



1 April 2016

Committee Secretary
Senate Standing Committees
on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Submission to Senate Inquiry in to Oil or Gas Production in the Great Australian Bight

Dear Secretary,

Statoil welcomes the opportunity to inform the Senate inquiry into oil or gas production in the Great Australian Bight. We will provide an overview of our company and our presence internationally. We will then explain our investments in Australia, including a 30% interest in the GAB project which is the subject of the inquiry. Finally we will give our support for the existing regulatory framework and the independent regulator.

Our company

As a global energy provider we develop oil, gas and energy solutions. Our purpose is to bring energy to a growing population to create value for our shareholders and the communities where we operate. We have more than 40 years of experience developing oil and gas on the Norwegian Continental Shelf and now operate in more than 30 countries. We build on our legacy of safe, secure and efficient operations, technical capabilities and innovation. The Norwegian State is the largest shareholder in Statoil ASA, with a direct ownership interest of 67%. Statoil's head office is located in Stavanger, Norway. Statoil is listed on the New York and Oslo stock exchange and we employ approximately 21,000 people worldwide.

- Since our founding in 1972 Statoil has grown to be the leading oil and gas operator on the Norwegian continental shelf.
- In 2015, 37% of our oil and gas equity production took place outside Norway.
- We are the second biggest gas supplier to Europe.
- In 2015, our equity production was 719 million barrels of oil equivalents and total production from Statoil-operated assets was 1,073 million barrels of oil equivalents. Full year earnings were USD \$9.3 billion.
- We aim to deepen and prolong our position on Norway's continental shelf and to grow material and profitable international positions.
- We aim to provide energy for a low carbon future and to create lasting value for communities.
- We aim to have a focused and value-adding mid- and downstream business.

Where we are in the world



The map provides an overview of our presence as of 31.12.2015.

Our Australian operations

Statoil ASA through its wholly owned subsidiary Statoil Australia Theta B.V. has interests in two offshore assets in Australia.

In 2013 Statoil and BP Developments Australia Pty Ltd ('BP') formed a joint venture to explore for hydrocarbons in the Ceduna sub basin within the Great Australian Bight ('GAB'). Statoil holds a minority stake of 30% while BP holds 70% and is the operator of the exploration project which covers EPP 37, EPP 38, EPP 39 and EPP40.

In addition to financing a share of the activities, as a non-operator Statoil's role in the partnership is to provide support to BP. This involves providing engineering and geological advice on how to safely and effectively investigate petroleum systems in the exploration permits.

In 2014 Statoil was awarded WA-506-P, an exploration permit offshore Western Australia in the Northern Carnarvon basin. Statoil holds 100% interest in the permit and in 2015 acquired 4000 km² of 3D seismic and successfully completed a multibeam and piston coring program. We are currently analysing the data and will make a decision on whether to drill an exploration well or exit the permit by October 2017.



Australian regulatory framework

We have experience with the approval process and regulatory framework administered by the National Offshore Petroleum Safety and Environmental Management Authority ('NOPSEMA') in our capacity as operator of the Northern Carnarvon permit and in our role as non-operator in the GAB.

Based on our international experience, Statoil's view is that NOPSEMA is an independent and expert regulator providing an objective-based, consultative and predictable regulatory regime.

Statoil notes the submissions made by the industry organisation APPEA, of which Statoil is a member and from BP as operator of exploration permits EPP 37, EPP 38, EPP 39 and EPP40 in the Great Australian Bight.

We are open to providing any further information you may require.

Yours faithfully,

Jacques-Etienne Michel
Country manager - Australia
Statoil