

Fourth quarter 2008

19 February 2008

Important information

The information included herein contains certain forward-looking statements that address activities, events or developments that Norwegian Energy Company ASA expects, projects, believes or anticipates will or may occur in the future. These statements are based on various assumptions made by Norwegian Energy Company ASA, which are beyond its control and are subject to certain additional risks and uncertainties. As a result of these factors, actual events may differ materially from those indicated in or implied by such forward-looking statements.

Contents

■ Review of Q4 2008

■ Outlook for 2009

■ Supplementary information

Highlights Q4 2008

■ New production level established

- Production 14,900 barrels per day (up 42% from Q407)
- New record monthly production of 16,100 barrels per day in December
- Revenue NOK 541 million (up 21% from Q407)

■ Successful exploration program continued

- One new discovery at the Brage field, already in production
- Noreco offered six licenses in the UK 25th licensing round

■ Restructuring of capital structure continued

- NOK 560 million bond repayment

■ Valuable oil hedging program in place

- Realised 58 \$ per barrel in Q4
- Value NOK 547 million

Q4 results

Income statement

NOK million	Q4 08	Q3 08	2008
Operating revenues	541	808	2424
Production cost	118	128	415
Exploration cost	144	59	259
Salary and other	57	40	209
EBITDA	221	581	1540
Depreciation and amortization	213	211	717
EBIT	8	369	824
Net financial items	(110)	(136)	(556)
EBT	(102)	232	268
Tax	(76)	97	148
Profit / (loss) for the period	(25)	135	120

- Basic EPS for 2008 was 0.92
- Exploration cost includes seismic data and NOK 64 million expense associated with dry wells

Balance sheet

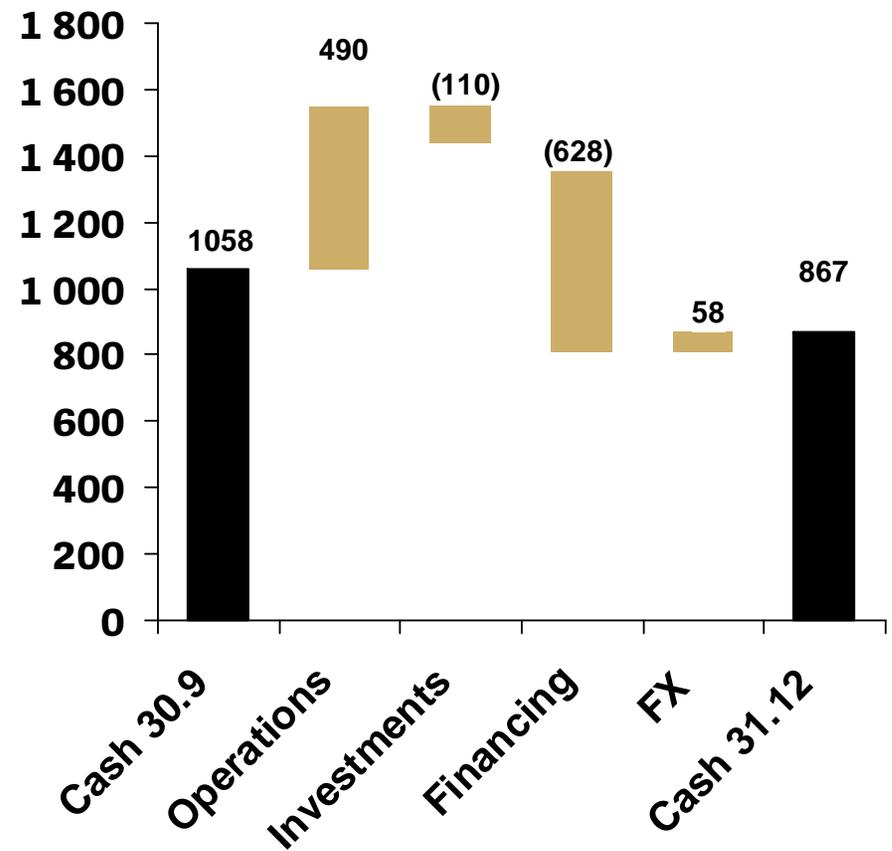
NOK million	31.12.08	30.09.08	31.12.07
Assets			
Fixed assets	9.942	10.388	8.842
Receivables	1.511	1.009	611
Cash	867	1.058	974
Total assets	12.321	12.456	10.427
Equity and liabilities			
Total equity	2.996	2.746	1.784
Total long-term liabilities	7.794	8.481	7.724
Total current liabilities	1.531	1.229	919
Total liabilities	9.325	9.710	8.643
Total equity and liabilities	12.321	12.456	10.427

- No impairments
- Value of financial instruments (oil price put options) NOK 547 million

Cash flow

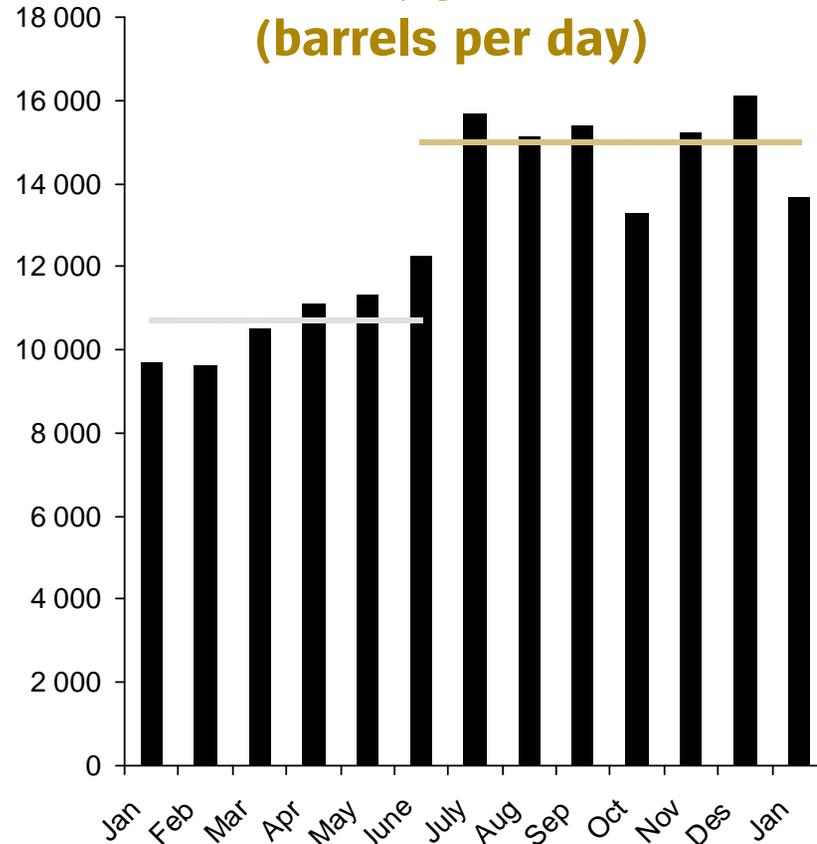
- Strong cash position of NOK 867 million at the end of the year (6 NOK/share)
- Bond repayment of NOK 560 million in November 2008

Cash flow (NOK million)



Production gives strong cash flow and exposure to oil price upside

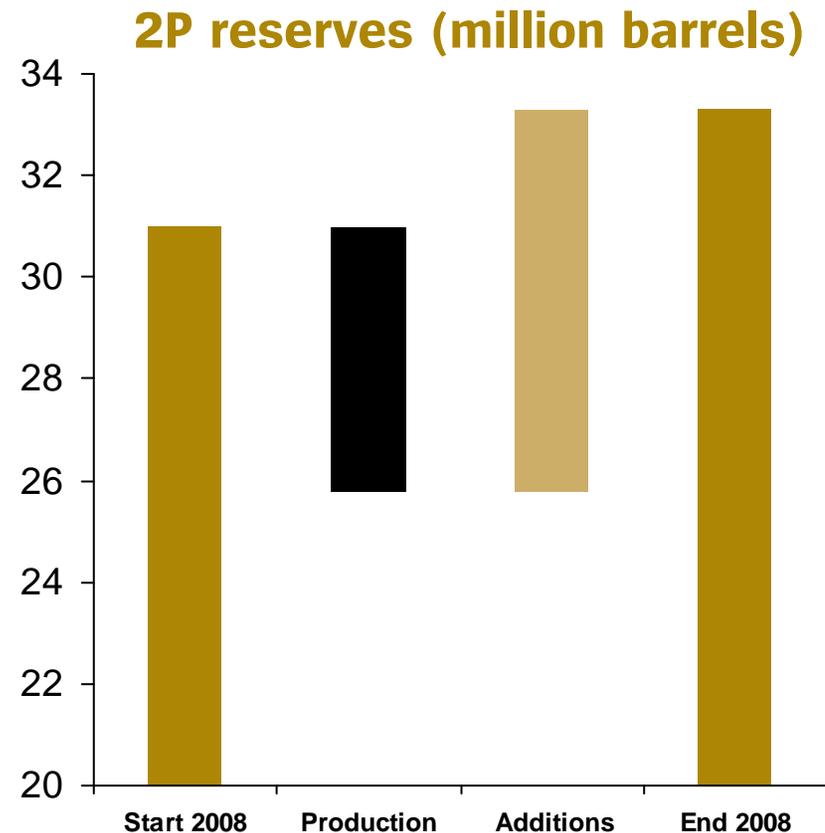
**Monthly production
(barrels per day)**



- Increased production level from approx 10,000 to 15,000 barrels per day
- Start-up of Nini East in Q4 2009 (will add in excess of 3,000 barrels net to Noreco)
- Oil price downside protection through put option program at 50 and 75 US\$/barrel

Reserve growth in 2008

- Proven and probable (2P) reserves of 33 million barrels of oil equivalents per 1.1.2009
- Reserve replacement ratio of 145%
- In addition, significant reserve additions will come from discoveries in the portfolio, ongoing developments and discoveries
 - Contingent resources per 1.1.2008 102 mill boe



Source : DeGolyer and MacNaughton reserve verification report. The reserve numbers are preliminary and can be subject to adjustments. Final reserve numbers and further details will be reported in the Noreco's annual reserve statement in conjunction with the annual report for 2008.

Ongoing development projects

- One development to start production in 2009
 - Nini East
- Developments approaching project sanction
 - Huntington
 - Oselvar
 - Nemo
 - Flyndre
- Key focus is to mature discoveries to plan of development stage, reduce cost and improve returns of projects
- Four discoveries under development planning/appraisal



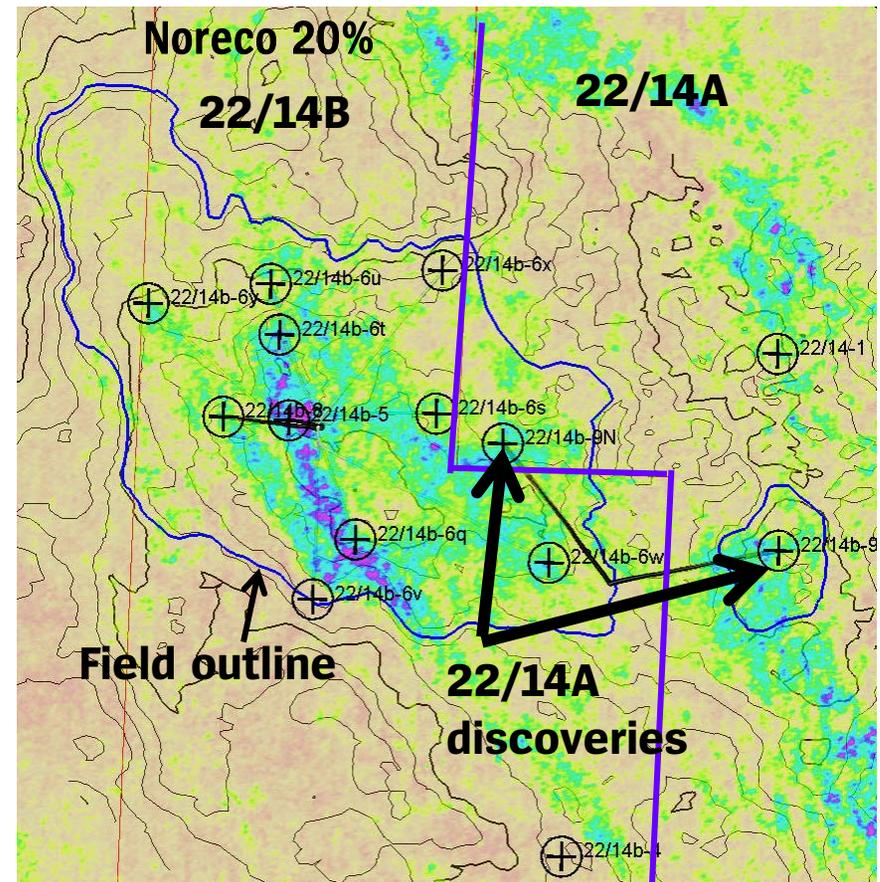
Nini East development on track

- All activities progressing according to plan, and project is on track for production start up in October 2009
- Platform construction is ongoing
- Laying of pipeline and drilling of 3 wells in Q3 2009
- Reserves 17 million barrels
- Noreco owns 30%, and the field will after start up add in excess of 3,000 barrels net production to Noreco



Huntington

- **Two discovery wells in the neighbor block 22/14A proves Huntington extension**
 - Larger reserves base for development
 - Unitization of Forties development
- **E.ON Ruhrgas new operator**
- **Current activities**
 - Concept selection, and preparation for tender process in Q2 2009
 - Unitisation negotiations (Noreco lead)
 - Field development plan in Q3 2009
 - Targeting first oil in 2010



Two discoveries in block 22/14A proves Huntington extension and area upside.

Noreco exploration program to date

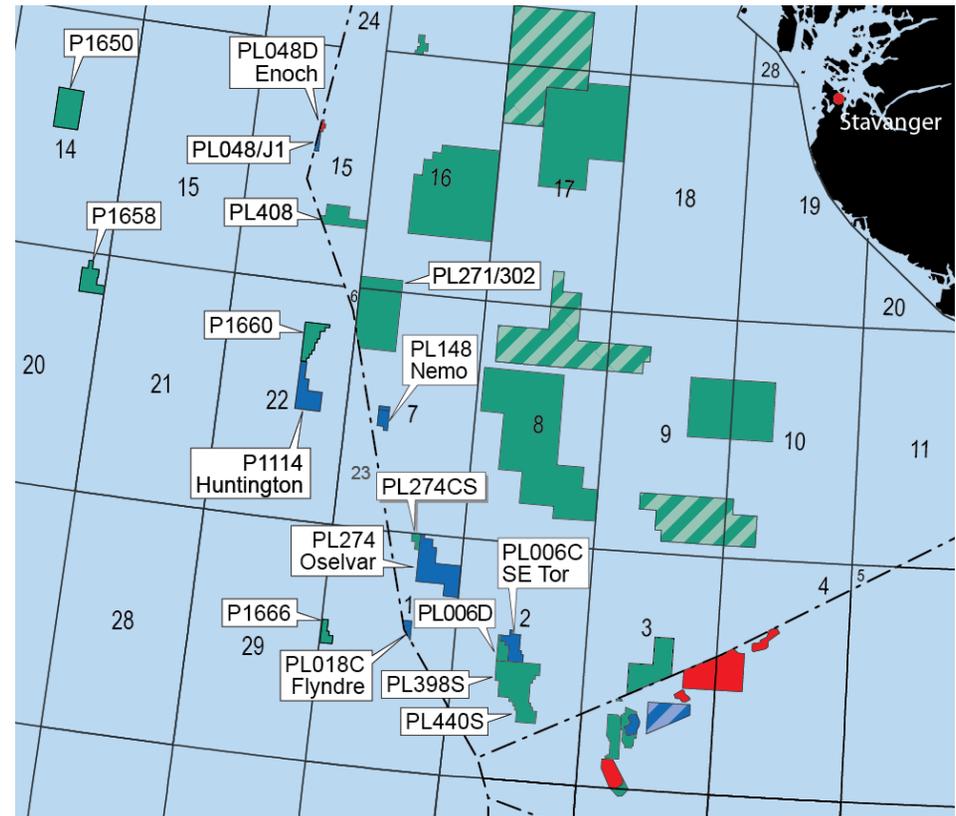
9 of 11 wells have been successful

Well	Result
2 Huntington appraisal wells	Successful
Oselvar appraisal	Successful
Ipswich exploration	Oil discovery
Nemo appraisal	Oil discovery
Galtvort	Gas discovery
Bowmore and Knockondo-Talisker (Brage)	Oil discoveries
South Tor Pod (South Arne)	Oil discovery
Yoda	Dry
Siri West	Dry



Noreco offered 6 licenses in UK 25th round

- The awards in November 2008 strengthens Noreco's position in the UK, and provides future drilling targets
- There are no drilling commitments on the licenses offered to Noreco



Restructuring of capital structure ongoing

- Increased cash flow through acquisition of Talisman Oil Denmark, related equity issue of NOK 509 mill 
- Repayment in full of 130 mill USD 12% Geopard callable bond 
- Conversion of NOK 211.5 mill convertible bonds 
- New reserve based lending agreement 325 mill USD 
- Early redemption of 20% of NOK 2,800 million bond and deletion of market adjusted equity ratio 
- Asset sales to further improve cash position and reduce debt 

Noreco has a solid financial capacity and flexibility

Asset sales - status

- Noreco is marketing assets
- The current market implies a challenging market
 - Current economic environment
 - Few transactions
 - Distressed sellers in the North Sea, including Oilexco and Bow Valley
- Noreco will sell if the offered price is deemed satisfactorily for Noreco's shareholders
- In parallel with marketing activities, Noreco is focusing on value generating activities
 - Maturing discoveries towards plan for development and operation (PDO)
Reducing costs and improving robustness of the development projects

Track record in 2008

Increased production and cash flow

- Infill drilling and shut downs executed to plan
- Protected future cash flow through oil put options
- 145% reserve replacement in 2008

Active and opportunistic in asset and M&A market

- Acquisition of Talisman Oil Denmark
- Asset transactions
- Proposal to merge with Det norske oljeselskap

Proactive management of capital structure

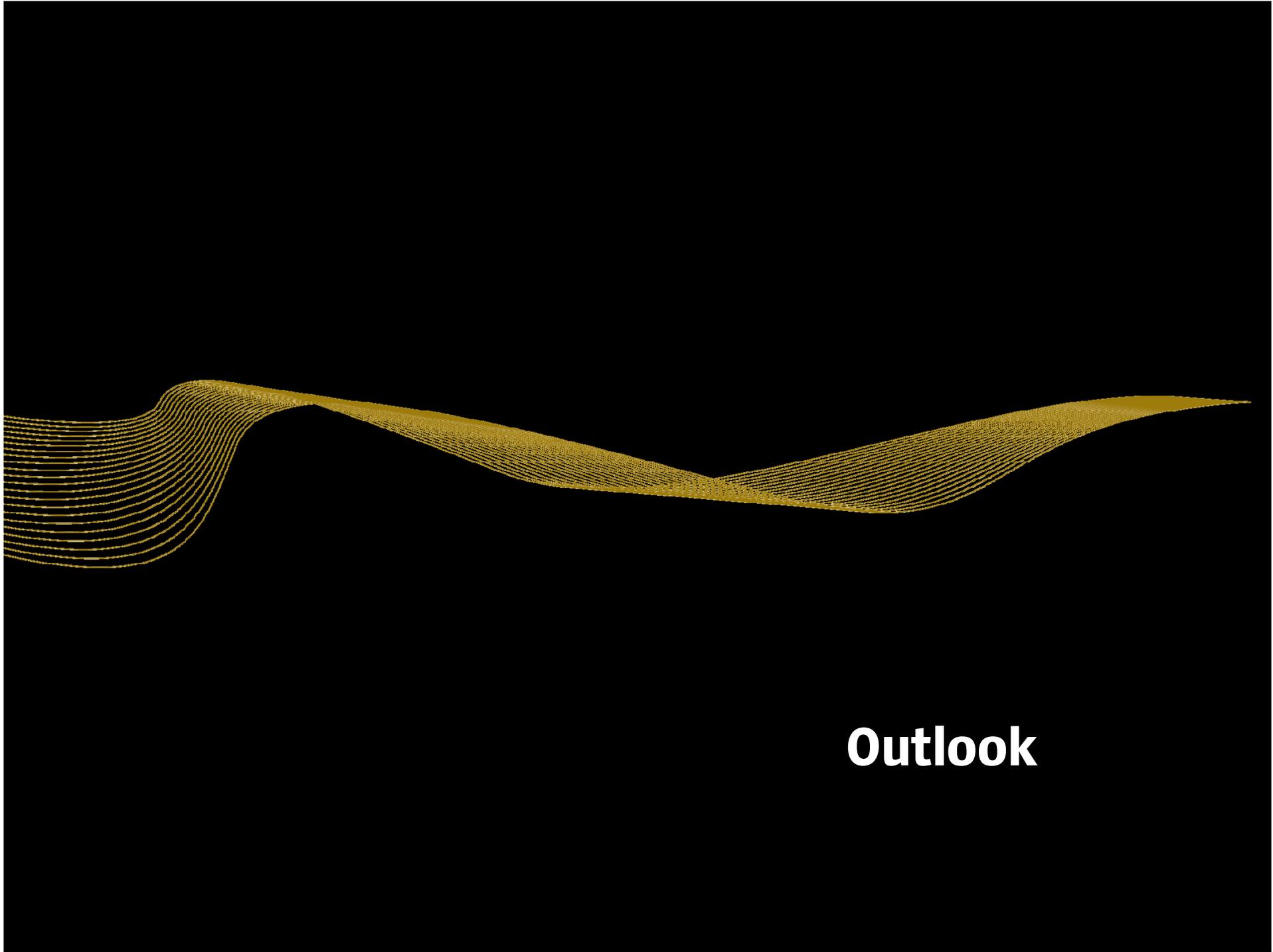
- Bond repayments
- New reserve based lending facility
- Conversion convertible bond

Successful exploration

- 9 of 11 wells to date have been successful
- Exploration on Brage has increased production
- Active high grading of portfolio

Manage business to meet targets

- Actual 2008 production 40% above production guidance*
- Actual 2008 capex 23% below guidance*
- Actual 2008 exploration investments 24% below guidance*



Outlook

2009 outlook

Grow through license rounds and acquisitions

- License rounds
 - Norway 20th round award early 2009
- Active portfolio management
- Investments of NOK 75 million

Progress Resources from Prospect to Production

- 8 exploration and appraisal wells, investments NOK 550 million
- Development investments NOK 450 million
 - Nini East start up Q4 2009
 - 5 developments approaching to submit plan for development (capex in 2010 and beyond)

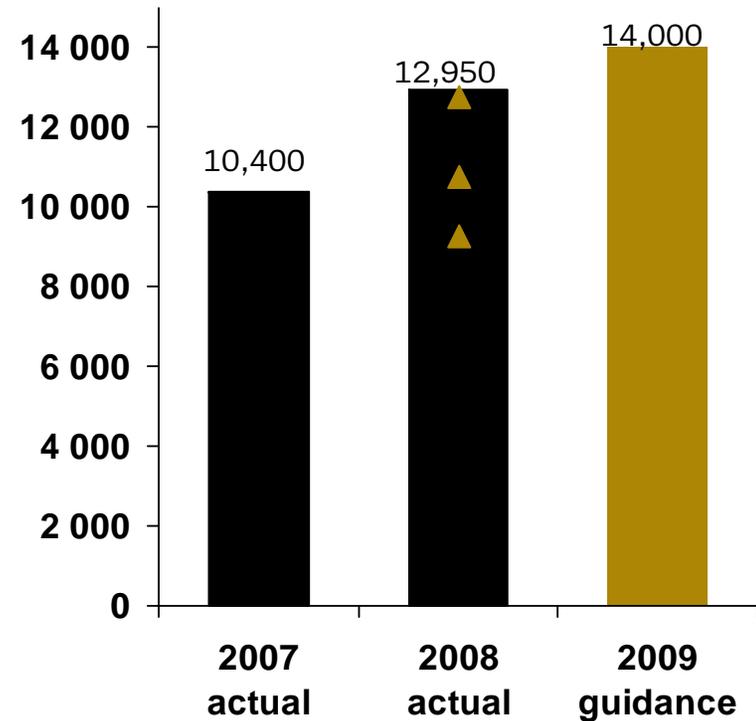
Optimize Production

- 2009 production 14,000 boed
- 2009 capex of NOK 350 million in infill drilling and maintenance in producing fields

Work program is fully funded from cash, existing facilities and operating cash flow

2009 production guidance

■ Average daily production from 2009 is expected to be in excess of 14,000 barrels oil equivalents per day

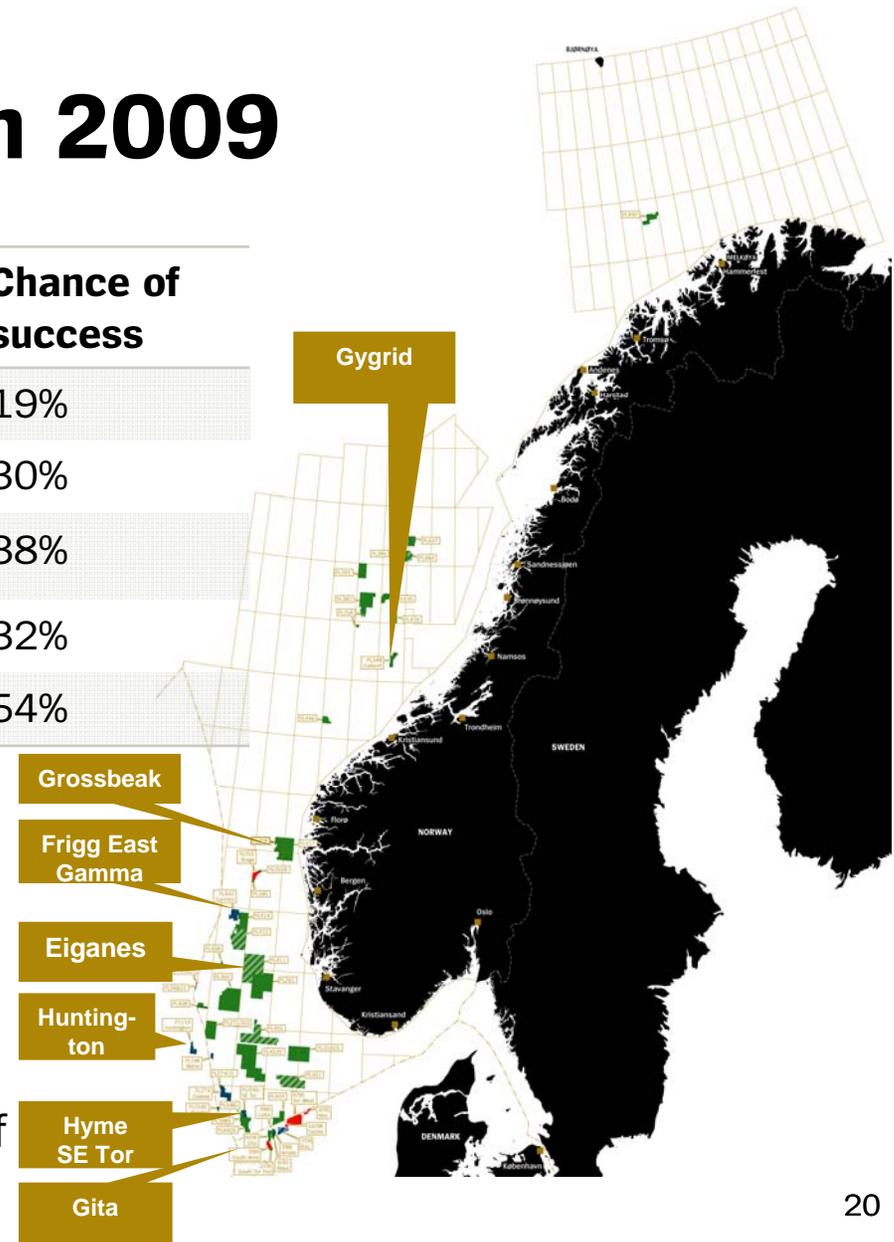


Note: The 2007 production number is the average production for the second half of 2007

Exploration wells in 2009

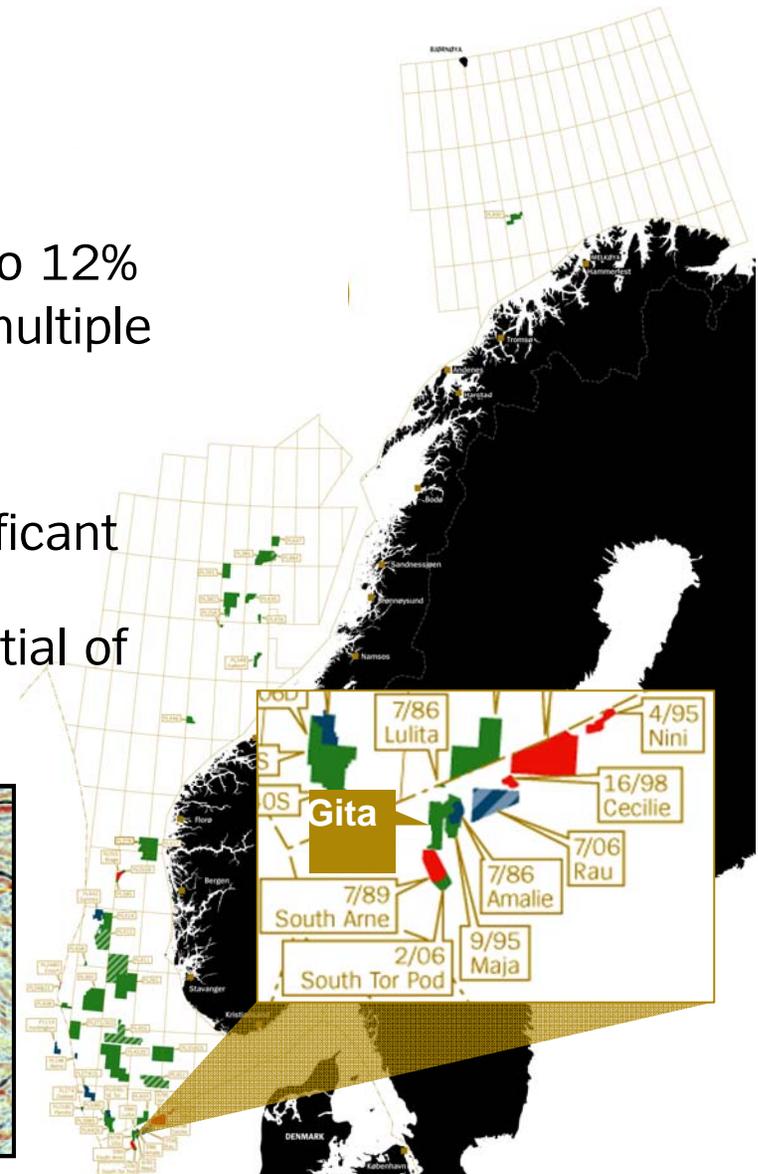
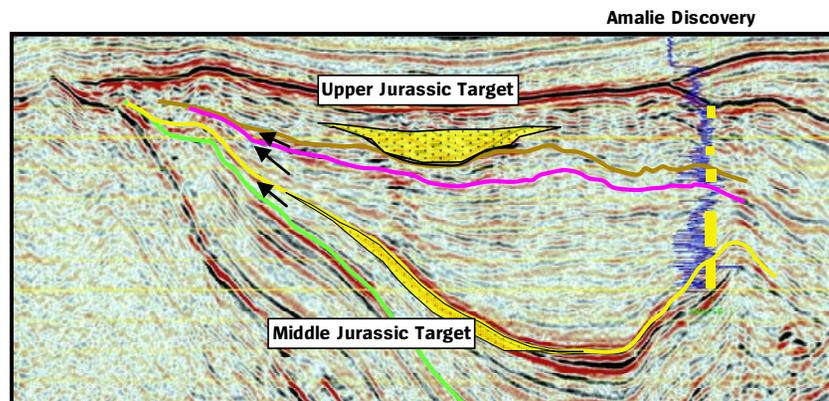
Well	License	Gross volume (mill barrels)	Chance of success
Hyme	PL006C	65 - 86	19%
Gita	195	195 - 902	30%
Grossbeak	PL378	58 - 103	38%
Eiganes	PL412	61 - 155	32%
Gygrid	PL348	16 - 28	54%

- Appraisal wells at South East Tor, Frigg East Gamma and Huntington are planned for 2009
- Increased focus on high impact wells
- Active high grading of exploration portfolio to ensure best allocation of exploration investments



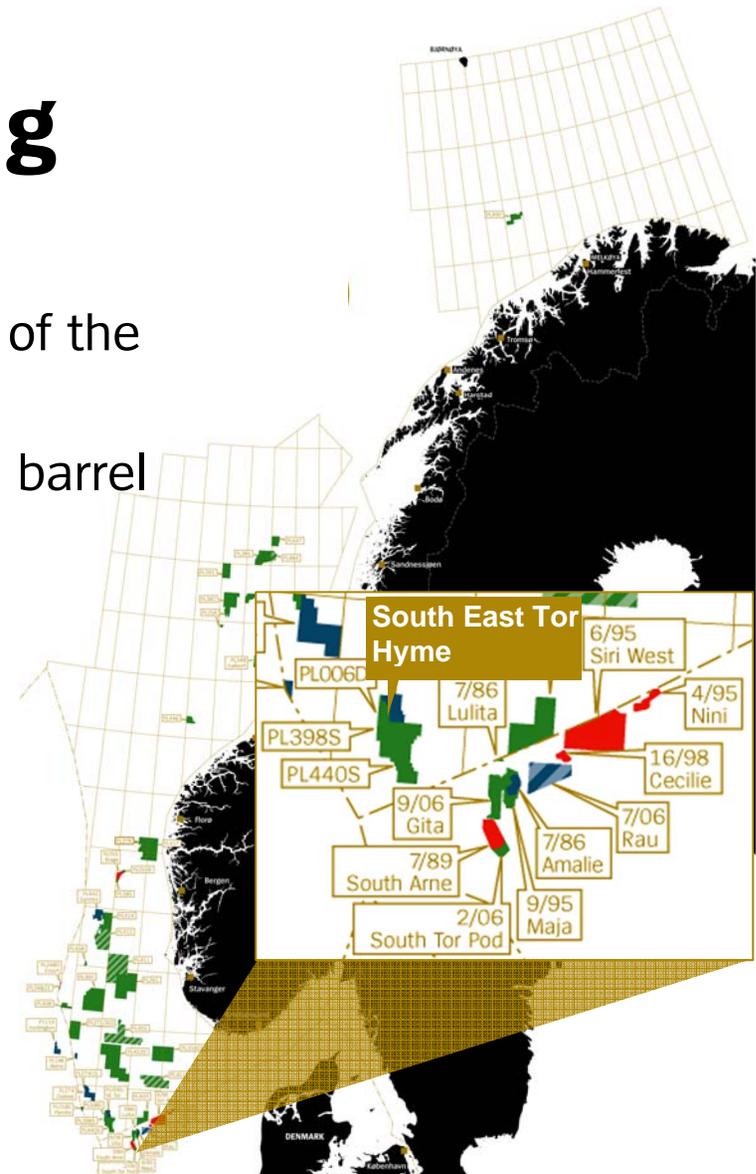
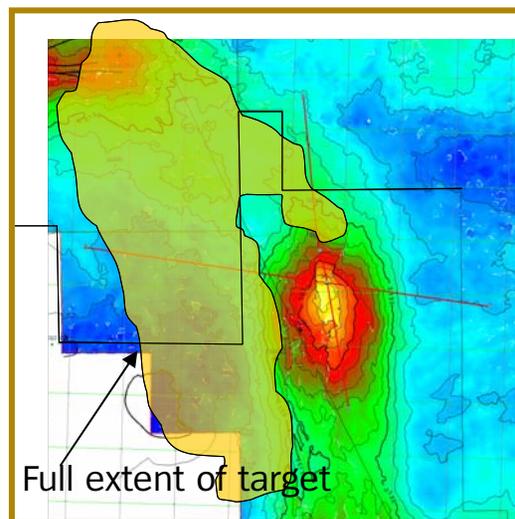
Gita – drilling ongoing

- Licenses 9/95 & 9/06 Denmark, Noreco 12%
- High impact exploration well targeting multiple potential reservoir intervals
- Moderate risk target (30%)
- P50 estimate of 433 mmboc with significant upside
- A successful well will also unlock potential of Amalie discovery to the east



Hyme – drilling ongoing

- License PL006C Norway, Noreco 15%
- Exploration well targeting flank potential of the South Tor discovery
- High porosity chalk play with 100 million barrel potential
- Moderately high risk (19%)



Proposed Noreco and Det norske merger

Strong industrial & financial logic Status

- Attractive North Sea portfolio consisting of production, development and exploration assets
 - Strong production from 10 producing fields
 - Substantial combined exploration potential
 - Combined E&P competence with significant North Sea experience
 - Clear number two operator in Norway
 - Strong operational and financial combined platform to maximise shareholder value
- On 3 February 2009, Noreco submitted a proposal for a merger between Det norske and Noreco through a letter to the Chairman of the Board of Det norske
 - Noreco is confident that the board of Det norske will carefully consider the proposal
 - Pareto Securities and SEB Enskilda have been retained as financial advisors to Noreco
 - Advokatfirmaet Schjødt DA and Arntzen de Besche Advokatfirma AS are acting as legal advisors

Outlook

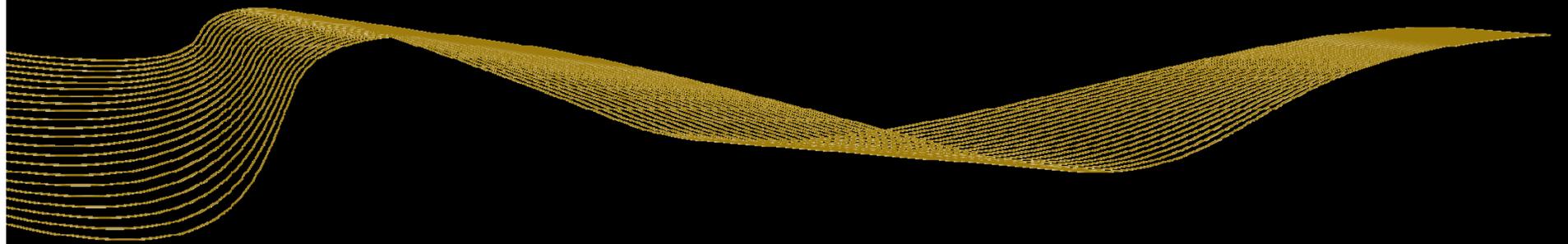
Increased production and cash flow

Active and opportunistic in asset and M&A market

Proactive management of capital structure

Successful exploration

Manage business to meet targets



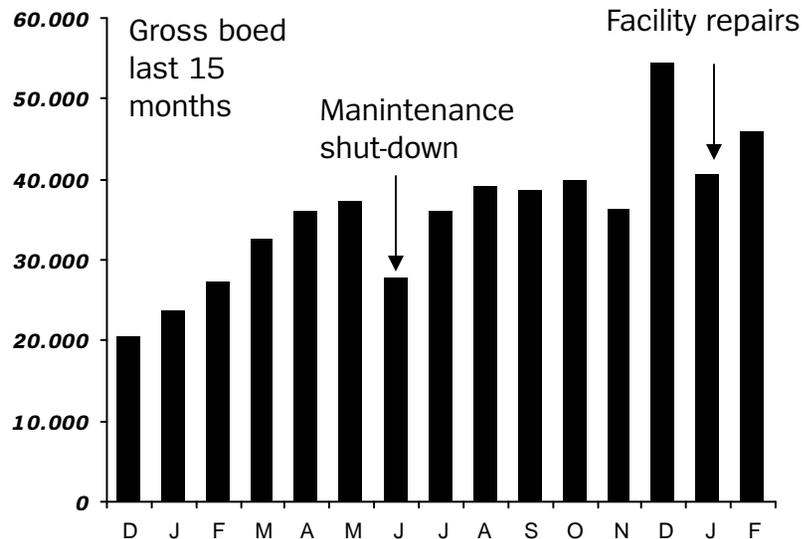
**Supplementary
information**

Noreco production per field

Field	Noreco ownership	Q4 2008 (barrels/day)	FY 2008 (barrels/day)
Brage	12.26/13.2%	5,375	4,450
Siri	20% until 18 June 2008 50% from 19 June 2008	5,075	3,850
South Arne	6.56%	1,600	1,500
Nini	30%	1,600	1,825
Cecilie	61%	575	675
Lulita	28.2%	375	375
Enoch	4.36%	300	275
Total		14,900	12,950

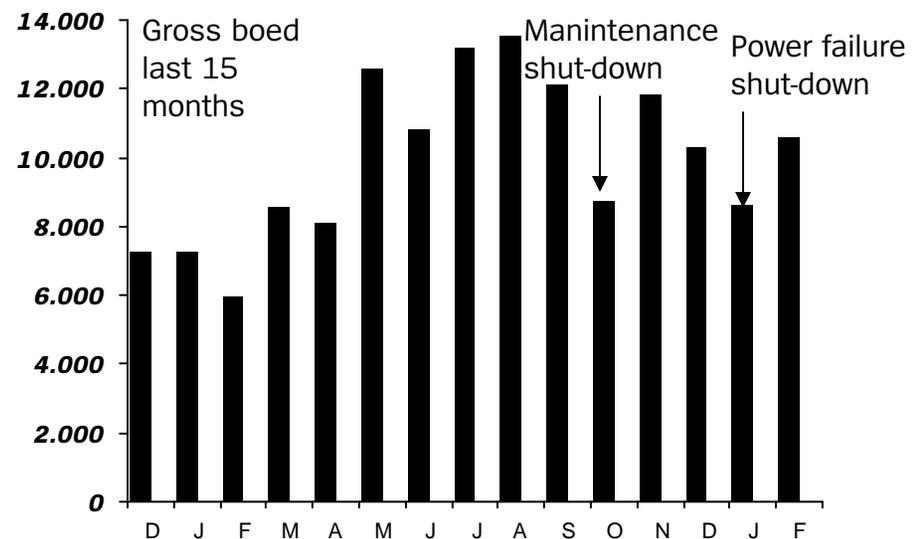
Strong production at Brage and Siri

Brage production



- Successful exploration at Bowmore and Knockando key contributor to increased production at Brage
- Reduced production in January 2009 due to repairs of seawater caison

Siri production



- Investments in two infill wells (SCA-12, SCA-3) has increased production significantly from the middle of 2008
- Noreco working interest in Siri increased from 20% to 50% as of 18 June 2008

Infill and development drilling schedule

Well	Category	2009			
		Q1	Q2	Q3	Q4
Brage	Injector	■			
Brage	Producer			■	
Brage	Producer				■
Nini NA-9	Producer	■			
Nini NA-10	Producer		■		
Nini East	Development		■		
Nini East	Development			■	
Nini East	Development			■	

Development projects

Field	Key activities	PDO	Production
Nini East	Construction pipelines and platform Development drilling Q3	2008	2009
Huntington	Phase I development planning Unitization Appraisal planning	2009	2010
Oselvar	Finalizing plan for development	2009	2011
Nemo	Development planning	2009	2011
Rau	Development planning	2009/10	2011
Flyndre	Development planning Unitization	2009	2011

- One development underway
- Five developments approaching project sanction (PDO)
- Four discoveries under development planning/appraisal

Exploration and appraisal drilling schedule

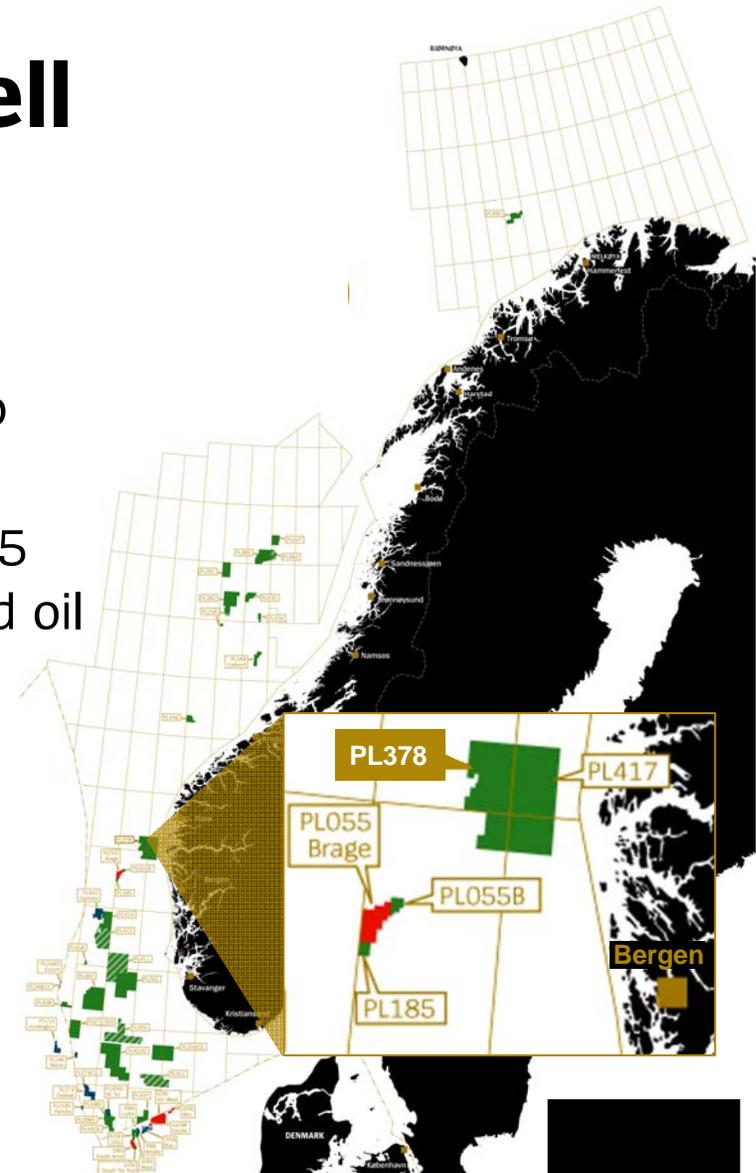
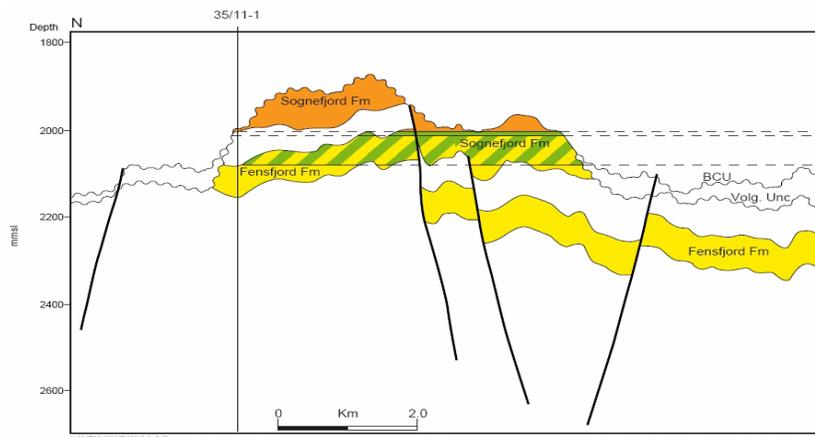
Well	Category	Equity	Risk	Gross Un-Risked	2009				2010				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
9/95 9/06 - Gita	Explo	12 %	30 %	195 - 902	■								
PL006C - Hyme	Explo	15 %	19 %	65 - 86	■								
PL006C - S.E Tor	App	15 %	100 %		■								
PL442 - 25/2 Gamma	App	20 %	100 %										
PL348 - Gygrid	Explo	18 %	54 %	16 - 28		■							
PL378 - Grossbeak	Explo	20 %	38 %	58 - 103		■							
PL412 - Eiganes	Explo	40 %	32 %	61 - 155			■						
P1114 - Huntington Jurassic	App	20 %	100 %					■					
PL378 - Gnatcatcher	Explo	20 %	16 %	52 - 154					■				
PL476 - Frusalen	Explo	30 %	36 %	14 - 96						■			
PL360 - Lupin S	Explo	15 %	10 %	143 - 348							■		
PL385 - Jette N H/W	Explo	20 %	23 %	24 - 97								■	
PL440S - Clapton	Explo	12 %	34 %	15 - 100									■
PL361 - Herzog	Explo	30 %	18 %	61 - 163									■
PL400 - Barchan	Explo	30 %	18 %	50 - 325									■
PL412 - Tasta	Explo	40 %	18 %	29 - 62									■
PL414 - TBA	Explo	20 %	25 %	58 - 90									■

Explo – Exploration well
App – Appraisal well

Million barrels
oil equivalents

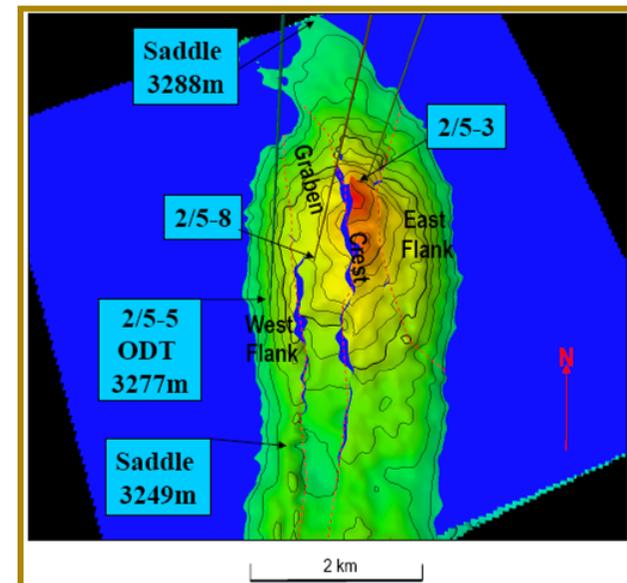
Grosbeak exploration well

- License PL378 Norway, Noreco 20%
- Moderate risk target - 38%
- In well known hydrocarbon play, close to Astero discovery east of Fram Field
- Total gross recoverable estimates of 125 million barrels oil equivalents – expected oil and gas although possible pure gas condensate prospect



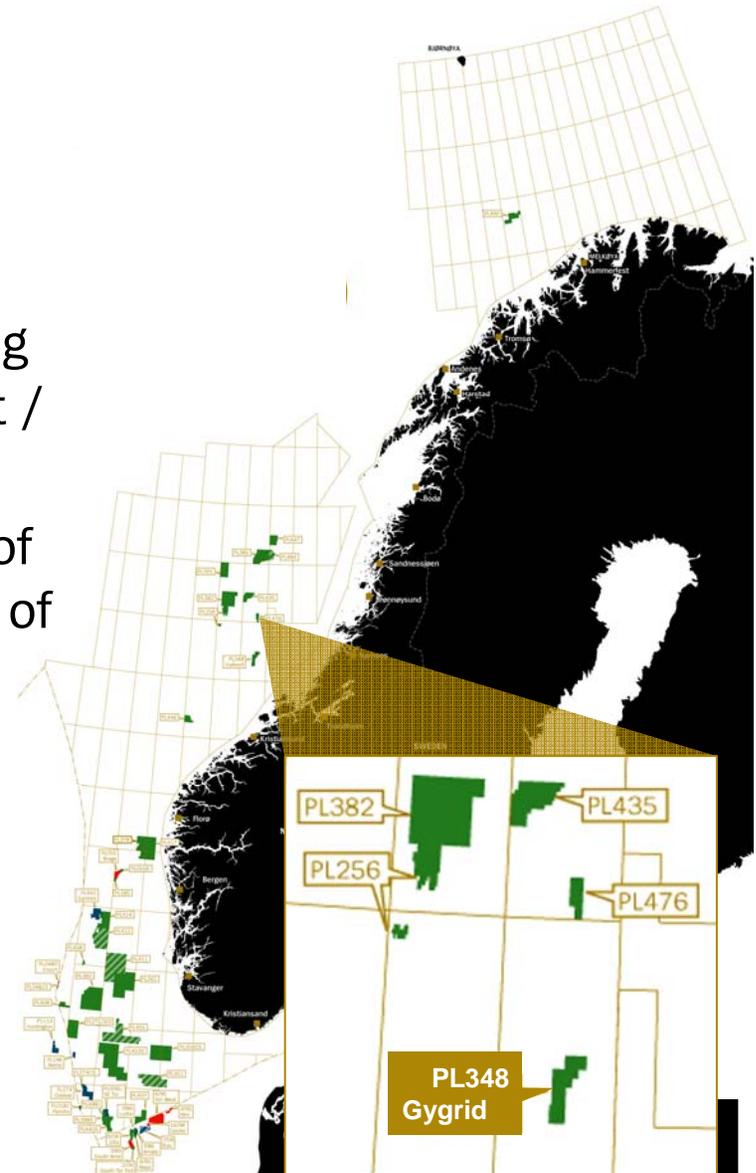
South East Tor appraisal well

- License PL006C Norway, Noreco 15%
- Appraisal of SE Tor Discovery – Drilled in conjunction with Hyme exploration target
- SE Tor discovered in 1972 with two additional appraisal wells in 1973 and 1988
- Current P50 contingent resources of 43 million barrels oil equivalents



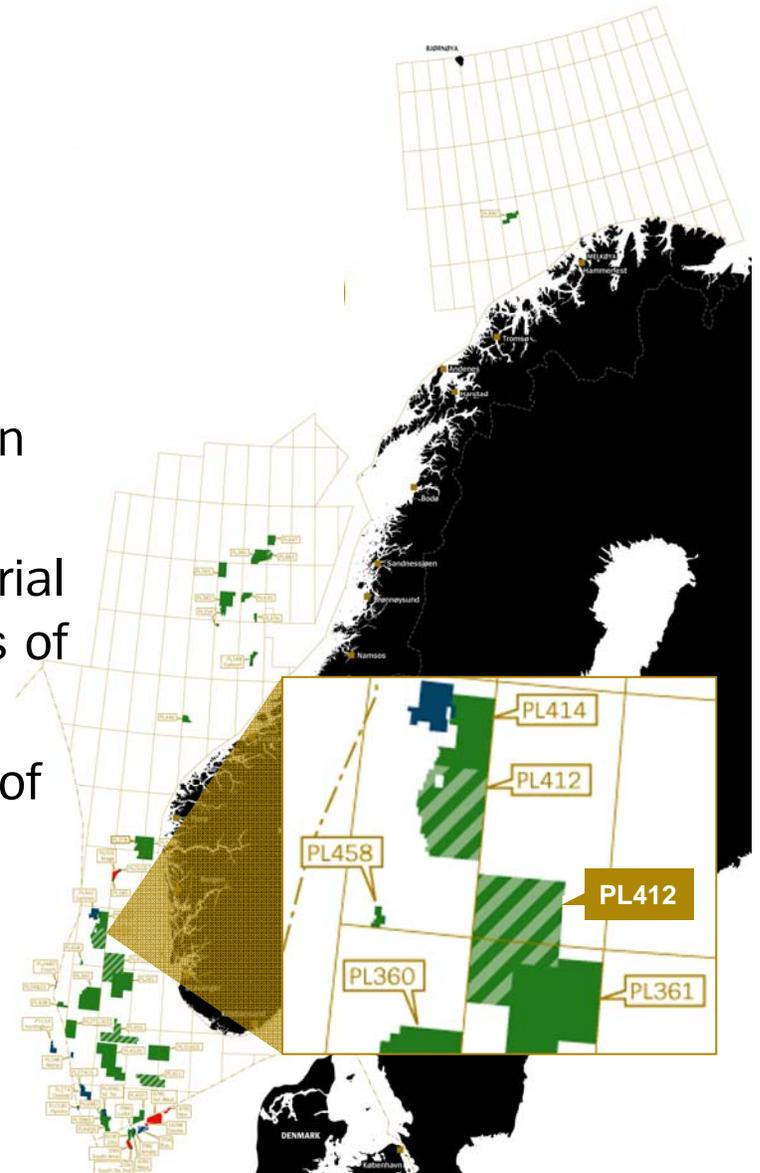
Gygrid exploration well

- License PL348 Norway, Noreco 17.5%
- Interesting prospect on trend with existing discoveries in Noreco's portfolio (Galtvort / Tau)
- Very low risk gas prospect (54% chance of success) with upside potential in excess of 27 million barrels oil equivalents



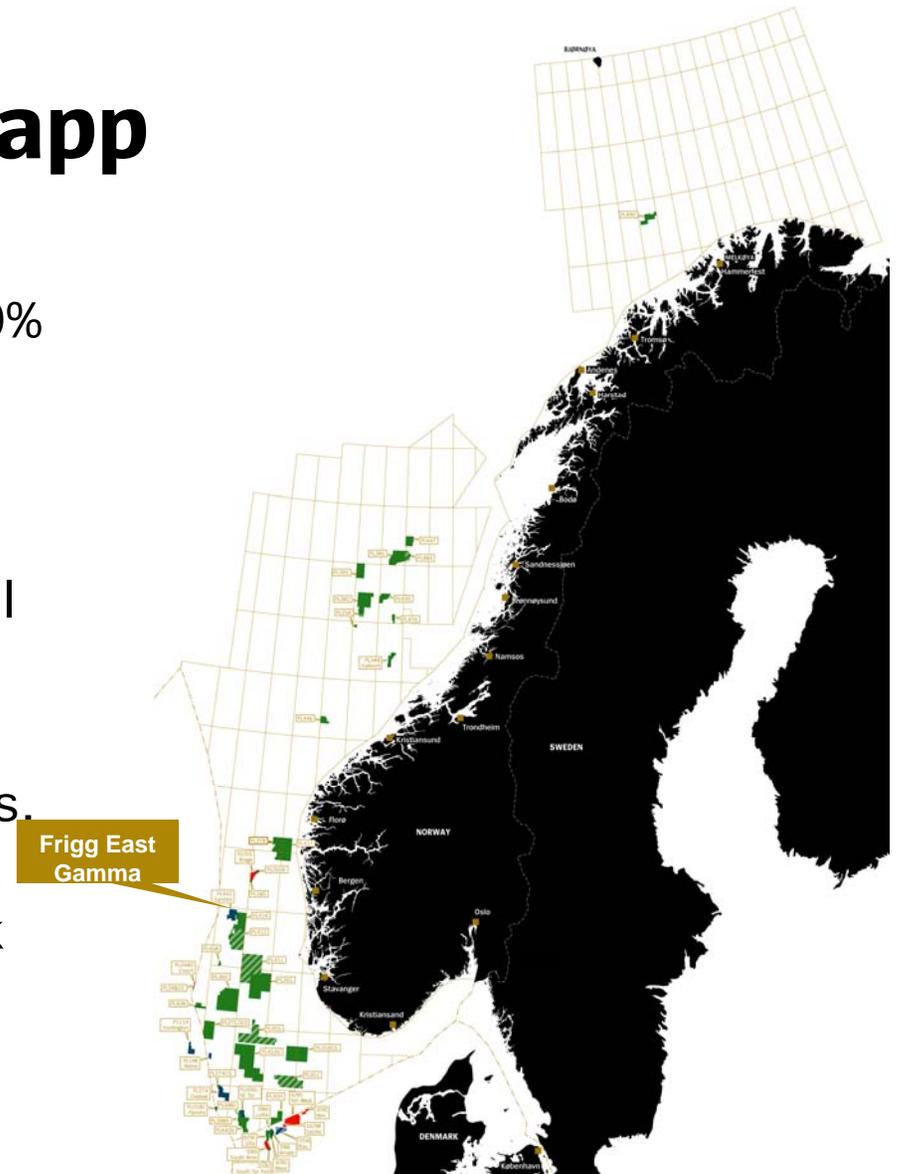
Eiganes exploration well

- License PL412 Norway, Noreco 40% and operator
- Significant exploration target in well known play, close to existing infrastructure.
- Stratigraphic trap with considerable material upside, total on block prospect resources of 107 million barrels oil equivalents
- Relatively low risk prospect (32% chance of success) in close vicinity to infrastructure enabling low cost development



Frigg East Gamma app

- License PL442 Norway, Noreco 20%
- Appraisal of eastern flank of Frigg East Gamma structure
- Frigg East Gamma discovered in 1986 with additional appraisal well in 1987
- Current P50 contingent resources of 20 million barrels oil equivalents. well planned to identify additional 80 million barrels on eastern flank



P&L analysis

	Q4 08	Q3 08	Q2 08	Q1 08
Production (boe/day)	14 900	15 400	11 550	9 950
Realised price (\$/boe)	58	104	120	91
Realised price (NOK/boe)	395	570	608	481
Production cost (\$/boe)	12.7	16.5	16.5	17.0
Depreciation and amortisation (\$/boe)	23.0	27.0	30.5	27.5

Exploration and investment activity

NOK million	Q4 08	Q3 08	Q2 08	Q1 08
Exploration expenses	144	59	25	30
Exploration capitalized	3	66	91	221
Investments in fields	141	59	126	89
Acquisitions	0	0	489	0
Total	408	185	731	340

Interest bearing debt & equity

NOK million	Q4 08	Q3 08	Q2 08	Q1 08
Bonds	2 534	3 104	3 097	3 741
Reserve Based Lending	1 505 (\$215m)	1 189 (\$210m)	1 372 (\$276m)	366 (\$75m)
Convertible bonds	187	185	359	354
Equity	2 996	2 746	2 315	1 668
Book equity/Total asset	24,3%	22,0%	19,0%	16,1%

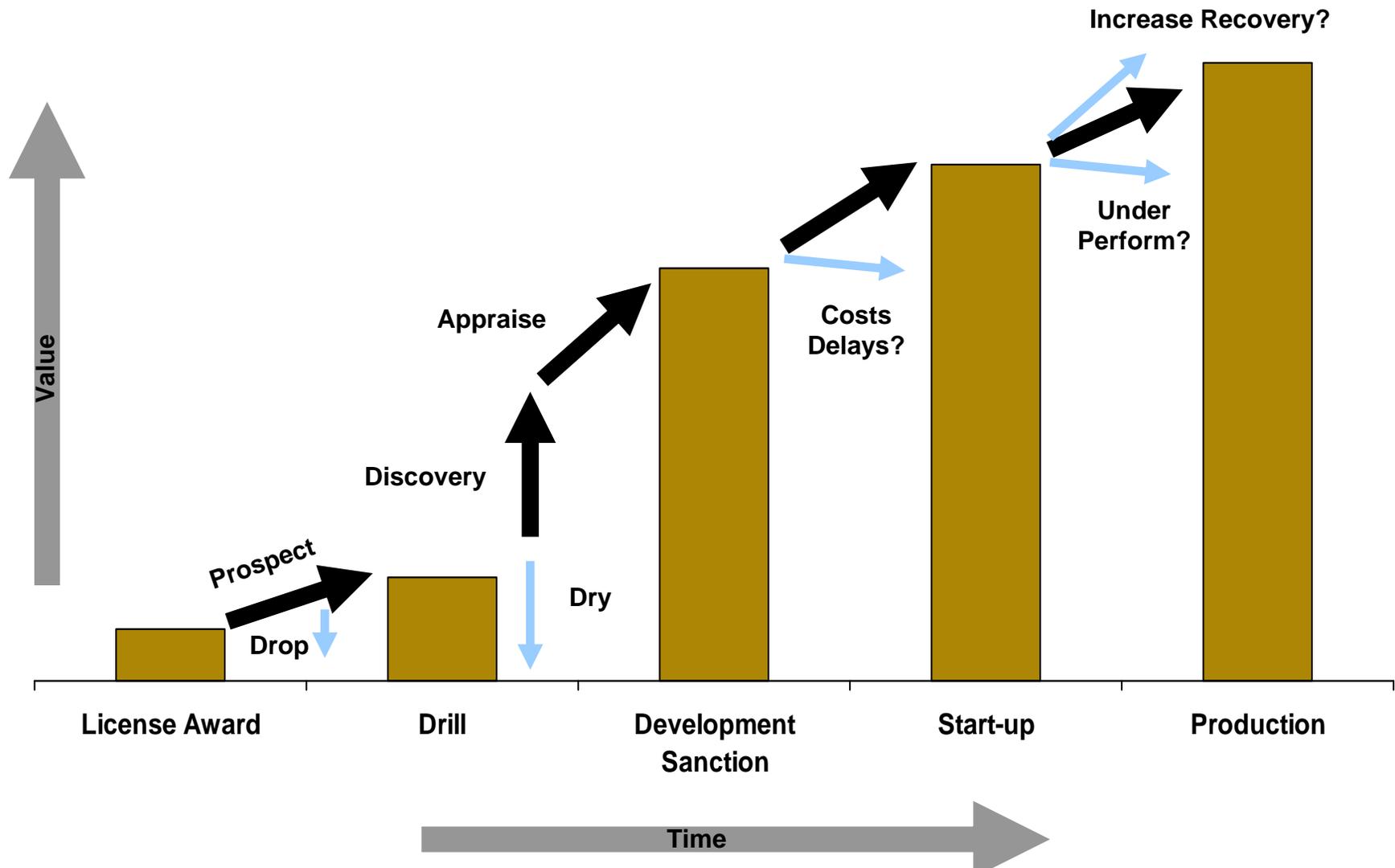
Note: Exploration financing and receivables not included

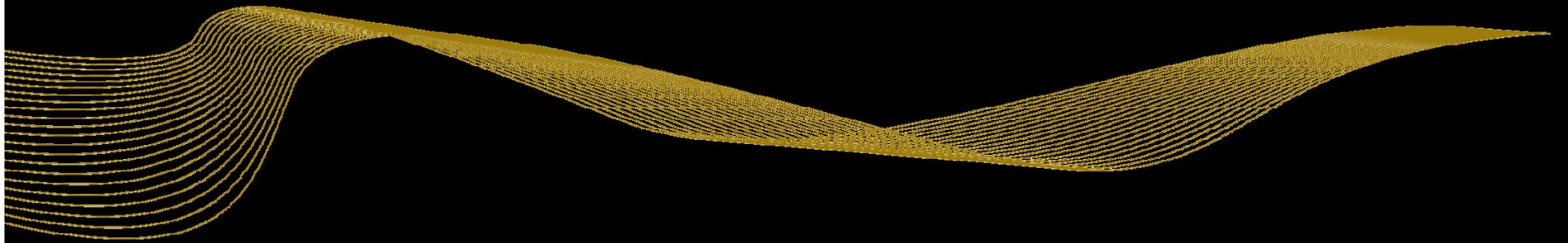
Oil price put option program

Period	50 \$/bbl	75 \$/bbl
Q4 2008	0.43 mill bbl	0.44 mill bbl
Q1 2009	0.34 mill bbl	0.44 mill bbl
Q2 2009	0.30 mill bbl	0.30 mill bbl
Q3 2009	0.30 mill bbl	0.30 mill bbl
Q4 2009	0.30 mill bbl	0.30 mill bbl
Q1 2010	0.41 mill bbl	0.30 mill bbl
Q2 2010	0.41 mill bbl	0.30 mill bbl
Q3 2010	0.24 mill bbl	0.30 mill bbl
Q4 2010		0.30 mill bbl
Q1 2011		0.30 mill bbl

- Provides protection for a major part of the after tax production
- Ensures that the company can implement it's plans and fulfill it's obligations
- Enables optimization of reserve based lending facility
- Value of programme as of 31 December 2008 NOK 547 million

E&P value creation





About Noreco

Noreco has established a strong North Sea position in 4 years

- Noreco is a fast growing, independent oil and gas company focusing on the North Sea
 - 7 fields in production – 14,900 barrels/day in Q4 08
 - 18 discoveries
 - 54 exploration licenses
- Extensive exploration and appraisal program
 - 30+ wells by end 2010
- 75 oil and gas professionals in Stavanger (main office), Oslo and Copenhagen



Strategy

Noreco's vision is to build a leading independent oil and gas company in the North Sea region

Grow through license rounds and acquisitions

- Focus exploration in offshore NW Europe
- Explore in areas where we have competence or compliment our current portfolio
- Acquisitions must be material, or in area where we want to increase presence

Progress Resources from Prospect to Production

- Extensive drilling program
- Progress discoveries to deliver value growth
- Focus on material discoveries

Optimize Production

- Maximize value creation from production assets
- Accelerate ability to reinvest in exploration and developments

Noreco portfolio

7 Producing Fields

- Brage (N) 12.6%
- Enoch (N) 4.3%
- Siri (DK) 50%
- South Arne (DK) 6.6%
- Nini (DK) 30%
- Lulita 28.2%
- Cecilie 61%

18 Discoveries

- Huntington (UK) 20%
- Galtvort (N) 17.5%
- Oselvar (N) 15%
- Ipswich (N) 15%
- Nemo (N) 20%
- SE Tor (N) 15%
- Rau (DK) 40%
- Amalie (DK) 29.9%
- South Tor Pod (DK) 6.6%
- Flyndre (N) 13.3%
- J1 (N) 21.8%
- Gamma (N) 20%
- Sklinna (N) 10%
- Tau (N) 17.5%
- Connie (DK) 61%
- Sofie (DK) 20%
- Brage flank (N) 12.6%
- 25/6-1 (N) 40%

Exploration

- ~ 60 licenses
- Extensive drilling programme ongoing

Licence Portfolio



Key producing asset: Brage

- Norway - licenses PL055, PL055B, PL185
- Noreco 12.62%, operated by StatoilHydro (20%)
- Discovered in 1980, production started 1993
- 2007 production approx 25,000 boed gross
- Jurassic sandstone reservoir developed with 20+ producing wells, 10 injection wells and a fully integrated steel jacket platform with drilling, processing and quarters
- Water depth 137 m
- Upside potential:
 - 4D seismic and additional infill targets
 - Near field exploration prospects
 - Recovery factor improvement (IOR/EOR)
- Forward Plans
 - Continuous drilling
 - Piloting of chemical flooding ongoing (EOR)
 - Exploration drilling and development of downflank reserve pools



Brage North Flank Development

■ Bowmore

- On production in Feb 2008 at 17,000 barrels per day
- STOOIP ~ 40-50 million barrels
- Water injector planned for 2009

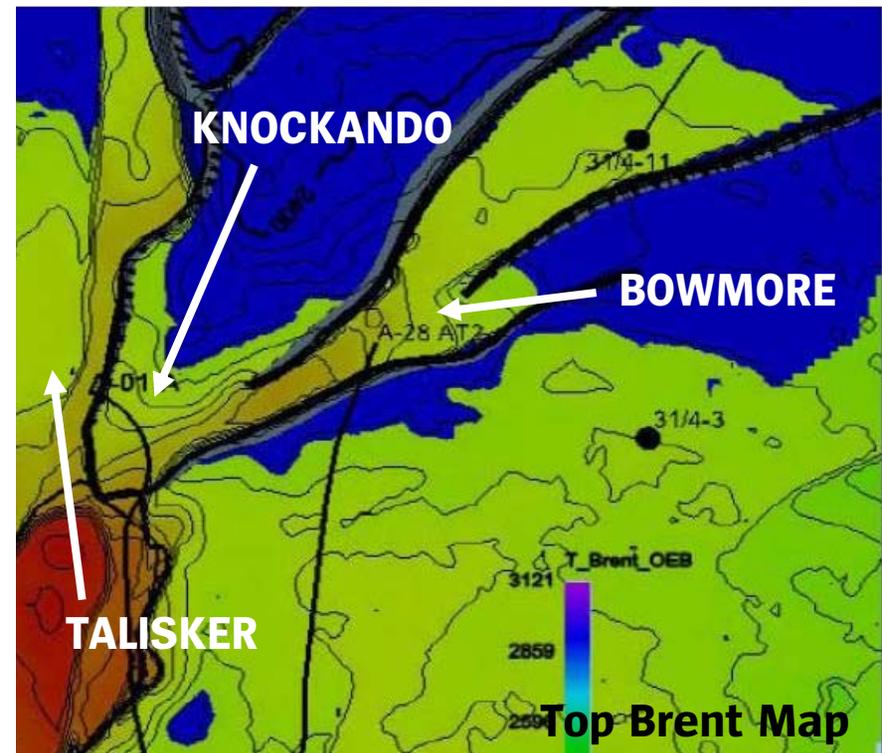
■ Knockando-Talisker

- Discovery announced 23 October 2008
- Production started 3 December 2008 – well tested at rates 15,000 barrels per day

■ Production impact

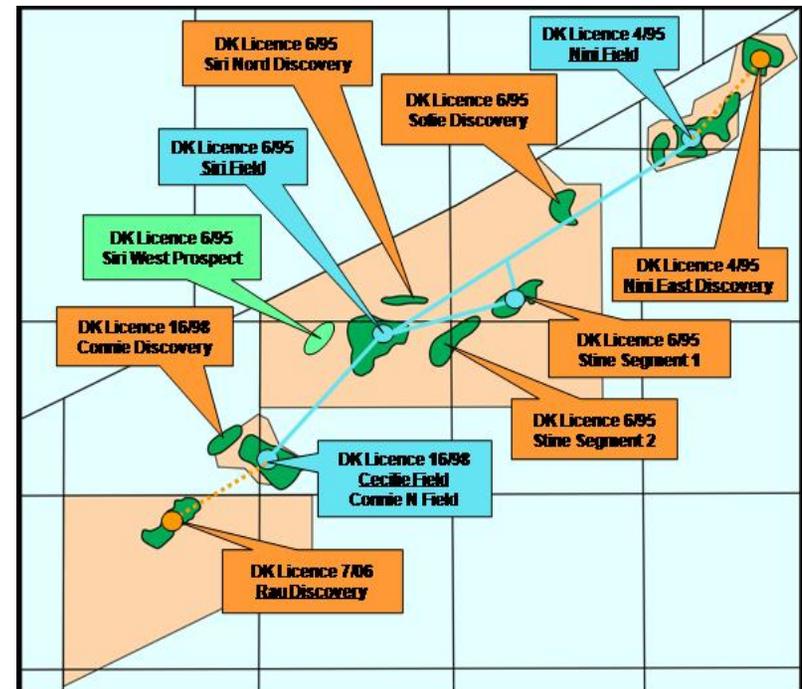
- Bowmore well has produced more than 3 mill bbls gross in 2008.
- The Knockando/Talisker producer will contribute significantly to Noreco's production in 2009

Brage North Flank



Key producing asset: Siri

- Denmark, license 6/95
- Noreco 50%, operated by Dong
- Discovered in 1995, production started 1999)
- 2007 production approx 9,000 barrels per day
 - 5 producers
 - 4 injectors
- The Siri platform is the host for Cecilie and Nini processing and pressure support
- Upside potential
 - 2 discoveries within the Siri license
 - Near field exploration
 - Third party tie-ins



Key producing asset: Nini

- Denmark – license 4/95
- Noreco 30%, operated by Dong (40%)
- Discovered in 2000, production started 2003
- 2007 production approx 5,500 barrels per day (gross)
- Paleocene sandstone reservoir developed with 8 wells (production/injection) and an unmanned wellhead platform, tie back to the Siri Platform
- Water depth 55 m
- Upside potential:
 - Nini infill drilling campaign
 - Nini East development upside
- Forward Plans
 - Drilling of additional wells on Nini
 - Start up production of Nini East in Oct 2009
 - Reservoir management to optimize recovery



Key producing asset: South Arne

- Denmark – license 7/89
- Noreco 6.56%, operated by Hess (57.47%)
- Discovered in 1969, production started 1999
- 2007 production approx 25 000 boed gross
- Cretaceous chalk reservoir, developed with 19 wells (production/injection), and a steel jacket platform with processing and quarters facilities. Oil export is via shuttle tanker
- Water depth 60 m
- Upside potential:
 - Infill drilling campaign main field and flanks
 - Additional targets from 4D seismic
 - Near field exploration
 - Recovery factor improvement (IOR/EOR)
- Forward Plans
 - Further infill drilling
 - North flank extension development
 - Near field exploration



