

Den norske stats oljeselskap a.s  
Annual report and accounts 1985





# Den norske stats oljeselskap a.s

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## Board of Directors

Chairman: Inge Johansen, Managing Director  
 Vice Chairman: Vidkunn Hveding, Director  
 Fredrik Thoresen, Managing Director  
 Thor Andreassen, Managing Director  
 Benedicte Berg Schilbred, Managing Director  
 Kåre Ellingsgård, County Executive  
 Atle A. Thunes, Project Manager  
 Gunnar Langvik, Section Manager

### Alternate members

Jan Skaar, Director  
 Gerd Schanche, Housewife  
 Erling Haug, Area Licences Manager  
 Margaret B. L. Sanner, Training Adviser  
 Tor Ragnar Pedersen, Maintenance Operator  
 Sigurd Geir Amland, Department Manager

### Auditor

KMG Norsk Revisjon a.s

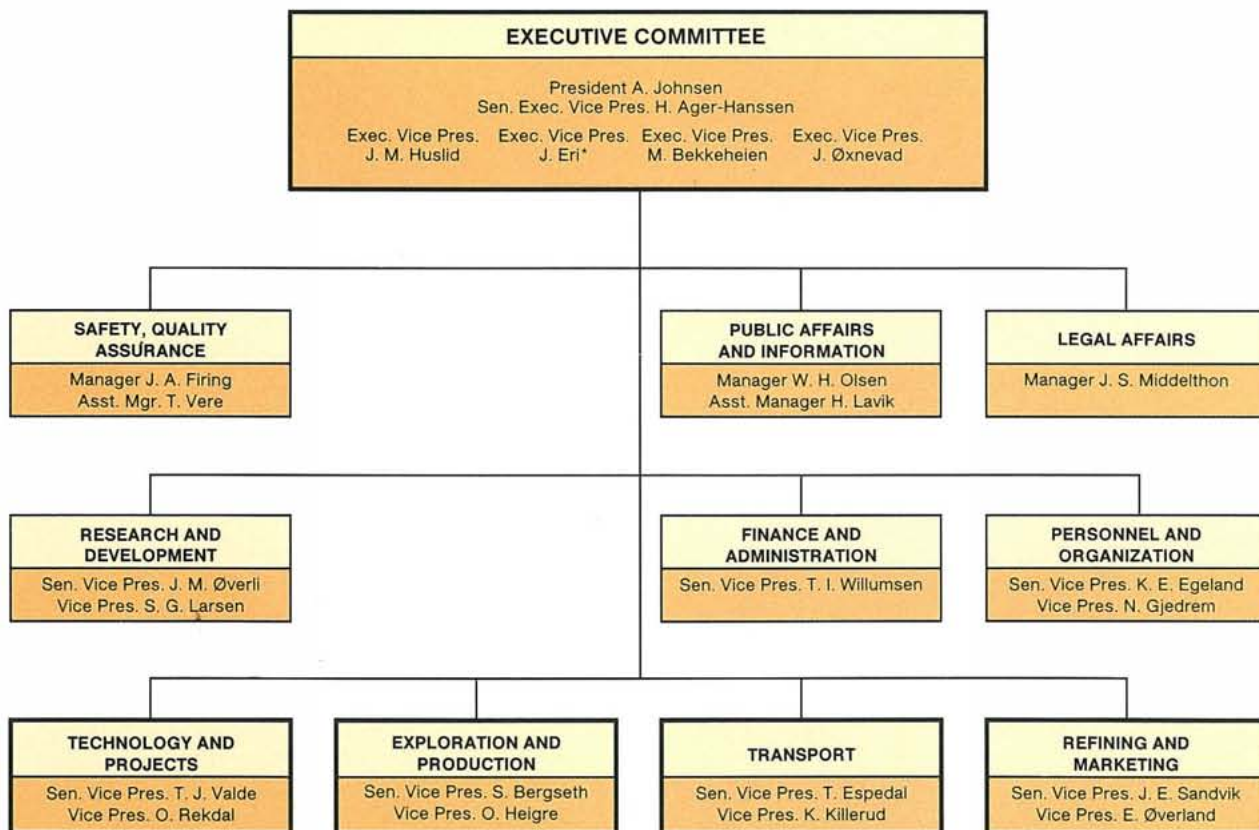
## Company Assembly

Chairman: Per Magnar Arnstad, Managing Director  
 Vice Chairman: Evy Buverud Pedersen, Trade Union Secretary  
 Odd Bakkejord, Trade Union Secretary  
 Grethe Westergaard-Bjørlo, Teacher  
 Aud-Inger Aure, Secretary  
 Egil Flaatin, Managing Director  
 Johan Nordvik, Mayor  
 Martha Sæter, Clerk  
 Bjørn Lian, Department Manager  
 Aina Jørgensen, Economy Coordinator  
 Ellen Qvigstad, Systems Manager  
 Lars Bakka, Legal Counsel

### Alternate Members

Alv Jakob Fostervoll, County Governor  
 Johannes Andreassen, Administration Manager  
 Ragnhild Midtbø, Teacher  
 Vidar Thomassen, Systems Engineer  
 Anne Margrethe Blaker, Product Manager  
 Inger Helen Førland, Senior Engineer  
 Anne Grete Tveiten, Planner  
 Victor Jensen, Purchasing Consultant  
 Jan Otto Askim, Technician  
 Kristine Abelsnes, Librarian

## Organisation chart, March 1986



\* Executive Vice President J. Eri will retire in June and will be succeeded by Mr. J. Bleie.

Cover picture: Marie Nilsson, operator with Statoil Petrokemi AB, Stenungsund, Sweden.

# The Statoil Group



**RAFINOR**

**Den norske stats oljeselskap,  
Sverige A.B.**

**Statoil Netherlands B.V.**



The group is made up of the parent company Den norske stats oljeselskap a.s (Statoil) and several subsidiaries, the most important of which are Norsk Olje a.s (Norol), Rafinor A/S & Co., Statoil Sverige AB and Statoil Netherlands B.V. At the beginning of 1986 the Group employed over 7,000 people.

## **Statoil**

The Company, established in 1972, is 100 percent state owned. Statoil is engaged in all sectors of the petroleum business - exploration, production, transport, refining, petrochemicals and marketing. The head office is in Stavanger.

Statoil's activities include operatorship for the development phase of the Gullfaks field and the pipeline from Ula to Ekofisk. It is also responsible for operating the Statpipe gas pipeline system, I/S Norpolefin at Bamble, and the tanker transportation of oil from the Statfjord and Gullfaks fields. From January 1987 Statoil is taking over the operatorship of the Statfjord field. The company is operator in the exploration phase of 26 production licences and is a licensee in several oil and gas fields in the Norwegian sector.

At the end of last year Statoil employed over 4,300 people.

## **Norol**

Statoil owns 73.62 percent of the shares in Norsk Olje a.s, Norway's leading petroleum products marketing company. Norol's head office is in Oslo from where it controls a well developed storage and distribution system for its products and over 700 gasoline filling stations. Norol's market share for all products is around 27 percent. The company has 865 employees.

## **Rafinor**

The company that operate the refinery at Mongstad, Rafinor A/S & Co., is owned by Statoil and Norol with a combined share of 70 percent. Norsk Hydro owns 30 percent. Statoil is at present upgrading the refinery, and the capacity is being increased from 4 to 6.5 million tonnes. The expanded refinery is due for completion towards the end of 1988.

## **Den norske stats oljeselskap, Sverige A.B. (Previously Statoil Sverige A.B.)**

Statoil has taken over Esso's marketing operations and an ethylene plant in Sweden. Svenska Statoil AB has some 500 filling stations, and over 10 percent of the Swedish petroleum products market. Statoil Petrokemi AB operates the ethylene facility in Stenungsund on the West coast of Sweden. Svenska Statoil AB and Statoil Petrokemi AB employ nearly 1,250 people. These companies are parts of Den norske stats oljeselskap, Sverige A.B. which, until March 1986, was named Statoil Sverige A.B.

## **Statoil Netherlands B.V.**

The company was established in 1983 with offices in the Hague. It has shares in the two producing oil fields Koter and Logger in the Dutch sector of the North Sea. Statoil Netherlands is operator for one block in Dutch waters, where the first well will be drilled in 1986.

## **Nutec**

The Norwegian Underwater Technology Center (Nutec) in Bergen is 60 percent Statoil owned; 30 percent is owned by Norsk Hydro and Saga Petroleum has 10 percent. The centre's activities include research, development and testing in connection with underwater and diving technology. Nutec employs some 100 people.



# Highlights

Amounts in millions of NOK

## Profit and Loss Statement

	The Statoil Group			1985	Statoil	
	1985	1984	1983		1984	1983
Operating income	51 420	35 644	26 305	41 221	32 532	23 909
Operating profit	15 354	11 470	8 658	15 000	11 102	8 465
Net financial items	- 132	- 3 748	- 1 949	113	- 3 539	- 1 813
Profit before extraordinary items	15 222	7 722	6 709	15 113	7 563	6 652
Consolidated companies' share of net income	2 184	1 174	1 368	2 298	1 110	1 458

## Balance Sheet

	The Statoil Group			1985	Statoil	
	1985	1984	1983		1984	1983
Current assets	9 311	5 490	4 456	6 467	4 184	3 559
Fixed assets	36 792	40 475	28 134	35 970	39 415	27 114
Current liabilities	17 913	12 686	9 971	16 392	11 628	9 246
Long-term liabilities	16 779	24 869	15 533	15 153	23 934	14 592
Untaxed reserves	6 243	4 199	3 338	5 607	3 805	3 004
Shareholder's equity	4 996	4 053	3 588	5 285	4 232	3 831





## Other Highlights

	The Statoil Group			Statoil		
	1985	1984	1983	1985	1984	1983
Investments	7 650	14 210	9 750	7 553	13 992	9 537
Ordinary depreciation	2 251	1 869	1 272	1 916	1 691	1 117
Shares	2 944	2 944	2 944	2 944	2 944	2 944
Total rate of return*	40.0%	30.7%	32.2%			
Rate of return on shareholder's equity*	66.1%	38.8%	60.9%			

## Personnel

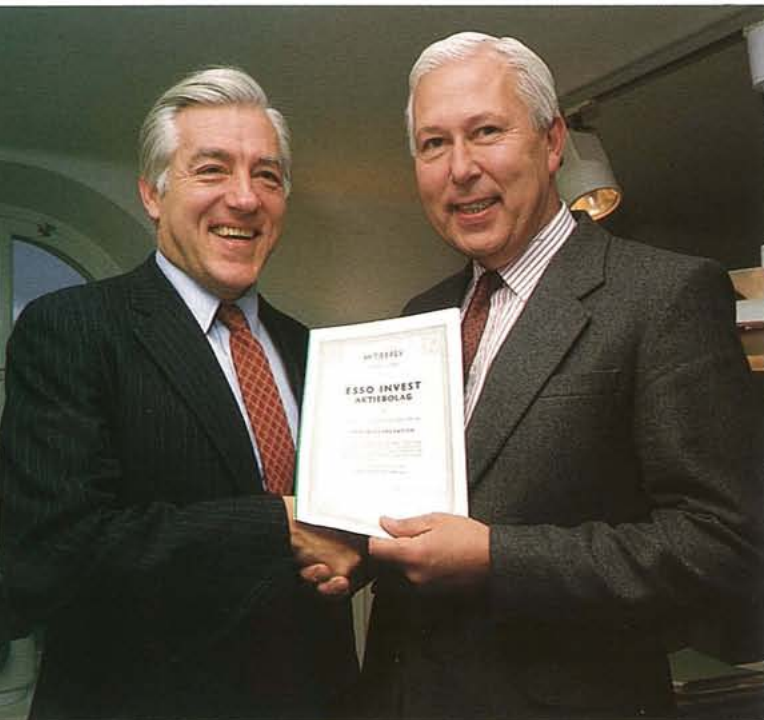
	The Statoil Group			Statoil		
	1985	1984	1983	1985	1984	1983
Number of employees as of 31 Dec.	7 055	4 855	3 534	4 329	3 618	2 300
Salaries and social costs	1 940	1 239	812	1 253	909	536

\* Definition page 20.



# Report of the Board of Directors

Martin Bekkeheien, Executive Vice President, Statoil (left), and Michael A. Smith, Managing Director, Mobil (right), both of whom play a central role in the transfer from Mobil to Statoil of the operatorship of the Statfjord field, effective from 1 January 1987.



Chuck Cooper, Vice-President of Finance, Esso Europe Inc. (left) and Jacob Øxnevad, Executive Vice President, Statoil, with the share-certificate confirming the transfer to Statoil of Exxon's enterprises in Sweden. The transaction was approved by the Swedish and Norwegian governments in December 1985.

The Statoil Group had a good financial result for 1985. Operational revenues increased by some 44 percent to NOK 51,420 million. The corporate profit was NOK 2,184 million, compared to NOK 1,174 million in 1984. The Group will pay estimated taxes and royalties at NOK 15,615 million. Dividends for the Norwegian government are NOK 1,245 million.

This significant increase in operational revenues is attributable to various factors, including the increased production of oil and gas and the recent take-over by Statoil of Exxon's activities in Sweden. The profits on sales of petroleum products and the ethylene production at Stenungsund are included in the Group's 1985 results.

In keeping with the Storting's decision in autumn 1984, the Norwegian government started to take a direct financial stake in the petroleum industry in the Norwegian sector from 1 January 1985. As a result, a portion of Statoil's fixed assets, valued at NOK 9.1 billion, has been transferred to the government. Statoil's long term debt is reduced accordingly.

1985 was an eventful year for the Statoil Group.

## Statpipe

The Statpipe system became operational in October, ahead of the original schedule and 10 percent below the cost estimate on which the Storting based approval for the development in 1981. Statpipe is now transporting gas from the Statfjord field to continental buyers. The Heimdal field will start deliveries through Statpipe in spring 1986.

## Statfjord

In conjunction with the Norwegian authorities Mobil and Statoil have reached an agreement about the transfer of the operatorship of the Statfjord field to Statoil from 1 January 1987. The transfer is proceeding according to schedule. Close co-operation has been established with the management of Mobil, the employees of the two companies and the other Statfjord licences. The Board of Directors has given priority to the proper and safe transfer. A separate quality control programme has been devised to ensure a controlled transfer.

An important milestone in the development of the field was the start of production from the C platform in June 1985. The Statfjord field will have a decisive influence on the profits of the Statoil Group for decades to come.

## Gullfaks

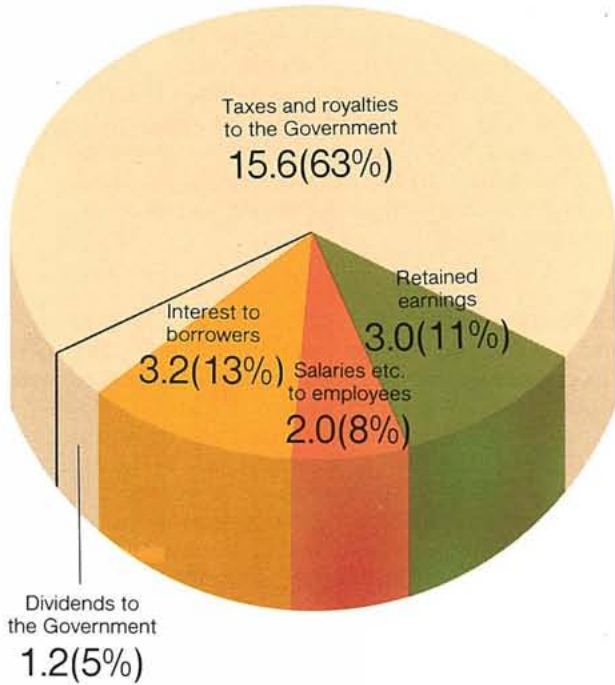
Development of the Gullfaks field, operated by Statoil, is on schedule. The A platform will be towed out to the field in the summer 1986. Construction of the Gullfaks B platform is also well under way. The Storting has approved the plans for development of Phase II of Gullfaks. This includes a large concrete platform on the eastern section of the field. Development of the organisation in Bergen to operate Gullfaks is proceeding well. A large number of qualified personnel have applied for jobs.



**Value added statement of the Statoil Group**

	Billions of NOK	
	1985	1984
Operating income	51.4	35.6
— Purchased goods and services used	27.3	17.3
— Ordinary depreciation	2.2	1.8
+ Financial income, etc.	3.1	0.6
<b>Total value added for distribution</b>	<b>25.0</b>	<b>17.1</b>

**Distribution 1985**  
Billions of NOK (%)



In 1985 the Statoil group's total value added reached the level of NOK 25 billion.





## Marketing Oil

Statoil's total access to crude oil is at present some 19 million cubic metres (16 million tonnes) a year but this is expected to double by 1990. The company is actively working to ensure best possible sales contract terms for enlarged volumes of crude oil. The company is trying to increase the number of crude oil customers to improve the company's freedom of action and reduce dependency on each individual customer. Close contact with the markets is also decisive for efficient selling. Therefore, in 1985, Statoil established a trading office for crude oil and refined products in London, and is planning to open a similar office in the United States.

Construction of a crude oil terminal and expansion of the refinery at Mongstad are both proceeding according to plans. Norsk Hydro reported in autumn 1985 that as a result of the company's acquisition of a part of a Swedish refinery, it no longer wished to participate in the expansion of the Mongstad refinery. Statoil has taken over Hydro's share of the venture.

As a part of the programme for marketing increasing volumes of crude oil, the company is looking at the possibilities of buying refineries and distribution companies abroad.

## Purchase of Esso in Sweden

The acquisition of Exxon's activities in Sweden is an important part of the company's sales strategy for crude oil and refined products, and will be of vital importance in the next few years. The 1985 results are satisfactory. Svenska Statoil has an efficient marketing network and increased its market share for oil products during the year.

## Marketing Gas

Sales of gas from the Norwegian sector has been of major importance. In February 1985 the British government announced that it would not approve the agreement made between the Sleipner group and British Gas Corporation. As operator for the Sleipner group, Statoil is engaged in finding alternative markets for the Sleipner gas. Statoil is also heading the the group selling gas from the Troll field. This field can secure supplies of Norwegian gas to continental buyers during the second half of the 1990s and into the next century.

Statoil is analysing the Scandinavian market to see if there is room for Norwegian gas. In January 1986 an agreement was reached with the Swedish water authorities, Vattenfall, for the purchase of nearly 15 percent in the Swedish gas company Swedegas. The agreement is now being considered by Swedish authorities and Statoil's governing bodies.

The company is looking for openings in the American market for Norwegian gas. Gas from the areas north of Stad would be of particular relevance for such future deliveries.

## Petrochemicals

Statoil's petrochemical activities were significantly extended through the purchase of Esso's ethylene cracker at Stenungsund. Statoil considers it very important to improve the competitiveness of the petrochemical plants in Bamble and Stenungsund.

I/S Norpolefin, Bamble, where Statoil is operator, is the only producer of polypropylene in the Scandinavian countries. It is important to strengthen the position held by the company in the marketplace. At the same time, increasing Statoil's share of special products will be a

main objective. Bamble is now running at full capacity for the production of special products.

The transfer of Esso's ethylene cracker at Stenungsund means that Statoil has a continuous activity from production of gas liquids and refined products, via ethylene and propylene, to production and sales of plastic raw materials. This will enable Statoil to exploit its ample access to gas liquids and other petrochemical feedstocks, as well as develop an independent and competitive petrochemical business.

## Exploration

### Norwegian Sector

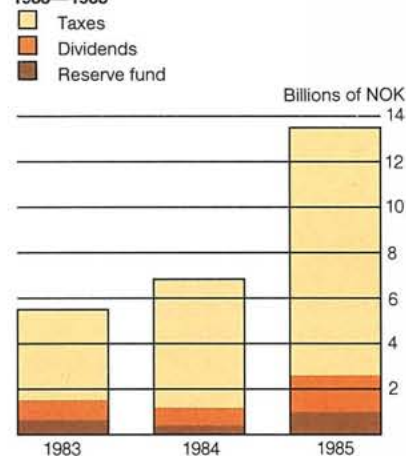
Statoil has had another active year in the Norwegian sector. Five rigs have been employed to drill exploration, appraisal and production wells. The company has made new, interesting discoveries including one in Block 6506/12 south of the Smørbukk field on Haltenbanken. The company puts great emphasis on mapping the geology of the continental shelf. Exploration north of Stad (62nd parallel) will be given priority.

During a blowout on Haltenbanken last October one person was killed. The drilling rig *West Vanguard* was badly damaged. Statoil has carried out an internal enquiry in addition to the work of the public enquiry commission, with a view to improving the safety of drilling operations.

### Abroad

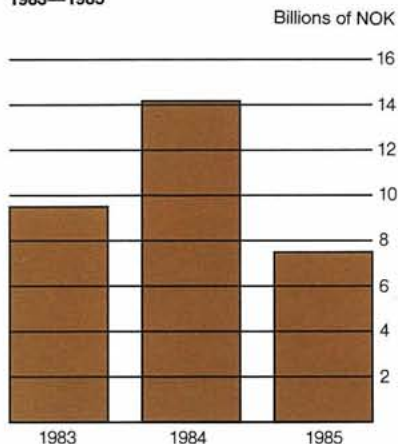
The Storting has granted Statoil the possibility to expand its activities outside Norway. The company will seek to explore profitable business opportunities abroad. Statoil is active in the Dutch sector, where it is participating in the production on the Kotter and Logger fields. The company will drill its first well in the Dutch sector in 1986. The Dutch operations produced a profit in 1985, but increased exploration costs may reduce returns in the current year. It would, therefore, be desirable to increase the company's equity in the Dutch subsidiary.

The consolidated companies' result before taxes and the distribution optional, 1983-1985

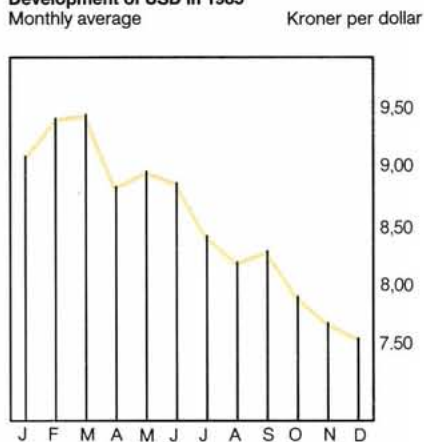




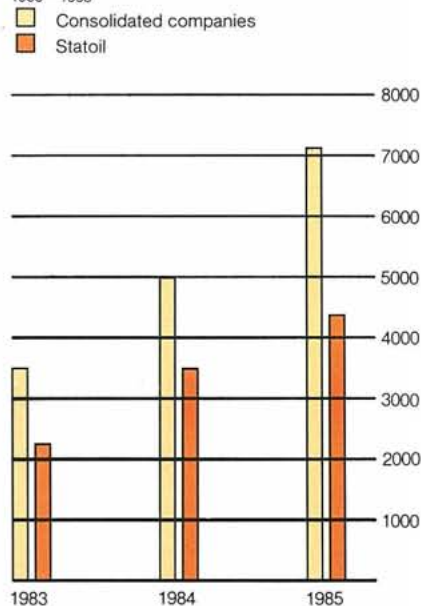
**The consolidated investments  
1983—1985**



**Development of USD in 1985  
Monthly average**



**Number of employees at year end  
1983—1985**



International activities will be developed gradually. Initially, the North Sea will be a natural main area for expanded activities. Statoil has applied for operatorships in the Danish sector and is considering similar moves in the British and Dutch sectors in the upcoming licensing rounds of concessions. Besides, one sees a basis for business engagement in China, where the company has been an adviser to the Chinese national oil company for several years. The company will also consider becoming active in other parts of the world, including Africa and North America.

## Finances

### Accounts 1985

Gross sales for the Statoil Group amounted to a total of NOK 48,568 million, representing an increase of 44.6 percent from 1984. NOK 38,095 million of the revenues derived from foreign sales. The Group had an operating profit of NOK 15,354 million. Taxes for 1985 are calculated at NOK 11,018 million. The Group's net income after deduction of minority interests was NOK 2,184 million. The dividend to the Norwegian State is NOK 1,245 million.

The Statoil net income for the year is allocated as follows:

Net income 1985	NOK 2,298 million
Brought forward from 1984	NOK 5 million
	2,303 million
Reserve Fund	1,056 million
Dividends	NOK 1,245 million
Carried forward to 1986	2 million

In 1985 the company's president received a salary of NOK 702,985. Payments to the Board and the Company Assembly was NOK 271,300 and NOK 109,800, respectively.

Total investments in 1985 amounted to NOK 7,650 million, as against NOK 14,210 million in 1984. Total investments were down in 1985 due to the government's direct financial involvement in the petroleum industry, which means the state has taken over a significant share of investments in the fields currently under development. In future the state will provide a corresponding share of the operational expenses and claim its share of the revenues. For more information, see the Financial Statements.

### Financing

In 1985 the foreign currency market was influenced by the fluctuation of the US dollar. In the first half of the year the dollar rose in relation to Norwegian kroner, but it sank significantly again in the second half of the year. At the beginning of 1985 the rate was 9.09, compared to 7.58 at the end of the year. The average rate of exchange for 1985 was 8.60.

The company has drawn down NOK 1,414 million from earlier provisions for exchange rate adjustments. Total provisions by the end of the year amount to NOK 1,600 million.

Statoil's total interest costs in 1985 were NOK 1,415 million. The average rate of interest was 8.7 percent.

In 1985 Statoil raised ten loans on the Norwegian market totalling NOK 2,500 million. The loans have been taken up according to the borrowing regulations as laid down by the Storting, specifying that the company's capital requirements should be financed primarily on the Norwegian market. The company made a further bond issue of USD 125 million in the Euromarket.



Statoil refinanced USD 170 million on the international loan markets in 1985. The refinancing will generate considerable savings in interest over the next few years.

In the first half of 1985 Statoil established an independent insurance company, Statoil Forsikring a.s.

## Personnel and Organisation

By the end of 1985 the Group employed 7,055 people, of which 4,329 were employed by Statoil. The number of personnel grew significantly during the past year, especially in Trondheim and Bergen. There has been good access to qualified personnel within most areas. Overall, the company received 28,000 applications for jobs. Special training schemes were implemented in areas with a limited supply of qualified personnel, such as drilling, reservoirs and computer processing. Special efforts have been made to promote equal opportunity programmes for women within areas previously dominated by men. These include in particular the technical and commercial areas.

The Company Assembly and the company's various Working Environment Committees considered a number of matters. Working environment committees have now been established at most office locations.

The company's exploration office in Kristiansund was opened in August 1985.

## Prospects

The crude oil market is suffering from high production and low demand. The OPEC countries have dropped the system of official sales prices for crude oil and are aiming to maintain their share of the market, which has resulted in considerable price reductions. The Board's view is that prices will be strengthened in a longer term.

Fields which are now being declared commercial in the Norwegian sector will only come on stream during the 1990s, and will not necessarily be influenced by a reduction in oil prices over the next few years.

Statoil is, at present, carrying out comprehensive

research and development programmes with a view to reducing the cost of projects in the Norwegian sector, as well as finding solutions to the problems of deep-water developments.

There will be some increase in production from the Staffjord field in 1986, and the Heimdal and Ula fields will come on stream. Towards the end of the 1980s, the production from fields like Gullfaks and Oseberg will influence Statoil's revenues.

The dollar exchange rate has fallen over the last few months. The pressure on the dollar is likely to remain in the near future.

The company's profits over the next few years will depend on a combination of the crude oil price, the dollar rate, production and corporate efficiency.



The Statoil Board. Front row from left to right: The chairman Inge Johansen, Managing Director; Benedicte Berg Schilbred, Managing Director; the Vice-Chairman Vidkunn Hveding, Director; and Thor Andreassen, Managing Director. Back row from left to right: Gunnar Langvik, Section Manager; Fredrik Thoresen, Managing Director; Atle A. Thunes, Project Manager; and the County Governor, Kåre Ellingsgård.

Oslo, 26 February 1986

The Board of Den norske stats oljeselskap a.s

*Inge Johansen*  
Inge Johansen  
Chairman

*Vidkunn Hveding*  
Vidkunn Hveding  
Vice-Chairman

*F. Thoresen*  
Fredrik Thoresen

*Thor Andreassen*  
Thor Andreassen

*Benedicte Berg Schilbred*  
Benedicte Berg Schilbred

*Kåre Ellingsgård*  
Kåre Ellingsgård

*Atle A. Thunes*  
Atle A. Thunes

*Gunnar Langvik*  
Gunnar Langvik



# Profit and loss statement for 1985

Amounts in millions of NOK

Operating income	The consolidated companies		Statoil	
	1985	1984	1985	1984
Sales (1)	48 568	33 579	38 836	30 829
Other income (2)	2 852	2 065	2 385	1 703
<b>Total income</b>	<b>51 420</b>	<b>35 644</b>	<b>41 221</b>	<b>32 532</b>
<b>Operating costs</b>				
Direct costs	18 757	9 927	12 192	9 178
Salaries and social costs	1 940	1 239	1 253	909
Other purchase, production, selling and administrative costs (3)	13 023	11 119	10 678	9 641
Depreciation	2 251	1 869	1 916	1 691
Provision for bad debt (4)	117	138	100	132
Changes in inventories	- 22	- 118	82	- 121
<b>Total operating costs</b>	<b>36 066</b>	<b>24 174</b>	<b>26 221</b>	<b>21 430</b>
<b>Operating profit</b>	<b>15 354</b>	<b>11 470</b>	<b>15 000</b>	<b>11 102</b>
<b>Financial income and financial costs</b>				
Dividends received	122	118	122	118
Dividends from subsidiaries			22	22
Interest from consolidated companies			15	31
Interest income and other financial income (15)	2 934	468	2 837	428
Interest costs and other financial costs	3 188	4 334	2 883	4 138
<b>Net financial items</b>	<b>- 132</b>	<b>- 3 748</b>	<b>113</b>	<b>- 3 539</b>
<b>Profit before year end adjustments</b>	<b>15 222</b>	<b>7 722</b>	<b>15 113</b>	<b>7 563</b>
<b>Year end adjustments</b>				
Taxes	11 018	5 671	11 013	5 652
Deferred taxes (17)	- 18			
Excessive tax depreciation fixed assets (18)	1 878	822	1 804	794
Other year end adjustments (5)	154	50	- 2	7
<b>Total year end adjustments</b>	<b>13 032</b>	<b>6 543</b>	<b>12 815</b>	<b>6 453</b>
<b>Net income</b>	<b>2 190</b>	<b>1 179</b>	<b>2 298</b>	<b>1 110</b>
Minority interest share (6)	6	5		
Consolidated companies' share (7)	2 184	1 174		
<b>Allocation of profit for the year</b>				
Brought forward from previous year	174	195	- 5	- 48
Legal reserve fund	1 056	444	1 056	444
Dividends	1 245	709	1 245	709
Carried forward to new account	- 291	- 174	2	5
	<b>2 184</b>	<b>1 174</b>	<b>2 298</b>	<b>1 110</b>



# Balance sheet as of

## Assets

### CURRENT ASSETS

Amounts in millions of NOK

	The consolidated companies		Statoil	
	1985	1984	1985	1984
<b>Cash and short-term deposits</b>				
Cash and short-term deposits (8)	1 284	735	968	437
<b>Short-term receivables</b>				
Accounts receivable	4 388	2 534	3 008	1 964
Inter-company receivables			523	347
Other short-term receivables (9)	1 620	980	1 434	862
<b>Inventories</b>				
Raw materials	365	206	172	201
Finished products	1 654	1 035	362	373
<b>Total current assets</b>	<b>9 311</b>	<b>5 490</b>	<b>6 467</b>	<b>4 184</b>
<b>FIXED ASSETS</b>				
<b>Long-term receivables and investments</b>				
Investments in subsidiaries (10)(11)			1 234	318
Other long-term investments (12)	499	499	495	495
Long-term receivables	212	58	81	36
Long-term inter-company receivables			1 186	
<b>Capital assets (13)</b>				
Plants and offshore installations	29 445	11 468	26 690	10 330
Construction in progress	4 714	27 278	4 620	27 254
Ships	83	75		
Technical installations	639	274	604	255
Land and buildings	1 200	823	1 060	727
<b>Total fixed assets</b>	<b>36 792</b>	<b>40 475</b>	<b>35 970</b>	<b>39 415</b>
<b>Total assets</b>	<b>46 103</b>	<b>45 965</b>	<b>42 437</b>	<b>43 599</b>

Oslo, 20 February 1986  
The Board of Den norske stats oljeselskap a.s

Inge Johansen  
Chairman

Vidkunn Hveding  
Vice-Chairman

Fredrik Thoresen

Thor Andreassen

Benedicte Berg Schilbred

Kåre Ellingsgård

Atle A. Thunes

Gunnar Langvik

Arve Johnsen  
President



## Liabilities and shareholder's equity

Amounts in millions of NOK

	The consolidated companies		Statoil	
	1985	1984	1985	1984
<b>Current liabilities</b>				
Short-term bank credits	171	41	4	4
Withholding taxes and social security	806	583	358	229
Accrued interest	349	343	327	327
Provision for dividend	1 249	717	1 245	709
Accounts payable	3 215	2 771	2 678	2 392
Inter-company payables			111	47
Taxes payable	156	91	155	91
Accrued taxes	6 925	3 148	6 914	3 128
Other current liabilities	3 656	3 642	3 399	3 560
Long-term debt maturing within one year	1 386	1 350	1 201	1 141
<b>Total current liabilities</b>	<b>17 913</b>	<b>12 686</b>	<b>16 392</b>	<b>11 628</b>
<b>Long-term liabilities (14)</b>				
Export credits	2 279	1 965	2 279	1 965
Bank loans	4 423	3 789	3 654	3 052
Bonds and notes outstanding	5 808	4 707	5 757	4 647
Loans from the Norwegian Government	2 329	11 411	2 329	11 411
Currency fluctuation reserve (15)	1 662	3 148	1 600	3 014
Other long-term liabilities (16)	1 175	1 199	735	986
Deferred taxes (17)	489			
Long-term debt maturing within one year	-1 386	-1 350	-1 201	-1 141
<b>Total long-term liabilities</b>	<b>16 779</b>	<b>24 869</b>	<b>15 153</b>	<b>23 934</b>
<b>Untaxed reserves</b>				
Accelerated depreciation on fixed assets (18)	5 836	3 958	5 567	3 763
Inventory reserves	168	160	40	42
Regional development fund	25	25		
Classification fund	16	17		
Other fund	156			
Consolidation fund	42	39		
<b>Total untaxed reserves</b>	<b>6 243</b>	<b>4 199</b>	<b>5 607</b>	<b>3 805</b>
Minority interests (19)	172	158		
<b>Shareholder's equity</b>				
<i>Restricted shareholder's equity</i>				
Share capital 29.435.000 shares at NOK 100 each	2 944	2 944	2 944	2 944
Legal reserve fund	2 339	1 283	2 339	1 283
<i>Unrestricted shareholder's equity</i>				
Brought forward	- 291	- 174	2	5
Currency gain/loss shareholder's equity	4			
<b>Total shareholder's equity</b>	<b>4 996</b>	<b>4 053</b>	<b>5 285</b>	<b>4 232</b>
<b>Total liabilities and shareholder's equity</b>	<b>46 103</b>	<b>45 965</b>	<b>42 437</b>	<b>43 599</b>
Guarantees (20)	304	255	234	224
Secured liabilities (14)	269	291		



# Comments

Consolidated financial statements are based on the same accounting principles as are applied to the parent company. Companies included in the consolidated statements and Statoil's ownership shares are listed in note 10 to the Financial Statements.

The Norwegian and Swedish governments last December approved the takeover by Statoil of Esso Invest AB. As agreed between Exxon and Statoil, the transfer became effective on 1.1.85. These companies, which were previously owned by Exxon, thus became consolidated into the Statoil group as from 1.1.85.

As of 1.1.85, when the reorganisation of the Norwegian Government's financial participation in the petroleum industry came into effect, Statoil's financial share only is included in the company's profit accounts and balance sheets. The Government's direct financial engagement is channelled via the national budget.

## Accounting Principles

### Alterations to the Accounting Principles for 1985

The accounting principles for 1985 have been altered:

- Existing reserves made for currency fluctuations of long-term liabilities will, in the event of a fall in the rate of exchange, be recorded as financial revenues;
- As decided by the General Assembly, Statoil will no longer make reserves in the financial statements to cover potential future abandonment costs.

### Items Charged to the Profit And Loss Account

- Expenditures concerning licences in the exploration phase.
- Expenditures for research, special studies and development projects.
- Interest and other financial expenditures.
- Capitalized value of unpaid pension liabilities.

### Capitalized Items

- Expenditures related to commercial fields where Statoil has exercised its option to participate in field development.
- Field costs incurred after declaration of commerciality.

### Depreciation

Ordinary depreciation on oil and gas production installations, and associated transport systems, is accounted for each individual field or transport system in accordance with the unit of production method. Remaining reserves are reduced by a safety margin of 15 per cent in the calculation.

Ordinary depreciation for other installations is estimated on the basis of their economic life expectancy.

The difference between ordinary depreciation and the maximum depreciation is shown as excessive depreciation.

### Conversion Principles for Foreign Currency

Items in foreign currency are converted into Norwegian kroner (NOK) as follows:

- Income and expenditures are converted into Norwegian kroner (NOK) according to the prevailing exchange rate at the time of transaction.
- Current assets and current liabilities are converted at the lowest rate of exchange prevailing as per 31 Dec. and the transaction rate.
- Fixed assets are entered at the prevailing exchange rate at the time of procurement.
- Long-term liabilities are converted at the exchange rates prevailing when the loans were drawn. If the debt calculated according to the rates of exchange as of 31 Dec. is higher than respective book debt for each currency, the unrealized currency loss is entered. Currency gains are charged as income only when such gains are realized in connection with repayment of debt, or if the rates of exchange fall below the limits of previous reserves.
- Unrealized currency losses in connection with forward buying is included in the balance sheet as short-term liabilities.

### Inventories

Inventories of crude oil, petroleum products, and equipment are valued at purchase/production cost or net market price, whichever is the lower.

### Accrued Taxes

Taxes which, as a consequence of reserves of crude oil being recorded at production cost, but which, according to the Petroleum Tax Law, are based on the norm price, are accrued. Thus agreement is rendered between realized income and net estimated taxes as shown in the Profit and Loss Statement.

### Partnerships and Limited Partnerships

Statoil's shares in partnerships and limited partnerships are included in the appropriate items in the Profit and Loss Statement and in the Balance Sheet in accordance with the gross value method.

The consolidated statements include Limited Partnerships which directly or indirectly are owned more than 50% by Statoil.

### Consolidation Principles

- Shares in subsidiaries are eliminated using the past equity method. Any excess of purchase price over book value is assigned to the relevant assets and is depreciated accordingly. Calculation of excessive value takes account of deferred taxes.
- Foreign subsidiaries are consolidated in accordance with the rate of exchange as per 31 Dec. and with the rules laid down in the Companies' Act. Currency gain/loss on Shareholders' equity are shown under Shareholders' equity as a separate item in the Balance Sheet and are not reflected in the Profit and Loss Statement.
- Inter-company current accounts, sales, gains, and other inter-company transfers are eliminated in the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss.



## Notes to financial statements for 1985

1. Sales are allocated as follows:

Amounts in millions of NOK	The consolidated companies		Statoil	
	1985	1984	1985	1984
<b>Norway</b>				
Crude oil	4 129	3 566	6 562	5 956
Gas	32	4	32	4
Refined products	5 186	5 098	1 618	1 188
Petrochemical products	514	418	514	418
Sale of other products/material	612	480		
<b>Abroad</b>				
Crude oil	25 337	19 475	25 337	19 475
Gas	1 277	774	1 277	774
Refined products	7 586	2 777	2 539	2 054
Petrochemical products	3 895	987	957	960
	48 568	33 579	38 836	30 829

2. Other income include personnel services at NOK 1,275 million, other services at NOK 954 million, rental income at NOK 318 million, transport revenues at NOK 278 million and sale of seismic data at NOK 27 million.

3. The item includes royalties amounting to NOK 3,599 million, as well as NOK 976 million in petrol tax, and exploration costs of NOK 1,449 million. NOK 150 million provided for abandonment costs in previous years have been returned.

4. Provision is primarily made to cover possible loss on receivables.

5. Other year end adjustments are distributed as follows (in millions of NOK):

	The consolidated companies	Statoil
Change in inventory reserves	5	- 2
Consolidation fund	3	
Investment fund, etc.	146	
	154	- 2

6. Minority interest shares:

26.38% of the profit of NOK 13.3 million in Norsk Olje a.s	NOK 3.5 million
40.55% of the profit of NOK 3.7 million in Rafinor A/S	NOK 1.5 million
40% of the profit of NOK 1.7 million in Andenes Helikopterbase a.s	NOK 0.7 million
36.67% of the loss of NOK 0.3 million in Sørøysund Eiendomsselskap a.s	NOK - 0.1 million
	NOK 5.6 million

7. The consolidated profit and loss for 1985 (in millions of NOK):

	1985	1984
Statoil	2 298	1 110
Statoil Sweden	- 22	
Depreciation of excess value	- 46	- 68
Norsk Olje a.s	13	32
Depreciation of excess value	- 7	6
Statoil Netherlands B.V.	18	- 17
Rafinor A/S	4	- 4
Other companies		- 3
	2 258	1 111
Inter-company dividends	- 21	- 22
Consolidated companies' eliminations	- 47	90
	2 190	1 179
- Minority interest share	6	5
Consolidated companies' share	2 184	1 174



8. Short-term deposits in Norwegian kroner include a total of NOK 42 million of withheld employee income tax. The corresponding amount for the consolidated companies is NOK 57 million.
9. The item includes NOK 28 million in receivables from employees.
10. Investments in subsidiaries :

Amounts in 1000	Book value	Par value	Number of shares	Ownership interest	Total company share capital
Norsk Olje a.s	291 500	213 500	213 500	73,62%	290 000
Rafinor A/S	3 000	3 000	3 000	30%	10 000
Sørøysund Eiendomsselskap a.s	9 500	9 500	1 900	63,33%	15 000
Andenes Helikopterbase a.s	3 000	3 000	60	60%	5 000
Statoil Forsikring a.s	100 000		100 000	100%	100 000
Nutec a.s	18 000	18 000	18 000	60%	30 000
Statoil Netherlands B.V.	9 729	NLG 3 790	3 790	100%	NLG 3 790
Statoil Danmark a.s	252	DKK 300	300	100%	DKK 300
Statoil Sverige AB	798 383	SEK 800 050	500	100%	SEK 800 050
Statoil Finland OY	64	FIM 50	500	100%	FIM 50
Statoil France S.A.	227	FRF 250	2 500	100%	FRF 250
Statoil (UK) Ltd	98	GBP 10	10 000	100%	GBP 10
Den norske stats oljeselskap Deutschland GmbH	576	DEM 200	200	100%	DEM 200
	1 234 329				

The Statoil Sverige group includes, beside Statoil Sverige, the following 100 percent owned companies: Statoil Invest AB, Svenska Statoil AB, Statoil Petrokemi AB, Krebo Kredit AB, And. Smith Uddevalla AB, Primus Svenska AB and Statoil Detaljist AB.

Norsk Olje a.s owns 40 per cent of the shares in Rafinor A/S. The consolidated share is 70 per cent. The consolidated companies have an ownership share of 164/230 in the partnership of Rafinor A/S & Co., which is also included in the Consolidated Profit and Loss Statement.

11. In connection with the consolidation of Statoil Sverige, an amount representing a calculated interest element for the period between effective date of transfer of the previously Exxon-owned companies and the date of payment for the shares was deducted from the purchase price and entered in the consolidated statements as financial costs.

Estimated excessive value and excess of purchase price over book value relating to the purchase of subsidiaries, as per 31.12.85:

	Original exc. value	Accumulated depreciation	Remaining exc. value
Shares in Norsk Olje	111	63	48
Shares in Statoil Invest	1364	40	1324
Total	1475	103	1372

12. The investments are:

Amounts in 1000	Book value	Par value	Number of shares	Ownership interest	Total company share capital
Norpipe a.s	390 000	390 000	3 900 000	50%	780 000
Coast Center Base A/S	53	53	210	50%	105
Statfjord Transport a.s	420	420	840 932	42,04%	1 000
Vestbase a.s	400	400	400	40%	1 000
Norbase a.s	160	160	160	40%	400
Botnaneset Industriselskap A/S	3 000	3 000	30	18,5%	16 200
Norpipe Petroleum UK Limited	95 751	£6 250	6 250 000	50%	£12 500
Helgelandsbase a.s	5 000	5 000	250	50%	10 000
Stockholm Fuelling Services AB	25	25	250	50%	SEK 50
	494 809				

The shares are recorded at cost. The subsidiaries own a number of small blocks of shares in other companies amounting to a total book value of NOK 4 million. The consolidated companies' total book value of shares amounts to NOK 499 million.



Statoil has shares in the following partnerships and limited partnerships:

Statpipe	60%
Norpolefin	66 2/3%
Noretyl	49%
Gullfaks Transport	12%
K/S Staffjord Transport a.s & Co.	42.04661%
K/S Coast Center Base A/S & Co.	49.75%
Control laboratory, Kårstø	66 2/3%

13. Specification of capital assets:

Amounts in millions of NOK	Investment as of 1 Jan. 1985	Additions during the year	Disposed of during the year	Accumulated depreciat. as of 31 Dec. 85	Book value as of 31 Dec. 85
<b>Statoil:</b>					
Plants and offshore installations	31 958	2 350	1 248	6 370	26 690
Construction in progress	9 976	2 504	7 860		4 620
Technical installations	649	330	4	371	604
Land and buildings	894	306	54	86	1 060
	43 477	5 490	9 166	6 827	32 974
<b>The consolidated companies:</b>					
Plants and offshore installations	36 576	2 814	1 315	8 630	29 445
Construction in progress	10 056	2 518	7 860		4 714
Ships	167	1		85	83
Technical installations	759	349	5	464	639
Land and buildings	1 017	326	55	88	1 200
	48 575	6 008	9 235	9 267	36 081

See note 18 for tax depreciation. The consolidated statements as per 1.1.85 include Statoil Sverige.

Investments by year:

Amounts in millions of NOK	1981 and before	1982	1983	1984	1985	Total invest- ments as of 31 Dec. 85
<b>Statoil:</b>						
Plants and offshore installations	7 489	5 316	996	1 219	2 340	17 360
Construction in progress	6 305	511	8 222	12 252	2 488	29 778
Transferred to Norw. Government					- 9 082	- 9 082
Technical installations	149	55	156	154	326	840
Land and buildings	268	40	128	356	252	1 044
	14 211	5 922	9 502	13 981	- 3 676	39 940
<b>The consolidated companies:</b>						
Plants and offshore installations	9 390	5 415	1 232	1 456	2 737	20 230
Construction in progress	6 328	559	8 222	12 205	2 502	29 816
Transferred to Norw. Government					- 9 082	- 9 082
Ships	127	22	1		1	151
Technical installations	219	70	162	160	344	955
Land and buildings	335	48	129	377	271	1 160
	16 399	6 114	9 746	14 198	- 3 227	43 230



The book value of fixed assets distributed by project:

Amounts in millions of NOK	Net book value as of 1 Jan. 85	Additions in 1985	Disposed of in 1985	Depreciation in 1985	Book value as of 31 Dec. 1985
Statfjord	13 471	887		1 257	13 101
Gullfaks	8 344	879	7 166		2 057
Statpipe	9 481	1 021		80	10 422
Heimdal	2 476	379	1 238		1 617
Frigg Field	252	5		58	199
Murchison	487	2		121	368
Frigg transport	161			37	124
East Frigg	1	11			12
Ula	252	410	9		653
Ula pipeline	363	96			459
Oseberg	621	461	484		598
Oseberg transport	62	48	48		62
Troll	248	50	146		152
Beibu, China		46			46
Norol	694	231	7	114	804
Statoil Netherlands	106	52		35	123
Statoil Sverige	1 566	147	48	109	1 556
Rafinor	751	17	15	126	627
Noretyl	367	12		79	300
Norpolefin	531	13		85	459
Nutec	64	36		6	94
CCB	54	3	2	5	50
Mongstad crude oil terminal	56	96			152
Refinery upgrading, Mongstad	18	367			385
Land and buildings	804	331	53	22	1 060
Other	329	408	19	117	601
	41 559	6 008	9 235	2 251	36 081

Due to reorganisation of the Government's involvement in the petroleum industry, the following book values as per 1.1.85 have been transferred to the Norwegian Government (in NOK million):

Gullfaks	7 166
Heimdal	1 238
Oseberg	532
Troll Vest	146
<b>Total</b>	<b>9 082</b>

Corresponding adjustments have been made to the company's long-term liabilities to the Norwegian government.



14. The long-term debt of the consolidated companies distributed by currencies:

Amounts in millions	Currency value	Average rate of exchange	Book value in NOK
Norwegian kroner (NOK)			7 925
Swedish kronor (SEK)	236.4	100.23	237
U.S.Dollar (USD)	789.4	6.33	4 999
Deutschemark (DEM)	263.9	269.04	710
Pound Sterling (GBP)	73.4	10.96	805
French Franc (FRF)	539.7	95.60	516
Swiss Franc (CHF)	150.0	305.33	458
Japanese Yen (JPY)	10 000.0	2.54	254
Danish kroner (DKK)	132.3	83.14	110
Deferred taxes			489
Currency fluctation reserve (NOK)			1 662
Long-term liabilities maturing within one year			- 1 386
			16 779

Of the subsidiaries' domestic long-term debt, NOK 34 million is secured by vessels with a book value of NOK 32 million, and NOK 169 million is secured by installations, real estate, and housing with a book value of 480 million. A further amount of NOK 66 million is secured by the Statoil Sverige group.

The unused portion of long-term loan agreements equals about NOK 500 million.

15. In 1985 the Statoil currency fluctation reserve was reduced by NOK 1,414 million. The amount has been included in the Profit and Loss Statement as financial revenue. The corresponding figure for the consolidated companies is NOK 1,486 million.
16. Other long-term debt includes capitalized value of pension commitments by NOK 27 million. By 31 December 1985, 189 people were covered by this arrangement. A discount rate of 4% is applied.
17. In connection with the consolidation of Statoil Sverige, untaxed reserves, as per 1.1.85 have been distributed between the shareholders' equity and deferred taxes. Estimated deferred taxes are NOK 507 million, of which NOK 18 million are included in the Profit and Loss Statement, as the reserves are taxed.
18. Accelerated depreciations on fixed assets (refer also to note 13):

Amounts in millions of NOK	Accumulated at 1.1.85	Tax depreciations 1985	Accumulated at 31.12.85
<b>Plants and offshore installations</b>			
Staffjord	3 176	986	4 162
Murchison	29	27	56
Frigg	252	- 53	199
Heimdal		22	22
Statpipe	136	595	731
Rafinor	40	- 10	30
Noretyl	57	2	59
Norpolefin	43	8	51
<b>Construction in progress</b>			
Mongstad refinery, expansion	24	31	55
Mongstad crude oil terminal	6	30	36
<b>Other</b>			
Land and buildings		29	29
Technical installations		137	137
Statoil, total	3 763	1 804	5 567
<b>Statoil Sverige</b>			
Statoil Sverige		60	60
Norol	183	16	199
Andenes Helikopterbase	6		6
Sørøysund Eiendomsselskap	2		2
Rafinor A/S	4	- 3	1
Nutec		1	1
The consolidated companies	3 958	1 878	5 836



19. Changes in capital for minority interests (NOK mill.):

	1985	1984
Minority interests 1 Jan.	158	160
Capital investments	12	
Share of annual net income	6	5
Share of reserved dividends	- 4	- 7
Minority interests 31 Dec.	172	158

20. Together with the other partners in I/S Noretyl and I/S Norpolefin, Statoil is jointly liable for the debts incurred in the name of the partnerships. This is mainly accounts payable in the amount of about NOK 128 million in addition to Statoil's previous book share.

Statoil has guaranteed for Statoil Netherlands B.V.'s long-term liability to a maximum of USD 24 million. At year end an amount equal to NOK 106 million was drawn.

The consolidated companies are responsible for guarantees to customers for a total of about NOK 70 million.

#### Abandonment Costs

In accordance with the terms of concession the authorities may order the licencees to dismantle the offshore facilities at the termination of the operation. The General Assembly has decided that Statoil is not to make annual reserves in the Financial Statements to cover the part of the abandonment costs estimated to be covered by the company. Based on the unit of production, current price levels and an assumed abandonment concept, potential liability has been estimated at approximately NOK 200 million by the end of 1985.

#### Liability and Insurance

In connection with the activities on the continental shelf, including transportation systems, Statoil has, like all other licencees, an unlimited liability for possible claims for damages. The company has taken out insurance for this liability for damages up to a total of approximately NOK 1300 million for each incident. Liability for claims against damages caused by pollution is limited to a total maximum of around NOK 850 million. Statoil insures company assets at their estimated replacement value.

#### Charter agreements

Statoil has signed charter agreements for a total of 5 drilling rigs. The remaining charter periods vary from one to five years. Furthermore, Statoil has chartered 16 supply vessels and standby vessels to service these rigs. Statoil has a contract for seismic data collection over the five year period 1982-1986.

#### Partnerships and Limited Partnerships

In a partnership, Statoil, together with the other partners, is responsible for agreements signed by the partnership.

In the partnerships in which Statoil participates, the partners, in accordance with existing accounting agreements, have the right to audit the operators' accounts within two years after the end of the financial year. Corrections resulting from such audits will, in Statoil's accounts, be entered in a later year.

## Financial ratio analysis of the consolidated companies

	1985	1984	Definition
Net operating margin	29.9%	32.1%	Operating profit Operating income
Gross profit margin	29.6%	21.6%	Profit before year end distribution Operating income
Rate of return (before taxes)	40.0%	30.7%	Profit before year end distribution + financial costs average total capital
Rate of return on Shareholder's equity (after taxes)	66.1%	38.8%	Profit before year end distribution - taxes average shareholder's equity



# Source and application of funds

Amounts in millions of NOK	The consolidated companies		Statoil	
	1985	1984	1985	1984
<b>Source of funds:</b>				
Profit before year end adjustments	15 222	7 722	15 113	7 563
Equity paid in	12			
Depreciation	2 251	1 869	1 916	1 691
Currency fluctation reserve	- 1 486	1 095	- 1 414	1 061
Taxes payable	- 11 018	- 5 671	- 11 013	- 5 652
Deferred tax	18			
Dividends	- 1 249	- 717	- 1 245	- 709
Single payment by the government	9 082		9 082	
Pension premium fund		- 10		
Total own financing	12 832	4 288	12 439	3 954
New long-term loans	3 543	9 655	2 607	9 448
<i>Total source of funds</i>	<b>16 375</b>	<b>13 943</b>	<b>15 046</b>	<b>13 402</b>
<b>Application of funds:</b>				
Investments in fixed assets	7 650	14 210	7 553	13 992
Repayment of long-term loans	1 013	1 099	832	926
Single payment by the Government	9 082		9 082	
Change in working capital	- 1 370	- 1 366	- 2 421	- 1 516
<i>Total application of funds</i>	<b>16 375</b>	<b>13 943</b>	<b>15 046</b>	<b>13 402</b>
<b>Specification of change in working capital:</b>				
Cash and short-term deposits	549	234	531	
Short-term receivables	2 494	455	1 792	456
Inventories	778	345	- 40	169
Current liabilities	- 5 191	- 2 400	- 4 704	- 2 141
Change in working capital	- 1 370	- 1 366	- 2 421	- 1 516

# Operating profit for the consolidated companies by area of activity

Amounts in millions of NOK	Operating income		Operating costs		Operating profit	
	1985	1984	1985	1984	1985	1984
Statfjord	21 643	16 620	5 997	4 848	15 646	11 772
Murchison	1 418	2 225	356	560	1 062	1 665
Frigg	620	660	217	239	403	421
Exploration expenses etc., other licences	2 341	1 420	4 600	3 990	- 2 259	- 2 570
Production of oil and gas	26 022	20 925	11 170	9 637	14 852	11 288
Refining and marketing	41 259	29 898	40 685	29 696	574	202
Petrochemical activities	4 441	1 425	4 334	1 254	107	171
Transportation	845	268	1 024	459	- 179	- 191
Inter-company transfers	- 21 147	- 16 872	- 21 147	- 16 872		
Total	<b>51 420</b>	<b>35 644</b>	<b>36 066</b>	<b>24 174</b>	<b>15 354</b>	<b>11 470</b>



# Operating profit for the company's international activities

Amounts in millions of NOK	Operating income	Operating costs	Operating profit
Statoil Sverige group	6 952	6 740	212
Statoil Netherlands B.V.	140	116	24
Total	7 092	6 856	236

## Value added statement

Amounts in millions of NOK	The consolidated companies	
	1985	1984
Operating income	51 420	35 644
- purchased goods and services used	27 276	17 264
= gross value added from own activities	24 144	18 380
- ordinary depreciation	2 251	1 869
= net value added from own activities	21 893	16 511
financial income	3 056	586
= value added for distribution from own activities	24 949	17 097
= total value added for distribution	24 949	17 097

Which is distributed as follows:

### Employees

Gross salaries and social benefits	1 940	7.8%	1 239	7.3%
(including withholding tax)	(410)		(306)	

### Capital investors

Interests to borrowers	3 188	12.8%	3 239	18.9%
Dividends to Government	1 249	5.0%	717	4.2%

### State, municipality

Royalties, taxes and petrol tax, etc.	15 615	62.6%	9 473	55.4%
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### The company

Retained earnings	2 957	11.8%	2 429	14.2%
Total value added for distribution	24 949	100.0%	17 097	100.0%

## Auditor's Report for 1985

to the shareholders of Statoil, Den norske stats oljeselskap a.s

We have audited the accounts for 1985 according to generally accepted auditing standards. We have also audited the accounts for the consolidated companies for 1985.

As explained in note 20 to the financial statements, no provision has been made for possible future abandonment costs related to offshore installations. Statoil has estimated accrued abandonment costs as of 31 Desember 1985 to be NOK 200 million.

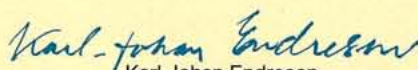
Except for the effect of the matter referred to above, the annual financial statements for the company and the consolidated companies are in compliance with the Companies' Act and in our opinion present the result of the year and the financial position of the company and the consolidated companies on the basis of generally accepted accounting principles.

The Board's proposal for application of the company's net income complies with the Companies' Act.

When due regard is taken to the above qualification, we find that the statement of profit and loss and the balance sheet submitted for the company and for the consolidated companies may be adopted as the accounts of Statoil and the Statoil Group for 1985.

Stavanger, 24 February 1986

KMG Norsk Revisjon a.s

  
Karl-Johan Endresen  
State Authorized Auditor (Norway)

  
Ole M. Klette  
State Authorized Auditor (Norway)



# Statoil's share of reserves

	Share	Statoil's share of total reserves 31 Dec. 85	Statoil's share of production per 1 Jan. 85	Statoil's share of production 1985	Statoil's share of reserves left 31 Dec. 85
<b>Producing fields</b>					
STATFJORD	42.04661%				
Oil, mill. m <sup>3</sup>		203	31	15	157
Gas liquids, mill. Sm <sup>3</sup>		8			8
Dry gas, bill. Sm <sup>3</sup>		26			26
MURCHISON	12.53120%				
Oil, mill. m <sup>3</sup>		7	3	1	3
Gas liquids, mill. Sm <sup>3</sup>		1	1		
FRIGG	3.04100%				
Dry gas, bill. Sm <sup>3</sup>		6	3	1	2
NORTH EAST FRIGG	2.10000%				
<b>THE NETHERLANDS</b>					
Oil, mill. m <sup>3</sup>		4			4
<b>TOTAL</b>					
Oil, mill. m <sup>3</sup>		214	34	16	164
Gas liquids, mill. Sm <sup>3</sup>		9	1		8
Dry gas, bill. Sm <sup>3</sup>		32	3	1	28
<b>Fields under development</b>					
GULLFAKS	85%				
Oil, mill. m <sup>3</sup>		179			
Gas liquids, mill. Sm <sup>3</sup>		3			
Dry gas, bill. Sm <sup>3</sup>		12			
OSEBERG	63.24%				
Oil, mill. m <sup>3</sup>		101			
Dry gas, bill. Sm <sup>3</sup>		44			
HEIMDAL	40.0%				
Oil, mill. m <sup>3</sup>		2			
Dry gas, bill. Sm <sup>3</sup>		13			
ULA	12.5%				
Oil, mill. m <sup>3</sup>		3			
<b>EAST FRIGG</b>					
Dry gas, bill. Sm <sup>3</sup>		1			
<b>TOTAL</b>					
Oil, mill. m <sup>3</sup>		285			
Gas liquids, mill. Sm <sup>3</sup>		3			
Dry gas, bill. Sm <sup>3</sup>		70			



# Articles of Association

## Art. 1

The corporate purpose of Den norske stats oljeselskap a.s is to carry out exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products, as well as other activities reasonably related thereto, either by itself, or in participation or cooperation with other companies.

## Art. 2

The Company shall be situate in Stavanger.

## Art. 3

The share capital of the Company is NOK 2,943,500,000 divided into 29,435,000 shares of NOK 100 each.

## Art. 4

The Board of Directors of the company shall be composed of a maximum of eight directors. A maximum of six of the directors including chairman and vice-chairman, shall be elected by the General Meeting. Two of the directors shall be elected by and among the employees in accordance with regulations made under provisions of the Companies Act concerning the right of employees to be represented on the Board of Directors and in the Company Assembly of companies limited by shares. Four alternate directors shall be elected in respect of the two directors elected by and among the employees, and these alternates shall be summoned in the order in which they are elected. Two alternate directors shall be elected in respect of the other directors, one as first alternate and one as second alternate. The normal term of office for the directors is two years.

## Art. 5

Any two directors jointly may sign for the Company. The Board may grant power of procuration.

## Art. 6

The Board shall appoint the Company's President and stipulate his salary.

## Art. 7

The company shall have a Company Assembly consisting of 12 members. Members and alternates shall be elected for two years at a time. The General Meeting shall elect eight members and three alternate members for these eight. Four members and alternates for these four shall be elected by and among the employees of the Company in accordance with regulations of the Companies Act concerning the rights of employees to be represented on the Board of Directors and in the Company Assembly of companies limited by shares. The Company Assembly shall elect a chairman and a vice-chairman from among its members. The Company Assembly shall hold at least two meetings annually.

## Art. 8

The ordinary General Meeting shall be held each year before the end of June. General Meetings shall be held in Stavanger or in Oslo. Extraordinary General Meetings shall be summoned at the request of the Shareholder, the Board, or two members of the Company Assembly.

## Art. 9

The ordinary General Meeting shall deal with and decide the following matters:

- a) Adoption of the statement of profit and loss and the balance sheet.
- b) Application of the annual profit or coverage of loss as shown in the adopted balance sheet, and the declaration of dividends.

- c) Adoption of the consolidated statement of profit and loss and the consolidated balance sheet.
- d) Any other matters which are referred to the General Meeting by statute or the Articles of Association.

## Art. 10

The Board shall submit to the General Meeting, ordinary or extraordinary, all matters which are presumed to involve significant political questions or questions of principle and/or which may have important effects on the nation and its economy. Such matters shall be deemed to include, inter alia:

- a) Plans for the immediately following year with economic surveys, including plans to cooperate with other companies.
- b) Essential changes of such plans as mentioned in a) above.
- c) Plans for future activities, including participation in activities of major importance in other companies or joint ventures in which the Company participates or plans to participate.
- d) Matters which seem to necessitate additional appropriation of Government funds.
- e) Plans for establishing new types of activity and locating important elements of the Company's operations.
- f) Plans to participate in the exploitation of petroleum reserves in or outside Norway, including the exercise of state participation option rights.
- g) Half year reports on the company's activities, including activities of subsidiaries and important joint ventures with other companies.

Matters which the Board submits to the General Meeting pursuant to this Article and if possible such matters as the Ministry may have announced its wish to consider at such a General Meeting, shall, if possible, be presented in writing and delivered to the Ministry in good time prior to the General Meeting.

Should there be no opportunity to submit the above-mentioned matters in advance to the General Meeting, the General Meeting shall be notified promptly of the Board's resolution.

Whenever possible, matters as mentioned in items under a) and g) above should be submitted to the Company Assembly for comment.

The General Meeting shall decide whether to take note of the Board's proposals under this Article, to approve them or to alter them.

## Art. 11

The company is responsible for taking care of the interests of the state related to the direct economic engagement the state retains for itself in joint ventures for exploration, development, production and transportation of petroleum on or in association with the Norwegian continental shelf.

This task is executed through the company's general technical and managerial organization and in accordance with the guidelines applicable to the company's own engagement on the Norwegian continental shelf.

The company prepares accounts for the state's direct economic engagement. These accounts are carried out in accordance with the regulations governing economic administration in the ministries stipulated by Royal Decree and the economic instructions prepared by the Ministry of Petroleum and Energy.

## Art. 12

The provisions of the Companies Act shall be supplementary to these Articles of Association.



# Statoil Group activities



*M/T Wilnora*  
loading crude oil from the  
Statfjord field B buoy.  
During 1985 a total of 249  
cargoes was shipped from the  
field.



# Exploration, Development and Production

## Oil and Gas Exploration

Exploration on the Norwegian Continental Shelf saw a high level of activity in 1985. A total of 50 wells were spudded and Statoil was operator for 18 of them.

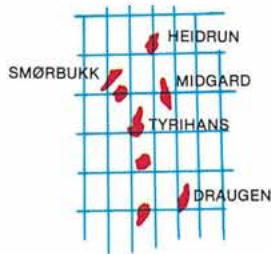
### Haltenbanken

A number of interesting discoveries have been made on Haltenbanken in the last few years. As operator, Statoil discovered the Tyrihans, Smørbukk and 6506/12-Beta fields. Saga, Shell, Conoco and Norsk Hydro found Midgard, Draugen, Heidrun and 6407/7-1, respectively. Draugen and Heidrun are typical oil fields with small volumes of associated gas. Tyrihans, Smørbukk and 6506/12-Beta are classified as gas/condensate fields, and Midgard is a gas field with some condensate and oil. In addition there is 6407/7-1, where oil/condensate has been indicated. The well has not yet been tested.

Based on surveys and well results, Statoil estimates the total recoverable reserves on Haltenbanken to be roughly 300 million cubic metres of oil (1900 million barrels) and about 300 billion cubic metres of gas.

Last year Statoil started feasibility studies on a pipeline system with terminal for oil/condensate from Haltenbanken. Possible landing sites have been considered. These studies are carried out jointly with the operators mentioned above.

A number of promising discoveries of hydrocarbons have been made at Haltenbanken. The possibilities of taking it ashore by pipeline are currently being studied.



KRISTIANSUND

TRONDHEIM

### Tromsøflaket

In 1985 a minor gas discovery was made on the Tromsøflaket, in block 7121/4 north of the Snøhvit field. It was confirmed that this field extends to block 7121/5. Drilling began on the Loppa Ridge. Hydrocarbons were found but not in commercial volumes.

### The North Sea

Statoil made a minor gas discovery in the southern part of Block 34/10. Delineation wells on Huldra and Veslefrikk produced positive results. The first well, block 34/8 did not fulfill expectations. Exploration and delineation wells were also drilled in blocks 34/4 and 34/7 (Snorre), and the Oseberg and Frigg areas.

There was considerable seismic activity in 1985. Statoil collected and processed considerable amounts of seismic information in the licenced areas, as well as in areas currently being considered for future allocation.

During allocation of the first part of the 10th licensing, Statoil was awarded the operatorship of block 9/2, and the relinquished part of block 15/12, both in the southern part of the North Sea.

### Productive Fields

#### Statfjord

Operator: Until 31.12.86: Mobil. From 1.1.87: Statoil. Statoil's share: 42.04661 percent.

Initially recoverable reserves:

Oil - 480 million cubic metres (3000 mill. barrels)

Gas - 60 billion cubic metres

NGL - 20 million tonnes

Statoil's operating income from oil and gas production on the Statfjord field during 1985 was NOK 21.6 billion. The operating profit was NOK 15.6 billion, which is 32 percent higher than the year before. Average daily oil production was 590,000 barrels, compared to 459,000 barrels in 1984. Total oil production during 1985 was 34.2 million cubic metres (215 million barrels).

The Statfjord C platform came on stream 26 June 1985, and by the end of the year it was producing approximately 180,000 barrels per day.

Supplies of rich gas started to flow through the Statpipe system in October 1985. Total deliveries during 1985 were 464 million cubic metres of gas and 118,000 tonnes of NGL.

The operator reduced the estimated initially recoverable oil reserves from 520 to 480 million cubic metres.

In accordance with the Storting's approval of the operatorship transfer, in February 1985 Statoil and Mobil agreed on the general outlines of the transfer with effect from 1 January 1987. The transfer is progressing according to plan. The Statfjord division with its 1,700 or so employees was organised by Mobil as a separate unit. Replacement of personnel continuing in the Mobil organisation is achieved mainly by internal promotion and by transferring personnel from Statoil. Conditions of employment for Mobil personnel transferring to Statoil as from 1 January 1987 have been clarified.

### Murchison

Operator: Conoco UK

Statoil's share: 12.5312 percent

Initially recoverable reserves:

Oil and condensate - 60 million cubic metres (360 million barrels)

Gas - 2 billion cubic metres





Last August Statoil opened a new office in Kristiansund N. The following were present at the opening (from left to right): Øyvind Jensen, Mayor of Kristiansund; Thor Sætherø, Manager, Statoil; Lars Ramstad, Chairman of the County Council; and Arve Johnsen, President of Statoil.

Statoil's operating revenues from Murchison were NOK 1418 million, and operating profits were NOK 1062 million, 36 percent lower than in 1984. Total production of crude oil from the field during 1985 was 5.5 million cubic metres (34 million barrels).

The oil and part of the NGL products are transported by pipeline to Sullom Voe in the Shetlands. The dry gas and the rest of the NGL products are transported to St. Fergus in Scotland.

Re-evaluation of the licence shares between the British and Norwegian sectors is currently being carried out.

#### **The Frigg Area**

Operator: Elf Aquitaine

Statoil's share in Frigg: 3.041 percent. North East

Frigg: 2.1 percent

Statoil's financial share in East Frigg: 6.05 percent

Government DFI \*): 2.1 percent

Initially recoverable reserves:

Gas - 214 billion cubic metres

In 1985 Statoil's operating income from the Frigg area was NOK 620 million, and the operating profit was NOK 403 million. Total gas production from Frigg and North East Frigg reached 16.3 billion cubic metres.

During the year, the original estimate for recoverable reserves in the Frigg field was downgraded by 15 percent to approximately 190 billion cubic metres of gas. The original estimates of recoverable gas reserves from North East Frigg were upgraded from 8.6 to 11 billion cubic metres.

A development project for East Frigg has been implemented with production start-up planned for 1 October 1988. Recoverable reserves in East Frigg have been estimated at around 13 billion cubic metres of gas.

#### **Fields under Development**

##### **Heimdal**

Operator: Elf Aquitaine

Statoil's financial share: 20 percent

Government DFI: 20 percent

Total recoverable reserves:

Gas - 33 billion cubic metres

Condensate - 4 million cubic metres (25 mill. barrels)

The field has been developed with an integrated steel platform. This means that all activities such as drilling, production and oil processing can be carried out on board.

Offshore hook-up work continued throughout 1985. Production drilling started in May and gas was sent through the system for testing in December. Production of condensate began towards the end of the year.

Gas is transported through the Statpipe and Norpipe systems to Emden. Condensate is brought in a separate pipeline to the Brae field in the British sector, and then through oil pipelines via the Forties field to Cruden Bay in Scotland.

##### **Ula**

Operator: BP

Statoil's share: 12.5 percent

Total recoverable reserves:

Oil - 25 million cubic metres (160 million barrels)

Gas - 1 billion cubic metres

The Ula field installations consist of three steel platforms. The steel jackets were positioned in June, and the modules for the accommodation and drilling platforms were lifted in September. Hook-up work is in progress. Production start-up is planned for autumn 1986. The gas has been sold to the Phillips group.

##### **Gullfaks**

Operator: Statoil

Statoil's financial share: 12 percent

Government DFI: 73 percent

Total recoverable reserves:

Oil - 210 million cubic metres (1300 million barrels)

Gas - 14 billion cubic metres

NGL - 2 million tonnes

Development of Gullfaks is going ahead according to schedule. The Gullfaks A platform was 90 percent complete at the end of the year. Tow-out to the field is planned for May 1986 with production start-up in 1987.

The Gullfaks B platform was 36 percent complete at the end of the year. Tow-out to the field is scheduled for 1987 with production start-up in 1988.

\*) Direct Financial Involvement





Gullfaks A at the mating site at Digernessund off Stord. Mating of the concrete gravity base and the topside structure took place in January 1986. Production start-up is due in 1987. The gravity base was constructed by Norwegian Contractors in Stavanger, and the construction of the topside as well as mating and hook-up were carried out by Aker Stord A/S.







In June 1985 the Storting approved the proposed development of Gullfaks Phase II. This development includes a platform which is basically a copy of Gullfaks A. The Gullfaks C project is advancing well. Work on the concrete base has started. Production start-up is planned for 1990. In autumn 1985 Statoil, on behalf of the licencees, presented a plan to the Norwegian government to bring forward the project. The government did not give its permission.

Recruitment of platform personnel for Gullfaks A is nearing completion. Personnel are being prepared for work on the platform at the new training centre in Bergen. They will also participate in offshore commissioning.

Work to establish the various support functions and administrative systems for the platforms is proceeding according to plan.

Statoil is working with Mobil to arrive at practical methods of joint support for the Statfjord and the Gullfaks fields.

### **Oseberg**

Operator: Norsk Hydro

Statoil's financial share: 14 percent

Government DFI: 49.24 percent

Total recoverable reserves:

Oil - 160 million cubic metres (1000 million barrels)

Gas - 70 billion cubic metres

The first phase of the Oseberg field is being developed with a field centre consisting of an accommodation and processing platform (Oseberg A) and a drilling platform (Oseberg B).

Major construction contracts for the platforms have been awarded. The project is on schedule and within budget.

Production start-up is scheduled for April 1989. Drilling of production wells has started. The production testing vessel Petrojarl 1 will be used for long-term testing at Oseberg starting in August 1986.

### **Fields under Consideration**

#### **Troll**

Operators: Shell for licence 054

Joint operator committee consisting of Norsk Hydro, Saga and Statoil for licence 085.

Statoil's financial share in licence 054: 21 percent, in licence 085: 12 percent.

Government DFI in licence 054: 30 percent, in licence 085: 73 percent.

Total recoverable reserves:

Gas - 1200-1300 billion cubic metres

Oil - 30 million cubic metres (190 million barrels)

In 1985 gas sales negotiations and coordination of the two licences accounted for a high proportion of the work. At the end of the year, a proposed joint venture agreement for the Troll field was presented to the Ministry for Oil and Energy.

A joint venture group has been formed by the four operators: Statoil, Shell, Norsk Hydro and Saga. Its purpose is to work out an alternative field development plan for Phase I. The group has recommended a separate oil and gas development for Phase I.

#### **Tommeliten**

Operator: Statoil

Statoil's financial share: 20 percent

Government DFI: 30 percent

Total recoverable reserves:

Gas - 21 billion cubic metres

Condensate - 10 million cubic metres (60 million barrels)





In August 1985 Statoil presented a proposed sales agreement to Phillips for the dry gas in the Tommeliten fields.

On the basis of this proposed sales agreement a commerciality report has been prepared. This report has been forwarded to the other licencees together with a recommendation to declare the Tommeliten fields commercial. Development plans will probably be evaluated by the authorities in 1986.

### Sleipner

Operator: Statoil

Statoil's financial share: 30 percent

Government DFI: 20 percent

Total recoverable reserves:

Gas - 186 billion cubic metres

Condensate - 76 million cubic metres (480 million barrels)

Sales negotiations between British Gas Corporation and the licencees were completed in 1984. In February 1985 the British government gave notice that it did not approve the purchase. The licencees are at present working to find alternative gas outlets.

### International Activities

#### The Netherlands

##### Kotter Field

Operator: Conoco

Statoil's share: 6.375%

Total recoverable reserves:

Oil - 6 million cu metres

(35 million barrels)

##### Logger Field

Operator: Conoco

Statoil's share: 7.5%

Total recoverable reserves:

Oil - 3 million cu metres

(15 million barrels)

Statoil's interests in the Dutch sector are looked after by the subsidiary Statoil Netherlands B.V.

The company's operating profit for 1985 was NOK 140 million and the annual profit was NOK 18 million.

The Kotter field produced throughout the year, while the Logger field came on stream in August. Statoil's 1985 production share was 0.1 million cubic metres of oil (0.6 million barrels).

Statoil Netherlands B.V. was awarded the operatorship of block F14a in 1985 with a 60 percent share. Comprehensive seismic tests have been carried out on this block. The first exploratory wells will be drilled in 1986.

#### Other Countries

In 1985 Statoil bought into two concessions in the Chinese Continental Shelf.

Statoil owns 9.8 percent in a pilot project in Beibuwan in the bay of Tongkin. Development has started, and the field is expected to come on stream in the second half of 1986. Total is the operator.

In the Yellow Sea Statoil is a partner in a concession operated by Cluff Oil. First drilling is planned for 1986.

Statoil has applied for acreage and operatorships in the second round of concessions in the Danish sector.

Opposite: Geologists from Statoil Netherlands BV studying seismic material from the Dutch sector of the North Sea, where Statoil is now involved as operator. From left to right: Henk Duyverman, Oddbjørg Greiner and Rene Geluk.

Top: The Statpipe terminal at Kårstø, north of Stavanger, where the gas from Staffjord is processed. The administration centre can be seen in the foreground on the right.

Middle: The Statpipe operation centre at Bygnes on the island of Karmøy, where the flow of gas is adjusted according to sales and transport agreements.

Bottom: The well-designed reception area of the Kårstø administration centre.







Several hundred cargoes of liquid propane, butane and other gases are shipped out from Kårstø every year. The first shipment was dispatched to Stenungsund, Sweden, last November.

## Transport

### *Operational Transport Systems*

#### **Statpipe**

Operator: Statoil

Statoil's share: 60 percent

The Statpipe development project was completed in 1985. The system, which consists of 880 km of pipeline, two riser platforms, a terminal at Kårstø with a control centre at Bygnes, came on stream on 15 October 1985.

This marks the completion of Norway's largest industrial project. Total costs for the pipeline, platforms and onshore facilities were in the region of NOK 18 billion. This is significantly lower than the original cost estimate on which the Storting's approval of the Statpipe development was based in 1981.

Gas from Staffjord and later the Gullfaks field is transported to the Kårstø terminal through Statpipe. Here, the wet gas products (propane, butane, isobutane, and heavier components) are fractionated, stored and shipped out. The dry gas is piped to Ekofisk, and is

transported via the Norpipe system to Emden, West Germany.

From early 1986 dry gas from the Heimdal field will flow through the Statpipe system. The pipelines are designed with spare capacity to allow transport of gas from other fields.

Statpipe is the world's longest underwater pipeline system. It crosses the Norwegian Trench twice, at depths of up to 300 metres. Pipelines that large (30 inches diameter) have never before been laid in such deep waters.

At Kalstø, the landing point on the Norwegian mainland, a 670 metres long concrete tunnel has been constructed to protect the pipeline. From the landing point to the terminal the pipeline must cross three fjords. Nearly 13 kilometres of tunnels were excavated under the bed of the fjords, down to 160 metres below sea level to accommodate the pipelines.

At the height of construction work, there were about 2,000 people working offshore. At Kårstø there was a maximum of 2,600 people involved in the terminal construction work.



In 1985 a comprehensive test programme of the facilities was carried out. This was designed to ensure as few interruptions as possible. The accent of the program was on safety.

Recruitment and personnel training at the Statpipe operational organisation in Northern Rogaland has for the most part been completed. The number of permanent staff will be just over 400.

### **The Norpipe Group**

Operator: Phillips Petroleum  
Statoil's share: 50 percent

Norpipe a.s owns and runs the oil and gas pipelines from the Ekofisk area to Teesside and Emden, respectively. Norpipe Petroleum UK Ltd. owns and runs the processing, storage and shipping facilities for crude oil at Teesside. Ownership is the same for both companies.

Operation of the oil pipeline and terminal facility at Teesside went according to plan. Injection of gas in connection with subsidence in Ekofisk started in the third quarter. This led to reduced transport of gas from the seven Ekofisk fields.

Around 16.7 million cubic metres of crude oil were transported from Ekofisk to Teesside, and the volume of gas transported to Emden was around 11.9 billion cubic metres.

In 1985 Statoil received dividends worth a total of NOK 121 million from the two companies.

### **Statfjord Transportation**

Operator: Statoil  
Statoil's share: 42.04661 percent

K/S Statfjord Transport a.s & Co. is responsible for shipping all crude oil produced from the Statfjord field. A total of 249 crude oil cargoes were transported from the field to West European refineries in 1985. Total volume transported was over 28 million tonnes of crude oil, valued at NOK 50 billion. The shipping service has been regular and satisfactory. In 1985 Statoil entered a number of long-term agreements on behalf of K/S Statfjord Transport with the Uglund shipping group to charter two additional purpose-built tankers for delivery in 1988.

### **Transportation Systems under Construction**

#### **The Ula Pipeline**

Operator: Statoil  
Statoil's share: 100 percent

Transport of oil and condensate will be made through Statoil's pipeline from Ula to Ekofisk and then through the Norpipe system to Teesside.

The project has made good progress. Hook-up work at Ula and Ekofisk has been completed. Installation of a Y-junction to allow transport of liquids from other fields in the area is planned for May 1986.

The pipeline will be operational when the Ula field comes on stream in 1986.

#### **The Oseberg Pipeline**

Operator: Norsk Hydro  
Statoil's financial share: 14 percent  
Government's DFI: 49.24 percent

Oil from the Oseberg field will be piped to a terminal at Sture, north of Bergen.

The project is keeping to current schedules. Work on the landfall tunnel, roads and water supply has started.

The transportation system is due to come on stream by the time the Oseberg field starts offshore production in April 1989.

### **Gullfaks Transport**

Operator: Statoil  
Statoil's financial share: 12 percent  
Government DFI: 73 percent

I/S Gullfaks Transport is to operate a shipping service for all crude oil from the Gullfaks field and has chartered two offshore loading vessels for delivery in July 1986 and 1 quarter 1987. Preparations for the shipping service from the Gullfaks field are in full swing.

### **Operation and Control Laboratory at Kårstø**

Operator: Statoil  
Statoil's share: 2/3rds

In conjunction with Total, Statoil has under construction a laboratory for gas metering and gas technology at Kårstø.

Activities will include improvement and upgrading of metering technology for large volumes of flowing gas, testing of equipment and components, and other research and development work relating to gas technology.

Detailed engineering has started. Land preparation and work on a connection with the Statpipe terminal have been carried out. Construction work will start summer 1986.

Completion of the facility is expected autumn 1987.

## **Refining and marketing**

### **Marketing of Crude Oil**

In 1985 Statoil's total access to crude oil was 19.5 million cubic metres (16.6 million tonnes). This represents an increase of nearly 19 percent from the previous year.

Approximately 3.2 million cubic metres (2.7 million tonnes) of crude oil were processed at Statoil Group refineries and sold as refined products. The bulk of the crude oil was sold to customers in Scandinavia, the Netherlands, UK and the U.S.

Oil consumption in the OECD countries was slightly down in 1985 from the previous year. This is mostly due to slower economic growth and increased competition from other sources of energy.

Price fluctuations were a predominant feature of the international crude oil market throughout the year. Variations in international production have caused the market to change from being relatively well balanced to being subject to oversupply and falling prices.

In 1984, the Storting approved Statoil's plans to construct a new crude oil terminal, comprising six caverns with a storage capacity of 1.3 million cubic metres (1.1 million tonnes) of crude oil. Work on site preparation and blasting of the caverns continued throughout 1985. The site will become operational in 1988.

### **Refining and Sale of Petroleum Products**

#### **Mongstad**

The Mongstad refinery is owned and operated by Rafinor A/S & Co., with Statoil and Norol owning 70 percent, and Norsk Hydro 30 percent.

The Mongstad refinery achieved satisfactory throughput levels in 1985, with emphasis on maximum upgrading from heavy to light products.

In 1984 the Storting approved the expansion of the







refinery's crude oil capacity from 4.7 to 7.7 million cubic metres (4.0 to 6.5 million tonnes), and that an upgrading facility should be built. Pre-engineering was completed in autumn 1985 and the facility is due to become operational 1988.

Norsk Hydro originally requested a 15 percent share in the upgrading of the refinery. In autumn 1985, however, Norsk Hydro reported that the company was withdrawing from the project. Statoil decided to continue the project without Norsk Hydro's participation.

### Marketing of Refined Products

During 1985, the Statoil Group produced some 2.9 million cubic metres (2.5 mill. tonnes) of refined products at the Mongstad Refinery, of which approximately 1.8 million tonnes were supplied to the domestic market. The rest of the production was exported. The most important markets were France, West Germany and the Netherlands. For most refined products the market has been characterised by fluctuating prices.

### Centre for Technical Customer Service

Statoil is currently building a centre for technical customer service at Mongstad. The centre will play an important role in the company's marketing efforts for crude oil and refined products. Work on the site started in December 1985 and is scheduled to be completed during 1987.

### Norsk Olje a.s

Sales of petroleum products to the home market increased to 7.9 million cubic metres (6.7 mill. tonnes) in 1985, a rise of 4.3 percent compared with the year before. Domestic consumption of petrol and diesel increased significantly, while the consumption of heating oils and heavier products continue to drop.

Norol is Norway's leading oil marketing company, with a 1985 market share of 27.4 percent. The company strengthened its position during 1985 and saw progress particularly in the fuel sector.

Norol's total turnover in 1985 was NOK 7495 million. The company's gross income was NOK 88.7 million, and the annual profit was NOK 13.3 million. The company in 1985 spent NOK 231 million on investments, including expansion of its network of filling stations.

### Svenska Statoil AB

The Norwegian and Swedish governments last December approved Statoil's agreement with Exxon to take over Exxon's marketing network in Sweden. In accordance with Statoil's agreement with Exxon, Svenska Statoil AB became an integral part of the Statoil Group as of January 1985.

The company enjoys a market share of 10.5 percent. The company has a strong position particularly in the marketing of petrol and diesel.

Svenska Statoil AB in 1985 had a total turnover of NOK 4354 million.

Gross revenues were NOK 189 million.

The company's total investments in 1985 were NOK 91 million, which was to a large extent spent on updating its network of filling stations.

**Opposite: Statoil's terminal and underground storage cavity for crude oil under construction at Mongstad. Some 1.8 million cubic metres of rock will be blasted out and brought to the surface. When the facility is completed in 1988, its full capacity will be 8.2 million barrels. The terminal will be vital to the marketing of oil.**

### Gas Marketing

Statoil's gross production of dry gas in 1985 was 787 million cubic metres, of which 249 million cubic metres were from the Statfjord field where gas production started in October.

The growth in West European gas consumption continued throughout the year.

1985 saw the start of attempts to sell Troll gas to continental and Scandinavian markets. Negotiations continued throughout 1985, and are expected to be completed in 1986.

Statoil's access to gas liquids increased from 45,000 to 120,000 tonnes in 1985, mainly due to production start-up at the Kårstø terminal. The first cargo of propane was shipped from Kårstø in November.

Statoil also sells gas liquids to the continental market from a gas liquids terminal in Antwerp, where Statoil rents storage capacity.

Price trends for gas liquids were satisfactory in 1985.

### Petrochemicals

#### Statoil Bamble

Statoil's petrochemical interests in 1985 consisted of a 49 percent ownership in the ethylene facility I/S Noretyl and 66 2/3 percent in the plastic feedstock facility I/S Norpolefin, where the company is operator.

Norpolefin was very active in all areas. The high production level has led to extra purchases of ethylene and propylene, over and above the amounts supplied by Noretyl.

There was an industrial dispute in January, but since then Noretyl has enjoyed regular production at maximum capacity.

At the beginning of the year, the market for plastics feedstocks suffered from low prices. Later on, prices started to rise, reaching a peak in the autumn.

The sales organisations in France and West Germany have had their first full year of operations. The results are satisfactory.

#### Statoil Petrokemi AB, Sweden

As part of the agreement with Exxon, Statoil took over Esso's ethylene facility at Stenungsund, Sweden, with effect from 1 January 1985. This purchase will help to secure sales of Statoil's petroleum and to consolidate the Group's petrochemical activities.

Statoil Petrokemi AB employs 350 people, and in 1985 had a gross turnover of NOK 62 million.

### Miscellaneous Activities

#### Supply Bases

In 1985 Statoil continued its supply base activities. The established bases supply well defined offshore areas and will have enough capacity to cover all activities planned for the next few years.

Statoil's dealings with companies engaged in supply base activities are as follows:

<i>Company</i>	<i>Ownership Share</i>
Sørøysund Eiendomsselskap a.s	63,33%
Andenes Helikopterbase a.s	60%
Norbase a.s, Harstad	40%
Helgelandsbase a.s,	
Sandnessjøen/Brønnøysund	50%
Vestbase a.s, Kristiansund	40%
Botnaneset Industriselskap A/S, Florø	18,5%
Coast Center Base A/S & Co., Ågotnes	50%



The permanent supply base in the Hammerfest area in Northern Norway was under construction in Leirvika during 1985 under the management of Sorøysund Eiendomsselskap a.s. The base will be ready for operation in summer 1986.

Polarbase a.s, a company made up of interests in the northernmost county of Finnmark, was established in 1984. In 1985 an agreement was signed with this company to hire the facility in Leirvika and for operation of the base as from summer 1986.

The helicopter base at Andenes served flights to Tromsøflaket in 1985. Expansion of the exploration areas means greater flying distances from Andenes. According to Parliamentary Report no. 79 (1984-85), the authorities and companies involved will consider supplementing the Andenes base, as exploration activities head further north and east.

Norbase a.s operates the supply base in Harstad. In 1985 Statoil and Norsk Hydro began erecting the necessary storage and office buildings at Sør-Stangnes, so that the base operation can move there when the lease for temporary facilities in central Harstad expires in spring 1986. Norbase will rent the facility from Statoil and Norsk Hydro.

As a result of decreased activity on Trænabanken in 1985, activities at the supply base in Sandnessjøen and the helicopter base in Brønnøysund have also been reduced. The supply bases are intended to serve the exploration activities on Nordland II, as well as further exploration drilling on Trænabanken.

The activities at Vestbase in Kristiansund increased significantly in 1985. The base provided supplies for drilling a total of 14 wells on Haltenbanken during the year. During one period the base supplied six drilling rigs at the same time. In 1985 Statoil made provisions to increase the capacity of the supply base, erected a new storage and office building and started an expansion scheme for the dock area. The site is let to Vestbase a.s, which is running the supply base operation.

Botnaneset Industriselskap A/S in Florø completed their facility in early 1985. Statoil will use the base at Florø in addition to the CCB base to supply the development and operation of the Gullfaks field.

Fjordbase a.s, was established in 1985 in the county of Sogn and Fjordane. Botnaneset Industriselskap A/S and Fjordbase a.s have agreed to operate the base from 1986.

In 1985 the CCB base was mainly involved in the operation of the Statfjord and Odin fields, preliminary storage of equipment for the Gullfaks A project, and exploration activities in the middle and northern sections of the North Sea.

#### **Norwegian Underwater Technology Center a.s.**

The institution Norwegian Underwater Technology Center (Nutech) was reestablished in 1985 as a company with limited liability, with Statoil (60 percent), Norsk Hydro (30 percent) and Saga Petroleum (10 percent) as owners.

The company is located near Bergen, and at the end of 1985 had 102 employees.

Its main activities are research, development and testing in connection with diving and deepwater technology.

#### **Statoil Forsikring a.s**

Statoil's subsidiary Statoil Forsikring a.s was established in April 1985. The company is licensed to operate as offshore and transport insurers.

Statoil Forsikring a.s participated in insurance of

Statoil's installations in the North Sea and in the Dutch sector.

No claims for damages were made to Statoil Forsikring a.s in 1985.

#### **Research and Development**

The research and development department is working on projects relating to the oil and gas business. Its expansion continued in 1985. It now has 110 employees, 80 at the research centre in Trondheim and 30 in Stavanger.

There has been a marked increase in their activities. Major tasks during 1985 included the deep water programme, which aims to develop technology and concepts for development and operation of deepwater fields. The programme comprises four projects:

- The UPS pilot project to construct, build and test an underwater production facility;
- The LNG project, to develop a concept for offshore production of liquefied natural gas;
- The two-phase project, to develop and test equipment for transport of a two-phase flow in the same pipeline over long distances;
- The remote control project, which is to develop further guidance and surveillance systems for underwater production systems.

Two new research programmes are underway. In exploration and production technology the emphasis will be on discovering new methods for oil and gas exploration, enhanced oil recovery, and drilling and well technology.

The other programme concerns refining technology, where efforts will concentrate on converting gas to transport fuels, refining technology, petrochemicals and gas terminal technology.

#### **Safety and Quality Control**

In 1985 one of the company's main concerns was the implementation of the new Petroleum Act and updating of Statoil's overall guidelines for safety and quality control.

Special emphasis was placed on safety and work environment measures in connection with the Statpipe start-up, with drilling and with construction activities for Gullfaks.

Statoil's contingency organisation was called out twice. The incidents were penetration of a shallow gas pocket on the Gullfaks field and blow-out from a shallow gas deposit on Haltenbanken. Statoil has carried out comprehensive work to improve safety when drilling in shallow gas areas.

**The Norwegian Underwater Technology Center (NUTECH) in Bergen has acquired training facilities for helicopter evacuation (photo) and for the use of free-fall lifeboats.**







# Statoil's interests in licences allocated

As of January 1986

Production licence and year allocated	Blocks	Operator	Statoil's share		Type of discovery	Field
			Total	Financial		
<b>Norway</b>						
008 - 1965	18/10, 2/6	Elf	2%	2%		
019A - 1965	7/12	BP	12.5%	12.5%	Oil	Ula
019B - 1977	2/1, 7/12	BP	50%	20%	Oil	
020 - 1965	16/8	BP	12.5%	12.5%		
024 - 1969	25/1	Elf	5%	5%	Gas	Frigg, NE Frigg
025 - 1969	15/3	Elf	6%*	6%*	Gas	Gudrun
026 - 1969	25/2	Elf	5%	5%	Gas	E Frigg, SE Frigg
027 - 1969	25/8	Esso	17.5%**	0%	Oil	Balder
028 - 1969	25/10	Esso	17.5%**	0%	Oil	Balder
029 - 1969	15/6	Esso	17.5%**	0%	Gas/condensate	Sleipner/Dagny
030 - 1969	30/10	Esso	17.5%**	0%	Gas	Odin, NE Frigg
031 - 1969	2/10	Phillips	17.5%*	17.5%*		
032 - 1969	2/9	Amoco	10%**	0%		
033 - 1969	2/11	Amoco	10%**	0%	Oil/gas	Valhall/Hod
036 - 1971	25/4	Elf	40%	20%	Gas/condensate	Heimdal
037 - 1973	33/9, 33/12	Mobil	50%	50%	Oil/gas	Statfjord/Murchison
037 - 1973	33/9, 33/12	Mobil	50%	20%	Oil/gas	Statfjord/Murchison
038 - 1974	15/12	Statoil	50%	20%	Oil	
040 - 1974	29/9, 30/7	Norsk Hydro	50%	20%	Gas/condensate	Hild
041 - 1974	35/3	Saga	50%	20%	Gas	Agat
043 - 1976	29/6, 30/4	BP	50%	20%	Gas/condensate	Hild
044 - 1976	1/9	Statoil	50%	20%	Oil/gas	Tommeliten
046 - 1976	15/8, 15/9	Statoil	50%	30%	Gas/condensate	Sleipner
047 - 1977	33/5	Norsk Hydro	50%	20%		
048 - 1977	15/5	Norsk Hydro	50%	20%	Gas/condensate	
050 - 1978	34/10	Statoil	85%	12%	Oil/gas	Gullfaks
051 - 1979	30/2	Statoil	50%	20%	Gas	Huldra
052 - 1979	30/3	Statoil	50%	20%	Gas/oil	Huldra/Veslefrikk
053 - 1979	30/6	Norsk Hydro	56.4%	14%	Oil	
054 - 1979	31/2	Shell	51%	21%	Oil/gas	Troll
055 - 1979	31/4	Norsk Hydro	50%	20%	Oil	Brage
056 - 1979	34/2	Amoco	50%	20%		
057 - 1979	34/4	Saga	50%	20%	Oil	Snorre
058 - 1979	35/8	Gulf	50%	20%	Gas/condensate	
059 - 1980	6507/12	Saga	50%	20%		
060 - 1980	7119/12	Statoil	50%	20%	Gas	
061 - 1980	7120/12	Norsk Hydro	50%	20%	Gas	
062 - 1981	6507/11	Saga	50%	20%	Gas/oil	Midgard
063 - 1981	7117/9	Norsk Hydro	50%	20%		
064 - 1981	7120/8	Statoil	50%	20%	Gas	Askeladden
065 - 1981	1/3	Elf	50%	20%	Oil	
066 - 1981	2/2	Saga	50%	20%	Gas/oil	
067 - 1981	2/5	Shell	50%	20%	Oil	
068 - 1981	2/8, 2/11	Norsk Hydro	50%	20%		
069 - 1981	7/8	Conoco	50%	20%	Oil	
070 - 1981	7/11	Norsk Hydro	50%	20%	Oil	
071 - 1981	8/3	Statoil	50%	20%		
072 - 1981	16/7	Esso	50%	20%	Gas/condensate	
073 - 1982	6407/1	Statoil	50%	20%	Oil/condensate/gas	Tyrihans
074 - 1982	6407/2	Saga	50%	20%	Gas	Midgard
075 - 1982	6507/10	BP	50%	20%		
076 - 1982	7119/7	Norsk Hydro	50%	20%		
077 - 1982	7120/7	Statoil	50%	20%	Gas	
078 - 1982	7120/9	Norsk Hydro	50%	20%	Gas	Albatross
079 - 1982	30/9	Norsk Hydro	73.5%	14%		
053/079	30/6, 30/9 Oseberg	Norsk Hydro	63.2%	14%	Oil/gas	Oseberg



Production licence and year allocated	Blocks	Operator	Statoil's share		Type of discovery	Field
			Total	Financial		
<b>Norway</b>						
080	- 1982	6609/5	Statoil	50%	20%	
081	- 1982	6609/7	Phillips	50%	20%	
082	- 1982	6609/10	Saga	50%	20%	
083	- 1982	6609/11	Norsk Hydro	50%	20%	
084	- 1982	6610/7	Statoil	50%	20%	
085	- 1983	31/3, 31/5, 31/6	Norsk Hydro Statoil, Saga	85%	12%	Gas Troll
086	- 1984	6/3,7/1	Statoil	50%	20%	Oil
087	- 1984	16/4	Norsk Hydro	50%	20%	
088	- 1984	24/6,25/4	Total	50%	20%	
089	- 1984	34/7	Saga	50%	20%	Oil Snorre
090	- 1984	35/11	Mobil	50%	20%	
091	- 1984	6406/3	Statoil	50%	20%	
092	- 1984	6407/6	Statoil	50%	20%	
093	- 1984	6407/9	Shell	50%	20%	Oil Draugen
094	- 1984	6506/12	Statoil	50%	20%	Gas/condensate Smorbukk, Beta
095	- 1984	6507/7	Conoco	50%	20%	Oil/gas Heidrun
096	- 1984	7119/9	Elf	50%	20%	
097	- 1984	7120/6	Norsk Hydro	50%	20%	Gas/oil Snøhvit, Albatross
098	- 1984	7120/10	Esso	50%	20%	
099	- 1984	7121/4	Statoil	50%	20%	Gas/oil Snøhvit
100	- 1984	7121/7	Statoil	50%	20%	Gas Albatross
101	- 1985	16/10	Agip	50%	20%	
102	- 1985	25/5	Elf	50%	20%	
103	- 1985	25/7	Conoco	50%	20%	
104	- 1985	30/9	Norsk Hydro	50%	20%	
105	- 1985	6406/6	Statoil	50%	20%	
106	- 1985	6407/4	Statoil	50%	20%	Gas/condensate
107	- 1985	6407/7	Norsk Hydro	50%	20%	
108	- 1985	7120/1	Shell	50%	20%	
109	- 1985	7120/2, 7120/3	Norsk Hydro	50%	20%	
110	- 1985	7120/5, 7121/5	Statoil	50%	20%	Gas/oil Snøhvit
111	- 1985	7121/1	Esso	50%	20%	
112	- 1985	25/2	Elf	50%	20%	Gas East Frigg
113	- 1985	2/12	Norsk Hydro	50%	20%	
114	- 1985	9/2	Statoil	50%	20%	
115	- 1985	9/3	Shell	50%	20%	
116	- 1985	15/12	Statoil	50%	20%	
117	- 1985	25/6	Saga	50%	20%	
118	- 1985	26/4	BP	50%	20%	
119	- 1985	29/3	Total	50%	20%	
120	- 1985	34/8	Norsk Hydro	50%	22%	
<b>The Netherlands</b>						
L/16-B	- 1968	K/18, L/16	Conoco	6.375%	7.5%	Oil Oil Kotter Logger
	1985	F14a	Statoil	60%		
<b>China</b>						
	- 1985***	Beibu Wan	Total	9.8%		Oil Weizhou 10-3
	- 1985***	10/36, Yellow Sea	Cluff Oil	55%		

\* Option for direct participation.

\*\* Net profit.

\*\*\* The year when Statoil bought shares in previously allocated licences.

Counting from licence No. 038 Statoil's share may be increased, depending on production level in the licence and the specific licence conditions.



# Exploration and delineation wells in 1985

Operator	Block	Week 13	Week 26	Week 39	Week 52		
Statoil	6/3	D.B. 6/3-1		Ross Isle, 6/3-2			
	30/2		Dyvi Delta, 30/2-2				
	30/3		Deepsea Bergen, 30/3-4				
	34/10			Dyvi Delta, 34/10-23			
	34/10			Deepsea Bergen 34/10-24	D.B. 34/10-25	D.B. 34/10-26	
	34/10					W.Ve. 34/10-27	W.Ve. 34/10-29
	6406/6				Dyvi Stena, 6406/6-1		
	6407/4			Ross Isle, 6407/4-1			
	6407/6				West Vanguard, 6407/6-2 (2 dager)		
	6506/12	Ross Isle 6506/12-1	R. Isle 6506/12-2	Ross Isle 6506/12-3		Dyvi Delta 6506/12-5	
	6506/12			Dyvi Stena, 6506/12-4			
	6609/5	W.Va. 6609/5-1					
	7120/5			West Vanguard 7120/5-1			
	7121/4		West Vanguard 7121/4-2				
	7121/5				West Vanguard 7121/5-1		
Hydro	7/11				Borgny Dolphin 7/11-9		
	30/6	Tr. Scout 30/6-16		Vildkat 30/6-17	Treasure Hunter 30/6-17		
	30/6				Byford Dolphin 30/6-18		
	30/9	Treasure Seeker 30/9-4		Tr. Seeker 30/9-5			
	31/6		T.S. T.S. 31/6-7 31/6-8		Tr. Seeker 31/6-8		
	34/8				Treasure Scout 34/8-1		
	6407/7				Polar Pioneer 6407/7-1		
	7120/2			Treasure Scout 7120/2-1			
	7120/6		Treasure Scout 7120/6-1				
Saga	25/6				T. Saga 25/6-1		
	34/4				Vinni 34/4-6 (2 d)		
	34/7	Vildkat 34/7-3	Treasure Saga 34/7-5	Treasure Saga 34/7-6	Treasure Saga 34/7-7		
	6507/11			Tr. Saga 6507/11-1			
	6507/12				Tr. Saga 6507/12-3		
Amoco	34/2		West Venture 34/2-4				
BP	2/1	Glomar Moray Firth 2/1-7			Neddrill Trigon 2/1-8		
Conoco	6507/7		Nortrym 6507/7-2		Nortrym 6507/7-3		
	7/8	Nortrym 7/8-4					
Elf	25/1		Byford Dolphin 25/1-7	Byford Dolphin 25/1-8			
	25/2			Nortrym 25/2-9	H. Goodrich 25/2-10		
Esso	7121/1				Zapata Upland 7121/1-1		
Shell	1/3	Neddrill Trigon 1/3-5					
	6407/9	B. Dolphin 6407/9-2		Borgny Dolphin 6407/9-3			
	6407/9			West Venture 6407/9-4	West Venture 6407/9-5		
	7120/1				Borgny Dolphin 7120/1-1	B. Dolp. 7120/1-1	
Total	24/6		Zapata Upland 24/6-1				

D.B. = Deepsea Bergen  
W.Ve. = West Venture  
W.Va. = West Vanguard  
T.S. = Treasure Seeker

Operated by Statoil
 Operated by others, Statoil is a partner
 Operated by others, Statoil is not a partner



# Survey of Group's activities in 1985

As of 31 Dec. 1985

Field, company	Operator	Location	Share, %		Comments
			Total	Financial	
<b>Exploration</b>					
25 exploration licences	Statoil	Norway	Minimum 50	12-30	Exploration or evaluation
71 exploration licences	Other companies	Norway	Minimum 50	0-50	Exploration or evaluation
1 exploration licence	Statoil	The Netherlands	60	60	Exploration or evaluation
1 exploration licence	Other companies	The Netherlands	6.375 and 7.5	6.375 and 7.5	Exploration or evaluation
2 exploration licences	Other companies	China	9.8 and 55	9.8 and 55	Exploration or evaluation

## Development

Gullfaks	Statoil	Block 34/10	85	12	Oil/gas
Ula	BP	Block 7/12	12.5	12.5	Oil/gas
Heimdal	Elf	Block 25/4	40	20	Gas
Oseberg	Norsk Hydro	Block 30/6, 30/9	63.24	14	Oil/gas
East Frigg	Elf	Block 25/1, 25/2	8.15	6.05	Gas
Ula Pipeline	Statoil	Block 7/12	100	100	Condensate transport
Oseberg Transport	Norsk Hydro	Block 30/6, 30/9	63.24	14	Oil transport
Mongstad Terminal	Statoil	Mongstad	100	100	Crude oil terminal
Mongstad Refinery	Statoil	Mongstad	100	100	Expansion and upgrading

## Production

Statfjord	Mobil	Block 33/9, 33/12 <sup>2</sup>	42.04661	42.04661	Oil
Murchison	Conoco	Block 33/9 <sup>2</sup>	12.5312	12.5312	Oil
Frigg	Elf	Block 25/1 <sup>2</sup>	3.041	3.041	Gas
North East Frigg	Elf	Block 25/1	2.1	2.1	Gas
Kotter	Conoco	The Netherlands	6.375	6.375	Oil
Logger <sup>1</sup>	Conoco	The Netherlands	7.5	7.5	Oil

## Transport

Statpipe	Statoil	Kårstø	60	60	Gas transport
Norpipe a.s	Separate adm.	Stavanger	50	50	Oil and gas transport
Norpipe Petroleum UK Ltd.	Separate adm.	Teesside	50	50	Oil terminal
K/S Statfjord Transport a.s & Co.	Statoil	Stavanger	42	42	Crude oil transport by tanker
I/S Gullfaks Transport	Statoil	Stavanger	85	12	Crude oil transport by tanker

## Refining and marketing

Rafinor A/S & Co.	Separate adm.	Mongstad	70	70	Refining
Norsk Olje a.s	Separate adm.	Oslo	73.62	73.62	Marketing
I/S Noretyl	Norsk Hydro	Bamble	49	49	Petrochemicals
I/S Norpolefin	Statoil	Bamble	66%	66%	Petrochemicals
Svenska Statoil AB	Separate adm.	Stockholm	100	100	Marketing
Statoil Petrokemi AB	Separate adm.	Stenungsund	100	100	Petrochemicals

- 1) The Logger field came on stream in August 1985.
- 2) The field straddles the British/Norwegian median line.



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