Execute for Improved Value Creation

Statoil Business Update

Capital markets update: Balancing returns and growth

High value growth

→ Organic free cash flow to cover dividends from 2016 [1)]

→ Capital expenditure reduced by USD 5 bn 2014-2016 [2)]

→ Strict prioritisation and portfolio optimisation

→ New project IRR 8% higher than current developments

Increase efficiency

→ Expected annual savings of USD 1.3 bn from 2016

→ Executing projects on cost and schedule

Prioritise capital distribution

→ Competitive direct returns

→ 2013 dividend at NOK 7.00 [4)]

→ Quarterly dividend from 2014 [4)]

- Additional two payments in 2014

→ Share buy backs more actively used

- Dependent on proceeds, cash flow and balance sheet

Balancing returns and growth

Maintaining ROACE [1)] and increasing production by ~3% organic CAGR 2013-16 [3)]

1) Brent at USD 100/ bbl (real)
2) Outlook reduced from USD 21.7 billion to around USD 20 billion per year
3) Rebased 2013 production is adjusted with 90 000 mboepd for full year impact of transactions with OMV, Wintershall and BP/SOCAR , and redetermination Ormen Lange
4) Proposed 2013 dividend and change from annual to quarterly dividend

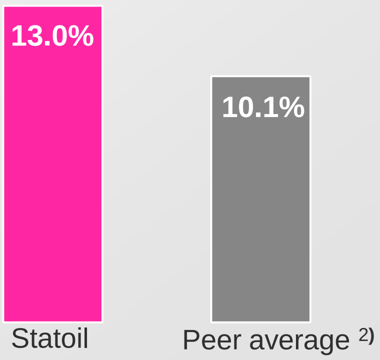
A decade of transformation and value creation

Scale: Globally competitive through the merger

Focus: From integrated to technology focused upstream

Resources: From resource constrained to opportunity rich

Total Shareholder Return 1)



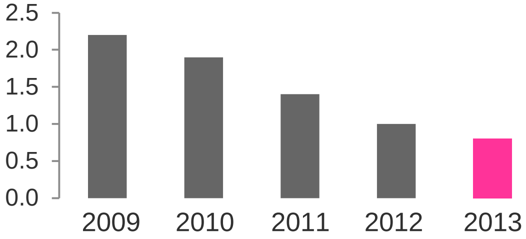
Progress since the 2011 strategy reset

- World class exploration performance
- A revitalised NCS with longevity
- Projects executed on time and cost
- Successful portfolio management
- A modernised gas portfolio
- Competitive unconventional assets

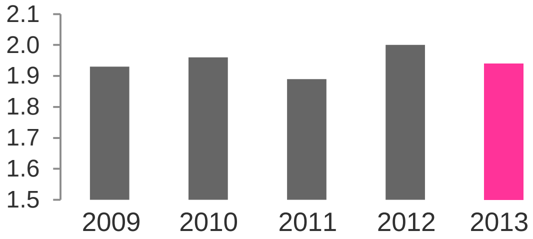
1) Last 10 years as of 31.1.14 (annualised)
2) Peer group:Anadarko, BG Group, BP, Chevron, ConocoPhillips, Eni, ExxonMobil, Petrobras, Repsol, Shell and Total

2013 | Robust financial and operational performance

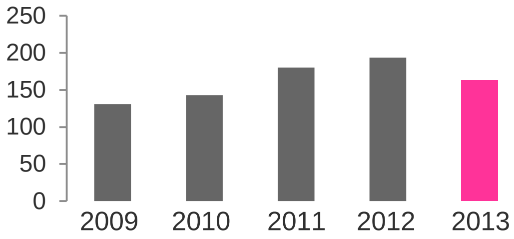
Safety improvement (SIF) 1)



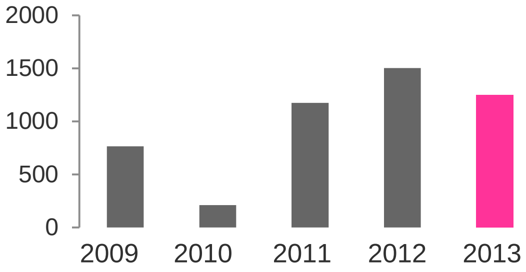
Production as expected (mmboe/d)



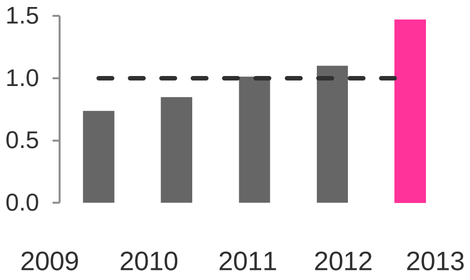
Solid adjusted earnings (NOK bn)



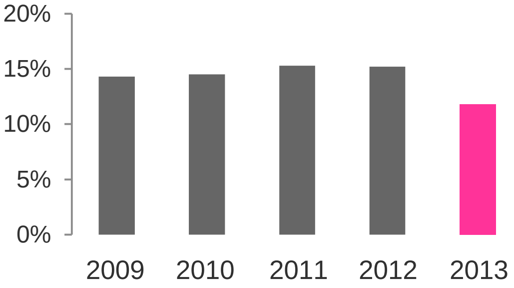
Discovered 3.9 bn boe last 3 years



Record RRR 2) at 1.47 (3y average> 1)



Competitive ROACE



1) Number of serious incidents per million working hours
2) Organic reserve replacement ratio

A consistent strategic roadmap

Technology focused upstream company

Exploration

- Continue to prioritise high value exploration
- Firm strategy
  - Deepen core areas
  - Drill high impact wells
  - Early access at scale

Development & Production

- Safe and secure operations
- Drive cost and capital efficiency
- Capitalise on technology and operating experience to
  - Take out the full NCS value potential
  - Strengthen global offshore positions
  - Maximise value of onshore portfolio
  - Execute projects on time and cost

Midstream & marketing

- Leverage European gas position
- Onshore access to premium markets
- Exploit global trading competence

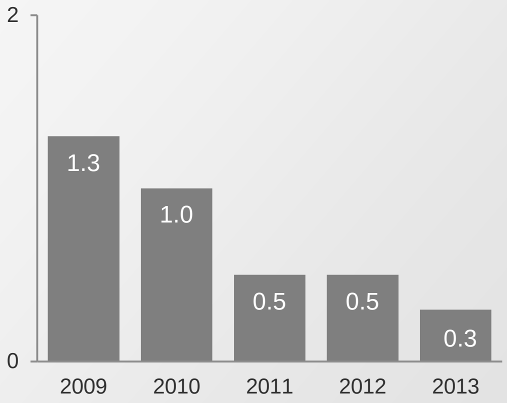
Portfolio management

- Realise value
- Sharpen our upstream profile
- Strengthen execution and financial resilience

Strong project performance and trends

All time low SIF

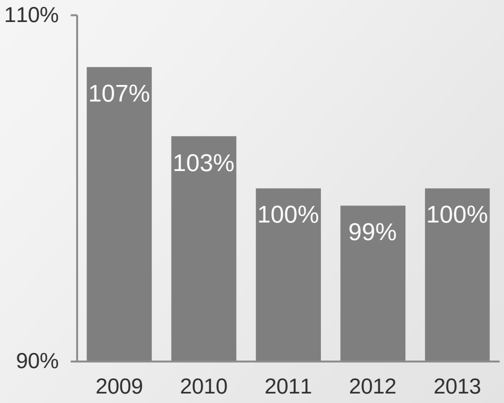
[Projects]



Number of serious incidents per million working hours (SIF)

Delivering on cost [1)]

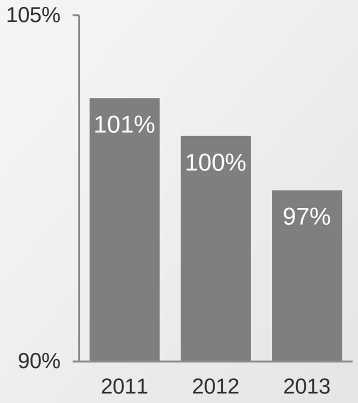
[Projects and Drilling & well]



Expected forecast at completion compared to sanctioned estimate

… and on schedule

[Projects and Drilling & well]



Deviation from planned completion date

1) Project cost only: 2009: 105%, 2010: 101%, 2011: 98%, 2012: 98% and 2013: 99%

Directing our capital to priority projects

Competitive portfolio

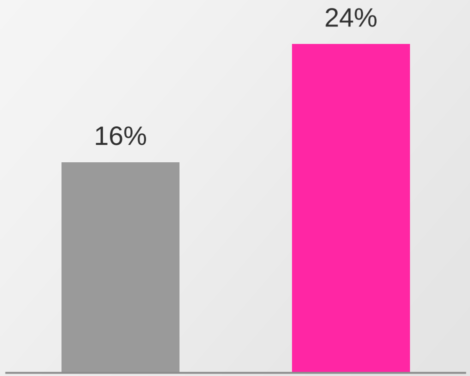
- High value barrels
- Flexible and robust
- Proven execution track record

Optimising capital allocation

- Value creation potential
- Return on capital
- Strategic fit and portfolio composition

Strengthening profitability

IRR[1)] ($100/bbl; capex-weighted)

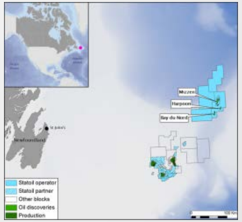


Ongoing project developments
Non-sanctioned pre-2020 start-ups

Execution of premium assets

Johan Sverdrup

Ownership	40%
Start-up	2019
Resources	1.8-2.9 bn boe



East Coast Canada

Ownership	65%
Start-up	2020+
Resources	300-600 mmboe

1) From time of sanction

High grading the portfolio

Start-ups pre-2020

- *High profitability*
- *Strategic fit*

Non-sanctioned
- Johan Sverdrup
- IOR projects

Sanctioned
- CLOV
- Jack
- Gudrun
- St.Malo
- Valemon
- Hebron
- Ivar Aasen
- Aasta Hansteen
- Mariner
- Gina Krog
- Shah Deniz II
- US onshore

Optimising/future [1)]

- *Improvement potential*
- *Return on capital*

Non-sanctioned
- Snorre 2040
- Johan Castberg
- Corner
- Bressay
- Peregrino II
- Eirin
- Peon
- Lavrans
- Snøhvit II
- Corvus
- Sigrid

Future
- Bay du Nord
- Tanzania LNG
- Pão de Açúcar
- King Lear

Divested/reduced [1)]

- *Low strategic fit*
- *Return on capital*
- *Market attractiveness*

Non-sanctioned
- Rosebank
- Shtokman
- West Qurna II

Sanctioned
- Gudrun
- Gjøa/Vega
- Valemon
- Shah Deniz
- Schiehallion

In operation
- Gassled stake
- Statoil Fuel & Retail
- Gullfaks
- Brage
- Kvitebjørn
- Heimdal

1) Since Capital Markets Day 2011. Not exhaustive.

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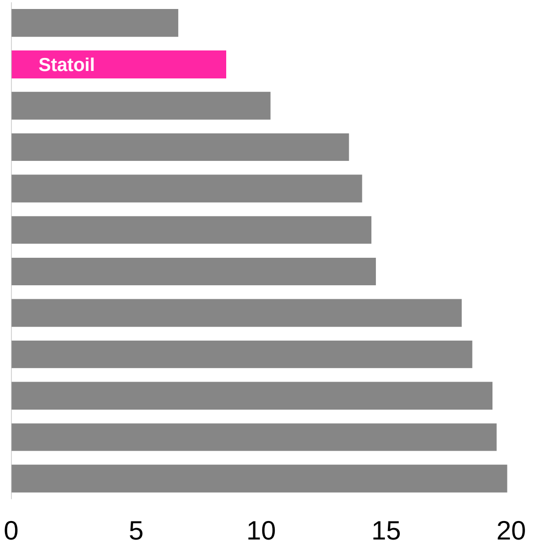
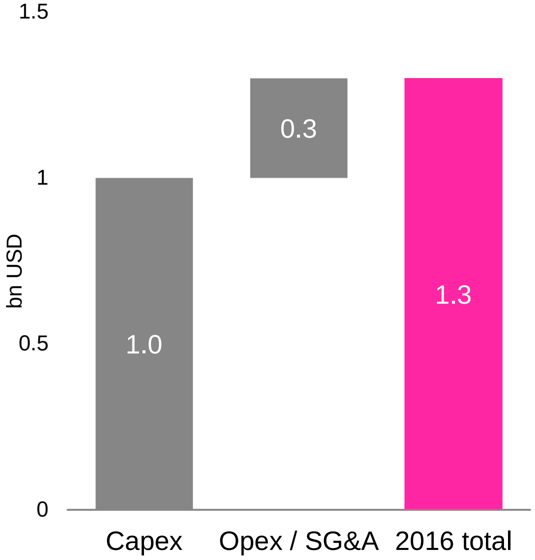
Reducing cost and improving efficiency

Strong starting point with low relative Unit Production Cost [1)]



Launching improvement initiatives with expected annual savings of USD 1.3 bn from 2016



Delivering capex improvements
- Reduce modification capex by 20%
- Potential for 10% lower facility cost from leaner concepts
- Reduce rig committments
- Potential to cut well construction time by 25%

Reducing opex & SG&A
- Maintain upstream cost level despite production growth
- Further reduce downstream cost
- Increase organisational efficiency

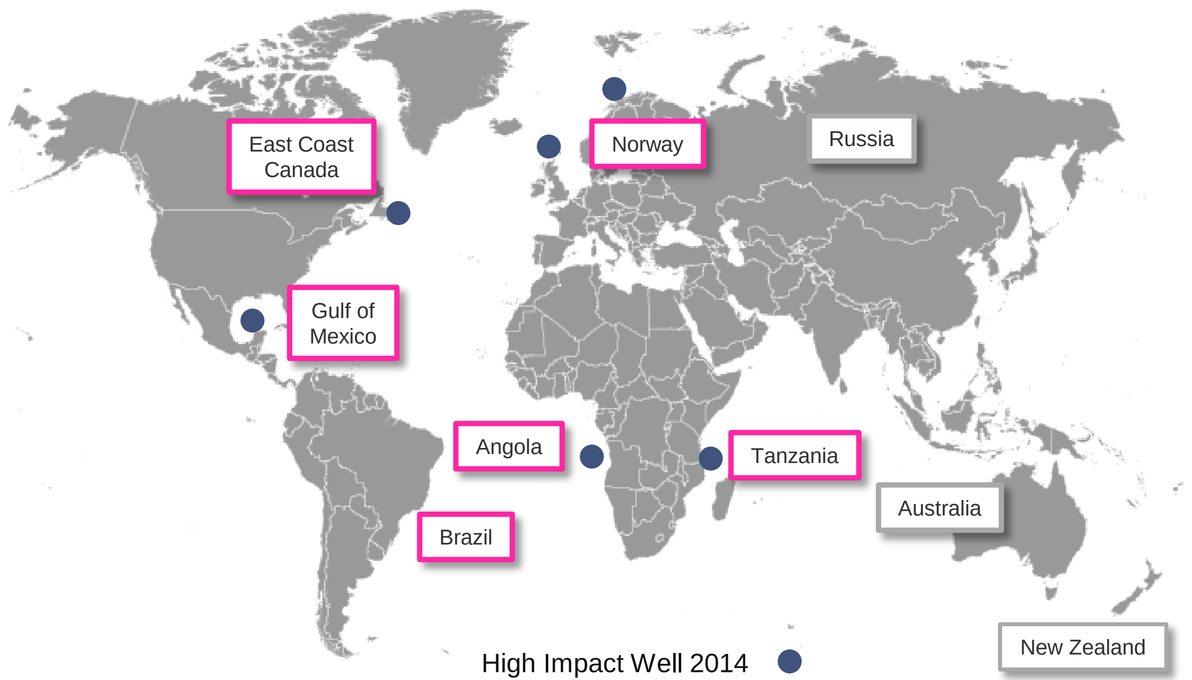
1) Peer group: Anadarko, BG, BP, Chevron, ConocoPhillips, Eni, ExxonMobil, Petrobras, Repsol Shell, Total, Company reported figures sourced from IHS Herold Financial Database. The benchmark is based on average UPC for the years 2010-2012.

Sticking to our successful exploration strategy

Deepen core areas

Drill high impact wells

Early access at scale



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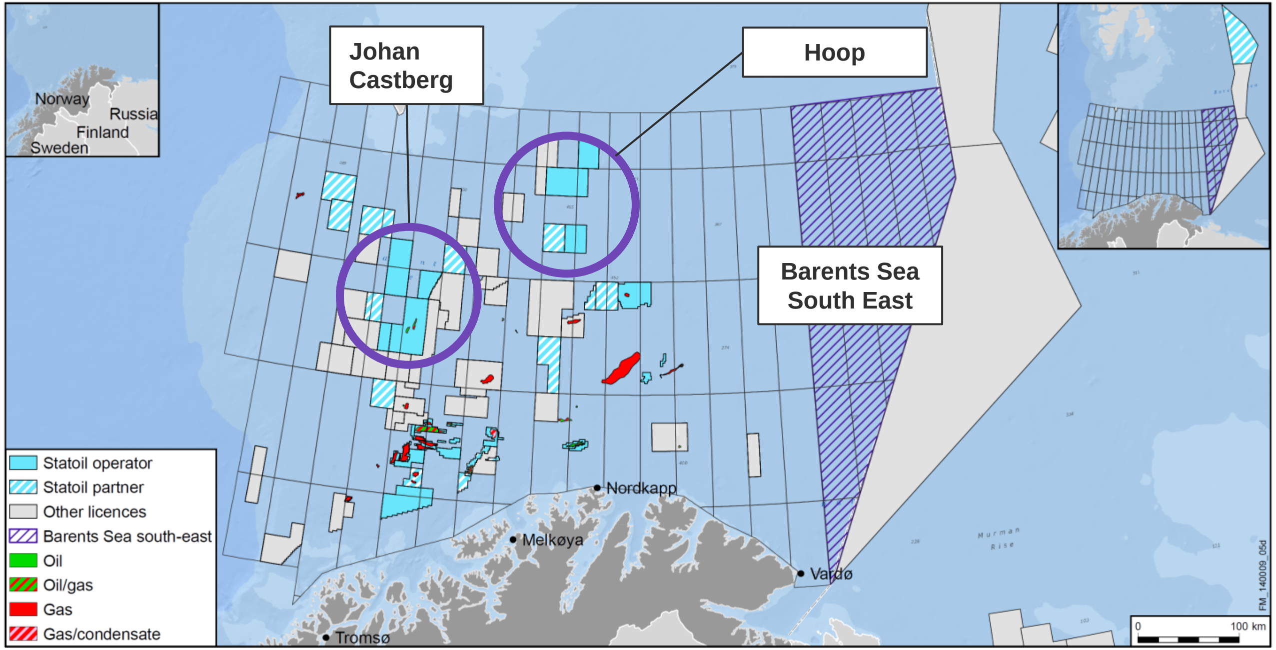
Barents Sea – pursuing new oil plays

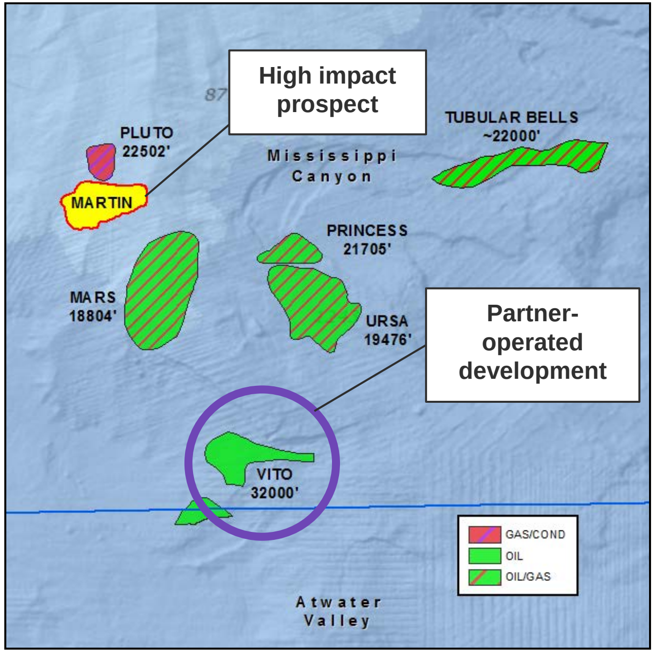
- Plan two-three operated wells in Hoop area including Apollo and Atlantis
- Continue drilling in Johan Castberg area: Kramsnø and Drivis
- Operator for joint 23rd round 3D seismic acquisition in Barents Sea South East

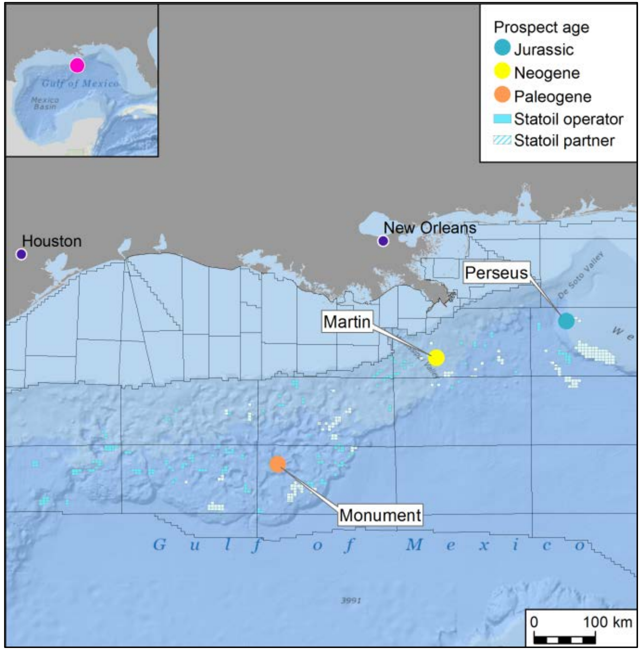


Licences awarded in the Awards in Predefined Areas (APA 2013) are not shown on the map

Gulf of Mexico – drilling top tier oil opportunities

- High graded portfolio in prolific oil basin
- Martin, Perseus and Monument highly ranked in our global prospect portfolio
- Attractive and robust value proposition





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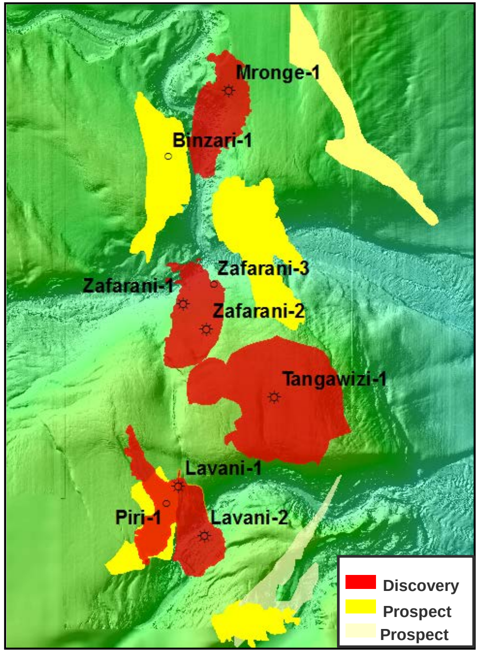
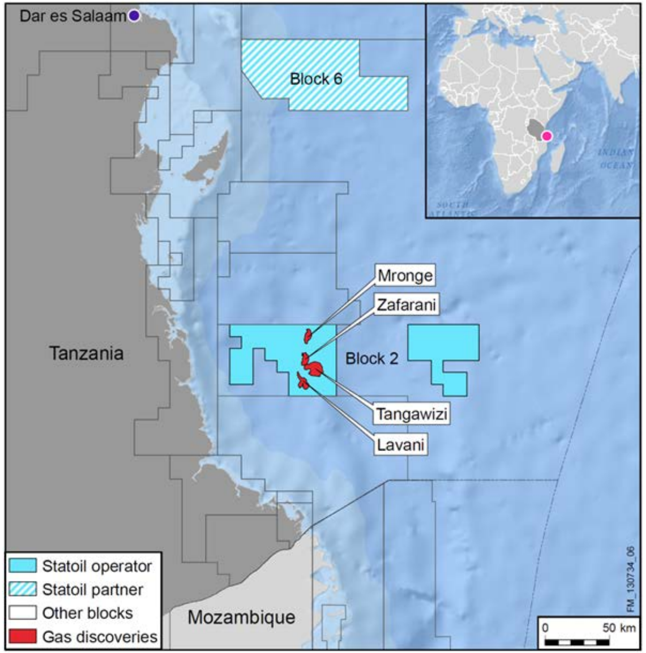
Tanzania – unlocking the full potential

- 17-20 Tcf in-place - foundation for major gas development
- Additional upside potential in low to medium risk prospects
- Several additional exploration wells 2014-2015





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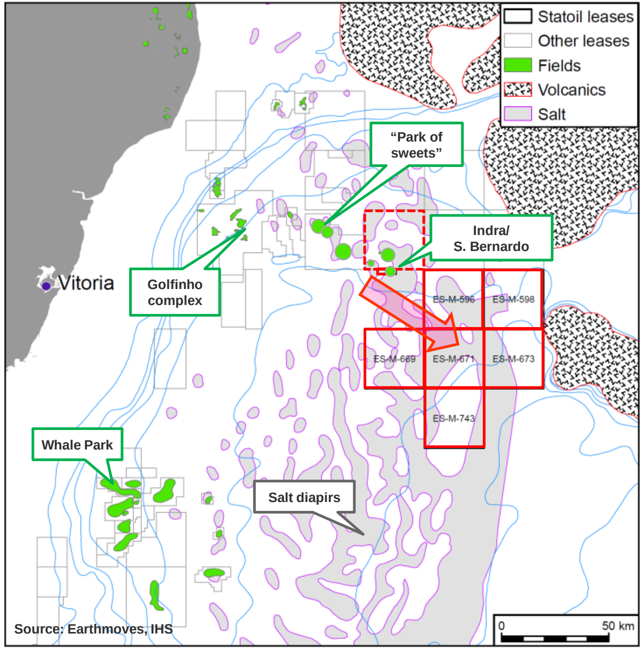
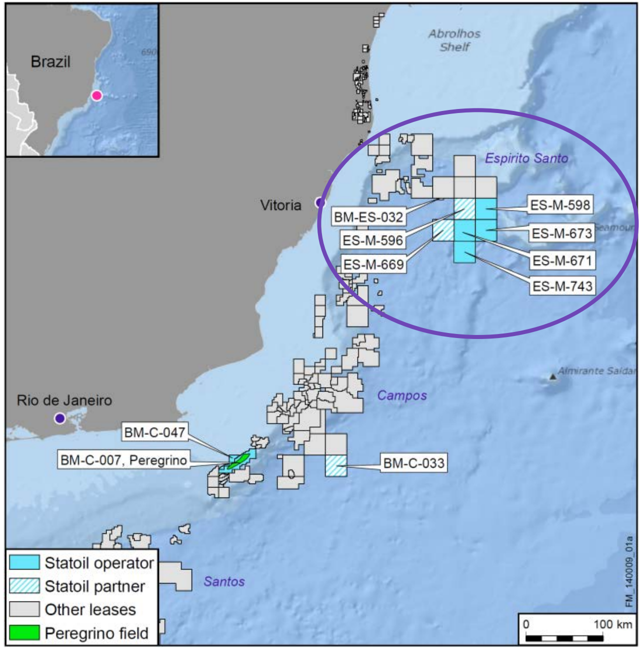
Brazil – deepening position in emerging oil play

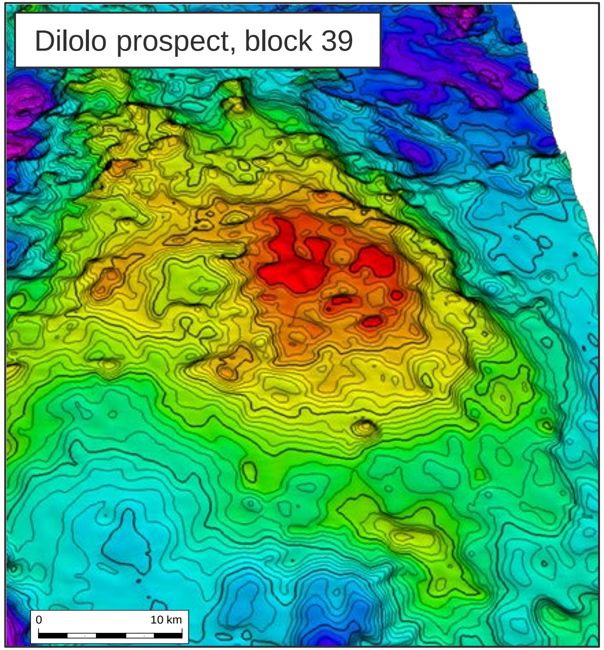
- 6 new licences close to recent oil discoveries in Espírito Santo
- Extensive 3D seismic starting 1Q 2014
- 10 exploration wells 2016-2018

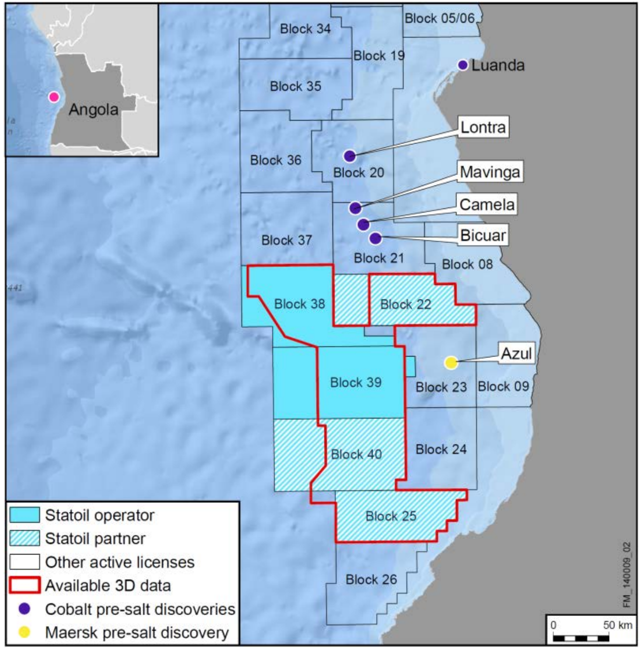




Angola – exploring in a proven pre-salt play

- Large acreage position in pre-salt Kwanza
- Multiple high impact prospects
  - Dilolo – outboard mega closure
- 8 wells from 2014
  - 2 operated by Statoil





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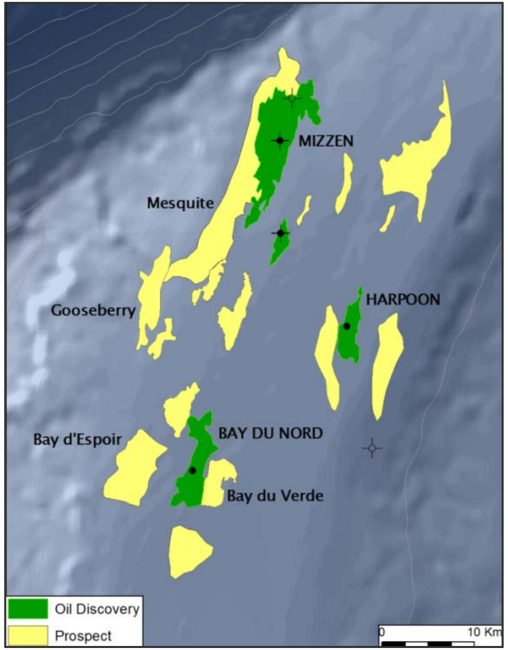
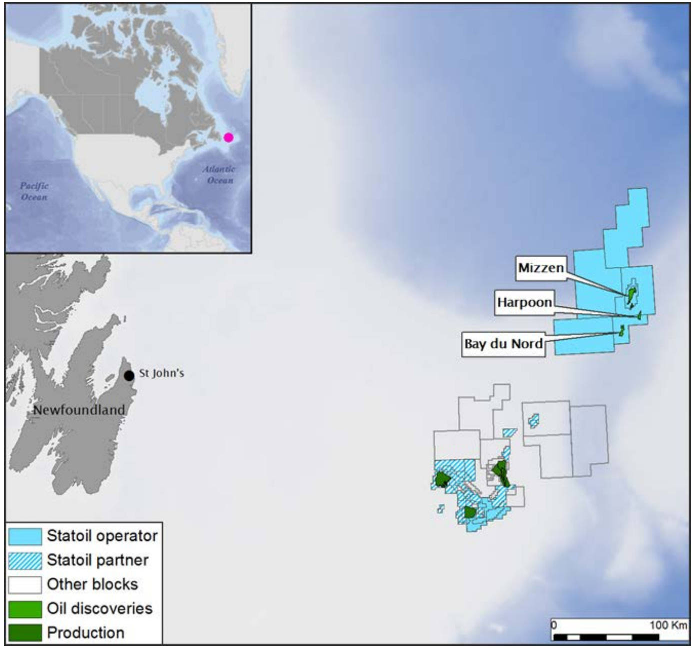
East Coast Canada – opening up extensive new oil play

- Bay du Nord – break through oil discovery (300-600 mmbbl)
- Significant running room with several prospects mapped
- Drilling campaign from 3Q 2014
- Assessing feasibility of accelerated development





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Driving engine for long-term

Profitable Growth

Assets Delivering		Growing Profitably
	~610,000 net acres Liquids ramp-up Statoil operatorship	**HSE** focus Apply **technology**
	~65,000 net acres Concentrated liquids drilling Transition to operator concluded	**Operator** in core positions Building **value chains**
	~310,000 net acres Production growth and flexibility Integration success	**Liquids** production growth

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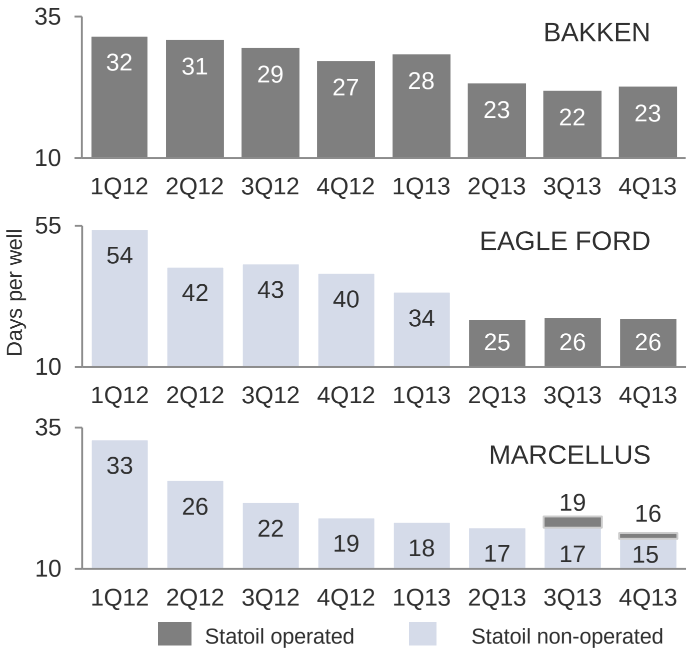
Increased value from US onshore well manufacturing

- Total well cost ~ 90% of upstream capex – **margin leverage**
- Strong improvements and competitive results during Q1 2012 to Q4 2013

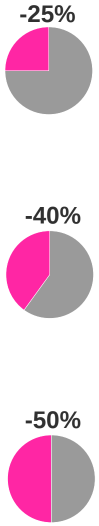
  25% to 50% reduced drilling cost

  30% to 50% reduced drilling time
- Further total well cost reduction potential ~15% by 2016
- Upside from **new technology** development

Drilling time reductions per well from 2012 to 2013:



Drilling cost reductions per well from Q1 2012 to Q4 2013:



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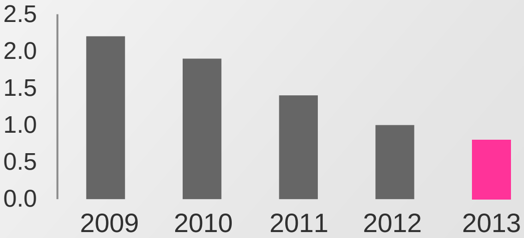
Robust platform for sustainable performance

Safety & security

Serious incidents per million working hours

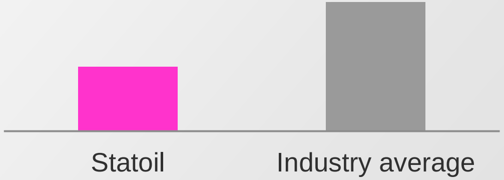


Strong resource base

- 22 bn boe
- 75% OECD exposure
- Robust NCS base load

Sustainability and transparency

Low carbon footprint [1)]



#1 in Transparency International's ranking 2012 on corporate reporting

1) OGP Report for 2012, based on environmental information reported by member companies .Tonnes of CO2 per thousand tonnes of hydrocarbon production

Summary

Competing from strengths

- Solid strategic progress
- Strong resource base with optionality

Increasing our value creation

- Delivering growth
- Strengthening efficiency and reducing capex estimate
- Improving free cash flow

Prioritising distribution

- Firm policy
- Quarterly dividend
- Share buy back

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Thank you

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