

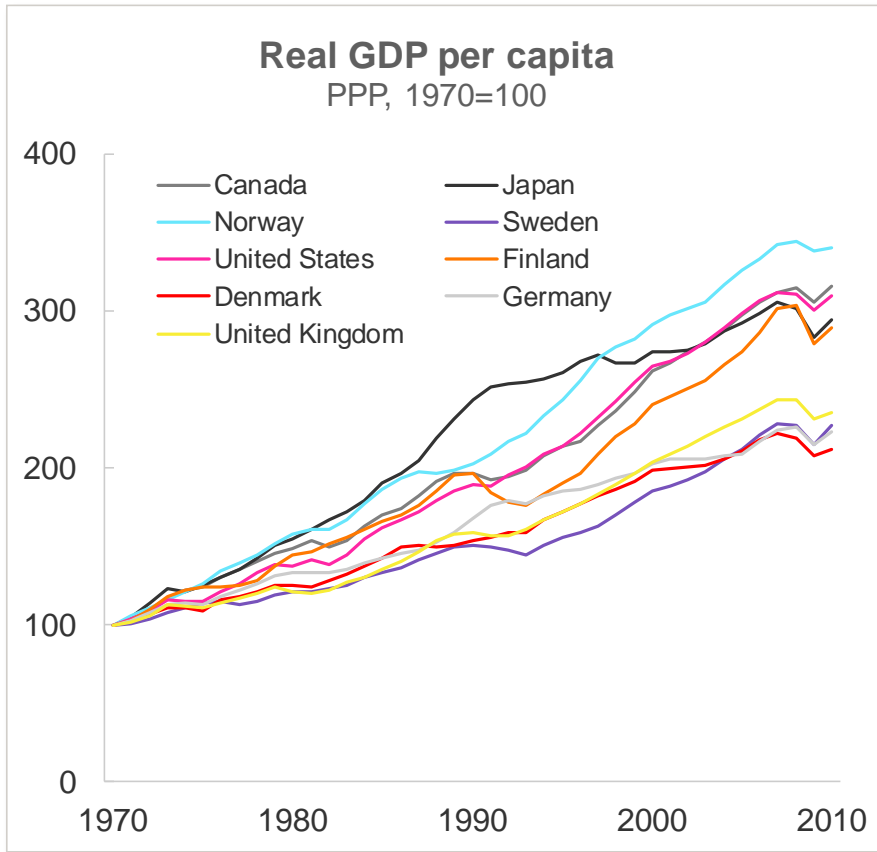
Statoil Venture Showcase

20th April 2017

Elisabeth Aarrestad – Vice President Market Analysis

Petroleum has created wonders...

...and contributed to high growth, especially in Norway



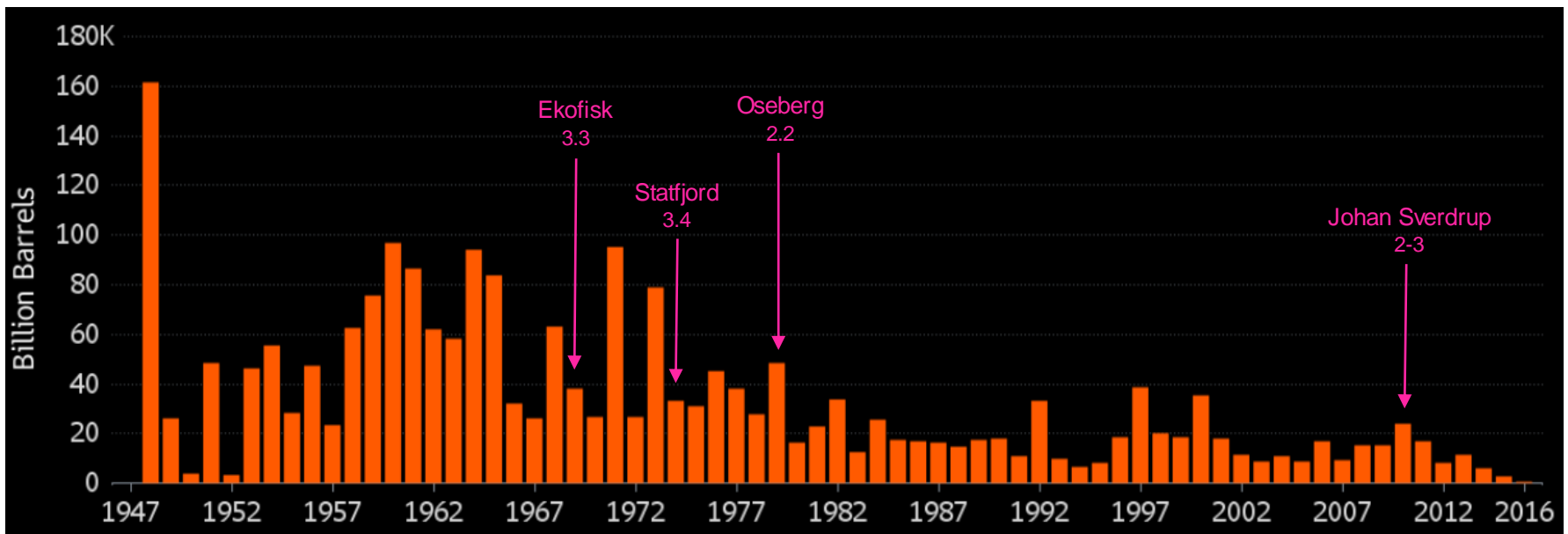
Source: OECD, Illustration: Roar Hagen



But explorers cut spending after price collapse

... which resulted in the lowest discoveries since 1947

Conventional Oil Discovered

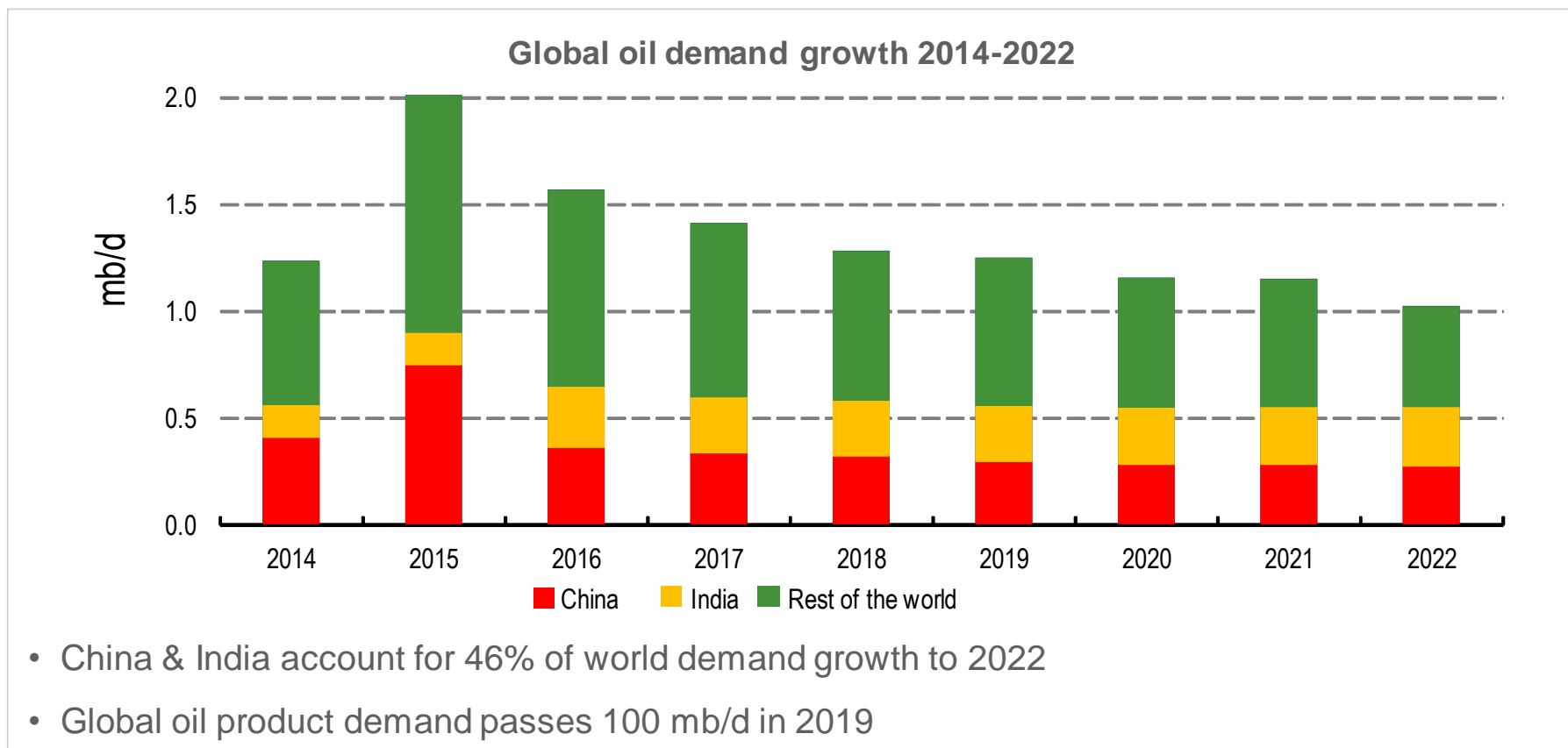


- 2016 figure covers exploration results to August
- Discoveries in 1947 amounted to just 230 million barrels

Source: Bloomberg, Wood Mackenzie

However, oil demand continues to grow

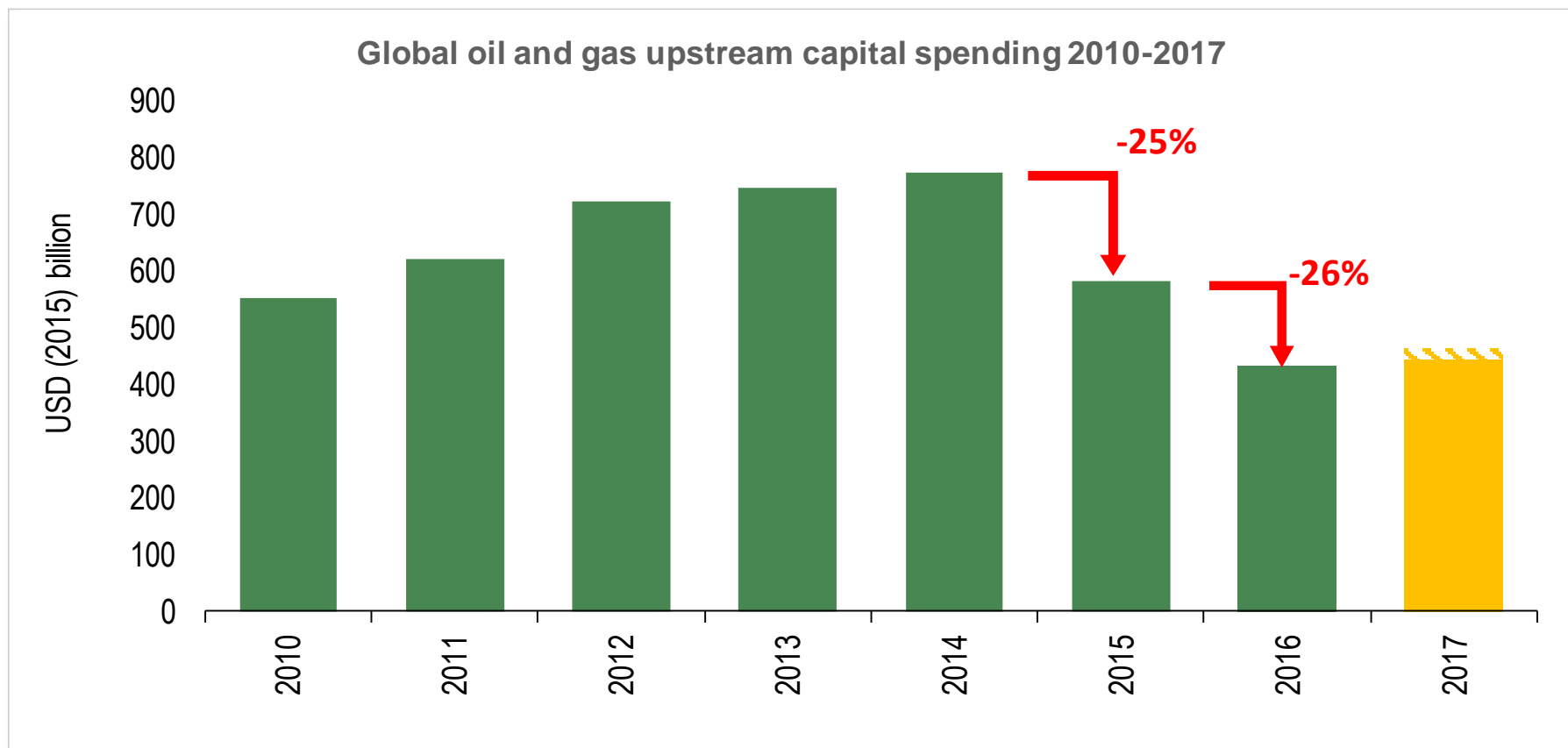
... in the short term, but at a lower pace



Source: IEA Oil 2017

Global upstream investments see rebound

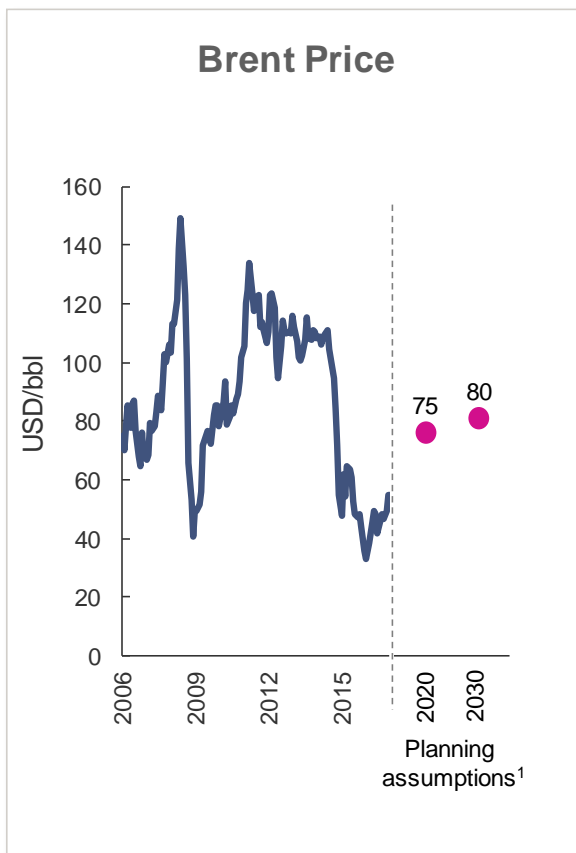
... and are on track to post gains in the range of 3-7% in 2017



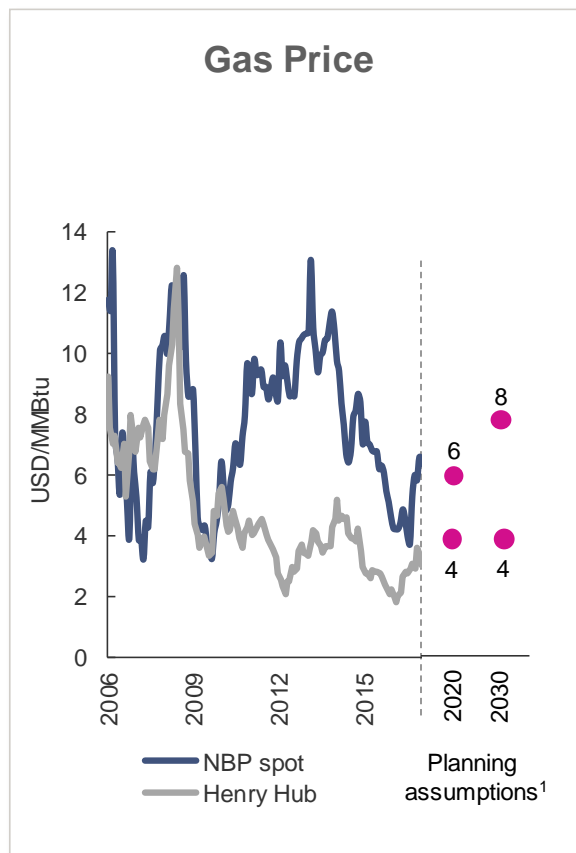
Source: IEA Oil 2017

Prices are up again but uncertainty prevails

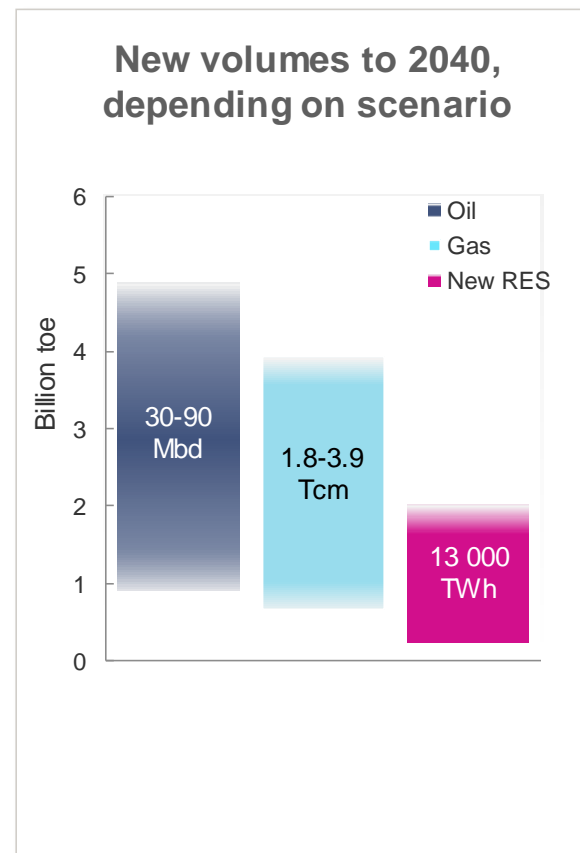
Important: Substantial need for new investments to satisfy demand



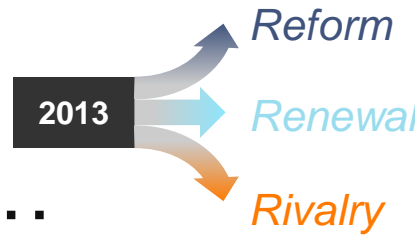
Source: Platts



Source: ICIS Heren, NYMEX

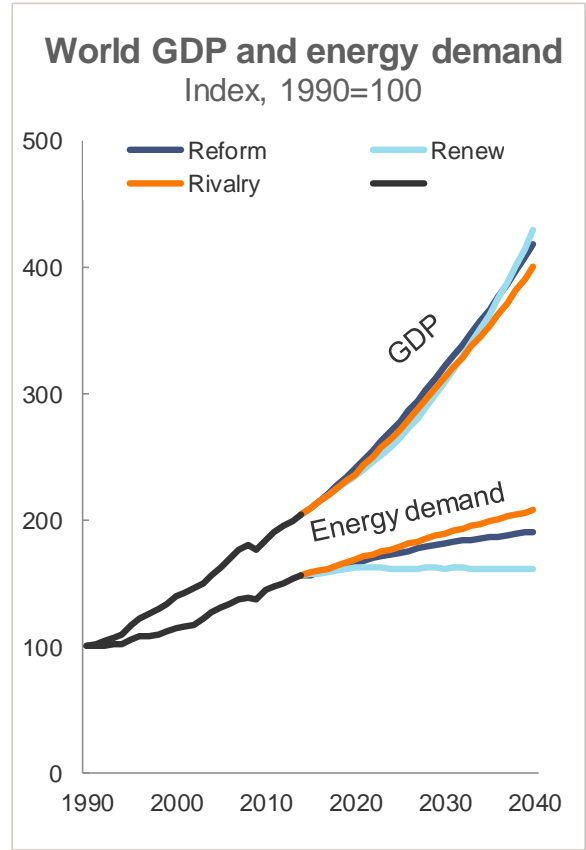
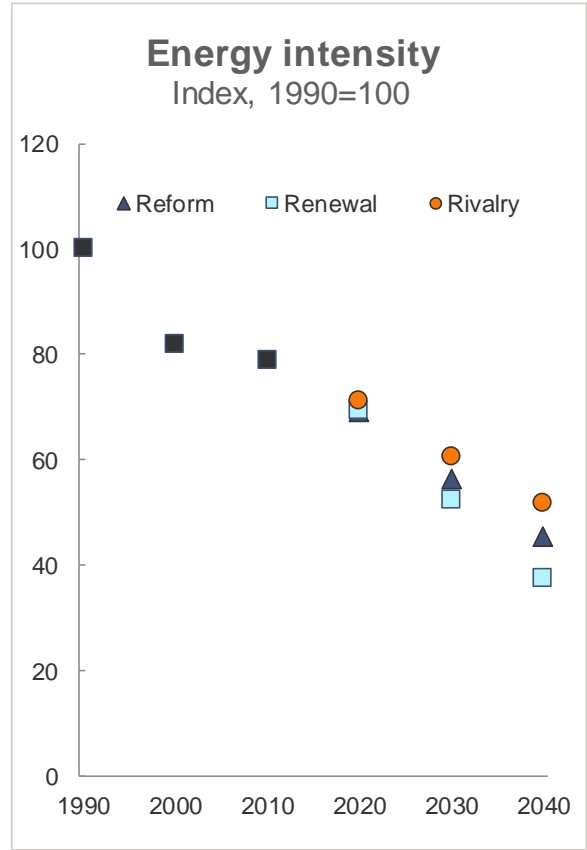
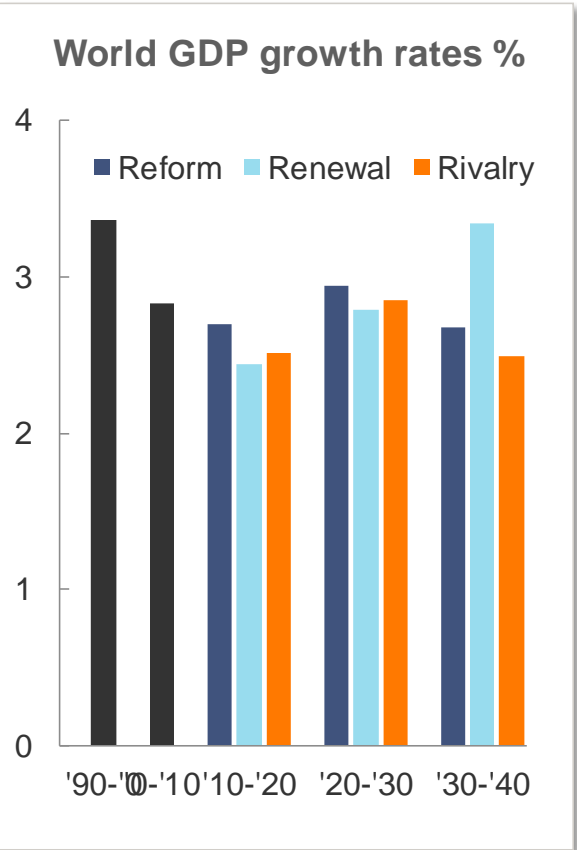


Source: Statoil Energy Perspectives 2016



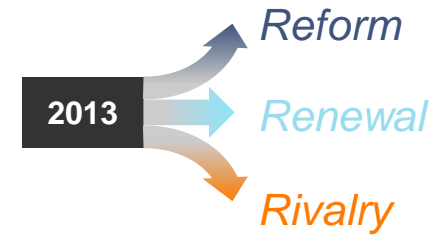
Several future scenarios are possible...

Rivalry, Reform, Renewal* - but the world is twice as rich and more efficient



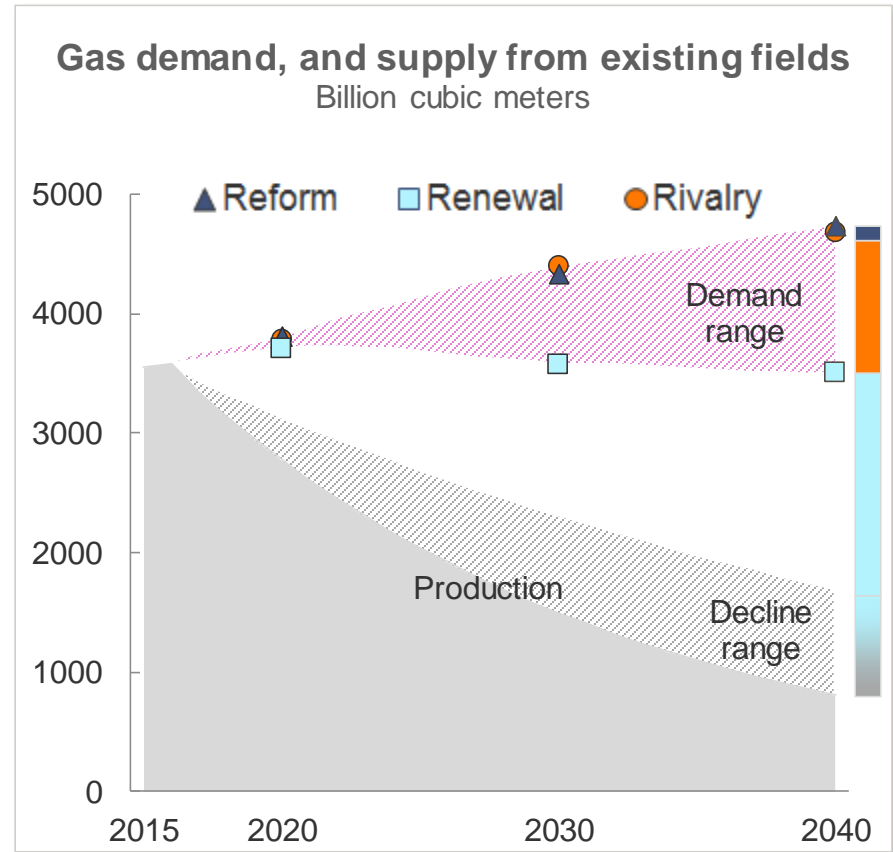
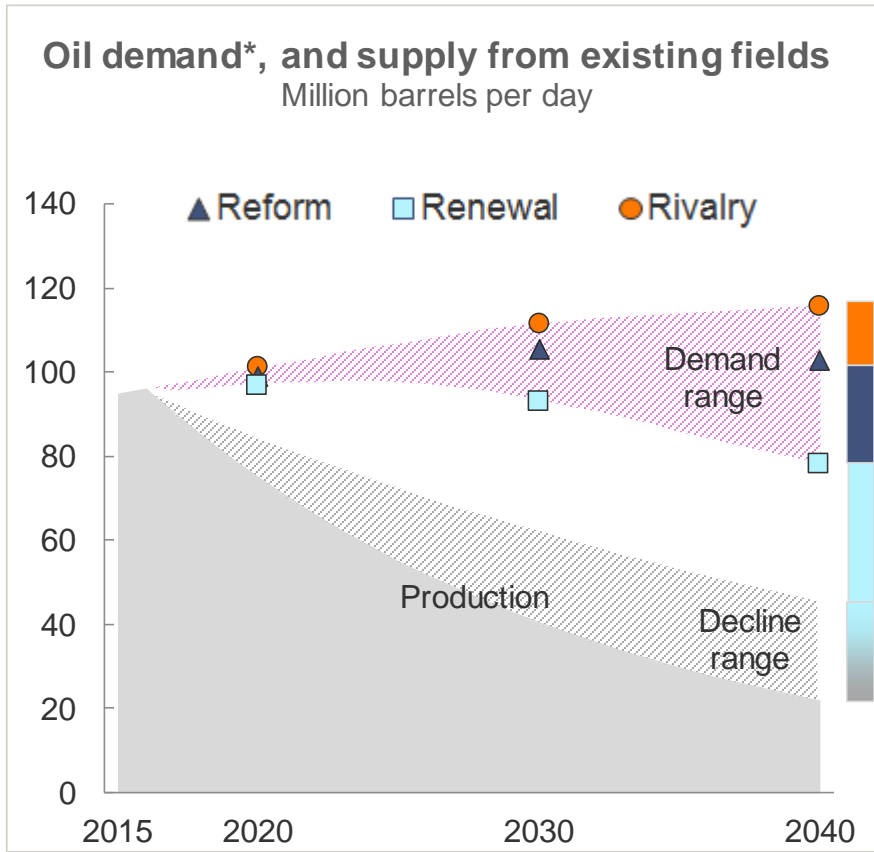
Source: Statoil Energy Perspectives 2016





Oil and gas are here to stay...

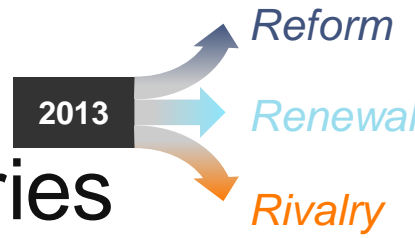
... for decades



Source: IEA (WEO 2015), Statoil (projections)

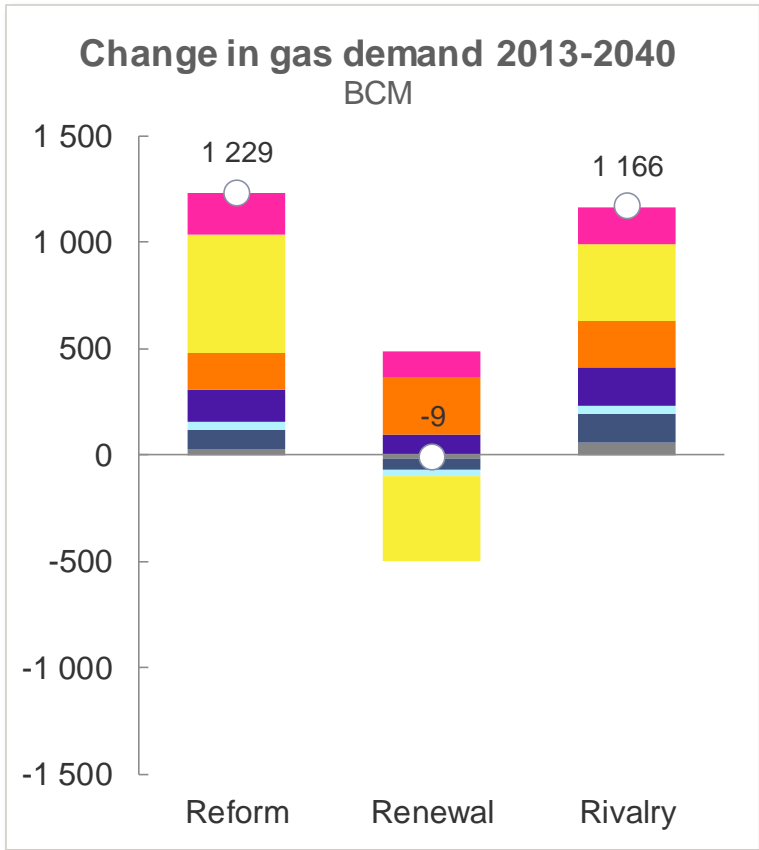
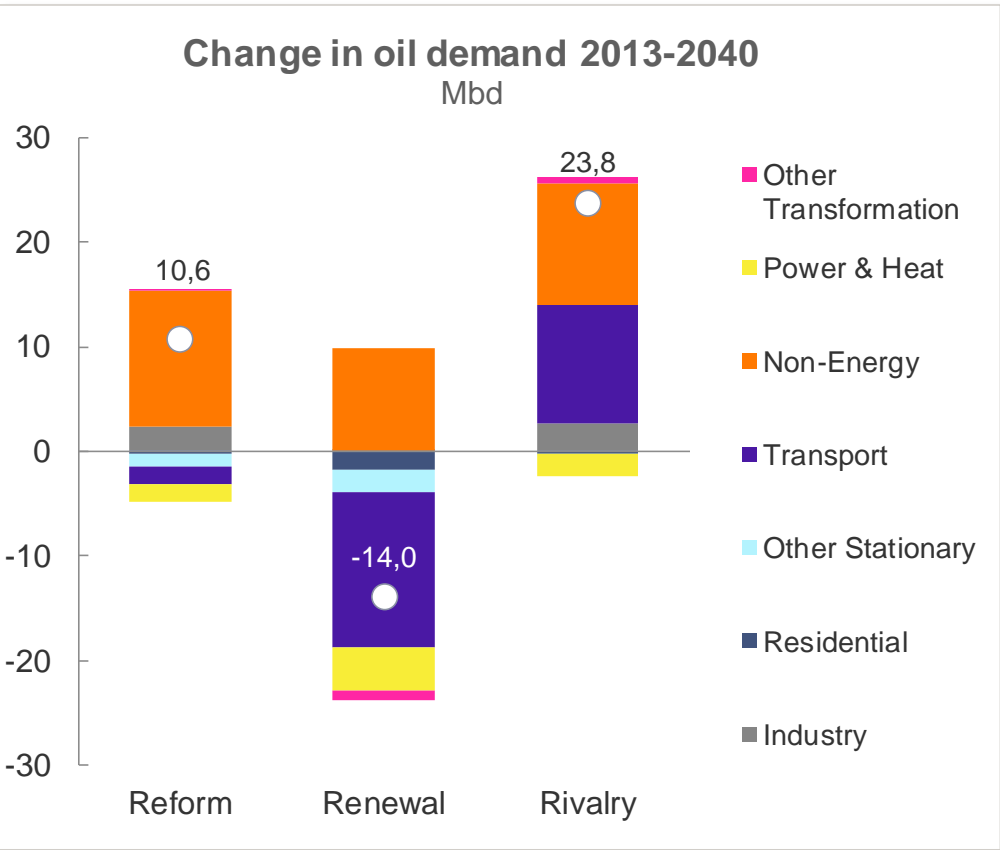
Assuming production from existing fields declining at 3-6% p.a.





Global oil and gas demand growth varies

Large variation across sectors – significant growth in non-energy demand



Source: Statoil Energy Perspectives 2016



Statoil is investing in next generation portfolio

... and plans to spend ~11bn USD organic capex and ~1.5bn USD on EXP

Planned start-up by 2022



2023 ▶

Average
break-even ~

27

USD/bbl

Average IRR² ~

25

%

Recoverable
resources

3.2

bn boe

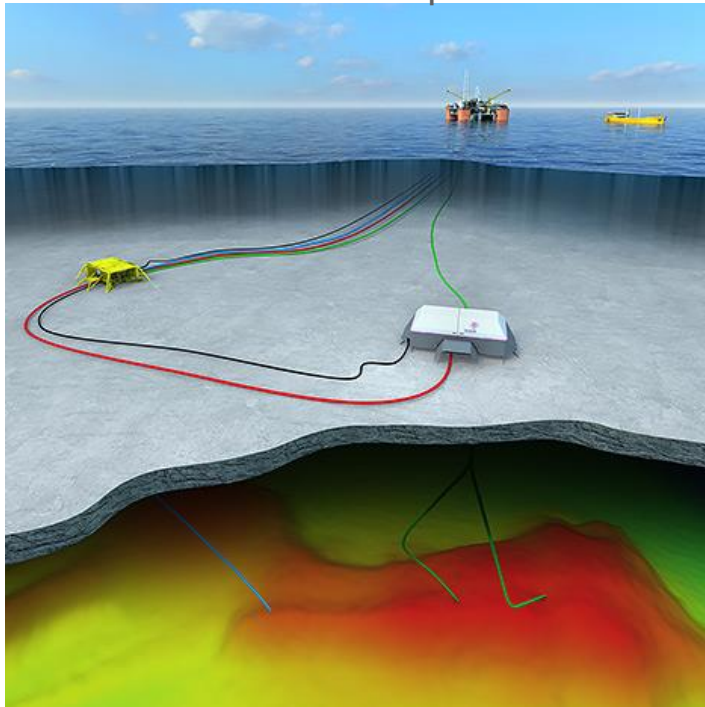
Continuing
improvements

Source: Statoil CMU Feb 2017

Statoil also invests in smaller high value projects

... such as the Njord and Bauge development projects

Bauge tie-in to upgraded Njord field Planned start-up: 2020



Source: OECD, illustration: Roar Hagen

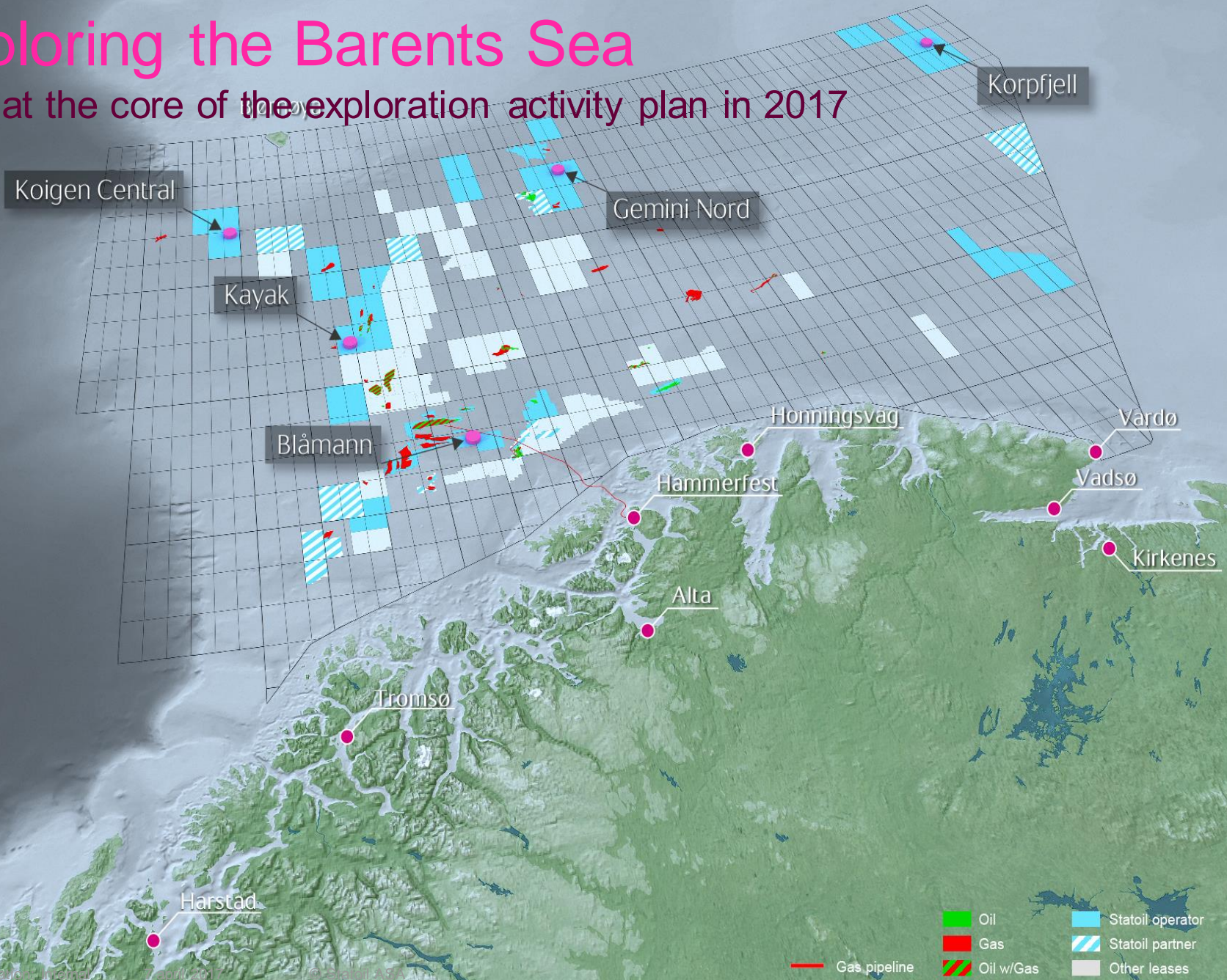
Prolonging Njord production by 20 years

- Planned capex total NOK 20 billion:
 - NOK 16 billion for Njord upgrades
 - NOK 4 for Bauge subsea tie-in
- Njord remaining resources of 175 mboe*
- Bauge resources of 73 mboe

*including Hyme

Exploring the Barents Sea

... is at the core of the exploration activity plan in 2017



There's never been a better
time for **good ideas**

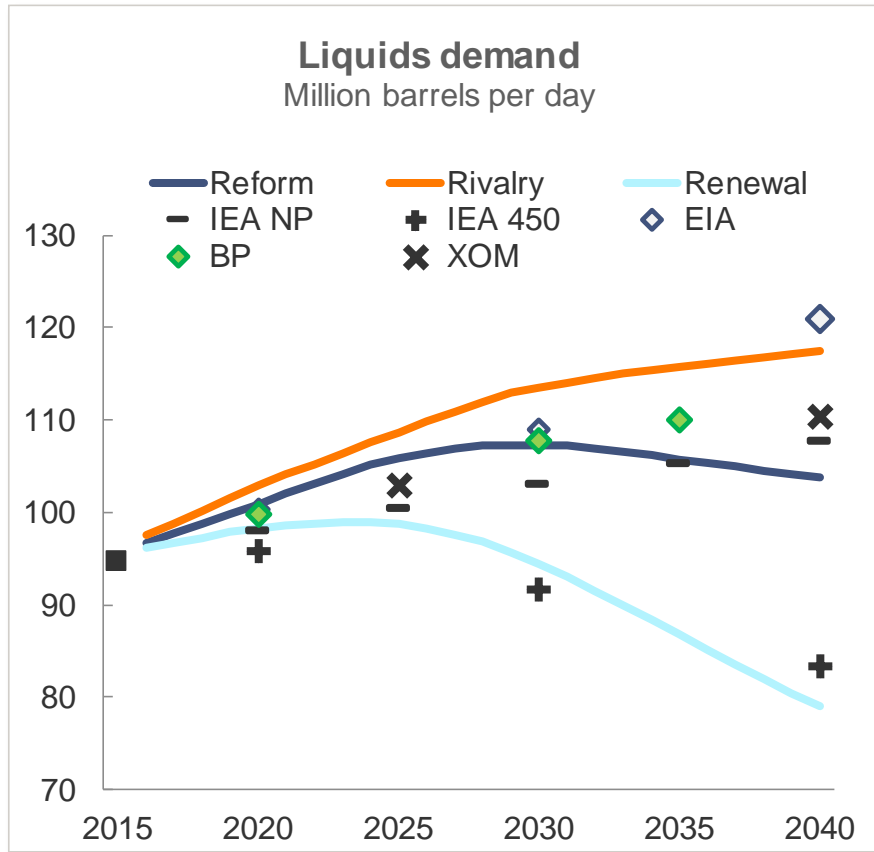
Thank you!

Elisabeth Aarrestad
Vice President Market Analysis

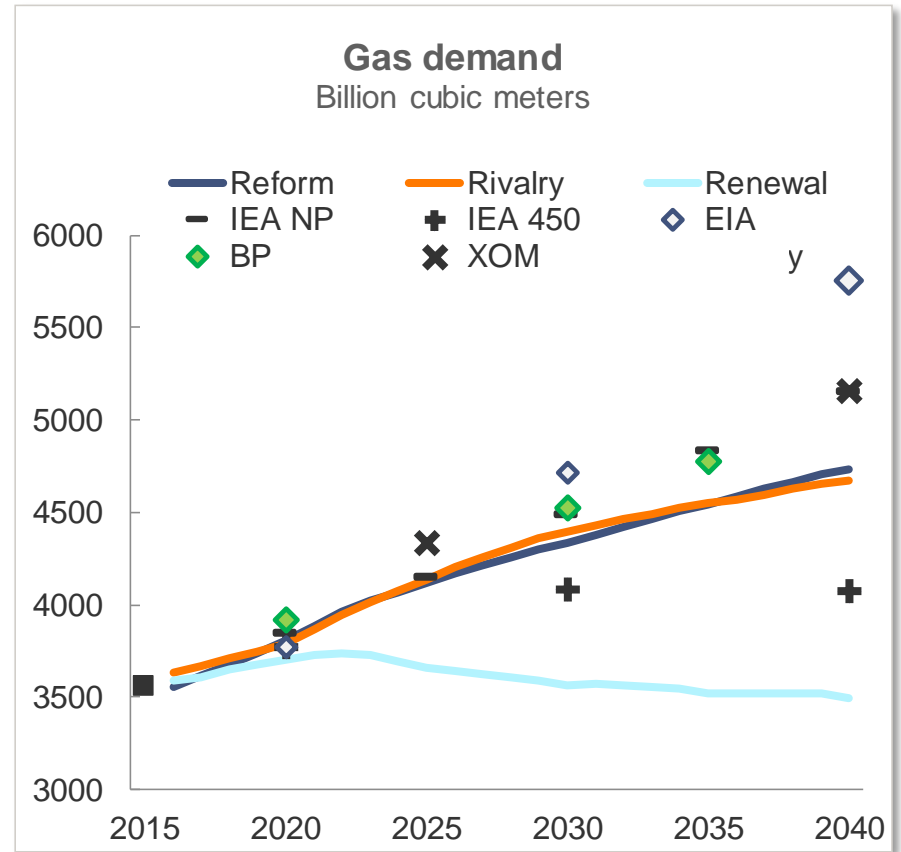
www.statoil.com



A wide span in forecasts



Source: Statoil, IEA (WEO 2015), EIA, BP, ExxonMobil



Source: Statoil, IEA (WEO 2015), EIA, BP, ExxonMobil