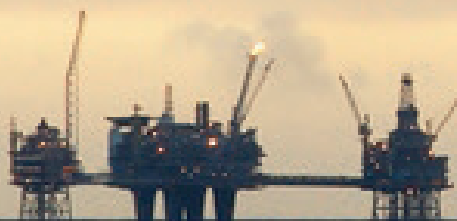




SDFI FIRST QUARTER 2016



LOW OIL AND GAS PRICES REDUCED CASH FLOW

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 22.5 billion in the first quarter, down by 28 per cent from last year. Volumes produced and sold were on a par with the same period of 2015. Investment was NOK 6.3 billion, a decline of eight per cent from the first quarter of last year.

Income after financial items came to NOK 17.8 billion in the first quarter, down by about NOK 9 billion from the same period of 2015. Total oil and gas output averaged 1 176 000 barrels of oil equivalent per day (boe/d), on a par with the first quarter of last year.

FINANCIAL RESULTS FOR THE FIRST QUARTER

Operating revenue totalled NOK 32.5 billion for the first quarter, compared with NOK 44.7 billion in the same period of last year. The fall

in oil and gas prices was the primary reason for the decline. Volumes produced and sold were on a par with the first quarter of 2015.

Gas income came to NOK 19.6 billion for the first quarter, down by NOK 6.7 billion from the same period of last year. This reduction reflected a 25 per cent fall in gas prices as a result of a weaker market for this commodity. The volume sold (including the purchase of third-party gas) was on a par with the first quarter of 2015.

	FIRST QUARTER		FULL YEAR
(NOK mill)	2016	2015	2015
Operating revenue	32 535	44 662	157 753
Total operating expenses	14 026	17 024	67 762
Operating income	18 509	27 638	89 990
Net financial items	(695)	(267)	(991)
Income after financial items	17 814	27 370	88 999
Total investment	6 277	6 837	27 961
Net cash flow	22 496	31 082	93 639
Average oil price (USD/bbl)	32.77	55.51	52.73
NOK/USD exchange rate	8.74	7.63	7.97
Average oil price (NOK/bbl)	287	424	420
Average gas price (NOK/scm)	1.73	2.31	2.14
Oil/NGL production (1 000 b/d)	422	419	411
Gas production (mill scm/d)	120	119	105
Total production (1 000 boe/d)	1 176	1 167	1 068



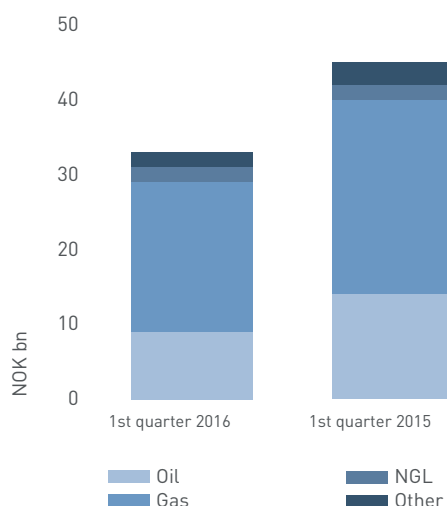
Drilling on the Johan Sverdrup field. Photo: Kjetil Eide, Statoil

Income from oil sales was down by 36 per cent from the same period of 2015 as a result of the continued decline in crude prices. Lower oil prices in US dollars were offset to some extent by a higher dollar exchange rate against Norwegian kroner compared with the first quarter of 2015. The oil price was NOK 287 per barrel, compared with NOK 424 in the same period of last year.

Operating expenses for the first quarter totalled NOK 14 billion, compared with NOK 17 billion in the same period of 2015. This reduction primarily reflected reduced depreciation for removal and a decline in the cost of purchasing third-party gas owing to lower gas prices and some fall in volume. Operating expenses for fields on stream were down by about NOK 500 million from the first quarter of 2015.

Total investment in the first quarter was NOK 6.3 billion, down by eight per cent from the same period of 2015. This decline primarily reflected the completion of a number of projects, with few new developments sanctioned and initiated.

REVENUE PER PRODUCT



OBSERVATIONS AND INCIDENTS IN THE FIRST QUARTER

High regularity on many fields and a high level of production offset some of the negative effect on income from lower oil and gas prices during the quarter. The trend towards improved drilling progress continued.

Petoro is a participant in Wisting, where the operator has completed a successful appraisal well and test. These results are important for further maturation of the Wisting area in the Barents Sea with a view to a possible development.

Stavanger, May 2016
The board of directors of Petoro AS