

# Company Presentation

## Equity issue and debt refinancing

21 October 2013

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# Transaction Summary

## Summary

- Borrowing base amount under the existing RBL has been reduced from USD 70m to USD 25m with effect from 15 October. Noreco has paid down USD 20m, but due to cash shortage Noreco is not able to repay the remaining USD 25m and has been granted a week-by-week extension on maturity subject to progress of the on-going refinancing
- Company will not be able to pay NOR04 interests in November unless waivers from RBL banks are obtained and the Refinancing Proposal is approved
- Further, Noreco is not in position to repay its debt maturities in December due to continued production shortfalls
- The Noreco Group will in the near future have to provide security for abandonment costs in Denmark. Unless an agreement is reached with operator Dong and license partner RWE this will take place early 2014 and may need to be in the form of a bank guarantee or cash deposit in an amount of up to DKK 500m (for the Noreco Group's share). Noreco currently does not have funds to comply with this requirement
- As a result, a refinancing of bonds and an equity issue is necessary to create a robust long-term solution for the Company
- Asset values best preserved through continued business

# Background for refinancing

## Postponed revenue and cash flow has weakened cash position

- Production shortfalls have deferred funds in magnitude of NOK 600m compared to business plan for 2013
- This is due to operational problems on all fields
  - Huntington ramp-up significantly delayed due to commissioning related issues. Currently production is constrained by the BP operated CATS pipeline
  - Oselvar has been shut down due to various issues on the Ula platform and the field is delivering below expectations
  - Siri Fairway is shut down due to crack detected on Siri platform and timing of start-up uncertain
  - Lulita shutdown from April to September due to an unsuccessful repair of a valve in the Harald gas export pipeline

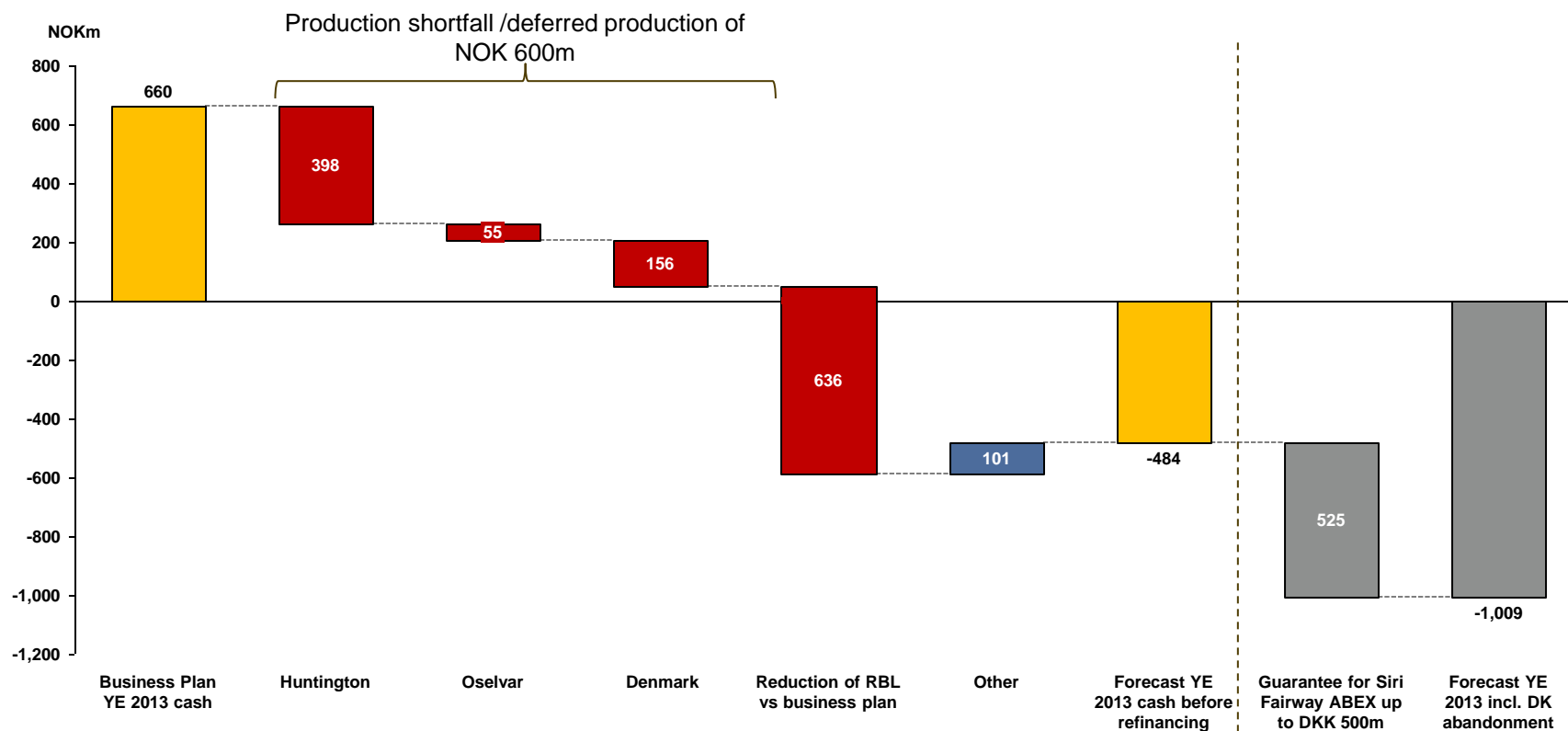
## Production shortfall and bond maturity profile hampers RBL negotiations

- The operational issues and bond maturity profile has made it difficult to renew current RBL facility or establish a new one
  - Slow Huntington ramp-up has delayed reclassification of the field to a “producing” asset in accordance with RBL agreement
  - Shutdown of Danish assets and increased opex has reduced RBL borrowing base
  - Uncertainty regarding Siri Fairway abandonment commitments
  - Current RBL facility reduced significantly from USD 70m to USD 25m due to the production shortfall
  - Not possible to establish an RBL with large bond maturities within the RBL loan period
- Noreco will not be able to meet bond maturities based on current cash flow forecasts, even when including the additional tax refund of NOK 723m to be released around 20 December 2013
- Potential cash shortfall expected to be bridged if refinancing proposal is successful

## Refinancing and equity issue creates a robust capital structure and a way forward

- The contemplated NOK 400-430m private placement and up to NOK 100m subsequent offering combined with a full refinancing of the existing bonds will provide the Company with a robust capital structure going forward
  - Company can continue operations as a going concern, preserving values for bond and shareholders
  - Company can maintain an exploration program providing upside for shareholders
  - Unsecured and Oselvar bondholders will have equity exposure through a newly issued convertible bond

# Breakdown of budgeted vs updated forecast cash position 2013e (before refinancing)



Deviation from business plan is mainly due to delayed start-up, ramp-up and unplanned shutdowns

# Bondholders and shareholders both have to contribute in order to reach a financing solution

## Important elements for new equity

- Long term robust capital structure
- Maturity profile more in line with operational cash flow
- Reduced interest costs
- Flexibility to pursue new opportunities
- Flexibility to manoeuvre within reasonable covenants

## Important elements for current bondholders

- Substantial equity injection into the Company
- Current equity value is substantially reduced before refinancing
- Establish a maturity profile which enables repayment of outstanding debt
- Disciplined use of funds
- Cash flow from producing fields used for repayment of debt
- No reduction in principal amounts



# Summary terms for new equity and bonds refinancing

## NOK 400-530m equity issue

- Private placement of NOK 400-430m to existing and new investors
- Subsequent offering of up to NOK 100m at same terms
- Equity issue is subject to refinancing of bonds and confirmed amount of tax receivables
- Have substantial backing from key shareholders for the proposed refinancing proposal

## NOK 1,400m 3 year 1<sup>st</sup> lien Secured Huntington and Denmark Bond

- 3 year bond
- Fixed semi-annual coupon of 6.00% p.a.
- 1<sup>st</sup> lien security in Huntington and Danish producing assets
- NOK 500m amortization in years 1 and 2, NOK 400m in year 3
- Minimum cash restrictions
- Proceeds from insurance settlement used to pro rata debt repayment @ par

## NOK 600m 4 year 1<sup>st</sup> lien Secured Oselvar Bond

- 4 year bond
- Fixed semi-annual coupon of 6.50% p.a.
- 1<sup>st</sup> lien security in Oselvar, 2<sup>nd</sup> lien security in Huntington and Danish producing assets
- NOK 100m amortization in years 1 and 2, NOK 150m in year 3 and NOK 250m in year 4
- Minimum cash restrictions
- Proceeds from insurance settlement used to pro rata debt repayment @ par

## NOK 736m 7 year 2<sup>nd</sup> Lien Bond (Huntington and Denmark)

- 7 year bond
- Fixed semi-annual coupon of 6.75% p.a., up to 50% PIK interest in the first year
- 2<sup>nd</sup> lien security in Huntington and Danish producing assets
- NOK 100m in year 4, NOK 200m annual amortization in years 5 and 6, remainder at maturity
- Proceeds from insurance settlement used to pro rata debt repayment @ par

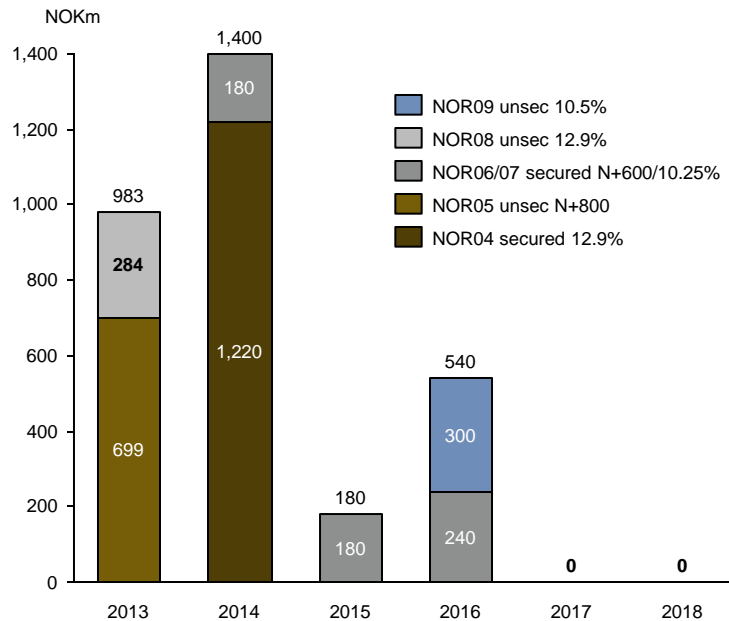
## NOK 367m 5 year Unsecured Convertible Bond

- 5 year convertible bond (convertible in year 4 and 5)
- Fixed coupon of 4.00% p.a., PIK interest or cash at issuer's discretion
- Unsecured
- Bullet maturity
- 200% strike premium above new issue price
- Soft call at 100% in year 4 and 5, subject to 120% parity check based on 20/30 last trading days

# Summary terms for new equity and bond refinancing

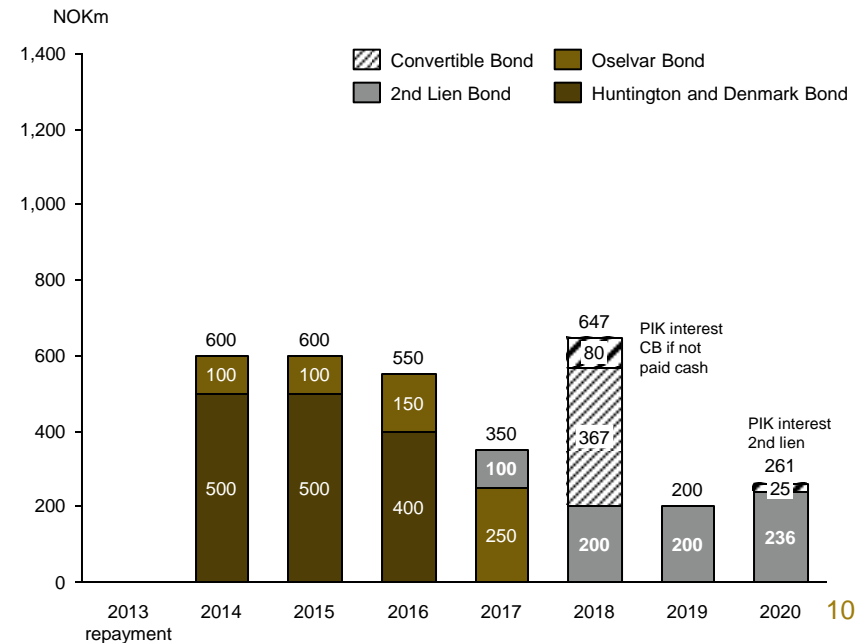
## Current maturity profile

- Refinancing is required since the Company cannot meet its debt obligations in 2013 and 2014 based on current liquidity forecasts
- Interest costs too high in relation to cash generation capabilities
- Maturity profile poorly matched with production profile



## Maturity profile after refinancing

- Robust maturity profile post refinancing and well matched with production profile
- New maturity profile provides the Company time to cut costs and to create value through the exploration program



# Overview of proposed long-term refinancing solution

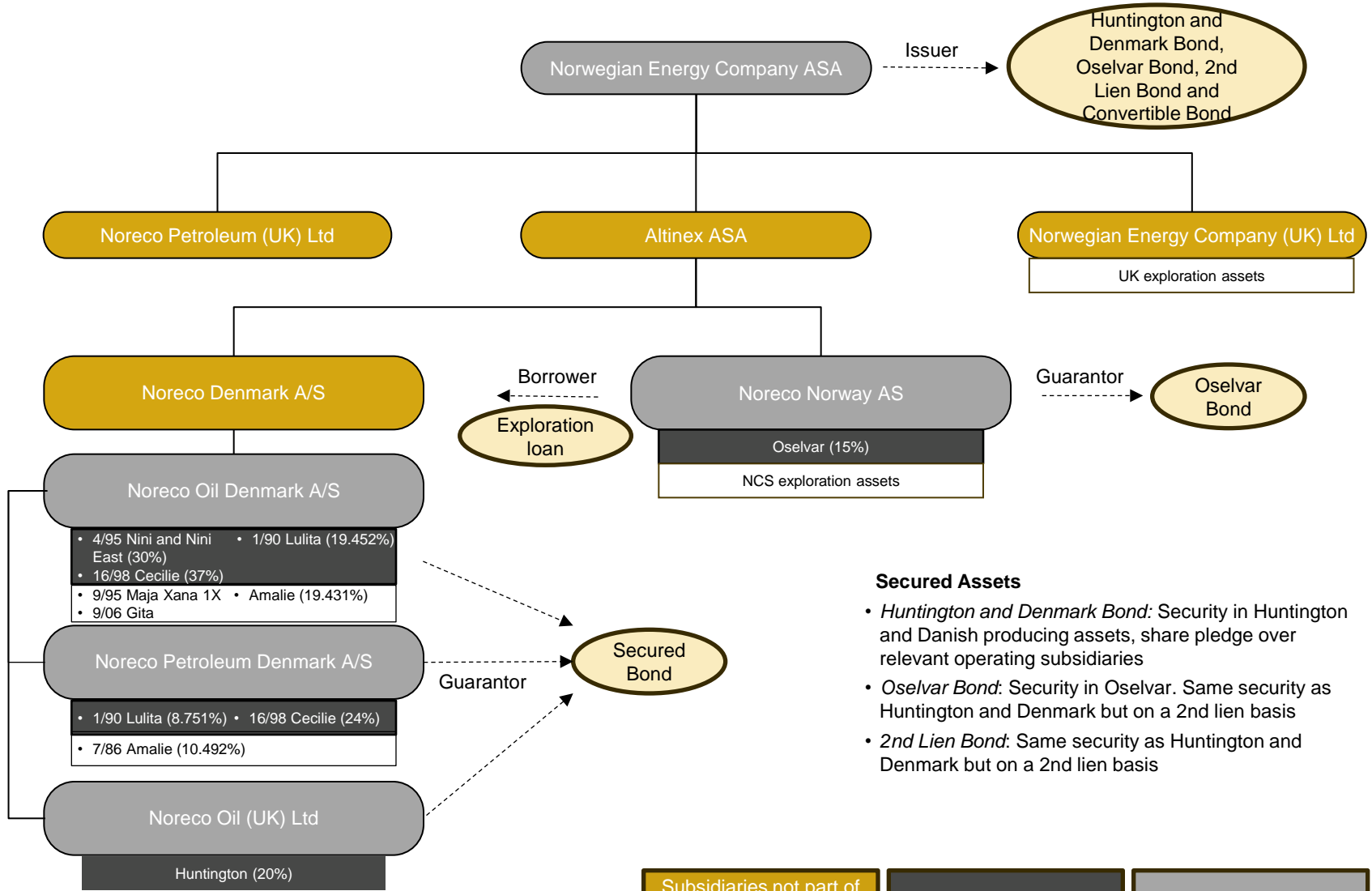
- New equity of NOK 400-430m from existing shareholders and new investors through a private placement
  - Smaller shareholders can participate at same terms in a subsequent offering of up to NOK 100m
- Bondholders are asked to contribute to a long term sustainable solution by means of
  - Extended maturity profile
  - Reduced interests
  - Covenant changes
  - New convertible bond with conversion option in years 4 and 5
- Bondholders will not take a reduction in principal amounts
- RBL will be repaid and first and second priority security to be established for the new bonds (excluding the CB)

NOKm (Rounded)	Security	Current outstanding	New Secured Bond	New Oselvar bond	New 2 <sup>nd</sup> lien bond	New CB
NOR04	Pledge in Altinex ASA and Noreco Petroleum (UK) Ltd shares	1,250 (1,220)	1,220	0	0	0
NOR05		700 (699)	98		401	200
NOR06/07	Oselvar	600		600		
NOR08		300 (284)	40		163	81
NOR09		300	42		172	86
<b>Total</b>		<b>3,150 (3,103)</b>	<b>1,400</b>	<b>600</b>	<b>736</b>	<b>367</b>

Number in brackets are the principal amount reduced for repurchased bonds by Noreco.  
Noreco will cancel own bonds of NOK 48m

NOK 3,103m

# Corporate structure – after refinancing



Please refer to Refinancing Term Sheet for full details.

Subsidiaries not part of security package	Pledged assets	Issuer & Guarantor
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# Tentative key dates for refinancing proposal

Equity Issue		Bond refinancing	
Start of bookbuilding	21 Oct 2013	Call for bondholder meetings	21 Oct 2013
Close of bookbuilding	23 Oct 2013	Bondholder meetings	05 Nov 2013
Call for EGM	23 Oct 2013	Settlement date of refinancing proposal and new bonds	09 Dec 2013
Allocation	24 Oct 2013		
EGM	13 Nov 2013		
Payment	03 Dec 2013		
Delivery of shares	05 Dec 2013		
Conversion of temporary class of shares (A-shares)	27 Dec 2013		
Subsequent offering	Dec 2013		
Settlement subsequent offering	Early 2014		

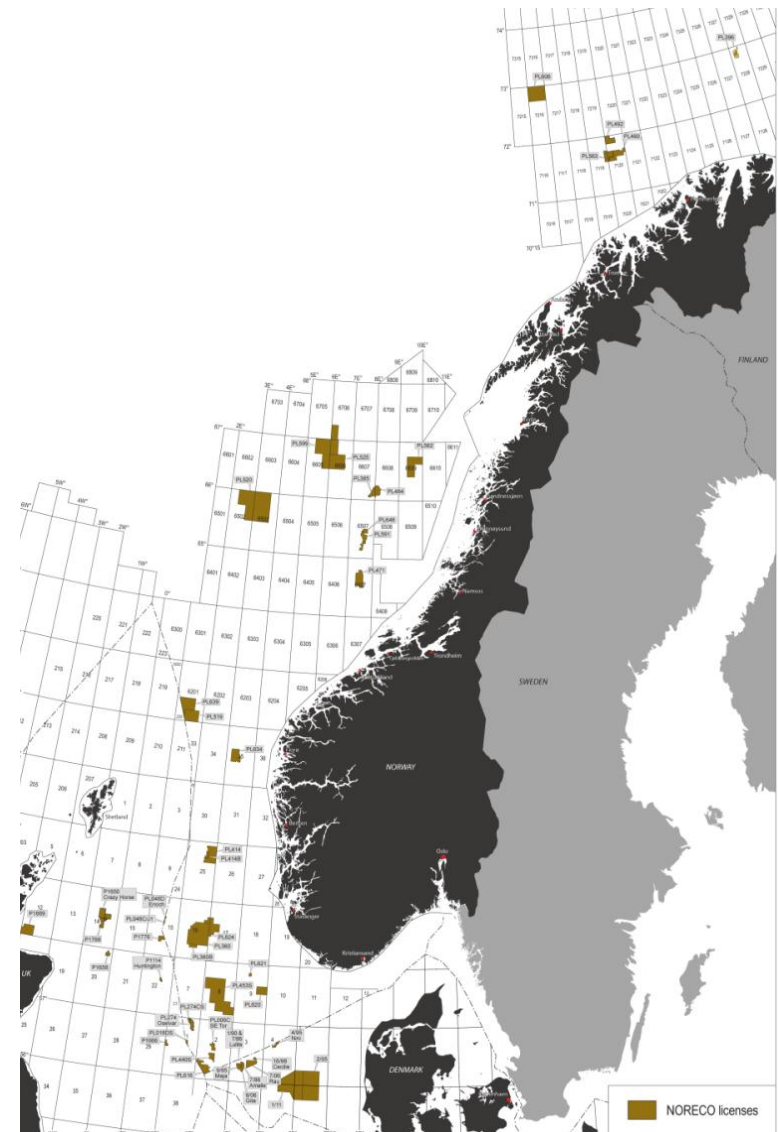
## Values are best preserved in going concern

- The proposed transaction will allow Noreco to focus on a long term strategy to create value for stakeholders
  - Streamlined portfolio on key target areas
  - Reduce operating costs
  - Focused exploration program
  - Maximizing the Danish insurance settlement
- Rapid deleveraging in the coming years
  - RBL is repaid as part of the refinancing and bond debt will become the only debt class (apart from exploration facility)
  - Aggregate principal repayment of NOK 1,750m in the coming three years
- Bondholders maintain full principal amounts with ability to have full recovery

# Investment Case

# Investment Case

- Feasible and more sustainable cost structure
  - Reduced interest cost and SG&A
- Debt maturity profile that matches the Company's production profile
  - A stronger balance sheet will make the Company a more attractive consolidation candidate
- Exploration strategy revitalised
  - Large license holder on the NCS, and solid presence in the UK and Denmark
  - Good basis to mature drillable prospects from current North Sea portfolio
  - Focused approach in coming license rounds
- 20% interest in the Gohta discovery in the Barents Sea
  - One of the largest discoveries last 3 years, after Johan Sverdrup and Johan Castberg
- Maintain equity upside from producing fields
  - Substantial upside in Huntington
  - Size and life expectations
  - Potential tie-ins
- Maintain upside from insurance claim





## Exploration Strategy

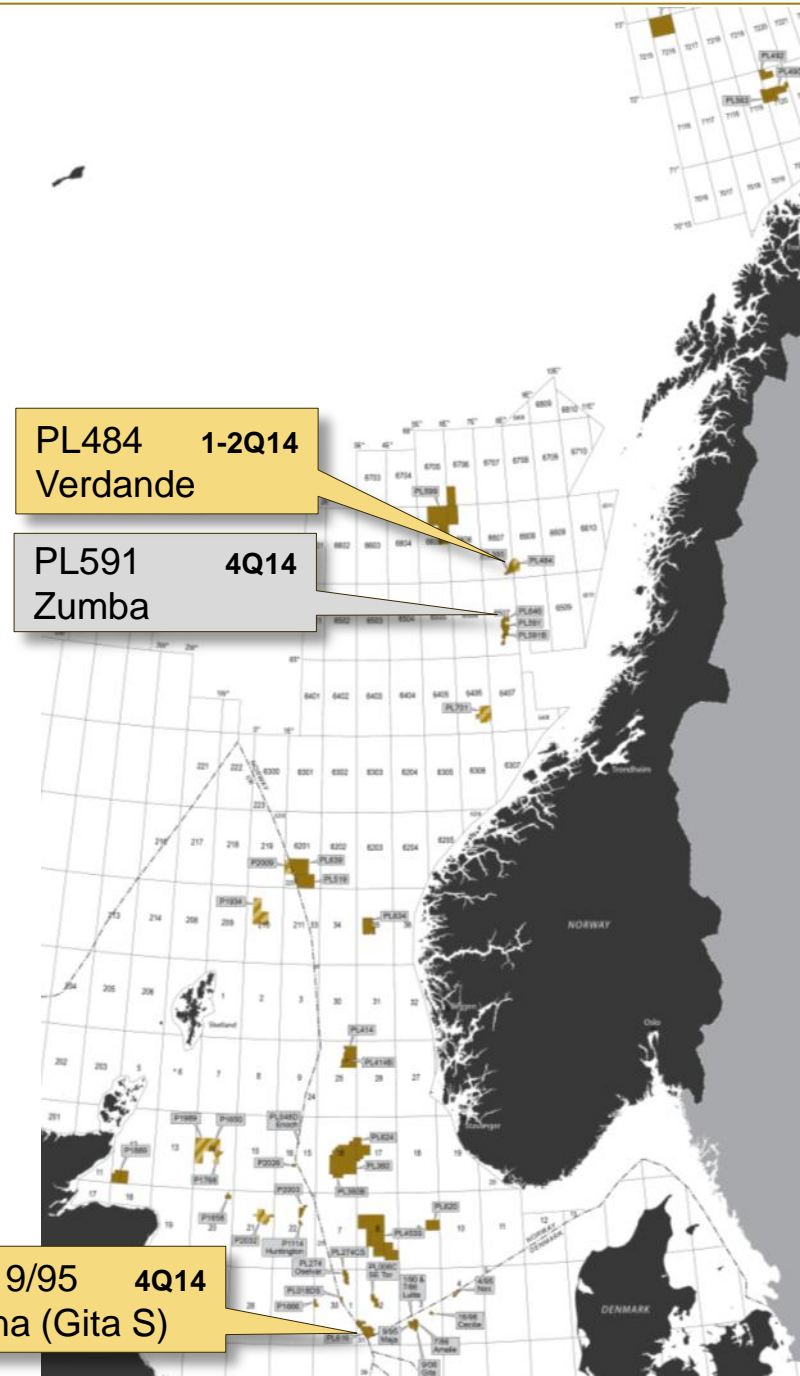
- Noreco has a large exploration portfolio focused on Norway
  - Tax incentive for exploration in Norway
  - In addition, exposure to the UK and DK
- Portfolio approach designed to make a commercial discovery each year
  - Targeting 3-5 exploration and appraisal wells per year
  - Prospect size large enough to make an impact
  - Working interest in licenses ~20%
  - Approx. 1-in-3 to 1-in-4 probability of success
  - Commercial and technical criteria of equal importance in selection of wells
  - Adequate financing to deliver the short-to-medium term exploration program

# Focused exploration strategy

- Three areas are being targeted for additional near-term wells
  - North Sea North
  - Utsira High South
  - North Sea South
- High potential, risk and reward well balanced
  - Farm-out or drop if working interest is too high
- Application for APA2013 submitted
- Details about prospects in Appendix C

Well	Noreco share	Operator	Pot. Vol (mmbobe)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
PL484 Verdande	30 %	Noreco	53-236								
DK 9/95 Xana (Gita S)	16.4 %	Maersk	47-475								
P1889 Niobe	22.5 %	Suncor	40-72								
PL591 Zumba	40 %	Tullow	na								
P1768 B&B	54 %	Noreco	na								
PL 492 Gohta appraisal	20%	Lundin	n.a.								

Committed well  
 Potential wells (Drill or Drop)

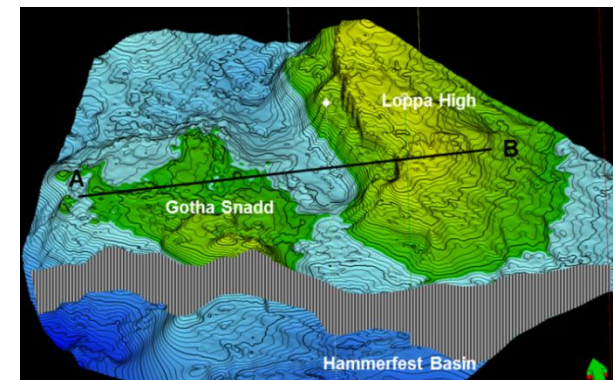
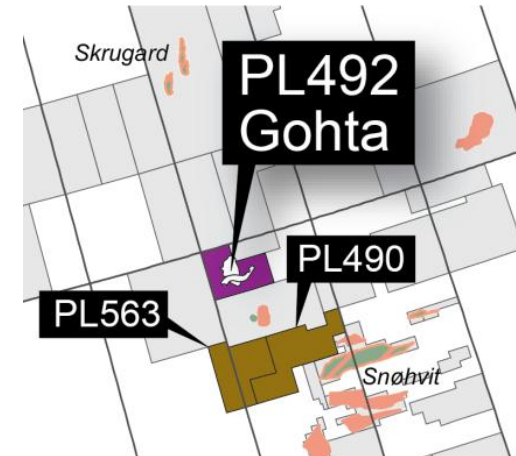


**DK 9/95 4Q14**  
**Xana (Gita S)**

Note: Farm-out in PL 484 from 40% to 30% interest subject to authority approval

# Gohta – exciting new discovery and play in the Barents Sea

- PL492 – Gohta  
Noreco 20% – Lundin operated
- Gohta is situated 35km north west of the Snøhvit field and on the fairway from Johan Castberg offering development synergy potential
- In the Permian target the well encountered a gross 75m oil column beneath a gross 25m gas/condensate cap
- A production test showed excellent production characteristics in the limestone and dolomite reservoir. This is the first successful test in Permian carbonates on the Norwegian continental shelf
- Initial volume estimates indicate 113-239 mmbcfe of recoverable resources (10-23 MSm<sup>3</sup> oil and 8-15 GSm<sup>3</sup> gas)
- Appraisal well(s) needed to test full potential



## Substantial cost savings initiatives

- Cost reduction initiatives to be implemented in 2014 to reach an annual run rate of NOK 60m after tax, which represents a 33% reduction from current level
  - Staff reductions
  - Office costs
- The proposed refinancing lowers interest costs to sustainable levels
  - Cash interest cost on bonds in the first year post refinancing is ~NOK 150m, comparable interest amount with current terms is NOK 347m
  - Rapid deleveraging reduces financing costs further
- Limited exploration commitments going forward with only 2 firm wells planned for 2014
- Company will target lower working interests in exploration wells and avoid high cost and risk wells. Company would like to invest around NOK 100m after tax on exploration activities annually given access to the right prospects
  - Farm-out initiatives on-going in several licenses, e.g. 10% in PL 484 Verdande agreed subject to authority approval
  - Crazy Horse license will be relinquished

## Upcoming cash sources

### Special tax refund

- In 2012, Noreco reorganized to achieve more efficient operations and corporate structure. Key objective was to transform Noreco to a pure holding company, with operational activities continued in a reduced number of subsidiaries.
- The reorganization led to the group parent discontinuing its direct petroleum activities, and Noreco being in a position to claim reimbursed the tax value of losses carried forward in Norwegian Energy Company ASA.
- Tax value of NOK 723 million to be released on or about 20 December 2013

### Zidane

- In November 2011 Noreco sold its 20% interest in PL 435 for NOK 180m
- Under the agreement Noreco is entitled to a volume-dependent consideration payable upon approval of a Plan for Development and Operations (PDO) which includes Zidane-2
- The consideration is expected in 2014 and is estimated to NOK 0-90m

### Insurance Claim

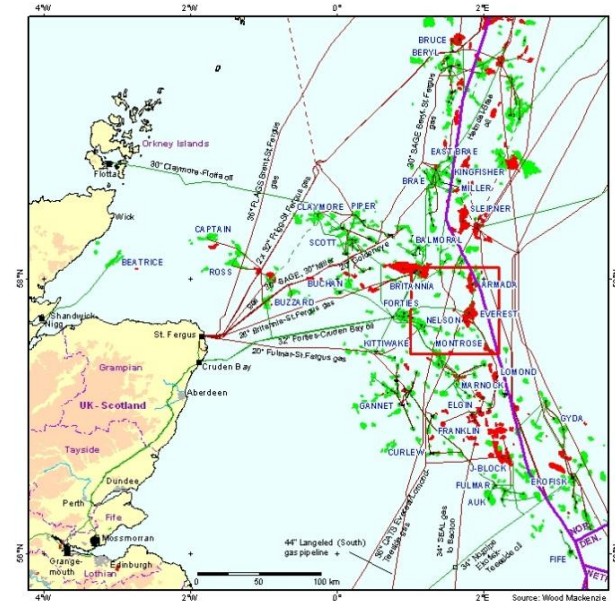
- Book value of insurance claim NOK 356m (per 30.06.2013)
- Actual claim is in excess of NOK 2.0bn and final documentation will be submitted in October 2013
- The best estimate of the management is that this case will be solved within the next twelve months.
- Due to the uncertain outcome and timing of the case, the related cash-inflow is excluded from the cash balance estimates

# Asset overview

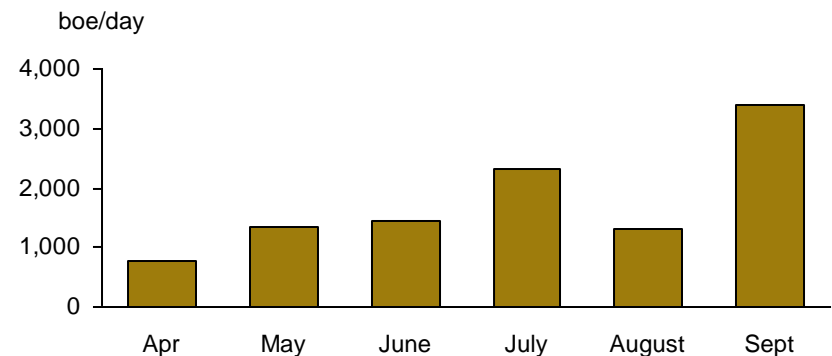
# Huntington

## Noreco 20% – operated by E.ON

- High quality asset which commenced production April 2013
- Nameplate production capacity of 6,400 boe/day net to Noreco
- All four production wells have delivered above expected rate and debottlenecking could potentially increase production above nameplate
- Potential tie-back prospects which could reduce unit cost and prolong field life
- Remaining net 2P reserves of ~8.0 mmboe
- Huntington Fulmar represents a potential upside of 4 mmboe 2P net to Noreco. Reservoir assessment is on-going
- No tax payments on Huntington expected until H2 2015 due to unused tax loss pool in the UK
- Currently certain restrictions on the gas export capability through CATS pipeline pending confirmation on ongoing analyses. The Huntington and CATS operators cooperate to resolve the situation and the work is given top priority



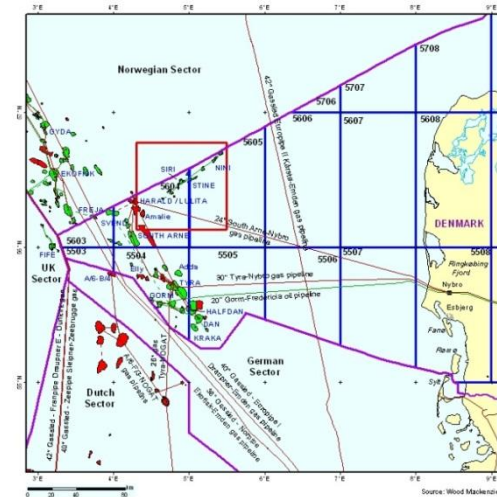
**Monthly production (boe/day), Noreco share**



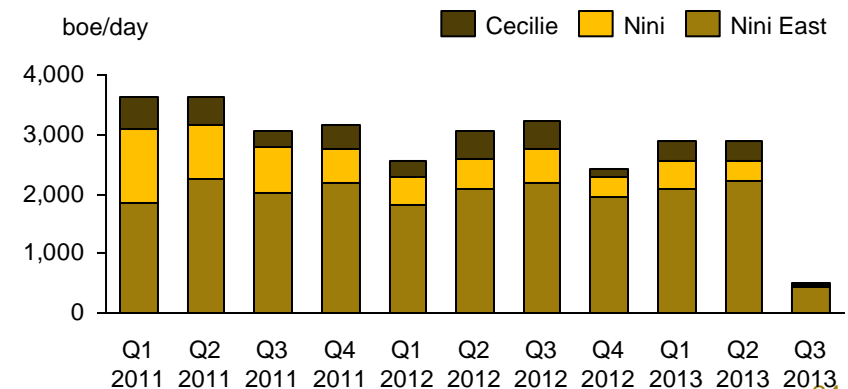
# Siri Fairway fields

**Noreco Nini and Nini East 30%, Cecilie 61% – operated by Dong**

- Nini, Nini East and Cecilie production halted in mid-July due to integrity issues on Siri platform
- Production expected to resume at the latest July 2014 when the permanent Siri repair solution is in place
- With the permanent repair solution production is expected to continue at least until 2019 or beyond if license extension is approved
- Licence decision to establish security for abandonment costs for the Nini, Nini East and Cecilie fields by 1 January 2014. Noreco's part of these costs is estimated to be up to DKK 500m. Discussions are on-going about form, initial amount and build-up of such guarantees



**Quarterly production (boe/day), Noreco share**

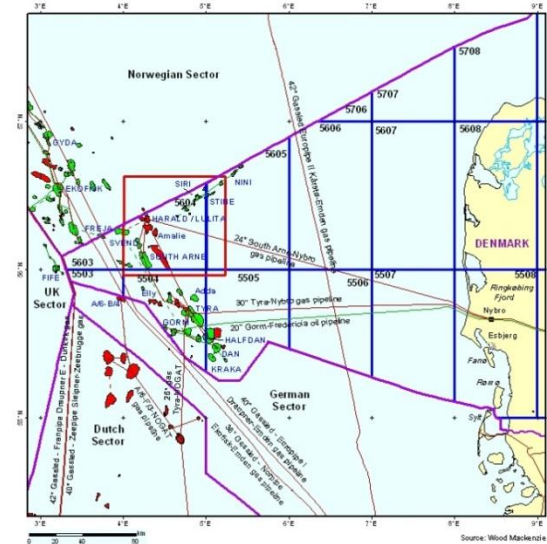




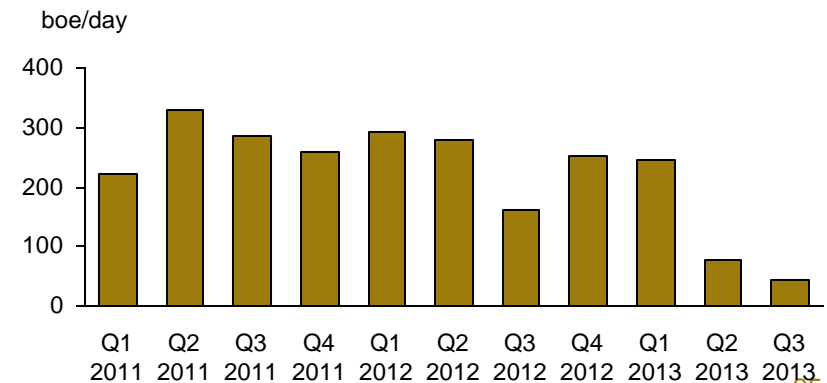
# Lulita

**Noreco 28.20% - operated by Maersk**

- Developed from the Harald platform with two conventional wells
- Reservoir
  - Jurassic Sandstone
  - Gravity segregated oil with gas cap and active aquifer
  - 2P reserves net Noreco: 0.5 mmmboe
- On-going work
  - Interpreting seismic data
  - Evaluation of future opportunities: gas lift, redrill of Lulita1, drill nearby prospect
  - License ambition to have a recommendation by year end
- Production
  - Field shut down due to maintenance in April-September 2013
  - Currently producing ~250 boed net to Noreco



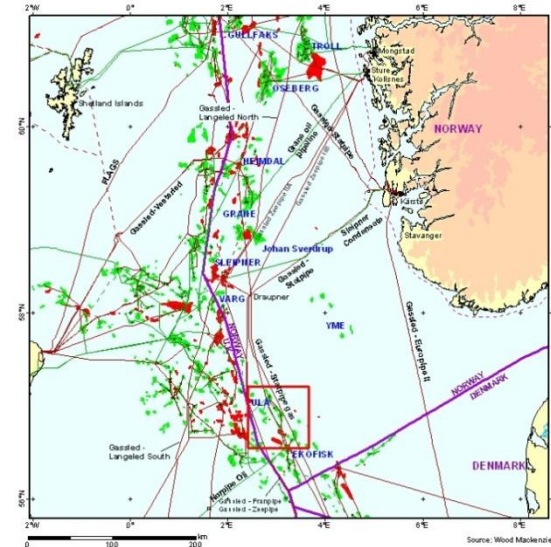
**Quarterly production (boe/day), Noreco share**



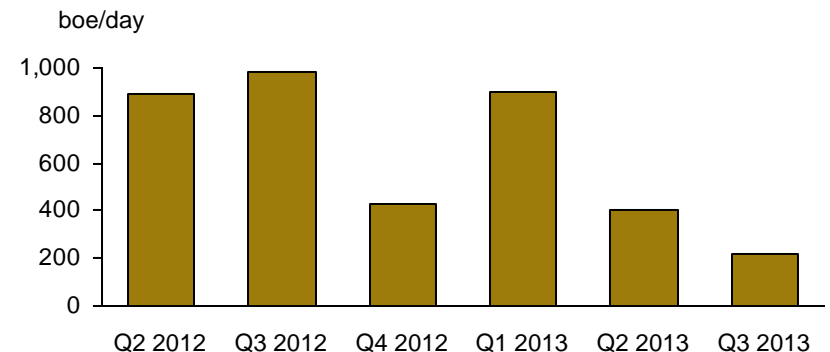
# Oselvar

## Noreco 15% - operated by Dong

- Developed with a subsea template which is tied back to the BP operated Ula field, located 23km from Oselvar
- The oil from Oselvar is transported via Ekofisk to Teesside where it is sold, while the gas is re-injected into the Ula reservoir
- Unstable production in 2013 due to planned and unplanned shutdowns on Ula
- Two production wells are delivering poorly and the field is currently largely dependent on one well
- Planned new production well in 2016 is currently not expected to be drilled
- The Oselvar reserves will be written down from current net 2P reserves of ~ 7.6 mmbœ to ~4 mmbœ following formal decision in the license group



### Quarterly production (boe/day), Noreco share



# Key Financials

# Income statement and balance sheet

NOK million	2Q13	1Q13	4Q12	2012
<b>Total revenues</b>	<b>246</b>	<b>216</b>	<b>177</b>	<b>832</b>
Production expenses	(108)	(74)	(63)	(244)
Exploration expenses	(119)	(243)	(508)	(1 188)
Payroll	(38)	(37)	(40)	(134)
Other operating expenses	(28)	(22)	(33)	(114)
Other gain/(loss)	1	(5)	14	32
<b>EBITDA</b>	<b>(45)</b>	<b>(165)</b>	<b>(452)</b>	<b>(817)</b>
Depreciation	(89)	(61)	(56)	(269)
Write-downs	(497)	(160)	(153)	(421)
<b>EBIT</b>	<b>(631)</b>	<b>(387)</b>	<b>(662)</b>	<b>(1 508)</b>
Net financial items	(119)	(121)	(134)	(486)
<b>EBT</b>	<b>(750)</b>	<b>(507)</b>	<b>(796)</b>	<b>(1 994)</b>
Tax	246	234	602	1401
<b>Net result</b>	<b>(504)</b>	<b>(273)</b>	<b>(194)</b>	<b>(593)</b>

NOK million	30.06.13	31.03.13	31.12.12
<b>Assets</b>			
Non-current assets	5 212	5 524	5 411
Current assets	1 889	1 905	1 910
Cash	418	461	604
<b>Total assets</b>	<b>7 519</b>	<b>7 890</b>	<b>7 926</b>
<b>Equity and liabilities</b>			
Total equity	1 504	1 906	2 028
Long-term liabilities	1 692	1 694	1 818
Current liabilities	4 322	4 290	4 080
<b>Total liabilities</b>	<b>6 014</b>	<b>5 984</b>	<b>5 898</b>
<b>Total equity and liabilities</b>	<b>7 519</b>	<b>7 890</b>	<b>7 926</b>
<b>Net interest-bearing debt</b>	<b>3 036</b>	<b>3 062</b>	<b>2 707</b>

## Expected Q3 2013 balance sheet events

- Oselvar
  - Operator Dong has updated its reservoir model
  - Noreco will reduce its reserves to ~4 mmboe resulting in an impairment of around NOK 306m before tax and NOK 82m after tax
  - Planned new production well in 2016 is currently not expected to be drilled
- Amalie
  - License partners may conclude not to pursue development and Noreco will in that case reduce book value with NOK 256m before tax, NOK 192m after tax
- Nini, Nini East and Cecilie
  - An impairment of NOK 256m pre-tax, NOK 192m after tax is expected due to postponed production and increased operating expenses
- P1650 Crazy Horse
  - The planned relinquishment of P1650 is expected to result in an exploration write-off of NOK -18m before tax, NOK 7m after tax
- Total P&L /equity impact is estimated to approx. NOK 475m

# Appendix A

## Key Risk Factors

# Key Risk Factors

## Introduction

*To be invested in securities issued by the Company involves inherent risks. Prospective and existing investors should carefully consider, among other things, the risk factors set out below and elsewhere in this Presentation before making a decision on whether to participate in the proposed equity and/or bond refinancing as set out herein. This section is not intended to be exhaustive – additional risks and uncertainties e.g as are not presently known to the Company, or that it currently deems immaterial, may also impair the Noreco Group's business operations or the value of securities issued by the Company. The Company cannot assure investors that any of the events discussed in the risk factors below will not materialize. If they do, the Noreco Group's business, financial condition, results of operations and cash flows could be materially adversely affected. In such case, the trading price of securities issued by the Company could decline, and an investor may lose all or part of its investment. An investment in securities issued by the Company is suitable only for investors understanding the risks associated with this type of investment and who can afford a loss of all or part of the investment.*

## Risks related to the Group and the industry it operates within

- *Ability to obtain economically recoverable oil and gas reserves.* The Noreco Group is dependent on its ability to find, acquire, appraise, develop and commercially produce oil and gas reserves. The Noreco Group must continually locate and develop or acquire new reserves to replace its existing reserves that are being depleted by production. Future increases in the Noreco Group's reserves will depend not only on its ability to explore and develop its existing properties but also on its ability to select and acquire suitable additional properties either through awards at licensing rounds or through acquisitions. Reserves and resources information represent Company estimates which may be inaccurate or incorrect.
- *Substantial investment required.* The Noreco Group will be required to make substantial capital expenditure for the acquisition, exploration, development and production of oil and gas reserves in the future. Any inability to access sufficient capital for its operations could lead to licenses being revoked or relinquished or defaulting under commercial arrangements, including joint venture agreements, or could lead to a material adverse effect on the Noreco Group's financial conditions, results of operations or prospects in general.
- *Risks relating to the price of oil and gas.* Although the Noreco Group attempts to hedge declines in oil prices, the profitability and cash flow of the Noreco Group's operations will be dependent upon the market price of oil and gas. This is known to fluctuate. The economics of producing from some of the Noreco Group's wells may change as a result of lower prices, which could result in a reduction in the volumes of the Noreco Group's reserves if some are no longer economically viable to develop. The Noreco Group might also elect not to produce from certain wells at current or lower prices.
- *Political and regulatory risks.* Changes in the legislative and fiscal framework governing the activities of the companies engaged within the oil and gas sector may have a material impact on exploration and development activity or directly affect the Noreco Group's operations. In particular, changes in political regimes will constitute a material risk factor for the Noreco Group's operations in foreign countries. Further, the Noreco Group is faced with increasingly complex tax laws. The amounts of taxes the Noreco Group pays, or the ability to claim tax refunds, could change substantially as a result of amendments in, or new interpretations of, these laws, which could have a material adverse effect on its liquidity and results of operations.

# Key Risk Factors

- *Health, Safety and Environmental (HSE) risks.* All phases of the oil business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions, EU, and state and municipal laws and regulations. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. The failure to comply with current HSE laws and regulations has resulted and may in the future result in regulatory action, the imposition of fines or the payment of compensation to third parties which each could in turn have a material adverse effect on the Noreco Group's business, financial condition and results of operations.
- *The industry in which the Group operates is highly competitive.* The Noreco Group competes with other exploration and production companies, many of which include major international oil and gas companies which may have greater financial resources, staff and facilities than those of the Noreco Group. Due to this competitive environment, the Noreco Group may be unable to acquire attractive suitable properties or prospects on terms that it considers acceptable. As a result, the Noreco Group's revenues may decline over time, thereby materially and adversely affecting its results of operations or financial condition.
- *Debt arrangements may restrict the Noreco Group's business.* The Noreco Group's debt arrangements contain several restrictive covenants, including but not limited to restrictions on assets sales and acquisitions, investments, the ability to pay dividends or other capital distributions, and the possibility to raise additional financial indebtedness. In addition, several financial covenants are imposed on the Company and the Noreco Group. Such covenants restrict the Noreco Group in various ways in terms of how the Noreco Group conducts its business, and the Noreco Group may be restricted in responding to changing market conditions or in pursuing favorable business opportunities. Further, the Noreco Group has to dedicate a substantial portion of its cash flow from operations to service debt, which in turn will reduce the amount of cash flow it will have available for capital investment, working capital and other general corporate purposes.
- *Production is concentrated in a few number of fields.* The Noreco Group's current production of oil and gas is concentrated in a small number of offshore fields. The Noreco Group has experienced various challenges related to production ability in a large proportion of its production licences, in particular in Denmark and in the Huntington licence on the UKCS. There is a risk that the production from these and other fields will remain unstable, causing material adverse effects on the Noreco Group's income and financial position, and thus ability to service its bond and other debts.
- *The Noreco Group relies on third parties.* While the Noreco Group operates certain of its assets, it is not the operator of most of its current development and none of its production assets. The operating agreements with third party operators typically provide for a right of consultation or consent in relation to significant matters and generally impose standards and requirements in relation to the operator's activities. Nevertheless, the Noreco Group generally has limited control over the day-to-day management or operations of those assets and is therefore dependent upon the activities of the third party operator.



# Key Risk Factors

- *Risk of joint and several liability with its license partners.* The Noreco Group is liable on a joint and several basis together with its license partners for certain of the liabilities of the specific license group. Such liability may apply both to licenses in their initial term and to producing licenses.
- *The Noreco Group holds a number of licenses in their initial terms.* The Noreco Group holds a number of interests in exploration licenses or in other licenses that are in their initial terms. The early stages or exploration period of a license are commonly the most risky. These phases of the term of a license require high levels of relatively speculative capital expenditure without a commensurate degree of certainty of a return on that investment.
- *Unexpected shutdowns may occur.* Mechanical problems, accidents, oil leaks, hazardous weather conditions or other events at the Noreco Group's producing fields or its pipelines or subsea infrastructure may cause an unexpected production shutdown or other negative effects at these fields.
- *Risks associated with future decommissioning liabilities.* The Noreco Group, through its license interests, has in the past assumed certain obligations in respect of the decommissioning of its fields and related infrastructure and is expected to assume additional decommissioning liabilities in respect of its future operations. Recently the Noreco Group has been met with certain requirements from the operators of Danish licences (Dong and RWE) to establish security (e.g. bank guarantee or cash deposit) in an amount of up to DKK 500 million by early 2014. The requirement is being negotiated among the parties, but will have a significant impact on the Noreco Group.
- *The Noreco Group is dependent on attracting and retaining personnel.* The Noreco Group's success depends, to a large extent, on attracting and retaining key personnel. The loss of the services of any key personnel could have a material adverse affect on the Noreco Group.
- *Risks associated with labour disputes.* The Noreco Group's contractors or service providers may be limited in their flexibility in dealing with their staff due to the presence of trade unions among their staff. If there is a material disagreement between contractors or service providers and their staff belonging to trade unions, the Noreco Group's operations could suffer an interruption or shutdown.
- *Risks associated with legal disputes in general.* The Noreco Group may from time to time be involved in legal disputes and legal proceedings related to the Noreco Group's operations or otherwise. Such disputes and legal proceedings may be expensive and time-consuming, and could divert management's attention from the Noreco Group's business. Furthermore, legal proceedings could be ruled against the Noreco Group and the Group could be required to, inter alia, pay damages, halt its operations, stop its expansion projects, etc.
- *Risk of damaged equipment and the Noreco Group's insurance policies.* The Noreco Group's equipment, including equipment owned by the licenses in which the Noreco Group holds interests, may be damaged or in need for replacement.

# Key Risk Factors

- *Dependence on oil field services providers and equipment.* The Noreco Group's oil and gas production and development projects may rely on the availability of items such as drilling equipment, drilling services, access to third party owned and operated infrastructure on reasonable commercial terms. Such services may be scarce and may not be readily available at the times and places required. In particular the prevailing market conditions leads to a strong competition for drilling rigs.
- *It may be difficult for investors based in the United States to enforce civil liabilities predicated on U.S. securities laws against the Company, its affiliates, directors and officers.* It may be difficult for investors in the United States to effect service of process within the United States upon the Company or the Company's directors and officers or to enforce judgments obtained in U.S. courts predicated on the civil liability provisions of U.S. federal securities laws against the Company or the Company's directors and officers. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in Norway.

## Risks related to the Group's financial position and liquidity

- *Risks associated with borrowing and leverage.* Borrowings create leverage and the Noreco Group is highly leveraged. In addition, the current and contemplated future financing structures are rather complex with several bonds issued by the Company and bank loan facilities in place with different entities within the Noreco Group as the borrower. The debt arrangements include security interests over major parts of the Noreco Group's assets, several covenants and undertakings of a general, financial and technical nature and several of the debt arrangements contain cross-default provisions. Failure by the borrowers or other obligors to meet any of the covenants or undertakings could result in all outstanding amounts under the different debt arrangements becoming immediately due for payment.
- *Risk associated with exchange rate fluctuations.* The Noreco Group has operations which generate significant cash flows in a variety of currencies. The Noreco Group also comprises businesses with various functional currencies (USD and NOK). Although the Noreco Group may undertake limited hedging activities in an attempt to reduce certain currency fluctuation risks, these activities provide only limited protection against currency-related losses.
- *Financial liquidity risk.* The Noreco Group's business requires significant liquidity and involves significant near term obligations, debt service obligations (interest charge and principal repayment) and capital expenditure and, e.g. depending on the evolution and stability of the production fields, the outcome of various claims (e.g. insurance claims, timing of required cash deposit to secure decommissioning obligations on the Danish shelf etc) in certain circumstances it may experience need to obtain further external debt and equity financing at a future date. There is no assurance that such additional funding, if required, will be available on acceptable terms at the relevant time. This risk is exasperated by the recent developments, affecting e.g. the amount available under the existing reserve based lending facility (RBL), which following the latest redetermination has been reduced and is subject to further accelerated repayment as set out herein, with significant liquidity effects for the Noreco Group. Furthermore, in light of the liquidity position, there is a risk that the Noreco Group may suffer continued liquidity shortfalls pending completion of the refinancing and equity issues. Should such liquidity shortfalls occur, Noreco will seek to take mitigating actions including through potential interim bridge funding arrangements.
- *Risk related to reduction in nominal value.* As part of the Private Placement, the nominal value of the Company's shares need to be reduced. The reduction in the nominal value cannot be completed until the Company has settled or otherwise clarified any objections to the reduction in nominal value made by relevant creditors during the six weeks notice period."

# Appendix B

Indicative Term Sheets

# Bond refinancing overview

## Proposed new bond structure

New secured bond	% of Nom	Nominal	NOKm
NOR04	100.0 %	1 220	1220
NOR05	14.0 %	699	98
NOR08	14.0 %	284	40
NOR09	14.0 %	300	42
<b>New secured bond</b>			<b>1400</b>

Oselvar bond	% of Nom	Nominal	NOKm
NOR06/07	100.0 %	600	600

New unsecured bond	% of Nom	Nominal	NOKm
NOR04	0.0 %	1 220	0
NOR05	57.4 %	699	401
NOR06/07	0.0 %	600	0
NOR08	57.4 %	284	163
NOR09	57.4 %	300	172
<b>New unsecured bond</b>			<b>736</b>

New convertible bond	% of Nom	Nominal	NOKm
NOR04	0.0 %	1 220	0
NOR05	28.6 %	699	200
NOR06/07	0.0 %	600	0
NOR08	28.6 %	284	81
NOR09	28.6 %	300	86
<b>New convertible bond</b>			<b>367</b>

**Total bonds** **3103**

## Comments

- NOK 400-430m in a private placement and up to NOK 100m in a subsequent offering to fund operations going forward
- Full repayment of the existing RBL facility to allow for security in Huntington and Danish assets
- NOR04 has security in Huntington and the Danish assets and is rolled into 3 year Secured bond with security in Huntington and the Danish Producing Assets
- NOR06/07 is rolled into a 4 year Secured bond with security in Oselvar and 2<sup>nd</sup> lien security in Huntington and the Danish Producing Assets
- NOR05/08/09 are unsecured and are rolled into the 3 year Secured bond, the 7 year 2<sup>nd</sup> lien bond and the 5 year Convertible bond on a pro rata basis
- Company 2013 YE cash forecast post refinancing and implementation of proposal of around NOK 300-400m (after payment of Danish ABEX) pending size of total equity issue and production levels in Q4

# Terms for the Huntington and Denmark Bond

<b>Issuer:</b>	Norwegian Energy Company ASA
<b>Status:</b>	1 <sup>st</sup> lien Secured
<b>Loan amount:</b>	NOK 1,400 million
<b>Currency:</b>	NOK
<b>Tenor:</b>	3 years
<b>Coupon:</b>	Fixed 6.00% p.a., semi-annual payments
<b>Use of Proceeds:</b>	Refinance NOR04 in full and partially other existing bonds
<b>Status of the Bond:</b>	Senior secured
<b>Security:</b>	<ul style="list-style-type: none"> <li>• Pledge over Huntington and Danish producing assets</li> <li>• Share pledge in Noreco Oil Denmark A/S, Noreco Petroleum Denmark A/S and Noreco Oil (UK) Ltd</li> <li>• Guarantees from group companies owning Huntington and Danish Producing Assets</li> <li>• Pledge over Earnings Account, assignment over intercompany loans to relevant subs</li> </ul>
<b>Amortization:</b>	NOK 500m in year 1, NOK 500m in year 2, NOK 400m in year 3, annual installments Proceeds from insurance settlement used for pro rata debt repayment @ 100% of par (based on amount outstanding)
<b>Issuer's Call Options:</b>	At 105% year 1, 103% year 2 and 101% year 3
<b>Covenants:</b>	<ul style="list-style-type: none"> <li>• No dividends</li> <li>• Incurrence tests upon additional debt and asset sale (NIBD/EBITDAX of max 3.5. X to be Norwegian exploration only). All new debt to be at Issuer level.</li> <li>• Negative pledge on secured assets</li> <li>• Minimum cash of NOK 100m</li> <li>• Mandatory Prepayment upon sale of Huntington and Denmark producing assets. Prorata Prepayment Offer upon sale of other Discoveries</li> <li>• Other standard high yield covenants</li> </ul>
<b>Undertakings:</b>	DKK 500m to be placed on a Danish Abandonment Account
<b>Change of control:</b>	Investor put option at 101% of par
<b>Listing:</b>	Yes
<b>Documentation:</b>	Norwegian law

# Terms for refinanced Oselvar Bond

<b>Issuer:</b>	Norwegian Energy Company ASA
<b>Status:</b>	1 <sup>st</sup> Lien Secured
<b>Loan amount:</b>	NOK 600 million
<b>Currency:</b>	NOK
<b>Tenor:</b>	4 years
<b>Coupon:</b>	Fixed 6.50% p.a., semi-annual payments
<b>Use of Proceeds:</b>	Refinance existing NOR06/07 bond (ISIN to remain the same)
<b>Status of the Bond:</b>	Senior secured
<b>Security:</b>	<ul style="list-style-type: none"> <li>• Pledge over Oselvar</li> <li>• Share pledge in Noreco Norway AS</li> <li>• Guarantees from Noreco Norway AS (and the 1<sup>st</sup> lien Guarantors from the day 1<sup>st</sup> lien is repaid)</li> <li>• Pledge over Earnings Account, pledge over Project Proceeds and insurance proceeds directly deriving from any damage to equipment and/or property in respect of the Oselvar Licence, assignment over intercompany loans to relevant sub</li> <li>• Same security package as the Huntington and Denmark Bond (such security excluding any guarantee from the Danish Intermediate Subsidiary, Huntington Subsidiary and Danish Subsidiary until the Huntington and Denmark Security has been discharged) (see page #37) on a 2<sup>nd</sup> lien basis together with the new 2<sup>nd</sup> lien bond</li> </ul>
<b>Amortization:</b>	NOK 100m in years 1 and 2, NOK 150m in year 3 and NOK 250m in year 4, annual installments Proceeds from insurance settlement used for pro rata debt repayment @ 100% of par (based on amount outstanding)
<b>Issuer's Call Options:</b>	At 105% year 1, 103.5% year 2, 102.5% year 3 and 101% year 4
<b>Covenants:</b>	<ul style="list-style-type: none"> <li>• No dividends</li> <li>• Incurrence tests upon additional debt and asset sale (NIBD/EBITDAX of max 3.5. X to be Norwegian exploration only). All new debt to be at Issuer level.</li> <li>• Negative pledge on secured assets</li> <li>• Minimum cash of NOK 100m</li> <li>• Mandatory Prepayment upon sale of Oselvar. Mandatory Prepayment upon sale of Huntington and Denmark producing assets, subject to the 1<sup>st</sup> lien Huntington bond having been paid in full. Prorata Prepayment Offer upon sale of other Discoveries</li> <li>• Other standard high yield covenants</li> </ul>
<b>Undertakings:</b>	DKK 500m to be placed on a Danish Abandonment Account
<b>Change of control:</b>	Investor put option at 101% of par
<b>Listing:</b>	Yes
<b>Documentation:</b>	Norwegian law

## Terms for the new 2<sup>nd</sup> lien bond

<b>Issuer:</b>	Norwegian Energy Company ASA
<b>Status:</b>	2 <sup>nd</sup> Lien Secured
<b>Loan amount:</b>	NOK 736 million
<b>Currency:</b>	NOK
<b>Tenor:</b>	7 years
<b>Coupon:</b>	Fixed 6.75% p.a., semi-annual payments. Up to 50% PIK interest at company's discretion in the first 12 months, cash thereafter.
<b>Use of Proceeds:</b>	Refinance existing bonds
<b>Status of the Bond:</b>	Senior secured
<b>Security</b>	<ul style="list-style-type: none"> <li>• Same security package as the Huntington and Denmark Bond (such security excluding any guarantee from the Danish Intermediate Subsidiary, Huntington Subsidiary and Danish Subsidiary until the Huntington and Denmark Security has been discharged) (see page # 37) on a 2nd lien basis together with the Oselvar Bond</li> <li>• Guarantees from the 1st lien Guarantors from the day the 1st lien is repaid</li> </ul>
<b>Amortization:</b>	NOK 100m in year 4, NOK 200m in year 5 and 6, NOK 236m (plus any unpaid PIK interest) in year 7, annual installments Proceeds from insurance settlement used for pro rata debt repayment @ par (based on amount outstanding)
<b>Issuer's Call Options:</b>	At 105% until year 3, 104% year 4, 103% year 5, 102% year 6 and 101% year 7
<b>Covenants:</b>	<ul style="list-style-type: none"> <li>• No dividends</li> <li>• Incurrence tests upon additional debt and asset sale (NIBD/EBITDAX of max 3.5. X to be Norwegian exploration only). All new debt to be at Issuer level.</li> <li>• Minimum cash of NOK 100m</li> <li>• Mandatory Prepayment upon sale of Huntington and Denmark producing assets, subject to the 1<sup>st</sup> lien Huntington bond having been paid in full. Prorata Prepayment Offer upon sale of other Discoveries</li> <li>• Other standard high yield covenants</li> </ul>
<b>Undertakings:</b>	DKK 500m to be placed on a Danish Abandonment Account
<b>Change of control:</b>	Investor put option at 101% of par
<b>Listing:</b>	Yes
<b>Documentation:</b>	Norwegian law

# Terms for a new convertible bond

<b>Issuer:</b>	Norwegian Energy Company ASA
<b>Status:</b>	Senior Unsecured
<b>Loan amount:</b>	NOK 367 million
<b>Currency:</b>	NOK
<b>Tenor:</b>	5 years
<b>Coupon:</b>	Fixed 4.00% p.a., semi-annual payments PIK/cash interest at company's discretion
<b>Use of Proceeds:</b>	Refinance existing bonds
<b>Status of the Bond:</b>	Senior unsecured
<b>Amortization:</b>	Bullet
<b>Reference Price:</b>	New equity issue price
<b>Strike price:</b>	200% (3x) above Reference Price
<b>Issuer's Soft Call Option:</b>	Soft call at 100% in year 4 and 5, subject to 120% parity check based on 20/30 last trading days
<b>Change of control:</b>	Standard CoC adjustment provisions for convertible bonds
<b>Covenants:</b>	<ul style="list-style-type: none"> <li>• No dividends</li> <li>• Incurrence tests upon additional debt and asset sale (NIBD/EBITDAX of max 3.5. X to be Norwegian exploration only). All new debt to be at Issuer level.</li> <li>• Minimum cash of NOK 100m</li> <li>• Other standard high yield covenants</li> </ul>
<b>Anti dilution:</b>	Standard Euromarket provisions
<b>Listing:</b>	Yes
<b>Documentation:</b>	Norwegian law



# Appendix C

Exploration program

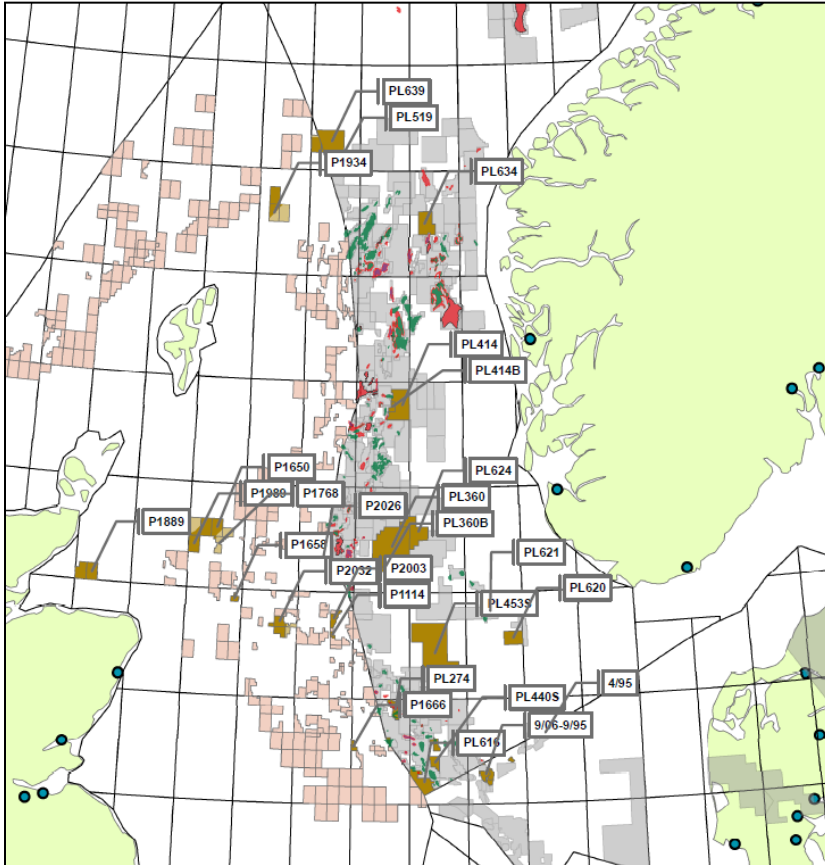
# Licence Portfolio of 36 licences



Good basis to mature drillable prospects from current portfolio

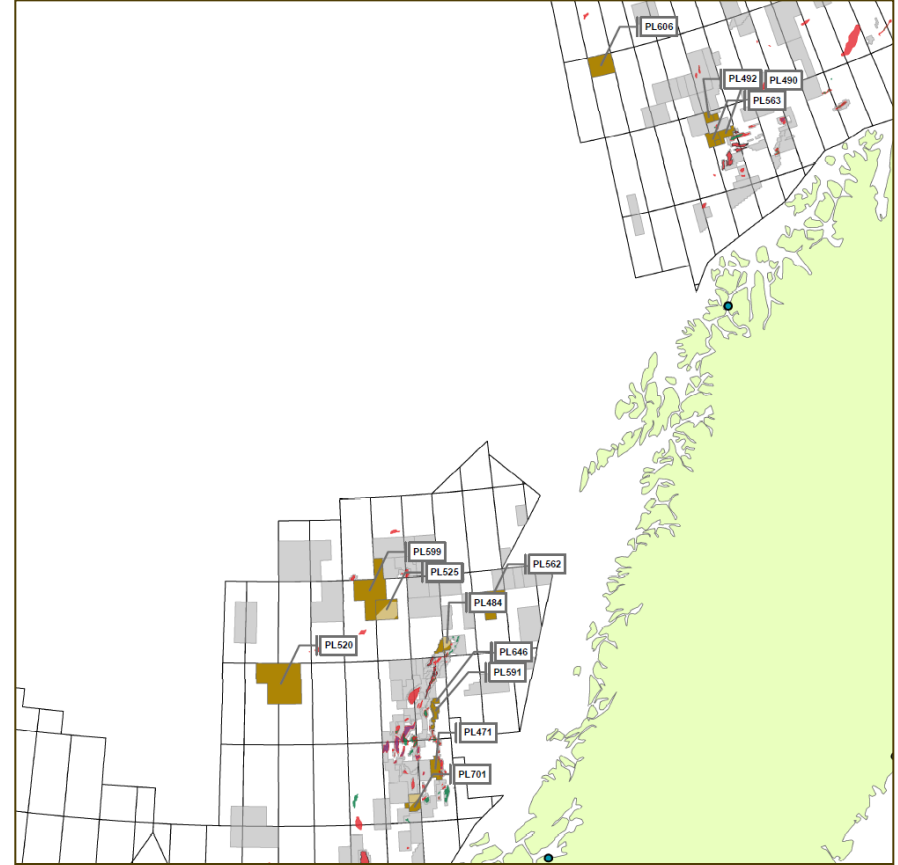
## North Sea

- NCS North Sea 14
- UKCS Central North Sea 8
- UKCS Northern North Sea 2








## Norwegian Sea and Barents Sea

- Norwegian Sea 8
- Barents Sea 4



# Exploration programme

## Next 18 months

Well	Noreco share	Operator	Pot. Vol (mboe)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
PL484 Verdande	30 %	Noreco	53-236								
DK 9/95 Xana (Gita S)	16.4 %	Maersk	47-475								
P1889 Niobe	22.5 %	Suncor	40-72								
PL591 Zumba	40 %	Tullow	na								
P1768 B&B	54 %	Noreco	na								
PL 492 Gohta appraisal	20%	Lundin	n.a.								

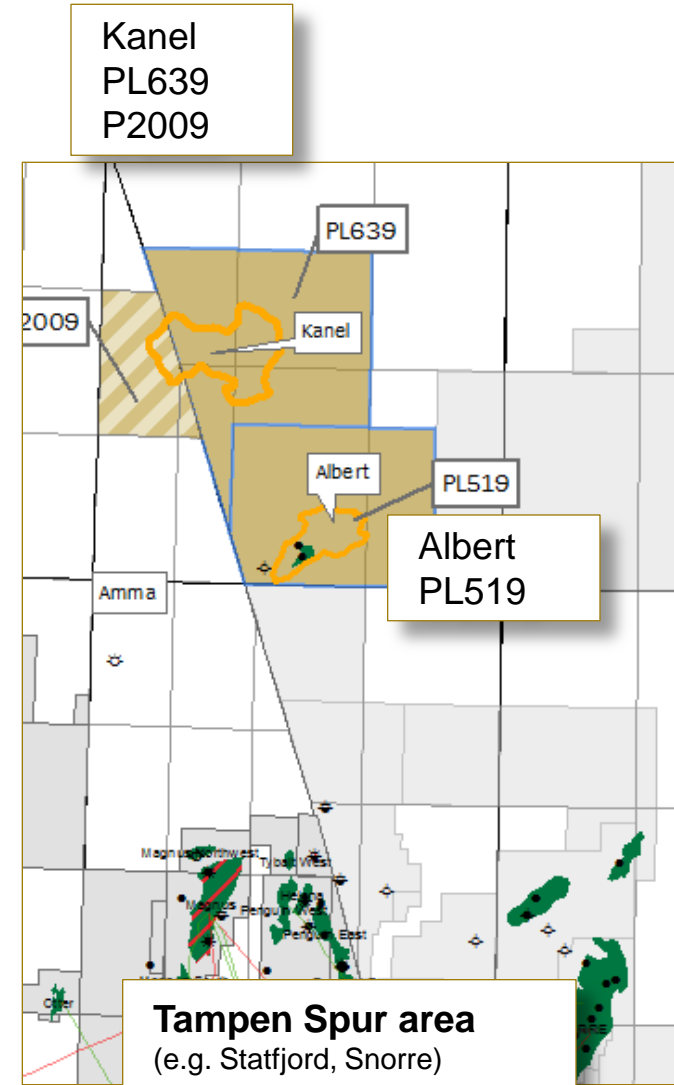
- Committed well
- Potential wells (Drill or Drop)

Note: Farm-out from 40% to 30% in PL 584 subject to authority approval

# North Sea North

- Albert well (2012) discovered oil at several levels
- Appraisal well is being considered for Albert Chalk in 2015
- Albert Paleocene has no commercial value, but oil discovery positive for our Kanel prospects
- Combined resource potential very large

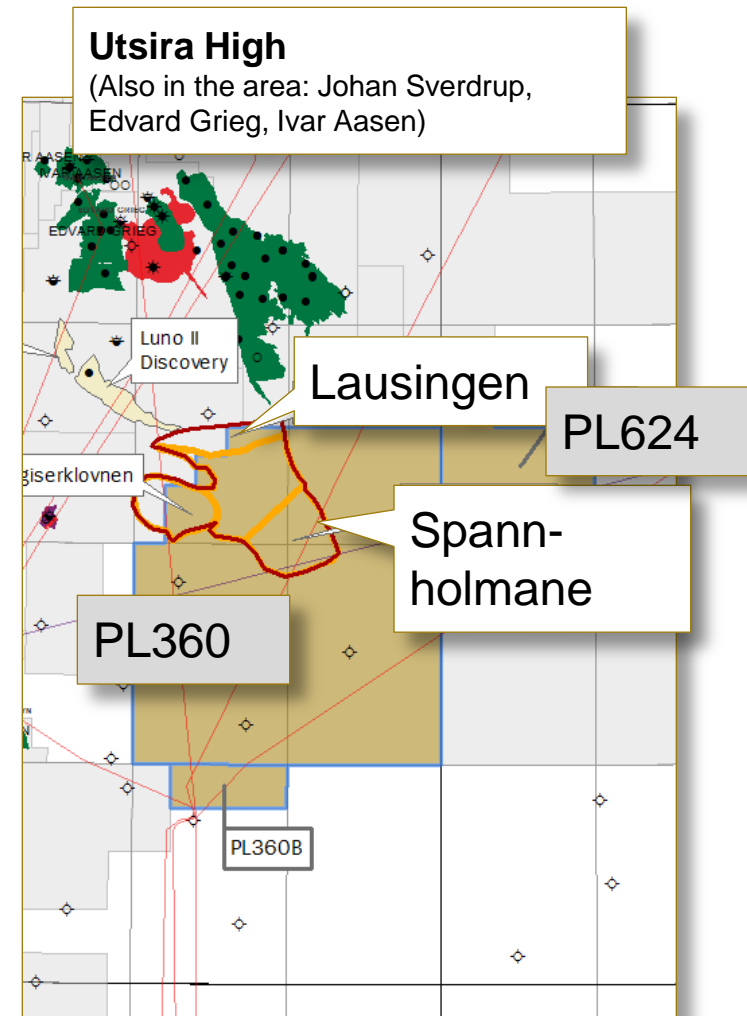
	Albert PL519	Kanel PL639	Kanel P2009
Noreco	20 %	15 %	100 %
Operator	Lundin	Tullow	Noreco
Tentative drilling	2Q15	4Q15	



## South of Utsira High

- Noreco holds 15 per cent interest in Statoil operated PL 360 and PL 624
- Recent Luno II discovery has reduced geological risk in the area
- Several prospects; interesting resource potential

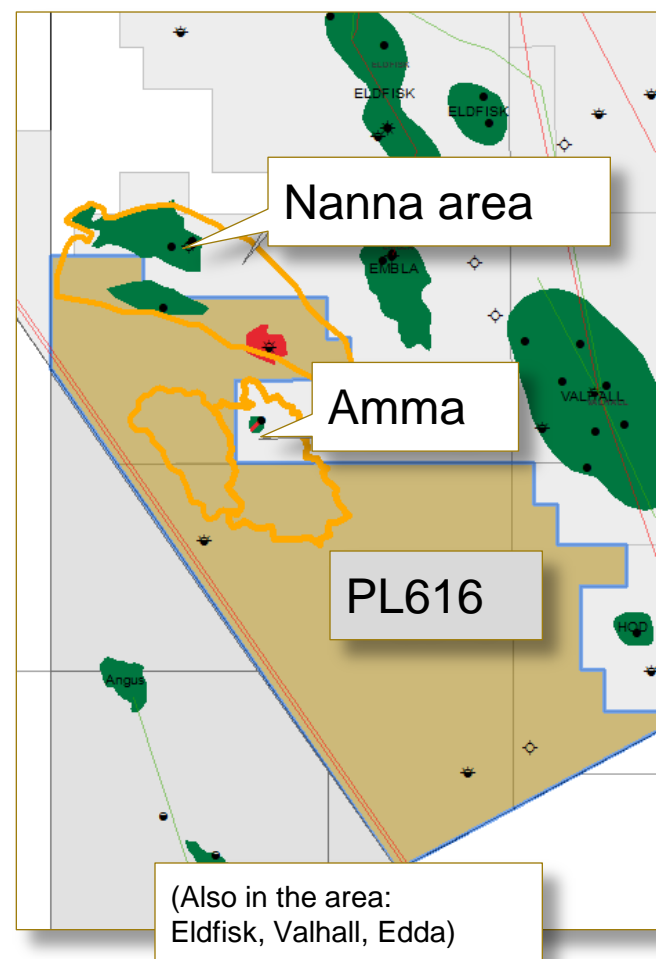
	Lausingen	Spannholmane	Portugiserkloven
Noreco		15 %	
Operator		Statoil	
Tentative drilling	1Q15	na	na



# North Sea South

- PL 616 shows significant potential in several old oil and gas discoveries in Upper Jurassic and Tor Chalk layers
- Additional prospectivity in Paleozoic (older) sediments
- Combined resource potential large

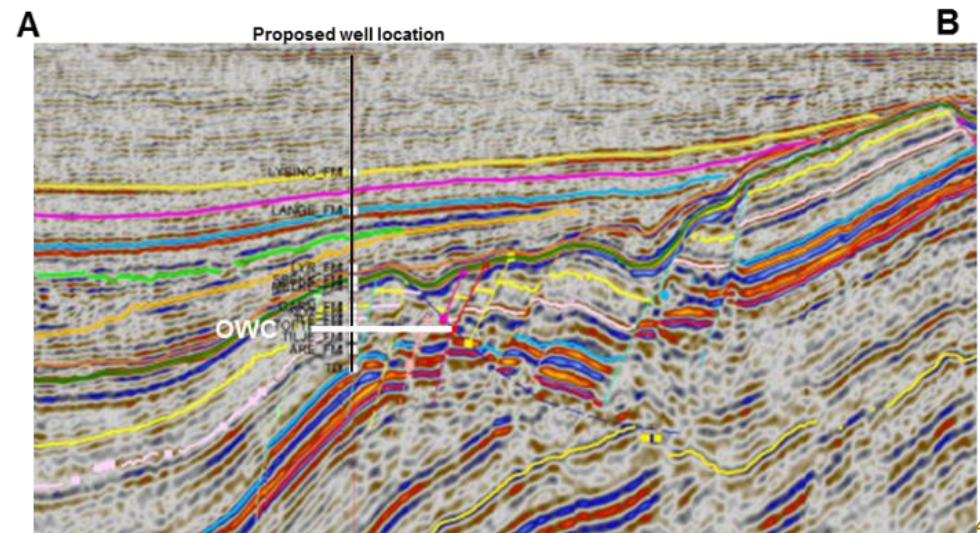
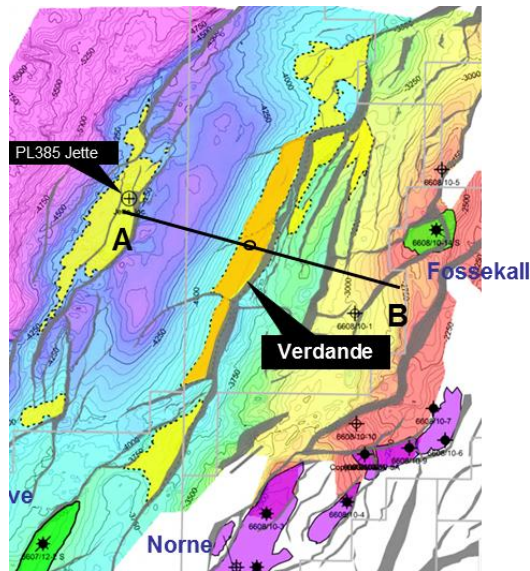
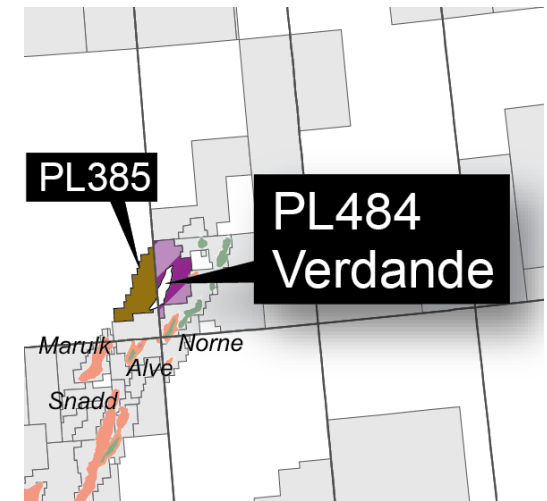
	Nanna area PL616	Amma PL616
Noreco	20 %	
Operator	Edison	
Tentative drilling	2-3Q15	na



# PL484 – Verdande

Noreco 30% (reduced from 40% subject to authority approval) – Noreco operated

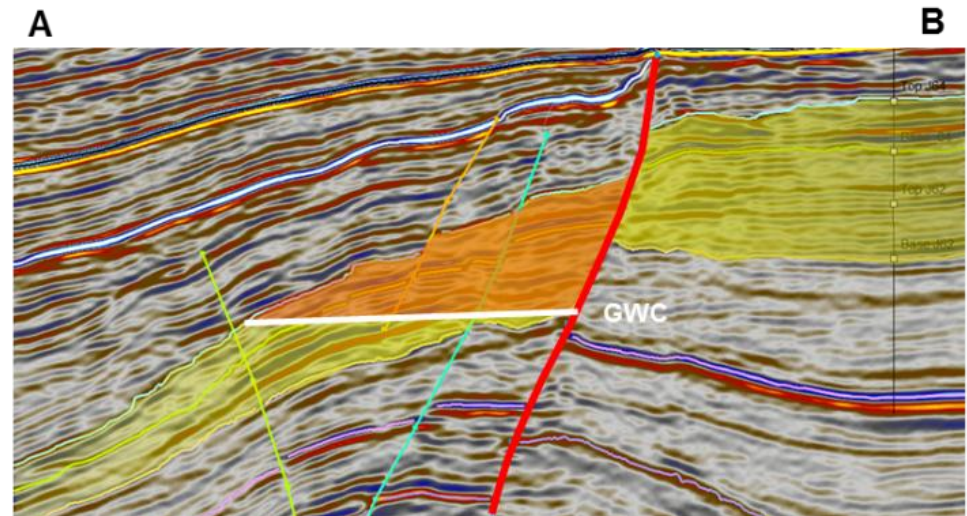
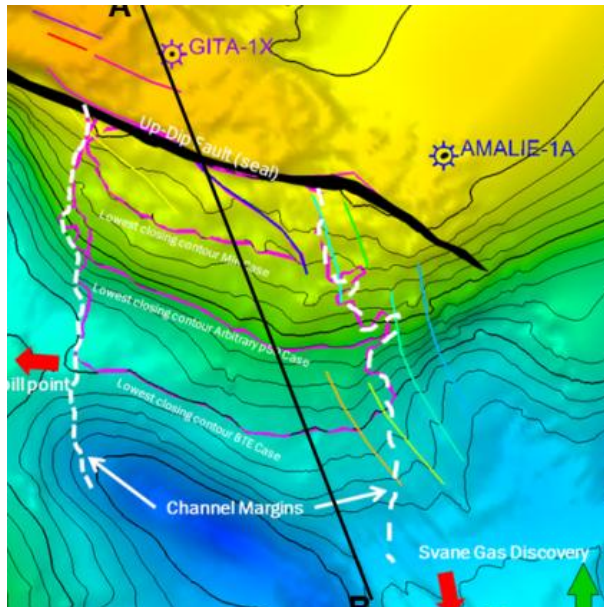
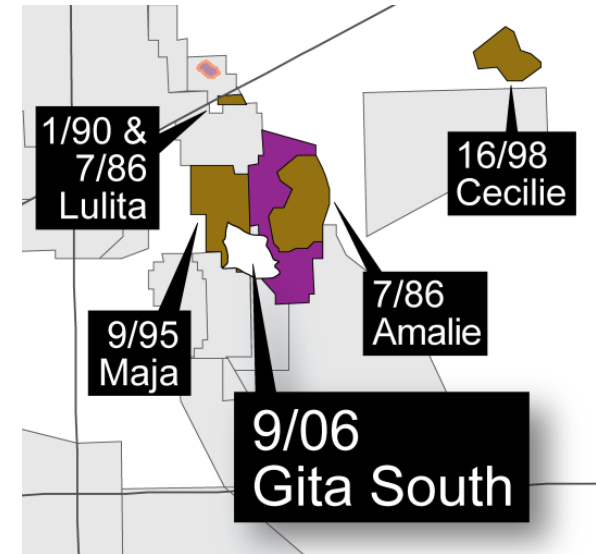
- Middle Jurassic target in well proven play northwest of Norne
- CoS: 29% – Primary risk element: Trap
- 53 – 236 mmboe gross (gas and oil), 39 mmboe net P50, with considerable additional dependant prospectivity given success
- Expected spud 1Q/2Q 2014



# DK 09/95 – Gita South

## Noreco 16.4% – Maersk operated

- Upper Jurassic target in close vicinity (up-dip) to the Svane gas discovery and south of Gita discovery
- CoS: 27% – Primary risk element: Trap
- 47 – 475 mmboe gross (gas), 28 mmboe net P50
- Expected spud 4Q 2014

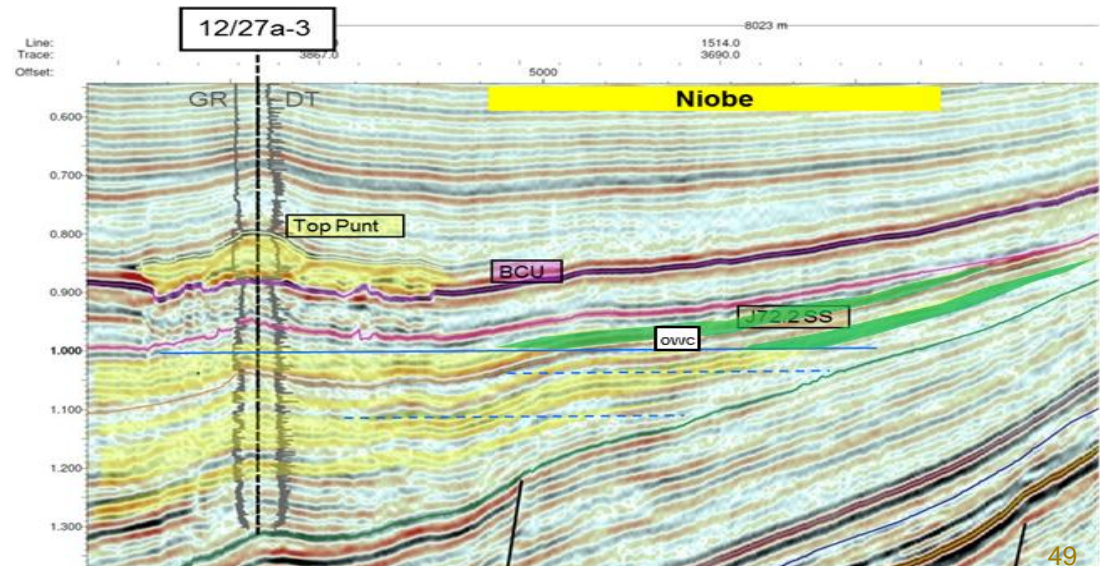
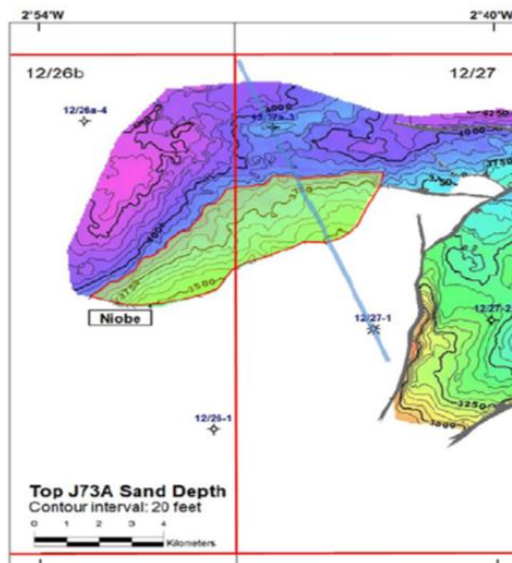
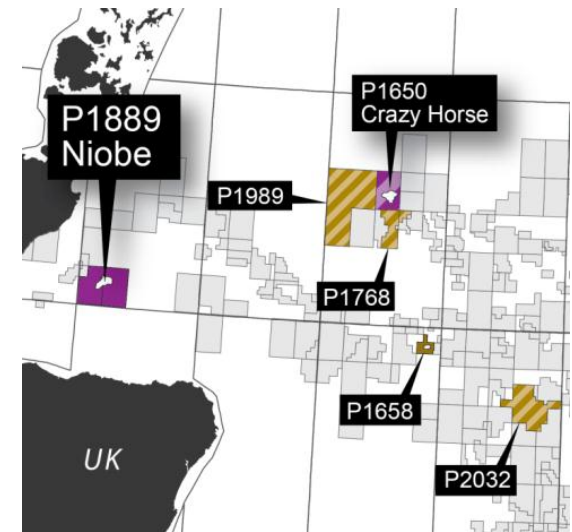




# UK P1889 – Niobe

Noreco 22.5% – Suncor operated

- Jurassic stratigraphic pinch-out trap, up-dip of proven oil discovery
- Located in Inner Moray Firth in proven play east of Beatrice Field, de-risking additional prospects given success
- CoS: 42% – Primary risk element: Trap
- 40 – 72 mmboe
- Expected spud 2015



# Appendix D

Management and Board of Directors

# Key Management



**Svein Arild Killingland, CEO**

- Joined Noreco in May 2013
- Killingland (57) was until recently employed as Senior Partner in HitecVision (2010-12)
- Killingland has previously held positions in Statoil, Revus Energy and Wintershall, predominantly within upstream oil and gas business development



**Øyvind Sørbø, VP Commercial**

- Joined Noreco in September 2006
- Has worked in the oil and gas industry since 1993, and held positions in Amoco and BP within finance, economic analysis, commercial operations and business development



**Ørjan Gjerde, CFO**

- Ørjan Gjerde joined Noreco in March 2012
- More than 15 years of experience as a CFO from companies like IKM Gruppen AS, Proserv Group AS and Skanem AS



**Lars Fosvold, VP Exploration**

- Joined Noreco in December 2005
- Has worked in the oil and gas industry since 1986 in Norway and internationally
- Has held various specialist and leading geoscience positions with several major oil companies

# Board of Directors



**Ståle Kyllingstad, Chairman**

- Kyllingstad is the founder and CEO of IKM Group.
- He is a petroleum engineer, and after a short period as Department Manager at University of Stavanger, he started in Hydrotech AS.
- In 1989 he founded what would later be known as IKM by buying the calibration laboratory and established Hydrotech Laboratorium AS, later called IKM Laboratorium AS. This company was the first of numerous companies known as IKM.
- Kyllingstad is chairman of the board of Norsk Industri, Oil and Gas.



**Bård Arve Lærum, Employee elected board representative**

- Lærum has more than 15 years experience from the industry. He joined Noreco in 2007.
- He worked 11 years in various positions within subsurface, projects and commercial in BP prior to joining Noreco.
- He holds a Master of Science degree in Petroleum Technology from University of Stavanger, Norway. Lærum is currently holding the position as Asset Manager in Noreco.



**Eimund Nygaard, Board member**

- Nygaard is holding the position as CEO of Lyse Energi.
- He has held several managing positions in Lyse Energi (former Stavanger Energi) since 1989.
- Nygaard is Chairman of the board of Sandnes Sparebank and is members of the boards of Enova SF and Renovasjonen IKS.
- Nygaard is educated at Rogaland Distriktshøgskole (now University of Stavanger) and holds a degree in Economy and administration.



**Hilde Alexandersen, Employee elected board representative**

- Hilde Alexandersen has 19 years of experience from the oil and gas industry.
- Prior to joining Noreco in 2007, she has held various subsurface positions in ConocoPhillips and has experience from exploration, operations and producing assets.
- She has a Master of Science degree in geology from the University of Bergen
- Alexandersen currently holds a position as a Sr.Geologist within Noreco's Developments team.



**Hilde Drønen, Board member**

- Hilde Drønen is currently the CFO in DOF ASA (since 2004), and has extensive experience from the offshore sector.
- She has previously worked as the Finance Director in Bergen Yards AS (2003-2004) and Group Controller for the Møgster Group (1995-2003).
- She holds a Master degree from the Norwegian School of Management (BI) and legal course from Universitetet i Bergen (UIB).
- Mrs Drønen is and has been serving on several Boards of Directors, including DOF Subsea AS (since 2005), Sevan Marine ASA (2006-2010) and Tide ASA (2005-2010).

# Appendix E

Additional Information

# Oil and gas reserves

## Per 31.12.2012

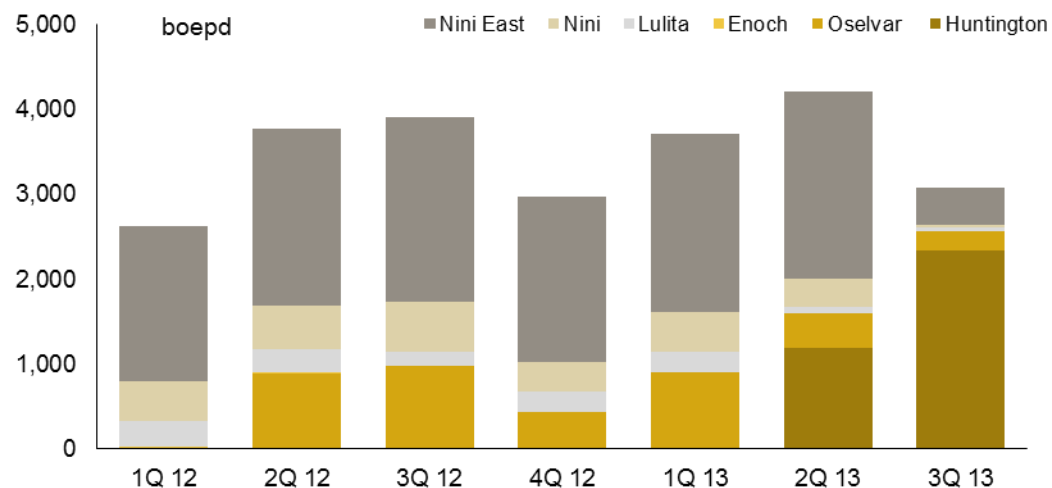
### Reserves per field

	1P					2P				
	Liquids (mill bbl)	Gas (bscf)	mill boe	Interest %	Net mill boe	Liquids (mill bbl)	Gas (bscf)	mill boe	Interest %	Net mill boe
Nini	2.4	0.0	2.4	30.0	0.7	3.7	0.0	3.7	30.0	1.1
Nini East	4.4	0.0	4.4	30.0	1.3	9.0	0.0	9.0	30.0	2.7
Cecilie	0.6	0.0	0.6	61.0	0.4	2.1	0.0	2.1	61.0	1.3
Lulita	0.9	4.2	1.7	28.2	0.5	1.0	4.7	1.9	28.2	0.5
Enoch	2.0	0.0	2.0	4.4	0.1	2.6	0.0	2.6	4.4	0.1
Oselvar	12.8	55.6	22.7	15.0	3.4	25.7	145.6	51.7	15.0	7.7
Huntington	24.5	10.8	26.5	20.0	5.3	38.3	20.9	42.0	20.0	8.4
Total					11.7					21.9

The reserves have been verified by DeGolyer & MacNaughton.

# Status production

- Slow start on Huntington. Has potentially added up to 6,400 boed to Noreco's production capacity when production is stabilised
- Nini, Nini East and Cecilie output hampered by Siri issues, most likely until Q2 2014, Lulita restart Sep 2013
- Oselvar back on-stream 30 September following various problems at Ula



Field	Noreco share	Q1-2012	Q2-2012	Q3-2012	Q4-2012	Q1-2013	Q2-2013	Q3-2013	Jul 13	Aug 13	Sept 13
Huntington	-	-	-	-	-	-	1,188	2,336	2,344	1,306	3,391
Oselvar	15%	-	893	984	431	897	406	222	-	253	423
Enoch	4.36%	28	5	-	-	-	-	-	-	-	-
Lulita	28.2%	293	280	162	251	246	79	45	-	-	137
Nini	30%	470	502	582	344	470	338	42	125	-	-
Nini East	30%	1,826	2,086	2,178	1,941	2,096	2,203	427	1,267	-	-
Cecilie	61%	275	459	477	144	333	347	46	137	-	-
<b>Total</b>		<b>2,893</b>	<b>4,226</b>	<b>4 384</b>	<b>3 112</b>	<b>4 042</b>	<b>4 560</b>	<b>3,117</b>	<b>3,873</b>	<b>1,559</b>	<b>3,950</b>

# Noreco existing bonds overview

Bond	NOR04	NOR05	NOR06	NOR07	NOR08	NOR09
<b>Amount</b>	NOK 1,250m	NOK 700m	NOK 275m	NOK 325m	NOK 300m	NOK 300m
<b>Ticker</b>	NOR04	NOR05	NOR06	NOR07	NOR08	NOR09
<b>Maturity</b>	20.11.2014	06.12.2013	27.04.2016	27.04.2016	31.12.2013	25.02.2016
<b>Interest rate</b>	12.9%	N3m + 8%	10.25%	N3m + 6%	12.9%	10.5%
<b>Amortisation</b>	None	None	30% April 2014 30% April 2015		None	None
<b>Status</b>	1st pri share pledge in subsidiaries	Senior unsecured	1st pri pledge in Oselvar field		Senior unsecured	Senior unsecured
<b>Call options</b>	108% from Nov 2009 106% from Nov 2011 105% from Nov 2012 103% from Nov 2013	106% from Dec 2011 104% from Dec 2012	106% from April 2013 104% from April 2014 102% from April 2015		Make-whole @ T+50 bps	103% from February 2015
<b>Covenants</b>			- No dividends - Book equity ratio <sup>1)</sup> >25% - Max gearing ratio of 5x			
<b>Other</b>				Change of control put at 100%		



# Shareholders

## Top 20 shareholders as of 14 October 2013

Shareholder	Share	% of total
IKM Industri-Invest As	46,972,889	13.2%
Sabaro Investments Ltd	43,867,228	12.3%
Lyse Energi As	27,701,514	7.8%
Om Holding As	12,685,484	3.6%
Goldman Sachs International Equity	7,994,080	2.2%
Odin Offshore	7,188,000	2.0%
Skandinaviska Enskilda Banken	5,066,819	1.4%
Verdipapirfondet Dnb Smb	5,000,000	1.4%
Alto Holding As	3,500,000	1.0%
Care Holding As	3,500,000	1.0%
Bd Trading As	3,443,873	1.0%
Citibank, N.A.	3,096,457	0.9%
Larsen Oil & Gas As	2,862,414	0.8%
KLP Aksje Norge Vpf	2,657,012	0.7%
Hamningberg Holding As	2,600,000	0.7%
Samsø As	2,415,626	0.7%
Nordea Bank Danmark A/S	2,232,561	0.6%
Anko Invest As	2,180,000	0.6%
Kommunal Landspensjonskasse	2,038,468	0.6%
HSBC Bank Plc	2,000,000	0.6%
<b>Total number owned by top 20</b>	<b>189,002,425</b>	<b>53.1%</b>
<b>Total number of shares</b>	<b>356,094,095</b>	

