

# 2009 at a glance

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2009 was a year of uncertainty, with the threat of the financial crisis, falling oil and gas prices and more unpredictable demand. Nevertheless, we delivered on our production targets and are well positioned for the future. This is a brief review of 2009.

**In January**, we revealed our intent to merge land-based organisations and offshore installations in a unified system designed to run the business more safely and predictably. Gas flowed for the first time from the Yttergryta subsea field on Åsgard in the Norwegian Sea. The field progressed from discovery to production in just 18 months.

**In March**, we made a discovery at the Asterix gas prospect in the Norwegian Sea, which was deemed one of the larger finds offshore Norway in recent years.

**In April**, we joined forces with Norwegian power utility Statkraft to develop the 315 MW Sheringham Shoal Offshore Wind Farm off the coast of Norfolk, UK. The wind farm will have 88 turbines and is planned to start production in 2011.

Also in April, we announced the acquisition of a 40% stake in 50 blocks from BHP Billiton in the frontier DeSoto Canyon area of the US Gulf of Mexico, located east of Statoil's current production operation at Independence Hub.

**In May**, first oil was tapped on the Tahiti field in the Gulf of Mexico.

An offshore worker died on 7 May after an accidental fall on the North Sea Oseberg B platform operated by Statoil, in connection with the removal of scaffolding from the drilling area on the B platform. In direct response to the accident, Statoil and contractors Aibel and STS took the initiative to introduce improvements throughout the entire scaffolding industry.

**In June**, production on the Lufeng 22-1 field in the South China Sea was shut down. We operated the field together with partner CNOOC from 1997. Under an agreement between CNOOC and Statoil, CNOOC has taken over full responsibility for the abandonment of phases two and three of the field.

On June 1, we were devastated by the news that three colleagues from our Rio de Janeiro office were on Air France flight 447 that disappeared over the Atlantic. Geologist Marcela Pellizzon, 29, and lawyer Gustavo Peretti, 30, both Brazilian citizens, and Norwegian lawyer Kristian Berg Andersen, 37, perished in the accident. A memorial service was held in Rio in June.

**In July**, first oil was tapped on the Thunder Hawk field in the Gulf of Mexico.

Also in July, the Tyrihans field in the Norwegian Sea came on stream using the world's longest directly heated pipeline, 43 kilometres long.

During the summer, some 30 vessels took part in marine operations on the Gjøa and Vega fields in the North Sea. Gjøa is our largest project under construction in the North Sea today and is expected to start producing in 2010.

**In August**, we set a world record on the Ormen Lange field in the Norwegian Sea when the world's deepest remotely controlled "hot-tap" operation was completed at a sea depth of 860 metres.

**In September**, our Hywind pilot project - the world's first full-scale floating wind turbine - was officially inaugurated off the coast of western Norway for two years of testing.

CEO Helge Lund took part in a preliminary meeting at the UN headquarters in New York, in connection with preparations for the international climate summit in Copenhagen, after being appointed a member of the UN expert group for climate and energy. Statoil was the only oil company represented.

**In October**, we announced the nineteenth oil find on Angola's offshore Block 31. We hold a 13.3% stake in the acreage. Sonangol is concessionaire and BP operator.



I'm proud of our recent performance, and that we're delivering on production. But there's no room to rest, even though the financial crisis is fading.

Helge Lund, CEO

**In November**, we changed our name to Statoil and introduced our new brand identity. The Horton case, concerning Statoil's contract with Horton Investment Ltd, related to business development in Iran, was formally closed by US authorities in November. Statoil fulfilled the conditions of agreements signed three years ago with the US authorities to substantially strengthen our ethics and anti-corruption practices. Offshore installation of the first wellhead platform on the Statoil-operated Peregrino field in Brazil started.

**In December**, Statoil and Lukoil won the technical service contract from Iraq's Ministry of Oil to develop the sizeable West Qurna 2 field in the southern part of the country. West Qurna 2 is estimated to hold 12.9 billion barrels of recoverable reserves.

We signed memorandums of understanding (MoU's) with Gazprom to import LNG into the US and trade it there. Statoil will also sell natural gas to Gazprom at various US locations, while purchasing LNG from Gazprom at Cove Point.

Finally, it was announced on 18 December that Statoil and Chinese oil giant Sinopec will carry out joint geological studies on two deep-water blocks in the South China Sea. The agreement makes Statoil the first foreign company to work with Sinopec off the coast of China.

## The year as a whole

Our total equity output both in and outside Norway increased to some 1,962,000 barrels of oil equivalents per day.

We carried out an extensive exploration drilling campaign on the NCS in 2009, completing 39 exploration wells, 30 wildcat wells to test new prospects and nine appraisal wells to establish the extent and size of previous discoveries. We

proved 22 new discoveries, resulting in a discovery rate of more than 70%. The most important discoveries in 2009 were Asterix, Gro, Katla and Beta West; all except Gro being Statoil-operated.

Internationally, our average daily production surpassed 500,000 boe for the first time. Equity production increased by 10% from 2008, to 512 mboe/day, and production from three new fields started during the year.

## Looking ahead

The Leismer oil sands development project in Canada is well underway with production start up expected in autumn 2010.

Our Peregrino project now towers over the surface of the sea in the Campos basin off Brazil. First oil is expected in early 2011 and production should reach its plateau of 100,000 barrels of oil equivalents per day within the first year.

The onshore Marcellus shale gas leases in the eastern US are in early stages of production and growing steadily. Statoil's equity production from the Marcellus shale gas play is likely to grow to about 50,000 barrels of oil equivalents per day in 2012.