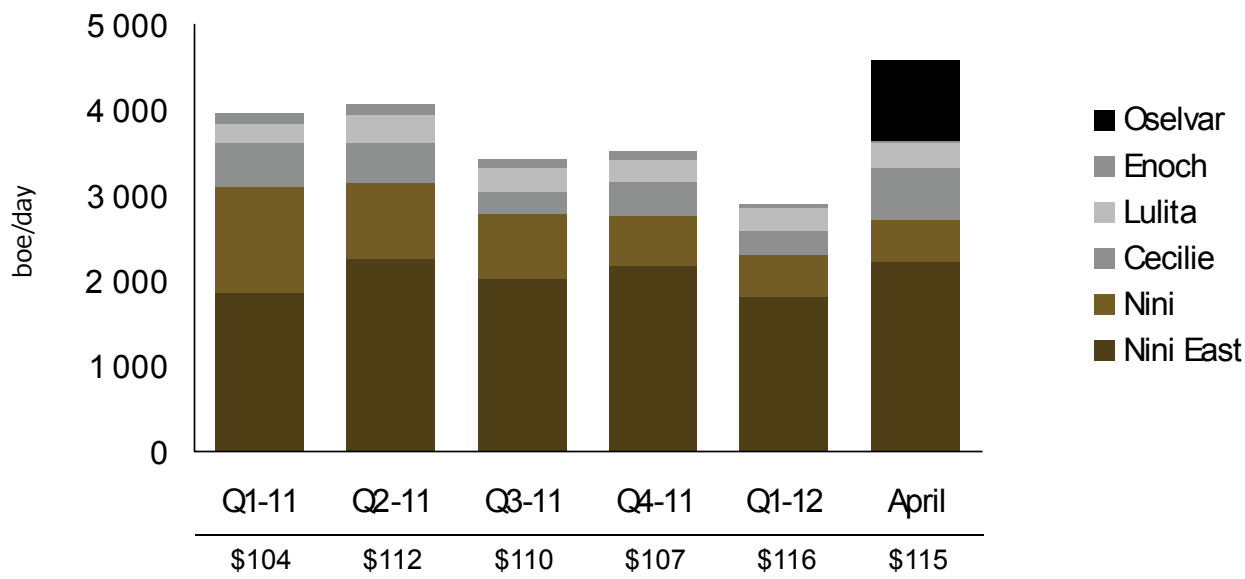


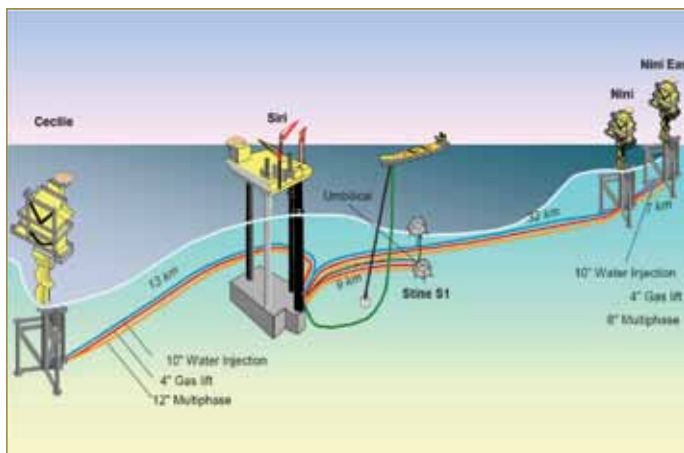
First quarter 2012

24 May 2012

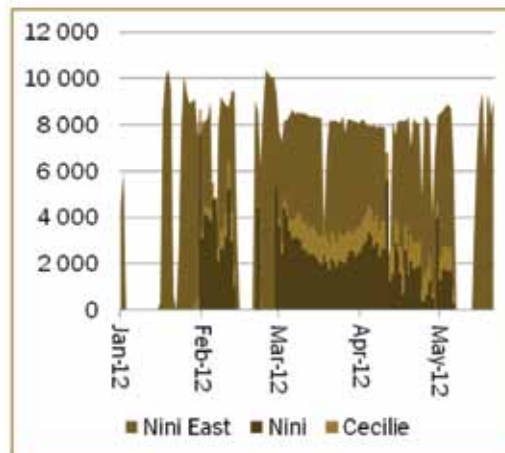
Oil and gas production



Siri area



Gross daily production



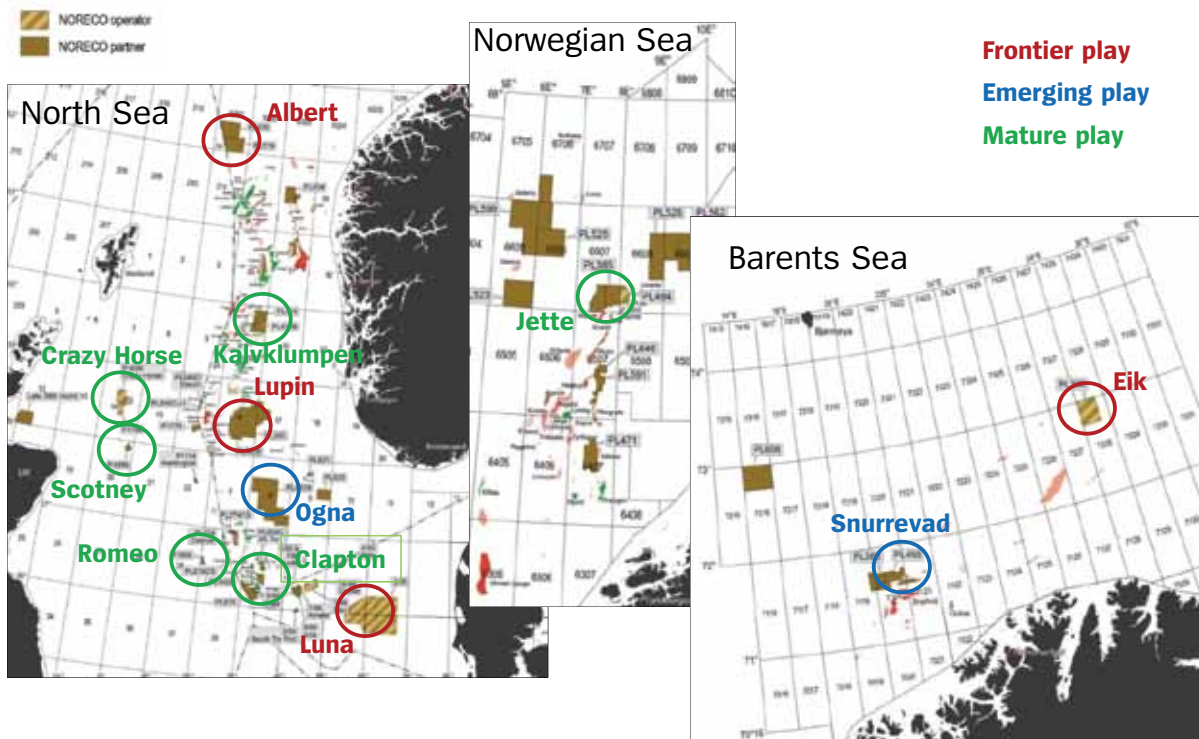
Oselvar on stream



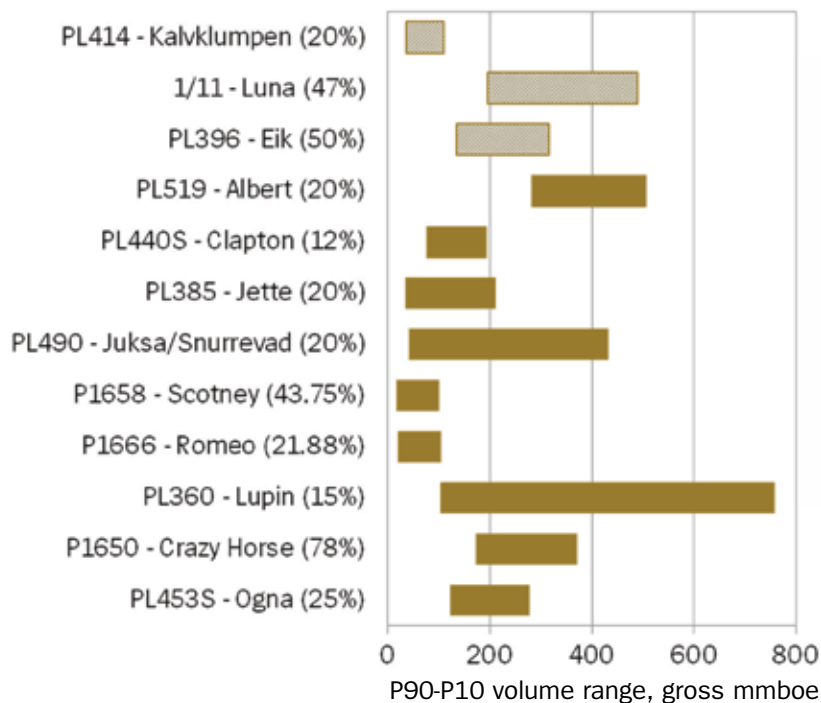
Huntington on track



Exploration drilling programme

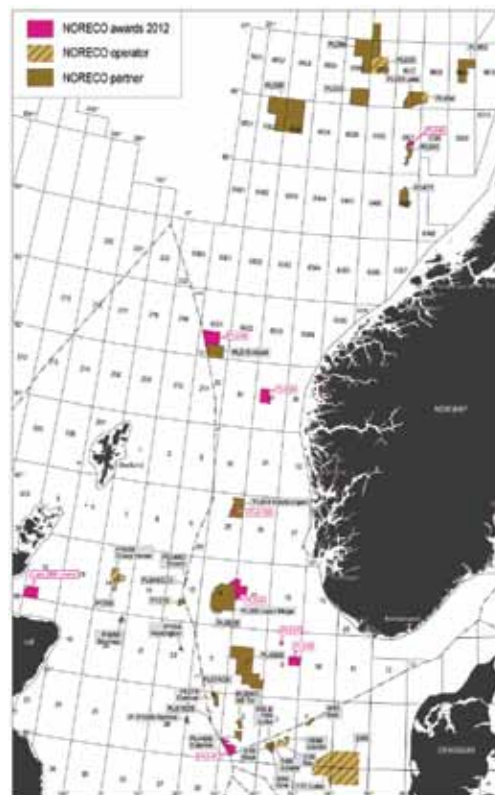


2012 exploration program



Licence rounds 2012

- Norway:
 - 8 licences awarded in APA 2011
 - Preparing for APA 2012 and 22nd round
- UK:
 - 1 licence awarded (26th round)
 - Applied in 27th round

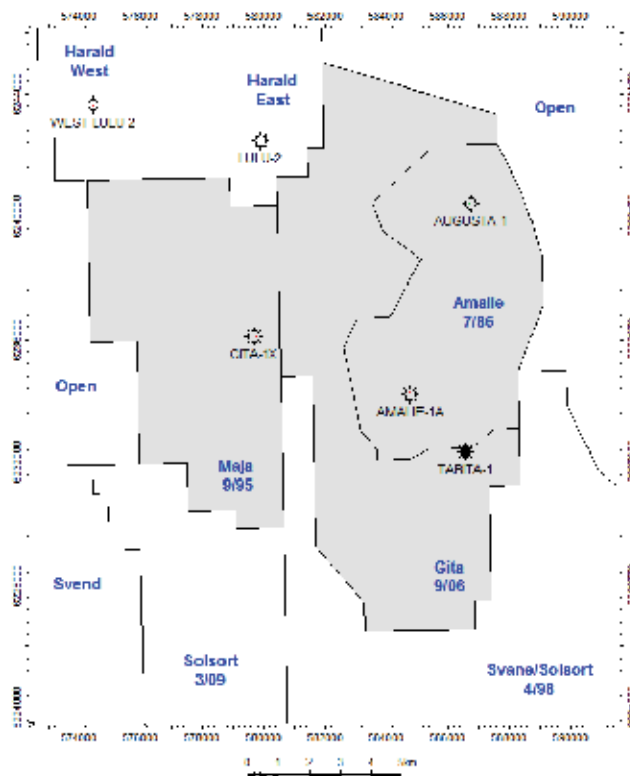


Safe and efficient drilling operator



Gita / Maja

- Applied for licence extension for 9/95 (Maja) and 9/06 (Gita)
- Next well expected 2013/2014



Financial statements

First quarter 2012

Income statement

First quarter 2012

NOK million	Q1-12	Q4-11	Q1-11
Total revenues	177	193	216
Production expenses	73	100	56
Exploration and evaluation expenses	223	32	200
Payroll and other operating expenses	67	50	92
EBITDA	(185)	12	(132)
Depreciation and write-downs	53	65	65
EBIT	(238)	(53)	(198)
Net financial items	(119)	(109)	(104)
EBT	(357)	(162)	(302)
Tax	(206)	(122)	69
Net result continued operations	(151)	(40)	(371)
Profit/(loss) discontinued operations	-	29	76
Net result for the period	(151)	(11)	(295)

Balance sheet

31 March 2012

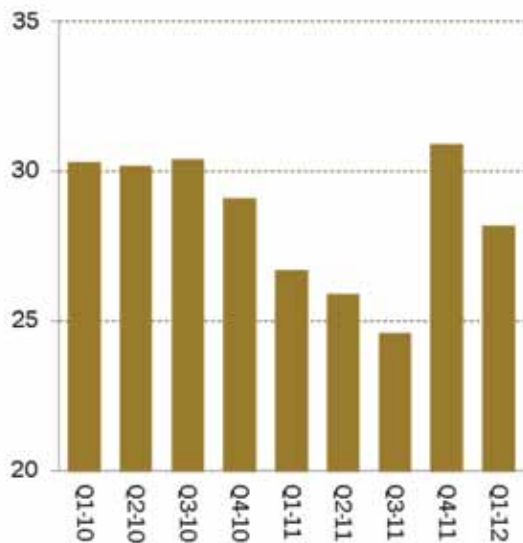
NOK million	31.03.2012	31.12.2011	31.03.2011
Assets			
Non-current assets	7 591	7 596	10 400
Current assets	1 223	1 367	1 581
Cash	884	689	490
Total assets	9 698	9 652	12 471
Equity and liabilities			
Total equity	2 737	3 015	3 335
Long-term liabilities	5 425	5 110	7 908
Current liabilities	1 537	1 526	1 228
Total liabilities	6 636	6 636	9 136
Total equity and liabilities	9 652	9 652	12 471

Financial ratios

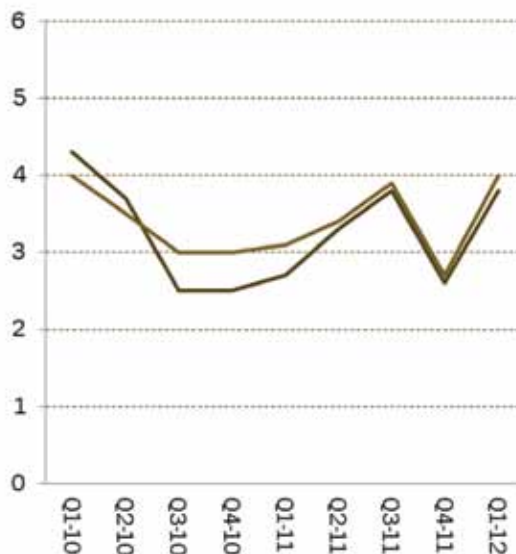
31 March 2012

Equity ratio

percent



Gearing ratio



Summary

- Building a leading, independent E&P company
 - Strong production growth
 - High exploration activity

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



ADDITIONAL INFORMATION

Noreco at a glance

- Exploration-driven E&P company
- 12 exploration wells planned for the coming 18 months
- Production from five fields
 - 2011-H2: 3,500 boe/day
- Two new fields on stream in 2012
 - Adding 8-9,000 boe/day
- Significant portfolio of licenses and discoveries
- Listed at Oslo Stock Exchange
 - Ticker: NOR



Noreco repositioned in 2011

Financial

- NOK 2 billion asset sales
- NOK 2 billion reduced investment commitments
- NOK 1 billion debt repayment

Operational

- Siri and Huntington resolved
- Oselvar in line with plan
- High impact exploration strategy

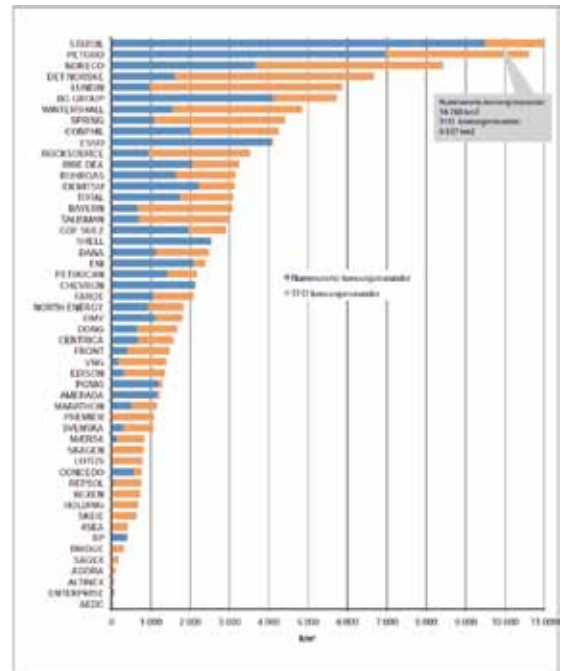
Organisational

- Streamlined organisation
- Reduced management team
- 20% reduction of G&A cost

Exploration strategy

- Active and focused exploration program from a large portfolio
 - Focus on wells with significant value creation potential
 - Clear entry and exit strategy for each license
 - Active risk management and highgrading of portfolio
 - Operatorship when needed to get access/influence

Licensed acreage awarded on NCS last 10 years



Source: Storting White Paper 28 (2010 – 2011)

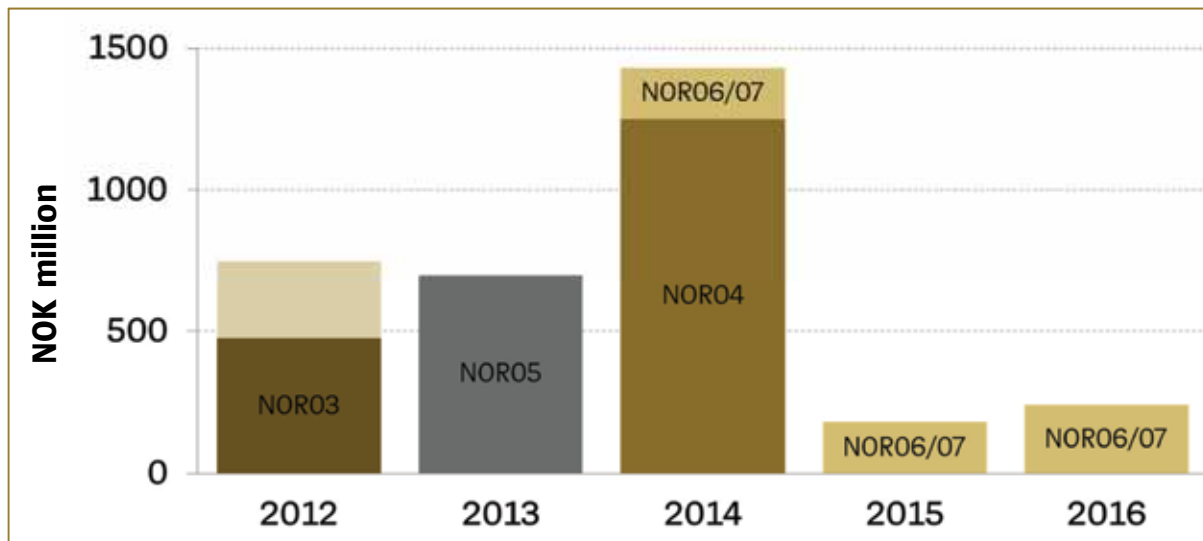
High impact exploration program

Prospect	License	Noreco share	Chance of success	Volume ¹⁾ potential	Drilling start	Operator
Kalvklumpen	PL414	20%			Dry	Det Norske
Zidane-2 ²⁾	PL435				Discovery	RWE
Luna	DK 1/11	47%			Dry	Noreco
Eik	PL396	50%			Dry	Noreco
Albert	PL519	20%	24%	280-500	Ongoing	Lundin
Clapton	PL440S	12%	25%	76-194	Q2-2012	Faroe
Jette	PL385	20%	50%/36%	17-73/7-22	H2-2012	Statoil
Juksa/Snurrevad	PL490	20%	10%	42-432	H2-2012	Lundin
Scotney	P1658	44%	26%	17-100	H2-2012	Suncor
Romeo	P1666	22%	24%	19-104	H2-2012	Suncor
Lupin	PL360	15%	10%	102-760	H2-2012	Statoil
Crazy Horse	P1650	78%	21%	80-230	2012/13	Noreco
Ogna	PL453S	25%	19%	122-278	2013	Lundin

1) Million barrels oil equivalents on 100% basis, P90-P10 interval

2) Zidane-2 has been sold for a volume-dependent price, conditional upon a commercial discovery above a certain size

Bond debt



Bond	Outstanding	Due	Terms
NOR03	NOK 475.5 mill	20 Nov 2012	3m NIBOR + 7.9 %, pledge in shares in subsidiaries
NOR04	NOK 1,250 mill	20 Nov 2014	12.9 % fixed, pledge in shares in subsidiaries
NOR05	NOK 700 mill	6 Dec 2013	3m NIBOR + 8 %, unsecured
NOR06/07	NOK 600 mill	27 April 2016	10.25 % fixed / 3m NIBOR + 6 %, pledge in Oselvar field

Interest bearing debt & equity

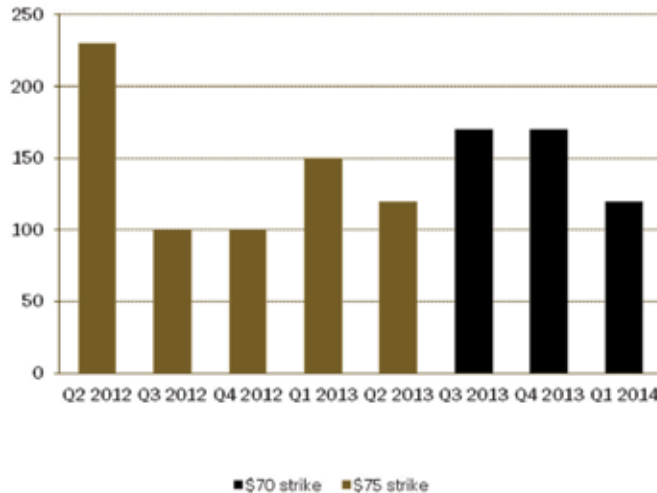
NOK million	Q1-2012	Q4-2011	Q3-2011	Q2-2011	Q1-2011
Bonds NOR03, NOR04, NOR05, NOR06, NOR07	2,794	2,791	2,993	3,253	2,662
Reserve Based Loan \$320m facility	594 \$109	293 \$54	1,006 \$177	1,025 \$190	1,157 \$210
Convertible bond	172	171	213	211	208
Equity Book equity/Total assets	2,737 28.2%	3,015 31.2%	2,884 24.6%	3,165 25.9%	3,335 26.7%
Gearing ratio 1 NIBD / adj. EBITDAx (NOR03/04)	3.8	2.6	3.8	3.3	2.7
Gearing ratio 2 NIBD / adj. EBITDAx (NOR05/06/07)	4.0	2.7	3.9	3.4	3.1

Note: Exploration financing and receivables not included

Hedging programme

Put options

1,000 barrels



- Noreco is using put options to protect cash flow from oil price downside
- 24 months rolling forward programme
- Asian type puts based on monthly average Brent oil price

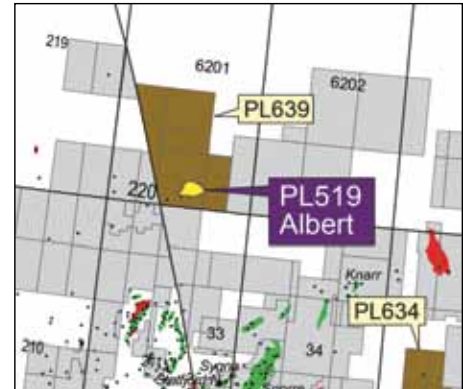
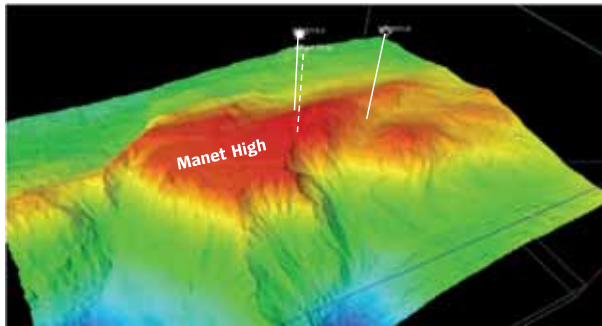
Exploration and investment activity

NOK million	Q1-2012	Q4-2011	Q3-2011	Q2-2011	Q1-2011
Exploration expenses	170	32	103	86	202
Exploration capitalized	13	10	132	14	22
Investments in fields	161	170	274	249	240
Total	344	212	509	349	464

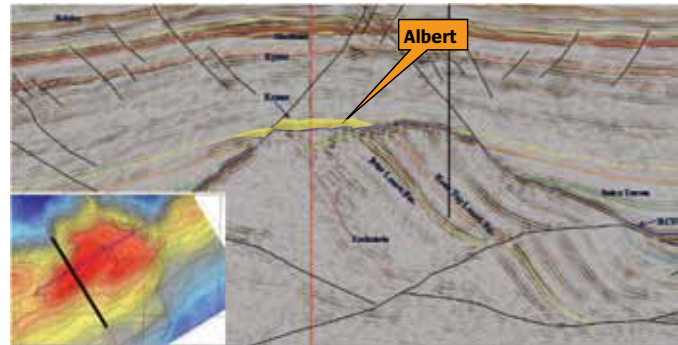
PL519 – Albert

Noreco 20% - Lundin operated

- Major fault bound high with a Lower Cretaceous play
- CoS - 24%: Primary risk element – reservoir
- 280 – 510 mmboe gross
- Spud in May 2012 using Bredford Dolphin



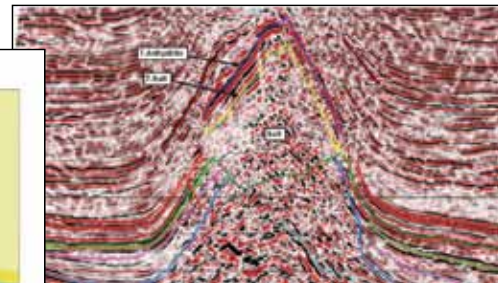
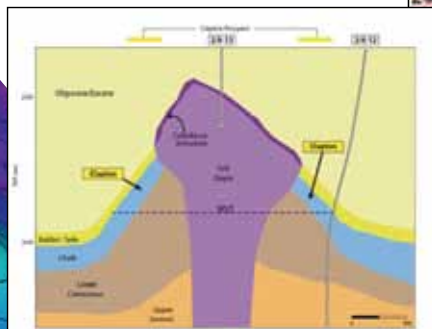
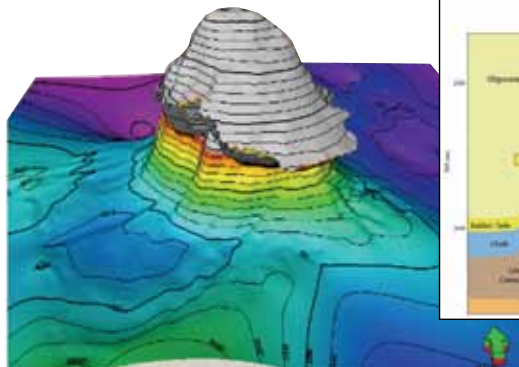
6201/11-1 Discovery



PL440S – Clapton

Noreco 12% - Faroe Petroleum operated

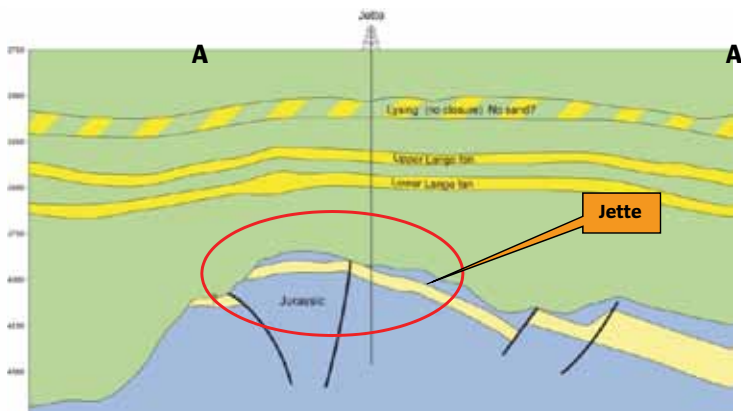
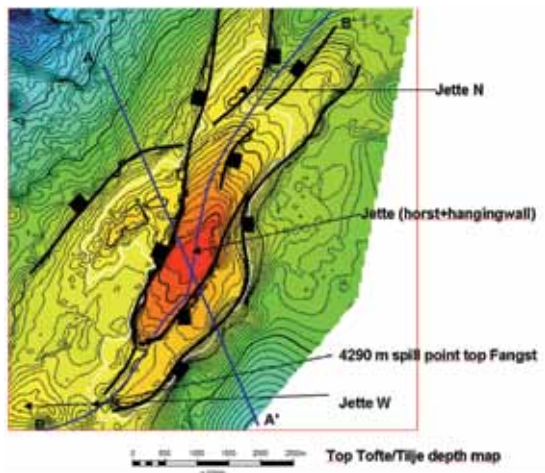
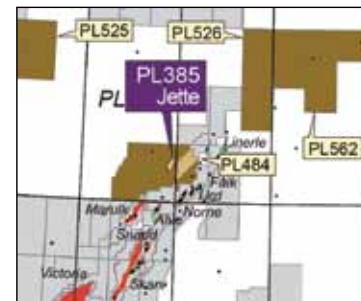
- Chalk reservoir around the flanks of a major salt diapir
- Located in Central Graben in proven play
- Cos - 25%: Primary risk element - trap integrity
- 76 – 194 mmboe gross
- Spud in May 2012 using Mærsk Guardian



PL385 – Jette

Noreco 20% - Statoil operated

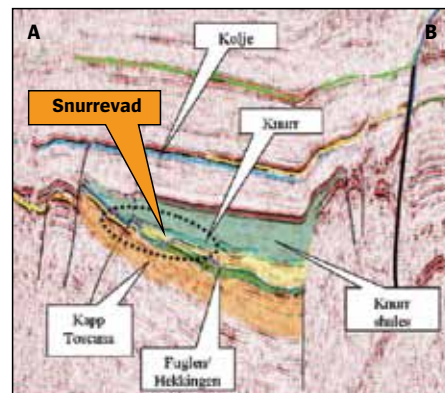
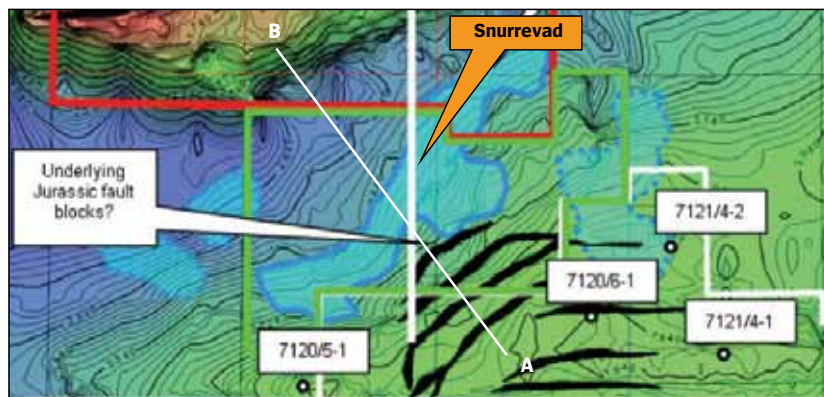
- Middle Jurassic target in conventional play in a prolific area
- CoS - 32%: Primary risk element - trap
- 35 – 210 mmboe gross
- Expected spud Q3 2012



PL490 – Juksa/Snurrevad

Noreco 20% - Lundin operated

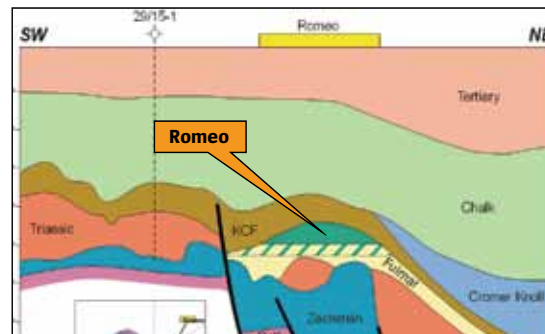
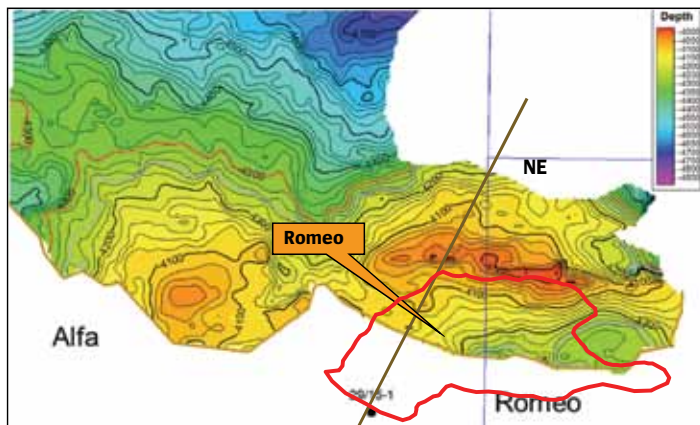
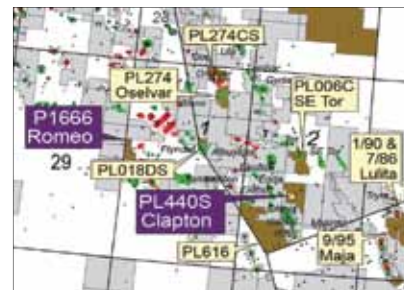
- Lower Cretaceous stratigraphic trap south of Loppa High in Barents sea, with significant additional high risk plays that will be de-risked by the well
- CoS – 10%: Primary risk element – trap, lateral pinch out of sands
- 42 – 432 mmboe gross
- Expected spud in Q3 2012 using Transocean Arctic



P1666 – Romeo Prospect

Noreco 22% - Suncor operated

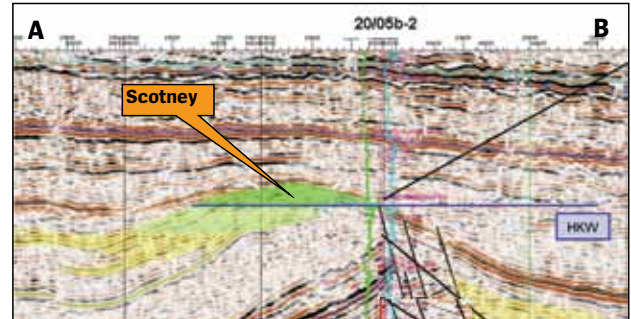
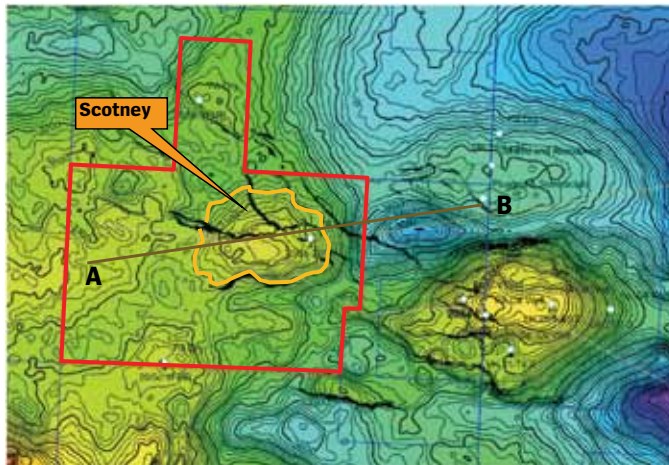
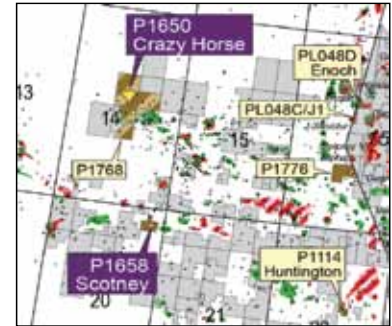
- Robust fault bound dip closure in proven Upper Jurassic play. Considerable upside potential to west of license (Alpha prospect)
- CoS - 24%: Primary risk element - trap geometry
- 19 – 103 mmboe gross on license
- Expected spud in Q3 2012 using WilHunter



P1658 – Scotney Prospect

Noreco 44% - Suncor operated

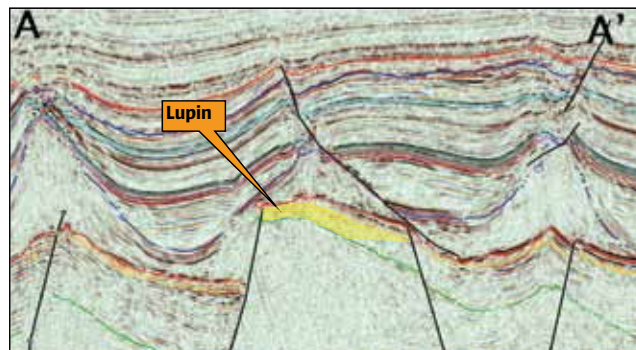
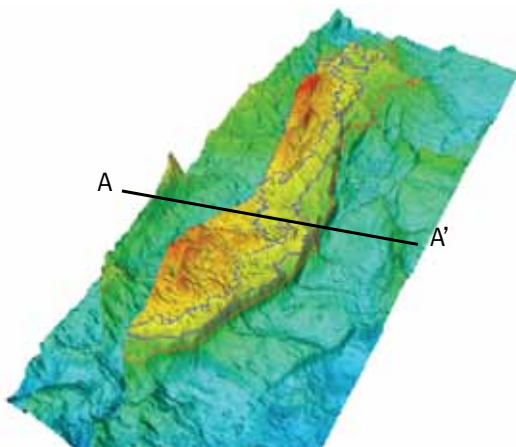
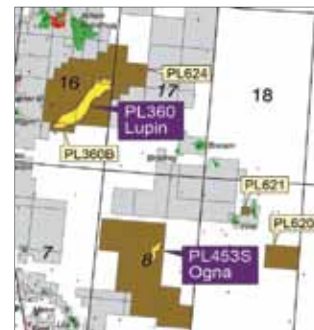
- Robust 4-way dip closure in proven Upper Jurassic play, in close vicinity to existing infrastructure
- CoS – 26%: Primary risk element – reservoir presence
- 17 – 100 mmboe gross
- Expected spud Q3/Q4 2012



PL360 – Lupin Prospect

Noreco 15% - Statoil operated

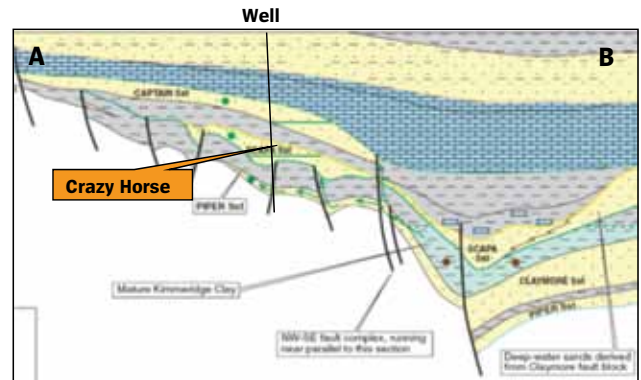
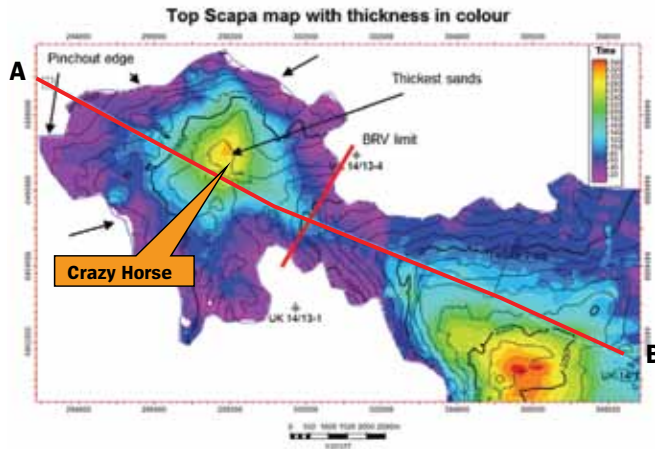
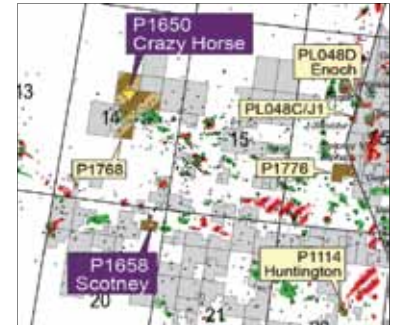
- Large fault bound structure in Ling Graben, gas prospect, target reservoir is the Rotliegende sands, few wells in North Sea have targeted this play hence new play opener
- CoS - 10%: Primary risk element – charge. Reservoir is also considered a high risk (properties), whereas trap is considered to have a low risk.
- 102 – 760 mmboe
- Expected spud in Q4 2012 using Songa Trym



P1650 – Crazy Horse Prospect

Noreco 78% - Noreco operated

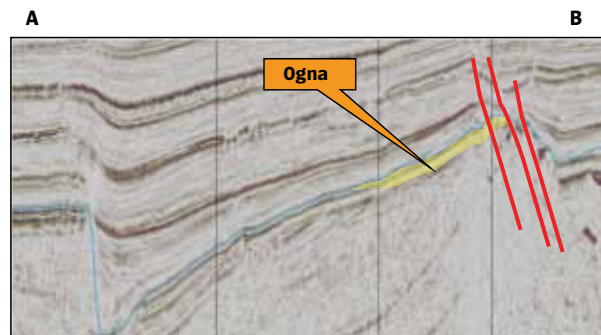
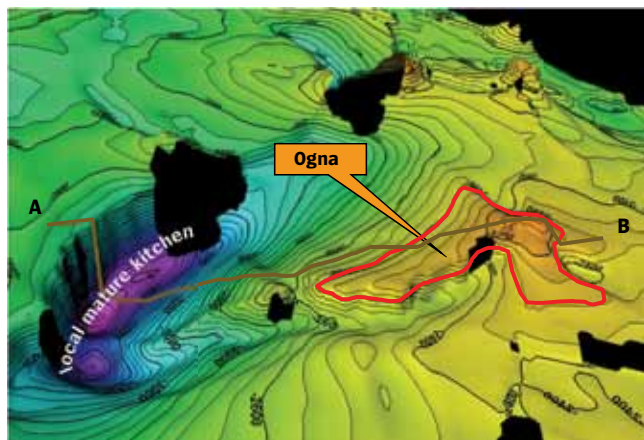
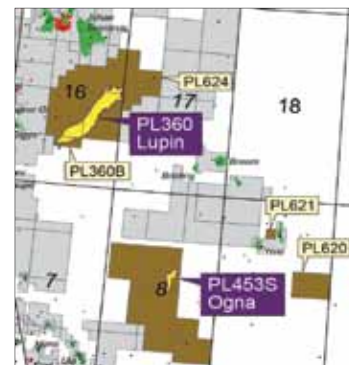
- Targeting Lower Cretaceous sands in a stratigraphic trap
- CoS - 21%: Primary risk element – charge (migration)
- 88 – 230 mmboe gross in Scapa Sands only
- Expected spud in Q4 2012/Q1 2013 using Ocean Nomad



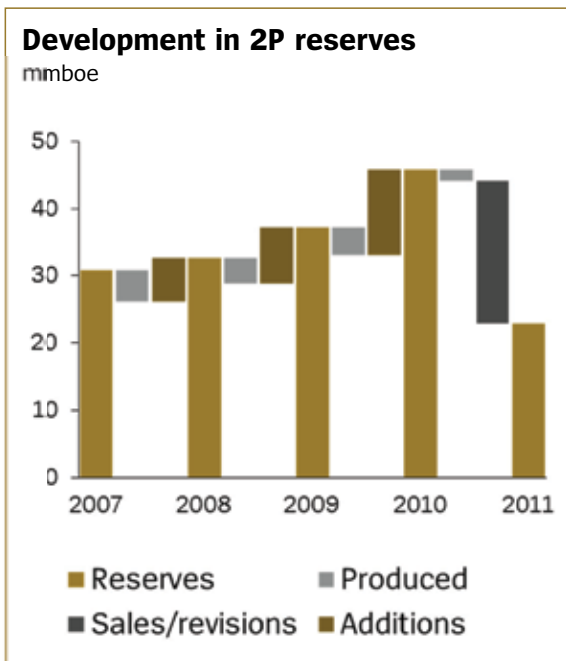
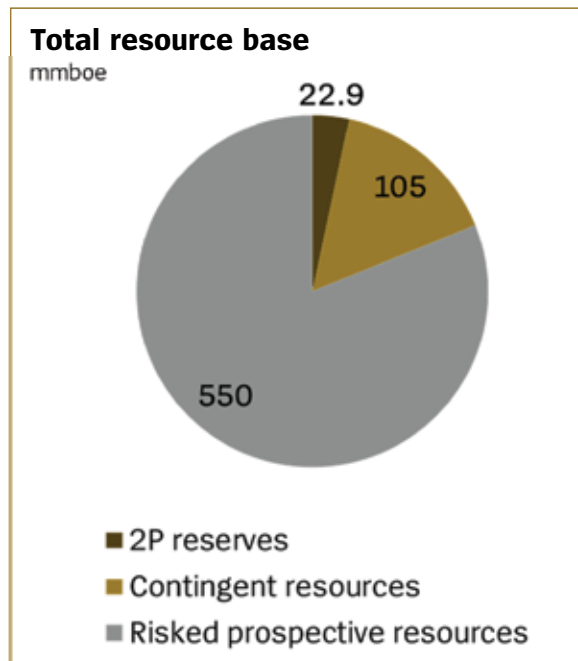
PL453S – Oгна Prospect

Noreco 25% - Lundin operated

- Simple fault bound 4-way dip closure in an Upper Jurassic play, in close vicinity to local kitchen, analogue to Bream discovery
- CoS – 19%: Primary risk element – presence of local mature source rock
- 122 – 278 mmboe gross
- Drilling moved to 2013



Reserves and resources



2P reserves are verified by DeGolyer & MacNaughton

Reserve tables by field

Reserves and associated contingent resources					Net reserves (mmboe)	Net contingent resources (mmboe)
Country	License	Asset Name	Equity	Category	2P	2C
DK	16/98	Cecilie	61 %	Reserves	1.2	
DK	19/98	Connie	61 %	Contingent		0.5
DK	7/86	Lulita	28 %	Reserves	0.7	
DK	7/86	Lulita Further Development	28 %	Contingent		1.0
DK	4/95	Nini	30 %	Reserves	1.2	
DK	4/95	Nini East	30 %	Reserves	3.2	
NOR	PL048D	Enoch	4.36 %	Reserves	0.1	
NOR	PL274CS	Osellar	15 %	Reserves	8.0	
NOR	PL274CS	Ipswich	15 %	Reserves		2.3
UK	P1114	Huntington Forties	20 %	Reserves	8.4	
UK	P1114	Huntington Deep	20 %	Contingent		20.1
TOTAL PRODUCING FIELDS					22.9	23.9

Non-developed contingent resources in discoveries					Net contingent resources (mmboe)	
Country	License	Asset Name	Equity	Category	2C	
DK	9/95 9/06	Gita M Jura	12 %	Contingent	28.2	
DK	7/86	Amalie	29.93 %	Contingent	10.5	
NOR	PL471	Cortina	30 %	Contingent	6.7	
NOR	PL519	Albert Triassic	20 %	Contingent	8.3	
NOR	PL006C	S.E Tor	15 %	Contingent	5.5	
DK	7/06	Rau	40 %	Contingent	2.8	
NOR	PL048C	J1	21.8 %	Contingent	1.3	
NOR	PL018C	Flydre Chalk	13.34 %	Contingent	3.5	
UK	P1768	Bordeaux	54 %	Contingent	10.0	
UK	P1768	Brule	54 %	Contingent	4.3	
TOTAL CONTINGENT RESOURCES					81.1	

Shareholders

Top 20 shareholders as of 23 May 2012

Shareholder	Shares	% of total
IKM INDUSTRI-INVEST AS	23 673 998	9,7 %
LYSE ENERGI AS	23 647 460	9,7 %
OM HOLDING AS	12 685 484	5,2 %
GOLDMAN SACHS INT. - EQUITY -	10 697 066	4,4 %
UBS AG, LONDON BRANCH	7 732 596	3,2 %
DNB NOR SMB VPF	7 534 757	3,1 %
AWILCO INVEST AS	7 250 000	3,0 %
FOLKETRYGDFONDET	6 035 894	2,5 %
SABARO INVESTMENTS LTD	5 950 000	2,4 %
KONTRARI AS	5 600 000	2,3 %
SKAGEN VEKST	5 127 513	2,1 %
ODIN OFFSHORE	5 000 000	2,1 %
JPMORGAN CHASE BANK	3 286 972	1,3 %
CITIBANK NA NEW YORK BRANCH	3 085 538	1,3 %
FONDSFINANS SPAR	2 600 000	1,1 %
SKANDINAVISKA ENSKILDA BANKEN AB	2 531 075	1,0 %
BD TRADING AS	2 518 873	1,0 %
EUROCLEAR BANK S.A./N.V. (BA)	2 230 860	0,9 %
NORDEA BANK NORGE ASA MARKETS MARKET-MAKING DE	2 128 920	0,9 %
KOMMUNAL LANDSPENSJONSKASSE	2 096 341	0,9 %
Total number owned by top 20	141 413 347	58,0 %
Total numbers of shares	243 842 914	

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