Investor Roundtable Oil & Gas

BASF
The Chemical Company

Rainer Seele
CEO Wintershall and
President BASF
Oil & Gas Division

September 18, 2014

Production platform in Norway

Cautionary note regarding forward-looking statements

This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. BASF has based these forward-looking statements on its views and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and BASF does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.

Horsehead pump in Germany

1 | Overview & Strategy

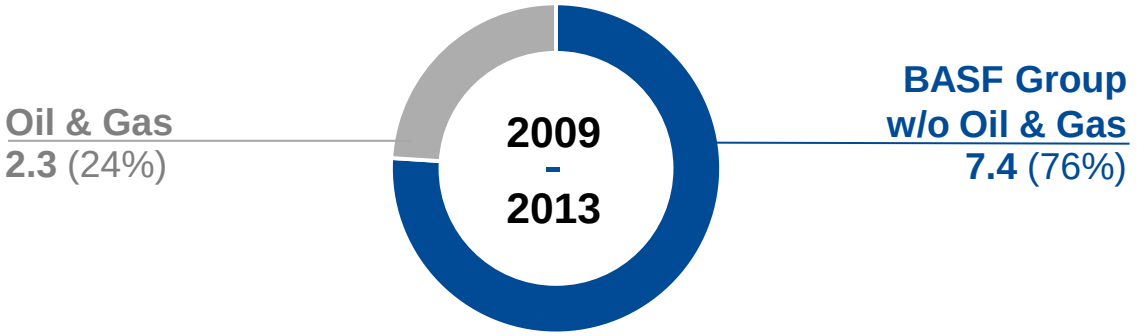
2 | Exploration & Production

3 | Natural Gas Transportation

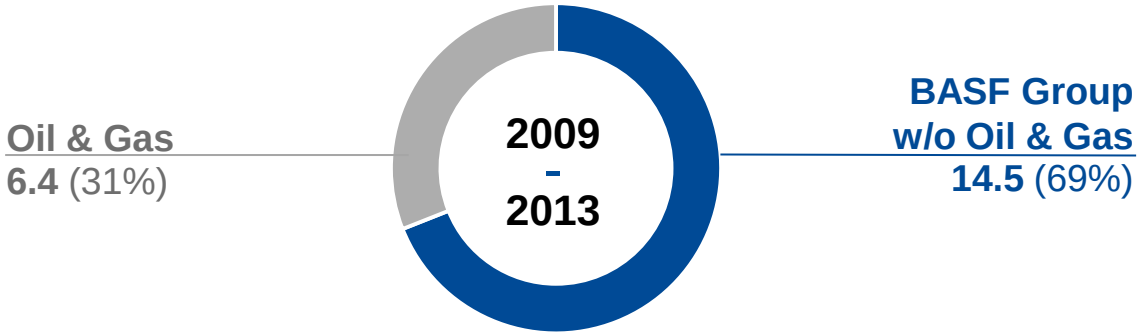
4 | Summary & Outlook

Share of Oil & Gas in BASF portfolio

Average EBITDA* 2009-2013 (billion € p.a.)



Cumulative capex** 2009-2013 (billion €)



Key facts

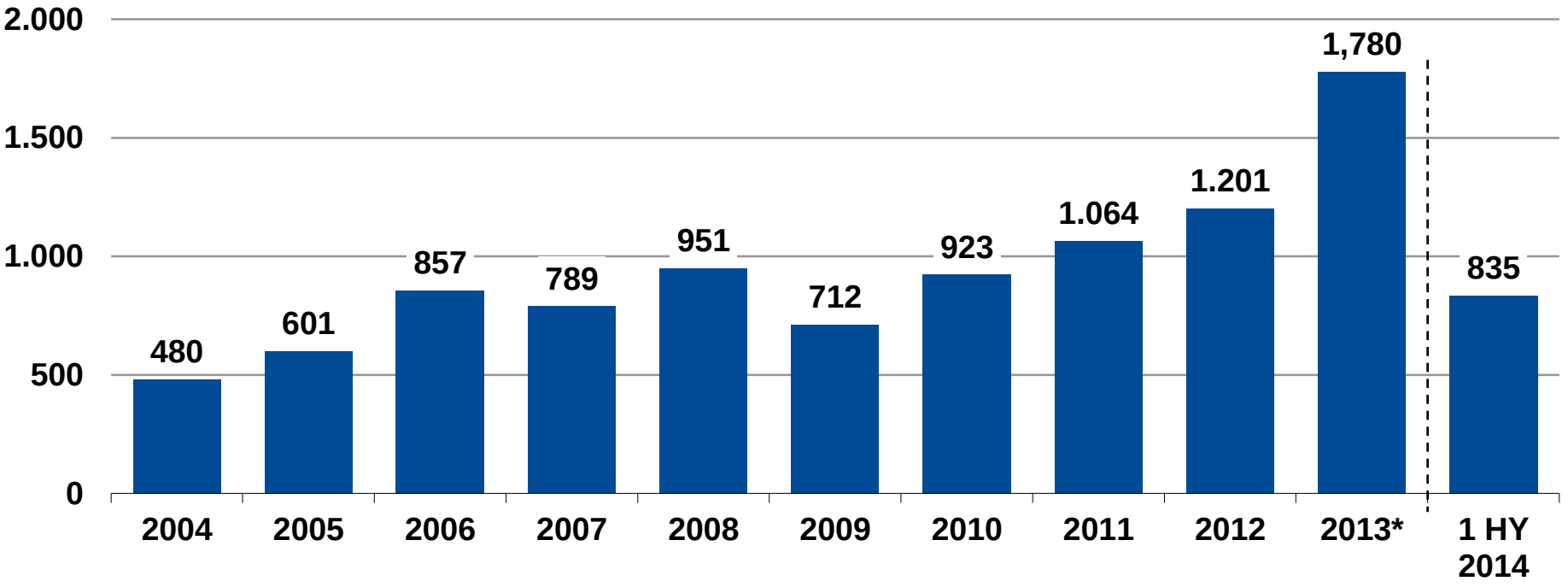
- 2009-2013:
  - Oil & Gas: Solid profit contributor to BASF Group
  - Oil & Gas accounted for ~30% of BASF Group capex
- Oil & Gas will remain a significant contributor to BASF's total EBITDA
- Capex share of Oil & Gas business in BASF's portfolio will decline

* Excluding non-deductible oil taxes; restated figures from 2012 onwards in accordance with changes in IFRS

** Including additions to property, plant, equipment resulting from acquisitions, capitalized exploration, restoration obligations and IT investments; restated figures from 2012 onwards in accordance with changes in IFRS

Strong earnings contribution from Oil & Gas

Net income Oil & Gas (million €)



* Positive impact from special income due to the deconsolidation of Gascade Gastransport GmbH and the disposal of a share in the Edvard Grieg oilfield (BASF Report 2013, pp. 86-87)

Oil & Gas – Strong free cash flow contribution to BASF Group

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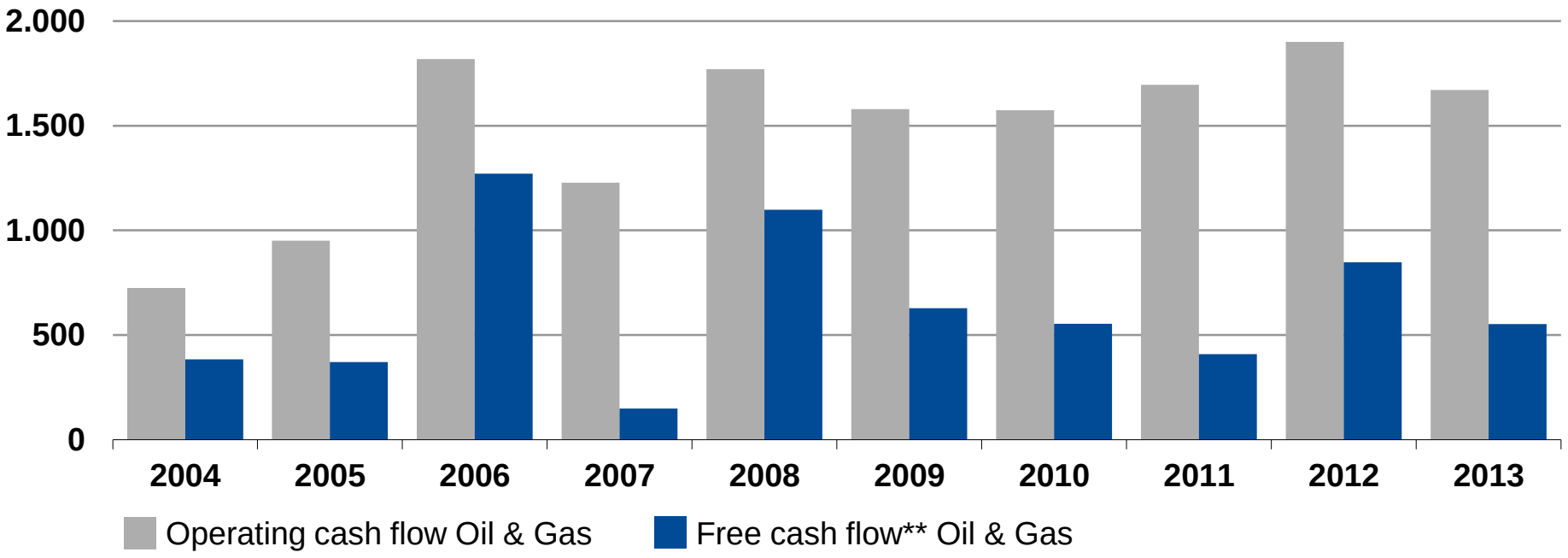
The Chemical Company

Cash flow Oil & Gas* (million €)



~40% of operating cash flow to BASF Group (avg. 2004-2013)

 * Wintershall cash flow ** Free cash flow: Operating cash flow less payments related to property, plant and equipment and intangible assets

Oil & Gas – Focus on upstream activities

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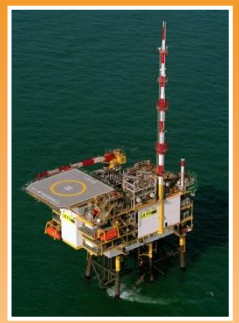
Oil & Gas value chain

Upstream | Midstream | Downstream

Exploration / Development / Production

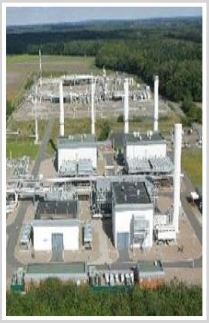
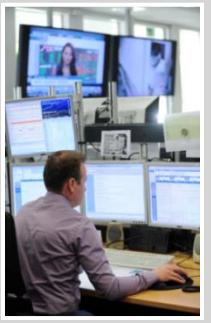


1 Focus on attractive E&P activities

Transport

2 Maintain gas transport business

Storage / Trading

3 Exit natural gas storage and trading business

Platform in the Dutch sector of the North Sea

1 | Overview & Strategy

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Exploration & Production

Oil & Gas – Clear strategy for further profitable growth

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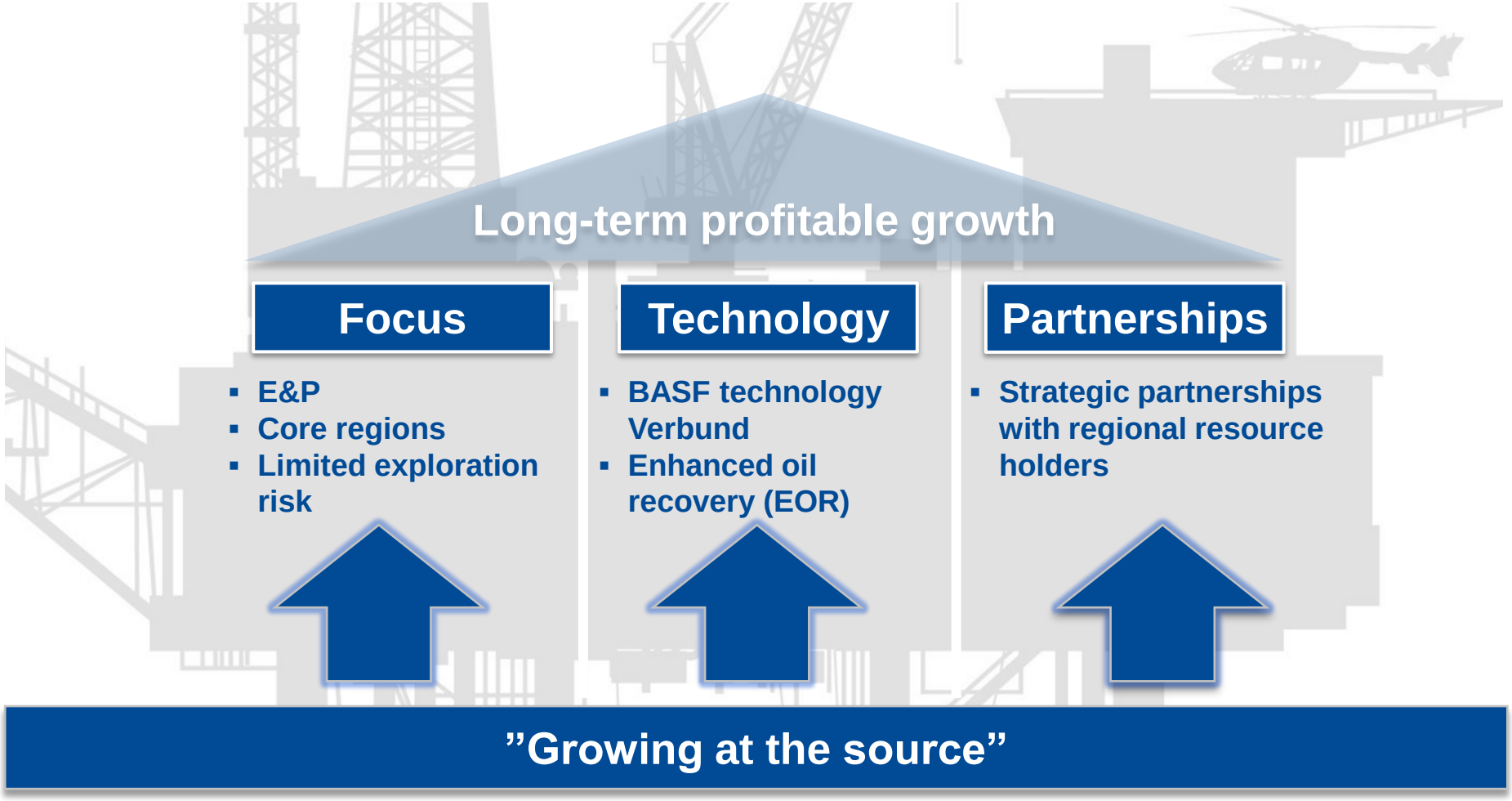
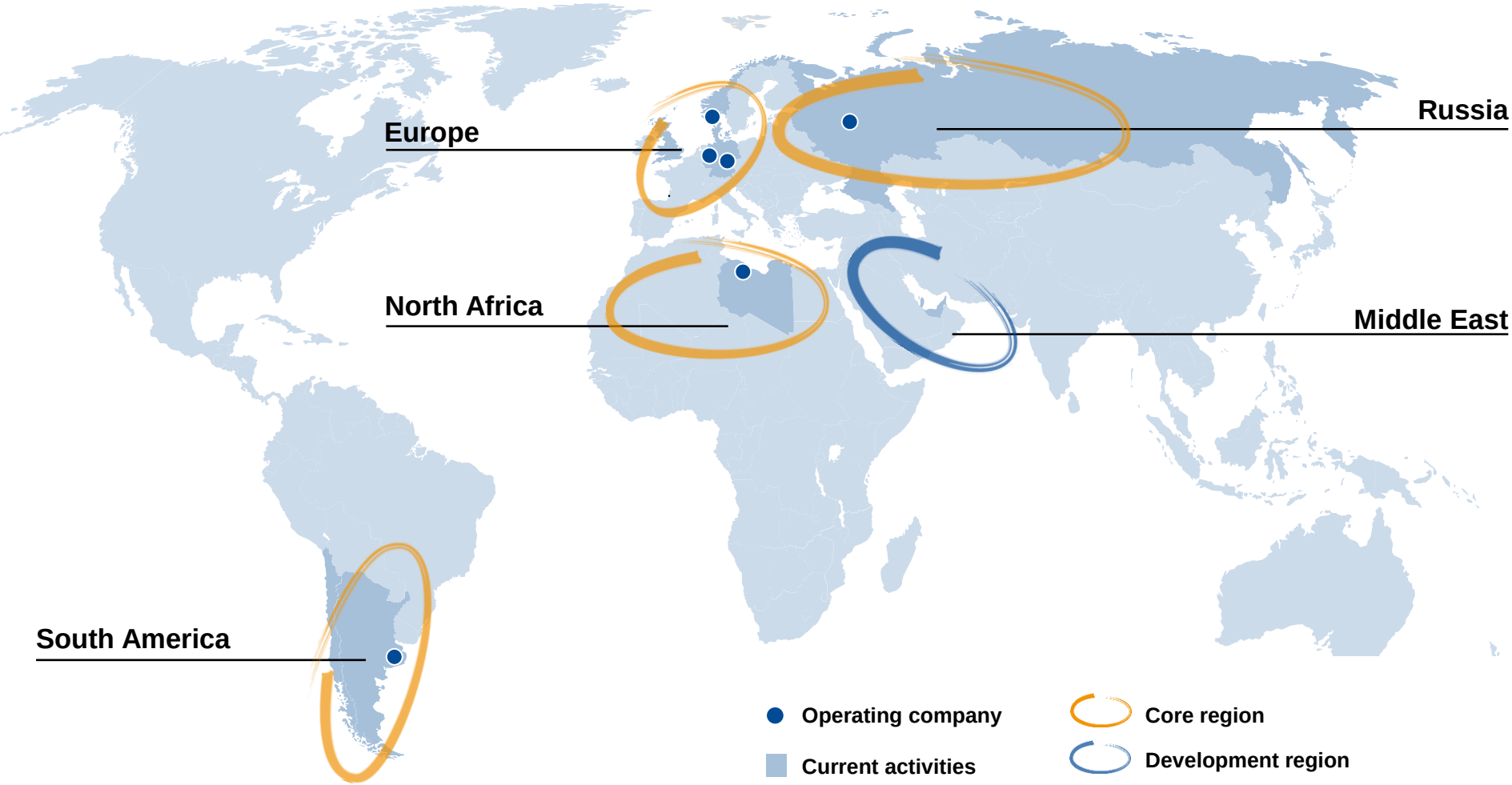


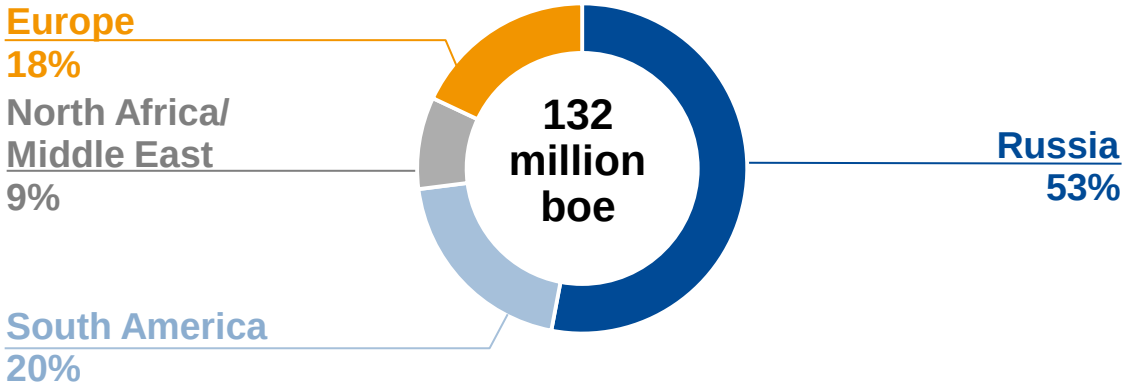
Exploration & Production

Clear regional focus: Four core regions and one development region

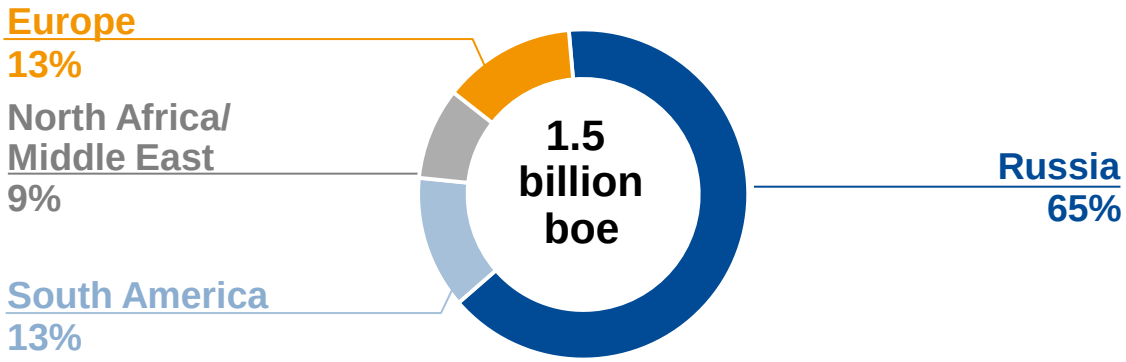


Regional footprint 2013 (1)

Production by region 2013



Proved 1P reserves by region 2013



Production

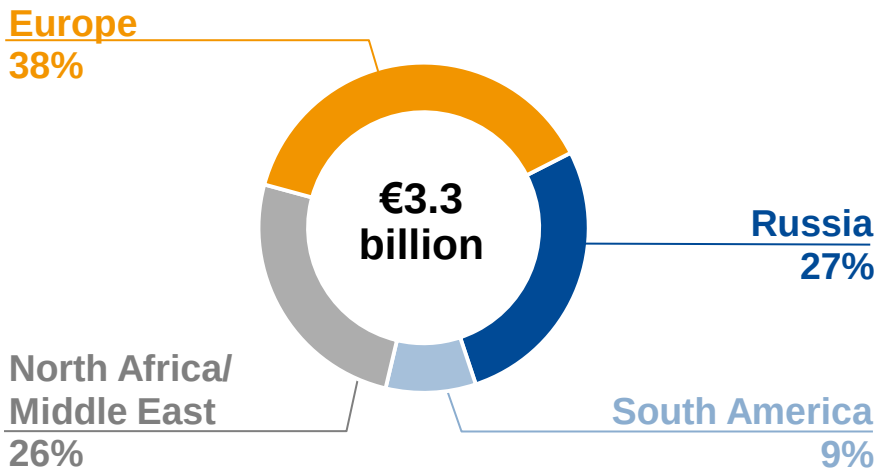
- Russia stands for roughly 50% of total production
- In 2013, natural gas accounted for approx. 75% of total production

Reserves

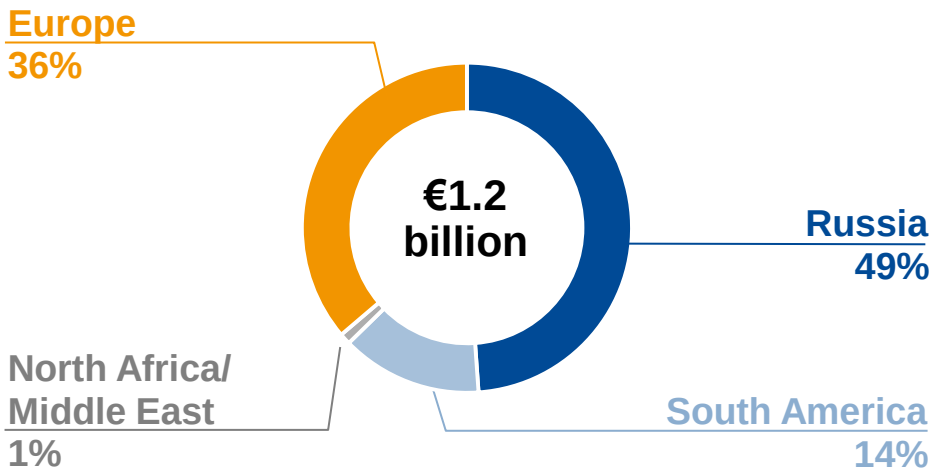
- Russia provides strong reserve base
- Gas accounts for approx. 75% of total reserves

Regional footprint 2013 (2)

Sales E&P* by region 2013



Operating income** E&P by region 2013



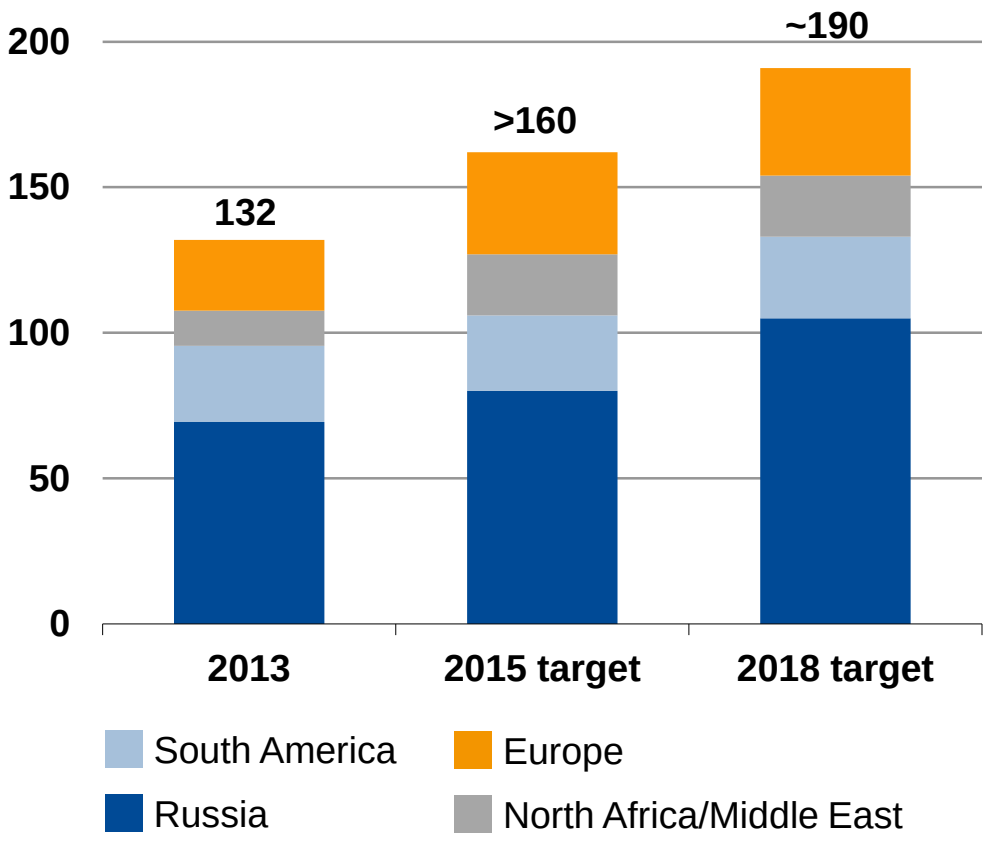
Strongest earnings contribution from Russia

* In accordance with US-GAAP (SFAS No. 69); see supplementary information on Oil & Gas segment (BASF Report 2013, pp. 216)
** Operating income represents only those revenues and expenses directly associated with Wintershall's oil and gas production

Exploration & Production

Oil & Gas – Excellent further growth opportunities

Production volumes (million boe)



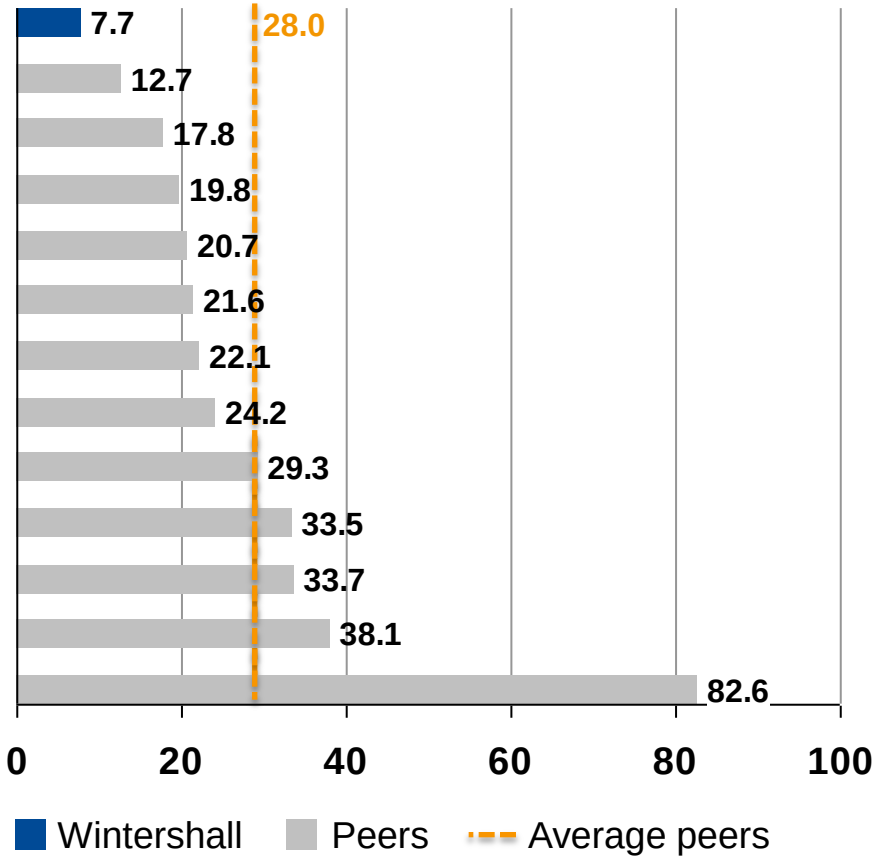
Key facts

- Continue to significantly invest in core and development regions
- Capex* of ~€4 billion between 2014 and 2018, thereof
  - 70% Europe and Russia
  - 15% North Africa/Middle East
  - 15% South America

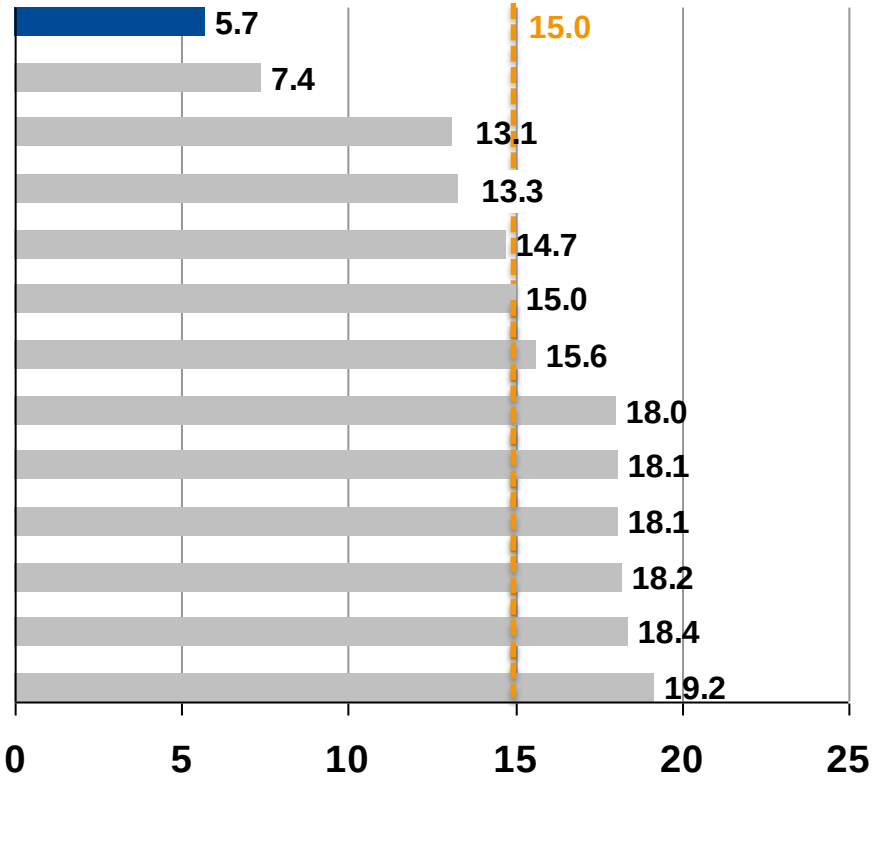
 * Without capex in non-consolidated participations

Wintershall – Positioned competitively

Reserve replacement costs ($/boe)
Five year average 2009-2013



Production costs ($/boe)
Five year average 2009-2013

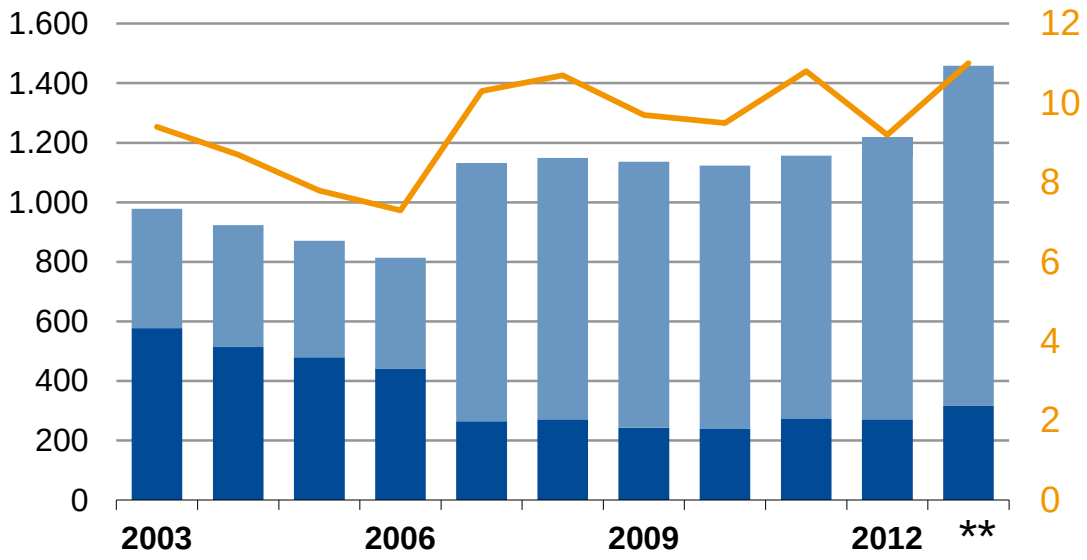


Wintershall Peers Average peers

 Source: Herold, SEC, own calculation. Peer Group represents an average of the E&P industry

Reserves and R/P

1P Reserves* (million boe)



R/P (years)

Reserve Replacement Rate (RRR, in percent)

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
102	50	52	48	389	116	89	89	131	100	280

Oil Natural gas R/P

Key facts

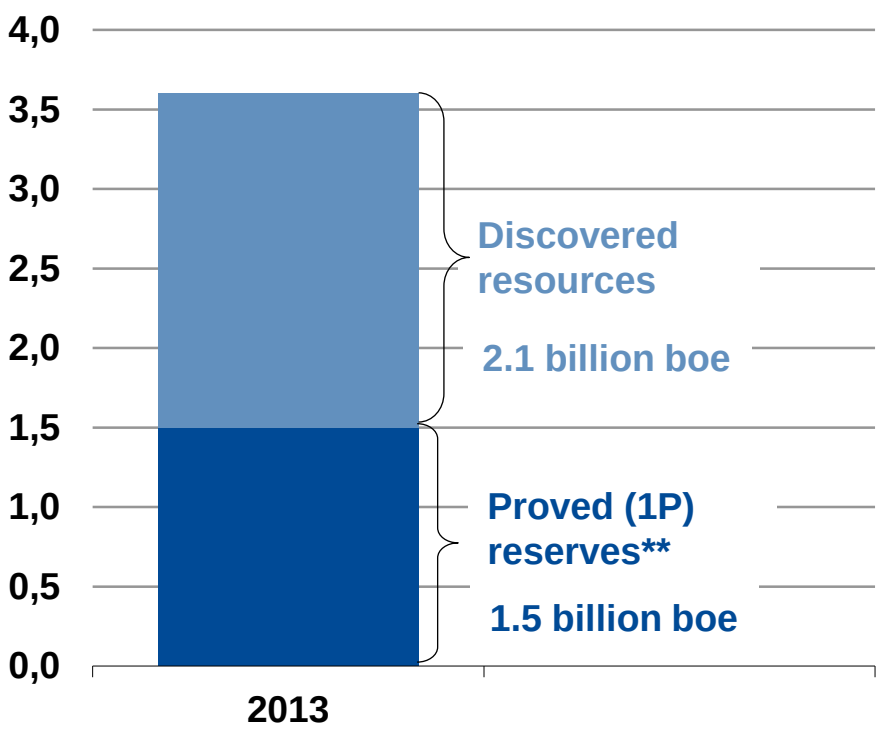
- R/P ratio increased to 11 years
- Total 1P reserves amounted to ~1.5 billion boe (2013)
- Gas accounts for approx. 75% of total reserves
- Strong contribution to reserve replenishment from assets in Norway and Russia

* According to SEC guidelines; Libya onshore 51%

** 2013 adjusted to new conversion factor from m^3 gas to barrel of oil equivalent (5,600 scf = 1 boe instead of 6,000 scf = 1 boe)

Reserves and resources 2013

Reserves and Resources (billion boe*)



Key facts

- Strong proved reserves growth
- ~40% of exploration and appraisal wells proved hydrocarbons in 2013
- Robust discovered resource base built on
  - Exploration success (e.g. Norway, Denmark)
  - Acquisitions (Norway)
  - Improved recovery (e.g. technology)
- Discovered resource contributions from
  - Russia, Europe, North Africa, South America

 * 1 barrel oil equivalent (boe) ≙ 5,600 standard cubic feet (scf) ** Proved reserves based on SEC definitions

Exploration & Production

Strategic focus through active portfolio management

Cash flow & capex optimization

Portfolio upgrading

Technology application

Profitable upstream growth

Own and jointly operated assets

Active portfolio management

Exploration & Production

Active portfolio management – Focus on promising projects

Acquisitions (closing dates) | Divestitures (closing dates) | Own/joint-operated | Non-own operated

Norway
25% in Maria

Argentina
50% in Aguada Federal

Norway
32.7% in Brage

Norway
15% in Gjøa
30% in Vega

Russia**
25% in Achimov IV/V

24% in Aasta Hansteen*, Add. 5% in Gjøa, 19% in Asterix

Norway
Add. 24.5% in Vega

Norway
Add. 2.5% in Brage
15% in Luno II

2011 | 2012 | 2013 | 2014 | Expected closing

Norway
Shares of 14 licences

UK North Sea
14 licenses

Germany**
50% of WINGAS WIEH, WIEE, Astora

Netherlands**
50% of Wintershall Noordzee

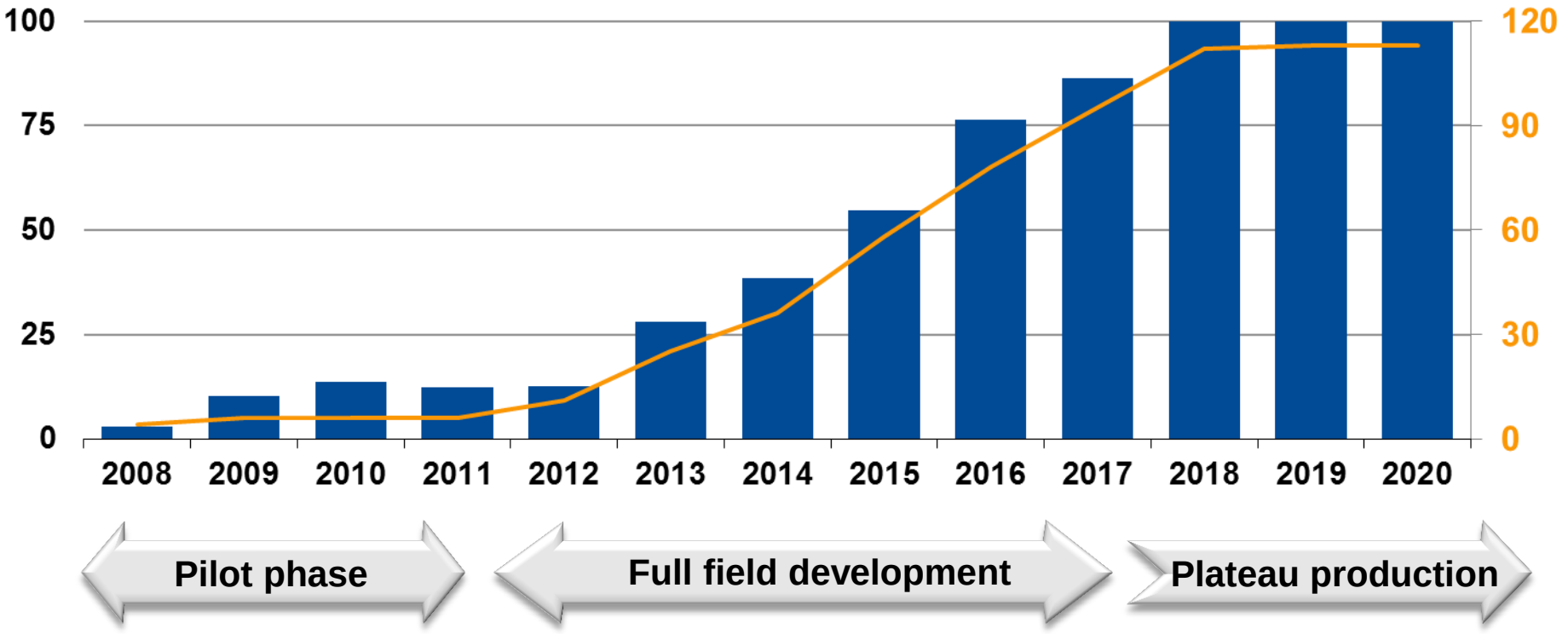
Germany
15.79% of VNG

 * Including 13.2% in Polarled Pipeline ** Closing expected in autumn 2014; transaction financially retroactive to April 1, 2013

Russia – Production ramp up Achimgaz

Production development
Achimgaz Block IA* (%)

Wells in production



Plateau production by 2018: Up to 8 billion m^3 p.a.*

 * 100% share. Russian Standard Conditions (RSC)

Exploration & Production

Status of the asset swap with Gazprom – Timeline

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 Activities to be divested contributed in total ~€12 billion to sales and ~€500 million to EBITDA of BASF Group in 2013

Exploration & Production

Recent transaction with Statoil
Transaction summary

- Wintershall expands its oil and gas production and reserves in Norway
- Intensification of the cooperation with Statoil, the leading Norwegian oil and gas major, on exploration and development projects
- Wintershall acquires shares in assets from Statoil containing reserves and resources (2P/2C) of ~170 million boe and a stake in the Polarled pipeline project*
- Purchase price of US$1.25 billion plus up to US$50 million if Aasta Hansteen field development is executed according to current project plan
- Effective date January 1, 2014
- Closing expected by the end of 2014

 * Pipeline project will provide route for produced gas from Aasta Hansteen field to onshore processing facilities

Exploration & Production

Recent transaction with Statoil
Strategic rationale of the transaction

- To strengthen Wintershall's position in Norway by increasing participation in producing oil and gas fields
- To participate jointly with Statoil in promising development project "Aasta Hansteen"
- To get access to additional reserves and resources (2P/2C) of ~170 million boe and assets with material exploration perspectivity
- To increase production of Wintershall Norge from currently around 40,000 boe/day to about 60,000 boe/day
- To expand position as field operator in Norway and to gain experience with subsea operations by taking over operatorship in the Vega field*
- To significantly increase Wintershall's EBIT and future operating cash flow

 * Subject to the approval by the authorities and partners

Exploration & Production

Portfolio optimization in the northern North Sea

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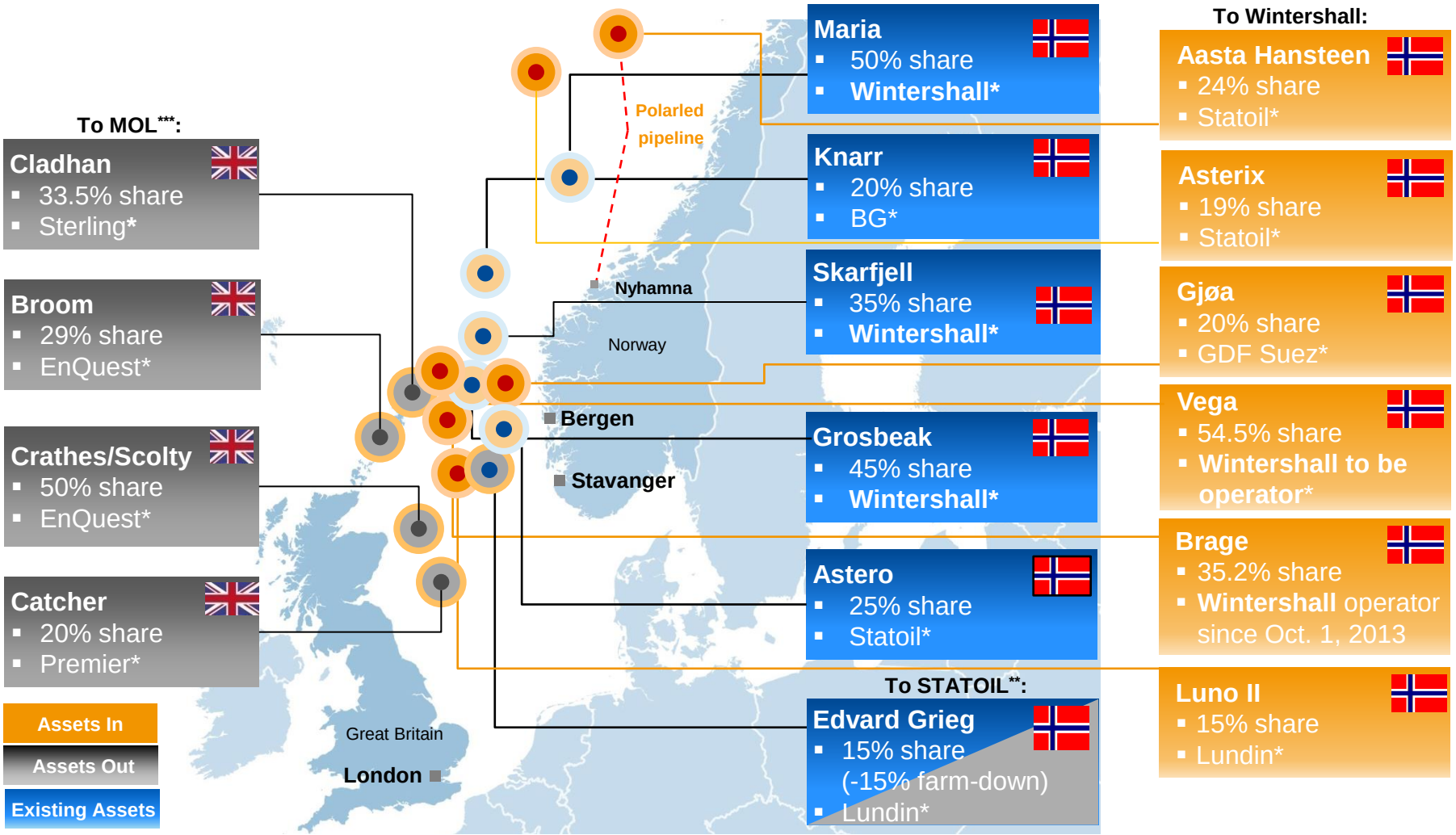


 * Operator ** Remaining Wintershall share 15% *** Complete farm-out, closed in March 2014

Norway – Strengthening our position through strategic partnership with Statoil

Production

- Equity in three producing fields Vega, Gjøa and Brage
- Increase in production to ~60,000 boepd
- Brage and Vega*: First two own operated producing fields in Norway

Supply

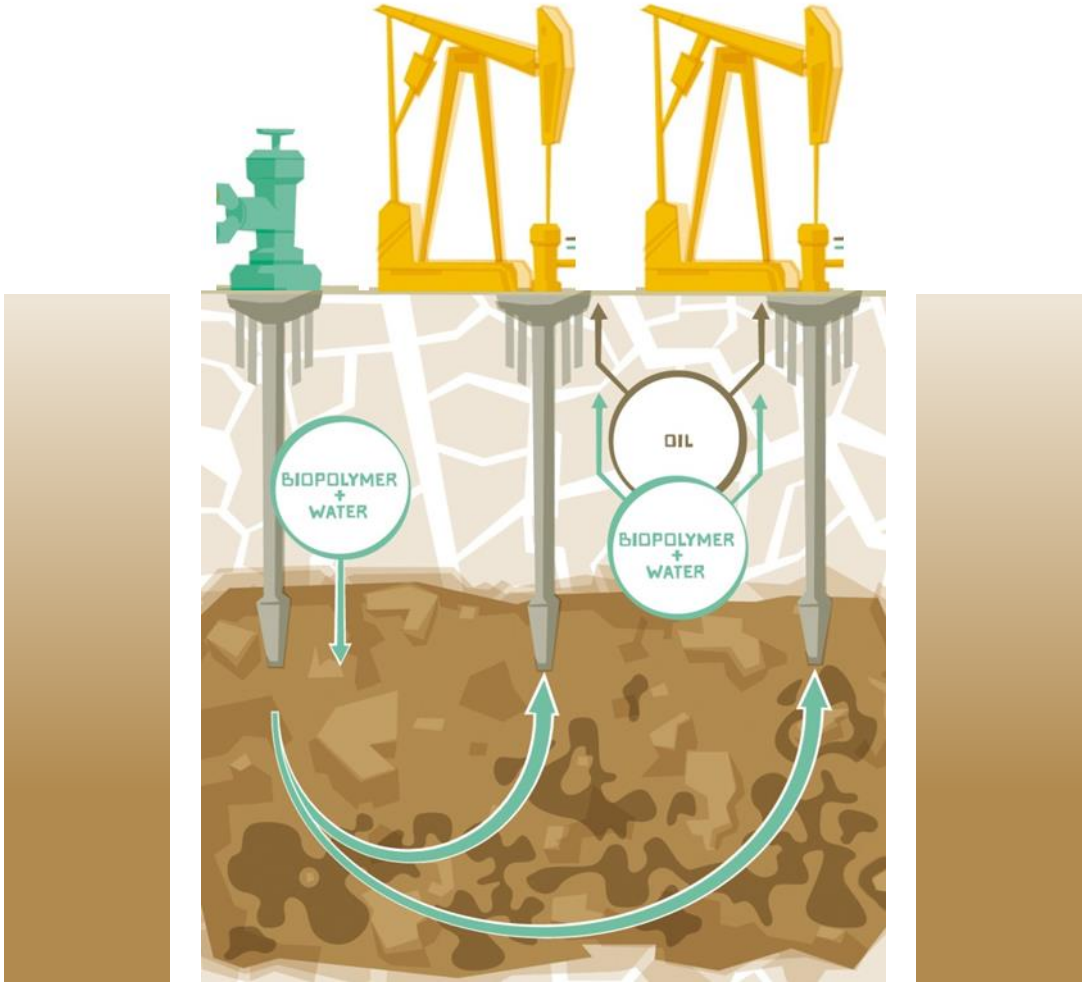
- Optimize transport logistics via location swap
- Norwegian production to secure European supply
- Participation in Norwegian pipeline infrastructure to provide export route to the markets

Technology

- Joint technical evaluation regarding possible application of Schizophyllan

 * Subject to the approval by the authorities and partners

Enhanced oil recovery – Schizophyllan BASF/Wintershall's proprietary technology



Key facts

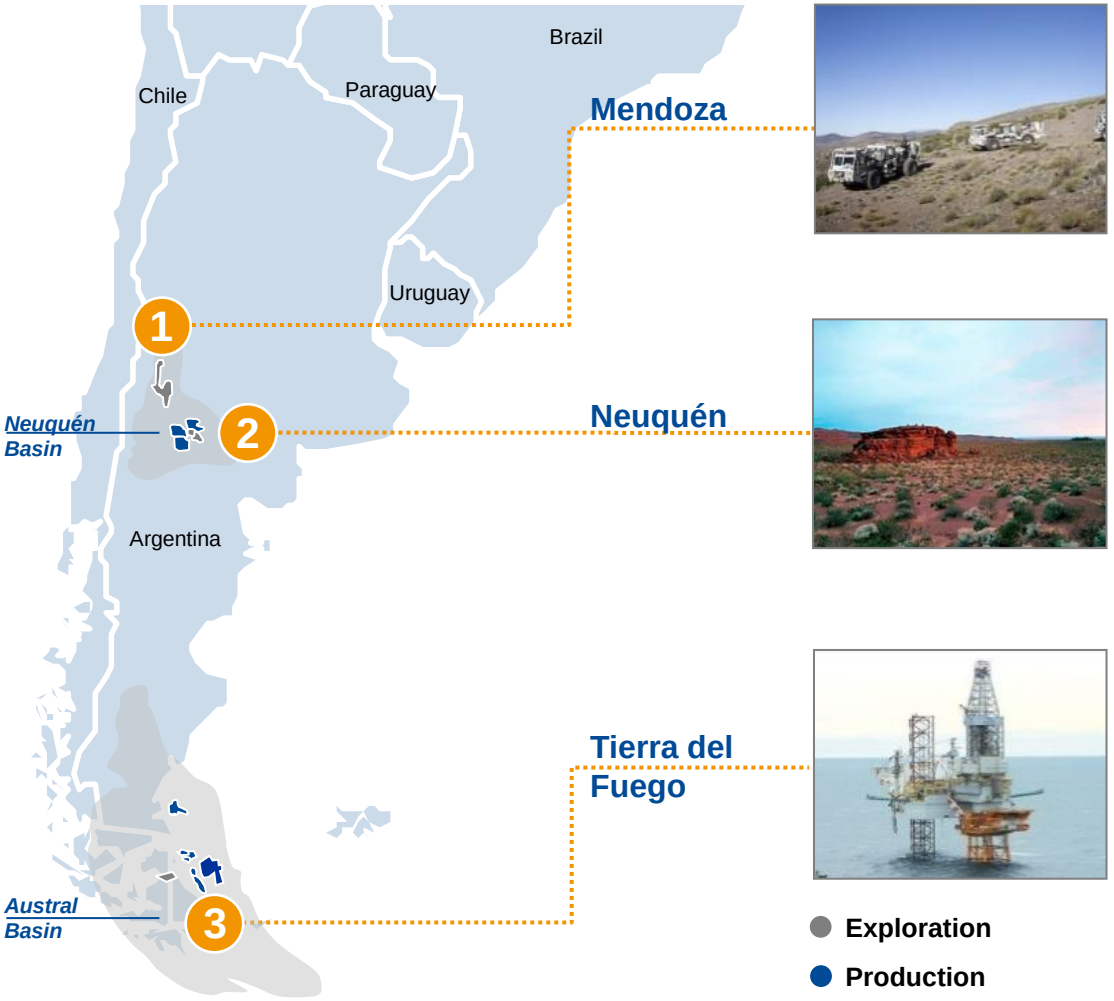
- Schizophyllan – biopolymer to enhance oil recovery
- Produced by a fungus in a pilot scale plant at BASF
- Increased incremental oil recovery of up to 10% points above that of waterflooding
- Unique for oil fields with viscous oil and harsh reservoir conditions
- First indication for incremental oil production shown in field test

Next steps

- Additional test planned in further oil field

Exploration & Production

South America – Reinvesting cash flow and applying leading-edge technologies



- **Province Mendoza**
  Operatorship for exploration licenses in the province of Mendoza
  - CN-V*
  - Ranquil Norte*
- **Province Neuquén**
  Investment in the heart of Vaca Muerta shale
  - Aguada Federal*
  - San Roque
  - Bandurria
- **Tierra del Fuego**
  Further development in prospective Tierra del Fuego
  - Vega Pleyade
  - Carina Aries
  - Fenix

* Own-operated

Argentina – Realize unconventional resource potential in Argentina

Key facts Aguada Federal

- Farm-in agreement signed in 2014
- 50% participation interest acquired from Gas y Petroleo de Neuquén (GyP) incl. operatorship
- 100 km^2 of the prospective Vaca Muerta shale formation

Next steps

- Evaluation of the potential in a first appraisal phase (2014-2016)
  - Investments of ~€80 million (100%)
  - Drilling of up to six wells

Exploration & Production

Middle East – Shuwaihat project in Abu Dhabi: Start of drilling campaign

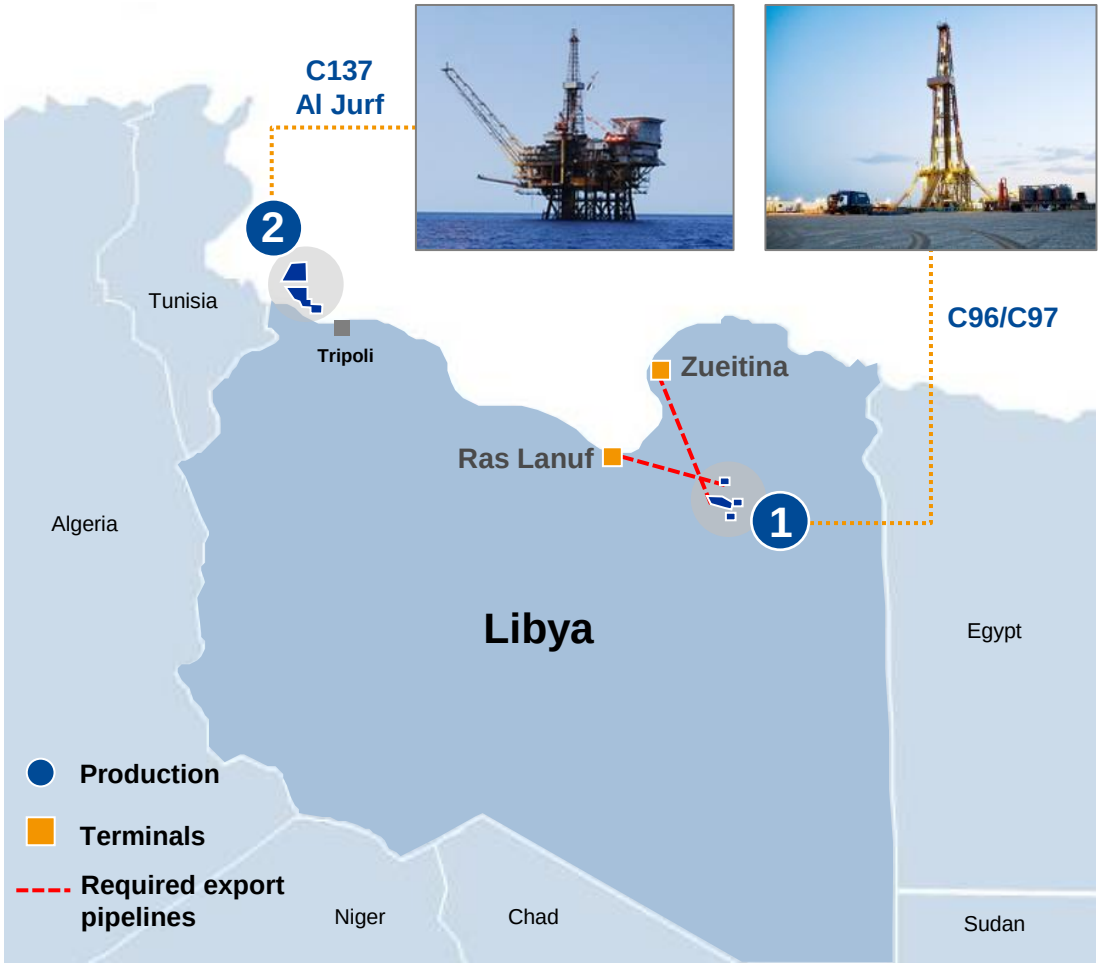
Key facts

- Development of Shuwaihat gas/condensate field (containing H_2S and CO_2)
  - 200 km west of Abu Dhabi
  - Water depth: 0-15 meters
  - Targeted field depth: 3,400 meters
- Wintershall: Operator in the appraisal phase
- Resources: 50-500 million boe
- Production start: ~2022

Next steps

- Drilling of up to three appraisal wells and acquiring 3D-seismic over the field (since May 2014)

North Africa – Update on Libya

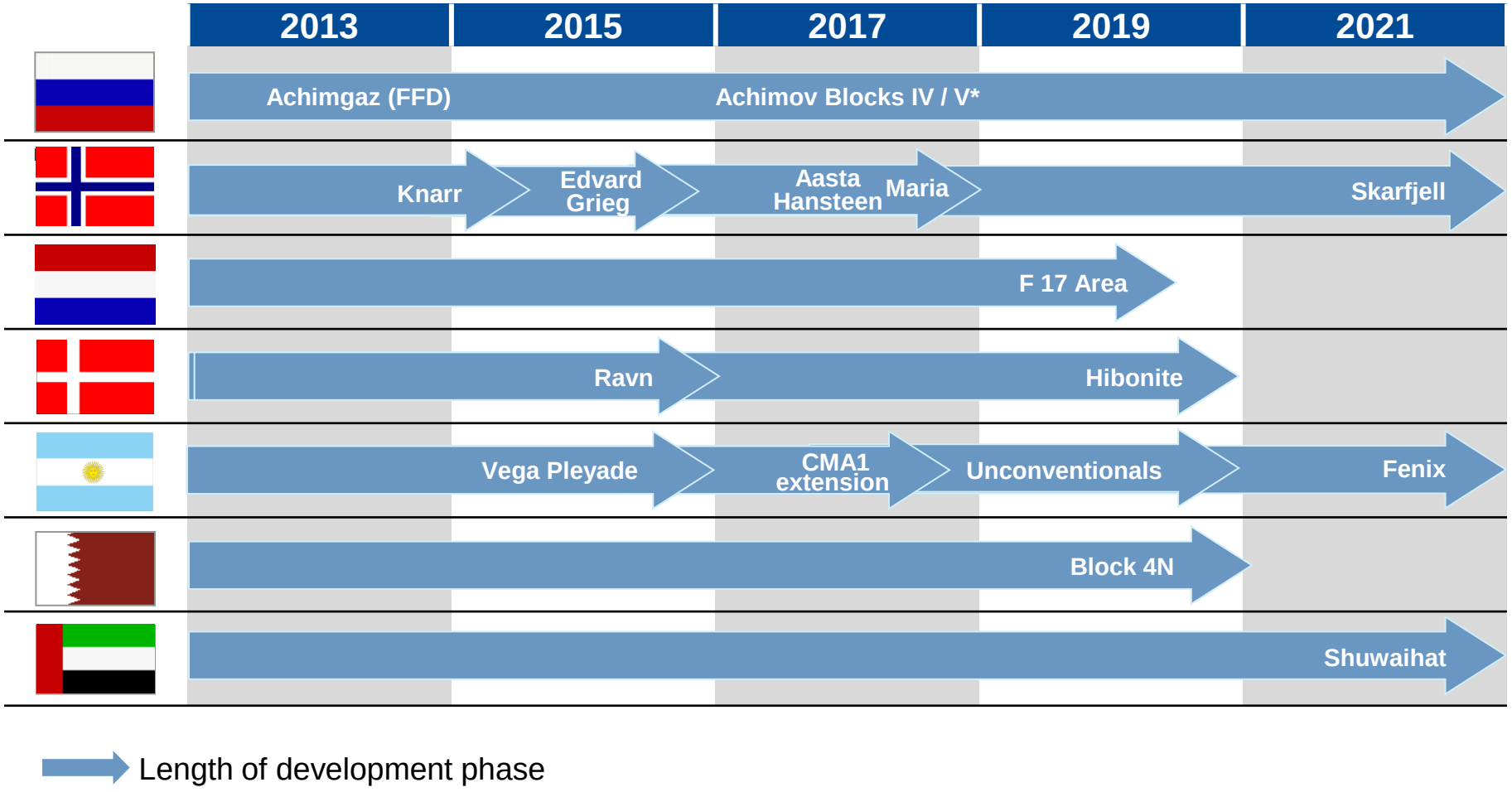


Key facts

- Active in Libya since 1958
  1. Onshore C96/97 own operated (Gazprom 49% share)
  2. Offshore Al Jurf C137
- Onshore oil production suspended since July 2013 due to the ongoing blockade of the export facilities
- Offshore production (Al Jurf) not affected

Exploration & Production

Production growth from solid project pipeline (major projects)



 * Closing expected autumn 2014

Exploration & Production

Oil & Gas – Partnerships and cooperations as enablers

Strong partners in key regions

GAZPROM

MUBADALA

Statoil

MOL

bp

Cooperations along the value chain

- Joint industry projects
- Joint research activities

Partnerships & cooperations

- Wintershall-driven R&D projects, e.g. EOR
- Well-established R&D cooperations with business units, e.g. Oilfield Chemicals

BASF internal R&D Verbund

Natural gas pipeline

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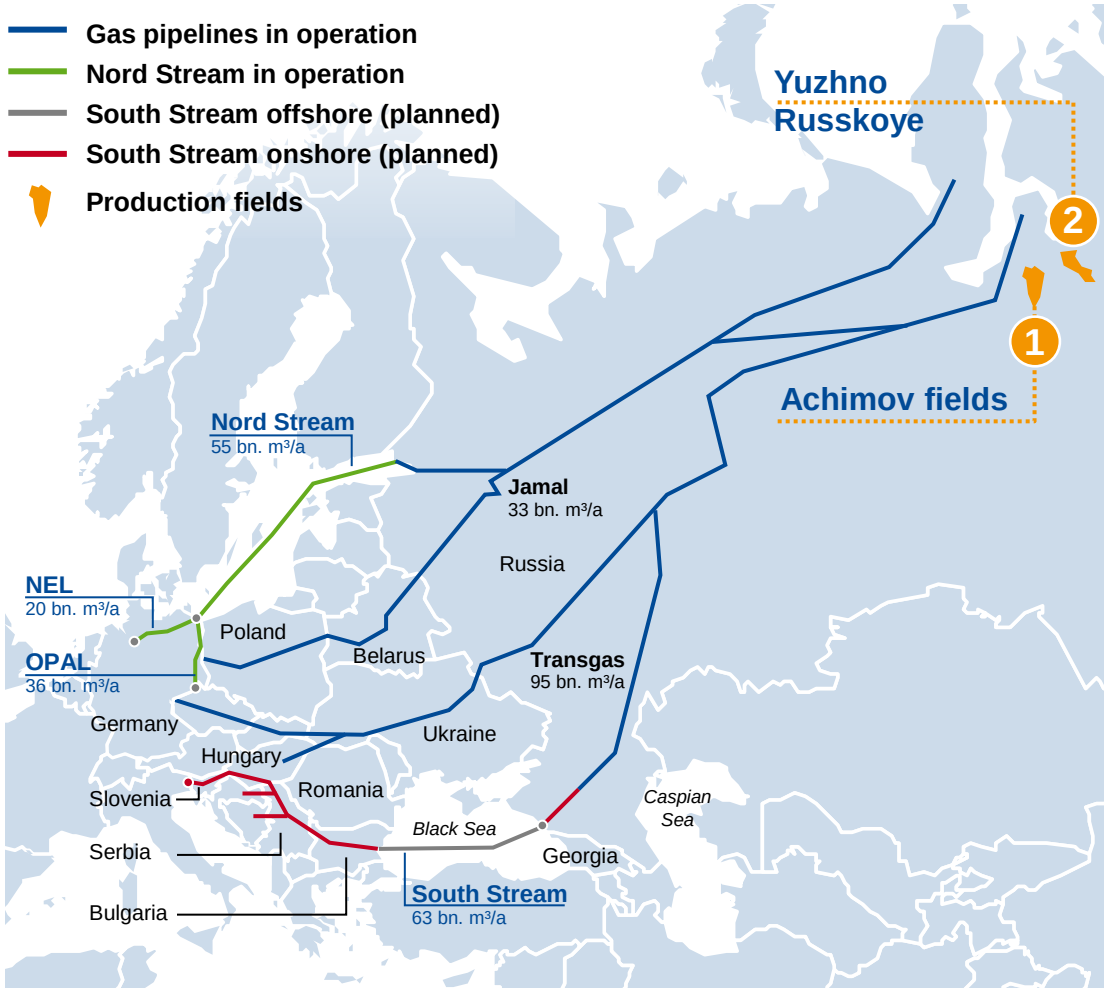
Natural gas transportation business generates stable earnings



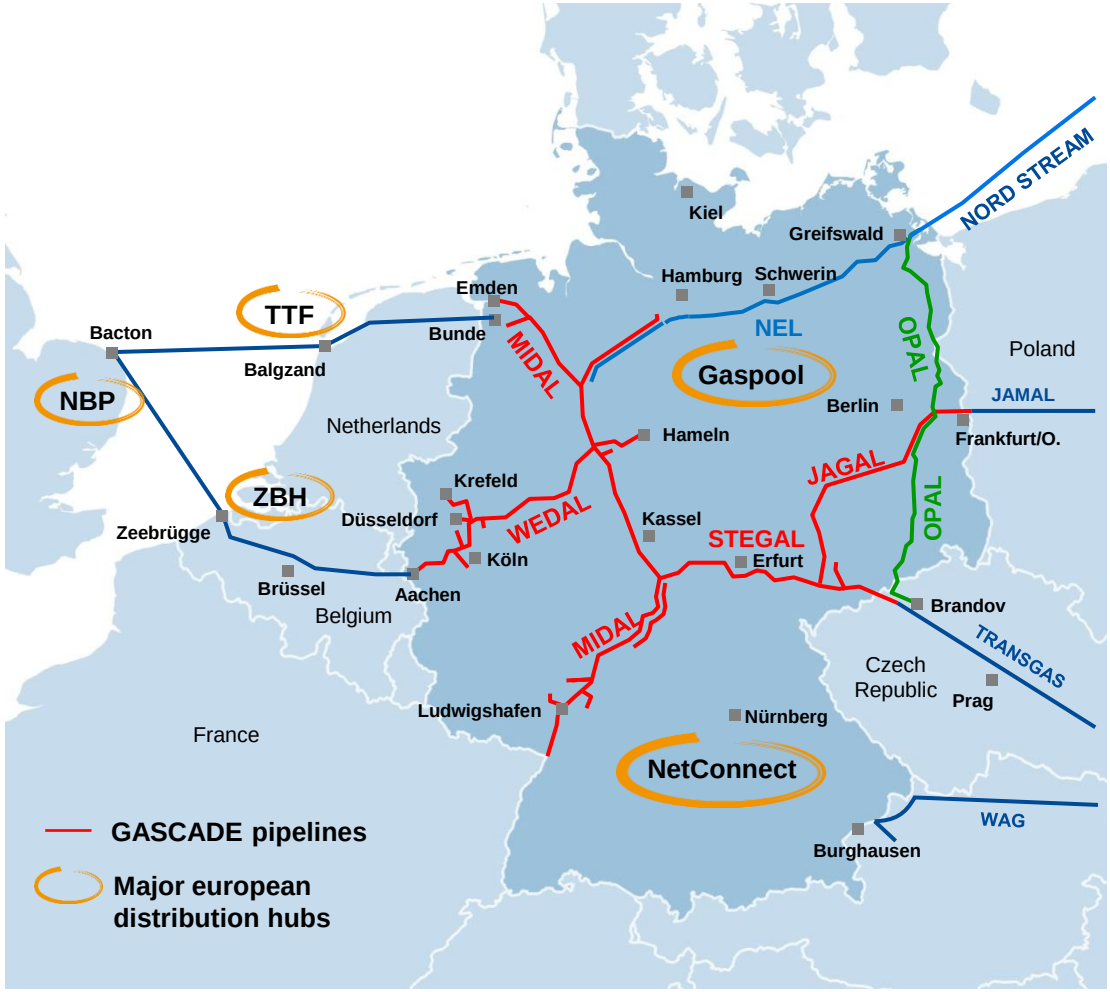
Key facts

- **Nord Stream** (offshore)
  - Wintershall share: 15.5%
  - Capacity: 55 billion m³/a
  - Both lines in operation
  - Total capex: €7.4 billion
- **South Stream** (offshore)
  - Wintershall share: 15%
  - Planned capacity: 63 billion m³/a via 4 pipelines
  - Total capex (offshore): >€10 billion
  - Start-up: End of 2015

 * Start of production is planned not before 2016

Natural Gas Transportation

Pipeline network well connected to major European distribution hubs



Key facts

- **GASCADE**
  - Wintershall share: 50%
  - Length: 2,400 km
  - In operation since 1992
- **OPAL**
  - Wintershall share: 40%
  - Capacity: 36 billion m³/a
  - Length: 472 km
  - In operation since 2011
- **NEL**
  - Wintershall share: 25.6%
  - Capacity: 20 billion m³/a
  - Length: 441 km
  - In operation since 2012/2013

Drilling rig in Western Siberia (Achimgaz)

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Oil & Gas – Outlook 2014

	2013	2014
Financial performance	Sales to 3rd parties: €14.776 billion EBIT before special items: €1.969 billion Net income: €1.780 billion	Sales expected to be considerably below 2013 due the asset swap with Gazprom. Slight increase in EBIT before special items due to the first all-year inclusion of the acquired activities from Statoil** and the expansion of the Achimgaz production.
Production volumes	Total production: 132 mmboe	Production expected on similar level despite the suspension of the onshore production in Libya.
Sales volumes	Natural gas sales: 52 billion m³	Divestment of natural gas trading and storage activities planned for autumn 2014.
Investments/ Expenditures	Investments* 2013: ~€2.954 billion thereof E&P: ~€2.834 billion thereof Natural Gas Trading: ~€0.120 billion	Investments*** 2014-2018: ~€4.0 billion (Predominantly in E&P)
Macroeconomic assumptions	Average oil price (brent): $109 per barrel Average exchange rate: $1.33 per €	Forecast 2014: $110 per barrel $1.35 per €

* Incl. tangible assets from acquisitions, activated exploration expenditures, without capex in non-consolidated participations
** Former Statoil transaction with closing in 2013
***Without tangible assets from acquisitions and activated exploration expenditure, without capex in non-consolidated participations

BASF's Oil & Gas division – Summary and roadmap 2018

- New ambitious growth target for 2018
- Strong portfolio with access to high potential acreage
- Solid project pipeline / focus on execution & operational excellence
- Strategy with focus on regions of expertise and limited exploration risk
- Powerful partnerships in key regions
- Exit of natural gas storage and trading business

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