Statoil

Capitalising on high value opportunities

London, 7 February 2017

Hans Jakob Hegge – Executive Vice President and CFO

Illustration: Johan Sverdrup

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", “believe”, "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 plans and expectations with respect to market outlook and future economic projections and assumptions; Statoil’s focus on c apital discipline; expected annual organic production through 2017; projections and future impact related to efficiency programmes, including expectations regarding costs savings from the improvement programme; capital expenditure and exploration guidance for 2017; production guidance; Statoil’s value over volume strategy; Statoil’s plans with regard to its completed acquisition of 66% operated interest in the BM-S-8 offshore license in the Santos basin; organic capital expenditure for 2017; Statoil’s intention to mature its portfolio; exploration and development activities, plans and expectations, including estimates regarding exploration activity levels; projected unit of production cost; equity production; planned maintenance and the effects thereof; impact of PSA effects; risks related to Statoil’s production guidance; accounting decisions and policy judgments and the impact thereof; expected dividend payments, the scrip dividend programme and the timing thereof; estimated provisions and liabilities; the projected impact or timing of administrative or governmental rules, standards, decisions, standards or laws, including with respect to the deviation notice issued by the Norwegian tax authorities 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.

These forward-looking statements reflect current views about future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; price and availability of alternative fuels; currency exchange rate and interest rate fluctuations; the political and economic policies of Norway and other oil-producing countries; EU developments; general economic conditions; political and social stability and economic growth in relevant areas of the world; global political events and actions, including war, political hostilities and terrorism; economic sanctions, security breaches; changes or uncertainty in or non-compliance with laws and governmental regulations; the timing of bringing new fields on stream; an inability to exploit growth or investment opportunities; material differences from reserves estimates; unsuccessful drilling; an inability to find and develop reserves; ineffectiveness of crisis management systems; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; operator error; inadequate insurance coverage; the lack of necessary transportation infrastructure when a field is in a remote location and other transportation problems; the actions of competitors; the actions of field partners; the actions of governments (including the Norwegian state as majority shareholder); counterparty defaults; natural disasters and adverse weather conditions, climate change, and other changes to business conditions; an inability to attract and retain personnel; relevant governmental approvals; industrial actions by workers and other factors discussed elsewhere in this report. Additional information, including information on factors that may affect Statoil's business, is contained in Statoil's Annual Report on Form 20-F for the year ended December 31, 2015, filed with the U.S. Securities and Exchange Commission (and in particular, Section 5.1 thereof (Risk factors)) which can be found on Statoil's website at www.statoil.com.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this report, either to make them conform to actual results or changes in our expectations.

2016 | Strong improvements in a low price environment

Financial results	• Adjusted earnings: USD 4.1 billion – reflecting low prices • NOI[1]: USD 80 million – impacted by impairments • Solid cash flow
Operational performance	• Strong production – above guiding • High production efficiency – increased well capacity • 93% reserve replacement ratio
Improvement programme	• USD 3.2 billion in annual efficiency gains • Average BE @ USD 27/bbl for next generation portfolio[2] • Organic capex reduced by USD 3 billion to 10.1

Illustration: Gullfaks B

1 Net operating income
2 Statoil- and partner-operated projects, sanctioned since 2015 or planned for sanction, with start-up by 2022. Volume weighted.

4Q16 | Strong operational progress - high expensed exploration

Adjusted earnings:

Group[1]

- Higher liquids prices, lower European gas prices
- High tax rate
- Strong cash flow

USD mill	Pre tax	After tax
4Q16	1,664	(40)
4Q15	1,778	185

D&P Norway

- Strong operational performance
- Highest production since 2012
- Lowest OPEX in a decade

USD mill	Pre tax	After tax
4Q16	1,972	552
4Q15	2,008	630

D&P International

- Expensed exploration wells
- Extensive turnaround activity
- High value growth US offshore

USD mill	Pre tax	After tax
4Q16	(681)	(708)
4Q15	(674)	(720)

MMP

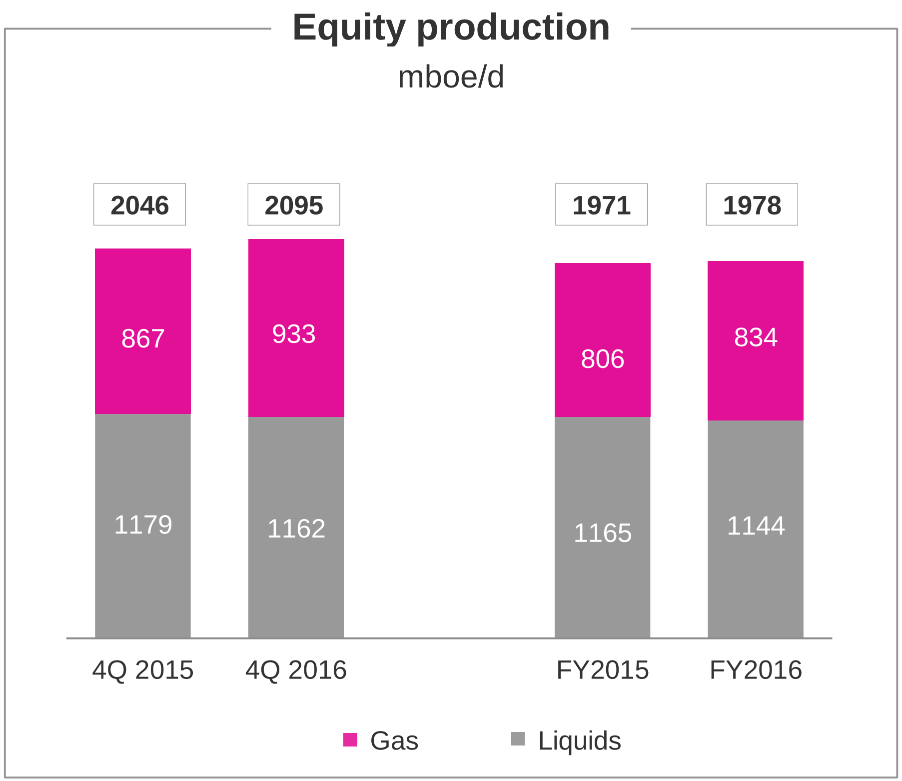
- Strong gas marketing
- Good trading results
- Turnaround at Mongstad

USD mill	Pre tax	After tax
4Q16	514	275
4Q15	423	260

1 Includes segments; D&P Norway, D&P International, MMP and Other.

2016 | Strong production

- High production efficiency
- Increased well capacity, ramp-up and start-up of new fields
- High turnaround activity
- Deferred NCS gas to periods with higher prices

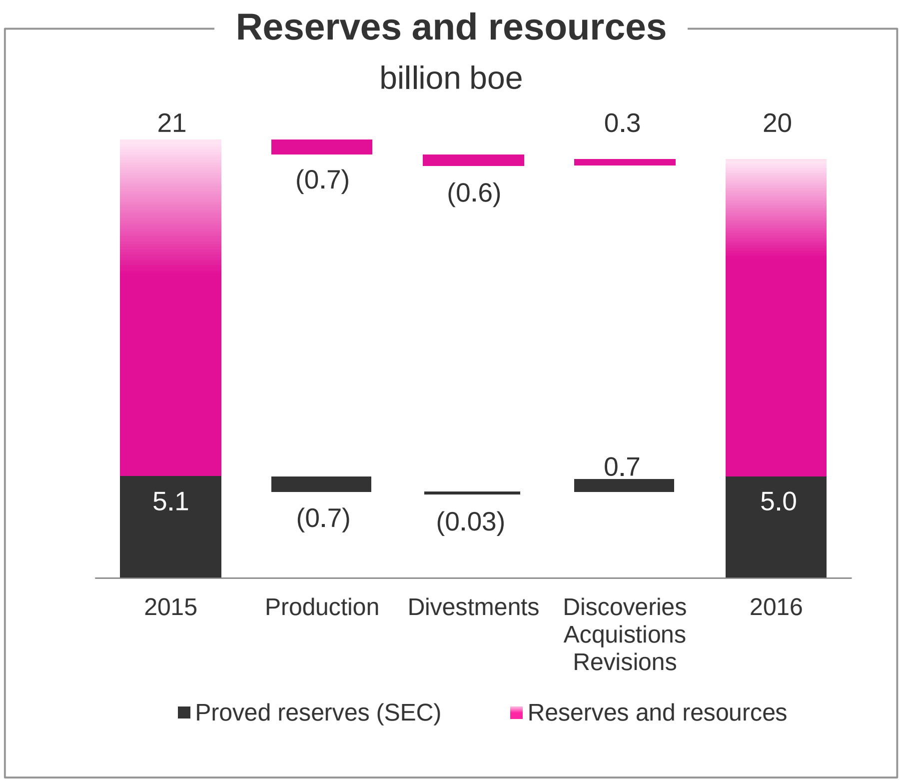


2016 | Adding reserves from robust assets

- Reserve replacement ratio
  - 93% total
  - 87% organic
  - 90% organic three-year average

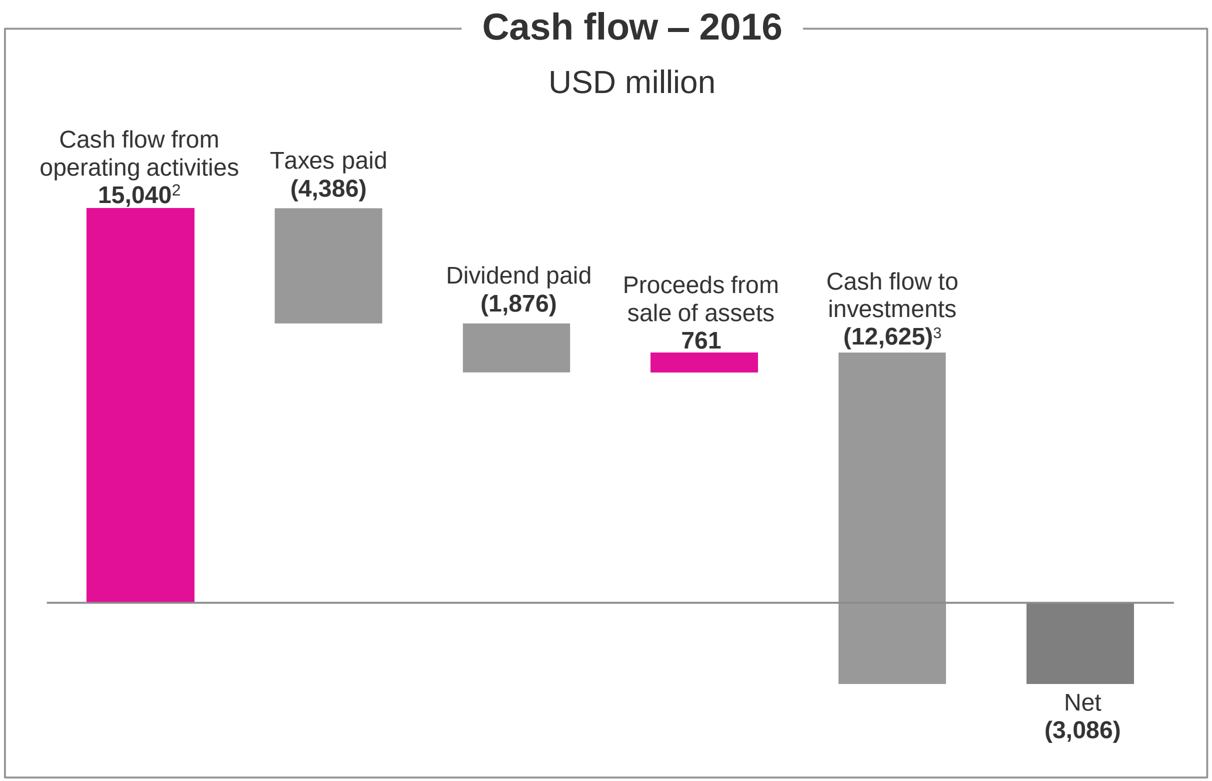
- 48/52 split oil and gas reserves
  - Around 75% of the reserves at NCS

- Resources 55% outside Norway, 78% OECD



2016 | Solid cash flow in low price environment

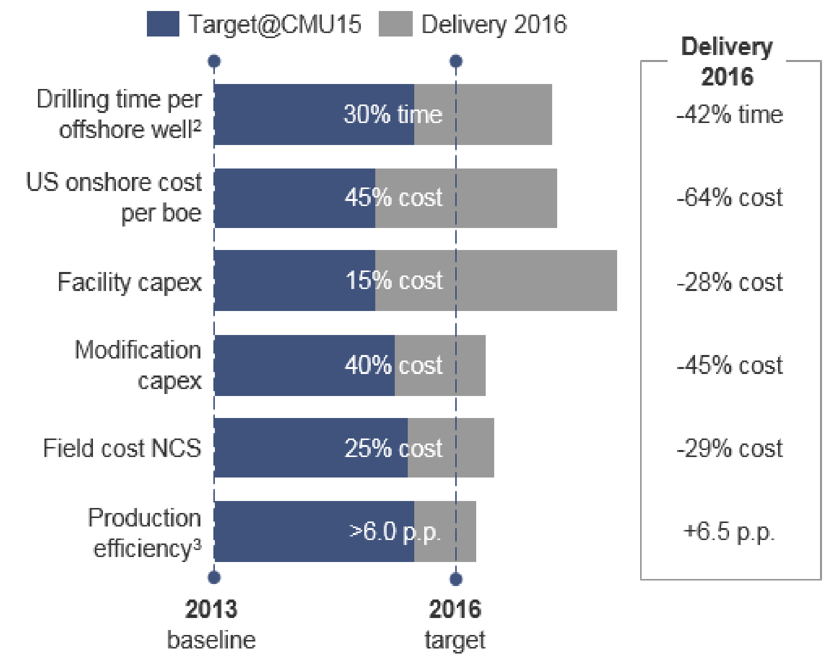
- USD 900 million cash flow positive in 4Q16[1]
- Strict capital prioritisation and efficiency
  - Reduced capex by USD 3 billion compared to initial guiding
- Net debt ratio 35.6%
  - 4Q16 influenced by acquisition of BM-S-8, currency, impairments and working capital



1 Cash flow after tax, dividend and organic investments.
2 Income before tax (2,557) + Non-cash adjustments (7,334).
3 Cash flow to investments includes financial investment with cash impact of 541 for the initial 11.93% in Lundin Petroleum.

2016 | Delivering above ambition

Significant impact from operational improvements



Realising USD 3.2 billion annual efficiency effects[1]

Impact[4] USD billion		
1.0	Unit production cost	-1.3 USD/boe
0.9	Cost per offshore production well	-27 USD mill/well
0.5	Modifications and brownfield	-45%
0.4	Sales, general & administration cost	-30%

1 Adjusted for currency effects.
2 Production wells.
3 NCS production efficiency.
4 Share of realised improvement effect.

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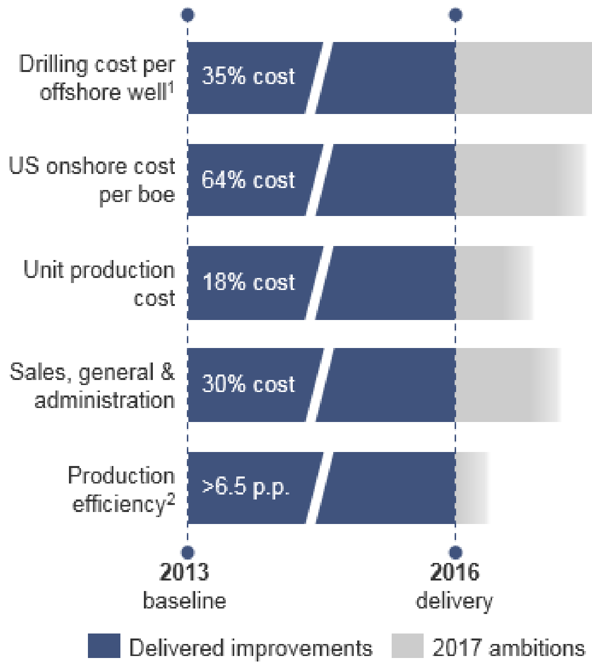
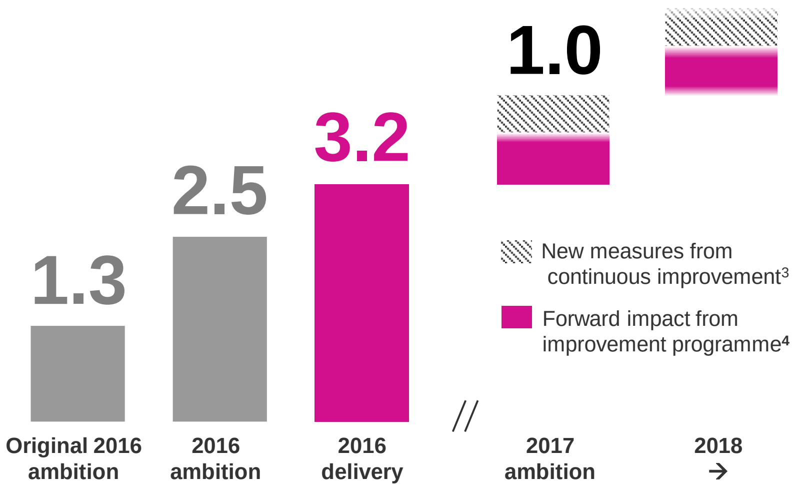
From programme to culture

Unlocking further efficiency potential



Continuous improvement

USD billion



1 Production wells
2 NCS production efficiency
3 Annual continuous improvement from 2017
4 Realisation of estimated facility effects compared to 2013 baseline

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Investing in next generation portfolio

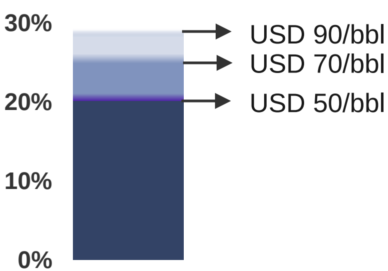
World class projects 2015-22[1]

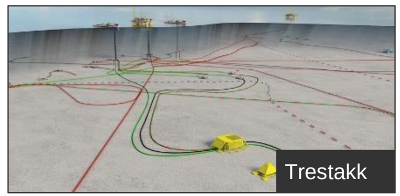
Average break-even | USD 27 /bbl

Oil share | 65%

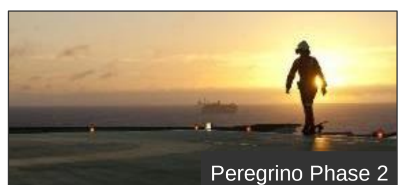
Payback[2] | 2023 @ USD 50/bbl

Average IRR[3]

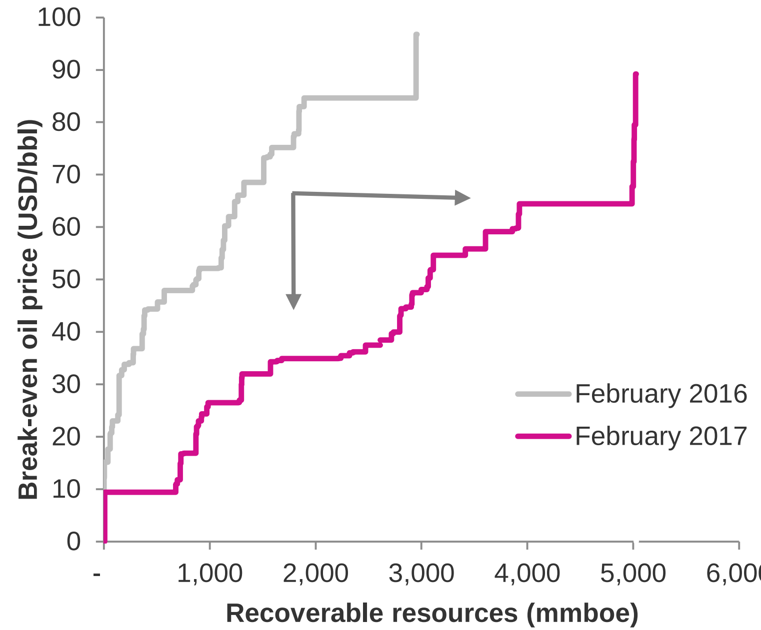



Trestakk


Johan Castberg


Peregrino Phase 2

More for less[4]

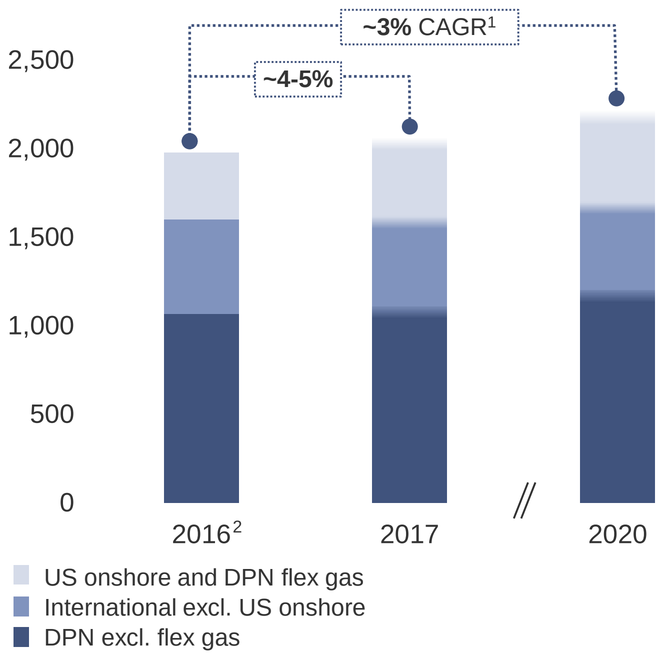


1 Operated and non-operated projects, sanctioned since 2015 or planned for sanction, with start-up by 2022. Volume weighted.
2 Time of accumulated positive cash flow after tax.
3 Internal rate of return at time of sanctioning. Capex weighted.
4 Total non-sanctioned portfolio (operated and non-operated).

Delivering high value production growth

Equity production

mboe/d



Major start-ups planned for 2017-2022

2017	2018	2019	2020	2021	2022
Gina Krog	**Aasta Hansteen**	**Johan Sverdrup**	**Peregrino Phase 2**	**Troll Future**	**Johan Sverdrup future**
Hebron	**Mariner**	**Trestakk**	**Utgard**	**Snøhvit Askeladd**	**Johan Castberg**
	Oseberg Vestflanken		**Snorre Expansion**	**Eirin**	**Krafla**
	Stampede		**Bauge**	Vito	North-Komsomolskoye
	Martin Linge				
	TVEX[3]				
	Big Foot				
~40*	**~170***	**~185***	**~70***	**~165***	**~270***

- Major projects (list not exhaustive)
- Statoil-operated projects are in bold
- * Indicative plateau production from planned start-ups – Statoil equity share (mboe/d), not applicable for sum of production per year

1 Compound annual growth rate.
2 Rebased 2016 of 1,958 mboe/d, adjusted for the KKD transaction.
3 TVEX: Tahiti vertical expansion.

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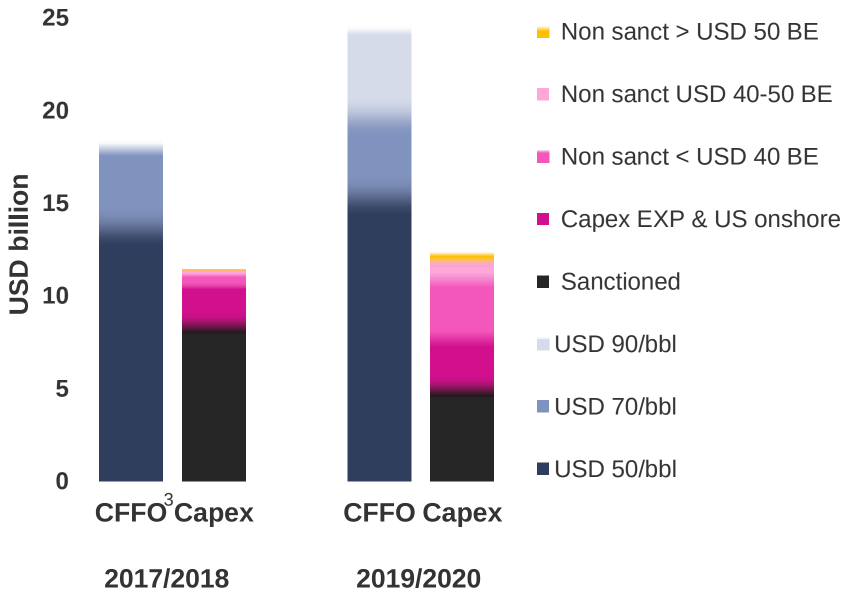
Strong cash generation – high value reinvestment

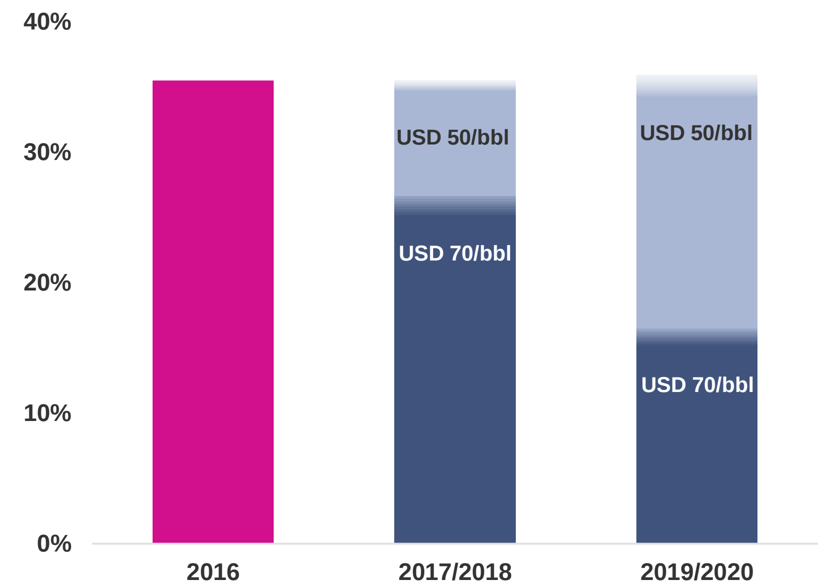
Growing cash flow with flexibility[1]

Free cash flow positive @ USD 50/bbl in 2017



Managing the balance sheet[2]

Reducing net debt at > USD 50/bbl



1 For illustrative purposes; assumes 40% out-take rate for the remaining scrip programme period.
2 In the price scenarios, the following real prices have been assumed (Brent Blend USD per barrel / NBP USD per million Btu): 50/5.5, 70/6.5 and 90/8.5
3 Cash flow from operations.

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Sustainable value creation from financial discipline

Investing in world class portfolio

- Break-even @ USD 27/bbl
- Material capex flexibility
- RoACE[1] above 10% @ USD 70/bbl 2020

Growing cash flow

- Visible production growth
- Improving cash margin
- FCF positive @ USD 50/bbl in 2017

Dividend policy remains firm

- Maintain dividend at USD 0.2201[2]
- Scrip programme in 2017[2]
- Share buyback option[2]

Maintaining financial flexibility

- A-category rating on a stand-alone basis
- Gearing comfortable in 30s; long term 15-30%
- Active portfolio management

1 Return on average capital employed.
2 Subject to approval at the Annual General Meeting (AGM).

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2017 | Guidance

	Period	Outlook
Organic capex	2017	USD ~11 billion[1]
Production	2016-2017 2016-2020	~4-5% organic production growth ~3% organic CAGR
Exploration	2017	USD ~1.5 billion
Efficiency improvements	2017	USD 1 billion

1 Based on USD/NOK exchange rate of 8.5

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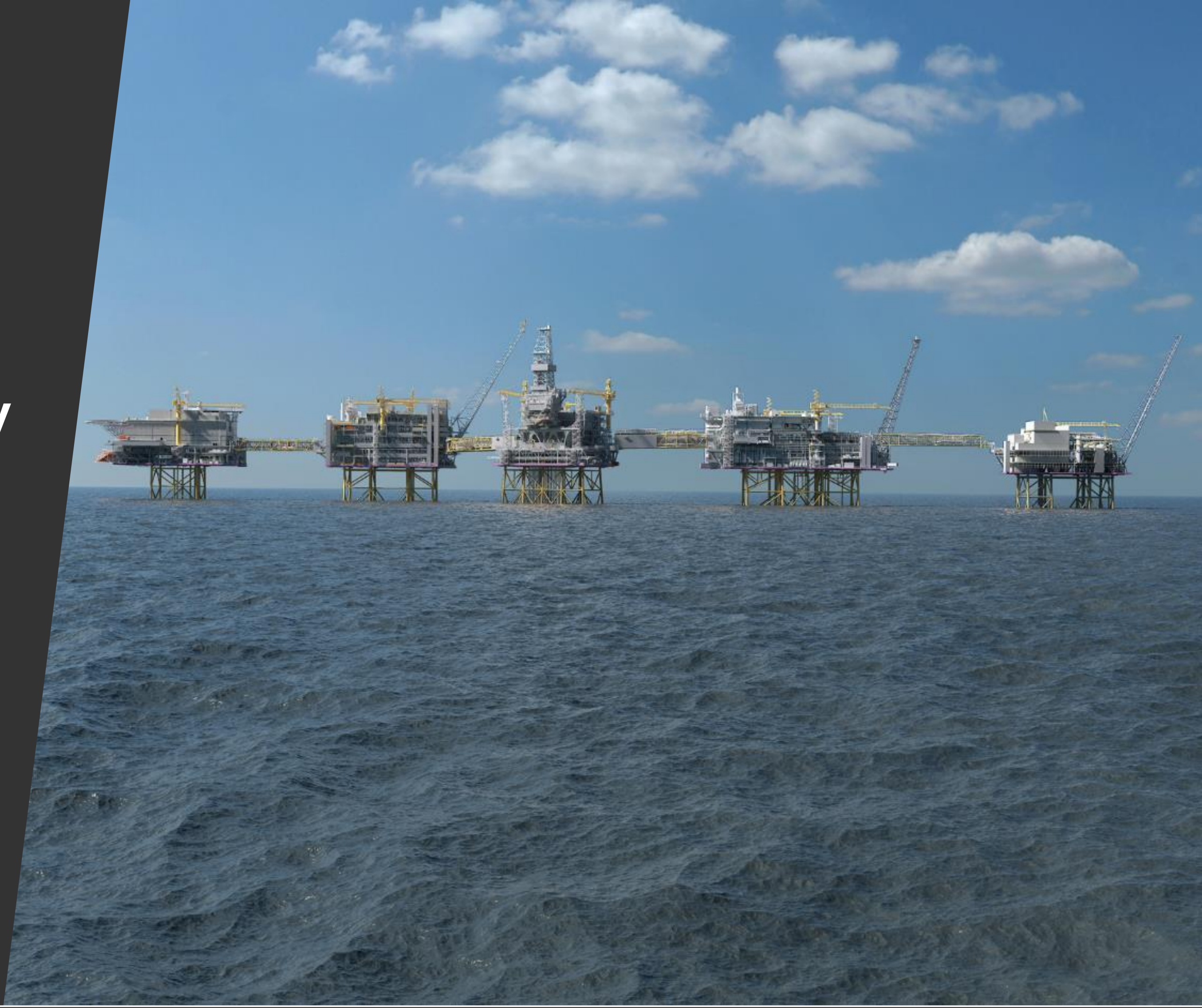
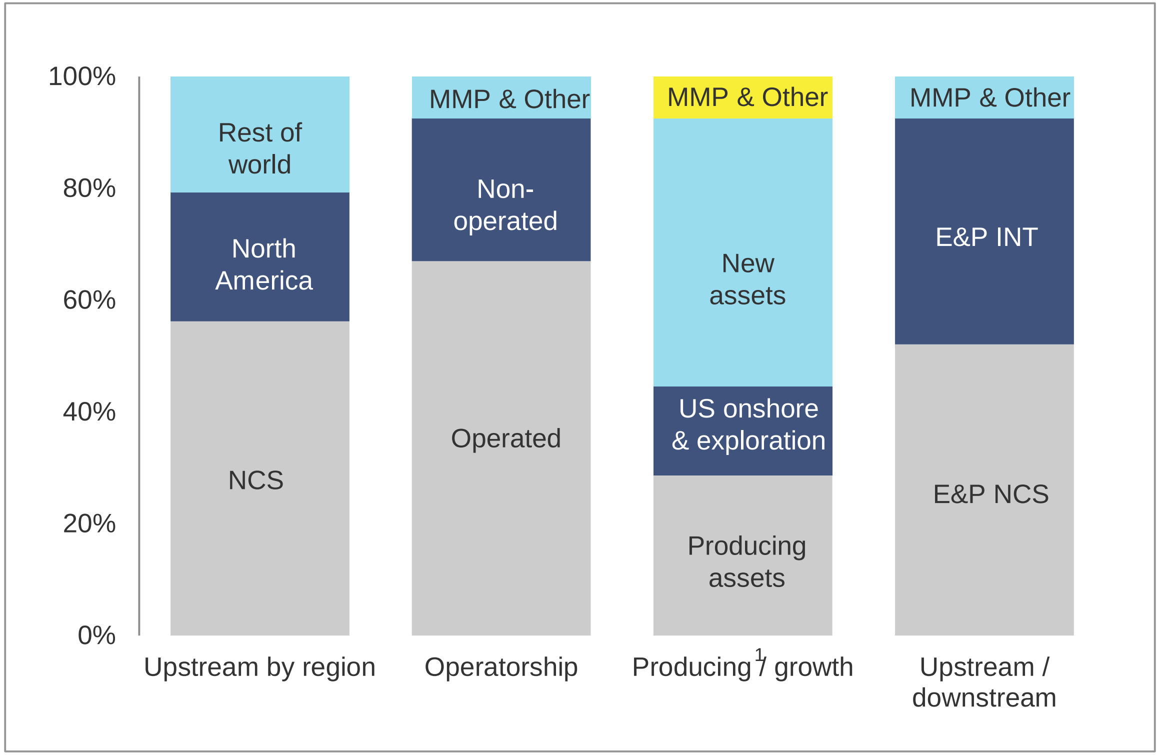
Supplementary Information



Investing for profitable growth

Investment profile 2017-18



- 55% on the NCS
- 65% in operated assets
- 50% in new assets
- 90% upstream related

1 Producing assets including IOR

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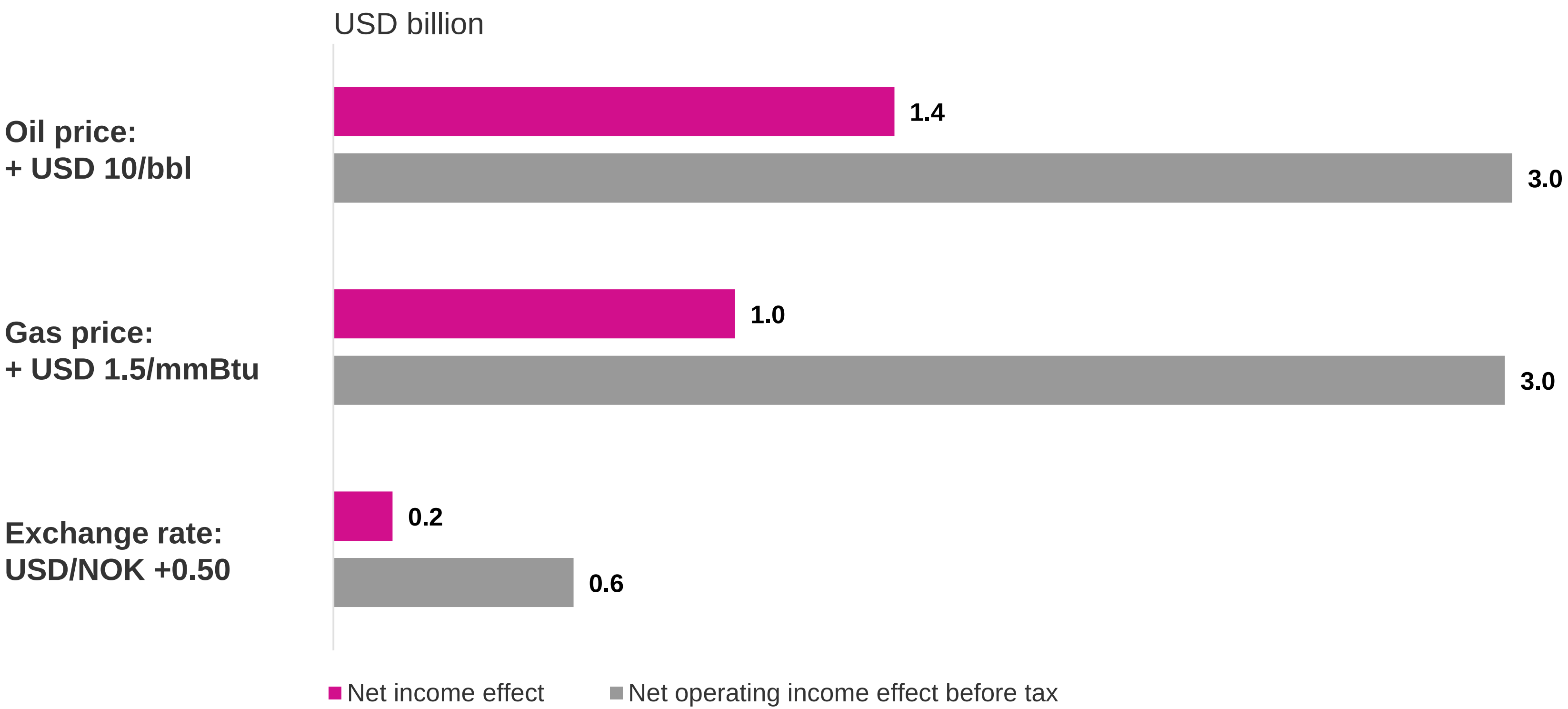
Sensitivities[1]– indicative effects on 2017 results



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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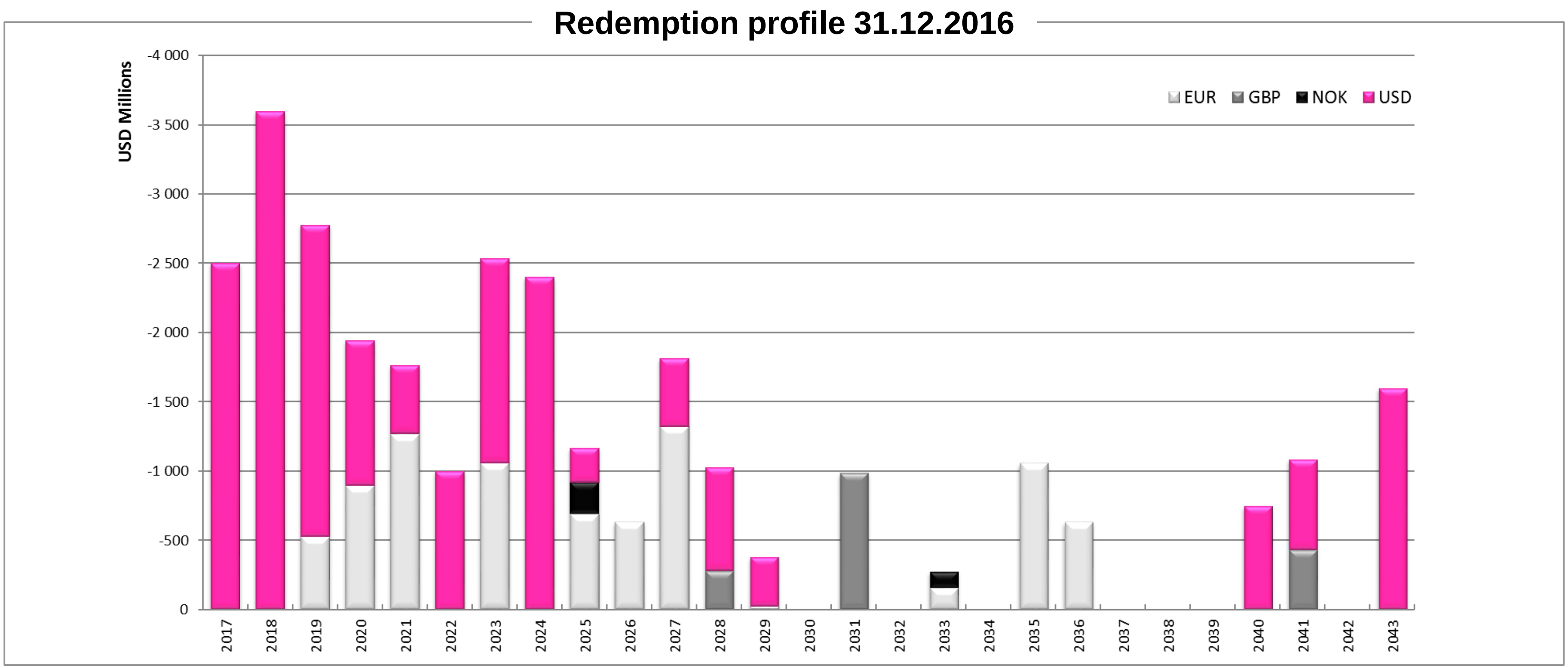
Long term debt maturity profile



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