



SDFI FIRST QUARTER 2018

Johan Sverdrup DP jacket launch 2018.
Photo: B0 B. Randulff / Woldcam / Statoil

INCREASED CASH FLOW

Net cash flow from the State's Direct Financial Interest (SDFI) in the oil and gas activities totalled NOK 32.5 billion as of the 1st quarter, an increase of 19 per cent from the same period last year. The increase is mainly due to higher oil and gas prices.

	AS OF 1ST QUARTER		TOTAL
NOK mill)	2018	2017	2017
Operating revenue	44 137	45 535	150 720
Total operating expenses	14 668	15 146	50 874
Operating income	29 468	30 390	99 846
Net financial items	-958	-254	-928
Income after financial items	28 511	30 135	98 919
Total investment	5 529	6 592	25 370
Net cash flow	32 487	27 225	87 157
Average oil price (USD/bbl)	66.38	53.60	54.15
Exchange rate NOK/USD	7.91	8.44	8.29
Average oil price (NOK/bbl)	525	452	449
Average gas price (NOK/scm)	2.05	1.76	1.72
Oil and NGL production (1 000 bbls per day)	381	421	398
Gas production (mill scm per day)	122	123	113
Total production (1 000 boe per day)	1 146	1 193	1 110



Johan Sverdrup. Photo: Roar Lindefjell / Bo Randulff / Statoil

FINANCIAL RESULTS AS OF 1ST QUARTER 2018 IN RELATION TO THE SAME PERIOD LAST YEAR

Overall oil and gas production totalled 1 146 thousand barrels of oil equivalent per day (kboed), 47 kboed or 4 per cent lower than the same period last year. The reduction is primarily caused by lower oil production due to natural production decline.

The average oil price was NOK 525 per barrel, compared with NOK 452 in the same period last year. The average gas price was NOK 2.05 per scm, compared with NOK 1.76 in the same period last year.

Total operating expenses as of the 1st quarter amounted to NOK 14.7 billion, 0.5 billion lower than the same period last year. The reduction is mainly due to lower depreciation

in 2018 due to lower sales of liquids and impairment in the same period last year. The costs for operating fields in production were on par with the same period last year.

Net income after financial items as of the 1st quarter amounted to NOK 28.5 billion, 1.6 billion lower than the same period last year. Reversal of the loss accrual of NOK 5 billion for outstanding positions in the gas market in the same period last year contributed toward offsetting the positive effect of higher prices on net income.

Total investments was NOK 5.5 billion; 1.1 billion lower than the same period last year. The lower investments are mainly caused by lower activity within field development and production drilling.

OBSERVATIONS AND INCIDENTS SINCE THE ANNUAL REPORT

- A high number of serious incidents in the first quarter of 2018 yields a serious incident frequency on par with 2017.
- During the first quarter, the new Cat J drilling rigs Askeladden and Askepott started drilling operations on Gullfaks and Oseberg, respectively.
- The licensees made an investment decision for Snøhvit Askeladden phase 1.
- A number of projects are in execution in the portfolio with a high activity level in Johan Sverdrup, Johan Castberg and Martin Linge.

Stavanger, May 2018
Board of directors of Petoro AS