



Statoil

Balancing returns and growth

Torgrim Reitan, CFO
Société Générale - The Premium Review
3 December 2014, Paris

Forward looking statements

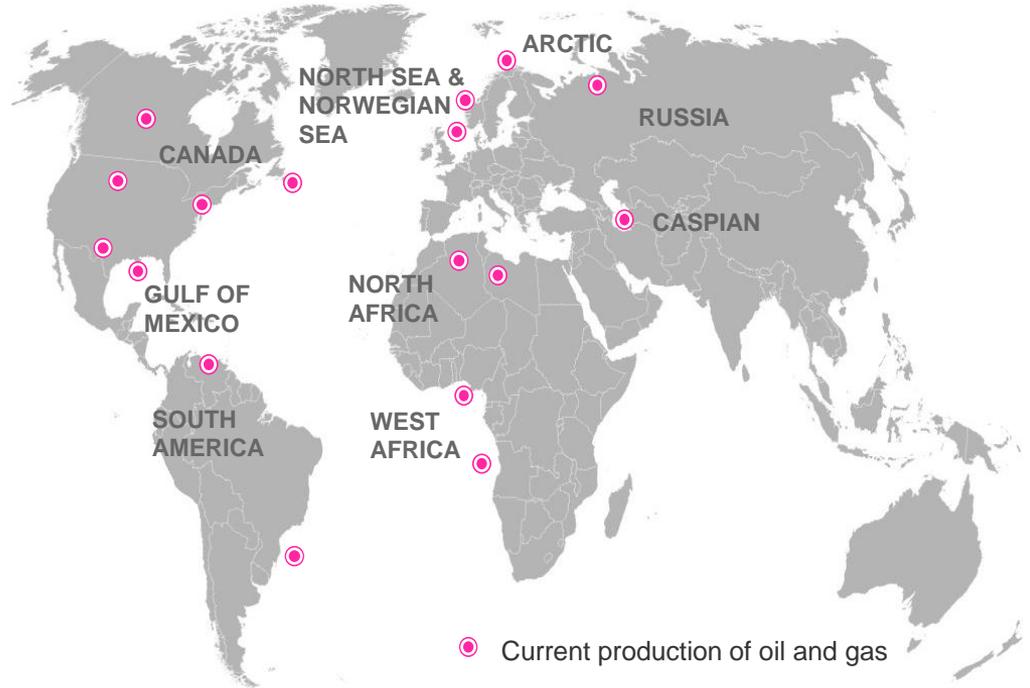
This report contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "continue", "could", "estimate", "expect", "focus", "likely", "may", "outlook", "plan", "strategy", "will", "guidance" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements regarding 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, such as the discovery in Tanzania, the Rosneft cooperation, developments at Johan Sverdrup, the Wintershall agreement, the Ormen Lange redetermination, the farming down of interests in Mozambique and the sale of producing assets in the Gulf of Mexico; 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 (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, 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.

The world's largest offshore operator

- **Upstream focus**
- **World's largest offshore operator**
 - Operating more than 3 mill. boed
- **NCS legacy position**
 - OECD exposure
 - 50% of resources on NCS
- **Leading global exploration company**
 - World's largest oil discovery 2011
 - 5 high impact discoveries in 2012
 - World's largest oil discovery 2013
- **Leading European gas supplier**
 - Building strong US gas value chain



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

Our priorities and deliveries

High value growth

- ~3% organic CAGR 2013-16¹⁾
- Capex estimate reduced²⁾
- Organic free cash flow to cover dividends from 2016³⁾

Increase efficiency

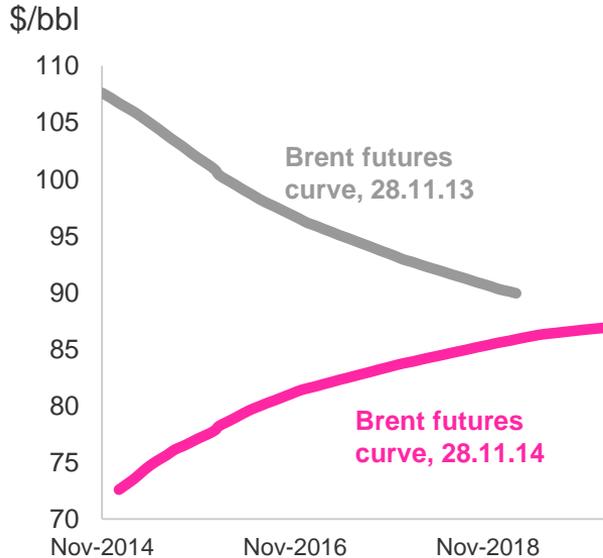
- Maintaining ROACE
- Expected annual savings of USD 1.3 bn from 2016

Prioritise capital distribution

- 2013 dividend at NOK 7.00⁴⁾
- Quarterly dividend from 2014⁴⁾
- Additional two payments this year
- Share buy backs more actively used

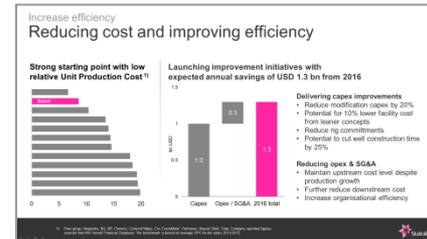
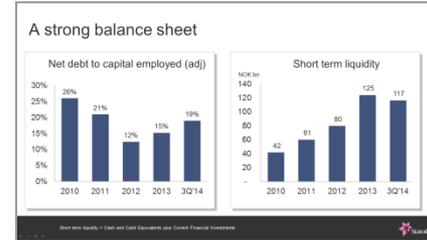
Resilience in volatile markets

Short term oil price under pressure



Statoil well positioned, improving efficiency further

- Robust financial framework
 - AA- / Aa2 rating¹⁾
 - 19% net debt to capital employed (adj)
 - USD 18 bn short term liquidity²⁾
- Active portfolio management
 - USD 23 bn proceeds 2010-14
- Cost and capital efficiency program
 - Annual savings of USD 1.3 bn from 2016



Source: Factset

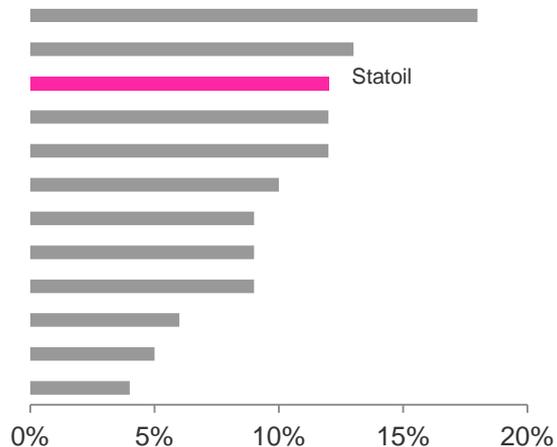
1) With S&P and Moody's respectively

2) Cash and cash equivalents (NOK 77.8 bn) + Current financial investments (38.9). NOK/USD rate at end of 3Q was 6.45.

Solid performance

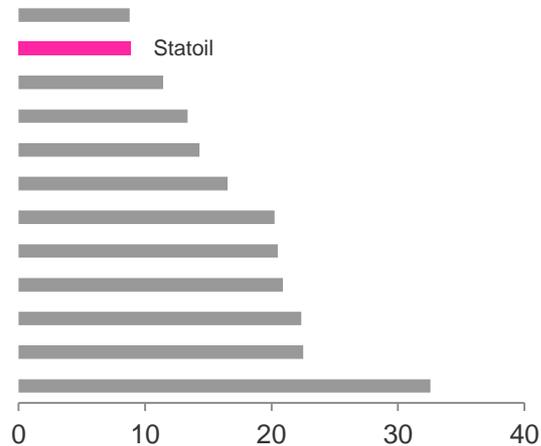
Competitive returns

RoACE 3q14 ¹⁾



Strong starting point on cost

Unit production cost in USD/boe ²⁾



Addressing cost and capital efficiency



End-to-end well delivery

- Standard well concept
- Drilling execution excellence



Enabling OMM² excellence

- Reduced modifications portfolio
- Maintenance step-change
- Production efficiency gain



Strengthen early phase

- Right solution the first time
- Lean concepts



Supplier management & efficiency

- Risk-based follow-up
- Aligned incentives
- Purchasing discipline



Standardisation & industrialisation

- Replicated concepts
- Standard packages
- Simplified technical requirements



Simplification & resource prioritisation

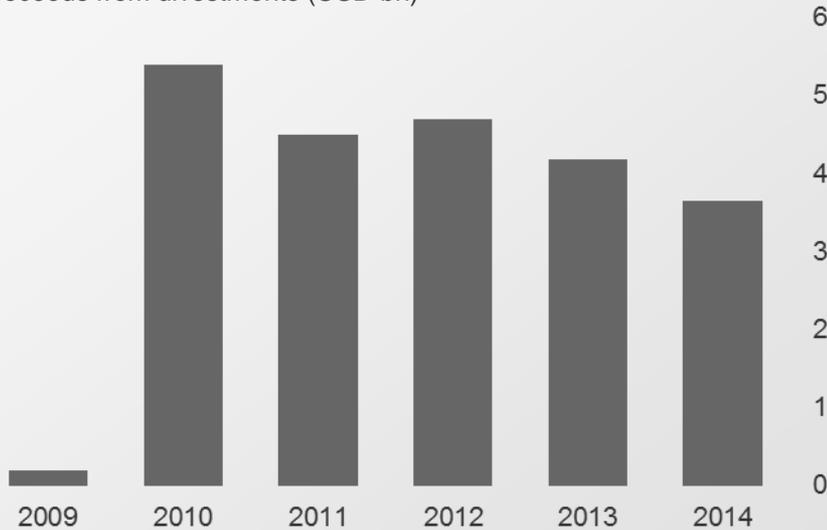
- Increase staff efficiency
- Remove overlaps
- Simplify processes

Driving sustainable change through leadership and culture

Value-creating portfolio optimisation

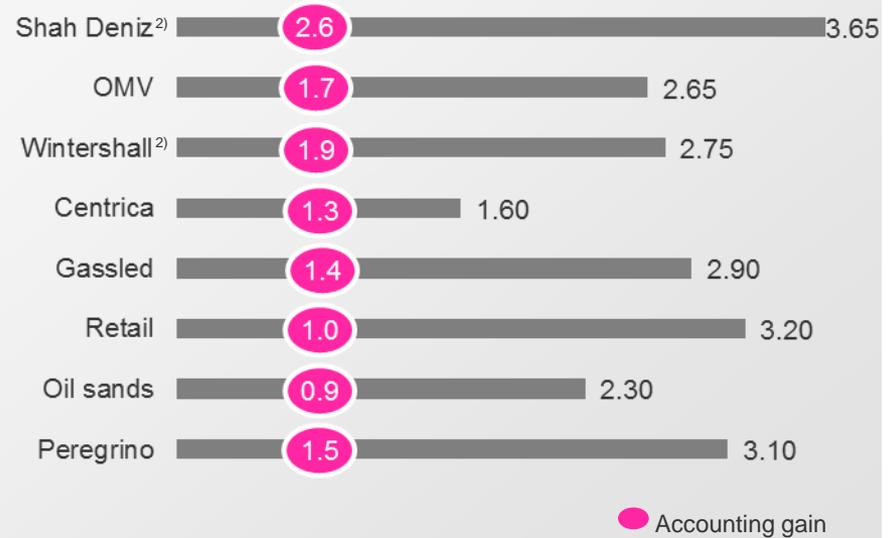
Realised > USD 23 bn in proceeds

Proceeds from divestments (USD bn) ¹⁾



Delivered ~USD 12bn in capital gains

Proceeds (USD bn), main divestments 2009-2014



¹⁾ Proceeds based on transaction year

²⁾ Includes recent transactions not yet closed, accounting gain is an estimate

Predictable and competitive project execution



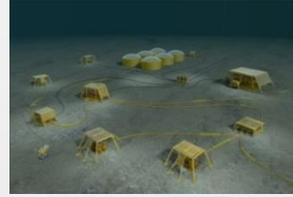
NCS drilling: High efficiency



Tanzania deep water: High efficiency



Gudrun: Delivered, on time, below cost



Åsgard subsea compression: On track



Johan Sverdrup: Competitive solutions



Bakken: Drilling per well further reduced



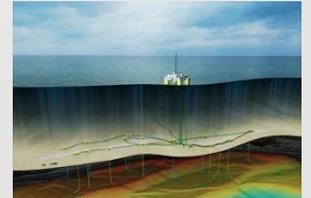
Troll 3&4: High value new barrels



Valemon: commissioning work ongoing



Aasta Hansteen: key gas development on NCS



Johan Castberg: Optimising the project

Robust platform for sustainable performance

Safety & security



Serious incidents per million working hours



Strong resource base

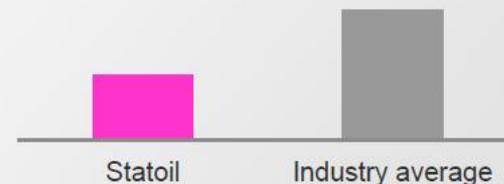


- 22 bn boe
- 75% OECD exposure
- Robust NCS base load

Sustainability and transparency



Low carbon footprint ¹⁾



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

Summary

- Strong and resilient position
- Consistent strategic roadmap
- Robust financial and operational performance
- Clear financial priorities
 - High value growth
 - Increase cost and capital efficiency
 - Prioritise capital distribution



Thank you

Société Générale, the Premium Review
3 December 2014, Paris

Torgrim Reitan
CFO

www.statoil.com

