

Entering the Brazilian Gas Market

IGRC, Rio de Janeiro, 26 May 2017

Jan K. Karlsen, VP Marketing and Origination, Statoil Brazil

Key figures



EQUITY PRODUCTION

1.978 million

BARRELS OF OIL EQUIVALENT
PER DAY IN 2015



RESOURCES

20 billion

BARRELS OF OIL EQUIVALENT
IN RESOURCES



ADJUSTED EARNINGS*

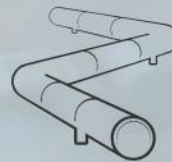
4.1 bn USD

*AS AT
Q4 2016



38%

OF OIL AND GAS EQUITY
PRODUCTION TOOK PLACE
OUTSIDE NORWAY IN 2015



2

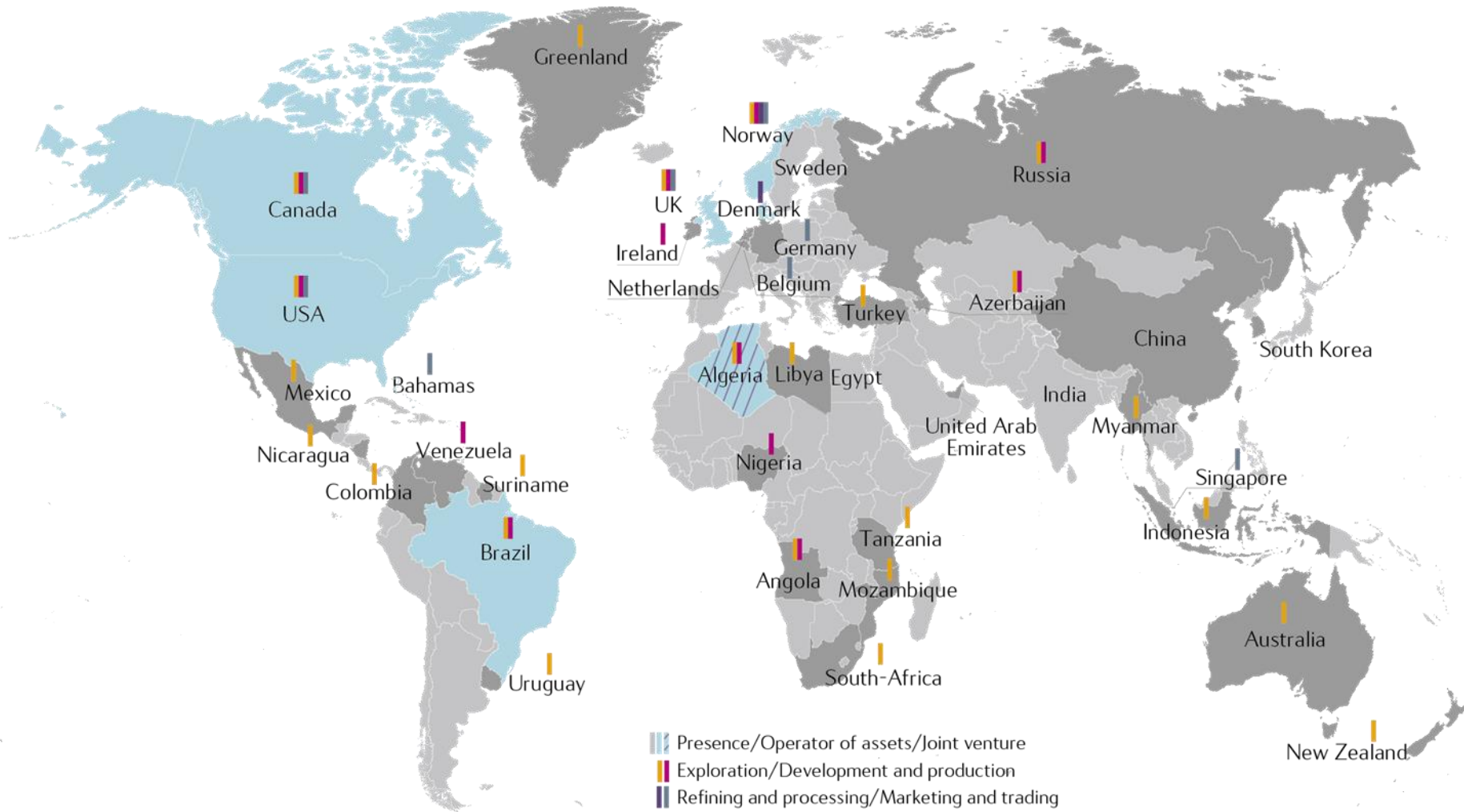
SECOND BIGGEST
GAS SUPPLIER TO
EUROPE



>600,000

GROWING OFFSHORE WIND
BUSINESS SUPPLYING
>600,000 UK HOMES

Where we are



Long experience in gas up-, mid- & downstream

Upstream

exploration, field development and production



Transport

bringing gas to the market



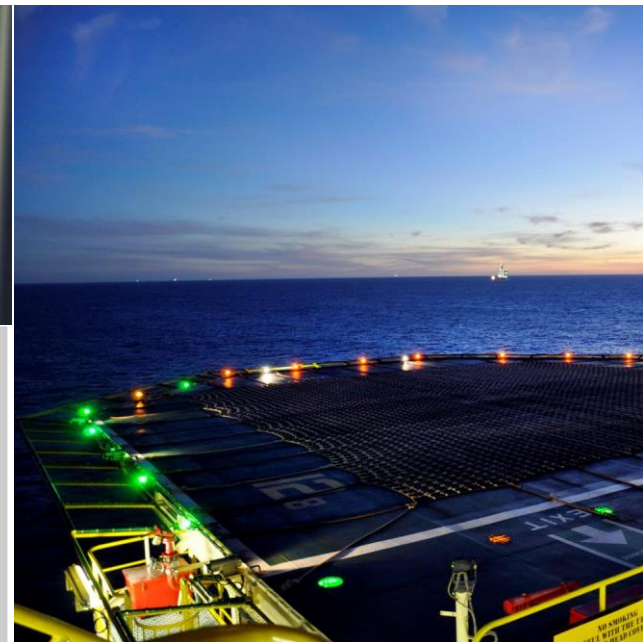
Marketing & Trading

maximising value of gas



- **Main offshore operator in Norway, oil and gas production in ~12 countries**
- **Global presence close to key markets and stakeholders**
 - Europe
 - US/ Canada
 - Global LNG sales
- In 2015, we **sold ~80 bcm of gas to Europe**
- We have experience in **long term deals** as well as (very) **short term trading**

Present in Brazil
for the past 15 years



Successful partnerships

Petrobras, Sinochem, Repsol Sinopec,
Queiroz Galvão E&P e Total



290
employees

700
contractors
offshore



Responsible for ~3% of
the domestic oil
production

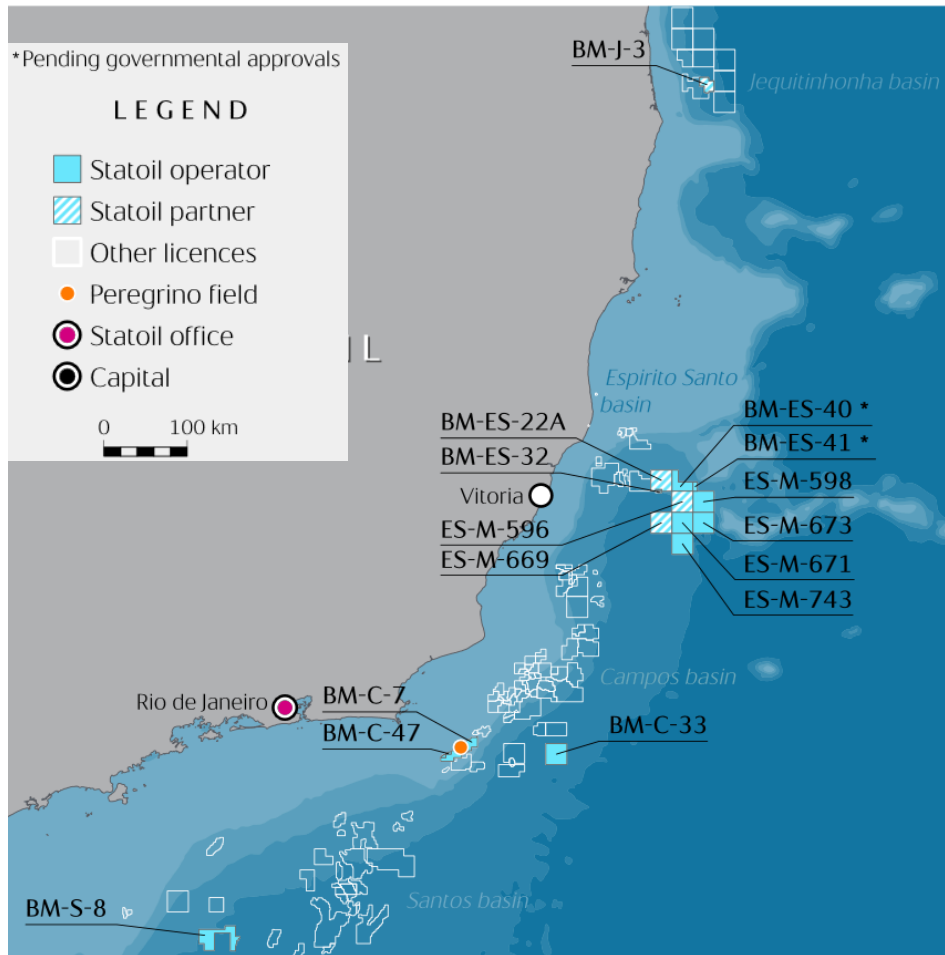
(Source: a ANP's Report Feb 17)



One of the main
IOCs in Brazil



Our Portfolio



Campos Basin

- Peregrino and Pitangola fields (BM-C-7*/ BM-C-47*)
- Long life, heavy oil (STOOIP ~4 bn bbl, API 14°)
 - Phase I: 100 Kbpd capacity
 - Phase II: FD ongoing, 60 Kbpd capacity

BM-C-33* (Pão de Açúcar discovery)

- Pre-salt discoveries (2011, 2012), concession terms
- Extensive appraisal drilling program ongoing

Santos Basin

- Carcará (BM-S-8*)
- Pre salt light oil/gas

Espirito Santo Basin

- Exploration blocks
- Ten licenses, six operatorships
 - Indra and São Bernardo (light oil discoveries)
 - Seismic acquisition completed, preparing for drilling

Other

- BM-J-3 (Petrobras operated)
- No activity ongoing, relinquishment likely

*Statoil operated fields

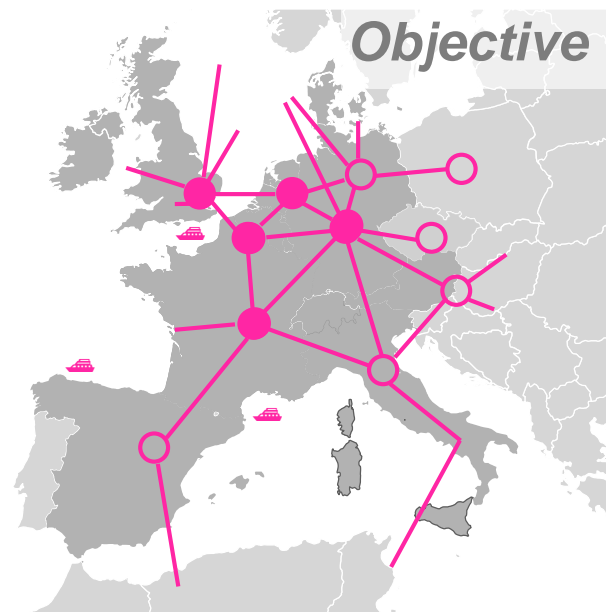
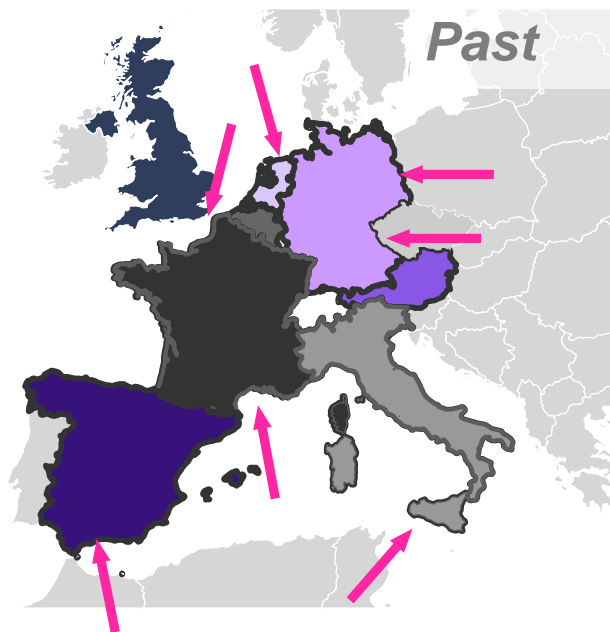


Riding the wave of liberalization.

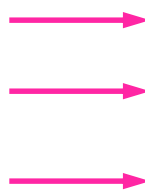


EU Internal Energy Market

What does it mean for gas?

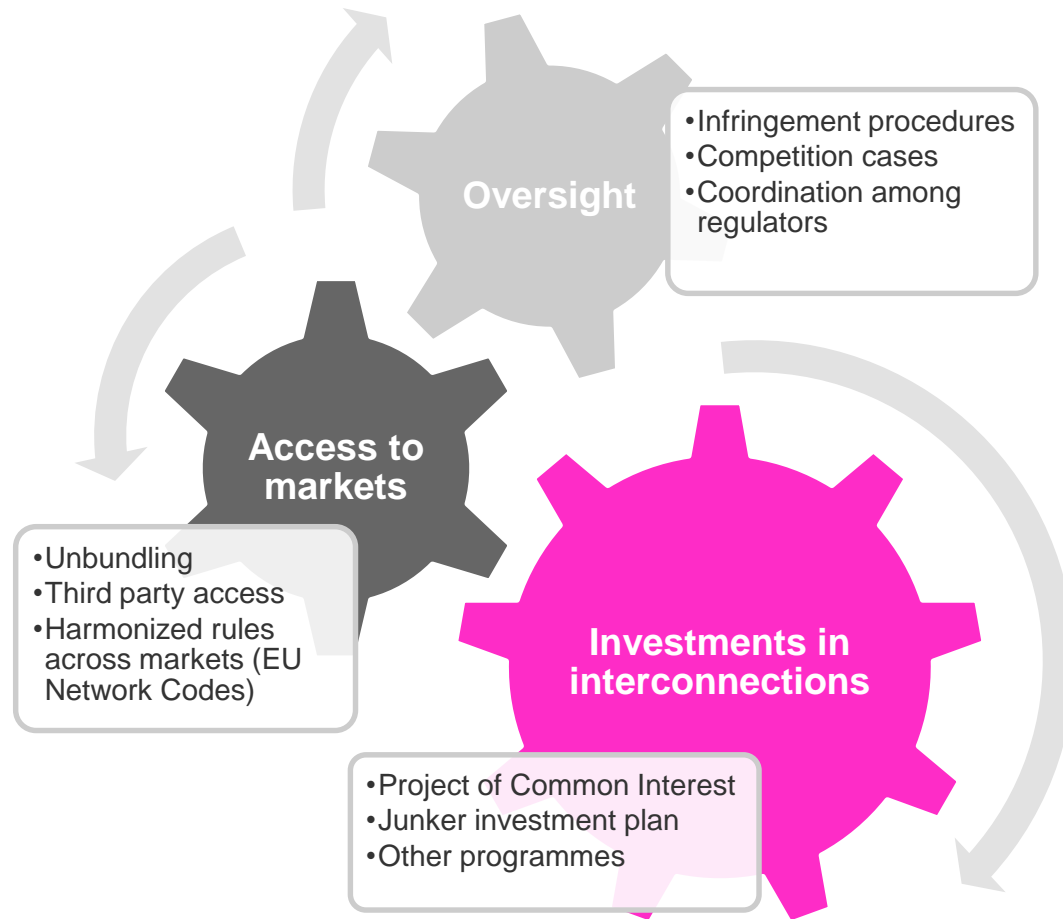


- National markets – Local monopolies
- Long term supplies at beach/border
- Oil-indexed contract prices



- A competitive pan-European market
- Development of liquid traded market places
- Diversified pricing: Oil or market indexed

What has been done



Relevant items for the Brazilian gas industry



Infrastructures' permitting procedures



Impact speed of development



Gas market rules



Influence customers ability to get new supplies

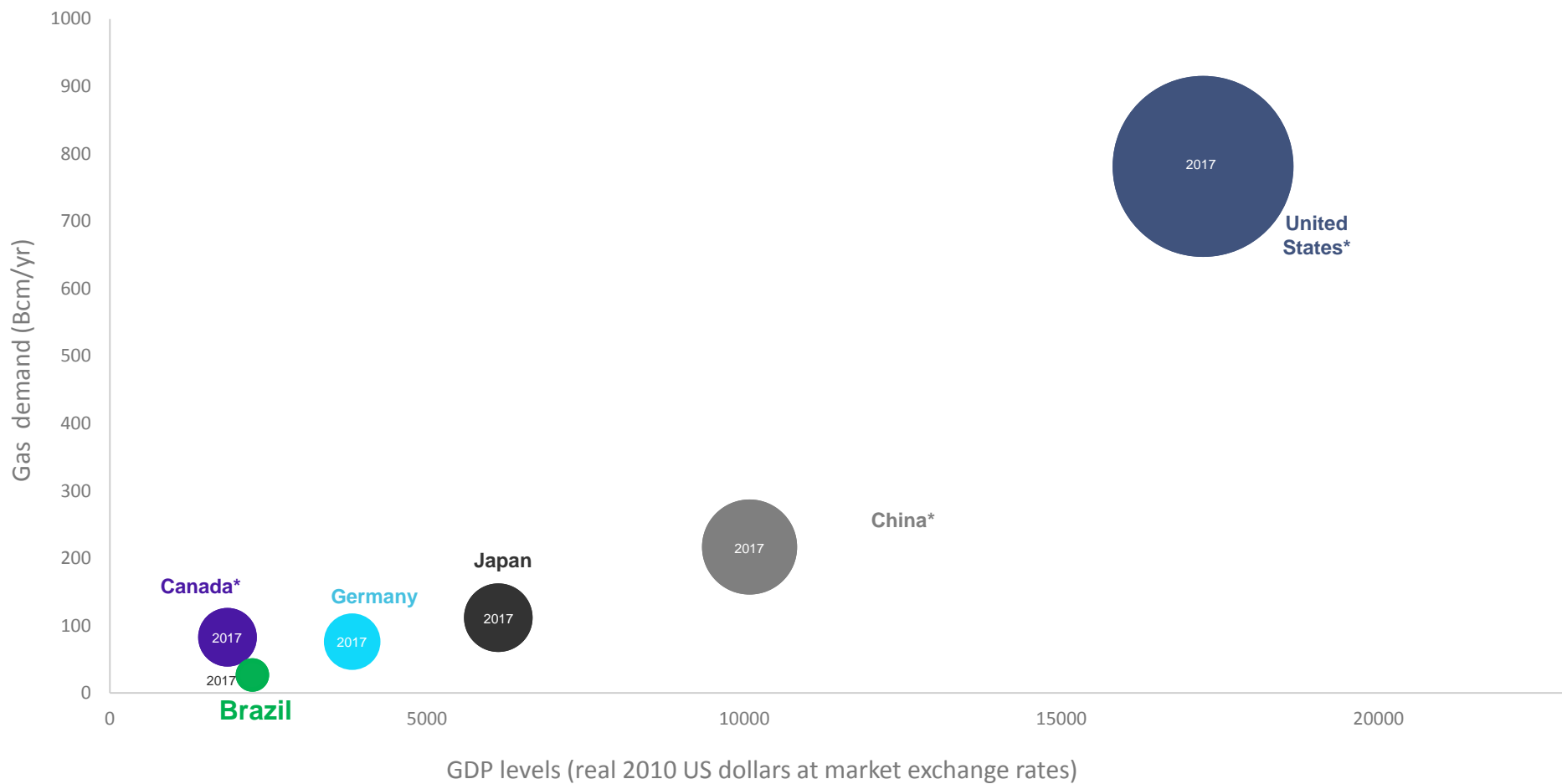


Tariffs and taxes



Sets end user prices & downstream costs

Global gas market examples



Source: Statoil own analysis, WoodMackenzie

*United States is a major gas producer (>500 Bcm/yr). Canada and China have an estimated gas production above 150 Bcm/yr.



Brazil – summary



- Brazil has a unique opportunity to:
 - Develop its upstream resources
 - Use gas to secure growth
- Regulatory framework plays a key role
- As will industry ability to invest
- Statoil in significant plays – will take part in and this development

Statoil. The Power of Possible

Entering the Brazilian Gas Market

Jan K. Karlsen
VP Marketing and Origination

www.statoil.com

© Statoil ASA

This presentation, including the contents and arrangement of the contents of each individual page or the collection of the pages, are owned by Statoil. Copyright to all material including, but not limited to, written material, photographs, drawings, images, tables and data remains the property of Statoil. All rights reserved. Any other kind of use, reproduction, translation, adaption, arrangement, any other alteration, distribution or storage of this presentation, in whole or in part, without the prior written permission of Statoil is prohibited. The information contained in this presentation may not be accurate, up to date or applicable to the circumstances of any particular case, despite our efforts. Statoil cannot accept any liability for any inaccuracies or omissions.

