

Building technology companies

Introduction to **Statoil Technology Invest**



24. September 2015

Installation of the world's first drill floor robot at IRIS Ullrigg Well Centre

On 23. September, IRIS Ullrigg Well Centre presented the world's first drill floor robot installed on a rig



Our mission

Build start-ups

Implement their technology

Sell them

Target Innovative, high impact, upstream technology companies

Proven track record in O&G venture investments

World class VC performances

Multiple of invested capital on realized exits

2,5x*
(since 2000)

Net-IRR

~ 22%**
(since 2000)

Exit proceeds to date

~2 BNOK
(since 2000)

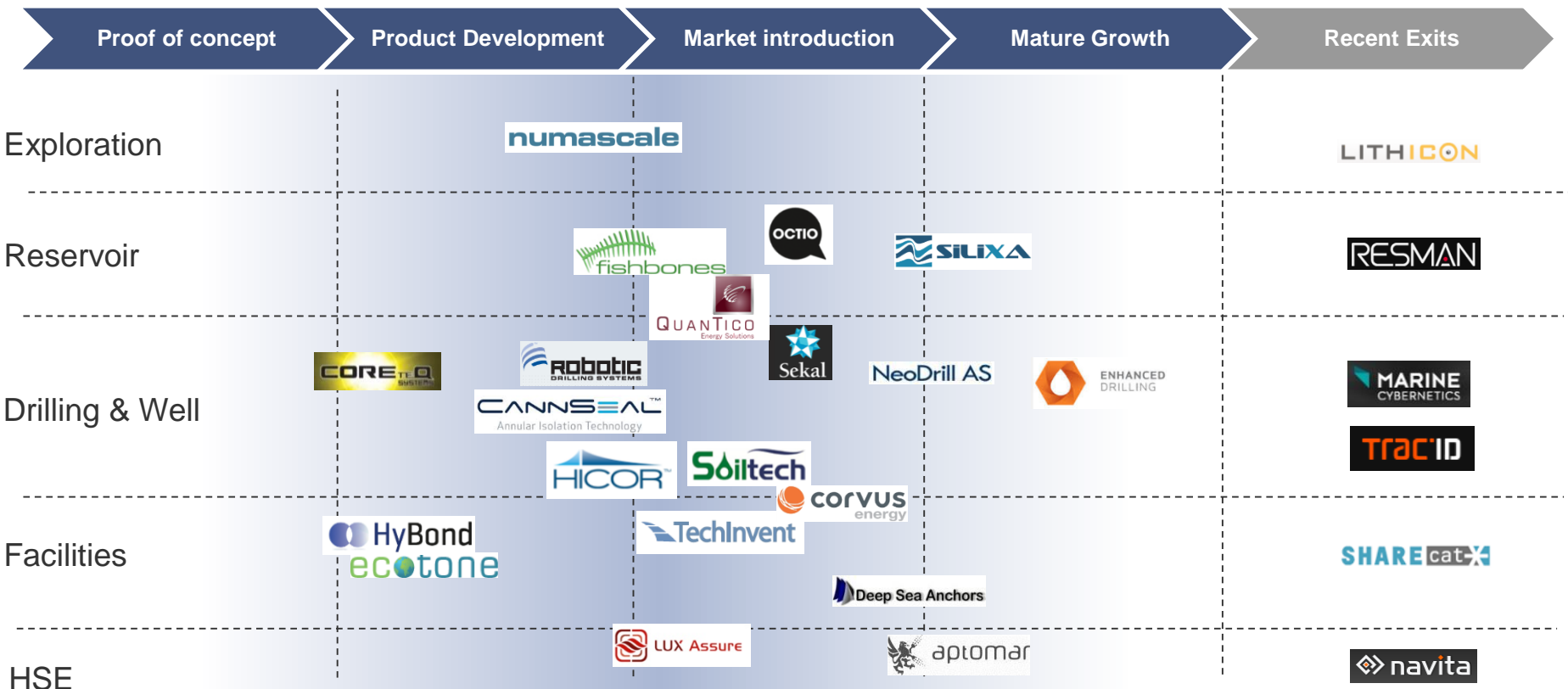


*Includes exits, bankruptcies, wind-ups, write downs

**Includes realised exits and current portfolio value

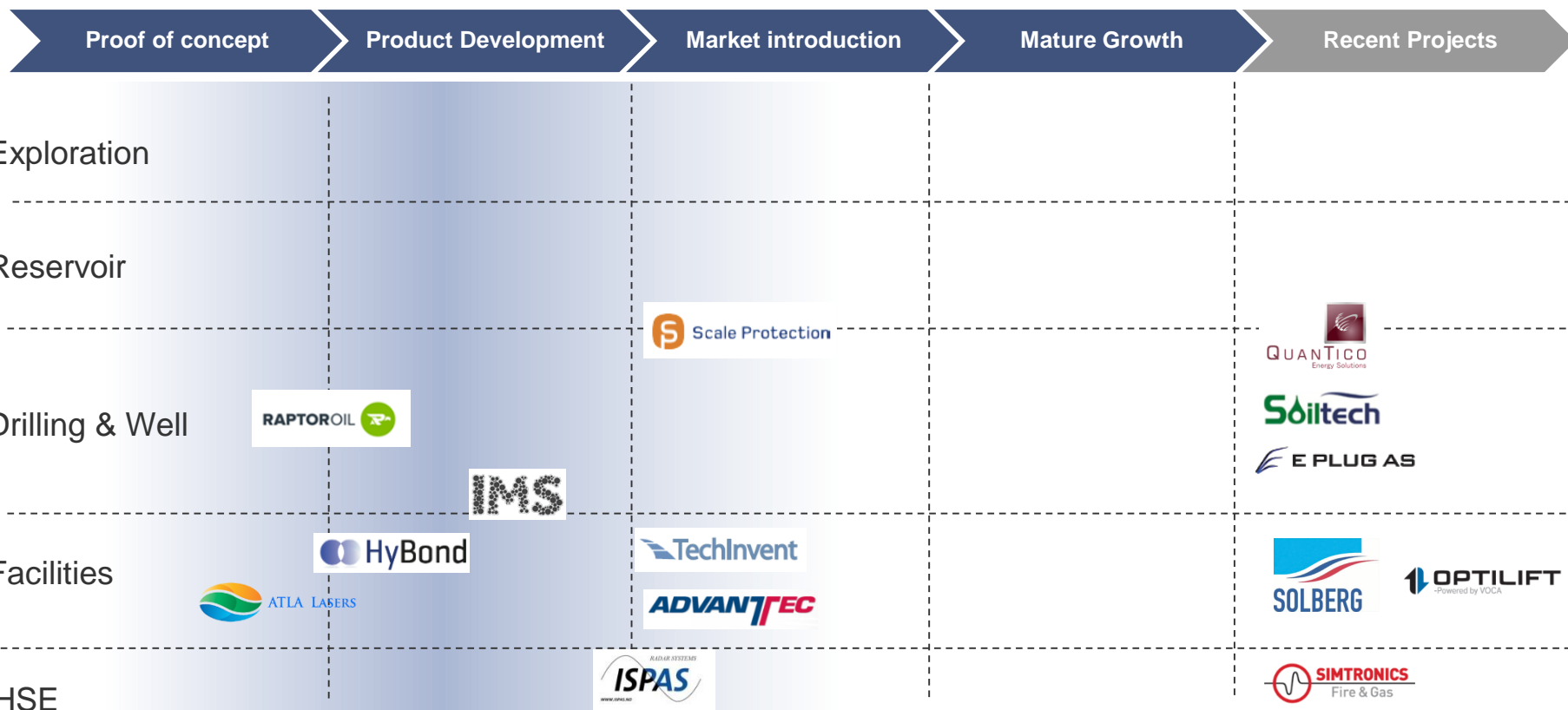
Equity investments

- \$ 1-10 million per company
- Participation: 10-40%
- Board seat

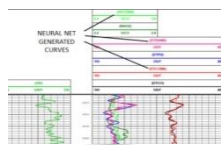


LOOP – Project finance

- \$ 1 – 5 million per company
- Royalty on revenue or Conversion option
- Leverage network of entrepreneurs



High activity in 2015



Investment – Series A
Neural network for Shale
Drilling optimisation



Investment – Series B
Wet gas compressor for
Shale operations

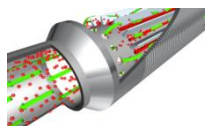


Investment – Series A
Annular Isolation Technology
WL run tool that shuts down
unwanted fluid flow behind casing

March — May — June — July — Sept — Oct — Nov —



Exit to Nordic Capital
STI: 16X investment



LOOP investment
Automated Drilling fluid
measurement



E Plug AS
LOOP completed
Successfully used on
Statfjord C



Investment
Li-ion energy storage for
maritime applications



What you get with STI



Oslo - Stavanger - Trondheim - Houston

50%+ time spent on implementation

235+ years combined O&G experience

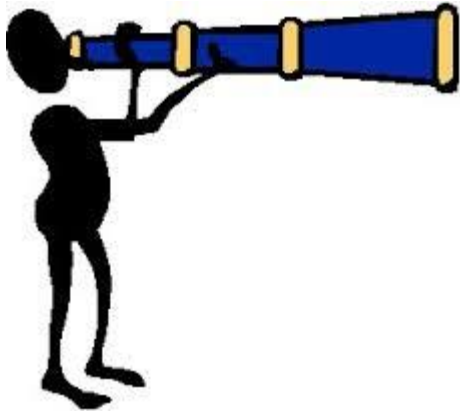
Leverage Statoil's internal knowledge

Unique board / demand side perspective

Co-investments with all major O&G VCs



Resepten på å lykkes som gründer - hva ser vi etter?



- Gründer
- Teknologi
- Marked
- Exit

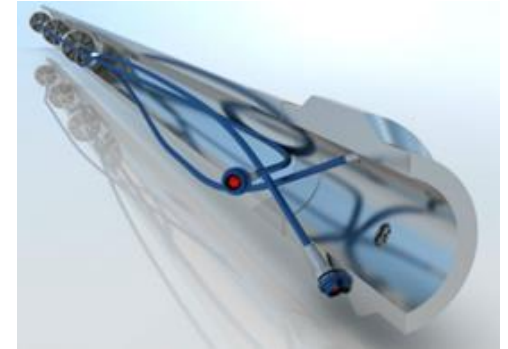
Gründer

- Energi og pågangsmot + villighet til å bli coachet
- Kompetanse på teknologi/produktområde og marked/kundebehov
- Ærlig og oppriktig og kan forholde seg til lover, regler, investorers krav
- Evne til å bygge et selskap eller er villig til å tre til side og la andre gjøre det
- Innstilt på at eierandeler blir utvannet for å bygge verdier
- Svært gjerne en seriegründer



Teknologi – produkt/tjeneste

- Unik, betydelig forbedring ift eksisterende teknologi
- Proprietær (patentbeskyttet eller trade secrets), skalerbar
- Klart, forståelig verdiforslag (reduuerte kostnader, økt utvinning)
- Kvantifiserbare resultater for kunden i løpet av kort tid
- Krever ikke betydelig kapital for å ferdigutvikle og kvalifisere
- Krever ikke store tilleggsinvesteringer for kunden



Marked

- Kundens behov virkelig forstått
- Stort, betalingsvillig marked
- Marked i vekst
- Avklart/forståelig leveransemodell
- Forutsetter ikke nye myndighetskrav



Exit

- Enighet etablert om at selskapet skal utvikles og selges
- Timeplan og milepæler/verditriggere avklart
- Kapital frem til exit estimert
- Plan for funding etablert
- Mulige betalingsvillige kjøpere med oppkjøpsstrateg, kapital identifisert



Statoil Technology Invest.com

VC Business Model – Implementation driven

Equity Investment

X

Exit return

2.5 X

Implementation value

20 X

2005

2006

2007

2009

2015

RESMAN

STI Investment

1st pilot well

Urd

1st commercial well

Skinfaks

R&D financing
Quantitative zonal contribution

Exit

35 wells to date

Exit return: 16X

Implementation value: 28X (Direct)

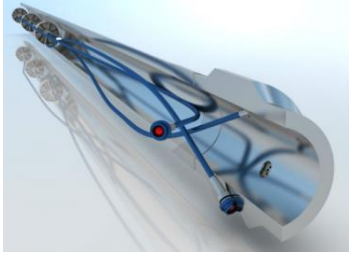


Exit of the Year (Norway) - NVCA 2015

1st investor in high-impact early stage start-ups

What if we could...

... Vertically connect reservoirs

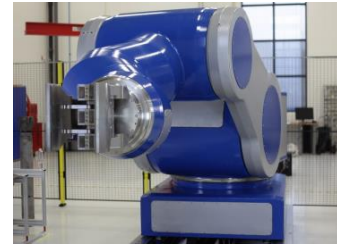


... Drill in depleted reservoirs



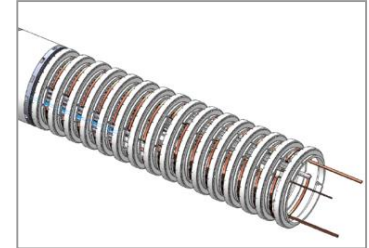
ENHANCED
DRILLING

... Fully automate drill floors



Robotic
DRILLING SYSTEMS

... Triple ESP run life



CORE_{TEQ}
SYSTEMS

LOOP Business Model – Partner with entrepreneurs

