



SDFI THIRD QUARTER OF 2015



HIGH VOLUME REDUCED EFFECT OF LOWER OIL PRICES IN THIRD QUARTER

Net cash flow from the State's Direct Financial Interest (SDFI) in oil and gas operations on the Norwegian continental shelf (NCS) came to NOK 17 billion in the third quarter, down by NOK 2 billion from the same period of 2014. High production and sales of gas, higher gas prices and the USD/NOK exchange rate reduced the effect of lower oil prices. Investment for the first nine months was NOK 6 billion lower than in the same period of last year.

Total oil and gas output averaged 1 051 thousand barrels of oil equivalent per day (boe/d) in the third quarter, up almost 24 per cent from the same period of 2014.

FINANCIAL RESULTS FOR THE FIRST NINE MONTHS

Net cash flow for the first nine months was NOK 72 billion, down by 13 per cent from the same period of 2014. Income after financial items came to NOK 70 billion, a decline of NOK 18 billion from the first nine months of last year.

Operating revenue totalled NOK 119.5 billion for the first nine months, compared with NOK 132.4 billion in the same period of last year. The fall in oil prices was the primary reason for the decline.

Total production during the first nine months averaged 1 048 thousand boe/d, compared with 950 thousand boe/d in the same period of 2014. Output of oil and natural gas liquids (NGL) rose by 2.5 per cent, while gas production was up no less than 16 per cent from the first nine months of last year.

	THIRD QUARTER		FIRST NINE MONTHS		FULL YEAR
(NOK mill)	2015	2014	2015	2014	2014
Operating revenue	37 646	39 073	119 480	132 386	179 797
Total operating expenses	16 031	13 877	48 363	42 673	59 664
Operating income	21 615	25 195	71 116	89 713	120 133
Net financial items	41	(352)	(841)	(1 353)	(462)
Income after financial items	21 656	24 843	70 276	88 359	119 671
Total investment	7 347	9 333	22 508	28 429	35 742
Net cash flow to the government	17 324	19 536	72 259	83 279	111 068
Average oil price (USD/bbl)	50.14	102.19	55.94	107.32	99.11
NOK/USD exchange rate	8.13	6.20	7.82	6.11	6.23
Average oil price (NOK/bbl)	407	634	437	655	617
Average gas price (NOK/scm)	2.13	1.84	2.20	2.21	2.23
Oil/NGL production (1 000 b/d)	403	401	409	399	407
Gas production (mill scm/d)	103	71	101	87	94
Total production (1 000 boe/d)	1 051	849	1 048	950	1 000



Åsgard subsea compressor (Photo: Harald Pettersen, Statoil ASA)

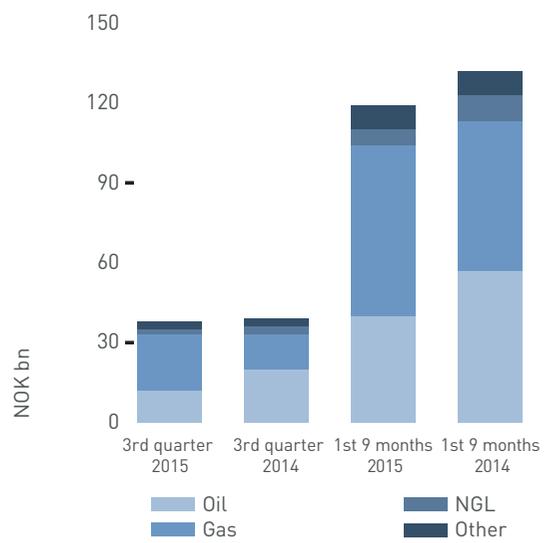
Income from oil sales in the first nine months came to NOK 40 billion, down by 29 per cent from the same period of 2014. The increase in the volume sold was countered by a lower per-barrel oil price in Norwegian kroner than in the first nine months of last year.

Gas income came to NOK 64 billion for the first nine months, up by NOK 8.5 billion from the same period of 2014. The average gas price was on a par with the first nine months of last year. Gas revenues rose as the result of an increase in the volume sold. Much of the gas output deferred from 2014 was produced in the second and third quarters of this year.

Operating expenses for the first nine months totalled NOK 48.4 billion, compared with NOK 42.7 billion in the same period of 2014. This 13 per cent rise primarily reflected increased depreciation related to expectations of higher removal costs.

Total investment in the first nine months was NOK 22.5 billion, down by about NOK 6 billion or 21 per cent from the same period of 2014. This decline primarily reflected lower capital spending on developments and some reduction in operating investment.

REVENUE BY PRODUCT



ACTIVITIES SINCE THE SECOND QUARTER

Current improvement efforts by operators and suppliers are showing clear results, as illustrated by a substantial increase in the pace of drilling and a continued reduction in field costs. This confirms that a big potential exists for improvements and that ambitious improvement plans continue to be needed. The measures taken must be assured to have lasting effect.

Plans for development and operation of the first phase for the Johan Sverdrup project and the Maria field were approved by the Ministry of Petroleum and Energy during the third quarter.

Successful start-ups have been achieved for Åsgard subsea compression and Gullfaks wet gas compression. Petoro has been a driving force behind these two major technology projects. The second of them is one of several developments on the Gullfaks field which will help to extend its production life and to create substantial value.

Stavanger, 3 November 2015
The board of directors of Petoro AS