

PETORO IN BRIEF

Petoro’s principal job is to maximise the value of the State’s Direct Financial Interest (SDFI) in Norway’s petroleum industry. This portfolio embraces a third of the oil and gas reserves on the Norwegian continental shelf (NCS) as well as platforms, pipelines and land-based plants.

PRINCIPAL OBJECTIVE:
to create the highest possible financial value from the state’s oil and gas portfolio on the basis of sound business principles.

VISION:
A driving force on the Norwegian continental shelf.

KEY DUTIES:
Management of the government’s holdings in the partnerships.

Monitoring Statoil’s sale of the petroleum produced from the SDFI, as specified in the sales and marketing instruction.

Financial management, including accounting, for the SDFI.

BIGGER ON THE NCS

Petoro follows up the state’s interests in production licences and other partnerships. The number of licences has increased from 80 when the company was founded in 2001 to 158 at the end of 2012. Fields in production total 33.

The company is involved in fields and projects in all three provinces on the NCS – the North, Norwegian and Barents Seas. Agreement was also reached with Iceland before Christmas 2012 on interests in two licences in the Dreki area of the Icelandic sector on the Jan Mayen Ridge.

In early 2013, the Skrugard licence resolved that a subsequent development of the Skrugard/Havis discoveries would be based on a floating platform and subsea installations, plus an oil pipeline to Eidnes in Nordkapp local authority.

Development of Skrugard/Havis in the Barents Sea, Linnorm and the Polarled pipeline in the Norwegian Sea and Johan Sverdrup in the North Sea are examples of major projects with Petoro involvement in all parts of the NCS. In addition come a number of smaller developments.

Securing value in and close to the big mature fields nevertheless represents the top priority

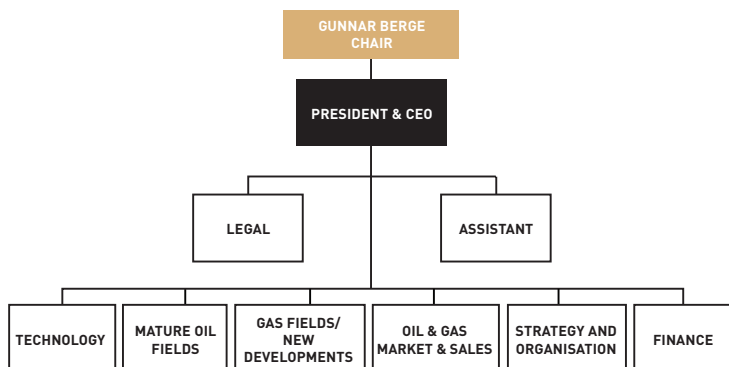
in the company’s strategy. In seeking to slow the decline in oil output and maintain overall production at today’s level until 2020, Petoro has devoted particular work to Gullfaks, Snorre and Heidrun. It has not least sought to increase the pace of production drilling on these and other mature fields. More wells are the most important way to maximise the value of these producers within their commercial lifetime.

ROLE AS LICENSEE

Petoro pursues its strategy by virtue of acting as the licensee for the SDFI’s interests on the NCS.

The company was founded on 9 May 2001, after the partial privatisation of Statoil made it necessary to find a new arrangement for the commercial management of the SDFI. The company works on the basis of a mandate from the Storting (parliament), which requires it to manage the state’s oil and gas in a commercial manner and to maximise its economic value.

Since its creation, Petoro has transferred a net cash flow averaging some NOK 100 billion annually to the government. This cash flow represents one of three principal sources of revenue for building up the government pension fund – global, colloquially known as the oil fund.

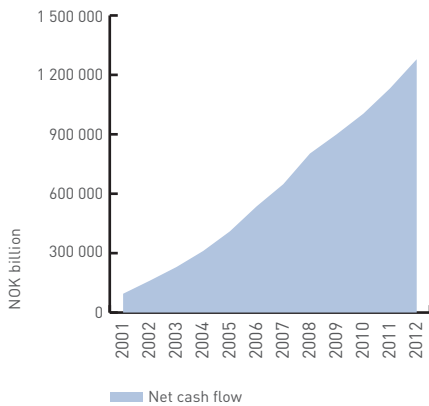


BIG ASSETS PROVIDE EXCITING OPPORTUNITIES

Petoro's big portfolio makes it a very interesting workplace for about 70 highly competent employees at its Stavanger office.

The combination of a large portfolio and a small organisation gives staff big opportunities for professional development through their encounters with senior personnel from other oil companies in licences and other joint ventures. Petoro works closely with Statoil as the operator for a very large proportion of the company's output, but also with the international oil companies and other players on the NCS, with government agencies, with suppliers and with other external centres of expertise.

CASH FLOW TRANSFERRED TO THE GOVERNMENT



IMPORTANT MATURE OIL FIELDS:
 Oseberg, Heidrun, Gullfaks, Snorre, Visund, Draugen, Ekofisk, Grane, Norne.

IMPORTANT GAS FIELDS:
 Troll, Ormen Lange, Åsgard, Snøhvit, Kvitebjørn, Gjøa.

