Capitalising on high value opportunities
London, 7 February 2017
Hans Jakob Hegge – Executive Vice President and CFO
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 capital 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

<table>
<thead>
<tr>
<th>Financial results</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adjusted earnings: USD 4.1 billion – reflecting low prices</td>
</tr>
<tr>
<td>• NOI(^1): USD 80 million – impacted by impairments</td>
</tr>
<tr>
<td>• Solid cash flow</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strong production – above guiding</td>
</tr>
<tr>
<td>• High production efficiency – increased well capacity</td>
</tr>
<tr>
<td>• 93% reserve replacement ratio</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Improvement programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>• USD 3.2 billion in annual efficiency gains</td>
</tr>
<tr>
<td>• Average BE @ USD 27/bbl for next generation portfolio(^2)</td>
</tr>
<tr>
<td>• Organic capex reduced by USD 3 billion to 10.1</td>
</tr>
</tbody>
</table>

\(^1\) Net operating income
\(^2\) Statoil- and partner-operated projects, sanctioned since 2015 or planned for sanction, with start-up by 2022. Volume weighted.
### Adjusted earnings:

#### Group¹

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

#### D&P Norway

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

<table>
<thead>
<tr>
<th></th>
<th>Pre tax</th>
<th>After tax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4Q16</strong></td>
<td>1,664</td>
<td>(40)</td>
</tr>
<tr>
<td><strong>4Q15</strong></td>
<td>1,778</td>
<td>185</td>
</tr>
<tr>
<td><strong>Pre tax</strong></td>
<td>1,972</td>
<td>552</td>
</tr>
<tr>
<td><strong>After tax</strong></td>
<td>(681)</td>
<td>(708)</td>
</tr>
</tbody>
</table>

#### D&P International

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

<table>
<thead>
<tr>
<th></th>
<th>Pre tax</th>
<th>After tax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre tax</strong></td>
<td>2,008</td>
<td>630</td>
</tr>
<tr>
<td><strong>After tax</strong></td>
<td>(674)</td>
<td>(720)</td>
</tr>
</tbody>
</table>

#### MMP

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

<table>
<thead>
<tr>
<th></th>
<th>Pre tax</th>
<th>After tax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre tax</strong></td>
<td>514</td>
<td>275</td>
</tr>
<tr>
<td><strong>After tax</strong></td>
<td>423</td>
<td>260</td>
</tr>
</tbody>
</table>

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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

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 Adjusted for currency effects.
2 Production wells.
3 NCS production efficiency.
4 Share of realised improvement effect.
Capitalising on high value opportunities

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From programme to culture

Unlocking further efficiency potential

- Drilling cost per offshore well: 35% cost reduction
- US onshore cost per boe: 64% cost reduction
- Unit production cost: 18% cost reduction
- Sales, general & administration: 30% cost reduction
- Production efficiency: >6.5 p.p.

2016 delivery vs 2013 baseline:
- Delivered improvements
- 2017 ambitions

Continuous improvement

USD billion

- Original 2016 ambition: 1.3 billion
- 2016 ambition: 2.5 billion
- 2016 delivery: 3.2 billion
- 2017 ambition: 1.0 billion

New measures from continuous improvement
Forward impact from improvement programme

1. Production wells
2. NCS production efficiency
3. Annual continuous improvement from 2017
4. Realisation of estimated facility effects compared to 2013 baseline
Investing in next generation portfolio

World class projects 2015-22

Average break-even | USD 27/bbl
Oil share | 65%
Payback\(^2\) | 2023 @ USD 50/bbl

Average IRR\(^3\)

- 30%: USD 90/bbl
- 20%: USD 70/bbl
- 10%: USD 50/bbl
- 0%: USD 0/bbl

More for less\(^4\)

Break-even oil price (USD/bbl)

Recoverable resources (mmboe)

- February 2016
- February 2017

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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

<table>
<thead>
<tr>
<th>Equity production mboe/d</th>
</tr>
</thead>
<tbody>
<tr>
<td>US onshore and DPN flex gas</td>
</tr>
<tr>
<td>International excl. US onshore</td>
</tr>
<tr>
<td>DPN excl. flex gas</td>
</tr>
</tbody>
</table>

-3% CAGR\(^1\)
~4-5%

Major start-ups planned for 2017-2022

<table>
<thead>
<tr>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gina Krog</td>
<td>Aasta Hansteen</td>
<td>Johan Sverdrup</td>
<td>Peregrino Phase 2</td>
<td>Troll Future</td>
<td>Johan Sverdrup future</td>
</tr>
<tr>
<td>Hebron</td>
<td>Mariner</td>
<td>Trestakk</td>
<td>Utgard</td>
<td>Snøhvit Askeladd</td>
<td>Johan Castberg</td>
</tr>
<tr>
<td>Oseberg Vestflanken</td>
<td>Snorre Expansion</td>
<td>Eirin</td>
<td>Bauge</td>
<td>Vito</td>
<td>Krafla</td>
</tr>
<tr>
<td>Stampede</td>
<td>Martin Linge</td>
<td>TVEX(^3)</td>
<td>Big Foot</td>
<td></td>
<td>North-Komsomolskoye</td>
</tr>
</tbody>
</table>

~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.
Strong cash generation – high value reinvestment

Growing cash flow with flexibility
Free cash flow positive @ USD 50/bbl in 2017

Managing the balance sheet
Reducing net debt at > USD 50/bbl

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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.
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

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\(^1\) Return on average capital employed.  
\(^2\) Subject to approval at the Annual General Meeting (AGM).
## Guidance 2017

<table>
<thead>
<tr>
<th>Period</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organic capex</strong></td>
<td>2017 USD ~11 billion(^1)</td>
</tr>
<tr>
<td><strong>Production</strong></td>
<td>2016-2017 ~4-5% organic production growth</td>
</tr>
<tr>
<td></td>
<td>2016-2020 ~3% organic CAGR</td>
</tr>
<tr>
<td><strong>Exploration</strong></td>
<td>2017 USD ~1.5 billion</td>
</tr>
<tr>
<td><strong>Efficiency improvements</strong></td>
<td>2017 USD 1 billion</td>
</tr>
</tbody>
</table>

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\(^1\) Based on USD/NOK exchange rate of 8.5
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
Sensitivities¹ – indicative effects on 2017 results

- Oil price: + USD 10/bbl
  - Net income effect: 1.4 USD billion
  - Net operating income effect before tax: 3.0 USD billion

- Gas price: + USD 1.5/mmBtu
  - Net income effect: 1.0 USD billion
  - Net operating income effect before tax: 3.0 USD billion

- Exchange rate: USD/NOK +0.50
  - Net income effect: 0.2 USD billion
  - Net operating income effect before tax: 0.6 USD billion

¹ The sensitivity analysis shows the estimated 12 months effect of change in parameters. The change in parameters do not have the same probability.
Long term debt maturity profile