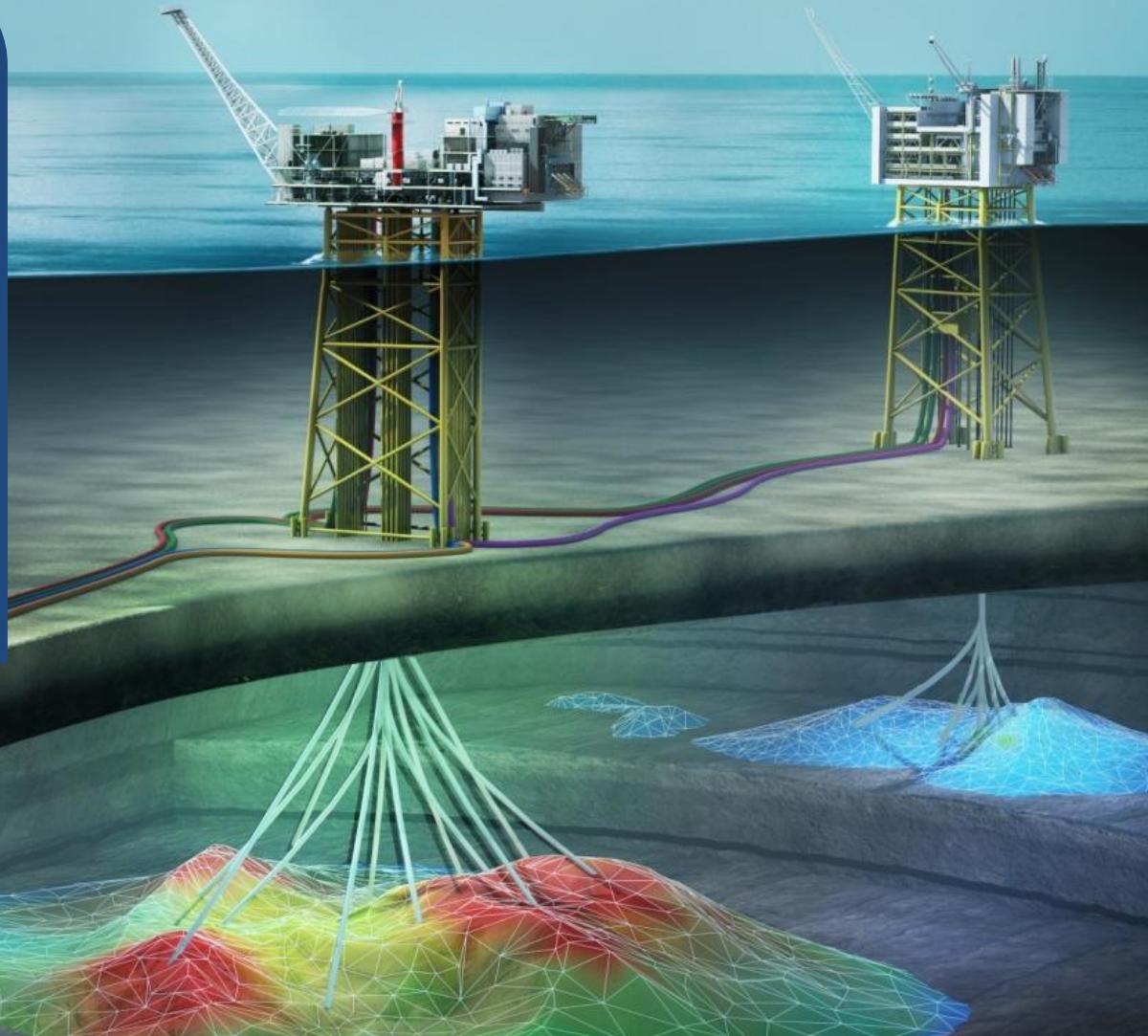


# Corporate presentation

19 June 2013



**DET NORSKE**

# Company highlights

Cash flow from growing production

- Significant cash flow after start-up on Johan Sverdrup and Ivar Aasen
- Solid repayment capacity from operating cash flow and deductible tax balance

Solid asset backing

- Johan Sverdrup: The third largest discovery on the NCS
- Ivar Aasen: Providing revenues to support Sverdrup through development
- Broad license and exploration portfolio

Fiscal regime protects downside

- Tax relief effectively 89% of field investments
- Cash refund if petroleum activities are terminated

Long-term industrial owner and solid license partners

- Aker ASA owns 49.9% of the company. Detnor is one of Aker's long-term industrial holdings
- Partner with the likes of Statoil, Petoro, Bayerngas etc.

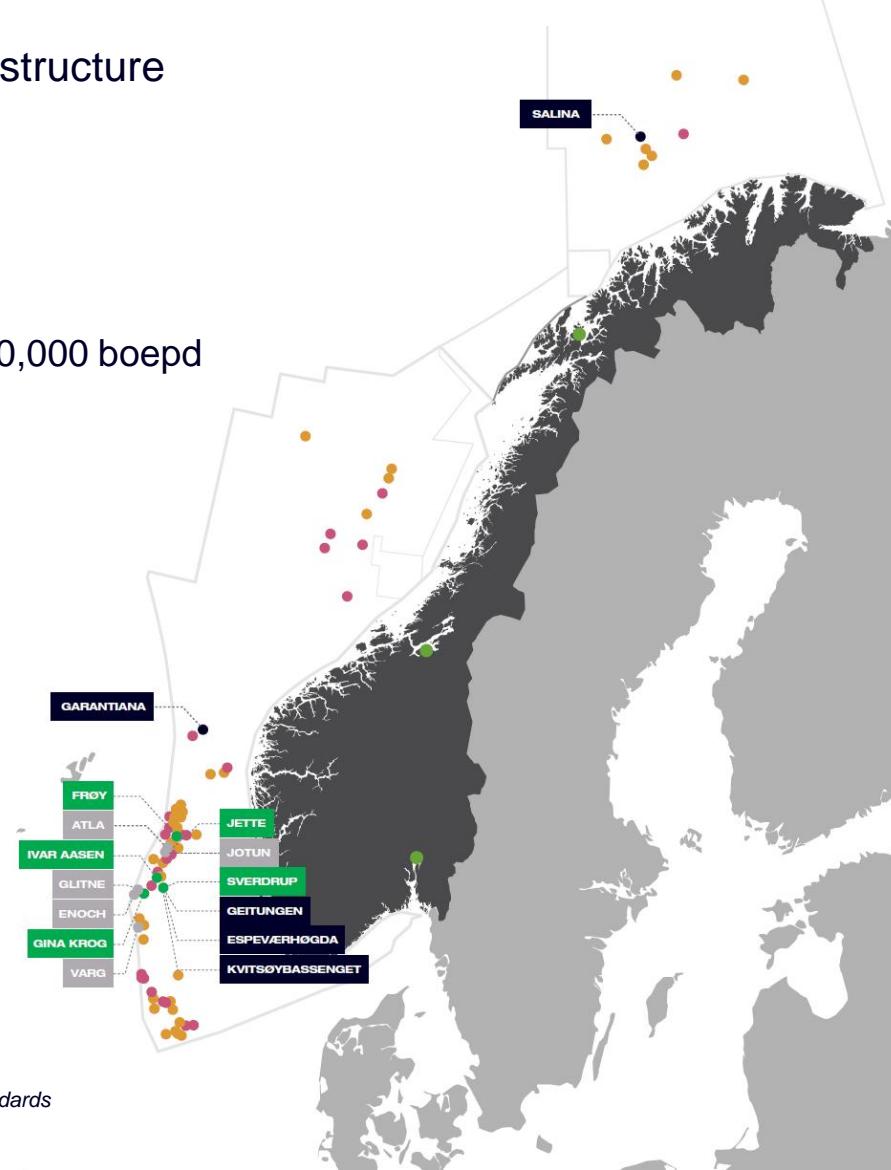
# Agenda

- Company highlights
- **Business overview**
  - Det norske at a glance
  - Reserves and resources
  - Our producing assets
  - Growing production
- Our next producing assets
- Financial status
- Special protection in fiscal regime
- Summary



# Holding a stake in Norway's oil future

- Operations only in Norway in a one-company structure
- Growing production and cash flow
  - Current production ~8,000 boepd
  - When Ivar Aasen in production ~20,000 boepd
  - When Johan Sverdrup in production ~50,000 – 80,000 boepd
- Strong financial situation
  - Debt NOK 2.1bn\*
  - Market cap NOK 12.5bn\*\*
  - Book equity NOK 3.7bn\*
- Resource base
  - 2P reserves of 65 mmboe
  - Contingent resources “Development pending”
    - Between 308 and 487 million boe\*\*\*  
(Johan Sverdrup constitutes of ~80%)



\*As of 31.03.2013

\*\* As of 09.06.12 (NOK90/share)

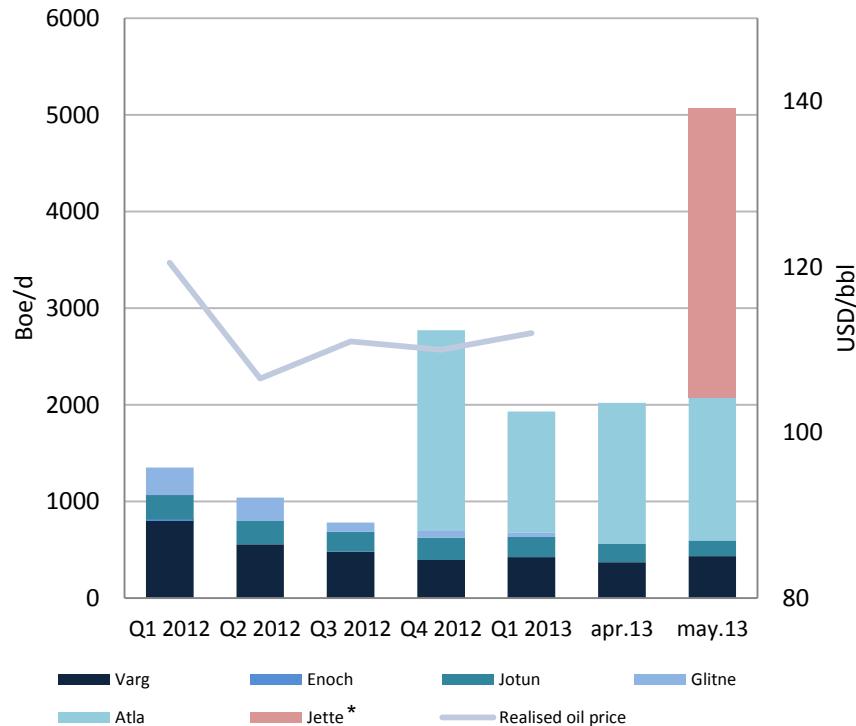
\*\*\* Certified by AGR in accordance with SPE standards

# Current production level of ~8,000 boepd

## Producing fields

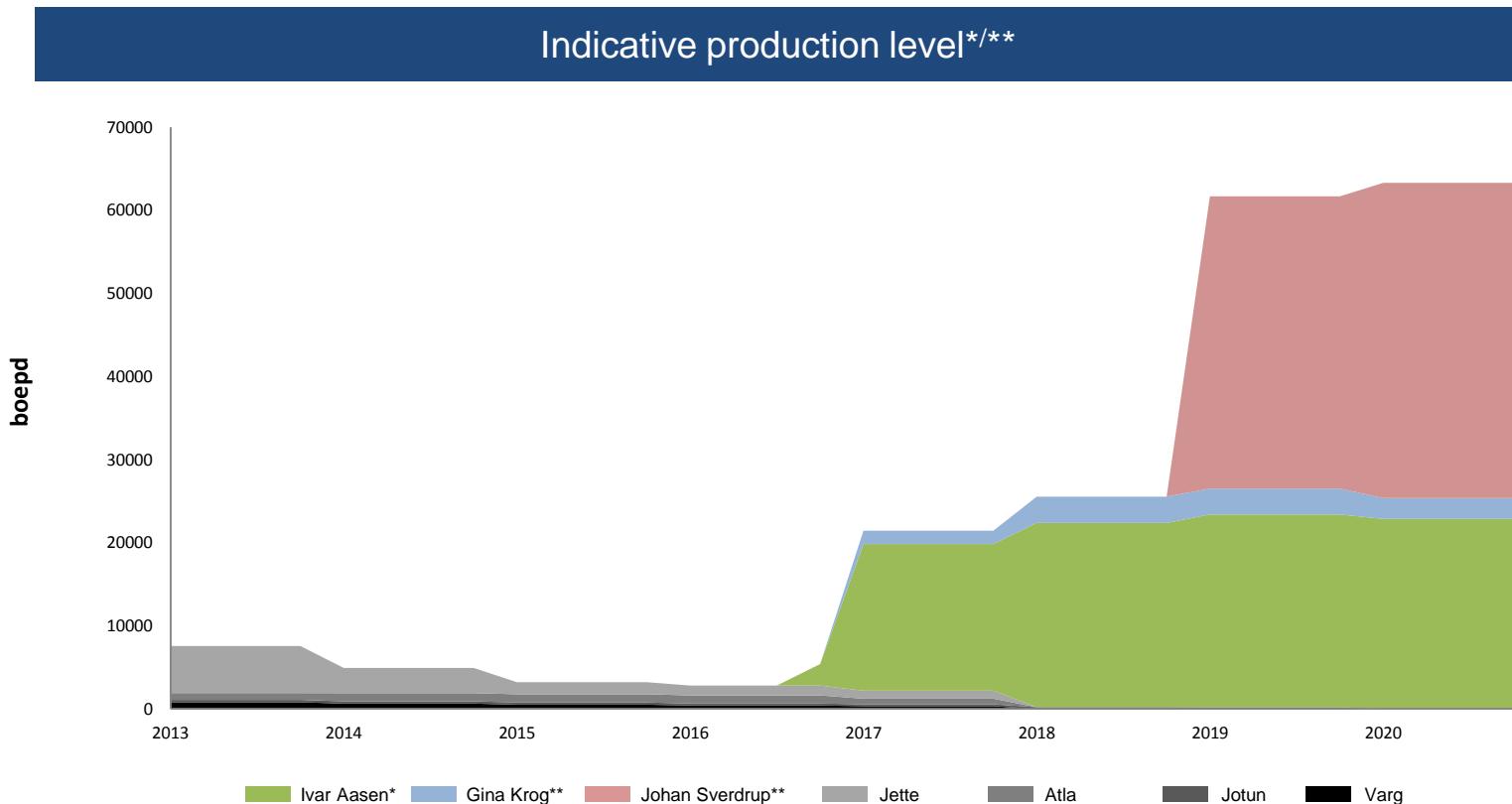
- Jette-field (70% operated interest)
  - Subsea tie back to the Jotun field
  - Production 6,000-7,000 boepd net to Det norske over time
- Atla field (10% partner interest)
  - Subsea tie back to the Heimdal field
  - Production ~1,500 boepd net to Det norske
- Varg field (5% partner interest)
  - Floating production vessel (FPSO)
  - Production ~ 400 boepd net to Det norske

## Reported production over the past quarters



\* Jette produced 11 days in May, but is shown as a monthly (31 days) average.

# Growing production transforming Det norske



\* Source: Filed PDO, Ivar Aasen

\*\* Source: Wood Mackenzie

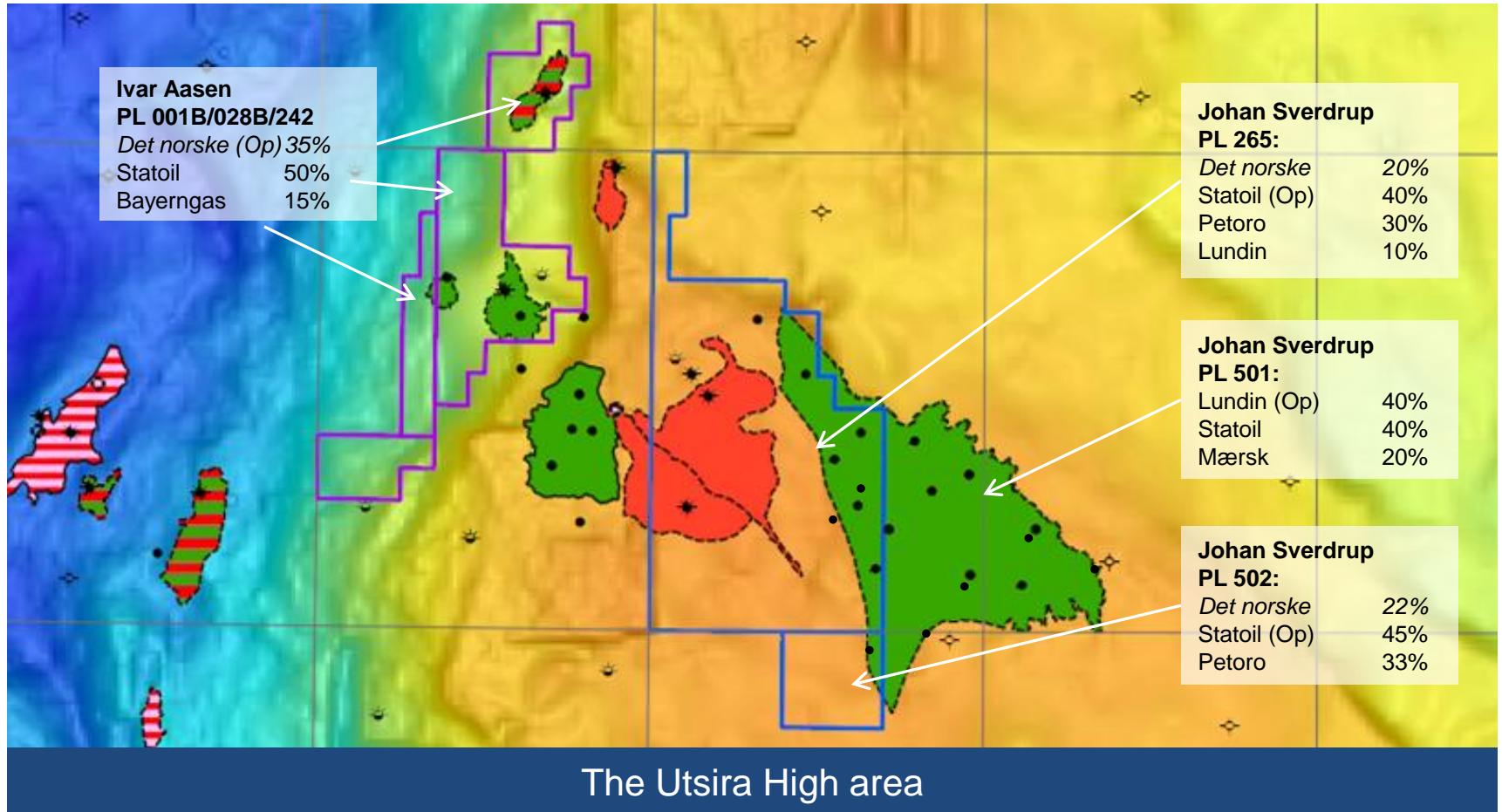
Note: Final production volume could deviate significantly from what is indicated on this slide as no concept had been selected for Johan Sverdrup

# Agenda

- Company highlights
- Business overview
- **Our next producing assets**
  - Johan Sverdrup
  - Ivar Aasen
  - North Sea project inventory
  - Reserves and resources
  - Exploration
- Financial status
- Special protection in fiscal regime
- Summary



# Det norske's position on the Utsira High





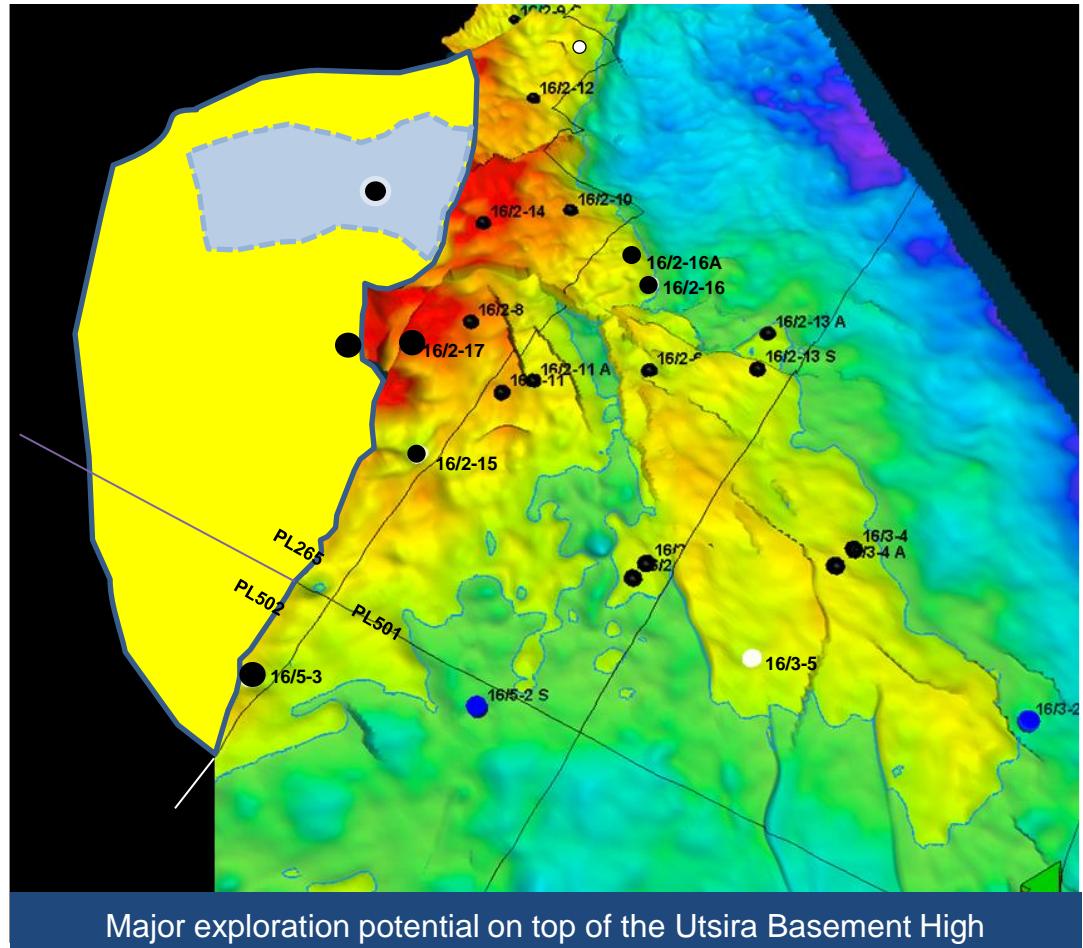
Johan Sverdrup

# Johan Sverdrup – a new Ekofisk field



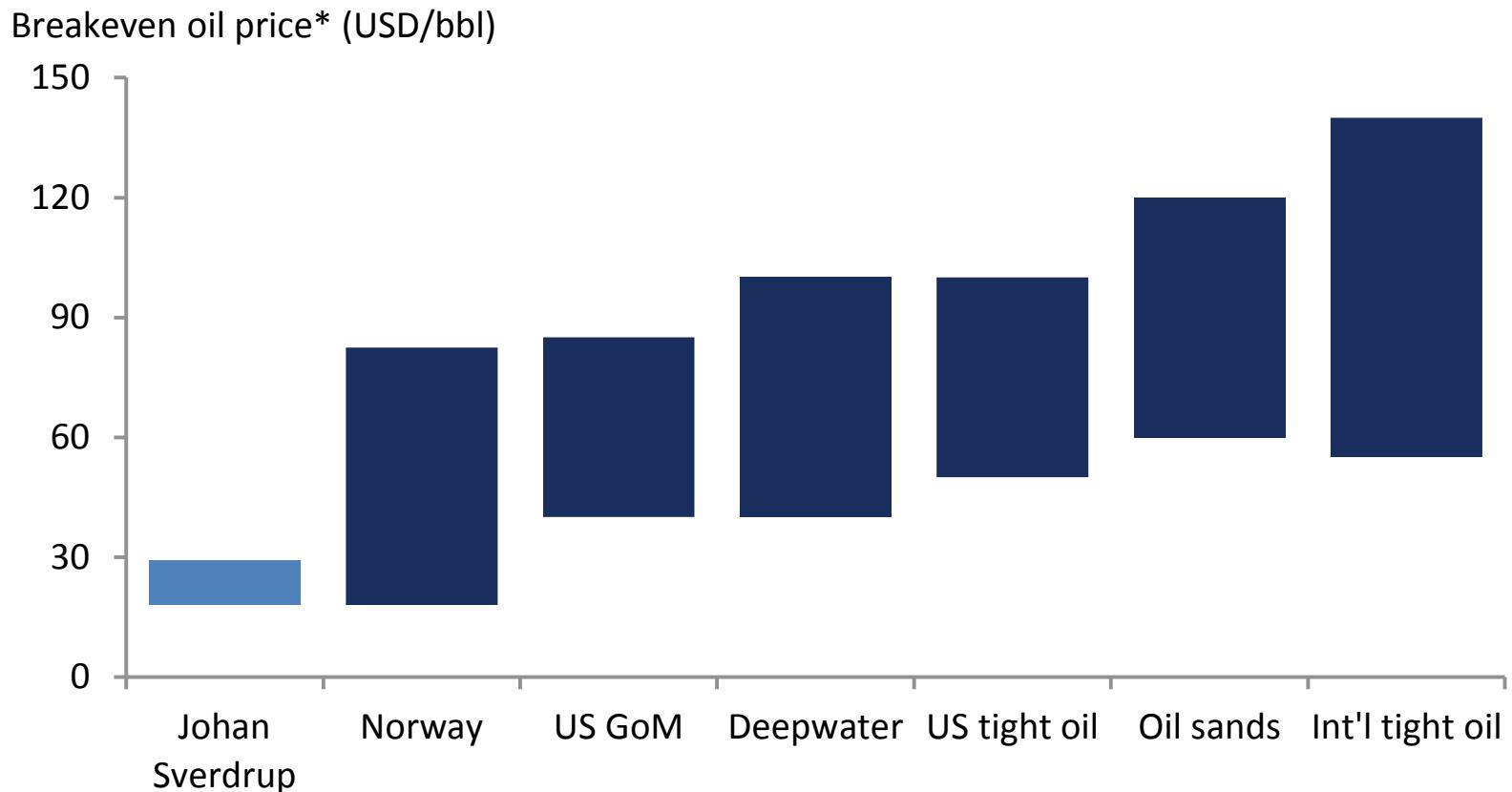
# Johan Sverdrup – large volumes at low cost

- Norway's third largest oil field
  - Well defined
  - Appraised with 20 wells
  - Excellent reservoir in PL 265
  - Likely to constitute of 20-25% of total Norwegian production in 2020-2025
- Unitisation process
  - Agreement by end of 2014
  - DETNOR investment depending on final ownership interest
- Resource estimate range
  - 250 to 390 mill. barrels net to Det norske in PL 265\*
- Strong economics
  - Low investment per barrel
  - Low opex per barrel
  - High free cash flow (after tax)



# Johan Sverdrup – a robust project

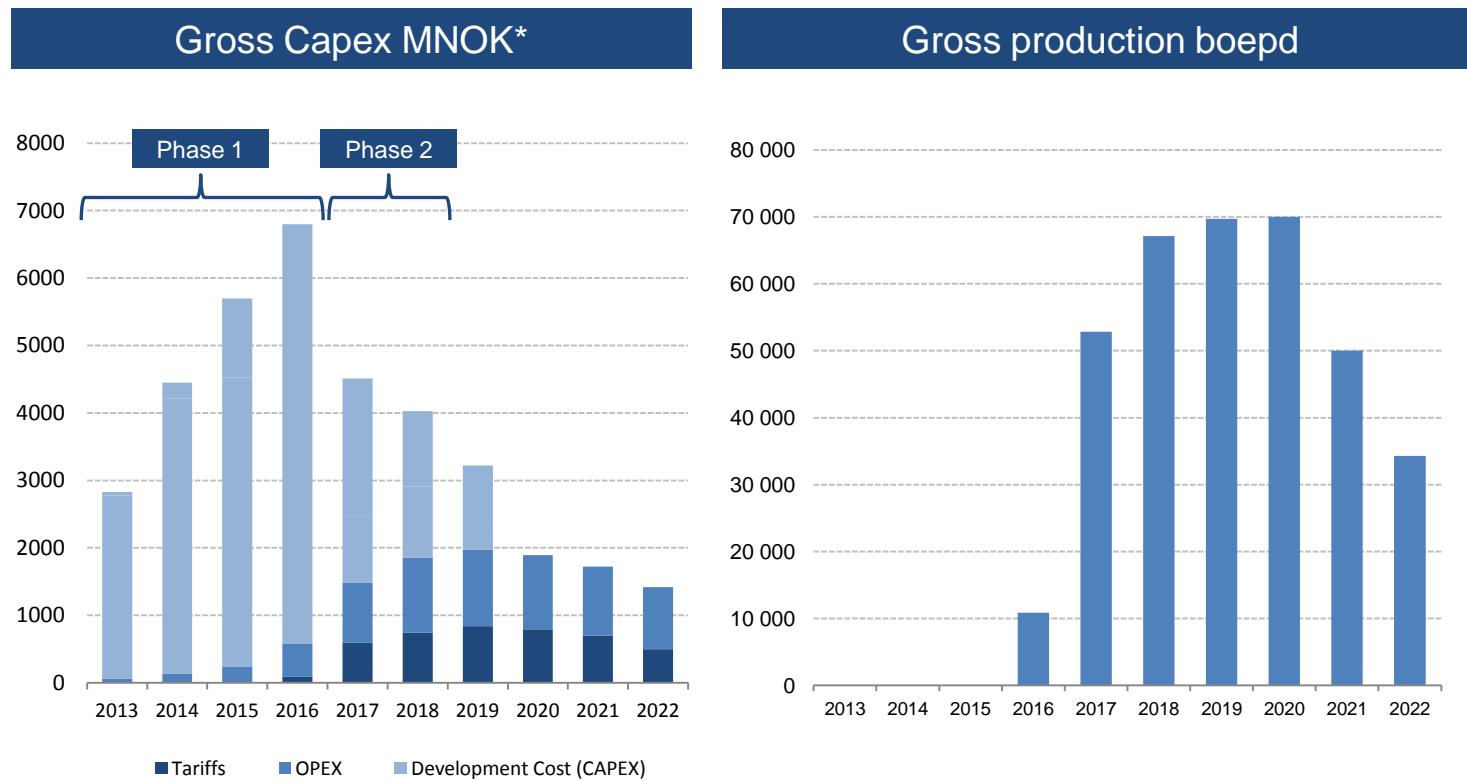
## Breakeven oil price ranges





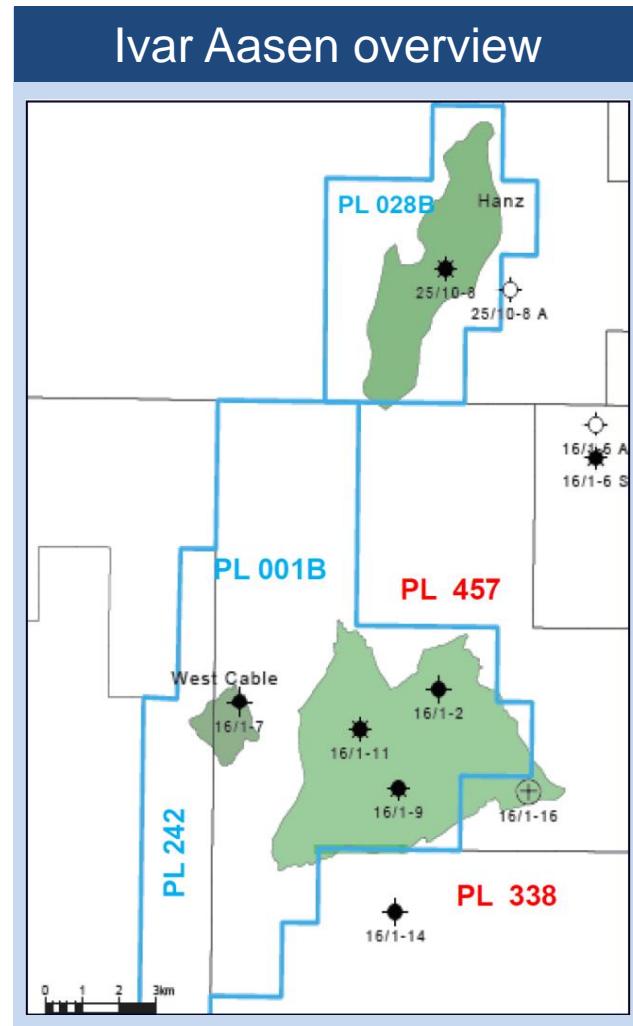
Ivar Aasen – PDO approved in May 2013

# Ivar Aasen – a two-phased development



# Ivar Aasen – pre-unit agreement

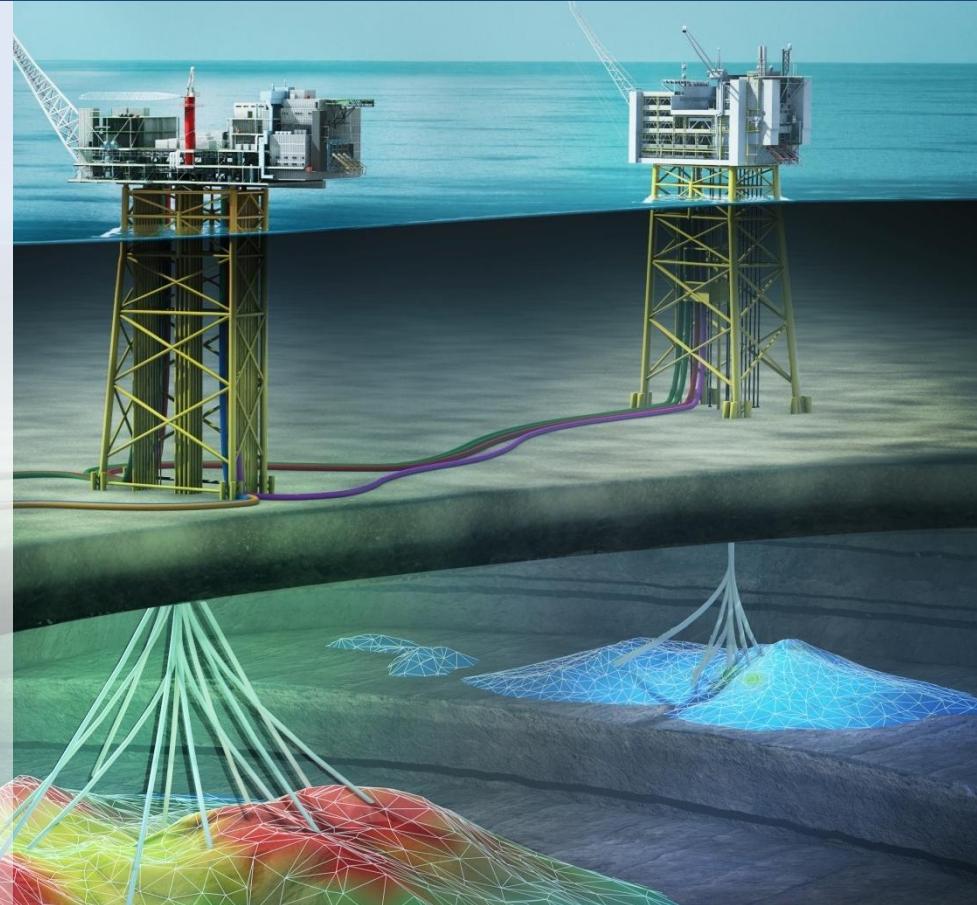
- The Asha discovery in PL 457 will add volumes to the Ivar Aasen development, reduce capex per barrel and improve project economics
- A pre-unit agreement has been signed with PL 457
- Final unit agreement will be concluded by June 2014
- The partners in PL 457:
  - Wintershall Norge 40%
  - E.ON E&P Norge 20%
  - Bridge Energy Norge 20%
  - VNG Norge 20%



# Ivar Aasen – main contracts awarded

## Area overview of the field development – Det norske 35 pct and operator

- Topside EPC-contract to SMOE and Mustang Engineering
  - NOK 4 billion
- Steel jacket – Saipem in Italy
  - NOK 710 million
- Offshore heavy lifting by Saipem
  - NOK 310 million
- Drilling contract to Maersk Drilling (2014-2019)
  - NOK 4 billion
- Siemens to supply electric control and communication equipment

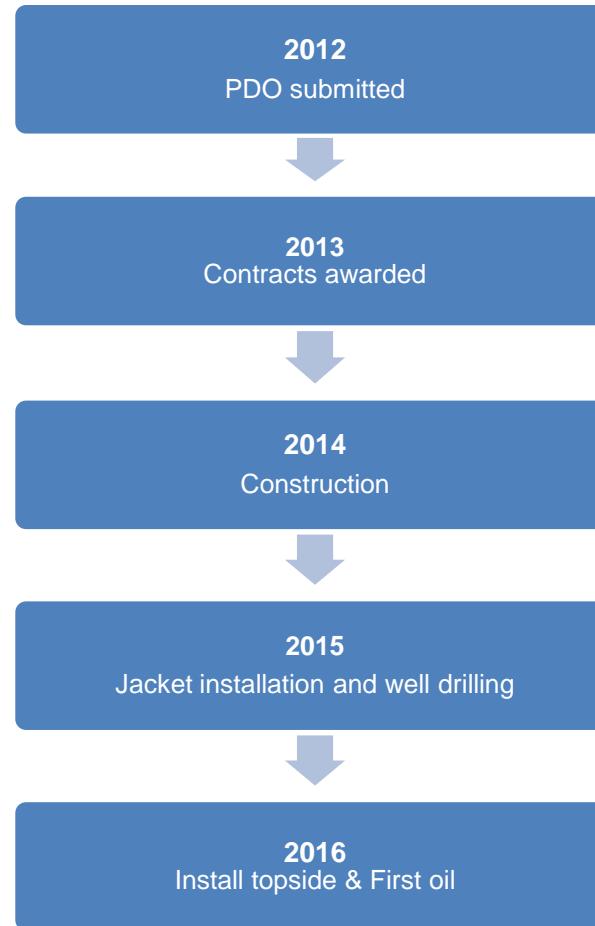


# Ivar Aasen – the path to first oil

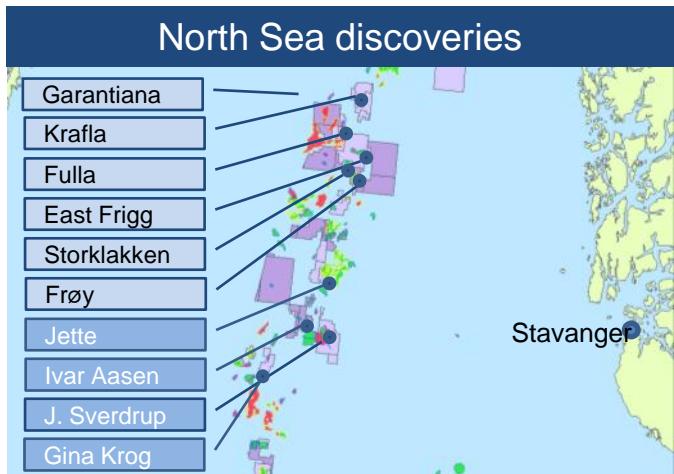
Ivar Aasen platform



Ivar Aasen timeline



# North Sea project inventory

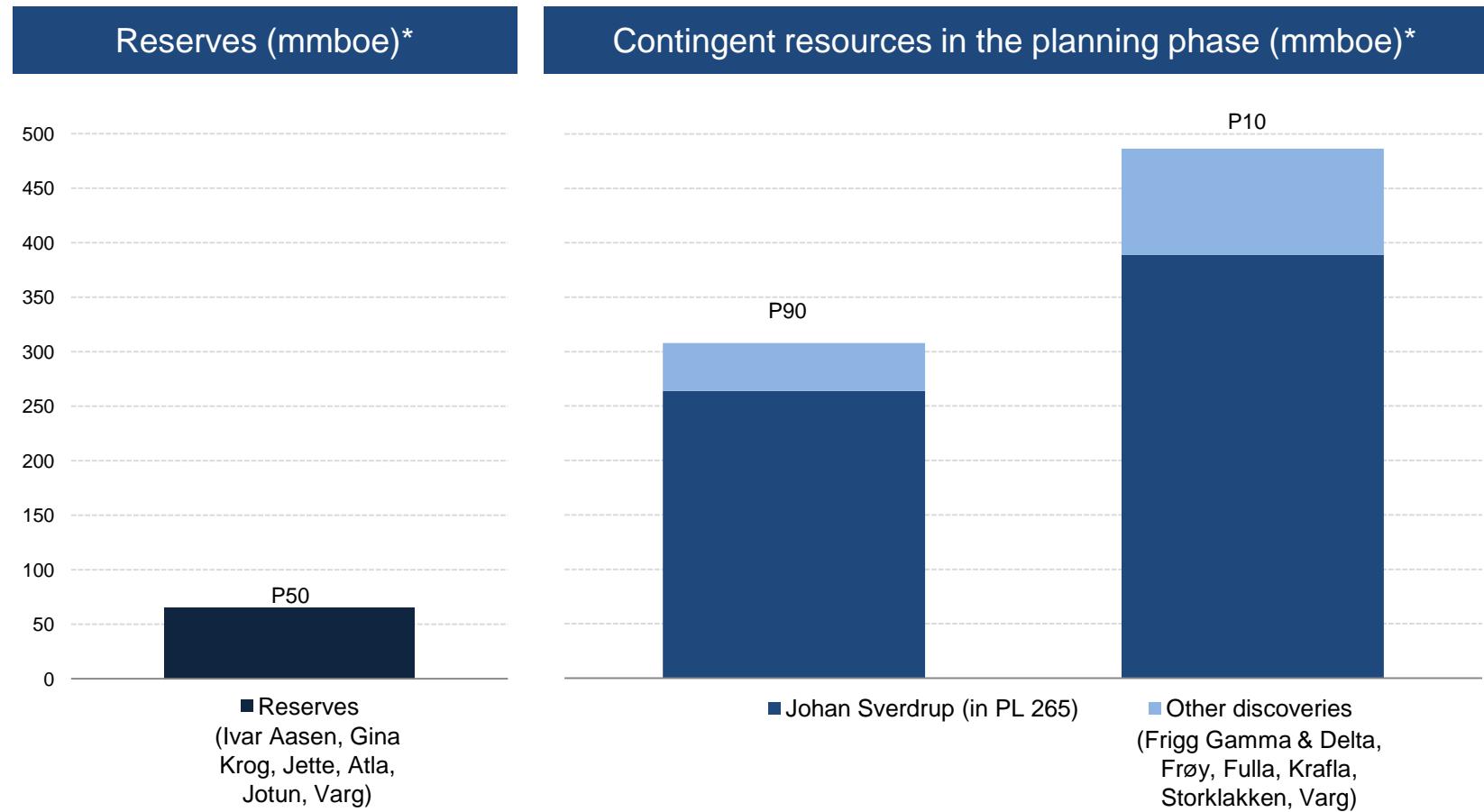


## Asset portfolio

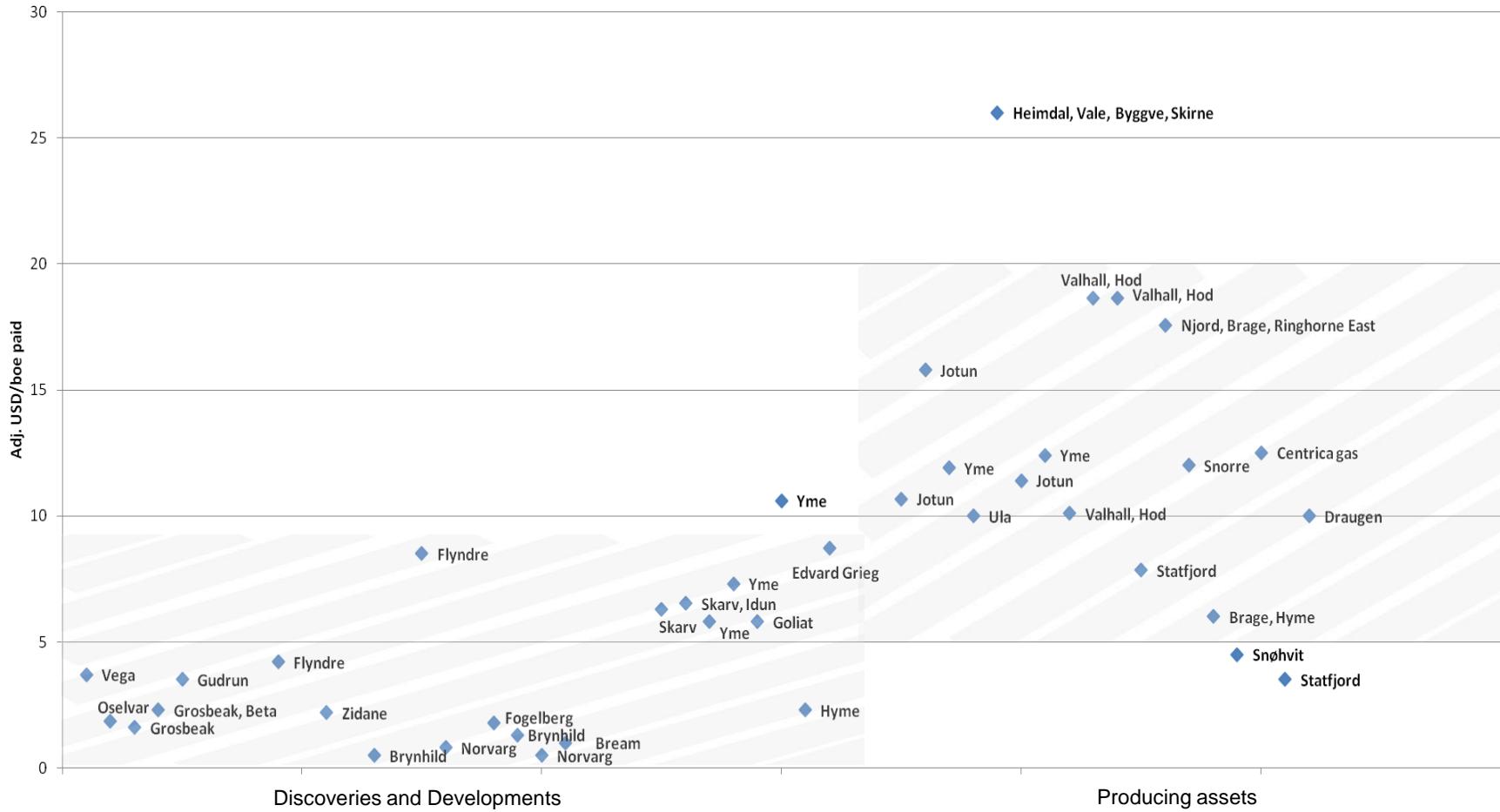
- Significant production growth from Ivar Aasen, Johan Sverdrup and Gina Krog
- 69 NCS licenses – Awarded eight in APA 2012
- Plans 8 -10 exploration wells annually

	Discovery	Det norske's equity	Mill boe (Gross)	Net boepd Det norske	Possible concept	Operator	Earliest first production
Mature	Ivar Aasen	35%	148	~16-22,000	Stand alone – jacket platform	Det norske	2016
	Gina Krog	3.3%	225	TBD	Stand alone – jacket platform	Statoil	2017
	Johan Sverdrup	20%	-	TBD	Stand alone – jacket platforms	Statoil	2018
Less mature	Krafla/Krafla West	25%	36-84	~6,000	Tie-back to Oseberg	Statoil	TBD
	Fulla	15%	40-55	TBD	Tie-back Heimdal or Bruce	Centrica	TBD
	Frøy	50%	50-85	~20,000	Stand alone or Area development	Det norske	TBD
	Storklakken	100%	8-12	TBD	Area development	Det norske	TBD
	East Frigg GD	20%	50-150	TBD	Stand alone or Area development	Centrica	TBD
	Garantiana	20%	25-75	TBD	Under evaluation	Total	TBD

# A robust resource base



# NCS transaction prices



# Exploration spending and funding

- Det norske will drill 8-10 exploration wells annually: ~NOK 1.5bn (pre tax)
- Up to 74 percent of the annual exploration spending is funded with Det norske's NOK 3,500 million Exploration facility. This facility has security in the tax cash refund.
- Remaining exploration spending is funded by available cash

PL	Prospect	Net %	Start	mmboe	Operator	Rig
453S	Ogna	25	Dry		Lundin	M.Guardian
502	JS Extension	22	Discovery	App.	Statoil	O. Vanguard
531	Darwin	10	Dry		Repsol	T. Barents
265	JS Near Fault	20	Discovery	App.	Statoil	O. Vanguard
265	Near Fault sidetrack	20	Oil shows		Statoil	O. Vanguard
535	Norvarg Extension	20	2Q13	App.	Total	Leiv Eriksson
542	Augunshaug	60	3Q13	10-80	Det norske	M. Giant
265	Cliffhanger North	20	3Q13	40-160	Statoil	O. Vanguard
551	Mantra/Kuro	20	3Q13	35-750	Tullow	T. Barents
492	Gotha	40	3Q13	72-152	Lundin	T. Arctic
102C	Trell	10	4Q13	40-50	Total	Leiv Eriksson
659	Langlitinden (Caurus)	30	4Q13	155-375	Det norske	T. Barents
035	Askja West/East	25	4Q13	20-70	Statoil	O. Vanguard
265	Possible Geitungen	20	4Q13	App.	Statoil	TBA

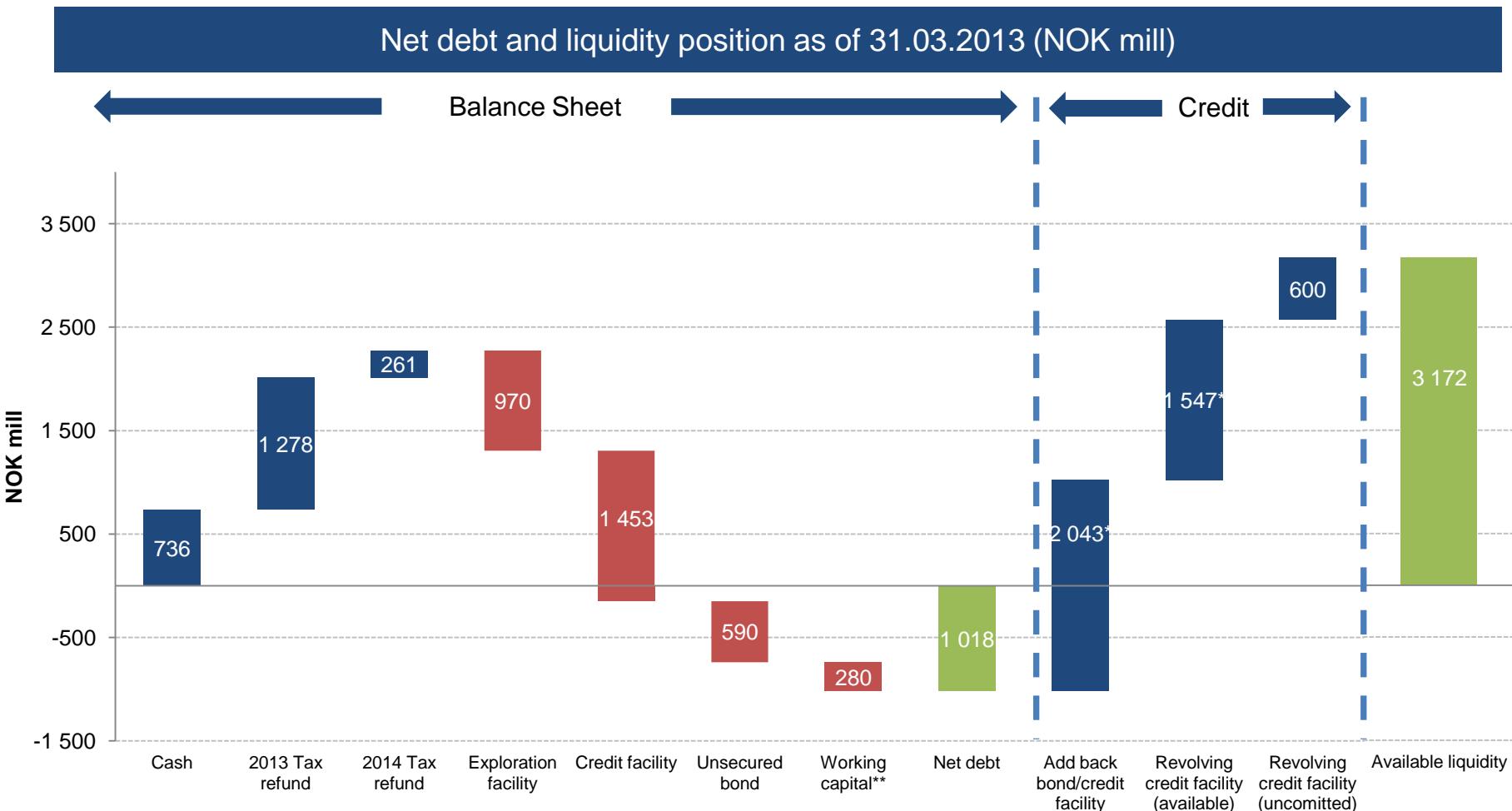
# Agenda

- Company highlights
- Business overview
- Our next producing assets
- **Financial status**
  - Solid financial platform
  - Net debt and liquidity
- Special protection in fiscal regime
- Summary

# Solid financial platform

- Solid equity base
  - Raised NOK 2bn in equity in 2011/12
- Bank financing
  - USD 500m (+100m accordion) revolving credit facility
    - New tailor made structure in place December 2011
    - Matures in 2015
    - Security in key licenses
  - NOK 3.5bn exploration facility
    - Refinanced in December 2012 at improved terms
    - Margin to NIBOR of 175 bps
    - Matures in 2016
    - Security in the tax cash refund
  - Strong support from bank syndicates
- Bond
  - DETNOR01 unsecured bond of NOK 600m outstanding
    - Trading close to call price
    - Matures in 2016

# Available liquidity of NOK 3.2bn



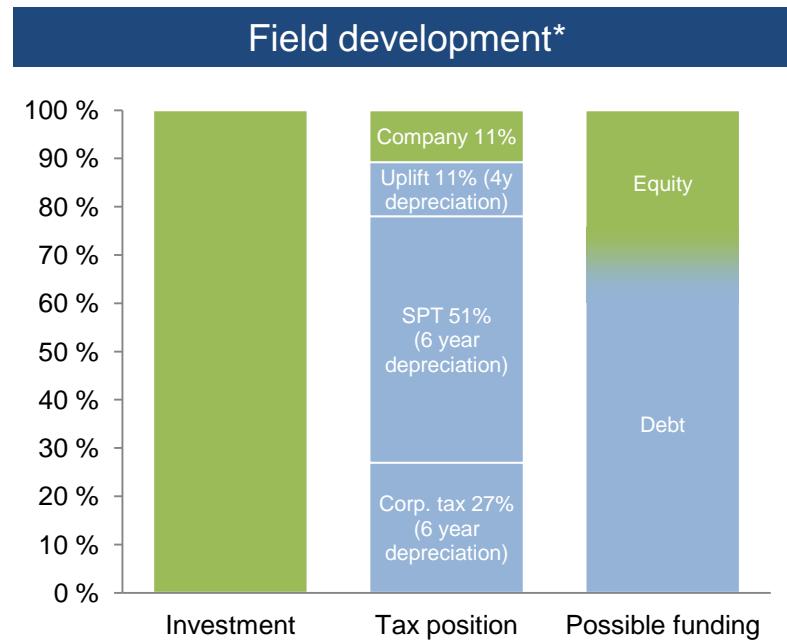
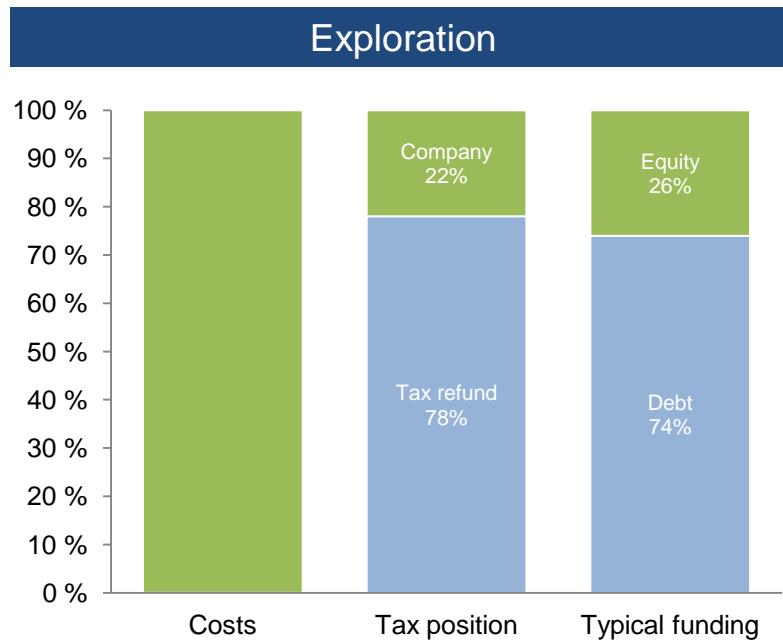
\* Assumed USD/NOK 6.0 and book value of debt

\*\* Receivables and other assets less creditors and other current liabilities

# Agenda

- Company highlights
- Business overview
- Our producing assets
- Our next producing assets
- Financial status
- **Special protection in fiscal regime**
  - Fiscal regime protects downside
  - A valuable tax balance
  - Downside protection upon discontinuation
- Summary

# Fiscal regime protects downside



### Tax refund instantly monetized

- Cash tax refund for exploration drilling irrespective outcome of well – 78% of cost
- Cash tax refund pledged to bank, LTV of 90 – 95% of claim

### Tax refund as value build-up on balance

- Tax credits effectively 89% of field investments
- Tax balance built in parallel with investment
- No field ring-fencing
- The tax value of the tax balance and tax depreciation carried forward will be refunded if petroleum activities are discontinued

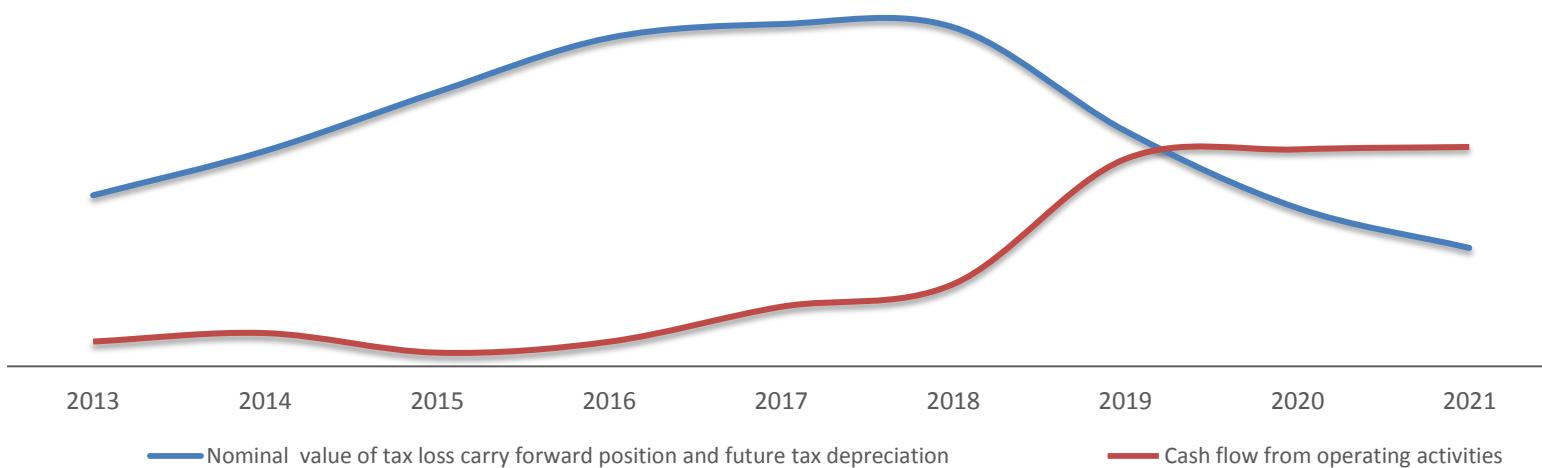
# A valuable tax balance

## Downside protection

- In the field development phases, the tax balance is building up due to loss carried forward and future tax depreciation
  - The Petroleum Taxation Act states that the tax value of the tax balance and tax loss carried forward positions will be refunded if activities are terminated and therefore provides downside protection

## Repayment capacity

- As illustrated below, the tax balance will not be fully utilized until well after Johan Sverdrup production start
  - In effect, Det norske will have significant operational cash flow when Johan Sverdrup comes on stream, providing a solid repayment capacity



# Downside protection upon discontinuation

## PTA § 3c Refund of tax losses

“If there remains an uncovered loss upon the discontinuation of activities that are liable for special tax, the taxpayer may claim payment from the State of the tax value of such loss. The tax value shall be determined by multiplying the uncovered loss in ordinary income in the shelf district and in the special tax base by the rates applicable on the discontinuation date. The amount shall be determined by the tax authorities when performing the tax assessment relating to the year in which the activities liable for special tax are discontinued.”

## PTA §3f Refund of tax value of offshore assets

“The remaining cost price of an operating asset that loses its utility value upon the discontinuation of production from a petroleum deposit, may be deducted in the year of discontinuation.”

## PTA §5 Refund of uplift carried forward

“If there is any excess uplift upon the discontinuation of activities that are liable for special tax, the taxpayer may claim payment from the State of the tax value of such uplift. The tax value shall be determined by multiplying the excess uplift by the rate of special tax applicable as per the discontinuation date. The amount shall be determined by the tax authorities when performing the tax assessment relating to the year in which the activities liable for special tax are discontinued.”

# Agenda

- Company highlights
- Business overview
- Our producing assets
- Our next producing assets
- Financial status
- Special protection in fiscal regime
- **Summary**



# Summary

- Solid asset backing
  - A strong portfolio of development projects
  - Asset values increases with investments
- Growing production and cash flow
  - Johan Sverdrup is a game changer: ~ 50,000-80,000 boepd when producing
  - Tax balance building up during development, providing a solid repayment capacity
- Fiscal regime protects downside
  - Tax credits effectively 89% of field investments
  - Protected if activities are terminated
- Strong financial platform
  - Good track record from both equity and debt markets
  - Strong support from bank syndicates and the main shareholder



**DET NORSKE**  
OLJEEVENTYRET FORTSETTER

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# Appendix

- Statement of income
- Statement of financial position



# Statement of income (Q1)

Income statement (NOK mill)	Q1 2013	Q1 2012	Q4 2012
Revenues	80	97	117
Production cost, G&A	42	45	74
<b>EBITDAX</b>	<b>38</b>	<b>52</b>	<b>43</b>
Exploration expenses	234	595	195
Depreciation	35	20	57
Impairment charge	-	9	127
Other operating expenses	19	25	22
<b>Operating profit/loss (EBIT)</b>	<b>(250)</b>	<b>(597)</b>	<b>(358)</b>
Net financial items	(32)	(23)	(14)
<b>Profit/loss before taxes</b>	<b>(282)</b>	<b>(620)</b>	<b>(372)</b>
Tax income	262	516	325
<b>Net profit/loss</b>	<b>(20)</b>	<b>(100)</b>	<b>(47)</b>

# Statement of financial position (Q1)

Assets (NOK mill)	31.03.13	31.03.12	31.12.12
Intangible assets	3 295	3 546	3 229
Property, plant and equipment	2 487	1 367	1 993
Calculated tax receivables (long)	261	422	-
Receivables and other assets	737	647	715
Calculated tax receivables (short)	1 278	1 415	1 274
Cash and cash equivalents	736	889	1 154
<b>Total Assets</b>	<b>8 794</b>	<b>8 285</b>	<b>8 364</b>

Equity and Liabilities (NOK mill)	31.03.13	31.03.12	31.12.12
Equity	3 716	3 572	3 736
Deferred taxes	125	1 928	127
Other provisions for liabilities	923	345	864
Bonds	590	586	589
Revolving credit facility	1 453	-	1 300
Exploration facility	970	899	567
Creditors and other current liabilities	1 017	955	1 182
<b>Total Equity and Liabilities</b>	<b>8 794</b>	<b>8 285</b>	<b>8 364</b>