Offering Circular

Statoil ASA

(incorporated with limited liability in the Kingdom of Norway)

Notes issued under the programme may be unconditionally and irrevocably guaranteed by

Statoil Petroleum AS

(incorporated with limited liability in the Kingdom of Norway)

US$12,000,000,000
Euro Medium Term Note Programme

On 21 March 1997, Statoil ASA entered into a Euro Medium Term Note Programme (the **Programme**) and issued an Offering Circular on that date describing the Programme. The Programme has been subsequently amended and updated. This Offering Circular supersedes any previous dated offering circulars. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued prior to the date hereof.

Under this Programme, Statoil ASA (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed US$12,000,000,000 (or its equivalent in other currencies calculated as described herein).

The payments of all amounts due in respect of the Notes issued by the Issuer may be unconditionally and irrevocably guaranteed by Statoil Petroleum AS (the **Guarantor**).

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 6 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a **Dealer** and together the **Dealers**). References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

References in this Offering Circular to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the **Markets in Financial Instruments Directive**).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a Final Terms document (the **Final Terms**) which will be delivered to the UK Listing Authority and the London Stock Exchange.

Copies of Final Terms will be available from the registered office of the Issuer and from the specified office set out below of each of the Paying Agents. In addition, copies of each Final Terms will be available on the website of the London Stock Exchange through a regulatory information service.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer, the Guarantor and the relevant Dealer.

The Issuer has been rated Aa2 by Moody's Investors Service Ltd (**Moody's**) and AA- by Standard & Poor's Credit Market Services Europe Limited (**S&P**). The Programme has been rated Aa2 by Moody's to the extent that Notes issued by the Issuer are unconditionally and irrevocably guaranteed by the Guarantor, and AA- by S&P. Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. For the purposes of the credit ratings included and referred to in this Offering Circular, both Moody's and S&P are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

Arranger

Barclays

Dealers

Barclays | **BNP PARIBAS**
BofA Merrill Lynch | **Citigroup**
Credit Agricole CIB | **Credit Suisse**
Deutsche Bank | **Goldman Sachs International**
Mizuho Securities | **Société Générale Corporate & Investment Banking**

The Royal Bank of Scotland

5 December 2013

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU *(the* ***2010 PD Amending Directive****) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area)* *(the* ***Prospectus Directive****).*

The Issuer and the Guarantor *(the* ***Responsible Persons****) accept responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.*

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular. Each investor contemplating purchasing any Notes should review the documents incorporated by reference.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the Programme or the Notes or their distribution.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer, the Guarantor, the Paying Agents or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer by or on behalf of the Issuer, the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme.

The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France and Norway) and Japan (see "Subscription and Sale" below).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, *(the* ***Securities Act****)* ***and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (see "Subscription and Sale" below).***

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to

evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

All references in this Offering Circular to "NOK" refer to Norwegian Kroner, those to "U.S. dollars", "US$", "USD" and "$" refer to United States dollars, those to "Sterling" and "£" refer to pounds Sterling, and those to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

In connection with the issue of any Tranche of Notes, one or more relevant Dealers *(in such capacity, the* ***Stabilising Manager(s)****)* ***(or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.***

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DESCRIPTION OF THE PROGRAMME

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "Form of the Notes", "Terms and Conditions of the Notes" below shall have the same meanings in this description.

Issuer:	Statoil ASA
Guarantor:	Notes issued under the Programme may be guaranteed by Statoil Petroleum AS
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme (see "*Risk Factors*").
Description:	Euro Medium Term Note Programme
Arranger:	Barclays Bank PLC
Dealers:	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Credit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Goldman Sachs International Merrill Lynch International Mizuho International plc Société Générale The Royal Bank of Scotland plc
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*" below).
Notes with a maturity of less than one year:	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purpose of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see "*Subscription and Sale*" below).

Issuing and Principal Paying Agent:	The Bank of New York Mellon
Paying Agent:	The Bank of New York Mellon (Luxembourg) S.A.
Size:	Up to US$12,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, Notes will be denominated in such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian Kroner, South African Rand, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Final Terms).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be in bearer form. Each Tranche of Notes will initially be represented by a temporary global Note which will be deposited on the relevant Issue Date with, in the case of Notes issued in new global note form, a common safekeeper, or, in the case of Notes not issued in new global note form, a common depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and/or any other agreed clearance system and which will be exchangeable, upon request, as described therein for either a permanent global Note or definitive Notes (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case not earlier than 40 days after the completion of distribution of all Notes upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note will be exchangeable, unless otherwise specified in the applicable Final Terms, upon request as described therein, in whole but not in part for definitive Notes upon (i) not less than 60 days' written notice to the Agent or (ii) only upon the occurrence of an Exchange Event as

described in "*Form of the Notes*" below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearance system, as appropriate.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined either:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service,

as indicated in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both, as indicated in the applicable Final Terms.

Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of such Day Count Fraction as is indicated in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

Redemption: The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity or for taxation reasons or following an Event of Default or that such Notes will be redeemable at the option of the Issuer (**Issuer Call**) and/or the Noteholders (**Investor Put**) upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is

indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

Notes issued on terms that they must be redeemed before their first anniversary may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions — Notes with a maturity of less than one year*" above.

Make-Whole Redemption: If the Make-Whole Redemption is specified as applicable in the Final Terms, the Issuer will have the option to redeem the Notes, in whole or in part, at any time or from time to time, prior to their stated maturity, at the Make-Whole Redemption Amount.

Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within Norway, subject as provided in "*Terms and Conditions of the Notes — Taxation*".

Negative Pledge: The terms of the Notes will contain a negative pledge provision, as further described in "*Terms and Conditions of the Notes — Negative Pledge*".

Cross Default: The terms of the Notes will contain a cross-default provision as further described in "*Terms and Conditions of the Notes — Events of Default*".

Status of the Notes: The Notes will constitute, subject to the provisions of Condition 3, unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation and subject as provided above, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Guarantee: The Final Terms may provide that Notes will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under such guarantee will be direct, unconditional and subject to the provisions of unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations of the Guarantor from time to time

outstanding.

Substitution: The terms of the Notes will contain a provision permitting the substitution, without the consent of Noteholders, of a subsidiary of the Issuer as principal debtor in respect of the relevant Series of Notes, subject to satisfaction of further conditions, as further described in "*Terms and Conditions of the Notes — Substitution*".

Rating: Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms.

Listing: Application has been made to the UK Listing Authority for Notes issued under the Programme up to the expiry of 12 months from the date of this Offering Circular to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

Governing Law: The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions: There are selling restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, France and Norway) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*" below.

The Issuer is Category 2 for the purpose of Regulation S under the United States Securities Act of 1933, as amended. The Notes will be issued in compliance with the TEFRA D rules.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer and the Guarantor may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer and the Guarantor becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantor's control. The Issuer and the Guarantor have identified in this Offering Circular a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes and believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Guarantor is a wholly owned subsidiary of the Issuer and engaged in entirely the same business as the Issuer. The risk factors mentioned in this Offering Circular apply to the Guarantor unless the context requires otherwise.

Factors that may affect the Issuer's ability to fulfil its obligation under Notes issued under the Programme and the Guarantor's ability to fulfil its obligations under the Guarantee

Investors are relying solely on the creditworthiness of the Issuer and the Guarantor

The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively and will rank equally among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer and the Guarantor, respectively (other than obligations preferred by mandatory provisions of law). Purchasers of Notes rely on the creditworthiness of the Issuer and, if applicable, the Guarantor and no other person.

In addition, investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Notes.

Should the Issuer default on the debt securities, or should the Guarantor default on the guarantee, investors' right to receive payments on such debt securities or guarantee may be adversely affected by Norwegian insolvency laws.

Both the Issuer and the Guarantor are incorporated in and have their registered office in the Kingdom of Norway, and consequently it is likely that any insolvency proceedings applicable to the Issuer or the Guarantor would be governed by Norwegian law. If a Norwegian company is unable, or likely to be unable, to pay its debts, an examiner may be appointed to facilitate the survival of the company and the whole or any part of its business by formulating proposals for a compromise or scheme of arrangement. If an examiner is appointed, a protection period will be imposed so that the examiner can formulate and implement his proposals for a compromise or scheme of arrangement. During the protection period, any enforcement action by a creditor of the Norwegian company is prohibited. In addition, the Norwegian company may be prohibited from paying any debts existing at the time of the presentation of the petition to appoint an examiner. In the event of insolvency of the Issuer

and the Guarantor, the claims of certain preferential creditors (including the Norwegian tax authority for certain unpaid taxes) will rank in priority to claims of unsecured creditors.

If the Issuer and the Guarantor become subject to an insolvency proceeding and have obligations to creditors that are treated under Norwegian law as creditors that are senior relative to the holders of the debt securities (including secured creditors), the holders of the debt securities may suffer losses as a result of their subordinated status during such insolvency proceeding.

Risks Related to the Business of the Statoil Group (Statoil or the Group)

A substantial or prolonged decline in oil or natural gas prices would have a material adverse effect on Statoil.

Historically, the prices of oil and natural gas have fluctuated greatly in response to changes in many factors. Statoil does not and will not have control over the risk factors that affect the prices of oil and natural gas. These factors include:

- global and regional economic and political developments in resource-producing regions;
- global and regional supply and demand;
- the ability of the Organization of the Petroleum Exporting Countries (**OPEC**) and other producing nations to influence global production levels and prices;
- prices of alternative fuels that affect the prices realised under Statoil's long-term gas sales contracts;
- government regulations and actions;
- global economic conditions;
- war or other international conflicts;
- changes in population growth and consumer preferences;
- the price and availability of new technology; and
- weather conditions.

It is impossible to predict future price movements for oil and natural gas with certainty. A prolonged decline in oil and natural gas prices will adversely affect Statoil's business, the results of operations, financial condition, liquidity and ability to finance planned capital expenditure. In addition to the adverse effect on revenues, margins and profitability from any fall in oil and natural gas prices, a prolonged period of low prices or other indicators could lead to further reviews for impairment of the group's oil and natural gas properties. Such reviews would reflect the management's view of long-term oil and natural gas prices and could result in a charge for impairment that could have a significant effect on the results of operations in the period in which it occurs. Rapid material and/or sustained reductions in oil, gas or product prices can have an impact on the validity of the assumptions on which strategic decisions are based and can have an impact on the economic viability of projects that are planned or in development.

Exploratory drilling involves numerous risks, including the risk that Statoil will encounter no commercially productive oil or natural gas reservoirs.

This could materially adversely affect Statoil's results. Statoil is exploring or considering exploring in various geographical areas, including the Norwegian Sea, the Barents Sea and onshore and offshore in the USA. In some of these regions, environmental conditions are challenging and costs can be high. In addition, Statoil's use of advanced technologies requires greater pre-drilling expenditure than traditional drilling strategies. The costs of drilling, completing and operating wells are often uncertain. As a result, Statoil may experience cost overruns or may be required to curtail, delay or cancel drilling operations due to a variety of factors, including equipment failures, changes in government requirements, unexpected drilling conditions, pressure or irregularities in geological formations, adverse weather conditions and shortages of, or delays in, the availability of drilling rigs and the delivery of equipment.

For example, Statoil may enter into long-term leases for drilling rigs that may turn out not to be required for the operations for which they were originally intended, and Statoil cannot be certain that these rigs will be re-employed or at what rates they will be re-employed. Fluctuations in the market for leases of drilling rigs will have an impact on the rates Statoil can charge for re-employing these rigs. Statoil's overall drilling activity or drilling activity within a particular project area may be unsuccessful. Such factors could have a material adverse effect on the results of Statoil's operations and financial condition.

Statoil is exposed to a wide range of health, safety, security and environmental risks that could result in significant losses.

Exploration for, and the production, processing and transportation of oil and natural gas - including shale oil and gas - can be hazardous, and technical integrity failure, operator error, natural disasters or other occurrences can result, among other things, in oil spills, gas leaks, loss of containment of hazardous materials, water fracturing, blowouts, cratering, fires, equipment failure and loss of well control. The risks associated with exploration for and the production, processing and transportation of oil and natural gas are heightened in the difficult geographies, climate zones and environmentally sensitive regions in which Statoil operates. The effects of climate change could result in less stable weather patterns, resulting in more severe storms and other weather conditions that could interfere with Statoil's operations and damage Statoil's facilities. All modes of transportation of hydrocarbons - including by road, rail, sea or pipeline - are particularly susceptible to a loss of containment of hydrocarbons and other hazardous materials, and, given the high volumes involved, could represent a significant risk to people and the environment. Offshore operations are subject to marine perils, including severe storms and other adverse weather conditions and vessel collisions, as well as interruptions, restrictions or termination by government authorities based on safety, environmental or other considerations. Acts of terrorism against Statoil's plants and offices, pipelines, transportation or computer systems or breaches of Statoil's security system could severely disrupt businesses and operations and result in harm to people. Failure to manage the foregoing risks could result in injury or loss of life, damage to the environment, damage to or the destruction of wells and production facilities, pipelines and other property and could result in regulatory action, legal liability, damage to Statoil's reputation, a significant reduction in Statoil's revenues, an increase in Statoil's costs, a shutdown of Statoil's operations and a loss of Statoil's investments in affected areas, and could have a material adverse effect on Statoil's operations or financial condition.

Statoil's crisis management systems may prove inadequate.

For Statoil's most important activities, Statoil has developed contingency plans to continue or recover operations following a disruption or incident. An inability to restore or replace critical capacity to an agreed level within an agreed time frame could prolong the impact of any disruption and could severely affect Statoil's business and operations. Likewise, Statoil has crisis management plans and capability to deal with emergencies at every level of Statoil's operations. If Statoil does not respond or is not perceived to respond in an appropriate manner to either an external or internal crisis, Statoil's business and operations could be severely disrupted and Statoil's reputation affected.

If Statoil fails to acquire or find and develop additional reserves, Statoil's reserves and production will decline materially from their current levels.

Successful implementation of Statoil's group strategy is critically dependent on sustaining Statoil's long-term reserve replacement. If upstream resources are not progressed to proved reserves in a timely manner, Statoil will be unable to sustain the long-term replacement of reserves.

In a number of resource-rich countries, national oil companies control a significant proportion of oil and gas reserves that remain to be developed. To the extent that national oil companies choose to develop their oil and gas resources without the participation of international oil companies or if Statoil is unable to develop partnerships with national oil companies, Statoil's ability to find and acquire or develop additional reserves will be limited.

Statoil's future production is highly dependent on Statoil's success in finding or acquiring and developing additional reserves. If Statoil is unsuccessful, Statoil may not meet its long-term ambitions for growth in production, and Statoil's future total proved reserves and production will decline, adversely affecting the results of Statoil's operations and financial condition.

Statoil encounters competition from other oil and natural gas companies in all areas of Statoil's operations, including the acquisition of licences, exploratory prospects and producing properties.

The oil and gas industry is extremely competitive, especially with regard to exploration for - and the exploitation and development of - new sources of oil and natural gas.

Some of Statoil's competitors are much larger, well-established companies with substantially greater resources. In many instances, they have been engaged in the oil and gas business for much longer than Statoil has. These larger companies are developing strong market power through a combination of different factors, including:

- diversification and the reduction of risk;
- the financial strength necessary for capital-intensive developments;
- exploitation of benefits of integration;
- exploitation of economies of scale in technology and organisation;
- exploitation of advantages in terms of expertise, industrial infrastructure and reserves; and
- strengthening their positions as global players.

These companies may be able to pay more for exploratory prospects and productive oil and natural gas properties and may be able to define, evaluate, bid for and purchase a greater number of properties and prospects, including operatorships and licences. They may also be able to invest more in developing technology than Statoil's financial or human resources permit. Statoil's performance could be impeded if competitors were to develop or acquire intellectual property rights to technology that Statoil requires or if Statoil's innovation were to lag behind the industry.

Statoil's development projects and production activities involve many uncertainties and operating risks that can prevent Statoil from realising profits and cause substantial losses.

Statoil's development projects and production activities may be curtailed, delayed or cancelled for many reasons, including equipment shortages or failures, natural hazards, unexpected drilling conditions or reservoir characteristics, pressure or irregularities in geological formations, accidents, mechanical and technical difficulties and industrial action. These projects and activities will also often require the use of new and advanced technologies, which may be expensive to develop, purchase and implement, and may not function as expected. In addition, some of Statoil's developments will be located in deep waters or other hostile environments - such as the Gulf of Mexico, the Barents Sea, Brazil, Tanzania and Angola - or may be in challenging fields (heavy oil fields such as Grane, Peregrino and Mariner) that can exacerbate such problems. There is a risk that development projects that Statoil undertakes may not yield adequate returns.

Statoil's development projects and production activities on the Norwegian Continental Shelf (the **NCS**) also face the challenge of remaining profitable. Statoil is increasingly developing smaller satellite fields in mature areas, and Statoil's activities are subject to the Norwegian State's relatively high taxes on offshore activities. In addition, Statoil's development projects and production activities, particularly those in remote areas, could become less profitable, or unprofitable, if Statoil experiences a prolonged period of low oil or gas prices or cost overruns.

Statoil faces challenges in achieving its strategic objective of successfully exploiting growth opportunities.

An important element of Statoil's strategy is to continue to pursue attractive and profitable growth opportunities available to it, by both enhancing and repositioning its asset portfolio and expanding into new markets. The opportunities that Statoil is actively pursuing may involve the acquisition of businesses or properties that complement or expand its existing portfolio. The challenges to renewal of Statoil's upstream portfolio are growing due to increasing global competition for access to opportunities.

Statoil's ability to successfully implement this strategy will depend on a variety of factors, including its ability to:

- identify acceptable opportunities;
- negotiate favourable terms;
- develop new market opportunities or acquire properties or businesses promptly and profitably;
- integrate acquired properties or businesses into Statoil's operations;
- arrange financing, if necessary; and

- comply with legal regulations.

As Statoil pursues business opportunities in new and existing markets, it anticipates significant investments and costs in connection with the development of such opportunities. Statoil may incur or assume unanticipated liabilities, losses or costs associated with assets or businesses acquired. Any failure by Statoil to successfully pursue and exploit new business opportunities could result in financial losses and inhibit growth.

Any such new projects Statoil acquires will require additional capital expenditure and will increase the cost of its discoveries and development. These projects may also have different risk profiles than Statoil's existing portfolio. These and other effects of such acquisitions could result in Statoil's having to revise either or both of its forecasts with respect to unit production costs and production.

In addition, the pursuit of acquisitions or new business opportunities could divert financial and management resources away from Statoil's day-to-day operations to the integration of acquired operations or properties. Statoil may require additional debt or equity financing to undertake or consummate future acquisitions or projects, and such financing may not be available on terms satisfactory to Statoil, if at all, and it may, in the case of equity, be dilutive to Statoil’s earnings per share.

Statoil may not be able to produce some of Statoil’s oil and gas economically due to the lack of necessary transportation infrastructure when a field is in a remote location.

Statoil's ability to exploit economically any discovered petroleum resources beyond its proved reserves will depend, among other factors, on the availability of the infrastructure required to transport oil and gas to potential buyers at a commercially acceptable price. Oil is usually transported by tankers to refineries, and natural gas is usually transported by pipeline to processing plants and end users. Statoil may not be successful in its efforts to secure transportation and markets for all of Statoil’s potential production.

Some of Statoil's international interests are located in regions where political, social and economic instability could adversely impact Statoil’s business.

Statoil has assets and operations located in politically, socially and economically unstable regions around the world, including North Africa and the Middle East, where potential developments such as war, terrorism, border disputes, guerrilla activities, expropriation, nationalisation of property, civil strife, strikes, political unrest, insurrections, piracy and the imposition of international sanctions could occur. Security threats require continuous monitoring and control. Hostile actions against Statoil's staff, facilities (as at the In Amenas joint venture in Algeria), transportation systems and digital infrastructure (cybersecurity) could cause harm to people and disrupt operations and further business opportunities in these or other regions, lead to a decline in production and otherwise adversely affect Statoil’s business. This could have a material adverse effect on the results of Statoil’s operations and financial condition.

Statoil's operations are subject to political and legal factors in the countries in which Statoil operates.

Statoil has assets in a number of countries with emerging or transitioning economies that, in part or in whole, lack well-functioning and reliable legal systems, where the enforcement of contractual rights is uncertain or where the governmental and regulatory framework is subject to unexpected change. Statoil's exploration and production activities in these countries are often undertaken together with national oil companies and are subject to a

significant degree of state control. In recent years, governments and national oil companies in some regions have begun to exercise greater authority and impose more stringent conditions on companies engaged in exploration and production activities. Statoil expects this trend to continue. Intervention by governments in such countries can take a wide variety of forms, including:

- restrictions on exploration, production, imports and exports;
- the awarding or denial of exploration and production interests;
- the imposition of specific seismic and/or drilling obligations;
- price controls;
- tax or royalty increases, including retroactive claims;
- nationalisation or expropriation of Statoil's assets;
- unilateral cancellation or modification of Statoil's licence or contractual rights;
- the renegotiation of contracts;
- payment delays; and
- currency exchange restrictions or currency devaluation.

The likelihood of these occurrences and their overall effect on Statoil vary greatly from country to country and are not predictable. If such risks materialise, they could cause Statoil to incur material costs and/or cause Statoil's production to decrease, potentially having a material adverse effect on Statoil's operations or financial condition.

Statoil's activities in certain countries may be affected by international sanctions.

Certain countries, including Iran and Cuba, have been identified by the US State Department as state sponsors of terrorism.

In October 2002, Statoil signed a participation agreement with Petropars of Iran, pursuant to which Statoil assumed the operatorship for the offshore part of phases 6, 7 and 8 of the South Pars gas development project in the Persian Gulf. Statoil’s estimated capital expenditure for the offshore development of South Pars phases 6, 7 and 8 was USD 746 million in total. Final settlement with Petropars on the sharing of parts of the capital expenditures may lead to an adjustment of the amount of Statoil's final investment. Statoil's investment in South Pars is fully depreciated and the net book value was zero (0) as of 31 December 2012.

As a result of the merger with Norsk Hydro's oil and gas business in 2007, Statoil became owner of a 75% interest in the Anaran Block in Iran (acquired by Norsk Hydro in 2000) Work on the Anaran project was stopped in 2008, and in September 2011, Statoil signed a settlement agreement to close the exploration service contract and Statoil's rights reverted to the National Iranian Oil Company (NIOC). Also as a result of the merger with Norsk Hydro's oil and gas business, Statoil became the owner and operator of a 100% interest in the Khorramabad exploration block. In September 2006, Norsk Hydro signed the Khorramabad exploration and development contract with NIOC. The gathering of seismic data in the

Khorramabad exploration block was completed in the fourth quarter of 2008. The license expired in November 2010.

In connection with Statoil's decision to close down Statoil's project activities in Iran, Statoil initiated cost recovery programmes in respect of Statoil's investments and settled Statoil's remaining contractual obligations. As of 31 December 2012, the cost recovery programme relating to South Pars phases 6, 7 and 8 and the Anaran Block has been completed, except for the recovery of taxes and the obligation to the Social Security Organization (SSO). Statoil agreed to settle its remaining minimum obligations under the Khorramabad exploration and development contract, and the settlement amount was offset against the cost recovery in respect of the Anaran Block. The Statoil office in Iran, in parallel with the progress of its cost recovery efforts, was further scaled down in 2012.

Statoil is not involved in any other activities in Iran. Statoil will not make any investments in Iran under the present circumstances.

In 2009, Statoil voluntarily provided officials from the US State Department with information about its activities and investments in Iran. On 30 October 2010, the US State Department announced that Statoil was eligible to avoid sanctions under the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 (CISADA) relating to its activities in Iran because Statoil had pledged to end its investments in Iran's energy sector. In 2009, Statoil had voluntarily provided officials from the US State Department with information about its activities and investments in Iran's energy sector.

Since 2010, additional and strengthened international (UN, US, EU and Norwegian) sanctions against Iran have been adopted. Over this period, Statoil has informed the US Department of State and the Norwegian Ministry of Foreign Affairs (MFA) of its Iran-related activities. The Norwegian MFA has approved applications for specific transactions. Additional international sanctions against Iran may be imposed in the future.

A company found to have violated US sanctions against Iran could become subject to various types of sanctions, including (but not limited to) denial of US bank loans, restrictions on the importation of goods produced by the sanctioned entity, the prohibition on property transactions by the sanctioned entity in which the property is subject to the jurisdiction of the United States and prohibition of transfers of credit or payments via financial institutions in which the sanctioned entity has any interest.

Statoil has an interest in the Shah Deniz gas field in Azerbaijan in which Naftiran Intertrade Co. Ltd. (NICO) has a 10% interest.

The Shah Deniz field was excluded, however, from the main operation provisions of EU sanctions promulgated in 2012 and falls within the exemption for certain natural gas projects under section 603 of ITRA described below.

Statoil's activities in Cuba during 2012 consisted of a 30% interest in six deepwater exploration blocks acquired from the operator Repsol-YPF in 2006. As of 31 December 2012, Statoil had invested USD 147 million in these projects. However, the exploration licence expired in September 2012. Statoil prequalified to become an operator in Cuba in the first quarter of 2011. Statoil was not awarded any new licences in Cuba in 2012.

As international policy and regulations evolve, Statoil may from time to time engage in activities in countries or with persons subject to US, EU or other Sanctions in accordance with laws and regulations applicable to Statoil.

Statoil is also aware of initiatives by certain US states and US institutional investors, such as pension funds, to adopt or consider adopting laws, regulations or policies requiring, among other things, divestment from, reporting of interests in, or agreements not to make future investments in, companies that do business with countries that, among other things, are designated as state sponsors of terrorism. These policies could have an adverse impact on investments by certain investors in Statoil's securities.

The economic challenges in Europe may affect Statoil's business.

The European gas market is currently Statoil's most significant market for gas sales. The Euro-zone continues to face economic challenges and risks of new setbacks remain. A prolonged recession would increase downward pressure on gas demand and prices in Europe, which would have a negative impact on the results of Statoil's operations and overall financial condition.

Statoil faces challenges in the renewable energy sector.

Policy initiatives in the European market have led to increased investment in renewable energy, primarily in solar and wind power. Combined with the stagnant economy and reduced demand for energy, the growth in the renewable energy sector has led to reduced demand for natural gas and increased volatility in power prices, particularly in Europe.

Although investment in renewable energy sources is increasing in both North American and Asian markets, market effects in those regions are expected to be more modest than Europe has experienced, as other factors such as shale gas supply (in the case of North America) and increased demand (Asia) are expected to remain dominant market forces.

Statoil's current focus in the renewable energy sector is on developing offshore wind projects in north-western Europe. Government support policies to encourage the development of renewable energy sources play a significant role in fostering growth in the sector. Shifts in government policy toward renewable energy, or wind power in particular, could lead Statoil to modify Statoil's strategy in the renewable energy sector.

Statoil may fail to attract and retain senior management and skilled personnel.

The attraction and retention of senior management and skilled personnel is a critical factor in the successful implementation of Statoil's strategy as an international oil and gas group. Statoil may not always be successful in hiring or retaining suitable senior management and skilled personnel. Failure to recruit or retain senior management and skilled personnel or to more generally maintain good employee relations could compromise the achievement of Statoil's strategy. Such failure could cause disruption to Statoil's management structure and relationships, an increase in costs associated with staff replacement, lost business relationships or reputational damage. An inability to attract or retain suitable employees could have a significant adverse impact on Statoil's ability to operate.

Statoil is exposed to potentially adverse changes in the tax regimes of each jurisdiction in which Statoil operates.

Statoil has business operations in many countries around the world, and any of these countries could modify its tax laws in ways that would adversely affect Statoil. Most of Statoil's operations are subject to changes in tax regimes in a similar manner to other companies in Statoil's industry. In addition, in the long term, the marginal tax rate in the oil and gas industry tends to change with the price of crude oil. Significant changes in the tax

regimes of countries in which Statoil operates could have a material adverse affect on Statoil's liquidity and results of operations.

Statoil's insurance coverage may not adequately protect Statoil.

Statoil maintains insurance coverage that includes coverage for physical damage to Statoil's oil and gas properties, third-party liability, workers' compensation and employers' liability, general liability, sudden pollution and other coverage. Statoil's insurance coverage includes deductibles that must be met prior to recovery. In addition, Statoil's insurance is subject to caps, exclusions and limitations, and there is no assurance that such coverage will adequately protect Statoil against liability from all potential consequences and damages.

In light of the incident at the BP-operated Macondo well in the Gulf of Mexico, Statoil may not be able to secure similar coverage for the same costs. Future insurance coverage for Statoil's industry could increase in cost and may include higher deductibles or retentions. In addition, some forms of insurance may become unavailable in the future or unavailable on terms that Statoil believes are economically acceptable.

Statoil faces foreign exchange risks that could adversely affect Statoil's results of operations.

Statoil's business faces foreign exchange risks because a large percentage of Statoil's revenues and cash receipts are denominated in USD, while sales of gas and refined products can be in a variety of currencies, and Statoil pays dividends and a large part of its taxes in NOK. Fluctuations between the USD and other currencies may adversely affect Statoil's business and can give rise to foreign exchange exposures, with a consequent impact on underlying costs and revenues.

Statoil is exposed to risks relating to trading and supply activities.

Statoil is engaged in substantial trading and commercial activities in the physical markets. Statoil also uses financial instruments such as futures, options, over-the-counter (OTC) forward contracts, market swaps and contracts for differences related to crude oil, petroleum products, natural gas and electricity in order to manage price volatility. Statoil also uses financial instruments to manage foreign exchange and interest rate risk.

Although Statoil believes it has established appropriate risk management procedures, trading activities involve elements of forecasting and Statoil bears the risk of market movements, the risk of significant losses if prices develop contrary to expectations, and the risk of default by counterparties. Any of these risks could have an adverse effect on Statoil's results of operations and financial condition.

Failure to meet Statoil's ethical and social standards could harm its reputation and business.

Statoil's code of conduct, which applies to all employees of the Group - including hired personnel, consultants, intermediaries, lobbyists and others who act on its behalf - defines Statoil's commitment to high ethical standards and compliance with applicable legal requirements wherever Statoil operates. Incidents of ethical misconduct or non-compliance with applicable laws and regulations could be damaging to Statoil's reputation, competitiveness and shareholder value. Multiple events of non-compliance could call into question the integrity of Statoil's operations.

Statoil sets itself high standards of corporate citizenship and aspires to contribute to a better quality of life through the products and services Statoil provides. If it is perceived that Statoil

is not respecting or advancing the economic and social progress of the communities in which Statoil operates, Statoil's reputation and shareholder value could be damaged.

Statoil's crude oil and natural gas reserve data are only estimates, and Statoil's future production, revenues and expenditures with respect to its reserves may differ materially from these estimates.

The reliability of proved reserve estimates depends on:

- the quality and quantity of Statoil's geological, technical and economic data;
- whether the prevailing tax rules and other government regulations, contracts and oil, gas and other prices will remain the same as on the date estimates are made;
- the production performance of Statoil's reservoirs; and
- extensive engineering judgments.

Many of the factors, assumptions and variables involved in estimating reserves are beyond Statoil's control and may prove to be incorrect over time. The results of drilling, testing and production after the date of the estimates may require substantial upward or downward revisions in Statoil's reserve data. In addition, fluctuations in oil and gas prices will have an impact on Statoil's proved reserves relating to fields governed by production sharing agreements (**PSAs**), since part of its entitlement under PSAs relates to the recovery of development costs. Any downward adjustment could lead to lower future production and thus adversely affect Statoil's financial condition, future prospects and market value.

Legal and Regulatory Risks

Compliance with health, safety and environmental laws and regulations that apply to Statoil's operations could materially increase Statoil's costs. The enactment of such laws and regulations in the future is uncertain.

Statoil incurs, and expect to continue to incur, substantial capital, operating, maintenance and remediation costs relating to compliance with increasingly complex laws and regulations for the protection of the environment and human health and safety, including:

- costs of preventing, controlling, eliminating or reducing certain types of emissions to air and discharges to the sea, including costs incurred in connection with government action to address the risk of spills and concerns about the impacts of climate change;
- remediation of environmental contamination and adverse impacts caused by Statoil's activities or accidents at various facilities owned or previously owned by Statoil and at third-party sites where Statoil's products or waste have been handled or disposed of;
- compensation of persons and/or entities claiming damages as a result of Statoil's activities or accidents; and
- costs in connection with the decommissioning of drilling platforms and other facilities.

For example, under the Norwegian Petroleum Act of 29 November 1996, as a holder of licences on the NCS, Statoil is subject to statutory strict liability in respect of losses or damage suffered as a result of pollution caused by spills or discharges of petroleum from

petroleum facilities covered by any of Statoil's licences. This means that anyone who suffers losses or damage as a result of pollution caused by operations in any of Statoil's NCS licence areas can claim compensation from Statoil without having to demonstrate that the damage is due to any fault on Statoil's part.

Furthermore, in countries where Statoil operates or expect to operate in the near future, new laws and regulations (such as the offshore safety regulation proposed by the European Commission on 27 October 2011, if such regulation is adopted by the European Economic Area), the imposition of stricter requirements on licences, increasingly strict enforcement of or new interpretations of existing laws and regulations, the aftermath of operational catastrophes in which Statoil or members of Statoil's industry are involved or the discovery of previously unknown contamination may require future expenditure in order to, among other things:

- modify operations;
- install pollution control equipment;
- implement additional safety measures;
- perform site clean-ups;
- curtail or cease certain operations;
- temporarily shut down Statoil's facilities;
- meet technical requirements;
- increase monitoring, training, record-keeping and contingency planning; and
- establish credentials in order to be permitted to commence drilling.

Statoil continues to monitor and respond to regulatory changes in the USA following the BP Deepwater Horizon oil spill in the US Gulf of Mexico. Statoil has developed and implemented a safety and environmental management system (SEMS programme), and responded to revised federal drilling safety rules and workplace safety rules. In addition, Statoil is participating in the Center for Offshore Safety's efforts, which are focused on improving offshore safety and industry standards. Statoil has experienced a lengthier approval process for drilling permits, approvals of exploration plans, and approvals of oil spill response plans compared with the pre-2010 permitting situation, following the final report from US National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling of 11 January 2011. Additional changes in permitting or regulation could require Statoil to incur significant costs. Any such changes, delays or recertification could have a material adverse effect on Statoil's operations, results or financial condition.

Compliance with laws, regulations and obligations relating to climate change and other environmental regulations could result in substantial capital expenditure, reduced profitability as a result of changes in operating costs, and adverse effects on revenue generation and strategic growth opportunities. In addition, many of Statoil's mature fields are producing increasing quantities of water with oil and gas. Statoil's ability to dispose of this water in environmentally acceptable ways may have an impact on Statoil’s oil and gas production. Statoil's investments in oil sands, shale gas and unconventional resource technologies, such as hydraulic fracturing, may also cause Statoil to incur additional costs as regulation of these

technologies continues to evolve. This could affect Statoil's operations and profitability with respect to these operations.

If Statoil does not apply its resources to overcome the perceived trade-off between global access to energy and the protection or improvement of the natural environment, Statoil could fail to live up to its aspirations of zero or minimal damage to the environment and of contributing to human progress.

The formation of a competitive internal gas market within the EU and the general liberalisation of European gas markets could adversely affect Statoil's business.

The full opening of national gas market arrangements set out in Directive 2003/55/EC represents the formation of a competitive internal gas market within the EU. The regulations have been in effect since 3 March 2011. In order to reach the goals set out in the directive, the European Commission proposes to separate production and supply from transmission networks, to facilitate cross-border trade in energy, stronger powers and independence for national regulators, to promote cross-border collaboration and investment, greater market transparency in network operation and supply, and increased solidarity among the EU countries.

Most of Statoil's gas is sold under long-term gas contracts to customers in the EU, a gas market that will continue to be affected by changes in EU regulations and the implementation of such regulations in EU member states. The general liberalisation of EU gas markets could affect Statoil's ability to expand or even maintain Statoil’s current market position or result in a reduction in prices in Statoil's gas sales contracts.

Directive 2003/55/EC sets forth the right of third parties to non-discriminatory access to networks and to LNG and gas storage facilities. Increased access to markets has a downside insofar as it increases network access for all market participants and, thereby, competition for capacity at interconnection points within the EU. This may result in upward pressure on the price Statoil pays for capacity at those points.

The EU initiative that is likely to impact the gas market is a scheme for trading greenhouse gas emission allowances for the cost-effective reduction of such emissions. This strengthens and extends the Emissions Trading Scheme (**ETS**). The Community-wide quantity of carbon allowances issued each year will decrease in a linear manner from 2013. The ETS can have a positive or negative impact on Statoil, depending on the price of carbon, which will consequently have an impact on the development of gas-fired power generation in the EU.

A further focus area of EU energy policy is supply security, which has led to increased focus on projects that diversify gas supplies to the EU. As a result, the Caspian region, where Statoil is participating in the Shah Deniz field, has received increasing attention from the EU. Solutions aimed at bringing Caspian gas to Europe continue to receive political support from the EU in an attempt to resolve the complex transportation issue in the region.

Political and economic policies of the Norwegian State could affect Statoil's business.

The Norwegian State plays an active role in the management of NCS hydrocarbon resources. In addition to its direct participation in petroleum activities through the State's Direct Financial Interest (**SDFI**) and its indirect impact through tax and environmental laws and regulations, the Norwegian State awards licences for reconnaissance, production and transportation, and it approves, among other things, exploration and development projects, gas sales contracts and applications for (gas) production rates for individual fields. A licence may be awarded for lower production than expected, and the Norwegian State may, if

important public interests are at stake, also instruct Statoil and other oil companies to reduce petroleum production. Furthermore, in the production licences in which the SDFI holds an interest, the Norwegian State has the power to direct petroleum licensees' actions in certain circumstances.

If the Norwegian State were to take additional action under its extensive powers over activities on the NCS or to change laws, regulations, policies or practices relating to the oil and gas industry, Statoil's NCS exploration, development and production activities and the results of Statoil's operations could be materially and adversely affected.

Risks Related to State Ownership

The interests of Statoil's majority shareholder, the Norwegian State, may not always be aligned with the interests of its other shareholders, and this may affect Statoil's decisions relating to the NCS.

The Norwegian Parliament, known as the Storting, and the Norwegian State have resolved that the Norwegian State's shares in Statoil and the SDFI's interest in NCS licences must be managed in accordance with a coordinated ownership strategy for the Norwegian State's oil and gas interests. Under this strategy, the Norwegian State has required Statoil to continue to market the Norwegian State's oil and gas together with Statoil's own oil and gas as a single economic unit.

Pursuant to the coordinated ownership strategy for the Norwegian State's shares in Statoil and the SDFI, the Norwegian State requires Statoil in its activities on the NCS to take account of the Norwegian State's interests in all decisions that may affect the development and marketing of Statoil's own and the Norwegian State's oil and gas.

The Norwegian State directly held 67% of Statoil's ordinary shares as of 28 February 2012. A two-thirds majority is required to decide matters put to a vote of shareholders. The Norwegian State therefore effectively has the power to influence the outcome of any vote of shareholders due to the percentage of Statoil's shares it owns, including amending Statoil's articles of association and electing all non-employee members of the corporate assembly. The employees are entitled to be represented by up to one-third of the members of the board of directors and one-third of the corporate assembly.

The corporate assembly is responsible for electing Statoil's board of directors. It also makes recommendations to the general meeting concerning the board of directors' proposals relating to the company's annual accounts, balance sheet, allocation of profit and coverage of loss. The interests of the Norwegian State in deciding these and other matters and the factors it considers when casting its votes, especially under the coordinated ownership strategy for the SDFI and Statoil's shares held by the Norwegian State, could be different from the interests of Statoil's other shareholders. Accordingly, when making commercial decisions relating to the NCS, Statoil has to take the Norwegian State's coordinated ownership strategy into account, and Statoil may not be able to fully pursue its own commercial interests, including those relating to its strategy for the development, production and marketing of oil and gas.

If the Norwegian State's coordinated ownership strategy is not implemented and pursued in the future, then Statoil's mandate to continue to sell the Norwegian State's oil and gas together with its own oil and gas as a single economic unit is likely to be prejudiced. Loss of the mandate to sell the SDFI's oil and gas could have an adverse effect on Statoil's position in its markets.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Because the Notes are unsecured, your right to receive payments may be adversely affected

The Notes will be unsecured. The Notes are not subordinated to any of the Issuer's other debt obligations and therefore they will rank equally with all of its other unsecured and unsubordinated indebtedness. As of 31 December 2012, Statoil had NOK 464 million aggregate principal amount of secured indebtedness outstanding. If the Issuer defaults on the Notes or the Guarantor defaults on the guarantee, or in the event of bankruptcy, liquidation or reorganisation, then, to the extent that the Issuer or the Guarantor has granted security over its assets, the assets that secure these debts will be used to satisfy the obligations under that secured debt before the Issuer or the Guarantor could make payment on the Notes. If there is not enough collateral to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally with all unsubordinated unsecured indebtedness.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally.

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States of the European Union (**Member States**) are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Luxembourg has announced that, from 1 January 2015, it will no longer make use of the transitional arrangements and will exchange information automatically under the Directive. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such

withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

*United States Foreign Account Tax Compliance Act Withholding (**FATCA**)*

The United States may impose a withholding tax of as high as 30 per cent. on payments made with respect to the Notes, but the rules for calculating the amount of such withholding tax are still undetermined. This withholding tax generally will only apply to payments made on or after 1st January, 2017, at the earliest, and only with respect to Notes issued or modified more than six months after the date on which final regulations implementing the rules for calculating the amount of such withholding tax are published in final form. The withholding tax, if it applies, may be imposed at any point in a series of payments unless the relevant payee (including a bank, broker or individual) at each point complies with information reporting, certification and related requirements. Accordingly, a Noteholder that holds Notes through a bank or broker could be subject to withholding if, for example, its bank or broker is subject to withholding because the bank or broker fails to comply with these requirements even though the holder itself might not otherwise have been subject to withholding. If a payment on the Notes is subject to this withholding tax, no additional amounts will be paid, and a Noteholder will receive less than the amount of the expected payment.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding. For more information, see "*Taxation – United States Foreign Account Tax Compliance Act Withholding*" below.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Trading in the clearing systems

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with Statoil.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of

a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk.

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Purchasers of the Notes rely on the creditworthiness of the Issuer and, if applicable, the Guarantor and no other person. Investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of Statoil may adversely affect the market value of the securities.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been approved by the UK Listing Authority or filed with it shall be incorporated in, and form part of, this Offering Circular:

(a) the reports of auditors and the consolidated audited annual financial statements for the financial years ended 31 December 2012 and 31 December 2011 of Statoil ASA contained on pages 151 to 219 of Statoil ASA's Annual Report on Form 20-F for the year ended 31 December 2012 which were prepared under International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted by the EU;

(b) the management's report and the auditor's report on Statoil ASA's internal controls over financial reporting as at 31 December 2012 contained on pages 150 and 220, respectively, of Statoil ASA's Annual Report on Form 20-F for the year ended 31 December 2012;

(c) the unaudited consolidated financial statements of Statoil ASA for the period ended 30 September 2013 contained on pages 31 to 42 of Statoil ASA's Financial statements and review – 3rd quarter 2013 which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board and as adopted by the EU;

(d) the reports of auditors and the non-consolidated audited annual financial statements for the financial years ended 31 December 2012 and 31 December 2011 of Statoil Petroleum AS which were prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway;

(e) the Terms and Conditions of the Notes set out on pages 43 to 64 (inclusive) of the Offering Circular dated 1 June 2011; and

(f) the Terms and Conditions of the Notes set out on pages 43 to 64 (inclusive) of the Offering Circular dated 14 May 2012.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular are available for viewing on the website of the Issuer (*www.statoil.com/en/investorcentre/pages/default.aspx* and *http://www.statoil.com/en/InvestorCentre/BondsAndCreditRating/debtprogrammes/Pages/deault.aspx*) and can be obtained from the registered offices of the Issuer and the Guarantor and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes. The Issuer and the Guarantor have undertaken to the Dealers in the Programme Agreement (as defined in "*Subscription and Sale*") that they will each comply with section 87G of the Financial Services and Markets Act 2000.

Certain information contained in the documents listed above has not been incorporated by reference in this Offering Circular. Such information is either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) is covered elsewhere in this Offering Circular.

FORM OF THE NOTES

1. General

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) which will:

(i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms[1], be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream, Luxembourg, société anonyme (**Clearstream, Luxembourg**); and

(ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the relevant clearing system(s) will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a temporary global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this section "Form of the Notes" to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

On and after the date (the **Exchange Date**) which is the later of (i) 40 days after the temporary global Note is issued and (ii) 40 days after the completion of distribution of all the Notes is certified to the Agent (the **Distribution Compliance Period**), interests in any temporary global Note issued will be exchangeable (free of charge) upon a request as described therein either for interests in a permanent global Note without interest coupons or talons (a **Permanent Global Note**) or for definitive Notes in bearer form with, where applicable[2], interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the

[1] Where the Global Notes issued in respect of a Tranche that are in NGN form, the ICSDs will be notified whether or not such Global Notes are intended to be held in a manner which would allow eurosystem eligibility.

[2] The exchange upon notice or at any time options in the applicable Final Terms should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "€100,000 and integral multiples of €1,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given. The holder of a temporary global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification exchange of the temporary global Note is improperly withheld or refused. Pursuant to the Agency Agreement (as defined under "Terms and Conditions of the Notes" below) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

Payments of principal and interest (if any) on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that, a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global note) to the Agent as described therein or (b) only the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for a continuous period of 14 days (other than by reason of holiday statutory or otherwise) or have announced an intention permanently to cease business, or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to the Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. Global Notes and definitive Notes will be issued pursuant to the Agency Agreement.

The following legend will appear on all permanent global Notes, definitive Notes, interest coupons and talons:

> "ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in "*Terms and Conditions of the Notes — Events of Default*". In such circumstances, where any Note is still represented by a global Note and a holder of such

Note so represented and credited to its securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Note, unless within a period of 7 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, such global Note will become void. At the same time, holders of interests in such global Note credited to their accounts with Euroclear and Clearstream, Luxembourg will become entitled to proceed directly against the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor on the basis of statements of account provided with Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (such Deed of Covenant, as modified and/or restated and/or supplemented from time to time, the **Deed of Covenant**) dated 15 August 2013, executed by the Issuer.

2. Form of Final Terms

The Final Terms applicable to each Tranche of Notes will be in the following form and will contain such information as is applicable in respect of such Notes (all references to numbered Conditions being to the relevant Condition in the Terms and Conditions of the relevant Notes (the **Conditions**)):

[*Date*]

STATOIL ASA

Guaranteed by STATOIL PETROLEUM AS

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Issued pursuant to the US$12,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 5 December 2013 [and the supplement[s] to it dated [*Date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing during normal business hours at and copies may be obtained from the registered offices of the Issuer and the Guarantor and from the specified office of each of the Paying Agents. In addition, the Offering Circular has been published on the website of the London Stock Exchange through a regulatory information service (http://www.londonstockexchange.com/exchange/news /market-news/marketnews-home.html).]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in an Offering Circular dated [ ], which Conditions are incorporated by reference in the Offering Circular dated 5 December 2013. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 5 December 2013 [and the supplement[s] to it dated [*Date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular dated 5 December 2013. Copies

of such Offering Circulars are available for viewing during normal business hours at and copies may be obtained from the registered offices of the Issuer and the Guarantor and from the specified office of each of the Paying Agents. In addition, the Offering Circular has been published on the website of the London Stock Exchange through a regulatory information service (http://www.londonstockexchange.com/exchange/news/market-news/marketnews-home.html).]

1.	**(i)**	**Issuer:**	Statoil ASA
	[(ii)]	**[Guarantor:**	Statoil Petroleum AS]
2.	**(i)**	**Series Number:**	[ ]
	(ii)	**Tranche Number:**	[ ]
	(iii)	**Date on which the Notes will be consolidated and form a single Series:**	The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below , which is expected to occur on or about [ ]][Not Applicable]
3.	**Specified Currency or Currencies:**		[ ]
4.	**Aggregate Nominal Amount:**		
	(i)	**Series:**	[ ]
	(ii)	**Tranche:**	[ ]
5.	**Issue Price:**		[ ] per cent of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6.	**(i)**	**Specified Denominations:**	[ ]
	(ii)	**Calculation Amount:**	[ ]
7.	**[(i)]**	**Issue Date [and Interest Commencement Date]:**	[ ]
	[(ii)	**Interest Commencement Date (if different from the Issue Date):**	[ ]
8.	**Maturity Date:**		[ ]
9.	**Interest Basis:**		[[ ] per cent Fixed Rate] [[LIBOR/EURIBOR] +/– [ ] per cent Floating Rate] [Zero Coupon] (see paragraph [14]/[15]/[16 below)

10.	**Redemption/Payment Basis:**	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
11.	**Change of Interest Basis or Redemption/Payment Basis:**	[ ][Not Applicable]
12.	**Put/Call Options:**	[Investor Put] [Issuer Call] [Make-Whole Redemption] [(see paragraph [17]/[18 below)]
13.	**[Date [Board] approval for issuance of Notes [and Guarantee] obtained:**	[ ]

Provisions Relating to Interest (if any) Payable

14.	**Fixed Rate Note Provisions:**		[Applicable/Not Applicable]
	(i)	**Rate[(s)] of Interest:**	[ ] per cent per annum (payable [annually/semi-annually/quarterly/monthly] in arrear)
	(ii)	**Interest Payment Date(s):**	[[ ] in each year up to including the Maturity Date]
	(iii)	**Fixed Coupon Amount[(s)]:**	[ ] per Calculation Amount
	(iv)	**Broken Amount[(s)]:**	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]] [Not Applicable]
	(v)	**Day Count Fraction:**	[Actual/Actual (ICMA)] [30/360]
	(vi)	**Determination Date(s):**	[[ ] in each year] [Not Applicable]
15.	**Floating Rate Note Provisions:**		[Applicable/Not Applicable]
	(i)	**Specified Period (s)/Specified Interest Payment Dates:**	[ ]
	(ii)	**Business Day Convention:**	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

(iii)	**Additional Business Centre(s):**	[ ]
(iv)	**Manner in which the Rate of Interest and Interest Amount are to be determined:**	[Screen Rate Determination/ISDA Determination]
(v)	**Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):**	[ ]
(vi)	**Screen Rate Determination:**	
	– **Reference Rate:**	[[●] month [●] LIBOR/EURIBOR]
	– **Interest Determination Date(s):**	[ ]
	– **Relevant Screen Page:**	[ ]
(vii)	**ISDA Determination:**	
	– **Floating Rate Option:**	[ ]
	– **Designated Maturity:**	[ ]
	– **Reset Dates:**	[ ]
(viii)	**Margin(s):**	[+/-] [ ] per cent per annum
(ix)	**Minimum Rate of Interest:**	[ ] per cent per annum
(x)	**Maximum Rate of Interest:**	[ ] per cent per annum
(xi)	**Day Count Fraction:**	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
16.	**Zero Coupon Note Provisions:**	[Applicable/Not Applicable]
(i)	**Accrual Yield:**	[ ] per cent per annum
(ii)	**Reference Price:**	[ ]
(iii)	**Day Count Fraction:**	[30/360]

		[Actual/360] [Actual/365]

Provisions Relating to Redemption

17.	**Issuer Call:**	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s):	[ ] per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[ ]
	(b) Higher Redemption Amount:	[ ]
18.	**Investor Put:**	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[ ]
	(ii) Optional Redemption Amount(s):	[ ] per Calculation Amount
19.	**Final Redemption Amount:**	[ ] per Calculation Amount
20.	**Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default:**	[ ] per Calculation Amount
21.	**Make-Whole Redemption:**	[Applicable/Not Applicable]
	(i) Make-Whole Redemption Date(s):	[ ]
	(ii) Make-Whole Redemption Margin:	[[ ] basis points/Not Applicable]
	(iii) Reference Bond:	[CA Selected Bond/[ ]]
	(iv) Quotation Time:	[5.00 p.m. [Brussels/London/[ ]] time/Not Applicable]
	(v) Reference Rate Determination Date:	[The [ ] Business Day preceding the relevant Make-Whole Redemption Date/Not Applicable]
	(vi) If redeemable in part:	
	(a) Minimum	[ ]

	Redemption Amount:	
(b)	**Maximum Redemption Amount:**	[ ]
(vii)	**Notice periods (if other than as set out in the Conditions):**	[ ]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22.	**Form of Notes:**	
(i)	**Form:**	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon [not less than 60 days' notice] [only upon the occurrence of an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
(ii)	**New Global Notes:**	[Yes/No]
23.	**Additional Financial Centre(s):**	[ ] [Not Applicable]
24.	**U.S. Selling Restrictions:**	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA Not Applicable]

Signed on behalf of the Issuer	[Signed on behalf of the Guarantor:
By:	By: .....
Duly authorised	Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listed on the Official List of the UK Listing Authority with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listed on the Official List of the UK Listing Authority with effect from [ ].]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	[The Notes [have been][are expected to be] rated]: [Moody's: [ ]] [S&P: [ ]]] [Not Applicable]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to [ ] (the [**Dealer[s]/Manager[s]**]) no person involved in the issue of the Notes has an interest material to the offer. [Manager[s]/Dealer[s]] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.]

4. YIELD (*Fixed Rate Notes only*)

Indication of yield:	[ ] per cent.

5. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream, Luxembourg, société anonyme and the relevant	[ ] [Not Applicable]

	identification number(s):	
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[ ] [Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or listing authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each temporary global Note, permanent global Note and definitive Note. Reference should be made to "Form of the Notes" above for a description of the content of Final Terms which will include certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Statoil ASA (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note, units of each Specified Denomination in the Specified Currency;

(ii) definitive Notes issued in exchange for a global Note; and

(iii) any global Note.

The Notes and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement (such Agency Agreement, as modified and/or restated and/or supplemented from time to time, the **Agency Agreement**) dated 5 December 2013 and made among the Issuer, Statoil Petroleum AS (the **Guarantor**), The Bank of New York Mellon as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent specified in the applicable Final Terms) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

If so indicated in the applicable Final Terms, the Notes will have the benefit of the deed of guarantee executed by the Guarantor (such deed as modified and/or restated and/or supplemented from time to time, the **Guarantee**) dated 15 August 2013.

Interest bearing definitive Notes have interest coupons (**Coupons**) and in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note and complete these Terms and Conditions. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to **Noteholders** shall mean the holders of the Notes, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference

herein to **Couponholders** shall mean the holders of any Coupons, and shall, unless the context otherwise requires, include the holders of any Talons.

As used herein, **Tranche** means all Notes with the same Issue Date and which are subject to the same Final Terms and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant, as modified and/or restated and/or supplemented from time to time, the **Deed of Covenant**) dated 15 August 2013 and made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Agent and the other Paying Agents. When the Notes are to be admitted to trading on the regulated market of the London Stock Exchange plc, the applicable Final Terms will be published on the website of the London Stock Exchange plc through a regulatory information service. The applicable Final Terms will, during normal business hours, be available for viewing at and copies may be obtained from the registered office of the Issuer and from the specified office of each of the Paying Agents by a Noteholder upon such Noteholder producing evidence satisfactory to the relevant Paying Agent as to identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination and Title

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Guarantor, and any Paying Agent may deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Agent and any other Paying Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Agent and any other Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

2. Status of the Notes and the Guarantee

(a) Status of the Notes

The Notes and the relative Coupons (if any) constitute (subject to Condition 3) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the relative Coupons (if any) shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

(b) Status of Guarantee

The obligations of the Guarantor under the Guarantee constitute (subject to Condition 3 below) A unsecured and unsubordinated obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) at least equally with all its other present and future unsecured and unsubordinated obligations.

3. Negative Pledge

(a) So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement):

(i) the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor will not create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest (**Security**) upon the whole or any part of its undertaking, assets or revenues present or future to secure any of its Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt of any other person; or

(ii) the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor will procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure any of the Issuer's or Guarantor's (in the case of Notes having the benefit of the Guarantee) Relevant Debt, or any guarantee of or indemnity in respect of any of the Issuer's or Guarantor's (in the case of Notes having the benefit of the Guarantee) Relevant Debt; or

(iii) the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor will procure that no other person gives any guarantee of, or indemnity in respect of, any of its Relevant Debt,

unless, at the same time or prior thereto, the Issuer's obligations under the Notes and Coupons or (in the case of Notes having the benefit of the Guarantee) the Guarantor's obligations under the Guarantee (if any):

(aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be; or

(ab) have the benefit of such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

(b) For the purposes of this Condition:

Relevant Debt means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market.

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

As used in these Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions, **Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the Accrual Period) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these conditions:

Determination Period means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing

on the first Determination Date prior to, and ending on the first Determination Date following after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) (each an Interest Payment Date) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression, shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, **Business Day** means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is New Zealand dollars shall be Auckland) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (the **ISDA Definitions**) and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), (i) **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions, (ii) the definition of **Banking Day** in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line, the word "general" and (iii) **Euro-zone** means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, in each case for the relevant currency and/or period, all as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of Condition 4(b)(ii)(B)(1), no such offered quotation appears or, in the case of Condition 4(b)(ii)(B)(2), fewer than three such offered quotations appear, in each case as at the time specified in Condition 4(b)(ii)(B) the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

Reference Banks means, in the case of Condition 4(b)(ii)(B)(1) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of Condition 4(b)(ii)(B)(2) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(v) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D_2 will be 30.

(vi) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee), the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5. Payments

(a) Method of Payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or at the option of the payee by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is New Zealand dollars, shall be Auckland); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7, and (ii) any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, (the **Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (without prejudice to the provisions of Condition 7). References to "Specified Currency" will include any successor currency under applicable law.

(b) Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

(c) Payments in respect of global Notes

Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant global Note, where applicable against presentation or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside the United States.

A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) General provisions applicable to payments

The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee), adverse tax consequences to the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee).

(e) Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

(i) in the case of Notes in definitive form only, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

(ii) a Business Day (as defined in Condition 4(b)(i)).

(f) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) the Make-Whole Redemption Amount(s) (if any) of the Notes;

(vi) in relation to Notes redeemable in instalments, the Instalment Amounts;

(vii) in relation to Zero Coupon Notes, the Amortised Face Amount; and

(viii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or (in the case of Notes having the benefit of the Guarantee) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Norway or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days (or, in the case of Floating Rate Notes, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Floating Rate Notes plus 60 days) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer or, as the case may be, two directors of the Guarantor (in the case of Notes having the benefit of the Guarantee) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer shall, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(which notices shall be irrevocable), redeem all or, if so specified in the applicable Final Terms, some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than a Higher Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 15 days prior to the Selection Date.

(d) Make-Whole Redemption

If Make-Whole Redemption is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable and shall specify the date fixed for redemption (the **Make-Whole Redemption Date**)), redeem all or (if redemption in part is specified as being applicable in the applicable Final Terms) some only of the Notes then outstanding on any Make-Whole Redemption Date and at the Make-Whole Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Make-Whole Redemption Date. If redemption in part is specified as being applicable in the applicable Final Terms, any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Notes, the Redeemed Notes will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, on a Selection Date not more than 30 days prior to the Make-Whole Redemption Date. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the Make-Whole Redemption Date. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the Make-Whole Redemption Date pursuant to this paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 15 days prior to the Selection Date.

In this Condition 6(d), **Make-Whole Redemption Amount** means (A) the outstanding principal amount of the relevant Note or (B) if higher, the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the Make-Whole Redemption Date on an annual basis at the Reference Rate plus the Make-Whole Redemption Margin specified in the applicable Final Terms, where:

CA Selected Bond means a government security or securities (which, if the Specified Currency is euro, will be a German Bundesobligationen) selected by the Calculation Agent as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes;

Calculation Agent means an independent investment, merchant or commercial bank or financial institution selected by the Issuer for the purposes of calculating the Make-Whole Redemption Amount, and notified to the Noteholders in accordance with Condition 13;

Reference Bond means (A) if CA Selected Bond is specified in the applicable Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the applicable Final Terms, the security specified in the applicable Final Terms, provided that if the Calculation Agent advises the Issuer that, for reasons of illiquidity or otherwise, the relevant security specified is not appropriate for such purpose, such other central bank or government security as the Calculation Agent may, with the advice of Reference Market Makers, determine to be appropriate;

Reference Bond Price means (i) the average of three Reference Market Maker Quotations for the relevant Make-Whole Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Calculation Agent obtains fewer than three, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

Reference Market Maker Quotations means, with respect to each Reference Market Maker and any Make-Whole Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at the Quotation Time specified in the applicable Final Terms on the Reference Rate Determination Day specified in the applicable Final Terms;

Reference Market Makers means three brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other three persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the Issuer; and

Reference Rate means, with respect to any Make-Whole Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Make-Whole Redemption Date. The Reference Rate will be calculated on the Reference Rate Determination Day specified in the applicable Final Terms.

(e) Redemption at the Option of the Noteholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(f) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or

(iii) in the case of Zero Coupon Notes, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

Early Redemption Amount = $RP \times (I + AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360 day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360 (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

(g) Purchases

The Issuer or the Guarantor (in the case of Notes having the benefit of the Guarantee) may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer

or the Guarantor (in the case of Notes having the benefit of the Guarantee), surrendered to any Paying Agent for cancellation.

(h) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (g) above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(i) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. Taxation

All payments of principal and interest in respect of the Notes and Coupons by the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Norway or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor (in the case of Notes having the benefit of the Guarantee) shall pay such additional amounts as will result in receipt by the holders of the Notes or Coupons of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) presented for payment in the Kingdom of Norway; or

(b) the holder of which is liable for such taxes duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Kingdom of Norway other than the mere holding of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law

implementing or complying with, or introduced in order to conform to, such Directive; or

(e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

In addition, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

Relevant Date means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received by the Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. Prescription

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and is continuing:

(a) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor fails to pay any principal or interest on any of the Notes when due and such failure continues, in the case of interest, for a period of fourteen days; or

(b) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given to the Agent at its specified office by any Noteholder; or

(c) (i) there shall have been accelerated because of default the maturity of any other present or future indebtedness in respect of moneys borrowed or raised of the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor; or

(ii) any such indebtedness is not paid at final maturity (as extended by any applicable grace period); or

(iii) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds US$50,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(c) operates);

(d) the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor; or

(e) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer, the Guarantor or any Principal Subsidiary, or the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor ceases or threatens to cease to carry on all or a material part of its business or operations, except:

(i) in the case of an Asset Transfer, provided that the Subsidiary to which the undertaking of assets are transferred, unconditionally and irrevocably guarantees the obligations of the Issuer under the Notes and Coupons pursuant to a guarantee in the form of a deed poll to be dated on or about the date of the Asset Transfer in the form substantially the same as the Guarantee; or

(ii) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation:

(a) on terms approved by an Extraordinary Resolution of the Noteholders; or

(b) in the case of a Principal Subsidiary, whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor (as the case may be) or another of their Subsidiaries; or

(f) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or

(g) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in (d) to (f) above,

then any Note may, by notice given in writing to the Agent at its specified office by the holder be declared immediately due and payable whereupon it shall become immediately due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with

accrued interest (if any) to the date of repayment, without further formality unless such Event of Default shall have been remedied prior to the receipt of such notice by the Agent.

As used herein:

Asset Transfer means, at any particular time, any transfer or transfers by the Issuer or the Guarantor of all or a material part of the business or operations of the Issuer or, as the case may be, the Guarantor to a Subsidiary of the Issuer;

Principal Subsidiary means at any particular time, a Subsidiary whose total assets represent not less than 10 per cent of the consolidated total assets of the Issuer and its consolidated Subsidiaries as shown by the latest consolidated balance sheet of the Issuer; and

Subsidiary means, at any particular time, a company of which the Issuer or (in the case of Notes having the benefit of the Guarantee) the Guarantor directly or indirectly owns or controls at least a majority of the outstanding voting stock giving power to elect a majority of the Board of Directors of such company.

10. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent or any Replacement Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee) is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(ii) the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee) will ensure that it maintains a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;

(iii) there will at all times be a Paying Agent with a specified office outside Norway; and

(iv) there will at all times be an Agent.

In addition, the Issuer and the Guarantor (in the case of Notes having the benefit of the Guarantee) shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(d). Notice of any

variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the issuer in accordance with Condition 13.

12. Exchange of Talons

On and after the Interest Payment Date, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. Notices

All notices regarding the Notes shall be published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times or any other daily newspaper in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in both newspapers, on the date of the first publication in both such newspapers.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on any stock exchange or admitted to trading by another relevant authority, such stock exchange or relevant authority permits), so long as the global Note(s) is or are held in its/their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent in nominal principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of interest on the Notes, (iii) to change the currency of payment of the Notes or the Coupons, (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority

required to pass an Extraordinary Resolution, or (v) to modify or cancel the obligations of the Guarantor under the Guarantee, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent, or at any adjourned meeting not less than 25 per cent, in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agent, the Issuer and (in the case of Notes having the benefit of the Guarantee) the Guarantor may agree, without the consent of the Noteholders or Couponholders, to:

(i) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. Substitution

The Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons a company (the **Substitute**) as principal debtor under the Notes or Coupons in the manner specified in Schedule 6 to the Agency Agreement, provided that no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the **Deed Poll**), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:

(i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Note or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(ii) the obligations of the Substitute under the Deed Poll, the Notes and the Coupons shall be unconditionally and irrevocably guaranteed by the Issuer by means of the Deed Poll;

(iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes and Coupons represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of the Issuer have been taken, fulfilled and done and are in full force and effect;

(iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(v) each stock exchange or listing authority which has the Notes listed on such stock exchange shall have confirmed that following the proposed substitution of the Substitute the Notes would continue to be listed on such stock exchange;

(vi) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this Condition 15 and the other matters specified in the Deed Poll; and

(vii) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or, pending execution, the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and the events listed in Condition 9, shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect and the provisions of Condition 9(c) to 9(f) inclusive shall be deemed to apply in addition to the guarantor.

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. Contracts (Rights of Third Parties) Act 1999

A person who is not a Noteholder has no right under the Contracts (Rights of Third Parties) Act 1999 (the Act) to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

18. Governing Law and Submission to Jurisdiction

(a) The Agency Agreement, the Guarantee, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) Subject to paragraph (c) below, the courts of England are to have jurisdiction to settle any disputes (including a dispute relating to any non-contractual obligations) which may arise out of or in connection with the Notes or Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes or Coupons (**Proceedings**) may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) This paragraph (c) is for the benefit of each of the Noteholders and Couponholders only. To the extent permitted by applicable law, each of the Noteholders and Couponholders may take Proceedings against the Issuer and/or the Guarantor in any

other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

(d) Each of the Issuer and the Guarantor irrevocably appoints Statoil (U.K.) Limited at its registered office in England for the time being at One Kingdom Street, Paddington Central, London W2 6BD to receive service of process in any Proceedings in England based on any of the Notes or Coupons. If for any reason the Issuer or Guarantor does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes.

STATOIL

Overview

Statoil ASA

Statoil ASA (the **Company**) is the parent company of the Statoil Group (**Statoil** or the **Group**), an upstream, technology-driven energy company that is primarily engaged in oil and gas exploration and production activities. The Company has its registered office and headquarters at Forusbeen 50, N-4035 Stavanger, Norway, telephone +47 51 99 00 00. Statoil ASA is a public limited company with an indefinite lifetime, was incorporated under the laws of Norway in September 1972 and is registered in the Norwegian Register of Business Enterprises in 8910 Brønnøysund, Norway under organisation number 923 609 016.

The purpose of Statoil ASA, as set out in its articles of association, is to engage in exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products and other forms of energy as well as other business. Such activities may be carried out through participation in, or cooperation with, other companies.

Statoil Petroleum AS

Statoil Petroleum AS (**SP**) was incorporated under the laws of Norway in February 2007 under organisation number 990 888 213. SP is registered as a limited company with an indefinite lifetime and operates under the laws of Norway. SP's registered office is at Forusbeen 50, N-4035 Stavanger, Norway, and the telephone number of its registered office is +47 51 99 00 00.

SP is a 100% owned subsidiary of the Company. The purpose of SP, as set out in its articles of association, is to engage in exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products, to extend financial assistance to other group companies, act as co-debtor for debt or under loan facilities entered into by Statoil ASA as well as other business. Such activities may be carried out through participation in, or cooperation with, other companies.

SP is the owner of a considerable portion of the assets of Statoil (including licences, production plants and transportation systems as well as shareholdings in several international subsidiaries (as set out on page 23 of the annual financial statements for the financial year ended 31 December 2012 of SP, as incorporated by reference in this Offering Circular)). Its main revenues are derived from the sale of crude oil and natural gas. SP has no employees and is controlled and operated through the business lines of the Company, which as 100% owner, defines and develops the framework within which SP conducts its business subject to any limitation set out in the articles of association and applicable law. The business transactions of SP are carried out by the employees of the Company as an integrated part of the other business operations carried out by Statoil. The operations of SP are financed through cash-flow from its operations, as well as with long-term loans from the Company.

Business and strategy of Statoil

The information about Statoil's competitive position in this section is based on a number of sources, including investment analysts' reports, independent market studies and Statoil's internal assessments of its market share based on publicly available information about the

financial results and performance of market players as well as the yearly Fact Books published by the Norwegian Petroleum Directorate (**NPD**), the contents on the NPD website (www.npd.no) and the contents on the Norwegian Ministry of Petroleum and Energy (**NMPE**) website (www.regjeringen.no) (for the avoidance of doubt, the contents of such documents and websites does not form part of this Offering Circular).

Statoil is an upstream, technology-driven energy company that is primarily engaged in oil and gas exploration and production activities. Statoil is headquartered in Norway and it is present in 35 countries and territories worldwide. Statoil is the leading operator on the NCS (according to Facts 2012 published by NPD). It is also expanding its international activities. Statoil is present in what it considers to be several of the most important oil and gas provinces in the world. Entitlement oil and gas production outside Norway accounted for 26% of Statoil's total entitlement production in 2012, which averaged 1,805 mboe per day. Statoil’s total equity oil and gas production in 2012 averaged, 2,004 mboe per day. As of 31 December 2012, Statoil had proved reserves of 2,389 mmbbl of oil and NGL and 17,027 bcf of natural gas, corresponding to aggregate proved reserves of 5,422 mmboe.

Statoil is among the world's largest net sellers of crude oil and condensate, and it is a significant supplier of natural gas to the European market (according to the NMOE website). Statoil also has substantial processing and refining operations. Furthermore, Statoil is contributing to the development of new energy resources, having ongoing activities in the area of offshore wind and in the implementation of technologies for carbon capture and storage (**CCS**).

The Norwegian State has direct participating interests in licences and petroleum facilities on the NCS, through the State's Direct Financial Interest (**SDFI**). Statoil markets and sells the SDFI share of NCS oil and gas production, in addition to its own volumes. All purchases and sales of SDFI oil production are recorded as purchases (net of inventory variation) and revenues, respectively. Statoil sells, in its own name, but for the Norwegian State's account and risk, the State's production of natural gas. These gas sales, and related expenditures refunded by the State, are shown net in Statoil's consolidated financial statements.

On 19 June 2012, Statoil sold its 54% shareholding in Statoil Fuel & Retail ASA (**SFR**). Up until this transaction SFR was fully consolidated in the Statoil group with a 46% non-controlling interest and reported as a separate reporting segment (**FR**). SFR is a road transportation fuel retailer. Following the sale of SFR, the FR segment ceased to exist.

As of 31 December 2012, there were approximately 23,000 employees in the Statoil group.

Statoil aims to grow and enhance value through its technology-focused upstream strategy, supplemented by selective positions in the midstream and in low-carbon technologies. Immediate priorities remain to conduct safe, reliable operations with zero harm to people and the environment, and to deliver profitable production growth.

To succeed going forward Statoil is focusing strategically on the following:

- Revitalising Statoil's legacy position on the NCS.
- Building offshore clusters.
- Developing into a leading exploration company.
- Stepping up its activity in unconventional resources.

- Creating value from a superior gas position.
- Continuing portfolio management to enhance value creation.
- Utilising oil and gas expertise and technology to open new renewable energy opportunities.

Statoil continually develops and deploys innovative technologies to achieve safe and efficient operations, and deliver on its strategic objectives.

Statoil's operations are managed through the following business areas:

Development and Production business areas

Statoil's Development and Production business areas encompass its worldwide upstream activities for development and production of oil and gas. Development and Production Norway (**DPN**) comprises Statoil's upstream activities on the NCS, Development and Production North America (**DPNA**) comprises Statoil's upstream activities in North America, and Development and Production International (**DPI**) comprises Statoil's worldwide upstream activities that are not included in the DPN and DPNA business areas.

Marketing, Processing and Renewable Energy (**MPR**)

MPR comprises marketing and trading of oil products and natural gas; transportation, processing and manufacturing; the development of oil and gas value chains; and renewable energy.

Technology, Projects and Drilling (**TPD**)

TPD is responsible for global well and project delivery, provision of support through global expertise, standards and procurement and also for promoting Statoil as a technology group, including developing and implementing new technological solutions.

Exploration (**EXP**)

EXP is responsible for Statoil's global exploration activities.

Global Strategy and Business Development (**GSB**)

GSB is responsible for setting the corporate strategy, business development, and merger and acquisition activities.

Reporting Segments

Statoil reports its business in the following reporting segments: Development and Production Norway (**DPN**); Development and Production International (**DP International**) which combines the DPI and DPNA business areas; Marketing, Processing and Renewable Energy (**MPR**); Statoil Fuel & Retail (**SFR**) (until 19 June 2012, when the segment was sold); and Other. The activities relating to the Exploration business area are, for reporting purposes, allocated to and presented in the respective Development and Production segments. The Other reporting segment includes activities within TPD, GSB and the Corporate Staffs and Services.

Statements contained below regarding exploration and development projects and production estimates are forward-looking and are subject to significant risks and uncertainties. Although Statoil believes that the expectations reflected in the forward-looking statements are reasonable, it cannot be assured that the Group's actual levels of activity, production or performance will meet these expectations (see "*Risk Factors*").

Operations

Development and Production Norway

DPN consists of Statoil's exploration, field development and operations activities on the NCS.

At the end of 2012, the Group was the operator of 42 assets in the North Sea, the Norwegian Sea and the Barents Sea. For the year 2012, Statoil's equity and entitlement production on the NCS was 1,335 mboe per day, which was about 73% of Statoil's total production and 67% of equity production. Acting as operator, Statoil was responsible for approximately 71% of all oil and gas production on the NCS. In 2012, its average daily production of oil and natural gas liquids (**NGL**) on the NCS was 624 mboe, while its average daily gas production on the NCS was 113 mmcm (4.0 bcf).

Statoil was awarded ownership interests in 14 production licences in the 2012 annual awards of pre-defined areas (APA), including seven operatorships.

The successful exploration results achieved in 2011 continued into 2012, with another major oil discovery in the Barents Sea, Havis, in the vicinity of the Skrugard well. A successful appraisal well was drilled on the Skrugard discovery, confirming the resources and quality of the reservoir. A major gas/condensate discovery was made in the southern part of the North Sea, at King Lear. Appraisal drilling in the giant Johan Sverdrup discovery confirmed the resource potential and will continue in 2013.

Statoil entered into an agreement with Wintershall to exit the Brage licence and transfer the operatorship to Wintershall, farm down in the Gjøa licence - including the Vega and Vega South satellite fields - and enter the Edvard Grieg licence. The cash consideration amounts to USD 1.4 billion. The transaction is expected to be closed during the second half of 2013. The transaction is subject to governmental approval.

In 2012, DPN organised the production operations into four business clusters: Operations North, Operations North Sea West, Operations North Sea East and Operations South. The Operations South and Operations North Sea West and East clusters cover Statoil's licences in the North Sea. Operations North covers Statoil's licences in the Norwegian Sea and in the Barents Sea, while partner-operated fields cover the entire NCS and are included internally in the Operations South business cluster.

From 1 January 2013, DPN has split the business cluster Operations North into two independent business clusters: Operations North (located in Harstad) and Operations Mid-Norway (located in Stjørdal, near Trondheim). This is a strategically important milestone in relation to expanding Statoil's business in the northern region of Norway. The (new) Operations North cluster will include producing assets such as Snøhvit and Norne as well as strategically important fields under development in the Barents Sea. The Operations Mid-Norway business cluster will follow up Statoil's activity in the Norwegian Sea as well as fields under development in this region.

<u>Oil and Gas Reserves - NCS</u>

At the end of 2012, Statoil had a total of 1,372 mmbbl of proved oil and NGL reserves and 15,004 bcf of proved natural gas reserves on the NCS. The NCS assets of Statoil are held within SP. As at 31 December 2012, Statoil's total proved reserves on the NCS represented approximately 75% of Statoil's total proved reserves worldwide.

The following table sets forth the Company's NCS proved reserves as of the end of the periods indicated. The data are stated net of royalties in kind.

Year	Oil/NGL mmbbls	Natural Gas bcf	Total mmboe
2012 Proved reserves end of year	1,372	15,004	4,046
of which, proved developed reserves.....	842	12,073	2,994
2011 Proved reserves end of year	1,369	15,689	4,165
of which, proved developed reserves.....	919	12,661	3,175
2010 Proved reserves end of year	1,241	16,343	4,153
of which, proved developed reserves.....	950	13,722	3,395

Production

NCS production	2010	For the year ended 31 December 2011	2012
Entitlement liquids (mbbl per day)	704	693	624
Entitlement natural gas (mmcm per day).....	106	99	113
Total entitlement liquids and gas production (mboe per day)	1,374	1,316	1,335

The following table shows the NCS production fields and field areas in which Statoil participated in 2012. Amounts are stated net of royalties in kind. Field areas are groups of fields operated as a single entity.

Business Cluster	Geographical area	Statoil's equity interest in%[1]	Operator	On stream	License expiry date	Average daily production in 2012 mboe/day
Operations North						
Åsgard.....	The Norwegian Sea	34.57	Statoil	1999	2027	124.0
Tyrihans	The Norwegian Sea	58.84	Statoil	2009	2029	52.9
Snøhvit.....	The Barents Sea	33.53	Statoil	2007	2035	36.7
Kristin.....	The Norwegian Sea	55.30	Statoil	2005	2033[2]	31.8
Mikkel.....	The Norwegian Sea	43.97	Statoil	2003	2022[3]	21.6
Morvin	The Norwegian Sea	64.00	Statoil	2010	2027	21.5
Alve	The Norwegian Sea	85.00	Statoil	2009	2029	13.2
Norne	The Norwegian Sea	39.10	Statoil	1997	2026	6.5
Heidrun	The Norwegian Sea	12.41	Statoil	1995	2024[4]	6.3
Njord	The Norwegian Sea	20.00	Statoil	1997	2021 & 2023[5]	4.6
Yttergryta	The Norwegian Sea	45.75	Statoil	2009	2027	3.7

Business Cluster	Geographical area	Statoil's equity interest in%[1]	Operator	On stream	License expiry date	Average daily production in 2012 mboe/day
Urd	The Norwegian Sea	63.95	Statoil	2005	2026	3.6
Total Operations North						**326.4**

Business Cluster	Geographical area	Statoil's equity interest in%[1]	Operator	On stream	License expiry date	Average production in 2012 mboe/day
Operations North Sea West						
Gullfaks	The North Sea	70.00	Statoil	1986	2016	90.9
Kvitebjørn	The North Sea	58.55	Statoil	2004	2031	85.6
Grane	The North Sea	36.66	Statoil	2003	2030	44.2
Visund	The North Sea	53.20	Statoil	1999	2023	11.9
Gimle	The North Sea	65.13	Statoil	2006	2016	6.7
Vilje	The North Sea	28.85	Statoil	2008	2021	6.7
Volve	The North Sea	59.60	Statoil	2008	2028	6.3
Brage	The North Sea	32.70	Statoil	1993	2015[6]	5.3
Veslefrikk	The North Sea	18.00	Statoil	1989	2015	3.2
Huldra	The North Sea	19.88	Statoil	2001	2015	2.0
Glitne	The North Sea	58.90	Statoil	2001	2013	1.0
Vale	The North Sea	28.85	Statoil	2002	2021	0.2
Heimdal	The North Sea	29.44	Statoil	1985	2021[7]	0.0
Total Operations North Sea West						**264.0**

Business Cluster	Geographical area	Statoil's equity interest in%[1]	Operator	On stream	License expiry date	Average daily production in 2012 mboe/day
Operations North Sea East						
Troll Phase 1 (Gas)	The North Sea	30.58	Statoil	1996	2030	181.0
Troll Phase 2 (Oil)	The North Sea	30.58	Statoil	1995	2030	48.8
Oseberg	The North Sea	49.30	Statoil	1988	2031	110.6
Fram	The North Sea	45.00	Statoil	2003	2024	23.9
Vega Unit	The North Sea	54.00	Statoil	2010	2035[6]	20.1
Tune	The North Sea	50.00	Statoil	2002	2032	2.6
Total Operations North Sea East						**387.0**

Business Cluster	Geographical area	Statoil's equity interest in%[1]	Operator	On stream	License expiry date	Average daily production in 2012 mboe/day
Operations South (ex Partner Operated Fields)						
Sleipner West	The North Sea	58.35	Statoil	1996	2028	74.0
Sleipner East	The North Sea	59.60	Statoil	1993	2028	15.4
Gungne	The North Sea	62.00	Statoil	1996	2028	9.3
Statfjord Unit	The North Sea	44.34	Statoil	1979	2026	31.6

Statfjord Øst	The North Sea	31.69	Statoil	1994	2026[8]	2.8
Statfjord Nord	The North Sea	21.88	Statoil	1995	2026	0.7
Sygna	The North Sea	30.71	Statoil	2000	2026[8]	0.3
Snorre	The North Sea	33.32	Statoil	1992	2015[9]	26.2
Vigdis area	The North Sea	41.50	Statoil	1997	2024	14.4
Tordis area	The North Sea	41.50	Statoil	1994	2024	1.8
Total Operations South (ex Partner Operated Fields)						**176.5**

Business Cluster	Geographical area	Statoil's equity interest in%[1]	Operator	On stream	License expiry date	Average daily production in 2012 mboe/day
Partner Operated Fields						
Ormen Lange	The Norwegian Sea	28.92	Shell	2007	2041	120.1
Gjøa	The North Sea	20.00	GDFSueZ	2010	2028[6]	24.7
Ekofisk area	The North Sea	7.60	Conoco Phillips	1971	2028	16.4
Sigyn	The North Sea	60.00	Exxon Mobil	2002	2018	9.2
Marulk	The North Sea	11.78	Eni Norge AS	2012	2025	5.7
Ringhorne Øst	The North Sea	14.82	Exxon Mobil	2006	2030	2.5
Vilje	The North Sea	28.85	Marathon Oil	2008	2021	2.0
Skirne	The North Sea	10.00	Total	2004	2025	0.5
Total Partner Operated Fields						**181.1**
Total Operations South (incl Partner Operated Fields)						**357.6**
Total						**1,335.0**

(1) Equity interest as of 31 December 2012.
(2) PL134B expires in 2027 and PL199 expires in 2033.
(3) PL092 expires in 2020 and PL121 expires in 2022.
(4) Re-determination at Heidrun with makeup periods in 2012. Statoil owner shares: Jan-Feb: 38.5644%; Mar-Jun: 13.27633%; Jun: 13.11821%; Jul-Dec: 0%.
(5) PL107 expires in 2021 and PL132 expires in 2024.
(6) In 2012, Statoil entered an agreement with Wintershall to exit the Brage licence and transfer the operatorship to Wintershall, farm down in the Gjøa licence, including the Vega and Vega South satellite fields (Vega Unit). Closing of the transaction is expected to take place during the second half of 2013. The transaction is subject to governmental approval.
(7) PL036 expires in 2021 and PL102 expires in 2025. The owner share of the topside facilities is 39.44%, however the owner share of the reservoir and production is 29.44%.
(8) PL037 expires in 2026 and PL089 expires in 2024.
(9) PL089 expires in 2024 and PL057 expires in 2015.

Development and Production International

DP International comprises development and production of oil and gas outside the NCS.

In 2012, Statoil was engaged in production in 11 countries outside of Norway: Algeria, Angola, Azerbaijan, Brazil, Canada, Libya, Nigeria, Russia, the UK, the USA, and Venezuela. In 2012, Statoil's international production represented 33% of its total equity production of oil and gas, and DP International is expected to account for most of the Group's future production growth.

Statoil has exploration licences in North America (Gulf of Mexico, Canada and Alaska), South America and sub-Saharan Africa (Brazil, Suriname, Angola, Mozambique and Tanzania), North Africa (Libya), Europe and Asia (the Faroes, Greenland, Germany, the UK, India, Azerbaijan and Indonesia). A cooperation agreement with Rosneft was signed in May 2012 to jointly explore offshore frontier areas off Russia and Norway and to conduct joint technical studies on two onshore Russian assets.

The main sanctioned development projects in which Statoil is involved are in the USA, the UK, Angola and Canada. Statoil believes it is well positioned for further growth through a substantial pre-sanctioned project portfolio, including a strengthened onshore US position as a result of the acquisition of 69,933 operated net acres in Marcellus in December 2012, where Statoil will become the operator, and the Eagle Ford operatorship, which will start in 2013.

Oil and Gas Reserves – DPI

At the end of 2012, Statoil's international proved oil and NGL reserves were 1,017 mmbbls of oil and the proved gas reserves 57.3 bcm (2.0 tcf), a total of 1,376 mmboe.

The following table sets forth the Group's total international proved reserves as at 31 December of each of the last three years.

Year	Oil/NGL mmbbls	Natural Gas bcf	Total mmboe
2012 Proved reserves at end of year	1,017	2,023	1,376
of which proved developed reserves	541	1,137	743
2011 Proved reserves at end of year	906	1,993	1,261
of which proved developed reserves	462	1,069	652
2010 Proved reserves at end of year	883	1,621	1,172
of which proved developed reserves	407	977	581

Production

Statoil's petroleum production outside Norway in 2012 amounted to an average of 470 mboe per day of entitlement production. The following tables set forth the Group's average daily international entitlement production for each of the last three years.

	For the year ended 31 December		
International production	**2010**	**2011**	**2012**
Entitlement liquids (mboe per day)	263	252	342
Entitlement natural gas (mmcm per day)	11	13	20
Total entitlement liquids and gas production (mboe per day)	332	334	470

The following table applies to Statoil's production outside Norway in 2012:

Field	Statoil's equity interest in %[1]	Operator	On stream	License expiry date	Average daily equity production in 2012 mboe/day	Average daily entitlement production in 2012 mboe/day
North America						
Canada: Hibernia	5.00	HMDC	1997	2027	6.8	6.8
Canada: Terra Nova.....	15.00	Suncor	2002	2022	3.5	3.5
Canada: Leismer Demo…….	60.00	Statoil	2010	HBP[2]	9.8	9.8
USA: Lorien.....	30.00	Noble	2006	Sold 2012	0.1	0.1
USA: Front Runner.....	25.00	Murphy Oil	2004	Sold 2012	1.7	1.7
USA: Spiderman Gas	18.33	Anadarko	2007	HBP	4.3	4.3
USA: Zia.....	35.00	Devon	2003	HBP	0.1	0.1
USA: Marcellus shale gas[3] .	Varies	Chesapeake/Statoil	2008	HBP	61.5	61.5
USA: Eagle Ford shale gas[3]	Varies	Talisman	2010	HBP	14.4	14.4
USA: Tahiti	25.00	Chevron	2009	HBP	23.4	23.4
USA: Thunder	25.00	Murphy Oil	2009	Sold 2012	0.8	0.8
USA: Bakken[3]	Varies	Statoil/others	2011	HBP	36.3	36.3
USA: Caesar Tonga	23.55	Anadarko	2012	HBP	8.7	8.7
Total North America.....					171.4	171.4
South America and sub-Saharan Africa						
Brazil: Peregrino.....	60.00	Statoil	2011	2034	36.8	36.8
Venezuela: Petrocedeño[4] ...	9.68	Petrocedeño	2008	2032	12.3	12.3
Angola: Girassol/Jasmim.....	23.33	Total	2001	2022	28.9	9.1
Angola: Dalia.....	23.33	Total	2006	2024	52.1	15.3
Angola: Rosa.....	23.33	Total	2007	2027	15.7	5.8
Angola: Pazflor.....	23.33	Total	2011	2030	45.0	39.9
Angola: Kizomba A.....	13.33	ExxonMobil	2004	2026	14.8	4.7
Angola: Kizomba B.....	13.33	ExxonMobil	2005	2027	15.3	4.7
Angola: Kizomba Satellites phase 1.....	13.33	ExxonMobil	2012	2032	4.9	4.4
Angola: Marimba North.....	13.33	ExxonMobil	2007	2027	2.3	0.5
Angola: Mondo	13.33	ExxonMobil	2008	2029	7.7	0.8
Angola: Saxi-Batuque.....	13.33	ExxonMobil	2008	2029	9.2	2.56
Angola: PSVM	13.33	BP	2012	2031	0.7	0.6
Angola: Block 4/05.....	20.00	Sonangol P&P	2009	2026	2.6	2.4
Nigeria: Agbami.....	20.21	Chevron	2008	2024	47.0	40.4
Total South America and sub-Saharan Africa					295.3	180.5
Middle East and North Africa						
Algeria: In Salah	31.85	Sonatrach/BP/Statoil	2004	2027	44.7	20.2
Algeria: In Amenas	45.90	Sonatrach/BP/Statoil	2006	2022	21.8	12.1

Field	Statoil's equity interest in %[1]	Operator	On stream	License expiry date	Average daily equity production in 2012 mboe/day	Average daily entitlement production in 2012 mboe/day
Iran: South Pars	37.00	POGC	2008	2012	4.1	4.1
Libya: Mabruk[6]	12.50	Total	1995	2028	3.3	3.0
Libya: Murzuq[6]	10.00	Repsol	2003	2032	9.9	5.7
Total Middle East and North Africa					83.8	45.0
Europe and Asia						
Azerbaijan: ACG.....	8.56	BP	1997	2024	56.9	20.1
Azerbaijan: Shah Deniz	25.50	BP	2006	2031	45.1	40.8
Russia: Kharyaga	30.00	Total	1999	2032	9.6	5.5
UK: Alba	17.00	Chevron	1994	2018	3.8	3.8
UK: Jupiter.....	30.00	ConocoPhillips	1995	2013	0.2	0.2
UK: Schiehallion	5.88	BP	1998	2017	2.6	2.6
Total Europe and Asia					118.2	72.9
Total Development and Production International (DPI)					**668.7**	**469.8**

(1) Equity interest as of 31 December 2012.

(2) Held by Production (**HBP**): A company's right to own and operate an oil and gas lease is perpetuated beyond its original primary term, as long thereafter as oil and gas is produced in paying quantities. In the case of Canada, besides continuing being in production status, other regulatory requirements must be met.

(3) Statoil's actual working interest can vary depending on wells and area.

(4) Petrocedeño is a non-consolidated company.

The following table contains certain key international projects coming on stream by the end of 2014:

Sanctioned projects coming on stream 2013-2014*	Statoil's share at 31 December 2012	Operator	Time of sanctioning	Production start
Azerbaijan: Chira.....	8.56%	BP	2010	2014
Algeria: In Salah Southern Fields.....	31.85%	Sonatrach/BP/ Statoil	2011	2014
Angola: CLOV	23.33%	Total	2010	2014
USA: Big Foot	27.50%	Chevron	2010	2014
USA: Jack	25.00%	Chevron	2010	2014
USA: St. Malo.....	21.50%	Chevron	2010	2014
Canada: Hibernia South Extension	10.50%	Exxon Mobil	2011	2014

* Not exhaustive

Marketing, Processing and Renewable Energy

MPR is divided into the following business clusters: Natural Gas; Crude Oil, Liquids and Products; Processing and Manufacturing; and Renewable Energy.

Natural Gas

The Natural Gas (**NG**) business cluster is responsible for Statoil's marketing of natural gas worldwide, for power and emissions trading and for overall gas supply planning and optimisation.

NG is further responsible for marketing gas related to the SDFI and for managing Statoil's asset ownership in gas infrastructure, such as the processing and transportation system for Norwegian gas (**Gassled**) and gathering and processing in the Marcellus shale gas play in the US. Statoil markets and transports approximately 70% of all NCS gas.

NG's business is conducted from Norway (Stavanger) and from offices in Belgium, the UK, Germany, Turkey, Azerbaijan and the USA (Houston and Stamford).

The major export markets for gas from the NCS are Germany, France, the UK, Belgium, Italy, the Netherlands and Spain.

Due to the relatively large size of the NCS gas fields and the extensive cost of developing new fields and gas transportation pipelines, a large proportion of Statoil's gas sales contracts are long-term contracts that typically run for 10 to 20 years or more.

Statoil has used contractual price reviews to agree structural solutions for the long term with several of its customers. Key characteristics are a gradual transition from oil indexation towards gas hub-related pricing, as well as a reduction in some volume commitments and of the buyers' daily and annual flexibility. With the prevailing hub prices for natural gas in Europe, this shift in pricing under long term contracts has generally resulted in a reduction of the prices received by Statoil under these long-term gas sales contracts.

In response to customer needs and in order to capture new business opportunities as the markets become more liberalised, Statoil expects to continue to optimise the market value of the gas delivered to Europe through a mix of long-term contracts and short-term marketing and trading opportunities.

All gas pipelines on the NCS that are accessed by third party customer care are owned by a single joint venture, Gassled, with regulated third party access. Gassled is operated by Gassco AS which is wholly owned by the Norwegian State. Statoil is the technical service provider. In 2011, Statoil divested 24.1% of its ownership interest in Gassled, and the ownership interest is now 5.0%. The divestment did not affect Statoil's position as the largest shipper in Gassled.

Statoil Natural Gas LLC (**SNG**), a wholly owned subsidiary, has a gas marketing and trading organisation in Stamford, Connecticut. SNG markets the gas equity production from Statoil's assets in the US Gulf of Mexico. Statoil's entry into the Marcellus and the Eagle Ford shale gas plays has resulted in a significant increase in the volume of gas marketed and traded by Statoil in the US in recent years. Certain gas transportation agreements enable Statoil to transport gas from the Northern Marcellus production area to Manhattan, NY, with an expected in-service date in late 2013, and to the US/Canadian border providing access to the greater Toronto area in Canada.

LNG is sourced from the Snøhvit LNG facility in Norway and from third-party suppliers. Statoil's LNG cargoes have been diverted away from the US market into higher-priced markets in Europe, South America and Asia.

Statoil has ownership interests in the Shah Deniz gas/condensate field in Azerbaijan and in the In Salah and In Amenas gas fields in Algeria.

Crude oil, Liquids and Products

Crude oil, Liquids and Products (**CLP**) is responsible for the Group's transportation, marketing and trading of crude oil, natural gas liquids (**NGL**) and refined products, including methanol.

Statoil is one of the world's major net sellers of crude oil (according to the NMPE website), operating from sales offices in Stavanger, Oslo, London, Singapore, Stamford and Calgary and selling and trading crude oil, condensate, NGL and refined products.

Statoil markets its own volumes and SDFI's equity production of crude oil and NGL, in addition to third party volumes. In 2012, MPR sold 714 million barrels of crude and condensate, including supplies to our own refineries, while NGL volumes were 171 million barrels. The main crude oil market for Statoil is north-west Europe. Volumes are also sold to North America and Asia. Most of the crude oil volumes are sold in the spot market based on publicly quoted market prices. Of the total 714 million barrels sold in 2012, approximately 38% were Statoil's own equity volumes. Of the total 171 million barrels of NGL sold in 2012, approximately 39% were Statoil's own equity volumes.

Processing and Manufacturing

The processing and manufacturing business cluster is responsible for the operation of all of Statoil's onshore facilities in Norway except for Snøhvit.

Statoil is currently the majority owner (79%) and operator of the Mongstad refinery in Norway, which has a crude oil and condensate distillation capacity of 240,000 barrels per day. It is linked to offshore fields and to the Sture crude oil terminal and the Kollsnes gas processing plant through Vestprosess (34% owned by Statoil), making it an attractive site for landing and processing hydrocarbons.

Statoil has an ownership interest of 81.7% of Statoil Metanol ANS at Tjeldbergodden. In addition, Statoil holds a 50.9% ownership interest in Tjeldbergodden Luftgassfabrikk DA, which is one of the largest air separation units (ASU) in Scandinavia.

Statoil is the sole owner and operator of the Kalundborg refinery in Denmark, which has a crude oil and condensate distillation capacity of 118 mbbl per day. In addition, Statoil owns 10% of production capacity at the Shell-operated refinery in Pernis in the Netherlands, which has a crude oil distillation capacity of 400,000 barrels per day.

Renewable Energy

Key areas for the renewable energy business are offshore wind and carbon capture and storage (**CCS**).

The Sheringham Shoal wind farm in the UK was formally opened in September 2012 and is now in full production with 88 turbines and an installed capacity of 317 MW. It is owned jointly with Statkraft. The estimated annual production is 1.1 TWh and it will provide power for approximately 220,000 households.

The Hywind demonstration facility off the coast of Karmøy – featuring the world's first full-scale floating offshore wind turbine – has been in operation for three years and the overall performance has exceeded expectations.

Statoil acquired a 70% shareholding in the Dudgeon wind farm project in the UK in October 2012. The development is expected to be slightly larger than Sheringham Shoal (production of 1.25 TWh, providing power for 250,000 households). The project has received consent and, pending a final investment decision, it could be fully operational in 2017.

Statoil has a 25% share in the UK Third Round Dogger Bank concession. The joint venture with RWE, SSE and Statkraft is preparing applications for consent for the first two projects (each 1.2 GW) expected to be submitted to the UK planning authorities in the first half of 2013. Production could start towards the end of the decade.

Statoil is involved in several projects that aim to develop and apply solutions for CCS. The Norwegian government and Statoil are planning a full-scale carbon dioxide capture project in conjunction with the combined heat and power (CHP) station at Mongstad. At full capacity, the volume of captured carbon dioxide from the CHP plant is expected to be around 1.2 million tonnes annually.

Through the Mongstad project, Statoil is supporting the realisation of a complete value chain for carbon capture, transport and storage. A final investment decision for this project is planned in 2016.

Statoil Fuel & Retail

On 19 June 2012, Statoil ASA sold its remaining 54% shareholding in Statoil Fuel & Retail ASA (SFR), a Scandinavian road transportation fuel retailer, to Alimentation Couche-Tard for a cash consideration of NOK 8.3 billion. Up until this transaction, SFR was fully consolidated in the Statoil group with a 46% non-controlling interest. Following the sale of SFR, the fuel and retail segment ceased to exist, but the fuel supply agreement between Statoil and SFR continues. Sales of fuel from the MPR segment to SFR are presented as external sales in the MPR segment as of 20 June 2012.

Recent events

DPN and DP International

- Statoil has completed a transaction with Wintershall to exit the Brage licence and transfer the operatorship to Wintershall, farm down in the Gjøa licence - including the Vega and Vega South satellite fields - and enter the Edvard Grieg licence. The cash consideration amounts to USD 1.4 billion.

- Statoil's legacy position on the NCS has been revitalised through a significant high-value discovery at Gullfaks in the North Sea, several other new discoveries and ramping up of production from Skarv.

- Seven new fast-track projects have been put on stream: Hyme, Vigdis North East, Skuld, Stjerne, Fram H-North, Visund South and Visund North; and approval by Parliament has been obtained for the field development plans for Aasta Hansteen, Gina Krog and Ivar Aasen in Norway and by the UK Government for the Mariner heavy oil field in the UK. The development concept for the Johan Castberg (Skrugard) field in the Barents Sea and Bressay in the UK have been selected.

However, the Johan Castberg project has been postponed for review due to updated project estimates and pending clarification in the fiscal framework.

- After a redetermination process in the Ormen Lange Unit in the Norwegian Sea, Statoil's revised ownership interest in the unit will be 23.35%.

- As part of its continued active portfolio management, Statoil has completed an agreement with the Austrian oil and gas company, OMV, to divest its interests in the Gullfaks and Gudrun fields on the NCS and exit the Schiehallion and Rosebank fields West of the Shetlands. In addition to the consideration of USD 2.65 billion, the transaction with OMV includes a contingent payment and involves a partnership between the two companies.

The following table presents DPN's average daily production for the third quarter 2012 and the third quarter 2013.

DPN production	**Third quarter 2012**	**Third quarter 2013**
Entitlement liquids (mboe per day)	555	584
Entitlement natural gas (mboe per day)	610	541
Total entitlement liquids and gas production (mboe per day)	1,165	1,124

- In January 2013, Statoil, together with partners BP and Sonatrach, was hit by a terrorist attack at the In Amenas gas production facility in Algeria. Five Statoil employees lost their lives in the attack. Statoil initiated an investigation to determine the relevant chain of events before, during and after the attack in order to enable the company to further improve within the areas of security, risk-assessment and emergency preparedness. The investigation report was published on 12 September 2013. Statoil will ensure that the recommendations are integrated and prioritised as part of an initiated improvement programme in the security area.

- High-impact discoveries have been made in Block 2 offshore Tanzania and in the Flemish Pass basic offshore Newfoundland, Canada.

- Statoil has acquired a 12% working interest in Block 6 licence offshore Tanzania from operator Petrobas Tanzania Ltd. After the farm-in completion, operator Petrobas Tanzania Ltd. will hold a 38% working interest, while the remaining 50% is held by Shell Deepwater Tanzania B.V. The transaction is subject to approval by Tanzanian authorities.

- Statoil is building material positions in offshore clusters, securing 15 leases in the Gulf of Mexico lease sale; and signing a Memorandum of Understanding (MoU) with SOCAR to explore new Caspian acreage.

- Statoil's activity in unconventional resources has been stepped up by assuming operatorship for all activities in the eastern part of its Eagle Ford assets in Texas. Statoil now has operational activities in all onshore assets in the US (Bakken, Marcellus and Eagle Ford).

The following table presents DP International's average daily production for the third quarter 2012 and the third quarter 2013.

DP International production	Third quarter 2012	Third quarter 2013
Entitlement liquids (mboe per day)	338	397
Entitlement natural gas (mboe per day).....	120	165
Total entitlement liquids and gas production (mboe per day)	458	563

MPR

In May 2013, the EFTA Surveillance Authority (the **ESA**) assisted by the Norwegian Competition Authority carried out an unannounced inspection on a request from the European Commission. The authorities suspect participation by several companies, including Statoil, in anti-competitive practices related to the Platts`Market-On-Close price assessment process. Such inspections are a preliminary step in investigations.

In the US, the FTC, CFTC and USAO have started proceedings which are partly parallel to the European investigations. All proceedings are in the early stages and no conclusions have been drawn so far. In the US, class actions have also been filed against Statoil by eleven sets of plaintiffs in at least two different federal courts.

- Statoil has recognised impairment losses related to the Mongstad and Kalundborg refineries of NOK 4.2 billion due to lower margins and the challenging outlook.

- The Norwegian Government announced in September 2013 that the full-scale carbon capture project at Mongstad (CCM) will be terminated. Statoil is now commencing work in order to ensure a smooth project conclusion.

On 2 December 2013, it was announced that Statoil and Shell have entered into a Memorandum of Understanding that Statoil will acquire Shell's 21 per cent. share in the Mongstad refinery in Norway and sell its 10 per cent. share in the Pernis refinery in the Netherlands to Shell. The two transactions will enter into effect from 1 January 2014 meaning that from that date Statoil will be the sole owner of the Mongstad refinery and Shell the sole owner of Pernis.

Other

- Statoil has raised an aggregate amount equivalent to USD 10.3 billion of new longterm debt in various capital markets in 2013. The net proceeds from this funding are used for general corporate purposes and provide financial flexibility for the group.

- On June 21 2013, the Norwegian Parliament approved new legislation to reduce the uplift in the petroleum tax system from 7.5 per cent to 5.5 per cent with effect as of 5 May 2013. The uplift is an additional deduction in the tax base for special petroleum tax. It is calculated as 5.5 per cent of the investment cost for four years from the year the investment was incurred. The overall uplift is thereby reduced from 30 per cent to 22 per cent. The preliminary estimated impact for Statoil's operating cash flow is below NOK 0.5 billion in 2013, gradually increasing to full effect after 4-5 years. The proposed change will reduce tax deductions on the Norwegian continental shelf by NOK 38 million per every NOK 1 billion invested. The Norwegian Government has proposed a transition rule for projects where the Ministry of Petroleum and Energy has received a plan for development and operation (PDO) or a plan for installation

and operation (PIO) prior to 5 May 2013. For investments covered by the transition rule the current uplift of 7.5 per cent will apply. The transition rule applies to investments incurred up to the same year as production starts or operation of the facility starts.

Employees

As at 31 December 2012, Statoil had approximately 23,000 employees, of whom approximately 88% were employed in Norway.

The table below provides an overview of the number of permanent employees in the Group from 2010 to 2012. The table does not include employees of affiliated companies.

	Number of employees as of 31 December		
	2010	**2011**	**2012**
Geographical Region			
Norway	18,838	20,021	20,186
Europe (excluding Norway)	10,335	10,187	925
Africa	140	121	116
Asia	145	146	157
North America	713	1,030	1,378
South America	173	210	266
Total	30,344	31,715	23,028

Legal Proceedings

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either the Issuer or the Guarantor is aware) in the past 12 months which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor, the Issuer and its subsidiaries (taken as a whole) or the Guarantor and its subsidiaries (taken as a whole).

The Norwegian State as a Shareholder

The following table shows the number of Statoil shares directly owned by the Norwegian State as of the date of this document. The Company has not been notified of any other beneficial owner of 5% or more of its ordinary shares as of the date of this document.

	% of shares
The Norwegian State (Ministry of Petroleum and Energy)	67.00

The Norwegian State does not have any voting rights that differ from the rights of other ordinary shareholders. As the Norwegian State, acting through the Minister of Petroleum and Energy, owns in excess of two-thirds of the shares in the Company, it has under Norwegian company law the sole power to amend the Articles of Association. As long as the Norwegian State owns more than one-third of Statoil's shares, it is also able to prevent any proposed amendments to the Articles of Association. In addition, as a majority shareholder, the Norwegian State has the power to control any decision at general meetings of the

Company's shareholders that requires a majority vote, including the election of the majority of the corporate assembly, which has the power to elect the board of directors and approve the dividend proposed by the board of directors.

Norwegian law contains a number of protections for minority shareholders against oppression by the majority, including but not limited to decisions in favour of certain shareholders or third parties to the detriment of other shareholders or the Company.

Management

The management of the Company is vested in its board of directors and Chief Executive Officer. The Chief Executive Officer is responsible for the day-to-day operations in the Company in accordance with the instructions, policies and operating guidelines set out by the board of directors.

The business address of the directors, executive committee members and corporate assembly members is c/o Statoil at the corporate headquarters at Forusbeen 50, N-4035 Stavanger, Norway.

Board of Directors

The Company's directors, date of birth and their position are identified below.

Name	Born	Position
Svein Rennemo	1947	Chair
Grace Reksten Skaugen	1953	Deputy Chair
Maria Johanna Oudeman	1958	Director
Bjørn Tore Godal	1945	Director
Jakob Stausholm	1968	Director
Lill-Heidi Bakkerud(1)	1963	Director
James J. Mulva	1946	Director
Catherine Hughes	1964	Director
Ingrid Elisabeth di Valerio(1)	1964	Director
Stig Lægreid(1)	1963	Director

(1) Elected by the employees.

Svein Rennemo. Chair of the board since 1 April 2008. Svein Rennemo is a Norwegian citizen and resident. He is an economist from the University of Oslo. During the period 1972 to 1982, he was an analyst and monetary policy and economics adviser with Norges Bank (the Norwegian central bank), the OECD Secretariat in Paris and the Ministry of Finance. He held various management positions in Statoil ASA from 1982 to 1994, latterly as head of the petrochemical division. Mr Rennemo worked for Borealis from 1994 to 2001, first as deputy CEO and CFO and, from 1997, as CEO. He was also CEO of Petroleum Geo-Services AS since 2002, a position he left on 1 April 2008. Today, Mr Rennemo is chair of the board of Tomra Systems ASA and Pharmaq AS. He is also a member of the board's compensation and leadership development committee.

Grace Reksten Skaugen. Deputy Chair of the board. Grace Reksten Skaugen is a Norwegian citizen and resident. She has a doctorate in laser physics from the Imperial College of Science and Technology at the University of London and an MBA from the Norwegian School of Management (BI). Ms Skaugen is a self-employed business consultant.

She was a director in corporate finance in Enskilda Securities in Oslo from 1994 to 2002. Ms Skaugen has also worked with venture capital and shipping in Oslo and London and carried out research in microelectronics at Columbia University in New York. Ms Skaugen is chair of the boards of Entra Eiendom AS, Ferd Holding, Norsk Institutt for Styremedlemmer and NAXS Nordic Access Buyout AS, a subsidiary of the Swedish listed company Nordic Access Buyout Fund AB. She is also a member of the board of the Swedish listed company Investor AB. Ms Skaugen has been a member of the board of Statoil ASA since 2002 and is chair of the board's compensation and leadership development committee.

Maria Johanna Oudeman. Board member. Ms Oudeman is a Dutch citizen and resident. She has a law degree from Rijksuniversiteit Gröningen in the Netherlands and an MBA from the University of Rochester, New York, USA and Erasmus University, Rotterdam, the Netherlands. Ms Oudeman is a member of the executive committee of Akzo Nobel, responsible for HR and organisational development. Akzo Nobel is the world's largest paint and coatings company and a major producer of specialty chemicals, with operations in more than 80 countries. Ms. Oudeman has extensive experience as a line manager in the steel industry and considerable international business experience. Ms. Oudeman is a member of the boards of Nederlandske Spoorwegen, ABN Amro Group and Het Concertgebouw and Rijksmuseum in Amsterdam, the Netherlands. Ms Oudeman has been a member of the board of Statoil ASA since September 15, 2012 and is also a member of the board's audit committee.

Catherine Hughes. Board Member. Catherine Hughes is a Canadian/French citizen. She has an extensive career within the oil and gas industry. From 2009 to 2013 she worked for Nexen, located in Alberta, Canada, first as vice president (**VP**) operational services, technology and HR and from 2012 as executive vice president responsible for all activities outside Canada. From 2005 to 2009, she was VP exploration and production services then VP oil sands at Husky Oil. Prior to that Hughes spent 20 years with Schlumberger and held key positions in various countries including Nigeria, Italy, France, UK, Canada and USA. She holds a Bachelor of Science degree in electrical engineering from *Institut National des Sciences Appliquées de Lyon*. Ms. Hughes was elected a member of the board of Statoil ASA with effect from 1 July 2013 and is also a member of the board's audit committee.

Bjørn Tore Godal. Board Member. Bjørn Tore Godal is a Norwegian citizen and resident. He holds a Bachelor of Arts degree from the University of Oslo in political science, history and sociology. Mr Godal was a member of the Norwegian parliament for 15 years in the period 1986 to 2001. He served as Minister for trade and shipping, Minister for defence and Minister of foreign affairs for a total of eight years between 1991 and 2001. He has also served as special adviser for international energy and climate issues at the Ministry of Foreign Affairs in the period 2007 to 2010. From 2003 to 2007 Mr Godal served as Norway's ambassador to Germany, and from 2002 to 2003 he was a senior adviser at the Department of Political Science at the University of Oslo. He is also chairman of the Council of the Norwegian Defence University College (NDUC). Mr Godal has been a member of the board of Statoil ASA since 1 September 2010. He is also a member of the board's compensation and leadership development committee and chairman of the board's safety, sustainability and ethics committee.

James J. Mulva. Board Member. James J. Mulva is a US citizen. He was president and CEO of Houston-based ConocoPhillips from 2002 until retirement in 2012. From 2004 to 2012 he also served as chairman of the board. Prior to this he was chairman, president and CEO of Phillips Petroleum from 1999 to 2002. Mr. Mulva started his career in the oil and gas industry with Phillips Petroleum Company in 1973 and held positions within the finance area, being chief financial officer (CFO) from 1990 -1993. He served as chief operating officer

(COO), responsible for all operations including refineries, offshore and onshore activities from 1994 to 1999. He holds a Master of Business Administration from University of Texas. Mr. Mulva presently serves at the board of directors of General Motors and General Electric. Mr. Mulva was elected a member of the board of Statoil ASA with effect from 1 July 2013 and is also a member of the board's safety, sustainability and ethics committee.

Jakob Stausholm. Board member. Jakob Stausholm is a Danish citizen and he lives in Denmark. He has a Master of Science in economics from the University of Copenhagen. He is Chief Strategy & Transformation Officer of Maersk Line, part of A.P. Moller – Maersk Group. From 2008 to 2011, he was chief financial officer of the global facility services provider ISS A/S. Before joining ISS's corporate executive committee in 2008, he was employed by the Shell Group for 19 years and held a number of management positions, including vice president finance for the group's exploration and production in Asia and the Pacific, chief internal auditor and CFO of group subsidiaries. Mr Stausholm has been a member of the board of Statoil ASA since July 2009 and is chair of the board's audit committee.

Lill-Heidi Bakkerud. Board member. Lill-Heidi Bakkerud is a Norwegian citizen and resident. She has a craft certificate as a process/chemistry worker. Ms. Bakkerud is an employee-elected member of the board of Statoil ASA, and is a full-time employee representative as the leader of the Statoil branch of the Industry Energy (**IE**) trade union. She has worked as a process technician at the petrochemical plant in Bamble and on the Gullfaks field in the North Sea. Today, she is a member of IE's executive committee and holds a number of offices as a result of this. Ms. Bakkerud was a member of the board of Statoil ASA from 1998 to 2002 and has been again since 2004. She is also a member of the board's safety, sustainability and ethics committee.

Ingrid Elisabeth di Valerio. Board member. Ingrid Elisabeth di Valerio is a Norwegian citizen and resident. She is a chartered engineer (mathematics and physics) and studied at the Norwegian University of Science and Technology in Trondheim (NTNU). She joined Statoil in 2005 and worked in the materials for Technology, Projects & Drilling department before taking on the role of Tekna's main representative at Statoil from 2008 to 2013. She also sat on Tekna's central committee from 2005 to 2013. Ms di Valerio is a member of the boards of First Scandinavia, Montanus AS and a member of Tekna's central nomination committee. She is also a member of the board's audit committee.

Stig Lægreid. Board member. Stig Lægreid is a Norwegian citizen and resident. He studied for a bachelor degree in mechanical construction at OIH. He was employed by ÅSV and Norsk Hydro from 1985, working until 2005 as a project engineer and constructor for production of primary metals and from 2005 as weight estimator for platform design. He is now a full-time employee representative as the leader of NITO, Statoil. Mr Lægreid is a member of both the Executive Committee and the Negotiation Committee for the private sector at The Norwegian Society for Engineers and Teknologists (NITO) and is also a member of the board's safety, sustainability and ethics committee.

Executive Committee

The president and CEO has overall responsibility for the day-to-day operations of Statoil. The president and CEO is responsible for developing Statoil's business strategy and presenting it to the board of directors for decision, for development and execution of the business strategy, and for cultivating a performance-driven, value-based culture.

The president and CEO appoints the corporate executive committee (**CEC**). Members of the CEC have a collective duty to safeguard and promote the corporate interests of Statoil and

to provide the president and CEO with the best possible basis for setting the Group's direction, making decisions and ensuring execution and follow-up of business activities. In addition, each of the CEC members heads separate business areas or staff functions.

The members of the executive committee, date of birth and position are identified below:

Helge Lund	Born 1962	President and Chief Executive Officer
Torgrim Reitan	Born 1969	Chief Financial Officer and Executive Vice President
Øystein Michelsen	Born 1956	Executive Vice President, Development and Production Norway
Lars Christian Bacher	Born 1964	Executive Vice President, Development and Production International
William Maloney	Born 1955	Executive Vice President, Development and Production North America
Tim Dodson	Born 1959	Executive Vice President, Exploration
Margareth Øvrum	Born 1958	Executive Vice President, Technology, Projects and Drilling
Eldar Sætre	Born 1956	Executive Vice President, Marketing, Processing and Renewable Energy
John Knight	Born 1958	Executive Vice President, Global Strategy and Business Development

* Following the new corporate staff structure, effective from 1 January 2013, there is no CSO role in the corporate executive committee.

Corporate Assembly

Pursuant to the Norwegian Public Limited Liability Companies Act, companies with more than 200 employees must elect a corporate assembly unless otherwise agreed between the Company and a majority of its employees.

Two-thirds of the members are elected by the AGM and one-third by the employees.

The responsibilities of the corporate assembly include electing the board of directors and the chair of the board, overseeing the board and CEO's management of the Company, making decisions on investments of considerable magnitude in relation to the Company's resources and making decisions involving the rationalisation or reorganisation of operations that will entail major changes in or reallocation of the workforce.

The duties of the corporate assembly are defined in section 6-37 of the Norwegian Public Limited Liability Companies Act.

Members of the corporate assembly elected by the shareholders:

Olaug Svarva

Managing director, Folketrygdfondet (Chair)

Idar Kreutzer
CEO, Finance Norway

Karin Aslaksen
Executive vice president, Orkla ASA

Tore Ulstein
Chairman of the Board and Deputy CEO, Ulstein Group

Greger Mannsverk
Managing director, Bergen Group Kimek AS

Steinar Olsen
Senior Advisor, External Relations & Government Affairs, MISWACO

Ingvald Strømmen
Dean at the Norwegian University of Science and Technology (NTNU)

Rune Bjerke
President and CEO, DNB

Siri Kalvig
Employee and board member, StormGeo AS

Thor Oskar Bolstad
Manager, Herøya Industripark, Norsk Hydro ASA

Barbro Hætta
Medical doctor, University Hospital of Nord-Norge

Members of the corporate assembly elected by and among the employees:

Eldfrid Irene Hognestad
Steinar Kåre Dale
Per Martin Labråthen
Anne K.S. Horneland
Jan-Eirik Feste
Hilde Møllerstad

Observers of the corporate assembly elected by and among the employees:

Per Helge Ødegård
Dag-Rune Dale
Brit Gunn Ersland

Potential Conflicts of Interest

There are no potential conflicts of interest of the duties owed to the Issuer by the directors, members of the executive committee or members of the corporate assembly and their private interests and/or other duties.

Management of SP

Board of Directors and Management

Torgrim Reitan	Chairman	Executive Vice President and CFO
Nina Birgitte Koch	Board Member	Senior Vice President DPN Finance & Control
Asleiv Jon Brandsøy	Board Member and General Manager	Controller Finance & Control
Odd Helge Bruvik	Board Member	Manager Tax

Hans Henrik Kloumann	Board Member	General Counsel

There are no conflicts of interest between the duties of the persons listed above to SP and their private interests or other duties.

The business address of the directors and management of SP is c/o Statoil Petroleum AS at Forusbeen 50, N-4035 Stavanger, Norway.

Statoil has adopted corporate governance policies, which apply to all of its subsidiaries, including SP, which comply with all applicable corporate governance regulations.

TAXATION

Norway

The following summary is based on current Norwegian law and practice, which is subject to changes that could prospectively or retrospectively modify or adversely affect the stated tax consequence. Prospective purchasers of Notes should consult their own professional advisers as to their respective tax positions.

Payments made by the Issuer under Notes to persons who are not Norwegian residents for tax purposes (**Non-residents**), whether in respect of principal or interest on Notes, are not subject to any tax imposed by Norway or any political subdivision thereof or therein except for payments attributable to such a person's branch, permanent establishment or operation in Norway that may be subject to tax imposed by Norway or any political subdivision thereof or therein.

In the event that any withholding is subsequently imposed with respect to any such payment as described in "Terms and Conditions of the Notes – Taxation", the Issuer will (subject to certain exceptions and limitations) pay such additional amounts under the Notes as will result (after deduction of said withholding tax) in the payment of the amounts which would otherwise have been payable in respect of such Notes had there been no such withholding tax.

In addition, no income, capital gains, transfer or similar tax is currently imposed by Norway or any political subdivision thereof or therein on a Non-resident's sale, redemption or other disposition of Notes, except for payments attributable to a Non-resident's branch, permanent establishment or operation in Norway that may be subject to tax imposed by Norway or any political subdivision thereof or therein.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). Luxembourg has announced that, from 1 January 2015, it will no longer make use of the transitional arrangements and will exchange information automatically under the Directive. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

The proposed financial transactions tax (FTT)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

United States Foreign Account Tax Compliance Act Withholding (FATCA)

A 30 per cent. withholding tax will generally be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. In addition, the Issuer or another non-U.S. financial institution may be required to withhold on a portion of any payment under the Notes that is made to a non-U.S. financial institution that has not agreed to comply with these information reporting requirements. Such withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Notes held through a non-compliant institution may be subject to withholding even if the holder of the Notes otherwise would not be subject to withholding. Under U.S. Treasury regulations, such withholding will generally not apply to payments made before 1st January, 2017 and moreover, such withholding will only apply to Notes issued or modified more than six months after the date on which final regulations implementing such withholding are published in final form. If a payment on the Notes is subject to this withholding tax, no additional amounts will be paid, and a Noteholder will receive less than the amount of the expected payment. The United States and Norway have entered into an agreement to facilitate the type of information reporting required under FATCA (the **US-Norway IGA**). While the existence of such agreement will not eliminate the risk that the Notes will be subject to the withholding described above, the agreement is expected to reduce the risk of the withholding for investors in (or indirectly holding Notes through financial institutions in) Norway. Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding and the effect of the US-Norway IGA.

Prospective investors should also consult their banks or brokers through which the Notes are held about the likelihood that payments to them (for credit to such investors) may become subject to FATCA withholding. Prospective investors should be aware that the U.S. Internal Revenue Service intends to publish a list (which will be made available on its website: www.irs.gov) of non-U.S. financial institutions that are in compliance with FATCA, and accordingly, in the future, they may be able to confirm whether non-U.S. intermediaries (including banks, brokers and clearing systems) through which they hold the Notes would be exempt from FATCA withholding. However, this list is not yet available at this time.

United States IRS Circular 230 Notice: To ensure compliance with IRS Circular 230, prospective investors are hereby notified that: (a) any discussion of United States federal tax issues contained or referred to in this Offering Circular or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) 1 June 2011 agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under "Form of the Notes", "Terms and Conditions of the Notes" above. In the Programme Agreement, the Issuer, failing which, the Guarantor, (in the case of Notes having the benefit of the Guarantee) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation**

Date) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or

(b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Norway

Each Dealer has represented and agreed that no offering material in relation to the Programme or any Notes has been or will be approved by the Oslo Stock Exchange or the Norwegian Financial Supervisory Authority. Accordingly, each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that no Notes may be the subject of a public offer in Norway, as described in the Norwegian Securities Trading Act 2007, Section 7-2, and notes denominated in NOK or issued in Norway may only be issued in compliance with the Norwegian Securities Register Act.

France

The Issuer, the Guarantor and each Dealer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Offering Circular, the applicable Final Terms or any other offering material relating to the Notes and that such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), other than individuals, investing for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1, L.533-16 and L.533-20 of the French *Code monétaire et financier*. This Offering Circular has not been submitted to the clearance procedures of the French *Autorité des marchés financiers*. The Notes may be resold to the public in France only in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French *Code monétaire et financier* and the *Règlement général* of the French *Autorité des marchés financiers*.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee) nor any other Dealer shall have any responsibility therefor.

Without prejudice to the obligations of the Dealers set out above, the Issuer, the Guarantor (in the case of Notes having the benefit of the Guarantee) and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 29 October 2013, and the giving of the Guarantee has been duly authorised by a resolution of the Board of Directors of the Guarantor dated 17 April 2013.

Listing of Notes

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a temporary global Note initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or about 11 December 2013.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available from the registered office of the Issuer and the Guarantor, as the case may be, and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

(i) the constitutional documents (with a direct and accurate English translation thereof) of each of the Issuer and the Guarantor;

(ii) the reports of auditors and the consolidated audited annual financial statements for the financial years ended 31 December 2012 and 31 December 2011 of Statoil ASA contained on pages 151 to 219 of Statoil ASA's Annual Report on Form 20-F for the year ended 31 December 2012 which were prepared under International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted by the EU;

(iii) the management’s report and the auditor’s report on Statoil ASA’s internal controls over financial reporting as at 31 December 2012 contained on page 150 and 220, respectively, of Statoil ASA’s Annual Report on Form 20-F for the year ended 31 December 2012;

(iv) the unaudited consolidated financial statements of Statoil ASA for the period ended 30 September 2013 contained on pages 31 to 42 of Statoil ASA's Financial statements and review – 3rd quarter 2013 which were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board and as adopted by the EU;

(v) the reports of auditors and the non-consolidated audited annual financial statements for the financial years ended 31 December 2012 and 31 December 2011 of Statoil Petroleum AS which were prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway;

(vi) the most recently published consolidated audited annual financial statements of the Group and the most recently published interim consolidated financial statements (if any) of the Group (with a direct and accurate English translation thereof), in each case together with any audit or review reports prepared in connection therewith;

(vii) the Programme Agreement, the Agency Agreement, the Guarantee, the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Notes and the Coupons, the Talons and the Deed of Covenant;

(viii) a copy of this Offering Circular; and

(ix) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer or the Paying Agent, as the case may be, as to the identity of such holder) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream, Luxembourg, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed on pages 82-85, there has been (i) no significant change in the financial or trading position of the Issuer and its subsidiaries (taken as a whole) since 30 September 2013, or the Guarantor and its subsidiaries (taken as a whole) since 31 December 2012 and (ii) there has been no material adverse change in the prospects of the Issuer or the Guarantor since 31 December 2012.

Litigation

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either the Issuer or the Guarantor is aware) in the past 12 months which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, the Guarantor, the Issuer and its subsidiaries (taken as a whole) or the Guarantor and its subsidiaries (taken as a whole).

Auditors

The auditor of the Issuer and the Guarantor is KPMG AS (**KPMG**) for the year ended 31 December 2012. KPMG replaced Ernst & Young AS (**Ernst & Young**) on 15 May 2012.

The consolidated financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IASB**) and International Financial Reporting Standards as adopted by the European Union and were audited in accordance with the standards of the Public Company Accounting Oversight Board (United States), for the year ended 31 December 2012 by KPMG and for the year ended 31 December 2011 by Ernst & Young. The audit report covering the 31 December 2012 consolidated financial statements refers to changes in the policy for classification in the balance sheet of short-term financial investments with less than three months to maturity and the policy for presentation of changes in current financial investments in the statement of cash flows.

In addition, KPMG audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) the management's assessment of internal controls over financial reporting of the Issuer as of 31 December 2012.

The financial statements of the Guarantor have been prepared in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and were audited, in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including International Standards on Auditing, for the year ended 31 December 2012 by KPMG and for the year ended 31 December 2011 by Ernst & Young.

Post-Issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Indicative Yield for Fixed Rate Notes

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Dealers transacting with the Issuer and Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their respective affiliates in the ordinary course of business.

THE ISSUER

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THE GUARANTOR

Statoil Petroleum AS
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