Business Update incl. 2nd Quarter 2017

Photo: Gina Krog

Developing a distinct and competitive portfolio

Norwegian continental shelf

Build on unique position

- Highly cost competitive
- Attractive project pipeline
- Exploration potential

International oil & gas

Deepen core areas

- Enhance Brazil portfolio
- Flexible US position
- New growth options

Always safe
High value
Low carbon

Midstream and marketing

Access premium markets

- Flow assurance
- Asset backed trading
- Capital light

New energy solutions

Industrial approach

- Offshore wind focus
- Low-carbon solutions
- Ventures, R&D

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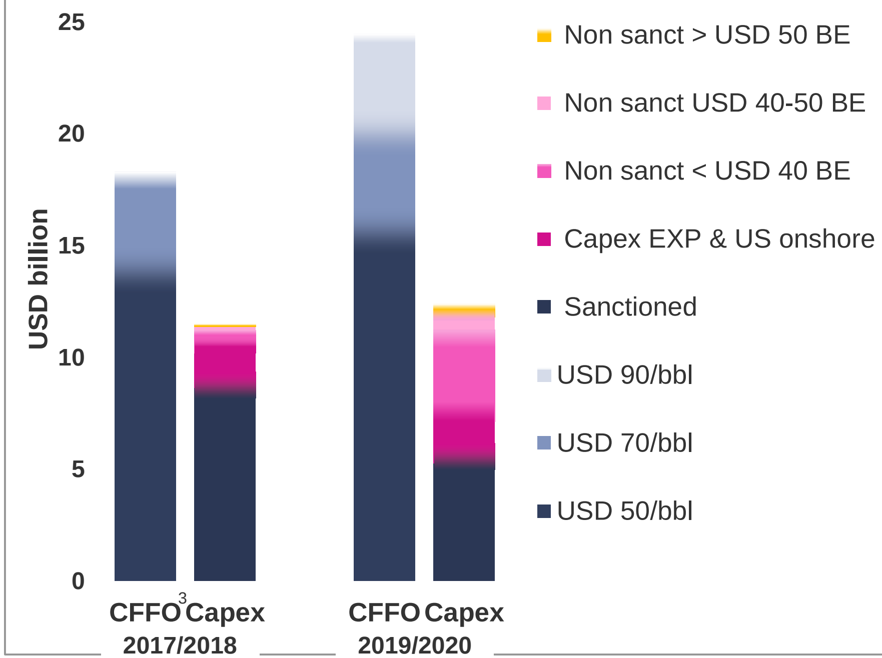
Strong cash generation – high value reinvestment

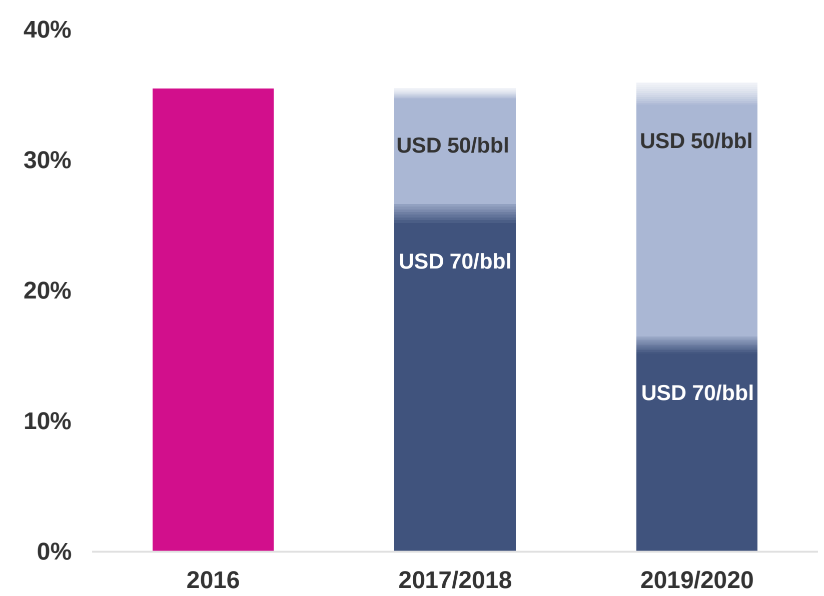
Growing cash flow with flexibility[1]

Free cash flow positive @ USD 50/bbl in 2017



Managing the balance sheet[2]

Reducing net debt at > USD 50/bbl



1 For illustrative purposes; assumes 40% out-take rate for the remaining scrip programme period.
2 In the price scenarios, the following real prices have been assumed (Brent Blend USD per barrel / NBP USD per million Btu): 50/5.5, 70/6.5 and 90/8.5
3 Cash flow from operations.

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1H17: Continued operating and financial progress

	1H17	Guidance
Cash flow	$4bn positive FCF @ $52/bbl Brent	FCF positive at $50/bbl Brent in 2017 (includes scrip to Q3 2017)
Gearing	Reduced by 8 percentage points from 35.6% to 27.5% YTD	Comfortable in 30s; 15-30% long-term target range
Organic capex	$4.5 billion YTD	2017: USD ~11 billion Rising slightly to 2020
OPEX / SG&A costs per boe	Continued progress on $1bn improvement in 2017	$1bn improvement in 2017 even from a better 2016 base
Production	Up 4% y/y[1]	2016-17: ~5% organic growth[1] (from ~4-5% previously); 2016-2020: ~3% organic CAGR

1 Relative to 2016 production rebased for the sale of Canadian oil sands (Leismer) and PetroCedeno re-classification

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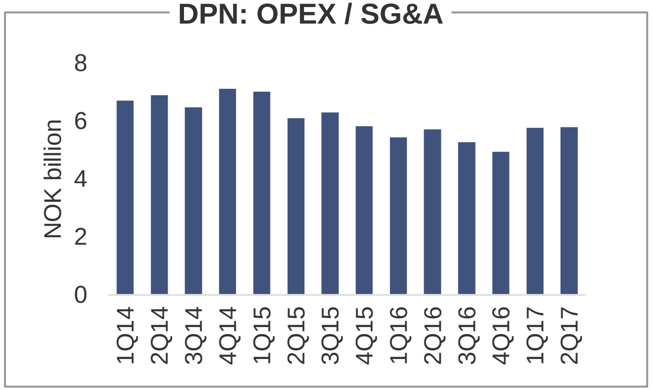
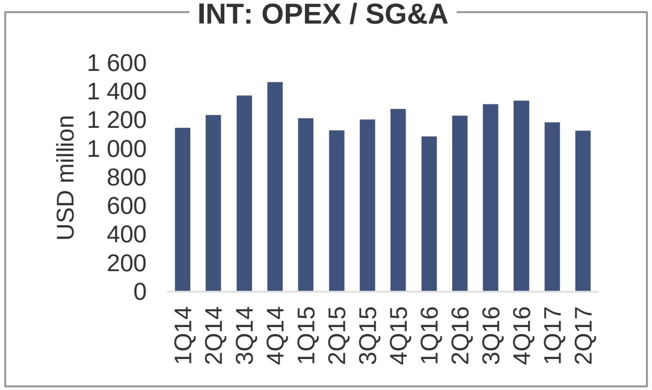
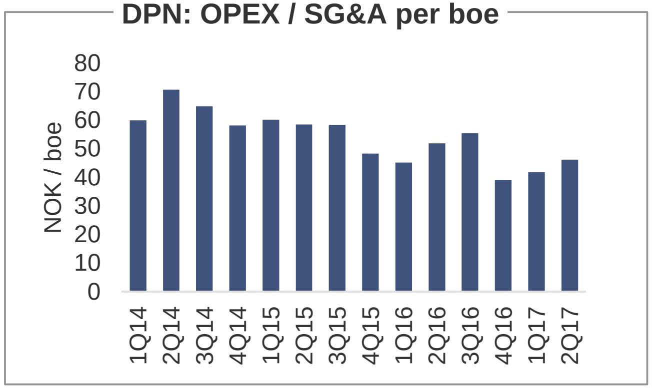
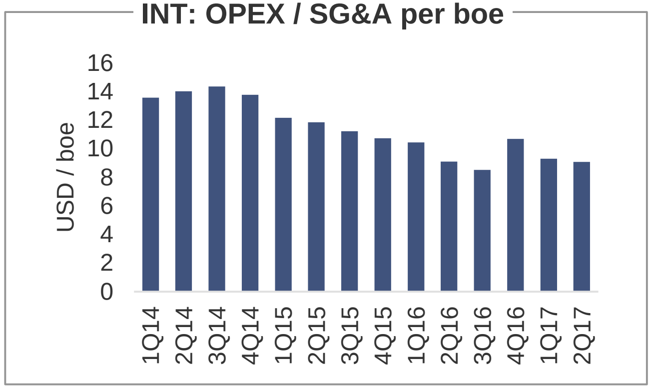
OPEX / SG&A trends









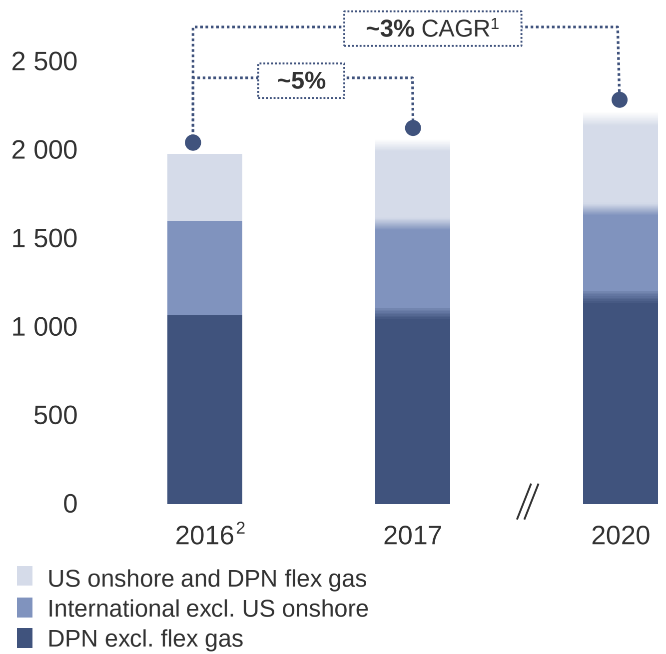
2Q17

- DPN: 11% underlying[1] reduction y/y in OPEX / SG&A per boe in NOK
- INT: Underlying[2] OPEX / SG&A per boe in USD largely flat y/y (-4% y/y excluding royalties)
- MMP: 5% underlying[1] reduction y/y in OPEX / SG&A

1 Adjusted for change in principle for allocation of gas transportation costs, which has no NOI effect
2 Adjusted for sale of Canadian oil sands (Leismer)

Delivering high value production growth

Equity production



Major start-ups planned for 2017-2022

2017	2018	2019	2020	2021	2022
Gina Krog	**Aasta Hansteen**	**Johan Sverdrup**	**Peregrino Phase 2**	**Troll Future**	**Johan Sverdrup future**
Hebron	**Mariner**	**Trestakk**	**Utgard**	**Snøhvit Askeladd**	**Johan Castberg**
	Oseberg Vestflanken	Martin Linge	**Snorre Expansion**	**Eirin**	**Krafla**
	Stampede		**Bauge**	Vito	North-Komsomolskoye
	TVEX[3]				
	Big Foot				
~40*	~155*	~200*	~70*	~165*	~270*

- Major projects (list not exhaustive)
- Statoil-operated projects are in bold
- * Indicative plateau production from planned start-ups – Statoil equity share (mboe/d), not applicable for sum of production per year

1 Compound annual growth rate.
2 Rebased 2016 of 1,958 mboe/d, adjusted for the KKD transaction.
3 TVEX: Tahiti vertical expansion.

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Investing in next generation portfolio

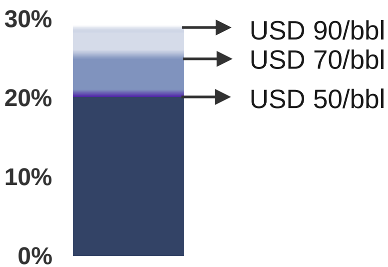
World class projects 2015-22[1]

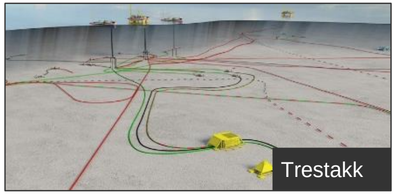
Average break-even | USD 27 /bbl

Oil share | 65%

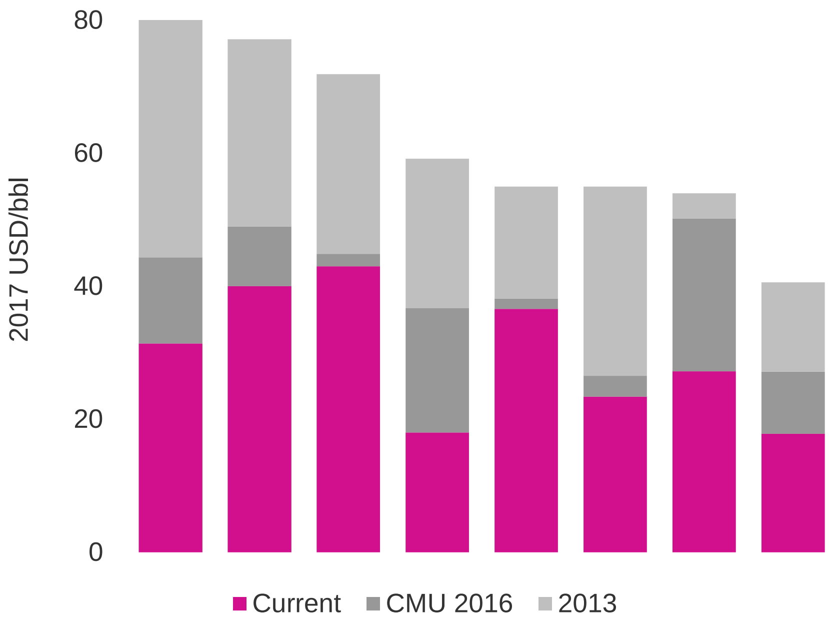
Payback[2] | 2023 @ USD 50/bbl

Average IRR[3]





Development break-even major project decisions 2015-17[4]



1 Operated and non-operated projects, sanctioned since 2015 or planned for sanction, with start-up by 2022. Volume weighted.
2 Time of accumulated positive cash flow after tax.
3 Internal rate of return at time of sanctioning. Capex weighted.
4 Johan Castberg, Johan Sverdrup phase 1, Johan Sverdrup phase 2, Oseberg Vestflanken, Peregrino Phase II, Snorre Expansion, Trestakk and Utgard. CAPEX and KPIs from 1Q2013 used with exception of newer projects.

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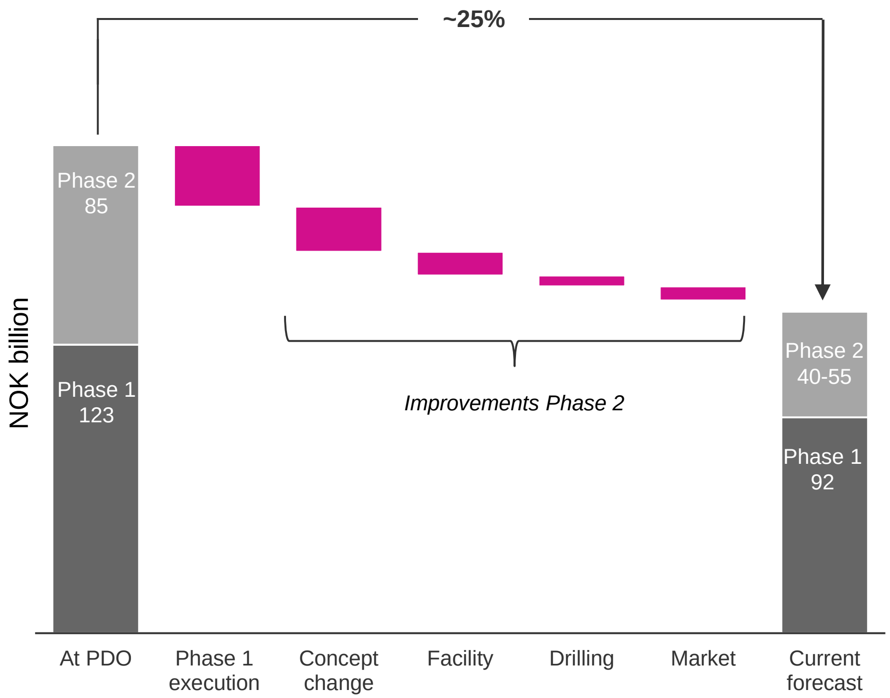
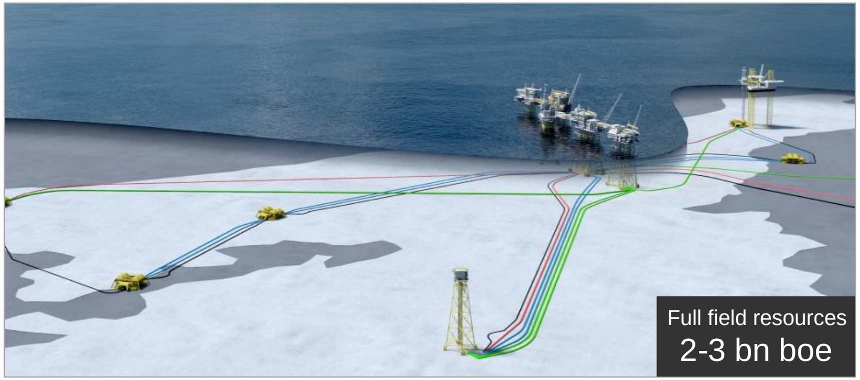
Johan Sverdrup – culture for value creation

Capex improvements[1]





Current break-even prices

Phase 1 below	Phase 2 below	Full field below
20 USD/bbl	30 USD/bbl	25 USD/bbl

1 Numbers in NOK billion nominal, fixed currency and excluding IOR.

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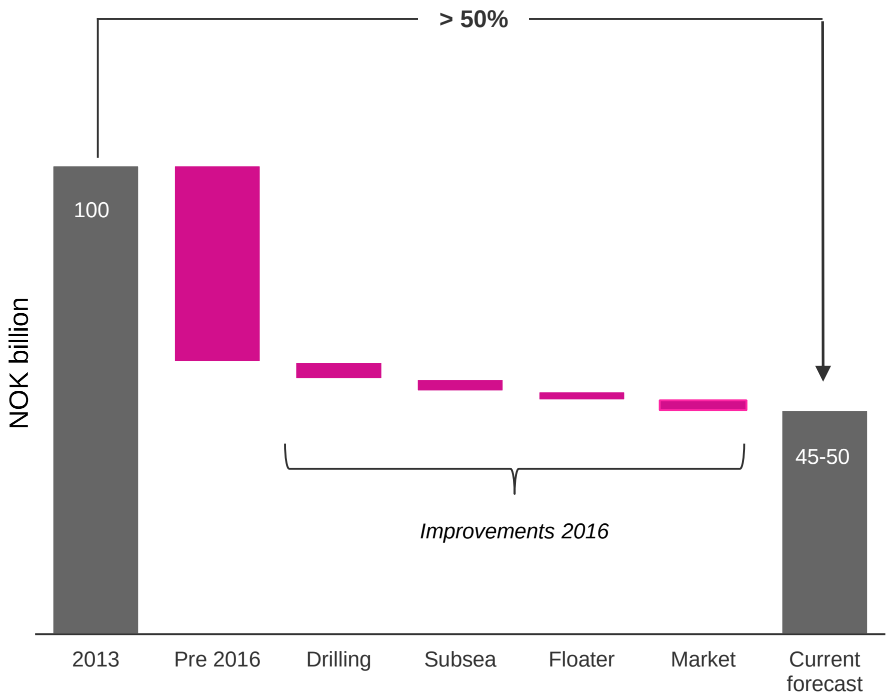
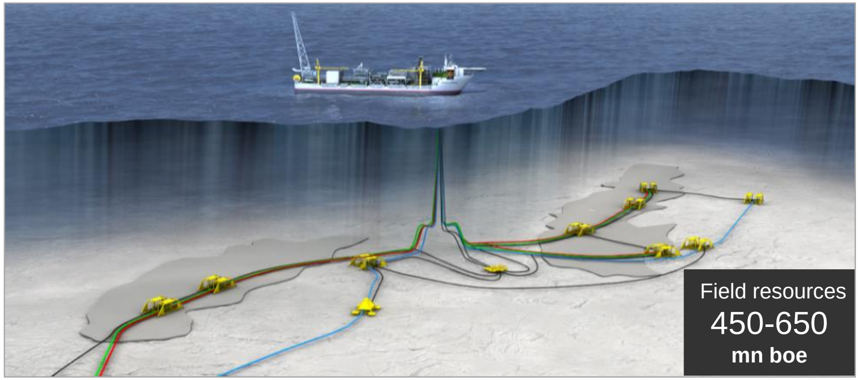
Johan Castberg – continuously optimising concept

Capex improvements[1]





Improvements break-even price

2013 above	CMU 2016 below	Current below
80	45	35
USD/bbl	USD/bbl	USD/bbl

1 Numbers in NOK billion 100% real term 2016.

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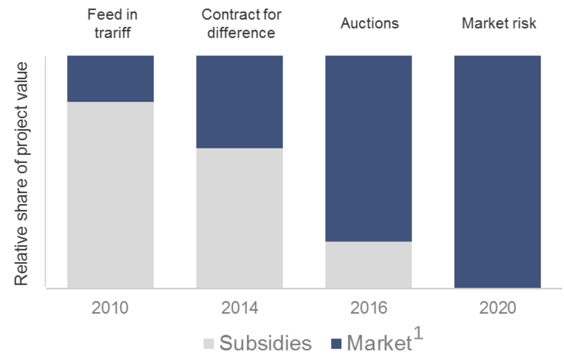
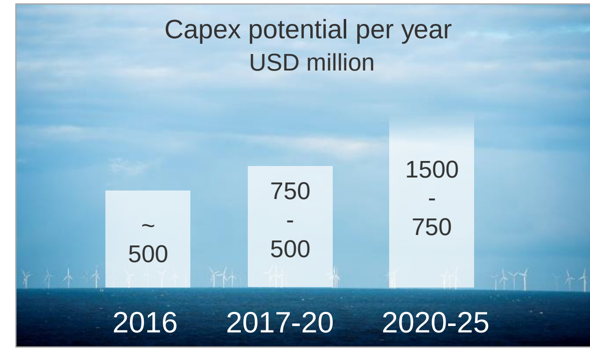
Building a profitable new energy business





Industrial approach

- Leverage core competence
- Scale & technology reduce costs
- Access to long-term projects

Value driven

- From subsidies to markets
- 9-11% return range (real)
- Cash flow resilience

Growth opportunities

- 15-20% of capex in 2030[2]
- Offshore wind and other options
- Low-carbon solutions

1 Indicative for offshore wind projects
2 Indicative, based on potential future corporate portfolio.

Sustainable value creation from financial discipline

Investing in world class portfolio

- Break-even @ USD 27/bbl
- Material capex flexibility
- RoACE[1] above 10% @ USD 70/bbl 2020

Growing cash flow

- Visible production growth
- Improving cash margin
- FCF positive @ USD 50/bbl in 2017

Dividend policy remains firm

- Maintain dividend at USD 0.2201[2]
- Scrip programme to Q3 2017[2]
- Share buyback option[2]

Maintaining financial flexibility

- A-category rating on a stand-alone basis
- Gearing comfortable in 30s; long term 15-30%
- Active portfolio management

1 Return on average capital employed.
2 Subject to approval at the Annual General Meeting (AGM).

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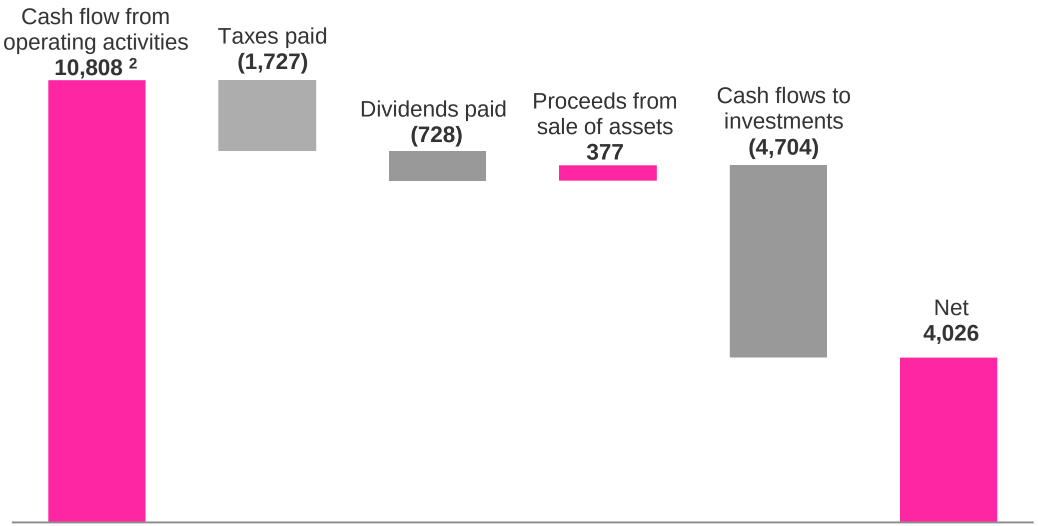
Supplementary slides

Net debt ratio reduced by 8 percentage points

- Strong cash flow from operations
- Net debt ratio reduced from 35.6% to 27.5% YTD
- FCF positive at 50 USD per barrel Brent in 2017[1]
- Continued strict capital discipline

2017 YTD; USD mill



1 Including scrip, as communicated at CMU Feb 2017.
2 Income before tax (7,332) + Non cash adjustments (3,476).

DPN: Continued strong operational performance and cash flow

2017 and 2018 Focus

Continued sustainable improvements:

- Continued safety improvements
- Improving production efficiency
- Adding new capacity – start-up of new fields
- Continue cost improvements

Milestones in 2017-18:

- Start-up Gina Krog, Byrding and Aasta Hansteen
- DG3 planned for major projects
    - Johan Castberg
    - Johan Sverdrup future
    - Troll future
    - Snorre Expansion

Cash generation:

- Significant cash generation at current price level – robust portfolio

Progress 2017

Safety improvements

- SIF 0.7 YTD Q2 2017

Production efficiency at record level:

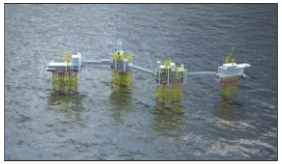
- Continued improvements planned and unplanned losses

OPEX and SG&A reduction:

- 11% reduction NOK/ boe Q2 2017 vs Q2 2016
- 7% reduction NOK Q2 2017 vs Q2 2016

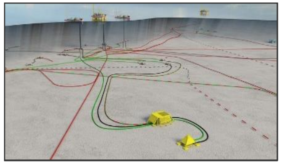
Major NCS Projects

World class projects

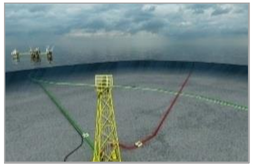


Johan Sverdrup

Troll future



Trestakk



Oseberg Vestflanken

Johan Castberg

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DPI: A competitive international portfolio

2017 and 2018 Focus

Mature and high-grade portfolio and further improve profitability:

- Cost improvements on producing assets
- License extensions
- Enhance Brazil portfolio
- Cost and carbon efficient project development

Milestones in 2017-18:

- Start-up Hebron (Canada) and Mariner (UK)
- Efficient project execution Peregrino phase 2 (Brazil)
- Progress North Komsomolskoye (Russia)

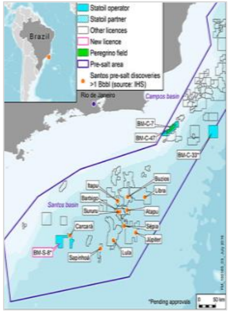
Cash generation:

- DPI cash flow positive going forward at 4Q 2016 Brent oil price[3]

Major International Projects

Significant improvements in project design, costs and break-even

BM-C-33 Brazil



BM-S-8 Brazil

North Komsomolskoye Russia

Bay du Nord Canada

Tanzania gas project

1 2016 net operating income, excluding exploration expenses, would have been zero at $45 brent oil price vs. $46 communicated at the CMU in February 2016
2 Forward break-even prices for unsanctioned portfolio
3 Excluding exploration cost, 4Q2016 Brent price was USD 49.3/boe

DPI: Brazil – competitive portfolio

Peregrino Main

- 60%, operated
- >150MM bbl produced
- Long life (STOOIP ~4 bn bbl, API 14°)
- 100 kbp/d capacity

Peregrino Phase II

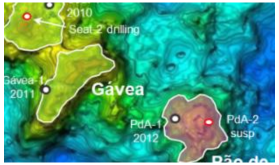
- Phase II: Construction started
- 1st oil: 2020
- 60 kbp/d capacity
- +250MMbbl recoverable resources

Carcará

- Statoil operatorship
- 76% stake – world class
- Pre-salt, light oil 32 ºAPI
- Open acreage bid round Northern Carcará Oct17

BM-C-33

- Statoil operated -3 discoveries
- Potential for early monetization
- Pre-salt, light oil
- Great gas potential



EXP portfolio

- 9 blocks, multiple wells program
- 10 commitment wells 2016-18
- Espírito Santo basin, one of the 3 most prolific in the country

Value from Natural Gas

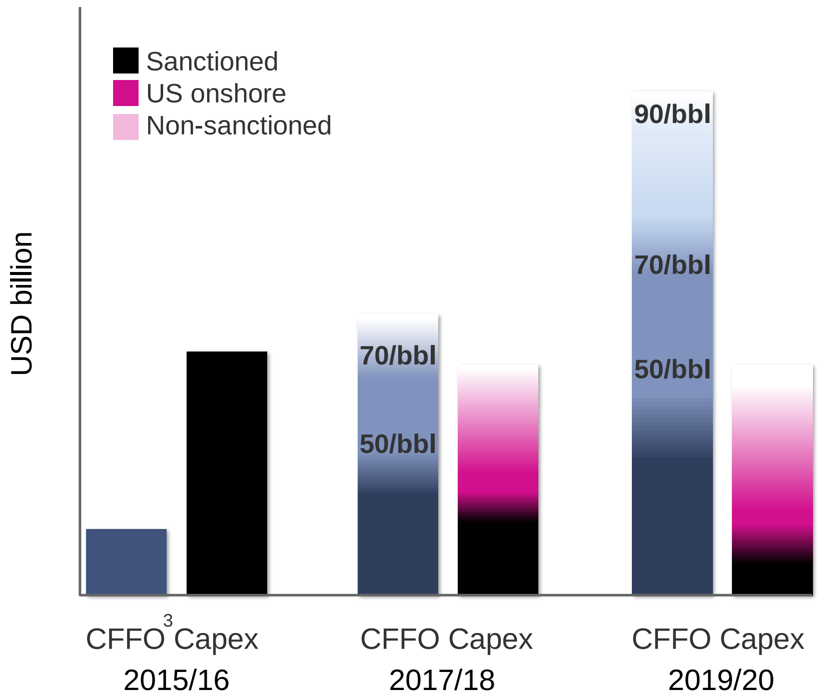
- Intensive market potential
- Market opening initiatives
- Potential on mid and downstream

MoU with PBR

- Collaboration agreement with Petrobas, main NOC
- Mature asset evaluation
- Technological agreement

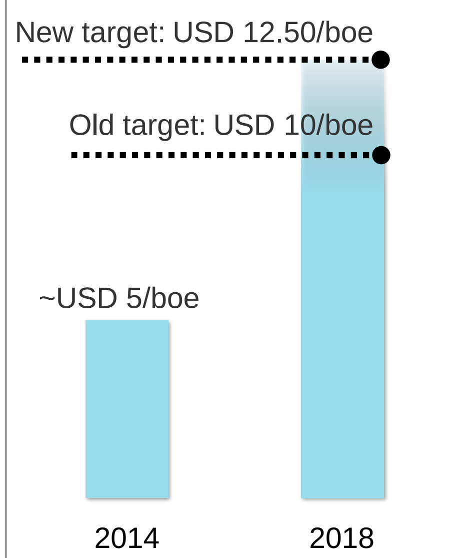
DPUSA: On track to achieve “90 to 50”

Growing CFFO while capex is flexible[1]



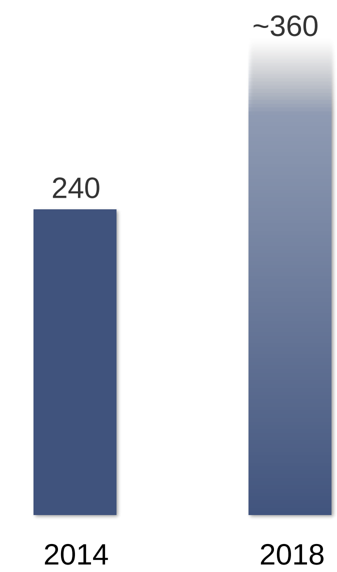
Cash margin[2]

@ USD 50 WTI



Production potential

mboe/d



1 Use of capex flexibility is not reflected in the different price scenarios in the chart
2 After tax margin at USD 50 WTI. Assumes product and gas prices correlate with WTI prices.
3 Cash flow from operations

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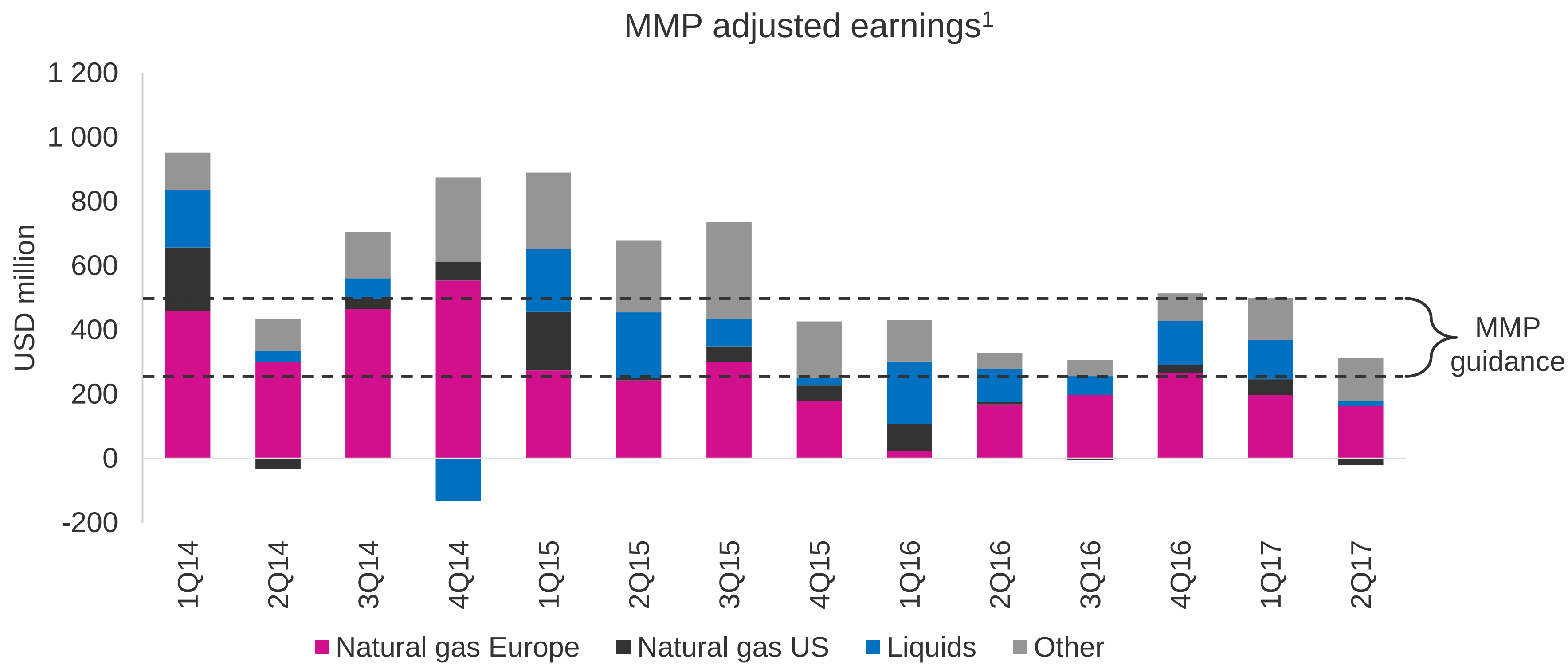
MMP: Delivering resilience



1 Before tax

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Planned exploration drilling programme 2017

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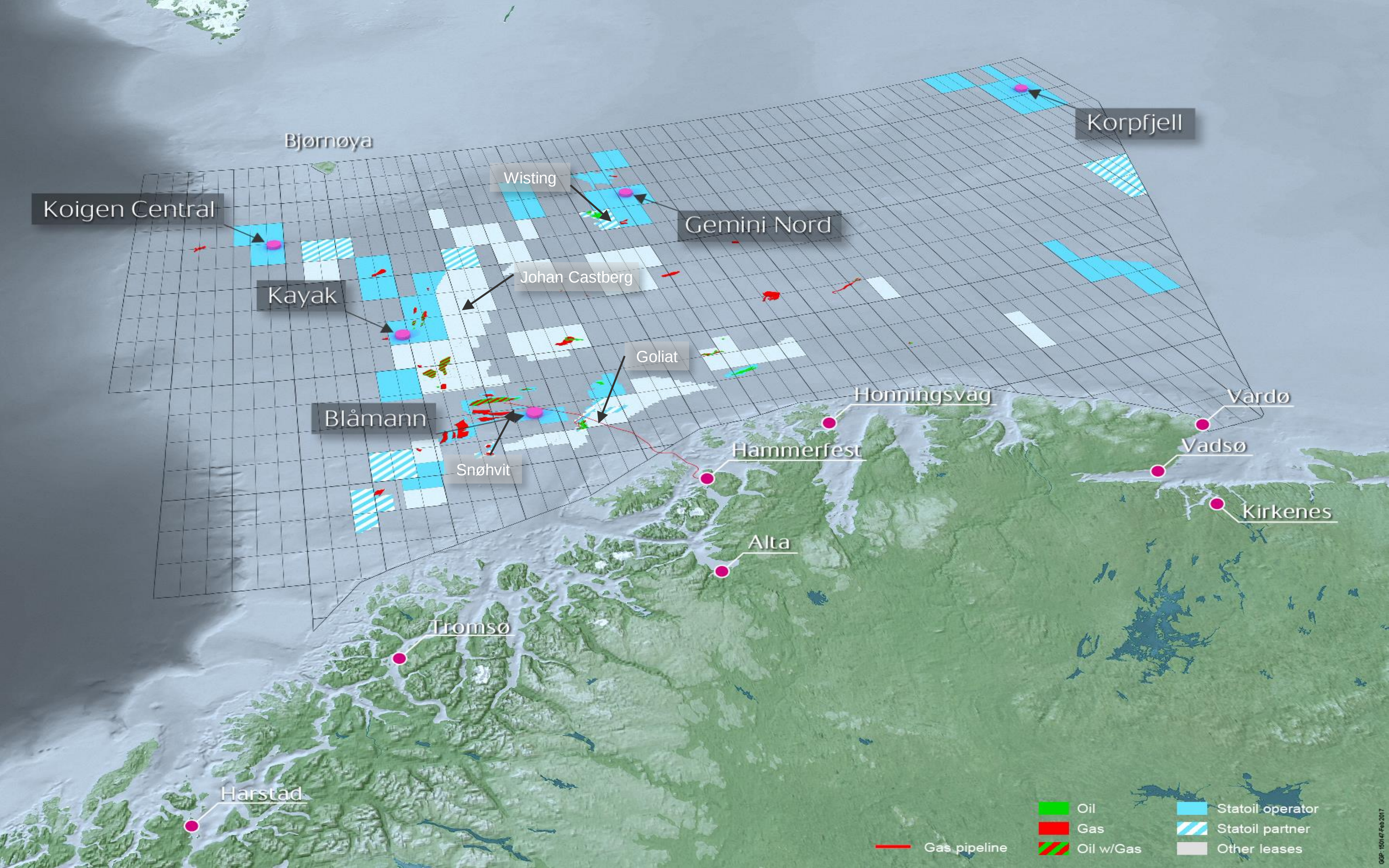


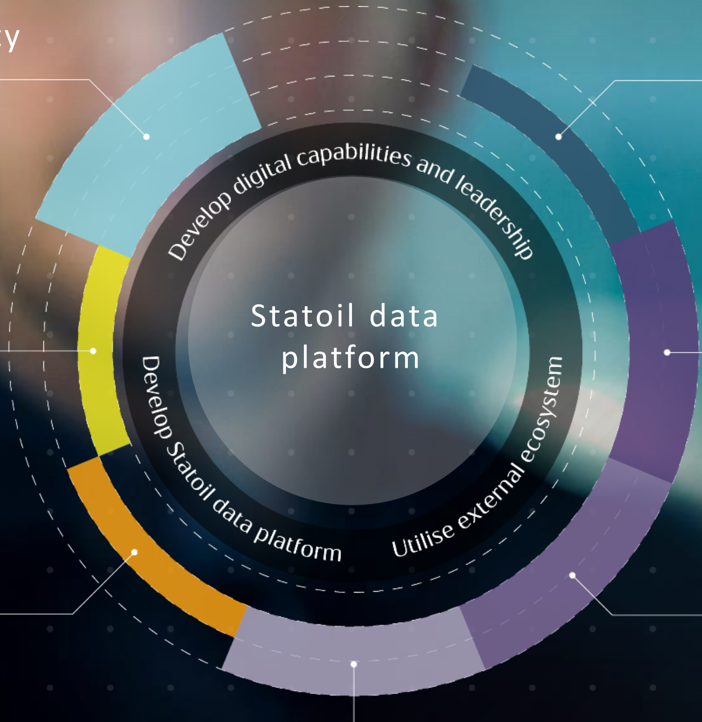
Bjørnøya
Korpfjell
Wisting
Gemini Nord
Koigen Central
Johan Castberg
Kayak
Goliat
Honningsvåg
Vardø
Blåmann
Hammerfest
Vadsø
Snøhvit
Kirkenes
Alta
Tromsø
Harstad
Oil
Gas
Oil w/Gas
Gas pipeline
Statoil operator
Statoil partner
Other leases
GGP-150147-Feb 2017

Statoil's digital roadmap

1. Digital safety, security & sustainability

2. Subsurface analytics

3. Next generation well delivery



6. Process digitalisation & insight

5. Data driven operations

4. Field of the future

The ambition is to become a digital leader within our core areas

Always safe | High value | Low carbon

Safety, security and sustainability

Become an industry leader on safety, security and sustainability by leveraging digital technologies

Productivity

Leverage digital to maximise recovery, minimise downtime and become the most productive operator

Cost Efficiency

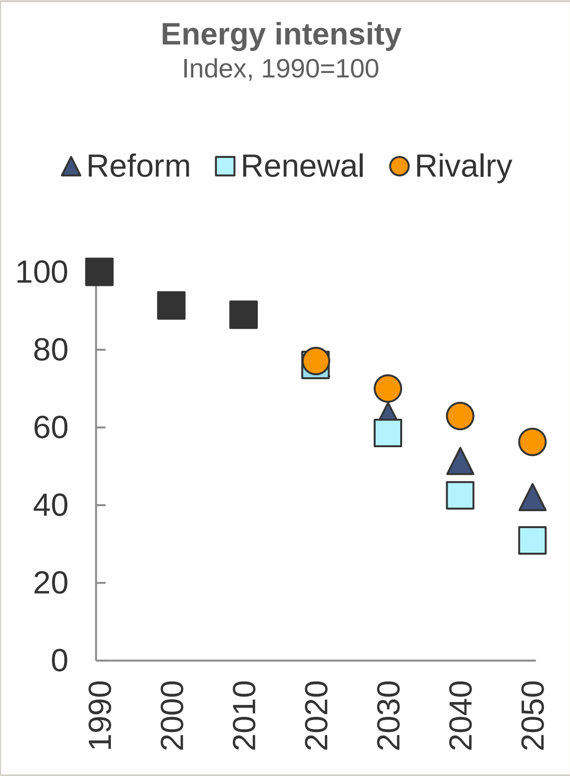
Maintain a competitive cost advantage globally by being leader on digital lean processes

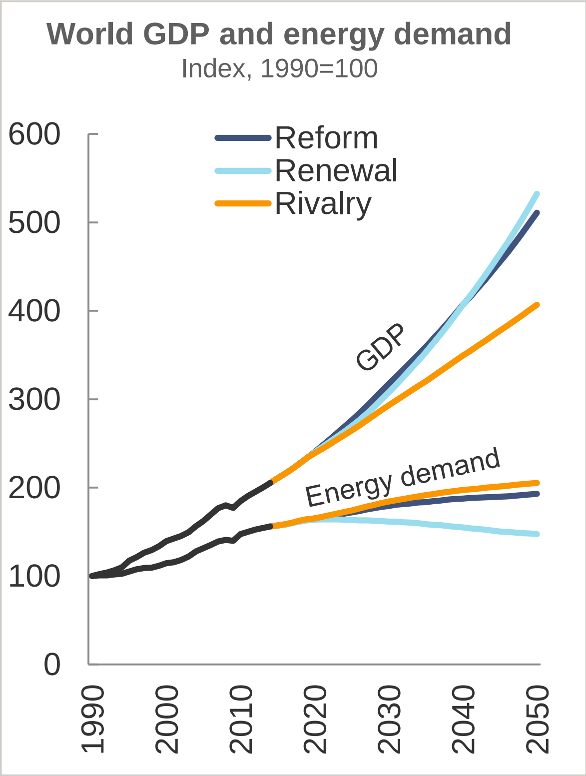
Capabilities and culture

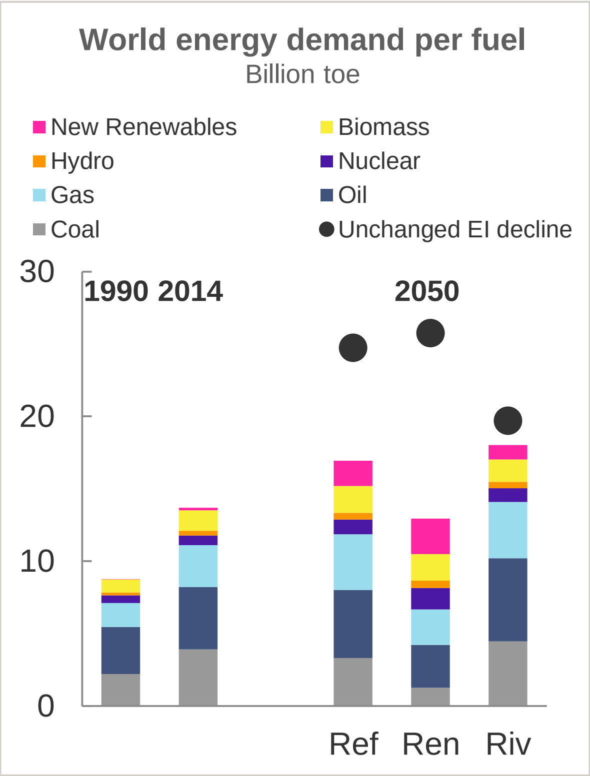
Further develop the organisation underpinned by a broad suite of digital competencies

Key #1: Energy efficiency improvement

Global GDP 2-2.6 times higher in 2050, Energy demand -5% – + 30%







Source: IEA (history), Statoil (projections)

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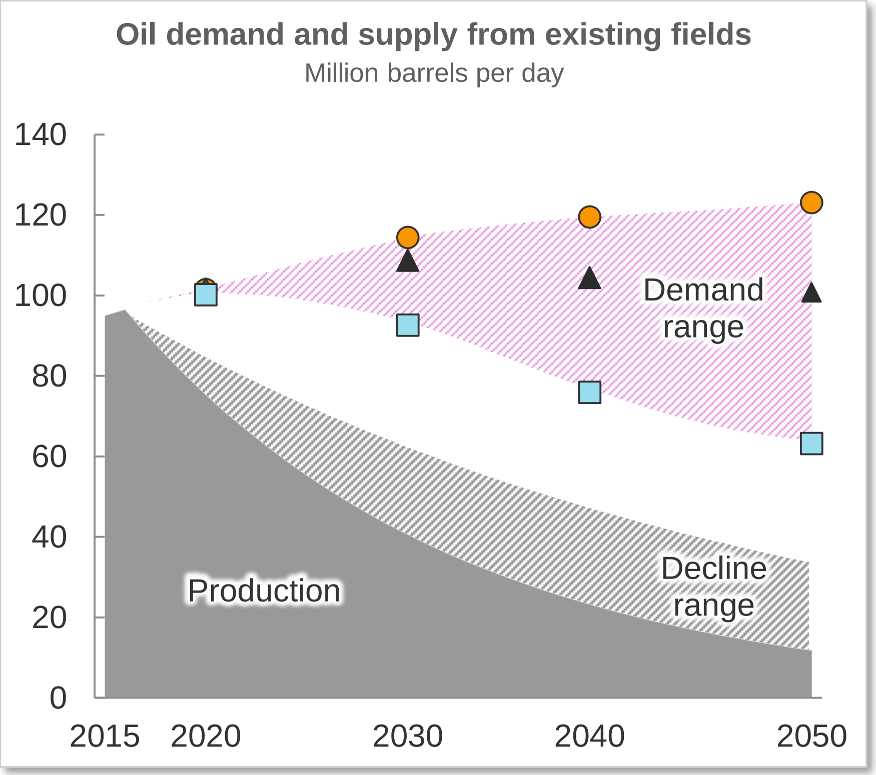
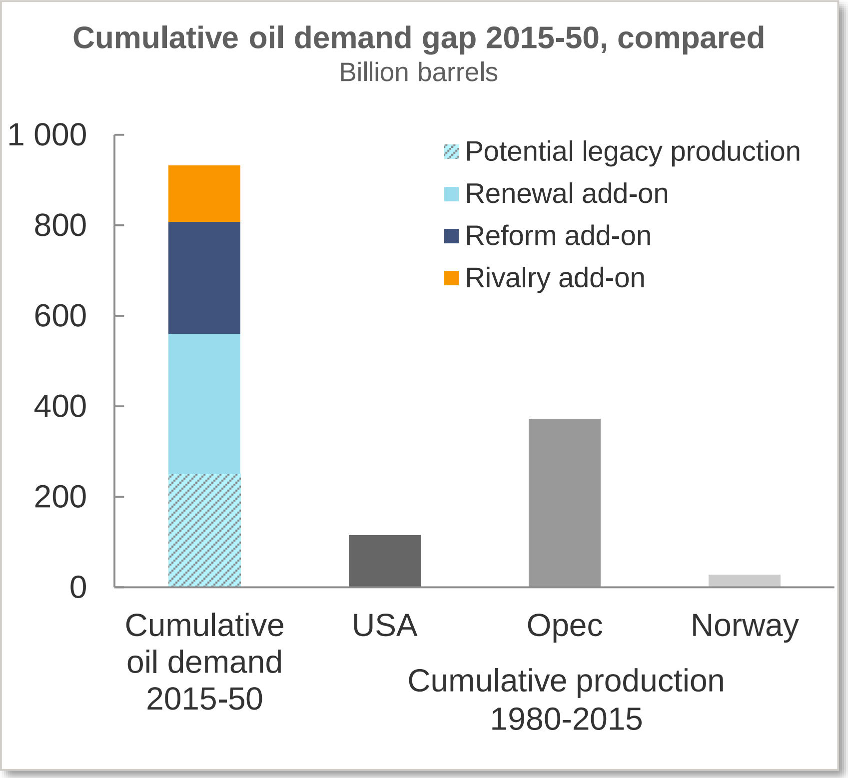
Huge investments needed in oil in all scenarios

…to replace production and satisfy demand



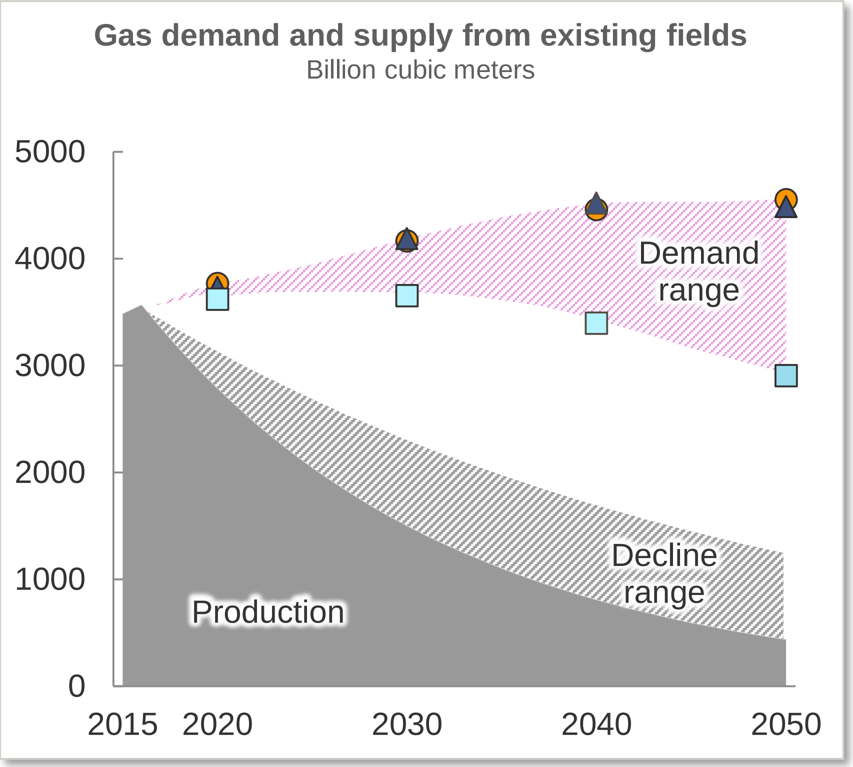


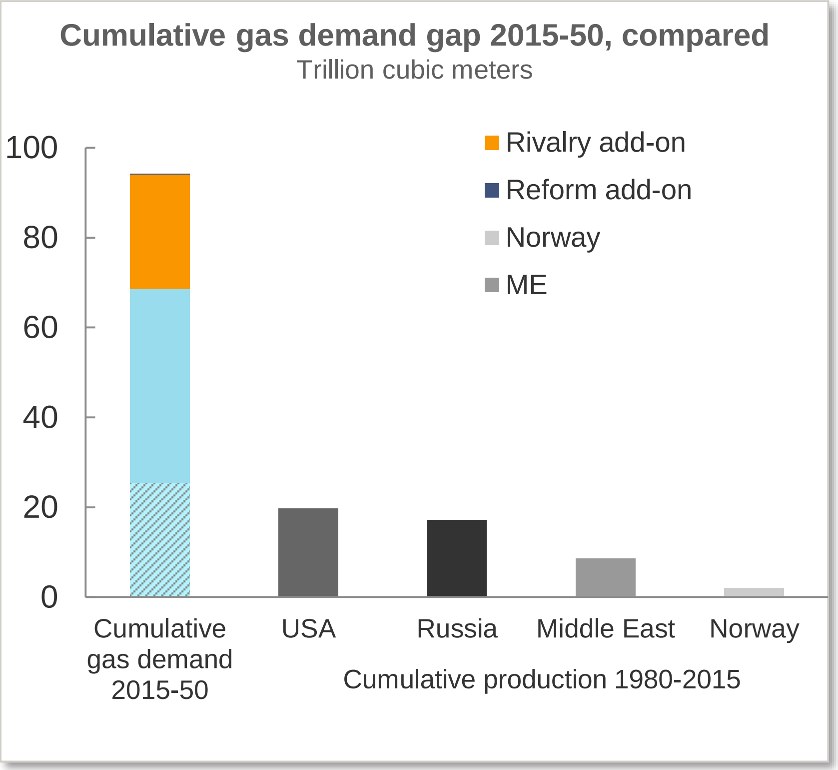
Source: Statoil (projections), BP statistical review of world energy (history)

Statoil

…and the same is the case for gas

…to replace production and satisfy demand





Source: Statoil (projections), BP statistical review of world energy (history)

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Globalizing gas – flows according to price signals

…to US LNG currently in the money; prices driven by other factors as well

Source: NYMEX, ICE, Platts, Pira, Statoil ASA
1 NYMEX Henry Hub Forward curve for Calendar 2018 – 1 Sep 2017
2 ICE NBP Forward curve for Calendar 2018 - 1 Sep 2017
3 Platts JKM (Asia spot LNG) - 1 Sep 2017

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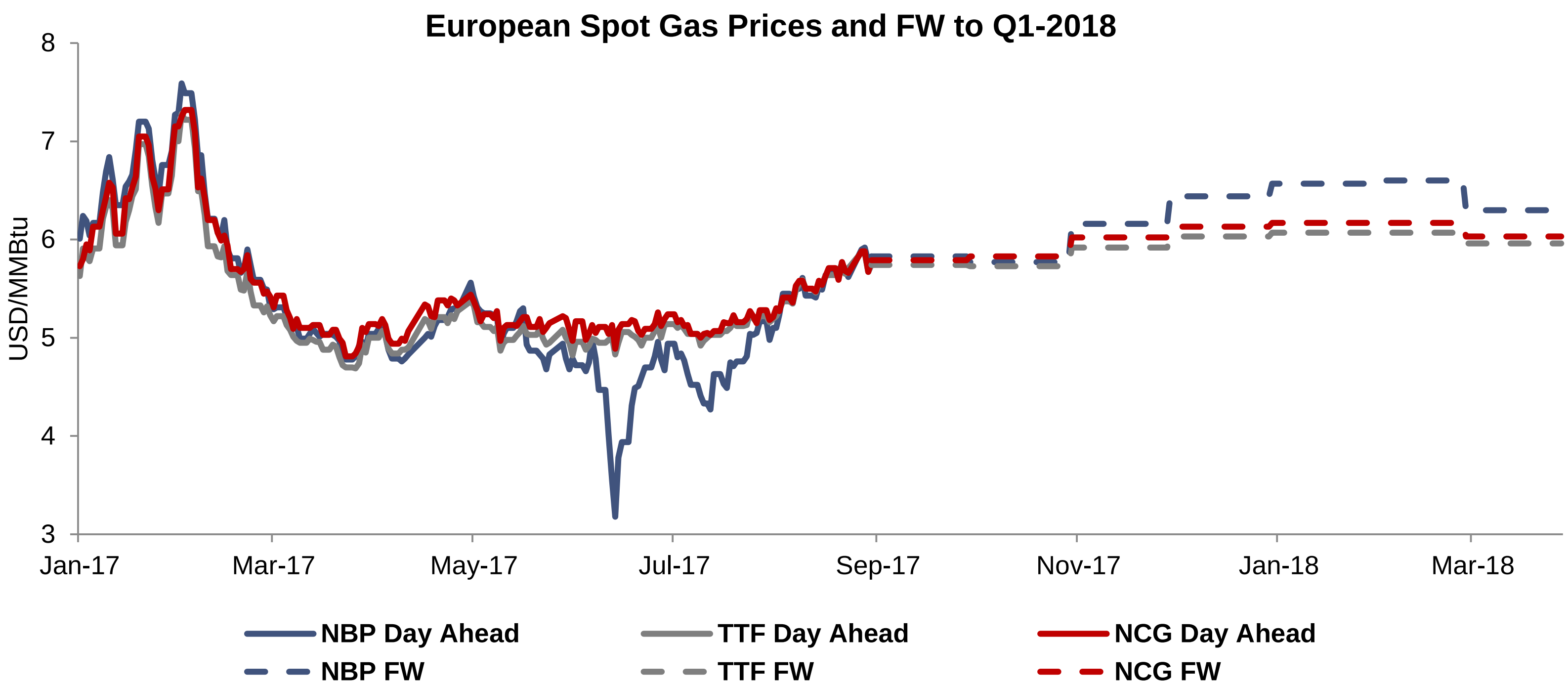
Gas Prices 1st Half 2017

NBP disconnects from continental hubs



- Strong deliveries have led to record export levels and a wide discount to the continent
- Continental demand levels have provided support to market price

Source: ICE

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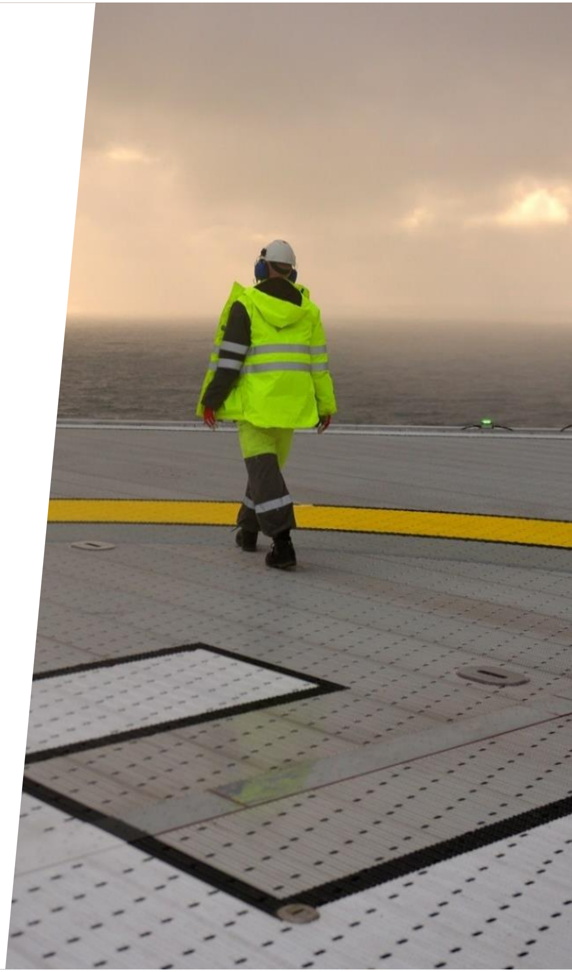
Outlook 2017

	Period	Outlook
Organic capex	2017	USD ~11 billion[1]
Production	2016-2017 2016-2020	~5% organic production growth ~3% organic CAGR
Maintenance	2017 3Q 2017	30 mboe per day 50 mboe per day
Exploration	2017	USD ~1.3 billion
Efficiency improvements	2017	USD 1 billion



1 Based on USD/NOK exchange rate of 8.5

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Forward-looking statements

This report 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 plans and expectations with respect to market outlook and future economic projections and assumptions; Statoil's focus on capital discipline; expected annual organic production through 2017; projections and future impact related to efficiency programmes; capital expenditure and exploration guidance for 2016; production guidance; Statoil's value over volume strategy; Statoil's plans with regard to its acquisition of 66% operated interest in the BM-S-8 offshore license in the Santos basin; Statoil's expected report on helicopter safety on the Norwegian continental shelf; organic capital expenditure for 2016; Statoil's intention to mature its portfolio; exploration and development activities, plans and expectations, including estimates regarding exploration activity levels; projected unit of production cost; equity production; planned maintenance and the effects thereof; impact of PSA effects; risks related to Statoil's production guidance; accounting decisions and policy judgments and the impact thereof; expected dividend payments, the scrip dividend programme and the timing thereof; estimated provisions and liabilities; the projected impact or timing of administrative or governmental rules, standards, decisions, standards or laws, including with respect to the deviation notice issued by the Norwegian tax authorities and future impact of legal proceedings are forward-looking statements. You should not place undue reliance on these forward- looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons.
These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of Norway and other oil-producing countries; EU developments; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions, including war, political hostilities and terrorism; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields 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, 2015, 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.

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