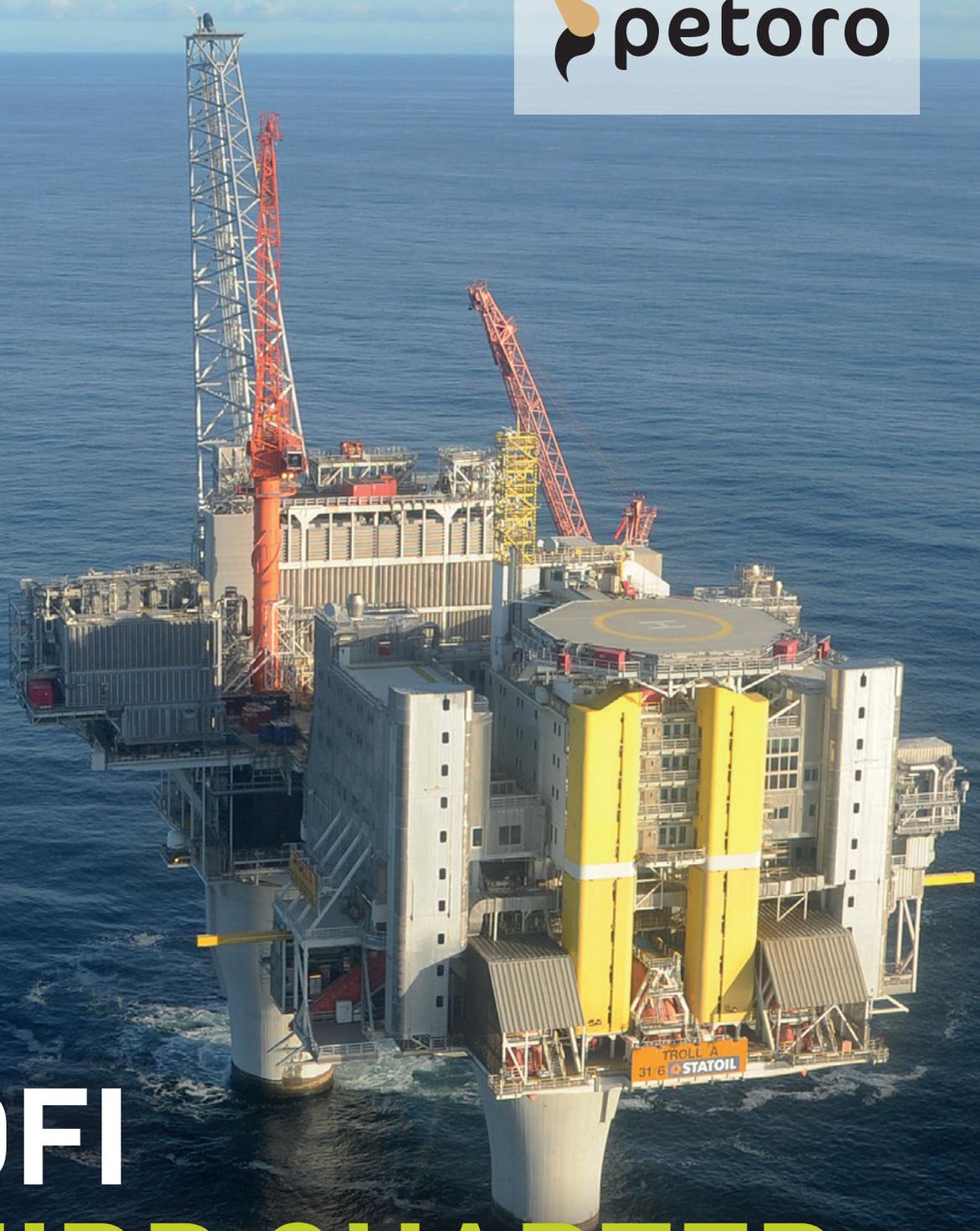




# SDFI THIRD QUARTER 2017



# INCREASED OIL PRICES AND GAS VOLUMES RESULTED IN HIGHER CASH FLOW

Net cash flow from the State Direct Financial Interest (SDFI) in Norway's oil and gas activities totalled NOK 65 billion as of the third quarter, an increase of about 28 per cent compared with the same period last year.

Income after financial items as of the third quarter was NOK 68.2 billion, NOK 23 billion higher than in the corresponding period last year. The realised oil price in NOK was 25 per cent higher. Total oil and gas production

in the first nine months was 1 103 thousand barrels of oil equivalents per day (kboed), 95 kboed or nine per cent higher than in the corresponding period last year.

	AS OF THE THIRD QUARTER		TOTAL
(Alle beløp i millioner kroner)	2017	2016	2016
Operating revenue	110 056	87 332	121 224
Total operating expenses	40 882	40 172	61 460
Operating income	69 174	47 161	59 765
Net financial items	-983	-2 324	-2 339
Income after financial items	68 191	44 837	57 426
Total investments	19 771	21 272	28 260
Net cash flow transferred to government	64 791	50 699	65 897
Average oil price (USD/bbl)	51.7	40.9	43.1
Exchange rate NOK/USD	8.3	8.4	8.4
Average oil price (NOK/bbl)	431	345	361
Average gas price (NOK/Sm <sup>3</sup> )	1.64	1.60	1.62
Production of oil + NGL (1 000 bbls per day)	411	407	409
Gas production (million Sm <sup>3</sup> per day)	110	96	100
Total production (1 000 bbls o.e. per day)	1 103	1 008	1 040



New Cat-J rig will contribute in production drilling on Oseberg. Illustration: Statoil

### **FINANCIAL RESULTS – AS OF THE THIRD QUARTER OF 2017 COMPARED WITH THE SAME PERIOD LAST YEAR**

Operating revenue as of the third quarter was NOK 110 billion, compared with NOK 87 billion for the same period last year. Revenues from oil sales amounted to NOK 38 billion, 26 per cent higher than in the same period last year, as a result of higher oil prices. Converted into Norwegian kroner, the average oil price was NOK 431 per barrel, compared with NOK 345 during the same period in 2016. Gas revenues amounted to NOK 51 billion, which was about NOK 7 billion higher than last year, as a result of increased gas prices and higher volumes.

Total operating expenses as of the third quarter were NOK 41 billion, NOK 710 million higher than last year. However, the costs associated with operating the fields, field costs, were about NOK 330 million lower.

Total investments as of the third quarter amounted to NOK 19.8 billion; which is about seven percent lower compared with the previous year.

# OBSERVATIONS AND INCIDENTS/ EVENTS SINCE THE SECOND QUARTER

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- Low number of serious incidents in the third quarter, but the incident frequency over the past 12-month period still remains too high
- Progress on the development of the first phase in the Johan Sverdrup field is good and the investment estimate has been further reduced in relation to the estimate in the Plan for Development and Operation (PDO)
- Exploration activity in the Barents Sea has yielded disappointing results
- Gassco took over for Shell as operator at Nyhamna on 1 October
- The Gullfaks rig (Askeladden) has arrived at Coast Center Base outside Bergen, while the Oseberg rig (Askepott) is being transported to Norway. Drilling is scheduled to start on the fields in November 2017

Stavanger, October 2017  
The Board of Petoro AS