

FACTS

A reliable  
gas supplier



Statoil

At Kollsnes on the Norwegian west coast gas comes ashore for further processing before it is transported in pipelines in Europe.



# Leading player

## A leading gas producer

Statoil is a leading player on the Norwegian continental shelf. We market gas on our own behalf and on behalf of the Norwegian state. In the next few years, gas exports from the Norwegian continental shelf is expected to exceed 100 billion standard cubic metres per year. Statoil is responsible for marketing a majority of these volumes.

We have delivered gas to Europe for over 30 years through an extensive, flexible and integrated offshore pipeline system. This unique system is linked to a total of six landing points in the UK, France, Belgium and Germany.

We also market liquefied natural gas (LNG) from the Snøhvit field in the Barents Sea. These volumes are transported in specialised vessels worldwide.

Long-term demand for natural gas is expected to increase, providing the basis for growing our gas position. Leveraging on our expertise in developing gas value chains on the Norwegian continental shelf, we are further developing positions in the US, the Caspian region and north Africa, as well as in Russia and western Africa.

## Strong market position

Statoil markets natural gas to customers in 16 countries. With the largest volumes being delivered to Germany, the UK and France, our share in the European gas market is about 14%.

The majority of the gas we market is sold under long-term contracts. In recent years, the group has increased its activities in short-term sales and the marketing of gas on behalf of third parties. Statoil also sells natural gas directly to major consumers in Belgium, the Netherlands, France and the UK. We have ownership in gas storage facilities in Etzel (Germany) and Aldbrough (UK).

Our offices for gas activities are located in Stavanger (Norway), London (UK), Brussels (Belgium), Emden (Germany), Istanbul (Turkey), Baku (Azerbaijan), Singapore and Stamford, CT (USA).

## Processing and transport

Gas from the Norwegian continental shelf, where we have a leading position, is a vital contributor to Europe's energy supply. Thanks to a well-developed infrastructure and extremely high regularity, gas from our fields offshore Norway represent a safe and reliable source of energy.

The pipeline system on the Norwegian continental shelf is the largest of its kind in the world. Extending a total of 7,800 km, it connects offshore fields with processing facilities on the Norwegian mainland and these facilities with six landing points in Europe. We are responsible for the technical operations of main parts of the Norwegian pipeline network on behalf of the operator Gassco.

Statoil is technical service provider for the largest gas processing plant of its kind in Europe at Kårstø, north of Stavanger, and at the Kollsnes plant outside Bergen.

Both facilities play a key role in the treatment and transport of gas from the Norwegian continental shelf. Here, gas is piped ashore for further processing, where the wet components such as condensate, ethane, propane, butane and naphtha are separated out. Dry gas, primarily methane, is transported in pipelines to customers in Europe.

The Norwegian gas transport system is owned by the Gassled partnership, in which Statoil has a 32% ownership interest.

## Building a US gas position

Over a relatively short period we have built a gas position in the US, the world's largest and most liquid market for gas. Unconventional gas is increasingly growing in importance for US domestic production and supply. We are a player in shale gas through our 32.5% interest in the US company Chesapeake's Marcellus gas acreage in the north eastern part of the USA.

In addition, our US gas position comprises our capacity rights at the Cove Point LNG terminal on the east coast, our gas-producing assets in the Gulf of Mexico, and our gas trading and marketing organisation in Stamford, Connecticut.

We also have a strategic agreement with Chesapeake for joint exploration of unconventional gas opportunities worldwide.



## Gas in a climate perspective

Gas, containing less carbon than oil and much less than coal, can function as a bridge towards a less carbon-intensive society. In power generation CO<sub>2</sub>-emissions can be cut by close to 70 % if modern gas-fired power stations replace older coal-fired capacity.

Europe still uses more coal than gas to generate electricity. From a climate perspective, gas from the Norwegian continental shelf – with low greenhouse emissions and with its proximity to the market – represents a highly attractive energy source.

Statoil is a pioneer in carbon capture and storage (CCS). Since 1996 we have injected and stored one million tonnes of CO<sub>2</sub> a year from the Sleipner field in the North Sea. We are also injecting CO<sub>2</sub> for storage on the Snøhvit field in the Barents Sea and on the In Salah field in Algeria.

## Arctic gas for customers around the world

Statoil is the operator of Europe's first and the world's northernmost export facility for liquefied natural gas (LNG).

The Snøhvit field in the Barents Sea has no installations that are visible above the surface. The Arctic gas is piped ashore through a 143km long pipeline to Melkøya near Hammerfest, in northern Norway. There, the gas is processed before being cooled down to liquid form, and shipped on special carriers to customers around the world.

We leverage on our experience from developing the Snøhvit-field in an extremely harsh environment when further building our gas business. Also, through the Snøhvit-development our marketing of gas has become ever more global.

## The Silk Road – gas from the Caspian Sea

Statoil has a significant gas position in Azerbaijan through its 25.5% stake in the Shah Deniz field.

This field, with its substantial reserves of gas and condensate, is situated in the Caspian Sea, 70km southeast of the capital Baku. Today, gas from Shah Deniz is delivered to customers in Azerbaijan, Georgia and Turkey.

The gas is transported through the South Caucasus Pipeline (SCP), a 690km long pipeline that runs via the Georgian capital of Tbilisi to the Turkish border. From there the gas is routed to Erzurum through the Turkish pipeline system. The second phase of the Shah Deniz field is currently under development. It could provide a first step towards a potential southern gas corridor to Europe.

Statoil is a long-term, reliable natural gas supplier with a strong position in some of the world's most attractive markets. We are the second largest gas supplier to Europe and we are expanding our position globally.

# Facts

## About Statoil

Statoil is an international energy company with operations in 40 countries. Building on more than 35 years of experience from oil and gas production on the Norwegian continental shelf, Statoil is committed to accommodating the world's energy needs in a responsible manner, applying technology and creating innovative business solutions. Statoil is headquartered in Norway with 30,000 employees worldwide, and is listed on the New York and Oslo Stock Exchange. For more information, please visit [www.statoil.com](http://www.statoil.com)

## What is natural gas?

Natural gas is an odourless, colourless, flammable gas. It is non-toxic and lighter than air. While natural gas chiefly consists of methane (CH<sub>4</sub>), it also contains other hydrocarbons such as ethane, butane, propane and naphtha.

In its primary form, natural gas can be used for residential heating and cooking, for industrial purposes and as fuel, or it can be converted into electricity at a gas power plant.

## Facts:

- Equity production estimated at 1.95 million barrels of oil equivalent per day in 2009
- Market capitalisation of USD 72 billion
- Approximately 22 billion oil equivalents of discovered resources (5.6 billion o.e. as booked reserves)
- Operator for 39 producing oil and gas fields
- The world's largest operator in waters deeper than 100 metres
- A major gas supplier
- World leader in the use of deepwater technology
- World leader in carbon capture and storage

