

**Pareto E&P Independents Conference**

**London**

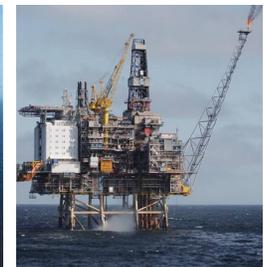
**21 January 2009**

# 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.

# 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 region
- Balanced asset portfolio
  - 7 fields in production – 16 100 boed in Dec 08
  - 18 discoveries
  - Approx 60 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

## 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

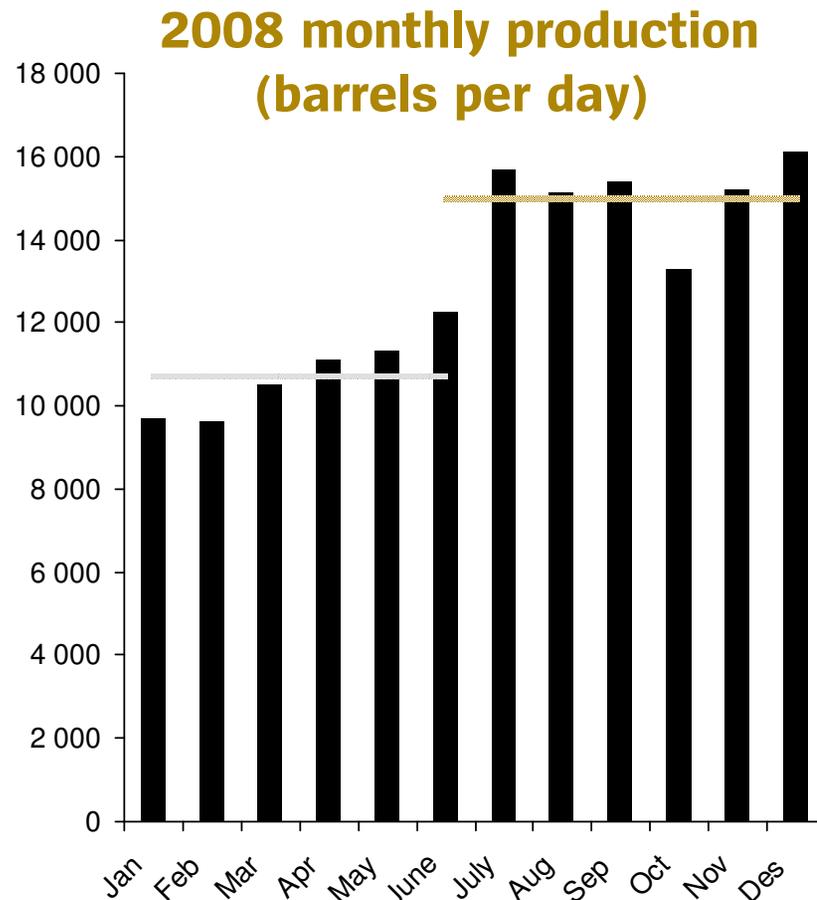
## Progress Resources from Prospect to Production

- 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

# New production level gives significant exposure to oil price upside



- Increased production level from approx 10 000 to 15 000 barrels per day
- About 2/3 of the production is in Denmark, where the tax rate is 25% (Norway 78%)
- Start-up of Nini East in 4Q 2009 (3,000 barrels net to Noreco)
- Oil price downside protection through put option programme at 50 and 75 US\$/barrel

# Oil price downside is protected through put options

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

- Oil price put option program provides protection for a major part of the after tax production
- Full exposure to oil price upside, program consists exclusively of put options

# Ongoing development projects

- One development to start production in 2009
  - Nini East
  
- Development approaching project sanction
  - Huntington
  - Oselvar
  - Nemo
  - Rau
  - Flyndre
  
- Four discoveries under development planning/appraisal



# High impact exploration drilling

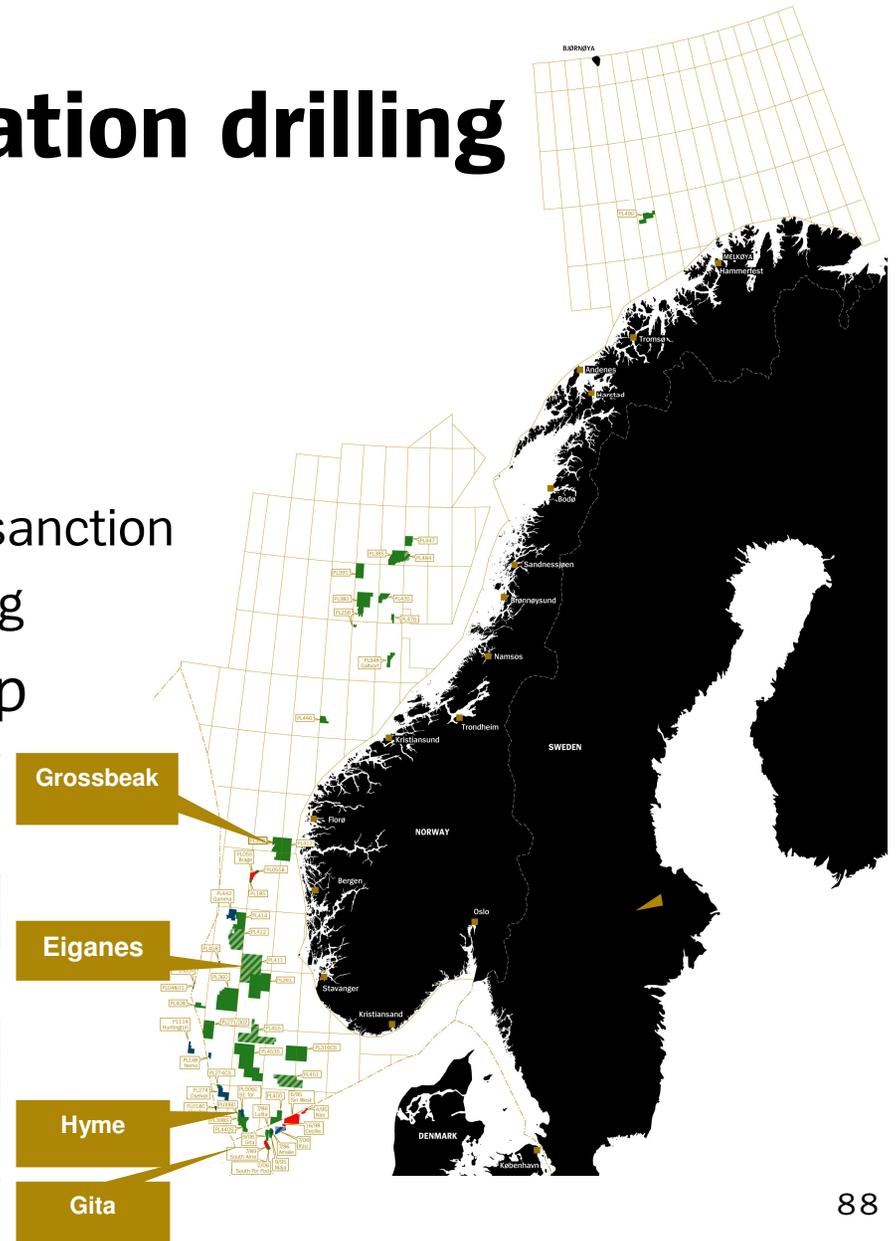
■ 9 wells in 2008

■ 8 successful

- 2 already in production
- 4 approaching development sanction
- 2 under development planning

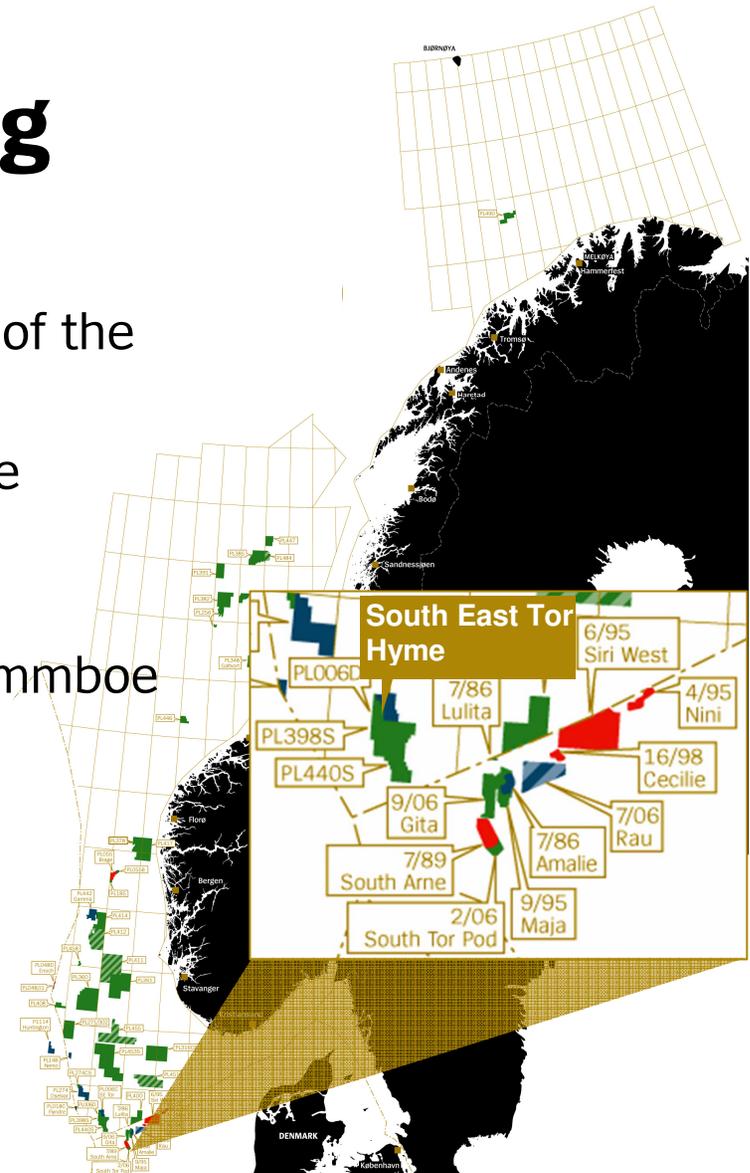
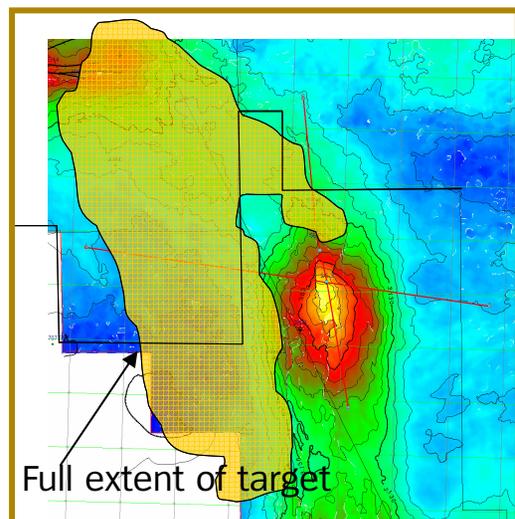
■ High impact wells coming up

Well	Volume (mill barrels)	Chance of success
Hyme	100	19%
Gita	433	30%
Grossbeak	125	38%
Eiganes	179	32%



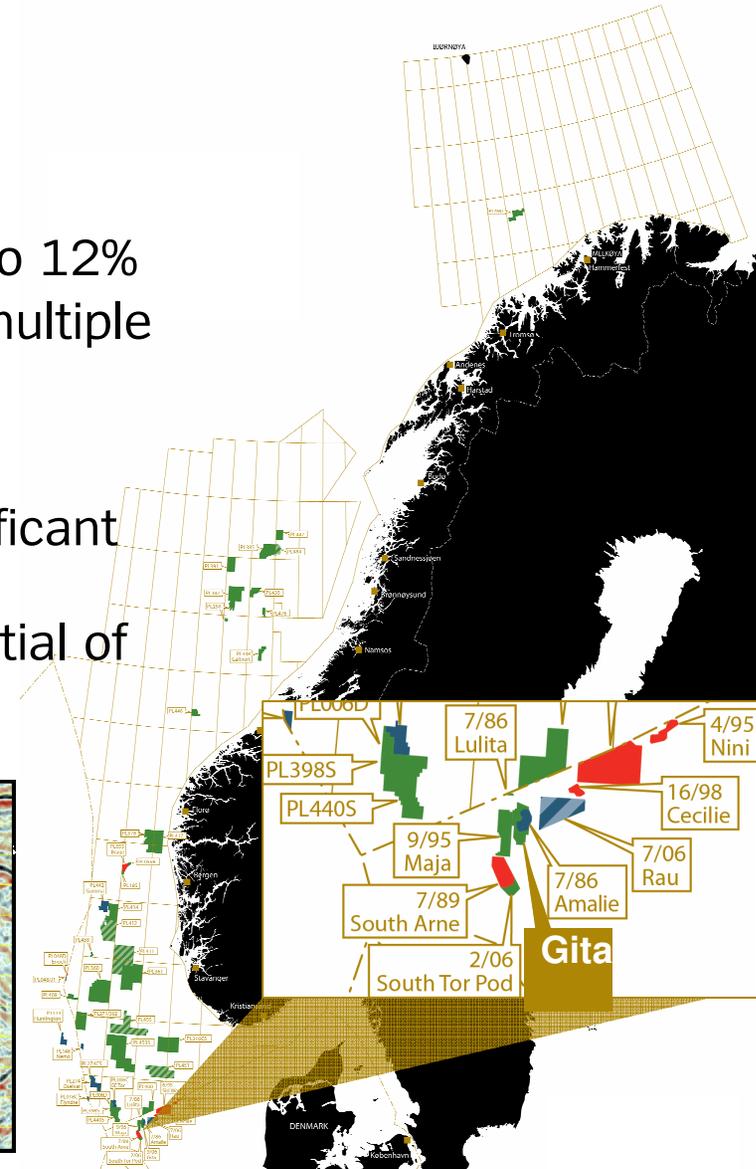
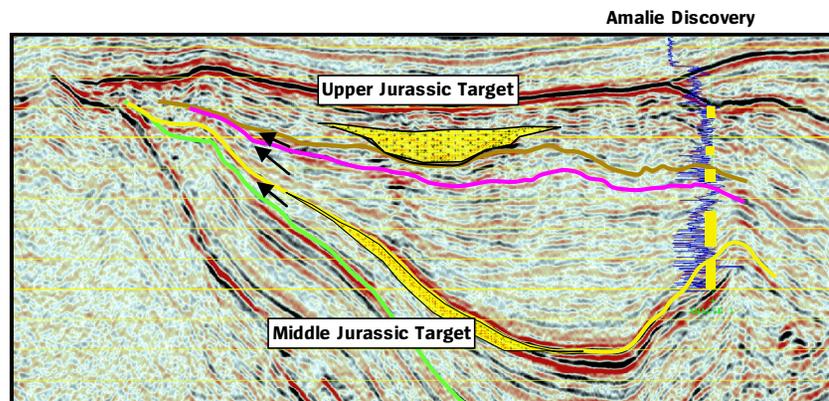
# Hyme – drilling ongoing

- License PL006C Norway, Noreco 15%
- Exploration well targeting flank potential of the South Tor discovery
- High porosity chalk play with 100 mmboe potential
- Moderately high risk (19%) with range of recoverable volume between 88 & 113 mmboe



# Gita – drilling ongoing

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



## 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 2.8 bn bond and deletion of market adjusted equity ratio 
- Asset sales to further improve cash position and reduce debt 

# Outlook

- Increase production and cash flow
- Active and opportunistic in the A&D market
- Proactive management of capital structure
- Successful exploration

