



Third quarter 2009

22 October 2009

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Highlights

■ All production shut down on Siri, Cecilie and Nini from 31 Aug

- Q3 production 9,725 barrels per day realised at 65 \$/barrel
- revenues NOK 355 million
- Full year production guidance 10,500-11,000 barrels per day

■ Developments progressed towards production

- First Nini East well completed and two more underway
- Oselvar development commenced
- Huntington concept selection underway

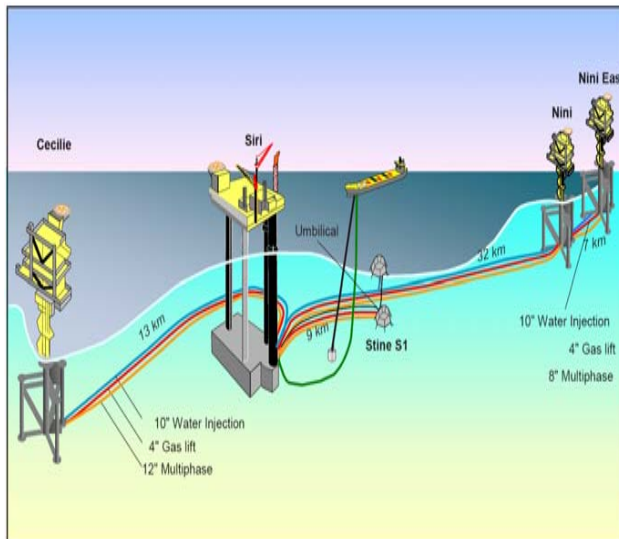
■ Exploration

- Dry well at Tasta – safe execution of first operated exploration well in Norway
- Application for several licenses in APA 2009 license round

■ Strengthened financial position

- NOK 1,200 million equity issue
- NOK 2,000 million bond refinancing

Shut down of the Siri platform



- All production on Siri, Nini and Cecilie fields temporarily shut down on 31 August 2009
- A routine inspection revealed cracks in a water tank connected to the main storage tank
- A temporary solution to restart production is being implemented by the partnership
- Restart of Siri facilities is expected in November, with operational risk on timing related to fabrication of equipment and weather conditions
- This does not have any adverse effect on the reservoir or field reserves
- Noreco insurance coverage expected on business interruption from 1 November and all consequential damages

Q3 results

Income statement

NOK million	Q 3 2009	Q 3 2008	2008
Operating revenues	355	808	2 424
Production cost	120	128	415
Exploration cost	180	59	259
Salary and other expenses	50	40	210
Loss on sale of licenses	56	-	-
EBITDA	(51)	580	1 540
Depreciation and amortizat	120	211	716
EBIT	(171)	369	824
Net financial items	(156)	(136)	(556)
EBT	(326)	232	268
Tax	-192	97	148
Profit / (loss) for the period	(134)	135	120

- Production is 9.725 boe/d sold at USD 65
- Opex includes NOK 7 million relating to Siri shutdown
- Exploration costs includes NOK 74 million related to dry exploration well at Tasta
- Sale of PL 442 loss is NOK 56 million before tax and NOK 12 million after tax

Balance sheet

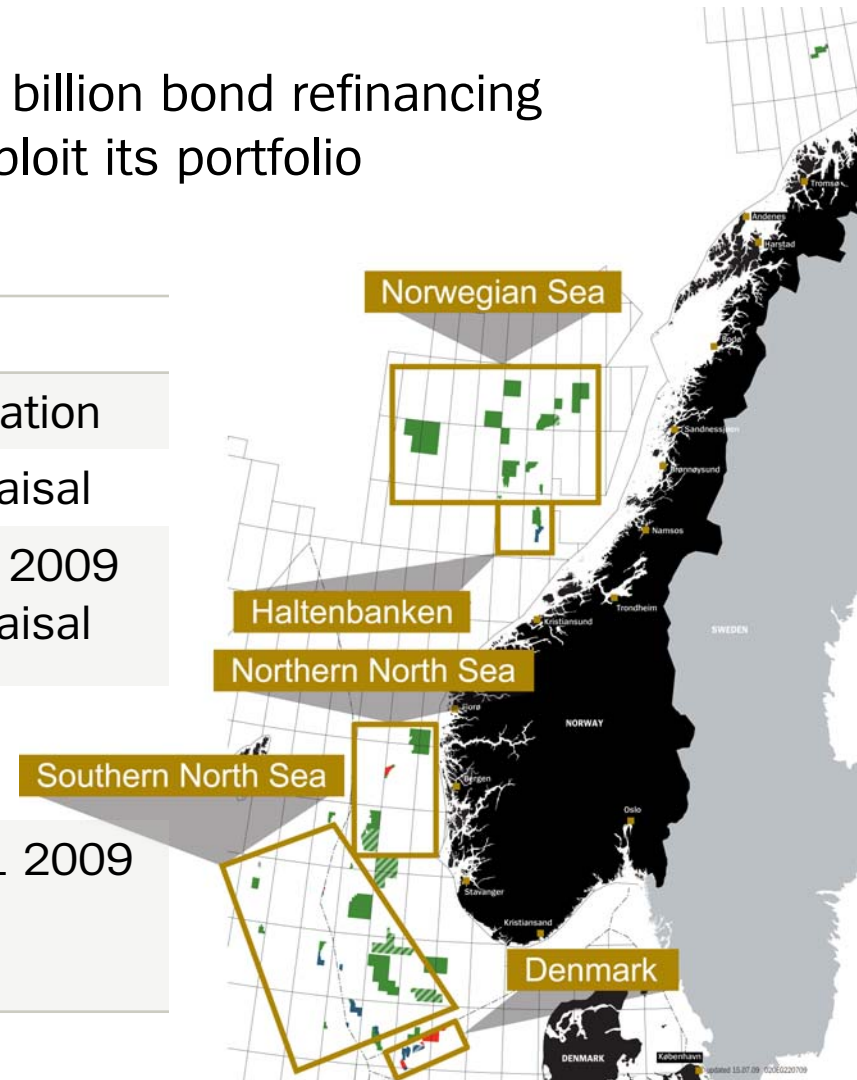
NOK million	30.09.09	31.12.08	30.09.08
Assets			
Fixed assets	10 401	9 909	10 388
Receivables	965	1 512	1 010
Cash	436	867	1 058
Total assets	11 802	12 288	12 456
Equity and liabilities			
Total equity	2 624	2 996	2 746
Total long-term liabilities	6 699	7 761	8 481
Total current liabilities	2 479	1 531	1 229
Total liabilities	9 178	9 292	9 710
Total equity and liabilities	11 802	12 288	12 456

- Value of oil price put options at 50 and 75 \$/barrel NOK 131 million
- Current liabilities includes instalments of NOK 1000 million in NOR bonds which post Q3 has been refinanced and NOK 760 million deferred

Set for value creation

- NOK 1.2 billion equity issue and NOK 2 billion bond refinancing place Noreco in a strong position to exploit its portfolio

Area	Noreco position
Norwegian Sea	<ul style="list-style-type: none"> ■ High impact exploration
Haltenbanken	<ul style="list-style-type: none"> ■ Exploration & appraisal
Northern North Sea	<ul style="list-style-type: none"> ■ 4,500 boe/day H1 2009 ■ Exploration & appraisal
Southern North Sea	<ul style="list-style-type: none"> ■ Developments ■ Exploration
Denmark	<ul style="list-style-type: none"> ■ 8,050 boe/day H1 2009 ■ Development ■ Appraisal



Strategy

Create Value with Exploration

- 4th largest acreage position on NCS
- 11 successful wells since middle of 2007
- 6-10 exploration wells a year planned in 2010- 2011
- 2-3 delineation wells per year

Monetize Value Through Developments and Sales

- Nini East startup in Q4 09
- Oselvar, Huntington and Nemo on line in 2011 and 2012
- 2P reserve growth in 2008, 2009 and 2010
- 15,000 barrels per day new production

Optimize Value in Production

- Maintenance problems in 2009
- Production declines 10-15%/yr. Reduced with investment
- Exposure to increasing oil price
- Downside protection through put options

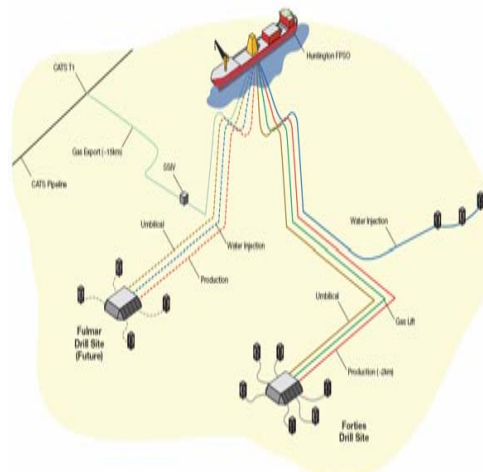
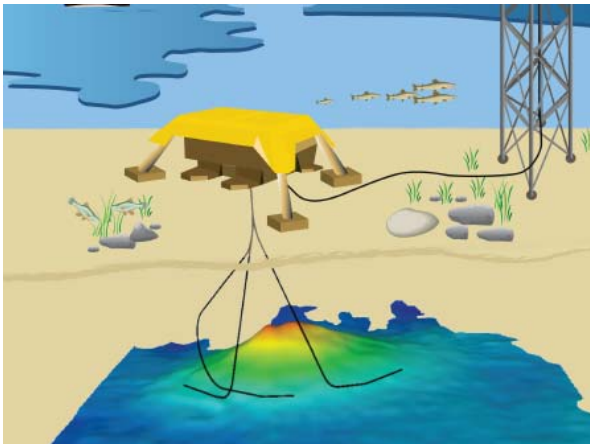
Production and reserve growth

- Near term production will increase due to:
 - Start up of new producing wells on Nini and Brage
 - Water injection support increased recovery at Siri, Nini and Brage
 - Resumed production from Siri, Nini, Cecilie and Lulita
- Significant production and reserve growth comes from 4 ongoing developments
 - Nini East in Q4 2009
 - +15,000 boe/day net increase in production in the base case
 - Significant upside in all fields
- Other developments will add further production and reserves
 - Gita, Grosbeak, Gygrid/Galtvort, Huntington deep

Monetize value through development

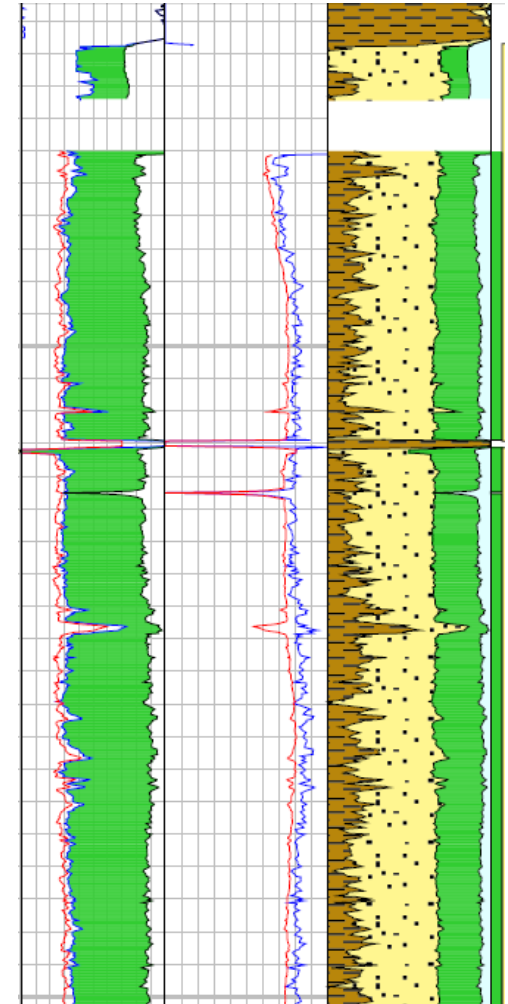
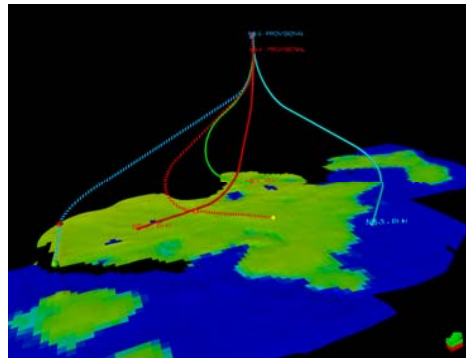
Field	PDO	Start	Net production estimates (boe/day)
Nini East	Q1 2008	2009	3,000
Oselvar	Q1 2009	2011	3,000
Huntington	Q1 2010	2012	7,000
Nemo	H1 2010	2012	3,000

■ Average development and lifting cost for the projects are below 30\$/barrel



Nini East development

- Ready for first oil with the restart of the Siri platform
- Delivered on or below the budget
- First well is completed with very good reservoir section
 - 800 m horizontal section with good reservoir quality and connectivity
- Two more wells are underway
 - Simplified well design based on results of the first well



2009 discoveries

■ Gita

- Subsurface alignment in the partnership
- 2010 program will be 3D seismic and/or appraisal drilling

■ Grosbeak

- Analysing development scenarios
- Maturing the discovery and the remaining prospectivity

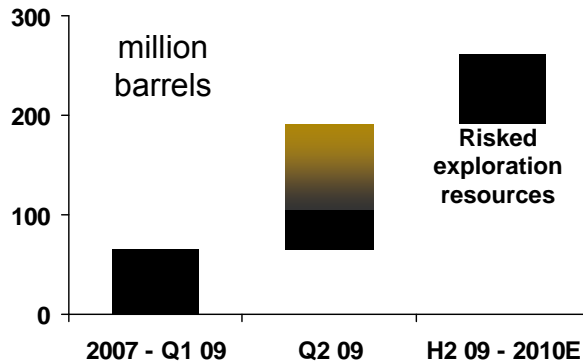
■ Galtvort/Gygrid

- Seismic reprocessing for improved subsurface understanding
- Initial development work and prospectivity maturation

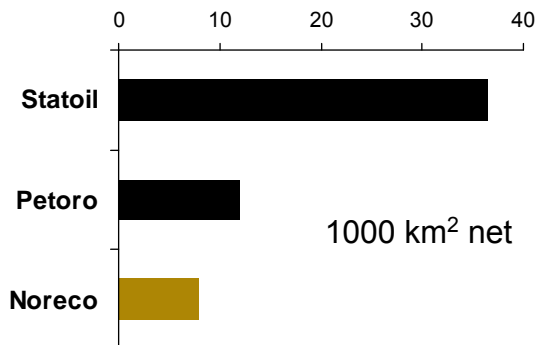


Value creation from exploration

Track record



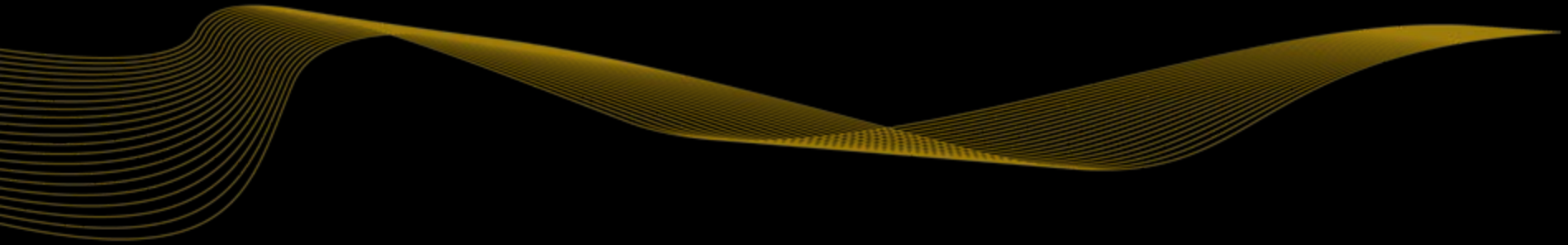
Acreage



- Strong track record of discoveries since start of the company
 - 11 of 15 wells successful – Tasta well in Q3 dry
 - Delivering a better hit rate and larger average discovery size
- Demonstrated access to quality acreage
 - 2nd largest award in 20th round NCS
 - Extensive exploration position on NCS with additional acreage on DCS and UKCS
- Strategy to actively manage portfolio
- 6-10 wells per year planned
- Discoveries will result in 2-3 delineation wells a year

Outlook

- **We are set to deliver substantial growth**
 - 4 developments (another 19 discoveries in our portfolio)
 - 6-10 exploration wells a year
 - 2-3 delineation wells a year
 - Organization that has delivered
- **Funded to deliver this growth through the end of 2011**
- **2009 discoveries will be matured and provide further growth**
 - Gita, Grosbeak, Galtvort / Gygrid
- **Exposed to oil price upside with existing production and new developments**
- **Business and risk management through use of financial derivatives (i.a. oil price put options) and extensive insurance policies**



Supplementary
information

Noreco production per field

Field	Noreco ownership	Q3 2009 (barrels/day)	FY 2008 (barrels/day)
Brage	12.26/13.2%	4,000	4,450
Siri	20% until 18 June 2008 50% from 19 June 2008	2,750	3,850
South Arne	6.56%	1,675	1,500
Nini	30%	600	1,825
Cecilie	61%	375	675
Lulita	28.2%	25	375
Enoch	4.36%	300	275
Total		9,725	12,950

P&L analysis

	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Production (boe/day)	9,725	11,500	13,625	14,900
Realised price (\$/boe)	65	60	55	58
Realised price (NOK/boe)	395	385	380	395
Production cost (\$/boe)	22.0	17.2	13.5	12.7
Depreciation and amortisation (\$/boe)	21.9	22.9	19.8	23.0

Exploration and investment activity

NOK million	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Exploration expenses	180	139	172	144
Exploration capitalized	-14	145	58	3
Investments in fields	236	335	135	141
Total	403	619	365	288

Interest bearing debt & equity

NOK million	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Bonds	2,550	2,539	2,527	2,531
Reserve Based Lending	1,358 (\$240)	1,466 (\$235)	1,432 (\$220m)	1,464 (\$215m)
Convertible bonds	194	192	189	187
Equity	2,623	2,789	2,853	2,996
Book equity/Total asset	22.2%	22.8%	23.9%	24.3%

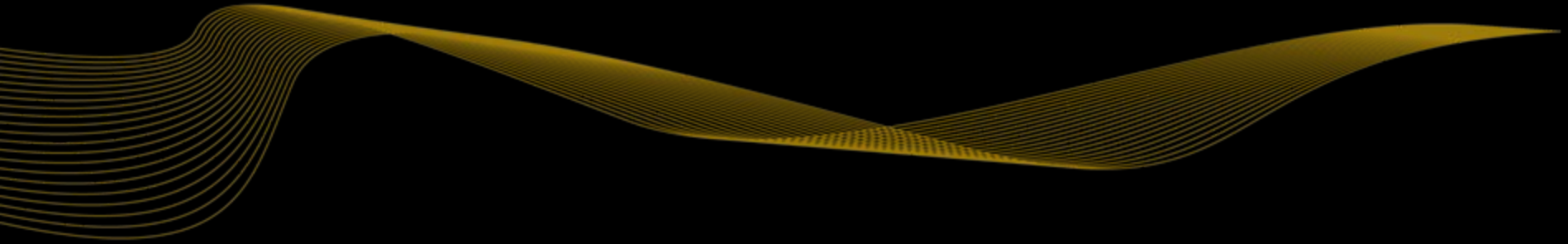
Note: Exploration financing and receivables not included

Shareholders

Top 20 shareholders as of 21 October 2009

Investor	Number of shares	% of top 20	% of total
GOLDMAN SACHS INT. - SECURITY CLIENT SEGR	26 768 169	18,5 %	11,3 %
LYSE ENERGI AS	23 647 460	16,3 %	10,0 %
UBS AG, LONDON BRANC S/A IPB SEGREGATED C	17 849 646	12,3 %	7,5 %
IKM INDUSTRI-INVEST	12 647 604	8,7 %	5,3 %
MORGAN STANLEY & CO S/A MSCO CLIENT EQUI	9 129 578	6,3 %	3,9 %
FOLKETRYGDFONDET JP MORGAN CHASE BANK	6 500 000	4,5 %	2,7 %
BANK OF NEW YORK MEL BNY GCM CLIENT ACCOU	5 619 918	3,9 %	2,4 %
SEB ENSKILDA ASA MEGLERKONTO UTLAND	5 309 500	3,7 %	2,2 %
NORDEA BANK NORGE AS SECURITIES OPERATION	4 425 000	3,1 %	1,9 %
SKAGEN VEKST	4 240 000	2,9 %	1,8 %
SKANDINAVISKA ENSKIL A/C CLIENTS ACCOUNT	3 664 539	2,5 %	1,5 %
AWILCO INVEST AS C/P AWILHELMSSEN MANA	3 416 333	2,4 %	1,4 %
CREDIT SUISSE SECURI (EUROPE) PRIME BROKE	3 127 415	2,2 %	1,3 %
FIDEURAM BANK (LUXEM)	3 058 196	2,1 %	1,3 %
THE NORTHERN TRUST C TREATY ACCOUNT	2 974 422	2,1 %	1,3 %
JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	2 912 884	2,0 %	1,2 %
DNB NOR SMB VPF	2 615 000	1,8 %	1,1 %
KLP LK AKSJER	2 446 945	1,7 %	1,0 %
SKANDINAVISKA ENSKIL A/C FINNISH RESIDENT	2 391 272	1,6 %	1,0 %
DEUTSCHE BANK AG LON	2 309 938	1,6 %	1,0 %
Total number owned by top 20	145 053 819	100,0 %	61,1 %
Total number of shares	237 271 937		

- 237.3 million shares outstanding
- Up to 7.1 million shares can be issued in the ongoing subsequent offering
- NOK 218.5 million convertible bonds with conversion price 22.25 NOK/share. Norsk Tillitsmann ASA, trustee for Noreco's convertible bond loan with an outstanding amount of NOK 218.5 million, has questioned whether the conversion price shall be adjusted downwards from the current NOK 22.25 to NOK 16 as a result of a private placement completed in May 2009. No litigation in this respect has been commenced, and Noreco is of the opinion that no such adjustment shall take place.



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