Statoil

Capital Markets update

London, 6 February 2015

Seizing the opportunity

London, 6 February 2015
Eldar Sætre, President and CEO

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", "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, 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.

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Firm priorities, stepping up commitments

High value growth

- ~2% organic production growth 2014-16
- Reducing organic capex level to USD 18 bn in 2015
- FCF to cover dividend in 2016@100, 2017@80 and 2018@60
- Robust financials: Maintaining 15-30% net debt to capital employed

Increase efficiency

- USD 5 bn in cash improvements
- Increasing efficiency programme target by 30%
- Cash flow neutrality reduced by USD ~30 per barrel

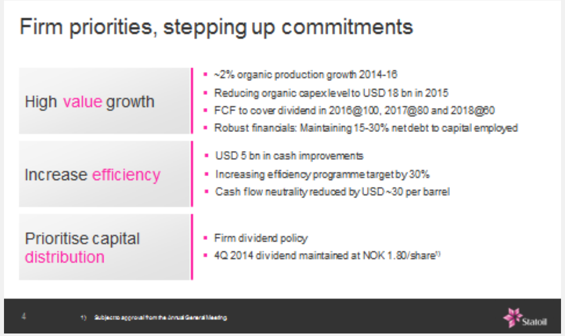
Prioritise capital distribution

- Firm dividend policy
- 4Q 2014 dividend maintained at NOK 1.80/share[1)]

1) Subject to approval from the Annual General Meeting.

Strengthening our capacity to create long-term value

Well prepared



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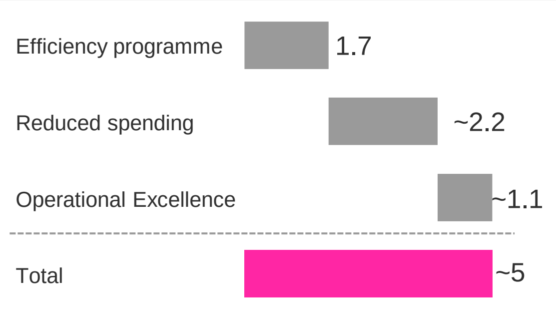
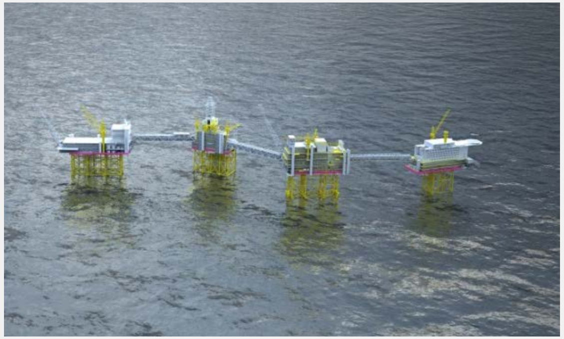
The Capital Markets Update 2014

Seizing the opportunity



Cash improvements of USD ~5 bn

Investing in world-class projects



The Johan Sverdrup Field

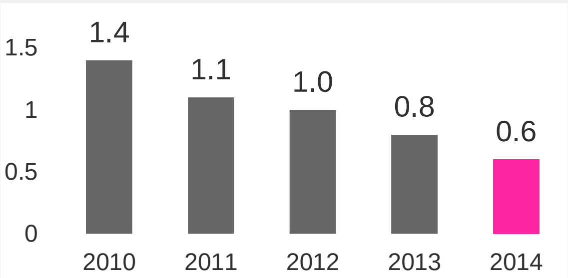
- Efficiency programme on track
- Strengthened balance sheet
- High-graded portfolio

- Stepping up efficiency programme
- Strict capital prioritisation
- Managing portfolio flexibility

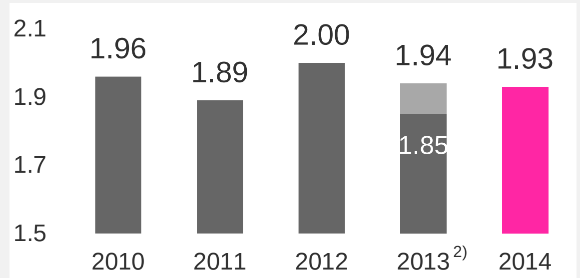
- Safe and efficient operations
- Strong and flexible portfolio
- Long-term value creation

2014 | Financial and operational performance

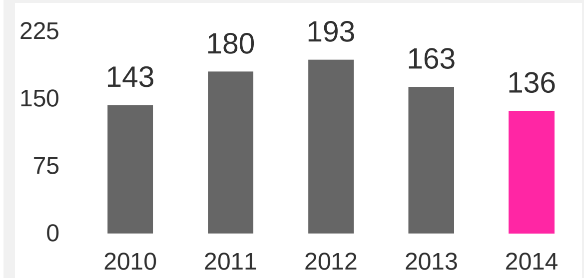
Safety improvement
Serious incident frequency[1)]



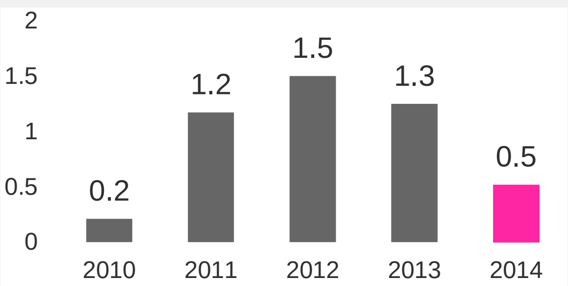
Four percent production growth
mmboe/d



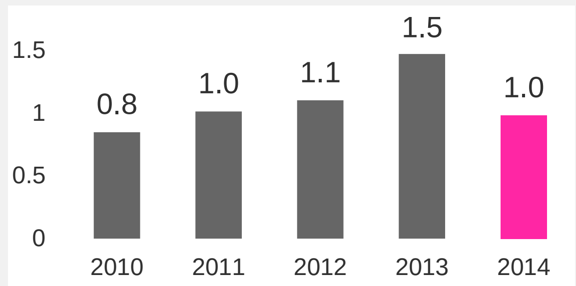
Solid adjusted earnings
NOK bn



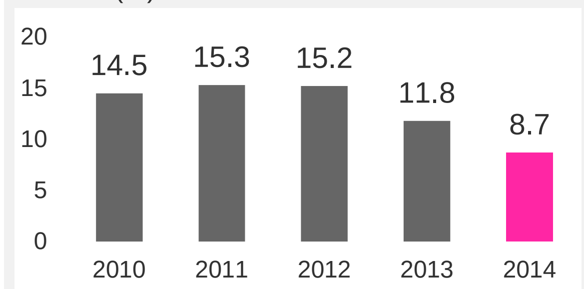
A leading explorer
Discovered bn boe



Maturing resource base
Organic reserve replacement ratio



Returns reflecting price movement
ROACE (%)

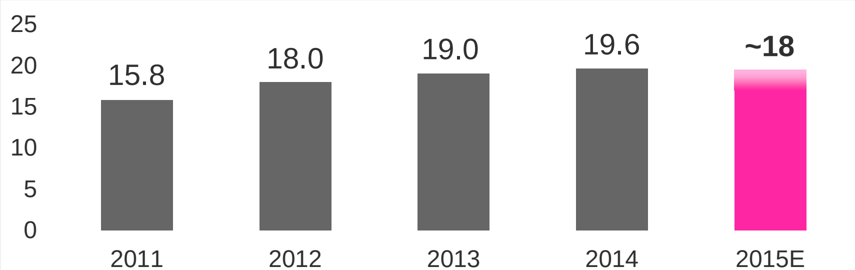


1) Number of serious incidents per million working hours
2) 2013 Rebased production of 1.85 mmboe/d

Firm financial framework - through the cycle

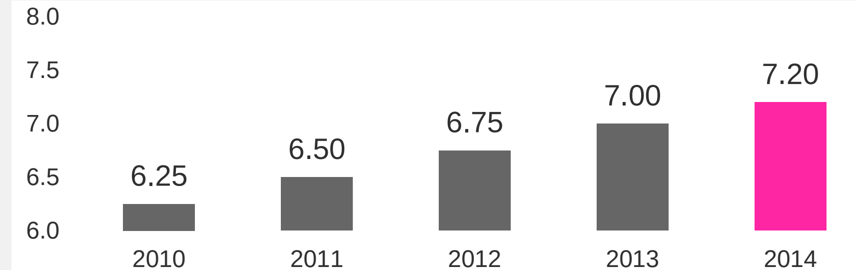
Investing in premium projects

Organic investments, USD bn



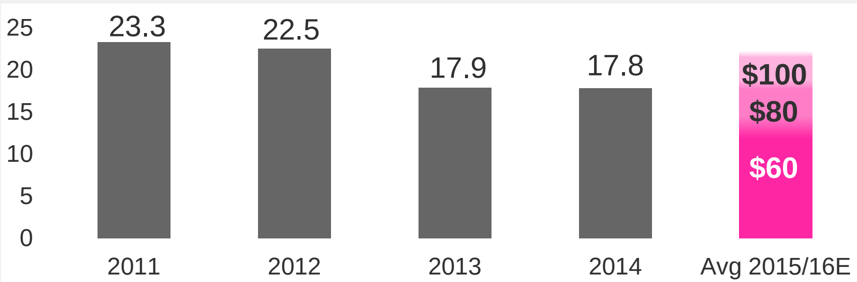
Competitive dividend

Nominal, NOK per share



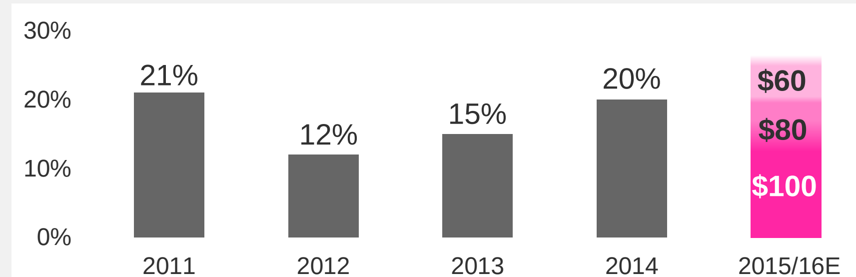
Resilient cash flow

Cash flow from operations, USD bn



Robust balance sheet

Net debt to capital



Note: The various scenarios for CFFO also imply different operational assumptions. The USD 100/bbl scenario assumes lower utilisation of capex flexibility while the USD 60/bbl case assumes larger utilisation of capex flexibility.

Stepping up our improvement programme

Progress on track

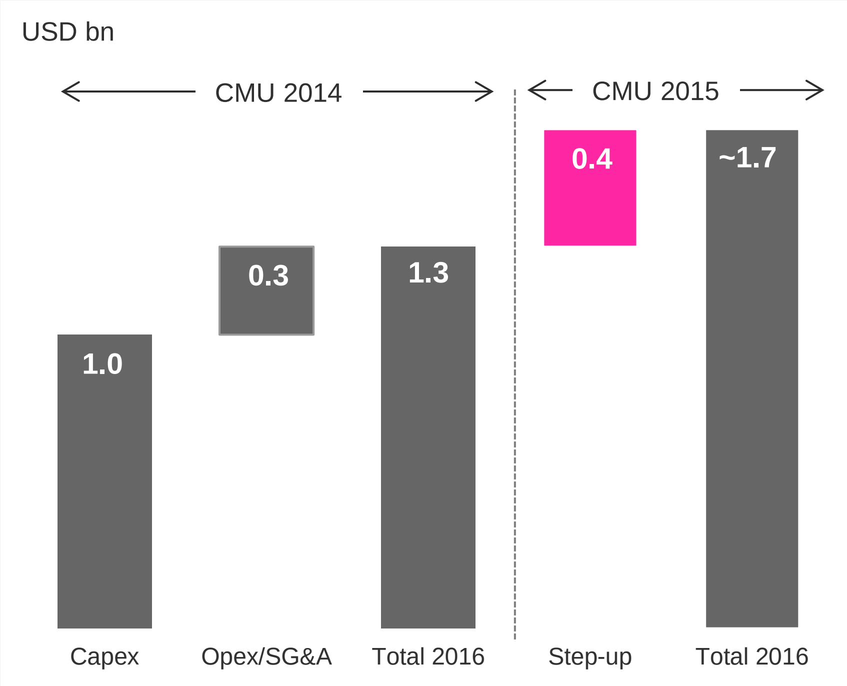
Realized improvements of
600
USD million

Modification costs reduced by
24
percent 1)

Offshore well delivery time improved
16
percent 2)

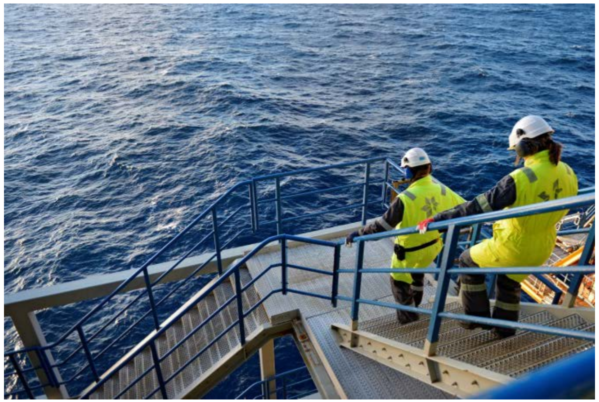
Workforce reduced by
8
percent 3)

30 percent step-up



1) Modification costs include Statoil operated modifications and is compared to 2013 actual spend.
2) Well delivery time is compared to planned delivery time on sanction date per well.
3) Workforce reduced by 1900 compared to December 2013.

Step-change in operational performance



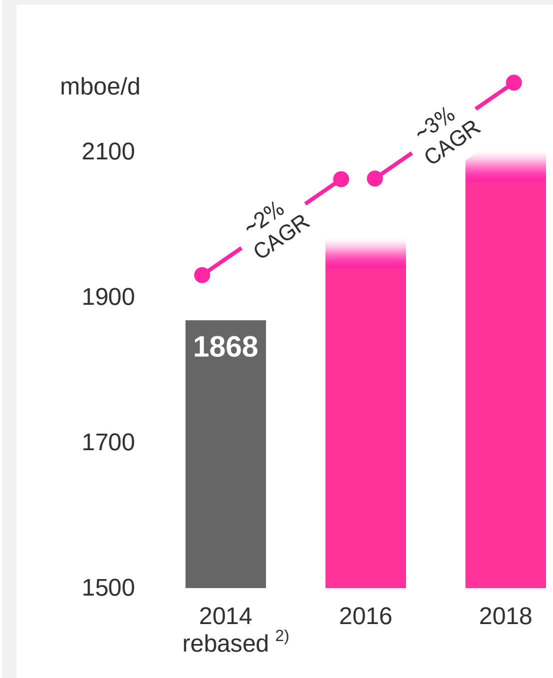
5 %-points increase in production efficiency[1)]

- 50,000 additional boe/d
- Reduced unplanned losses
- Reduced maintenance backlog
- Efficient execution of turnarounds

Proven execution track record

- Start-up of Gudrun, Valemon, Jack/St. Malo and CLOV
- Three new fast-track projects on stream

Delivering high-value growth



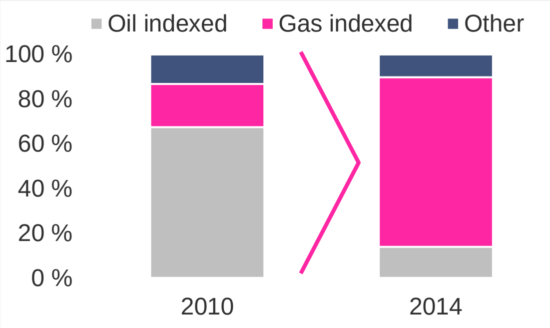
1) Statoil operated assets
2) Rebased 2014 is adjusted with 59 mboe/d for full year impact of transactions with Wintershall and Petronas.

Strengthening midstream and trading business

Value uplift and trading

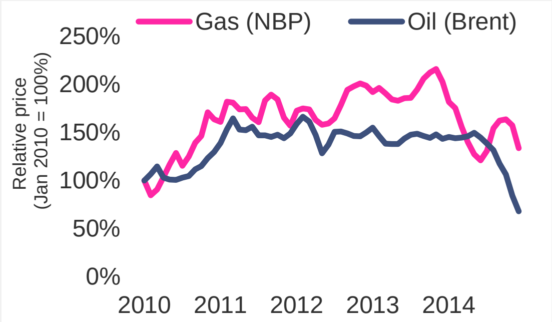
- Proximity and access to premium markets
- High flexibility across value chain
- Integrated trading organisation in place

A modernised European contract portfolio



- A variety of sales channels
- Limited exposure to oil indexation
- Long term contracts still part of the tool box

Changes in oil vs gas risk exposure[1)]



- An increasingly liberalized European gas market
- Different market fundamentals for oil and gas
- Changes in corporate risk profile

1) Source: ICS, ICIS Heren

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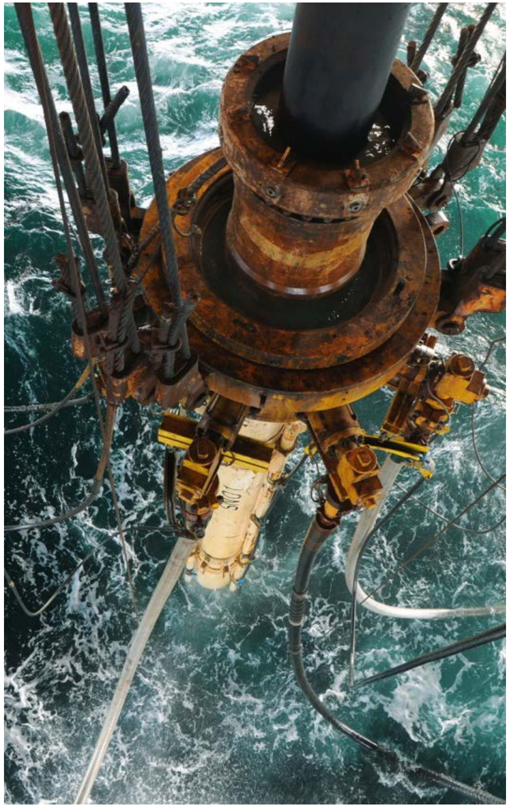
Johan Sverdrup | A world-class project

The field is one of the
5
largest oilfields on the NCS ever

On plateau it will represent
25
percent of the total production in Norway

Producing for more than
50
years from first-oil

Break-even below
40
USD per barrel 1)



1) Phase 1

Statoil

Continued focus on exploration

A leading explorer[1)]

- 4.4 bn boe discovered last four years
- Significantly increased efficiency

Consistent exploration effort in 2015

- USD 3.2 bn in exploration spend
- Extensive drilling programme in high-value basins

Build for the future

- Deepening positions in prolific basins
- Entry into five new basins
- Actively pursue play-opening opportunities

1) IHS EDIN

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Sustainable performance

Competitiveness

- Extensive efficiency programme
- High-graded and flexible portfolio

Carbon

- A leading O&G company on carbon efficiency[1)]
- Developing low cost / low carbon solutions

Communities

- Transparency – the currency for trust
- Local suppliers programme

1) The International Oil and Gas Producers association (IOGP) *Environment Performance Indicators* report (2014) .

Key messages

- Priorities remain unchanged
- Well prepared
- Seizing the opportunity
- Investing for the future

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Thank you

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Enhancing value

London, 6 February 2015

Torgrim Reitan, Executive Vice President and Chief Financial Officer

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2014 | Strong operational quality

Earnings	Stable cost level, earnings impacted by prices and impairments
Production	Higher than expected due to strong regularity
Capex	USD 19.6 bn
Reserves	96% organic RRR
Resources	540 million boe added from exploration
Projects	On cost and schedule
Portfolio	USD 4.3 bn in proceeds from announced divestments
Dividend	NOK 7.20 per share[1)]

1) Dividend for 4Q 2014 of 1.80 NOK/share subject to approval from the Annual General Meeting.

Financial results negatively impacted by prices

Full year 2014

NOK bn

Net income	Reported NOI	Adjustments	Adjusted earnings	Tax on adj. earnings	Adjusted earnings after tax
22.0	109.5	26.6	136.1	(97.0)	39.1
(44%)	(30%)		(17%)		(16%)

Full year 2013

NOK bn

Net income	Reported NOI	Adjustments	Adjusted earnings	Tax on adj. earnings	Adjusted earnings after tax
39.2	155.5	7.6	163.1	(116.7)	46.4

Fourth quarter 2014

NOK bn

Net income	Reported NOI	Adjustments	Adjusted earnings	Tax on adj. earnings	Adjusted earnings after tax
-8.9	9.0	17.9	26.9	(22.6)	4.3
>(100%)	(35%)		(36%)		(61%)

Fourth quarter 2013

NOK bn

Net income	Reported NOI	Adjustments	Adjusted earnings	Tax on adj. earnings	Adjusted earnings after tax
14.8	43.9	(1.6)	42.3	(31.3)	11.0

Cost focus across the business

Statoil Group[1)]
Strong operational quality

Johan Sverdrup: Statoil recommended as operator

D&P Norway
High operational efficiency

Valemon: New field on stream in the North Sea

D&P International
Impacted by exploration and US onshore

Peregrino: High production regularity

MPR
Solid results from gas value chains

Good results from European gas business

NOK bn Adj.earnings	Statoil Group Pre tax	Statoil Group After tax	D&P Norway Pre tax	D&P Norway After tax	D&P International Pre tax	D&P International After tax	MPR Pre tax	MPR After tax
FY2014	136.1	39.1	105.5	29.1	13.9	2.6	17.8	8.1
FY2013	163.1	46.4	132.5	34.8	20.7	8.1	11.1	4.2
4Q'14	26.9	4.3	24.2	6.8	(2.8)	(5.0)	5.1	2.2
4Q'13	42.3	11.0	35.4	8.8	3.6	0.5	3.7	1.7

1) "Other" is included

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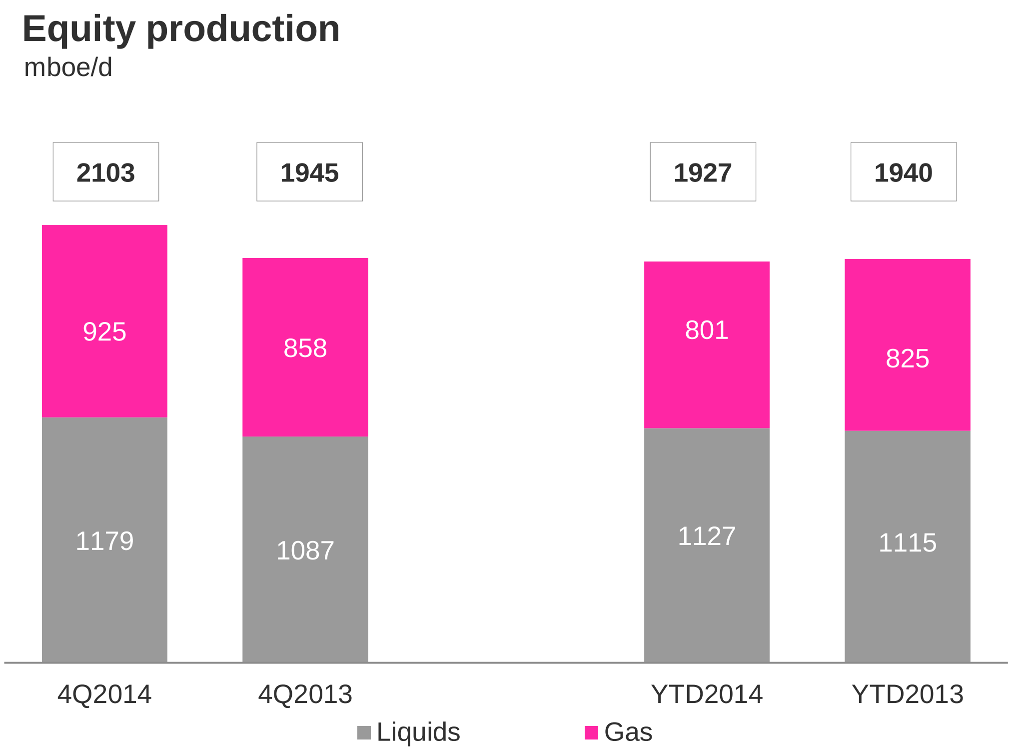
Strong production above guided level

- 4% organic growth YoY
- Record operational efficiency on NCS
- Record international production



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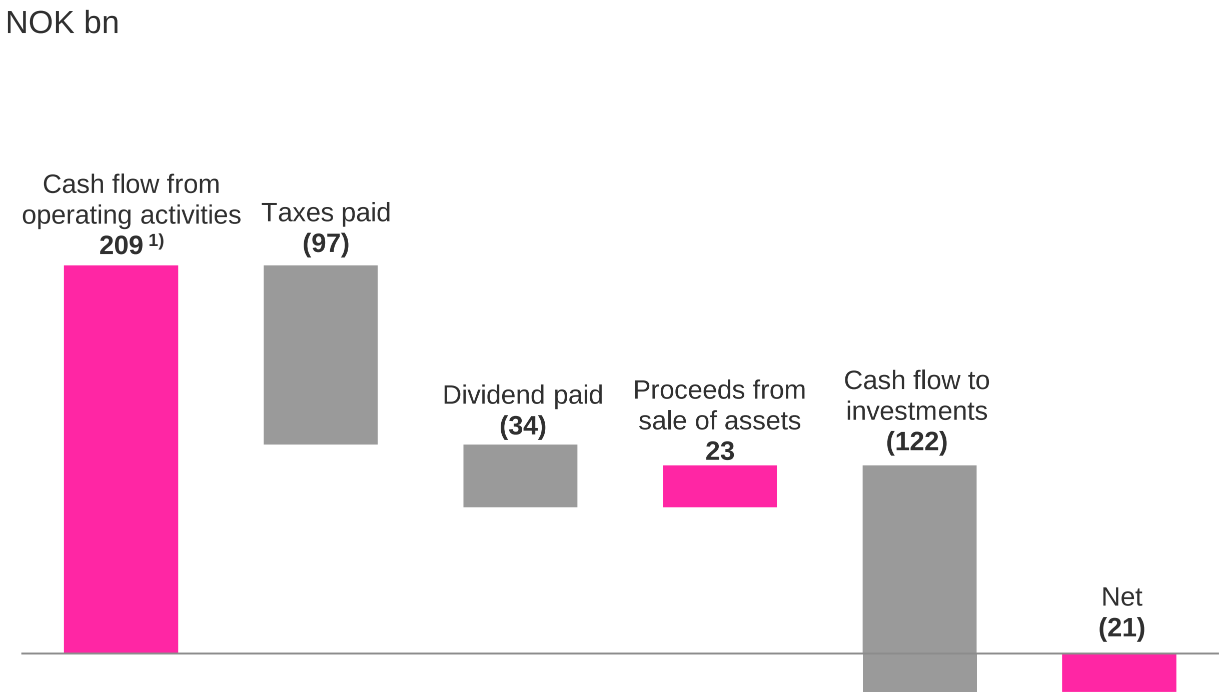
Cash flow 2014 in line with expectations



- Dividends paid for both 2013 and first two quarters of 2014
- Investments in line with guiding
- Net debt to capital employed at year end: 20%

1) Income before tax (109) + Non cash adjustments (99)

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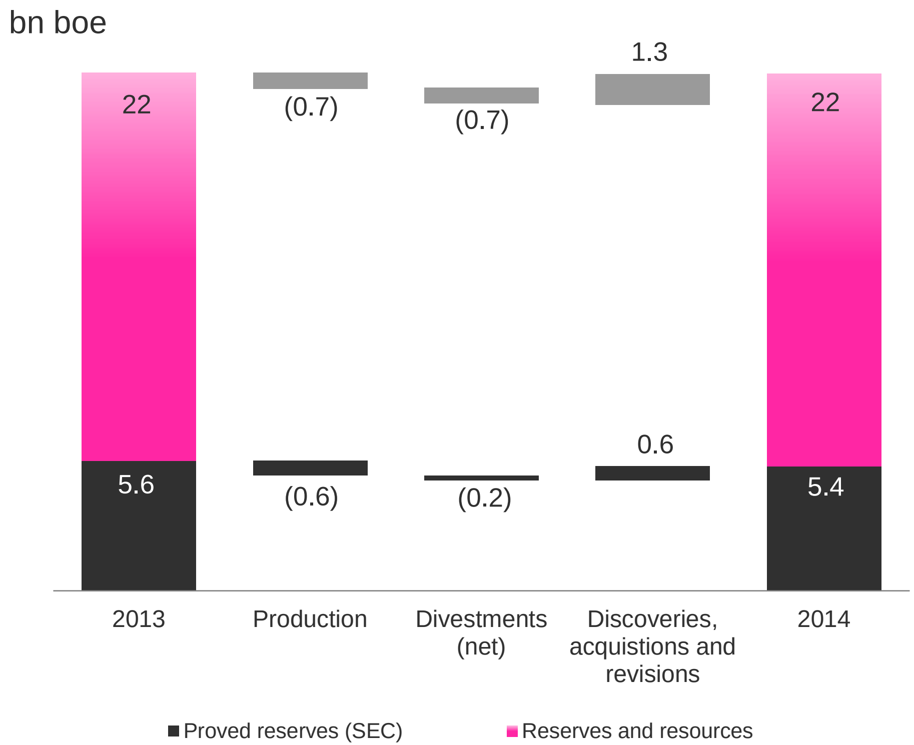
Organic RRR ~1

- Solid organic RRR in 2014; total RRR impacted by divestments
  - 96% organic RRR, 62% total RRR
  - Both organic and total RRR for liquids above 100%
  - 117% three-year average organic RRR
- IOR, revisions and extensions remain important contributors to reserve additions



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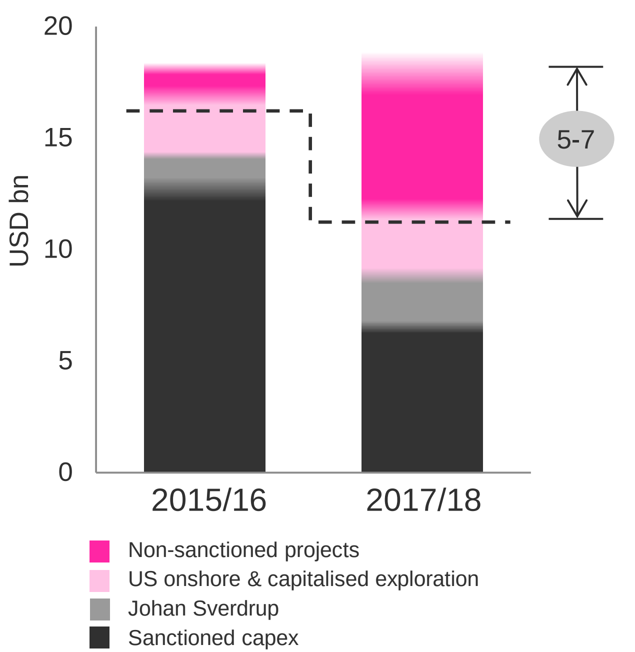
Prepared to use material flexibility

Material flexibility in portfolio

Capital expenditure — Flexibility



Flexibility from onshore and non-sanctioned projects [1)]

US onshore
Snorre 2040
Johan Castberg
Bressay
Krafla
Trestakk
Vito

Bay du Nord
Tanzania LNG
Pão de Açúcar
King Lear
Asterix
Peon
Lavrans

Opportunity to enhance value
- Prioritising high value projects
- Lower costs
- Simpler concepts

Growth to 2020 based on projects under execution [1)]

Start-up year

2015	2016	2017	2018	2019
Valemon	Ivar Aasen	**Aasta Hansteen**	Stampede	**Johan Sverdrup [2)]**
Goliat	Julia	**Gina Krog**		**Peregrino phase II**
Edvard Grieg	Heidelberg	**Mariner**		
Corrib		**Gullfaks Rimfaksdalen**		
Big Foot		Hebron		
		Hibernia SW		

Statoil-operated projects
Partner-operated projects

1) Project lists not exhaustive
2) Expected sanctioned February 2015

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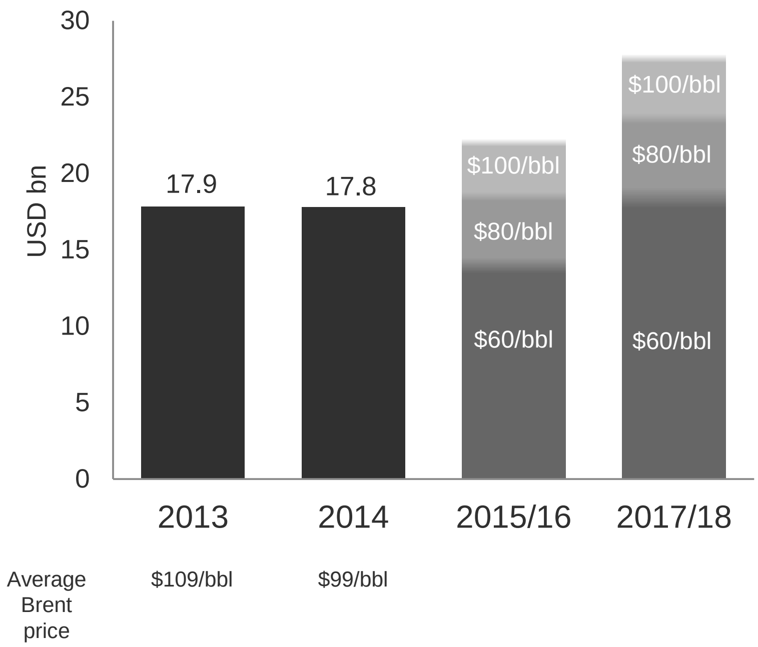
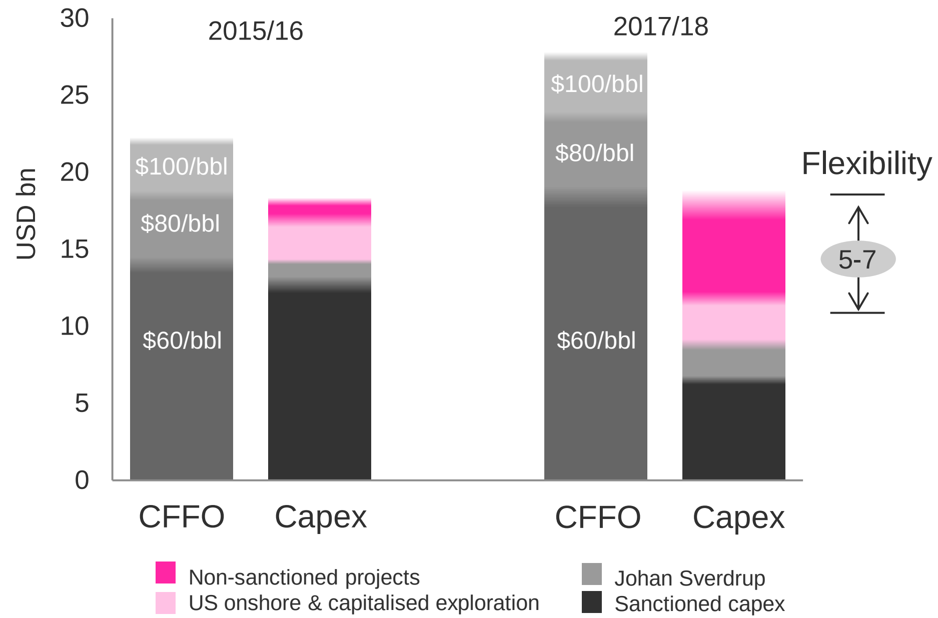
Steering through volatility with strong cash flow

Strong cash flow from operations (CFFO)

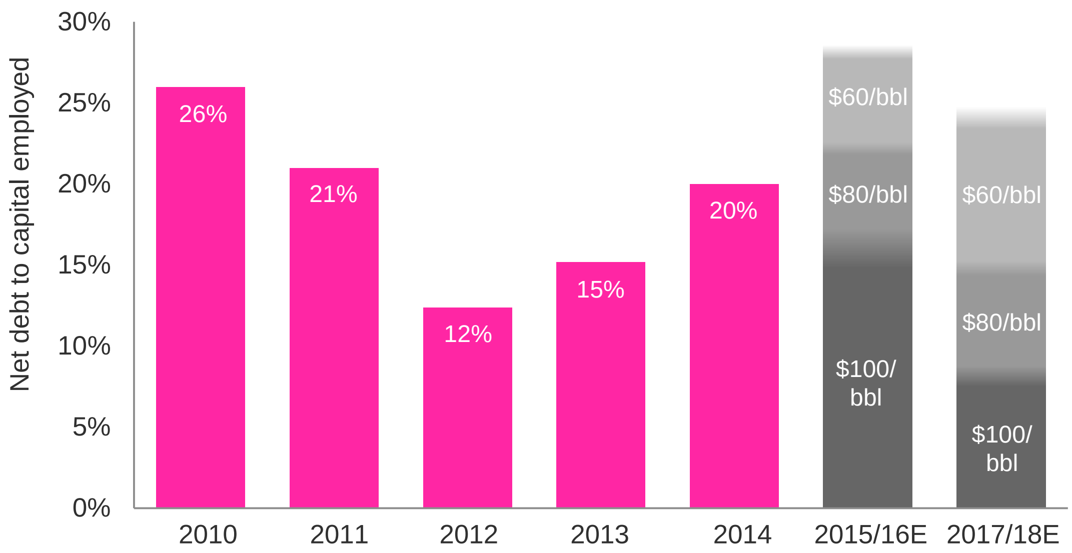


Well positioned across scenarios



Note: The various scenarios for CFFO also imply different operational assumptions. The $100/bbl scenario assumes lower utilisation of capex flexibility while the $60/bbl case assumes larger utilisation of capex flexibility.

Robust financial framework

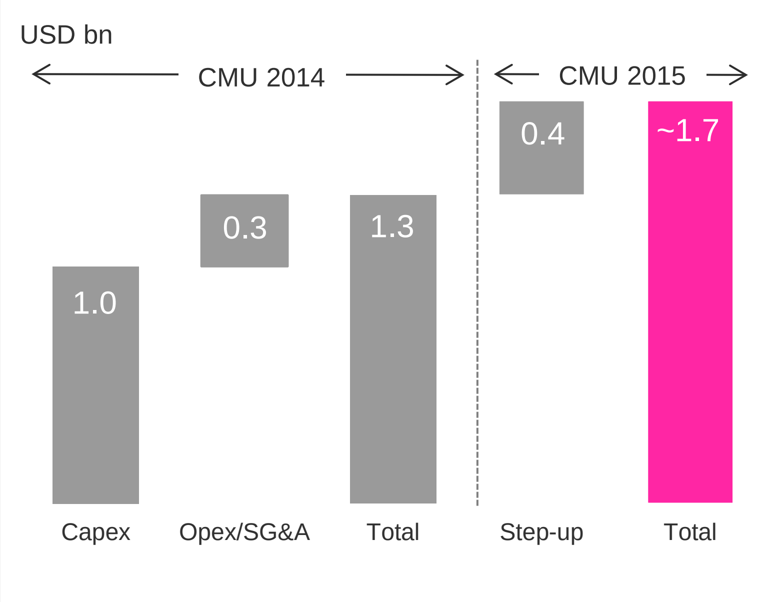


- Strong balance sheet to be maintained
    - A-category rating on stand-alone basis
    - Net debt to capital employed at 15-30%
- Long term financing
    - Average ~9 years to maturity
- Firm dividend policy
    - 4Q 2014 dividend of NOK 1.80 per share[1)]
- Share buy back remains part of toolbox

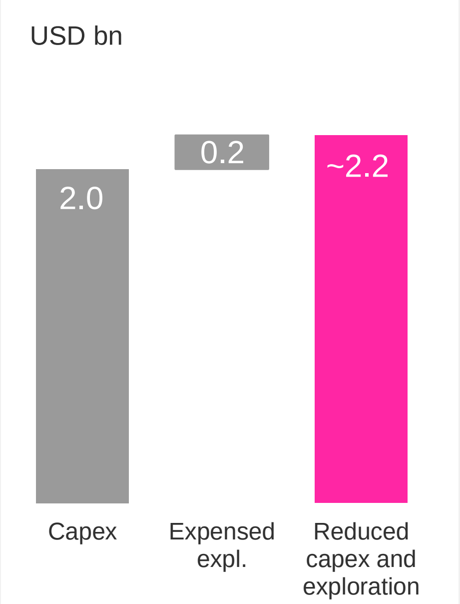
1) Subject to approval from the Annual General Meeting.

USD 5 bn in cash improvements

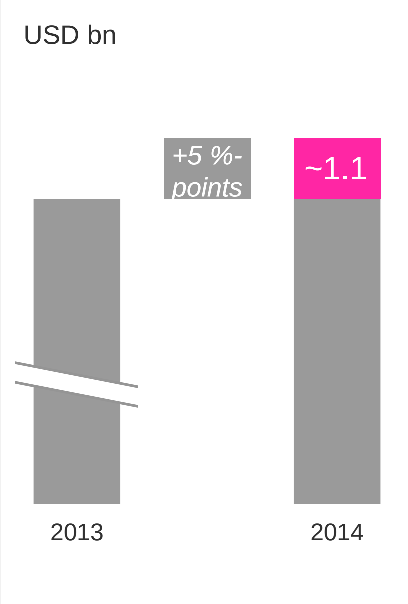
Efficiency
Stepping up 2016 deliveries



Activity
Using flexibility (2015)

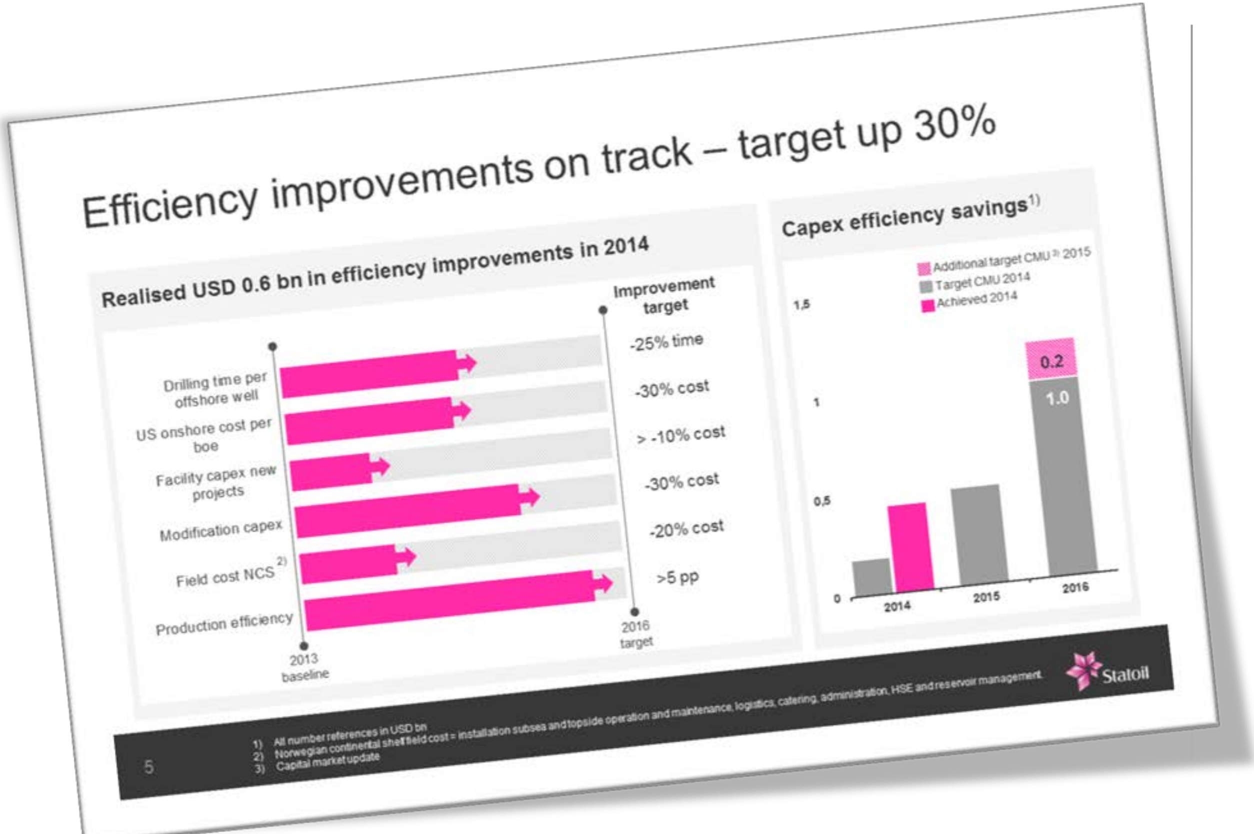


Operational quality
Stepping up production efficiency



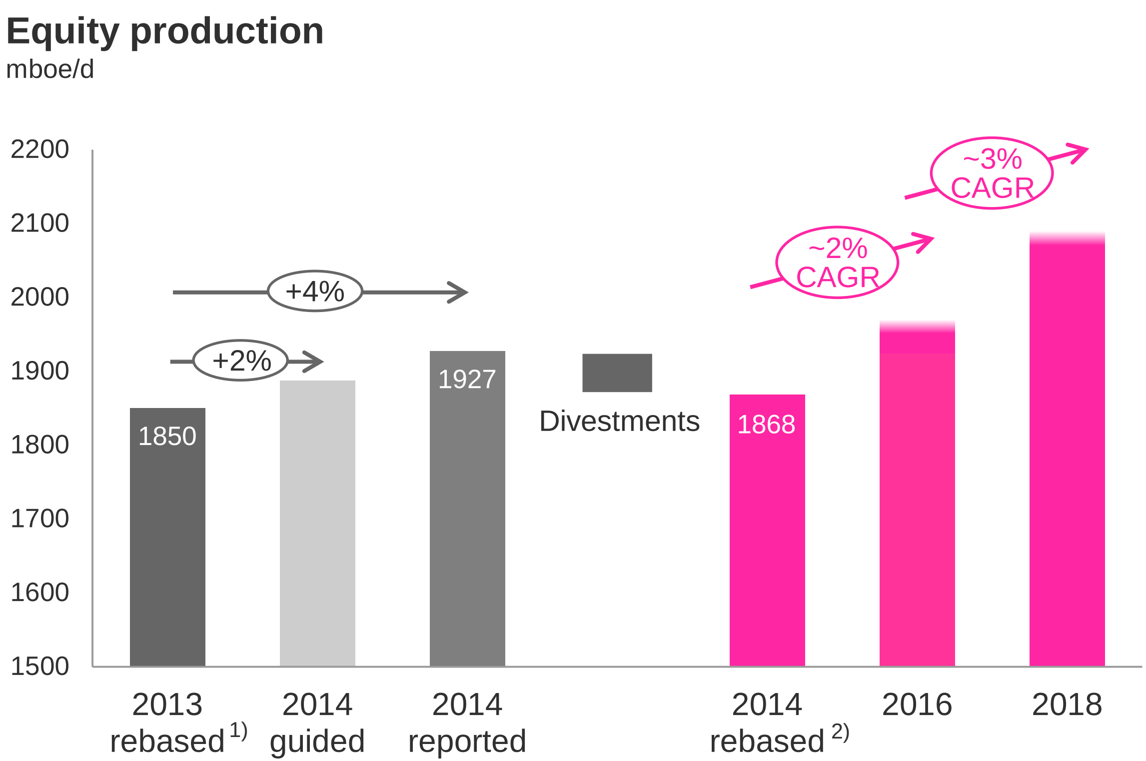
Note: All cash flow estimates are pre-tax

Efficiency improvements on track



- USD 0.6 bn realised in 2014
- Stepping up 2016 ambition by 30%
- Efficiency programme covers full operated cost base
- Strong momentum across organisation

Production growth from 2014-18 from projects in execution



- 4% organic growth YoY in 2014
- ~2% production CAGR for 2014-16
- Johan Sverdrup start-up 2019

1) Rebased 2013 is adjusted with 90 mboe/d for full year impact of transactions with OMV, Wintershall and BP/SOCAR, and redetermination Ormen Lange
2) Rebased 2014 is adjusted with 59 mboe/d for full year impact of transactions with Wintershall and Petronas.

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Enhancing value

	Period	Outlook	Key messages
Capex	2015	USD ~18 bn[1)]	▪ USD ~2 bn reduction ▪ Prepared to use flexibility
Production	2014-16	~2% annual organic growth	▪ Improved regularity
Cash improvements	2016	USD 5 bn (total)	▪ Reducing cash flow neutrality by USD 30 per barrel
ROACE	2015-16	Maintaining returns at 2013 level adjusted for price and currency	▪ Improving cost and capital efficiency
Exploration	2015	USD ~3.2 bn[1)]	▪ Investing for the future

1) Assuming NOK/USD of 7.00

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Thank you

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Supplementary Information

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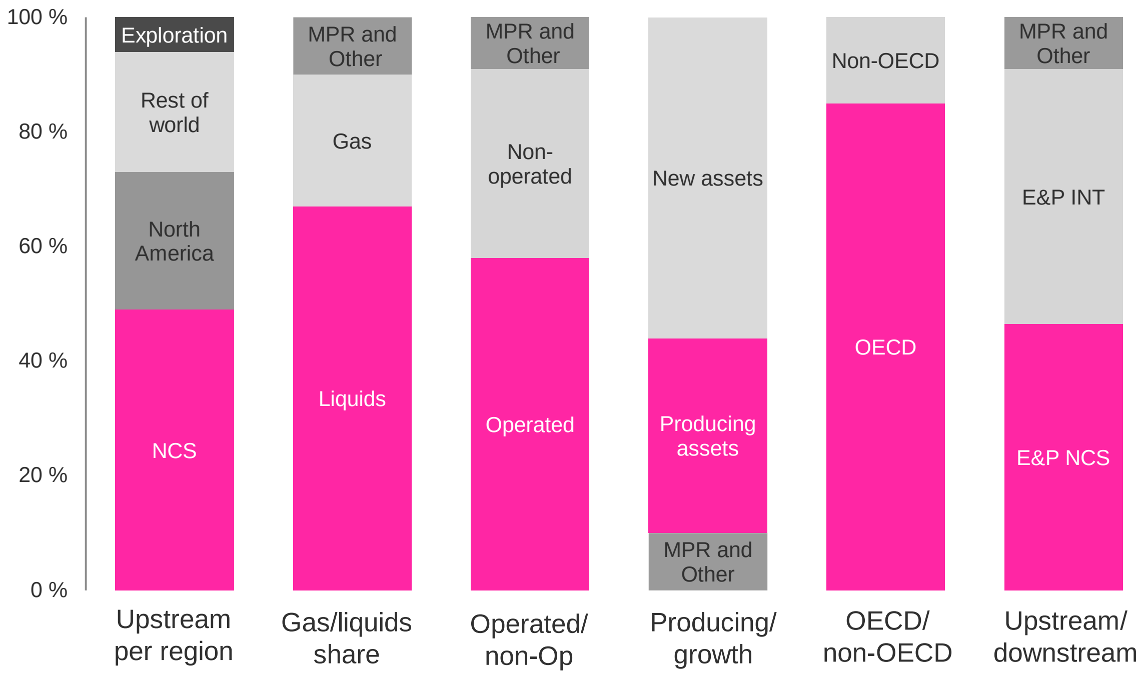
Investing for profitable growth

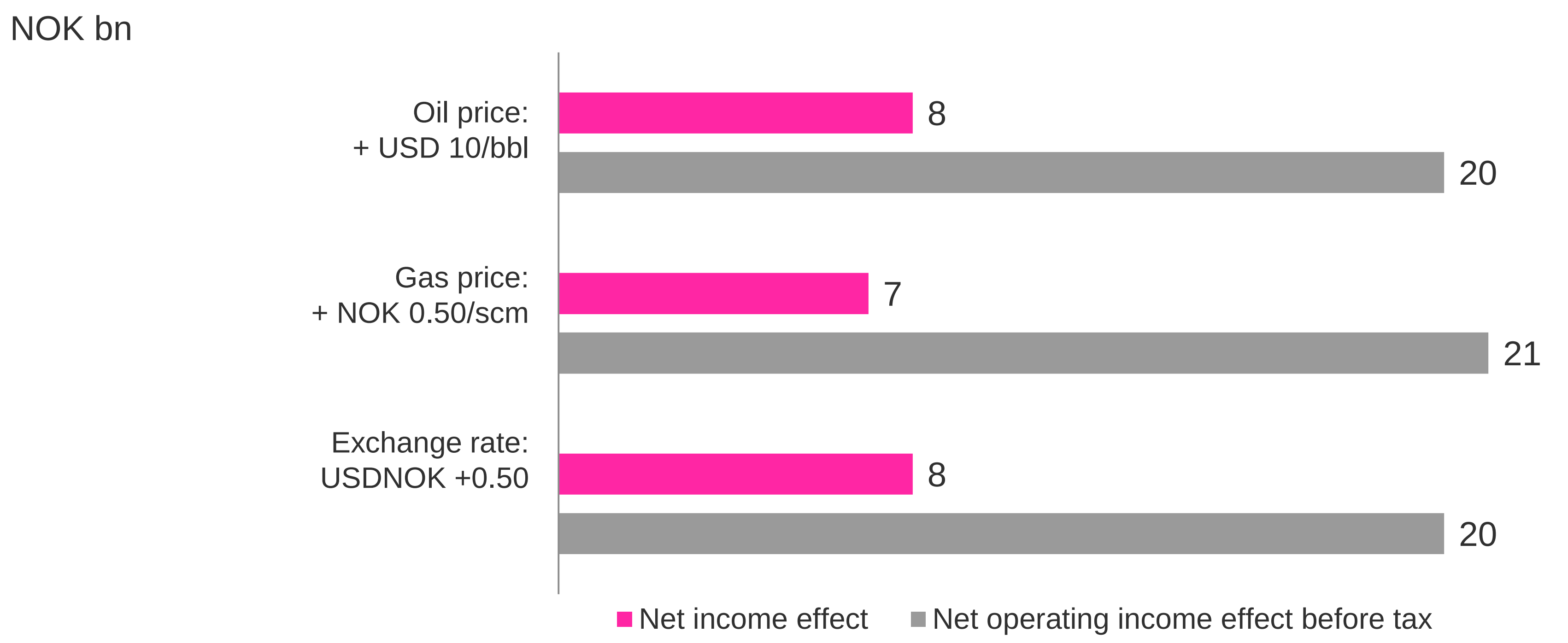
Investment profile 2015-16



- 65% in liquids
- 55% in new assets
- 60% in operated assets
- 90% upstream related

1) Producing assets Including IOR

Sensitivities[1)] – Indicative effects on 2015 results



1) The sensitivity analysis shows the estimated 12 months effect of change in parameters. The change in parameters do not have the same probability

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Long term debt portfolio

Redemption profile 31.12.2014