

BASF
OIL & GAS ROUNDTABLE 2014

Introduction and Company Presentation



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

Magdalena Moll

Senior Vice President, Investor Relations

Good morning, ladies and gentlemen. Rainer Seele and the entire BASF Wintershall team, we would like to welcome you to our Oil & Gas Roundtable 2014. It is really a great pleasure to be here with you in London on this beautiful day today and we very much look forward to spending the next few hours with you on the topic of oil and gas.

Over the last year, BASF has continued to develop the oil and gas business. We have enhanced our portfolio and focused on achieving further profitable upstream growth. Now, you have witnessed there were a couple of milestones which we have passed. We recently announced a transaction with our strategic partner, Statoil regarding the acquisition of equity in fields in the North Sea. Then we have sold certain assets to the Hungarian MOL Group and then certainly, we're still all awaiting the final closing of the asset swap with Gazprom.

Oil & Gas today is in an even stronger position and is continuing to deliver significant value for the BASF Group as a whole and this we would like to demonstrate to you today. And with this I'm very pleased to once again introduce to you Rainer Seele, the President of BASF's Oil & Gas segment.

So Rainer will focus today on an update of our strategy. He will provide you with details on our new ambitious production targets for 2018 and our CapEx plans. In addition, Rainer will talk about measures to continuously optimise the portfolio such as the recent transaction with Statoil and also discuss major growth projects in each of the core regions. Finally, he will provide you with an outlook for the segment for the financial year 2014. And then ladies and gentlemen, I have reserved plenty of time so that we can discuss all your questions that you may have.

Before I start, ladies and gentlemen, I would just like to remind you that we are recording today's meeting here and the session will be webcast and then we will put it on the webcast for all our international investors, be it in the USA, Canada or also in Asia so they can look at it starting next week.

I would also please ask you that you turn off your mobile devices because they could maybe interfere with our microphone system. And finally I would like to refer you to the disclosure language, which is please, the next slide, if you can click that for me. Yes, so this is the disclosure language. I ask you to please take a quick look at it.

And with this then, I take the opportunity to turn the presentation over to Rainer Seele.



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Dr. Rainier Seele

President, Oil & Gas Division

Thanks Maggie. Good morning ladies and gentlemen. A great pleasure to come to London and to present to you our oil and gas activities.

If I'm going to headline my presentation today, it's going to be profitable growth in a challenging environment. So let me start by talking about the fundamentals in the market and I briefly would like to start with the oil market.

Well, definitely everybody is complaining about prices, but if we look into the fundamentals, definitely we do see an oil price which is below the \$100 per barrel, so we have to deal with a two-digit number right now. And if I compare that a little bit with the geopolitical tensions we do see in the markets, definitely we have to look a little bit deeper into that to find out why the oil price is where it is.

Definitely, it has to do something on the supply side. The market shows a real good liquidity of crude oil and the reason is that production on the supply side is really not heavily impacted by the geopolitical tensions. Although we do have the crisis in the Ukraine, the oil production of Russia is, in the short term, not impacted by all the sanctions which are in place. So oil production is still on the level of some 10 million barrels of oil today. And we will see some effects in Russia upcoming as we speak of the oil and gas production, mid to long term because I do see that investments into oil and gas production are declining a bit in Russia.

And on the other hand, as we speak about the tensions in the Arab world, just look what's going to happen, really no impact on the production quota of Iraq. Syria, while we get used to this humanitarian catastrophe in the country, it's really not a crude oil export. And in Libya, to the contrary to what's happening in the country, they are able to increase their production from 0.2 million barrels per day. We are now in the region of 700,000 to 800,000 barrels per day production with a positive outlook.

So let me have a small, short comment on the gas markets and I would like to focus myself on the European continental gas markets because this is impacting our business. As we speak about the European gas market, we are talking about a too well supplied market. We do have a lot of gas in the market and the reason for that is very easily explained. We have seen a mild winter in the first quarter and therefore the storage capacities were not withdrawn. Therefore we do have sufficient storage capacity. In summertime, there was really no storage market in place, so nobody was really asking for high quantities to be injected into the storages and that was the reason why we have seen pretty low gas prices in summertime.

So looking forward, of course the winter hopefully will knock early on our door. That's what I'm hoping every year. The winter can't be cold enough, the prices can't be high enough. Those are really determining our business in Wintershall Oil & Gas.

Overview & Strategy

Share of Oil & Gas in BASF portfolio

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

Category	Value (billion €)	Percentage
Oil & Gas	2.3	24%
BASF Group w/o Oil & Gas	7.4	76%

Cumulative capex 2009-2013 (billion €)**

Category	Value (billion €)	Percentage
Oil & Gas	6.4	31%
BASF Group w/o Oil & Gas	14.5	69%

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

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Overview & Strategy

Strong earnings contribution from Oil & Gas

Net income Oil & Gas (million €)

Year	Net income (million €)
2004	480
2005	601
2006	857
2007	789
2008	951
2009	712
2010	923
2011	1,064
2012	1,201
2013*	1,780
1 HY 2014	835

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

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So although we have a challenging environment, the Oil & Gas segment has and will continue to be a significant contributor to BASF's total EBITDA. As you can see, we have in the last five years contributed with a 24% share and we have dedicated roughly 30% of the CapEx to the Oil & Gas segment which we have spent to build up all the necessary oil and gas production. The share of our CapEx in BASF Group will go down, so that we are concentrating in BASF Group that the CapEx spending on additional chemical business is higher than in the past.

This is demonstrating the real performance of our business in Oil & Gas and I'm really very much in favour to talk about earnings after taxes, because my business is really highly impacted with taxation. Therefore, the real performance we can show as we look into the net income from the Oil & Gas segment.

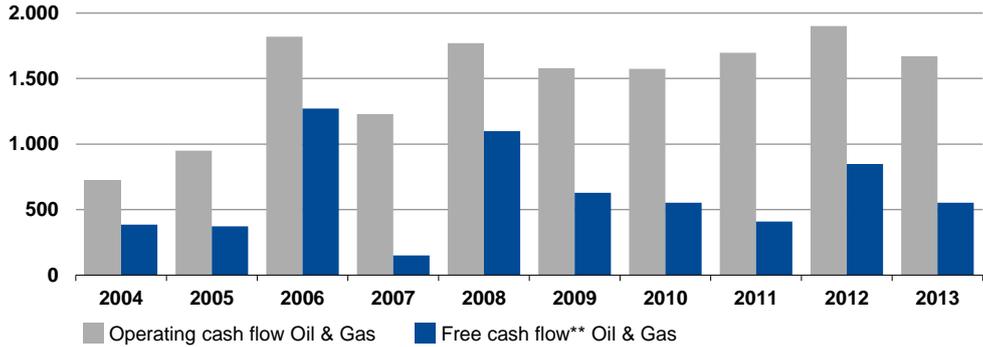
And what you can see every year, it doesn't matter which year I'm going to pick, every year we had a positive net income from the Oil & Gas segment. Also in the year of 2009, when we have seen the financial crisis, it doesn't matter what kind of oil or gas price we are going to talk in the past, always a positive track record as we speak about the net income from the Oil & Gas segment.

And what also is important, if you look to the last five years, five years in a row we have increased the net income from oil and gas, with the record number of €1.78 billion last year. And if we look into the first half of 2014, I do my best to show you also an impressive figure at the end of the year. We have generated already €835 million net income in the first half and I do my best to continue to be on the same route.

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



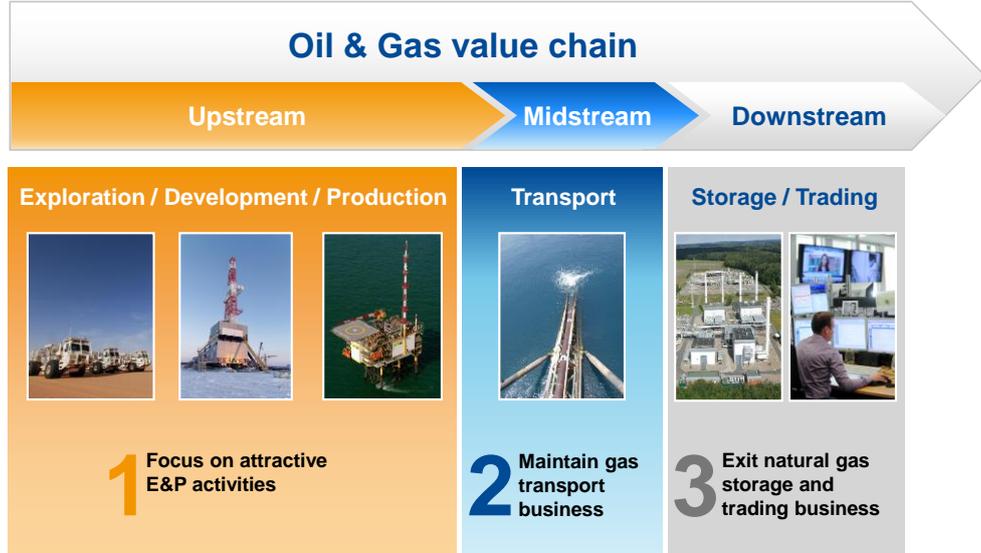
Cash flow Oil & Gas* (million €)



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

BASF Roundtable Oil & Gas, September 18, 2014 * Wintershall cash flow ** Free cash flow: Operating cash flow less payments related to property, plant and equipment and intangible assets

Overview & Strategy
Oil & Gas – Focus on upstream activities

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What is more important also is the cash flow from the oil and gas segment. It's the same story. Each year we have shown in the last ten years a positive free cash flow. Also in 2009 when the overall environment was very, very much challenging for all of us. So every year a positive free cash flow which means that the huge investment program that we have seen in the recent past was self-sufficiently financed out of our operating cash flow. So we did not use the BASF cash flow to build up the Oil & Gas segment, the growth story.

But to the contrary, 40% of the operating cash flow from the Oil & Gas segment, we could make available to further grow our Chemical business and to finance the investments over there.

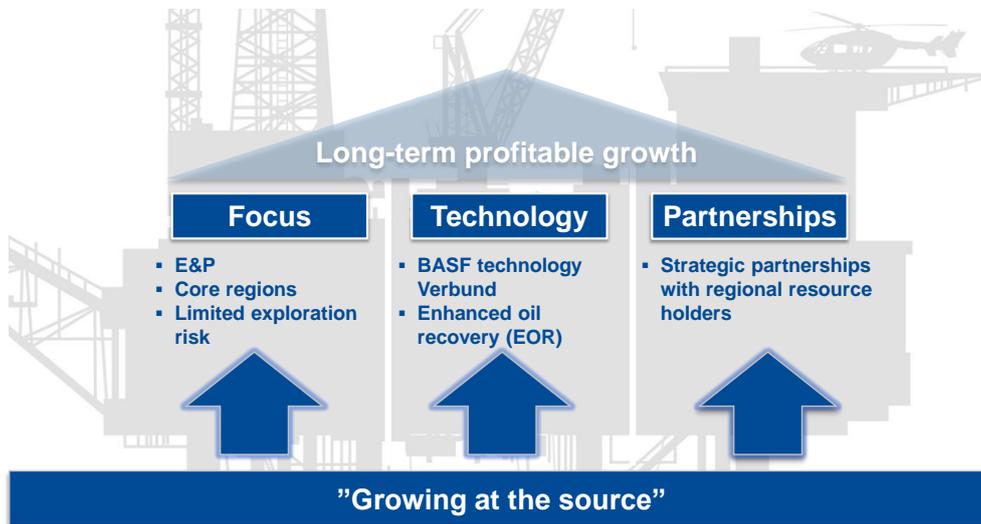
And honestly speaking I don't see a change, neither as we speak about the year 2014 nor when I look into our plans for the future. We will continue to be a net positive free cash flow in the Group and you can tell that roughly between 30% and 40% of our operating cash flow we will make available for the BASF Group so that we can further grow our Chemical business.

Let me give you just an update about our strategy. Nothing has changed. Our corporate strategy in the Oil & Gas segment is still the same. We will focus on the high margin upstream segment. So we will focus mainly all of our investments into oil and gas upstream because we can generate a much higher EBITDA margin in upstream than in the two segments, mid and downstream.

We will step out of the downstream business. You know that with the asset swap we are exiting the natural gas trading and storage business in Europe and we will harvest the midstream business, the pipeline business.

Exploration & Production

Oil & Gas – Clear strategy for further profitable growth



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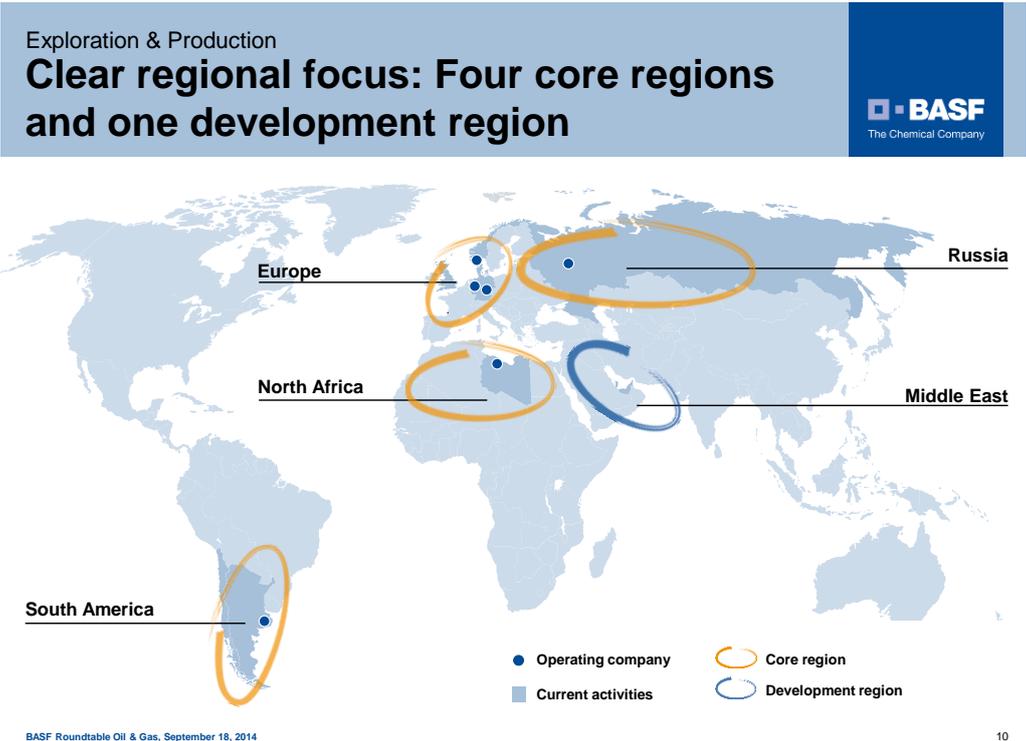
How is the strategy in the upstream business segment? Well, the strategy is based on three pillars, focus, technology and partnership. Given the size of our company, we are well advised that we don't discover the globe in all regions which are available, where we can smell a cubic metre of gas or a barrel of oil. We will focus on the regions where we do have a specific know-how built up over the last years and decades. And these regions are and will be the regions for the future. I will come back to that in the next slides to show you what core regions we are active as Wintershall.

And we will especially focus also in exploration. We will focus, also for the next years, roughly half of our exploration expenditures towards Norway for a very good reason. It's just risk management. 78% of the exploration risk is taken by the Norwegian state. So in case we are going to have a dry well, 78% of the costs are taken by the Norwegian state. I think this is a very attractive model that you would like to go and to discover new reserves in a country.

The second pillar is technology and technology is enhanced oil recovery. We are thinking about developing technologies where you have a higher recovery rate. Just get more oil out of the reservoir. Very easily explained with our Schizophyllan project. We are injecting into the reservoir Schizophyllan in the water composition and we are washing out the oil like you're washing the dishes. And we are getting more oil at the detector well now.

Partnerships is a model which is very specific for Wintershall. Well, we started to have such a strategic idea when we started the cooperation with Gazprom. In each region you will find out that Wintershall has chosen a specific partner. In the region Russia, it's Gazprom. In the North Sea, especially Norway, it's Statoil. In North Africa, it's BP. In the Middle East, it's ADNOC. Just to give you an example that we think that we can create always a win-win situation within these specific core areas.

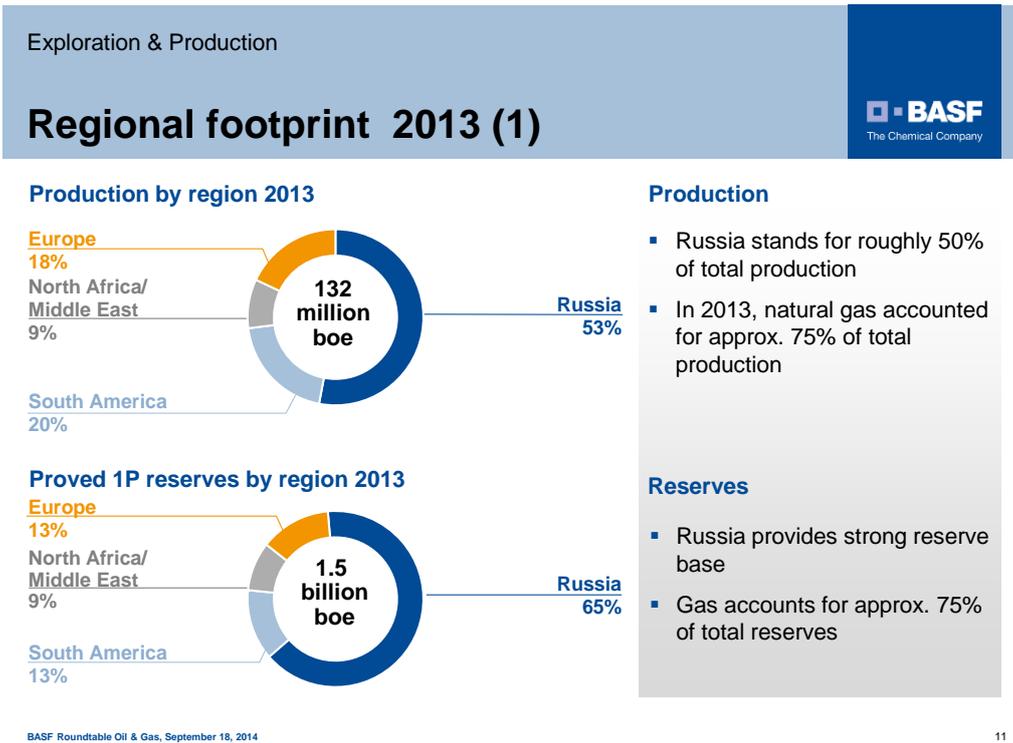
And we have shown that especially with these win-win mutual interest partnerships we can generate more value. We can accelerate our projects and we can learn much faster in such a combination than starting from scratch with each project and a new region for example.



Here you see our core areas. Well, first of all, we have four core regions where we are producing oil and gas. We do have Russia. We have currently a production capacity of 190,000 barrels per day of oil equivalent in Russia. We have Europe, around 100,000 barrels per day capacity, North Africa and I'm talking about Libya, it's a 100,000 barrels per day capacity and we have South America with 75,000 barrels per day capacity. And we have one development region. Last year, I was talking about two which tells you that Wintershall is going for further focus to develop core regions.

So we have exited the development region, Caspian Sea because we have not found the right opportunities over there to build up a core area. A core area is defined in our portfolio that we do have a minimum production of 50,000 barrels per day. So that's more or less the number we are striving for when I'm talking about converting the development region, Middle East into a core region. So within ten years, we would like to build up a minimum production capacity of 50,000 barrels per day. So I have to come back in 2024 at latest to present to you 50,000 barrels per day.

Sometimes we can make it quicker like in Norway. In Norway we had estimated to show 50,000 barrels per day production next year 2015. But given the fact that we have signed a new transaction, we will go up to 60,000 already in 2015 in Norway.



Our portfolio, as we speak about the production, is nicely balanced over the region, but as you can see with a main focus on Russia. Roughly 50% of the production we have shown last year is coming from Russia and Europe accounts for 18%, North Africa 9% and South America 20%.

But Russia is becoming more important. When you look into the 1P reserves which we have published last year, around 65% of the reserves we do have in our portfolio are located in Russia. So Russia has a dominant position in our portfolio. But given the recent track record from the acquisition of new reserves in the North Sea, the share of Russia in the 1P reserves will go down to 60% and the share of Europe will go up to 20%.

This is to explain to you what we do have in mind and I'm going to explain it to you with a chart later on that all our activities are also now focusing strategically that we would like to further balance out our portfolio into politically stable regions. And then I'm talking mainly about Europe.

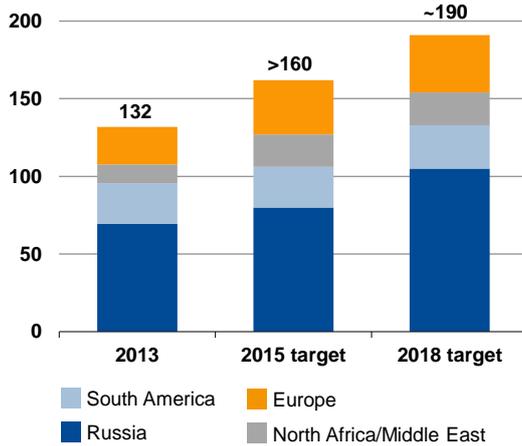
Well, the chart explains easily why I do like Russia in my portfolio. You know when you have sales of 27% from this region, which is good for half of the operating income, it tells you that our operations in Russia are highly profitable because of the size of the fields, because of the framework we do have, because of the contractual agreements we have signed with Gazprom. So the profitability, which is coming with Russia given the fact that we do see some risk associated operating in Russia, I think the profitability is really giving us a good sleep at night that we have a good business over there.

As we speak about North Africa, you can see that this is a high tax country. There is 26% of the sales is good for 1% of the operating income. So therefore I think this is not going to be a focus area where we're going to spend our investments in the next years.

Exploration & Production
Oil & Gas – Excellent further growth opportunities



Production volumes (million boe)



Key facts

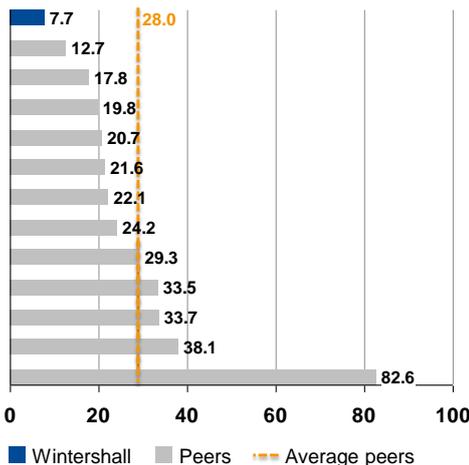
- Continue to significantly invest in core and development regions
- Capex* of ~€4 billion between 2014 and 2018, thereof
 - 70% Europe and Russia
 - 15% North Africa/Middle East
 - 15% South America

BASF Roundtable Oil & Gas, September 18, 2014 * Without capex in non-consolidated participations

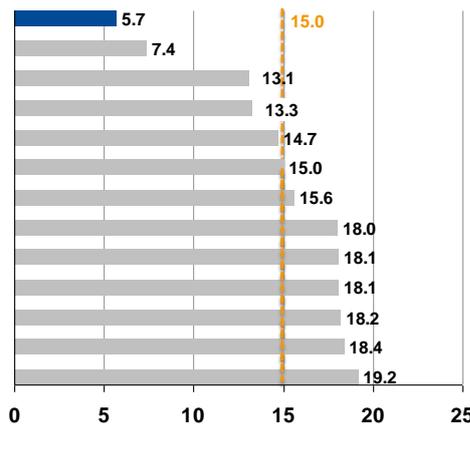
Exploration & Production
Wintershall – Positioned competitively



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



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



BASF Roundtable Oil & Gas, September 18, 2014 Source: Herold, SEC, own calculation. Peer Group represents an average of the E&P industry

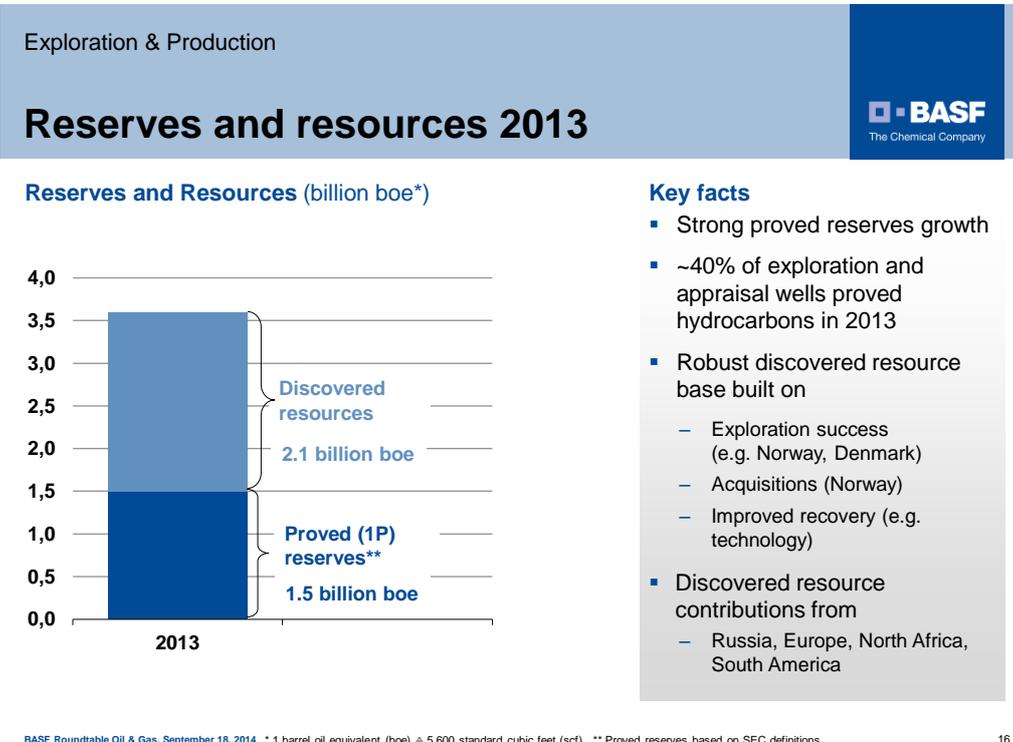
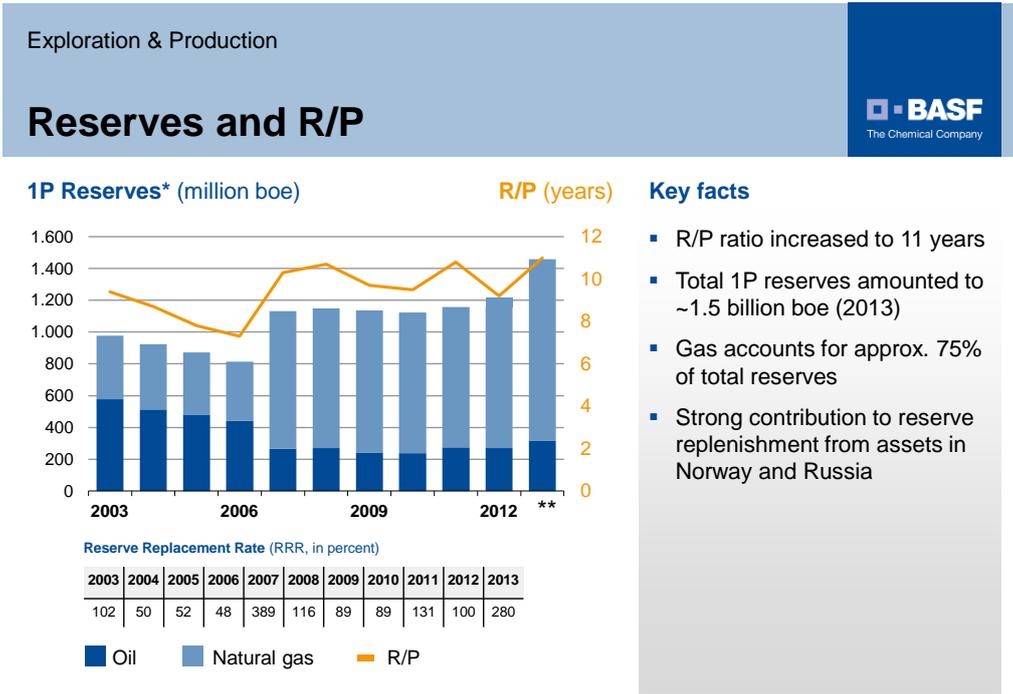
Today I would like to give you an outlook which tells you that the growth story for oil and gas will continue. The target for 2016 is 160 million barrels of oil equivalent coming from 130 million in 2013 and we would like to increase our production by another 19% from 160 million to 190 million in the year 2018.

And what you can see is that all regions will contribute to the production, but we do have three growth regions now in place. The biggest one is Russia, coming with the Achimov development. This is the blue part of the bar. Then we have South America which is short mid-term, the gas from - the additional gas production from Tierra del Fuego and long term, the unconventional. And what you also can see it is Europe and mainly we are talking about Norway.

Huge potential, so from the three core regions we will have growth in our portfolio which will continue until 2018. And I will tell you later on that we do have definite projects underway which are bringing us the production. This is not a fantasy dream. This is underlined with all the projects in all the fields I'm going to show you later on.

Besides the growth, we will take care of our costs because we would like to keep the leadership position as we speak about the number one low cost producer in our industry. This is the position I do have as Wintershall.

And as you can see we also can show up very attractive replacement costs as we do have to replenish our production year by year. And we have shown a good track record last year. In 2013 we could manage to replenish 280% of our production. That's the reason why the 1P reserve jumped from 1.2 billion barrels of oil equivalent to 1.5 billion barrels of oil equivalent.



And that's the reason why also the R/P ratio is now 11 years which is above our target, well above. We would like to monitor something in between eight and ten years. And given the fact that we will close the deal to acquire 170 million boe of new fresh reserves from Statoil in the North Sea, you might have an idea already that we also will show up an impressive year in 2014 to replenish our production.

So given the 170 and given the figure of 130 plus, we might have more than a 100% replenishment in 2014. And as we are going to explore a bit and as we are going to invest a bit, definitely I'm positive as we speak about the replenishment of our production in 2014. So there is a good outlook.

My geologists are great and they are also great as we speak about the 2P reserves. Last I have shown you a position of 2P, the discovered resources of 1.7 billion boe. The number has increased to 2.1, so the resource position grew from one year to another in 2013 by 400 million barrels of oil equivalent.



Let me explain a little bit what we are going to focus on as we are going to increase and optimise our overall upstream business in Wintershall and we have been very active especially in the last years going for the portfolio optimisation. And the portfolio optimisation will be continued also over the next years.

The portfolio optimisation means that we have been very active in the M&A markets. So we went for acquisitions, we did divestments and we arranged swap agreements all together to optimise our portfolio.

But what stands behind each of these transactions? Well, first of all, I have explained to you that we would like to focus on our profitable upstream business. I'll give you two examples.

Exiting the downstream business, one example the asset swap with Gazprom. We are handing over the downstream gas business and we get a great prospective of a new gas field development in Russia, the third largest in the Russian Federation. And we have sold our shares in the East German company VNG, Verbundnetz Gas which is a downstream company and we will use the money to be reinvested into upstream to finance our growth targets in the upstream business.

The second I would like to mention is the portfolio upgrading. Well, there is an asset portfolio upgrading that we are going to buy and swap some shares in different oil and gas fields where we think this oilfield has very good economics and we are going to increase our share. But what is even more important is an example which you have seen in 2012 with our first swap deal with Statoil when we have swapped a development asset for a producing asset. We have swapped 15% in Edvard Grieg investment project for a running flowing barrel in Gjoa, Vega and Brage.

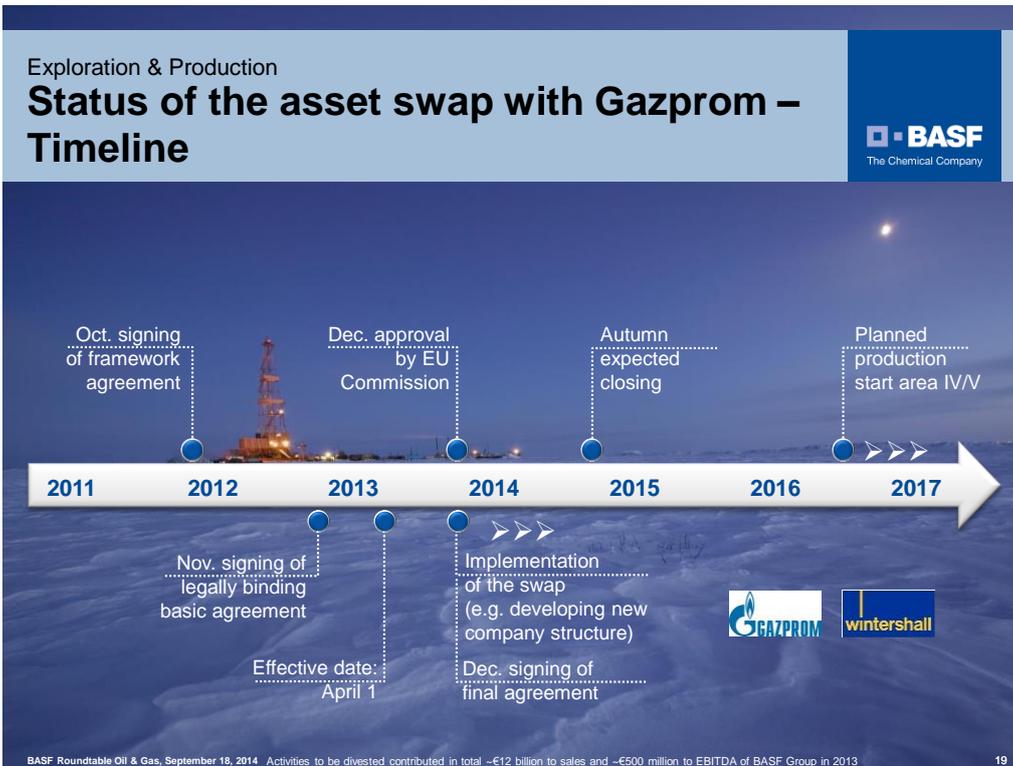
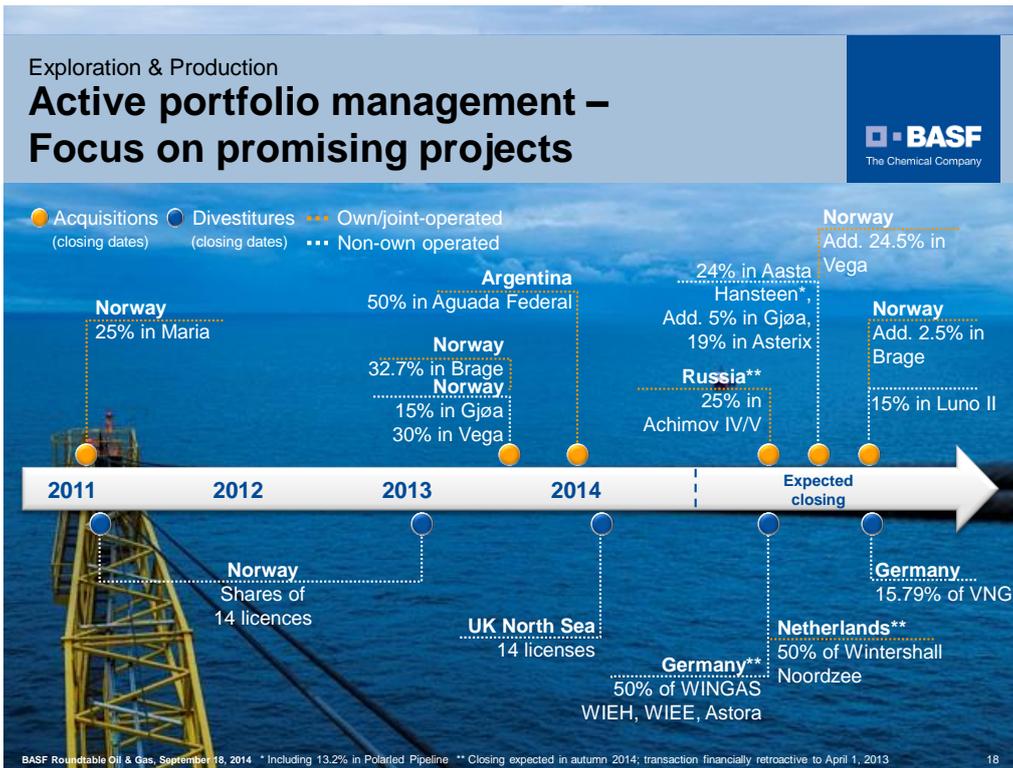
And behind that was also a cash flow and a CapEx optimisation which is the third pillar here. An example for that is that we are going to swap production from the future into current production so that we are generating the cash flow right now, which we will use to finance all our development projects and investment projects we do have.

Another example for cash flow and CapEx management is the deal we have closed in April this year, a transaction with the Hungarian company MOL, when we have sold our entire non-operated UK business for \$375 million. And what is even more important, with this transaction we also divested a CapEx commitment of \$1 billion. This is how we started in the second quarter. It's important that you have this figure in mind when we are going to talk about later on that I have signed a deal with Statoil that we are going to require CapEx. It's not a one way street, but what we do have always in our mind and focus is that we do have a proper cash flow and CapEx management in place.

The next is technology application. Schizophyllan, we are talking with our partners about new applications of Schizophyllan because we need to prove that technology in the field. We do have a test field in Germany, in Bockstedt in Northern Germany. The test is running and we will see the first test results at first quarter next year.

The first results I have seen, I really look forward that I can present to you next year the results.

And then this is the last point. All our transactions are also focusing that we are increasing the share of operated assets. Wintershall likes operatorship for a very good reason. The development is in our hand and what is more important the costs are in our hand. We are determining the costs. The project will be run by Wintershall and we are in the driver's seat when we are going to be the operator. And that's the reason why we have now roughly a 40% share of the assets I'm going to show you in Norway where Wintershall is the operator. We will continue to do so because the costs we would like to manage ourselves.



Our M&A activities is summarised a little bit on this chart and I only show you three years. I show you three years when we have made six transactions as we speak about acquisitions and four transactions as we speak about divestments.

And what you can see on this chart is that we had a focus on Norway. Over here we started in 2011 to acquire a 25% share in Maria which is our prominent oilfield which we are going to develop, as a first development as an operator. And as you can see then we had the first transaction with Statoil. Now we have a second transaction with Statoil.

But as we speak about the optimisation of the portfolio in the North Sea it's not a one way street. We are not acquiring and thinking we are happy to swallow all the assets. We are optimising by divesting. We have divested 14 licenses in Norway and what is even more important we have divested the non-operated business in the UK.

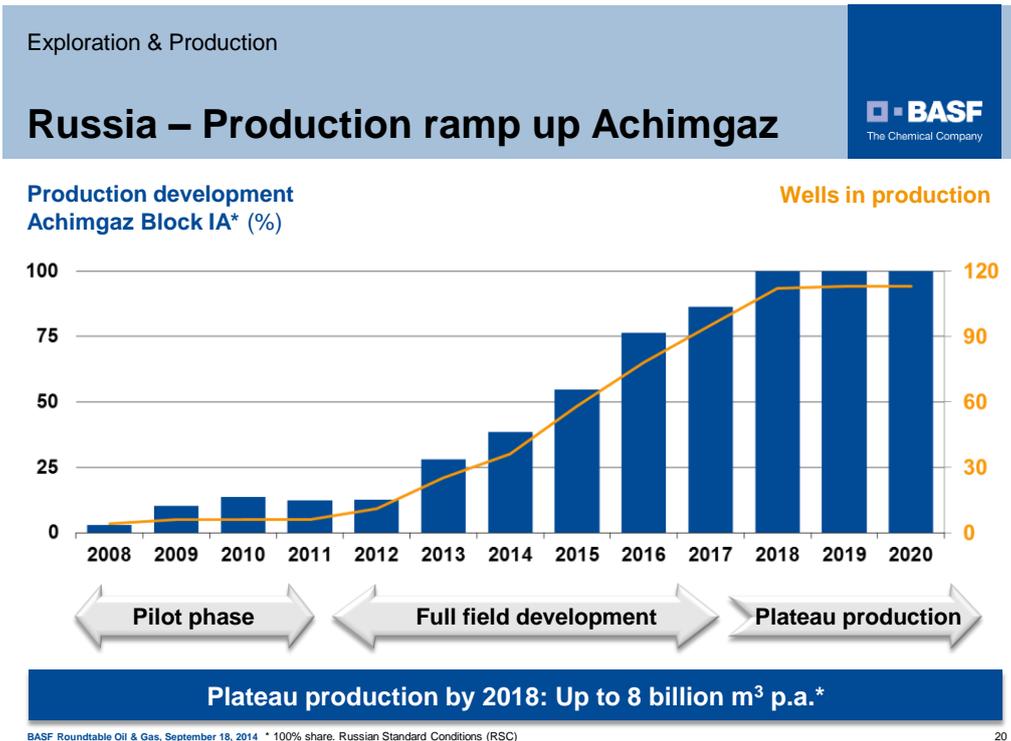
And of course, we have another transaction which is the asset swap with Gazprom and the transaction that we are going to sell our shares in the German company VNG. Both transactions we're expecting to close this year.

There are two smaller transactions here that we have increased our share in Brage and that we bought into Luno, which is the area of Edvard Grieg, which are smaller ones which we also will close until the end of the year.

What is very important are these two main transactions as we speak about the swap agreement with Gazprom and of course the agreement with Statoil. And I would like to give you a brief update on these two transactions.

As we speak about Gazprom, you see the timeline over here. It's nothing where we are going to say well, this is running and by opportunity we might meet at a certain point of time. No, it started in December when we have signed the agreement, the framework agreement with Gazprom. We have received all the necessary approvals from the authorities in Brussels and in Germany. So there is no approval we need to have in place.

But we think that for establishing the new companies, we need new companies in Russia, we need to establish new companies in the Netherlands, we need to have new companies established in Germany, we have to ask for these formal approvals. And this is determining the timeline. We are very much confident that we are going to close the deal in autumn this year.



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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

BASF Roundtable Oil & Gas, September 18, 2014 * Pipeline project will provide route for produced gas from Aasta Hansteen field to onshore processing facilities

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And it's very important that we are going to close the deal because we are hungry to start building up the new production in Russia because we would like to develop the gas condensate field in Area IV/V of the Achimov formation in the Urengoy field. And we have trained ourselves to go for fast track development of this field because the geology is just another section of the Achimov field we have underway with Area IA which is developed by our joint venture, 50-50 joint venture company with Gazprom with the name Achimgaz.

And what I have shown you over here is the production profile of this Area IA development. What you can see is that we have started with the pilot phase of four years with a production which was a few million barrels. So we started and tested a long time the field and we needed four years to learn and to train ourselves what is the right development concept, full field development concept for the field. And then we started in 2012 with the full field development. We are just in the full field development, where we are going to drill the wells.

What is important to be mentioned, over here in 2008 we started with one single rig. Right now -- here in 2011, we hired a second rig. Right now in 2014 we are operating with four rigs. And as we speak about the development concept of Achimov IV/V, we will not start with a pilot phase, we will start immediately with the full field development and we will not start with one rig, we will start with four rigs. That's the reason why we're going to accelerate not only the IA development, we will go for fast track development for Area IV/V.

And we do have the right team in place because we have in mind that the team of Achimgaz who have all the know-how how to develop the structure in Achimov will make the job also for Area IV and V. o that's the reason why I think it's a very efficient approach we do have to develop Area IV/V. This will shut in with very substantial volumes in the future.

A comment on our Statoil transaction. Well, what was the reasons for the Statoil transaction which we have signed early September? Well, first of all it was a very good opportunity for us to increase our production in a stable, politically stable region. We will go immediately from 40,000 barrels per day production to 60,000 barrels per day production. That's the reason why we are generating also cash flow.

If I look into the package we have acquired from Statoil, we have two producing assets, Gjoa and Vega. And the production from Gjoa and Vega, the 20,000 barrels per day are sufficient to finance the next generation, the development project Aasta Hansteen. So it's a self-sufficient package as we speak about the cash flow. The cash flow we are generating from the producing assets is sufficient to finance the development of Aasta Hansteen. And Aasta Hansteen is the future production which will shut in as we will see later on in the year 2017/2018. That's very important.

And the next point is that of course we are intensifying and expanding our strategic cooperation with our new partner, Statoil. We are now working together at the entire value chain of our industry. We are in four licenses in exploration, we have signed an area of mutual interest in the Voring Basin and we are going to have joint field development with the project Aasta Hansteen. We are producing oil together.

We are together in a pipeline business, we are going to build the Polarled pipeline. And we have signed just to remind you a gas contract of 5 bcm per annum with Statoil with our last transaction in 2012.

So what I have not mentioned also is that we are working together in technology. It's a very well-defined integrated partnership which we have built up in only three years' time and I think we do have a very good perspective as we speak about our cooperation with Statoil.

Exploration & Production

Recent transaction with Statoil

Strategic rationale of the transaction



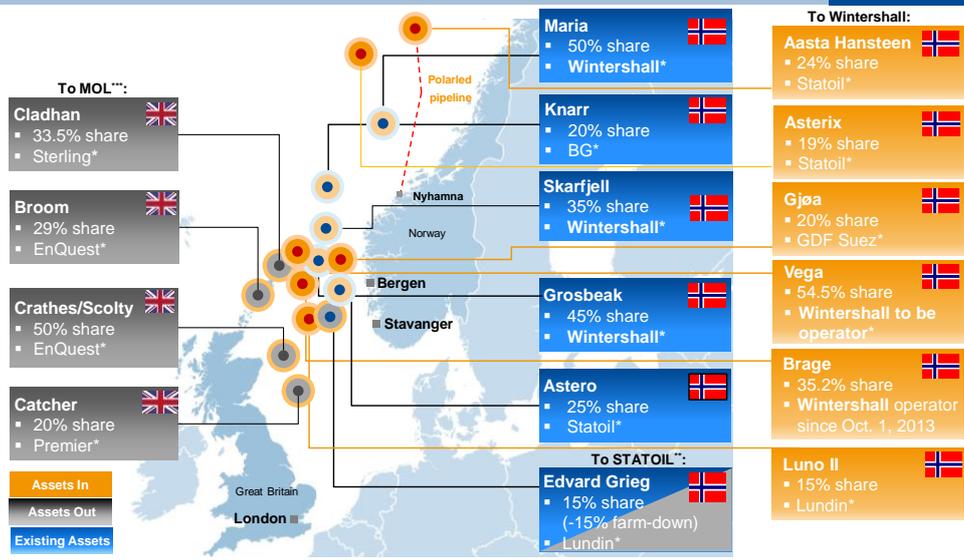
- To strengthen Wintershall's position in Norway by increasing participation in producing oil and gas fields
- To participate jointly with Statoil in promising development project "Aasta Hansteen"
- To get access to additional reserves and resources (2P/2C) of ~170 million boe and assets with material exploration perspective
- 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

BASF Roundtable Oil & Gas, September 18, 2014 * Subject to the approval by the authorities and partners

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Exploration & Production

Portfolio optimization in the northern North Sea

To MOL:**

- Cladhan
 - 33.5% share
 - Sterling*
- Broom
 - 29% share
 - EnQuest*
- Crathes/Scolty
 - 50% share
 - EnQuest*
- Catcher
 - 20% share
 - Premier*

Assets In
Assets Out
Existing Assets

To Wintershall:

- Maria
 - 50% share
 - Wintershall*
- Knarr
 - 20% share
 - BG*
- Skarfjell
 - 35% share
 - Wintershall*
- Grosbeak
 - 45% share
 - Wintershall*
- Astero
 - 25% share
 - Statoil*
- Edvard Grieg
 - 15% share
 - (-15% farm-down)
 - Lundin*

To STATOIL:**

- Aasta Hansteen
 - 24% share
 - Statoil*
- Asterix
 - 19% share
 - Statoil*
- Gjøa
 - 20% share
 - GDF Suez*
- Vega
 - 54.5% share
 - Wintershall to be operator*
- Brage
 - 35.2% share
 - Wintershall operator since Oct. 1, 2013
- Luno II
 - 15% share
 - Lundin*

Other Fields:

- Polarled pipeline
- Nyhamna
- Bergen
- Stavanger

Great Britain
London

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

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So the key data is summarised over here. We have bought a 170 million boe 2P/2C reserves for \$1.25 billion and we have agreed that we are going to pay another \$50 million in case Aasta Hansteen will come on stream as planned in 2017. The effective date is retroactively January 1 of this year and closing is expected at the end of the year 2014.

This chart is explaining you what kind of portfolio optimisation we did over the last two years in the North Sea, especially in Norway. So these are the existing fields we do have in our portfolio right now. Over here, you see listed the new fields coming with the Statoil transaction we have signed a few days ago. And over here I have shown you that these are the fields we have divested in April this year.

If we talk about CapEx, this is the remaining CapEx of \$1.8 billion. This is the CapEx figure, which is more than \$1 billion.

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

● Exploration
● Production

Let me move into a region, which is challenging for us. It's Argentina. Well, when I talk about Argentina, I have to say I am very much impressed about the geology. We can show up so nice gas fields over there. There's a huge potential with the unconventional in the countries. And although I have such a sunny face when I talk about underground, the problems are above ground.

The situation in Argentina is shortly summarised. We are generating high profits, a very good cash flow. But there is a tiny little thing, it's all in pesos. We are rich in pesos but we can't convert it into US dollars and we can't pay out the dividends towards Ludwigshafen.

So what kind of strategy do we have in mind? I don't think this will last forever. The country will end up in a nightmare, if this is going to continue because no investor will have any incentive to come to Argentina. As we are there, we have decided that we would like to keep and to increase the value of our operations. So what we have decided especially to avoid a currency risk that we are going to reinvest our cash flow in Argentina. We did that with one transaction. Last year we acquired a concession in the Vaca Muerta formation, where we have a region, Aguada Federal, a concession which is very, very promising, as we speak about an unconventional play over there in Argentina.

But what we are doing in the first instance is not acquiring new assets. We did that because we wanted to participate in the unconventional development in Argentina. In the first instance, we are concentrating down in the south in Tierra del Fuego. I will show you later on the pipeline. We do have huge gas fields over there with a huge production capacity. So we will go above the 75,000 barrels of oil equivalent per day in the next years and we will invest into additional gas production in Tierra del Fuego. This is where the big reserves of Wintershall are located and this is the future production we are going to show in our books.

Mid and long term, we will go Neuquen and Mendoza, by the way which is near by the industrial regions of Argentina where the market is. In Neuquen, we have already a tiny little shale gas production together with our partner Total. In Mendoza, we are in a very embryonic stage. We are shooting seismic and we are thinking that there is a good prospect. But in Neuquen, as I have said, we will participate also in the Vaca Muerta development. We will focus long term on shale oil in Argentina.

Exploration & Production

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



Key facts

- Development of Shuwaihat gas/condensate field (containing H₂S and CO₂)
 - 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)

BASF Roundtable Oil & Gas, September 18, 2014

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Let's talk about the Middle East. Well, the Middle East, we are talking about two countries in particular when we are talking about the activities of Wintershall. We're talking about Qatar and we're talking about Abu Dhabi.

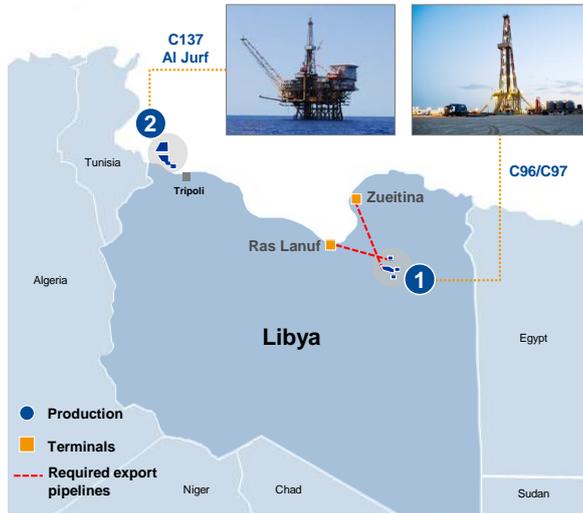
Well, in Qatar we have published that we had a major discovery of 2.5 TCF. It's a gas condensate field in the Block 4N. The field has the name Al Radeef. We are going to study now all the development concepts and we will go for a field development plan, which we will show to the authorities at earliest in the second quarter next year. So second quarter next year, we will look into the economics whether or not we are going to make the investment over there to develop the field.

As we speak about Abu Dhabi, we are talking about a sour gas field which Wintershall is appraising right now. We have spudded the well in May this year and we will see the first results of the appraisal well at the end of this year, if everything runs as planned which I do expect. And then at the end of the year we will decide whether or not and how we are going to place another two appraisal wells. Maybe we will go and shoot another 3D seismic. But then after that, I would say in 2016 we will sit together with ADNOC and we will decide on the development plan of the field.

The main question is with the appraisal field, what do we have as a field? Well, first of all we will have a look into the quality of the reservoir, but the main question we do have, are we talking about a gas condensate or a condensate gas field? Well, I would love to have a condensate gas field but at the end of the day we have to wait and see how the well will come in.

Exploration & Production

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

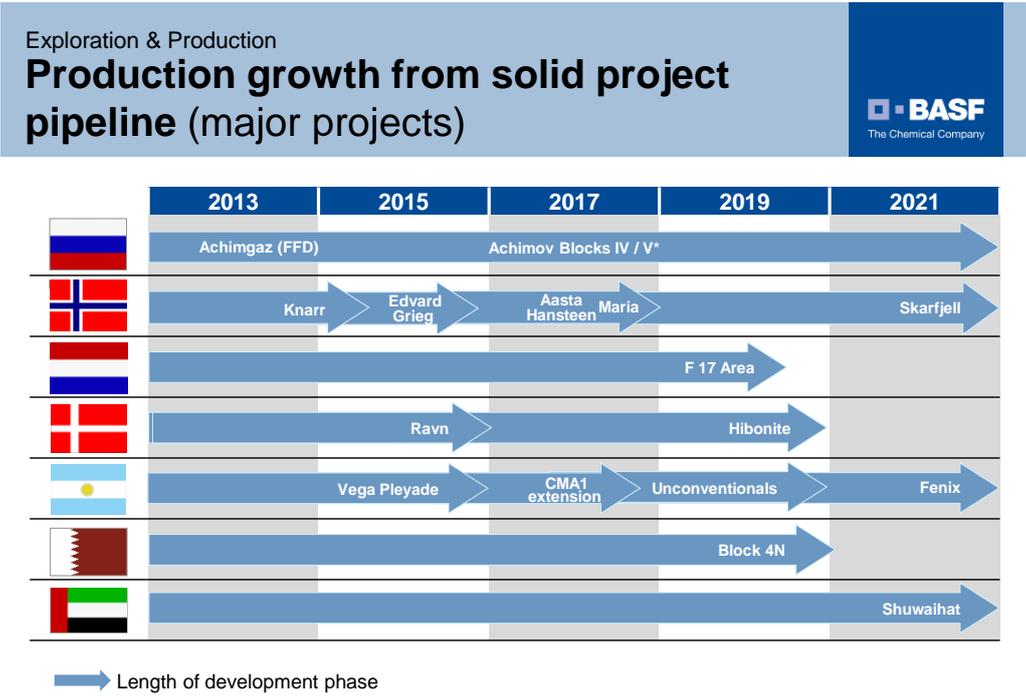
Let's move to North Africa. North Africa, we are talking about Libya and I would like to make a short comment on Libya. As we speak about the country, I definitely have to say I'm very much disappointed. Disappointed for the people living in the country who paid a high price in blood for freedom and for a prosperous country development. And what you see right now is instability which I have never seen in the country before. We're talking about political instability, we have seen some interim governments. But definitely I don't see anybody who really takes over a leadership role in the country right now. So I don't expect that we're going to see a major change in the country in the short term.

What is even more important to be mentioned is the security situation in the country. It's even worse than before. The fight against Gaddafi turned into a fight against themselves. And now we have a situation that no expatriates of Wintershall are staying in the country. Like other oil and gas firms decided that they have relocated their expatriates from Libya to the European continent, we don't have the experts in the country and that's limiting a little bit our possibilities to come up with the new production.

Libya as I said, has restarted oil production. They are now back to 700,000 barrels per day. We are not participating in the numbers right now as Wintershall. Our operations are waiting for a green light from the National Oil Company, NOC. Why? We had problems with the export terminals. They were blocked by some rebels. And as they managed to come to an agreement with the terminals, the pipelines to the terminals were blocked. So we are waiting for a green light that the pipelines to ship our crude to the export terminals will be freed up and honestly speaking, I don't know when I will get the call.

So it's in the hands of NOC. We don't have any signs that we are going to come back with the production because NOC has to negotiate with the pipeline operators. It can happen tomorrow, it can happen in a month, it can happen next year. I can't give you better judgment right now because I'm not sitting at the table and negotiating with the pipeline operators.

That's more or less the situation in Libya.



BASF Roundtable Oil & Gas, September 18, 2014 * Closing expected autumn 2014

But this chart is underlying my growth story, which I have explained to you that we are on the way from 130 through a 160 to a 190 million barrels of oil equivalent annual production. As you can see in all our regions, we do have projects underway for future production. So every region by itself -- it doesn't matter what country I'm picking -- does have a perspective for the future. I'm not talking about any sick elements in my portfolio. I'm talking about a pipeline which is showing you that we will have especially in the time frame of the next three to four years many fields which are waiting to come on stream.

Very, very prominent, I would like to say is now Norway. Given the fact that we have done a perfect portfolio optimisation, we have also optimised our future pipeline for Norway. We have increased our current production to 60,000 barrels per day and as you can see we have each year a new field waiting to come on stream.

Knarr in the beginning of 2015, Edvard Grieg in the beginning of 2016, Aasta Hansteen hopefully 2017, if Statoil is right, but latest in 2018. And Maria will come in also 2018 in our plans. So that's a pipeline which is telling you especially as we speak about Norway the next three, four years, new production of Wintershall will come on stream.

But as we speak about volumes, volume-wise, we will have a huge increase in volumes as we speak about our Russian activities in Achimgaz. Just remember the blue chart which I have shown for the increase from 160 to 190. It's all about Area IV/V, it's all about Area IA.

But what is more important that the reinvestment of the cash flow in Argentina resulted in a huge pipeline of new production. All this here until 2018 is Tierra del Fuego, with the biggest gas fields we do have in our portfolio outside Russia. So Argentina with the strategy that we have to reinvest cash flow is accelerating our growth prospective in Argentina.

And as we speak about Europe, we also have a short-term project which we have already approved. We have made the final investment decision to develop an oilfield in Denmark. Another oil field is hopefully waiting in Denmark with Hibernite. And we have also a nice oilfield in the Netherlands where we have to drill some appraisal wells just to determine how big is the oilfield and what kind of development concept are we going to have.

And as you can see here in our pipeline, mid to long term, the Middle East will shut into our portfolio and will expand our portfolio over there.

Natural Gas Transportation

Natural gas transportation business generates stable earnings



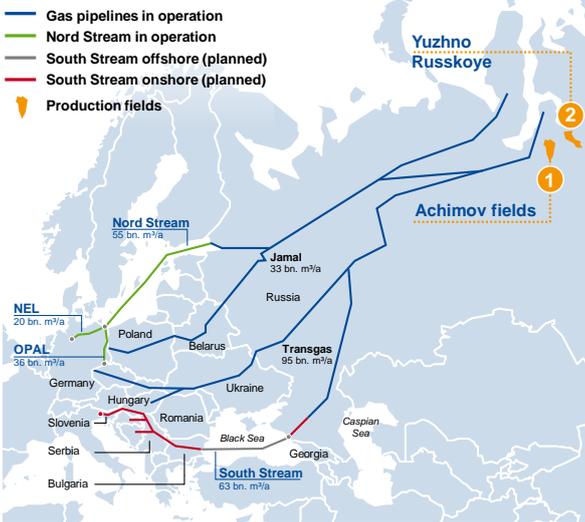
The Chemical Company

Legend:

- Gas pipelines in operation
- Nord Stream in operation
- South Stream offshore (planned)
- South Stream onshore (planned)
- 📍 Production fields

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



BASF Roundtable Oil & Gas, September 18, 2014 * Start of production is planned not before 2016

Okay, let's move to natural gas trading business. When we are talking about the natural gas trading business, I'm mainly talking about the pipeline business because from my point of view, I'm talking about the divestment of the natural gas trading and the storage business will take place in autumn this year. Therefore, looking forward into our second segment in the Oil & Gas division we are talking about the pure pipeline business. And I repeat myself what I have said last year, it's not a strategic business of Wintershall.

The pipeline business is attractive for us because it's a very stable cash cow in our portfolio. We are generating very nice EBIT, very nice cash flow with our pipeline business and it's not depending on the external factors which are determining heavily the profitability of my upstream business. I don't care about the oil price. I don't care about the gas price. I don't care about even the volume which are going to ship in my pipelines. It's a regulated business, but it's also as we speak about the network of Gascade and it's a non-regulated business which is based on a 100% ship or pay.

And I don't care what they are going to pay -- what they're going to ship. If they want to ship methane or ethane or if they want to ship vodka I have no problem with that. They only have to pay the capacities. So what the business is about is we're selling the capacities and you can use the capacities or not use. All you have to do is you have to pay me. That's what the business is about. So it's very stable and we can count on these numbers. And whatever will happen, we have long-term contracts in place with mainly Gazprom. Utilisation of the pipelines right now - main grid - nearly 100%.

When we talk about pipeline business in Wintershall, I do differentiate between two types of pipelines, the regulated pipelines and the non-regulated pipelines. As we speak about the regulated pipelines, I don't know who's going to invest for it, I will not spend a single penny. Why? The rate of return is by far not sufficient to show you impressive numbers to invest into our company. That's the reason why we have decided not to participate in the regulated pipeline business as we speak about the Wingas gas grid or Gascade gas grid.

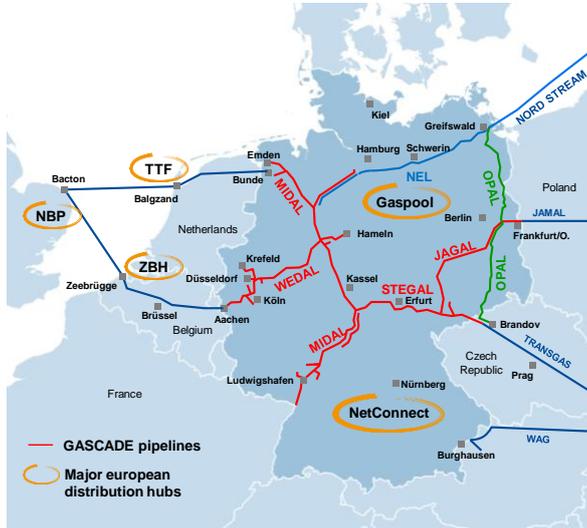
But as we speak about non-regulated pipelines, we do have market mechanisms in place. I'm a fan really of the market, of the free market and that's in place when we are talking about the non-regulated pipelines. And we are participating in two pipelines. One is the Nord Stream pipeline over here and the other one is the South Stream pipeline.

Well, as we speak about the Nord Stream pipeline, the job is done. We are harvesting in the way I have explained to you with a 100% shipper pays contracts. So we are harvesting all over from the Nord Stream pipeline. The pipelines are in operations, no technical problems are there. The gas is flowing from Russia directly to the German coast. The job is done.

As we speak about our investments for the next years to come, we are speaking about the South Stream pipeline. With the South Stream pipeline we have taken the final investment decision. We have decided on a development plan of the project.

We have ordered the pipelines. We have signed the laying contracts with the contractor, Saipem. So everything is in place and we're going to start construction activities at the end of this year to keep our schedule in place that we are going to have the first pipe in operation at the end of 2015. It's a challenging project from the very beginning and it's even more challenging in today's world.

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

Over here, you're seeing the pipeline networks. In red, we have the pipeline network of Gascade. This is the regulated pipeline network in Germany which we do have. Well, we have built it in times when there were no regulations. Now we have a regulated pipeline system and therefore I can tell you the rate of return is really not impressive as we speak about this one.

But as we speak about Nord Stream and the connecting pipelines, Opal for example has an exemption from regulation. This pipeline is totally different than the red pipelines over here. So we have different economics coming up with the Opal and that's the reason why we are differentiating between these two pipelines.

Summary & Outlook

Oil & Gas – Outlook 2014



	2013		2014	
Financial performance	Sales to 3 rd parties:	€14.776 billion	Sales expected to be considerably below 2013 due the asset swap with Gazprom.	
	EBIT before special items:	€1.969 billion	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.	
	Net income:	€1.780 billion		
Production volumes	Total production:	132 mmbœ	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	Investments*** 2014-2018:	~€4.0 billion
	thereof E&P:	~€2.834 billion	(Predominantly in E&P)	
	thereof Natural Gas Trading:	~€0.120 billion		
Macroeconomic assumptions	Average oil price (brent):	\$109 per barrel	Forecast 2014:	\$110 per barrel
	Average exchange rate:	\$1.33 per €		\$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

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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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Let me finalise with an outlook for the year 2014. Well, as we speak about the macroeconomic assumptions (I start from the bottom of the chart) the \$110 per barrel which we have calculated for 2014, well, right now we are bit far away from the \$110. And the 1.35 for the exchange rate from the US dollar we have to see how this is going to develop. So as we speak about the macroeconomic assumptions I don't get a back wind from the market right now. So I have to do the job more efficiently as we are going to operate.

As we speak about the production volumes, well, we expect around the similar level as last year. This is something I can confirm because in this comment we already have mentioned that the Libyan production is suspended since July last year and we don't see a recovery of the production in Libya in 2014.

As we speak about the financial performance, I confirm my outlook which you have seen here in the chart. It's going to be tough. It's going to be tough as we speak about the missing backwind from the market. We are little bit depending on that the winter will come, but that's every year the same story. So we will do our best not to disappoint you, but it's going to be challenging as we speak about 2014. I am now more than happy to answer your questions.

