



Statoil

Arctic Challenges and Opportunities

RDC Conference
Anchorage, 17 November 2010

Forward looking statements

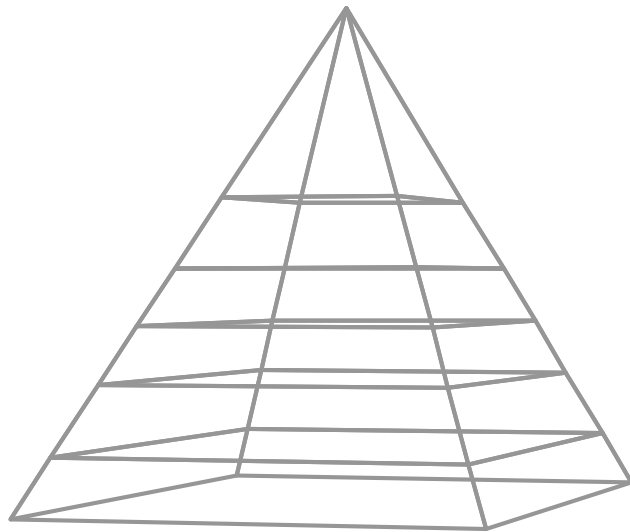
This presentation contains certain forward-looking statements that involve risks and uncertainties. In some cases, we use words such as "anticipate", "continue", "estimate", "expect", "intend", "likely", "may", "plan", "should", "will" and similar expressions to identify forward-looking statements. All statements other than statements of historical fact, including, among others, statements such as those regarding: expected equity production; regularity, efficiency and productivity goals for future operations and projects; our future financial position; our future market position; business strategy; expected changes in ownership interests and structures; expected project development expenditures; plans for future development (including redevelopment) and operation of projects; reserve information; reserve recovery factors; entitlement volumes; future ability to utilise and develop our expertise; oil and gas production forecasts; future composition of our exploration and project portfolios; exploration expenditure; expected exploration and development activities and plans; planned turnarounds; expected unit production cost for equity volumes; expected refining margins; expected gap between entitlement and equity volumes; expected impact of contractual arrangements on equity volumes; expected production and capacity of projects; projected impact of laws and regulations (including taxation laws); the impact of the uncertain world economy; expected capital expenditures; our expected ability to obtain short term and long term financing; our ability to manage our risk exposure; the projected levels of risk exposure with respect to financial counterparties; our ability to obtain financing at attractive funding cost levels; the expected impact of currency and interest rate fluctuations (including USD/NOK exchange rate fluctuations) on our financial position; oil, gas and alternative fuel price levels and volatility; oil, gas and alternative fuel supply and demand; the markets for oil, gas and alternative fuel; projected operating costs; the completion of acquisitions, disposals and other contractual arrangements; and the obtaining of regulatory and contractual approvals, 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, including the risks described above in "Risk update."

These forward-looking statements reflect current views with respect to 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; currency exchange rates; interest rates; trading activities; the political and economic policies of Norway and other oil-producing countries; general economic conditions; political stability and economic growth in relevant areas of the world; global political events and actions, including war, terrorism and sanctions; changes in laws and governmental regulations; the lack of necessary transportation infrastructure when a field is in a remote location; the timing of bringing new fields on stream; material differences from reserves estimates; an inability to find and develop reserves; adverse changes in tax regimes; the development and use of new technology; geological or technical difficulties; operational problems; security breaches; the actions of competitors; our ability to successfully exploit growth opportunities; the actions of field partners; industrial actions by workers; failing to attract and retain senior management and skilled personnel; failing to meet our ethical and social standards; operational catastrophes; security breaches; natural disasters and adverse weather conditions and other changes to business conditions; 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 2009 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission, which can be found on Statoil's website at www.statoil.com.

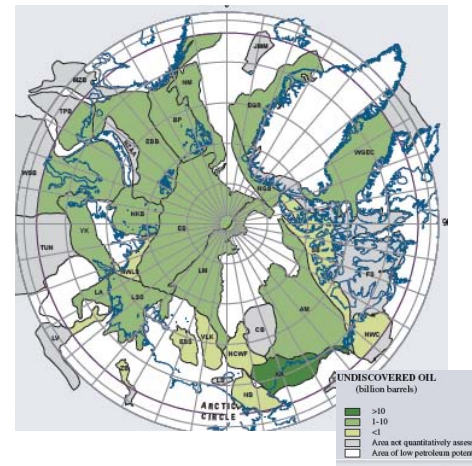
Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity, performance or achievements will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy 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 review, either to make them conform to actual results or changes in our expectations.

Motivation to Go Arctic: Resource Base

Over 400 oil and gas fields have been discovered in the Arctic



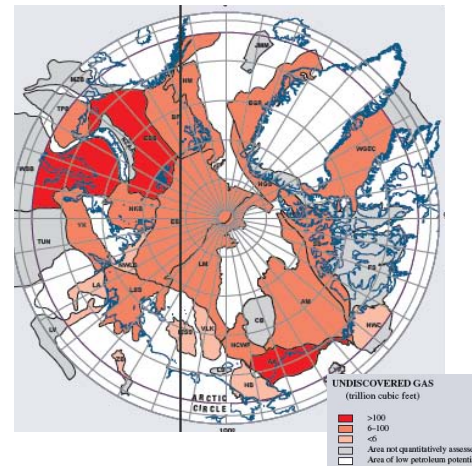
Source: USGS, May 2008



Yet-to-find oil:

90* billion barrels (13% of global undiscovered oil)

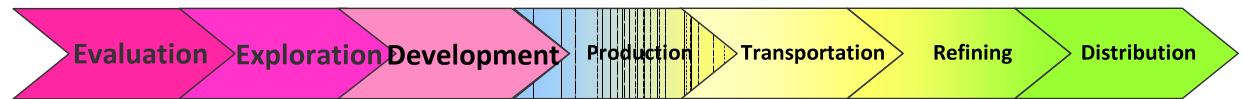
44 Billion barrels of natural gas liquids



Yet-to-find gas:

1,670 Tcf (30% of global undiscovered gas)

Motivation to Go Arctic: Technology



ENABLING TECHNOLOGIES:

Ice breakers, iceberg detection, wellhead protection against icebergs, estimating icing, sub-ice drilling, relief well capabilities

ENVIRONMENT-RELATED TECHNOLOGIES:

Reduce environmental footprint

Effective solutions for oil spill response

Reduce discharge probability

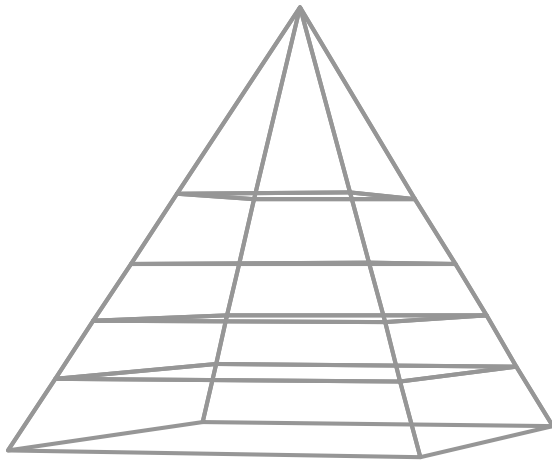
Documentation of sound impact

Minimize blowout consequences

Improve leakage detection

COST REDUCING TECHNOLOGIES:

Efficient logistics solutions, power solutions, drilling cost reduction



Arctic R&D Effort: “Arctic Star Program”?



“Deep Star Program” (USA)

- Multi-disciplinary industry program
- Designed to handle deepwater challenges
- Founded in 1992
- Led by Chevron
- Currently focuses on global ultra deepwater development: water depths 4,500-10,000 ft

Source: www.deepstar.org

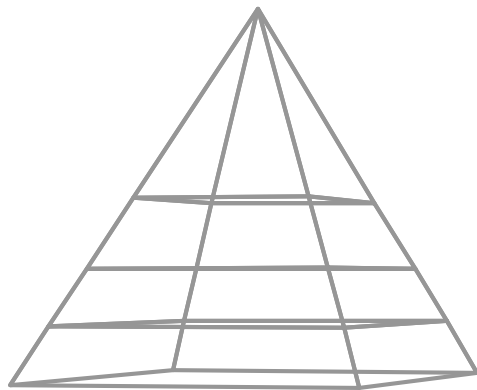


“Arctic Star Program” (North America)?

- R&D effort needed to address Arctic challenges
- Focus on technology and oil spill response
- This is a task for the industry, not for a single company
- “Deep Star Program” helped industry advance into deeper water in GoM
- **Can we create “Arctic Star Program”?**

Motivation to Go Arctic: Markets & Infrastructure

Mitigate market challenges: cooperate on joint transportation solutions



Human resources

Pipelines

Ports

Roads

Harsh conditions

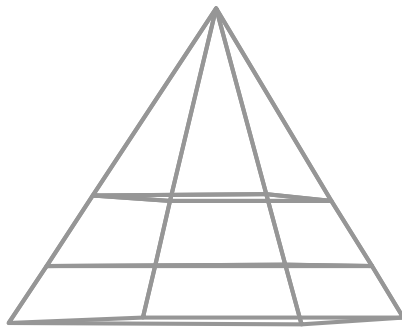


Anchorage area to markets: 3,000–4,000 miles (average)

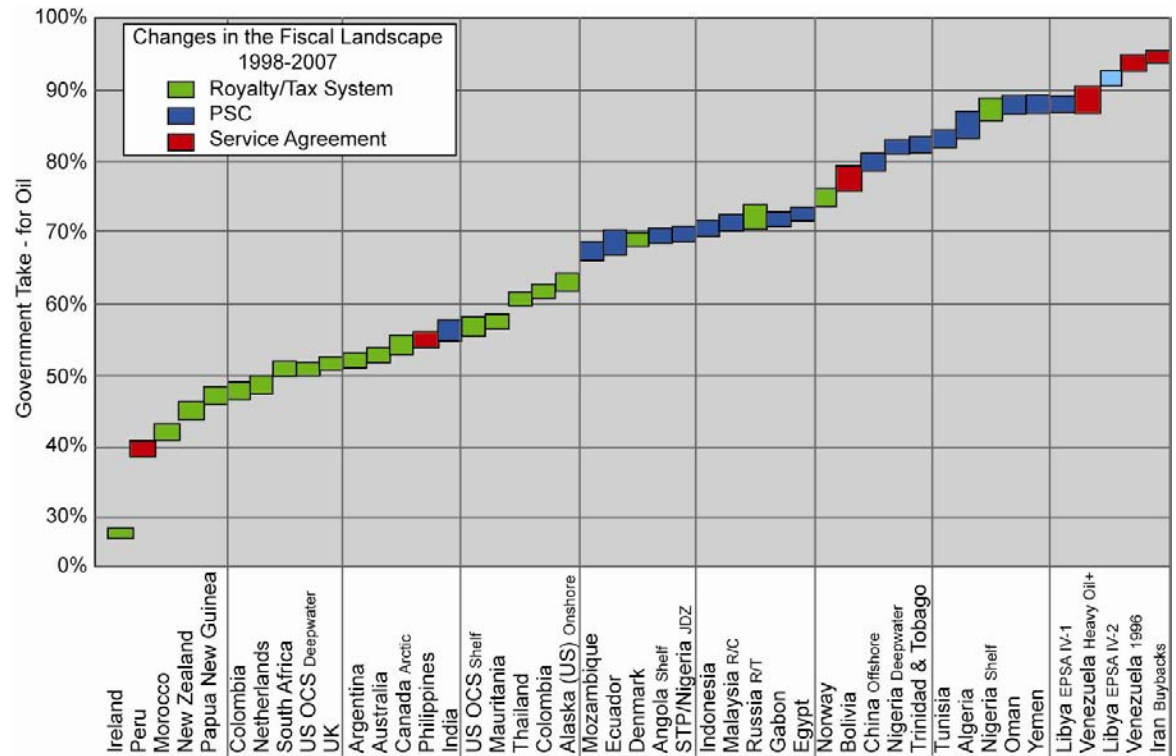
Alaska Markets

Chukchi Sea to Dutch Harbor: ~1,300 miles

Motivation to Go Arctic: Lease Terms

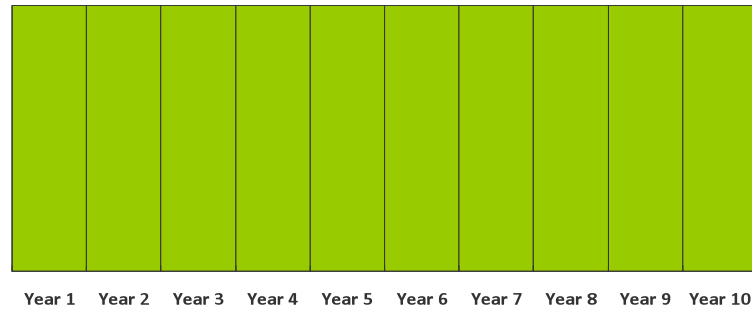


Government Take

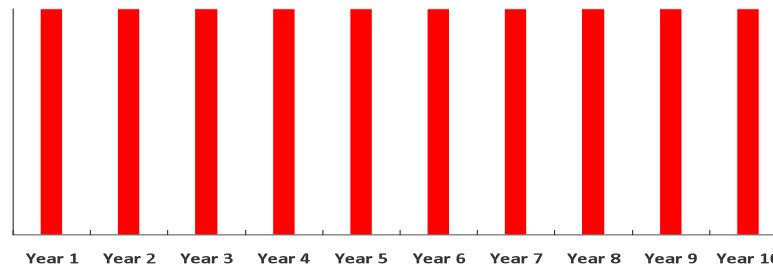


Lease Terms – Lease Period

Lease term - US Offshore (GoM and Alaska)



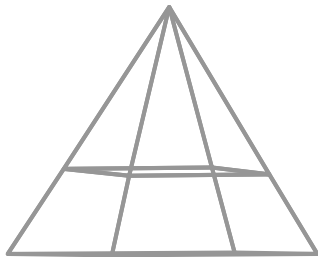
Effective operating period (Alaska)



Effective operating period in Chukchi Sea: 2.5 – 3 years

Motivation to Go Arctic: Political Support

Seismic Permitting Process - Chukchi Sea



Activity	2009			2010												2011		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		Jan	
Permitting																		
IHA, G&G, LOA permits prepared	█																	
IHA, G&G, LOA permits submitted			█															
IHA, G&G, LOA permits received													█					
Stakeholder engagement																		
Community meetings		█																
POC finalizing				█	█	█	█	█	█	█	█	█	█	█	█	█		
NMFS open water meeting							█	█	█	█	█	█	█	█	█			
MMO selection and training				█	█	█	█	█	█	█	█	█	█	█	█			
Survey operations																		
Mobilize seismic boat to Chukchi													█					
Seismic acquisition														█	█	█	█	█
90-day report preparation																█	█	█

All three permits were expected in May

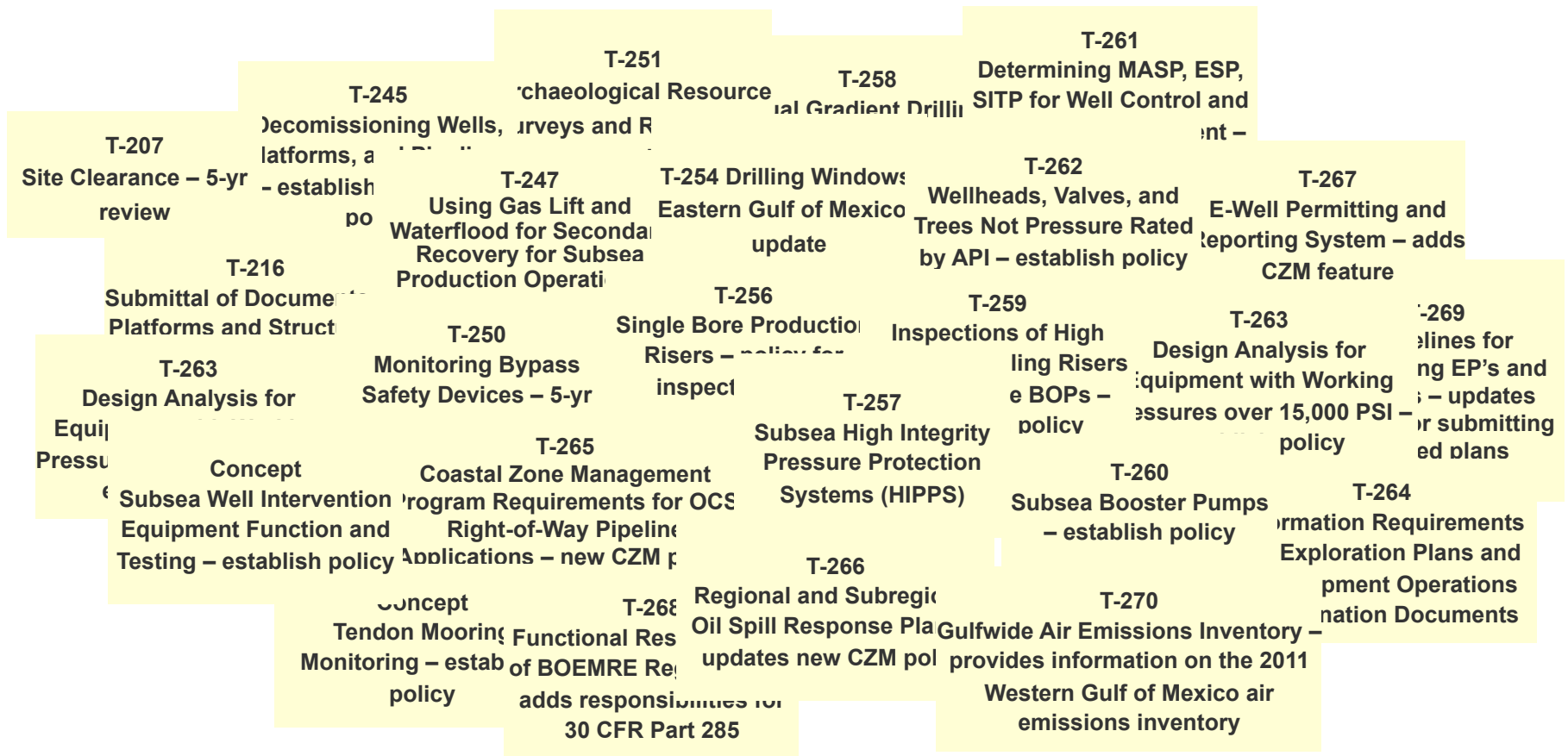
The permits were granted in August, while the seismic vessel was already waiting in Dutch Harbor



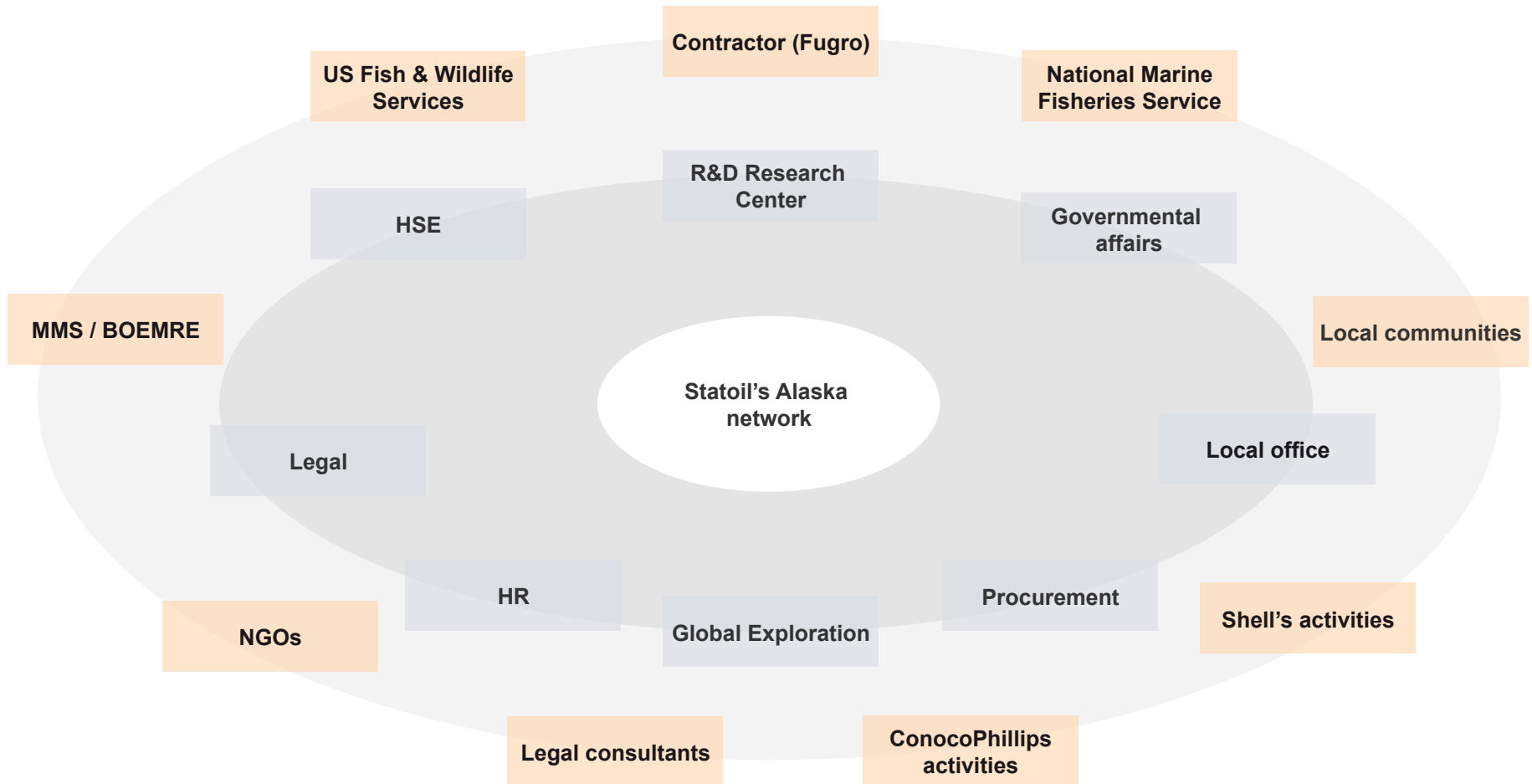
M/V Geo Celtic

GoM Spill: Consequences for Offshore Alaska?

Proposed new Deepwater GoM Regulations (NTL's)

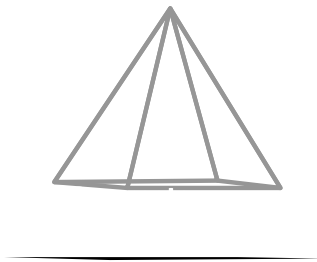


Stakeholder Engagement (for the seismic)



Motivation to Go Arctic: Corporate Resources

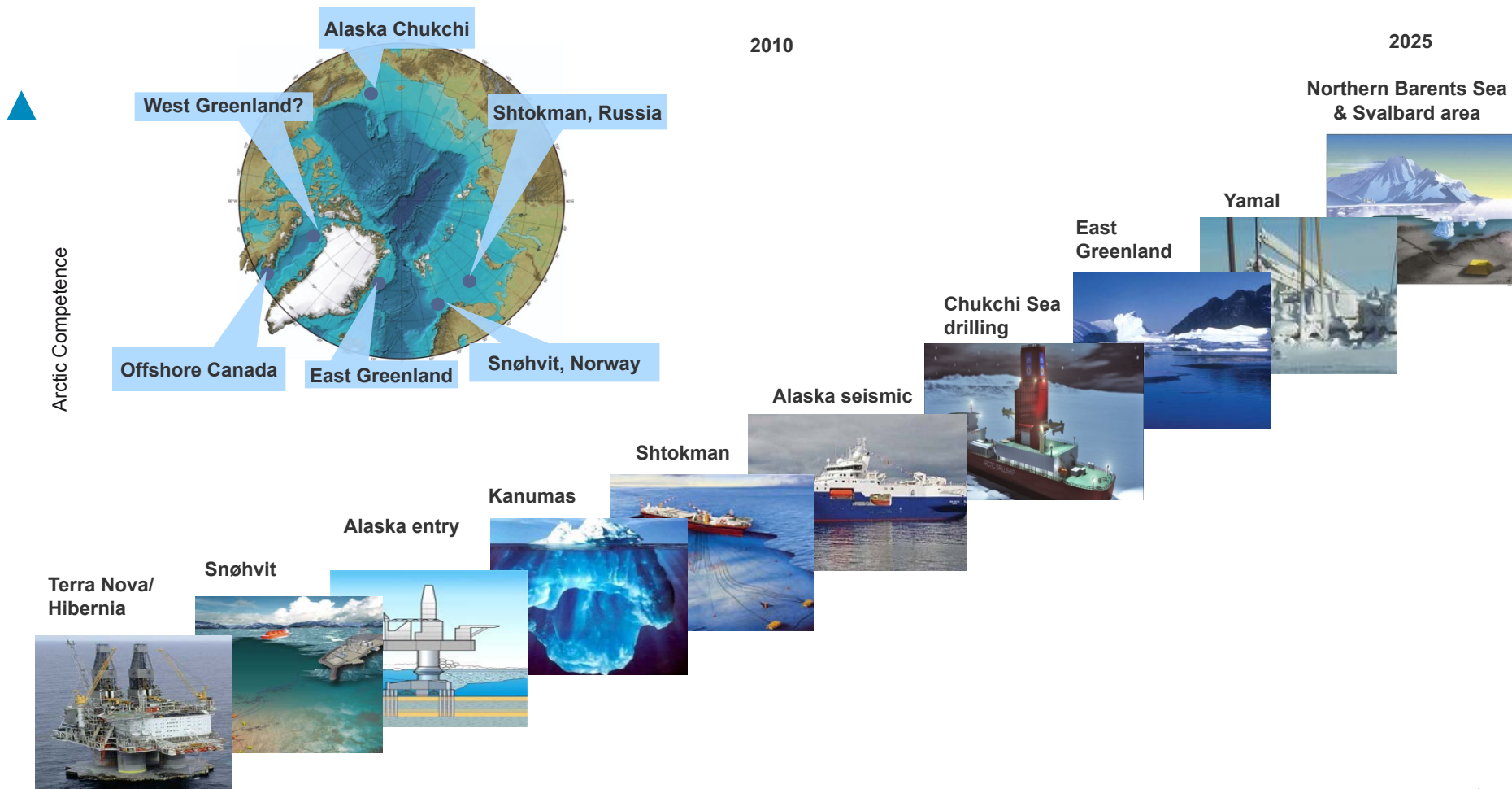
NO COMPANY CAN DO IT ALONE



Arctic Resource List:

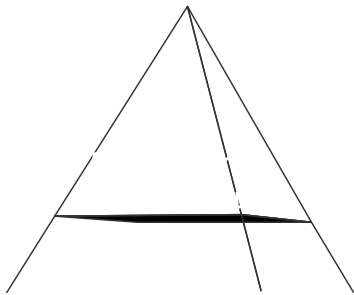
- *Capital*
- *Human resources*
- *Legal support*
- *Technology*
- *R&D department*
- *Long-term plan*

Corporate Resources: Competences & Capabilities



Motivation to Go Arctic: Management Commitment

SUCCESS FACTORS



Success in the Arctic is driven by strategic initiatives championed by management and systematically implemented company-wide

- Long term commitment
- High level communication with government agencies
- Continue inter-Company cooperation
- Company-wide focus on HSE and R&D
- Active stakeholder engagement

Arctic Exploration: Key Messages

- **Cooperation**
 - Partnerships
 - R&D joint initiatives
 - Local communities
- **Coordination within government**

THANK YOU

**Michael Wilems, Jr.
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Field Development – Statoil**

