

# Statoil's Unconventional Strategy/Portfolio

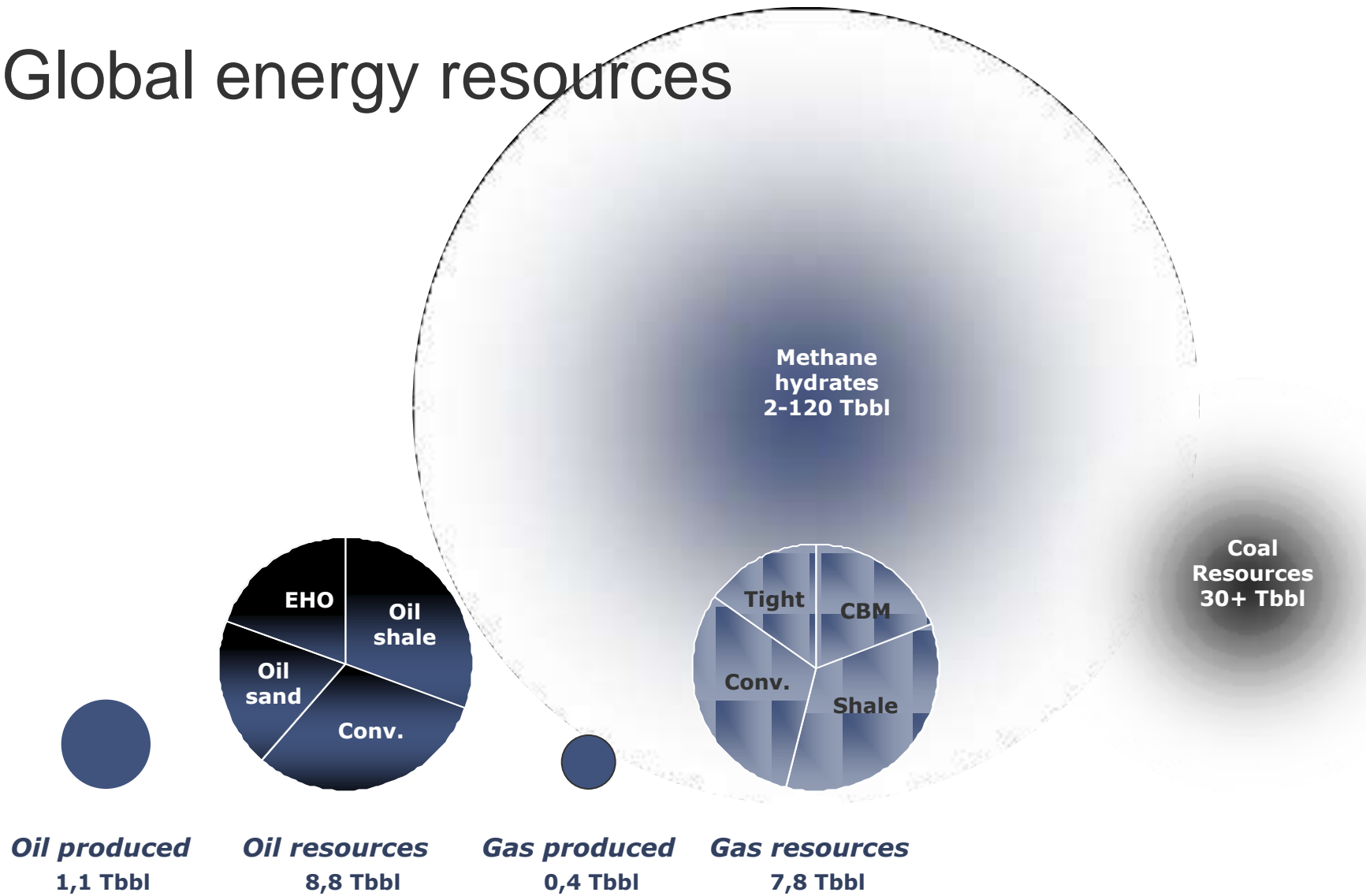
**Business opportunities with unconventionalals**

**London 20 September 2011**

**Atle Rettedal**

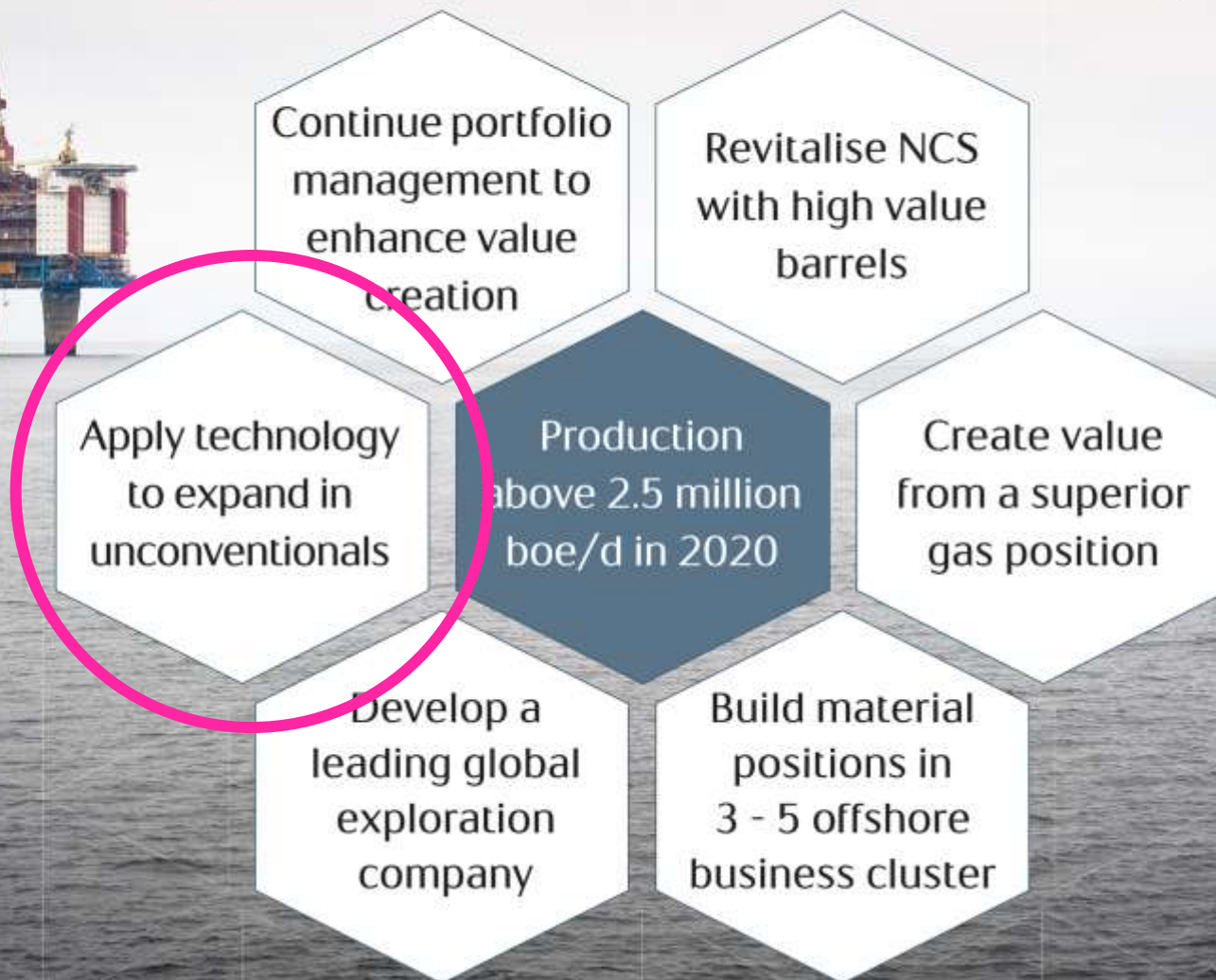
**SVP New Ventures, Statoil**

# Global energy resources



Data from World Energy Outlook, US Geological Survey, US Energy Information Administration and World Coal Association

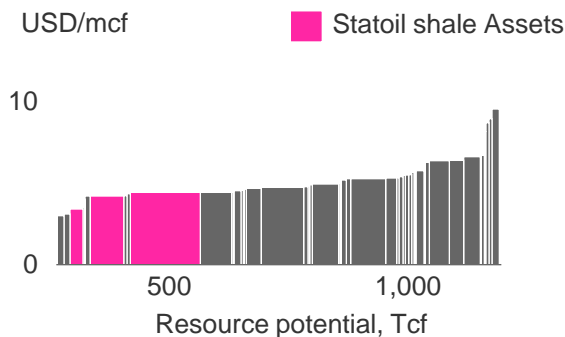
# A technology focused upstream strategy



# Apply technology to expand in unconventional

## Track record

Cost curve post tax breakeven



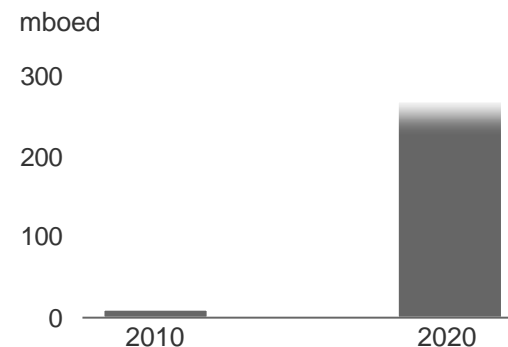
## 2011/2012 delivery

Statoil to operate



## Long term materiality

Production



- Early access to positions at low end of the cost-curve at attractive prices
- Partnerships and secondments to build capabilities
- Accessed midstream position
- Kai Kos Dehseh transaction

- Kai Kos Dehseh operations
  - Successful start-up
  - Ramping up production
- Taking on operatorship in Eagle Ford

- Substantial production growth
- Innovate & leverage skill-base
  - Apply subsurface competence
  - Establish technology hubs



		Marcellus	Eagle Ford
Depth	ft	6000-9000	9000-14500
	m	1800-2700	2700-4400
Thickness	ft	25-250	140-450
	m	10-80	40-140
Organic Content	%	5-8	2-7
Pressure	psi/ft	0.55-0.65	0.60-0.72
	bar/10m	1.24-1.47	1.36-1.63
Porosity	%	6-8	6-12
Permeability	nD	500-2000	200-3000

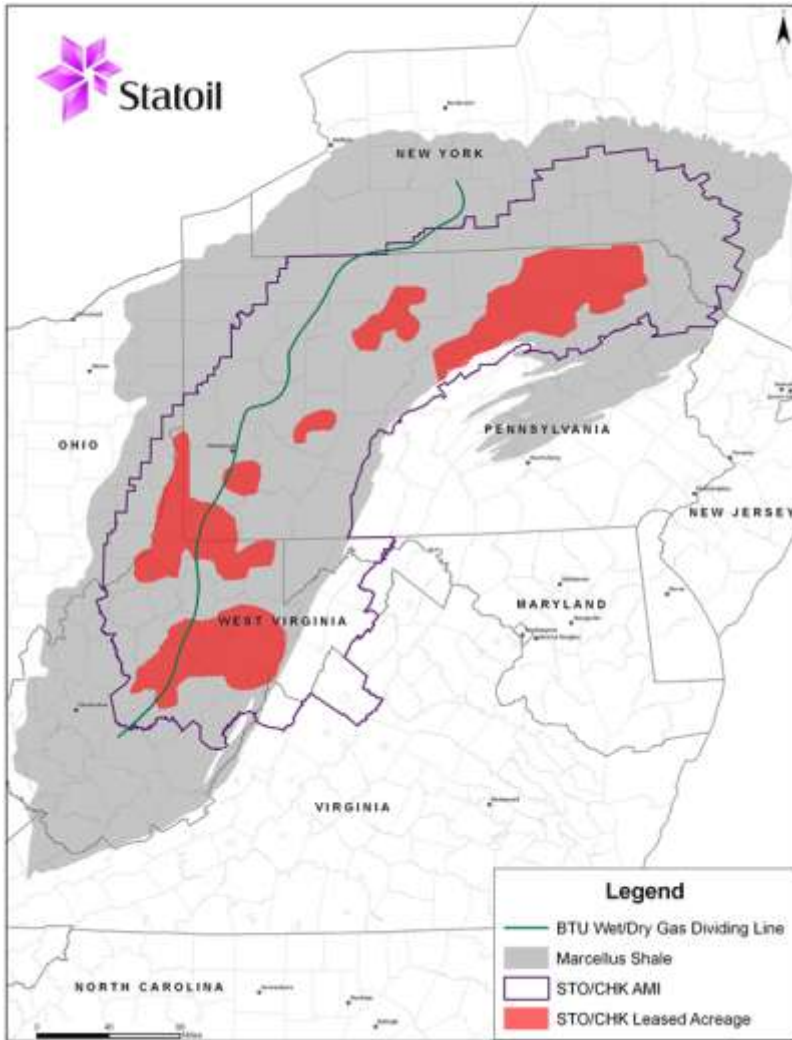
# Statoil's US Shale Portfolio

- **Marcellus (dry gas):**
  - Acquired 32.5% of Chesapeake's interest in the Marcellus shale
- **Eagle Ford (rich gas):**
  - Acquired 50% of Enduring's acreage with Talisman as partner
  - Shared operatorship





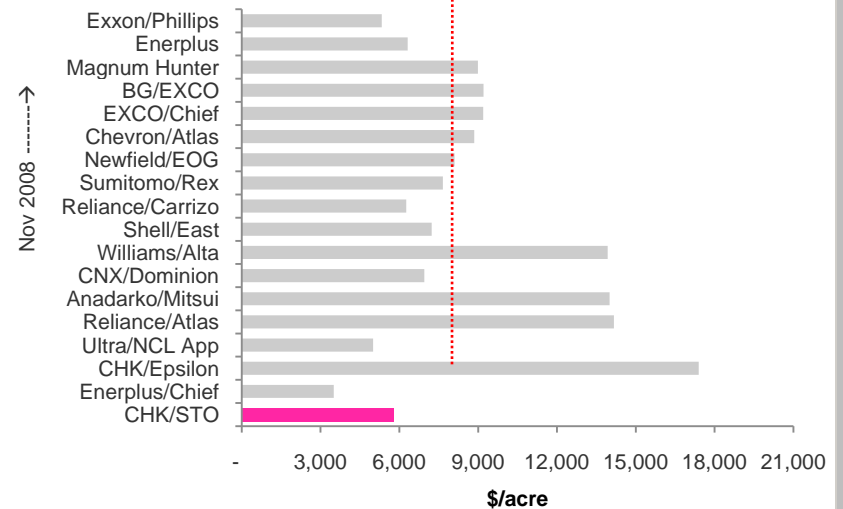
# Statoil's Marcellus asset



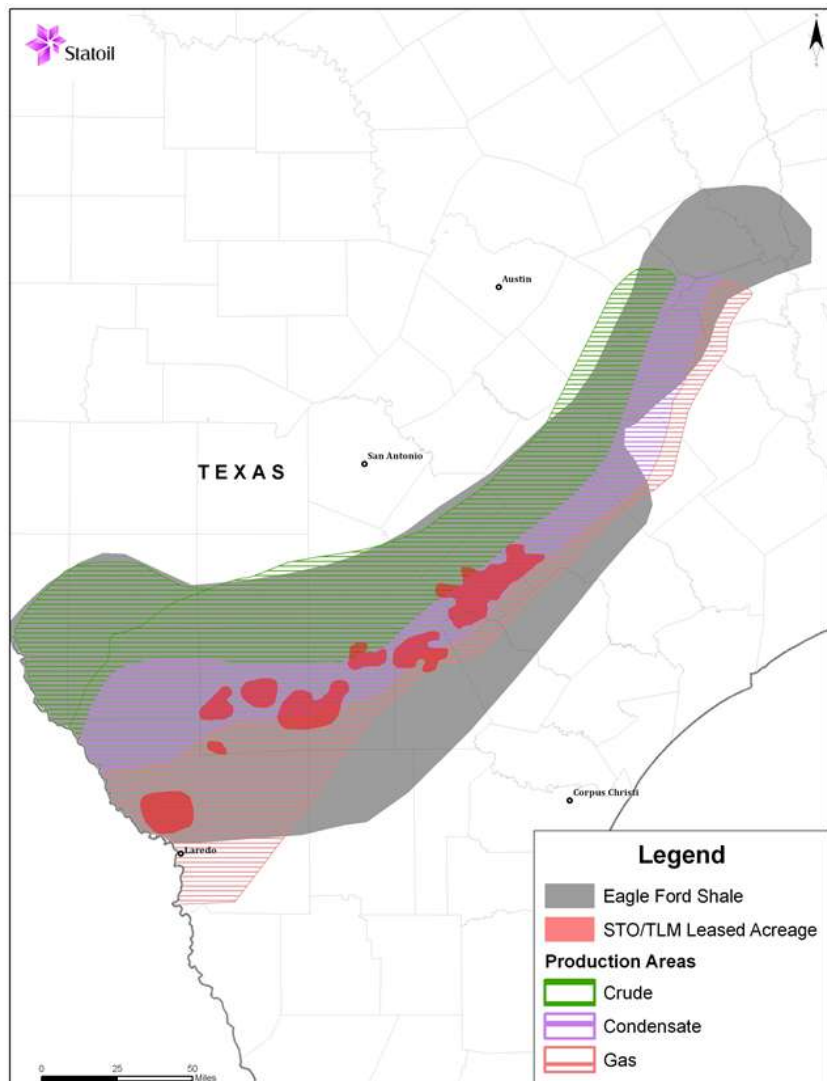
## Statoil-Chesapeake Joint Venture

- JV with Chesapeake Energy since Nov. 2008
- Statoil: 682,000 Net Acres
- Top tier acreage positions in two core areas
- Utica (liquids) potential
- ~30 JV operated rigs
- 50,000 boepd target in 2012
- Low cost F&D
- Low cost early entry

### Select Marcellus transactions 2008 - 2011



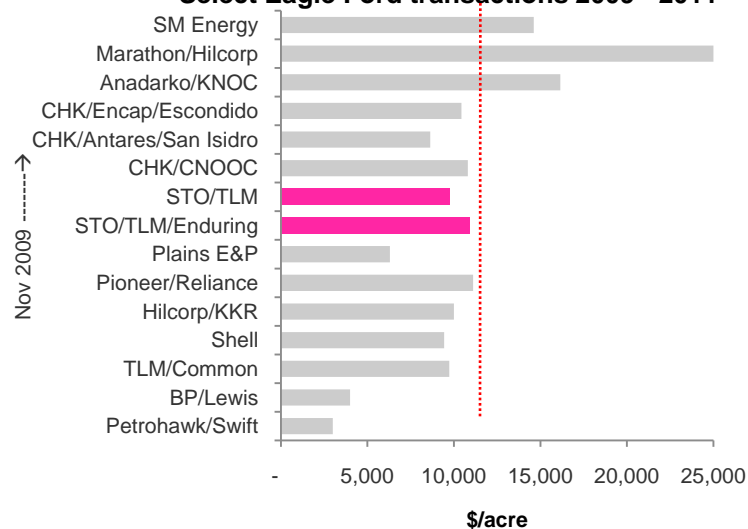
# Statoil's Eagle Ford asset



## Statoil-Talisman Joint Venture

- Joint Venture with Talisman since Dec. 2010
- Pathway to operatorship for Statoil
- Statoil: 67,000 net acres
- Growth opportunities
- 5 JV operated rigs today. 8 by year end
- About 60% of revenue expected from liquids
- Low cost early entry

### Select Eagle Ford transactions 2009 - 2011



# Local stakeholders and land access

## Local impact

- Land-based shale involves frequent interaction with local stakeholders
- Fit for purpose impact assessments and sound CSR and HSE measures crucial to success



## Land access

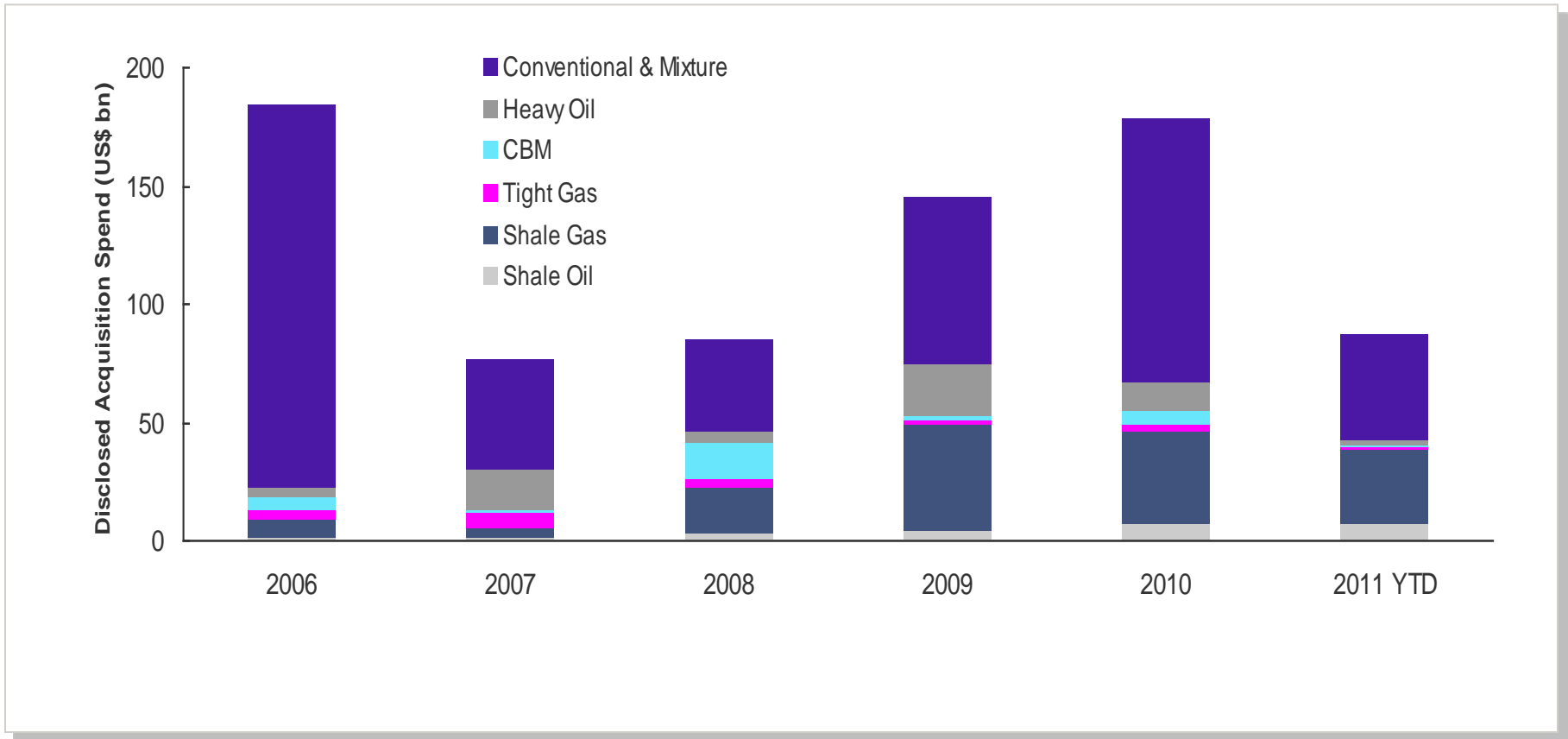
- The US is unique in terms of coupling land access and resource access
- All relevant countries outside US will involve:
  - Access to resources through government
  - Access to land through negotiations and relationship with authorities and land owners





# Increasing unconventional share of global M&A

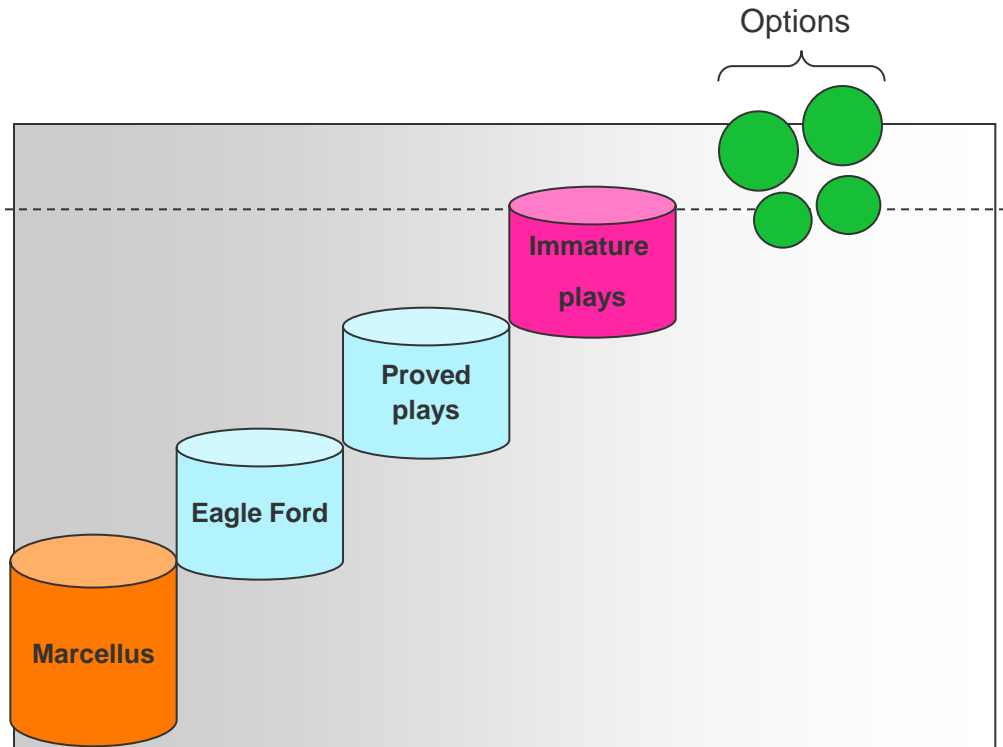
Global M&A spend by asset type



Source: Wood Mackenzie M&A Service (September 2011)

# Our ambition towards 2020

Industrial position in North America – Global long-term options



## Ambition

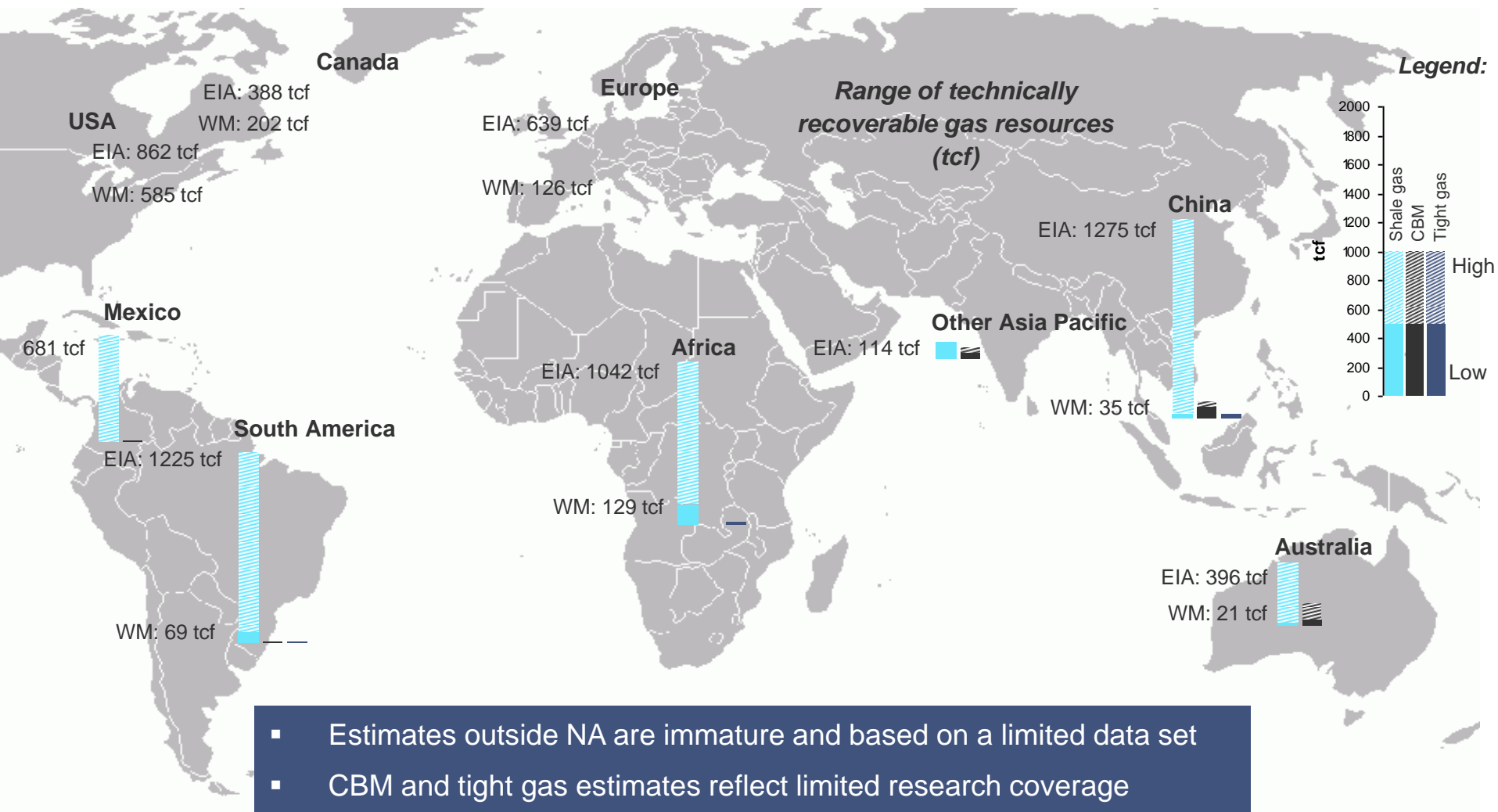
### North American cluster

- Provide sufficient scale for an industrial position
- Put Statoil in Top 5-10 for shale
- Continue the NA growth trajectory of 2-3x production growth every 5 years

### Global growth portfolio

- Take positions in emerging plays to create a strong portfolio by 2015

# Emerging views of gas resources globally



Sources: WoodMackenzie (WM) (2011), US Energy Information Administration (2011), Advanced Resources International (2009), IHS Cera (2010/11)

Note: The estimates are based on different evaluation methods and include different unconventional plays which makes them not directly comparable.



An aerial photograph of a city skyline, likely Shanghai, featuring the Oriental Pearl Tower and numerous skyscrapers. The city is situated along a body of water with several boats and barges. The sky is blue with scattered clouds.

Thank you

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