



SDFI FIRST QUARTER 2017

INCREASED OIL PRICES RESULTED IN HIGHER CASH FLOW IN 1ST QUARTER

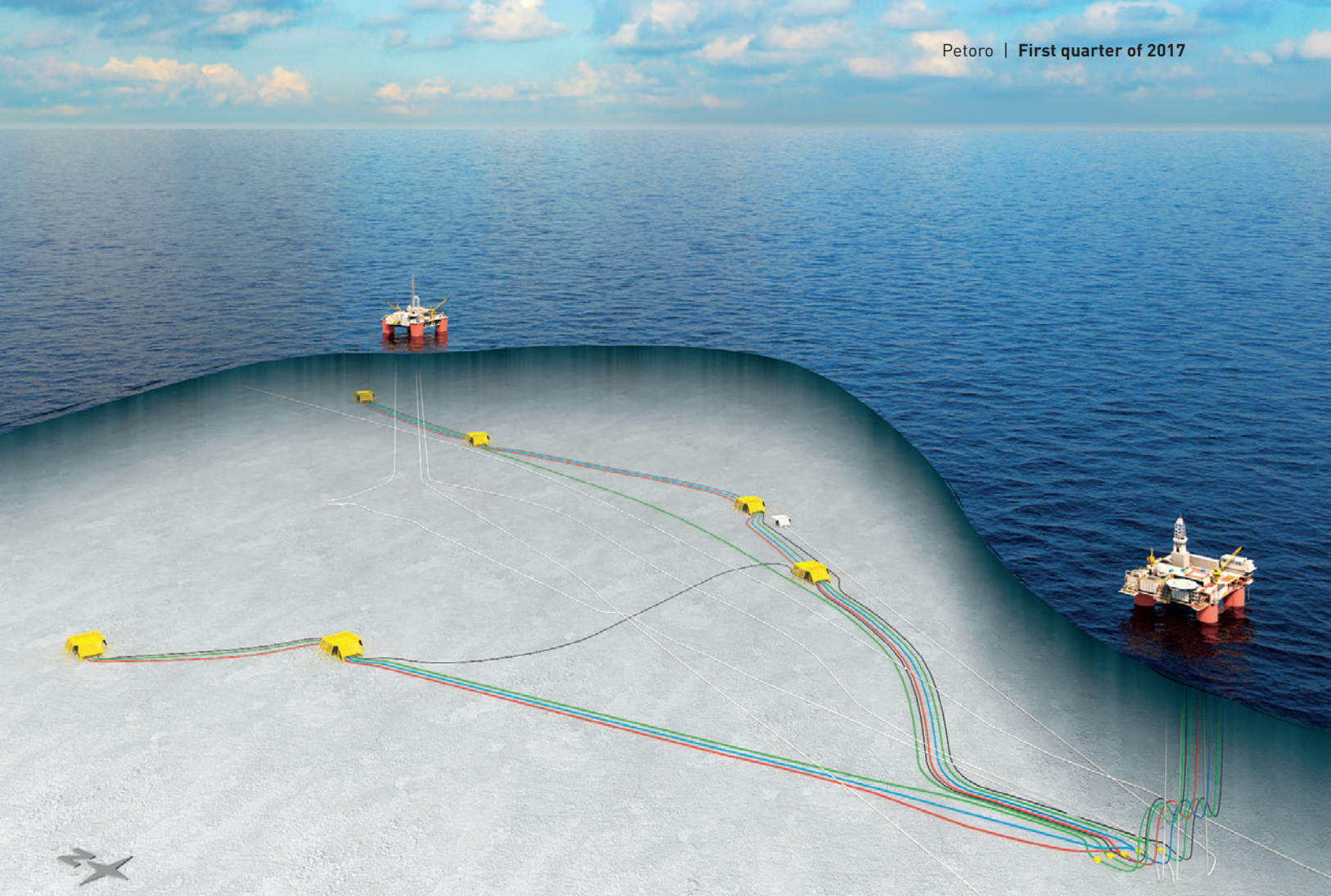
Net cash flow from the State Direct Financial Interest (SDFI) in Norway's oil and gas activities was NOK 27 billion as of the first quarter, an increase of 21 percent compared with last year. The realised oil price in NOK was 58 per cent higher.

Income after financial items as of the first quarter was NOK 30 billion, NOK 12 billion higher than in the corresponding period last year. Total oil and gas production in the first quarter was 1 208 thousand barrels of oil equivalents per day (kboed), 32 kboed higher than in the corresponding period last year.

FIRST QUARTER FINANCIAL RESULTS

Operating revenue as of the first quarter of 2017 was NOK 45.5 billion, compared with NOK 32.5 billion for the same period last year. Revenues from oil sales are up 65 per cent compared with the same period last year as a result of a higher oil price and higher volume.

	FØRSTE KVARTAL		HELE ÅRET
(NOK million)	2017	2016	2016
Operating revenue	45 535	32 535	121 224
Total operating expenses	15 146	14 026	61 460
Operating income	30 390	18 509	59 765
Net financial items	-254	-695	-2 339
Income after financial items	30 135	17 814	57 426
Total investments	6 592	6 277	29 503
Net cash flow transferred to government	27 225	22 496	65 897
Average oil price (USD/bbl)	53.60	32.77	43.05
Exchange rate NOK/USD	8.44	8.74	8.39
Average oil price (NOK/bbl)	452	287	361
Average gas price (NOK/Sm ³)	1.76	1.73	1.62
Production of oil and NGL (1 000 bbls per day)	436	422	409
Gas production (million Sm ³ per day)	123	120	100
Total production (1 000 bbls o.e. per day)	1 208	1 176	1 040



Snorre Expansion Project. Illustration: Statoil

Converted into Norwegian kroner per barrel, the average oil price for the portfolio was NOK 452 compared with NOK 287 during the same period last year. Gas revenues so far this year are NOK 20.6 billion.

Field costs from producing fields were about NOK 175 million lower compared with the first quarter of 2016. Total operating costs as per the first quarter were NOK 15 billion.

Investments so far amounted to NOK 6.6 billion; 5 per cent higher than last year.

FIRST QUARTER OBSERVATIONS AND INCIDENTS/EVENTS

The serious incident frequency remains high and targeted efforts from the entire industry are required to reverse this trend.

Moreover, Petoro has observed good progress in projects in the planning phase.

The partners in the Johan Sverdrup field have made a concept selection (DG2) for Phase 2 of the field development. Beyond that, cost development for Phase 1 has been positive.

Stavanger, May 2017
The Board of Petoro AS