Disclaimer

FORWARD LOOKING STATEMENTS

This Operating and Financial Review contains certain forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts, including, among others, statements such as those regarding; targets with respect to participation in drilling and exploration activities; plans for future development and operation of projects; reserve information; expected exploration and development activities or expenditures; expected start-up dates for projects; expected dates for deliveries of oil and gas; expected timing and receipt of regulatory and other approvals and expected dates of operatorship transitions; are forward-looking statements. Forward-looking statements are sometimes, but not always, identified by such phrases as “will”, “expects”, “is expected to”, “should”, “may”, “is likely to”, “intends” and “believes”. These forward-looking statements reflect current views with respect to future events and are, by their nature, subject to significant risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including levels of industry product supply, demand and pricing; currency exchange rates; political and economic policies of Norway and other oil-producing countries; general economic conditions; political stability and economic growth in relevant areas of the world; global political events and actions, including war, terrorism and sanctions; the timing of bringing new fields on stream; material differences from reserves estimates; inability to find and develop reserves; adverse changes in tax regimes; development and use of new technology; geological or technical difficulties; the actions of competitors; the actions of field partners; the actions of governments; relevant governmental approvals; industrial actions by workers; prolonged adverse weather conditions; natural disasters and other changes to business conditions. Additional information, including information on factors which may affect StatoilHydro’s business, is contained in StatoilHydro’s 2006 Annual Report on Form 20-F filed with the US Securities and Exchange Commission, which can be found on StatoilHydro’s web site at www.StatoilHydro.com.

Use and reconciliation of non-GAAP financial measures

StatoilHydro is subject to SEC regulations regarding the use of “non-GAAP financial measures” in public disclosures. Non-GAAP financial measures are defined as numerical measures that either exclude or include amounts that are not excluded or included in the comparable measures calculated and presented in accordance with GAAP.

For more information on our use of non-GAAP financial measures, see Item 5 - Operating and Financial Review and Prospects - Use of Non-GAAP Financial Measures in Statoil’s 2006 Annual Report on Form 20-F/A.

This information in the 20-F is USGAAP

The following financial measures may be considered non-GAAP financial measures:

- Return on average capital employed (ROACE)
- Normalised production cost per barrel
- Net debt to capital employed ratio
ESTABLISHED ON OCTOBER 1, 2007 FOLLOWING THE MERGER BETWEEN STATOIL AND HYDRO OIL AND ENERGY
StatoilHydro At A Glance

- Market Cap (of 3.2 billion shares, February 19, 2008): **94 billion** USD
- Norwegian State’s equity share in StatoilHydro: **62.5%**
- Expected equity production 2008: **1.9 mill** boepd
- Expected equity production 2012: **2.2 mill** boepd
- Expected international equity production 2008: **500 000** boepd
- Expected international equity production 2012: **650 000** boepd
- Operated production: Approx. **2.9** mill boepd
- World’s no.1 deepwater operator (in water depths > 330 ft)
- SEC Reserves (end-2007): Approx. **6 billion** boe
- Discovered resources: > **15 billion** boe
- Expected exploration budget 2008: Approx. **3.3 billion** USD
- Expected investment (CAPEX) budget 2008: Approx. **14 billion** USD
- Wells expected to be drilled in 2008: **70** (split approximately 50/50 between Norway and International)
- Operator of **39** producing oil and gas fields and a leading player in sub-sea development (StatoilHydro operates **423** subsea wells).
- **31,000** employees in **40** countries
- Large New Energy Portfolio (Wind, Biofuel, Hydrogen...) and leading in CO2 capture, re-injection & storage
- World’s No.2 net seller of crude oil and No.2 supplier of natural gas to Europe

2.27.08: ExxonMobil (483/5.1), Chevron (182/1.9), Devon (43/.45), Marathon (36/.38), Anadarko (30/.31)
Strategy:
Deliver on Targets & Develop International Platforms

Build international growth platforms:
Significant resources base underpinning future growth

Maximize the NCS value potential:
Ambition: Maintain production at 1.5 mill boepd for ten years
Responding to dynamic industry challenges

**MERGER BENEFITS**
- Size and Capacity
- Competence and Technology
- Portfolio
- Geographic Strength
- Synergies
Strategy for Value Capture and Profitable Growth

Develop
- New legacy assets
- Resource base

Deliver
- 2008 - 2012 production
- Merger synergies
- Operational improvements

2008 2012
Long-term growth from a strong resource base

StatoilHydro discovered resources
(billion barrels of oil equivalent)

- Shtokman***
- Oil sands

Likely, not clarified
In planning
Sanctioned
Proved reserves**

2006 2007

Exploration activity 2008
(number of wells)

~ 35
~ 10
~ 11
~ 4

NCS North America Southern Atlantic basin Eurasia, Middle East, Asia Europe and North Africa

* Discovered resources are in accordance with the SPE/WPC/AAPG/SPEE Petroleum Management System
** Proved reserves are in accordance with SEC definitions
*** Shtokman reserve booking not concluded
Performing With Integrity

Leadership

Health, safety and environment

Ethics
Code of Conduct

Our values
1 - Courageous
2 - Open
3 - Hands-on
4 - Caring

StatoilHydro
Growth and Profitability

StatoilHydro equity production (mill boepd)

- Minimum decline
- Improved performance
- Maximum decline
- Additional production

2008 | Fight decline | Additional production | 2012
---|---|---|---
1.9 |  | 2.2 |

Profitability

StatoilHydro to deliver a competitive ROACE amongst our industry peer group*

CAPEX 2008 – 2009 (bn NOK)

- 2008: ~75
- 2009: ~80

* Peer group: Anadarko, BG, BP, ChevronTexaco, ConocoPhillips, Devon Energy, Encana, Eni, ExxonMobil, Lukoil, Occidental, Petrobras, Repsol YPF, Shell, Total

75 Billion NOK / (5.3 NOK/USD) = 14 Billion USD
Competitive Total Shareholder Return and RoACE

Continued strict capital discipline: Competitive RoACE amongst our industry peer group

Total shareholder return* 01.08.2004 – 31.12.2007

RoACE 01.10.2006 – 30.09.2007, Source: Morgan Stanley company reports
* StatoilHydro pro forma accounts
### Growing NCS Production Towards 2012

#### NCS equity production

<table>
<thead>
<tr>
<th>Year</th>
<th>Production Start</th>
<th>Type</th>
<th>NCS equity production (mill boepd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td></td>
<td>1.4</td>
</tr>
<tr>
<td>2008</td>
<td>Fight decline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>Additional</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td>1.55</td>
<td></td>
</tr>
</tbody>
</table>

#### Fields in ramp-up

**Ormen Lange**  
Gas  
2007

**Snøhvit**  
Gas  
2007

#### Sanctioned projects – main contributors*

<table>
<thead>
<tr>
<th>Project</th>
<th>Type</th>
<th>Production start</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volve</td>
<td>Oil</td>
<td>2008</td>
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<tr>
<td>Tyrihans</td>
<td>Oil/gas</td>
<td>2009</td>
</tr>
<tr>
<td>Alve</td>
<td>Gas</td>
<td>2009</td>
</tr>
<tr>
<td>Vega</td>
<td>Gas</td>
<td>2010</td>
</tr>
<tr>
<td>Gjøa</td>
<td>Oil/gas</td>
<td>2010</td>
</tr>
<tr>
<td>Skarv/Idun**</td>
<td>Oil/gas</td>
<td>2011</td>
</tr>
</tbody>
</table>

* List is not exhaustive  
** Operator’s estimate
Developing New International Production

<table>
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<tr>
<th>Project</th>
<th>Type</th>
<th>Production start**</th>
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<tbody>
<tr>
<td>ACG III</td>
<td>Oil</td>
<td>2008</td>
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<tr>
<td>Agbami</td>
<td>Oil</td>
<td>2008</td>
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<tr>
<td>Mondo</td>
<td>Oil</td>
<td>2008</td>
</tr>
<tr>
<td>Saxi Batuque</td>
<td>Oil</td>
<td>2008</td>
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<tr>
<td>Gimboa</td>
<td>Oil</td>
<td>2008</td>
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<tr>
<td>Tahiti</td>
<td>Oil</td>
<td>2009</td>
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<tr>
<td>Corrib</td>
<td>Gas</td>
<td>2009</td>
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<tr>
<td><strong>Thunder Hawk</strong></td>
<td>Oil</td>
<td>2009</td>
</tr>
<tr>
<td>Leismer</td>
<td>Oil</td>
<td>2010</td>
</tr>
<tr>
<td>Peregrino</td>
<td>Oil</td>
<td>2010</td>
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<tr>
<td>Pazflor</td>
<td>Oil</td>
<td>2011</td>
</tr>
</tbody>
</table>

* List is not exhaustive
** Operators’ estimate
STATOILHYDRO: A LEADING SUBSEA OPERATOR

- Operator: StatoilHydro
- 39 Fields
- 4 FPSO
- 2 TLP
- 10 GBS
- 6 Semi
- 12 Jacket
- 5 SS Tiebacks


No. of barrels operated in water depths > 100m
Subsea Wells in Operation by Major Operators (October 2005)

- Petrobras: 511
- StatoilHydro: 423
- Shell: 185
- ExxonMobil: 163
- BP: 157
- Chevron: 87
- Kerr-McGee: 81
- Total: 80
- Talisman: 67

Source: Infield energy data analysts.
Adding value through mid and downstream positions

- Marketing competence
- Strong value chains
- Unlock upstream potential
Production Cost

Equity production unit cost* expected at approx. 7 USD/boe in the period 2008-2012

* Excluding gas purchase

* Source: Morgan Stanley
** StatoilHydro calculation
Integrated Operations: To cut costs, to ramp up production rates, to increase recoveries, to extend field life.
The aim of IO is to use real time communication to improve the efficiency of interaction between disciplines and decision-makers, regardless of geographical location.

Fibre-optic cables and solutions for high-speed communication connect platforms, people, computers and continents in a new way and open for improved collaboration.
The Broadband Fibre Network on the NCS Brings Offshore and Onshore Together – A New Setting

Sture
Sandsli
Enormous amounts of data “produced” from our offshore operations: ‘Doctors’ on duty 24/7
Horizontal wells

Note: The Russians drilled 50+ Horizontal wells in the 1950’s. The idea was rediscovered in the early 1980’s.

Source: Anadrill Schlumberger and Oil and Gas Journal
You’re probably familiar with some of the projects in StatoilHydro’s ‘PROJECT CV’
The Åsgard Development
Other Operated Projects in The StatoilHydro ‘CV’

Kristin: High Pressure, High Temperature

Ormen Lange: Flow assurance & deep water

Grane: Heavy Oil

Tordis: Sub-sea processing
WHY OPERATE some of the time? PS: We’re a great partner too!

Relevance of factors listed below will vary from case to case:

- Can protect your investment
- Can deploy new technology to cut costs & generate value & harvest upsides
- Can give more control (concept selection, cost, schedule, HSE)
- Can cash in on corporate synergies & economy of scale
- Can give deep learning & keeps staff at the leading competence edge
- Can align teams & instill pride & team spirit in the organization
- Can get us noticed in the market place as a leading E&P company
- Can steer cooperation and co-evolution with partners & vendors
Development Solutions & Trends

1. Fixed Platforms

2. Floating Production Systems

3. Subsea to Shore
The Snøhvit Project
Snøhvit Facts

- Discovered: 1981 – 84
- Water depth: 250 – 340 m
- Distance to shore: 140-160 km
- Reserves: 7.8 Tcf
- Condensate: 214 mmbbl
- Owners:

  - StatoilHydro ASA (Operator) 33.53%
  - Petoro AS 30.00%
  - Total E&P Norge AS 18.40%
  - Gaz de France Norge AS 12.00%
  - Amerada Hess Norge AS 3.26%
  - RWE Dea Norge AS 2.81%
Snøhvit – A Record-Breaking Subsea Development

Snøhvit: 8 wells (+ 1 CO2 injector)
Albatross: 4 wells
Askeladd: 8 wells

CO2 CAPTURE & STORAGE

The Snøhvit gas contains 5-8% CO2
CO2 will be separated out with amine in absorption columns
CO2 will be reinjected in a sandstone formation (8500ft)
700,000 tonnes will be stored annually (280,000 cars)

Sleipner: Injection of 1 million tonnes CO2 per year since 1996
SNØHVIT – FIRST LNG SHIPMENT OCTOBER 21 2007

Melkøya
Shipping and New Markets

Melkøya - Cove Point: 20 day round trip
Melkøya – Bilbao: 12 day round trip

Cove Point
Annually 2.4 billion cubic metres

Iberdrola S.A.
Annually 1.6 billion cubic metres
Cove Point LNG

Chesapeake Bay in Cove Point, Maryland, South of Baltimore

- Highest utilized terminal in the US: 2 - 3 LNG cargoes/month.
- LNG is re-gasified and sold on term and spot contracts: 25 cargoes delivered a year.
- Premium Location in a high value market
- Set to increase terminal capacity in 2008, to meet increasing demand
SUBSEA TIE-BACK DISTANCES

PUSHING THE ENVELOPE

Total’s Energies Magazine (Winter 2002-2003)
THE ORMEN LANGE FIELD – 15 TCF
FIELD DEVELOPMENT OPERATOR: StatoilHydro OPERATIONS: Shell

The Ormen Lange Field @ 3000 ft sub sea

Development Cost: 10 billion dollars

OCTOBER 2007
MAKING A TRENCH IN 30 DEG SLOPE
PIPELAY ON ROCK SUPPORT
THE ORMEN LANGE PROJECT

Annual export to the UK: 0.78 Tcf/year or 2.1 billion scf/D

50,000 bbl/d condensate
OPENING OF ORMEN LANGE : SATURDAY OCTOBER 6, 2007
NEED COMPRESSION IN 2015

BASE CASE
INSTALL NEW PLATFORM

Aker Kværner Subsea awarded EPC contract for Subsea Compression Station Pilot. Vetco Aibel selected EPC contractor for power supply (2.5 billion nok pilot)

CHEAPER ALTERNATIVE?
SUB SEA COMPRESSION

Its all sub-sea (3000 ft) with a 75 mile tie-back
ORMEN LANGE AT START OF PRODUCTION IN OCTOBER 2007 AND POTENTIALLY AT START-UP OF SUBSEA COMPRESSOR IN 2015
We have a shared responsibility (CTR) for proving up new technology by flying in front of the V sometimes.
Pulling Together With Suppliers

- Motivate suppliers to focus on StatoilHydro’s challenges
- Co-Invest in technology, push the envelope, increase market
- Joint teams with common goal
- Scope of work to include first application
- Asset commitment
SUBSEA TIE-BACK DISTANCES

Total’s Energies Magazine (Winter 2002-2003)
The Independence HUB Project
Independence HUB Fields: Subsea Layout Relative to Houston

- 60 miles N to S
- 30 miles E to W
- Operate fields 45 miles away by remote control in 9000’ water depth
THE INDEPENDENCE HUB PROJECT
Innovative Deepwater Gulf of Mexico Field Development
The Shape of Things to Come in DW GoM

Independence Hub
- Third-party owned, shared production facility with ten fields tied back
- Production start in 2007
- StatoilHydro fields: Spiderman, San Jacinto and Q (StatoilHydro operated)
- Water depth: 8900 ft
THE FUTURE MORE THAN EVER DEPENDS ON GREAT WELLS

TROLL OIL
THE KEY TO AN ECONOMIC WELL:
TO MAXIMIZE THE RESERVOIR
DRAINAGE AREA PER WELLHEAD

66ft oil zone:
28 miles of wellbore

36ft oil zone:
190 miles of wellbore

THE KEY TO A N ECONOMIC WELL: TO MAXIMIZE THE RESERVOIR DRAINAGE AREA PER WELLHEAD
r&D
STRATEGY
1. Low R&D funding?

Top five companies in each industry by total R&D spend

From: Mr. Lew Watts, President & CEO PFC Energy

Source: U.K. Department of Trade & Industry

- **Norsk Hydro**: 35.0
- **Statoil**: 28.0
- **Shell**: 9.3
- **ENI-Agip**: 9.0
- **Chevron**: 8.5
- **BP**: 7.6
- **Texaco**: 6.5
- **Exxon**: 5.8
- **Philips**: 5.7
- **Conoco**: 5.1

Funding for E&P R&D is an obligatory part of the Norwegian concession agreements.

Note: All R&D figures are adjusted according to average E&P share of total revenue, BP figures include Amoco in 1997 and after; Exxon figures include Mobil in 1997 and after.

Source: Herold's; PetroCompanies; BP; 10Ks, Annual reports (This slide is from: Ricardo Rodriguez - Shell)
Five Powerful R&D Programmes in StatoilHydro
Addressing key technology needs

R&D Programs

- Exploration
- Improved recovery
- New dev. solutions
- Oil & gas value chain
- New energy / new ideas
Advanced Wells, Cost-Efficient Infill Drilling and Well Intervention

4D/4C seismic

Reservoir Modelling

Produced Water Management

Water and Gas Injection

**EXPECTED ULTIMATE RECOVERY FACTORS**

<table>
<thead>
<tr>
<th></th>
<th>1986</th>
<th>1996</th>
<th>2003</th>
<th>Current ambition</th>
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</thead>
<tbody>
<tr>
<td>Statfjord</td>
<td>49 %</td>
<td>61 %</td>
<td>65 %</td>
<td>70 %</td>
</tr>
<tr>
<td>Gullfaks</td>
<td>46 %</td>
<td>49 %</td>
<td>58 %</td>
<td>65 %</td>
</tr>
</tbody>
</table>

StatoilHydro
STATOILHYDRO SUBSEA IOR AMBITION AND TECHNOLOGIES

IDENTIFY DRAINAGE POINTS AND INTERVENTION NEEDS

AMBITION

SUBSEA RECOVERY 55% IN 2008
i.e., 1 billion bbls of additional oil recovery

INCREASED FLUID HANDLING

REDUCED WELLHEAD PRESSURE

INTEGRATED OPERATIONS

LOW COST DRAINAGE POINTS

LOW COST WELL INTERVENTION
StatoilHydro IOR Goals (Selected Group of Fields)

- Additional oil potential in a selected group of StatoilHydro operated fields
  - 1.8 billion bbls

NPD Resource Class:
Subsea processing
Technology development step by step

- Lufeng 1997
  - subsea boosting

- Troll Pilot 2001
  - Tordis 2007
  - subsea processing

- Tyrhans 2009
  - seawater injection

- Åsgard 2013
  - Ormen Lange 2015
  - subsea compression

- Qualification ongoing

- Subsea to market
  - 2020
  - processing / step-out

- Qualified
  - Åsgard 2013
  - Ormen Lange 2015
  - subsea compression

- Started
  - Lufeng 1997
  - subsea boosting

- Started
  - Troll Pilot 2001
  - Tordis 2007
  - subsea processing

- Sanctioned
  - Tyrhans 2009
  - seawater injection

- Sanctioned
  - Åsgard 2013
  - Ormen Lange 2015
  - subsea compression

- Qualified

- Subsea to market
  - 2020
  - processing / step-out

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  - Lufeng 1997
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- Sanctioned
  - Åsgard 2013
  - Ormen Lange 2015
  - subsea compression

- Qualified

- Subsea to market
  - 2020
  - processing / step-out
FIELD DEVELOPMENT OF THE FUTURE – SUBSEA TO BEACH

Subsea separation, pumping and compression

Power supply from shore

Subsea re-injection of produced water

Subsea injection of raw sea water
EXAMPLE

TORDIS
TORDIS IOR

- **Tordis**: A field with 9 subsea wells, 6 water injection slots and two production flowlines 7 miles from the Gullfaks C GBS platform
- **Tordis**: A mature field. In operation since 1994.
- **Water depth appr. 650 ft.** Water injection for pressure maintenance
- **Pressure falling**, water & sand rate increasing
- **Production decline** – investments required
- **Can we possibly increase recovery and accelerate production?**
- **Can we apply new technology?**
- **How do we accept and manage risks? How can we best execute the project in a tight market?**
CASE STUDY: CREATING VALUE WITH TECHNOLOGY @ TORDIS

Strategy Selected:

- Accelerate production and increase recovery to 55%
- Fast track project: Start up no later than end 2007

Achieved by:

- Lower arrival pressure on Gullfaks C Platform
- Bulk separation of produced water and subsea re-injection
- Subsea pressure boosting
- Robust system design with high regularity

IOR – Recovery Factor Increased From 49% to 55% (36.5 MBO)
TORDIS IOR: THE WORLD’S FIRST FULL-FIELD SUBSEA SEPARATION, BOOSTING AND INJECTION

- Started Dec 12th 2007
MOVING TECHNOLOGY AND EXPERIENCES AROUND THE GLOBE
BECAUSE: A RISING TIDE LIFTS ALL THE BOATS

Waterdepth = 2500m
1000m
500m
100m

ONSHORE

MEXICO
NORWAY
US-GOM
BRAZIL
Expected Offshore Market Expenditure
2008-2011

Source: INFIELD/INTSO (2007)
StatoilHydro
Deepwater GoM Portfolio of Discoveries, Producing Fields and Leases

4th largest license holder in deepwater GoM
Participates in 6 of the 12 largest discoveries in deepwater
Extensive exploration drilling program in DW GoM in the coming years
3 deepwater rigs contracted for GoM

WALKER RIDGE

SOLD
THE LOWER TERTIARY

‘GREEN BAY’ Prospect Drilling Now

PROSPECT GREEN BAY (40%)

Jack (25%)

Chinook

Cascade

Stones

St. Malo (6.3%)
All Deepwater GoM discoveries greater than 300 mmboe still not put on stream. Source: Wood Mackenzie.
Salt impacts two thirds of deepwater GoM
Sub-salt seismic image improvement is the key to sub-salt success
THE PROLIFIC GULF OF MEXICO HAS BEEN PRONOUNCED ‘DEAD’ MANY TIMES ALREADY

- Seismic Technology
- New Plays
- Infrastructure Density

**Cumulative Reserve Additions (MMBOe)**

- **Offshore Seismic**
- **Bright Spots**
- **Ultra Deepwater Drilling**
- **3-D Seismic**
- **Deepwater Drilling**
- **Turbidites**
THE ‘GAME’ IN DW GoM: USING INNOVATION & TECHNOLOGY TO TACKLE DEEPWATER CHALLENGES

SUB SALT PROSPECTS
VERY DIFFICULT TO DRILL
VERY DEEP RESERVOIRS
VERY HIGH PRESSURES
LOWER PERMEABILITY
HIGHER VISCOSITIES
NO INFRASTRUCTURE
FLOW ASSURANCE ISSUES

THE PERIOD OF ‘EASY OIL’ IN DW GOM IS OVER
Typical Walker Ridge (Paleogene or Lower Tertiary)

- Reduce Well Cost
  - Next generation well construction

- Increase Recovery
  - Artificial lift (downhole & subsea)
  - Subsea separation
  - Improved reservoir mobility

- Improved 3-D imaging and reservoir quality prediction
  - sub-salt
Working with Industry in Norway and the US to Advance Technology

- DeepStar
- RPSEA
- Demo 2000
Working with industry to advance technology - DeepStar
EXAMPLE

PEREGRINO
The Grane Field

- Reserves: 705 million bbls
- Density: 19°API
- Acid number: 2.14
- Permeability: 6-12 Darcy
- Capacity: 215 000 bbl/d
- Drainage strategy: Gas injection
- On-stream: September 2003

- Partners:
  - ExxonMobil (25.6%)
  - ConocoPhillips (6.4%)
  - Petoro (30.0%)

- Operator: StatoilHydro
THE PEREGRINO FIELD

Offshore Brazil: In the ‘Campos Basin’, 54 miles offshore Brazil, South East of Rio De Janeiro
The Peregrino Field Development Project

Location: Campos Basin
54 miles offshore
The Peregrino Field Development Project

Some key data

- BM-C-7 is located in the South Campos Basin, 54 miles off the nearest coastline (Cabo Frio).
- The Peregrino Field was discovered in 1994 (discovery well 1-RJS-498 drilled by Petrobrás).
- Water depths average 300-330 feet.
- Very heavy oil from Carapebus sandstones (14 deg API).
- 50 / 50% partnership StatoilHydro and Anadarko (operator).
- First oil 2010.
Development Concept - Initial Phase (PoD)

Initial Phase (Basis for the PoD)
- 2 Drilling Platforms + FPSO
- Development Drilling/Completion

Second Phase (under evaluation)
- Possible Drilling Platform in SW
- Development Drilling/Completion

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<th>Capacity</th>
<th>Units</th>
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<td>Oil</td>
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<tr>
<td>Gas</td>
<td>7.5</td>
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<tr>
<td>Water</td>
<td>300 000</td>
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<tr>
<td>Liquid</td>
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<td>Storage</td>
<td>&gt; 1 800 000</td>
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<table>
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<td>Reserves (mmbbl)</td>
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<tr>
<td>Wells</td>
<td>30 + 7</td>
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<td>Concept selection</td>
<td>2Q 2006</td>
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<td>Sanction</td>
<td>1Q 2007</td>
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<tr>
<td>First oil</td>
<td>2010</td>
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StatoilHydro
The Peregrino Field Development Project

Wells and reservoir exposure (PoD)

- 30 horizontal producers
- 4000 ft average horizontal well lengths
- 120,000+ ft of reservoir penetration
- 7 water injectors

Well density and total feet reservoir exposure to well-bores are the most important factors in achieving an acceptable recovery factor.
Contractor Selection - Initial Phase

- Used Drilling Rigs
- FPSO
- Platforms
- Pipelines
- Flex Risers
- Power/Signal Cable

StatoilHydro
Closing Remarks: The Forward Roadmap

- Our Goal: Grow StatoilHydro’s equity production to 2.2 mill boepd by 2012
- Our Profile: Upstream-focused and ‘technology-to-create-value-oriented’ company
- Strategic Roadmap for Growth Starting with A Solid Portfolio:
  - New field developments: Deep Water, Heavy Oil, Harsh Environments & Gas Value Chain
  - IOR
  - Cooperate on developing and deploying new radical and incremental technology to ‘move barrels’ and create value
  - Aggressive exploration
  - Selective acquisitions with good strategic fit
- Capture NOK 6 bn in annual merger synergies
- Deliver competitive shareholder return
- Mature long-term growth opp.
- Cooperation & Win-Wins

2008 2012

StatoilHydro
Concluding Remarks : GoM

• StatoilHydro has a strong commitment to the Gulf of Mexico
• StatoilHydro is aggressively building a position for future growth in deepwater GoM
  – Strong starting portfolio: Producing assets, PUDs and Prospects
  – Forward Strategy: Organic growth and selective acquisitions when good strategic fit
  – Ambition: DW GoM operatorships in the development & operations phase
  – Good DW GoM rig coverage: 3 rigs coming (HG-T, DA-T, MD-M)
  – Strong values-focused and innovative StatoilHydro team in Houston headed up by North America and GoM President Øivind Reinertsen

• Keys to success:
  – Talent
  – Portfolio
  – Technology
  – Cooperation
THANK YOU

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