

# 2014

Payments to  
governments



Statoil

# 2014

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## Payments to governments

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Cover photo: Harald Pettersen

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# 1 Introduction

## Background

Oil and gas producers transfer considerable funds to host governments in the form of taxes, bonuses, royalties, fees and support for infrastructure improvements. These large financial inflows should contribute substantially to social and economic development, yet many resource-rich countries have been unable to transform resource wealth into wellbeing. This has led to increasing pressure from civil society organisations on governments to enhance transparency in the extractive sector by imposing mandatory reporting requirements pertaining to payments to governments.

In August 2011, the US Securities and Exchange Commission (SEC) approved rules based on the Congress-approved Dodd-Frank Act, requiring US listed producers of oil, natural gas and minerals to disclose certain payments made to all levels of governments for commercial development activities per project. In July 2013, the US District Court for the District of Columbia issued an opinion vacating the SEC interpretation of the Dodd-Frank Act. The SEC is currently re-drafting the rule.

Similar regulatory initiatives to increase transparency in the extractive sectors have been undertaken by the EU Legal Committee and by the Norwegian Ministry of Finance. The EU Transparency Directive, which was approved in the EU Parliament July 2013, is to a large extent aligned with the requirements in the original SEC rules. The EU Transparency Directive requires member states and EEA countries to implement appropriate legislation no later than for the financial year beginning January 1, 2016, with reports being submitted in 2017. The Norwegian law was approved by the Parliament (Stortinget) in December 2013 and took effect from 1 January 2014.

## The Norwegian transparency rule

The Norwegian regulation regarding '*Report on Payments to Governments*' ('*Lov om rapportering om betalinger til myndigheter mv.*', hereafter 'the transparency rule') applies to companies involved in extractive and logging activities. The transparency rule is warranted in the *Norwegian Accounting Act* ('*Regnskapsloven*') § 3-3d, § 3-5 and § 8-2 and the *Norwegian Securities Act* ('*Verdipapirhandelloven*') § 5-5a, § 5-12 and § 5-13. The detailed regulation is provided for in the pronouncement '*Forskrift om land-for-land rapportering*'.

## Payments to governments – our position

We were one of the first major oil and gas companies to voluntarily start disclosing revenues and payments to governments on a country-by-country basis. We welcome initiatives to strengthen revenue transparency legislation, including project-by-project disclosure of payments, as laid out in the EU Transparency Directive and in the Norwegian transparency rule. However, a global standard for revenue disclosure would be even more welcome. For Statoil, it is important that revenue transparency regulation applies globally, is effective, and creates a level playing field for all companies, communities and governments.

## Petroleum fiscal regimes

The petroleum fiscal regime of a country is a set of laws, regulations and agreements which governs revenues and payments derived from prospecting, exploration and production of oil and gas. Because each country has a distinctive legislation, the fiscal regimes for oil and gas companies vary greatly from country to country, with a range of tax elements being used. Special taxes are typically levied on oil and gas extraction activities due to the extraordinary revenues these activities can generate. The revenues are distributed between the state and the companies engaged in extraction of oil and gas. The revenues must recover costs for the companies and provide profit to the companies, as well as provide income to the state to compensate for the extraction of natural resources. The most common tax elements are corporate taxes, bonuses, royalties, host government production entitlement and fees. Different selections of tax elements apply in different countries.

## Our extractive activities

In 2014, Statoil was engaged in production in the following countries: Algeria, Angola, Azerbaijan, Brazil, Canada, Libya, Nigeria, Norway, Russia, the UK, the USA, and Venezuela. Our equity production outside of Norway accounted for 39% of our total equity production. Our main development and production projects were in Angola, Azerbaijan, Brazil, Canada, Ireland, Norway, the UK and the USA.

As of 31 December 2014, Statoil had exploration licenses in Norway, North America (Alaska, Canada, and the Gulf of Mexico), South America and sub-Saharan Africa (Angola, Brazil, Colombia, Suriname, and Tanzania), the Middle East and North Africa (Azerbaijan, Algeria and Libya), Europe and Asia (the Faroe Islands, Greenland, Indonesia, Russia and the UK) as well as Oceania (Australia and New Zealand).

This report discloses relevant payments to governments for extractive activities in the countries above. Due to different fiscal petroleum regimes, the types of payments vary from country to country.

More information about our business activities is available in the *Business overview* section of Statoil's *2014 Annual Report on Form 20-F* and at our website <http://www.statoil.com/en/about/worldwide/pages/default.aspx>.

## Where we are in the world:



The map provides an overview of Statoil's global presence as of 31.12.2014.

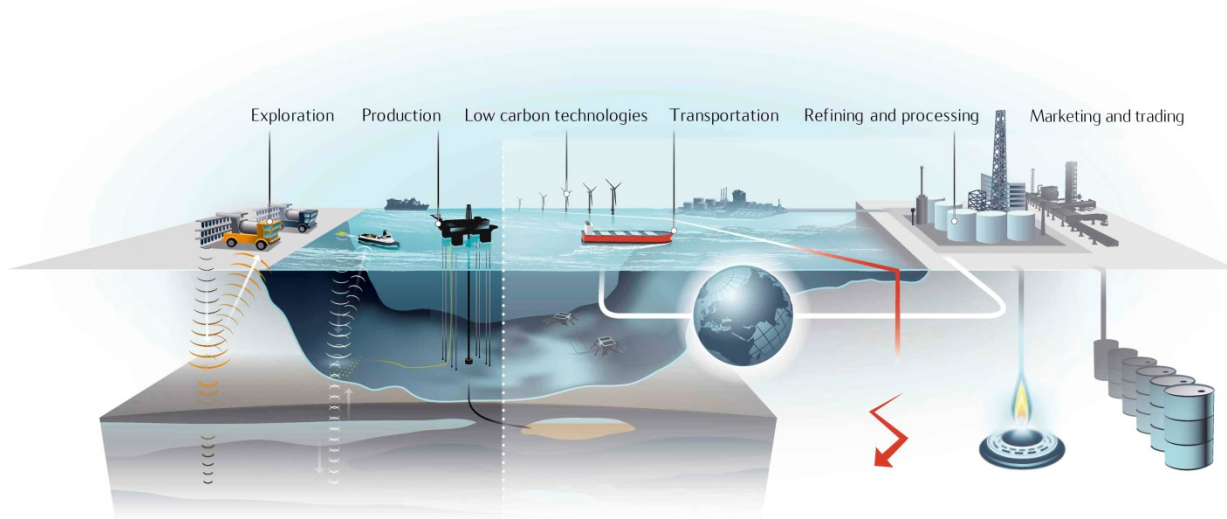
## 2 Reporting principles

### Scope and validity

Statoil has prepared a consolidated report on payments to governments, for activities related to exploration, prospecting, discovery, development, and extraction of minerals, oil, natural gas deposits or other materials ('extractive activities'). In this report, we only disclose payments to governments for legal entities involved in extractive activities, or paying on behalf of such entities, as illustrated below. The relevant payment types are described later in this section.

Additional 'contextual' information, as described later in this section, is disclosed for the entire group, on a country or legal entity basis, as applicable.

*Illustration: Statoil's value chain and the scope of the report.*



### Government

In the context of this report, a government means any national, regional or local authority of a country. It includes a department, agency or undertaking (i.e. corporation) controlled by that authority.

### Basis for preparation

The report includes direct payments to governments from subsidiaries, joint operations and joint ventures, regardless of whether Statoil is the operator or not. Significant payment types within the scope of this report, such as taxes and royalties, are typically made directly by Statoil to governments. In some cases, however, certain payments to governments may be made by the operator on behalf of a partnership. This is often the case for area fees. In such cases, Statoil will report the full payment made by Statoil on behalf of partners when Statoil is the operator. In cases where Statoil is not the operator, payments made by the operator on Statoil's behalf will only be disclosed by Statoil if the operator is a state-owned entity (a 'government'), and it is possible to distinguish the payment from other cost recovery items.

For host government production entitlements the payment practice varies from partnership to partnership. In this report, we disclose host government entitlements also when payments are made via the operator. This is because host government entitlements in some cases constitute the most significant payment to governments and because these payments are not always transparent to the civil society.

For some of our projects, we have established a subsidiary holding the ownership interest in a joint venture. In some cases, the subsidiary has set up a 'branch' in the country of operation, while the subsidiary is incorporated in another country. For these projects, payments may be made to governments in the country of operation, as well as to governments in the country where the subsidiary with ownership interest to the joint venture resides. For our projects in Algeria, Angola, Greenland, Indonesia, Iran, Libya, Mozambique, Nigeria and Venezuela, we have made payments to Norwegian government entities (Stavanger kemnerkontor), related to tax on net financial items, because the subsidiaries holding the ownership interest in the projects are incorporated in Norway.

## Project definition

Certain payment types are reported by project. A project is defined as the operational activities that are governed by a single contract, license, lease, concession or similar legal agreements and form the basis for payment liabilities with a government. If multiple such agreements are 'substantially interconnected', they may be considered a project. According to the regulation, 'substantially interconnected' means that the agreements are governed by a single overarching agreement, that the agreements have more or less identical terms, and that the agreements are geographically and operationally interconnected.

Payments that are not directly linked to a specific project, but are levied at entity level, will be reported at the level for which the payment is levied. For instance, if a host country levies corporate income taxes at legal entity level, and not at project level, we disclose the payments at legal entity level.

## Materiality

Payments made as a single payment, or as a series of related payments, that equal or exceed Norwegian kroner (NOK) 800,000 during the year, are disclosed. If no payments or only payments below this threshold were paid in a particular country, the country is not displayed in the overview of projects and payments per country.

## Reporting currency

When preparing the report, payments to governments in foreign currencies (those other than Norwegian kroner) are translated based on the foreign exchange rate at the average annual rate.

## Payment types disclosed at project or legal entity level

The following payment types are disclosed for legal entities involved in extractive activities. They are presented on a cash basis, net of any interest expenses and whether paid in cash or in-kind:

- i. *Taxes* levied on the income, production or profits of companies. Includes taxes paid in-kind. The value of taxes paid in-kind is calculated based on the market price at the time of the in-kind payment. Taxes levied on consumption, such as value added taxes, personal income taxes, sales taxes, withholding taxes, property taxes and environmental taxes, are excluded.
- ii. *Royalties* are usage-based payments for the right to the on-going use of an asset.
- iii. Licence *fees* are typically levied on the right to use a geographical area for exploration, development and production and include rental fees, area fees, entry fees, severance tax and concession fees and other considerations for licences and/or concessions. Administrative government fees that are not specifically related to the extractive sector, or to access to extractive resources, are excluded.
- iv. *Bonuses* are a sum of money, to be paid when signing an oil and gas lease, when discovering natural resources and/or when production has commenced. Bonuses include signature, discovery and production bonuses and are a commonly used payment type, depending on the petroleum fiscal regime.
- v. Payments for *infrastructure improvements*, such as building a road or bridge. Such payments are disclosed if Statoil is contractually obligated to build a road.
- vi. *Host government entitlements* are the host government's share of production after oil production has been allocated to cover costs and expenses under a production sharing agreement (PSA). Host government entitlements are most often paid in-kind. The value of these payments is calculated based on the market price at the time of the in-kind payment. For some PSAs, the host government entitlements are sold by the operator and the cost is split between the partners. For these contracts, Statoil is not making direct payments to governments, but via the operator. See *Basis for preparation* for more information.
- vii. Shares or other *ownership rights* to a company or its subsidiaries or closely connected parties that are given to governments for the right to extract oil and gas.
- viii. *Dividends* include payments to governments in lieu of production entitlements or royalties. In this context, dividends do not include payments to governments when a government is a shareholder of the company, as long as the dividend is paid to the government under the same terms and conditions as applicable to other shareholders.

### Contextual information at country or legal entity level

The report discloses the following contextual information for all legal entities in Statoil:

- i. *Investments* are defined as additions to property, plant and equipment (including capitalised finance leases), capitalised exploration expenditures, intangible assets, long-term share investments and investments in associated companies.
- ii. *Revenues* associated with sale and transportation of crude oil, natural gas, petroleum products and other merchandise. Statoil markets and sells the Norwegian State's share of oil and gas production from the Norwegian continental shelf. The proceeds from the sale of the State's share of oil production are included in Revenues. Eliminations include transactions between subsidiaries that operate in different countries. For more information on revenues, see Statoil's *2014 Annual report on form 20-F*.
- iii. *Equity production volumes* are the volumes that correspond to Statoil's ownership interest in a particular field and do not include production of the Norwegian State's share of oil and natural gas. For more information about production volumes, see Statoil's *2014 Annual report on form 20-F*.
- iv. *Purchase of goods and services* is based on the total amount of purchased goods and services per country, based on vendor invoice address. Part of the cost is charged to partners in activities we operate, including those we conduct as a technical service provider. Does not include the purchase of petroleum products, or goods and services other operators have purchased on our behalf.
- v. *Number of employees* in each subsidiary is based on company location (the country in which the company with employees is registered). The actual number of employees present in a country might deviate from the reported figures due to expatriation. In some subsidiaries, there are no employees. These subsidiaries purchase man-hours from other subsidiaries, as applicable.
- vi. *Subsidiaries* as of 31, December 2014.
- vii. *Intercompany interest expense* for all subsidiaries. A subsidiary's net intercompany interest expense (interest expense minus interest income) to subsidiaries in another jurisdiction. Interest between subsidiaries within the same country of origin is eliminated. Intercompany interest is the interest levied on long-term and short-term loans within the Statoil group.

### Other relevant reports

A full overview of our group level economic contributions per country, including environmental fees, community investments and pay and employee benefits, is available in Statoil's *2014 Sustainability Report*, available at [www.statoil.com](http://www.statoil.com).



### 3 Consolidated overview

The consolidated overview discloses the sum of Statoil's payments to governments in each individual country, per payment type. The overview is based on the location of the receiving government.

Some projects may have payment liabilities both in the country of incorporation and in the country of operation (see *Contextual information* for an overview of subsidiaries and their country of incorporation and operation). As an example, Norwegian government entities receive payments both from our projects in Norway and from some of our international projects. For this reason, the total payments per country as disclosed below might be different from the total payments disclosed in the overview of payments per project later in the report. The latter overview discloses payments per project based on the country of operation, irrespective of the location of the government receiver.

The payment types 'ownership rights', 'dividends' and 'infrastructure improvements' are not included in the consolidated overview, nor in the overviews per country. Statoil did not transfer any ownership rights or pay any dividends in lieu of production rights, entitlements or royalties in 2014. For more information about dividends paid to the Norwegian state as a regular shareholder, see *Reporting principles*. Furthermore, no payments for contractually obligated infrastructure improvements were made.

Host government entitlements include the government's share of the oil produced and is reported regardless of whether the payments are made via the operator or directly by Statoil to the government.

(in NOK million)	Taxes 1)	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Algeria	1,568.1	-	0.4	-	3,524.2	9.2	5,092.8
Angola	4,870.9	-	-	-	18,080.6	29.1	22,951.5
Australia	-	-	2.6	-	-	-	2.6
Azerbaijan	1,288.6	-	-	-	8,777.6	14.3	10,066.2
Brazil	49.9	865.2	318.0	-	-	-	1,233.1
Canada	1.9	768.2	16.5	-	-	-	786.7
Faroe Islands	-	-	19.3	-	-	-	19.3
Greenland	-	-	0.1	-	-	-	0.1
Indonesia	0.2	-	1.9	-	-	-	2.1
Iran	0.5	-	-	-	-	-	0.5
Libya	277.6	-	-	-	314.2	0.5	591.8
Nigeria	2,948.0	-	360.0	-	1,873.4	3.0	5,181.4
Norway	89,679.7	-	648.8	-	-	-	90,328.5
Russia	-	-	-	-	728.9	1.2	728.9
Sweden	16.1	-	-	-	-	-	16.1
UK	87.1	-	11.3	-	-	-	98.4
USA	245.6	585.5	50.4	75.7	-	-	957.2
Other	0.2	-	1.2	-	-	-	1.4
<b>Total</b>	<b>101,034.5</b>	<b>2,218.9</b>	<b>1,430.5</b>	<b>75.7</b>	<b>33,298.9</b>	<b>57.3</b>	<b>138,058.5</b>

1) Includes taxes paid in-kind.

#### Taxes paid in-kind

See *Reporting principles* for a description of how the value of taxes paid in-kind is calculated.

	in mmbœ	in NOK million
Algeria	3.6	1,568
Libya	0.5	278
Azerbaijan	2.0	685
Nigeria	4.7	2,948
<b>Total</b>	<b>10.8</b>	<b>5,479</b>

## Algeria

Statoil has a working interest of 45.9% in the In Amenas onshore gas development and a working interest of 31.9% in the In Salah onshore gas development in Algeria. Both developments are operated through joint operatorship between Sonatrach, BP and Statoil. In 2014, Statoil's equity production volume in Algeria was 19.7 mmboe.

The Hassi Mouina exploration licence expired in September 2012. The licence is not declared commercial and the process of relinquishment started in 2014.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Statoil Algeria AS	1.0	-	-	-	-	-	1.0
Statoil Hassi Mouina AS	31.0	-	-	-	-	-	31.0
Statoil North Africa Gas AS	614.3	-	0.4	-	-	-	614.7
Statoil North Africa Oil AS	984.6	-	-	-	-	-	984.6
In Amenas	-	-	-	-	1,296.0	2.7	1,296.0
In Salah	-	-	-	-	2,228.2	6.5	2,228.2
<b>Total</b>	<b>1,630.9</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>3,524.2</b>	<b>9.2</b>	<b>5,155.5</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Agence Alnaft	-	-	0.4	-	-	-	0.4
Sonatrach	1,568.1	-	-	-	3,524.2	9.2	5,092.4
Stavanger kemnerkontor	62.8	-	-	-	-	-	62.8
<b>Total</b>	<b>1,630.9</b>	<b>-</b>	<b>0.4</b>	<b>-</b>	<b>3,524.2</b>	<b>9.2</b>	<b>5,155.5</b>

## Angola

The Angolan continental shelf is the second largest contributor to Statoil's oil production outside Norway. The production comes from Block 4/05, Block 15, Block 17 and Block 31. In 2014, Statoil's equity production in Angola was 75.3 mmbœ.

Sonangol is the operator for block 4/05, and Statoil holds a 20% interest. Block 15 is operated by Esso Angola, a subsidiary of ExxonMobil, and Statoil holds a 13.3% interest. Block 17 is operated by Total, and Statoil holds a 23.3% interest. BP is the operator for Block 31, and Statoil holds a 13.3% interest.

Statoil acquired a solid acreage position in the pre-salt play of the Kwanza Basin in 2011 with the operatorship in Block 38 and 39 and partner position in Blocks 22, 25 and 40.

Statoil paid NOK 107 million pertaining to our commitment under the Kwanza concessions in Angola for 'bonuses and social contributions' for 2014. This commitment entailed contributions to social projects, the *Sonangol Research and Technology Center* and Sonangol's personnel training programmes. The figures are not reflected in the overview below as the cash payments were made on 31 December 2013. The instalment was due 1 January 2014.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Statoil Angola Block 15 AS	743.0	-	-	-	-	-	743.0
Statoil Angola Block 17 AS	2,000.4	-	-	-	-	-	2,000.4
Statoil Angola Block 22 AS	1.5	-	-	-	-	-	1.5
Statoil Angola Block 25 AS	0.6	-	-	-	-	-	0.6
Statoil Angola Block 31 AS	800.8	-	-	-	-	-	800.8
Statoil Angola Block 39 AS	0.4	-	-	-	-	-	0.4
Statoil Angola Block 40 AS	1.2	-	-	-	-	-	1.2
Statoil Dezassete AS	1,514.3	-	-	-	-	-	1,514.3
Statoil Quatro AS	24.9	-	-	-	-	-	24.9
Statoil Trinta e Quatro AS	32.4	-	-	-	-	-	32.4
Block 4/05	-	-	-	-	26.9	0.0	26.9
Block 15	-	-	-	-	9,187.5	14.0	9,187.5
Block 17	-	-	-	-	8,455.0	14.3	8,455.0
Block 31	-	-	-	-	411.2	0.7	411.2
<b>Total</b>	<b>5,119.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,080.6</b>	<b>29.1</b>	<b>23,200.0</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
BNA - Banco Nacional de Angola	4,870.9	-	-	-	-	-	4,870.9
Sonangol EP	-	-	-	-	18,080.6	29.1	18,080.6
Stavanger kemnerkontor	248.5	-	-	-	-	-	248.5
<b>Total</b>	<b>5,119.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,080.6</b>	<b>29.1</b>	<b>23,200.0</b>

## Australia

In the Ceduna Sub-basin in the Great Australian Bight, Statoil holds 30% in four exploration permits with BP as operator. Currently the partnership is preparing for a large four well drilling campaign starting in 2016.

Statoil drilled five wells onshore South Georgina in 2014. Hydrocarbons were encountered, but testing of two wells gave no hydrocarbon flow to surface. Based on the data collected Statoil has concluded that there is no remaining prospectivity within the four permits and has decided to exit the licences.

In October 2014, Statoil obtained 100% equity share in an exploration permit in the Exmouth Plateau in North Carnarvon basin.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Exploration licences offshore	-	-	0.1	-	-	-	0.1
Exploration licences onshore	-	-	2.5	-	-	-	2.5
<b>Total</b>	-	-	2.6	-	-	-	2.6

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Central Land Council	-	-	2.4	-	-	-	2.4
Department of Mines & Energy	-	-	0.2	-	-	-	0.2
National Offshore Petroleum	-	-	0.1	-	-	-	0.1
<b>Total</b>	-	-	2.6	-	-	-	2.6

## Azerbaijan

Statoil has an 8.6% stake in the Azeri-Chirag-Gunashli (ACG) oil field and a 15.5% share in the Shah Deniz gas and condensate field. BP is the operator for both fields. In 2014, Statoil's equity production in Azerbaijan was 34.7 mmbœ. In October 2014, Statoil signed an agreement to divest its interest in Shah Deniz. Statoil expects that the transaction will be closed in the first half of 2015, pending government approval and other conditions.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Statoil Apsheron AS	603.1	-	-	-	-	-	603.1
Statoil Shah Deniz AS	685.5	-	-	-	-	-	685.5
ACG	-	-	-	-	8,244.4	12.7	8,244.4
Shah Deniz	-	-	-	-	533.1	1.6	533.1
<b>Total</b>	<b>1,288.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,777.6</b>	<b>14.3</b>	<b>10,066.2</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Ministry of Taxes Azerbaijan	1,288.6	-	-	-	-	-	1,288.6
SOCAR (The State Oil Company of the Azerbaijan Republic)	-	-	-	-	8,777.6	14.3	8,777.6
<b>Total</b>	<b>1,288.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,777.6</b>	<b>14.3</b>	<b>10,066.2</b>

## Brazil

The Peregrino field is a heavy oil field located about 85 kilometres off the coast of Rio de Janeiro. The field came on stream in 2011. Statoil holds a 60% ownership interest in the field and is the operator. In 2014, Statoil's equity production in Brazil was 16.3 mmbob. In December 2014, Statoil approved the investment decision for the development of the second phase of the Peregrino oil field.

Statoil is also involved in exploration activities in Brazil.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbob)	Total (value)
Statoil Brasil Oleo e Gas	49.9	-	-	-	-	-	49.9
Peregrino	-	865.2	317.3	-	-	-	1,182.5
Exploration licences	-	-	0.8	-	-	-	0.8
<b>Total</b>	<b>49.9</b>	<b>865.2</b>	<b>318.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,233.1</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbob)	Total (value)
Agência Nacional do Petróleo, Gás Natural e Biocombustíveis	-	-	15.8	-	-	-	15.8
Ministerio da Fazenda	49.9	865.2	302.2	-	-	-	1,217.3
<b>Total</b>	<b>49.9</b>	<b>865.2</b>	<b>318.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,233.1</b>

## Canada

Statoil is the operator and 100% working interest owner for the Leismer oil sands project in Alberta, which has been in production since 2011.

In addition, Statoil has interests in the Jeanne d'Arc Basin offshore the province of Newfoundland and Labrador in the partner-operated producing fields Hibernia and Hibernia tie-in (Statoil interest 5% and 10.5% respectively) and Terra Nova (Statoil interest 15%). We have an ongoing exploration drilling programme offshore Newfoundland.

In 2014, Statoil's equity production in Canada was 9.7 mmboc.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
Statoil Canada Ltd.	1.9	-	-	-	-	-	1.9
Hibernia	-	335.8	-	-	-	-	335.8
Leismer	-	130.0	10.5	-	-	-	140.5
Terra Nova	-	302.4	-	-	-	-	302.4
Exploration licences offshore	-	-	6.0	-	-	-	6.0
<b>Total</b>	<b>1.9</b>	<b>768.2</b>	<b>16.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>786.7</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
Alberta Energy Regulator	-	-	7.9	-	-	-	7.9
Canada-Newfoundland and Labrador Offshore Petroleum Board	-	-	1.9	-	-	-	1.9
Department of Finance Canada	-	130.0	-	-	-	-	130.0
Government of Alberta	-	-	2.6	-	-	-	2.6
Newfoundland Exchequer	-	251.1	-	-	-	-	251.1
Receiver General for Canada	1.5	387.1	4.1	-	-	-	392.7
Revenu Québec	0.3	-	-	-	-	-	0.3
<b>Total</b>	<b>1.9</b>	<b>768.2</b>	<b>16.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>786.7</b>

## Faroe Islands

In 2014 Statoil drilled the Brugdan II well in license 006 and the Sula Stelkur well in licence 008. Both wells were dry. Due to disappointing well results Statoil has made the decision to relinquish three licences, whilst retaining licence 008.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Statoil Færøylene AS	-	-	19.3	-	-	-	19.3
<b>Total</b>	-	-	<b>19.3</b>	-	-	-	<b>19.3</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Føroya Gjaldstova	-	-	19.3	-	-	-	19.3
<b>Total</b>	-	-	<b>19.3</b>	-	-	-	<b>19.3</b>



## Greenland

Statoil, along with partners ConocoPhillips and Nunaoil, was awarded Block 6 in the East Greenland licence round in December 2013. Statoil will be operator of the block. The licence has a 16-year exploration period. The first work to be carried out will be seismic acquisition, after which a decision on further work will be made.

In West Greenland (Baffin Bay), Statoil has decided to withdraw from the Shell-operated Anu and Napu licences and the Cairn-operated Pitu licence.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Statoil Greenland AS	2.5	-	0.1	-	-	-	2.6
<b>Total</b>	<b>2.5</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.6</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Bureau of Minerals and Petroleum, Greenland	-	-	0.1	-	-	-	0.1
Stavanger kemnerkontor	2.5	-	-	-	-	-	2.5
<b>Total</b>	<b>2.5</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.6</b>

## Indonesia

Statoil was involved in exploration activities in Indonesia in 2014. Seismic data acquisition in the Statoil-operated Halmahera II licence was completed in July 2013, and data processing is ongoing. Statoil is currently evaluating follow-up opportunities in the West Papua IV licence and Aru licence. We have withdrawn from the Obi and the North Makassar Strait licences.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
PT Statoil Indonesia	0.2	-	-	-	-	-	0.2
Statoil Indonesia AS	2.5	-	-	-	-	-	2.5
Statoil Indonesia Halmahera II AS	2.0	-	1.9	-	-	-	3.9
Statoil Indonesia Karama AS	3.3	-	-	-	-	-	3.3
Statoil Indonesia North Ganai AS	0.8	-	-	-	-	-	0.8
Statoil Indonesia North Makassar S. AS	12.7	-	-	-	-	-	12.7
Statoil Indonesia Obi AS	1.1	-	-	-	-	-	1.1
Statoil Indonesia West Papua IV AS	8.0	-	-	-	-	-	8.0
<b>Total</b>	<b>30.7</b>	<b>-</b>	<b>1.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.6</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboe)	Total (value)
Kas Negara	0.2	-	1.9	-	-	-	2.1
Stavanger kemnerkontor	30.5	-	-	-	-	-	30.5
<b>Total</b>	<b>30.7</b>	<b>-</b>	<b>1.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32.6</b>

# Iran

Statoil closed its office in Iran in 2013 but has residual payment obligations for tax and social security under legacy contracts in Iran. These are dealt with in accordance with all applicable sanctions.

See Statoil's 2014 Annual Report on Form 20-F, *Risks - Risks related to our business* for information regarding sanctions towards Iran.

## Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Statoil Iran AS	298.9	-	-	-	-	-	298.9
<b>Total</b>	<b>298.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>298.9</b>

## Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Sazmane Omoore Maliatie	0.5	-	-	-	-	-	0.5
Stavanger kemnerkontor	298.3	-	-	-	-	-	298.3
<b>Total</b>	<b>298.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>298.9</b>

## Libya

Statoil is a partner in two licences in Libya, Murzuq and Mabruk. Statoil has a 10% working interest in the NC 186 licence in the Murzuq field, which is operated by Akakus Oil Operations, with Repsol as the lead partner for the international oil companies. Statoil has a 12.5% working interest in the C-17 licence in the Mabruk field, which is operated by Mabruk Oil Operations. Total is the lead partner for the international oil companies in the C-17 licence Mabruk.

In 2014, Statoil's equity production in Libya was 1.3 mmbœ.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Statoil Murzuq AS	230.2	-	-	-	-	-	230.2
Saga Petroleum Mabruk AS	94.7	-	-	-	-	-	94.7
Mabruk	-	-	-	-	44.8	0.1	44.8
Murzuq	-	-	-	-	269.4	0.4	269.4
<b>Total</b>	<b>324.9</b>				<b>314.2</b>	<b>0.5</b>	<b>639.1</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
National Oil Corporation	-	-	-	-	314.2	0.5	314.2
Stavanger kemnerkontor	47.3	-	-	-	-	-	47.3
Tax Department Libya	277.6	-	-	-	-	-	277.6
<b>Total</b>	<b>324.9</b>				<b>314.2</b>	<b>0.5</b>	<b>639.1</b>

## Mozambique

The Rovuma area 2 & 5 was relinquished with effect from June 2014. The fifth license round started in October 2014, and the outcome is expected to be announced during the second quarter of 2015. Statoil will keep the office in Mozambique until we know the outcome of the license round.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Statoil O&G Mozambique AS	4.9	-	-	-	-	-	4.9
<b>Total</b>	<b>4.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.9</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Stavanger kemnerkontor	4.9	-	-	-	-	-	4.9
<b>Total</b>	<b>4.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.9</b>

## Nigeria

In Nigeria, Statoil has a 20.2% interest in the country's largest deep water producing field, Agbami, where Chevron is the operator. In 2014, Statoil's equity production in Nigeria was 17.6 mmboc.

The National Assembly of Nigeria is debating the Petroleum Industry Bill, which will most likely increase the government take if passed. The timing and outcome of the bill are uncertain.

In Nigeria, limited liability companies are obliged to pay an education tax. In 2014, Statoil paid NOK 360.0 million in education tax. This is included under 'Fees'.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
Statoil Nigeria AS	321.2	-	-	-	-	-	321.2
Statoil Nigeria Ltd	2,948.0	-	-	-	-	-	2,948.0
Agbami	-	-	360.0	-	1,873.4	3.0	2,233.4
<b>Total</b>	<b>3,269.2</b>	<b>-</b>	<b>360.0</b>	<b>-</b>	<b>1,873.4</b>	<b>3.0</b>	<b>5,502.6</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
Central Bank of Nigeria Education Tax	-	-	360.0	-	-	-	360.0
Nigerian National Petroleum Corp.	2,948.0	-	-	-	1,873.4	3.0	4,821.4
Stavanger kemnerkontor	321.2	-	-	-	-	-	321.2
<b>Total</b>	<b>3,269.2</b>	<b>-</b>	<b>360.0</b>	<b>-</b>	<b>1,873.4</b>	<b>3.0</b>	<b>5,502.6</b>

## Norway

Statoil is the biggest operator on the Norwegian continental shelf (NCS). In 2014, Statoil's equity production in Norway was 4 32.0 mmboc. In 2014 we had Statoil-operated assets in the North Sea, the Norwegian Sea and the Barents Sea, and we also operated a significant number of exploration licences.

Statoil's production operation in Norway is organised into four business clusters: Operations North (Barents Sea), Operations Mid-Norway (Norwegian Sea), Operations West (North Sea) and Operation South (North Sea). Partner-operated fields cover the entire NCS.

An extensive drilling program in 2014 resulted in 29 completed wells, of which Statoil acted as operator for 20, with 14 discoveries. In 2014 Statoil has been the operator of the industry project for joint 3D seismic acquisition in the south-east Barents Sea. In addition, Statoil was awarded interests in 11 production licenses (seven as operator) in the Awards in Predefined Areas (APA) round, of which seven licenses will be Statoil operated.

In Norway, the area fee is paid by the operator on behalf of the partnership. The fees below reflect the total value of area fees paid by Statoil to Norwegian government entities. This includes our partners' share of the area fee, where Statoil is the operator or the technical service provider. Negative figures represent repayments from the government.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
Statoil Petroleum AS	88,634.8	-	-	-	-	-	88,634.8
Licences Barents Sea East	-	-	112.3	-	-	-	112.3
Licences East	-	-	246.0	-	-	-	246.0
Licences Norwegian Sea	-	-	123.6	-	-	-	123.6
Licences South	-	-	70.8	-	-	-	70.8
Licences Utsira High	-	-	(4.2)	-	-	-	(4.2)
Licences West	-	-	89.8	-	-	-	89.8
Operations Mid Norway	-	-	5.2	-	-	-	5.2
Operations West	-	-	5.3	-	-	-	5.3
<b>Total</b>	<b>88,634.8</b>	<b>-</b>	<b>648.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,283.6</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
Oljedirektoratet	-	-	648.8	-	-	-	648.8
Oljeskattekontoret	88,634.8	-	-	-	-	-	88,634.8
<b>Total</b>	<b>88,634.8</b>	<b>-</b>	<b>648.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,283.6</b>

## Russia

Statoil has a 30% share in the Kharyaga oil field onshore in the Timan Pechora basin in north-west Russia. The field is being developed in phases under a production sharing agreement (PSA) and is operated by Total. Statoil's equity production in Russia in 2014 was 3.4 mboe.

In addition to the payments below, Statoil paid taxes to the operator Total in 2014. The payment of NOK 137.6 million is not reflected in the overview as it was not paid directly by Statoil to the government.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mboe)	Total (value)
Statoil Sverige Kharyaga AB	16.1	-	-	-	-	-	16.1
Kharyaga	-	-	-	-	728.9	1.2	728.9
<b>Total</b>	<b>16.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728.9</b>	<b>1.2</b>	<b>745.0</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mboe)	Total (value)
Skatteverket Stockholm	16.1	-	-	-	-	-	16.1
Treasury of the Russian Federation	-	-	-	-	728.9	1.2	728.9
<b>Total</b>	<b>16.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728.9</b>	<b>1.2</b>	<b>745.0</b>



## UK

In the UK, Statoil is a partner in two production licences: The Alba oil field (Statoil interest 17%) is located in the central part of the UK North Sea and is operated by Chevron. Jupiter (Statoil interest 30%) is a gas field located in the southern part of the UK North Sea, operated by ConocoPhillips. Statoil's equity production in the UK was 0.9 mmbob in 2014.

Statoil is the operator for the Mariner heavy oil development project and holds a 65.1% interest. Statoil expects first oil at Mariner in 2017. The field development plan for Mariner includes a possibility of a future subsea tie-in of Mariner East, a small heavy oil discovery. Statoil is the operator and holds an 86% interest. Statoil is also the operator for, and holds an 81.6% interest in, the Bressay heavy oil discovery.

In 2014, Statoil was awarded interests in 12 exploration licences in the UK 28<sup>th</sup> licensing round, nine as an operator.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbob)	Total (value)
Statoil UK Ltd	87.1	-	-	-	-	-	87.1
Bressay	-	-	2.1	-	-	-	2.1
Mariner	-	-	2.5	-	-	-	2.5
Mariner east	-	-	1.3	-	-	-	1.3
Exploration licences	-	-	5.5	-	-	-	5.5
<b>Total</b>	<b>87.1</b>	<b>-</b>	<b>11.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98.4</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbob)	Total (value)
Department of Energy and Climate Change	-	-	11.3	-	-	-	11.3
HM Revenue & Customs	87.1	-	-	-	-	-	87.1
<b>Total</b>	<b>87.1</b>	<b>-</b>	<b>11.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98.4</b>

# USA

Statoil has acreage in the Marcellus shale gas play, the Eagle Ford shale formation and the Bakken tight oil formation.

In the Gulf of Mexico, Statoil has interests in the Tahiti oil field (Statoil interest 25%), operated by Chevron, the Caesar Tonga oil field (Statoil interest 23.55%) operated by the Anadarko Petroleum Company, and the oil fields Jack (Statoil interest 25%) and St. Malo (Statoil interest 21.5%), operated by Chevron. Statoil's equity production in the USA in 2014 was 88.1 mmboc.

In the Gulf of Mexico, Statoil has working interest in the following development projects: a 27.5% interest in Big Foot (operated by Chevron), a 50% interest in Julia (operated by Exxon Mobil) and a 12% interest in Heidelberg (operated by Anadarko Petroleum Corp.).

Statoil operated two exploration wells in the Gulf of Mexico in 2014 and has a number of prospects in the Gulf of Mexico.

In 2014, Statoil paid NOK 1.7 million in royalties to the Office of Natural Resources Revenue for Indian tribes, including the Turtle Mountain and Fort Peck tribes.

Taxes include severance taxes.

## Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
Bakken	34.6	191.4	0.7	2.3	-	-	229.0
Caesar Tonga	-	53.2	-	-	-	-	53.2
Eagle Ford	140.5	5.4	1.0	-	-	-	147.0
Marcellus	70.5	3.3	0.7	7.4	-	-	81.9
Q	-	-	0.3	-	-	-	0.3
Rocky Mountain	-	0.6	0.1	-	-	-	0.7
Tahiti	-	331.5	-	-	-	-	331.5
Exploration licences offshore	-	-	47.6	66.0	-	-	113.6
<b>Total</b>	<b>245.6</b>	<b>585.5</b>	<b>50.4</b>	<b>75.7</b>	<b>-</b>	<b>-</b>	<b>957.2</b>

## Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmboc)	Total (value)
City of Kenedy, Texas	-	1.0	-	-	-	-	1.0
Commonwealth of Pennsylvania	-	1.2	-	-	-	-	1.2
Montana Department of Revenue	34.1	-	-	-	-	-	34.1
Office of Natural Resources Revenue	-	437.4	47.9	68.3	-	-	553.6
Park Board of the City of Williston	-	2.2	-	-	-	-	2.2
Pennsylvania Department of Revenue	3.3	-	-	-	-	-	3.3
Railroad Commission of Texas	-	-	0.9	-	-	-	0.9
Roosevelt Country Montana	-	0.8	-	-	-	-	0.8
State of Montana	-	5.3	-	-	-	-	5.3
State of North Dakota	-	130.2	-	-	-	-	130.2
State of Texas	-	3.6	-	-	-	-	3.6
State of West Virginia	67.2	-	-	-	-	-	67.2
Texas Comptroller of Public Accounts	140.5	-	-	-	-	-	140.5
West Virginia Department of Commerce	-	-	-	7.4	-	-	7.4
Other	0.5	3.7	1.6	-	-	-	5.8
<b>Total</b>	<b>245.6</b>	<b>585.5</b>	<b>50.4</b>	<b>75.7</b>	<b>-</b>	<b>-</b>	<b>957.2</b>

## Venezuela

Statoil has a 9.7% interest in Petrocedeño, one of the largest extra-heavy crude oil projects in Venezuela. The field is located onshore in the Orinoco Belt area. Petrocedeño S.A, which is owned by project partners PDVSA, Total and Statoil, operates the field with related facilities and markets the products. In 2014, Statoil's equity production in Venezuela was 4.3 mmbœ.

### Payments per project

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Statoil International Venezuela AS	0.2	-	-	-	-	-	0.2
Statoil Sincor AS	9.6	-	-	-	-	-	9.6
Statoil Venezuela AS	19.0	-	-	-	-	-	19.0
<b>Total</b>	<b>28.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.8</b>

### Payments per government

(in NOK million)	Taxes	Royalties	Fees	Bonuses	Host government entitlements (value)	Host government entitlements (mmbœ)	Total (value)
Stavanger kemnerkontor	28.8	-	-	-	-	-	28.8
<b>Total</b>	<b>28.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28.8</b>

## 4 Contextual information

The contextual information disclosed in this section provides a broader picture of Statoil's overall economic impact in the countries where we have business activities. To ensure a full overview of the group's economic footprint, the contextual information covers all subsidiaries in the Statoil group, including subsidiaries involved in processing, refining, renewables, marketing and trading, which are outside the scope of reporting of payments to governments. The contextual information is disclosed per country and/or legal entity, as applicable.

Some of our subsidiaries are incorporated in a different country than where their operations take place. To enhance organisational transparency, we have included both country of operation and country of incorporation in the overview of subsidiaries.

The contextual information reported is based on data collected mainly for the purpose of financial reporting. For this reason, information disclosed in this section (investments, revenues, purchases of goods and services and intercompany interest expense) is reported in accordance with the principles for financial reporting (accruals basis) and not on a cash basis.

### Investments, revenues, purchases of goods and services and production volumes

(in NOK million)	Investments	Revenues	Purchase of goods and services	Production volume(mmboe)
Algeria	1,569	3,922	28	19.7
Angola	10,574	25,388	772	75.3
Australia	0	0	409	0.0
Azerbaijan	6,398	8,684	60	34.7
Bahamas	87	237	81	0.0
Belgium	0	0	80	0.0
Brazil	3,666	8,283	4,558	16.3
Canada	7,141	7,404	2,698	9.7
China	0	-3	24	0.0
Colombia	370	0	1	0.0
Denmark	185	28,430	1,329	0.0
Faroe Islands	0	2	239	0.0
Germany	57	577	865	0.0
Greenland	0	0	0	0.0
India	0	0	31	0.0
Indonesia	8	3	15	0.0
Ireland	1,220	186	108	0.0
Korea, Republic of	0	9	12,636	0.0
Libya	77	645	4	1.3
Mexico	0	0	0	0.0
Mozambique	0	1	144	0.0
Netherlands	29	1,958	5,821	0.0
New Zealand	0	0	17	0.0
Nigeria	1,608	7,934	27	17.6
Norway	60,333	499,150	121,956	432.0
Russian Federation	503	1,349	40	3.4
Singapore	0	26	87	0.0
Sweden	0	18,681	845	0.0
Switzerland	270	0	161	0.0
Tanzania, United Republic of	2,013	0	3,086	0.0
UK	6,576	1,328	6,835	0.9
United Arab Emirates	0	0	110	0.0
USA	21,702	98,883	18,484	88.1
Venezuela	0	29	30	4.3
Rest of the world	0	0	4,155	0.0
Eliminations of intra-group sales.	0	-106,256	0	0
<b>Total</b>	<b>124,387</b>	<b>606,850</b>	<b>185,738</b>	<b>703.4</b>

## Subsidiaries, number of employees and intercompany interest

The table below provides an overview of all subsidiaries in the Statoil group, their country of incorporation and operation, number of employees and each subsidiary's net intercompany interest expense to subsidiaries in other jurisdictions. Legal entities marked with an asterisk (\*) are entities where Statoil holds an ownership interest less than 50%. These entities are included because they have a net intercompany interest expense or income.

The table discloses net intercompany interest in NOK million. A negative number implies a net interest income for the subsidiary, whereas a positive number implies a net interest expense.

### Statoil Coordination Centre

The Statoil Coordination Centre (SCC) is a company incorporated in Belgium, registered at Bedrijvenlaan 5 in 2800 Mechelen. Since 1989-1990, SCC has been active as financial centre and internal bank, providing mainly banking services for the Statoil Group entities. The objective of SCC is to centralise a range of treasury transactions and thereby achieve economies of scale for Statoil. This is achieved by concentrating and controlling cash and foreign exchange management needs of subsidiaries, centralising treasury transactions and eliminating external bank transactions whenever possible. SCC is active in providing long and short term loans and overdraft facilities, receiving deposits, and executing foreign exchange transactions and other treasury services to around 180 Statoil entities worldwide. In 2014, SCC had a net interest income vis-à-vis other subsidiaries in the Statoil Group of NOK 2.4 billion.

Subsidiaries	Country of incorporation	Country of operation	Number of employees	Net Intercompany interest (in NOK million)
Arkitekt Ebbels vei 10 ASF	Norway	Norway	0	4.5
Celtic Royalties Ltd	Ireland	Ireland	0	0.0
Doggerbank Project 1A Statoil Limited	UK	UK	0	0.0
Doggerbank Project 1B Statoil Limited	UK	UK	0	0.0
Doggerbank Project 2A Statoil Limited	UK	UK	0	0.0
Doggerbank Project 2B Statoil Limited	UK	UK	0	0.0
Doggerbank Project 3a statoil limited	UK	UK	0	0.0
Doggerbank Project 3b statoil limited	UK	UK	0	0.0
Doggerbank Project 4a statoil limited	UK	UK	0	0.0
Doggerbank Project 4b statoil limited	UK	UK	0	0.0
Doggerbank Project 5a statoil limited	UK	UK	0	0.0
Doggerbank Project 5b statoil limited	UK	UK	0	0.0
Doggerbank Project 6a statoil limited	UK	UK	0	0.0
Doggerbank Project 6B Statoil Limited	UK	UK	0	0.0
Dudgeon Offshore Wind Limited *	UK	UK	0	-0.2
Forusbeen 50 AS	Norway	Norway	0	-0.8
Gravitude AS	Norway	Norway	0	0.0
Hyperbar Mottaks Beredskap AS	Norway	Norway	0	0.0
Hywind (Scotland) Limited	UK	UK	0	0.0
Hywind AS	Norway	Norway	0	-0.1
Irish Oil and Gas Royalties Ltd	Ireland	Ireland	0	0.0
Jordgas Transport GmbH	Germany	Germany	5	0.0
KKD Oil Sands Partnership	Alberta	Canada	0	0.0
KS Rafinor AS	Norway	Norway	0	-1.8
LSS Limited	UK	UK	0	0.0
Mongstad Eiendomsselskap AS	Norway	Norway	0	0.0
Mongstad Heat and Power Plant AS	Norway	Norway	0	-94.3
Mongstad Refining DA	Norway	Norway	0	109.5
Mongstad Terminal DA	Norway	Norway	0	-2.6
Moscow Representation of Statoil ASA	Norway	Russia	7	0.0
Naturkraft AS	Norway	Norway	0	16.2
Norferm AS	Norway	Norway	0	-3.4
North America Properties LLC	USA	USA	0	1.3
Northern LNG Transport Co., II, Ltd.	Cayman Islands	Cayman Islands	0	0.0

Octio AS	Norway	Norway	0	-1.4
Onshore Holdings LLC	USA	USA	0	5.6
Petroleum Royalties of Ireland Ltd	Ireland	Ireland	3	0.0
PT Statoil Indonesia	Indonesia	Indonesia	11	0.0
Rafinor AS	Norway	Norway	0	0.1
Saga Petroleum Holding AS	Norway	Norway	0	-0.4
Saga Petroleum Mabruk AS	Norway	Libya	0	0.0
SCIRA Offshore Energy Limited	UK	UK	0	77.4
South Atlantic Holding BV	Netherlands	Brazil	0	-30.7
South Coast Royalties Ltd	Ireland	Ireland	0	0.0
Spinnaker (BVI) 242 LTD	British Virgin Islands	Nigeria	0	0.0
Spinnaker Exploration (BVI) 256 LTD	British Virgin Islands	Nigeria	0	0.0
Spinnaker Exploration 256 LTD (Nigeria)	British Virgin Islands	Nigeria	0	0.0
Spinnaker Exploration Holdings (BVI) 256 LTD	British Virgin Islands	Nigeria	0	0.0
Spinnaker FR Spar Co, LLC	USA	USA	0	0.2
Spinnaker Holdings (BVI) 242 LTD	British Virgin Islands	Nigeria	0	0.0
Spinnaker Nigeria 242 LTD	Nigeria	Nigeria	0	0.0
Statholding AS	Norway	Norway	0	-9.3
Statoil (Beijing) Technology Service Co., Ltd	China	China	20	-0.1
Statoil (U.K.) Limited	UK	UK	296	34.4
Statoil Abu Dhabi B.V.	Netherlands	United Arab Emirates	0	0.0
Statoil Algeria AS	Norway	Algeria	26	0.3
Statoil Angola AS	Norway	Angola	0	-0.1
Statoil Angola Block 15 AS	Norway	Angola	0	-1.1
Statoil Angola Block 15/06 Award AS	Norway	Angola	0	60.4
Statoil Angola Block 17 AS	Norway	Angola	42	-2.6
Statoil Angola Block 22 AS	Norway	Angola	0	-0.2
Statoil Angola Block 25 AS	Norway	Angola	0	0.0
Statoil Angola Block 31 AS	Norway	Angola	0	51.6
Statoil Angola Block 38 AS	Norway	Angola	0	-1.2
Statoil Angola Block 39 AS	Norway	Angola	0	0.2
Statoil Angola Block 40 AS	Norway	Angola	0	-0.3
Statoil Apsheron AS	Norway	Azerbaijan	46	-2.1
Statoil ASA	Norway	Norway	19,659	-1,508.0
Statoil Asia - Pacific Supplier Development AS	Norway	China	0	-0.3
Statoil Asia Pacific PTE Ltd	Singapore	Singapore	37	0.0
Statoil Australia AS	Norway	Australia	0	-0.1
Statoil Australia Oil & Gas AS	Norway	Australia	0	0.8
Statoil Australia Theta B.V.	Netherlands	Australia	0	0.0
Statoil Azerbaijan Alov AS	Norway	Azerbaijan	0	0.0
Statoil Azerbaijan AS	Norway	Azerbaijan	0	54.5
Statoil Bahamas AS	Norway	Bahamas	0	-0.1
Statoil Brasil Óleo e Gás Ltda	Brazil	Brazil	280	614.5
Statoil BTC Caspian AS	Norway	Azerbaijan	0	0.3
Statoil BTC Finance AS	Norway	Norway	0	0.0
Statoil Canada Holdings Corp.	Canada	Canada	0	0.0
Statoil Canada Ltd.	Canada	Canada	397	11.1
Statoil China AS	Norway	China	4	0.1
Statoil Coordination Center NV	Belgium	Belgium	18	-2,368.1
Statoil Cyrenaica AS	Norway	Libya	0	0.0
Statoil Danmark AS	Denmark	Denmark	0	0.0

Statoil Deutschland GmbH	Germany	Germany	11	-0.2
Statoil Deutschland Hydrocarbons GmbH	Germany	Germany	0	0.0
Statoil Deutschland Property GmbH	Germany	Germany	0	0.3
Statoil Deutschland Storage GmbH	Germany	Germany	25	1.7
Statoil Dezassete AS	Norway	Angola	0	-1.6
Statoil do Brasil Ltda	Brazil	Brazil	0	0.0
Statoil E&P Americas AS	Norway	USA	0	-19.5
Statoil E&P Americas Investment LLC	USA	USA	0	0.0
Statoil E&P Americas, LP	USA	USA	0	0.0
Statoil Egypt AS	Norway	Egypt	0	0.0
Statoil Egypt El Dabaa Offshore AS	Norway	Egypt	0	-0.2
Statoil Energy Belgium NV	Belgium	Belgium	68	0.0
Statoil Energy Netherlands B.V.	Netherlands	Netherlands	0	-202.3
Statoil Energy Trading Inc.	USA	USA	0	0.0
Statoil Epsilon Netherlands B.V.	Netherlands	Russia	0	0.0
Statoil Eta Netherlands B.V.	Netherlands	Colombia	0	0.0
Statoil Exploration (Ireland) Limited	Ireland	Ireland	0	67.8
Statoil Exploration (U.K.) Limited	UK	UK	0	0.0
Statoil Exploration Company	USA	USA	0	123.5
Statoil Forsikring AS	Norway	Norway	0	1.0
Statoil Færøyene AS	Norway	Faroe Islands	7	-4.0
Statoil Gas Hibernia Ltd	Ireland	Ireland	0	0.1
Statoil Gas Marketing Europe AS	Norway	Norway	0	0.0
Statoil Gas Trading Limited	UK	UK	0	13.3
Statoil Global Employment Limited	UK	UK	10	0.0
Statoil Global New Ventures 2 AS	Norway	Colombia	0	0.0
Statoil Global New Ventures AS	Norway	Ghana	0	0.0
Statoil Greenland AS	Norway	Greenland	0	0.0
Statoil GTL AS	Norway	Norway	0	-1.1
Statoil Gulf of Mexico Inc.	USA	USA	0	-0.4
Statoil Gulf of Mexico LLC	USA	USA	0	345.1
Statoil Gulf of Mexico Response Company LLC	USA	USA	0	5.6
Statoil Gulf Properties Inc	USA	USA	0	6.0
Statoil Gulf Services LLC	USA	USA	776	10.1
Statoil Hassi Mouina AS	Norway	Algeria	0	-0.4
Statoil Holding Netherlands B.V.	Netherlands	Netherlands	13	-27.4
Statoil Holding Switzerland AG	Switzerland	Russia	0	0.0
Statoil India Netherlands B.V.	Netherlands	India	0	0.0
Statoil Indonesia Aru AS	Norway	Indonesia	0	0.0
Statoil Indonesia AS	Norway	Indonesia	0	0.0
Statoil Indonesia Halmahera II AS	Norway	Indonesia	11	0.0
Statoil Indonesia Halmahera-Kofiau AS	Norway	Indonesia	0	0.0
Statoil Indonesia Karama AS	Norway	Indonesia	0	0.0
Statoil Indonesia North Ganai AS	Norway	Indonesia	0	0.0
Statoil Indonesia North Makassar Strait AS	Norway	Indonesia	0	0.0
Statoil Indonesia Obi AS	Norway	Indonesia	0	0.0
Statoil Indonesia West Papua IV AS	Norway	Indonesia	0	0.0
Statoil International Holding AS	Norway	Norway	0	5.2
Statoil International Netherlands B.V.	Netherlands	Netherlands	0	0.1
Statoil International Venezuela AS	Norway	Venezuela	30	-0.1
Statoil International Well Response Company AS	Norway	Norway	0	0.1

Statoil Investment Americas AS	Norway	Norway	0	-1.1
Statoil Iota Netherlands B.V.	Netherlands	Netherlands	0	0.0
Statoil Iran AS	Norway	Iran	0	-0.9
Statoil Iraq AS	Norway	United Arab Emirates	0	0.0
Statoil Kapitalforvaltning ASA	Norway	Norway	12	0.0
Statoil Kazakstan AS	Norway	Norway	0	-0.1
Statoil Ksi Netherlands B.V.	Netherlands	Netherlands	0	0.0
Statoil Kufra AS	Norway	Libya	0	0.0
Statoil Latin America AS	Norway	Norway	0	0.0
Statoil Libya AS	Norway	Libya	7	0.0
Statoil Majunga AS	Norway	Madagascar	0	-0.9
Statoil Marine AS	Norway	Norway	0	-0.1
Statoil Marine KS	Norway	Norway	0	-0.1
Statoil Maritime AS	Norway	Norway	0	-7.4
Statoil Marketing & Trading (US) Inc.	USA	USA	0	7.2
Statoil Metanol ANS	Norway	Norway	0	-2.4
Statoil Mexico AS	Norway	Mexico	0	0.0
Statoil Middle East Operations AS	Norway	Saudi Arabia	3	0.2
Statoil Middle East Services Netherlands B.V.	Netherlands	Iraq	0	0.0
Statoil Morocco AS	Norway	Morocco	0	0.1
Statoil Mu Netherlands B.V.	Netherlands	Russia	0	0.0
Statoil Murzuq Area 146 AS	Norway	Libya	0	0.0
Statoil Murzuq AS	Norway	Libya	0	0.0
Statoil Myanmar Private Limited	Singapore	Myanmar	0	0.0
Statoil Natural Gas LLC	USA	USA	0	-8.7
Statoil New Energy AS	Norway	Norway	0	-48.5
Statoil New Zealand B.V.	Netherlands	New Zealand	0	0.0
Statoil Nicaragua Holdings B.V.	Netherlands	Nicaragua	0	0.0
Statoil Nigeria AS	Norway	Nigeria	0	-1.7
Statoil Nigeria Deep Water AS	Norway	Nigeria	0	0.0
Statoil Nigeria Deep Water Limited	Nigeria	Nigeria	0	0.0
Statoil Nigeria LTD	Nigeria	Nigeria	12	3.8
Statoil Nigeria Outer Shelf AS	Norway	Nigeria	0	-0.1
Statoil Nigeria Outer Shelf Limited	Nigeria	Nigeria	0	0.0
Statoil Norsk LNG AS	Norway	USA	0	2.5
Statoil North Africa Gas AS	Norway	Algeria	0	-0.2
Statoil North Africa Oil AS	Norway	Algeria	0	-0.1
Statoil North Caspian AS	Norway	Kazakhstan	3	0.1
Statoil Nu Netherlands B.V.	Netherlands	Netherlands	0	0.0
Statoil Oil & Gas Brazil AS	Norway	Brazil	0	-1.7
Statoil Oil & Gas Cuba AS	Norway	Cuba	0	0.0
Statoil Oil & Gas LP	USA	USA	0	56.6
Statoil Oil & Gas Mozambique AS	Norway	Mozambique	0	-0.3
Statoil Oil & Gas Services Inc.	USA	USA	0	0.0
Statoil Omicron Netherlands B.V.	Netherlands	Netherlands	0	0.0
Statoil Orient AG	Switzerland	China	0	-0.6
Statoil Orinoco AS	Norway	Venezuela	0	-3.7
Statoil OTS AB	Sweden	Sweden	0	20.4
Statoil Petroleum AS	Norway	Norway	0	1,777.6
Statoil Pi Netherlands B.V.	Netherlands	Netherlands	0	0.0
Statoil Pipelines LLC	USA	USA	0	13.3



Statoil Production (UK) Limited	UK	UK	42	-0.2
Statoil Projects Inc.	USA	USA	0	0.0
Statoil Qatar AS	Norway	Norway	0	-0.1
Statoil Quatro AS	Norway	Angola	0	-0.2
Statoil Refining Denmark A/S	Denmark	Denmark	367	5.9
Statoil Rho Netherlands B.V.	Netherlands	Netherlands	0	0.0
Statoil Russia AS	Norway	Russia	36	-0.5
Statoil Russia Services AS	Norway	Russia	0	-0.4
Statoil Russland AS	Norway	Russia	0	-0.1
Statoil Shah Deniz AS	Norway	Azerbaijan	0	-4.7
Statoil Shipping, Inc.	USA	USA	0	0.0
Statoil Sigma Netherlands B.V.	Netherlands	Algeria	0	0.0
Statoil Sincor AS	Norway	Venezuela	0	-7.8
Statoil Sincor Netherlands BV	Netherlands	Netherlands	0	0.0
Statoil South Africa B.V.	Netherlands	South Africa	0	0.0
Statoil South Korea Co., Ltd	Korea, Republic of	Korea, Republic of	0	0.0
Statoil South Riding P.	USA	USA	0	0.6
Statoil South Riding Point, LLC	USA	Bahamas	65	5.6
Statoil SP Gas AS	Norway	Iran (Islamic Republic of)	0	-4.3
Statoil Suriname AS	Norway	Suriname	0	0.0
Statoil Suriname B.V.	Netherlands	Suriname	0	0.0
Statoil Sverige Kharyaga AB	Sweden	Russia	0	-0.3
Statoil TANAP Holding Netherlands B.V.	Netherlands	Azerbaijan	0	0.0
Statoil Tanzania AS	Norway	Tanzania	30	0.4
Statoil Tau Netherlands B.V.	Netherlands	Indonesia	0	0.0
Statoil Technology Invest AS	Norway	Norway	0	-2.9
Statoil Texas Onshore Properties LLC	USA	USA	0	37.3
Statoil Trinta e Quatro AS	Norway	Angola	0	-0.5
Statoil Turkmenistan AS	Norway	Turkmenistan	0	-0.1
Statoil UK Holdings Limited	UK	UK	0	0.0
Statoil UK Properties Limited	UK	UK	0	0.0
Statoil US Holdings Inc.	USA	USA	137	-46.4
Statoil USA E&P Inc.	USA	USA	0	20.3
Statoil USA Onshore Properties Inc.	USA	USA	0	422.7
Statoil USA Properties Inc.	USA	USA	0	478.3
Statoil Venezuela AS	Norway	Venezuela	0	-10.6
Statoil Venture AS	Norway	Norway	0	-5.2
Statoil Wind Limited	UK	UK	0	0.5
Statoil Wind US LLC	USA	USA	0	0.3
Statoil Zagros Oil and Gas AS	Norway	Iran	0	-0.4
Statoil Zeta Netherlands B.V.	Netherlands	Azerbaijan	0	0.0
Statpet AS	Norway	Norway	0	-8.0
Strandveien 4 AS	Norway	Norway	0	0.5
Svanholmen 8 AS	Norway	Norway	0	1.2
TCM DA - Technology Center Mongstad *	Norway	Norway	0	22.0
Tjeldbergodden Luftgassfabrikk DA	Norway	Norway	0	0.0
Vikan Eiendom AS	Norway	Norway	0	0.0
Wind Power AS	Norway	Norway	0	0.4
Currency adjustments	Norway	Norway	0	-43.1
<b>Total</b>			<b>22,516</b>	<b>0</b>

## 5 Independent limited assurance report

### To the Board of Directors of Statoil ASA

We were engaged by management of Statoil ASA to provide assurance on the Payments to governments report for the year ended 31 December 2014 ("the Report").

### Statoil ASA's responsibilities

The board of directors and management are responsible for properly preparing and presenting a Report that is free from material misstatement in accordance with the Norwegian Accounting Act §3-3d and the detailed regulation included in the pronouncement "Forskrift om land-for-land rapportering" and the reporting principles as set out in section 2 of the Report and for the information contained therein. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Report that is free from material misstatement, whether due to fraud or error.

### Our responsibilities

Our responsibility is to examine the Report prepared by Statoil ASA and to report thereon in the form of an independent limited assurance conclusion based on the procedures we have performed and the evidence obtained. We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which sets out ethical requirements, including independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and plan and perform our procedures to obtain a meaningful level of assurance about whether the Report is properly prepared and presented, in all material respects, as the basis for our limited assurance conclusion.

A limited assurance engagement in accordance with ISAE 3000 involves assessing the risks of material misstatement of the Report, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement and evaluating the overall presentation of the Report. The nature, timing and extent of procedures selected depend on our understanding of the Report and other engagement circumstances, and our consideration of areas where material misstatements of the Report are likely to arise.

In developing our understanding of the Report, we developed an understanding of internal control over the preparation and presentation of the Report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Statoil ASA's internal control over the preparation and presentation of the Report.

Limited assurance is less than absolute assurance and reasonable assurance. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the evidence-gathering procedures performed in response to the assessed risks, which vary in nature from and are substantially less in scope than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

We do not express a reasonable assurance conclusion about whether the Report has been prepared, in all material respects, in accordance with the detailed regulation included in the pronouncement "Forskrift om land-for-land rapportering" and the reporting principles applied as explained in section 2 to the Report.

We believe that the procedures we have performed and the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Limited assurance conclusion

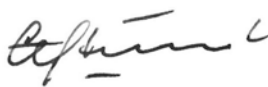
Based on the procedures we have performed and the evidence we have obtained, described in this limited assurance report, nothing has come to our attention that causes us to believe that the Report for the year ended 31 December 2014 is not prepared and presented, in all material respects, in accordance with the Norwegian Accounting Act §3-3d and the detailed regulation included in the pronouncement "Forskrift om land-for-land rapportering" and the reporting principles as set out in section 2 of the Report.

Stavanger, 10 March 2015

KPMG AS



Mona Irene Larsen  
State Authorised Public Accountant (Norway)



Egbert Eeftink



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