# 4th quarter and full year 2010

London, February 9 2011

Helge Lund, CEO
Torgrim Reitan, CFO

# 2010: High profits – strategic progress

- Strategic progress and active portfolio management
- Strong and improving HSE results
- Challenging operations second half
- Strong cash flow and financials
- Proposed increase in dividend



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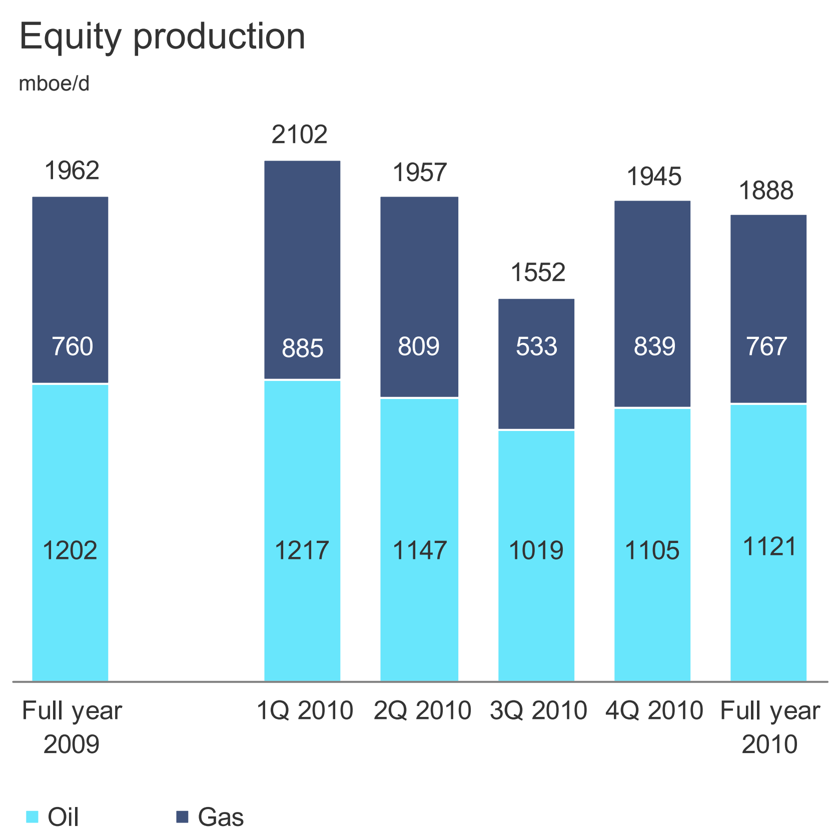
# Production

- High capacity utilization first half year
- Second half constrained by:
  - Turnarounds
  - Production permits
  - Operational issues



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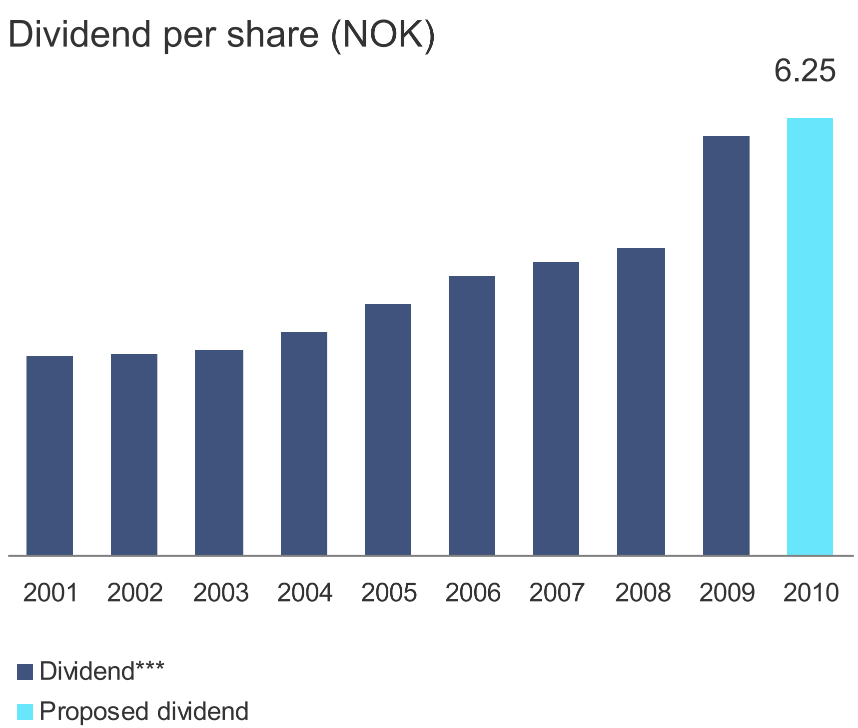
# Adjusted earnings by Business Area

| NOK bn. | 4Q 2010 | | 2010 | |
|---|---|---|---|---|
| | **Adjusted earnings** | | **Adjusted earnings** | |
| Business area | **pre tax** | after tax | **pre tax** | after tax |
| E&P Norway | **32.0** | 8.3 | **111.9** | 29.1 |
| International E&P | **4.1** | 0.9 | **13.9** | 6.2 |
| Natural Gas | **3.5** | 0.8 | **13.5** | 3.6 |
| Manufacturing & Marketing | **0.9** | 0.7 | **1.7** | 1.2 |
| Other (incl. SFR) | **0.3** | 0.0 | **1.8** | 1.9 |
| Total adjusted earnings | **40.8** | 10.8 | **142.8** | 42.0 |
| Year-on-year change | +19% | +11% | +9% | +10% |

# Attractive dividend

## 2010 dividend proposal*

- NOK 6.25 per share
- 52% payout ratio**




•Dividend proposal, subject to approval by Annual General Meeting May 19, 2011
** Payout ratio = dividend per share/EPS
*** Statoil paid an additional special dividend for the years 2004-2008.



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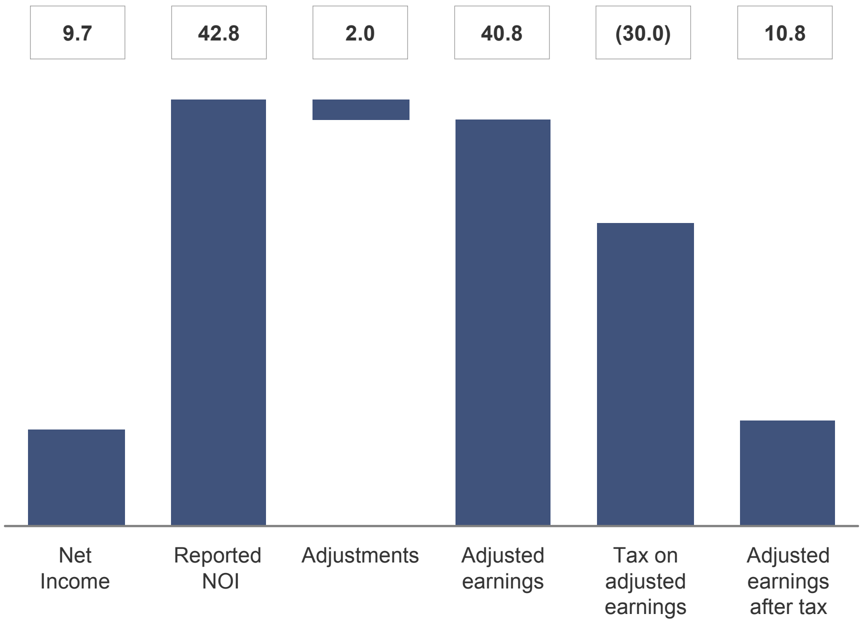
# Earnings – Fourth quarter 2010

- Oil price up 23% (NOK)
- Gas price up 17% (NOK)
- Oil and gas lifting down 3%
  - Equity production down 5%

4Q 2010 (NOK bn)



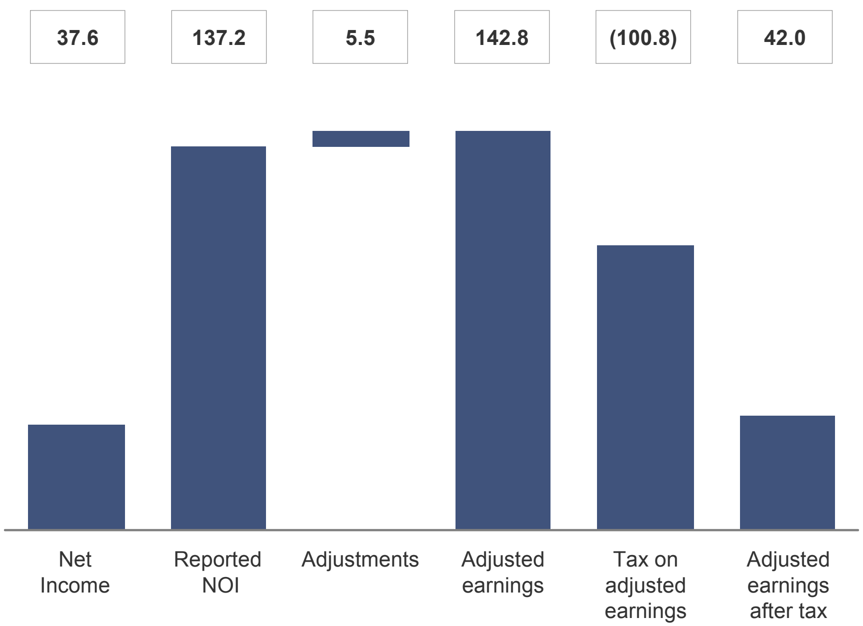

4Q 2009 (NOK bn)

| | | | | | |
|---|---|---|---|---|---|
| 7.1 | 33.5 | 0.9 | 34.4 | (24.7) | 9.7 |

# Earnings – 2010

- Oil price up 27% (NOK)
- Gas price down 10% (NOK)
- Oil and gas lifting down 4%
  - Equity production down 4%

Full year 2010 (NOK bn)

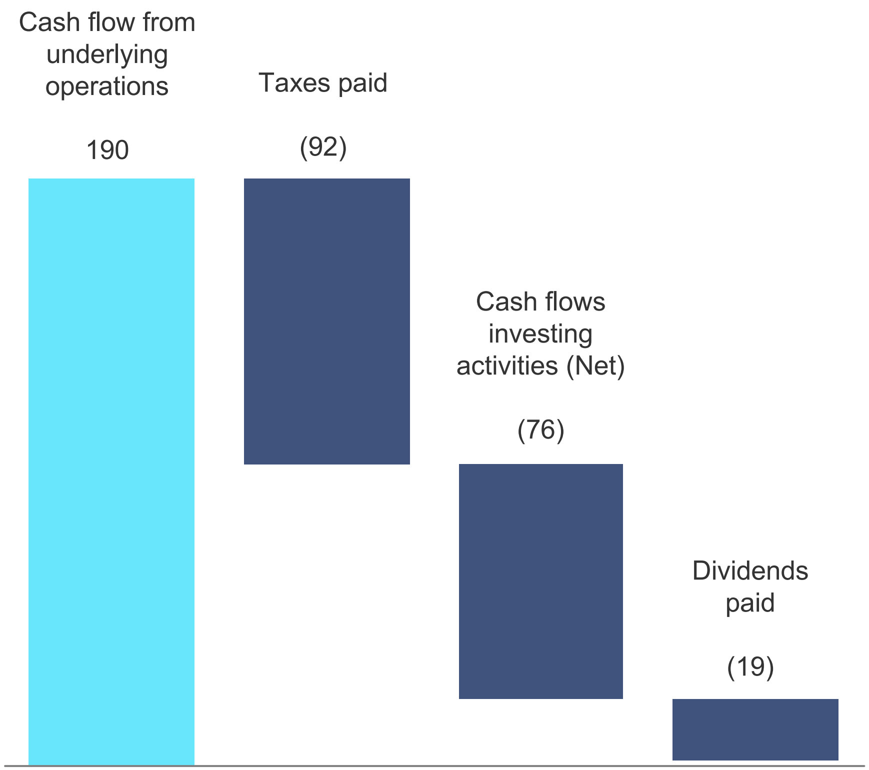



Full year 2009 (NOK bn)

| | | | | | |
|---|---|---|---|---|---|
| 17.7 | 121.6 | 9.1 | 130.7 | (92.4) | 38.3 |

# Strong cash generation through 2010

- Solid financial position
- Strong cash generation
- Investments according to plan
- Secured favorable financing
- Net debt to capital employed 25%



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# Thank you

# Supplementary information

# Items impacting net operating income 4Q

| (NOK billions) | 4Q 2010 | | 4Q 2009 | |
|---|---|---|---|---|
| | Before tax | After tax | Before tax | After tax |
| **Impairments** | **0.1** | **0.1** | **1.3** | **1.3** |
| INT | 0.1 | 0.1 | 0.5 | 0.5 |
| M&M | - | - | 0.0 | 0.0 |
| NG | - | - | 0.8 | 0.8 |
| **Derivatives IAS 39** | **2.3** | **1.2** | **0.2** | **0.7** |
| EPN | (0.1) | (0.2) | (0.5) | (0.1) |
| NG | 1.2 | 0.4 | (0.4) | 0.0 |
| M&M | 1.1 | 0.8 | 1.1 | 0.8 |
| **(Overlift)/Underlift** | **(1.0)** | **(0.3)** | **(0.1)** | **0.0** |
| EPN | (0.9) | (0.2) | (0.1) | 0.0 |
| INT | (0.1) | (0.1) | 0.0 | 0.0 |
| **Other** | **(3.3)** | **(2.9)** | **(0.5)** | **(0.4)** |
| Operational Storage (M&M) | (0.4) | (0.3) | (0.6) | (0.4) |
| (Gain)/Loss sale of asset (EPN+Other) | (0.2) | (0.1) | 0.0 | 0.0 |
| Other accruals (EPN+INT) | (3.0) | (2.5) | (0.2) | (0.1) |
| Provisions (INT) | - | - | | |
| Increased cost accrual (NG) | - | - | | |
| Currency effects fixed assets (M&M) | - | - | | |
| Currency effects fixed assets (INT) | - | (0.1) | - | (0.2) |
| Eliminations | 0.2 | 0.2 | 0.3 | 0.2 |
| **Adjustments to net operating income** | **(2.0)** | **(1.9)** | **0.9** | **1.5** |

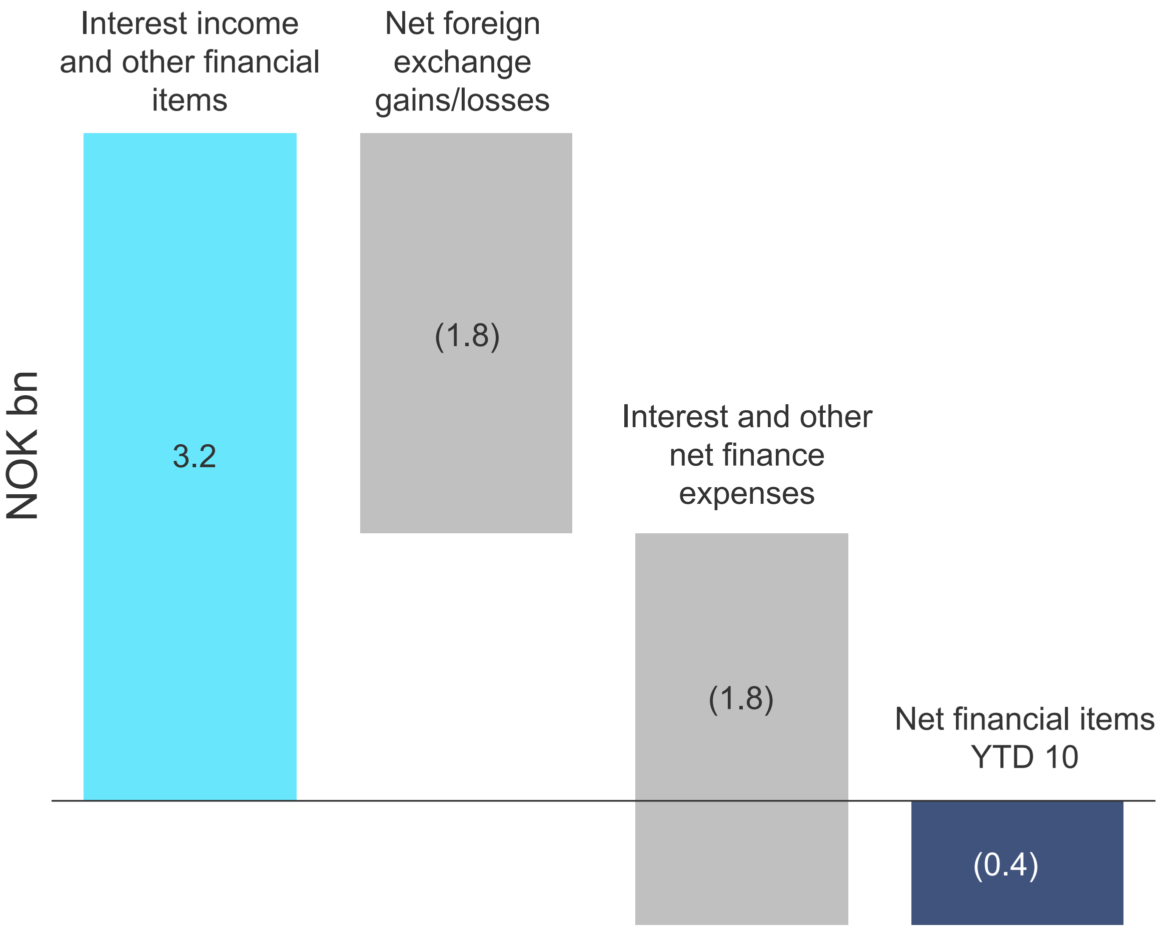
# Items impacting net operating income YTD

| (NOK billions) | Year 2010 | | Year 2009 | |
|---|---|---|---|---|
| | Before tax | After tax | Before tax | After tax |
| **Impairments** | **4.8** | **4.1** | **12.2** | **11.1** |
| INT | 1.8 | 1.7 | 6.1 | 6.0 |
| M&M | 2.9 | 2.3 | 5.4 | 4.4 |
| NG | - | - | 0.7 | 0.7 |
| **Derivatives IAS 39** | **2.9** | **1.3** | **(2.2)** | **1.1** |
| EPN | (2.1) | (0.6) | (1.5) | (0.1) |
| NG | 4.1 | 1.2 | (2.7) | (0.2) |
| M&M | 1.0 | 0.7 | 2.0 | 1.4 |
| **(Overlift)/Underlift** | **(1.4)** | **(0.8)** | **1.2** | **0.5** |
| EPN | (0.4) | (0.1) | 0.7 | 0.1 |
| INT | (1.0) | (0.7) | 0.5 | 0.4 |
| **Other** | **(0.9)** | **0.0** | **(2.1)** | **(3.9)** |
| Operational Storage (M&M) | (0.6) | (0.4) | (2.1) | (1.5) |
| (Gain)/Loss sale of asset (EPN) | (1.3) | (1.2) | (0.5) | (0.1) |
| Other accruals (EPN+INT) | 0.9 | 1.6 | (1.6) | (1.0) |
| Provisions (INT) | - | - | | |
| Increased cost accrual (NG) | - | - | | |
| Currency effects fixed assets (M&M) | - | 0.2 | | |
| Currency effects fixed assets (INT) | - | (0.2) | - | (2.8) |
| Eliminations | 0.1 | 0.1 | 2.1 | 1.5 |
| **Adjustments to net operating income** | **5.5** | **4.6** | **9.1** | **8.8** |

# Tax rate reconciliation 4Q

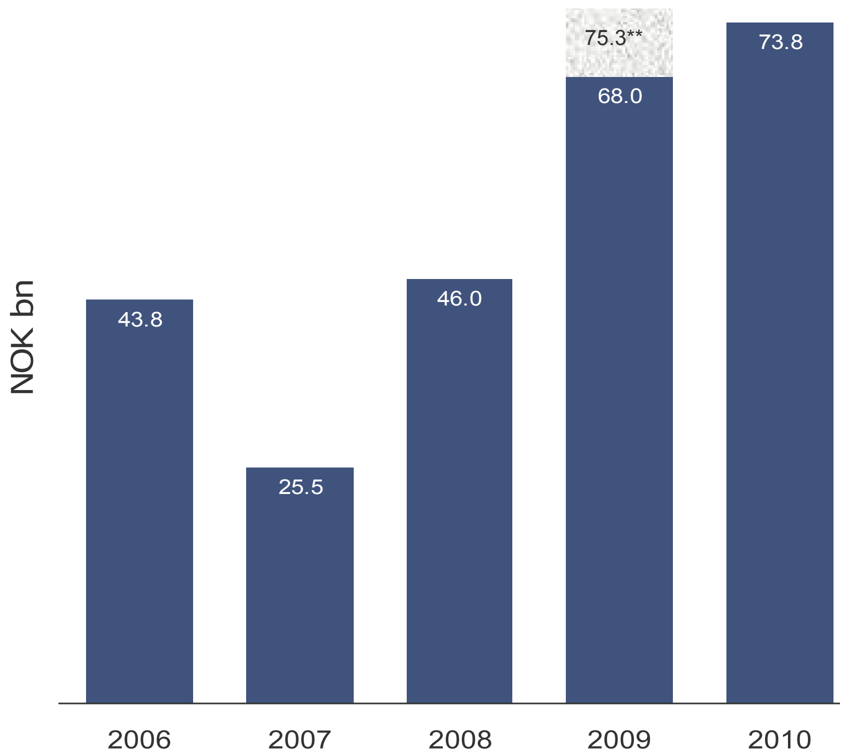
| Composition of tax expense and effective tax rate | Before tax | Tax | Tax rate |
|---|---|---|---|
| Total adjusted earnings | **40.8** | **(30.0)** | **73.5 %** |
| Adjustments | **2.0** | **(0.1)** | **4.0%** |
| Net Operating Income | **42.8** | **(30.1)** | **70.3 %** |
| Net financial items: | | | |
| *Tax on NOK 0.4 billion taxable currency gains* | | ***(0.2)*** | |
| *Foreign exchange (FX) and interest rate (IR) derivatives* | ***(4.8)*** | ***2.1*** | |
| *Financial items excluding FX and IR derivatives* | ***(0.2)*** | ***0.1*** | |
| Total | **37.8** | **28.2** | **74.4 %** |

# Net Financial Items
## YTD 2010

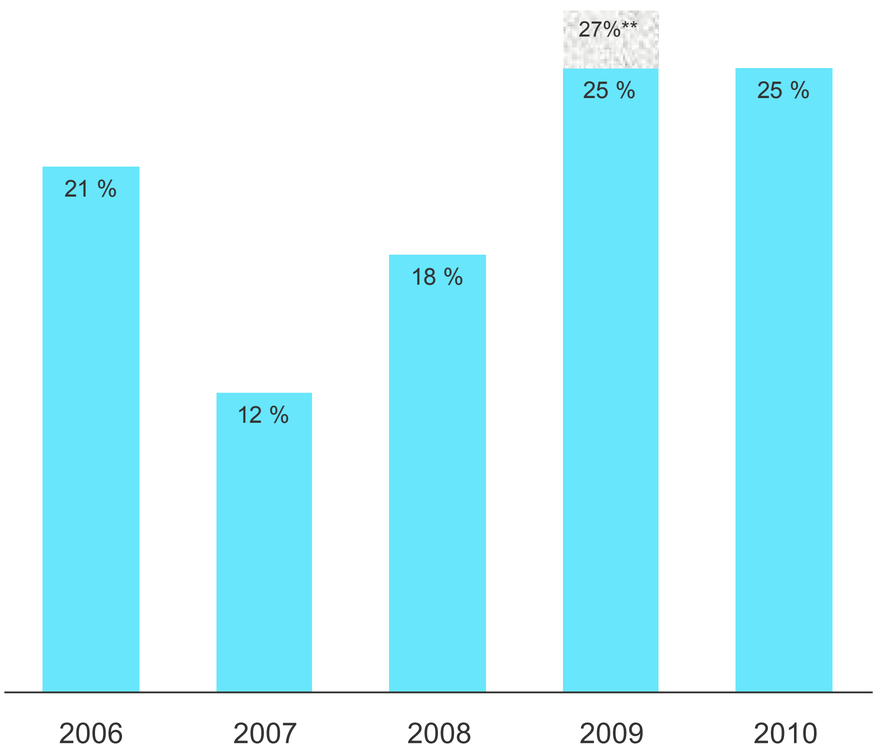


# Development in net debt to capital employed

## Net financial liabilities




## Net debt to capital employed*




* Net debt to capital employed ratio = Net financial liabilities/capital employed
** Reduced debt with 100% ownership of Peregrino lease in 2009



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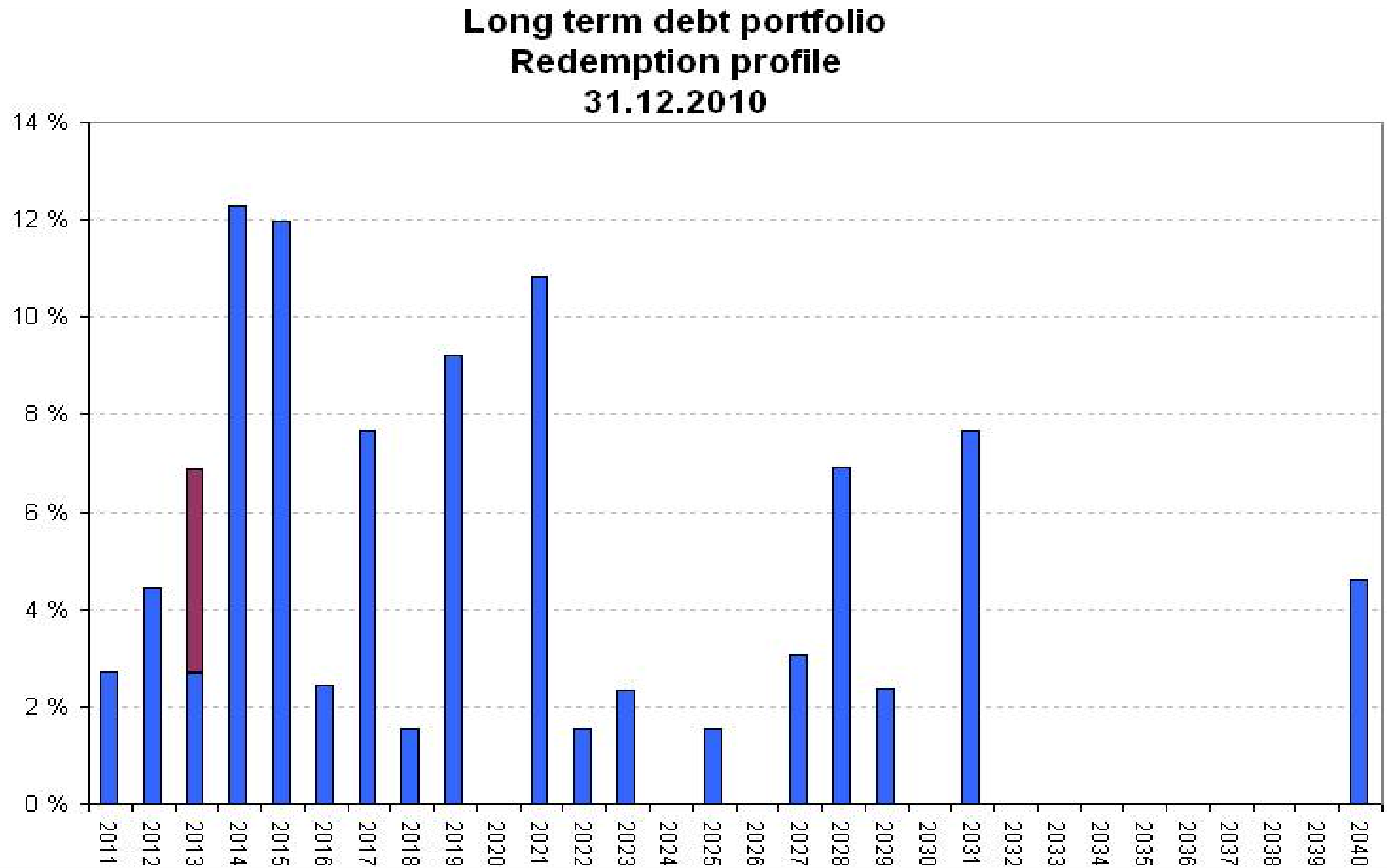
Long term debt portfolio
Redemption profile
31.12.2010
14 %
12 %
10 %
8 %
6 %
4 %
2 %
0 %
2011
2012
2013
2014
2015
2016
2017
2018
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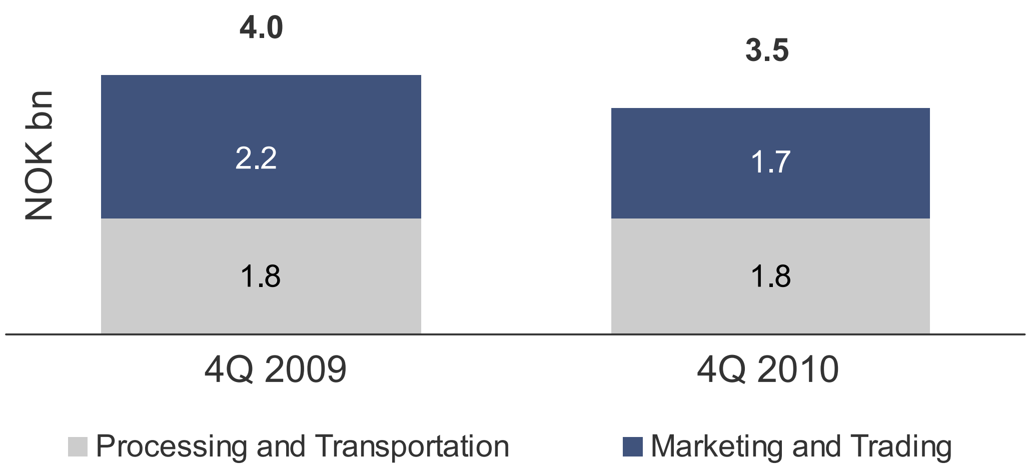
# Adjusted earnings break- down - natural gas





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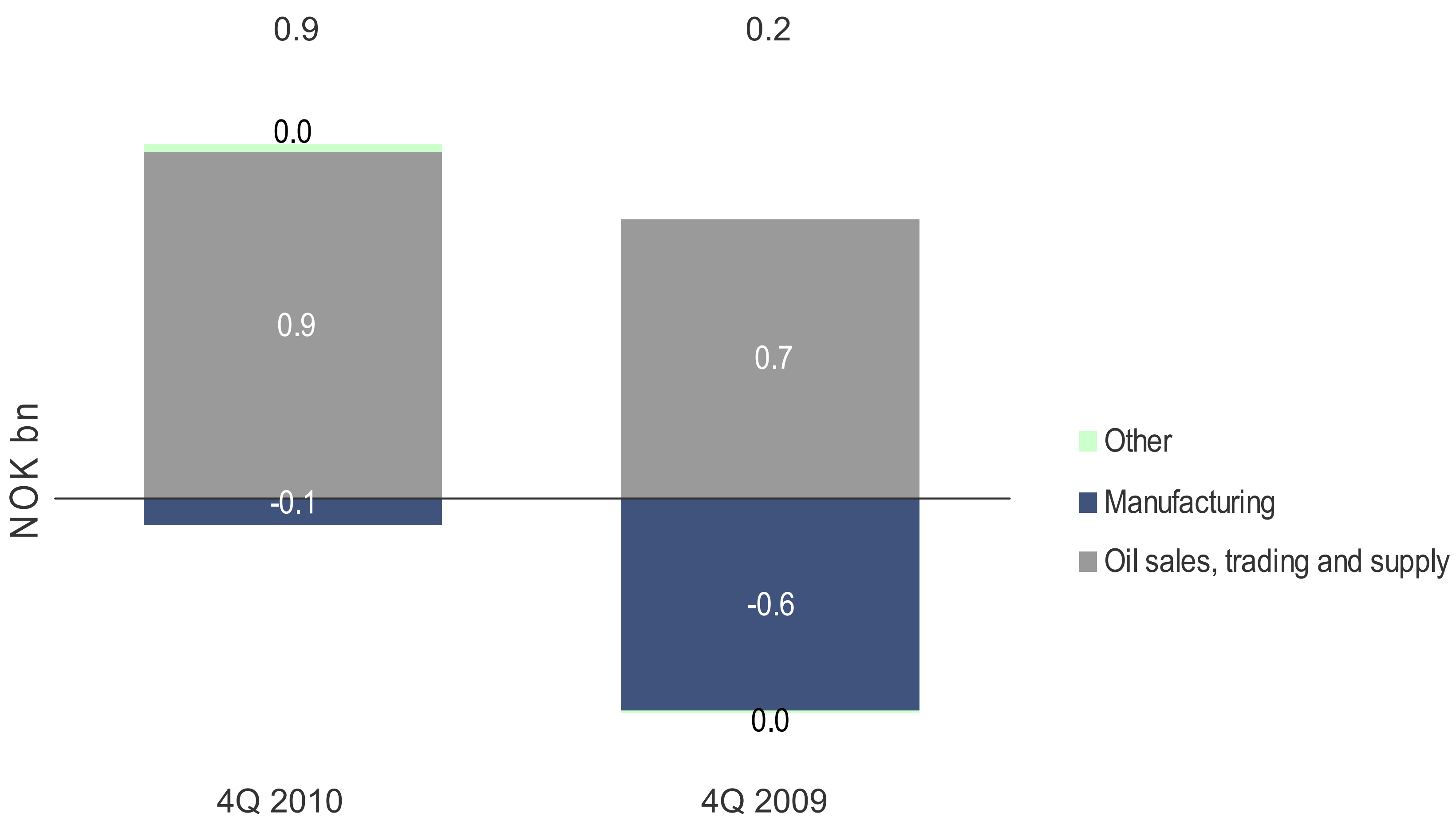
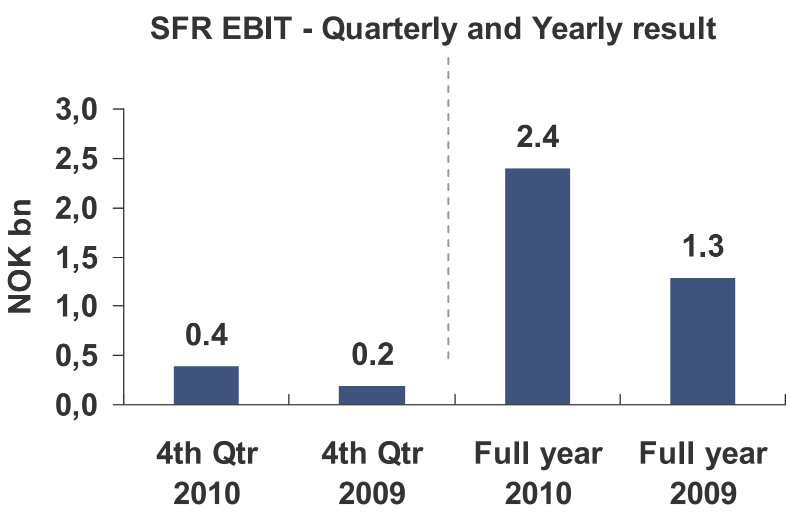
# Manufacturing & Marketing
## Adjusted earnings break-down



# Statoil Fuel & Retail – Q4 result

| IFRS income statement (in NOK billion) | Fourth quarter 2010 | Fourth quarter 2009 | Fourth quarter Change | For the year ended 2010 | For the year ended 2009 | For the year ended Change |
|---|---|---|---|---|---|---|
| Total revenues and other income | 17.4 | 17.1 | 2 % | 65.9 | 57.4 | 15 % |
| Purchase [net of inventory variation] | 14.7 | 14.3 | 2 % | 54.8 | 46.9 | 17 % |
| Operating expenses | 0.2 | 0.3 | (55 %) | 0.8 | 1.1 | (23 %) |
| Selling, general and adm. expenses | 1.8 | 2.0 | (6 %) | 6.6 | 7.0 | (5 %) |
| Depreciation, amortisation and net impairment losses | 0.3 | 0.3 | (11 %) | 1.3 | 1.2 | 8 % |
| Total operating expenses | 17.0 | 17.0 | (0 %) | 63.5 | 56.1 | 13 % |
| Net operating income | 0.4 | 0.2 | >100 % | 2.4 | 1.3 | 86 % |




**SFR highlights Q4 2010:**

- Net operating income increased from 0.2 billion NOK to 0.4 billion NOK
- Positive volume development in road transportation fuel
- Improved road transportation fuel margin as well as improved marked condition during the year
- ROCE 11%

# Statoil production per field
# - NCS 4Q 2010

| Statoil-operated 1000 boed | Statoil share | Produced volumes Oil | Gas | Total |
|---|---|---|---|---|
| Alve | 85.00% | 7.7 | 10.0 | 17.7 |
| Brage | 32.70% | 7.7 | 0.6 | 8.3 |
| Fram | 45.00% | 26.3 | 4.7 | 31.0 |
| Gimle | 65.13% | 2.5 | 0.0 | 2.5 |
| Glitne | 58.90% | 2.1 | 0.0 | 2.1 |
| Grane | 36.66% | 52.2 | 0.0 | 52.2 |
| Gullfaks | 70.00% | 74.6 | 28.4 | 103.0 |
| Heidrun | 12.41% | 7.8 | 1.7 | 9.6 |
| Heimdal | *1 | 0.2 | 0.9 | 1.0 |
| Huldra | 19.88% | 0.4 | 2.3 | 2.6 |
| Kristin | 55.30% | 19.0 | 17.9 | 36.9 |
| Kvitebjørn | 58.55% | 27.3 | 54.8 | 82.1 |
| Mikkel | 43.97% | 8.7 | 12.4 | 21.1 |
| Morvin | 64.00% | 13.8 | 0.0 | 13.8 |
| Njord | 20.00% | 7.3 | 0.6 | 7.9 |
| Norne | *2 | 18.0 | 1.3 | 19.3 |
| Oseberg | *3 | 62.8 | 75.5 | 138.3 |
| Sleipner | *4 | 27.3 | 86.5 | 113.7 |
| Snorre | 31.32% | 34.0 | 0.0 | 34.1 |
| Snøhvit | 33.53% | 8.8 | 36.9 | 45.8 |
| Statfjord | *5 | 36.9 | 13.6 | 50.5 |
| Tordis | 41.50% | 9.5 | 0.0 | 9.5 |
| Troll Gass | 30.58% | 5.8 | 185.4 | 191.2 |
| Troll Olje | 30.58% | 39.2 | 0.0 | 39.2 |
| Tyrihans | 58.84% | 53.6 | 0.0 | 53.6 |
| Vale | 28.85% | 0.2 | 0.2 | 0.4 |
| Vega | *6 | 0.7 | 1.0 | 1.6 |
| Veslefrikk | 18.00% | 2.5 | 0.0 | 2.5 |
| Vigdis | 41.50% | 17.6 | 0.4 | 18.0 |
| Vilje | 28.85% | 8.2 | 0.0 | 8.2 |
| Visund | 53.20% | 10.6 | 6.7 | 17.3 |
| Volve | 59.60% | 14.7 | 1.3 | 16.1 |
| Åsgard | 34.57% | 61.5 | 74.2 | 135.7 |
| Yttergryta | 45.75% | 2.5 | 2.5 | 4.9 |
| Total Statoil-operated | | 671.9 | 619.7 | 1291.6 |

| Partner-operated 1000 boed | Statoil share | Produced volumes Oil | Gas | Total |
|---|---|---|---|---|
| Ekofisk | 7.60% | 17.9 | 2.7 | 20.6 |
| Enoch | 11.78% | 0.4 | 0.0 | 0.4 |
| Gjøa | 20.00% | 1.8 | 3.3 | 5.0 |
| Ormen Lange | 28.92% | 9.6 | 116.0 | 125.6 |
| Ringhorne Øst | 14.82% | 2.7 | 0.1 | 2.8 |
| Sigyn | 60.00% | 6.5 | 4.7 | 11.2 |
| Skirne | 10.00% | 0.3 | 1.3 | 1.6 |
| Total partner-operated | | 39.2 | 128.0 | 167.2 |
| Total production | | 711.1 | 747.7 | 1458.8 |

*1 Statoil's share of the reservoir and production at Heimdal is equal to 29.87%.
The ownershare of the topside facilities is equal to 39.44%.
*2 Norne 39.10%, Urd 63.95%
*3 Oseberg 49.3%, Tune 50.0%
*4 Sleipner Vest 58.35%, Sleipner Øst 59.60%, Gungne 62.00%
*5 Statfjord Unit 44.34%, Statfjord Nord 21.88%, Statfjord Øst 31.69%, Sygna 30.71%
*6 Vega 60%, Vega Sør 45%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# Statoil equity production per field - International E&P 4Q 2010

| E&P International | | Produced equity volumes - Statoil share | | |
|---|---|---|---|---|
| 1000 boed | Statoil share | Liquids | Gas | Total |
| Alba | 17.00% | 5.3 | | 5.3 |
| Jupiter | 30.00% | | 0.8 | 0.8 |
| Schiehallion | 5.88% | 0.6 | 0 | 0.6 |
| Azeri Chiraq (ACG EOP) | 8.56% | 63.6 | | 63.6 |
| Shah Deniz | 25.50% | 8.9 | 27 | 35.6 |
| Petrocedeño* | 9.67% | 13.6 | | 13.6 |
| Girassol/Jasmin | 23.33% | 22.6 | | 22.6 |
| Kizomba A | 13.33% | 16.2 | | 16.2 |
| Kizomba B | 13.33% | 19.6 | | 19.6 |
| Xikomba | 13.33% | 1.5 | | 1.5 |
| Dalia | 23.33% | 53.1 | | 53.1 |
| Rosa | 23.33% | 19.7 | | 19.7 |
| In Salah | 31.85% | | 42.0 | 42.0 |
| In Amenas | 50.00% | 19.5 | | 19.5 |
| Marimba | 13.33% | 4.1 | | 4.1 |
| Kharyaga | 30.00% | 8.9 | | 8.9 |
| Hibernia | 5.00% | 7.7 | | 7.7 |
| Terra Nova | 15.00% | 8.4 | | 8.4 |
| Murzuk | 2.40% | 2.8 | | 2.8 |
| Mabruk | 5.00% | 1.4 | | 1.4 |
| Lorien | 30.00% | 0.5 | 0.1 | 0.6 |
| Front Runner | 25.00% | 1.6 | 0.1 | 1.7 |
| Spiderman Gas | 18.33% | 0.0 | 3.0 | 3.0 |
| Zia | 35.00% | 0.1 | 0.0 | 0.2 |
| Seventeen hands | 25.00% | 0.0 | 0.0 | 0.0 |
| Q Gas | 50.00% | 0.0 | 0.0 | 0.0 |
| San Jacinto Gas | 26.67% | 0.0 | 0.0 | 0.0 |
| Mondo | 13.33% | 8.5 | | 8.5 |
| Saxi-Batuque | 13.33% | 11.6 | | 11.6 |
| Agbami | 20.21% | 48.6 | | 48.6 |
| Marcellus shale gas | Varies | 0.1 | 16.2 | 16.3 |
| South Pars | 37.00% | 4.3 | | 4.3 |
| Gimboa | 20.00% | 3.2 | | 3.2 |
| Tahiti | 25.00% | 31.0 | 1.5 | 32.5 |
| Thunder Hawk | 25.00% | 6.3 | 0.8 | 7.1 |
| Leismer Demo | 100.00% | 0.9 | | 0.9 |
| Eagle Ford | 50.00% | 0.1 | 1 | 0.7 |
| Total equity production from fields outsid | | 394.3 | 91.6 | 485.9 |

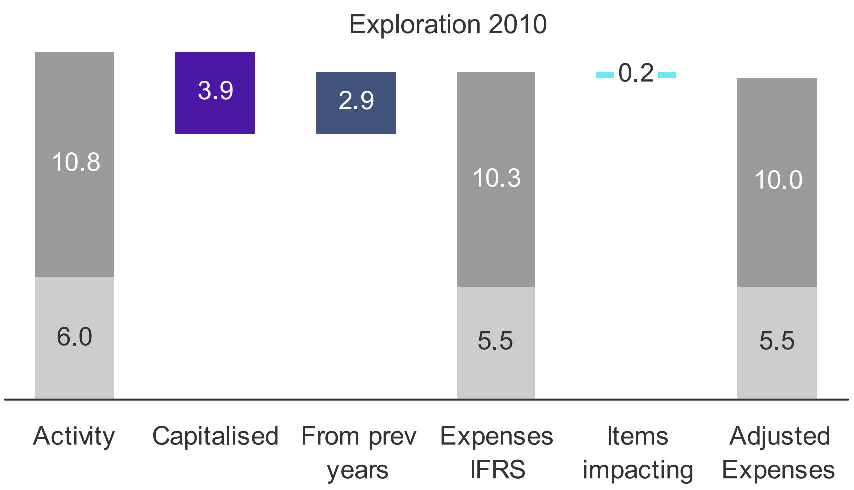
# Exploration Statoil group

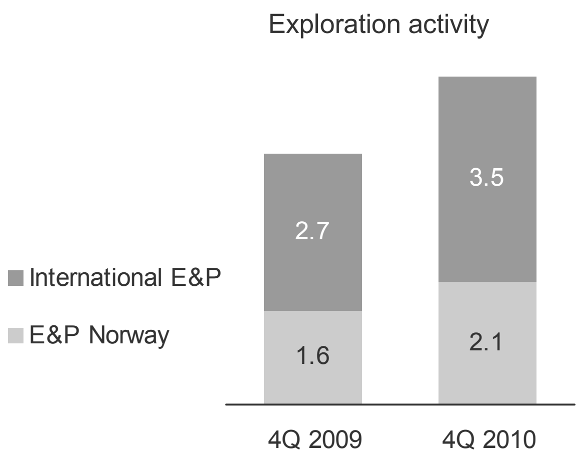
*NOK bn.*

| 4Q 2010 | 4Q 2009 | **Exploration expenses IFRS** |
|---|---|---|
| 2.1 | 1.6 | Exploration expenses - Norway |
| 3.2 | 3.4 | Exploration expenses - International |

*NOK bn.*

| 4Q 2010 | 4Q 2009 | **Exploration expenditure** |
|---|---|---|
| 5.6 | 4.2 | Exploration expenditure (activity) |
| 0.6 | 1.8 | Expensed, previously capitalised exploration expenditure |
| -0.9 | -1.0 | Capitalised share of current period's exploration expenditure |
| **5.3** | **4.9** | **Exploration expenses IFRS** |
| -0.1 | -1.3 | Items impacting |
| **5.2** | **3.6** | **Adjusted exploration expenses** |

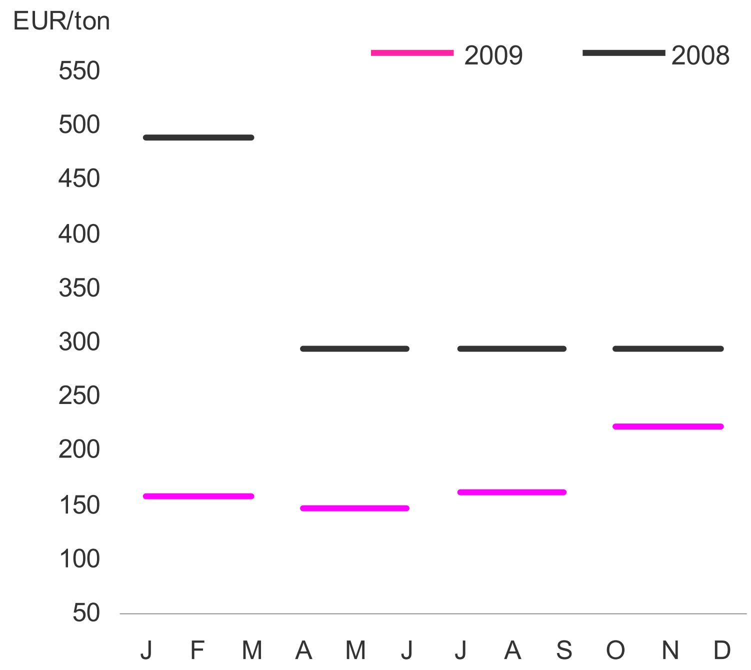


# M&M - margins and prices
# – Manufacturing and marketing

## FCC NWE refining margins


## Methanol contract price



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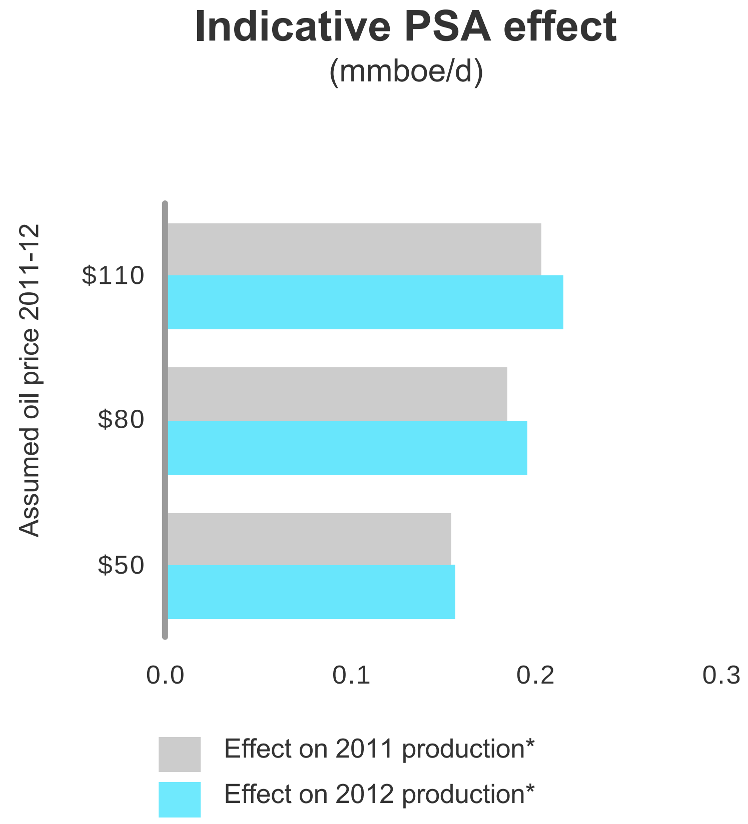
# Indicative PSA effects

- ~70% of international equity production in 2012 subject to PSA
- PSA effect in 2011 expected to be in line with 2010 for comparable prices




*Guiding based on EPA price scenarios for the whole period



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# Reconciliation of adjusted earnings to net operating income

| Items impacting net operating income | Fourth quarter | | | For the year ended | | |
|---|---|---|---|---|---|---|
| (in NOK billion) | 2010 | 2009 | Change | 2010 | 2009 | Change |
| **Net operating income** | **42.8** | 33.5 | 28 % | **137.2** | 121.6 | 13 % |
| **Total revenues and other income** | **1.2** | (0.1) | >(100) % | **0.3** | 0.2 | 34 % |
| Change in fair value of derivatives | **1.2** | (0.9) | >(100) % | **1.9** | (4.2) | >(100) % |
| Inefficient hedge of inventories | **1.1** | 1.1 | 0 % | **1.0** | 2.0 | (50 %) |
| Impairment of investments | **0.0** | 0.0 | - | **0.2** | 0.0 | - |
| Reversal of impairment of investments | **0.0** | 0.0 | - | **(0.2)** | (0.3) | 37 % |
| Over/underlift | **(1.6)** | (0.5) | >100 % | **(2.3)** | 1.1 | >(100) % |
| Gain/Loss on sales of assets | **(0.2)** | 0.0 | - | **(1.3)** | 0.0 | - |
| Provisions | **0.0** | 0.0 | - | **0.9** | 0.0 | - |
| Eliminations | **0.3** | 0.3 | 0 % | **0.4** | 1.7 | (76 %) |
| Other Adjustments | **0.4** | 0.0 | - | **(0.3)** | 0.0 | - |
| Accrual for take of pay contract | **0.0** | 0.0 | - | **0.0** | 0.0 | - |
| **Purchase net of inventory variation** | **(0.4)** | (0.7) | 43 % | **(0.6)** | (2.2) | 73 % |
| Operational storage effects | **(0.4)** | (0.6) | 33 % | **(0.6)** | (2.1) | 71 % |
| Accrual for take of pay contract | **0.0** | 0.0 | - | **0.0** | 0.0 | - |
| Miscalleneous | **0.0** | (0.1) | >(100) % | **0.0** | (0.1) | >(100) % |
| Eliminations | **0.0** | 0.0 | - | **0.0** | 0.0 | - |
| **Operating expenses** | **(1.4)** | 0.2 | >(100) % | **0.0** | (1.7) | 101 % |
| Over/underlift | **0.5** | 0.4 | 44 % | **1.0** | 0.1 | >100 % |
| Restructuring costs | **0.0** | (0.3) | >(100) % | **0.0** | (0.3) | >(100) % |
| Other adjustments | **(0.7)** | 0.0 | - | **(0.9)** | (0.3) | >100 % |
| Accrual for take of pay contract | **0.0** | 0.1 | >(100) % | **0.0** | (1.1) | >(100) % |
| Eliminations | **(0.1)** | 0.0 | - | **(0.3)** | 0.4 | >(100) % |
| Gain/Loss on sales of assets | **(0.0)** | 0.0 | >(100) % | **0.1** | (0.5) | >(100) % |
| Increased Provision | **(1.1)** | 0.0 | - | **0.2** | 0.0 | - |
| **Selling, general and administrative expenses** | **(1.6)** | 0.1 | >(100) % | **0.7** | 0.2 | >100 % |
| Restructuring costs | **0.0** | 0.0 | - | **0.0** | 0.0 | - |
| Other adjustments | **0.0** | 0.1 | >(100) % | **0.0** | 0.2 | >(100) % |
| Increased Provision | **(1.6)** | 0.0 | - | **0.7** | 0.0 | - |
| **Depreciation, amortisation and impairment** | **0.0** | 0.0 | - | **4.8** | 7.1 | (32 %) |
| Impairment | **0.0** | 1.2 | >(100) % | **4.6** | 9.0 | (49 %) |
| Other adjustments | **0.0** | 0.0 | - | **0.3** | 0.0 | - |
| Reversal of impairment | **0.0** | (1.2) | >(100) % | **(0.1)** | (1.9) | 95 % |
| **Exploration expenses** | **0.1** | 1.3 | (92 %) | **0.3** | 5.4 | (94 %) |
| Impairment | **0.1** | 1.3 | (92 %) | **2.0** | 5.4 | (63 %) |
| Reversal of impairment | **0.0** | 0.0 | - | **(1.7)** | 0.0 | - |
| Other | **0.0** | 0.0 | - | **0.0** | 0.0 | - |
| **Sum of adjustments** | **(2.0)** | 0.9 | >(100) % | **5.5** | 9.1 | (39 %) |
| **Adjusted earnings** | **40.8** | 34.4 | 19 % | **142.8** | 130.7 | 9 % |



Statoil

# Forward looking statements

This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "ambition", "believe", "continue", "could", "estimate", "expect", "intend", "likely", "may", "objective", "outlook", "plan", "propose", "should", "will" and similar expressions to identify forward-looking statements.

All statements other than statements of historical fact, including, among others, statements such as those regarding: expected equity production; regularity, efficiency and productivity goals for future operations and projects; our financial position, results of operations and cash flows; expected dividend; our future market position; business strategy; expected changes in ownership interests and structures; expected project development expenditures; plans for future development (including redevelopment) and operation of projects; reserve information; reserve recovery factors; future reserve replacement ratio; entitlement volumes; expected timing of resumption of certain exploration drilling in the US Gulf of Mexico; future ability to utilise and develop our expertise; future growth (including future production growth); our future ability to create value; oil and gas production forecasts; future composition and maturity of our exploration and project portfolios; exploration expenditure; expected exploration and development activities and plans; planned turnarounds and other maintenance; expected unit production cost; expected refining margins; expected gap between entitlement and equity volumes; expected impact of contractual arrangements on equity volumes; expected production and capacity of projects; projected impact of laws and regulations (including taxation laws); the impact of the uncertain world economy; expected capital expenditures; our expected ability to obtain short term and long term financing; our ability to manage our risk exposure; the projected levels of risk exposure with respect to financial counterparties; our ability to obtain financing at attractive funding cost levels; the expected impact of currency and interest rate fluctuations (including USD/NOK exchange rate fluctuations) on our financial position; oil, gas and alternative fuel price levels and volatility; oil, gas and alternative fuel supply and demand; the markets for oil, gas and alternative fuel; projected operating costs; the completion of acquisitions, disposals and other contractual arrangements; estimated values in use; estimated cash flows; estimated costs (including costs for plugging and abandonment of wells); estimated future operational leasing commitments; future number of vessels employed; estimated decline of mature fields; future market conditions; future utilisation of capacity contracts; our HSE objective; impact of PSA effects; and the obtaining of regulatory and contractual approvals, 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 "Risk update".

These forward-looking statements reflect current views with respect to 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; currency exchange rates; interest rates; trading activities; the political and economic policies of Norway and other oil-producing countries; general economic conditions; political stability and economic growth in relevant areas of the world; global political events and actions, including war, terrorism and sanctions; changes in laws and governmental regulations; the lack of necessary transportation infrastructure when a field is in a remote location; the timing of bringing new fields on stream; material differences from reserves estimates; an inability to find and develop reserves; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; security breaches; the actions of competitors; our ability to successfully exploit growth opportunities; the actions of field partners; industrial actions by workers; failing to attract and retain senior management and skilled personnel; failing to meet our ethical and social standards; operational catastrophes; security breaches; natural disasters and adverse weather conditions and other changes to business conditions; 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 2009 Annual Report on Form 20-F 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 review, either to make them conform to actual results or changes in our expectations.

# End notes

1. See table under report section "Net debt to capital employed ratio" for a reconciliation of capital employed. Statoil's fourth quarter 2010 interim consolidated financial statements have been prepared in accordance with IFRS. Comparative financial statements for previous periods presented have also been prepared in accordance with IFRS.
2. For a definition of non-GAAP financial measures, see report section "Use and reconciliation of non-GAAP measures".
3. The Group's average liquids price is a volume-weighted average of the segment prices of crude oil, condensate and natural gas liquids (NGL), including a margin for oil sales, trading and supply.
4. FCC margin is an in-house calculated refinery margin indicator intended to represent a 'typical' upgraded refinery with an FCC (fluid catalytic cracking) unit located in the Rotterdam area based on Brent crude.
5. A total of 13.6 mboe per day in the fourth quarter of 2010 and 10.0 mboe in the fourth quarter of 2009 represent our share of production in an associated company which is accounted for under the equity method. These volumes have been included in the production figure, but excluded when computing the over/underlift position. The computed over/underlift position is therefore based on the difference between produced volumes excluding our share of production in an associated company and lifted volumes.
6. Liquids volumes include oil, condensate and NGL, exclusive of royalty oil
7. Lifting of liquids corresponds to sales of liquids for E&P Norway and International E&P. Deviations from the share of total lifted volumes from the field compared to the share in the field production are due to periodic over- or underliftings.
8. The production cost is calculated by dividing operational costs related to the production of oil and natural gas by the total production of liquids and natural gas, excluding our share of operational costs and production in an associated company as described in end note 5.
9. Equity volumes represent produced volumes under a Production Sharing Agreement (PSA) contract that correspond to Statoil's ownership percentage in a particular field. Entitlement volumes, on the other hand, represent the Statoil share of the volumes distributed to the partners in the field, which are subject to deductions for, among other things, royalty and the host government's share of profit oil. Under the terms of a PSA, the amount of profit oil deducted from equity volumes will normally increase with the cumulative return on investment to the partners and/or production from the licence. As a consequence, the gap between entitlement and equity volumes will likely increase in times of high liquids prices. The distinction between equity and entitlement is relevant to most PSA regimes, whereas it is not applicable in most concessionary regimes such as those in Norway, the UK, Canada and Brazil.
10. Net financial liabilities are non-current financial liabilities and current financial liabilities reduced by cash, cash equivalents and current financial investments. Net interest-bearing debt is normalised by excluding 50% of the cash build-up related to tax payments due in the beginning of February, April, June, August, October and December each year.
11. These are non-GAAP figures. See report section "Use and reconciliation of non-GAAP measures" for details.
12. Transactions with the Norwegian State. The Norwegian State, represented by the Ministry of Petroleum and Energy (MPE), is the majority shareholder of Statoil and also holds major investments in other entities. This ownership structure means that Statoil participates in transactions with many parties that are under a common ownership structure and therefore meet the definition of a related party.Statoil purchases liquids and natural gas from the Norwegian State, represented by SDFI (The State's Direct Financial Interest). In addition, Statoil is selling the State's natural gas production in its own name, but for the Norwegian State's account and risk as well as related expenditures refunded by the State.All transactions are considered to be on a normal arms-length basis and are presented in the financial statements.
13. The production guidance for 2012 reflects our estimates of proved reserves calculated in accordance with US Securities and Exchange Commission (SEC) guidelines and additional production from other reserves not included in proved reserves estimates.

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- Statoil is an integrated technology-based international energy company primarily focused on upstream oil and gas operations
- Headquartered in Norway we have more than 30 years of experience from the Norwegian continental shelf, pioneering complex offshore projects under the toughest conditions.
- Our culture is founded on strong values and a high ethical standard.
- We aim to deliver long-term growth and continue to develop technologies and manage projects that will meet the world's energy and climate challenges in a sustainable way.
- Statoil is listed on NYSE and Oslo Stock Exchange