

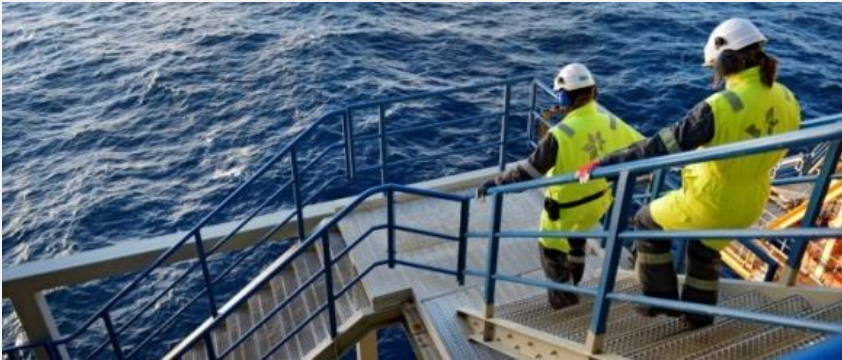
# 4<sup>th</sup> quarter and full year 2014

London, 6 February 2015

Eldar Sætre, President and CEO

# 2014 | Solid financial and operational results

## Earnings impacted by the oil price



- Reported earnings impacted by oil price, impairments and quarter specific items
- Strong underlying earnings
- 4Q dividend of NOK 1.80 per share

## Strong operational quality

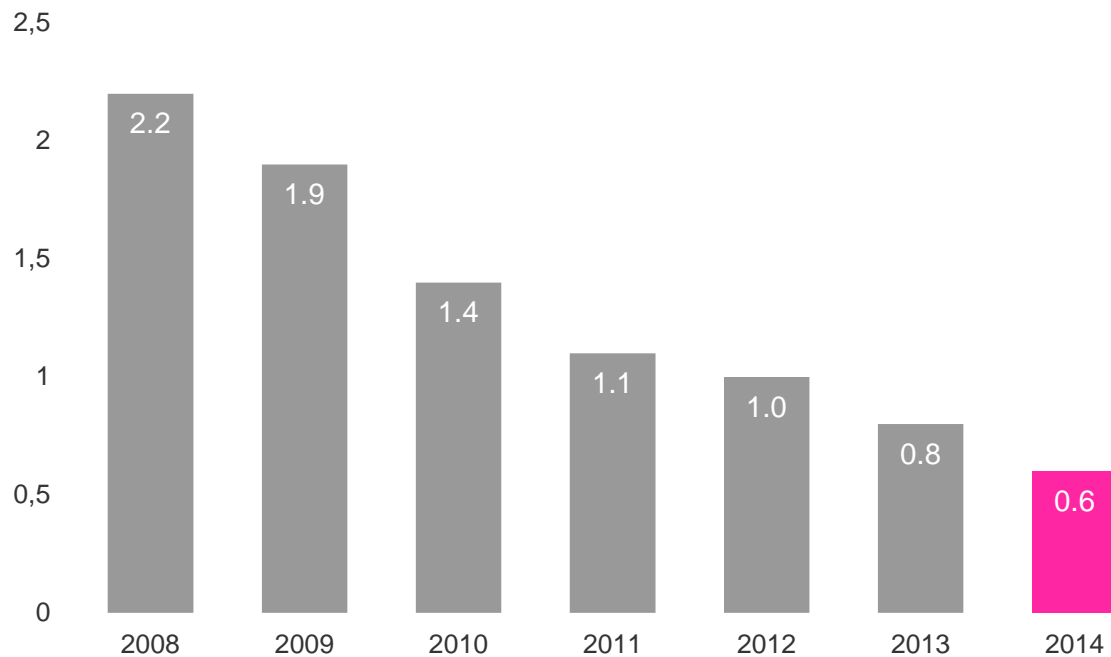


- High production efficiency
- Project executions on track
- Organic RRR at 96%
- Realised USD 600 million in improvements

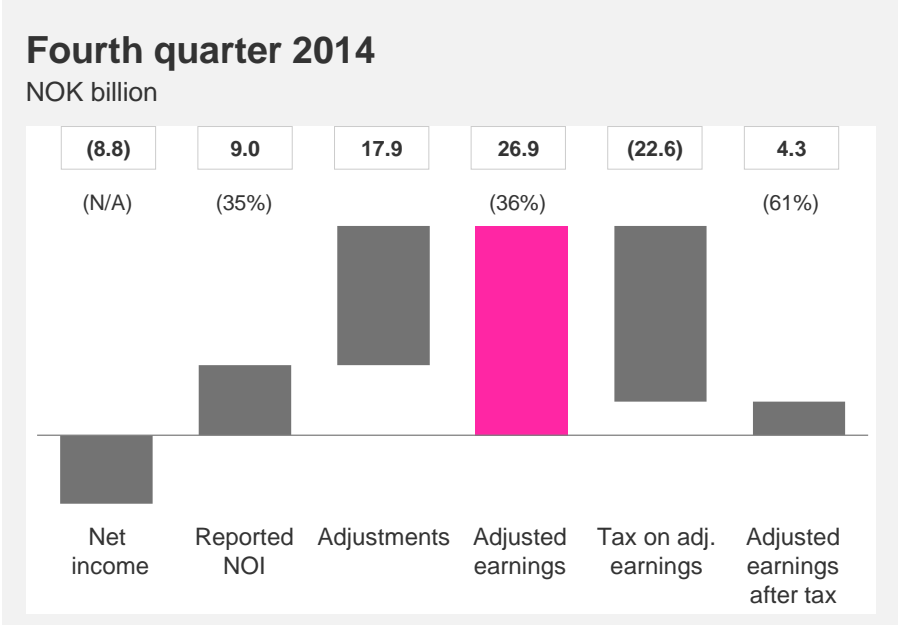
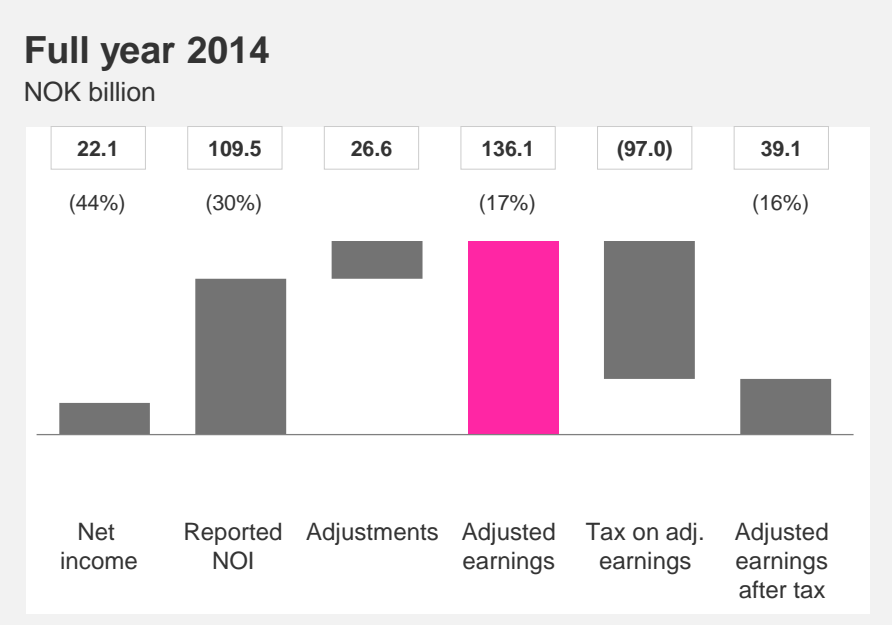
# Safety and security

## Serious incident frequency

Number of serious incidents per million work-hours



# Financial results negatively impacted by prices



# Cost focus across the business

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

Strong operational quality



*Johan Sverdrup: Statoil recommended as operator*

## D&P Norway

High operational efficiency



*Valemon: New field on stream in the North Sea*

## D&P International

Impacted by exploration and US onshore



*Peregrino: High production regularity*

## MPR

Solid results from gas value chains



*Good results from European gas business*

NOK bn  
Adj.earnings

FY2014

FY2013

4Q'14

4Q'13

	Pre tax	After tax
FY2014	136.1	39.1
FY2013	163.1	46.4
4Q'14	26.9	4.3
4Q'13	42.3	11.0

	Pre tax	After tax
FY2014	105.5	29.1
FY2013	132.5	34.8
4Q'14	24.2	6.8
4Q'13	35.4	8.8

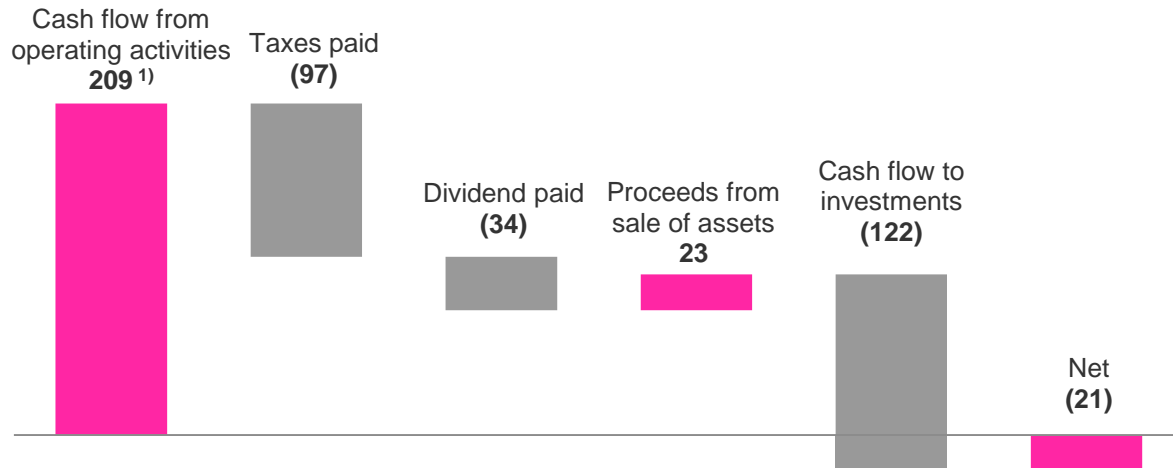
	Pre tax	After tax
FY2014	13.9	2.6
FY2013	20.7	8.1
4Q'14	(2.8)	(5.0)
4Q'13	3.6	0.5

	Pre tax	After tax
FY2014	17.8	8.1
FY2013	11.1	4.2
4Q'14	5.1	2.2
4Q'13	3.7	1.7

# Cash flow 2014 in line with expectations

## Cash flow

NOK billion



- Dividends paid for 2013 and first two quarters of 2014
- Investments in line with guiding
- Net debt to capital at year end: 20%

# Firm priorities, stepping up commitments

## High **value** growth

- ~2% organic production growth 2014-16
- Reducing organic capex level to USD 18 bn in 2015
- FCF to cover dividend in 2016@100, 2017@80 and 2018@60
- Robust financials: Maintaining 15-30% net debt to capital employed

## Increase **efficiency**

- USD 5 bn in cash improvements
- Increasing efficiency programme target by 30%
- Cash flow neutrality reduced by USD ~30 per barrel

## Prioritise capital **distribution**

- Firm dividend policy
- 4Q 2014 dividend maintained at NOK 1.80/share<sup>1)</sup>

# Strengthening our capacity to create long-term value

## Well prepared

### Firm priorities, stepping up commitments

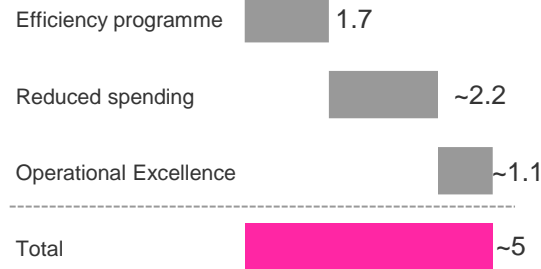
- |                                 |   |
|---------------------------------|---|
| High value growth               | <ul style="list-style-type: none"><li>~2% organic production growth 2014-16</li><li>Reducing organic capex level to USD 18 bn in 2015</li><li>FCF to cover dividend in 2016@100, 2017@80 and 2018@60</li><li>Robust financials: Maintaining 15-30% net debt to capital employed</li></ul> |
| Increase efficiency             | <ul style="list-style-type: none"><li>USD 5 bn in cash improvements</li><li>Increasing efficiency programme target by 30%</li><li>Cash flow neutrality reduced by USD ~30 per barrel</li></ul>  |
| Prioritise capital distribution | <ul style="list-style-type: none"><li>Firm dividend policy</li><li>4Q 2014 dividend maintained at NOK 1.80/share<sup>1)</sup></li></ul>   |

4 1) Subject to approval from the Annual General Meeting



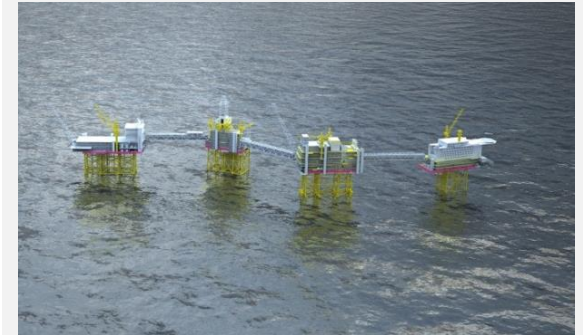
*The Capital Markets Update 2014*

## Seizing the opportunity



*Cash improvements of USD ~5 bn*

## Investing in world-class projects



*The Johan Sverdrup Field*

- Efficiency programme on track
- Strengthened balance sheet
- High-graded portfolio

- Stepping up efficiency programme
- Strict capital prioritisation
- Managing portfolio flexibility

- Safe and efficient operations
- Strong and flexible portfolio
- Long-term value creation



# Outlook

	<b>Period</b>	<b>Guiding</b>
<b>Capex</b>	2015	USD ~18 bn <sup>1)</sup>
<b>Production</b>	2015-16	~2% annual organic growth
<b>Cash improvements</b>	2016	USD 5 bn (total)
<b>Exploration</b>	2015	USD ~3.2 bn <sup>1)</sup>



Thank you

