ANNUAL REPORT AND ACCOUNTS 1990

"I go to the moon"
is painted by Anamika Pual, five years old, from India.
By courtesy of the Statoil sponsored International
Museum of Children's Art, Oslo.

STATOIL

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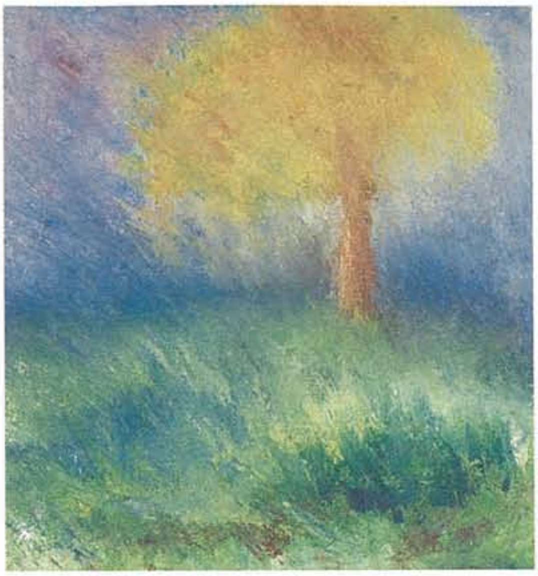


"Otonil" (Autumn-like) is painted by 15-year old Eugenia Esteban from Argentina. (The International Museum of Children's Art, Oslo.)

At the time of writing, we are in one of the most critical periods for the international community. The Gulf crisis can inflict deep wounds on the world. How deep, only time will tell.

To those who work in the oil industry, the Gulf crisis has also provided another reminder of how important energy - particularly oil - is to the world. Again we have to realise that, as an oil company, we must always be able to cope with uncertainty.

Looking back, 1990 was one of the most encouraging years since the Second World War. Developments in the East and the integration process in Europe make 1990 a year that will forever command an important place in history. But changes take place very quickly, and it was easier to be an optimist at the end of 1989 than at the close of 1990.

For Statoil, 1990 was a good year. Once again we met our goals for safe and efficient operations. Our financial position was further strengthened. We improved our standing in domestic and international markets. New, important projects were approved and are in progress. Efforts to develop further our competence and consolidate our organisation continued. At the same time, important steps were taken towards greater internationalisation of the Group, notably through a strategic alliance with BP.

Also the 1990s will be marked by energy issues - globally, regionally and nationally. But above all, the relationships between the need for energy and the global environmental challenges will be put even more clearly on the agenda. We work in an industry that must find many of the answers to these challenges.

A key concept in the oil business is long-term strategy. We always have to think in decades. To realise our vision for the Statoil group, we still have to work persistently to raise our overall expertise and improve our position with our customers. Statoil's challenge in the 1990s is to be an organisation that is willing to undergo continuous improvement and where ability flourishes.

Harald Norvik

Statoil's injury rate reduced by 35 per cent.

Best operating profit ever.

Statoil buys a 10 per cent stake in a gas field offshore Thailand and opens its own office in Bangkok.

Plan for development of Statfjord satellites approved.

Strategic alliance agreement on international operations established between Statoil and BP Exploration.

Lillehammer'94

Statoil and Lillehammer Olympics Organising Committee sign sponsorship agreement for the 1984 Winter Olympics..

First Statoil petrol station in Norway opened.

Safety award 1990 to Statoil's Stenungsund plant.

New polypropylene plant commissioned in Antwerp.

More oil from Statfjord. Recoverable reserves increased by 50 million cubic metres.

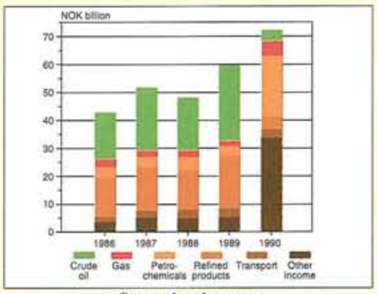
New extended-reach drilling record made on Statfjord C.

Statoil acquires the Swedish company AB Nobel Plast with over 2,000 people on its payroll.

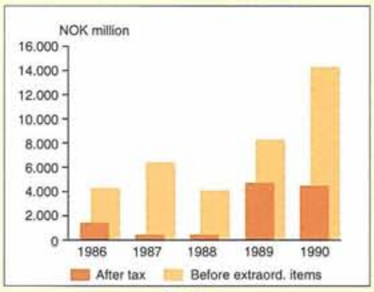
Five new 100,000 dwt environmentally sound tankers chartered.

FINANCIAL HIGHLIGHTS

Amounts in NOK million

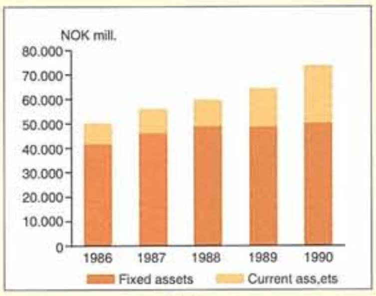


Operating income

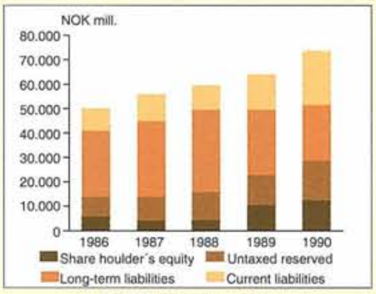


Profits

	1986	*1987*	*1988*	*1989*	*1990*
Operating income	42 485	51 803	47 291	59 594	72 356
Operating profit	6 601	7 995	6 190	10 543	16 027
Profit before extraordinary items	4 210	6 458	4 069	8 242	14 358
Profit/(loss) for the year (NGAAP)	1 145	(1 534)	340	5 073	3 270
Profit after tax	1 713	160	165	4 512	4 339

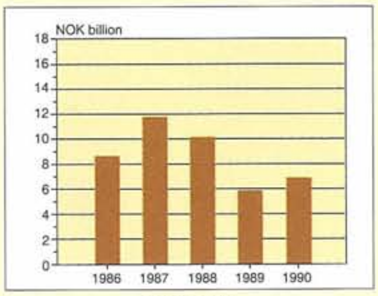


Assets

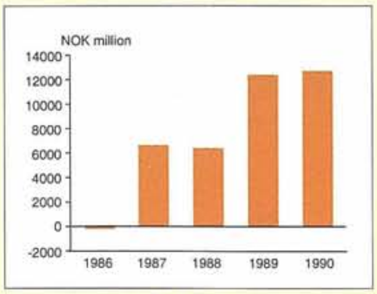


Liabilities and equity

	1986	*1987*	*1988*	*1989*	*1990*
Fixed assets	42 142	46 300	48 890	48 928	50 451
Current assets	8 269	9 942	11 099	15 692	23 756
Current liabilities	9 413	11 269	9 990	14 358	21 988
Long-term liabilities	2 739	31 235	34 563	27 033	23 553
Untaxed reserves	8 227	9 708	11 145	12 680	16 170
Shareholder's equity	5 217	3 954	4 280	10 527	12 470
Capital employed	42 476	48 823	51 310	51 662	54 462
Adjusted equity (NGAAP)	7 724	7 962	8 494	14 141	17 296

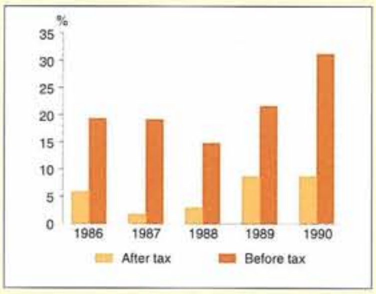


Investments

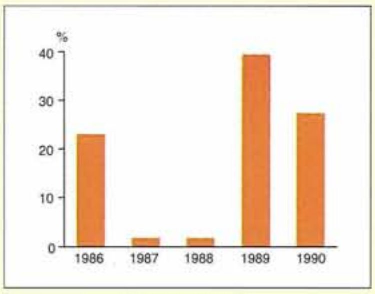


Cash flow

	1986	*1987*	*1988*	*1989*	*1990*
Investments & acquisitions	8 427	11 685	10 173	5 946	6 991
Cash flow	(26)	6 547	6 375	12 538	12 021

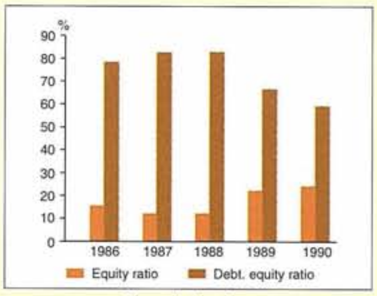


Return on capital employed

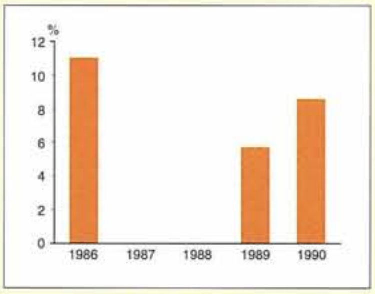


Return on equity

	1986	*1987*	*1988*	*1989*	*1990*
Return on capital employed	19.3%	19.1%	15.0%	21.6%	31.2%
After-tax return on capital employed	6.0%	2.0%	3.0%	9.3%	9.2%
Average interest on long-term liabilities	9.8%	9.0%	9.1%	8.6%	8.0%
Return on equity	23.1%	2.0%	2.0%	39.8%	27.6%



Financial ratios



Dividend yield

	1986	*1987*	*1988*	*1989*	*1990*
Equity ratio	15.7%	14.4%	14.3%	22.5%	24.1%
Debt-equity ratio	78.6%	80.0%	80.8%	66.8%	59.8%
Dividend yield	11.0%	0	0	5.6%	8.7%

Definitions

- Profit after tax = Profit before year-end adjustments less taxes less change in deferred tax.
- Capital employed = Total assets less non-interest bearing short-term debt.
- Adjusted (shareholder's) equity = Equity at book value + equity share of untaxed reserves.
- Return on capital employed = $\frac{\text{Profit before extraordinary items + interest costs}}{\text{Average capital employed}}$
- After-tax return on capital employed = $\frac{\text{Profit after tax + interest costs after tax}}{\text{Average capital employed}}$
- Average interest on long-term liabilities = $\frac{\text{Interest incurred}}{\text{Average long-term liabilities}}$
- Return on equity = $\frac{\text{Profit after tax}}{\text{Average adjusted equity + minority interests}}$
- Equity ratio = $\frac{\text{Adjusted equity}}{\text{Total assets less accounts payable for Government equity oil}}$
- Debt/Equity ratio = $\frac{\text{Capital employed less deferred tax less adjusted equity}}{\text{Capital employed less deferred tax}}$
- Dividend yield = $\frac{\text{Dividend}}{\text{Adjusted equity}}$
- Cash flow = Payments from and disbursements to operations less net financial disbursements less taxes paid

5

President and
Chairman
H. Norvik

Senior Executive
Vice President
J. N. Vold

Senior Executive
Vice President
T. Espedal

The Statoil group's organisation has been further developed and strengthened. A fourth business unit for sales and transportation of natural gas has been established. The Executive Committee consists of the president and chairman of the committee, two Senior Executive Vice Presidents, one of whom is also Vice Chairman, and four Presidents, each heading their respective business unit.

The two Senior Executive Vice Presidents support the President in the management of the group. They are also responsible for the group's Corporate Services and Staff Functions.

Statoil is wholly owned by the Norwegian State.

EXPLORATION AND PRODUCTION

President
S. Bergseth

NATURAL GAS

President
T. Vareberg

REFINING AND MARKETING

President
S. Riben

PETROCHEMICALS AND PLASTICS

President
T. Tønne

Results

The Statoil group consolidated its market positions and financial standing in 1990 - a year marked by strong price fluctuations for the group's main products. The price of North Sea oil was on average about USD 24 per barrel in 1990, USD 6 higher than in 1989. Group turnover was NOK 72,356 million, up 21 per cent from 1989.

Profit before extraordinary items was NOK 14,358 million, the group's second best result to date. The profit was NOK 6,116 million more than in 1989, an increase of about 74 per cent.

The group's effective tax rate and taxes paid increased considerably in 1990 compared with 1989. Calculated taxes for 1990 were NOK 7,741 million, against NOK 2,858 million in 1989. Group after tax profit is calculated at NOK 4,339 in 1990, compared with NOK 4,512 million in 1989.

The improved profit before tax is attributable to increased oil prices, higher oil production, better cost effectiveness and lower interest costs. Net financing costs were reduced from NOK 2,301 million in 1989 to 1,857 million in 1990. Refining results also had a positive effect on the improved before tax profit.

Business unit results in 1990:

• Exploration and Production improved its operating profit to NOK 10,817 million, up 4,072 million from last year, benefiting from high oil prices and increased oil production.
• Natural Gas made an operating profit of NOK 2,941 million. 1990 was the first year that Natural Gas operated as an independent business unit.
• Refining and Marketing improved its operating profit by NOK 1,273 million, to 1,229 million in 1990. Full operation at Mongstad and high refining margins were mainly responsible. Retail marketing, especially in Sweden, also produced satisfactory results.
• Petrochemicals and Plastics recorded a NOK 718 million operating profit, down NOK 78 million from 1989 owing to lower plastics prices and higher feedstock costs.

Statoil's cost effectiveness programme boosted profit by NOK 1.8 billion.

Statoil's cost effectiveness programme continued according to plan and contributed about NOK 1.8 billion to the 1990 results. The current programme will continue into 1991.

The group's financial strength improved further in 1990 as the equity ratio rose from 22.5 per cent to 24.1 per cent. This increases the group's economic power.

Equity ratio rose from 22.5 to 24.1 per cent.

Return on capital employed was just over 31 per cent in 1990, up 10 percentage points from 1989. Progress is satisfactory in the light of market conditions and the trend in competitors' results.

Consolidated profit for the year after tax and year-end adjustments in accordance with Norwegian accounting policies was NOK 3,270 million in 1990.

The parent company, Den norske stats oljeselskap a.s, made a profit for the year of NOK 3,070 million, which the board recommends to be allocated as follows:

Statutory reserve fund	NOK 961m
Dividend	NOK 1 500m
Allocated to free reserve	NOK 609m
	NOK 3 070m

OPERATIONS AND MARKETING

The group's operations in 1990 were marked by a high level of safety and generally high plant availability and production.

High plant availability and production marked 1990 operations.

Total exploration offshore Norway increased. Statoil was operator for five exploration wells spudded in 1990. As operator, Statoil was responsible for four of ten new discoveries in the Norwegian sector. They contributed about 75 million barrels to the group's proven oil reserves. An upward adjustment of Statfjord reserves contributed to increasing Statoil's oil reserves by 130 million barrels.

Plant availability and utilisation of capacity were high for Statoil operated oil and gas fields and transport systems, although the Gullfaks field produced below budget. This was mainly due to reservoir problems causing longer drilling time and slower production build-up. Corrective action taken has already had a positive effect.

Production and availability were also high at Statoil's petrochemical plants in Bamble and Stenungsund and at the Mongstad and Kalundborg refineries. In October, new polypropylene production began at North Sea Petrochemicals, Antwerp, which is jointly owned by Statoil and Himont Incorporated.

Continued repayment of long-term liabilities.

Statoil had access to 124 million barrels of equity oil in 1990, an increase of five per cent on 1989. Including royalty oil and the Government's equity oil, Statoil sold 334 million barrels in 1990, making the company the largest seller of North Sea crude.

Statoil increased its share of the Scandinavian market for petrol and other refined products, despite a contraction of the overall market and fiercer competition.

The group's natural gas sales were 3.1 billion cubic metres, six per cent down from 1989. All gas transport systems had high availability. Coordination of transport activities and other measures led to reduced costs also in 1990.

Strongly improved safety results.

Options exercised under the Troll and Sleipner gas sales agreement in 1990 provide a basis for higher Norwegian future shares of the European natural gas market.

INVESTMENTS AND FINANCES

Investments and acquisitions in 1990 were NOK 6,991 million, 66 per cent of which were in Norway and 34 per cent abroad. About NOK four billion was invested in oil and gas production and transport facilities, nearly NOK one billion in refining and marketing and just over NOK one billion in petrochemical operations.

Profits and cash flow in 1990 also provided for further repayment of the group's long-term liabilities. This is in line with the group's objective of increasing its equity ratio. The group's long-term interest bearing liabilities were NOK 21.2 billion at the end of 1990, down NOK 3.9 billion from 1989.

In addition to contractual instalments, substantial advance repayments of loans were made. Average interest paid on the group's long-term debt was 8.0 per cent in 1990, against 8.6 per cent in 1989.

The group's liquid funds increased by about NOK 2.1 billion. Such funds are mainly placed in bonds, bank deposits and certificates and to a minor extent in shares in Norwegian companies listed on the stock exchange.

SAFETY AND ENVIRONMENT

For the third year running the Statoil group is able to present a safety record showing a decline in lost time caused by injuries. From 1989 to 1990 the improvement was 35 per cent. All Statoil's business units reduced their number of lost-time injuries in 1990. Much attention is paid to improving the registration and follow-up of near-accidents to enhance safety further.

Work on improving the internal and external environment continued in the operating units. For example, good results were seen from efforts to reduce effluents to air and water at the Mongstad refinery. As part of the group's increased attention to environmental issues, the position of senior vice president for environmental affairs was established in 1990.

Organisation and personnel

The scope of the established programmes for improved development of employees and rotation of managers was expanded by a comprehensive development programme for mid-level managers. An important element in efforts to develop Statoil's organisation further is greater attention to the build-up of technological expertise.

Reduced use of manpower is part of the group's cost effectiveness target. At the end of 1990 the number of man-years was reduced by over 1,300 from previous projections. However, as further commitments involved increased manning in new areas, the number of employees on Statoil's payroll increased in 1990 from 11,023 to 13,222. The growth is mainly due to the acquisition in Sweden of AB Nobel Plast, but also to other new activities.

The board wants to give the employees credit for their part in the outstanding 1990 results and for their contribution to creating a more effective and competitive Statoil group.

Build-up of technological expertise.

Increased internationalisation

The Statoil group's international commitments grew in 1990.

Internationalisation of the petrochemical business continued. Production started at the new polypropylene plant in Antwerp. Statoil increased its involvement in the production of finished goods through its take-over of AB Nobel Plast in Sweden, a manufacturer of plastics products for a number of industries, particularly the car industry.

An important element in the group's strategy for further internationalisation was the decision in the late summer 1990 to enter into a strategic alliance with BP Exploration Company Ltd. The alliance covers international exploration and production, research and development, and gas marketing and transport. The exploration and production agreement was signed in late 1990, and covers the Soviet Union, offshore and onshore areas in West Africa and offshore acreage in Vietnam and China.

Statoil in strategic alliance with BP.

Statoil was involved in exploration drilling in the UK, Dutch and Danish North Sea in 1990. An office was established in Thailand to look after the group's exploration and production interests in that country.

Other new projects

The Storting (Norwegian parliament) approved last year the development and operation of the Statfjord North and East satellite fields. The development project has started, together with construction of a condensate pipeline from Sleipner A to Kårstø, north of Stavanger.

Against the background of increased gas delivery commitments under the Troll agreements and prospects for the gas market in general, Statoil has recommended laying a third gas pipeline to northern Germany. This transport system is scheduled for completion in 1995.

A step towards industrial exploitation of Norwegian natural gas was taken when Conoco and Statoil proposed using gas from the Heidrun field offshore Mid-Norway as feedstock for methanol production. In early 1991 the Government approved the field development, but postponed for a year the final decision on how to use the associated Heidrun gas.

Statoil has decided to build a new research centre near Trondheim.

Prospects

To develop Statoil further into a leading international oil company, the group has to match its capabilities with the best worldwide. International competitiveness also is a prerequisite for Statoil's ability to maintain and strengthen its position in a more open and competitive Scandinavian home market.

With its marketing centre of gravity in Europe and a strong reserves base in Norway, Statoil is well qualified to benefit from the current economic integration process.

Results of the 13th Norwegian Offshore Licensing Round provide Statoil with the potential needed to develop further its reserves base, and represent new and interesting challenges to the organisation.

The energy market of the 1990s

will be increasingly affected by environmental conditions. Statoil's access to gas and sweet crudes gives the company a competitive edge in this market.

Strong fluctuations in the markets for the group's principal products in recent years emphasise the importance of combining a sound financial base with the ability to adjust. In this way a long-term perspective can be established for Statoil's commitments in the 1990s.

The 1990 results strengthen the basis for such commitments and so does the owner's expressed support to the group's objective of building up the equity ratio to an international level over the next few years.

Equity ratio to be increased further.

The attention paid by management and employees to customers and to the market will determine the level of success achieved by the company. Current work to strengthen such attitudes will continue throughout the group. Statoil's future will eventually depend on the quality and performance of the organisation's human resources.

STAVANGER, 28 FEBRUARY 1990
THE BOARD OF DEN NORSKE STATS OLJESELSKAP A.S

JAN ERIK LANGANGEN
CHAIRMAN

ARNFINN HOFSTAD
DEPUTY CHAIRMAN

BJARNE GRAVDAHL

YNGVE HÅGENSEN

MARIT REUTZ

ANNE ØIAN

PETTER ANDA

ÅSE SIMONSEN

ODD ANGELVIK

Directors from left: Odd Angelvik, Åse Simonsen, Petter Anda, Anne Øian, Bjarne Gravdahl, Marit Reutz, Arnfinn Hofstad, Jan Erik Langangen, Yngve Hågensen.

Deputies
Berit Wenaas, Kjell Rimberg, Svein G. Øhrling, Kjell Helgeland, Anne Berit Hjorth Viken, Tor Ragnar Pedersen, Thove Marie Johansen

Corporate Assembly
Oluf Arntsen, chairman, Brit Jakobsen, deputy chairman, Axel Buch, Kristin Krohn Devold, Sigbjørn Eriksen, Vigdis Ravnøy, John Stene, Unn Aarrestad, Terje Fossmark, Svein H. Rolfsen, Tore Jan Landmark, Helge Kjørholt

Deputies
Oddny Bang, Knut Engdal, Ragnhild Setsaas, Per Hasler, Roar Skau, Marie Dybvik, Tor Greger Hansen, Lillian Tangen, Geir T. Christiansen

Observers:
Bjørn Laastad, Svein K. Kjennerud, Siv Berntsen, Anne Slind

For the year ended 31 December 1990

NOK million	The consolidated companies 1990	1989	Statoil 1990	1989
Operating income (1)				
Gross operating income	81 475	68 445	60 039	48 314
Petrol tax etc..	(9 119)	(8 851)		
Net operating income	72 356	59 594	60 039	48 314
Operating costs				
Cost of goods sold	30 033	24 741	24 043	18 587
Salaries and social costs (2)	4 900	4 279	3 493	3 146
Other operating costs (3)	15 360	14 250	12 255	11 819
Exploration costs	1 102	1 037	871	967
Ordinary depreciation (12)	5 225	5 140	4 487	4 496
Changes in stocks	(291)	(396)	(313)	(399)
Total operating costs	56 329	49 051	44 836	38 616
Operating profit	16 027	10 543	15 203	9 698
Share associated companies (10)	188			
Financial income and financing costs				
Dividend received (10)	8	166	157	133
Interest from subsidiaries			190	190
Interest income and other financial income	842	596	419	266
Interest costs and other financial costs	2 707	3 063	2 356	2 901
Net financial items	1 857	2 301	1 590	2 312
Profit before extraordinary items	14 358	8 242	13 613	7 386
Extraordinary income		1 263		1 263
Profit before year-end adjustments	14 358	9 505	13 613	8 649
Year-end adjustments				
Year-end adjustments (4)	3 343	1 563	3 251	1 261
Taxes (5)	7 741	2 858	7 292	2 520
Total year-end adjustments	11 084	4 421	10 543	3 781
Profit before minority interests	3 274	5 084	3 070	4 868
Minority interests	4	11		
Consolidated profit for the year (6)	3 270	5 073		
Allocation of profit for the financial year:				
Statutory reserve	961	711	961	711
Free reserve	809	3 562	609	3 357
Dividend	1 500	800	1 500	800
	3 270	5 073	3 070	4 868

at 31 December 1990

NOK million	The consolidated companies 1990	1989	Statoil 1990	1989
ASSETS				
FIXED ASSETS				
Property, plant and equipment (12)				
Production plants and technical installations	**38 897**	39 907	**34 746**	35 548
Construction in progress	**6 019**	4 205	**5 364**	3 818
Land and buildings	**3 505**	3 346	**1 732**	1 771
Long-term receivables and investments				
Investments in subsidiaries (8)			**4 870**	3 699
Investments in other companies (9)	**65**	33	**186**	153
Investments in associated companies (10)	**316**	150		
Long-term investments	**1 288**	1 033	**425**	274
Long-term inter-company receivables			**1 191**	1 821
Unallocated excess value (11)	**361**	254		
Total fixed assets	**50 451**	48 928	**48 514**	47 084
CURRENT ASSETS				
Stocks				
Raw materials	**811**	330	**482**	168
Finished products	**1 987**	1 594	**639**	555
Short-term receivables				
Accounts receivable	**11 507**	7 074	**7 990**	4 231
Inter-company receivables			**1 379**	920
Other short-term receivables	**3 224**	2 517	**755**	836
Cash and short-term deposits				
Cash, bank deposits (7)	**6 227**	4 177	**5 075**	2 843
Total current assets	**23 756**	15 692	**16 320**	9 553
Total assets	**74 207**	64 620	**64 834**	56 637

Stavanger, 28 February 1991

Jan Erik Langangen   Arnfinn Hofstad   Bjarne Gravdahl

Yngve Hågensen   Marit Reutz   Anne Øian

Petter Anda   Odd Angelvik   Åse Simonsen

Harald Norvik
President and Chairman of the Executive Committee

at 31 December 1990

NOK million	The consolidated companies 1990	1989	Statoil 1990	1989
LIABILITIES AND SHAREHOLDER'S EQUITY				
Current liabilities				
Short-term bank loans and overdraft facilities	981	751	388	303
Withholding taxes and holiday pay	2 353	2 399	625	552
Accrued interest payable	618	755	602	717
Dividend payable	1 500	800	1 500	800
Accounts payable	7 835	4 335	6 749	3 228
Inter-company payables			646	85
Accrued taxes payable	5 195	2 322	4 800	2 083
Other current liabilities	3 506	2 996	2 418	2 352
Total current liabilities	21 988	14 358	17 728	10 120
Long-term liabilities				
Long-term loans and provisions (13) (14)	22 786	26 217	20 028	24 343
Currency fluctuation reserve	334	330	334	330
Deferred taxes (15)	433	486		
Total long-term liabilities	23 553	27 033	20 362	24 673
Untaxed reserves				
Accelerated tax depreciation on fixed assets (16)	14 748	11 151	13 609	10 531
Other reserves (17)	1 422	1 529	801	549
Total untaxed reserves	16 170	12 680	14 410	11 080
Minority interests	26	22		
Shareholder's equity				
Restricted shareholder's equity				
Share capital (49,397,140 shares at NOK 100 each)	4 940	4 940	4 940	4 940
Statutory reserve fund	4 489	3 528	4 489	3 528
Unrestricted shareholder's equity				
Free reserve	2 856	1 873	2 905	2 296
Foreign currency translation adjustment	185	186		
Total shareholder's equity (18)	12 470	10 527	12 334	10 764
Total liabilities and shareholder's equity	74 207	64 620	64 834	56 637
Guarantees	352	324	342	279
Secured liabilities	217	199		

The consolidated financial statements are based on the same accounting policies as those applied by the parent company. They include the parent company, Den norske stats oljeselskap a.s (Statoil) and the subsidiaries and associated companies listed in notes 8 and 10 to the financial statements.

As additional information, the financial statements are supplemented with statements of Profit after taxation and Adjusted shareholder's equity.

Consolidated accounting policies are amanded as follows in 1990:

Periodic maintenance
Periodic maintenance is expensed in the periods involved.

Associated companies
- Companies where Statoil has considerable influence and a 20 to 50 per cent equity are defined as associated companies.
- Shares in associated companies are included in the consolidated accounts according to the equity method.

The effect of the change of accounting policies is immaterial.

Accounting Policies

Expensed items
- Expenditure related to licences in the exploration phase.
- Expenditure related to research, special studies and development projects.
- Interest and other financing expenditure.
- Commissioning costs related to offshore and onshore installations and production plants.
- Procurement of spare parts.

Capitalised items
- Expenditure incurred by the project organisations related to plants under development.
- Field expenditure incurred after approval of Plan for Development and Operation.

Depreciation
Ordinary depreciation on oil and gas production installations is accounted for under each individual field or transportation system using the unit of production method.

Ordinary depreciation on other assets is calculated on the basis of their economic life expectancy, using the straight line method.

The difference between ordinary depreciation and tax depreciation is shown under year-end adjustments as accelerated tax depreciation.

Contingencies
Contingent losses which are likely and quantifiable are expensed.

Site restoration and removal costs
Under the licence terms the authorities may order the licensees to remove the offshore facilities after production has permanently ceased. To cover Statoil's anticipated share of any such removal costs, annual provisions are made in the financial statements. The likelihood of removal is evaluated annually and any provision is calculated according to the unit of production method, based on the current price level and an anticipated removal concept. Such provisions are included in the profit and loss account under operating costs and in the balance sheet under long-term liabilities.

Translation of foreign currency
Items in foreign currency are translated into Norwegian kroner (NOK) as follows:
- Income, expenditure and fixed assets are recorded at a monthly rate of exchange set for accounting purposes.
- Current assets and current liabilities are translated at the rate of exchange prevailing on 31 December.
- Long-term liabilities are translated at the exchange rates prevailing when the loans were drawn. Any exchange loss resulting from retranslating the debt at year-end rate of exchange is charged to expense. Similar exchange gains are recognised as income only when such gains are realised, or to the extent that unrealised gains represent a reversal of previously provided unrealised losses. For long-term receivables this policy is applied analogously.
- Unrealised currency losses in connection with forward trading are expensed and included in the balance sheet as short-term liabilities.
- For currency swap agreements, the calculations of average exchange rate at drawdown and allocation to the currency fluctuation reserve have been based on open foreign exchange positions.

Stocks
Stocks of crude oil, products and drilling equipment are valued at the lower of production/procurement cost and actual value.

The Government's royalty oil
Statoil buys at a "norm price" all oil received by the Government as royalty in kind from fields in the Norwegian sector of the Continental Shelf. Statoil includes the costs of purchase and proceeds of sale of this royalty oil in its operating costs and operating income, respectively.

The Government's equity oil
As manager of the Government's direct financial involvement in the petroleum industry, Statoil markets the Government's equity oil. The title to such equity oil sold via the Mongstad crude oil terminal is transferred to Statoil at the offshore loading facility. Statoil includes the costs of purchase and proceeds of sale of this royalty oil in its operating costs and operating income, respectively. The net proceeds of all other equity oil trading are included in operating income.

Trading
Crude oil and products trading is included in operating income and operating costs to the extent such transactions involve physical deliveries. The net proceeds of transactions not involving physical deliveries are included in operating income.

Partnerships and limited partnerships
Statoil's share of the income, expenditure, assets and liabilities of partnerships and limited partnerships is included under the appropriate headings of the company's profit and loss account and balance sheet.

Consolidation
- Companies in which Statoil, directly or indirectly, has a share exceeding 50 per cent are defined as subsidiaries.
- Share capital (and pre-acquisition reserves) of subsidiaries are eliminated in Statoil's books using the past equity method. Any assignable excess of purchase price over book value is assigned to the relevant assets and depreciated accordingly. Unassignable excess value is depreciated over 10 years. Calculation of excess value takes deferred taxes into account.
- Foreign subsidiaries are consolidated in accordance with the rate of exchange prevailing on 31 December. Currency gain/loss on shareholder's equity is entered against shareholder's equity as a separate item in the balance sheet.

Notes to the Financial Statements for 1990

1. Net operating income is analysed as follows (amounts in NOK million):

	The consolidated companies		*Statoil*	
	1990	*1989*	*1990*	*1989*
Crude oil	33 122	26 377	33 361	27 274
Transport tariff income	3 986	3 656	3 986	3 656
Gas	3 520	2 930	3 994	3 243
Refined products	21 733	17 503	12 534	8 214
Petrochemical products	5 212	4 289	2 535	2 167
Other income	4 783	4 839	3 629	3 760
Total net operating income	72 356	59 594	60 039	48 314
Foreign sales				
Crude oil	29 468	23 253	29 643	24 149
Gas	3 260	2 809	3 738	3 119
Refined products	14 935	13 618	10 152	5 785
Petrochemical products	4 673	3 800	1 996	1 678
Other income	671	623		
Total foreign sales	53 007	44 103	45 529	34 731

Total crude oil availability includes purchased crude at NOK 11,752 million. Consolidated operating income includes royalties of NOK 2,972 million. Other consolidated income relates to personnel services charged, NOK 2,992 million and miscellaneous income, NOK 1,790 million.

2. Total remuneration to the members of the Corporate Assembly amounts to NOK 128,000, to the directors NOK 507,000 and the group president NOK 990,000. Auditing fees amount to NOK 2,921,000 in 1990.

3. This item includes royalties of NOK 2,972 million.

4. Year-end adjustments comprise (NOK million):

	The consolidated companies	*Statoil*
Change in stock reserve	(265)	(23)
Accelerated tax depreciation	3 586	3 078
Group contribution from Norsk Olje a.s		(79)
Deffered taxes	(105)	
Consolidation fund	81	11
Other provisions	46	264
Total	3 343	3 251

5. Taxes consist of (NOK million):

Income tax etc.	4 810
Special tax	2 490
Excess tax paid previous year	(8)
Total taxes payable by Statoil	7 292
Taxes payable by subsidiaries	449
Total taxes, Statoil group	7 741

6. Consolidated profit (and loss) is analysed as follows (NOK million):

	1990	*1989*
Statoil	3 070	4 868
Statoil Sweden	441	339
Statoil Denmark	0	(24)
Norsk Olje a.s	51	25
Other companies	(142)	30
	3 420	5 238
Group eliminations	(146)	(154)
	3 274	5 084
Minority interests' share	(4)	(11)
Consolidated profit for the year	3 270	5 073

7. Cash and short-term deposits include bank deposits, certificates and bonds.
Statoil's bank deposits include restricted funds of NOK 120 million covering employee income tax withheld. The corresponding amount for the consolidated companies is NOK 135 million.

Liquid assets in Statoil Forsikring a.s are included with NOK 1,201 million. There is a constraint under Norwegian law on lending these assets to other companies in the Statoil group.

8. Statoil's investments in subsidiaries:

Amounts in 1000	*Book value NOK*	*Par value*		*Equity interest*	*Total company share capital*	
Norsk Olje a.s	691 500	NOK	290 000	100%	NOK	290 000
Rafinor A/S	10 000	NOK	10 000	100%	NOK	10 000
Sørøysund Eiendomsselskap a.s	9 500	NOK	9 500	63.33%	NOK	15 000
Andenes Helikopterbase a.s	33	NOK	3 000	63.16%	NOK	60
Statoil Forsikring a.s	100 000	NOK	100 000	100%	NOK	100 000
Norsk Undervannsteknologisk Center a.s	18 000	NOK	18 000	60%	NOK	30 000
Statoil Netherlands B.V.	239 574	NLG	71 000	100%	NLG	71 000
Statoil Danmark A/S	1 430 707	DKK	400 000	100%	DKK	400 000
Statoil AB	1 549 347	SEK	800 050	100%	SEK	800 050
Statoil Finland OY	64	FIM	50	100%	FIM	50
Statoil France S.A.	227	FRF	250	100%	FRF	250
Statoil (UK) Ltd.	621 211	GBP	54 060	100%	GBP	54 060
Den norske stats oljeselskap Deutschland GmbH	81 687	DEM	21 900	100%	DEM	21 900
Statoil North America Inc.	39 807	USD	15	100%	USD	15
Statoil Petrochemicals Belgium N.V.	217	BEC	1 249	99.9%	BEC	1 250
Statoil Coordination Centre N.V.*		BEC	1	0.1%	BEC	1 926
Statoil (Thailand) Ltd.	77 870	THB	300 000	100%	THB	300 000
Total Statoil	4 869 744					

* Statoil AB owns 98.3% of the shares in Statoil Coordination Centre N.V., while Statoil and Statoil Netherlands B.V. own the remaining 1.7%.

9. Investments in other companies recorded in Statoil's balance sheet at historical cost consist of:

Amaounts in 1000	*Book value NOK*	*Par value*		*Equity interest*	*Total company share capital*	
Botnaneset Industriselskap A/S	3 000	NOK	3 000	18.5%	NOK	16 200
Norsea Gas A/S	567	NOK	500	2%	NOK	25 000
Norpipe a.s	128 700	NOK	128 700	50%	NOK	257400
Coast Center Base A/S	53	NOK	53	50%	NOK	105
Statfjord Transport a.s	420	NOK	420	42.04%	NOK	1 000
Vestbase a.s	400	NOK	400	40%	NOK	1 000
Norbase a.s	160	NOK	160	40%	NOK	400
Helgelandsbase a.s	5 000	NOK	5 000	50%	NOK	10 000
Basetec A/S	15 000	NOK	15 000	33.3%	NOK	45 000
Dansk Bioprotein A/S	24 512	DKK	1 200	13.52%	DKK	8 875
Scandinavian School, Brussels	1 856	BEF	1 856	16.06%	BEF	62 280
A/S Gasnor	1 933	NOK	1 933	19.33%	NOK	10 000
Ship Maneuvering Simulator Center A/S	1 125	NOK	1 125	25%	NOK	4 500
Ottestad Breathing System A/S	3 060	NOK	142	50%	NOK	284
Total Statoil	185 786					

10. Shares in associated companies recorded in the consolidated balance sheet according to the equity method consist of:

Amounts in NOK 1000	*Book value*	*Equity interest*
Norpipe a.s	257 000	50%
Coast Center Base A/S	128	50%
Statfjord Transport a.s	420	42.04%
Vestbase a.s	1 319	40%
Norbase a.s	853	40%
Helgelandsbase a.s	7 833	50%
Basetec A/S	19 700	33.3%
Norpipe UK	24 656	50%
Ottestad Breathing System A/S	3 060	50%
Ship Maneuvering Simulator Center A/S	1 125	25%
Total Statoil Group	316 094	

Group dividends in 1989 included dividends also from associated companies.

11. Unallocated excess book value at 31.12.90 related to acquisition of subsidiaries:

	(Amounts in NOK million)
Statoil Sweden	145
Statoil Denmark	216
Total	361

12. Property, plant and equipment, Statoil and the consolidated companies

NOK million	*Cost as at 1.1.90*	*Additions during the year(1)*	*Disposed of during the year*	*Trans-fers*	*Accumul. depr.(2) at 31.12.90*	*Net book value 31.12.90*
Statoil:						
Production plants and technical installations	62 491	2 052	43	1 614	31 368	34 746
Construction in progress	3 818	3 160	0	(1 614)	0	5 364
Land and buildings	1 993	53	24		290	1 732
Total	68 302	5 265	67	0	31 658	41 842
The consolidated companies:						
Produktion plants and technical installations	71 229	2 286	153	1 782	36 247	38 897
Construction in progress	4 209	3 638	0	(1 828)	0	6 019
Land and buildings	4 156	272	50	46	919	3 505
Total	79 594	6 196	203	0	37 166	48 421

(1) Statoil bought Norol's share of the Mongstad refinery in 1990. This is included as an addition for Statoil, but eliminated in the consolidated accounts.
(2) Including NOK 5,000 million accumulated extraordinary write-down of the Mongstad refinery.

Additions to and proceeds from sales of fixed assets during the last five years, Statoil and the consolidated companies:

	Prodution plants & technical installations	Construction in progress	Land & buildings	Total
Statoil:				
1986 Additions	2 105	3 788	118	6 011
1986 Sales	118		43	161
1987 Additions	1 200	8 882	112	10 194
1987 Sales	84	226	19	329
1988 Additions	1 236	7 872	57	9 165
1988 Sales	3	455	6	464
1989 Additions	751	3 951	49	4 751
1989 Sales	348	131	31	510
1990 Additions	2 052	3 160	53	5 265
1990 Sales	43		24	67
The consolidated companies:				
1986 Additions	2 799	3 843	143	6 785
1986 Sales	195		45	240
1987 Additions	2 380	8 914	128	11 422
1987 Sales	242	226	22	490
1988 Additions	2 092	8 230	80	10 402
1988 Sales	630	655	41	1 326
1989 Additions	1 775	4 293	56	6 124
1989 Sales	531	135	33	699
1990 Additions	2 286	3 638	272	6 196
1990 Sales	153		50	203

13. Long-term debt of Statoil and the consolidated companies analysed by currency:

Amounts in millions	Long-term debt	Currency swap agreem.	Currency position	Average rate of exchange	Book value NOK
Statoil:					
Norwegian kroner (NOK)	399		399		399
US Dollars (USD)	1 500	398	1 898	6.66	12 647
German Marks (DEM)	723	120	843	367.38	3 097
Japanese Yen (JPY)	80 640	(44 640)	36 000	4.44	1 598
French Francs (FRF)	750	(400)	350	104.86	367
Swiss Francs (CHF)	250	(100)	150	442.67	664
Pounds Sterling (GBP)	13	(7)	6	10.67	64
Danish kroner (DKK)	400	(200)	200	91.00	182
European Currency Units (ECU)	100		100	7.76	776
Long-term provisions					234
Total Statoil					20 028

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Amounts in millions	*Long term debt*	*Currency swap agreem.*	*Currency position*	*Average rate of exchange*	*Book value NOK*
Subsidiaries:					
Norwegian kroner (NOK)	101		101		101
Danish kroner (DKK)	52		52	101.92	53
Swedish kronor (SEK)	475		475	105.05	499
Belgian Francs (BEC)	4 157		4 157	19.03	791
Long-term provisions					1 314
Total subsidiaries					2 758
Total Statoil group					22 786

14. Long-term loans consist of (NOK million):

	The consolidated companies		*Statoil*	
	1990	*1989*	*1990*	*1989*
Eksport credits	216	537	216	537
Bank loans	6 598	7 558	5 699	7 135
Bonds and notes outstanding	13 810	16 484	13 799	16 465
Insurance-related provisions	1 284	934		
Other long-term liabilities	878	704	314	206
	22 786	26 217	20 028	24 343

The majority of long-term loans expire over the period 1991-1998 inclusive, while a minor share runs until 2008. Average rate of interest on long-term loans in 1990 was 8.0%. About 2/3 of the loans are subject to a fixed rate of interest throughout their term.

Other long-term liabilities include provision for site restoration and removal costs by NOK 160 million.

Statoil has included capitalised value of unfunded pension liabilities, NOK 75 million, in other long-term liabilities. At 31.12.90 the pension scheme included 466 people. A discount rate of 4% is applied.

The unused portion of long-term loan agreements converts to NOK 4,797 million.

15. Deferred taxes

When consolidating Statoil Sweden and Statoil Denmark, untaxed reserves at the time of acquisition were split between shareholder's equity and deferred taxes. Of the NOK 433 million estimated remaining deferred taxes, NOK 360 million relate to Statoil Sweden and NOK 73 million to Statoil Denmark.

16. Accelerated tax depreciation on fixed assets in Statoil and the consolidated companies (refer also to note 14):

Amounts in NOK million	*Accumulated at 1.1.90*	*Changes 1990*	*Accumulated at 31.12.90*
Statoil:			
Offshore related	9 370	2 042	11 412
Onshore related	1 161	1 036	2 197
Total Statoil	10 531	3 078	13 609

Amounts in NOK million	*Accumulated at 1.1.90*	*Changes 1990*	*Accumulated at 31.12.90*
Subsidiaries:			
Statoil Sweden	348	181	529
Norsk Olje a.s	314	(24)	290
Statoil Denmark	(44)	354	310
Other subsidiaries	13	(3)	10
Total subsidiaries	631	508	1 139
Total Statoil group	11 162	3 586	14 748

17. Other reserves comprise (NOK million):

	The consolidated companies		*Statoil*	
	1990	*1989*	*1990*	*1989*
Investment fund	58	245		
Reserves in stocks	151	400	38	61
Consolidation fund	331	250	90	79
Other funds	882	634	673	409
Total other reserves	1 422	1 529	801	549

18. Movements in consolidated equity capital from 01.01.90 to 31.12.90 (NOK million):

Shareholder's equity at 01.01.90	10 527
Profit for the year	3 270
Dividend for the year	(1 500)
Policy amendment, associated companies	174
Change in currency adjustment	(1)
Sharholder's equity at 31.12.90	12 470

Liability and insurance
In connection with the company's offshore operations, including transport systems, Statoil has, like other licensees in the Norwegian sector, unrestricted liability for possible claims for damages. The company has taken out insurance for this liability up to about NOK 3,630 million for each incident. Liability for claims arising from pollution damage is insured for a maximum of NOK 3,430 million per incident. Statoil's assets are insured at their estimated replacement value, in part in Statoil's own insurance company, Statoil Forsikring a.s.

Charter parties
Statoil had at 31.12.90 signed charter parties for two drilling rigs. The remaining charter periods are two and five years respectively, with options for renewal. Statoil has seven supply vessels, tankers and stand-by vessels on short-term charters, in addition to a diving vessel chartered for three years. Statoil has also chartered 17 tankers with a remaining period of hire ranging from one to 10 years.

Partnerships
As a party to various partnerships, Statoil is jointly liable together with the other partners for agreements signed by the partnerships.

CASH FLOW ANALYSIS

Amounts in NOK million	*The consolidated companies* 1990	1989	*Statoil* 1990	1989
Cash flow from operating activities:				
Payments from operations	67 923	57 272	55 821	46 512
Disbursements to operations	(49 232)	(41 344)	(36 755)	(31 787)
Net financial disbursements	(1 802)	(2 465)	(1 701)	(2 498)
Taxes paid	(4 868)	(925)	(4 575)	(473)
Net cash flow from operating activities	12 021	12 538	12 790	11 754
Cash flow from/(to) investing activities:				
Acquisitions and additions to fixed assets	(6 991)	(5 946)	(6 090)	(5 544)
Sales of property, plant and equipment	243	2 031	173	1 992
Net cash flow from/(to) investing activities	(6 748)	(3 915)	(5 917)	(3 552)
Cash flow from/(to) financing activities:				
Short-term financing:				
Change in short-term debt	740	(1 040)	151	(1 121)
Long-term financing:				
New long-term loans	2 081	167	680	
Reduction in long-term debt	(5 244)	(7 602)	(4 916)	(7 563)
Shareholder's equity:				
New share capital		1 996		1 996
Dividend paid	(800)		(800)	
Net cash flow from/(to) financing activities	(3 223)	(6 479)	(4 885)	(6 688)
Total net increase in cash and cash equivalents	2 050	2 144	1 988	1 514

CONSOLIDATED OPERATING PROFIT/(LOSS) BY BUSINESS UNITS AND CORPORATE CENTRE

Amounts in NOK million	*Operating income*		*Operating costs*		*Operating profit/(loss)*	
	1990	*1989*	*1990*	*1989*	*1990*	*1989*
Exploration & Production	25 613	21 243	14 796	14 498	10 817	6 745
Natural Gas	6 591	6 980	3 650	3 870	2 941	3 110
Refining & Marketing	55 274	44 387	54 045	44 431	1 229	(44)
Petrochemicals & Plastics	5 333	4 350	4 615	3 554	718	796
Corporate Centre	509	316	187	380	322	(64)
Inter-company transfers	(20 964)	(17 682)	(20 964)	(17 682)		
Total	72 356	59 594	56 329	49 051	16 027	10 543

Consolidated profit/(loss) before year-end adjustments by business units and corporate centre

Amounts in NOK million	Operating profit/(loss)		Financing costs		Extraordinary items		Profit/(loss) before adjustments	
	1990	1989	1990	1989	1990	1989	1990	1989
Exploration & Production	10 817	6 745	523	732		977	10 294	6 990
Natural Gas	2 941	3 110	145	404		286	2 796	2 992
Refining & Marketing	1 229	(44)	800	850			429	(894)
Petrochemicals & Plastics	718	796	64	57			654	739
Corporate Centre	322	(64)	137	258			185	(322)
Total	16 027	10 543	1 669	2 301	0	1 263	14 358	9 505

Further reference is made to the report for each business unit.

Value added statement

Amounts in NOK million	The consolidated companies 1990		1989	
Operating income	81 475		68 445	
- purchased goods and services used	(43 202)		(37 089)	
= gross value added from own activities	38 273		31 356	
- ordinary depreciation	(5 225)		(5 140)	
= net value added from own activities	33 048		26 216	
+ financial income	850		762	
= value added from own activities	33 898		26 978	
Which was utilised as follows:				
Employees				
Gross salaries and social benefits	4 900*	14.5%	4 279*	15.9%
Capital investors				
Interest etc. to lenders	2 331	6.9%	3 063	11.3%
Dividend to State	1 500	4.4%	800	3.0%
Central & local government				
Royalties, taxes, petrol tax, etc.	19 862	58.6%	14 252	52.8%
Retained in business				
Retained earnings	5 305	15.6%	4 584	17.0%
Total value added	33 898	100.0%	26 978	100.0%
*Including income tax withheld	1 302		1 159	

Profit and loss accounts of the major subsidiaries

Amounts in NOK million	*Norsk Olje a.s*	*Svenska Statoil AB*	*Statoil Petrokemi AB*	*Statoil A/S (DK)*
Operating income	4 675	5 423	2 415	5 158
Operating costs	4 178	4 920	1 955	4 880
Depreciation	192	90	43	124
Total operating costs	4 370	5 010	1 998	5 004
Operating profit	305	413	417	154
Net financial items etc.	1	(24)	105	(32)
Profit before extraordinary items	306	389	522	122
Extraordinary items	907	(14)		(20)
Profit before year-end adjustments	1 213	375	522	102

Profit after taxation - Adjusted shareholder's equity

To give a clearer picture of profits for the year and consolidated shareholder's equity, statements of Profit after taxation and Adjusted shareholder's equity are given below.

Profit after taxation is defined as Profit before year-end adjustments less taxation according to the Profit and Loss Accounts less estimated change in deferred taxes. The latter estimate is based on tax rates effective at the end of the year.

Similarly, Adjusted shareholder's equity includes the equity share of untaxed reserves.

Amounts in NOK million	*1990*	*1989*
Profit after taxation		
Profit before adjustments	14 358	9 505
Taxation	(7 741)	(2 858)
Change in deferred taxes for the year	(2 278)	(2 135)
Profit after taxation	4 339	4 512
Adjusted shareholder's equity		
Shareholder's equity	12 470	10 527
Untaxed reserves	16 170	12 680
Deferred taxes	(11 344)	(9 066)
Adjusted shareholder's equity	17 296	14 141

To the shareholder of Den norske stats oljeselskap a.s

We have examined the Financial Statements for 1990 in accordance with Norwegian generally accepted auditing standards. We have also examined the consolidated Financial Statements of the Statoil group.

The Financial Statements have, in our opinion, been prepared in accordance with the Companies Act and Norwegian generally accepted accounting principles, and present fairly the financial position of the company and the group at 31 December, 1990 and the results of operations for the year then ended.

The appropriation of net income of the parent company, as proposed by the Board of Directors, is in accordance with the requirements of the Companies Act.

The Profit and Loss Account and Balance Sheet may be adopted as the Financial Statements of the company and the group.

STAVANGER, 28 FEBRUARY, 1991
ERNST & YOUNG & CO. AS

ERNST ALSAKER
NORWEGIAN CERTIFIED PUBLIC ACCOUNTANT

Resolution:
At its meeting on 12 March 1991 Statoil's Corporate Assembly discussed the Annual Report of the Board of Directors and the Annual Accounts of Den norske stats oljeselskap a.s and the Statoil group for 1990.

The Corporate Assembly recommends that the General Meeting approve the Annual Report submitted, and fix the Annual Accounts in accordance with the proposal presented by the Board of Directors.

The subject matter to be presented to the General Meeting.

STAVANGER, 12 MARCH 1991

OLUF ARNTSEN
CHAIRMAN, CORPORATE ASSEMBLY

Central Norwegian fields and transport systems.


From the Gullfaks field.

The Exploration and Production (E&P) business unit is responsible for exploration, planning and operation of offshore installations and oil transport systems, in addition to implementation of Statoil operated development projects.

At 31.12.90 the business unit had a payroll of 5,073 employees.

Highlights

- Operating profit was NOK 10.8 billion, an improvement of NOK 4 billion on 1989. This is due to high oil prices and increased production. E&P met its target of cutting costs by about NOK 1.4 billion.

- Statoil has established a strategic alliance with BP Exploration.

- In the Norwegian sector Statoil made four discoveries from a total of five exploration wells.

- Statoil's total access to equity oil was 124 million barrels, compared with 119 million barrels in 1989. On Statfjord, Tommeliten and Veslefrikk a high and stable production level was maintained. Gullfaks produced below expectations because of difficult reservoir conditions. However, work to improve production is in progress.

- Recoverable Statfjord reserves were increased by 50 million cubic metres (315 million barrels). Statoil's share of this is 132 million barrels. A plan for development of the Statfjord North and East satellite fields was approved by the Storting (Norwegian parliament) and the project work has started. The Troll field will be developed with an offshore wellhead platform and an onshore processing plant.

The BP-Statoil alliance is a fact. From left: President Harald Norvik (Statoil) and managing director John Browne (BP)

Exploration

Summary of exploration wells spudded on the Norwegian shelf in 1990:

Operator	Expl. wells	Appraisal wells	Long-term testing/ Early production
Statoil	5		
Others	21	6	4

Total production in the Norwegian sector increased again in 1990. Following low levels of activity in 1988 and 1989, 32 exploration wells were started in 1990, six more than the previous year. Statoil was operator for five exploration wells, two fewer than in 1989.

Ten discoveries were made in the Norwegian sector, five gas/condensate finds and five oil finds.

Activity offshore Mid-Norway was considerably higher than the year before, with eight exploration wells. Statoil proved oil in block 6507/8 north of the Heidrun field and gas/condensate in block 6507/3-1 in the Nordland II area.

In the North Sea, 18 exploration and five appraisal wells were drilled. Statoil made two of eight discoveries, in blocks 15/12 and 9/2.

Exploration proved a total of about 450 million barrels of oil. Statoil's share is 75 million barrels. Just over 70 billion cubic metres gas was proved, with Statoil's share at 16 billion cubic metres.

According to Statoil's survey of offshore resources the Norwegian shelf is still one of the world's most attractive exploration areas. Analyses indicate potential petroleum finds equally large as those proven to date. Expectations are greatest in the North Sea and offshore Mid-Norway.

The result of the awards in the 13th Norwegian Offshore Licensing Round was positive. Statoil was awarded six operatorships.

Statoil entered into a strategic alliance with BP, a key element of which is in international E&P operations. With this alliance, Statoil has bought stakes in BP licences in West Africa, China and Vietnam. The alliance also covers exploration in the Soviet Union.

Statoil drilled its first hole as operator in the UK sector in addition to exploration wells in the Dutch and Danish sectors. Hydrocarbons were proven in Denmark and operations continue in 1991.

Statoil established a subsidiary in Thailand, with an office in Bangkok. A 10 per cent stake was bought in the Bongkot gas field from the state oil

In 1990, 295 and 110 cargoes of crude oil were shipped from Statfjord and Gullfaks respectively.

company Petroleum Authority of Thailand, PTT. The field will come on stream in 1993.

Reserves

Total recoverable reserves of over 13.5 billion barrels of oil and 2,800 billion cubic metres gas have been proven on the Norwegian shelf. For the entire Norwegian shelf, this represents about 17 years' production at today's production rate. Oil reserves available to Statoil represent 12 years' production at the present output rate.

For gas, the picture is significantly different, with Norwegian reserves sufficient for 40 years' production at today's rate. This also applies to Statoil's share.

Operations

Safety has a high priority on Statoil's installations, and the injury rate was reduced by 40 per cent from 1989. There were no serious accidents on Statoil's installations in 1990.

A Statoil employee sadly died in a rescue mission when a helicopter from Statfjord crashed into a mountain side.

Statoil's access to equity oil was about 124 million barrels in 1990, against just over 119 million barrels in 1989. Total crude oil availability was considerably higher than scheduled in 1990 because of increased Statfjord and Oseberg production.

Statoil's equity crude production from Statfjord reached 87 million barrels. On Gullfaks, production was lower than anticipated because of well problems. Norwegian oil production was subject to a five per cent production constraint in the first half 1990.

Statoil's cost cutting programme for the period 1989-91 is on schedule. The E&P business unit reduced its costs by about NOK 1.4 billion compared with the original plans for 1990.

Offshore operations and maintenance followed scheduled plans. The three Gullfaks platforms, Statfjord A and B and Veslefrikk were all shut down for scheduled maintenance and turnaround. In spite of bad weather in winter 1990 offshore crude oil loading largely took place as planned, with only a few day's interruption to loading and production on Statfjord.

Estimates of recoverable oil reserves on Statfjord were increased by 315 million barrels. The additional oil will result from better well maintenance, more extended-reach wells and increased water treatment capacity on the platforms. In 1990 a new long-drilling record was set on Statfjord C with a well extending about 5,000 metres horizontally.

Work on modification and upgrading of Statfjord A to increase the platform's general safety standard is in progress, and so are safety studies for Statfjord B and C.

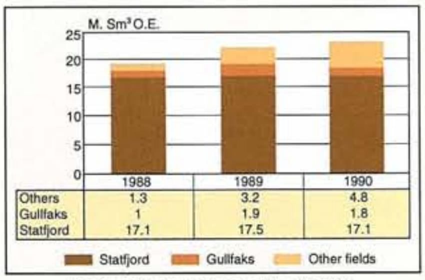
Statoil has initiated a series of measures to boost profitability and improve the production performance of the Gullfaks field. A comprehensive programme for gravel packing of wells was started to prevent sand ingress from causing reduced production and extensive equipment wear. The water injection system is being modified to improve pressure support.

Veslefrikk.

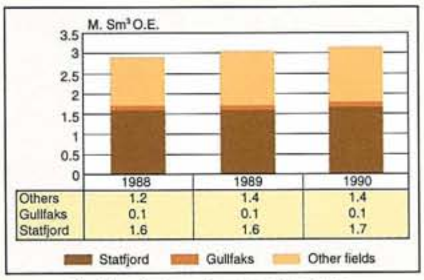
The Veslefrikk field came on stream at the year-end 1989/90. Following start-up problems in the first half, the platform produced to its 65,000 barrels per day design capacity in the second half. Water injection for increased pressure support started in November.

Production from the Tommeliten field, where Statoil operates a subsea production system, was stable throughout 1990.

The Gyda field started production in summer 1990.



Produced sales volumes oil and NGL. Statoil's financial share.



Produced sales volumes natural gas. Statoil's financial share.

Project development

Statoil presented a commerciality statement for the Smørbukk South field on Haltenbanken, offshore Mid-Norway. The field contains about 150 million barrels of oil and some 20 billion cubic metres of associated gas. Oil production will last for up to 15 years. The field could be commissioned in 1996.

Early in 1991 the Government approved the development of the Heidrun oil and gas field on Haltenbanken, but postponed a final decision on utilisation of the gas. Statoil and Conoco proposed an onshore methanol plant, using the gas as feedstock. The Norwegian authorities decided that reinjecting Heidrun gas must be considered as a serious alternative. Against this background, Statoil and Conoco have initiated a technical and commercial evaluation of reinjecting the gas.

The owners of the Tordis field in block 34/7, operated by Saga Petroleum, presented a plan to the Ministry for development and operation of the field through a subsea system. Untreated oil, gas and water will be piped to Gullfaks C for processing and export. Total investment is estimated at about NOK 3 billion with start-up in 1994.

The Sleipner A concrete gravity base structure. The shafts are 47 metres tall.

E&P has started work on the Sleipner West development and operation plan. The field contains about 130 billion cubic metres gas and 45 million cubic metres (283 million barrels) condensate.

Offshore developments

The Sleipner A project is on schedule and is expected to come on stream in summer 1993. Investment is likely to be over three billion NOK below budget, at a current estimate of about NOK 14.5 billion.

The Storting has approved the development of the Statfjord North and East satellites. They will be developed with subsea installations tied back to Statfjord C for processing. The investment will be just over NOK 6 billion. Both fields are scheduled to start producing in 1994. At peak production, output will be just over 140,000 barrels of oil per day. The project was started on schedule.

The Troll owners have decided to develop Troll phase 1 with an offshore wellhead platform connected to an onshore processing plant at Øygarden near Bergen. The authorities approved the revised development plan in December 1990. Investment is estimated at NOK 27 billion. Gas exports through the Zeepipe line are planned to start on 1 October 1996. Shell is operator for the Troll development phase and Statoil for the operating phase. The project is running to schedule.

The Storting has approved the development of the Brage field, operated by Norsk Hydro. The field will be developed with a fully integrated platform, scheduled for start-up in January 1994.

Key figures (amounts in NOK million)

Profit and Loss Account	**1990**	**1989**
Operating income	25 613	21 243
Operating costs excluding depreciation	11 950	11 318
Ordinary depreciation	2 846	3 180
Operating profit	10 817	6 745
Financial items	523	732
Profit before extraordinary items	10 294	6 013
Balance sheet at 31.12	**1990**	**1989**
Fixed assets	23 471	22 996
Current assets	1 183	1 662
Total assets	24 654	24 658
Current liabilities	2 214	1 683
Long-term liabilities	5 928	9 576
Conditional untaxed res.	11 324	9 456
Minority interests	26	22
Shareholder's equity	5 162	3 921
Total liabilities and equity	24 654	24 658

Executive vice president exploration, Rolf M. Larsen (left), receiving Statoil's 13th Round award from head of division Johan Alstad (Ministry of Petroleum and Energy).

Statoil is Scandinavia's leading marketer of oil products. "The Premium Club bonus system contributed to increasing the market share", says sales manager Mats Holgerson Svenska Statoil AB.

The Refining and Marketing business unit (R&M) is responsible for the Statoil group's refinery business and sale of crude oil, NGL and refined products, in addition to retail marketing of oil products.

At 31.12.90 the business unit employed 3,714 people.

HIGHLIGHTS

- The operating profit of the business unit was NOK 1,229 million in 1990, up 1.2 billion from the year before. Value added was high, and all parts of the unit contributed to the good result.
- 1990 was the first full operating year for the converted and expanded Mongstad refinery. Refinery margins were high.
- During 1990 Statoil consolidated its position as the world's largest seller of North Sea crude.
- Statoil is a leading marketer of oil products in Scandinavia, and has made progress in all markets despite keener competition. The "Premium Club" retail bonus system was well received by customers and contributed to increasing Statoil's market share.
- At the end of the year, Svenska Statoil AB bought Nynäs Industri AB, a producer and distributor of lubricating oils for the manufacturing industry. This makes Statoil Sweden's leading distributor of lubricating oils.
- Work on environmental conservation measures was a high-priority task in all R&M divisions. It was decided to install gas recycling equipment at all major terminals and tank farms throughout Scandinavia. The refinery in Kalundborg, Denmark, was fitted with a new sulphur treatment plant. Statoil Mongstad has decided to invest NOK 70 million in additional environmental measures, 50 million of which will be spent on further reduction of sulphur emissions to the atmosphere.
- Long term charters were signed for five new crude oil tankers built to high environmental standards, making Statoil one of the world's leading operators of such environmentally sound vessels.

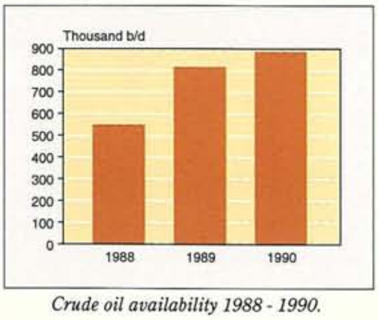
The Mongstad refinery recorded 1583 ship calls in 1990.

CRUDE OIL SALES

A prominent feature of the crude oil market in the first half 1990 was over-production and falling prices. In June, North Sea crude was traded at prices around USD 15 a barrel. The Gulf crisis led to a steep rise in prices despite ample supply of oil and products. At times, great uncertainty about further developments in the Gulf crisis prompted dramatic price fluctuations.

The average price of the Brent Blend marker crude was USD 23.50 in 1990, varying between 15 and 41 dollars a barrel. Demand for Statoil's crude was very good. Crude oil sales increased in 1990 to 334 million barrels, or 915,000 barrels per day, mainly due to higher output from Oseberg and Veslefrikk and more crude purchased from third parties.

Just over 50 per cent of the crude oil available to Statoil in 1990 was sold on contract. About 20 per cent was delivered to the company's own refineries, while the balance was sold on the spot market. Customers in north-west Europe purchased most of the crude, but North America is also an important market, particularly for Gullfaks and Oseberg oil.



Crude oil availability 1988 - 1990.

NGL sales

Statoil's access to NGL (propane and butane) and naphtha in 1990 was about 1.5 million tonnes, compared with 1.1 million in 1989. Considerably higher trading activity, plus Statoil's involvement in gas transport, strengthened the company's market position and yielded good results.

NGL and naphtha are sold for petrochemical, industrial, space heating and transport uses in Scandinavia and north-west Europe and to Statoil's own petrochemical plant in Stenungsund, Sweden. An NGL storage terminal leased by Statoil in Antwerp enabled substantial winter deliveries to the Belgian and German domestic markets.

Refining

At the end of the year Norol's share in the old Mongstad refinery was sold to the parent company.

Statoil Mongstad produced a total of 6.9 million tonnes of oil products in 1990. The first quarter was marked by a running-in phase and seasonally weak refinery margins, while there was a positive trend during the rest of the year, both in terms of operations and financial results. In 1990 the refinery passed its fourth year without lost time injuries among Statoil employees.

Product sales

In the first half of 1990 the international product market saw a slight decline in prices, except for petrol, which remained stable. In the second half, also product prices were influenced by the uncertain Gulf situation, with extreme price fluctuations and at times high refinery margins.

Most of the products from Mongstad were sold to customers in Scandinavia and north-west Europe. Statoil obtained sales contracts with important distributors in France and the UK.

New business opportunities were investigated, such as product sales to Eastern Europe. North America is another important market for product sales and trading.

One of the first Statoil stations built in Norway, near Stavanger Airport, Sola.

Distribution and retail marketing in Scandinavia

Changes in the taxation of oil products have been introduced in all three Scandinavian countries.

In Sweden, the energy tax on petrol was increased, and VAT was introduced on all oil products.

In Denmark, the petrol tax was reduced as part of harmonising taxes and duties within the EC.

In Norway, a special CO_2 tax was imposed on all oil products from the beginning of 1991.

Competition in the Scandinavian retail market was intensified further, and there were periods of price war in Norway and Denmark.

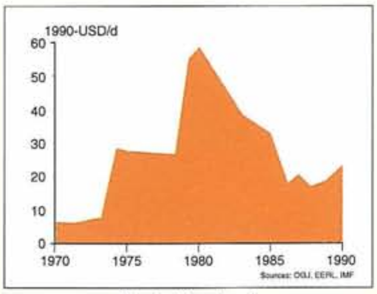
Norol consolidated further its position in 1990 as Norway's leading oil products distributor. The subsidiary's share of the petrol market increased from 26.7 per cent in 1989 to 27.1 per cent in 1990. For the overall products market, Norol achieved a share of 28.4 per cent, an improvement of 1.3 percentage points on 1989.

Investments in 1990 mainly comprised the building of new stations in the Statoil livery and upgrading of the existing network of stations.

During 1991, Norol will become Statoil Norge AS and change its brand name to Statoil.

The Swedish oil products market remained largely unchanged compared with the previous year. Higher petrol duties and the introduction of VAT on all oil products reduced the consumption of petrol, diesel and fuel oil. Svenska Statoil AB still

Full operation at Statoil Mongstad.



Crude price trend.

managed to increase its sales volume by four per cent due to substantially higher demand in the LPG and aviation fuel markets. The subsidiary's share of the total Swedish market rose from 14.9 per cent in 1989 to 16.0 per cent in 1990.

Competition in the Danish oil market was considerably tightened in 1990, with extensive use of discounts. Yet Statoil's Danish subsidiary succeeded in increasing its market shares for petrol, gas oil and fuel oil. The total market share rose by over one percentage point to 22.5 per cent.

Transport

At the end of 1990, Statoil operated a fleet of 23 chartered crude oil, product and gas tankers. All Statoil's product tankers and about 75 per cent of the crude oil carriers are fully or partly fitted with double sides or double bottoms. Statoil's maritime transport is currently undergoing considerable expansion. In the period 1990-93 another five vessels of AFRA max. size (about 100,000 dwt) will be delivered.

The Statoil operated partnerships K/S Statfjord Transport a.s & Co. and I/S Gullfaks Transport are responsible for transporting crude oil from Statfjord and Gullfaks. The oil is carried by nine specially designed shuttle tankers to ports in north-west Europe.

Statoil is a world leader in offshore oil loading.

Key figures (amounts in NOK million)

Profit and Loss Account	**1990**	**1989**
Operating income	55 274	44 387
Operating costs excluding depreciation	52 807	43 555
Ordinary depreciation	1 238	876
Operating profit/(loss)	1 229	(44)
Financial items	800	850
Profit/(loss) before extra-ordinary items	429	(894)

Balance sheet at 31.12	**1990**	**1989**
Fixed assets	13 972	14 330
Current assets	14 105	8 497
Total assets	28 077	22 827
Current liabilities	11 199	7 477
Long-term liabilities	11 856	11 666
Conditional untaxed res.	2 788	1 430
Shareholder's equity	2 234	2 254
Total liabilities and equity	28 077	22 827

North Sea Petrochemicals, Antwerp, Belgium.

The Energy and Industry Committee of the Storting (Norwegian parliament) visiting North Sea Petrochemicals, Antwerp. From left, vice president Tore Glittum, Statoil, energy counsellor Leif K. Ervik of Norway's EC delegation, committee chairman Ole Gabriel Ueland and member Gunnar Berge.

The Petrochemicals and Plastics business unit is responsible for product development, production and marketing of basic petrochemicals, plastics raw-materials, speciality products and finished plastics components.

At 31.12.90 Petrochemicals and Plastics had about 3,000 people on its payroll.

Highlights

- Operating profit was NOK 718 million. Adjusted for the costs of starting up the new North Sea Petrochemicals plastics raw materials plant in Antwerp, this is comparable with the 1989 results.
- Construction and start-up of the new polypropylene plant in Antwerp proceeded according to plan and doubled Statoil's polypropylene capacity in 1990 to 180,000 tonnes a year.
- Statoil's plants at Bamble in south-eastern Norway were certified to the international quality standard ISO 9002. This is considered an important competitive factor.
- Statoil Bamble was licensed to increase annual production of the plastics raw materials polypropylene, low-density polyethylene and high-density polyethylene from a total of 320,000 tonnes to 480,000 tonnes.
- The operating profit of Statoil Petrokemi AB in Stenungsund, Sweden, is the second best ever.
- With the acquisition of the AB Nobel Plast, Sweden, Statoil became a manufacturer of finished plastics products.
- New production records were set both at Stenungsund, the Bamble plants and the nearby ethylene plant at Rafnes.

The market

High oil prices, especially in the second half of the year, meant high feedstock prices for the petrochemical business. This also influenced prices of the intermediate products, ethylene and propylene. Margins were tight throughout the year. Towards the end of the year demand for polyethylene and polypropylene stagnated.

Polypropylene produced by the North Sea Petrochemicals joint venture in Antwerp involves marketing of increased volumes in the large Continental and UK markets.

At Lawson Mardon Plastics, UK, a delivery of polypropylene arrives from Statoil.

Operations

Efforts to improve safety were successful at all facilities, with reduced injury rates both for Statoil staff and for contractors' employees. Plant availability was generally very high in 1990, resulting in new production records for ethylene both in Stenungsund and at Rafnes and for polypropylene, high-density polyethylene and total production volume at the Bamble plants.

The modernised polypropylene plant at Bamble came fully on stream in 1990 with increased production capacity (90,000 tonnes annual volume). Work on expanding the high-density polyethylene facility at Bamble from 90,000 to 130,000 tonnes a year is in progress, and production at the increased rate is scheduled to start in the second quarter of 1991.

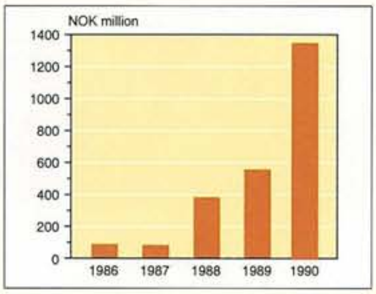
Considerable effort went into Statoil Bamble's qualification to the international plastics raw materials quality standard ISO 9002, an important milestone in Statoil's marketing of this commodity in Europe.

Statoil Petrokemi AB's ethylene plant in Stenungsund recorded high rates of availability in 1990, and operating profit improved from 1989. Although one cracker furnace was shut down for five months for repairs, a new production record of 378,000 tonnes ethylene was set for the overall facility. A new cracker furnace was constructed as planned. When this seventh furnace is commissioned in the first quarter 1991, production capacity at SPAB will increase to 400,000 tonnes a year.

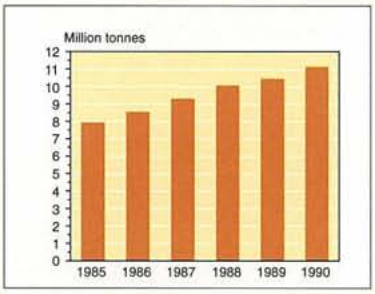
Production of speciality products in Hamburg and Bamble was normal in spite of tight margins. An essential part of production is aimed at components for the car industry, and in 1990

Statoil's president Harald Norvik hoists the Statoil flag to mark the change of ownership at AB Nobel Plast, Sweden. To his left, Nobel's president Anders G. Carlberg. Editor Yngve Källberg assists.

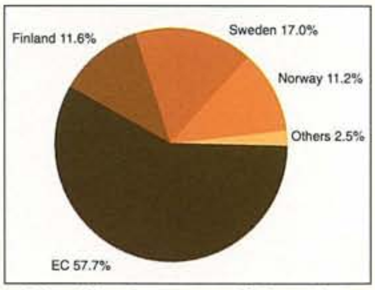
Statoil Petrokemi AB, Stenungsund, Sweden, received the President's Safety Award 1990. There was only one lost-time injury among Statoil employees and three among contractor employees. Senior vice president Stig Blomberg (left) and safety engineer Peter Jeanson have the goal ready for 1991.



Investments in petrochemical facilities.



Polyethylene and polypropylene consumption, Western Europe.



Sales of plastics raw materials by markets.

37

North Sea Petrochemicals, Antwerp.

Statoil qualified as a supplier for one of the Volkswagen models. Work is in progress on qualification for other models.

NEW PROJECTS AND AREAS OF BUSINESS

In 1990, Statoil bought AB Nobel Plast from Nobel Industrier AB. AB Nobel Plast is Sweden's leading manufacturer of plastics components for the car industry, and consists of four factories in southern Sweden with a total payroll of about 2,000 employees. Deliveries to the transport industry account for 75 per cent of Nobel Plast's turnover. Failing car sales in 1990 influenced the activity level and caused a considerable fall in turnover also at Nobel Plast. Action has been taken to meet this situation.

In a 50/50 joint venture with Himont Incorporated - North Sea Petrochemicals - Statoil is building a new petrochemicals complex near Antwerp. It consists of a plant for production of polypropylene and another for conversion of propane to propylene. The polypropylene plant was commissioned in autumn 1990 and is now producing at full capacity - 180,000 tonnes a year. The propylene plant is under construction and will become operational in 1991. The joint venture has about 160 employees.

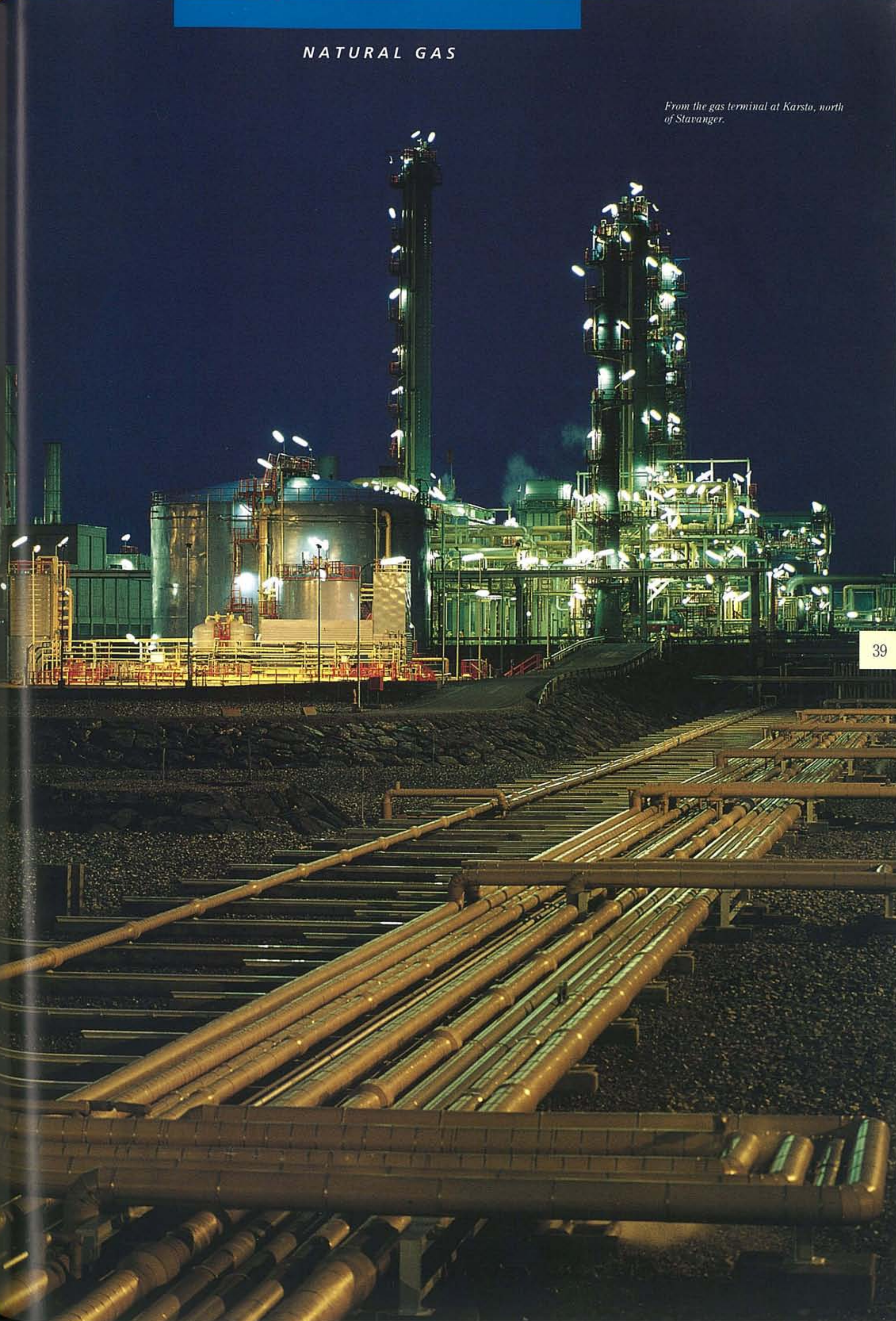
In addition to the traditional petrochemical processing activity based on natural gas liquids, the business unit is also planning activities using natural gas as feedstock. In 1990 plans were developed for a methanol plant based on gas from the Heidrun field. Statoil's board decided in spring 1990 to build and operate such a plant in cooperation with the US company, Conoco. The business unit was in 1990 responsible for developing Statoil's plans for production of the petrol additive MTBE.

Key figures (amounts in NOK million)

Profit and Loss Account	**1990**	**1989**
Operating income	5 333	4 350
Operating costs excluding depreciation	4 409	3 369
Ordinary depreciation	206	185
Operating profit	718	796
Financial items	64	57
Profit before extraordinary items	654	739

Balance sheet at 31.12	**1990**	**1989**
Fixed assets	2 975	1 815
Current assets	2 999	2 010
Total assets	5 974	3 825
Current liabilities	1 582	829
Long-term liabilities	2 941	1 913
Conditional untaxed res.	347	349
Shareholder's equity	1 104	734
Total liabilities and equity	5 974	3 825

Production of instrument panels at AB Nobel Plast, Tidaholm, Sweden.



From the gas terminal at Kårstø, north of Stavanger.


A thousand kilometres of pipe for Zeepipe. Each of the 12-metre pipes weighs up to 25 tonnes.

The Natural Gas business unit was separated from Exploration and Production (E&P) on 1 January 1990. Natural Gas is responsible for Statoil's activities associated with gas marketing and supply planning plus development and operation of natural gas transport systems. At 31.12.90 Natural Gas had a payroll of 640 people.

Highlights

- The business unit's operating profit was NOK 2,941 million in 1990. This is slightly below the estimated result for similar operations in 1989, mainly because of lower gas sales.
- Buyers in Germany and France decided to exercise options to increase sales volumes under the Troll gas sales agreement. This will lead to increased gas exports to these countries.
- All transport systems had high plant availability.
- Statoil recommended construction of Europipe, a third gas pipeline to the Continent.
- It was decided to land Sleipner condensate at Kårstø, north of Stavanger.

Transport systems on stream

The Statpipe transport system handled the following volumes in 1990:

Rich gas	5.1 billion cubic metres to Kårstø
Dry gas	7.6 billion cubic metres to Emden
NGL	1.05 million tonnes from Kårstø

Of the total dry gas volume, 41 per cent came from Statfjord, 42 per cent from Heimdal, 14.5 per cent from Gullfaks and 2.5 per cent from Veslefrikk.

Streamlining and coordination of transport activities resulted in high plant availability and reduced operating costs.

Exports through the Ula Transport system during the year were 5.9 million cubic metres oil and NGL.

The oil pipeline from the Gyda field to the Ula Transport system was put on stream in summer 1990.

Exports through the Norpipe lines were 27 million cubic metres (170 million barrels) of oil and about 17 billion cubic metres gas. Norpipe a.s owns the oil and gas pipelines to Teesside and Emden, respectively.

Frigg Transport carried about 7 billion cubic metres of dry gas from the Frigg, Northeast Frigg, East Frigg and Odin fields.

Gas marketing

Statoil, heading the Norwegian Gas Negotiating Committee, occupies a leading and coordinating role in the marketing of Norwegian gas.

Statoil's total natural gas sales in 1990 were 3.1 billion cubic metres, half of which came from Statfjord. Total Norwegian natural gas exports were 25 billion cubic metres.

The German companies Ruhrgas, Thyssengas and BEB exercised some of their options under the Troll gas sales agreement of 1986 to increase their offtake of Norwegian natural gas.

Gaz de France, under the gas sales agreement with the Troll owners, increased its annual offtake commitments by 2 billion cubic metres.

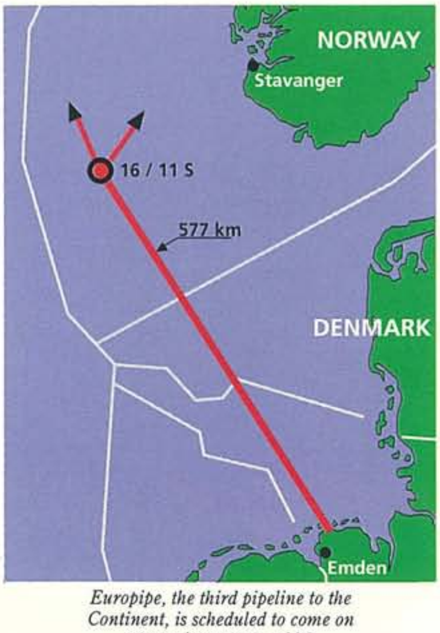
The Troll gas sales agreements have options for additional gas exports to Germany, the Netherlands and Belgium.

The Spanish company Enagas and the Troll licensees have agreed to accelerate start-up of deliveries to Spain from 1995 to 1993.

Sales negotiations and talks with potential gas buyers in Italy, Britain, the USA, Scandinavia and Norway continued. Talks also took place with gas companies in Eastern Europe.

Alternative gas supply sources to meet increased exports were also investigated in parallel with sales talks.

Negotiations with German Ruhrgas and Dutch Gasunie, to make Norwegian gas available in Austria and to the company SEP in the Netherlands, respectively, were completed.



Europipe, the third pipeline to the Continent, is scheduled to come on stream in autumn 1995.

NEW TRANSPORT SYSTEMS

The increased gas deliveries require higher transport capacity to the Continent. Statoil has recommended the construction of Europipe, a new transport system from block 16/11 in the North Sea to northern Germany. It is scheduled to come on stream in autumn 1995. The initial start-up capacity can be increased by boosting pressure shortly after signing of potential new gas sales agreements with Continental buyers.

The development of the Zeepipe transport system phase 1 has started. It includes a pipeline from Sleipner to Zeebrugge, Belgium, a terminal in Zeebrugge and a 30-inch pipeline connecting Sleipner to Statpipe. The system will be ready for operation in autumn 1993.

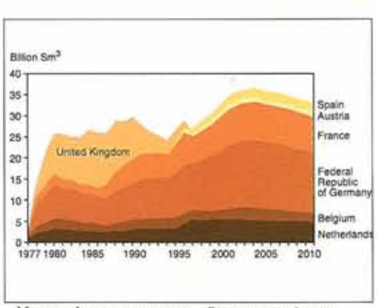
Construction of the Zeepipe terminal in Zeebrugge has started. It will receive and process natural gas in transit to the Continental gas grid.

Statoil is operator both for the transport system and the terminal.

In Etzel, northern Germany an underground gas storage facility is under construction. It will be connected to the Emden terminal by a 70 km pipeline, and is scheduled for commissioning in 1993. Statoil is operator.

The Sleipner licencees have decided to land condensate from Sleipner at Kårstø. Construction of a pipeline from Sleipner to Kårstø and expansion of the Kårstø terminal are in progress. The Statoil operated Sleipner condensate system is scheduled to come on stream in 1993.

All approved and initiated development projects are on schedule.



Norwegian gas exports. Contract volumes.

Key figures (amounts in NOK million)

Profit and Loss Account	1990	1989
Operating income	6 591	6 980
Operating costs excluding depreciation	2 834	3 092
Ordinary depreciation	816	778
Operating profit	2 941	3 110
Financial items	145	404
Profit before extraordinary items	2 796	2706
Balance sheet at 31.12	1990	1989
Fixed assets	7 929	8 237
Current assets	1 671	689
Total assets	9 600	8 926
Current liabilities	721	176
Long-term liabilities	5 267	6 091
Conditional untaxed res.	1 073	1 058
Shareholder's equity	2 539	1 601
Total liabilities and equity	9 600	8 926

Statoil manages the overall State participation in the Norwegian offshore petroleum industry, consisting of the group's own equity share and the Government's Direct Financial Involvement, GDFI. This is known as Statoil's participating share.

Value creation and further development of the State's overall participation in the petroleum business take place on a commercial basis.

As business manager, Statoil prepares separate financial statements for revenue, expenditure and investments related to the Government's Direct Financial Involvement.

The Statoil group's market position is increasingly based on the sale of the Government's oil in addition to the group's equity oil. Total oil production associated with the State's overall oil involvement in 1990 was 265 million barrels, up 25 million barrels from 1989. This total was made up from Statoil's share of just over 124 million barrels and the GDFI share of some 140 million barrels.

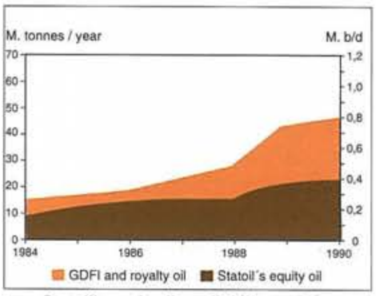
Total gas sales in 1990 were about 4,940 million standard cubic metres, of which GDFI amounted to 1,885 million.

Total reserves discovered through exploration in 1990 were about 450 million barrels of oil. The State's overall share of this is 220 million barrels. Just over 70 billion standard cubic metres of natural gas were discovered, of which the State's overall share is 31 billion standard cubic metres. Total exploration costs were NOK 1,460 million.

Recoverable reserves proven offshore Norway consist of 13.5 billion barrels of oil and 2,800 billion standard cubic metres gas. The State's overall share represents 6.4 billion barrels of oil and 1,678 billion standard cubic metres gas respectively.

Operating profit from the State's overall involvement was NOK 26.7 billion in 1990, against NOK 16.4 billion in 1989.

Investments related to the State's overall offshore involvement were NOK 13.5 billion, an increase of NOK 1.5 billion on 1989. Just over 70 per cent of the investments in 1990 were related to the Government's Direct Financial Involvement. The most important investment projects were the Oseberg, Sleipner East and Draugen field developments and the Zeepipe gas pipeline system.



Statoil's crude oil availability and the Government's Direct Financial Involvement (GDFI)

Safety

In 1990 the Statoil group reduced the number of lost-time injuries by 35 per cent.

All business units recorded a fall in the number of accidents, with Exploration and Production returning the biggest percentage reduction.

The company initiated several measures for preventive safety work. A high level of safety requires the dedication of all employees and this has produced results.

Major maintenance and conversions have been accomplished with a minimum of accidents or injuries. One example was the tie-back of Snorre to the Statfjord field. On this project, which has involved over a year of complicated diving operations, no lost-time injuries were recorded.

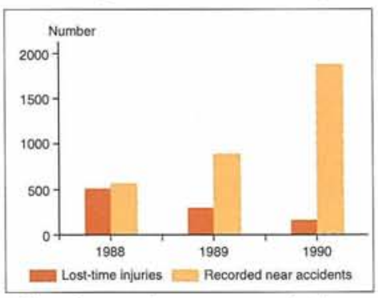
Active safety efforts at Statoil's installations have reduced the number of lost-time accidents by 40 per cent relative to 1989.

Partially as the result of ongoing efforts to improve registration of accidents, the number of reported near-accidents and hazardous situations sharply increased in all Statoil units in the past three years. By paying greater attention to potential accidents, deficiencies and risk factors, preventive action can be taken and injuries averted.

Safety analyses are important for surveying hazardous work operations. Preventive measures stemming from such analyses have led to a reduction in injuries and fewer gas leaks. Statoil uses the International Safety Ranking System, ISRS - which strongly emphasises underlying factors - for ranking of safety.

The President's Safety Award for 1990 was won by Statoil Petrokemi AB in Stenungsund.

North Sea Petrochemicals in Antwerp had a significantly better safety record than Belgian industry in general and was awarded a national safety prize during the construction period.



Through precautionary measures, lost-time injuries in the Statoil group were reduced by 35 per cent in 1990.

Environment

Measures to protect the environment have been a high-priority area in 1990 throughout the entire group. In addition to the existing Safety and Environment Department a special environmental project was launched to ensure that Statoil

- maintains an aggressive attitude and is thoroughly informed about environmental issues
- is prepared for new environmental demands
- exploits business opportunities

The project will also examine the need for resources, expertise and organisation of the Statoil group's environmental work. A senior vice president for environmental affairs has been appointed to head the project.

The Exploration and Production business unit has been active in reducing the content of oil in produced water. On the Gullfaks A platform efforts are well in hand to install hydrocyclones to improve water treatment.

The Refinery and Marketing business unit has worked hard to minimise the risk of oil spills from chartered tonnage. Over 80 per cent of the 23-ship fleet now have extra protection in the form of double bottoms or double sides.

At the Mongstad and Stenungsund facilities several specific projects have been carried through to meet licence requirements since coming back on stream in 1989.

Odd Tveit, safety manager of the Transport Division, received the President's Honorary Award 1990 for pioneering safety work.

In the 1990s and beyond technology will assume greater importance for Statoil's business activities. Since the reorganisation and consolidation in 1989 therefore, R&D activities in 1990 have been going through a period of greater commitment. A new research centre in Trondheim will be ready to move into by the beginning of 1994.

Exploration and production technology is a key area for Statoil's R&D efforts. Work on reservoir simulation, drilling and completion, and multiphase flow research, provide a base for further development aimed at extended-reach or horizontal wells.

Care of the environment is an important consideration in drilling and well operations, particularly the development of environmentally friendly drilling mud systems.

A dedicated commitment to multiphase research over several years produced results which contributed to the decision to build the Troll gas process plant on shore. This technology underpins efforts to develop new acreage, such as on Tromsøflaket, and to extend the use of existing infrastructure in the North Sea.

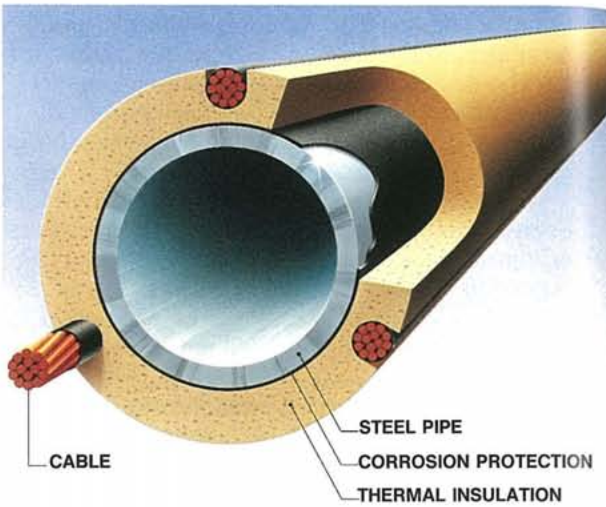
Research efforts are being redoubled in the refining and petrochemicals fields. Development of environmentally sound fuels has high priority. New methods for testing and analysing refinery catalysts allow selection of more economical and technically enhanced catalysts for Statoil's refineries.

Through the project for conversion of natural gas to middle distillates, work is going on to exploit gas for production of more environmentally compatible fuels, particularly diesel. Similar processes are under development for generation of petrochemical feedstock and petrol additives, such as MTBE, from natural gas.

In the longer term the potential for future chemical conversion of methane to fuels and petrochemical intermediates is being considered.

Multi-disciplinary skills can produce valuable results. One example is the development of a thermal flowline which counteracts the formation of wax and hydrate during multiphase transportation of oil and gas. This flowline was developed on the basis of multiphase flow expertise, materials engineering skills, and the need to transfer untreated wellflow over long distances.

The method, which is not only economical in operation but also environmentally friendly, is known as Induction Through Thermal Insulation (ITTI). Patents are pending in many countries.



By means of multi-disciplinary skills R&D has developed a thermal flowline, which is both environmentally sound and economical in use.

Organisation

The organisational structure established in 1989 with four business units and a supporting apparatus comprising Corporate Services and Staff Functions has helped upgrade organisational performance and market-orientation.

A newly-formed unit known as Development and Commercialisation has been formed as part of Corporate Services. It is responsible for pursuing and developing business opportunities for Statoil which do not naturally belong to the four standard business units.

The rationalisation and simplification of routines and systems has been high on the agenda in 1990. One aspect of the company's cost efficiency improvements is less use of manpower. The plans call for a reduction in the number of man-years by 1,500 relative to previous plans for the 1989-91 period. By the end of 1990 the reduction under this programme was 1,343 man-years, largely as the result of natural wastage and less use of contract staff and consultants.

The number of employees in the Statoil group increased in 1990 from 11,023 to 13,222. This growth is mainly due to the acquisition of the Swedish firm, Nobel Plast AB, though also to other, new commitments. In Norway, the group employs 8,789 people, while 4,433 are employed on the payroll of subsidiaries abroad.

Personnel and management development

To strengthen the corporate culture and ensure the systematic development of staff, several new personnel management systems have been introduced. These include management by objectives, feedback on performance, career development planning and job rotation.

The increasing emphasis on professional career development is intended to help foster technical expertise in given areas.

Great attention was paid in 1990 to initiatives for management development. At its executive sessions, the document Statoil's Vision, Year 2000 has been a central topic. The group-wide project Mid-level Manager in Statoil, embracing some 600 mid-level managers, had a good start, and the first 100 candidates have completed the programme.

One of the objectives of the company is to increase the proportion of women in managerial positions. In 1990, therefore, particular emphasis was put on identifying women with management potential who will be offered a special development programme.

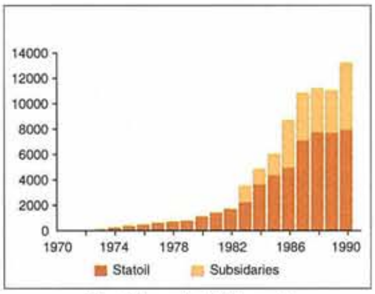
Employee relations and working environment

In Statoil an industrial relations body, made up of the Executive Committee and main employee delegates and called the Corporate Committee, has been established to strengthen co-operation within the group.

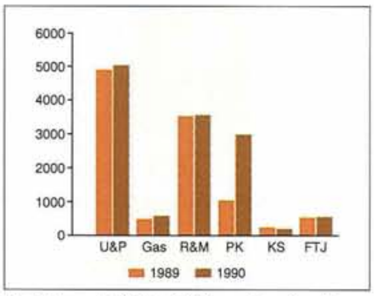
In late 1989 and early 1990 an extensive working environment survey of the company was conducted. Based on this study and the Objectives, Values and Management Policy document, action plans have been devised to strengthen the working environment and corporate culture at all levels of the organisation.

Salary and employment contracts

The salary and contract negotiations in 1990 incorporated the introduction of a new salary system for onshore employees.



Statoil group; total payroll.



Statoil group 1989 - 1990; number of employees by business units and corporate centre.

The collective offshore salary bargaining resulted in an illegal dispute which caused a slowdown in production for a short period. This conflict was also an impediment to good relations on the installations concerned.

A job evaluation system has been established in the company which will become effective for staff rotations, reorganisations, recruitments and fixing salaries.

Again in 1990, Statoil engaged in sponsorship activities as an element in marketing and profiling of the company in Norway and abroad.

Culture

Statoil has signed two-year cultural sponsorship agreements with four young Norwegian musicians. Cellist Truls Mørk, trumpeter Ole Edvard Antonsen, pianist Leif Ove Andsnes and violinist Marianne Thorsen have all been received enthusiastically by critics in Norway and internationally.

A two-year contract was also signed with the Stavanger Symphony Orchestra. Statoil supported several major music festivals and events in 1990.

Also in 1990, Statoil supported a major Munch exhibition in the National Gallery, Washington D.C.

In 1990 Statoil sponsored a major exhibition of Edvard Munch's art in Washington D.C. Norway's Princess Astrid attended the opening ceremony. Left, Kristoffer Marø, general manager of Statoil North America Inc. Right, Staffan Riben, president of Statoil Refining and Marketing.

Sport

In December 1990, Statoil and Norol signed an agreement with the Lillehammer Olympic Organising Committee (LOOC) to become a principal sponsor for the Lillehammer Winter Olympics in 1994.

Statoil will be the only oil company in a specially established group of principal sponsors for the 1994 Olympics.

Statoil is also the main sponsor for the Norwegian national ski-jumping team, and two other leading ski-jumping groups.

Lillehammer '94

Offisiell samarbeidspartner til De XVII Olympiske Vinterleker

STATOIL

Statoil is a main sponsor for the Olympic Winter Games 1994 at Lillehammer, Norway.

At 31 December 1990 Project	Operator	Location	Statoil's share % Participating	 Financial	Comments
		EXPLORATION			
32 exploration licences	Statoil	Norwegian shelf	49.6-85	9-30	Exploration/appraisal
80 exploration licences	Non-Statoil	Norwegian shelf	1-59.4	0-28.82	Exploration/appraisal
1 exploration licence *	Shell/Statoil	Swedish shelf	33.33 and 10	33.33 and 10	Exploration/appraisal
2 exploration licences	Statoil	Danish shelf	33.54 & 26.5	41.93 & 26.5	Exploration/appraisal
1 exploration licence	Statoil	Danish shelf	40.42	44.92	Exploration/appraisal
1 exploration licences	Statoil	British shelf	50	50	Exploration/appraisal
9 exploration licences	Non-Statoil	British shelf	5-25	5-25	Exploration/appraisal
1 exploration licence	Statoil	German shelf	75	75	Exploration/appraisal
1 exploration licence	Statoil/Nam	Dutch shelf	23.5	23.5	Exploration/appraisal
5 exploration licences	Statoil	Dutch shelf	40-60	40-60	Exploration/appraisal
2 exploration licences	Conoco	Dutch shelf	6.38 and 7.5	6.38 and 7.5	Exploration/appraisal
1 exploration licence	CNOOC	Chinese shelf	9.80	9.80	Exploration/appraisal
1 exploration licence	Total	Thailand	10	10	Exploration/appraisal
1 exploration licence	Total	Angola	10	10	Exploration/appraisal
1 exploration licence	BP	Congo	10	10	Exploration/appraisal
4 exploration licences	BP	China	33.33	33.33	Exploration/appraisal
1 exploration licence	BP	Vietnam	33.33	33.33	Exploration/appraisal

*) The licence area consists of 2 sub-licences operated by Statoil and Shell respectively. Statoil's respective shares are 33.33% and 10%.

		DEVELOPMENT			
Draugen	Shell	Block 6407/9	65	19.6	Oil/gas
Snorre *	Saga	Block 34/4, 34/7	41.4	10	Oil/gas/NGL
Troll Unit		Block 31/2, 31/3, 31/5, 31/6	74.576	11.88	
- Phase I	Shell/Statoil				Gas/condensate field
- TOGI	Norsk Hydro				Gas field
Oseberg Gamma North	Norsk Hydro	Block 30/6	59.4	14	Oil/gas field
Sleipner East	Statoil	Block 15/9	49.6	20	Gas/condensate field
Mime	Norsk Hydro	Block 7/11	50	20	Oil/gas/NGL field
Brage	Norsk Hydro	Block 31/4, 30/6	56	17.6	Oil field
Statfjord North	Statoil	Block 33/9	50	20	Oil/gas field
Statfjord East	Statoil	Block 33/9	52.7	12.27	Oil/gas field
Embla	Phillips	Block 2/7	1	1	Oil/gas field
Bongkot	Total	Thailand	10	10	Gas/condensate field
Zeepipe	Statoil	Norwegian, Danish, German, Dutch and Belgian North Sea	70	15	Gas transport
Zeepipe Terminal	Statoil	Zeebrugge, Belgium	34.3	7.35	Gas terminal
Etzel Gas Lager	Statoil	Etzel, Germany	67	67	Gas storage
North Sea Petrochemicals VOF	Own mngmt.	Antwerp, Belgium	50	50	Petrochemicals plant
Sleipner Condensate Kårstø	Statoil	Norw. shelf - Kårstø	49.6	20	Condensate transport

*) Only Phase 1 approved for development

At 31 December 1990 *Project*	*Operator*	*Location*	*Statoil's share %* *Participating*	*Financial*	*Comments*
		PRODUCTION			
Murchison	Conoco	Block 33/9 *	11.1	11.1	Oil/gas/NGL
Statfjord	Statoil	Block 33/9, 33/12 *	42.04661	42.04661	Oil/gas/NGL
Gullfaks	Statoil	Block 34/10	85	12	Oil/gas/NGL
Veslefrikk	Statoil	Block 30/3	55	18	Oil/gas/NGL
Oseberg	Norsk Hydro	Block 30/6, 30/9	65.04	14	Oil/gas
Frigg	Elf	Block 25/1 *	3.041	3.041	Gas
North-east Frigg	Elf	Block 25/1, 30/10	2.1	2.1	Gas
East Frigg	Elf	Block 25/1, 25/2	7.192	5.7307	Gas
Heimdal	Elf	Block 25/4	40	20	Gas/condensate field
Ula	BP	Block 7/12	12.5	12.5	Oil/gas/NGL
Gyda	BP	Block 7/12, 2/1	50	20	Oil/gas/NGL
Ekofisk area**	Phillips	Block 7/11, 2/4, 1/5, 2/7	1	1	Oil/gas/NGL
Tommeliten	Statoil	Block 1/9	70.64	28.26	Oil/gas/NGL
Kotter	Conoco	Dutch shelf	6.375	6.375	Oil
Logger	Conoco	Dutch shelf	7.5	7.5	Oil
Weizhou 10-3	CNOOC	Chinese shelf	9.8	9.8	Oil
Victor	Conoco	British shelf	5	5	Gas/NGL

*) The field straddles the British/Norwegian median line.
**) PL018 only.

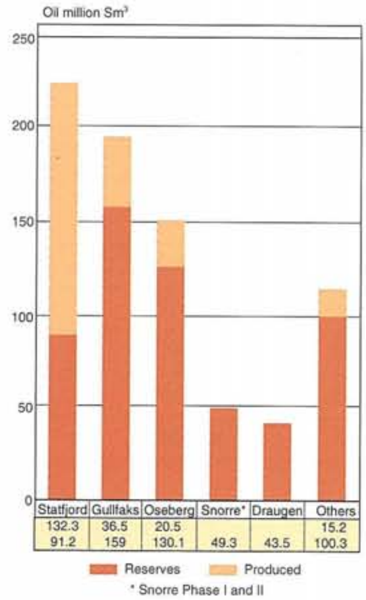
		TRANSPORTATION			
Statpipe	Statoil	Norwegian shelf - Kårstø	58.25	58.25	Gas transport, NGL fractionation
Oseberg Transport	Norsk Hydro	Norwegian shelf - Sture, Norway	65.04	14	Oil transport, oil terminal
Frigg Transport	Total	British shelf - St. Fergus, UK	24	24	Gas transport, gas terminal
Ula Transport	Statoil	Norwegian shelf	100	100	Oil transport
Norpipe a.s	Phillips	Norwegian, Danish, UK and German North Sea	50	50	Oil and gas transport
Norpipe Petroleum UK Ltd.	Phillips	Teesside, UK	50	50	Oil terminal
Norsea Pipeline Ltd.	Phillips	Teesside, UK	2	2	NGL fractionation
Norsea Gas A/S	Phillips	Emden, Germany	2	2	Gas terminal
Norsea Gas Gmbh	Phillips	Emden, Germany	2	2	Property
Norland Gmbh	Phillips	Emden, Germany	2	2	Property

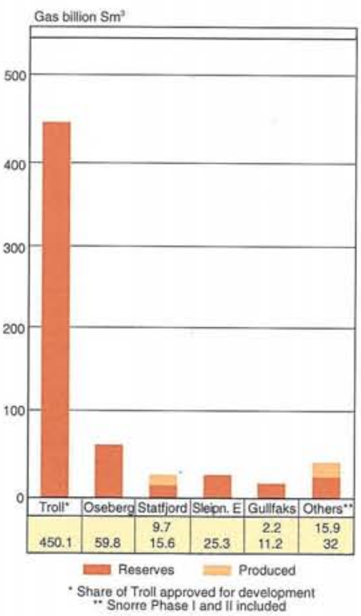
At 31 December 1990 Project	*Operator*	*Location*	*Statoil's share %* Participating	Financial	*Comments*
		REFINING AND MARKETING			
Statoil Mongstad	Statoil	Mongstad, Norway	100	100	Refining
Crude oil and products sale	Statoil	Stavanger, Norway	100	100	Marketing and chartering
Norsk Olje a.s (Norway)	Own management	Oslo	100	100	Marketing
Svenska Statoil AB (Sweden)	Own management	Stockholm	100	100	Marketing
Statoil A/S (Denmark)	Own management	Copenhagen Kalundborg	100	100	Marketing and refining
		PETROCHEMICALS			
Statoil Bamble (I/S Norpolefin)	Own management	Bamble, Norway	100	100	Petrochemicals
Statoil Petrokemi AB	Own management	Stenungsund Sweden	100	100	Petrochemicals
I/S Noretyl	Norsk Hydro	Bamble	49	49	Petrochemicals
Werk Hamburg	Own management	Norderstedt, Hamburg	100	100	Petrochemicals
AB Nobel Plast	Own management	Gothenburg (HQ) Färgelanda Tidaholm Ljungby Marieholm	100	100	Petrochemicals

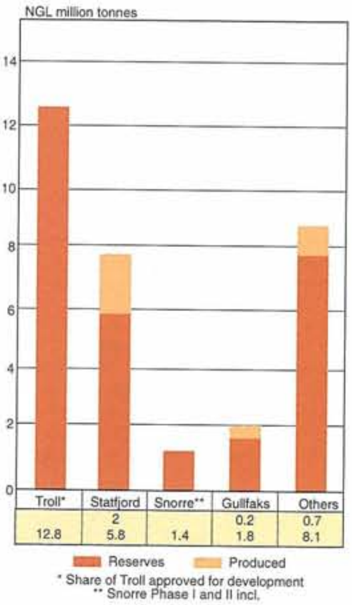
Statoil's financial share

	Oil Million Sm³	*Gas Billion Sm³*	*NGL Million tonnes*
Discovered reserves 31.12.1988	348	412	19
Discovered reserves 31.12.1989	352	392	10
Changes in 1990:			
New discoveries	13	14	-
Reserves acquired	-	4	-
Reevaluations	15	11	2
Relinquishment	-	-	-
Adjustment due to exercise of sliding scale	(1)	0	-
Reserves sold	-	-	-
Production	(23)	(3)	(1)
Discovered reserves 31.12.1990	356	418	11
Made up by			
- fields on stream	167	27	7
- fields approved for development	40	89	2
- other fields and discoveries	149	302	2
Discovered reserves 31.12.1990	356	418	11

Sm^3 = Standard cubic metre, i.e. approximately 6.29 barrels of oil or 35.31 cubic feet of dry gas.







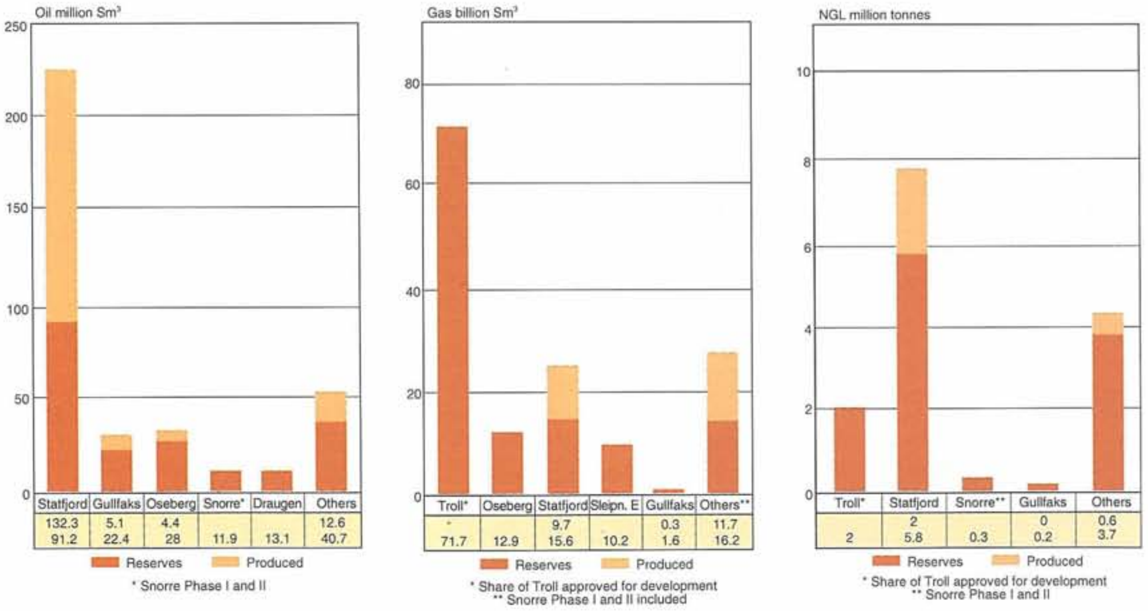
Fields on stream and approved for development.

Statoil's participating share (financial share + GDFI):

	Oil Million Sm^3	*Gas Billion Sm^3*	*NGL Million tonnes*
Discovered reserves 31.12.1988	953	1 600	42
Discovered reserves 31.12.1989	1 030	1 585	16
Changes in 1990:			
New discoveries	35	31	-
Reserves acquired	-	4	-
Reevaluations	(1)	63	6
Relinquishment	-	-	-
Adjustment due to exercise of sliding scale	3	1	-
Reserves sold	-	-	-
Production	(45)	(6)	(1)
Discovered reserves 31.12.1990	1 022	1 678	21
Made up by			
- fields on stream	441	44	10
- fields approved for development	130	484	6
- other fields and discoveries	451	1 150	5
Discovered reserves 31.12.1990	1 022	1 678	21

Sm^3 = Standard cubic metre, i.e. approximately 6.29 barrels of oil or 35.31 cubic feet of dry gas.

Statoil's participating share includes Statoil's financial share and the Government's direct financial involvement in the petroleum industry (GDFI).



Fields on stream and approved for development.

Article 1

The corporate object of Den norske stats oljeselskap a.s is, either by itself of through participation in or together with other companies, to carry out exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products, as well as other business.

Article 2

The Company shall be situated in Stavanger.

Article 3

The share capital of the Company is NOK 4,939,714,000 divided into 49,397,140 shares of NOK 100 each.

Article 4

The Board of Directors of the Company shall be composed of a maximum of nine directors. A maximum of six of the directors including chairman and vice-chairman, shall be elected by the General Meeting. A maximum of three of the directors shall be elected by and among the employees in accordance with regulations made under provisions of the Norwegian Companies Act concerning the right of employees to be represented on the Board of Directors and in the Corporate Assembly of companies limited by shares. Five alternate directors shall be elected in respect of the directors elected by and among the employees, and these alternates shall be summond in the order in wich 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.

Article 5

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

Article 6

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

Article 7

The Company shall have a Corporate 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 Norwegian Companies Act concerning the rights of employees to be represented on the Board of Directors and in the Corporate Assembly of companies limited by shares. The Corporate Assembly shall elect a chairman and a vice-chairman from among its members. The Corporate Assembly shall hold at least two meetings annually.

Article 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 summond at the request of the Shareholder, the Board, or two members of the Corporate Assembly.

Article 9

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

a) Adoption of the profit and loss account 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 profit and loss account and the consolidated balance sheet.
d) Any other matters wich are referred to the General Meeting by statute or the Articles of Association.

Article 10

The Board shall submit to the General Meeting, ordinary or extraordinary, all matters which must be presumed to to be of political importance and/or wich may have essential effects on the nation and its economy.

Such matters shall be deemed to include, but not be limited to:

a) Plans for the subsequent year, as well as perspectives for the intermediate term, including economic surveys.
b) Essential changes in such plans and perspectives as mentioned in a) above.
c) Plans for future business of any essential extent in relation to the Company's present commitment within the business unit involved.
d) Matters which may necessitate State appropriation of shareholder's equity or loan capital.
e) Plans for establishing new types of business of any essential extent.

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 ample 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 Corporate Assembly for comments.

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

Article 11

The Company is responsible for taking care of the interests of the Government related to the direct financial involvement the Government 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 involvement on the Norwegian continental shelf.

The Company prepares accounts for the Government's direct financial involvement. These accounts are carried out in accordance with the regulations govern- ing economic administration in the ministries stipu- lated by Royal Decree and the economic instructions prepared by the Ministry of Petroleum and Energy.

Article 12

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

Executive Committee:
H. Norvik *President and Chairman*
J.N. Vold *Senior Executive Vice President*
T. Espedal *Senior Executive Vice President*
S. Bergseth *President, Exploration and Production*
T. Vareberg *President, Natural Gas*
S. Riben *President, Refining and Marketing*
T. Tønne *President, Petrochemicals and Plastics*

Corporate Staff Functions:
S. Rennemo *Senior Vice President, Economy, Finance & Auditing*
P.E. Rettedal *Senior Vice President, Personnel & Organisation*
J.S. Middelthon *Senior Vice President, Legal Affairs & Company Secretariat*
M. Woldsdal *Senior Vice President, Public Affairs*
J.A. Firing *Senior Vice President, Safety, Health & Quality Assurance*
G. Dolven *Senior Vice President, Corporate Planning*
G. Jøssang, acting *Senior Vice President, Contracts, Purchasing & Industrial Relations*

Corporate Services:
R.S. Andersen *Senior Vice President, Research & Development*
S.A. Killingland, acting *Senior Vice President, Development & Commercialisation*
S.G. Larsen *Senior Vice President, Statoil's Service Centre*
T. Halvorsen *Senior Vice President, Data Systems & Telecommunication*

Exploration and Production:
K. Nese *Senior Vice President, Projects*
R.M. Larsen *Senior Vice President, Exploration*
E. Sæl *Senior Vice President, Operations*
H. Ynnesdal *Senior Vice President, Technology*
K. Ravndal *Senior Vice President, Development*
H. Carlsen *Senior Vice President, Technology*
O.J. Aga *Senior Vice President, E&P International*
E. Endresen *Senior Vice President, Bergen Operations*
G. Pettersen *Senior Vice President, Stavanger Operations*

Natural Gas:
O. Rekdal *Senior Vice President, Natural Gas Supplies & Planning*
P. Mellbye *Senior Vice President, Natural Gas Marketing*
L. Ramstad *Senior Vice President, Natural Gas Transportation*

Refining and Marketing:
T.I. Willumsen *Executive Vice President, Refining & Marketing*
S.Å. Forsberg *Senior Vice President, Crude Oil & Products*
J. Bleie *Senior Vice President, Statoil Mongstad*
G. Gradin *Managing Director, Svenska Statoil AB (Sweden)*
P. E. Luxhøj *Managing Director, Statoil A/S (Denmark)*
J.T. Bjerke *Managing Director, Norol (Norway)*

Petrochemicals and Plastics:
F.R. Kulås *Executive Vice President*
T. Dysvik *Vice President, Feedstock Sector*
H. Sperle *Senior Vice President, Olefines Division*
O.H. Aas *Senior Vice President, Polyolefines Division, Statoil Bamble*
I. Frøystad *Senior Vice President, Marketing, Polyolefines Division*
R. Ehrenberg *Senior Vice President, Special Products Division*
T. Anderson *Managing Director, AB Nobel Plast*

DEN NORSKE STATS OLJESELSKAP A.S

NORWAY

Statoil
Stavanger head office
P.O. Box 300, 4001 Stavanger
Telephone +47 4 80 80 80
Telex 73 600 stast n
Facsimile +47 4 80 70 42

Statoil,
Stavanger Operations
P.O. Box 620, 4001 Stavanger
Telephone +47 4 80 80 80
Telex 73 200 stasd n
Facsimile +47 4 80 83 33

Statoil,
Bergen Operations
P.O. Box 1212, 5001 Bergen
Telephone +47 5 99 20 00
Telex, Exploration:
40 633 stabg n
Telex Gullfaks Prod.:
40 639 drift n
Facsimile +47 5 99 20 50

Statoil, Bamble
Bamble, N-3960 Stathelle
Telephone +47 3 57 70 00
Telex 21 736 staba n
Telex, Distribution:
21 495 staba n
Facsimile +47 3 57 72 00

Statoil, Trondheim,
Ranheimsvn. 10
Postuttak, N-7004 Trondheim
Telephone +47 7 58 40 11
Telex 55278 statd n
Facsimile +47 7 96 72 86

Statoil, Harstad
P.O. Box 40, N-9401 Harstad
Telephone +47 82 12 500
Telex 65 828 staha n
Facsimile +47 82 12 664

Statoil, Kristiansund
P.O. Box 2123, Løkkemyra,
N-6501 Kristiansund N
Telephone +47 73 82 211
Telex 15 646 stlkr n
Facsimile +47 73 83 930

Statoil, Transport Division Kårstø
P.O. Box 308, N-5501 Haugesund
Telephone +47 4 77 22 00
Telex Statpipe Operations
40 807 staka n
Facsimile +47 4 77 22 10

Statoil, Transport Division Bygnes
P.O. Box 308, N-5501 Haugesund
Telephone +47 4 77 28 59
Telex 40 807 staka n
Facsimile +47 4 77 29 46

Statoil, Hamang
P.O. Box 910, N-1301 Sandvika
Telephone +47 2 47 30 00
Telex 77 406 staas n
Facsimile +47 2 47 33 22

Statoil, Bergen Base
P.O. Box 25,
N-5364 CCB Ågotnes
Telephone +47 5 33 40 50
Telex 40 231 mexop
Facsimile +47 5 33 56 80

Statoil, Florø
P.O. Box 223, N-6901 Florø
Telephone +47 57 42 466
Telex 40 720 stafo n
Facsimile +47 57 43 390

Statoil, Mongstad
N-5154 Mongstad
Telephone +47 5 36 11 00
Telex 42 266 stadm n
Facsimile +47 5 36 21 27

INTERNATIONAL

Statoil, Beijing
c/o Royal Norwegian Embassy
Sanlitun E. St. 1
Beijing 10 600,
People's Republic of China
Telephone +86 1 532 2261
Telex +85 22266
Facsimile +86 1 532 2398

SUBSIDIARIES

NORWAY

Norsk Olje a.s - Norol
(From summer 1991 Statoil Norge AS)
P.O. Box 1176,
N-0107 Oslo 1
Telephone +47 2 96 20 00
Telex,
78 063 olje n, 71 060 olje n
Telex,
Chartering 72 718 olje n
Facsimile +47 2 69 32 00

Statoil Forsikring a.s
P.O. Box 300,
N-4001 Stavanger
Telephone +47 4 80 80 80
Telex 73 600 stast n
Facsimile +47 4 80 78 10

Norwegian Underwater Technology Centre a.s - Nutec
P.O. Box 6, N-5034 Laksevåg
Telephone +47 5 34 16 00
Telex 42 892 nutec n

Andenes Helikopterbase a.s
P.O. Box 20, N-8480 Andenes
Telephone +47 88 41 488

INTERNATIONAL

Statoil Danmark A/S
Statoil A/S
Statoil Efterforskning og Produktion A/S
Sankt Annæ Plads 13,
DK-1298 Copenhagen K,
Denmark
Telephone +45 33 14 28 90
Telex 27 135
Facsimile +45 33 32 32 12

Statoil (U.K.) Ltd
Swan Gardens
10, Piccadilly,
London W1V 9LA,
United Kingdom
Telephone +44 1 409 00 15
Telex 2 78 01 stato g
Facsimile +44 1 4931211

Taplow House
Clivemont Road,
Maidenhead, Berks. SL6 7BU
United Kingdom
Telephone +44 62 83 75 43
Telex 84 92 36 stalo g
Facsimile +44 62 87 30 47

Statoil Netherlands B.V.
P.O. Box 1193,
NL-2260 BD Leidschendam,
Netherlands
Telephone +31 70 320 92 30
Telex 34 292 stato nl
Facsimile +31 70 3200703

Statoil North America Inc.
225 High Ridge Road,
Stamford, Conn. 06905,
USA
Telephone +1 203 978 6900
Telex +23 68 19 522 stat
Facsimile +1 203 978 6952

Statoil AB
Svenska Statoil AB
P.O. Box 5833,
S-102 48 Stockholm,
Sweden
Telephone +46 8 7836 000
Telex 19 135 statoil s
Facsimile +46 8 6636 068

Statoil Petrokemi AB
Olefines Division
P.O. Box 855,
S-44481 Stenungsund,
Sweden
Telephone +47 303 87 000
Telex 54 2404 staolef s
Facsimile +47 303 80445

Plastics Division
S-44481 Stenungsund, Sweden
Telephone +47 303 87450
Telex 54 27346 stapla s
Facsimile +47 303 87460

Statoil Petrokemi
Hovedgaden 6,
DK-2970 Hørsholm,
Denmark
Telephone +45 42 86 88 22
Telex 37 536 stakoe dk
Facsimile +45 42 868333

Statoil Finland OY
Svetsargatan 4,
SF-00810 Helsinki,
Finland
Telephone +35 0 759 1066
Telex 123413 stahe sf
Facsimile +35 0 759 1501

Statoil France S.A.
Tour Rosny 2,
Avenue du General de Gaulle,
F-93118 Rosny-Sous-Bois,
France
Telephone +33 1 485 54 562
Telex 231 493 stapa f
Facsimile +33 1 485 564 48

Den norske stats oljeselskap Deutschland GmbH
Kennedydamm-Center,
Schwann Str. 3, Düsseldorf,
Federal Republic of Germany
Postal address:
Postfach 300913
D-4000 Düsseldorf 30,
Telephone +49 211 45 07 45
Telex 858 2806 stat d
Facsimile +49 211 45 07 62

Werk Hamburg-Norderstedt,
Robert Koch Str.25,
D-2000 Norderstedt 2
Federal Republic of Germany
Telephone +49 40 5290 050
Telex 21 74 351 stah d
Facsimile +49 40 52 90 0555

Statoil Petrochemicals Belgium N.V.
Statoil Coordination Center N.V.
Holidaystraat 5,
B-1920 Diegem, Belgium
Telephone +32 2 725 40 30
Telex 462 21 44 stat be
Facsimile +32 2 725 47 45

AB Nobel Plast
(From May 1991 Statoil EuroParts AB)
Salsmästaregatan 32
S-42246 Hissingsbacka
Sweden
Telephone +46 31 580 180
Telex +54 82 05 95 bopl
Facsimile +46 31 522 632

Statoil (Thailand) Ltd.
BB Building, Suite 2106
54, Asoke Rd., Sukhumvit 21
Bangkok 10 110, Thailand
Telephone +66 2 260 7682
Telex +86 22387 stathth
Facsimile +66 2 260 7688

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Den norske stats oljeselskap a.s
P.O. Box 300, Forus, N-4001 Stavanger, Norway
Telephone: + 47 4 80 80 80. Telex: 73 600 stast n