



Capital Markets Update

London, 6 February 2015

Seizing the opportunity

London, 6 February 2015

Eldar Sætre, President and CEO

Forward-looking statements

This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding future financial position, results of operations and cash flows; changes in the fair value of derivatives; future financial ratios and information; future financial or operational portfolio or performance; future market position and conditions; business strategy; growth strategy; future impact of accounting policy judgments; sales, trading and market strategies; research and development initiatives and strategy; market outlook and future economic projections and assumptions; competitive position; projected regularity and performance levels; expectations related to our recent transactions and projects, completion and results of acquisitions, disposals and other contractual arrangements; reserve information; future margins; projected returns; future levels, timing or development of capacity, reserves or resources; future decline of mature fields; planned maintenance (and the effects thereof); oil and gas production forecasts and reporting; domestic and international growth, expectations and development of production, projects, pipelines or resources; estimates related to production and development levels and dates; operational expectations, estimates, schedules and costs; exploration and development activities, plans and expectations; projections and expectations for upstream and downstream activities; oil, gas, alternative fuel and energy prices; oil, gas, alternative fuel and energy supply and demand; natural gas contract prices; timing of gas off-take; technological innovation, implementation, position and expectations; projected operational costs or savings; projected unit of production cost; our ability to create or improve value; future sources of financing; exploration and project development expenditure; effectiveness of our internal policies and plans; our ability to manage our risk exposure; our liquidity levels and management; estimated or future liabilities, obligations or expenses and how such liabilities, obligations and expenses are structured; expected impact of currency and interest rate fluctuations; expectations related to contractual or financial counterparties; capital expenditure estimates and expectations; projected outcome, objectives of management for future operations; impact of PSA effects; projected impact or timing of administrative or governmental rules, standards, decisions, standards or laws (including taxation laws); estimated costs of removal and abandonment; estimated lease payments, gas transport commitments and future impact of legal proceedings are forward-looking statements. You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of Norway and other oil-producing countries; EU directives; general economic conditions; political and social stability and economic growth in relevant areas of the world; the sovereign debt situation in Europe; global political events and actions, including war, terrorism and sanctions; security breaches; situation in Ukraine; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; unsuccessful drilling; an inability to find and develop reserves; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of field partners; the actions of governments (including the Norwegian state as majority shareholder); counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; industrial actions by workers and other factors discussed elsewhere in this report. Additional information, including information on factors that may affect Statoil's business, is contained in Statoil's Annual Report on Form 20-F for the year ended December 31, 2013, filed with the U.S. Securities and Exchange Commission, which can be found on Statoil's website at www.statoil.com.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this report, either to make them conform to actual results or changes in our expectations.

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/share¹⁾

Strengthening our capacity to create long-term value

Well prepared

Firm priorities, stepping up commitments

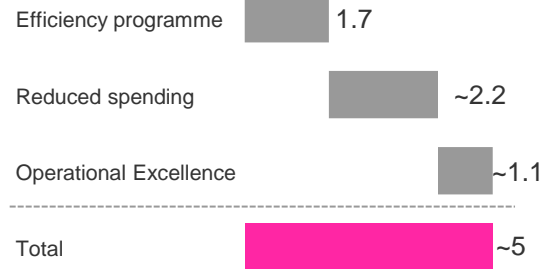
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4 1) Subject to approval from the Annual General Meeting



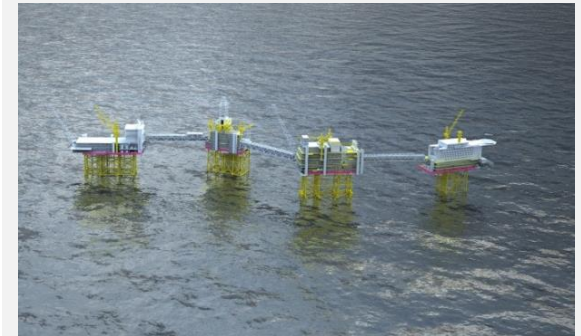
The Capital Markets Update 2014

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

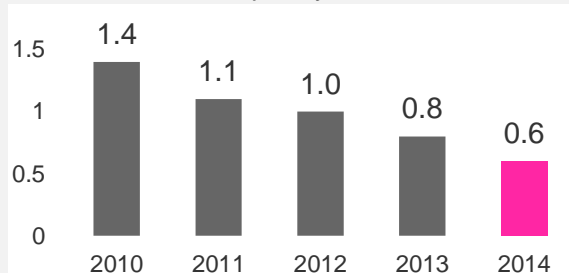
- Stepping up efficiency programme
- Strict capital prioritisation
- Managing portfolio flexibility

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

2014 | Financial and operational performance

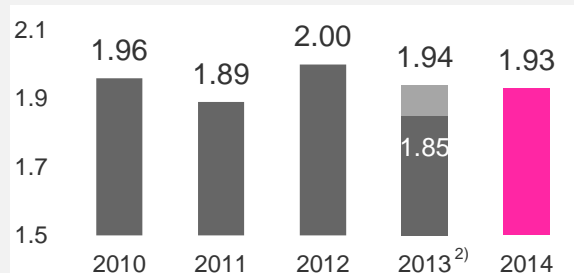
Safety improvement

Serious incident frequency¹⁾



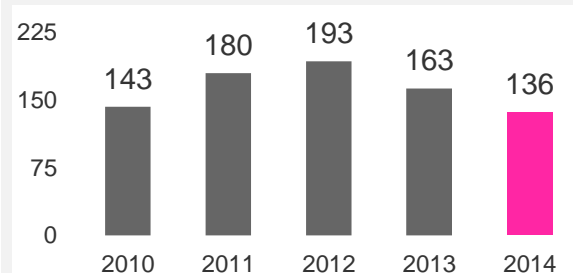
Four percent production growth

mmboe/d



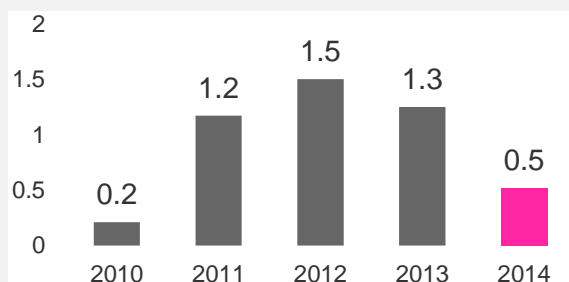
Solid adjusted earnings

NOK bn



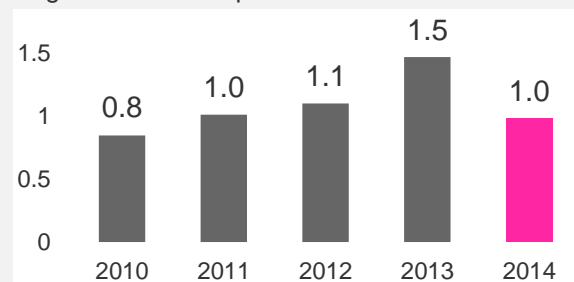
A leading explorer

Discovered bn boe



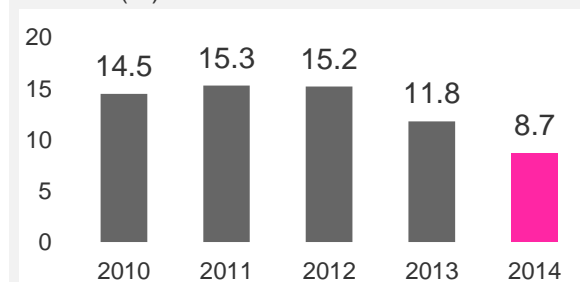
Maturing resource base

Organic reserve replacement ratio

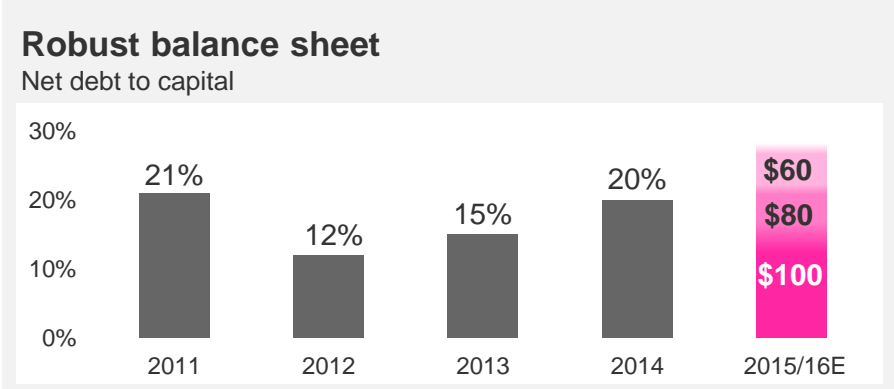
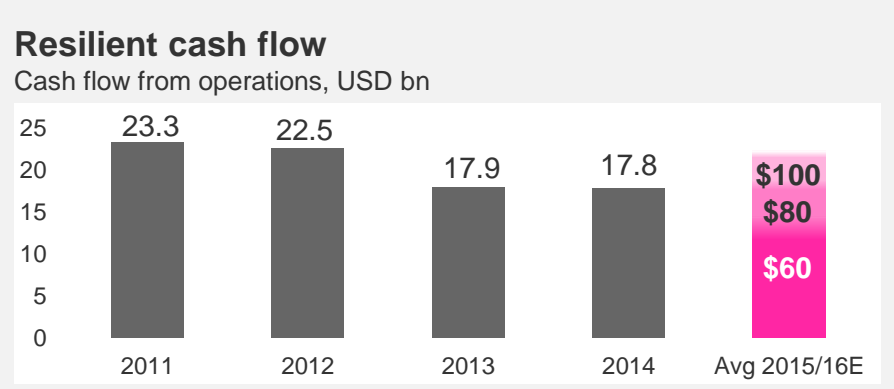
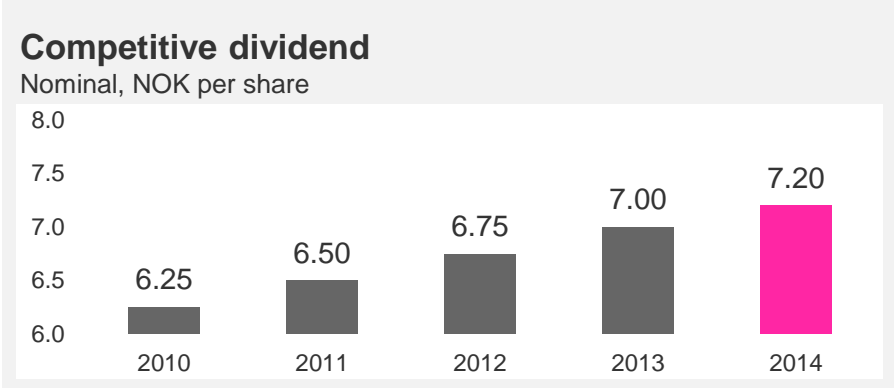


Returns reflecting price movement

ROACE (%)



Firm financial framework - through the cycle



Note: The various scenarios for CFFO also imply different operational assumptions. The USD 100/bbl scenario assumes lower utilisation of capex flexibility while the USD 60/bbl case assumes larger utilisation of capex flexibility.

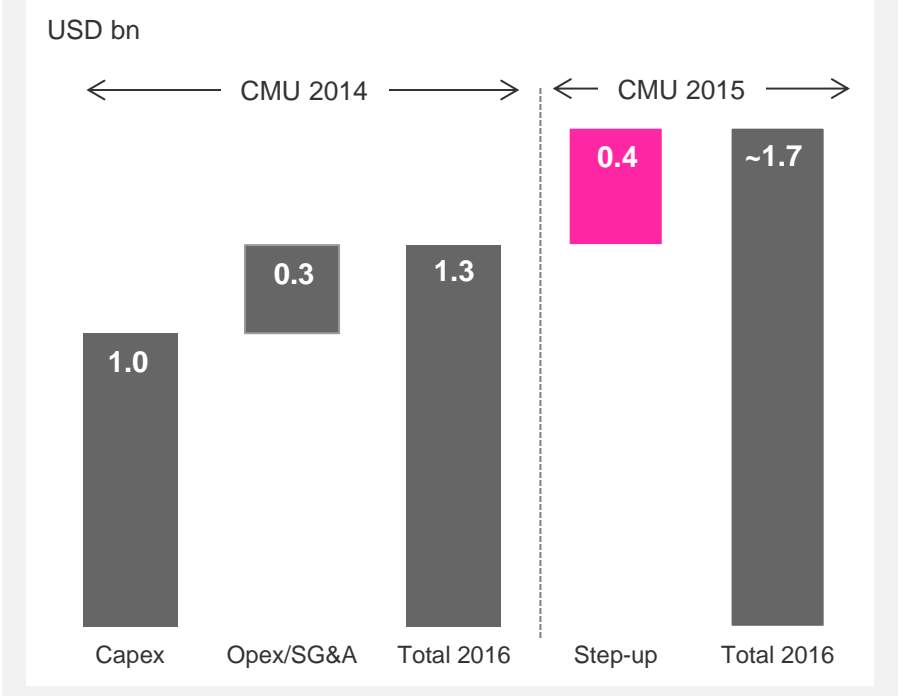


Stepping up our improvement programme

Progress on track

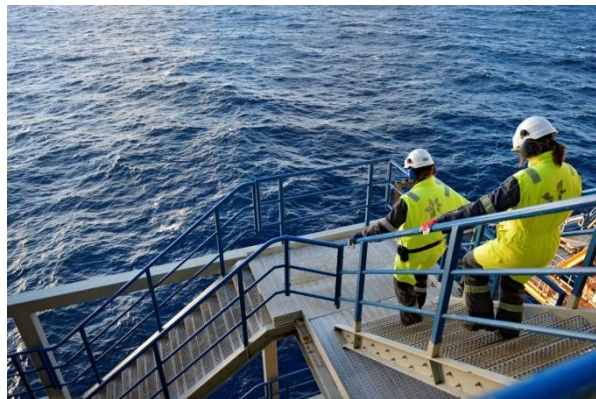


30 percent step-up



1) Modification costs include Statoil operated modifications and is compared to 2013 actual spend.
 2) Well delivery time is compared to planned delivery time on sanction date per well.
 3) Workforce reduced by 1900 compared to December 2013.

Step-change in operational performance



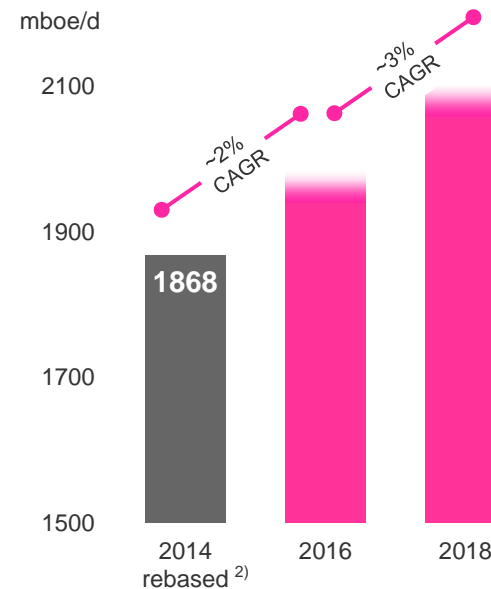
5 %-points increase in production efficiency¹⁾

- 50,000 additional boe/d
- Reduced unplanned losses
- Reduced maintenance backlog
- Efficient execution of turnarounds

Proven execution track record

- Start-up of Gudrun, Valemon, Jack/St. Malo and CLOV
- Three new fast-track projects on stream

Delivering high-value growth



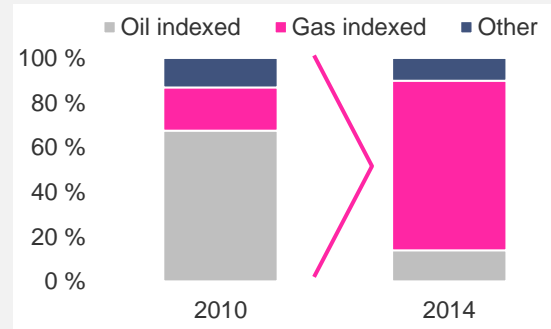
Strengthening midstream and trading business

Value uplift and trading



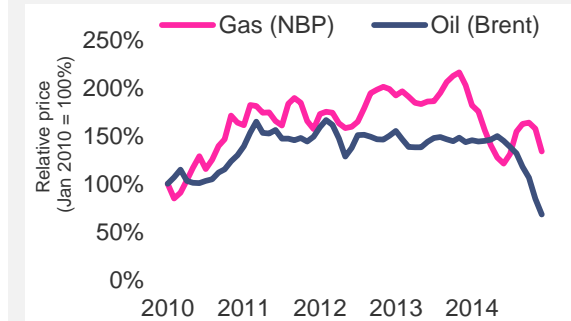
- Proximity and access to premium markets
- High flexibility across value chain
- Integrated trading organisation in place

A modernised European contract portfolio



- A variety of sales channels
- Limited exposure to oil indexation
- Long term contracts still part of the tool box

Changes in oil vs gas risk exposure¹⁾



- An increasingly liberalized European gas market
- Different market fundamentals for oil and gas
- Changes in corporate risk profile

Johan Sverdrup | A world-class project

The field is one of the

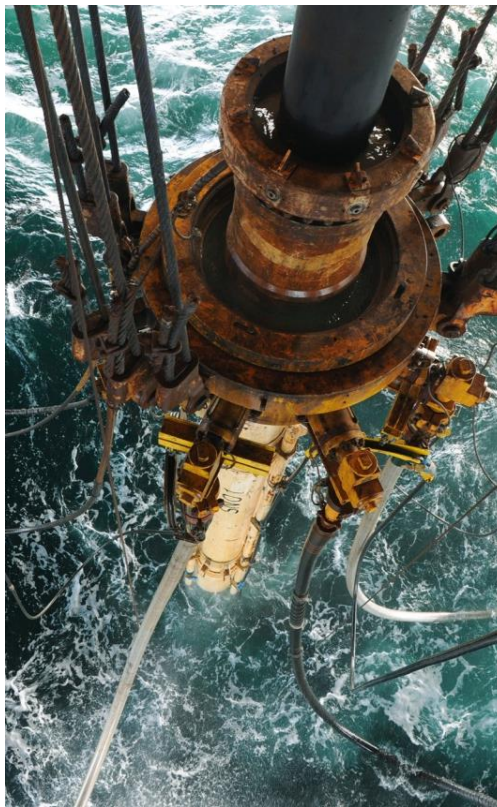
5

largest oilfields on the NCS ever

On plateau it will represent

25

percent of the total production in Norway



Producing for more than

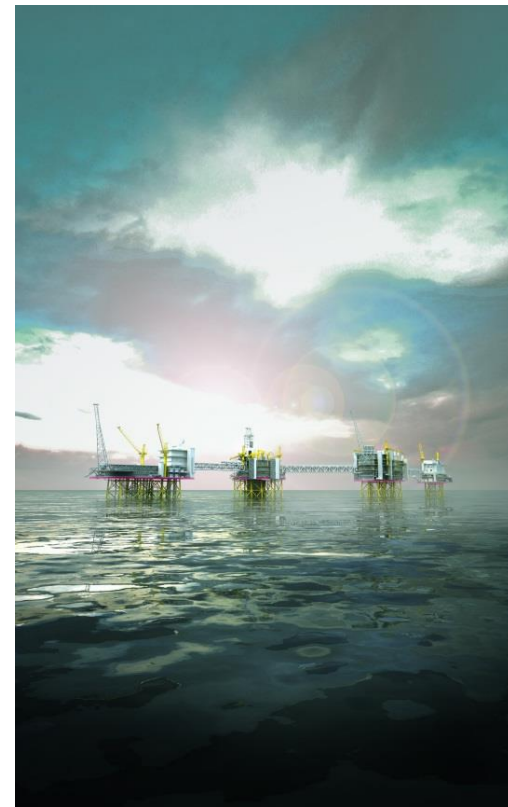
50

years from first-oil

Break-even below

40

USD per barrel ¹⁾



Continued focus on exploration

A leading explorer¹⁾



- 4.4 bn boe discovered last four years
- Significantly increased efficiency

Consistent exploration effort in 2015



- USD 3.2 bn in exploration spend
- Extensive drilling programme in high-value basins

Build for the future



- Deepening positions in prolific basins
- Entry into five new basins
- Actively pursue play-opening opportunities

Sustainable performance

Competitiveness



- Extensive efficiency programme
- High-graded and flexible portfolio

Carbon



- A leading O&G company on carbon efficiency ¹⁾
- Developing low cost / low carbon solutions

Communities



- Transparency – the currency for trust
- Local suppliers programme

Key messages

- Priorities remain unchanged
- Well prepared
- Seizing the opportunity
- Investing for the future



Thank you

