

Board of Directors' Statement on Remuneration to the Managing Director and Key Executive Officers for 2019

In accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act, the board of directors of Norwegian Energy Company ASA ("Noreco" or the "Company") has prepared a statement related to the determination of salary and other benefits for the Managing Director and other key executive officers.

I General on executive remuneration

The total compensation for the Managing Director and the executive management shall be competitive, reflect the responsibilities and effort required, reward success and not the opposite, and also ensure alignment of interest with shareholders.

The remuneration for the Managing Director and executive management includes fixed and variable elements. The fixed element consists of a base salary and other benefits, such as free mobile phone and life, accident and sickness insurance in accordance with normal practice in the oil industry.

Variable elements of remuneration may be used, or other special supplementary payments may be awarded than those mentioned above if this is considered appropriate.

II Binding principles related to share price developments

At the extraordinary general meeting held on 8 November 2018, the general meeting replaced the Company's existing option scheme. The board of directors was authorized to grant options up to a total of 1 510 000 shares in the Company as part of a new incentive program. The options may be granted to the members of the board and key personnel of the Company. After award, the options must be exercised within 5 years after which they expire.

The options shall have a vesting period of 3 years from the time of award, with 1/3 vesting for each of the three years. Options were to be divided into (i) options to buy or subscribe for 715,000 shares at a strike price of NOK 240 per share, (ii) options to buy or subscribe for 170,000 shares at a strike price based on the VWAP 30 days after completion of the acquisition of the DUC assets, and (iii) options to buy or subscribe for 625,000 shares at a strike price determined at the board of director's discretion with reference to the share price at the time of granting the options.

The board of directors may also award other options, other terms for options and other kind of remuneration related to the share price of the Company.

Remuneration to the Managing Director and executive management shall be evaluated and may be amended regularly by the board of directors to ensure that salaries and other benefits are based on the above guidelines and principles and in accordance with the purpose of the total compensation package for the Managing Director mentioned above.

III Remuneration policy for 2018

Remuneration to the Managing Directors and the executive management for 2018 has been in line with the board of directors' statement on remuneration to the Managing Director and other key executive officers as approved by the annual general meeting held in 2018.