

Fourth quarter 2011

29 February 2012

Highlights

- Repositioning completed
- On track to 12,000 b/d
- 12 exploration wells coming up



Noreco repositioned in 2011

Financial

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

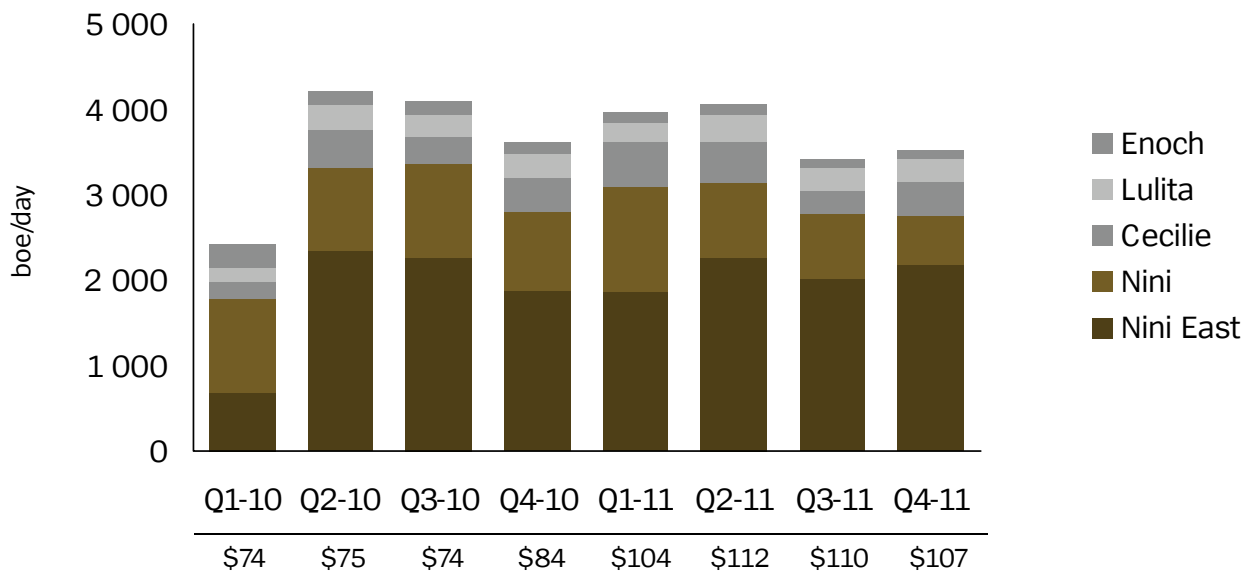
Operational

- 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

Production as expected



Oselvar on track

- First oil H1-2012
- Final commissioning
- Drilling last producer

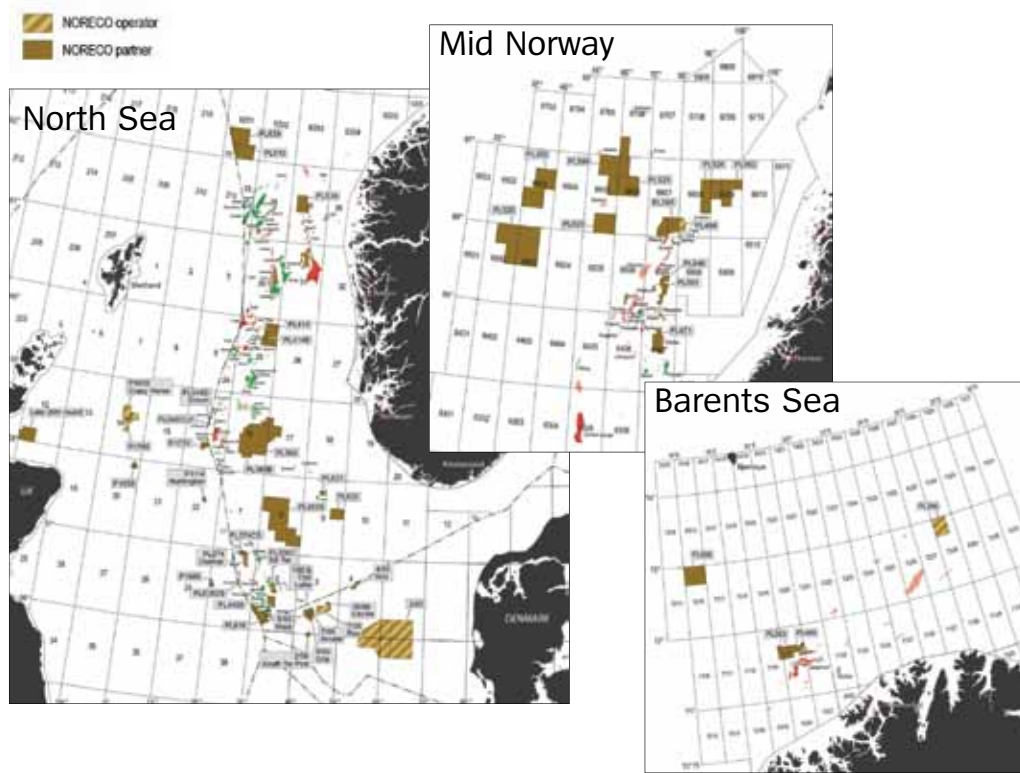


Huntington on track

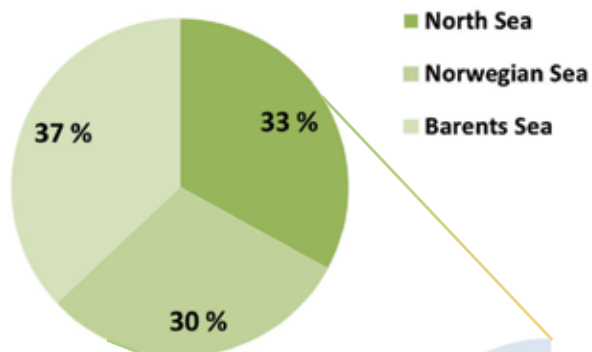
- First oil H2-2012
- 3 producers completed with excellent results
- FPSO upgrade on track

Exploration programme

Noreco's exploration portfolio

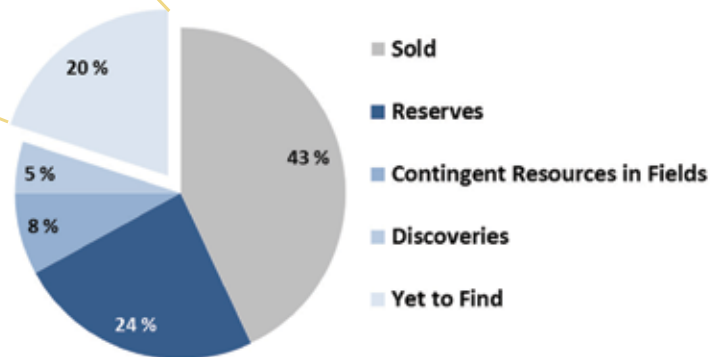


Large remaining resource potential

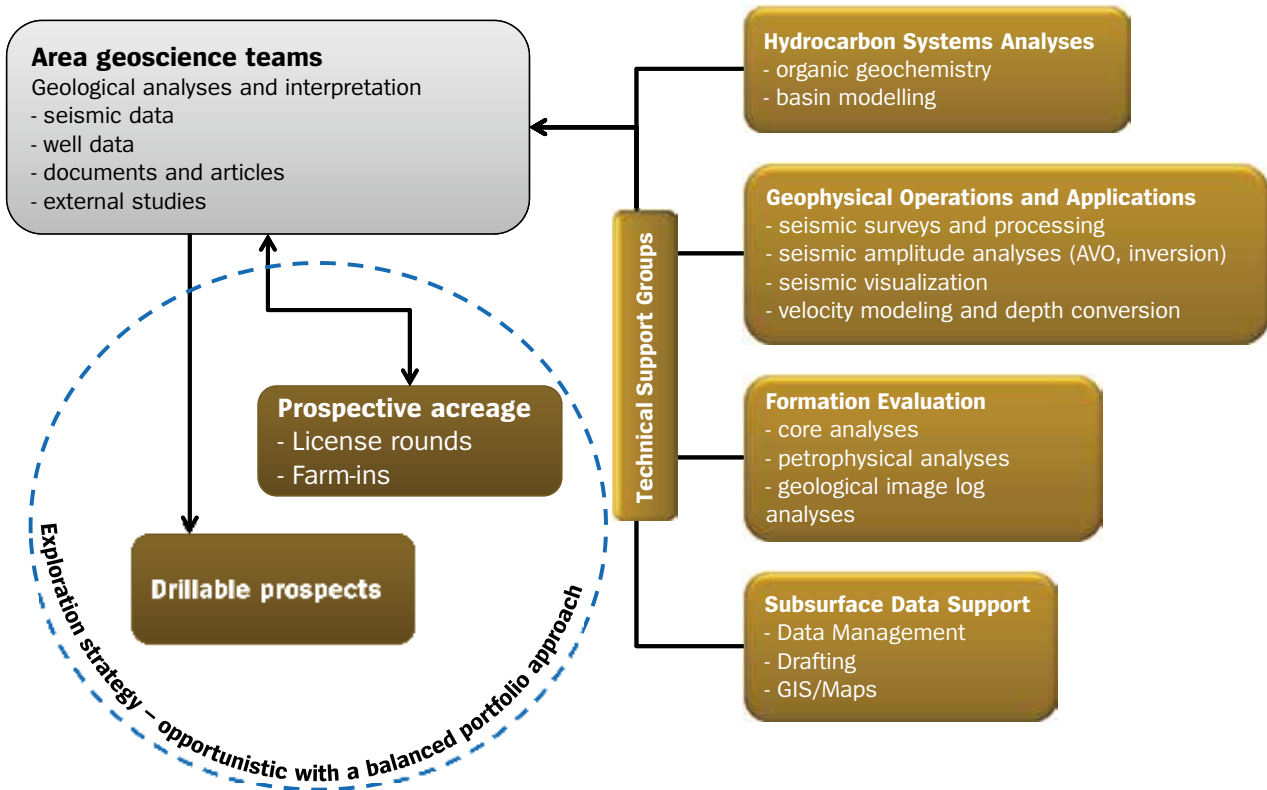


- **Yet to find: 16 bill boe**

- North Sea : 5,3 bill boe
- Norwegian Sea: 4,9 bill boe
- Barents Sea: 5,9 bill boe

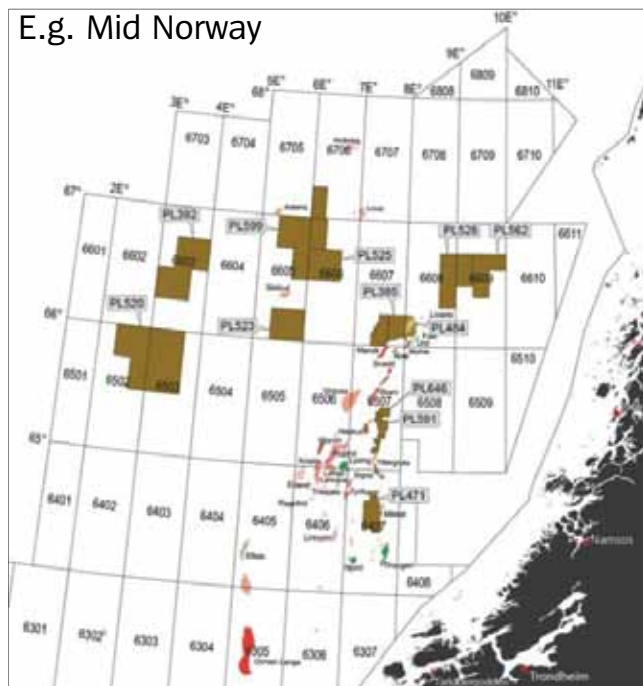


Our exploration organisation



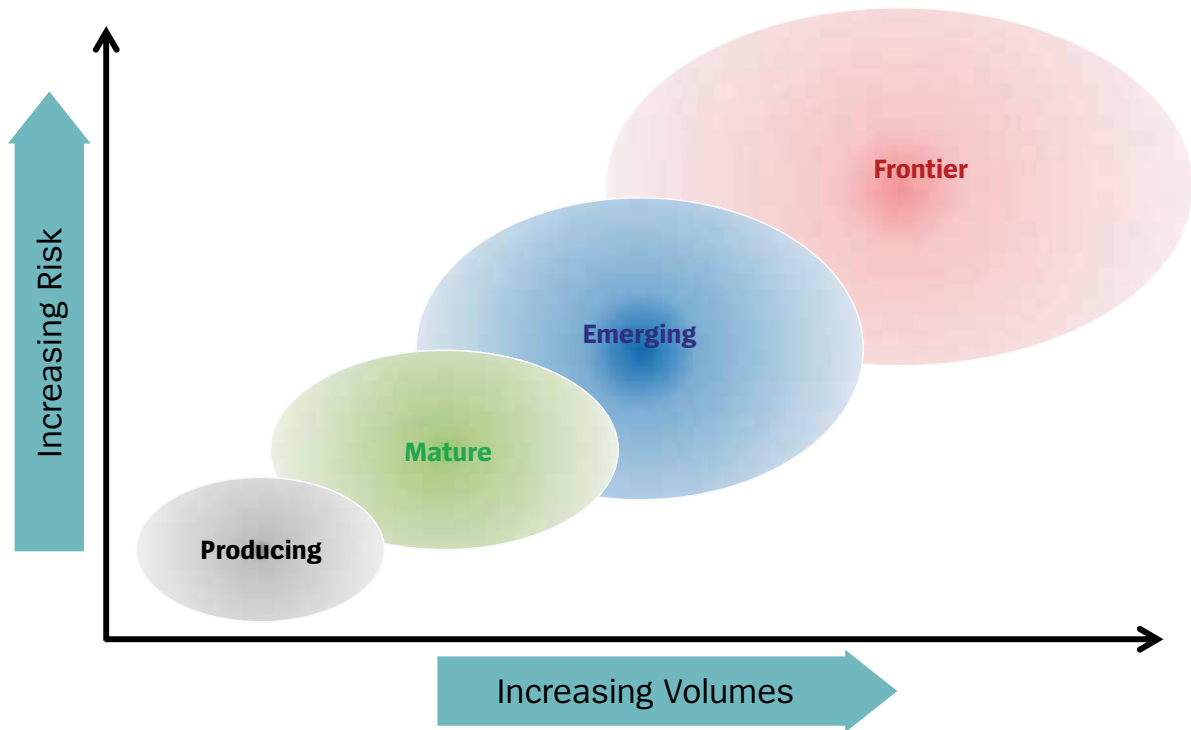
Our area exploration approach

E.g. Mid Norway

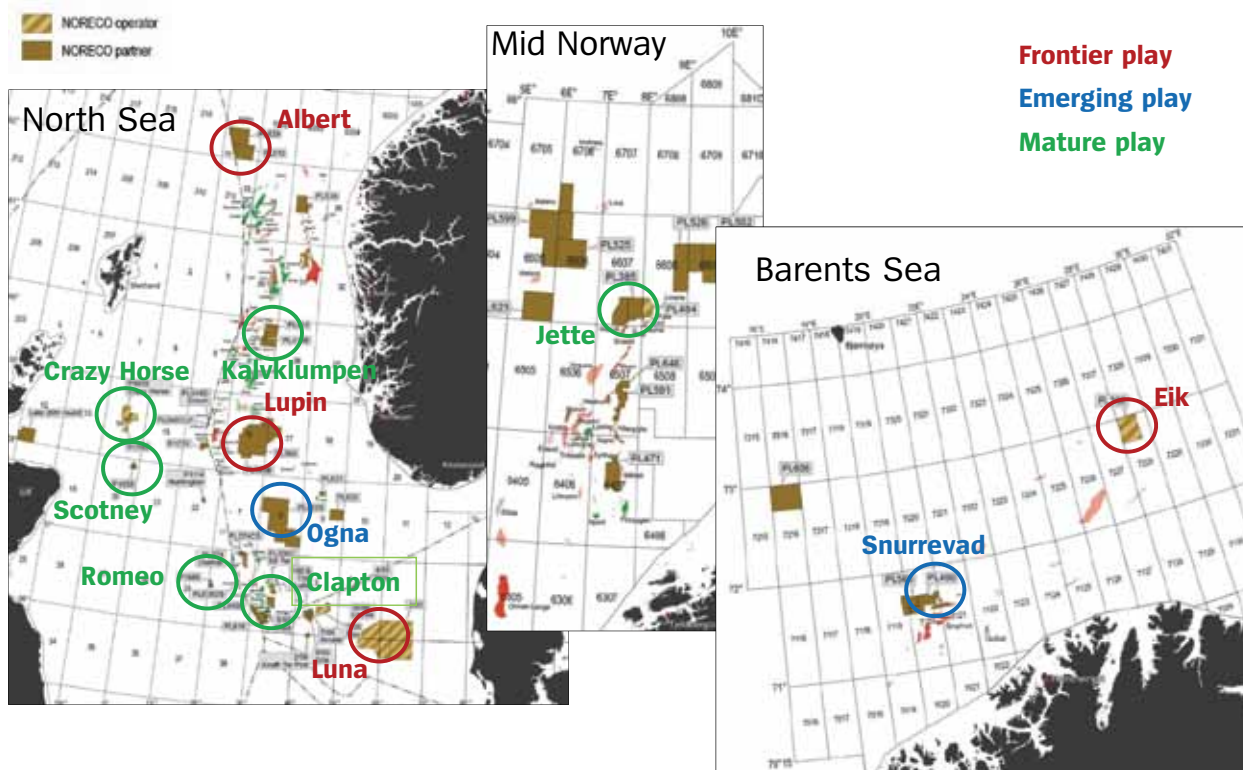


- Geologic knowledge, competencies and skills
- Technology – geophysics, hydrocarbon systems, well data analyses
- ***Regional geoscience and the geographic area approach***

Managing portfolio risk & uncertainty



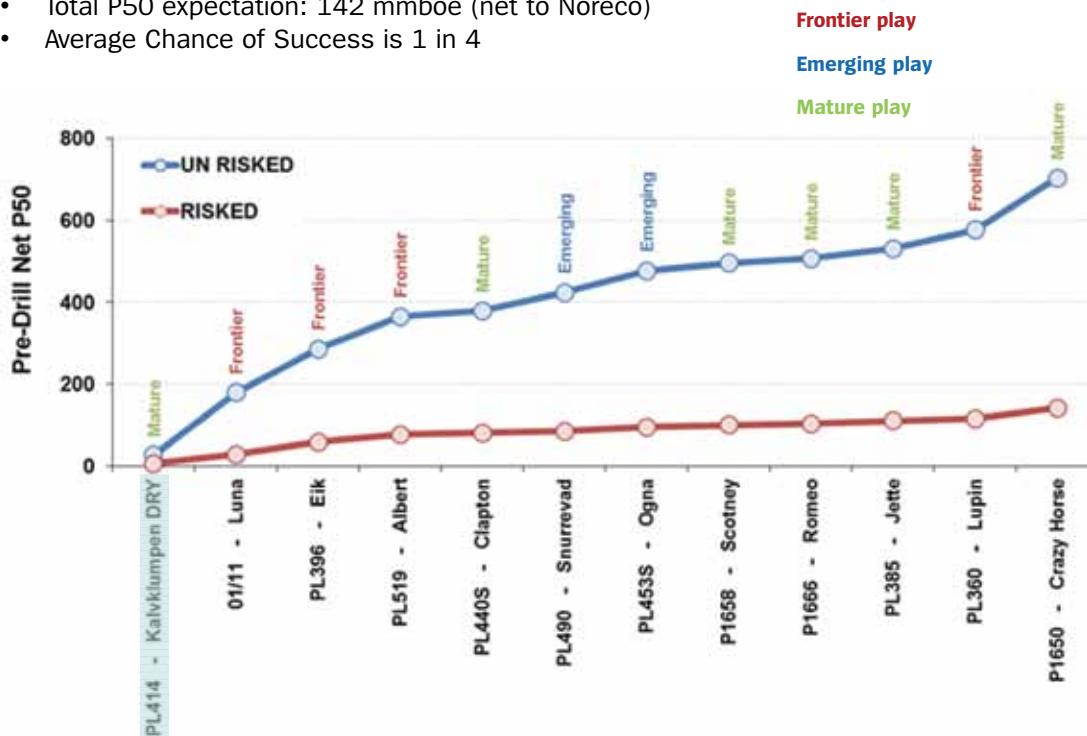
Exploration drilling program



Exploration drilling program



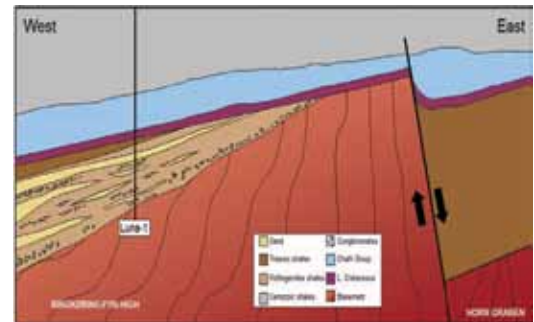
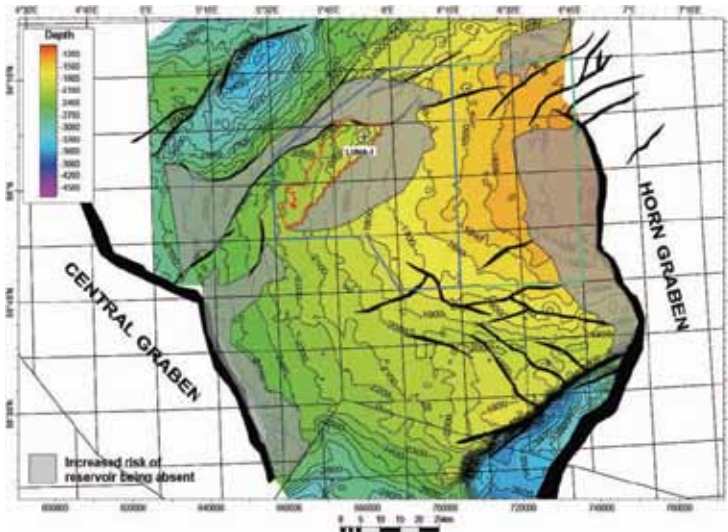
- Total P50 expectation: 142 mmboe (net to Noreco)
- Average Chance of Success is 1 in 4



Luna

Noreco 47% - Noreco operated

- Target reservoir is Permian sandstones
- CoS - 14%: Primary risk element - trap
- 125 – 400 mmboe gross, net P50: 152 mmboe
- Well ongoing

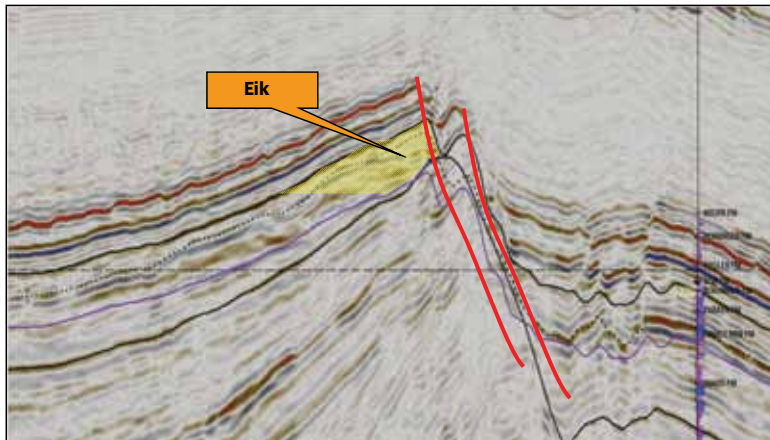


PL396 – Eik Prospect

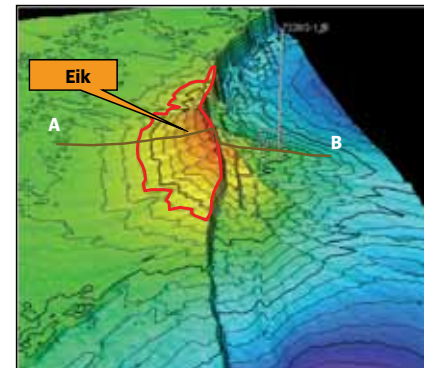
Noreco 50% - Noreco operated

- Middle Jurassic rotated fault block play
- CoS - 28%: Primary risk element - trap integrity
- 135 – 319 mmboe gross , net P50: 108 mmboe
- Expected spud in March 2012 using Aker Barents

A



B

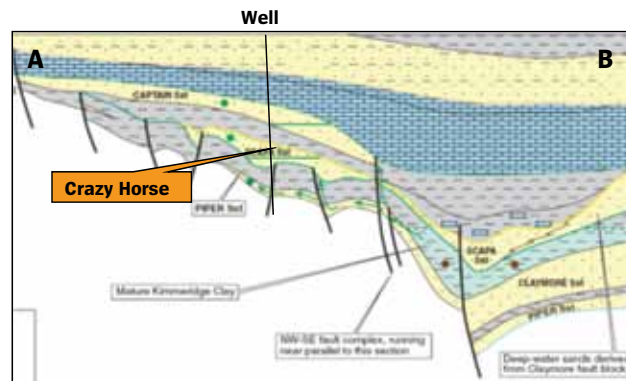
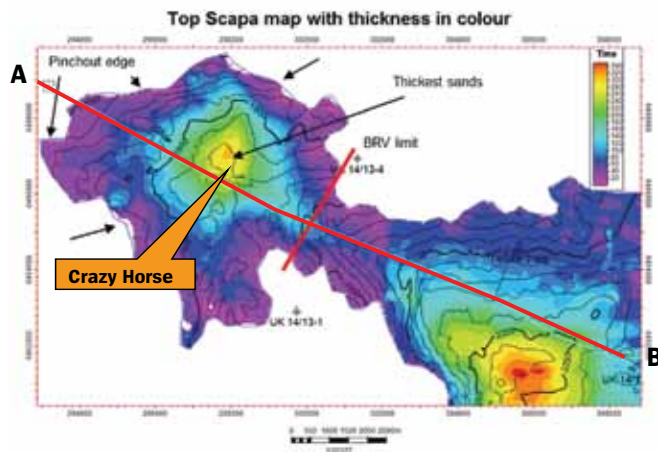
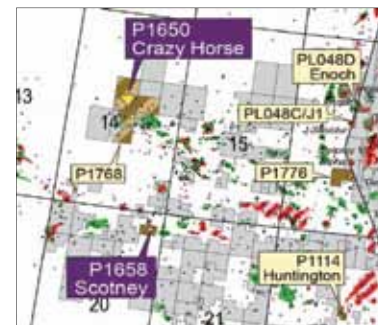




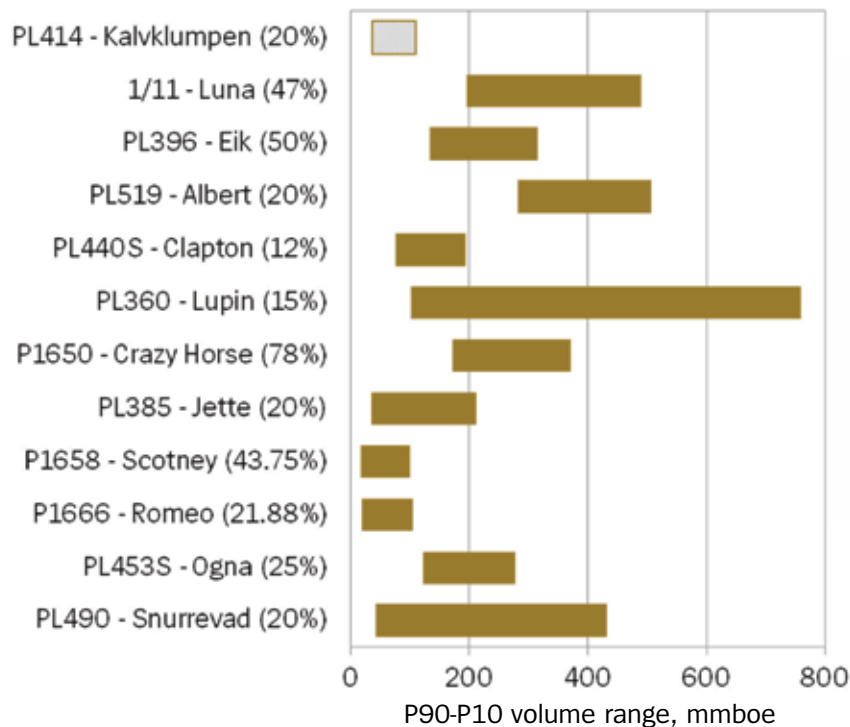
P1650 – Crazy Horse Prospect

Noreco 78% - Noreco operated

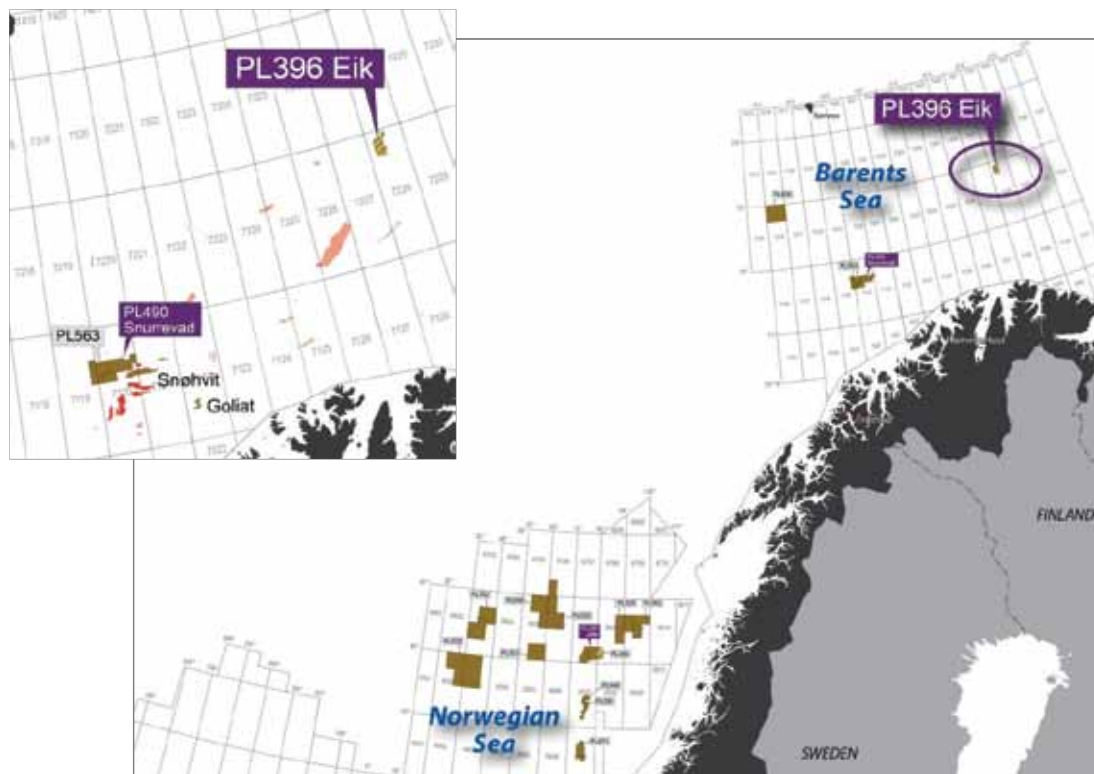
- Targeting Lower Cretaceous sands in a stratigraphic trap
- CoS - 21%: Primary risk element – charge (migration)
- 88 – 230 mmboe gross in Scapa Sands only
- Net P50: 118 mmboe
- Expected spud in Nov 2012 using Ocean Nomad



2012 exploration program



Operating in the Barents Sea



Income statement

Fourth quarter 2011

NOK million	Q4-11	Q3-11	Q4-10
Total revenues	193	194	171
Production expenses	100	57	50
Exploration and evaluation expenses	32	103	297
Payroll and other operating expenses	50	80	95
EBITDA	12	(45)	(270)
Depreciation and write-downs	65	287	61
EBIT	(53)	(333)	(331)
Net financial items	(109)	(106)	(115)
EBT	(162)	(439)	(446)
Tax	(122)	(46)	(264)
Net result continued operations	(40)	(393)	(182)
Profit/(loss) discontinued operations	29	(2)	47
Net result for the period	(11)	(395)	(135)

Balance sheet

31 December 2011

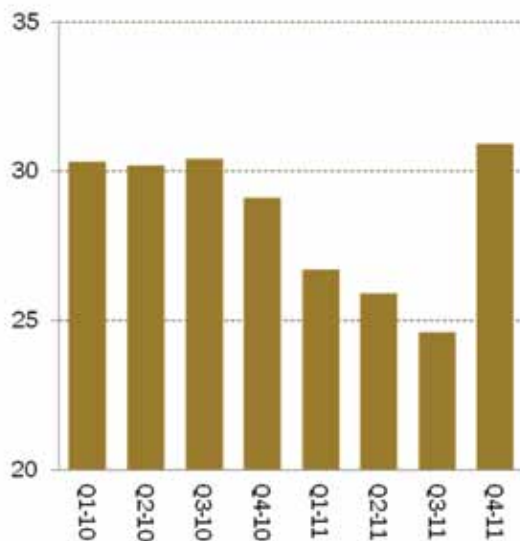
NOK million	31.12.2011	30.09.2011	31.12.2010
Assets			
Non-current assets	7 596	8 295	9 611
Current assets	1 367	3 065	2 109
Cash	689	387	892
Total assets	9 652	11 747	12 613
Equity and liabilities			
Total equity	3 015	2 884	3 675
Long-term liabilities	5 110	7 061	7 010
Current liabilities	1 526	1 801	1 928
Total liabilities	6 636	8 862	8 938
Total equity and liabilities	9 652	11 747	12 613

Financial ratios improved

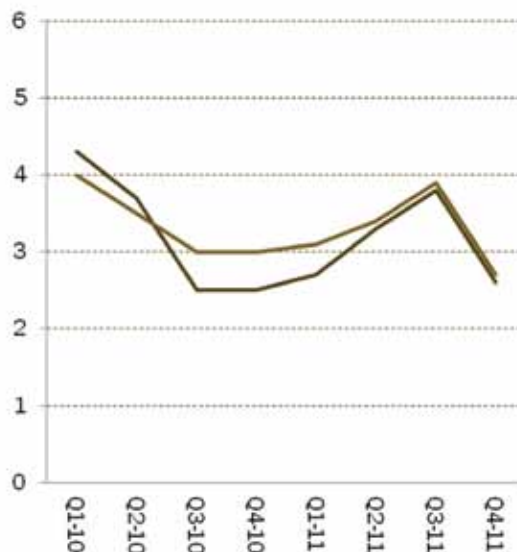
31 December 2011

Equity ratio

percent



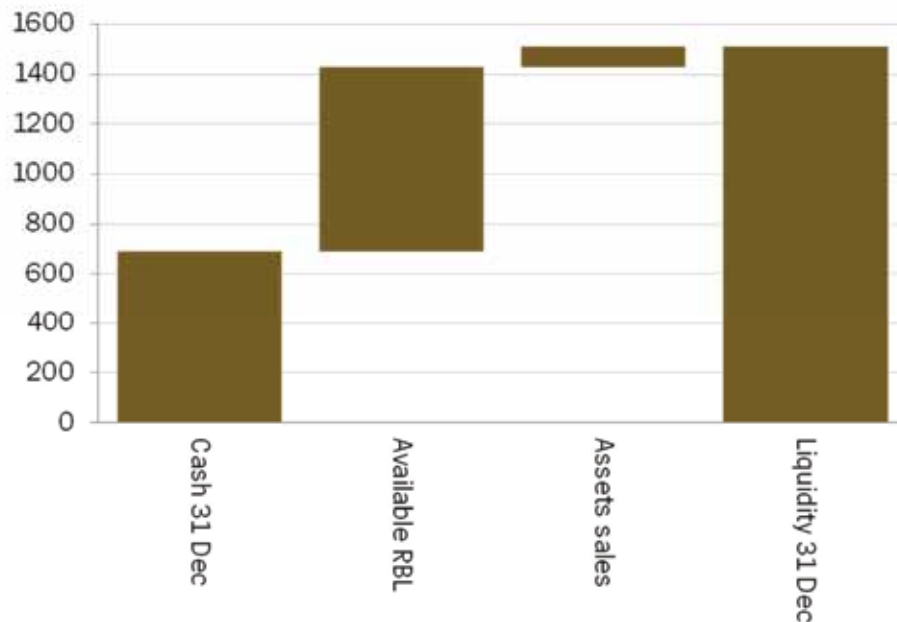
Gearing ratio



Strong liquidity after asset sales

Cash and liquidity

NOK million



Summary

- Reposition completed in Q4
- 12,000 b/d by end-2012
- 12 exploration wells
- Strengthened financial position

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



ADDITIONAL INFORMATION

Noreco at a glance

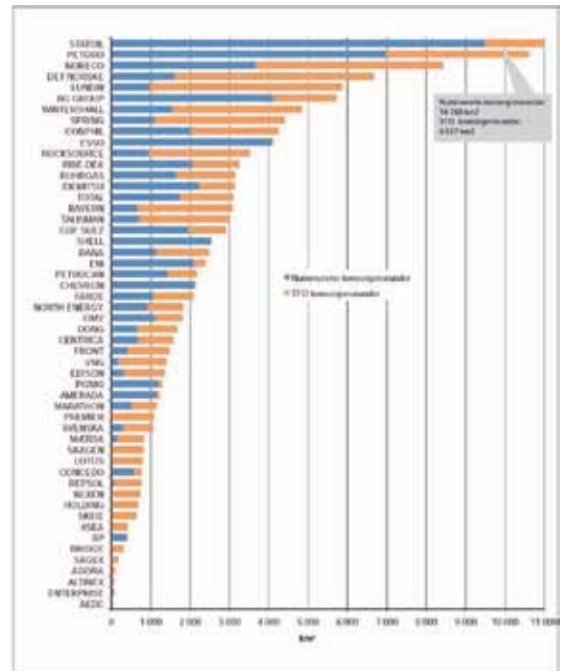
- Exploration-driven E&P company
- 12 exploration wells planned for the coming 18 months
- Production from five fields
 - 2011-H2: 3,500 boe/day
- Two field developments ongoing
 - Adding 8-9,000 boe/day in 2012
- Significant portfolio of licenses and discoveries
- Listed at Oslo Stock Exchange
 - Ticker: NOR
 - Market cap: USD 220 million



Exploration strategy

- Active and focused exploration program from a large portfolio
 - Focus on wells that can create significant value
 - 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)

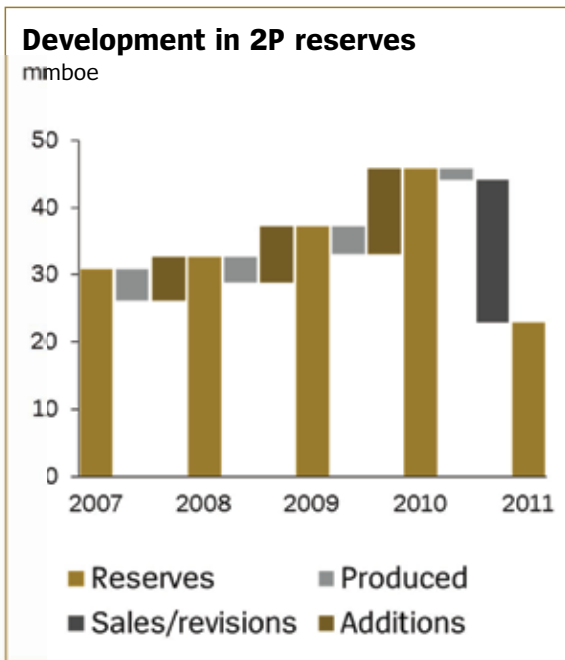
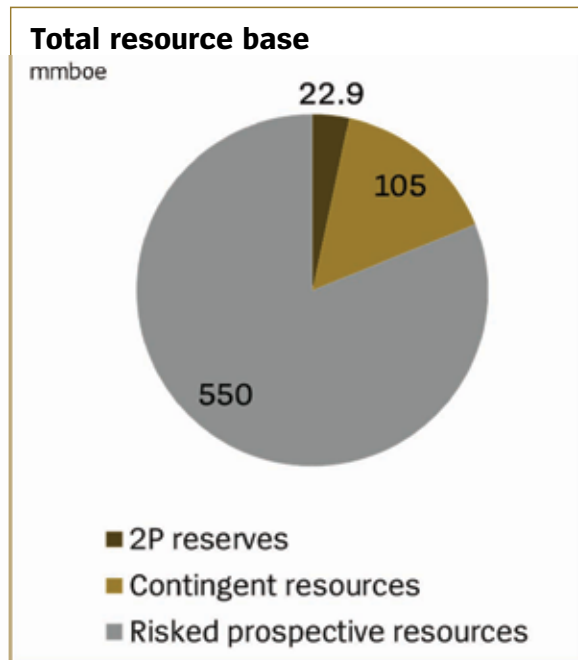
High impact exploration program

Prospect	License	Noreco share	Chance of success	Volume ¹⁾ potential	Drilling start	Operator
Kalvklumpen	PL414	20%			Dry	Det Norske
Zidane-2 ²⁾	PL435				Ongoing	RWE
Luna	DK 1/11	47%	14%	196-490	Ongoing	Noreco
Eik	PL396	50%	28%	130-310	Q1-2012	Noreco
Albert	PL519	20%	24%	280-500	Q2-2012	Lundin
Clapton	PL440S	12%	25%	76-194	Q2-2012	Faroe
Lupin	PL360	15%	10%	102-760	H2-2012	Statoil
Jette/Sprott	PL385	20%	50%/36%	17-73/7-22	H2-2012	Statoil
Crazy Horse	P1650	78%	21%	80-230	H2-2012	Noreco
Scotney	P1658	44%	26%	17-100	H2-2012	Suncor
Romeo	P1666	22%	24%	19-104	H2-2012	Suncor
Snurrevad	PL490	20%	10%	42-432	H2-2012	Lundin
Ogna	PL453S	25%	19%	122-278	H2-2012	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

Reserves and resources



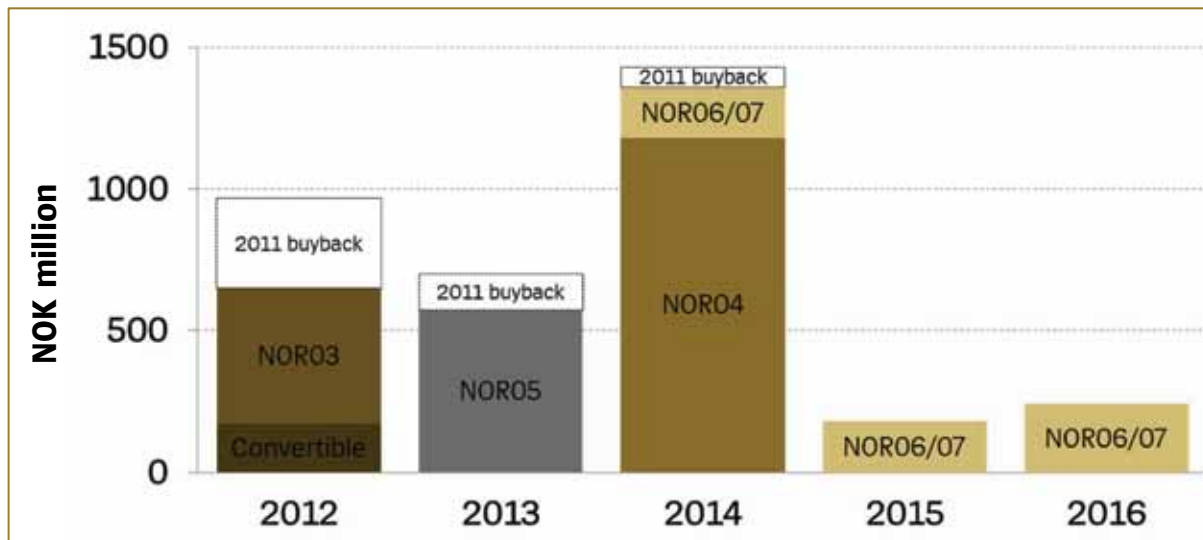
2P reserves are verified by DeGolyer & MacNaughton

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	Flyde 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	

Bond debt profile



Bond	Outstanding	Due	Terms
Convertible	NOK 173 mill	11 May 2012	6 % fixed, unsecured
NOR03	NOK 475.5 mill	20 Nov 2012	3m NIBOR + 7.9 %, pledge in shares in subsidiaries
NOR04	NOK 1,179 mill	20 Nov 2014	12.9 % fixed, pledge in shares in subsidiaries
NOR05	NOK 571 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

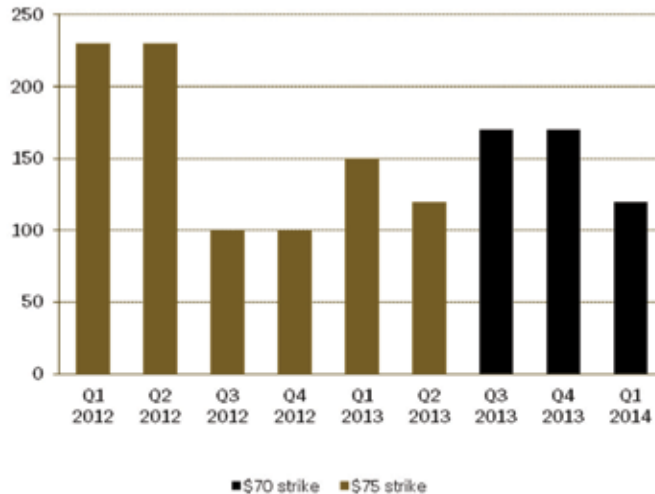
NOK million	Q4-2011	Q3-2011	Q2-2011	Q1-2011	Q4-2010
Bonds NOR03, NOR04, NOR05, ALX002	2,791	2,993	3,253	2,662	2,812
Reserve Based Loan \$320m facility	293 \$54	1,006 \$177	1,025 \$190	1,157 \$210	1,226 \$216
Convertible bond	171	213	211	208	206
Equity Book equity/Total assets	3,015 31.2%	2,884 24.6%	3,165 25.9%	3,335 26.7%	3,675 29.1%
Gearing ratio 1 NIBD / adj. EBITDax (NOR03/04)	2.6	3.8	3.3	2.7	2.5
Gearing ratio 2 NIBD / adj. EBITDax (NOR05/06/07)	2.7	3.9	3.4	3.1	3.0

Note: Exploration financing and receivables not included

Dynamic 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

Noreco production per field

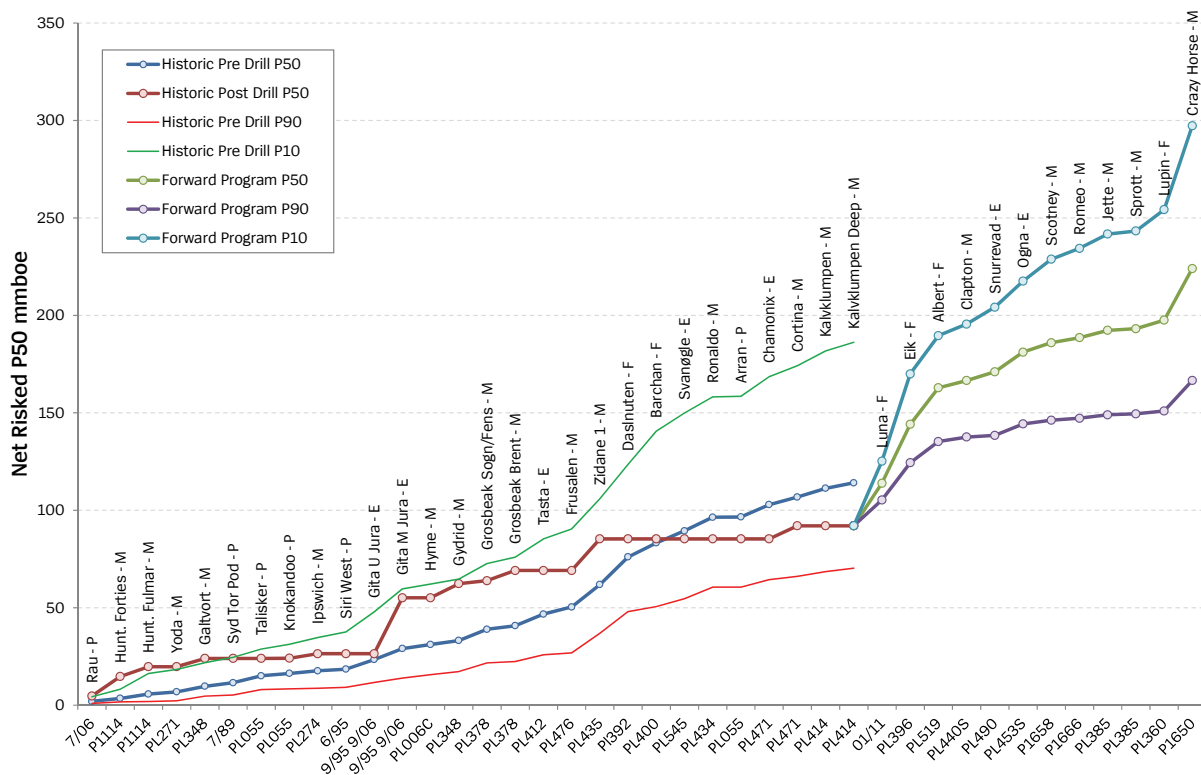
boe/day

Field	Noreco share	Q4-2011	Q3-2011	Q2-2011	Q1-2011
Nini East	30%	2 185	2 015	2 257	1 853
Nini	30%	582	768	893	1 238
Cecilie	61%	395	260	470	529
Lulita	28.2%	260	286	329	220
Enoch	4.36%	103	100	104	117
Total		3 524	3 428	4 053	3 957

Exploration and investment activity

NOK million	Q4-2011	Q3-2011	Q2-2011	Q1-2011	Q4-2010
Exploration expenses	32	103	86	202	301
Exploration capitalized	10	132	14	22	-63
Investments in fields	170	274	249	240	113
Total	212	509	349	464	351

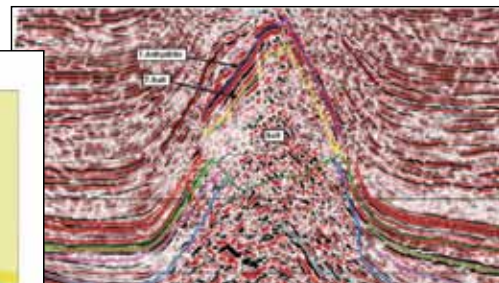
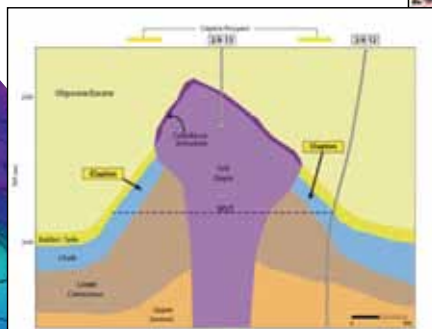
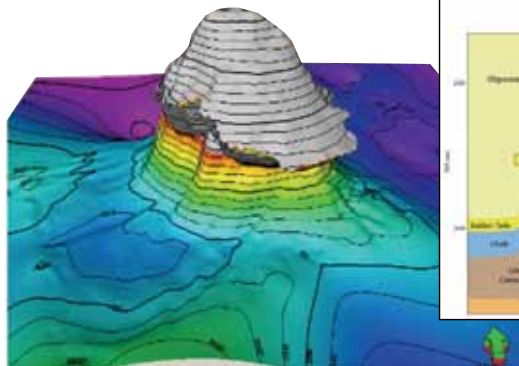
Exploration performance and outlook



PL440S – Clapton Prospect

Noreco 12% - Faroe Petroleum operated

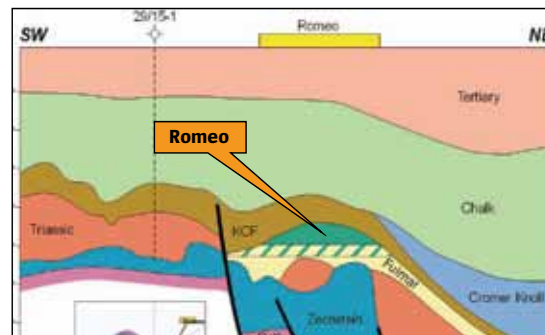
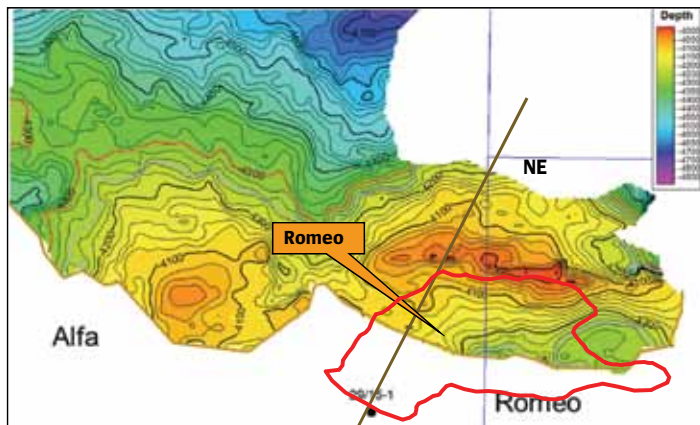
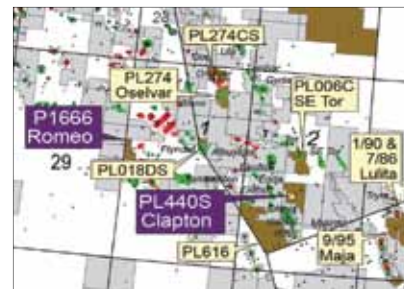
- Chalk reservoir around the flanks of a major salt diapir
- Located in Central Graben in proven play
- Cos - 25%: Primary risk element - trap integrity
- 76 – 194 mmboe gross , net P50: 15 mmboe
- Expected spud in May 2012 using Mærsk Guardian



P1666 – Romeo Prospect

Noreco 22% - Suncor operated

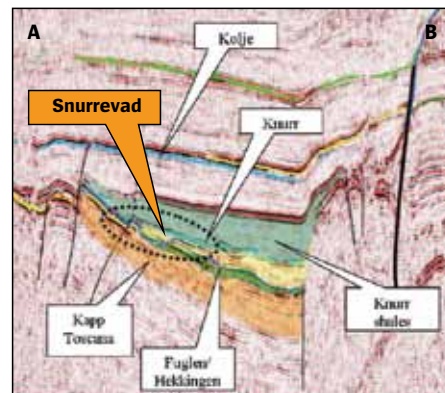
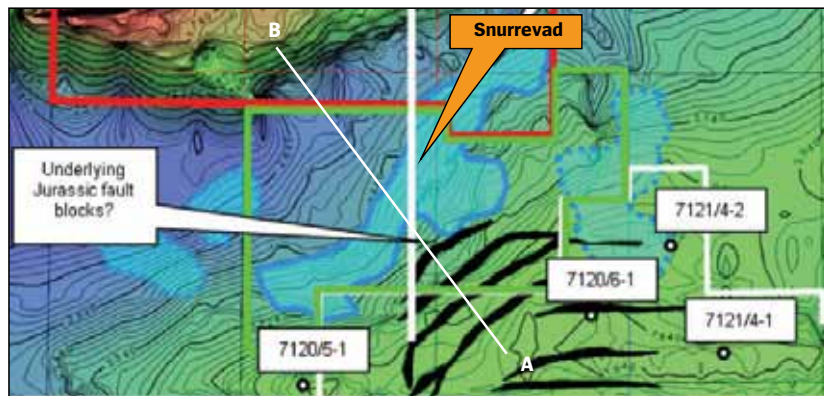
- Robust fault bound dip closure in proven Upper Jurassic play. Considerable upside potential to west of license (Alpha prospect)
- CoS - 24%: Primary risk element - trap geometry
- 19 – 103 mmboe gross, net P50: 11 mmboe
- Expected spud in Aug 2012 using WilHunter



PL490 – Snurrevad Prospect

Noreco 20% - Lundin operated

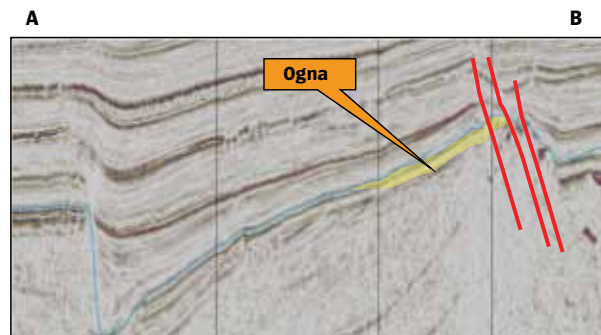
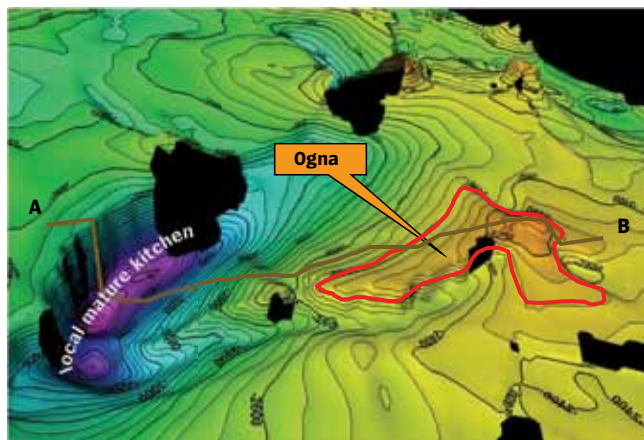
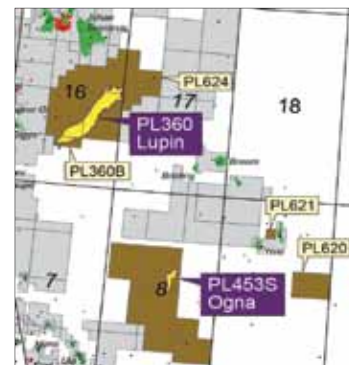
- Lower Cretaceous stratigraphic trap south of Loppa High in Barents sea, with significant additional high risk plays that will be de-risked by the well
- CoS – 10%: Primary risk element – trap, lateral pinch out of sands
- 42 – 432 mmboe gross , net P50: 44 mmboe
- Expected spud in Sep 2012 using Transocean Arctic



PL453S – Oгна Prospect

Noreco 25% - Lundin operated

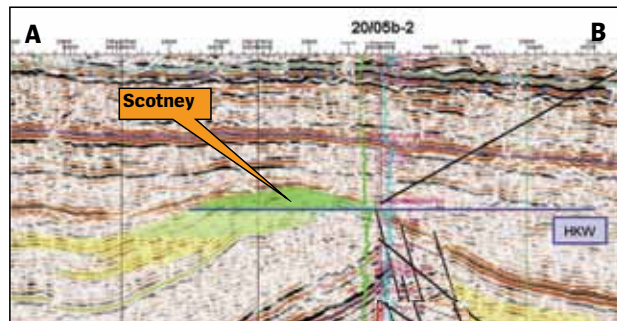
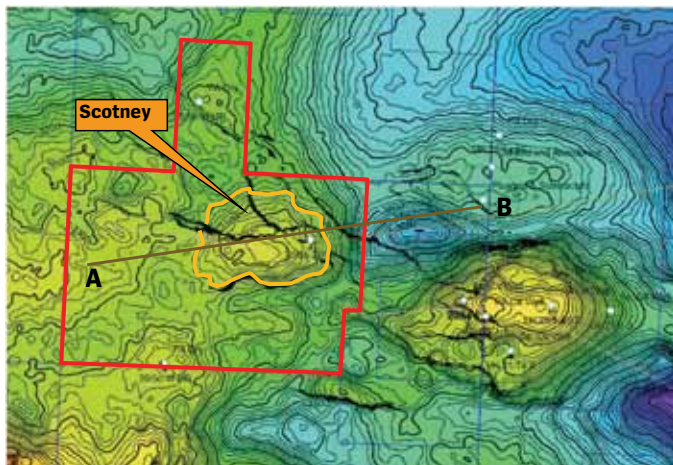
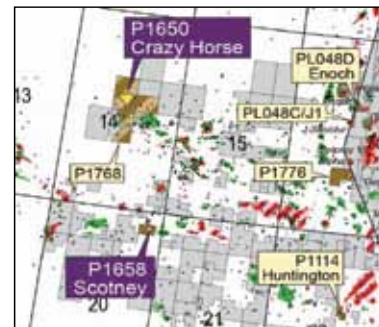
- Simple fault bound 4-way dip closure in an Upper Jurassic play, in close vicinity to local kitchen, analogue to Bream discovery
- CoS – 19%: Primary risk element – presence of local mature source rock
- 122 – 278 mmboe gross , net P50: 53 mmboe
- Expected spud in Nov 2012 using Mærsk Guardian



P1658 – Scotney Prospect

Noreco 44% - Suncor operated

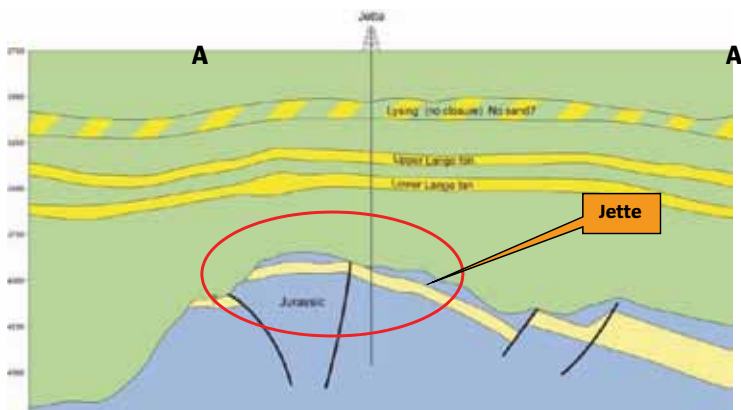
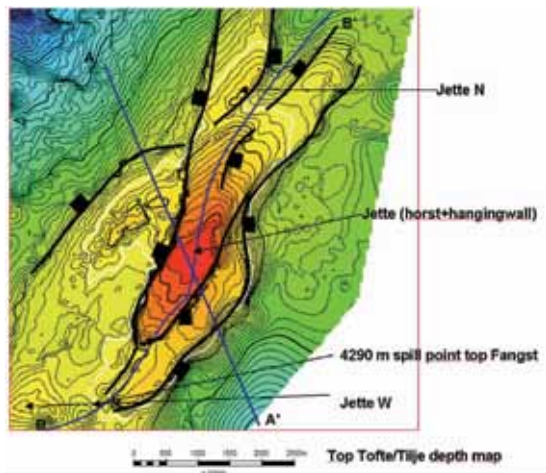
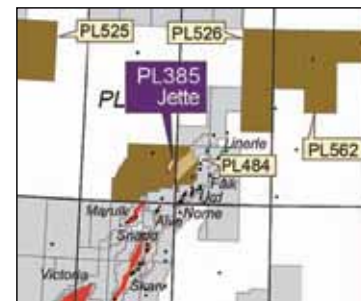
- Robust 4-way dip closure in proven Upper Jurassic play, in close vicinity to existing infrastructure
- CoS – 26%: Primary risk element – reservoir presence
- 17 – 100 mmboe gross , net P50: 19 mmboe
- Expected spud late 2012 – rig un-allocated



PL385 – Jette Prospect

Noreco 20% - Statoil operated

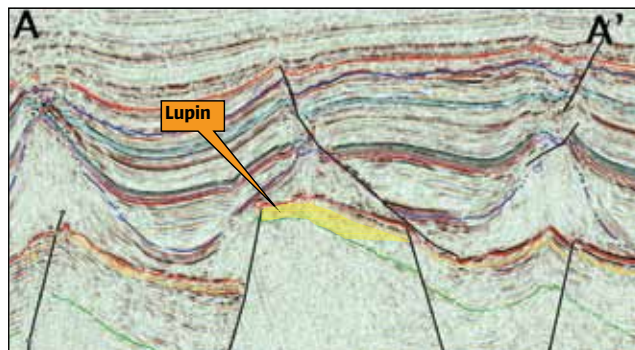
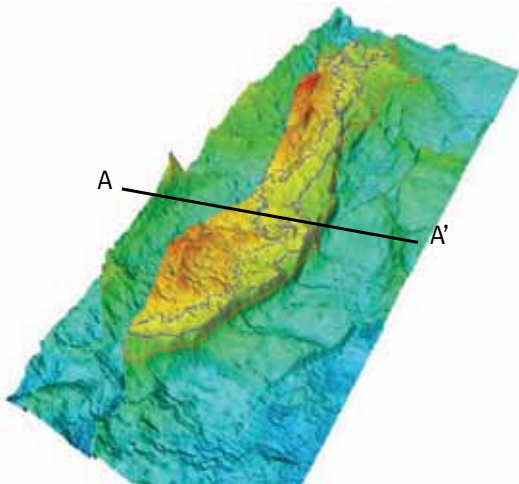
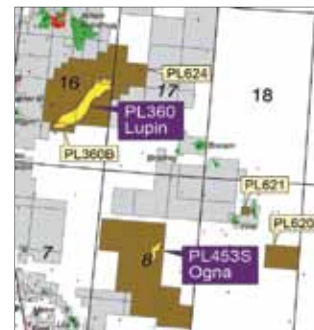
- Middle Jurassic target in conventional play in a prolific area
- CoS - 32%: Primary risk element - trap
- 35 – 210 mmboe gross , net P50: 25 mmboe
- Expected spud Q3/Q4 2012 – rig un-allocated



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 gross, net P50: 45 mmboe
- Expected spud in Nov 2012 using Songa Trym



Shareholders

Top 20 shareholders as of 28 February 2012

Shareholder	Shares	% of total
IKM INDUSTRI-INVEST AS	23 673 998	9,7 %
LYSE ENERGIAS	23 647 460	9,7 %
OM HOLDING AS	11 546 426	4,7 %
GOLDMAN SACHS INT. - EQUITY -	11 154 230	4,6 %
AWILCO INVEST AS	8 000 000	3,3 %
UBS AG, LONDON BRANCH	7 299 800	3,0 %
FOLKETRYGDFONDET	6 035 894	2,5 %
SABARO INVESTMENTS LTD	5 950 000	2,4 %
KONTRARIAS	5 600 000	2,3 %
SKAGEN VEKST	5 127 513	2,1 %
DNB NOR SMB VPF	5 040 000	2,1 %
ODIN OFFSHORE	5 000 000	2,1 %
FONDSFINANS SPAR	3 400 000	1,4 %
EUROCLEAR BANK S.A./N.V. (BA)	3 153 077	1,3 %
BD TRADING AS	2 518 873	1,0 %
SKANDINAVISKA ENSKILDA BANKEN AB	2 311 075	0,9 %
HSBC BANK PLC	2 260 802	0,9 %
KOMMUNAL LANDSPENSJONSKASSE	2 096 341	0,9 %
HSBC BANK PLC	2 000 000	0,8 %
KLP AKSJE NORGE VPF	1 832 073	0,8 %
Total number owned by top 20	137 647 562	56,4 %
Total numbers of shares	243 842 914	

Important information

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