in the petrochemical industry, as well as compensation for previous volume deficiency of gas.

7. According to the Norwegian Petroleum Tax Act, crude oil is taxed at norm price at the time of production. This results in taxation of unrealised income in periods of inventory build-up. Tax on unrealised income in 1982 amounted to NOK 270 million.

8. Provision for tax depreciation is distributed over the offshore production facilities as follows (in millions of NOK):

Statfjord	447
Murchison	14
Frigg	52
Total Statoil	513
Norsk Olje a.s	66
The consolidated companies	579

See also note 17.

9. Other year end adjustments are distributed as follows:

Millions of NOK	The consolidated companies	Statoil
Changes in inventories	62	-7
Regional development fund	26	
Premium fund	21	
Consolidation fund	9	
Classification fund	9	
	127	-7

10. This item refers to the following minority interest shares:

26.38% of the income of NOK 39.2 million in Norsk Olje a.s	NOK 10.3 million
40.55% of the income of NOK 0.7 million in Rafinor A/S	NOK 0.3 million
	NOK 10.6 million

11. The consolidated profit and loss of 1982 consists of the following:

Millions of NOK	1982	1981
Statoil net income	433	1 052
Norsk Olje a.s net income	39	81
Rafinor A/S net income	1	1
	473	1 134
Increase in unrealised income on inventories	53	86
Depreciation of surplus value in subsidiaries	8	7
	412	1 041
Minority interest share	10	22
Consolidated companies' share	402	1 019

12. Short-term deposits in Norwegian kroner include a total of NOK 17 million of withheld employee income tax, payable to the tax authorities. The comparable amount of the consolidated companies is NOK 28 million.

Statoil's medium of exchange is distributed as follows:

Amounts in millions	Currency	Exchange rate	NOK
Deutsche marks (DEM)	0.7	296.45	2
U.S. dollar (USD)	2.5	7.03	18
Pound sterling (GBP)	0.7	11.39	8
Finnish marks (FIM)	0.7	133.15	1
Danish kroner (DKK)	5.6	83.85	5
Norwegian kroner (NOK)			76
			110

13. Other short-term receivables for Statoil include NOK 15 million in short-term financing related to sale of houses to employees.

14. Shares in subsidiaries consist of the following items:

Amounts in 1000 NOK	Book value	Par value	Number of shares	Ownership interest	Total company share capital
Norsk Olje a.s	291 500	213 500	213 500	73.62%	290 000
Rafinor A/S	3 000	3 000	3 000	30%	10 000
	294 500	216 500			

15. In the consolidated balance sheet, the value added from the purchase of shares in Norsk Olje a.s, totalling NOK 110.8 million, is distributed among the assets it is expected to affect, and it is depreciated accordingly. See principles of consolidation. The value added as of 31 December 1982 is reduced to NOK 69.5 million.

16. The distribution of shares is as follows:

Amounts in 1000	Book value	Par value	Number of shares	Ownership interest	Total company share capital
Norpipe a.s	390 000	390 000	3 390 000	50%	780 000
Coast Center Base A/S	27	27	110	50%	55
Statfjord Transport a.s	420	420	840 932	42.04%	1 000
Vestbase a.s	400	400	400	40%	1 000
Norbase a.s	160	160	160	40%	400
Botneset Industriselskap A/S	3 000	3 000	30	18.5%	16 200
Norpipe Petroleum UK Limited	95 751	£ 6 250	5 250 000	50%	£ 12 500
Norpolefin (UK) Limited	35	£ 3	3 333	33 ⅓%	£ 10
	489 793				

The shares are recorded at cost. The subsidiary Norsk Olje a.s. owns shares in other companies amounting to a total book value of NOK 6 million of which NOK 4 million is included under current assets. The consolidated companies' total booked value of shares amounts to NOK 495 million.

17. Specification of fixed assets:

Millions of NOK	Investment as of 1 Jan. 1982	Additions during the year	Disposed of during the year	Accum. de- preciation as of 31 Dec. 82	Book value as of 31 Dec. 82
Statoil:					
Facilities in production	7 391	5 316		3 826	8 881
Construction in progress etc.	6 269	4 697	4 186		6 780
Furniture, equipment etc.	144	55		87	112
Real estate	268	40		19	289
	14 072	10 108	4 186	3 932	16 062
The consolidated companies					
Facilities in production	9 293	5 418	3	4 967	9 741
Construction in progress, etc.	6 292	4 745	4 186	9	6 842
Ships	127	22		72	77
Furniture, equipment, etc.	213	74	4	156	127
Real estate	335	49	1	22	361
	16 260	10 308	4 194	5 226	17 148

Provision for tax depreciation is NOK 1,820 million of the accumulated depreciation in Statoil. The corresponding figure for the consolidated companies is NOK 1,947.

Investments distributed by year:

Millions of NOK	1978 and before	1979	1980	1981	1982	Total invest- ments as of 31 Dec. 81
Statoil:						
Facilities in production	1 624	4 849	756	260	5 316	12 805
Construction in progress	4 627	— 2 276	1 550	2 404	511	6 816
Furniture, equipment etc.	49	40	23	37	55	204
Real estate	29	5	132	102	40	308
	6 329	2 618	2 461	2 803	5 922	20 133
The consolidated companies:						
	As of 1 Jan. 80					
Facilities in production		8 111	905	374	5 415	14 805
Construction in progress etc.		2 388	1 532	2 408	559	6 887
Ships		105	19	3	22	149
Furniture, equipment etc.		155	25	39	70	289
Real estate		109	125	101	48	383
		10 868	2 606	2 925	6 114	22 513

The consolidated companies were established on 1 January 1980.

The book value of the above mentioned fixed assets is distributed by project as follows:

Millions of NOK	Ownership interest in per cent	Net book value as of 1 Jan. 1982	Additions in 1982	Depre- ciation in 1982	Book value as of 31 Dec. 1982
Statfjord	42.04661	8 156	2 499	822	9 833
Gullfaks	85.000	769	695		1 464
Statpipe	60.000	142	2 084		2 226
Heimdal	40.000	84	257		341
Frigg	3.041	270	60	98	232
Murchison	8.125	389	29	84	334
N/E Frigg	3.000	10	24		34
Ula	12.500	45	4		49
K/18	7.500		33		33
Rafinor	30	351	28	55	324
Noretyl	33	399	9	62	346
Norpolefin	33 ⅓	337	2	47	292
Coast Center Base	50	24	12	2	34
Other	100	384	186	50	520
		11 360	5 922	1 220	16 062

Depreciation is expensed as ordinary depreciation — NOK 707 million, and under year end adjustments — NOK 513, see note 8.

18. The long-term debt of the consolidated companies is distributed by currencies as follows:

Amounts in millions	Currency value	Average rate of exchange	Book value in NOK
Norwegian kroner			4 051
U.S. dollar (USD)	868.6	5.51	4 786
Deutschemark (DEM)	315.6	266.80	843
Swiss franc (CHF)	224.3	305.40	685
Pound sterling (GBP)	17.2	10.581	182
French franc (FRF)	73.0	111.00	81
Japanese yen (JPY)	10 000.0	2.54	254
Danish kroner (DKK)	35.0	84.51	30
Currency risk fund (NOK)			1 642
Next year's installment on long-term liabilities			— 1 026
			11 529

Of the subsidiaries' domestic long-term debt, NOK 43 million is obtained by using as security, vessels with a booked value of NOK 97 million, and NOK 257 million is obtained by using as security installations, real estate, and housing with a booked value of NOK 740 million.

Unused part of long-term loan agreements is about NOK 730 million.

19. In 1982 the Statoil currency risk fund has been increased by NOK 1,076 million to cover the currency loss which would have occurred if the total debt had been repaid at the exchange rates of 31 December 1982. The amount is charged to the profit and loss statement. Corresponding figure for the consolidated companies is NOK 1,139.

20. Other long-term Statoil debts include financing which the partners in the Heimdal field and K/18 have carried for Statoil, and which includes the costs incurred prior to the option being exercised. The debt will be repaid by crediting to the partners future income from sales from the respective fields. If the debt is not repaid by the time the production licence expires, the outstanding debt will be cancelled. Statoil has the option of prepaying the debt. Statoil's share of financing of drilling equipment on the Statfjord platforms is also included.

21. Together with the other partners in I/S Noretyl and I/S Norpolefin, Statoil has a joint and several liability for the debt incurred in the name of the partnerships. This is mainly accounts payable in the amount of about NOK 145 million in addition to Statoil's previously booked share.

The consolidated companies are responsible for guarantees to employees and customers for a total of NOK 32 million.

The consolidated companies have an uncovered obligation for pension in connection with early retirement and a pension age of 65 years for certain groups of employees.

Liability and insurance

In connection with the activities on the continental shelf, including transportation systems, Statoil has, like all other licensees, an unlimited liability for possible claims for damages. The company has taken out insurance for this liability for damages up to a total of approximately NOK 700 million for each incident. Statoil has a principle that it insures company assets at their estimated replacement value. Due to the lack of capacity on the insurance market this could not be done for the Statfjord platforms. However, the insurance sum is higher than the booked value of the platforms.

Charter agreements

Statoil has signed charter agreements for a total of four drilling rigs. Remaining charter periods vary from four to eight years. Furthermore, Statoil has chartered six supply vessels and three standby vessels to service these rigs.

Statoil has a contract for seismic data collection over the five year period 1982-1986.

Statoil leases some of the automated office equipment.

In a partnership, Statoil, together with the other partners, is responsible for agreements signed by the partnership.

Operating result for the consolidated companies, by area and activity:

Amounts in millions of NOK	Operating revenue		Operating costs		Ordinary depreciation		Operating result	
	1982	1981	1982	1981	1982	1981	1982	1981
Statfjord	7 603	5 203	1 606	1 339	374	235	5 623	3 629
Murchison	746	408	108	100	70	39	568	269
Frigg	457	404	68	88	47	64	342	252
Exploration expenses etc., other licences	73	69	1 269	551	44	22	— 1 240	— 504
Production of oil and gas	8 879	6 084	3 051	2 078	535	360	5 293	3 646
Refining and marketing	14 769	11 983	14 067	11 596	214	191	488	196
Petrochemical activities	860	561	763	436	109	128	— 12	— 3
Transportation	1		22		1		— 22	
Internal deliveries	— 7 571	— 4 947	— 7 571	— 4 947				
Total	16 938	13 681	10 332	9 163	859	679	5 747	3 839

Source and application of funds

Amounts in millions of NOK	The consolidated companies		Statoil	
	1982	1981	1982	1981
Source of funds:				
Result before year end adjustments	3 432	1 933	3 235	1 950
Depreciation	859	851	707	696
Currency risk fund	1 139	429	1 076	414
Taxation	— 2 314	— 352	— 2 296	— 350
Dividends paid	— 368		— 368	
Premium fund	— 21			
Total internal financing	2 727	2 861	2 354	2 710
New long-term loans	2 788	416	2 606	341
TOTAL SOURCE OF FUNDS	5 515	3 277	4 960	3 051
Application of funds:				
Investment in fixed assets	6 123	2 946	5 928	2 822
Repayment of long-term loans	410	1 034	299	957
Change in working capital	— 1 018	— 703	— 1 267	— 728
TOTAL APPLICATION OF FUNDS	5 515	3 277	4 960	3 051
Specification of change in working capital:				
Cash and short-term deposits	125	184	69	— 11
Short-term receivables	417	— 49	427	— 24
Inventories	495	— 405	403	— 273
Current liabilities	— 2 055	— 433	— 2 166	— 420
Change in working capital	— 1 018	— 703	— 1 267	— 728

Result analysis for the consolidated companies

	1982	1981	Definition
Net operating margin	34.0%	28.1%	$\frac{\text{Operating result}}{\text{Operating revenue}}$
Gross profit margin	20.2%	15.4%	$\frac{\text{Result before extraordinary items}}{\text{Operating revenue}}$
Total rate of return (before taxes)	33.7%	27.2%	$\frac{\text{Result before extraordinary items plus financial costs}}{\text{Average total capital}}$
Shareholder's equity	32.8%	59.0%	$\frac{\text{Result before extraordinary items less taxes}}{\text{Average shareholder's equity}}$

Value added statement

Amounts in millions of NOK	The consolidated companies	
	1982	1981
Operating revenue	16 938	13 681
÷ purchased goods and services used	8 013	7 343
= gross value added from own activities	8 925	6 338
÷ ordinary depreciation	859	679
= net value added from own activities	8 066	5 659
financial income	573	311
net extraordinary items	17	- 172
= value added for distribution from own activities	8 656	5 798
= total value added for distribution	8 656	5 798

Which is distributed as follows:

Employees

Gross salaries and social benefits	617	7.1%	471	8.1%
(including income tax)	(165)		(127)	

Capital investors

Interest to borrowers	1 766	20.4%	1 616	27.9%
Dividends to the Government	358	4.1%	368	6.4%

State, municipality

Royalties, taxes and petrol tax, etc.	4 016	46.4%	1 701	29.3%
--	-------	-------	-------	-------

The company

Retained for future value added (this year's net income, tax depreciation, currency risk fund and deduction of recommended dividend to the Government)	1 899	22.0%	1 642	28.3%
Total value added for distribution	8 656	100%	5 798	100%

Current cost accounting

At times when there is a strong inflation, traditional accounts with costs based on historical purchase value do not provide satisfactory information about the development of a company's profitability and financial standing. The current cost accounts below are prepared according to the British Statement of Standard Accountintg Practive (SSAP 16).

In hsort, the method measures the costs (cost of goods sold and depreciation) based on replacement value. The resulting corrections are adjusted for financing in foreign currencies because the debt is nominally fixed and independent of inflation.

In the balance sheet, fixed assets and inventories are adjusted to replacement value. These adjustments appear as an individual item - cost reserve - under shareholder's equity in the balance sheet below. The adjustments which are included in the profit and loss statement below, are called realised cost reserves, and the corrections in the balance sheet, unrealised cost reserves.

The table below is based on Statoil's ordinary operating result:

Current cost profit and loss accounts for 1982

Amounts in millions of NOK	1982	1981
Historical cost operating result	5 360	3 679
Current cost adjustments:		
Depreciation (1)	- 340	- 261
Costs of goods (2)	- 55	- 24
Monetary working capital (3)	- 13	- 4
Current cost operating result	4 952	3 390
Net financial costs	2 138	1 565
Gearing adjustment	237	159
Result before extraordinary items	3 051	1 984
Extraordinary items	13	- 164
Taxation	- 2 296	- 350
Movement in deferred taxation (4)	- 165	- 374
Current cost net income attributable to the shareholder (5)	603	1 096

Current cost balance sheet as of 31 December 1982

Assets:	1982	1981
Cash and short-term deposits	110	41
Short-term receivables	2011	1 584
Inventories (2)	824	445
Long-term receivables	824	818
Fixed assets (1)	24 652	16 723
Total assets	28 421	19 611
Liabilities and shareholder's equity:		
Current liabilities	5 849	3 064
Long-term debt	10 455	7 691
Deferred taxation (4)	1 180	1 015
Shareholder's equity as of 1 Jan.	3 427	2 331
Net income	603	1 096
Dividends paid	— 368	3 427
Cost reserve (6)	7 275	4 414
Total liability and shareholder's equity	28 421	19 611

Notes:

1. The calculation of replacement cost of fixed assets is based on price indexes for offshore and onshore installations. Indexes are based on relevant price indexes for groups of investments in the national financial statement.
2. The cost of goods for certain product groups is adjusted to the replacement value at the time of sale.
3. The monetary working capital adjustment (customer claims - supplier debt) are linked to the prices of the product groups.
4. Realisation of fixed assets at values recorded in the current cost balance sheet would have resulted in a tax responsibility of about NOK 1,547 million per 31 December 1982. The responsibility occurs as a consequence of provisional tax depreciation booked in the company's financial accounts.
5. Corresponds to net income sufficient to maintain the company's funds in real terms.
6. Specification of cost reserve:

Unrealised:	1982	1981
Revaluation of fixed assets	6 770	4 056
Revaluation for stocks	2	26
Realised:		
Depreciation adjustments	861	521
Cost of sales adjustments	119	64
Monetary working capital adjustment	— 6	— 19
External financing	— 471	— 234
	7 275	4 414

Auditor's Report for 1982

to the Shareholder of Statoil,
Den norske stats oljeselskap a.s.

We have audited the accounts for 1982 according to generally accepted auditing standards. We have also audited the accounts for the consolidated companies for 1982. The annual financial statements for the company and the consolidated companies are in compliance with the Companies Act, and in our opinion present the result of the year and the financial position of the company and the consolidated companies on the basis of generally accepted accounting principles. The Board's proposal for application of the company's net income complies with the Companies Act. The statement of profit and loss and the balance sheet submitted for the company and for the consolidated companies may be adopted as the accounts of Statoil and the Statoil Group for 1982.

Stavanger, 28 February 1983
Endresen, Klette & Co.
State Authorised Accountants

Karl-Johan Endresen
Karl-Johan Endresen

Ole M. Klette
Ole M. Klette

Recommendation from the Company Assembly

to the General Meeting regarding the annual report
and accounts for 1982.

At the meeting on 4 March 1983 the Statoil Company Assembly discussed the annual report and accounts for 1982 of the Board of Directors for Den norske stats oljeselskap and for the Statoil Group. The Company Assembly recommends that the General Meeting approve the annual report submitted, and establish the accounts in accordance with the draft made by the Board of Directors. The Company Assembly approved the recommendation of the Board of Directors that the 1982 net income be used in the following manner:

Net income 1982	NOK 433 million
Brought forward from 1981	NOK 19 million
	NOK 452 million
Reserve fund	NOK 89 million
Dividends	NOK 353 million
Carried forward to 1983	NOK 10 million

Oslo, 4 March 1983

Egil Aarvik
Egil Aarvik
Chairman, Company Assembly



ANNO ELIZABETHAE R XIII CON

VICTORIA

TO THE
IMMORTAL HONOUR
OF THE OFFICERS
NON-COMMISSIONED
OFFICERS AND MEN
OF LONDON
WHO SERVED THEIR
KING AND EMPIRE
IN THE GREAT WAR
1914-1919
THIS MEMORIAL IS
DEDICATED IN PROUD &
GRATEFUL RECOGNITION
BY THE CITY AND
COUNTY OF LONDON
THEIR NAME LIVETH
FOR EVERMORE

UNVEILED ON
19TH FEBRUARY
1920
BY THE
DUCKE OF
KENT



People working with the Gullfaks A insurance gathered in front of the previous grain exchange in London, with the slip signed by all the insurers. From left to right: Gunnar Sletvold, Assistant Insurance Manager of Statoil, John C. Wallace, Director of the brokers Sedgwick Offshore Resources Ltd, London, Gunnar Høye, Senior Vice President of the Storebrand-Norden Group, Leo R. Whalen, Senior Vice President of the brokers Marsh & McLennan Inc, New York, and Thor Inge Willumsen, Treasurer of Statoil.

Insurance of Offshore Installations and Onshore Facilities

Statoil has a complex network of insurance agreements

Statoil's share in several of the largest and most expensive installations in the North Sea may cause the company considerable economic losses in case of serious damages. Comprehensive insurances are necessary in order to cover such losses. Statfjord A and B are insured for more than NOK 12 billion each and they are considered the world's largest single risks within the insurance world. Statoil owns 42 per cent of Statfjord, 85 per cent of Gullfaks and 60 per cent of Statpipe.

For many years to come, Statoil's risk exposure will be spread over a relatively small number of installations. The company has therefore a particular requirement of buying risk relief through insurance. The extent of the risk exposure is reflected in the large annual insurance premiums. In 1982 Statoil paid some NOK 70 million in premiums for each of the two first Statfjord platforms. Operational insurance for three Statfjord platforms and Gullfaks A will in 1987 amount to a total of NOK 360 million in premiums, based on the present coverage and premium level. Statoil's total annual premiums may increase to NOK 500-600 million during the next five years.

Insurance coverage for North Sea installations involves a complicated network of agreements between insurers and reinsurers. It is difficult to say exactly how many underwriters are involved or how the risk is spread. The system of risk sharing makes it possible that even large damages may be reduced to manageable sizes for the individual insurer.

In 1982, Statoil's Department of Finance and Insurance has been concentrating on the two development tasks which the company is operator for: the oil and gas field Gullfaks and the gas gathering system Statpipe. Construction insurances were negotiated in 1982 for both Gullfaks A and the Statpipe system, including the two riser platforms and the Kårstø gas terminal. These agreements represent a total of nearly NOK 500 million in premiums during the construction periods, which will be finished in 1986/87.

Insurance in the Construction Phase

In the case of major construction projects a large number of contractors will be involved at the same time. Each of these is normally responsible for unforeseen losses or damages in the course of their work. The responsibility is more complicated if one contractor causes damage on work carried out by another contractor, or work which has already been taken over by the builder. If each individual contractor should insure his liability, this might lead to complicated and time-consuming lines of argument or recourse claims if loss or damages should occur. Furthermore, this arrangement would in all probability lead to an increase in the total insurance costs. The contractor would have to cover these costs in the price of the individual contract and the total cost of the project would thus increase.

Owing to these conditions, it is usual that the builder insures the whole project from commencement of the work until the facility is ready for use. All contractors are included in the insurance in the same way as if they had taken out a separate insurance. This kind of project insurance is often called a 'Construction All Risks' (CAR) insurance. Besides covering any physical damage on the insured object, including materials and equipment, the insurance also covers liability vis-a-vis third parties, cleaning up and removal of debris. The project CAR insurance has thus a very wide scope of coverage.

Organizing

Each joint venture on the Norwegian continental shelf has as the highest decision making authority, a management committee, which decides the insurance coverage for a development project. The management committee appoints various subcommittees to give advice in professional matters, such as insurance. The committees have regular discussions where they give their opinion as to the operator's various propositions.

The daily tasks of a joint venture are carried out by the operator. An important part of the operator's insurance work consists of composing a full technical and economic documentation concerning the planned construction. This can often be time-consuming, particularly before the many technical solutions have been finally decided.

It is especially important that the documentation for the insurance market contains information as to what values will be at risk on each building site and for what periods.

Gullfaks A

Measured in Norwegian currency, the insurance capacity of the world market for oil risks has increased considerably during the later years. This increase is mainly due to the strong increase of the American dollar compared to Norwegian kroner. A considerable part of the venture capital involved in insurance of oil installations is in dollars. When the Gullfaks A project insurance became effective on 1 February 1983, the total worldwide capacity was about NOK 12.5 billion.

The London market, principally represented by Lloyd's, controls 60-70 per cent of the world's capacity for oil insurance. Lloyd's is not an insurance company, but an association where individual underwriters have joined in groups or syndicates. The syndicates carry risk in the same way as an ordinary insurance company. The capacity of Lloyd's is only available through a separate system of insurance brokers in London. Direct contact between Lloyd's and the insured is not permitted. The available capacity is led by

a handful of experienced underwriters, called leaders who must all support a proposition from the broker in order to make the rest of the market underwrite the coverage. For Gullfaks A, the insurance could thus not be presented to the market through different, competing London brokers.

Dependency on the London insurance capacity excluded also competition between the different insurance markets. Statoil, as operator, proposed therefore that an expert group be asked to work out a proposition for insurance coverage of the platform.

Based on reasons of capacity, a London broker participated. It was also desirable to include a representative from the American market.

Insurances for North Sea installations give the Norwegian insurance companies a possibility to develop expertise within oil insurance. It was therefore natural that Den Norske Oljeforsikringsring was asked to participate in the bid group. Oljeforsikringsringen is an association of Norwegian casualty insurance companies.

The bid group presented its final proposal to the Gullfaks insurance committee in January 1983. Earlier, the operator had participated at several of the group's meetings. This gave an opportunity to present the viewpoints of the insured concerning risk assessment and premium structure before the premiums were finally settled by the market.

On the basis of the insurance committee's recommendation the management committee decided their final insurance cover for Gullfaks A. The insurance was thus effective when the construction work started in February 1983. The sum insured was fixed at NOK 10.45 billion, a sum sufficient to cover the construction work before the mating of deck and concrete gravity base structure in 1986.

Based on the licensees' experience from other North Sea projects, the chosen procedure has proved to be satisfactory. Earlier the insurance market charged higher premiums for concrete platforms than for steel platforms. This was mainly due to lack of experience and knowledge about concrete structures, whereas steel platforms had been insured for several years. However, the claims record for concrete platforms has been so good that the premiums today have reached nearly the same level as for steel constructions.

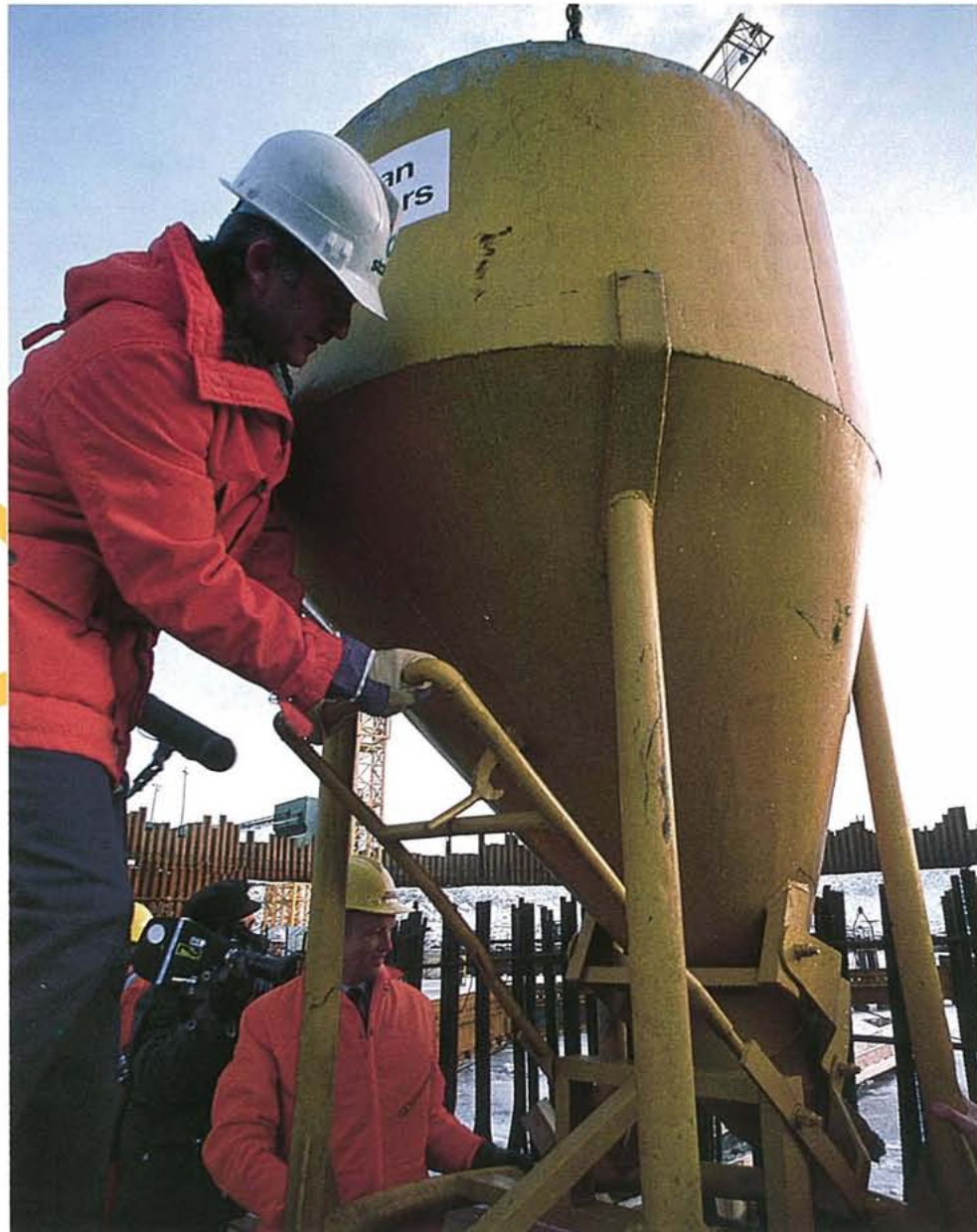
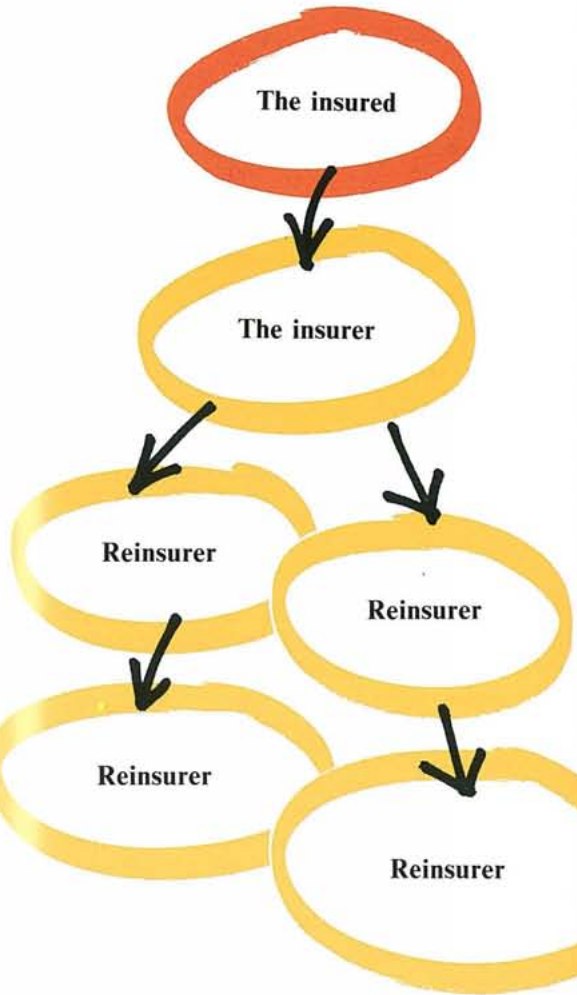
As mentioned earlier, the project insurance for Gullfaks A includes, in addition to the licensees, all contractors, no matter where in the world the work is performed. When the builder is responsible for the insurance, the contractors will often consider it necessary to have a closer knowledge of the insurance terms before they submit tenders. To meet this wish, the wording of the policy was negotiated with the London market for more than a year before the coverage became effective. With London's dominating position, its approval was sufficient also for the other markets. For the first time in connection with a project on the Norwegian continental shelf, the conditions of insurance are included in each individual construction contract.

Statpipe Pipeline

Even if the budgeted total costs of Gullfaks A and Statpipe's pipeline and riser platforms are of the same size, insuring the two projects presented quite a different set of problems.

Gullfaks A consists of one large platform. The entire value will be gathered in one structure from the mating of deck and concrete structure to the platform is commissioned. During this period, the insurers are exposed to very large sums, for instance if a total loss

Insurance of the Kårstø gas terminal is the biggest non-marine insurance covered by Norwegian insurance companies. This is a model of the terminal at Linde AG in Munich, from left to right: Håkon Ørn, Senior Engineer Statoil, Ole Haaland, Senior Engineer Forsikringsaktieselskapet Vesta, Fredrik Gjertsen, Staff Engineer Norges Brannkasse, Thor Vesselun, Vice President of Storebrand-Norden, Per Aasbø, Staff Engineer Statoil, and Fredrik Berger, Senior Engineer Statoil.



Marine and non-marine insurance of oil installations is a complicated net of agreements between the insured, the insurer and a number of reinsurers.

Arve Johnsen, President of Statoil, lays down the foundation stone of the Gullfaks A platform in Hinnavågen near Stavanger in February 1983. Next to him is Sigmund Brusletto, Director of Norwegian Contractors. Gullfaks A is insured for NOK 10.45 billion during the construction period.

should take place during tow-out to the field.

As regards the offshore part of Statpipe, which consists of two relatively simple steel platforms and 840 kilometres of offshore pipeline, the insurers disregard the risk of total loss of the pipeline. Therefore pipelines are traditionally insured only for a sum corresponding to the maximum possible damage, for instance NOK 50-100 million per damage. In Statpipe it is the riser platforms at about NOK 1 billion each which represent the largest individual values.

This means that several insurance markets were considered for this project. The operator's work was roughly comparable with what has been described for Gullfaks A, except for the fact that the different markets were asked to submit their offers in competition with each other. The order for cover was finally given to an American broker who offered the lowest total premium. The insurance became effective on 1 February 1983.

The Kårstø Terminal

The insurance market is organized in a manner which does not permit non-marine facilities to be covered together with marine installations. The reason is that the different insurers have specialised within insurance and do not want to mix up their risk portfolios. The Kårstø terminal therefore had to be insured under an individual insurance separate from those of pipelines and platforms.

Norwegian insurance regulations are more restrictive concerning non-marine insurance than marine and petroleum insurance. Thus, it poses more practical problems to insure abroad for non-marine facilities. The operator's task was therefore to create real competition and at the same time try to place the policy in Norway. The insurance sum excludes usual competition between the Norwegian insurance companies. The problem was solved in the following manner:

Two major brokers, one English and one American, were asked to evaluate what they considered to be the lowest obtainable market premium. The offer should be given based on a policy text which was developed beforehand in cooperation between Den Norske Oljeforsikringsring and Statoil. The two brokers were told that Oljeforsikringsringen would be offered the insurance at the lowest premium. If Oljeforsikringsringen did not find the premium conditions satisfactory, the broker with the lowest bid would get the order. The Norwegian insurance companies accepted the lowest premium offer that was presented.

Insurance of the Kårstø terminal is the largest on-shore insurance covered by Norwegian insurance companies. The sum insured is NOK 5.6 billion.

Self Insurance

The major part of the premiums for oil insurance end up abroad, either as direct payment to foreign underwriters or as reinsurance from the Norwegian insurance companies. Den Norske Oljeforsikringsring covers eight to ten per cent of the worldwide capacity for oil insurance. But more than 90 per cent of this is reinsured with foreign underwriters.

Statoil is concerned with keeping the biggest possible part of the insurance premiums in Norway. For business reasons there are, however, limits as to how big chances the Norwegian insurance companies can take on a limited number of major risks. The other Norwegian oil companies' need for reduction of their risk exposure is also a limiting factor.

Statoil has found that the most practical way of re-

ducing the growth in company premiums is to increase the degree of self insurance for offshore installations. The simplest form of self insurance would be if Statoil allocated a fund in its accounts to meet possible loss or damages. Regulations in Norwegian insurance and tax laws demand, however, that such allocation must take place in a separate self insurance fund. If the authorities approve the plans, Statoil aims at establishing such a fund as soon as possible, where a minor sum is allocated each year for each risk as an insurance premium. The ability of the fund to carry a risk will have to be limited at the beginning, but Statoil evaluates the possibility as good for increasing the fund and so the degree of self insurance over time.

Den Norske Oljeforsikringsring:
Gjensidige Norsk Skadeforsikring
Norges Brannkasse
Polaris Assuranse A/S
Samvirke Skadeforsikring A/S
A/S Storebrand - Norden Skadeforsikring
Forsikringsaktieselskapet Vesta

Articles of Association

Art. 1

The corporate purpose of Den norske stats oljeselskap a.s is either by itself, or in participation or cooperation with other companies, to carry out exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products, as well as other activities reasonably related thereto.

Art. 2

The registered seat of the Company is in Stavanger.

Art. 3

The share capital of the Company is NOK 2 943 500 000 divided into 29 435 000 shares of NOK 100 each.

Art. 4

The Board of Directors of the company shall be composed of seven directors. Five of the directors, including chairman and vice-chairman, are elected by the General Meeting. Two of the directors are elected by and among the employees in accordance with regulations made under provisions of the Companies Act concerning the rights of employees to be represented on the board of directors and in the company assembly of companies limited by shares.

Four alternate directors shall be elected in respect of the two directors elected by and among the employees, and these alternates shall be summoned in the order in which they are elected. Two alternate directors shall be elected in respect of the other directors, one first alternate and one second alternate. The normal term of office for the directors is two years.

Art. 5

Any two directors jointly may sign for the Company. The Board may grant power of procuracy.

Art. 6

The Board shall appoint the Company's President and stipulate his salary.

Art. 7

The company shall have a Company Assembly consisting of 12 members. Members and alternates shall be

elected for two years at a time. The General Meeting shall elect eight members and three alternate members for these eight. Four members and alternates for these four are to be elected by and among the employees of the Company in accordance with regulations made under provisions of the Companies Act concerning the rights of employees to be represented on the board of directors and in the company assembly of companies limited by shares.

The Company Assemble elects a chairman and a vice-chairman from among its members.

The Company Assembly shall hold at least two meetings annually.

Art. 8

The ordinary General Meeting shall be held each year before the end of June. General Meetings are held in Stavanger or in Oslo. Extraordinary General Meetings shall be summoned whenever so demanded by the Shareholder, the Board, or two members of the Company Assembly.

Art. 9

The ordinary General Meeting shall deal with and decide the following matters:

- a) Adoption of the statement of profit and loss and the balance sheet.
- b) Application of the annual profit or coverage of loss as shown in the adopted balance sheet, and the declaration of dividends.
- c) Adoption of the consolidated statement of profit and loss and the consolidated balance sheet.
- d) Any other matters which are referred to the General Meeting by statute or the Articles of Association.

Art. 10

The Board shall submit to the General Meeting, ordinary or extraordinary, all matters which are presumed to involve significant political questions or questions of principle and/or which may have important effects on the nation and its economy.

Such matters shall be deemed to include, inter alia:

- a) Plans for the next following year with economic surveys, including plans to cooperate with other companies.
- b) Essential changes of such plans as mentioned in a) above.
- c) Plans for future activities, including participation in activities of major importance in other companies or joint ventures in which the Company participates or plans to participate.
- d) Matters which seem to necessitate additional appropriation of Government funds.
- e) Plans for establishing new types of activity and localization of important elements of the Company's operations.
- f) Plans to participate in the exploitation of petroleum reserves in or outside Norway, including the exercise of state participation option rights.
- g) Semi-annual reports on the Company's activities, including activities of subsidiaries and important joint ventures with other companies.

Matters which the Board submits to the General Meeting pursuant to this Article and, if possible, matters which the Ministry has announced that it wishes to consider at such a General Meeting, shall, if possible, be presented in writing and delivered to the Ministry in good time prior to the General Meeting.

If there has been no opportunity to submit the above-mentioned matters in advance to the General Meeting, the General Meeting shall promptly be notified of the Board's resolution.

Whenever possible, matters as mentioned in a) and g) above should be submitted to the Company Assembly for comments.

The General Meeting decides whether to take note of the Board's proposals under this Article, to approve them or to alter them.

Art. 11

The provisions of the Companies Act shall be supplementary to these Articles of Association.

Wells drilled on the Norwegian shelf in 1982

Exploration and delineation wells

Operator	Block	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.
OPERATED BY STATOIL					
	1/9		1/9-6 Sedco 703		
	8/3				8/3-2 West Vanguard
	15/9	15/9-12 N. Nordraug	15/9-13 Ross Rig	15/9-15 Ross Rig	15/9-17 West Vanguard
	24/12	24/12-2 Dyvi Delta	15/9-12 Deepsea Saga	15/9-14 Deepsea Saga	15/9-16 Deepsea Saga
	30/2		30/2-1 Dyvi Delta		
	30/3	30/3-1 Dyvi Delta			
	30/6	30/6-6 Deepsea Saga			
	34/10	34/10-13 D.S. Saga	34/10-14 Ross Rig		34/10-15 N. Nordraug
	6407/1				6407/1-1 D. Delta
	7120/7			7120/7-1 N. Nordraug	6407/1-2 Dyvi Delta
	7120/8		7120/8-2 Neptuno Nordraug		
PARTNER OPERATED LICENCES					
Norsk Hydro	7/11	7/11-5 Treasure Seeker		7/11-6 Treasure Seeker	
	15/2	15/2-1 Nortrym			
	30/6		30/6-7 Nortrym	30/6-9 Nortrym	30/6-11 NT.
	30/7	30/7-8 T. Seeker		30/6-8 Treasure Seeker	30/6-10 Treasure Scout
	30/9				30/9-1 Treasure Seeker
	31/4	31/4-6 Nortrym			
	7117/9		7117/9-1 Treasure Scout	7120/9-1 Treasure Scout	
Saga	2/2		2/2-1 Dyvi Alpha	2/2-2 Dyvi Alpha	
	34/4	34/4-3 Dyvi Alpha		34/4-4 Dyvi Alpha	
	35/3	35/3-5 West Venture			
	6407/2			6407/2-1 West Venture	
	6507/11		6507/11-2 West Venture		
Amoco	2/11	2/11-7 Sedco 703			
BP	2/1		2/1-4 Aladdin		2/1-5 Sedco 707
	29/6	29/6-1 Sedco 707			
	6507/10			6507/10-1 Sedco 707	
Elf	1/3			1/3-3 Borgsten Dolphin	
	2/6				2/6-3 Byford Dolphin
	15/3	15/3-4 Borgsten Dolphin			
	25/2		25/2-7 Borgsten Dolphin		
Esso	15/6		15/6-6 Glomar Biscay II		
	16/7	16/7-2 Glomar Biscay II		16/7-3 Glomar Biscay II	16/7-4 Glomar Biscay II
Gulf	35/8	35/8-2 Sedco 704			
Shell	31/2		31/2-7 Borgny Dolphin	31/2-8 Borgny Dolphin	31/2-9 Borgny Dolphin
				31/2-10 Borgny Dolphin	31/2-4 Borgny Dolphin
WELLS IN WHICH STATOIL HAS NOT PARTICIPATED					
Esso	16/1			16/1-3 Glomar Biscay II	
Shell	30/11				30/11-3 Borgny Dolphin
Phillips	7/11				7/11-7 No 46

D.Delta = Dyvi Delta NT. = Nortrym T. Seeker = Treasure Seeker N. Nordraug = Neptuno Nordraug

Survey of activities for the consolidated companies

Activity	Company/licence	Operator	Location	The consolidated companies' share	Type of activity
Exploration	Prod. licence 038	Statoil	Block 15/12	50%	Exploration
	Prod. licence 044	Statoil	Block 1/9	50%	Evaluation
	Prod. licence 046	Statoil	Blocks 15/8, 15/9	50%	Evaluation
	Prod. licence 051	Statoil	Block 30/2	50%	Exploration
	Prod. licence 052	Statoil	Block 30/3	50%	Exploration
	Prod. licence 060	Statoil	Block 7119/12	50%	Exploration
	Prod. licence 064	Statoil	Block 7120/8	50%	Exploration
	Prod. licence 071	Statoil	Block 8/3	50%	Exploration
	Prod. licence 073	Statoil	Block 6407/1	50%	Exploration
	Prod. licence 077	Statoil	Block 7120/7	50%	Exploration
	Prod. licence 080	Statoil	Block 6609/5	50%	Exploration
	Prod. licence 084	Statoil	Block 6610/7	50%	Exploration

Activity	Field/licence	Operator	Location	The consolidated companies' share	Type of activity	
Production	Statfjord	Prod. lic. 037	Mobil	Blocks 33/9 and 33/12	50%	Oil production
	Murchison	Prod. lic. 037	Conoco	Block 33/9	50%	Oil production
	Frigg	Prod. lic. 024	Elf	Block 25/1	5%	Gas production

Activity	Field/licence	Operator	Location	The consolidated companies' share	Type of discovery	
Development	N E Frigg	Prod. lic. 024	Elf	Block 25/1	5%	Gas
	Gullfaks	Prod. lic. 050	Statoil	Block 34/10	85%	Oil/gas
	Ula	Prod. lic. 019	BP	Block 7/12	12.5%	Oil/gas
	Heimdal	Prod. lic. 036	Elf	Block 25/4	40%	Gas
	K/18 — L/16		Conoco	Dutch cont. shelf	7.5%	Oil

Activity	Company	Operator	Location	The consolidated companies' share	Type of activity
Transportation	I/S Statpipe	Statoil	Kårstø	60%	Gas transportation
	Norpipe a.s	Separate adm.	Stavanger	50%	Oil and gas transp.
	Norpipe Petroleum UK Ltd	Separate adm.	Teesside	50%	Oil terminal
	K/S Statfjord Transport a.s & Co.	Statoil	Stavanger	42.04661%	Transp. of crude oil

Activity	Company	Operator	Location	The consolidated companies' share	Type of activity
Refining and marketing	Rafinor A/S & Co.	Separate adm.	Mongstad	70%	Refinery
	Norsk Olje a.s	Separate adm.	Oslo	73.62%	Marketing
	I/S Noretyl	Norsk Hydro	Bamble	33%	Petrochemicals
	I/S Norpolefin	Saga	Bamble	33 1/3%	Petrochemicals

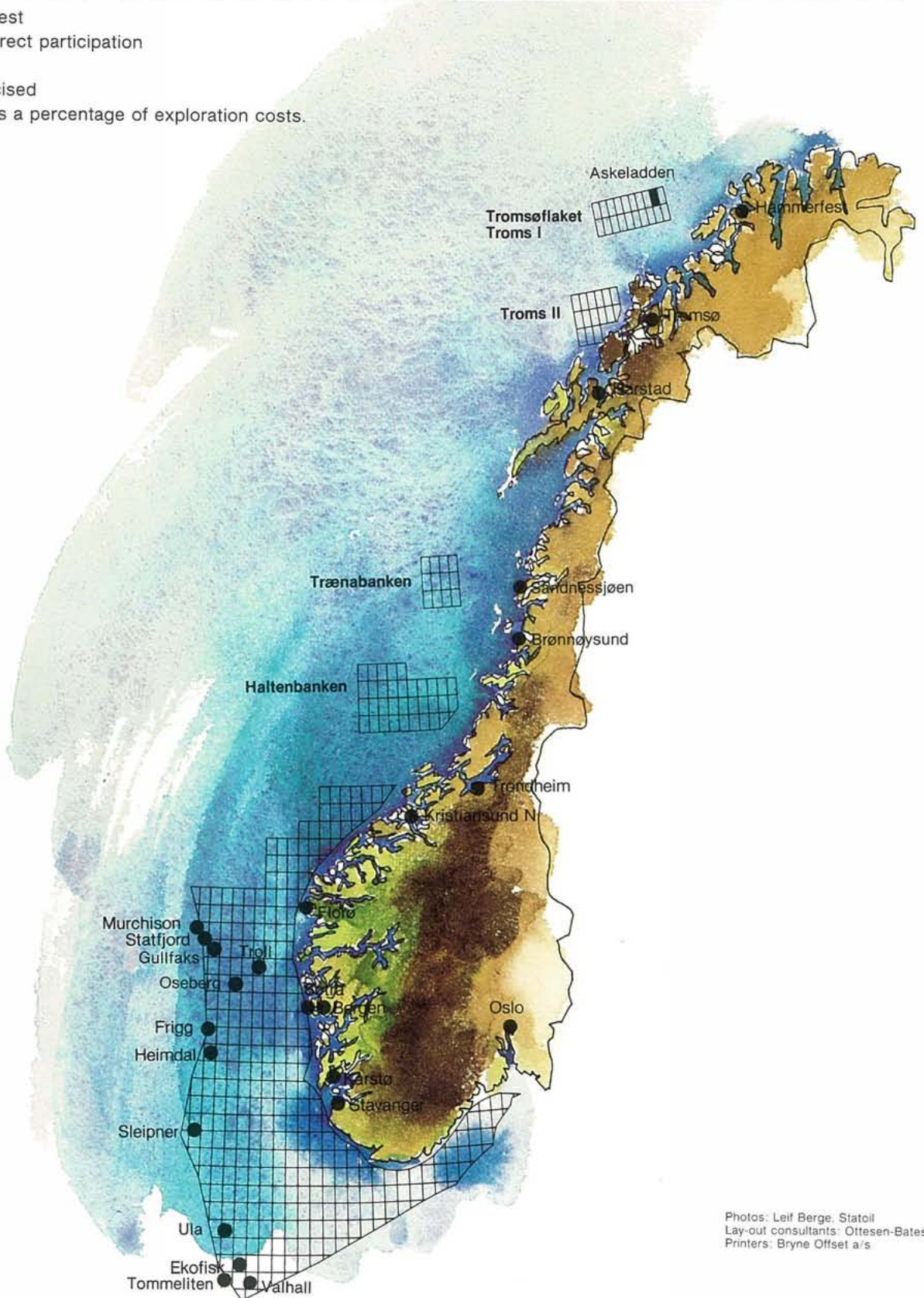
Activity	Company	Operator	Location	The consolidated companies' share	Type of activity
Service companies	Coast Center Base A/S & Co.	Separate adm.	Sotra	50%	Supply base
	Vestbase a.s	Separate adm.	Kristiansund N.	40%	Supply base
	Norbase a.s	Separate adm.	Harstad	50%	Supply base
	Botnaneset industriselskap A/S	Separate adm.	Florø	18.1585%	Supply base
	Helgelandsbase a.s	Separate adm.	Sandnessjøen	50%	Supply base

Statoil interests in licences allocated as of 1 January 1983

Production licence and year allocated	Block	Operator	Statoils share in %		Type of agreement*	Type of discovery	Field
			Ordinary	Maximum			
Norwegian continental shelf							
005 - 1965	7/3	Union	10		1	Returned in 1981	
008 - 1965	18/10, 2/6	Elf	2		1		Gye
019A - 1965	7/12	BP	12.5		1	Oil/gas	Ula
019B - 1977	2/1, 7/12	BP	50	72	1	Oil	
020 - 1965	16/8	BP	12.5		1		
022 - 1965	2/3, 3/5	Gulf	11		1		
023 - 1969	3/7	Elf	5		2		
024 - 1969	25/1	Elf	5		4	Gas	Frigg, NE Frigg
025 - 1969	15/3	Elf	6		2	Gas	
026 - 1969	25/2	Elf	5		2	Gas	E Frigg, SE Frigg
027 - 1969	25/8	Esso	17.5		3	Oil	Balder
028 - 1969	25/10	Esso	17.5		3	Oil	Balder
029 - 1969	15/6	Esso	17.5		3	Gas/condens.	Sleipner
030 - 1969	30/10	Esso	17.5		3	Gas	Odin, NE Frigg
031 - 1969	2/10	Phillips	17.5		2		
032 - 1969	2/9	Amoco	10		3		
033 - 1969	2/11	Amoco	10		3	Oil/gas	Vallhall/Hod
036 - 1971	25/4	Elf	40		4	Gas/condens.	Heimdal
037 - 1973	33/9, 33/12	Mobil	50		4	Oil/gas	Statfjord/Murchison
038 - 1974	15/12	Statoil	50	75	1	6/3, 15/11 returned in 1982	
039 - 1974	24/9	Conoco	50	75	1	Returned in 1982	
040 - 1974	29/9, 30/7	Norsk Hydro	50	66	1	Gas/condens.	Hild
041 - 1974	35/3	Saga	50	70	1	Gas	
043 - 1976	29/6, 30/4	BP	50	70	1	Gas/condens.	
044 - 1976	1/9	Statoil	50	75	1	Oil/gas	Tommeliten
045 - 1976	24/11, 24/12	Statoil	50	75	5	Returned in 1982	
046 - 1976	15/8, 15/9	Statoil	50	75	1	Gas/condens.	Sleipner
047 - 1977	33/2, 33/5	Norsk Hydro	50	66	1		
048 - 1977	15/2, 15/5	Norsk Hydro	50	75	1	Gas/condens.	
049 - 1977	33/6	Agip	50	70	1		
050 - 1978	34/10	Statoil	85	85	5	Oil/gas	Gullfaks
051 - 1979	30/2	Statoil	50	75	1		
052 - 1979	30/3	Statoil	50	75	5	Oil	
053 - 1979	30/6	Norsk Hydro	50	80	5	Oil/gas	Oseberg
054 - 1979	31/2	Shell	50	75	5	Oil/gas	Troll
055 - 1979	31/4	Norsk Hydro	50	75	5	Oil	Brage
056 - 1979	34/2	Amoco	50	75	1		
057 - 1979	34/4	Saga	50	75	5	Oil	
058 - 1979	35/8	Gulf	50	70	1	Gas/oil	
059 - 1980	6507/12	Saga	50	80	5		
060 - 1980	7119/12	Statoil	50	80	5		
061 - 1980	7120/12	Norsk Hydro	50	80	5	Gas	
062 - 1981	6507/11	Saga	50	80	5	Gas	
063 - 1981	7117/9	Norsk Hydro	50	80	5		
064 - 1981	7120/8	Statoil	50	80	5	Gas	Askeladden
065 - 1981	1/3	Elf	50	80	1		
066 - 1981	2/2	Saga	50	80	5	Gas/oil	
067 - 1981	2/5	Shell	50	80	1		
068 - 1981	2/8, 2/11	Norsk Hydro	50	80	5		
069 - 1981	7/8	Conoco	50	80	5		
070 - 1981	7/11	Norsk Hydro	50	80	5	Oil	
071 - 1981	8/3	Statoil	50	80	1		
072 - 1981	16/7	Esso	50	80	5	Gas/condensate	
073 - 1982	6407/1	Statoil	50	80	5		
074 - 1982	6407/2	Saga	50	80	5		
075 - 1982	6507/10	BP	50	80	1		
076 - 1982	7119/7	Norsk Hydro	50	80	5		
077 - 1982	7120/7	Statoil	50	80	5	Gas	
078 - 1982	7120/9	Norsk Hydro	50	80	5	Gas	

Production licence and year allocated	Block	Operator	Statoil's share in %		Type of agreement*	Type of discovery	Field
			Ordinary	Maximum			
079 - 1982	30/9	Norsk Hydro	70	70	5	Oil	Oseberg
080 - 1982	6609/5	Statoil	50	75	5		
081 - 1982	6609/7	Phillips	50	80	1		
082 - 1982	6609/10	Saga	50	80	5		
083 - 1982	6609/11	Norsk Hydro	50	80	5		
084 - 1982	6610/7	Statoil	50	80	1		
Dutch continental shelf							
L/16-B 1968	K/18, L/16	Conoco	7.5		1	Oil	

- * 1) Carried interest
- 2) Option for direct participation
- 3) Net profit
- 4) Option exercised
- 5) Statoil covers a percentage of exploration costs.



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