FIGURES FOR 2014

ANNUAL ACCOUNTS SDFI

COMPLIANCE REPORT FOR THE SDFI ACCOUNTS

PURPOSE
Since its establishment in 2001, Petoro has served as the licensee for the state's participatory interests in production licences, fields, pipelines and land-based facilities. Petoro is charged with managing the SDFI portfolio on the basis of sound business principles. The portfolio at 31 December 2014 comprised 34 producing fields, 182 production licences and 15 joint ventures for pipelines and terminals. An external valuation commissioned by the Ministry of Petroleum and Energy estimated that the SDFI portfolio was worth NOK 1 234 billion at 1 January 2014.

CONFIRMATION
The annual accounts are presented in accordance with the provisions on financial management in the government, circular R-115 from the Ministry of Finance, and requirements in the instructions on financial management of the SDFI in Petoro, with the exceptions granted for the SDFI. We hereby confirm that the annual accounts, which comprises the appropriation and capital accounts prepared on a cash basis, provide a true and fair picture in accordance with the cash basis. The general ledger accounts report presents accounting figures for the SDFI as reported to the government accounts in accordance with the standard chart of accounts for state-owned enterprises.

We furthermore confirm that the accounts based on the Accounting Act have been prepared in accordance with the Act and with Norwegian accounting standards, and provide a true and fair picture of the SDFI's assets, liabilities and financial results at 31 December 2014.

ASSESSMENT OF SIGNIFICANT CONDITIONS

APPROPRIATION AND CAPITAL ACCOUNTS
In accordance with the supplementary letter of assignment dated 8 December, the SDFI's appropriation for investment[2] is NOK 37 billion and for operating income[3] is NOK 118.9 billion. The appropriation for interest on the state's capital[4] is NOK 4.9 billion. Operating income is affected first and foremost by the price of oil and gas and by the volume of the SDFI's production sold. Statoil is responsible for marketing and sales of the SDFI's products under a marketing and sale instruction.

THE GENERAL LEDGER ACCOUNTS REPORT presents net reported revenue of NOK 185.5 billion in 2014 in accordance with the cash basis, which consists mainly of revenue from oil and gas sales. Expenses reported to the appropriation accounts comprise NOK 35.4 billion in payments to investment and NOK 34.8 billion in payments to operations. Payments to operations relate primarily to the operation of fields and facilities as well as processing and transport costs.

THE SDFI ACCOUNTS BASED ON THE ACCOUNTING ACT include a number of significant estimates which are subject to uncertainties and rely on judgements. These include capitalised exploration costs, estimates of reserves as the basis for depreciation, decommissioning expenses based on estimates for costs to be incurred far into the future, and assessment of impairment charges on tangible fixed assets.

Net income for 2014 was NOK 119.7 billion, compared with NOK 132.8 billion the year before. This decline primarily reflected reduced operating revenue as a result of lower oil and gas prices, and also affected cash flow to the government. Net cash flow transferred to the government came to NOK 111.1 billion, compared with NOK 124.8 billion in 2013. The average oil price for 2014 was NOK 617 per barrel, as against NOK 647 the year before. Gas averaged NOK 2.23 per scm compared with NOK 2.31. Reduced gas revenue also reflected the decision to defer production in order to boost its value. Total output averaged 1 000 000 boe per day, down by about three per cent from 2013. Sales for the year corresponded to production.

Operating expenses including depreciation, amortisation and impairment charges totalled NOK 59.7 billion, down by roughly four per cent from 2013. The cost of operating fields, pipelines and land-based facilities was NOK 19.3 billion,

[2] Type/category 2440.30
[3] Type/category 5440.24
[4] Type/category 5440.80

up by about six per cent from the year before.

Exploration expenses came to NOK 2.6 billion. NOK 1.1 billion was capitalised as possible and confirmed discoveries, with NOK 1.5 billion expensed as dry wells. The corresponding total for 2013 was NOK 3.3 billion, with 2.3 billion expensed. Petoro participated in 20 of the 59 exploration wells completed on the NCS in 2014. Discoveries were made in 10 of the 20 wells which the company was involved in.

Investment in 2014 totalled NOK 35.7 billion, on a par with 2013. Development investment amounted to NOK 13.5 billion and embraced new projects such as Valemon, Martin Linge, fast-track developments, subsea compression on Åsgard and new compressors on Troll. At some NOK 16 billion, capital spending on production drilling was on a par with 2013.

The portfolio's estimated remaining reserves of oil, condensate, NGL and gas totalled 6 145 million boe at 31 December, down by 277 million boe from the year before.

Assets had a book value of NOK 265.6 billion at 31 December. They primarily comprised fixed assets in the shape of field installations, pipelines and land-based facilities as well as current trade debtors. Equity at 31 December came to NOK 171.5 billion. Future decommissioning liabilities are estimated at NOK 77.5 billion. Current liabilities, which comprise provisions for accrued but unpaid expenses, amounted to NOK 14.1 billion at 31 December 2014.

ADDITIONAL INFORMATION

The Office of the Auditor General is the external auditor, and approves the annual accounts for the SDFI. Its auditor's report is expected to be ready during the second quarter of 2015. On completing its annual audit, the Auditor General issues a final audit letter (report) which summarises the conclusion of its audit work. This is published when the Auditor General has reported the results of its audit to the Storting (parliament), pursuant to section 18 of the Act on the Auditing of Governmental Accounts.

Deloitte has been engaged by the board to perform a financial audit of the SDFI as part of the company's internal audit function. Deloitte submits a written report to the board concerning the annual accounts prepared on a cash basis and based on the accounting principles which build on Norwegian auditing standard RS800 concerning special-purpose audits. Deloitte's audit work forms the basis for the Auditor General's review of the annual accounts.

Stavanger, 6 March 2015

Gunn Wærsted
Chair

Hilde Myrberg
Deputy chair

Nils-Henrik M von der Fehr
Director

Per Arvid Schøyen
Director

Per-Olaf Hustad
Director

Lars Kristian Bjørheim
Director*

Marit Ersdal
Director*

Grethe K Moen
President and CEO

*Elected by the employees

ACCOUNTS ON CASH BASIS, SDFI
Appropriation accounts

Specification of appropriation reporting 31 Dec 14 – figures in round NOK

Expense a/c no	Type	Category	Description	Total allocation	Accounts 2014	(Increase)/decrease in expenses
2440	Expenses	30	Investment	37 000 000 000	35 371 970 423	1 628 029 577
5440	Expenses	24.02	Operating expenses	31 600 000 000	34 665 940 102	(3 065 940 102)
5440	Expenses	24.03	Exploration and field development expenses	2 300 000 000	2 619 090 733	(319 090 733)
5440	Expenses	24.04	Depreciation	23 100 000 000	21 837 716 226	1 262 283 774
5440	Expenses	24.05	Interest	4 900 000 000	4 944 561 923	(44 561 923)
Total expensed				**98 900 000 000**	**99 439 279 407**	**(539 279 407)**

Revenue a/c no	Type	Category	Description	Total allocation	Accounts 2014	(Increase)/decrease in expenses
5440	Revenue	24.01	Operating revenue	180 800 000 000	185 514 222 749	4 714 222 749
5440	Expenses	30	Depreciation	23 100 000 000	21 837 716 226	(1 262 283 774)
5440	Expenses	80	Interest on fixed capital	4 900 000 000	4 968 207 169	68 207 169
5440	Expenses	85	Interest on open accounts	0	(23 645 246)	(23 645 246)
Total revenues recorded				**208 800 000 000**	**212 296 500 898**	**3 496 500 898**
5440		**24**	**Operating profit**	**118 900 000 000**	**121 446 913 765**	**2 546 913 765**
Net reported to appropriation accounts					**(112 857 221 491)**	

Capital accounts			
0677.03.04693	Settlement account Bank of Norway – paid in	187 798 670 530	
0677.03.08710	Settlement account Bank of Norway – paid in	16 685 151 990	
0677.04.05015	Settlement account Bank of Norway – paid out	(93 415 941 493)	
	Open accounts 1 Jan 2014	(1 801 770 514)	
Open accounts at period end		(3 591 110 979)	

Holdings reported to the capital accounts (31 Dec)

	Account	2014	2013	Change
	Open accounts with the Treasury	(3 591 110 979)	(1 801 770 514)	(1 789 340 464)

ACCOUNTS ON CASH BASIS, SDFI
Capital accounts – specified

SDFI CAPITAL ACCOUNTS 2014 – figures in NOK				
	Items			
	Open account government 31 Dec 14		3 591 110 979	(1 801 770 514)
	Fixed assets before impairment		189 811 829 155	
	Impairment		(323 863 722)	
	Fixed asset account		189 487 965 432	189 487 965 432
Total				**193 079 076 411**
	Open account government 1 Jan 14		(1 801 770 514)	
	Total expenses	35 371 970 423		
	Total revenue	(148 229 191 914)		
	Cash flow	(112 857 221 491)	(112 857 221 491)	
	Net transfer to the government		111 067 881 026	
Open account government at 31 Dec 14			**(3 591 110 979)**	**(3 591 110 979)**
	Fixed assets 1 Jan 14		(176 277 574 957)	
	Investments for the year		(35 371 970 423)	
	Depreciation for the year		21 837 716 226	
	Impairment		323 863 722	
	Fixed assets 31 Dec 14		(189 487 965 432)	(189 487 965 432)
Total				**(193 079 076 411)**

Stavanger, 6 March 2015

Gunn Wærsted
Chair

Hilde Myrberg
Deputy chair

Nils-Henrik M von der Fehr
Director

Per Arvid Schøyen
Director

Per-Olaf Hustad
Director

Lars Kristian Bjørheim
Director*

Marit Ersdal
Director*

Grethe K Moen
President and CEO

*Elected by the employees

ACCOUNTS ON CASH BASIS, SDFI
General ledger accounts report (chart of accounts)

Specification of the general ledger accounts report for the 2014 accounts – figures in round NOK		
	2014	**2013**
Income reported to the appropriation accounts		
Sales and lease income	177 444 779 357	188 176 765 690
Other income	3 853 411 727	3 985 317 669
Payments of financial income	4 216 031 665	5 477 824 936
Total paid in	**185 514 222 749**	**197 639 908 294**
Expenses reported to the appropriation accounts		
Payments for investment	35 374 212 536	33 592 484 393
Other operating payments	34 788 498 688	37 394 349 542
Payments of financial costs	2 494 290 035	2 357 401 055
Total paid out	**72 657 001 259**	**73 344 234 989**
Net reported operating and investment expenses	**(112 857 221 491)**	**(124 295 673 305)**
Net expenses reported to the appropriation accounts	**(112 857 221 491)**	**(124 295 673 305)**
Overview of open accounts with the Treasury		
Assets and liabilities*	**2014**	**2013**
O/U call	1 324 173 642	531 787 429
AP nonop	204 719 795	(544 480 406)
AR nonop	(471 940 376)	127 037 393
Inventory nonop	246 856 708	195 848 912
Prep exp nonop	33 038 031	(30 062 310)
Working cap - nonop	465 959 473	(808 163 163)
VAT	(13 466 808)	(1 545 856)
Agio	(0)	(0)
Total open account with the Treasury	**1 789 340 464**	**(529 578 001)**

*

O/U call	– prepayments calculated net of JV cash call and billing
AP nonop	– accounts payable from JV billing
AR nonop	– accounts receivable from JV billing
Inventory nonop	– inventory from JV billing
Prep exp nonop	– prepayments from JV billing
Working cap	– nonop – primarily accruals from JV billing
VAT	– balance of VAT payments
Agio	– rounding-off related to currency translation (agio/disagio)

Comment on change in open account from 2013 to 2014
The change primarily reflects increased provisions and prepayments in the licences.

ACCOUNTS BASED ON ACCOUNTING ACT
Income statement pursuant to NGAAP

All figures in NOK million	**Notes**	**2014**	**2013**
OPERATING REVENUE			
Operating revenue	3, 4, 9, 11	**179 797**	194 308
Total operating revenue		**179 797**	**194 308**
OPERATING EXPENSES			
Exploration expenses		**1 585**	2 277
Production expenses	5	**19 280**	18 262
Depreciation, amortisation and impairment	2	**24 276**	23 781
Other operating expenses	5, 9, 10	**14 524**	17 534
Total operating expenses		**59 664**	**61 854**
Operating income		**120 133**	**132 455**
FINANCIAL ITEMS			
Financial income		**9 098**	5 566
Financial expenses	12	**9 559**	5 204
Net financial items	8	**(462)**	**362**
NET INCOME FOR THE YEAR	19	**119 671**	**132 817**

ACCOUNTS BASED ON ACCOUNTING ACT
SDFI balance sheet at 31 December

All figures in NOK million	Notes	2014	2013
Intangible fixed assets	2	**510**	610
Tangible fixed assets	1, 2, 18, 21	**238 053**	201 784
Financial fixed assets	2, 11	**101**	393
Fixed assets		**238 663**	**202 787**
Stocks	6	**5 038**	4 466
Trade debtors	9, 10	**21 776**	27 514
Bank deposits		**115**	123
Current assets		**26 929**	**32 102**
TOTAL ASSETS		**265 592**	**234 889**
Equity at 1 January		**162 858**	155 085
Paid from/(to) government during the year		**(111 068)**	(124 825)
Net income		**119 671**	132 817
Equity adjustment		**0**	(219)
Equity	19	**171 461**	**162 858**
Long-term decommissioning liabilities	12, 18	**77 520**	52 580
Other long-term liabilities	13	**2 483**	2 212
Long-term liabilities		**80 003**	**54 792**
Trade creditors		**3 845**	3 260
Other current liabilities	9, 14, 15	**10 283**	13 980
Current liabilities		**14 128**	**17 240**
TOTAL EQUITY AND LIABILITIES		**265 592**	**234 889**

Stavanger, 6 March 2015

Gunn Wærsted
Chair

Hilde Myrberg
Deputy chair

Nils-Henrik M von der Fehr
Director

Per Arvid Schøyen
Director

Per-Olaf Hustad
Director

Lars Kristian Bjørheim
Director*

Marit Ersdal
Director*

Grethe K Moen
President and CEO

*Elected by the employees

ACCOUNTS BASED ON ACCOUNTING ACT
SDFI cash flow statement

All figures in NOK million	**2014**	**2013**
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Cash receipts from operations	**185 513**	197 590
Cash disbursements to operations	**(37 258)**	(39 738)
Net interest payments	**12**	(30)
Cash flow from operational activities	**148 243**	**157 882**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Pro et contra from government sale		
Investments	**(35 372)**	(33 585)
Cash flow from investment activities	**(35 372)**	**(33 585)**
CASH FLOW FROM FINANCING ACTIVITIES		
Change in working capital in the licences	**(486)**	1086
Change in under/over calls in the licences	**(1 324)**	(532)
Net transfer to the government	**(111 068)**	(124 825)
Cash flow from financing activities	**(112 878)**	**(124 271)**
Increase in bank deposits of partnerships with shared liability	**(7)**	26

NOTES TO THE ACCOUNTS BASED ON ACCOUNTING ACT

GENERAL

Petoro served at 31 December 2014 as the licensee on behalf of the SDFI for interests in 182 production licences and 15 joint ventures for pipelines and terminals – including the company's management of the commercial interests in Mongstad Terminal DA and Vestprosess DA, and of the shares in Norsea Gas AS and Norpipe Oil AS. In addition, the SDFI has the right to possible profits in four production licences with net profit agreements. Petoro has the same rights and obligations as other licensees, and manages the SDFI on the NCS on the basis of sound business principles.

Administration of the portfolio is subject to the accounting regulations for the government. Accounts for the portfolio are presented both on the cash basis used by the government and in accordance with the Norwegian Accounting Act. The company maintains separate accounts for all transactions relating to its participatory interests, so that revenue and costs from production licences and joint ventures are kept separate from the operation of the company. Cash flows from the portfolio are transferred to the central government's own accounts with the Bank of Norway. Petoro prepares separate annual accounts for the SDFI, with an overview of the participatory interests managed by the company and associated resource accounting.

ACCOUNTING PRINCIPLES FOR ACCOUNTS BASED ON ACCOUNTING ACT

The principal difference between the profit based on the Accounting Act and on a cash basis is that the latter includes cash payment for investments and excludes depreciation. Adjustments are also made for accruals of income and expenses on a cash basis, with a corresponding adjustment to debtors and creditors in the balance sheet. Realised currency loss/gain related to operating expenses and income is classified on the cash basis as operating expenses and income. The accounts based on the Accounting Act show realised currency loss/gain as financial expenses/income, and these items are accordingly not included in the operating profit. Differences between the accounts prepared in accordance with the Accounting Act (Norwegian generally accepted accounting principles – NGAAP) and on a cash basis are indicated in the notes below.

The SDFI's interests in limited companies and partnerships with shared liability relating to the production of petroleum are included under the respective items in the income statement and recorded in the balance sheet in accordance with the proportionate consolidation method for the SDFI's share of income, expenses, assets and liabilities. The same applies to undivided interests in oil and gas operations, including pipeline transport, which are not organised as companies.

The SDFI's participation in Statoil Natural Gas LLC (SNG) is treated as an investment in an associate and recorded in accordance with the equity method. This means that the SDFI's share of the equity is recorded in the balance sheet under financial fixed assets and its share of the profit/loss is recorded as operating revenue/expense in the income statement.

Dividend from the shares in Norsea Gas AS and Norpipe Oil AS is recorded as a financial item. In addition, revenue from production licences with net profit agreements (related to licences awarded in the second licensing round) is recorded as other income using the net method for each licence.

The functional currency is the Norwegian krone.

Principles for revenue recognition

The company records revenue from the production of oil, NGL and gas using the sales method. This means that sales are recorded in the period when the volumes are lifted and sold to the customer.

Revenue from ownership in pipelines and land-based facilities is recorded when the service is rendered.

Gas swap and borrowing agreements where settlement takes the form of returning volumes are accrued as a general rule using the sales method. At the same time, a provision is made for the associated production costs in the event that the SDFI has lent/borrowed gas. When lending gas from the SDFI, the lower of production expense and estimated net present value of the future sales price is capitalised as a pre-paid expense at the date of the loan. Furthermore, the SDFI's share of location swaps related to the purchase or sale of third-party gas is recorded net as operating revenue. The SDFI's share of time swaps is recorded gross.

Liabilities arising because too much crude oil has been lifted in relation to the SDFI's share of the production partnership are valued at production cost, while receivables due from the other partners in the production partnerships are valued at the lower of production cost and the estimated present value of the future sales price.

Purchase of third-party gas for onward sale is recorded gross as operating costs. The corresponding revenue is included in sales income.

Purchases and sales between fields and/or transport systems

Internal expenses and revenues relating to purchases and sales between fields and/or transport systems in which the SDFI is both owner and shipper are eliminated, so that only costs paid to third parties appear as net transport costs.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction. Monetary items in foreign currencies are valued at the exchange rate prevailing on the balance sheet date. Unrealised currency losses and realised currency gains and losses are recorded as financial income or expenses.

Classification of assets and liabilities
Assets intended for ownership or use over a longer period are classified as fixed assets. Other assets are classified as current assets. Debtors due within one year are classified as current assets. Similar criteria are applied for classifying current and long-term liabilities.

Research and development
Research and development expenses are expensed on a continuous basis. In addition to spending on direct research and development in each partnership, the operator also charges expenses for general research and development to the partnership in accordance with the size of exploration, development and operating expenses in the partnership.

Exploration and development costs
Petoro employs the successful-efforts method to record exploration costs for oil and gas operations by the SDFI in the SDFI accounts. This means that expenses related to geological and geophysical surveying are expensed. However, expenses related to exploration drilling are capitalised in anticipation of evaluation, and are expensed should the evaluation show that the discovery is not commercial. Considerable time can elapse between the drilling of a well and a final development decision. Capitalised exploration expenses are accordingly assessed quarterly to determine whether sufficient progress is being made in the projects so that the criteria for capitalisation continue to be met. Dry wells or those where progress is insufficient are expensed.

Expenses relating to development, including wells, field installations and production facilities, are capitalised. Costs for operational preparations are expensed on a continuous basis.

Tangible fixed assets
Tangible fixed assets and investments are carried at historical cost with a deduction for planned depreciation. Fixed assets under construction are carried at historical cost.

Fixed assets leased on terms which largely transfer the financial risk and control to the company (financial leasing) are capitalised under tangible fixed assets and the associated lease commitment is recognised as a commitment under long-term interest-bearing debt at the net present value of the leasing charges. The fixed asset is subject to planned depreciation, and the commitment is reduced by the leasing charge paid after deduction of calculated interest costs.

The SDFI does not take up loans, and incurs no interest expenses associated with the financing of development projects.

Ordinary depreciation of oil and gas production facilities is calculated for each field and field-dedicated transport system using the unit of production method. This means that the acquisition cost is depreciated in line with the relationship between volume sold during the period and reserves at the beginning of the period. Investments in wells are depreciated in line with the reserves made available by the wells drilled.

Petoro determines the reserve base for depreciation purposes on the basis of estimated remaining reserves per field, which are adjusted downwards by a factor calculated as the relationship between the Norwegian Petroleum Directorate's sum of low reserves in production and the sum of basis reserves in production for oil and gas reserves respectively. This reserve adjustment totalled 72.2 per cent of expected remaining oil reserves in 2014, while the corresponding figure for gas fields was 84.1 per cent. The reserve estimates are revised annually, and possible changes affect only further depreciation expenses.

Ordinary depreciation for land-based facilities and transport systems as well as for riser platforms used by several fields is calculated on a straight-line basis over the remaining licence period at 31 December.

Other tangible fixed assets are depreciated on a straight-line basis over their expected economic lifetime.

Intangible fixed assets
Intangible fixed assets are carried at their fair value at the time of acquisition. They are amortised over the expected contract period or their expected economic lifetime, and possible impairment charges are deducted.

Impairment
Each time the accounts are made up, assets are reviewed for indications of a fall in value. Oil and gas fields or installations are normally treated as separate units for assessing impairment. Should the recoverable value be lower than the book value, and this decline is not expected to be temporary, the asset is written down to its recoverable value, which is the higher of the asset's fair value less sales costs and its utility value. The utility value is calculated using discounted cash flows, which are discounted using a discount rate based on the weighted average cost of capital (WACC) calculated for the company.

The impairment charge will be reversed if the conditions for writing down the asset no longer apply.

Maintenance expenses
Expenses related to repair and maintenance are expensed on a continuous basis. Expenses for major replacements and renewals which significantly extend the economic life of the tangible fixed assets are capitalised.

Abandonment and decommissioning expenses
Under the terms of a licence, the authorities can require the licensees to remove offshore installations when their production life comes to an end. The estimated fair value of liabilities for decommissioning and clear-up is recorded in the accounts in the period when the liability arises, normally when wells are drilled and installations are built and ready for use. The liability is capitalised as part of the acquisition cost of wells and installations, and depreciated together with this. Changes to estimated cessation and decommissioning costs are recorded and capitalised in the same manner and depreciated over the remaining economic life of the assets. The discount rate applied when calculating the fair value of a decommissioning liability is

based on the interest rate for Norwegian government bonds with the same maturity as the decommissioning liability.

A change in the liability relating to its time value – the effect of the decommissioning date having come one year closer – is recorded as a financial expense.

Stocks
Stocks of spare parts and operating materials are valued at the lower of acquisition cost in accordance with the Fifo principle or net realisable value. Spare parts of insignificant value for use in connection with the operation of oil or gas fields are expensed at the time of acquisition. Spare parts of significant value are recorded as stock at the time of acquisition and expensed when they are used in operations. Petoro accepts the assessments made by operators regarding which materials should be capitalised and which expensed.

Debtors
Trade debtors and other debtors are carried at face value less a provision for expected loss. This provision is based on an individual assessment of each debtor.

Bank deposits
Bank deposits include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase. Cash flows from oil and gas sales are transferred to the government on a daily basis. Booked bank deposits accordingly include the SDFI's share of bank deposits in companies with shared liability in which the SDFI has an interest.

Current liabilities
Current liabilities are valued at their face value.

Taxes
The SDFI is exempt from company tax in Norway. The SDFI is registered for value-added tax (VAT) in Norway. Virtually all the SDFI's sales of oil and gas products from its activity take place outside the geographic area to which Norway's VAT legislation applies (the continental shelf and exports). The SDFI invoices these sales to the buyer free of tax. At the same time, the SDFI can deduct possible VAT incurred on invoiced costs which are relevant to its activity.

Financial instruments
Since the SDFI is included in the government's overall risk management, only limited use is made of financial instruments.

Such instruments are valued at their market value on the balance sheet date. Unrealised losses relating to financial instruments are recorded as expenses. Unrealised gains are recorded as income if all the following criteria are fulfilled: the instrument is classified as a current asset, is part of a trading portfolio with a view to onward sale, is traded on an exchange, an authorised marketplace or similar regulated market outside Norway, and has a good ownership spread and liquidity. Valuations are based on a portfolio assessment where this is regarded as the most sensible approach given the nature of the financial instruments, and where the portfolio is balanced in volume and time. Eliminations are carried out where legal rights exist to set off unrealised losses and gains, or where deposit/margins which correspond with the market value of the derivatives have been paid and capitalised.

The valuation rules for fixed assets are applied to financial instruments not classified as current assets.

Contingent liabilities
Probable and quantifiable losses are expensed.

NOTE 1 ASSET TRANSFERS AND CHANGES

Fourteen production licences were awarded with SDFI participation in 2014. Twelve of these were formally awarded by the Ministry of Petroleum and Energy on 7 February 2014 in connection with the awards in predefined areas for 2013. In addition, two licences were carved out of existing licences with SDFI participation. Eleven production licences were relinquished.

Flyndre was established in 2014, and redetermination of the Vega Unit resulted in an increased participatory interest from 1 January 2015.

NOTE 2 SPECIFICATION OF FIXED ASSETS

All figures in NOK million	Book value at 31 Dec 13	Historical cost at 1 Jan 14	Accumulated depreciation 1 Jan 14	Addition 2014	Impair-ment 2014	Disposal 2014	Transfers 2014	Depreciation 2014	Book value at 31 Dec 14
Fields under development	5 996	5 996	0	5 048	0	0	0	0	11 044
Fields in operation	157 620	445 731	(288 111)	49 961	(106)	(160)	213	(21 946)	185 581
Pipelines and terminals	32 411	64 778	(32 366)	4 494	0	(55)	0	(1 871)	34 979
Capitalised exploration expenses	5 757	5 757	0	1 576	0	(578)	(213)	0	6 541
Total tangible fixed assets	**201 784**	**522 261**	**(320 477)**	**61 077**	**(106)**	**(793)**	**0**	**(23 817)**	**238 146**
Intangible assets	610	778	(168)	0	(163)	0	0	(30)	417
Financial fixed assets	393	393	0	(293)	0	0	0	0	101
Total fixed assets (NGAAP)	**202 787**	**523 433**	**(320 646)**	**60 784**	**(269)**	**(793)**	**0**	**(23 847)**	**238 663**
Translation to cash basis	(26 510)	(57 202)	30 693	(25 412)	(55)	793	0	2 009	(49 175)
Total fixed assets on cash basis	**176 278**	**466 230**	**(289 953)**	**35 372**	**(324)**	**0**	**0**	**(21 838)**	**189 488**

Tangible fixed assets are recorded at NOK 238 053 million in the balance sheet. The difference in the note reflects an impairment charge of NOK 93 million for Aldbrough which is recorded under tangible fixed assets in the accounts but moved to intangible assets in the note. Tangible fixed assets for the Snøhvit field include a capitalised long-term financial charter for three ships used for LNG transport from the field. These vessels will be depreciated over 20 years, which is the duration of the charter.

Intangible assets relate mainly to rights in the gas storage facility at Aldbrough, and are recorded at NOK 510 million in the balance sheet. This difference relates to an impairment charge in December 2014 which has been recorded against tangible fixed assets. Total capacity for the SDFI and Statoil is 100 million scm, of which the SDFI's share is 48.3 per cent. The amount invested is depreciated on a straight-line basis over the estimated 25-year economic life. Impairment of NOK 163 million was charged for Aldbrough in 2014, primarily because of lower prices and reduced volatility as well as higher operating expenses. Investment in further development of the Etzel gas storage facility and a small amount for Åsgard Transport are included in intangible assets.

Financial fixed assets of NOK 101 million include the following.

- Capacity rights for regasification of LNG at the Cove Point terminal in the USA, with an associated agreement on the sale of LNG from Snøhvit to Statoil Natural Gas LLC (SNG) in the USA, reclassified with effect from 2009 as a financial fixed asset. This activity is assessed as an investment in an associate and recorded in accordance with the equity method. See also note 11. The SDFI participates in SNG under the marketing and sale instruction with regard to activities related to the marketing and sale of the government's LNG from Snøhvit. Nothing indicates that a new impairment test is required. Cash flows from the SNG are settled on a monthly basis in connection with the purchase and sale of LNG from 2013.
- Shareholdings in Norsea Gas AS, with a book value of NOK 3.98 million, and in Norpipe Oil AS.

NOTE 3 SPECIFICATION OF OPERATING REVENUE BY AREA

All figures in NOK million	2014	2013
Licence	**172 007**	189 201
Market	**11 503**	8 921
Net profit agreements	**986**	627
Elimination internal sales	**(4 699)**	(4 441)
Total operating revenue (NGAAP)	**179 797**	**194 308**
Conversion to cash basis	**5 718**	3 332
Total cash basis	**185 514**	**197 640**

Market primarily comprises revenue from the onward sale of gas and tariff revenues.

NOTE 4 SPECIFICATION OF OPERATING REVENUE BY PRODUCT

All figures in NOK million	2014	2013
Crude oil, NGL and condensate	**85 642**	92 614
Gas	**81 477**	90 441
Transport and processing revenue	**11 137**	10 421
Other revenue	**554**	205
Net profit agreements	**986**	627
Total operating revenue (NGAAP)	**179 797**	**194 308**
Conversion to cash basis	**5 718**	3 332
Total cash basis	**185 514**	**197 640**

All crude oil, NGL and condensate from the SDFI are sold to Statoil, and all gas is sold by Statoil at the SDFI's expense and risk. Virtually all the gas is sold to customers in Europe, and the four largest customers purchase about 30 per cent of the annual volumes under long-term contracts.

NOTE 5 SPECIFICATION OF PRODUCTION AND OTHER OPERATING EXPENSES BY AREA

All figures in NOK million	2014	2013
PRODUCTION EXPENSES		
Licence	**17 375**	16 663
Other infrastructure	**1 904**	1 599
Total production expenses	**19 280**	**18 262**
OTHER OPERATING EXPENSES		
Licence	**13 419**	13 441
Market	**5 804**	8 534
Elimination internal purchases	**(4 699)**	(4 441)
Total other operating expenses	**14 524**	**17 534**
Total operating expenses	**33 804**	**35 796**
Conversion to cash basis	862	764
Total cash basis	**34 666**	**36 560**

Market primarily comprises the cost of purchasing gas for onward sale and tariff expenses.

NOTE 6 INVENTORIES

All figures in NOK million	2014	2013
Petroleum products	**2 548**	2 223
Spare parts	**2 490**	2 243
Total inventories	**5 038**	**4 466**

Petroleum products comprise LNG and natural gas. The SDFI does not hold inventories of crude oil, which is sold in its entirety to Statoil.

Not relevant to the accounts on a cash basis.

NOTE 7 INTEREST INCLUDED IN THE SDFI APPROPRIATION ACCOUNTS

Interest on the state's fixed capital is incorporated in the accounts on a cash basis. Interest amounts are calculated in accordance with the requirements in the 2014 letter of assignment to Petoro from the Ministry of Petroleum and Energy.

Interest on the state's fixed capital is charged to operations in order to take account of capital costs and to provide a more accurate picture of the use of resources. This is a calculated expense without cash effect.

The accounts on a cash basis included an open account with the government which represents the difference between charging to type/category in the appropriation accounts and liquidity movements.

Interest on the open account with the government is calculated in accordance with the 2014 letter of assignment to Petoro from the Ministry of Petroleum and Energy. The interest rate applied is related to the interest rate on short-term government securities and corresponds to the interest rate applied to short-term loans to the Treasury, calculated on the basis of the average monthly balance in the open account with the government.

Not relevant to the accounts based on the Accounting Act (NGAAP).

NOTE 8 NET FINANCIAL ITEMS

All figures in NOK million	**2014**	**2013**
Interest	**1**	50
Other financial revenue	**42**	41
Currency gain	**9 055**	5 474
Currency loss	**(7 251)**	(3 514)
Interest costs	**(397)**	(123)
Interest on decommissioning liability	**(1 910)**	(1 566)
Net financial items	**(462)**	**362**

NOTE 9 CLOSE ASSOCIATES

The government, represented by the Ministry of Petroleum and Energy, owns 67 per cent of Statoil and 100 per cent of Gassco. These companies are classified as close associates of the SDFI.

Statoil is the buyer of the government's oil, condensate and NGL. Sales of oil, condensate and NGL to Statoil totalled NOK 86.4 billion (corresponding to 150 million boe) for 2014 and NOK 92.5 billion (153 million boe) for 2013.

Statoil markets and sells the government's natural gas at the government's expense and risk, but in Statoil's name and together with its own production. The government receives the market value for these sales. The government sold dry gas directly to Statoil to a value of NOK 461 million in 2014, compared with NOK 484 million in 2013. Statoil is reimbursed by the government for its relative share of costs associated with the transport, storage and processing of dry gas, the purchase of dry gas for onward sale and administrative expenses relating to gas sales. These reimbursements amounted to NOK 15.4 billion in 2014, compared with NOK 17.4 billion in 2013. Open accounts with Statoil totalled NOK 5.7 billion in favour of the SDFI, converted at the exchange rate prevailing at 31 December, compared with NOK 10.2 billion in 2013.

Pursuant to the marketing and sale instruction, the SDFI also participates with a financial interest in Statoil Natural Gas LLC (SNG) in the USA. Cash flows from SNG are settled continuously on a monthly basis in connection with the purchase and sale of LNG. The investment is recorded in accordance with the equity method, and is covered in more detail in note 11.

Open accounts and transactions relating to activities in the production licences are not included in the above-mentioned amounts. Hence, no information has been included with regard to open accounts and transactions relating to licence activities with Statoil and Gassco. The SDFI participates as a partner in production licences on the NCS. These are accounted for in accordance with the proportionate consolidation method.

NOTE 10 TRADE DEBTORS

No bad debts were recorded in 2014. Trade debtors and other debtors are otherwise recorded at face value pursuant to the NGAAP.

NOTE 11 INVESTMENT IN ASSOCIATE

The SDFI's participation in Statoil Natural Gas LLC (SNG) in the USA has been treated with effect from 1 January 2009 as an investment in an associate, which is recognised in accordance with the equity method. At the time it was established in 2003, the investment was recorded as an investment in intangible fixed assets at an original acquisition cost of NOK 798 million.

SNG has its business office at Stamford in the USA and is formally owned 56.5 per cent by Statoil Norsk LNG AS, which reflects the SDFI's ownership interest under the marketing and sale instruction. The remaining 43.5 per cent is owned by Statoil North America Inc. As a result of the merger between Statoil and Hydro's petroleum business in 2007, the profit/loss is allocated in accordance with a skewed distribution model which gives 48.4 per cent to the SDFI.

Statoil consolidates its holding in SNG with other US operations, and uses SNG as a marketing company for gas sales in the American market. Pursuant to the marketing and sale instruction, the SDFI participates in SNG with regard to activities related to the sale of the government's LNG from Snøhvit. Cash flows from SNG are settled continuously on a monthly basis in connection with the purchase and sale of LNG from 2013.

In addition to SNG, the shareholdings in Norsea Gas AS and Norpipe Oil AS are included in the table below.

All figures in NOK million	**2014**	**2013**
Opening balance financial fixed assets (adjusted share)	**393**	1102
Net profit credited before impairment	**(293)**	(709)
Impairment	**0**	0
Closing balance financial fixed assets	**101**	**393**

NOTE 12 ABANDONMENT/DECOMMISSIONING

The liability comprises future abandonment and decommissioning of oil and gas installations. Norwegian government legal requirements and the Oslo-Paris (Ospar) convention for the protection of the marine environment of the north-east Atlantic provide the basis for determining the extent of the decommissioning liability.

The liability is calculated on the basis of estimates from the respective operators. Great uncertainty relates to a number of factors underlying the decommissioning estimate, including assumptions for decommissioning and estimating methods, technology and the decommissioning date. The last of these is expected largely to fall one-two years after the cessation of production. See note 22.

Interest expense on the liability is classified as a financial expense in the income statement. The discount rate is based on the interest rate for Norwegian government bonds with the same maturity as the decommissioning liability. An extrapolated interest rate derived from foreign rates is applied for liabilities which extend beyond the longest maturity for such bonds.

The estimate for decommissioning costs has been increased by NOK 4.9 billion as a result of changes to future estimated costs from operators and alterations to cessation and decommissioning dates. This change includes higher estimates for plugging and abandoning wells and for shutting down installations. Estimates for decommissioning expenses include operating costs for rigs and other vessels required for such complex operations. A lower discount rate increases the liability by NOK 19.2 billion.

All figures NOK million	**2014**	**2013**
Liability at 1 Jan	**52 580**	58 207
New liabilities/disposals	**130**	1 359
Actual decommissioning	**(1 243)**	(655)
Changes to estimates	**4 853**	3 482
Changes to discount rates	**19 247**	(11 380)
Interest expense	**1 910**	1 566
Liability at 31 Dec	**77 520**	**52 580**

NOK 1 243 million for cessation and decommissioning accrued in 2014, and is included in the accounts on a cash basis.

NOTE 13 OTHER LONG-TERM LIABILITIES

Other long-term liabilities pursuant to the NGAAP comprise:
- debt related to financial leasing of three LNG carriers delivered in 2006
- debt relating to the final settlement of commercial arrangements concerning the move to company-based gas sales.

Three financial leasing contracts were entered into in 2006 on the delivery of three ships for transporting LNG from Snøhvit. These contracts run for 20 years, with two options for five-year extensions. The future discounted minimum payment for financial leasing totals NOK 1 438 million. Of this, NOK 168 million falls due for payment in 2015, NOK 674 million in the subsequent four years and the residual NOK 428 million after 2019.

Other long-term liabilities total NOK 1 044 million, of which NOK 792 million falls due longer than five years from the balance sheet date.

Not relevant to the accounts on a cash basis.

NOTE 14 OTHER CURRENT LIABILITIES

Other current liabilities pursuant to the NGAAP falling due in 2015 consist mainly of:
- provisions for unpaid costs accrued by licence operators in the accounts at November
- provisions for accrued unpaid costs at December, adjusted for cash calls in December
- other provisions for accrued unpaid costs not included in the accounts received from operators
- current share of long-term liabilities.

Not relevant to the accounts on a cash basis.

NOTE 15 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Only limited use is made of financial instruments (derivatives) to manage risk in the SDFI portfolio. This is primarily because the SDFI is owned by the state and is accordingly included in the government's overall risk management. The SDFI does not have significant interest-bearing debt, and all crude oil and NGL is sold to Statoil. Instruments used to hedge gas sales relate to forwards and futures. At 31 December 2014, the market value of the financial instruments was NOK 1 959 million in assets and NOK 404 million in liabilities. The comparable figures at the end of 2013 were NOK 289 million and NOK 301 million respectively. These figures include the market value of unlisted instruments. The market value of built-in derivatives related to end-user customers in continental Europe. This amounted to a supplementary NOK 1 089 million in assets. The corresponding figures for 2013 were NOK 1 137 million and NOK 31 million in liabilities. No net unrealised gains were recognised pursuant to the NGAAP in 2014. The net unrealised loss for the trading portfolio at 31 December 2013 was recorded as NOK 11.6 million.

Price risk
The SDFI is exposed to fluctuations in oil and gas prices in the world market. Statoil purchases all oil, NGL and condensate from the SDFI at market-based prices. SDFI revenue from gas sales to end users reflects market value. Based on the arrangement relating to the marketing and sale instruction together with the SDFI's participation in the government's overall risk management, only limited use is made of financial instruments (derivatives) to counteract fluctuations in profit and loss owing to variations in commodity prices.

Currency risk
The most significant part of the SDFI's revenue from the sale of oil and gas is billed in USD, EUR or GBP. Part of its operating expenses and investments is also billed in equivalent currencies. When converting to NOK, currency fluctuations will affect the SDFI's income statement and balance sheet. The SDFI does not make use of currency hedging in relation to future sales of the SDFI's petroleum, and its exposure in the balance sheet at 31 December 2014 was largely related to one month's outstanding revenue.

Interest risk
The SDFI is primarily exposed to credit risk through financial leases. Together with Statoil, it has a financial liability related to charters for LNG ships pursuant to the marketing and sale instruction. The SDFI has no other interest-bearing debt exposed to interest rate fluctuations.

Credit risk
The SDFI's sales are made to a limited number of parties, with all oil and NGL sold to Statoil. In accordance with the marketing and sale instruction, financial instruments for the SDFI's operations are purchased from other parties with sound credit ratings. Financial instruments are only established with large banks or financial institutions at levels of exposure approved in advance. The SDFI's credit-related risk during consecutive transactions is accordingly regarded as insignificant.

Liquidity risk
The SDFI generates a significant positive cash flow from its operations. Internal guidelines on managing the flow of liquidity have been established.

NOTE 16 LEASES/CONTRACTUAL LIABILITIES

All figures in NOK million	Leases	Transport capacity and other liabilities
2015	6 553	1 967
2016	6 286	1 829
2017	4 708	1 949
2018	4 115	1 828
2019	3 777	1 563
Beyond	9 660	12 303

Leases represent operation-related contractual liabilities for the chartering/leasing of rigs, supply ships, production ships, helicopters, standby vessels, bases and so forth as specified by the individual operator. The figures represent cancellation costs.

Transport capacity and other liabilities relate to the sale of gas, and consist mainly of transport and storage liabilities in the UK and continental Europe as well as terminal capacity liabilities relating to the Cove Point terminal in the USA. The SDFI's share of installations and pipelines on the NCS is generally higher than or equal to the transport share. Hence, no liabilities are calculated for these systems.

Other liabilities
In connection with the award of licences to explore for and produce petroleum, licensees may be required to undertake to drill a certain number of wells. Petoro was committed at 31 December 2014 to participate in eight wells with an expected cost to the SDFI of NOK 948 million. Of this, NOK 763 million is expected to be incurred in 2015.

The company has also accepted contractual liabilities relating to investment in new and existing fields. These obligations total NOK 11.8 billion for 2014 and NOK 15.5 billion for subsequent periods, a total of NOK 27.3 billion. The SDFI is also committed in 2014 through approved licence budgets to operating and investment expenses for subsequent years. The above-mentioned liabilities for 2014 are included in this total.

In connection with the sale of the SDFI's oil and gas, Statoil has issued a limited number of warranties to vendors and owners of transport infrastructure relating to operations in the USA, the UK and continental Europe. Warranties issued in connection with trading operations are provided as security for the financial settlement.

The SDFI and Statoil deliver gas to customers under common gas sale agreements. SDFI gas reserves will be utilised in accordance with the SDFI's share of production from the fields selected to deliver the gas at any given time.

Not relevant to the accounts on a cash basis.

NOTE 17 OTHER LIABILITIES

The SDFI could be affected by possible legal actions and disputes as a participant in production licences, fields, pipelines and land-based facilities, and in the joint sale of the SDFI's gas together with Statoil. The SDFI is involved in current disputes relating to issues in joint ventures in which Petoro is a licensee. Provisions have been made in the accounts for issues where a negative outcome for the SDFI portfolio is thought to be more likely than not.

Not relevant to the accounts on a cash basis.

NOTE 18 SIGNIFICANT ESTIMATES

The SDFI accounts are presented in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP), which means that the management makes assessments and exercises judgement in a number of areas. Changes in the underlying assumptions could have a substantial effect on the accounts. Where the SDFI portfolio is concerned, it is presumed that assessments of reserves, decommissioning of installations, exploration expenses and financial instruments could have the largest significance.

Recoverable reserves include volumes of crude oil, NGL (including condensate) and dry gas as reported in resource classes 1-3 in the classification system used by the Norwegian Petroleum Directorate (NPD). Only reserves for which the licensees' plan for development and operation (PDO) has been sanctioned in the management committee and submitted to the authorities are included in the portfolio's expected reserves. A share of the field's remaining reserves in production (resource class 1) provides the basis for depreciation. A share of oil and gas respectively is calculated annually for the portfolio to represent the relationship between low and basis reserves. This common share is used to calculate the depreciation basis for each field. The downwardly adjusted basis reserves which form the basis for depreciation expenses have great significance for the result, and adjustments to the reserve base can cause major changes to the SDFI's profit.

Drilling expenses are capitalised temporarily until an assessment has been made of whether oil or gas reserves have been found. Assessments of the extent to which these expenses should remain capitalised or be written down in the period will affect results for the period.

Substantial investments in tangible fixed assets have been made in the SDFI portfolio. Each time the accounts are made up, these are reviewed for indications of a fall in value. The assessment of whether an asset must be written down builds to a great extent on judgements and assumptions about the future.

Reference is otherwise made to the description of the company's accounting principles and to notes 12 and 15, which describe the company's treatment of exploration expenses, uncertainties related to decommissioning and financial instruments.

Not relevant to the accounts on a cash basis.

NOTE 19 EQUITY

All figures in NOK million	**2014**	**2013**
Equity at 1 Jan	**162 858**	155 085
Net income for the year	**119 671**	132 817
Cash transfers to the government	**(111 068)**	(124 825)
Items recorded directly against equity		(219)
Equity at 31 Dec	**171 461**	**162 858**

Items recorded directly against equity in 2013 related to an equity adjustment in connection with a change to the method for translating foreign currencies to Norwegian kroner when valuing the stock margin for the gas stock. Equity at 1 January included a capital contribution of NOK 9.1 billion paid to Statoil on 1 January 1985 for the participatory interests acquired by the SDFI from Statoil. It otherwise includes accumulated income reduced by net cash transfers to the government.

Not relevant to the accounts on a cash basis.

NOTE 20 AUDITOR

Petoro is subject to the regulations on appropriations and the government's financial regulations. In accordance with the Act on the Auditing of Governmental Accounts of 7 May 2004, the Office of the Auditor General is the external auditor for the SDFI. The Auditor General issues a final audit letter (report) concerning the SDFI accounts and budget, which is first published after the government accounts have been submitted and when the Auditor General's annual report, Document no 1, is submitted to the Storting (parliament).

In addition, Deloitte AS has been engaged by the board of directors of Petoro AS to perform a financial audit of the SDFI as part of the internal audit function. Deloitte submits its audit report to the board in accordance with Norwegian auditing standards. Deloitte's fee is expensed in the Petoro accounts.

NOTE 21 EXPECTED REMAINING OIL AND GAS RESERVES

	2014		2013		2012		2011	
Oil* in mill bbl Gas in bn scm	**oil**	**gas**	**oil**	**gas**	**oil**	**gas**	**oil**	**gas**
Expected reserves at 1 Jan	1395	799	1458	821	1429	847	1397	817
Corrections for earlier years**								(1)
Change in estimates	68	1	41	6	62	8	43	(3)
Extensions and discoveries	4	1	12	3	34	6	74	7
Improved recovery	0	0	35	5	89	1	86	61
Purchase of reserves								
Sale of reserves							(10)	(1)
Production	(148)	(34)	(151)	(36)	(157)	(41)	(161)	(33)
Expected reserves at 31 Dec	**1318**	**767**	**1395**	**799**	**1458**	**821**	**1429**	**847**

* Oil includes NGL and condensate.
** Correction in 2011 as a result of reconciliation with official production figures from the NPD.

At 31 December 2014, the portfolio's expected remaining oil, condensate, NGL and gas reserves totalled 6 145 million boe. This represented a decline of 277 million boe from the end of 2013.

Net reserves rose by 88 million boe in 2014. This low figure reflected few decisions on investing in new developments and improved recovery measures on existing SDFI fields during the year. Most of the increase arose from more uniform reporting of reserves for new wells on fields operated by Statoil. At the same time, reserves were downgraded on some fields.

A total of 365 million boe were produced in 2014, giving a net reserve replacement rate of 24 per cent for the year. The corresponding rate in 2013 was 47 per cent.

NOTE 22 SDFI OVERVIEW OF INTERESTS

Production licence	At 31 Dec 14 – interest (%)	At 31 Dec 13 – interest (%)
018	5.0000	5.0000
018 B	5.0000	5.0000
018 C	5.0000	5.0000
018 DS	5.0000	5.0000
028 C	30.0000	30.0000
034	40.0000	40.0000
036 BS	20.0000	20.0000
037	30.0000	30.0000
037 B	30.0000	30.0000
037 E	30.0000	30.0000
037 F	30.0000	30.0000
038	30.0000	30.0000
038 C	30.0000	30.0000
038 D	30.0000	30.0000
038 E	30.0000	-
040	30.0000	30.0000
043	30.0000	30.0000
043 BS	30.0000	30.0000
050	30.0000	30.0000
050 B	30.0000	30.0000
050 C	30.0000	30.0000
050 D	30.0000	30.0000
050 DS	30.0000	30.0000
050 ES	30.0000	30.0000
050 FS	30.0000	30.0000
050 GS	30.0000	30.0000
050 HS	30.0000	30.0000
051	31.4000	31.4000
052	37.0000	37.0000
052 B	37.0000	37.0000
053	33.6000	33.6000
054	40.8000	40.8000
055 C	33.6000	33.6000
057	30.0000	30.0000
062	19.9500	19.9500
064	30.0000	30.0000
074	19.9500	19.9500
074 B	19.9500	19.9500
077	30.0000	30.0000
078	30.0000	30.0000
079	33.6000	33.6000
085	62.9187	62.9187
085 B	62.9187	62.9187
085 C	56.0000	56.0000
089	30.0000	30.0000
093	47.8800	47.8800
093 B	47.8800	47.8800

Production licence	At 31 Dec 14 – interest (%)	At 31 Dec 13 – interest (%)
093 C	47.8800	47.8800
093 D	47.8800	-
093 E	47.8800	-
094	14.9500	14.9500
094 B	35.6900	35.6900
095	59.0000	59.0000
097	30.0000	30.0000
099	30.0000	30.0000
100	30.0000	30.0000
102	30.0000	30.0000
102 C	30.0000	30.0000
102 D	30.0000	30.0000
102 E	30.0000	30.0000
102 G	30.0000	30.0000
103 B	30.0000	30.0000
104	33.6000	33.6000
104 B	33.6000	33.6000
107 B	7.5000	7.5000
107 D	7.5000	7.5000
110	30.0000	30.0000
110 B	30.0000	30.0000
110 C	-	30.0000
120	16.9355	16.9355
120 B	16.9355	16.9355
124	27.0900	27.0900
128	24.5455	24.5455
128 B	54.0000	54.0000
134	13.5500	13.5500
152	30.0000	30.0000
153	30.0000	30.0000
153 B	30.0000	30.0000
158	47.8800	47.8800
169	30.0000	30.0000
169 B1	37.5000	37.5000
169 B2	30.0000	30.0000
169 C	50.0000	50.0000
169 D	-	30.0000
171 B	33.6000	33.6000
176	47.8800	47.8800
190	40.0000	40.0000
190 B	40.0000	40.0000
193	30.0000	30.0000
193 B	30.0000	30.0000
193 C	30.0000	30.0000
193 D	30.0000	30.0000
193 E	30.0000	30.0000
195	35.0000	35.0000
195 B	35.0000	35.0000
199	27.0000	27.0000

Production licence	At 31 Dec 14 – interest (%)	At 31 Dec 13 – interest (%)
208	30.0000	30.0000
209	35.0000	35.0000
237	35.6900	35.6900
248	40.0000	40.0000
248 B	40.0000	40.0000
248 C	40.0000	40.0000
248 D	40.0000	-
248 E	40.0000	-
250	45.0000	45.0000
255	30.0000	30.0000
263C	19.9500	19.9500
265	30.0000	30.0000
275	5.0000	5.0000
277	30.0000	30.0000
309 B	-	33.6000
309 C	33.6000	33.6000
318	20.0000	20.0000
318 B	20.0000	20.0000
318 C	20.0000	20.0000
327	20.0000	20.0000
327 B	20.0000	20.0000
374 S	-	20.0000
393	20.0000	20.0000
393 B	20.0000	20.0000
395	-	20.0000
438	20.0000	20.0000
448	30.0000	30.0000
473	19.9500	19.9500
475 BS	30.0000	30.0000
475 CS	30.0000	30.0000
479	14.9500	14.9500
489	20.0000	20.0000
502	33.3333	33.3333
504	52.4070	52.4070
504 BS	4.2860	4.2860
504 CS	46.0430	46.0430
506 BS	20.0000	20.0000
506 CS	20.0000	20.0000
506 DS	20.0000	20.0000
506 S	20.0000	20.0000
511	-	20.0000
516	24.5455	24.5455
522	-	20.0000
527	20.0000	20.0000
532	20.0000	20.0000
537	20.0000	20.0000
552	-	30.0000
558	20.0000	20.0000
566 S	-	20.0000

Production licence	At 31 Dec 14 – interest (%)	At 31 Dec 13 – interest (%)
568	-	20.0000
598	20.0000	20.0000
602	20.0000	20.0000
605	-	20.0000
608	20.0000	20.0000
611	20.0000	20.0000
612	20.0000	20.0000
615	20.0000	20.0000
615 B	20.0000	20.0000
618	20.0000	20.0000
625	20.0000	20.0000
628	20.0000	20.0000
638	20.0000	20.0000
639	20.0000	20.0000
642	20.0000	20.0000
656	20.0000	20.0000
657	20.0000	20.0000
659	30.0000	30.0000
660	20.0000	20.0000
663	20.0000	20.0000
676 S	20.0000	20.0000
681	20.0000	20.0000
682	20.0000	20.0000
684	30.0000	30.0000
685	20.0000	20.0000
686	20.0000	20.0000
687	20.0000	20.0000
694	20.0000	20.0000
695	20.0000	20.0000
696	20.0000	20.0000
698	36.4750	36.4750
699	36.4750	36.4750
706	20.0000	20.0000
712	20.0000	20.0000
714	20.0000	20.0000
716	20.0000	20.0000
718	20.0000	20.0000
720	20.0000	20.0000
723	20.0000	20.0000
726	20.0000	-
728	20.0000	-
739 S	20.0000	-
741	30.0000	-
745 S	20.0000	-
749	20.0000	-
751	20.0000	-
762		-
768	20.0000	-

Net profit licences*		
027		
028		
029		
033		

Unitised fields	At 31 Dec 14 Interest (%)	At 31 Dec 13 Interest (%)	Remaining production period	Licence term
Fram H-Nord Unit	11.2000	11.2000	2022	2024
Gimle Unit	24.1863	24.1863	2022	2023
Grane Unit	28.9425	28.9425	2043	2030
Haltenbanken Vest Unit (Kristin)	19.5770	19.5770	2032	2027
Heidrun Unit	57.7934	57.7934	2044	2024
Huldra Unit	31.9553	31.9553	-	2015
Jette Unit	30.0000	30.0000	2019	2021
Martin Linge Unit	30.0000	30.0000	2027	2027
Norne Inside	54.0000	54.0000	2030	2026
Ormen Lange Unit	36.4850	36.4850	2039	2040
Oseberg Area Unit	33.6000	33.6000	2041	2031
Snorre Unit	30.0000	30.0000	2039	2015
Snøhvit Unit	30.0000	30.0000	2054	2035
Statfjord Øst Unit	30.0000	30.0000	2025	2024
Sygna Unit	30.0000	30.0000	2025	2024
Tor Unit	3.6874	3.6874	2047	2028
Troll Unit	56.0000	56.0000	2072	2030
Valemon Unit	30.0000	30.0000	2042	2031
Vega Unit (new participatory interest from 1 Jan 15)	28.3200	25.4000	2026	2024
Visund Inside	30.0000	30.0000	2034	2034
Åsgard Unit	35.6900	35.6900	2032	2027

Fields	At 31 Dec 14 Interest (%)	At 31 Dec 13 Interest (%)	Remaining production period	Licence term
Atla	30.0000	30.0000	2017	2025
Draugen	47.8800	47.8800	2027	2024
Ekofisk	5.0000	5.0000	2049	2028
Eldfisk	5.0000	5.0000	2049	2028
Embla	5.0000	5.0000	2050	2028
Flyndre (participatory interest Norwegian side)	5.0000	0.0000	2029	2028
Gjøa	30.0000	30.0000	2026	2028
Gullfaks	30.0000	30.0000	2032	2036
Gullfaks Sør	30.0000	30.0000	2038	2036
Heimdal	20.0000	20.0000	-	2021
Kvitebjørn	30.0000	30.0000	2045	2031
Rev	30.0000	30.0000	-	2021
Skirne	30.0000	30.0000	2021	2025
Skuld	24.5455	24.5455	2030	2026

Statfjord Nord	30.0000	30.0000	2025	2026
Svalin	30.0000	30.0000	2044	2030
Tordis	30.0000	30.0000	2030	2024
Tune	40.0000	40.0000	2019	2020
Urd	24.5455	24.5455	2030	2026
Varg	30.0000	30.0000	2020	2021
Veslefrikk	37.0000	37.0000	2023	2020
Vigdis	30.0000	30.0000	2029	2024
Yttergryta	19.9500	19.9500	-	2027

PIPELINES AND LAND-BASED PLANTS

Oil pipelines	**At 31 Dec 14 Interest (%)**	**At 31 Dec 13 Interest (%)**	**Licence term**
Oseberg Transport System (OTS)	48.3838	48.3838	2028
Troll Oil Pipeline I + II	55.7681	55.7681	2023
Grane Pipeline	42.0631	42.0631	2030
Kvitebjørn Pipeline	30.0000	30.0000	2020
Norpipe Oil AS (interest)	5.0000	5.0000	2028
Oil – land-based plants			
Mongstad Terminal DA	35.0000	35.0000	-
Gas pipelines			
Gassled**	45.7930	45.7930	2028
Haltenpipe	57.8125	57.8125	2028
Mongstad Gas Pipeline (EMV)	56.0000	56.0000	2030
Polarled (NSGI)	11.9460	11.9460	-
Kristin Gas Export	35.6000	35.6000	-
Gas – land-based plants			
Dunkerque Terminal DA	29.7652	29.7652	2028
Zeepipe Terminal JV	22.4384	22.4384	2028
Vestprosess DA	41.0000	41.0000	-
Kollsnes (gas processing plant, operation)	45.7930	45.7930	-
Norsea Gas AS (interest)	40.0060	40.0060	2028
Ormen Lange Eiendom DA	36.4750	36.4750	2035

The SDFI also has intangible fixed assets relating to gas storage in the UK and Germany, and financial fixed assets related to an associate in the USA (SNG).

* Production licences where the SDFI is not a licensee, but has a right to a share of possible profit.
** The interest in Gassled including Norsea Gas is 46.698 per cent.

	At 31 Dec 14 Interest (%)	**At 31 Dec 13 Interest (%)**
Petoro share Gassled	45.7930 %	45.7930 %
Norsea Gas share of Gassled	2.2610 %	2.2610 %
Petoro share of Norsea Gas	40.0060 %	40.0060 %
Petoro share Gassled excl Norsea Gas	45.7930 %	45.7930 %
Petoro share Gassled incl Norsea Gas	46.6975 %	46.6975 %

Riksrevisjonen
Office of the Auditor General
of Norway

Executive officer
Lene Simonsen +47 21540887
Our date 20.02.2015
Our reference 2014/00946-7
Your date
Your reference

State´s Direct Financial Interest
Petoro AS
PO Box 300 Sentrum
4002 STAVANGER
NORWAY

Audit of the 2014 accounts of the State´s Direct Financial Interest

Pursuant to Act no 21 of the 7th of May 2004 relating to the Office of the Auditor General (Auditor General Act), the Office of the Auditor General of Norway is the auditor for the State's Direct Financial Interest.

When finalizing the annual audit, the Office of the Auditor General will issue an audit opinion which summarizes the conclusion of the audit performed. The audit opinion will be made public not until the Office of the Auditor General has reported the results of the audit to the Stortinget (Parliament) in the beginning of October, pursuant to section 18 of the Auditor General Act.

The board of directors and possibly the annual general meeting of Petoro AS will be briefed on the results of the audit for the year.

Yours sincerely

Jan Fredrik Lied
Acting Director General

Lars Christian Møller
Deputy Director General

Postal address	Office address	Telephone	Fax	E-mail/Internet	Bank acc. no	Org.no.
Postboks 8130 Dep	Pilestredet 42	+47 22 24 10 00	+47 22 24 10 01	postmottak@riksrevisjonen.no	7694 05 06774	974760843
N-0032 Oslo	0167 Oslo			www.riksrevisjonen.no		