

Capital markets update

LONDON, FEBRUARY 7, 2018



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 of efficiency programmes including expected efficiency improvements, including expectations regarding costs savings from the improvement programme; capital expenditure and exploration guidance for 2017; production guidance; Statoil's value over volume strategy; 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 and expectations for equity production growth; planned maintenance and the effects thereof; impact of PSA effects; risks related to Statoil's production guidance; accounting decisions and policy judgments, ability to put exploration wells into profitable production, and the impact thereof; expected dividend payments, the scrip dividend programme and the timing thereof; estimated provisions and liabilities; and the projected impact or timing of administrative or governmental rules, standards, decisions or laws, including with respect to 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 or wells 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, 2016, filed with the U.S. Securities and Exchange Commission (and section 2.10 Risk review – Risk factors thereof). Statoil's 2016 Annual Report and Form 20-F is available at Statoil's website 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 these forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any of these statements after the date of this report, whether to make them either conform to actual results or changes in our expectations or otherwise.

Prices used in the presentation material are given in real 2017 value, unless otherwise stated. We also confirm that we have obtained approval from IHS Markit, Barclays, IPA, Rushmore and Wood Mackenzie to publish data referred to on slides in this presentation.



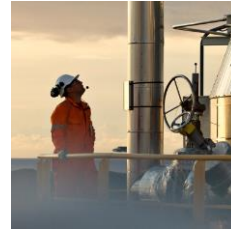
Delivering high value on the NCS

Arne Sigve Nylund & Margareth Øvrum
EVP Development and Production Norway & EVP Technology, Projects and Drilling



Statoil **uniquely positioned**
to capture long term value
from the NCS

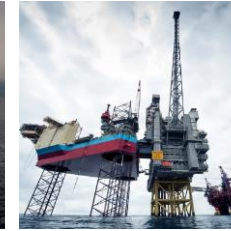
Value drivers



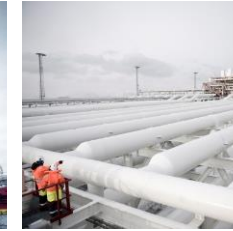
Operational
excellence



World class
recovery



Leading project
delivery



Premium
market access



Digital
leader

Five decades of renewal
and innovation



Resources, assets and
infrastructure in place



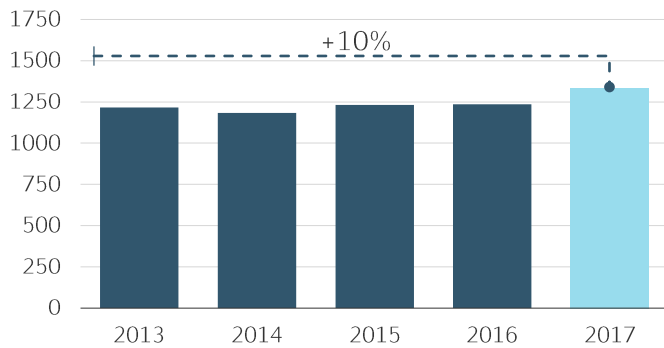
World class
project portfolio

OPERATIONAL EXCELLENCE

Growing production - reducing costs

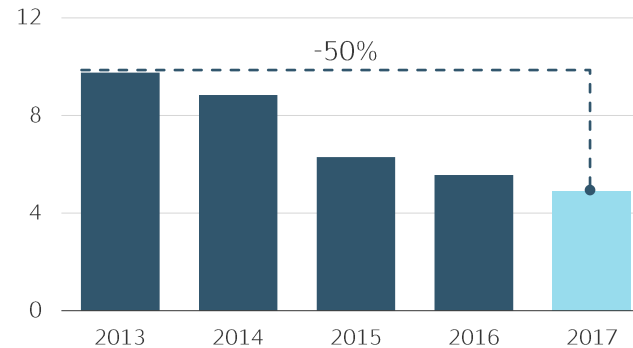
Total production

kboe/d



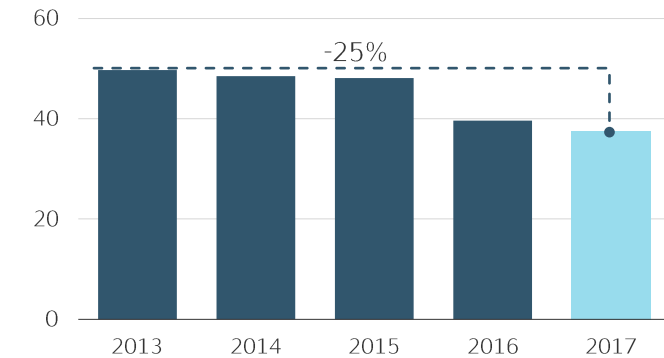
Capex

bn USD

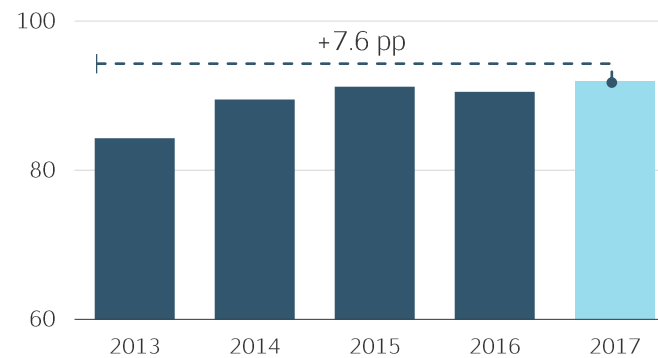


Unit production cost

NOK/boe



Production efficiency¹



1. Statoil operated fields. pp = percentage point.

CO₂ Intensity²

8.2
kg/boe

CO₂ reductions

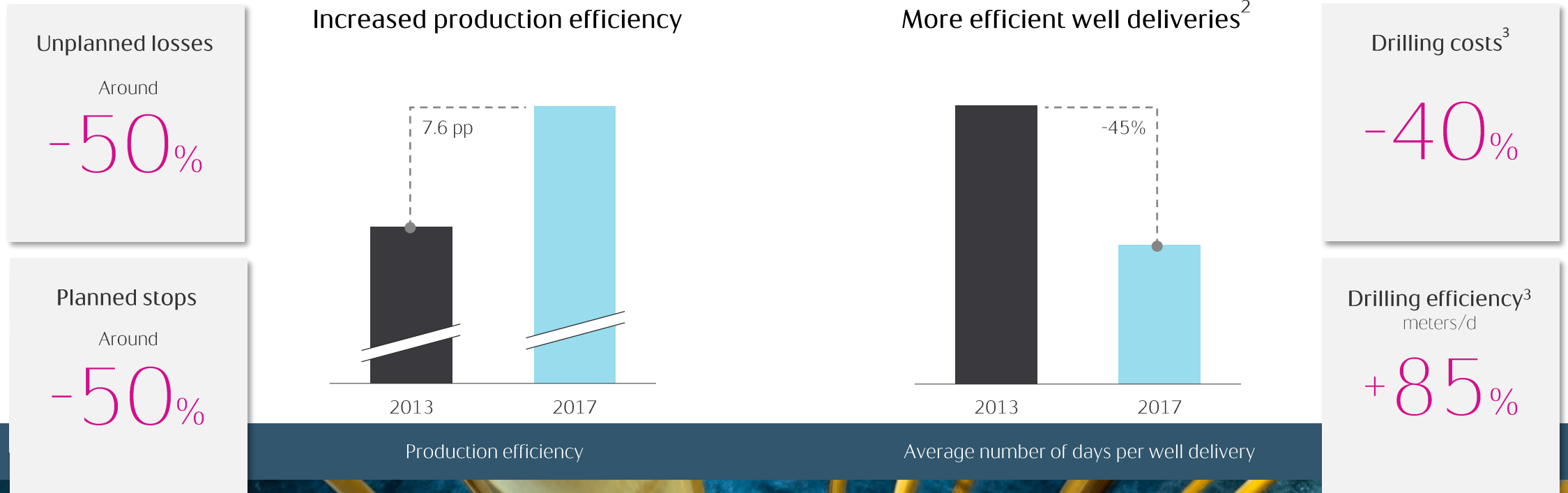
1400
ktonnes³

700
million NOK⁴

2. 2017 CO₂ intensity upstream conventional, Statoil Operated NCS.
 3. 2017 reduction compared to 2008 level, 100% Statoil Operated NCS upstream.
 4. 2017 reduction compared to 2008 level, total CO₂ cost @500 NOK/tonne, 100% Statoil operated NCS upstream.

OPERATIONAL EXCELLENCE

Adding around 125k barrels per day¹

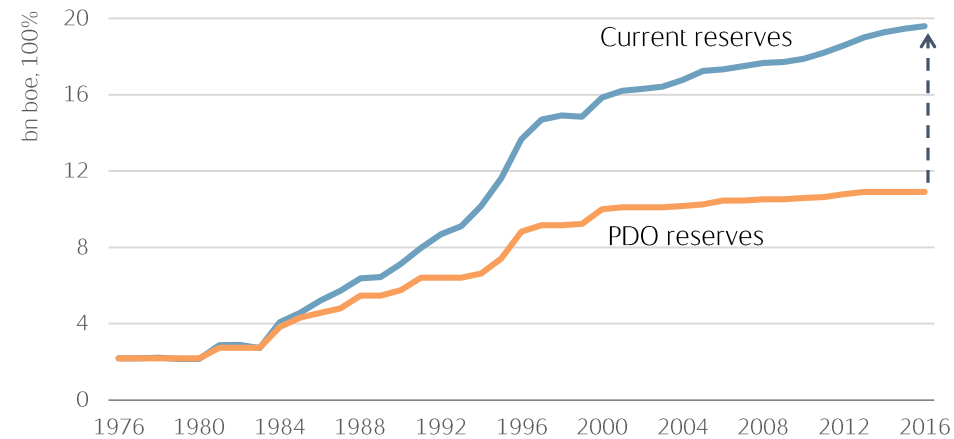


1. Statoil operated activity- estimated production increase compared to 2013 performance.
2. Production wells on NCS (greenfield and brownfield).
3. Average per production well.

WORLD CLASS RECOVERY

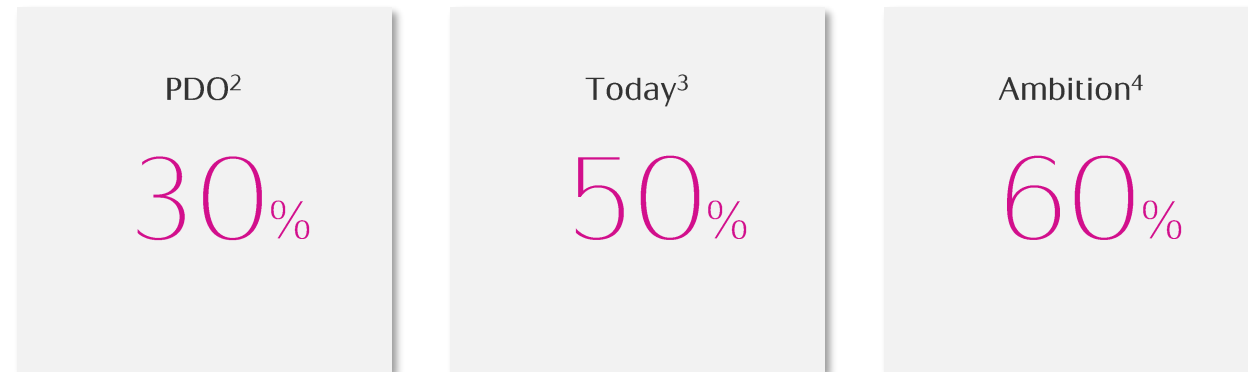
Adding 9 billion barrels of oil reserves¹

Recoverable oil reserves



Life time extension on
23 installations
ongoing

Recovery factors



1. 100% Statoil operated oil fields in production- equivalent to 3.6 bn barrels Statoil share by 31.12.16.
 2. Expected ultimate recovery at Plan for development and operation (PDO).
 3. Expected ultimate recovery year end 2017, average.
 4. Ultimate recovery ambition, average.



Annual new wells ambition⁵

Number of production wells

80-100

Reserves (mmboe)⁶

100-120

Break-even

Below 20 USD/boe

Payback time

Less than 10 months

5. Statoil operated wells.
 6. Statoil share.

LEADING PROJECT DELIVERY

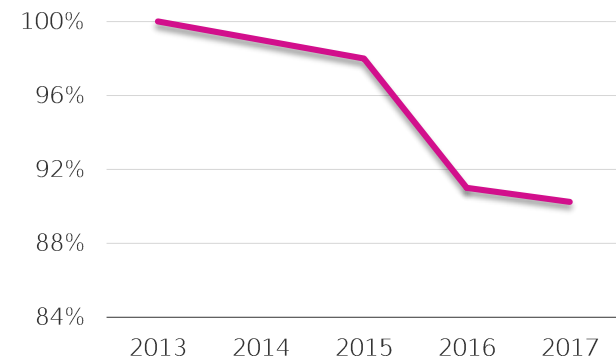
Delivering competitive projects and wells

Next generation portfolio¹



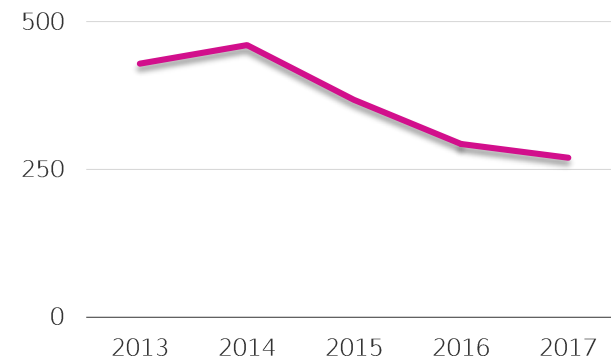
Cost development projects in execution⁵

Percentage



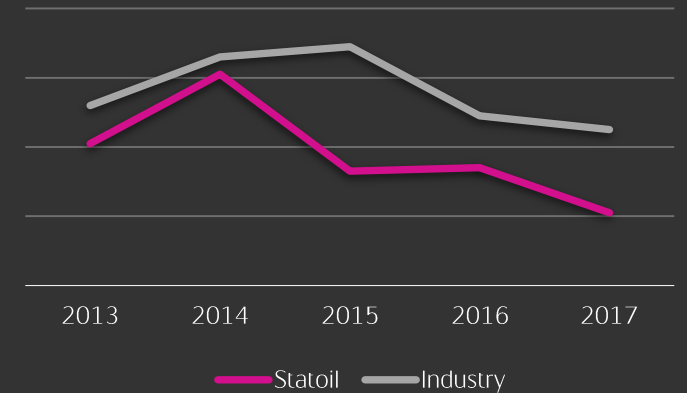
Cost per well⁶

Million NOK/well



1. Statoil and partner operated projects, sanctioned since 2015 or planned for sanction, with start-up by 2022.
 2. Volume weighted.
 3. Increase in value from 2017 to 2018.
 4. Assuming 70 USD/bbl.
 5. Statoil operated projects. Expected estimate compared to sanctioned estimate, nominal with fixed currency. Numbers 100%.
 6. All Statoil operated offshore well deliveries, adjusted for currency effects. Numbers 100%.

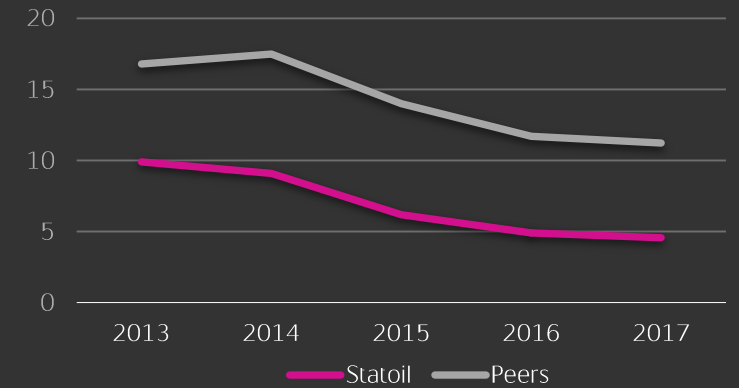
IPA cost efficiency asset⁷



7. IPA Independent Project Analysis. www.ipaglobal.com. IPA cost efficiency asset score for projects at time of sanctioning. Measures both facilities and drilling scope.

Rushmore Average cost per meter⁸

kUSD/m



8. IHS Rushmore. www.RushmoreReviews.com. (All rights reserved). Global well delivery benchmarking data. Offshore development wells, dry hole well cost per meter drilled. Numbers based on status per third quarter 2017.

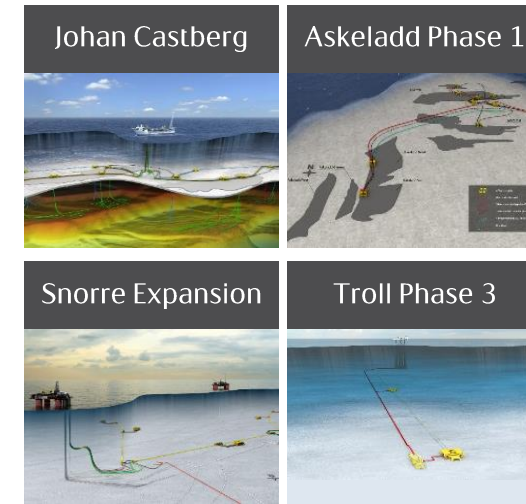
LEADING PROJECT DELIVERY

Continuous improvement and lasting changes

- Simplification in **what** we build and **how** we build
- Perfect well / Perfect project - setting ambitious targets
- Design to value - design to carbon



<p>Break-even 16 USD/bbl</p> <p>Competitive concept Subsea on slim legs.</p>	<p>Break-even 14 USD/bbl</p> <p>Integrated contracts. Simplified design.</p>	<p>Break-even 24 USD/bbl</p> <p>Reuse of existing installations.</p>	<p>Break-even below 20 USD/bbl</p> <p>Simplifications & copying.</p>
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Volume weighted break-even
16 USD/bbl

Design to value, standardisation and synergies across the portfolio.



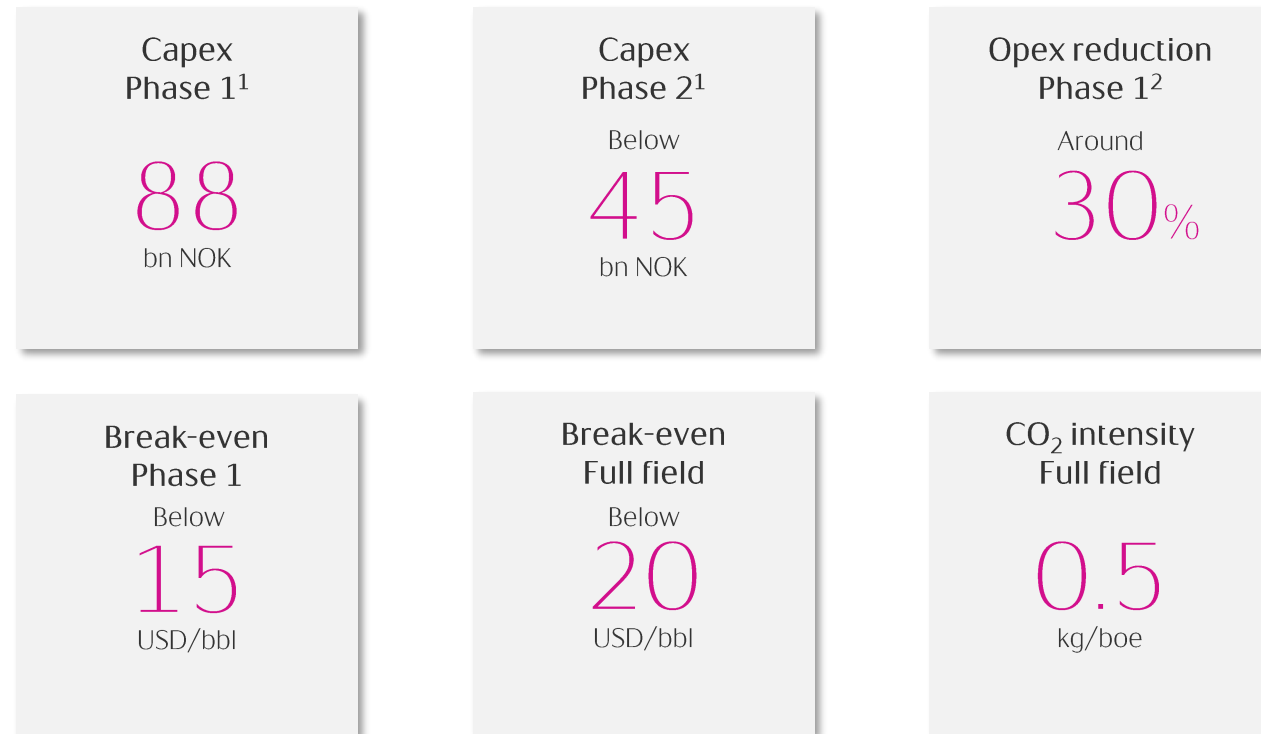
Concept optimisation.



Johan Sverdrup

Highly profitable production starting next year

- Increased volumes, reduced capex and opex
- 17 wells delivered – more than one year ahead of plan
- More robust schedule



1. Numbers 100%, nominal, fixed currency and excluding IOR.

2. Average opex improvement in 100% since Johan Sverdrup Phase 1 PDO.



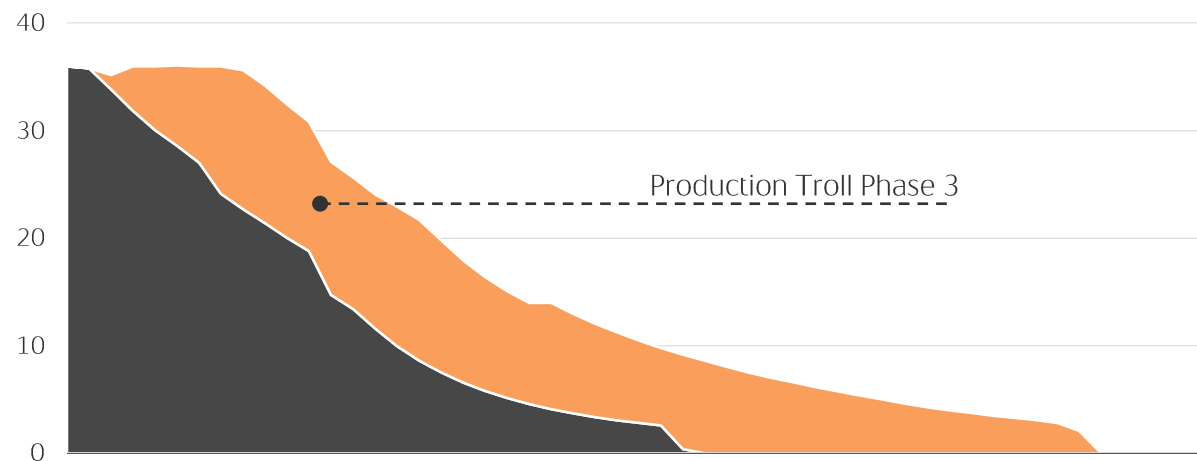
Troll phase 3

Continuous renewal of a giant

- Extended gas plateau by **7 years**
- Extended gas production by **19 years**
- Planned start-up **2021**

Competitive project and well deliveries¹

Yearly export (bcm)



1. Assumes yearly production permit of 36 bcm/year and license extension.



Key project data

Expected reserves

2,200
mmboe

Break-even

Below

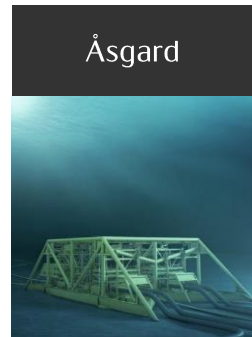
10
USD/bbl

CO₂ intensity

0.1
kg/boe

Roadmap towards an unmanned Remotely Operated Factory - ROF™

Innovation, technology and digitalisation for a future-fit portfolio



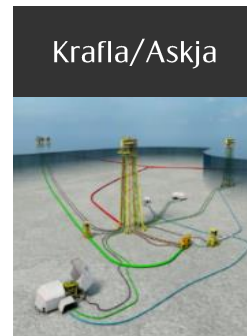
In operation
Subsea compression



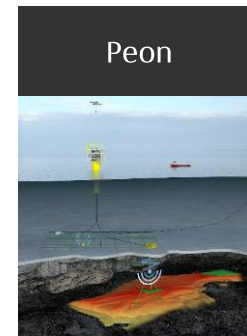
In operation
Offshore floating wind



Ongoing
Unmanned Wellhead Platform (UWP™)



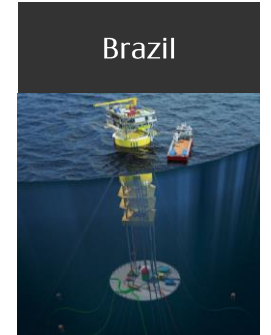
Unmanned production platform, supported from host (UPP™)



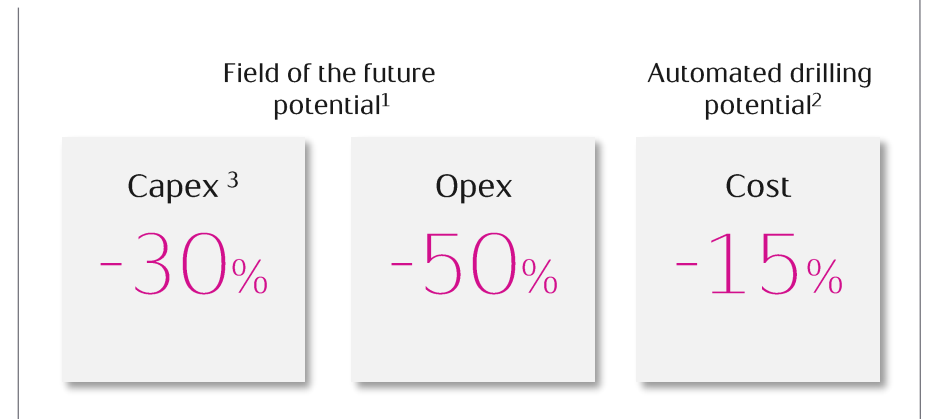
Stand alone gas/condensate development



Stand alone remote oil and gas field developments



Ultra deep water UPP™



1. New concept compared to conventional facility.
2. Automated drilling compared to conventional.
3. Facility capex.

DIGITAL LEADER

Digitalisation drives the next wave of improvements



1. 3% increase in production – 2020 to 2025. Statoil share pre-tax.
2. Automated drilling compared to conventional.
3. New facility concept compared to conventional.

Digitalisation & innovation
Potential

Value creation producing fields¹

Above **2** bn USD

Automated drilling – cost²

Around

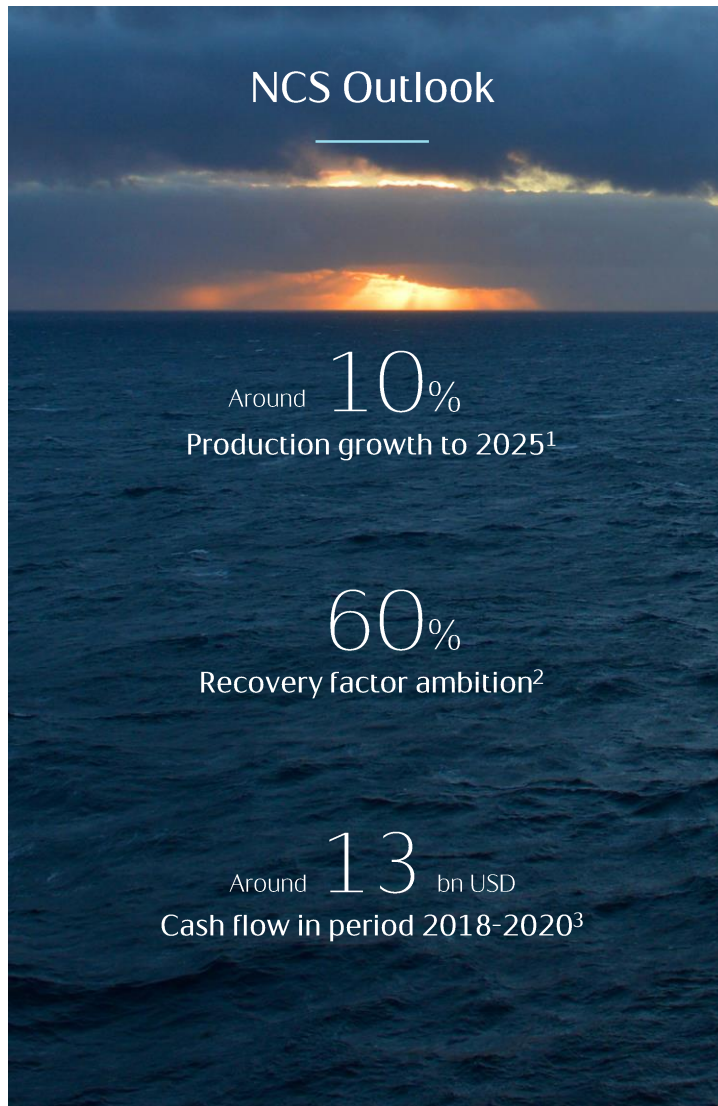
-15%

Field of the future – capex³

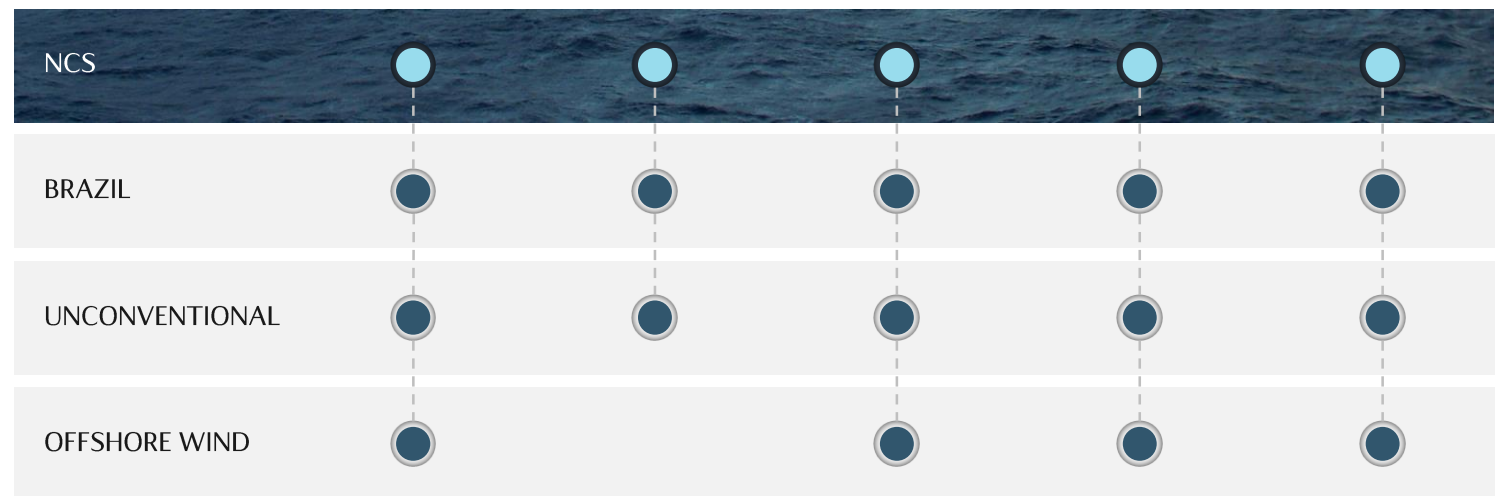
Around

-30%

Creating value from competence & technology on NCS – leveraging internationally



Value drivers



1. Total growth from 2017.
 2. Ultimate recovery ambition, average.
 3. Net cash flow after tax and investments from NCS portfolio (producing, sanctioned, non-sanctioned and including Martin Linge considerations) assuming 70 USD/bbl.