

IR Autumn conference

Oslo, 25 November 2013

Forward looking statements

This presentation material 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, projects and discoveries, such as the Wintershall agreement, the agreement with OMV and discoveries in the Bay du Nord prospect in the Flemish Pass Basin offshore Newfoundland as well as on the NCS; the termination of the full-scale carbon capture project at Mongstad; Statoil's interest in the OMV-operated Wisting Central oil discovery in the Hoop area; 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 and gas transport commitments 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, including the risks described above in "Financial Risk update".

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; Euro-zone uncertainty; global political events and actions, including war, terrorism and sanctions; security breaches, including breaches of our digital infrastructure (cybersecurity); 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; failure to meet our ethical and social standards; an inability to attract and retain personnel; relevant governmental approvals (including in relation to the agreement with Wintershall); 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, 2012, 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.



Macro and market perspectives

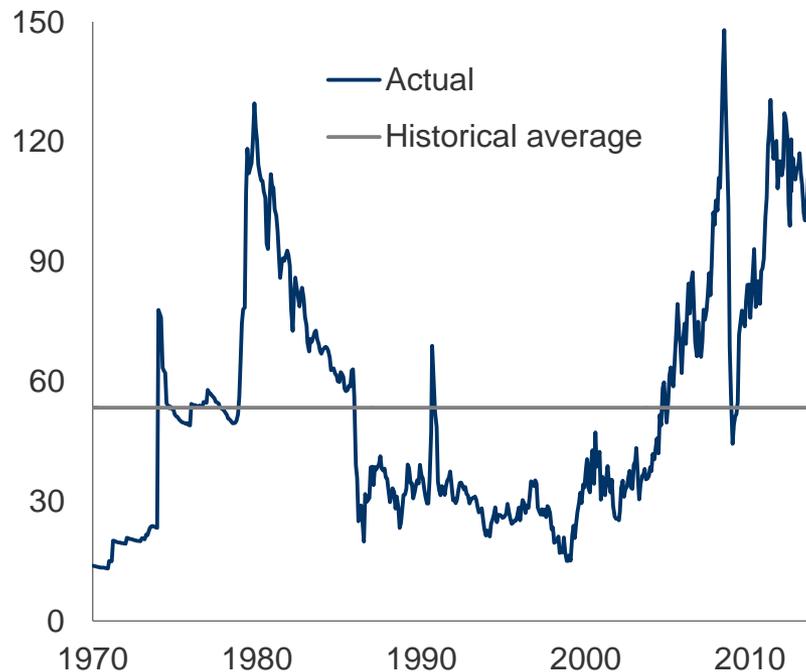
Eirik Wærness
Chief economist

Oil and gas prices – volatility is part of the game

Higher oil prices and gas prices in Europe, decoupled gas in North America

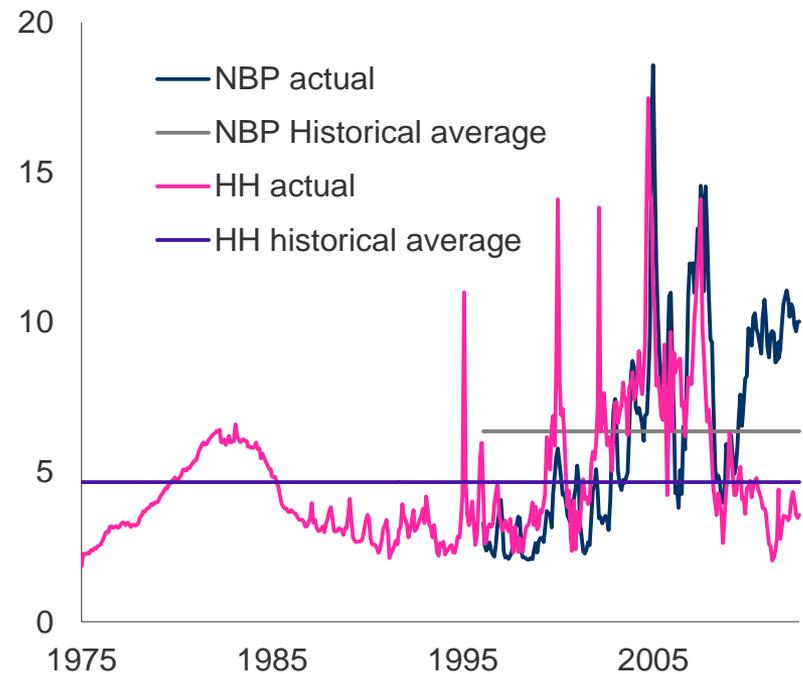
Oil price

Brent blend (USD/bbl, 2013 prices)



Gas prices

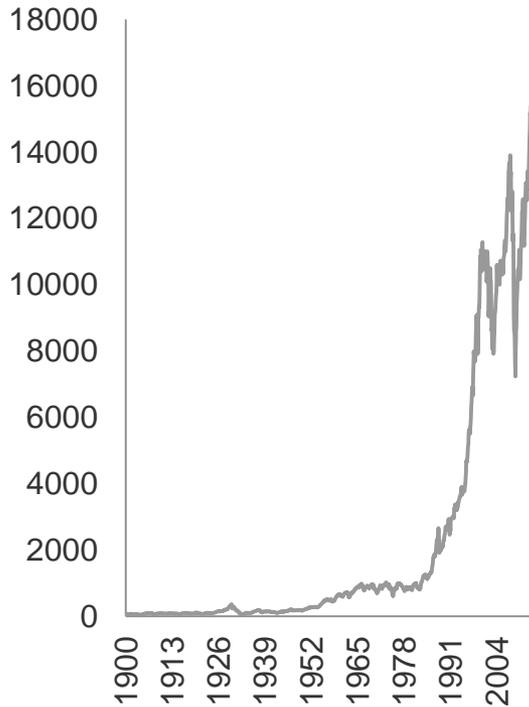
Henry Hub and NBP (USD/MMBtu, 2013 prices)



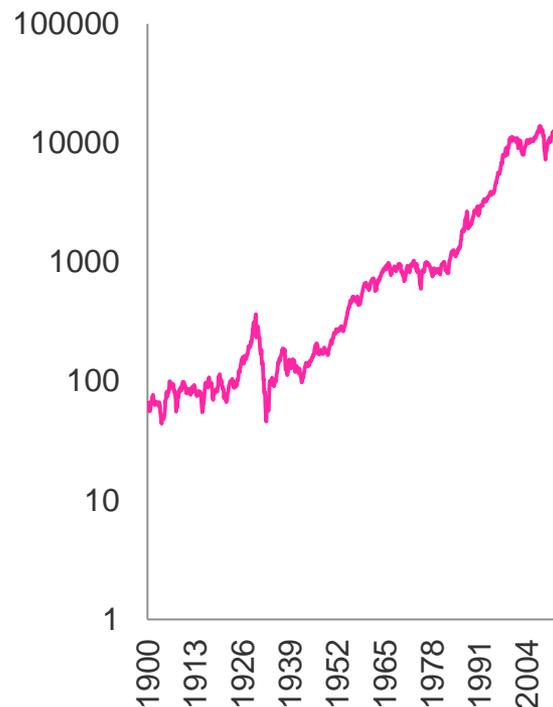
Uncertainty is something we are always facing

... which makes predictions valuable and disagreements profitable ...

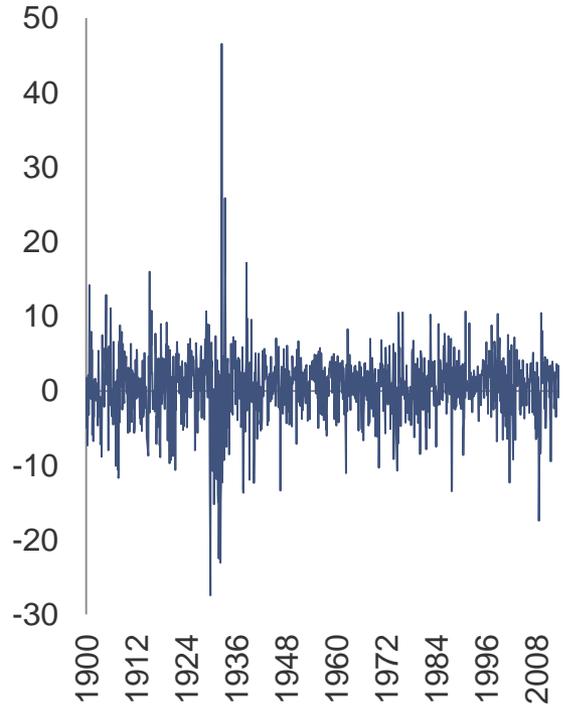
Dow Jones Industrial Average



Dow Jones Industrial Average



Dow Jones Industrial Average Monthly change (%)

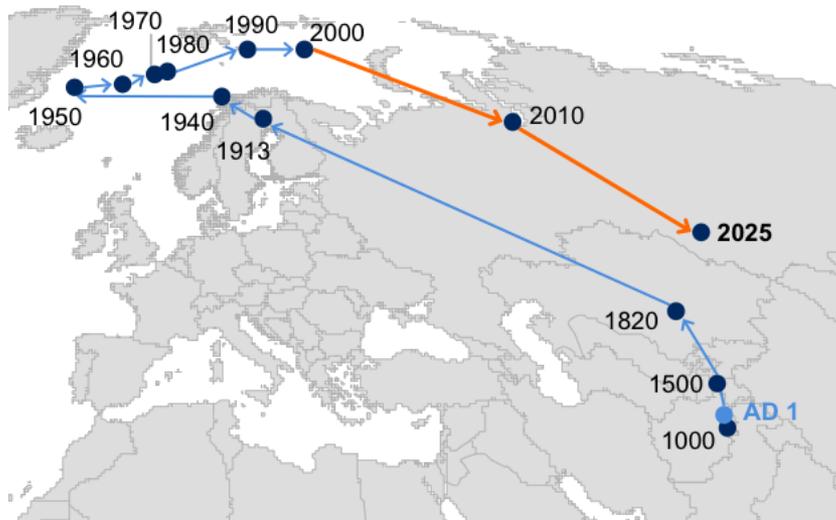


A strong trend affecting economics and energy

Economic gravity moves (back) to the east, and so does energy demand

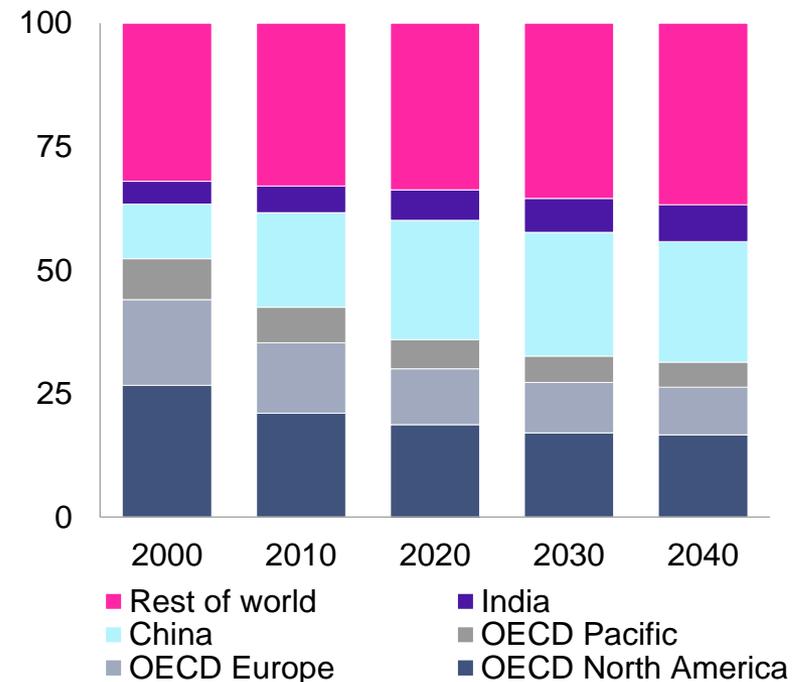
The global economic centre of gravity

Based on geographical weighting of GDP



Shifting energy demand

Share in global energy demand, %

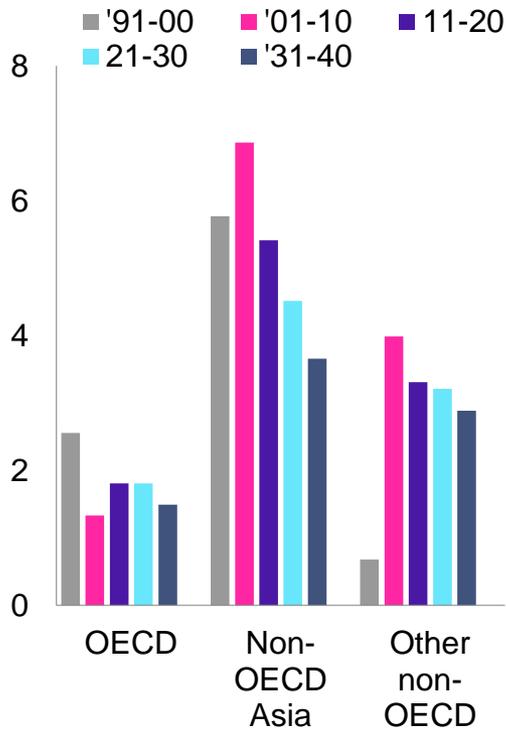


Growth, efficiency and energy demand

Non-OECD driving growth, energy efficiency to improve by almost 40%

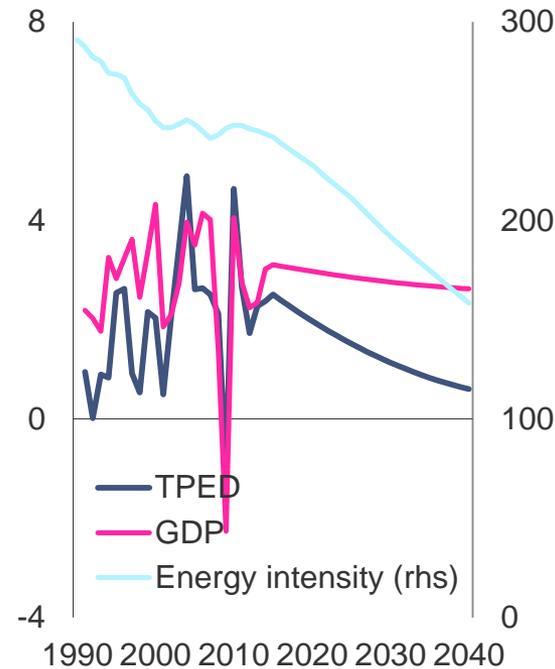
Economic growth

Annual change in GDP (%)



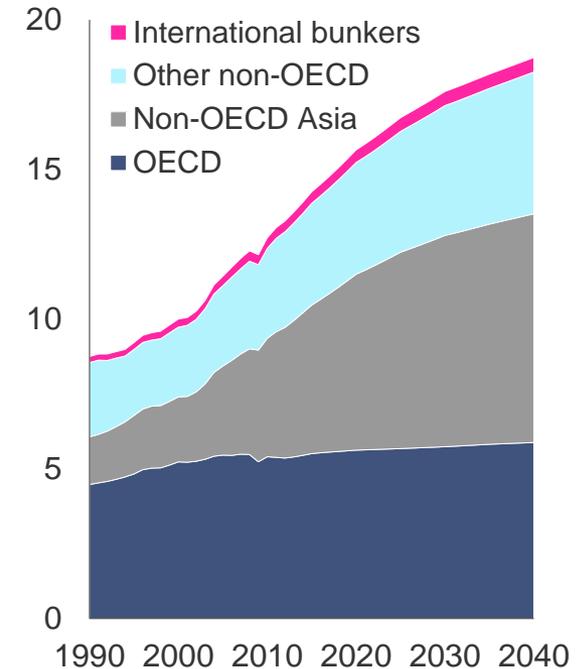
Growth and energy intensity

Growth (%) and toe/million 2005-USD



Global energy demand

TPED, bn toe

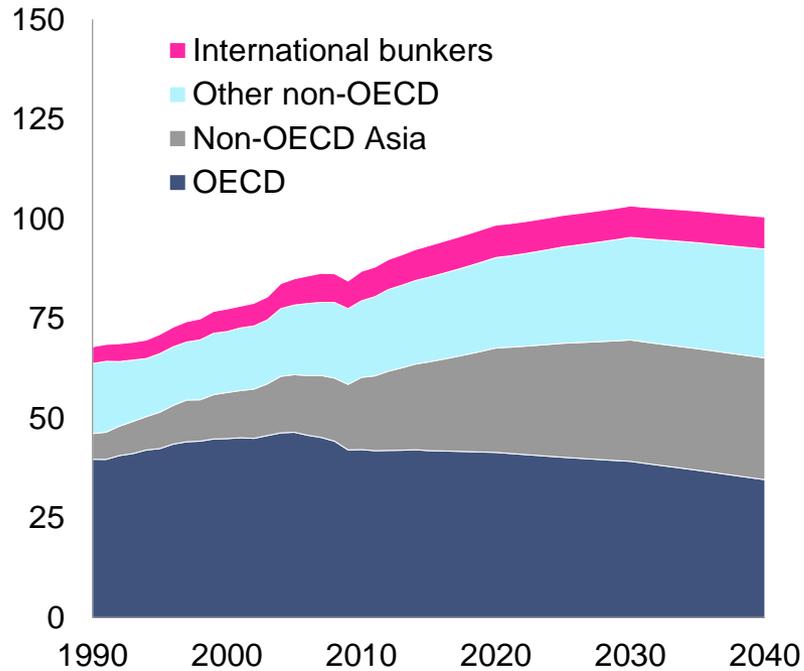


Fossil fuels are here to stay

Emerging economies drive demand growth – oil demand peaks ~ 2030

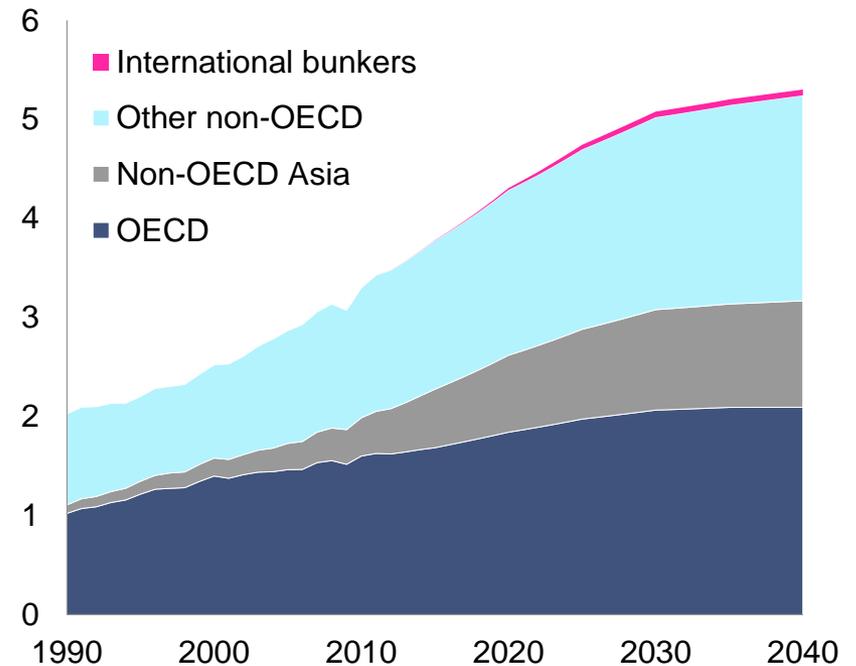
Global oil demand

ex bio fuels, mbd



Global gas demand

1000 bcm

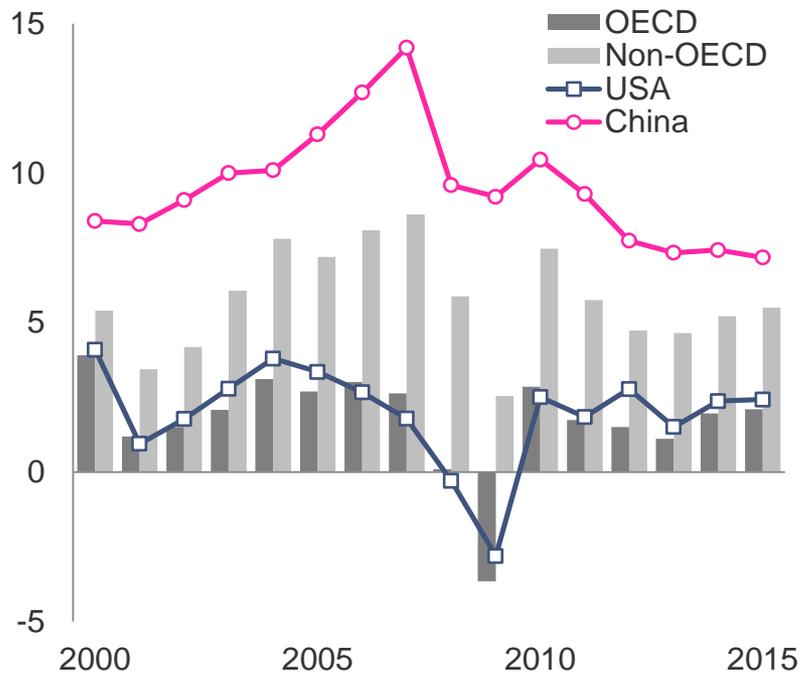


Global economy: cautious improvement

Slow and uneven growth, but still on track for a gradual acceleration

Economic growth 2000-2015

Annual change in GDP (%)

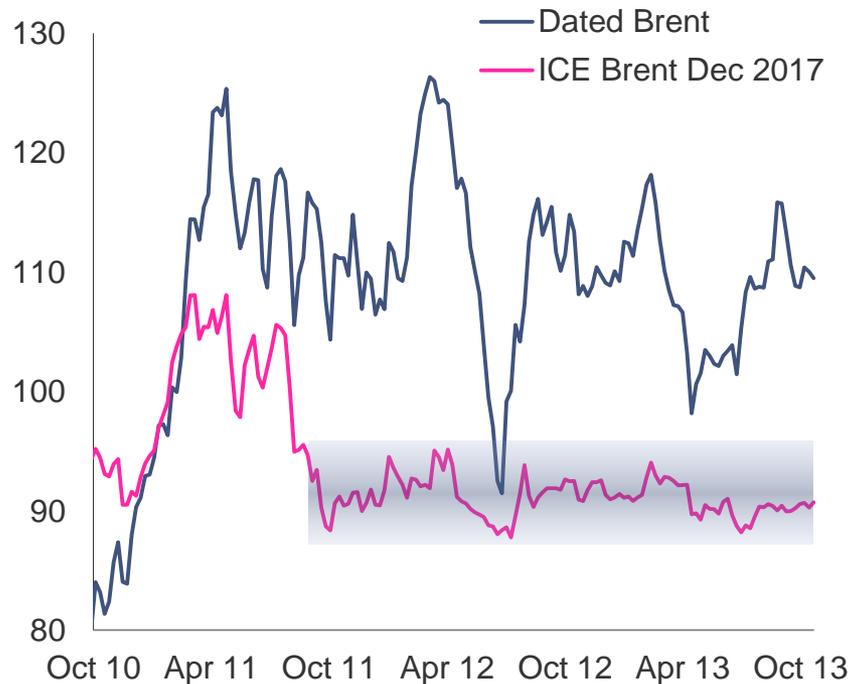


- US economy
 - Some GDP loss from shutdown expected in 4Q 2013, but still on track for stronger growth
 - Debt ceiling looms in 2014
- Eurozone
 - Out of record long recession, finally
 - Will continue to grow over the final quarter of 2013 and beyond, but growth will be muted
- Japan sees temporary boom
- China's recent uptick underpinned by policy support and improved exports
- Risk and uncertainty remain elevated

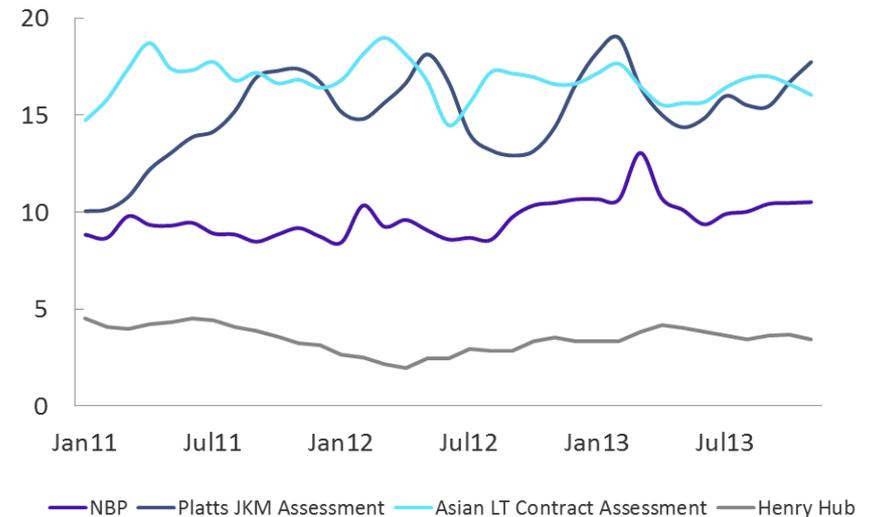
Oil price action and global gas price dynamics

Medium-term oil price stability, persistent regional differences in gas pricing

Brent Crude Oil
USD/bbl



Natural Gas and LNG Prices
USD/MMBtu

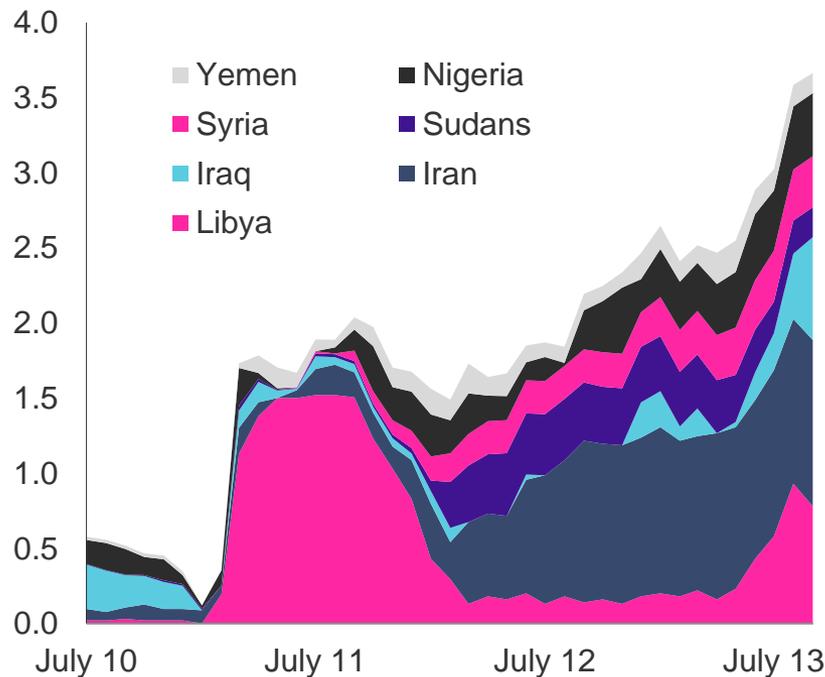


The fruits of the Arab Spring: oil at USD 110+

Mounting supply loss in MENA neutralises the US tight oil revolution

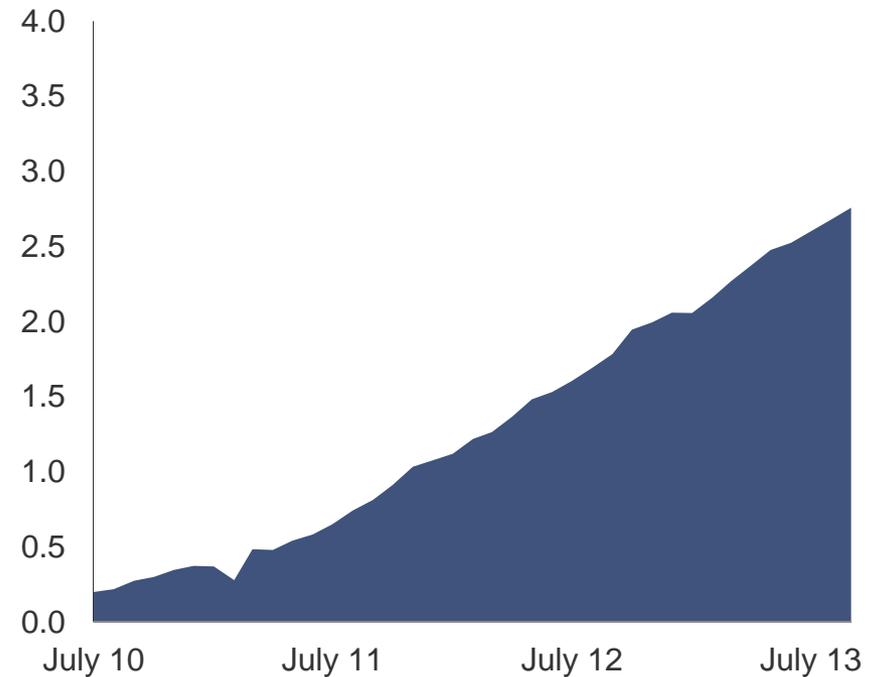
Crude supply losses

mbd



US onshore growth

mbd

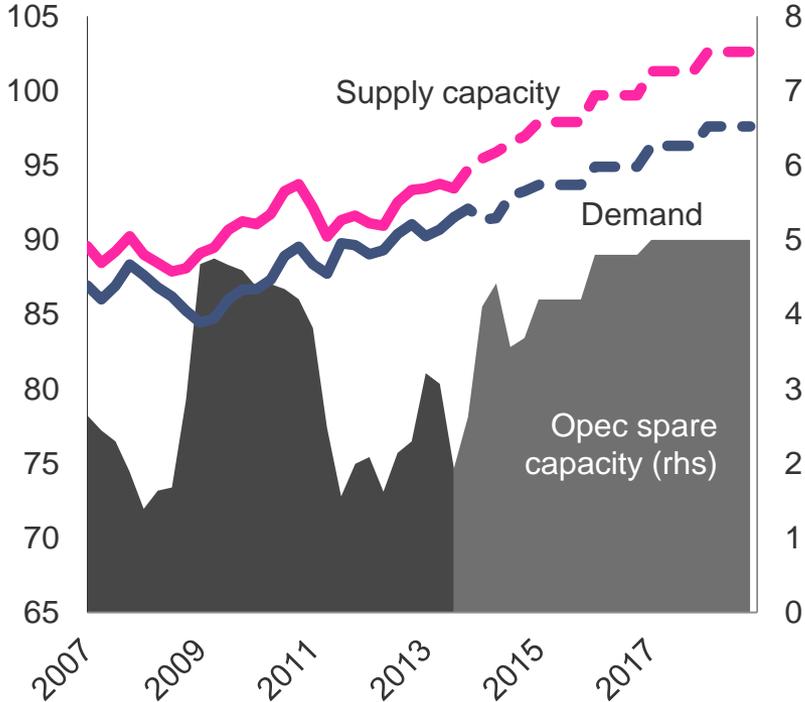


Medium-term weakness in oil markets

Strong North American supply growth dominates market for years to come

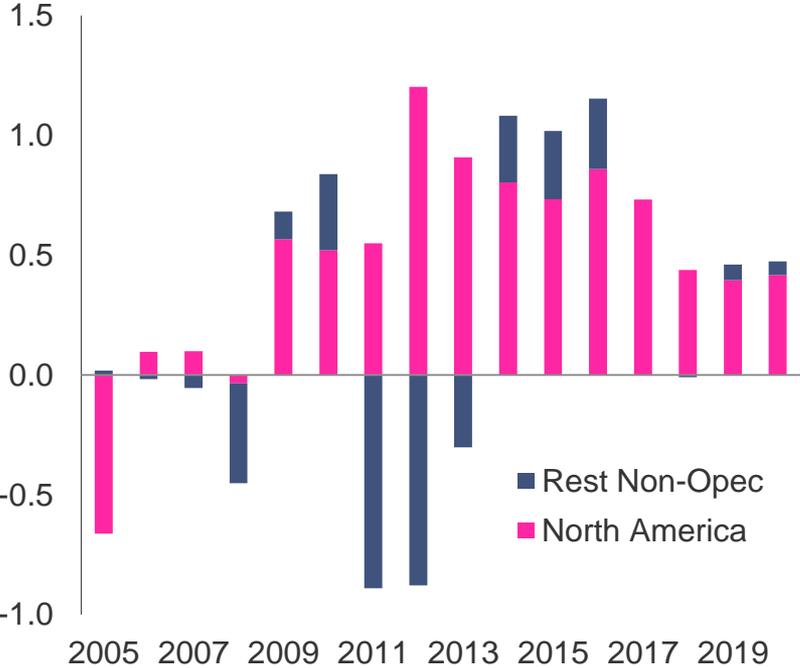
Global oil balance

Supply capacity, demand and Opec spare (mb/d)



Annual non-Opec supply growth

mb/d

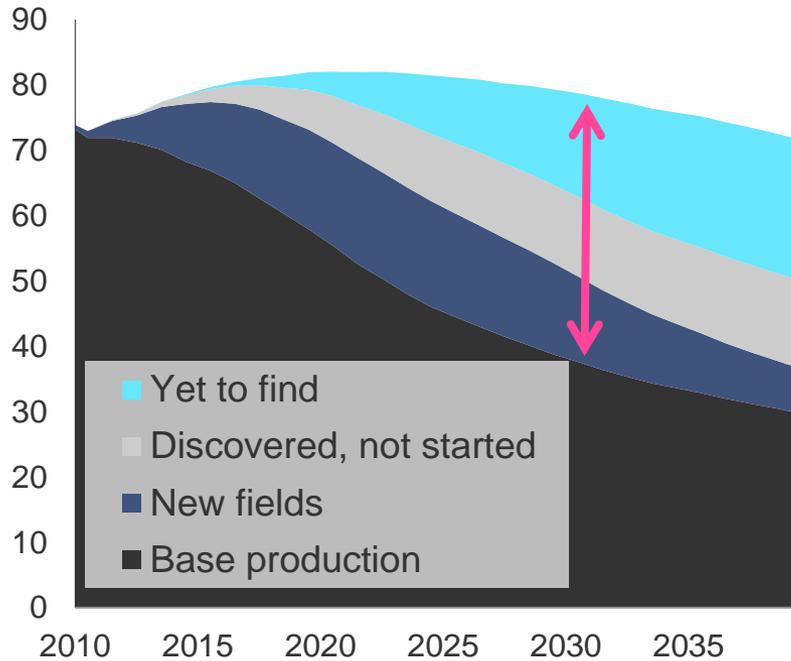


The long-term supply challenge remains

The supply sources that will replace declining production are not cheap

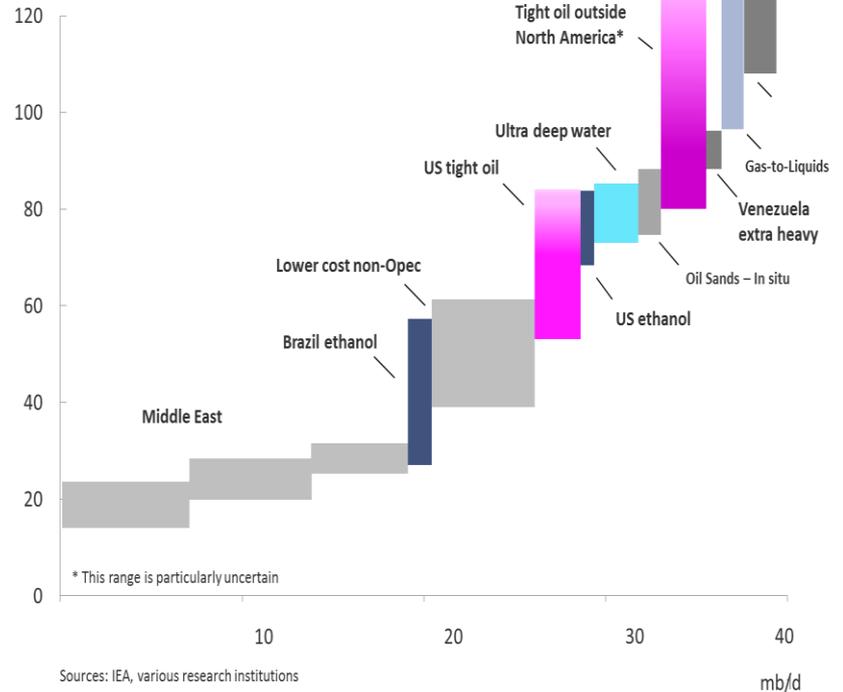
Crude oil supply, by status

mbd



Estimates of long-term breakeven costs

USD/bbl



Thank you



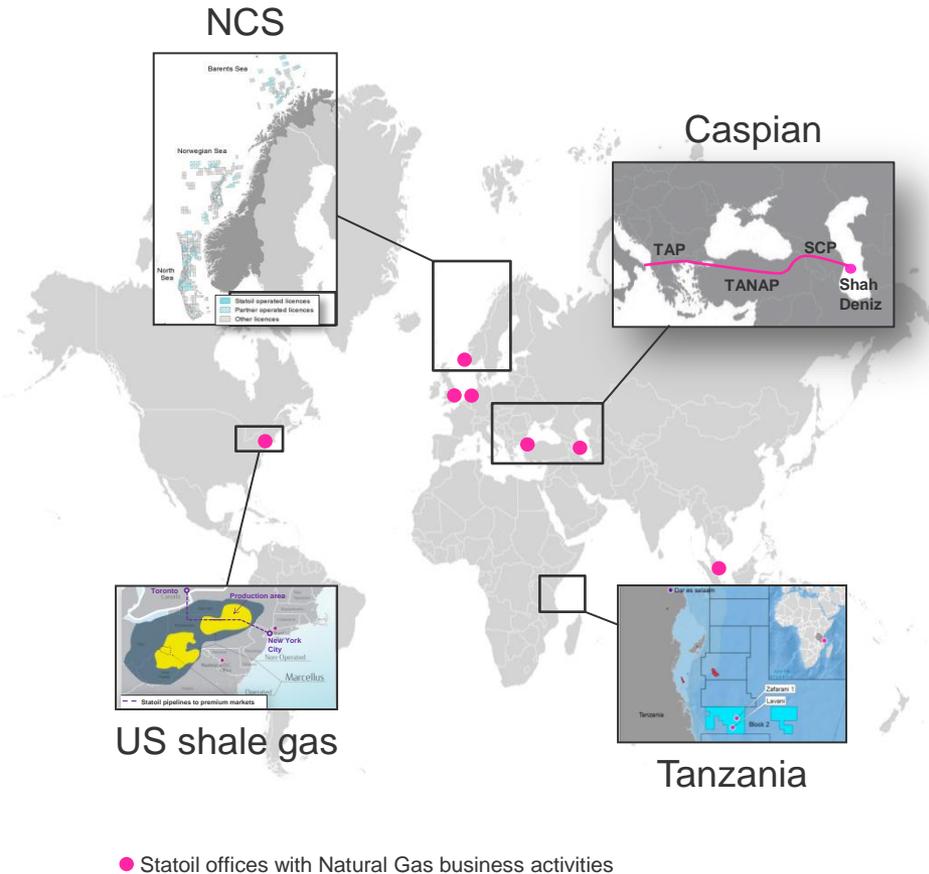


Challenges and opportunities in the European and US gas markets

Rune Bjørnson
Senior vice president, Natural Gas

A major gas player with Europe as gravity point

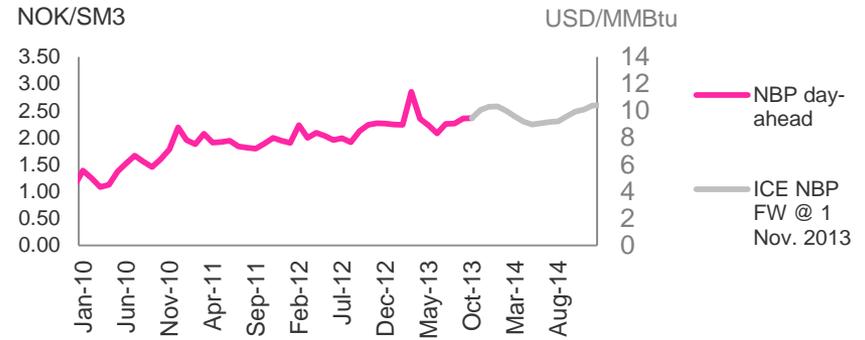
- Recent highlights
 - Major gas discoveries offshore Tanzania
 - Aasta Hansteen and Polarled – developing a new NCS gas province
 - Long term sales agreements for Shah Deniz gas
 - Innovative gas to power contract with Stadtwerke Düsseldorf
 - Deliveries of Marcellus gas to Toronto and New York City



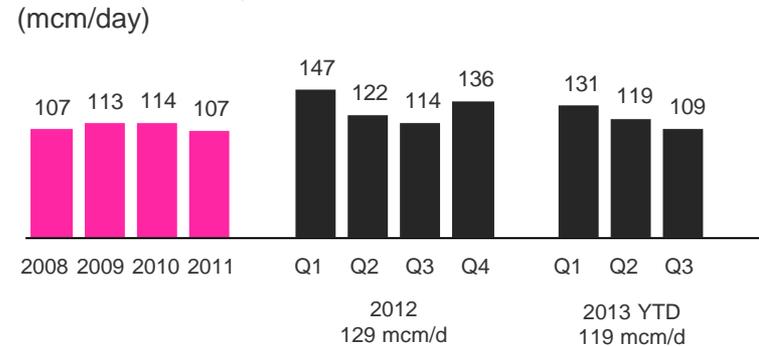
Market prices remain high

- Very strong 2012 average invoiced gas prices, downward correction this year
- Reduced NCS volumes vs 2012
 - Lower output from Troll
 - Asset divestments
- NCS reduction offset by higher US volumes

European gas prices*



Entitlement gas sales**

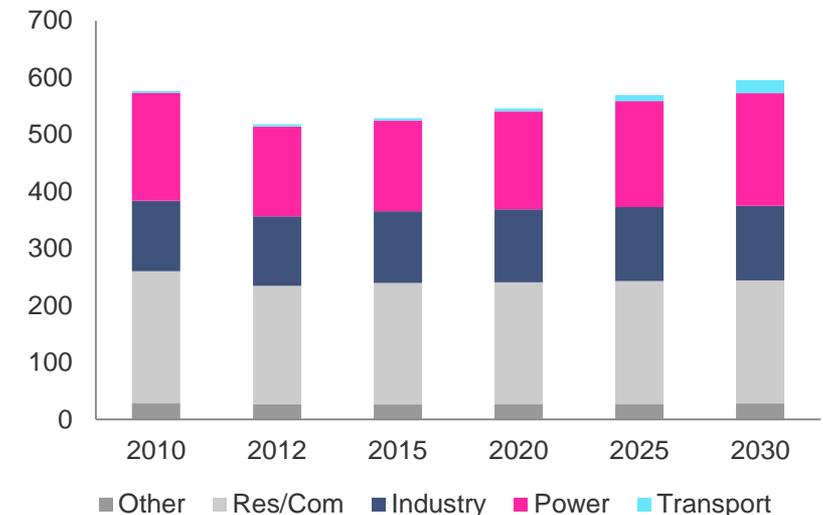


Robust outlook for European gas demand

- Gas demand to recover post 2020
 - Stable demand in heating and industry
 - Coal phase-out will increase need for gas power for baseload and back-up
 - Increased use of gas for ships and heavy trucks
- Uncertainties
 - Continued competition from cheap coal and subsidised renewables
 - Growth in power demand
 - Energy efficiency in heating sector

Power sector drives demand recovery

bcm

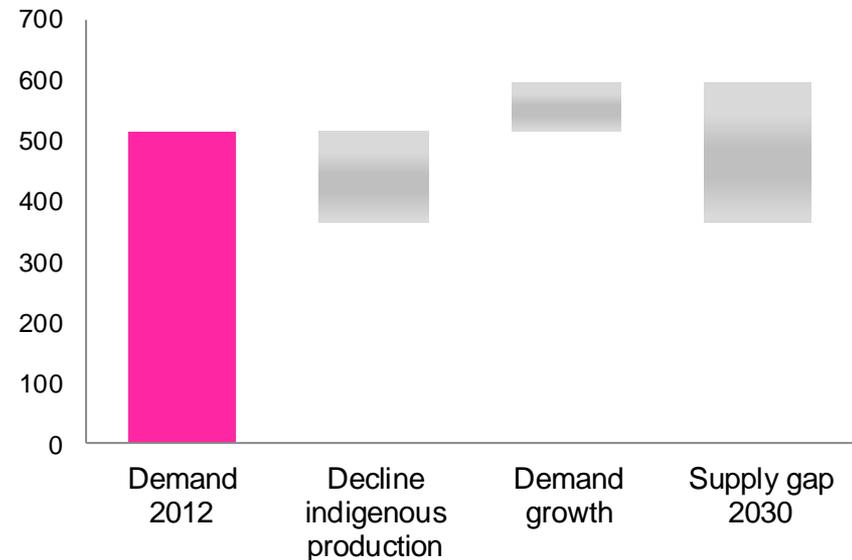


A European supply gap is emerging

- Europe will require new gas supplies
 - Demand recovery
 - Falling indigenous production
 - Strong competition for LNG
 - Few low-cost options for new supply
- Uncertainties
 - US LNG supplies to Europe
 - European shale gas
 - Russian exports

European supply gap towards 2030

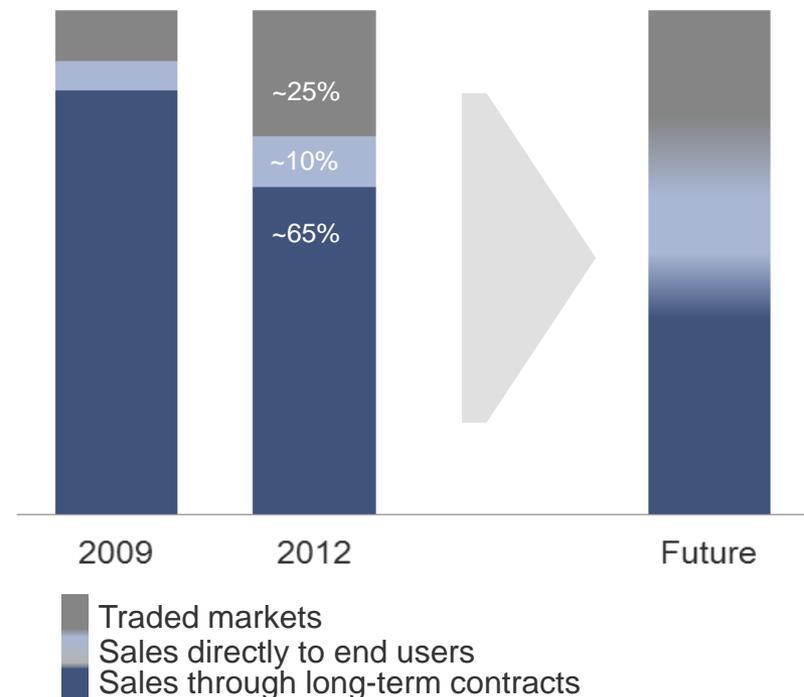
bcm



Statoil's sales strategy

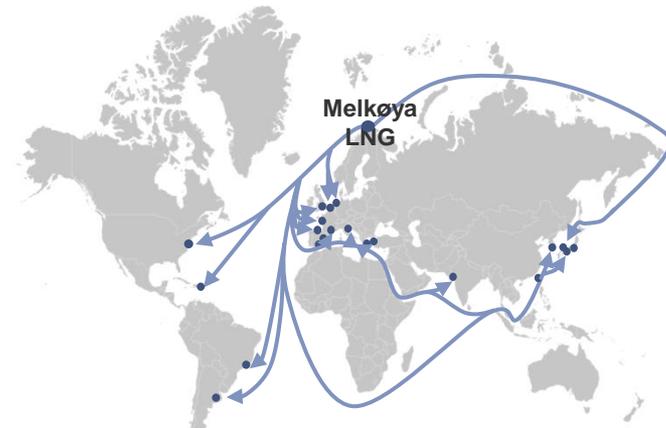
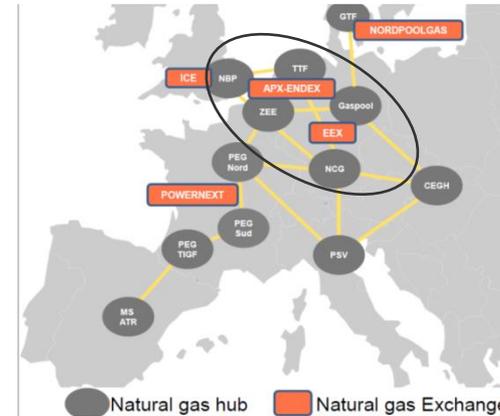
- Liberalisation gives access to new customers and sales channels
 - Increasing short-term sales on liquid European hubs
 - New relationships with end users
- Maintaining and modernising long-term contracts
 - Indexes reflecting market realities
 - Entering into new partnerships

Relative change in Statoil's sales channel mix in Europe



Trading: utilizing flexibility to capture value

- Strong marketing and trading competence to leverage market opportunities
- Upstream and downstream flexibility adding value on European hubs
- Trading LNG cargoes to maximize value



New opportunities in new segments

- Expanding direct sales to new customer segments
 - Power plants
 - Large industries
 - Distribution companies
- Recent gas sale to Stadtwerke Düsseldorf
 - 600 mcm/year 2016-2030
 - Enables construction of a highly efficient CHP gas plant
 - Risk and reward sharing through element of electricity indexing

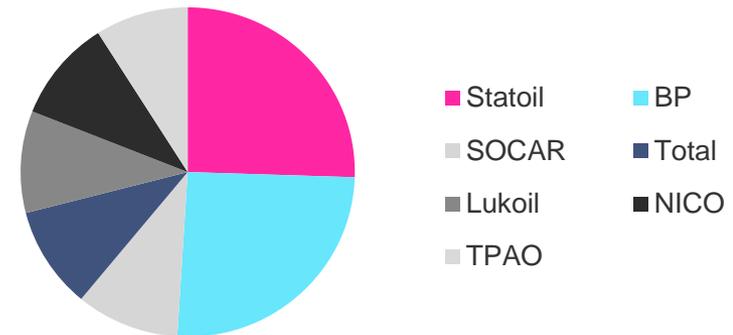


Stadtwerke Düsseldorf delivers energy and other public services to a city of 600 000 inhabitants

Caspian gas – new supply corridor to Europe

- Shah Deniz stage 2
 - Final Investment Decision planned late 2013
 - 16 bcm/y to Europe from 2019
- 25 year contract for gas to Europe
 - Nine different customers
 - Greece and Bulgaria (2 bcm/y)
 - Italy (8 bcm/y)
- Trans Adriatic Pipeline (TAP) selected as access point

Shah Deniz Consortium

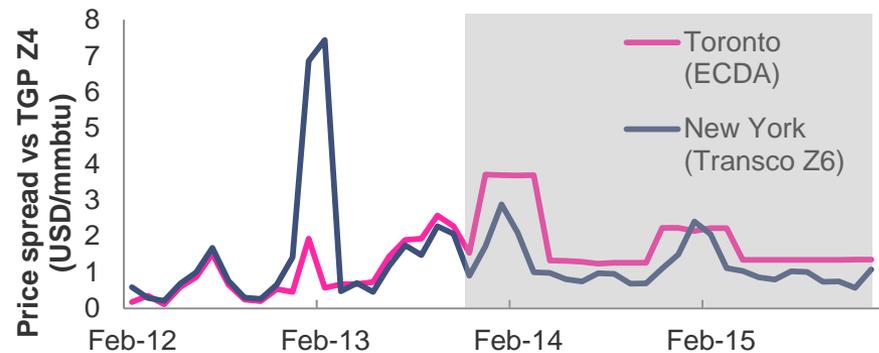


Capturing value in the US gas market

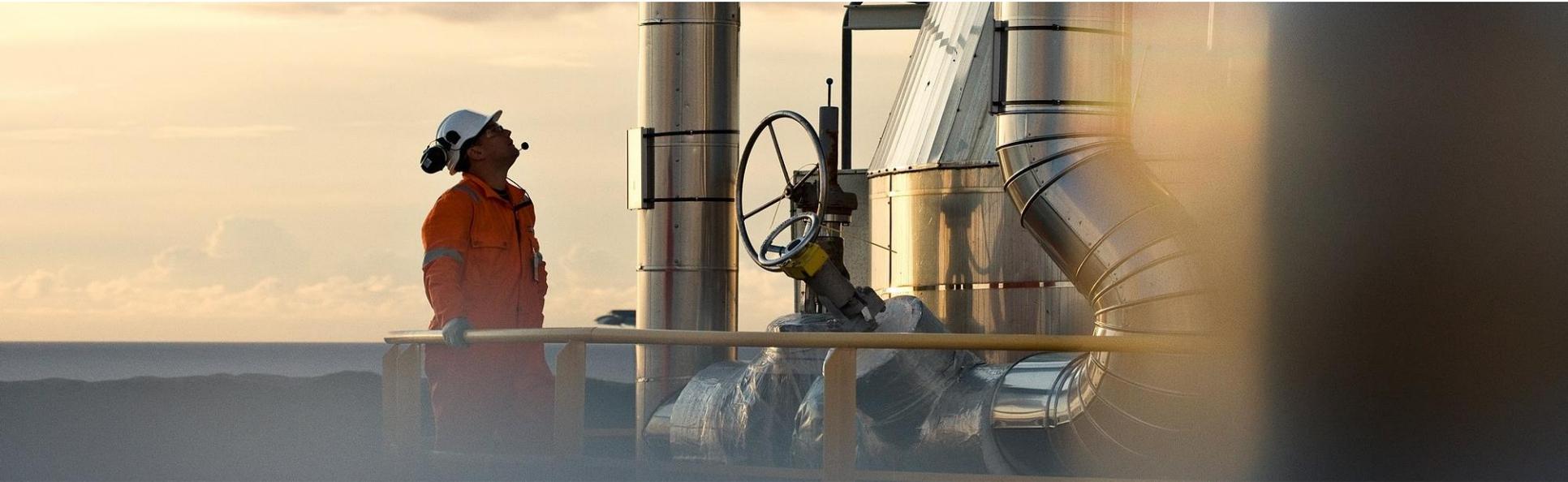
- Large price spreads between Marcellus production basin and consumer markets
- Securing capacity rights to growth markets
 - Toronto region from November 2012
 - New York City from November 2013
- Exploring new mid- and downstream opportunities for Southern Marcellus
 - Sales of gas liquids
 - Options to reach premium markets



Price spread vs production area reference (TGP Zone 4 Marcellus)



Concluding remarks



- The European gas market is recovering and outlook is robust
- Statoil's marketing and trading strategy is designed to capture new opportunities in a changing market
- Developing new gas value chains to expand the global gas portfolio

Thank you





Supplier relations

Jon Arnt Jacobsen
Chief procurement officer

Statoil procurement



Strategy

- Utilise the global supplier market
-



Principles

- Competition
 - Transparency
 - Non discrimination
 - Equality
-

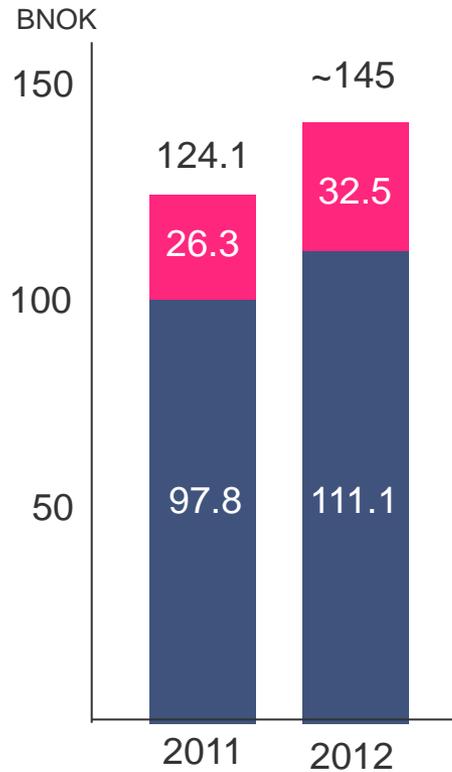


Expectations

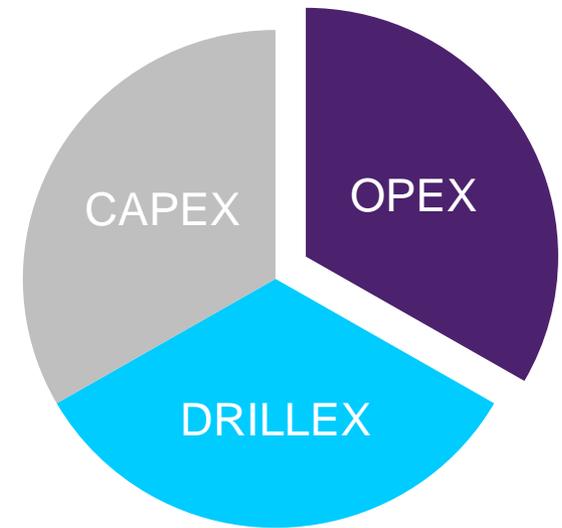
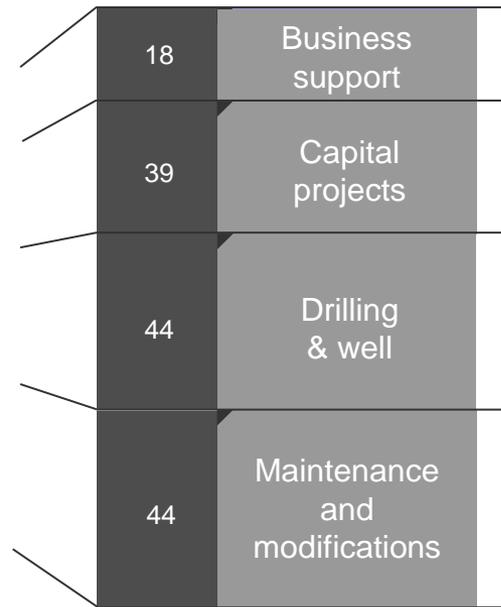
- Safety
- Quality and high standards
- Social Responsibility

Supplier industry importance

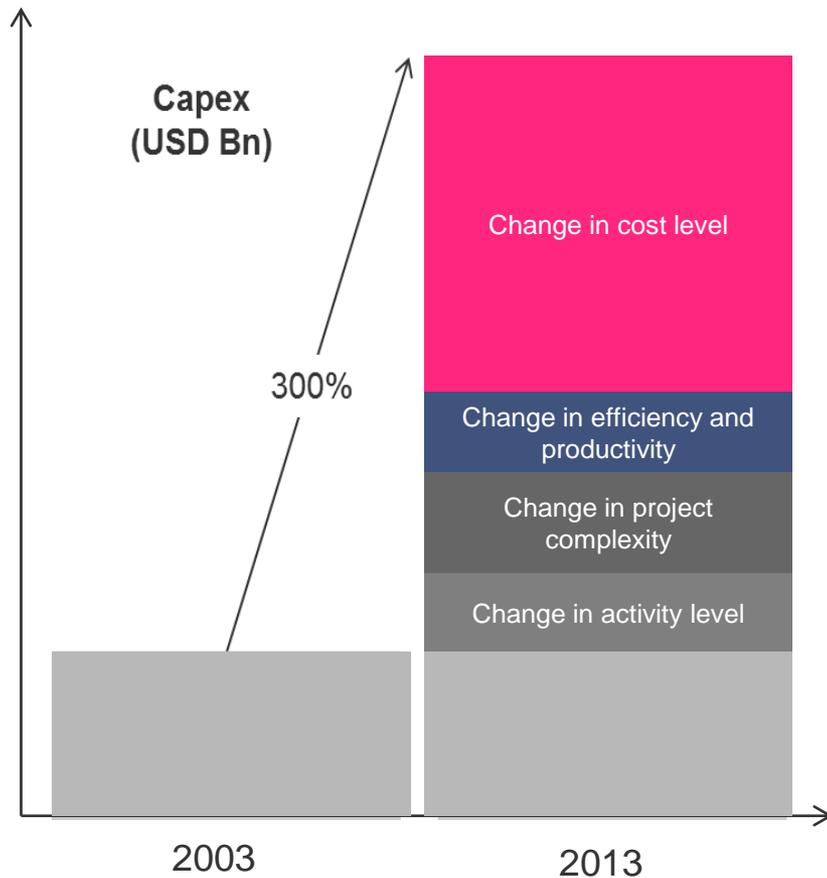
Statoil procurement 2012: ~BNOK 145



■ Procurement international
■ Procurement in Norway



Upstream operator capital intensity has risen sharply

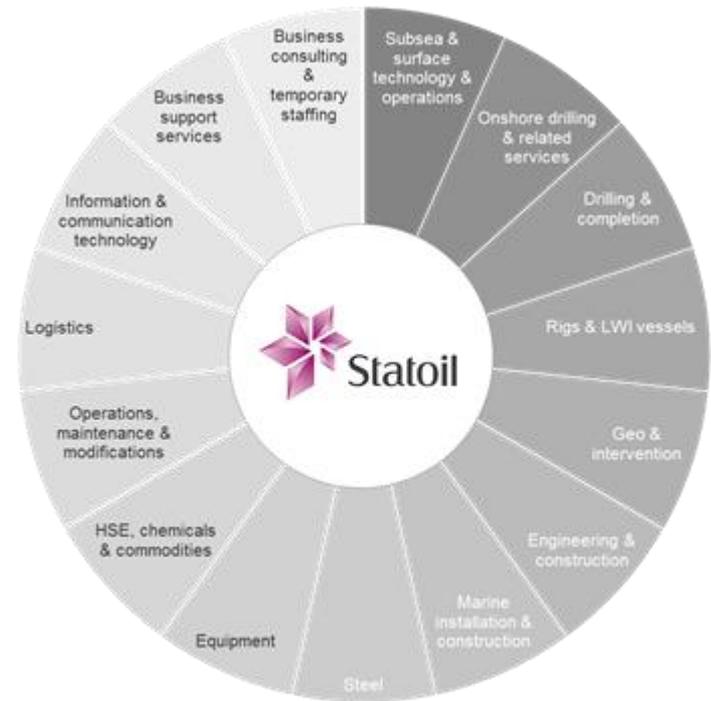


- Change in **unit cost level**, due to:
 - Higher input prices
 - Higher margins of suppliers
 - Lower efficiency & productivity of suppliers

- Change in **unit quantity**, due to:
 - More activity
 - Higher complexity
 - Lower efficiency & productivity

Important strategic evaluations

- Global, regional, local sourcing?
- Bundle or segment?
- Do or buy potential?
- Supplier relation – competence and capacity?
- Benchmarks – availability and use



Holistic approach



Category strategy

- Long term strategy
- Demand management
- Market knowledge
- Lessons learned from other projects

Specific strategy

- Contracts' specific strategy
- Market approach
- Pre-qualification
- Familiarisation/contract meetings
- Estimate and benchmarking
- Lessons learned from other projects
- Supplier list

Request

- Request and contract documents
- Dialogue/clarifications with supplier

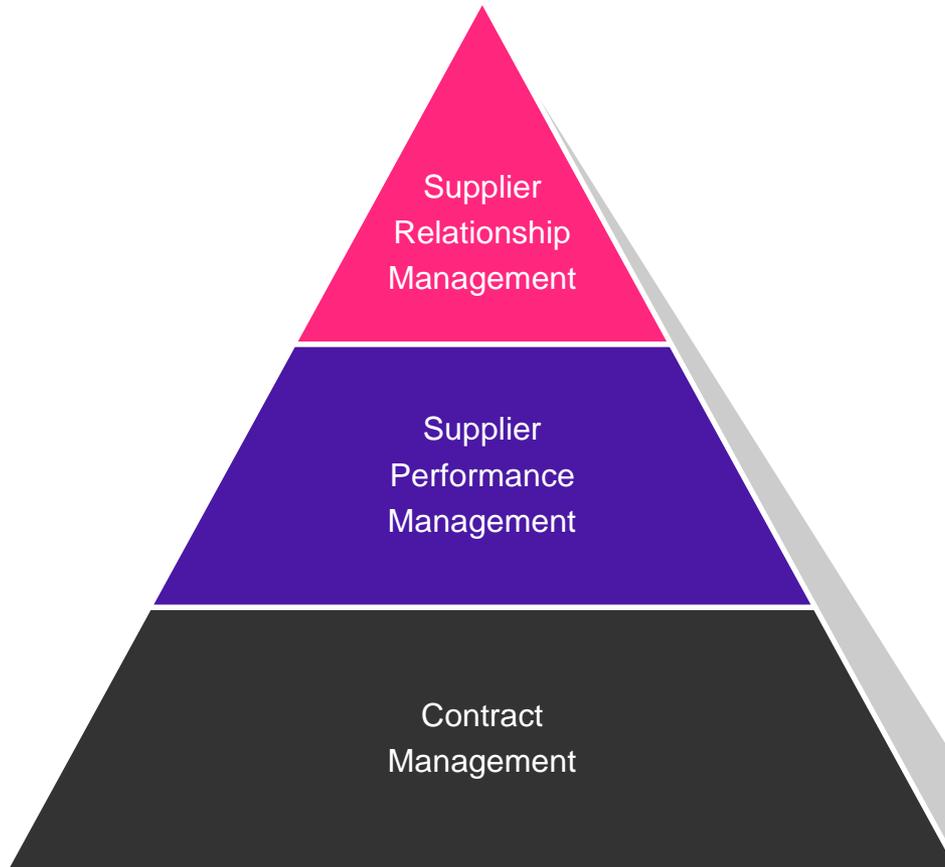
Evaluation and awards

- Evaluation of bids
- Negotiations/clarifications
- Contract awards

Supplier follow-up

- Suppliers' performance
- Improvement agenda
- Contract administration
- Change orders/additional elements
- Assessment of any issuance of options
- Requirements and guarantees
- Lessons learned

Supplier relationship is key



Supplier Relationship Management is an ongoing process of engaging with suppliers to improve business relationships and performance

Supplier Performance Management enables Statoil to evaluate suppliers in a consistent way and provide the information necessary to make informed decisions

Contract Management concerns central handling of supplier contract creation, finalization, monitoring, follow up and termination

- Relationship
- Performance
- Administration

The «optimal» Statoil supplier

- Safe and sustainable as a foundation for high performance
- Internal targets aligned with Statoil
- Use benchmarks and productivity measurements in continuous improvement
- Accountability

«One performance standard»



Pursuing further standardisation and industrialisation

Relevant business cases



Fast track

Improvements within reach:

- 50% reduction on time
- 30% reduction on cost



Floating Storage Units [FSU]

5-10% reduced cost per FSU



Projects and concept synergies

Purchasing coordination, follow-up coordination, synergies and cooperation across the projects. Experience transfer and increased learning



Cat D and Cat J

20% more efficient drilling

Ambitions and potentials to be achieved



Johan Castberg

Systems and equipment standardised for re-use on Johan Sverdrup.

Pilot for simplification of technical requirements and documentation.



Johan Sverdrup

Conceptual standardisation, and re-use of systems and equipment from Johan Castberg



Next projects

Standardisation an integral part of management systems and culture

World class project portfolio

- Solid pipeline of projects
- High ownership share in strategic projects
- Robust production outlook

GUDRUN

Short term production contribution



Statoil share 51%
Start up 2014
Capacity boe/d
65.000*

VALEMON

Short term production contribution



Statoil share 54%
Start up 2014
Capacity boe/d
50.000*

TANZANIA BLOCK 2

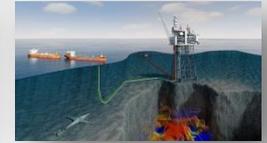
High-impact discoveries



Statoil share 65%

MARINER

Heavy oil field project



Statoil share 65%
Start up 2017
Capacity boe/d
50.000*

GINA KROG

Supporting the Sleipner area strategy



Statoil share 59%
Start up 2017
Capacity boe/d
70.000*

**AASTA HANSTEEN AND POLARED
Pioneer in deep water area**



Statoil share 75%/50%
Start up 2017
Capacity boe/d
110.000*

**JOHAN SVERDRUP
Production horizon beyond 2050**



Statoil share 40%
Start up 2018

**JOHAN CASTBERG
Door opener to a new core area**



Statoil share 50%

* Statoil share

Statoil procurement



Strategy

- Utilise the global supplier market
-



Principles

- Competition
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Expectations

- Safety
- Quality and high standards
- Social Responsibility

Thank you

