

Third quarter 2013

28 November 2013

Contents



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Chief Exec Officer



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- **Headlines**
 - Refinancing concluded

p. 3
p. 4 - 6
- **Operations**
 - Producing fields
 - Recent exploration: Gohta
 - Exploration programme

p. 7 - 11
p. 12 - 15
p. 16 - 21
- **Key financials**
 - Q3 and year to date

p. 22 - 27
- **Concluding remarks**

p. 28
- **Q&A**

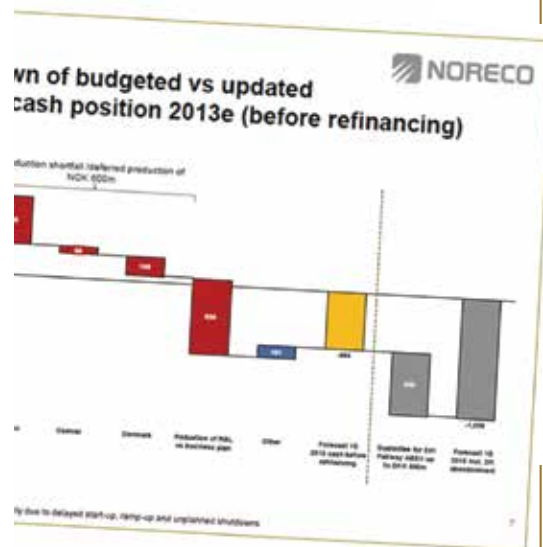
Headlines

- **Refinancing concluded, establishing a sound financial basis**
 - NOK 430 million new equity committed
Another up to NOK 100 million underway
 - Debt restructuring approved by bondholders
Cost of capital significantly reduced
- **Exploration success**
 - Gohta well proved substantial reserves potential
 - Appraisal in 2014
- **Technical issues continue to curtail production**
 - Huntington gradually climbing towards plateau
 - Siri Fairway fields* remain shut

*Siri Fairway refers to the Nini, Nini East and Cecilie fields

October: Backed into a corner

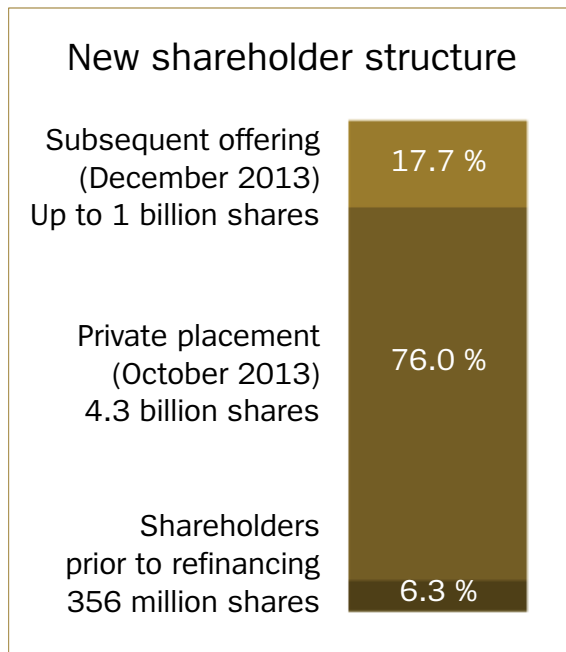
- **Urgent need for refinancing due to**
 - Production shortfall
 - RBL loans being called
 - DK abandonment guarantee claim
- **Cash forecast showed NOK 1 bn negative at year-end**
- **Potential insolvency in November**
 - Prompted Board to move quickly towards refinancing
- **Presented on 21 October**
 - Bond restructuring approved 5 Nov
 - Equity issues approved 15 Nov



From Noreco Investor
Presentation 21 October 2013

New shareholder structure

- **Two of top-three shareholders pre-subscribed NOK 249 mill in the NOK 430 mill private placement**
 - Sabaro Investments and IKM Industri-Invest will own 27.1 and 18.5 per cent respectively post subsequent offering ¹
- **Subsequent offering of up to NOK 100 mill in December**
 - Shareholders on 22 Oct will receive approximately six subscription rights per share ²
- **Number of shares before refinancing represent 6.3 per cent of new total number of shares**

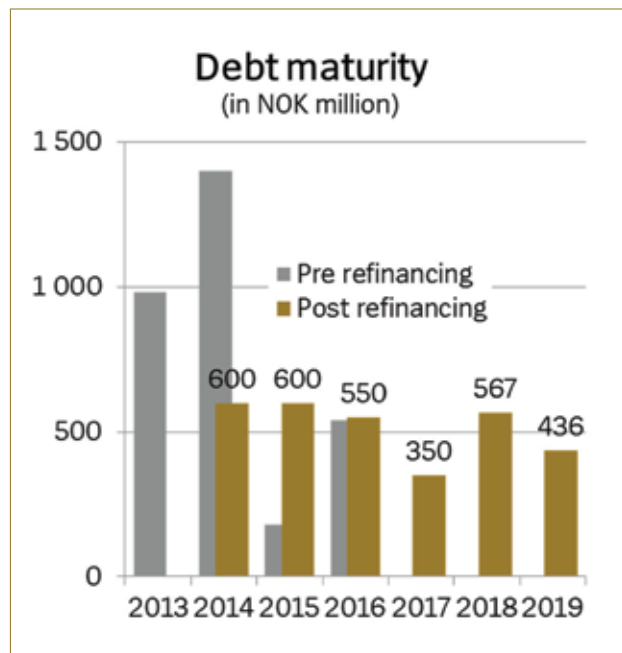


¹ If fully subscribed

² Please see prospectus for full description of all conditions relevant to subsequent offering

New debt structure, healthy cash buffer

- **Bond maturity profile post refinancing well matched to expected cash-flow profile**
- **Interest payments cut by more than 55 per cent**
 - 2013: ca. NOK 402 mill ¹
 - 2014: ca. NOK 173 mill ¹
(excluding NOK 15 mill PIK interest on 367 mill convertible bond)
- **Healthy cash-buffer**
 - NOK 300 mill plus through 2014
 - Based on Noreco's production, cost and economic assumptions

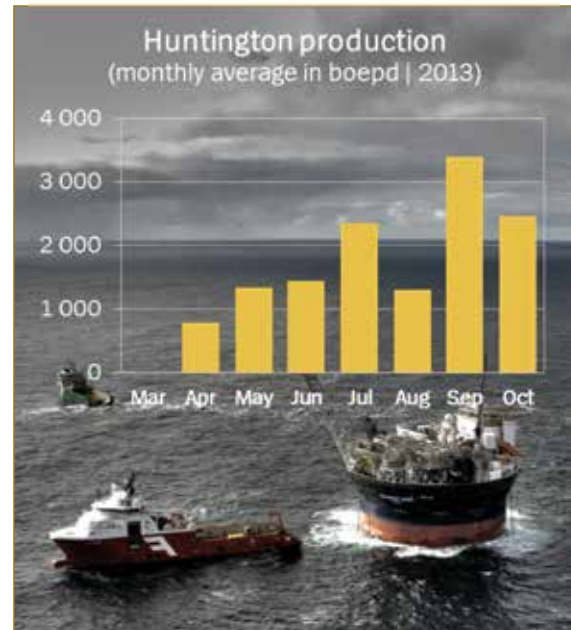


¹ Excluding interest on exploration loans (approx. NOK Q3 2013 Presentation 25 mill in 2014; NOK 29 mill in 2013)

PRODUCING FIELDS

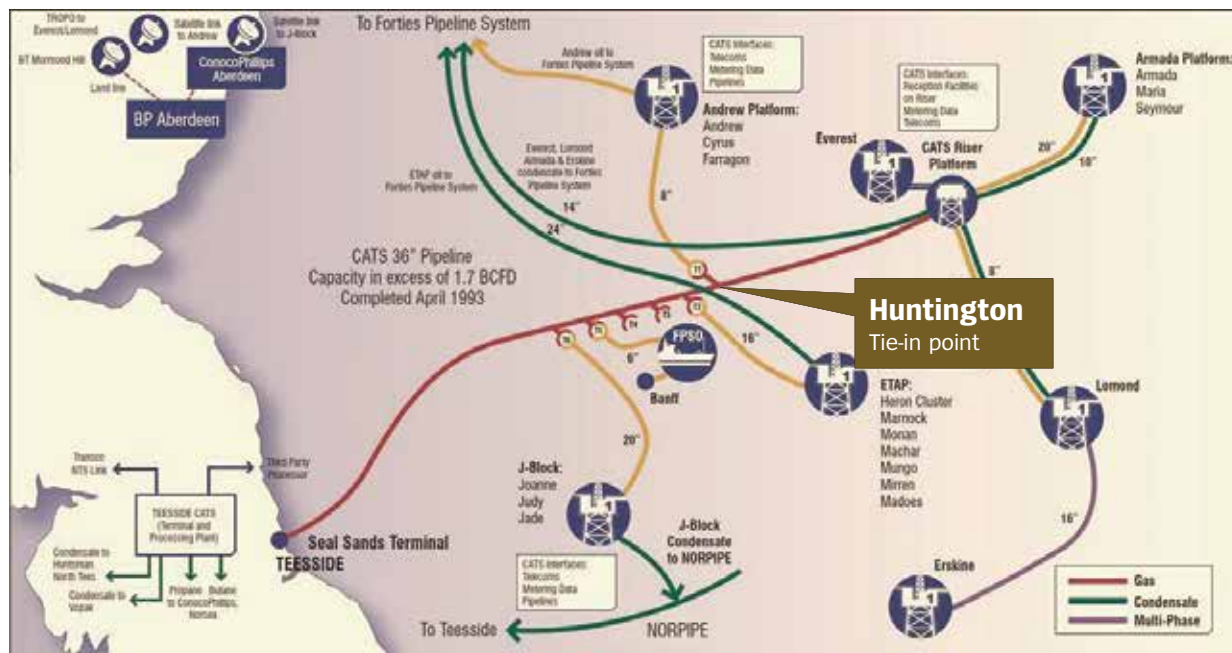
Huntington – unstable production

- First oil in April 2013. Added 6 400 boepd production capacity
- Slow start mainly due to compressor system problems
- Output subsequently choked by HSE concerns related to oil storage venting system
- Final ramp-up significantly delayed by issues in the CATS¹ export pipeline system
- Expected to reach plateau in December. Potential for debottlenecking identified



¹ CATS = Central Area Transmission System

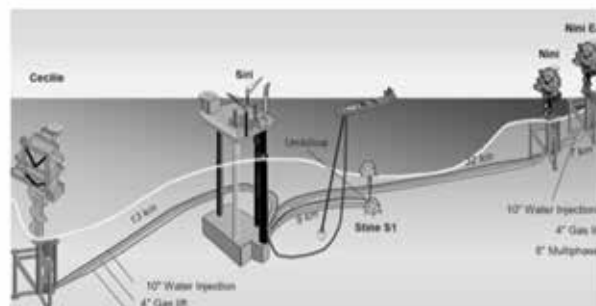
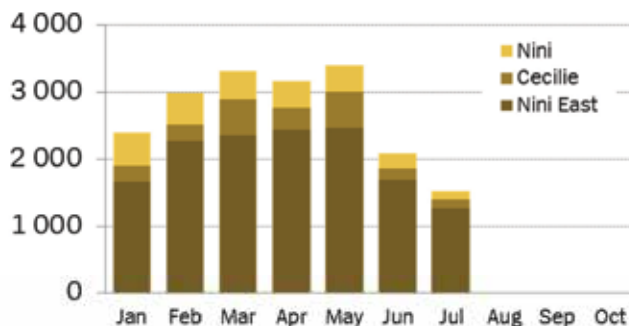
Fields in the CATS systems



Siri temporary shut-down

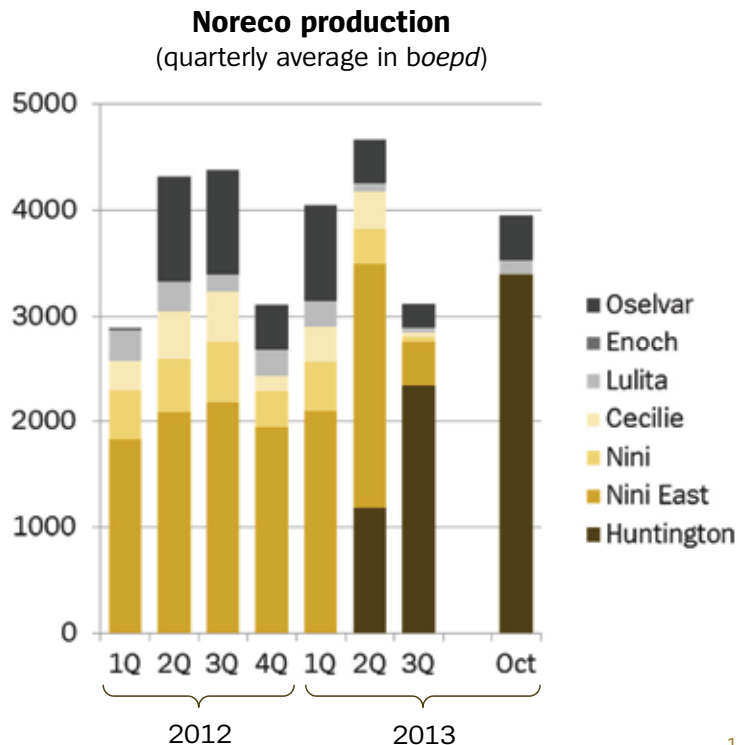
- Integrity issues discovered on Siri platform in July
- Permanent repair scheduled for summer 2014
- Temporary solution is being reviewed by the Siri operator and Danish authorities
- Direct loading to tanker possible in H1 2014

Siri Fairway field output
(monthly average in boepd | 2013)



Q3 production

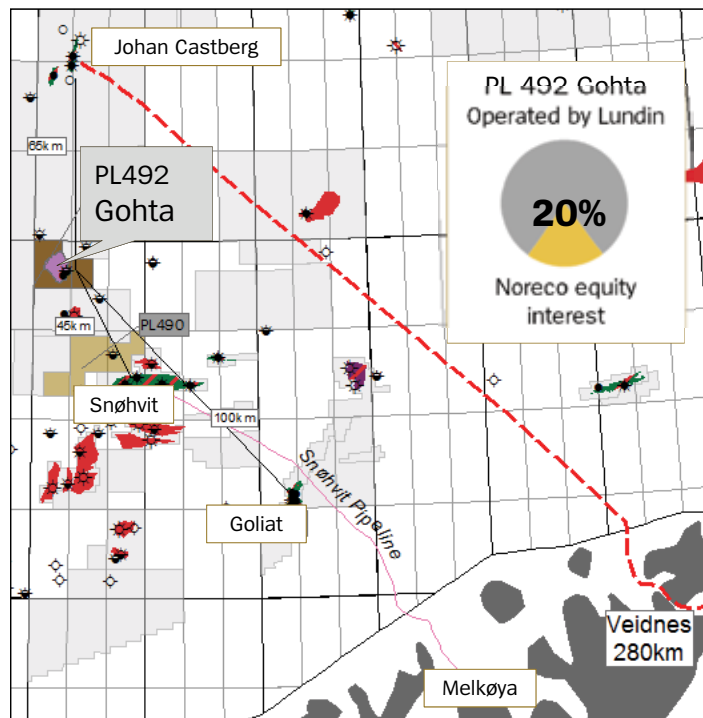
- Slow start at Huntington. Now gradually ramping up towards plateau in December
- Nini, Nini East and Cecilie closed for most of the quarter.
- Oselvar, Lulita back on stream in September



DISCOVERIES

Gohta | Success !

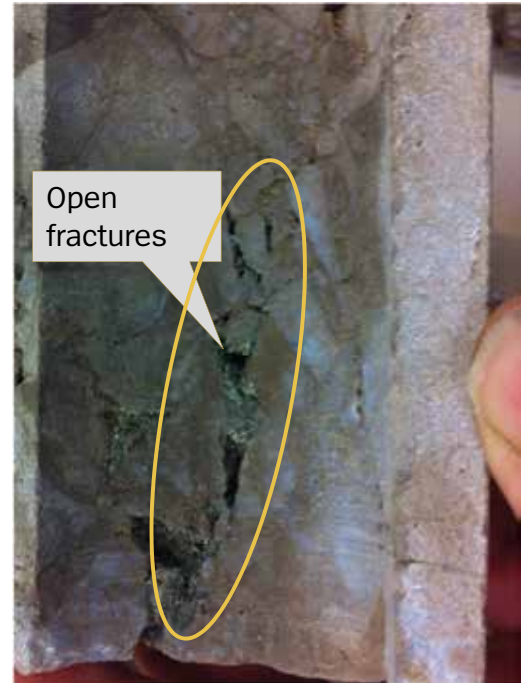
- 3rd largest NCS oil discovery¹ last 3 years
- Discovered oil and gas in Permian carbonates
- Excellent reservoir quality
- Preliminary resource estimate is 113-239 mmboe
- Favourably located between Johan Castberg and Snøhvit



¹ After Johan Sverdrup and Johan Castberg

Gohta | Highly promising reservoir

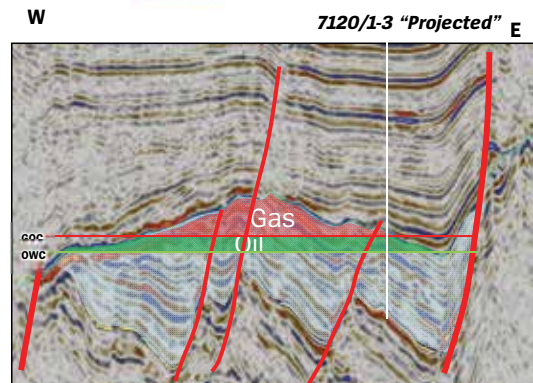
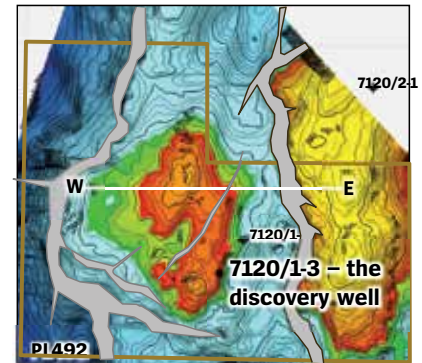
- The well found a 30 meter gas column over a 75 meter oil column
- Cores and logs indicated excellent quality reservoir
- Drill stem test showed very good flow properties – the test flow rate was 5,695 boe/day



Gohta | Rapidly maturing









Work programme through 2014

- Discovery evaluation
 - G&G, reservoir engineering, development studies
- Appraisal programme – at least two wells are likely
 - One appraisal well in 2014
- Broadband seismic survey will be considered



EXPLORATION

Exploration and appraisal programme

Well	Noreco share	Operator	Pot. vol. ¹	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
PL484 Verdande	30 %	Noreco	53-236								
PL492 Gohta (appraisal)	20 %	Lundin	113-239								
DK 9/95 Xana (Gita S)	20.1 %	Maersk	47-475								
P1889 Niobe	22.5 %	Sunco	40-72								
PL360 Lausingen	15 %	Statoil	na								
PL519 Albert	20 %	Lundin	na								
PL616 Nanna	20 %	Edison	na								
P639 Kanel	15 %	Tullow	na								

 Committed well

 Potential well

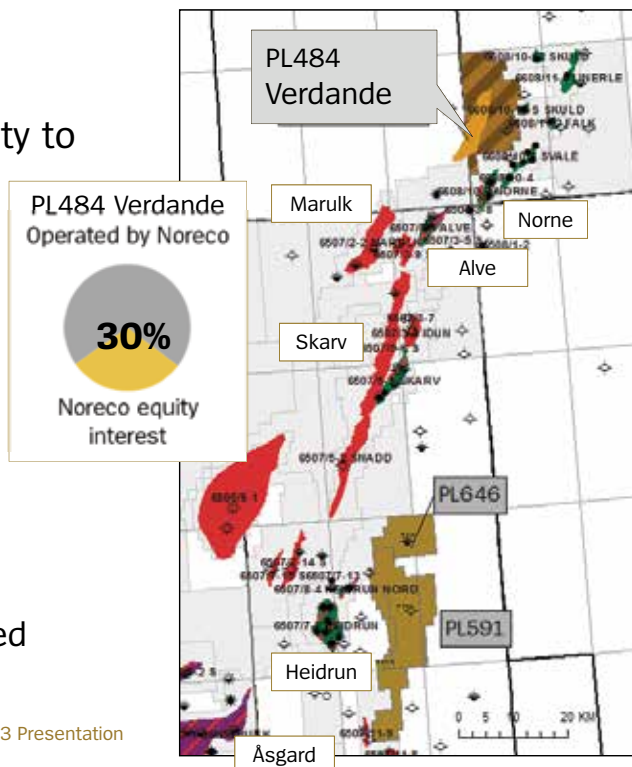
Bordeaux Brulee, Zumba and Alfred are still considered for drilling in 2015 or later

¹ in Mmboe

Verdande

On track for Q1 2014 spud

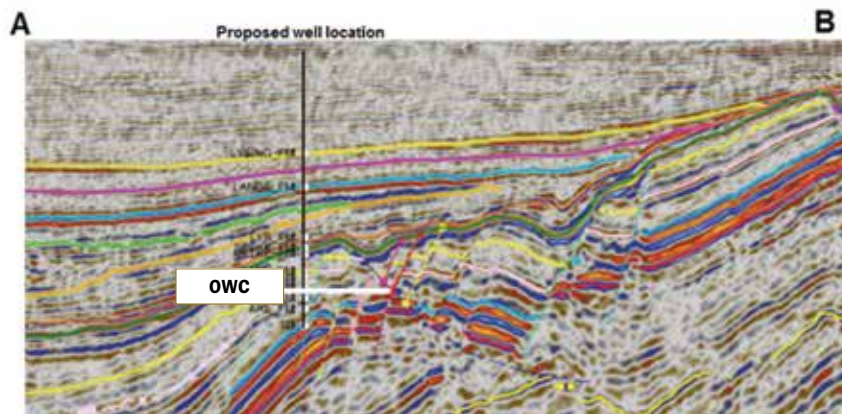
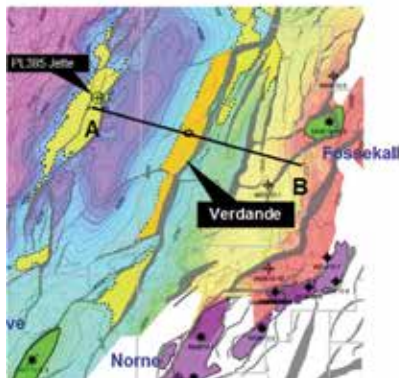
- Located northwest of Norne
- Recently farmed out 10 % equity to existing partner Explora Petroleum
- To be drilled by semisub Bredford Dolphin
- Spud expected Q1 2014
 - Well planning and authority applications on schedule
 - Dry hole case 68 days
 - Success case 81 days
 - A side-track will be considered based on the drilling results



Verdande

Strong potential in a producing trend

- Middle Jurassic target in well proven play
- Chance of success (CoS): 29 per cent – Primary risk element: Trap
- 53 – 236 mmboe gross (gas and oil), 39 mmboe P50 net to Noreco, with considerable additional prospectivity



Three key focus areas

Current priorities

- **North Sea North**

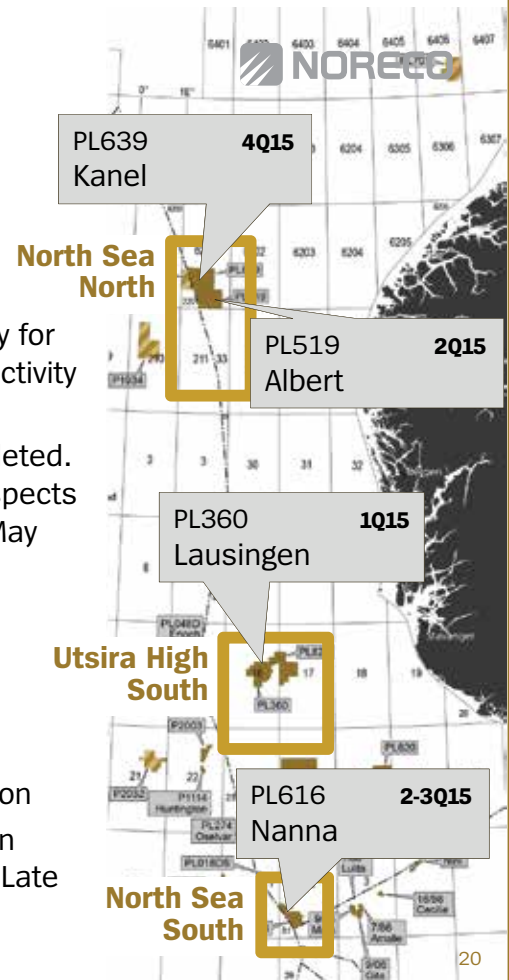
- PL639 Kanel | Finalize seismic survey. Make ready for interpretation. Next geologic mapping and prospectivity evaluation. Drill decision expected in late 2014
- PL519 Albert | Seismic reprocessing nearly completed. Further geologic mapping of Albert and other prospects in license. Decision on way forward expected in May 2014

- **Utsira High South**

- Geologic mapping and prospect evaluation

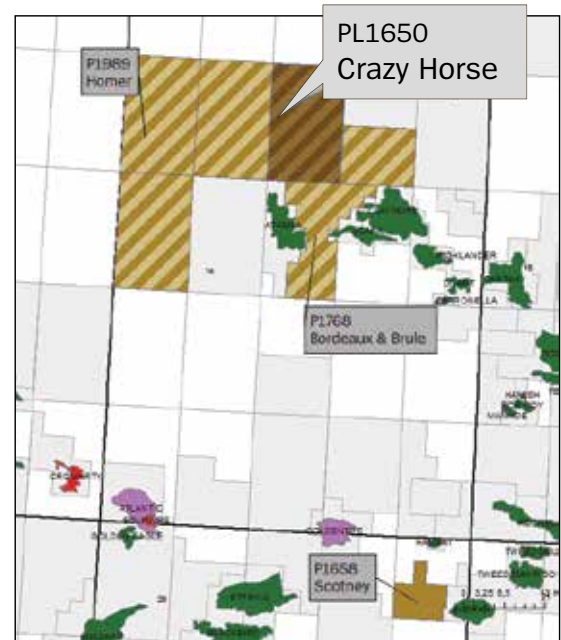
- **North Sea South**

- Continue geologic mapping and prospect evaluation
- Play models in Triassic and Palaeocene have been studied in addition to discoveries in Jurassic and Late Cretaceous



Crazy Horse to be relinquished

- **Noreco has decided not to drill the Crazy Horse well**
 - High cost, low prospectivity
- **Heads of agreement with Crazy Horse partner Trap Oil**
 - Transfer 10 % share of P1666 Romeo to Trap Oil
 - Carry Trap Oil on purchase of seismic data for license P1989 Homer
- **The P1650 Crazy Horse license will thus expire in Q4 2013**
 - Maintained close dialogue with UK authorities
 - The decision not to drill may impact Noreco's future license awards on the UKCS



KEY FINANCIALS

Income statement

NOK million	Q3 '13	Q2 '13	Q1 '13	2012
Total revenues	177	246	216	832
Production expenses	(108)	(108)	(74)	(244)
Exploration expenses	(295)*	(119)	(243)	(1 188)
Payroll	(29)	(38)	(37)	(134)
Other op. expenses	(25)	(28)	(22)	(114)
Other gain/(loss)	(3)	1	(5)	32
EBITDA	(284)	(45)	(165)	(817)
Depreciation	(70)	(89)	(61)	(269)
Write-downs	(555)*	(497)	(160)	(421)
EBIT	(910)	(631)	(387)	(1 508)
Net financial items	(129)	(119)	(121)	(486)
EBT	(1039)	(750)	(507)	(1 994)
Tax	470	246	234	1401
Net result	(569)	(504)	(273)	(593)

- Revenue reduction due to low production
- Increased opex in Denmark
- Huntington FPSO rental starting September, Q2 costs reversed in Q3
- Significant impairments

*see slide 24 for specification

Write-downs and exploration write-offs in Q3

Items (NOK mill)	Write-downs		Exploration write-offs	
	Before tax	After tax	Before tax	After tax
Oselvar	301	81		
Nini, Nini East, Cecilie	256	192		
Amalie			255	191
Crazy Horse			18	7
Total	555	272	273	198

- **Oselvar** | Reduced reserves from 7,61 to 3,23 million boe
- **Nini, Nini East and Cecilie** | Higher opex estimates and start-up of production expected after the winter 2014
- **Amalie** | The operator has suggested that the discovery should not be developed, and that the license should be relinquished
- **Crazy Horse** | This UK prospect will be relinquished after Noreco decided to not drill the well

Balance sheet

NOK million	30.09.13	30.06.13	31.12.12
Assets			
Non-current assets	4 653	5 212	5 411
Current assets	1 867	1 889	1 910
Cash	358	418	604
Total assets	6 879	7 519	7 926
Equity and liabilities			
Total equity	929	1 504	2 028
Long-term liabilities	1 360	1 692	1 818
Current liabilities	4 591	4 322	4 080
Total liabilities	5 950	6 014	5 898
Total equity and liabilities	6 879	7 519	7 926
Net interest-bearing debt ex. exploration facility	3 092	3 036	2 707

- Tax receivable of NOK 723 million is confirmed
- Cash NOK 358 mill, but RBL fully utilized at approx NOK 420 mill (USD 69.9 mill)
- Equity ratio at 13.5 % before new equity issue
- All bond debt and exploration loan classified as short-term as this is before refinancing

Balance sheet specifications

- Further work to determine potential of Huntington Fulmar is on-going
 - Partners agreed in Q3 on a new study that will continue into 2014
- NOK 215 million goodwill remaining (UK: 172, DK: 43) at end of Q3

Asset	NOK mill gross	NOK mill after tax
Gohta	125	28
Huntington Fulmar	569	238
Huntington Forties	2 425	1 407
Oselvar	385	438
Nini, Nini East, Cecilie	230	23
Goodwill	215	215
Siri insurance claim	354	310

Siri insurance claim | Status

New documentation was presented to the insurance companies on 14 November

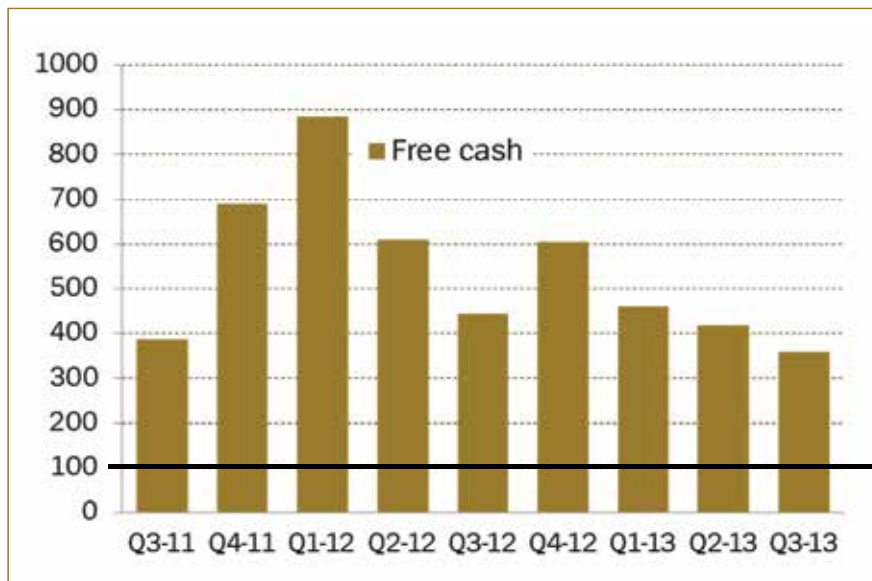
The stand-still agreement is now terminated and the insurance companies have 84 days to consider their position and further action

Total claim is above NOK 2 billion

Covenant ratio – new terms

Minimum free cash

NOK million



Previous reported covenants no longer relevant;

- Gearing Ratio 1
- Gearing Ratio 2
- Adjusted Equity Ratio

New covenant

- Free cash of NOK 100 million at all time

An eventful few months.....

Key actions and events the last half year

- Balance sheet restructured
- Strong drive towards our operators to fix production
- Gohta, a sizeable discovery
- Good progress in fixing risk-reward balance in exploration portfolio

On track to deliver value to our shareholders and other stakeholders

Main priorities going forward

- **Production**
 - Bring Huntington to stable plateau production, and turn focus to upside potential
 - Work with DONG to ensure more stable production in Denmark and Norway, particularly Siri Fairway
- **Exploration, appraisal and development**
 - Safe and efficient delivery of Verdande
 - Mature and appraise the Gohta discovery
 - Mature medium-term drilling opportunities in key focus areas
 - Add new acreage
- **Operational excellence**
 - Take down overhead
 - Maintain strong and competitive team

Presentation | Third quarter 2013

ADDITIONAL INFORMATION

Production per field

boe/day

Field	Noreco share	3Q12	4Q12	1Q13	2Q13	3Q13
Oselvar	15 %	984	431	897	407	221
Enoch	4.36 %	0	0	0	0	0
Lulita	28.2 %	162	251	246	79	45
Nini	30 %	582	344	470	338	42
Nini East	30 %	2 178	1 941	2 096	2 303	427
Cecilie	61 %	477	144	333	347	46
Huntington	20 %				1 188	2 336
Total		4 384	3 112	4 042	4 662	3 117

Oil and gas reserves

Per 31.12.2012

Reserves per field

	1P					2P				
	Liquids (mill bbl)	Gas (bscf)	mill boe	Interest %	Net mill boe	Liquids (mill bbl)	Gas (bscf)	mill boe	Interest %	Net mill boe
Nini	2.4	0.0	2.4	30.0	0.7	3.7	0.0	3.7	30.0	1.1
Nini East	4.4	0.0	4.4	30.0	1.3	9.0	0.0	9.0	30.0	2.7
Cecilie	0.6	0.0	0.6	61.0	0.4	2.1	0.0	2.1	61.0	1.3
Lulita	0.9	4.2	1.7	28.2	0.5	1.0	4.7	1.9	28.2	0.5
Enoch	2.0	0.0	2.0	4.4	0.1	2.6	0.0	2.6	4.4	0.1
Oselvar	12.8	55.6	22.7	15.0	3.4	25.7	145.6	51.7	15.0	7.7
Huntington	24.5	10.8	26.5	20.0	5.3	38.3	20.9	42.0	20.0	8.4
Total					11.7					21.9

The reserves have been verified by DeGolyer & MacNaughton.

*) With effect from 1 October 2013 the P2 estimate for Oselvar was reduced from 7.61 to 3.23 million boe

Committed and potential wells

PL492
Gohta **2Q14**

PL484
Verdande **1Q14**

PL639
Kanel **4Q15**

PL519
Albert **2Q15**

PL360
Lausingen **1Q15**

PL616
Alfred **3Q15**

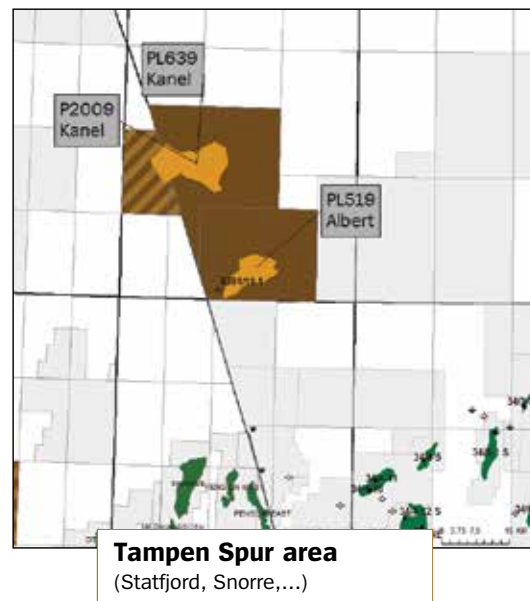
DK 9/95 **4Q14**
Xana (Gita S)

- Appraisal well on Gohta
- Verdande now in Q1 2014
- Xana spud Q4 2014
- Potential new wells being matured from our inventory of prospects
- Work to optimise risk reward balance continues

North Sea North

- Albert well (2012) discovered oil at several levels
- Appraisal well is being considered for Albert Chalk in 2015
- Albert Paleocene has no commercial value, but oil discovery positive for our Kanel prospects
- Combined resource potential very large

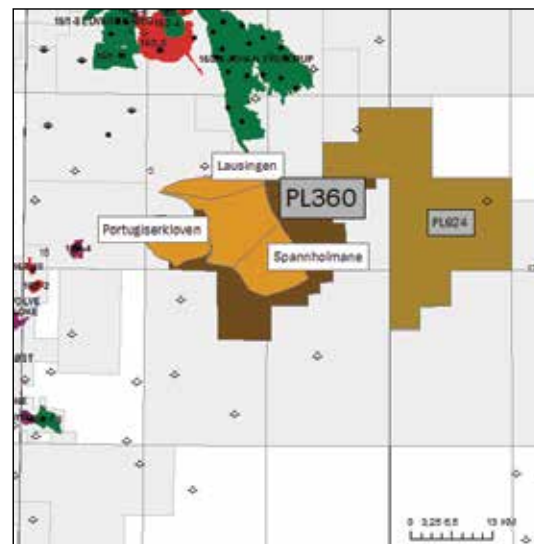
	Albert PL519	Kanel PL639	Kanel P2009
Noreco	20 %	15 %	100 %
Operator	Lundin	Tullow	Noreco
Tentative drilling	2Q15	4Q15	



South of Utsira High

- Noreco holds 15 per cent interest in Statoil operated PL360 and PL624
- Recent Luno II discovery has reduced geological risk in the area
- Several prospects; interesting resource potential

	Lausingen	Spannholmane	Portugiserkloven
Noreco	15 %		
Operator	Statoil		
Tentative drilling	1Q15	na	na



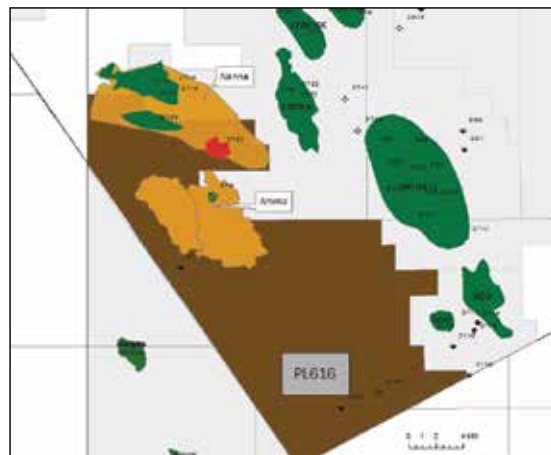
Utsira High

Also in the area: Johan Sverdrup, Edvard Grieg and Ivar Aasen

North Sea South

- PL616 shows significant potential in several old oil and gas discoveries in Upper Jurassic and Tor Chalk layers
- Additional prospectivity in Paleozoic (older) sediments
- Combined resource potential large

	Nanna area PL616	Amma PL616
Noreco	20 %	
Operator	Edison	
Tentative drilling	2-3Q15	na

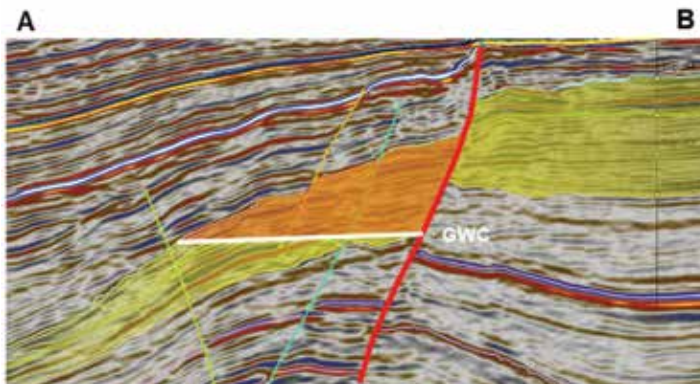
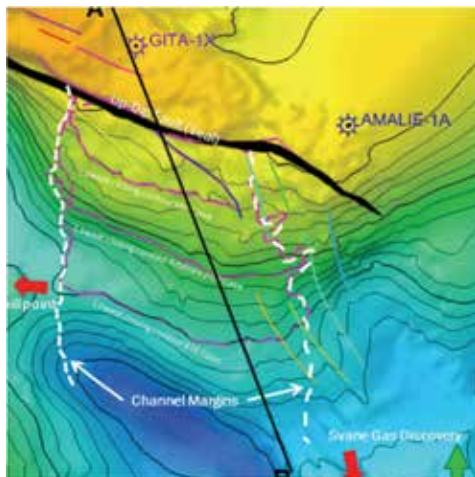
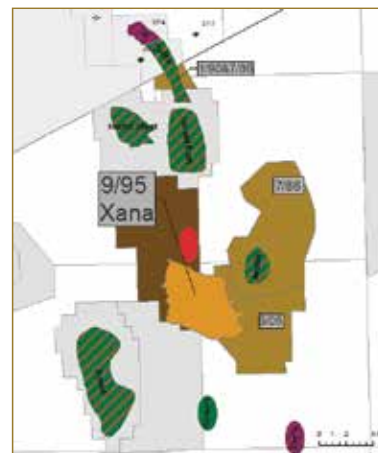


Also in the area:
Eldfisk, Valhall, Edda

DK 09/95 – Xana

Noreco 20.1% – Maersk operated

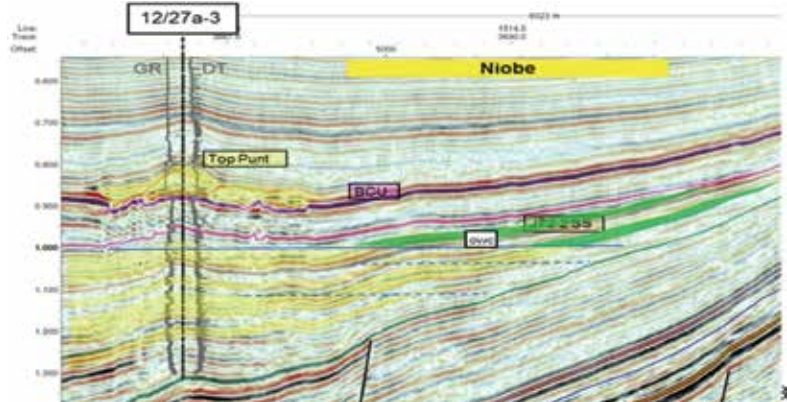
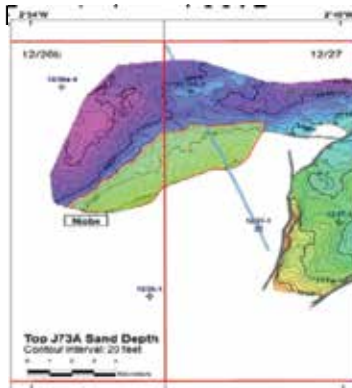
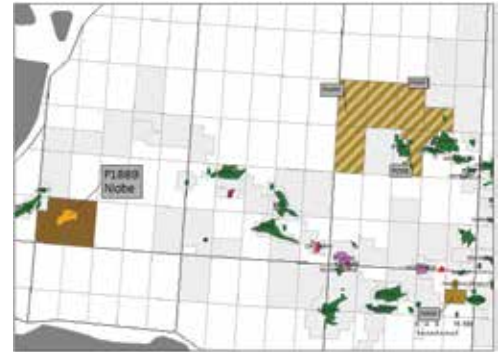
- Upper Jurassic target in close vicinity (up-dip) to the Svane gas discovery and south of Gita discovery
- CoS: 27% – Primary risk element: Trap
- 47 – 475 mmboe gross (gas), 28 mmboe net P50
- Expected spud 4Q 2014



UK P1889 – Niobe

Noreco 22.5% – Suncor operated

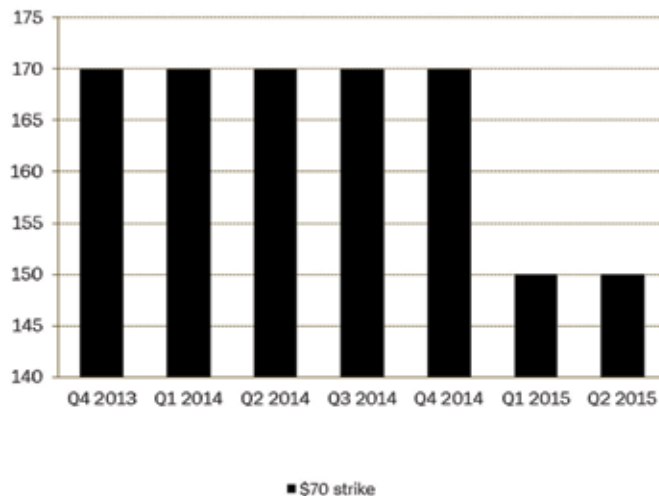
- Jurassic stratigraphic pinch-out trap, up-dip of proven oil discovery
- Located in Inner Moray Firth in proven play east of Beatrice Field, de-risking additional prospects given success
- Cos: 42% – Primary risk element: Trap
- 40 – 72 mmboe



Hedging programme

Put options

1 000 barrels



- Noreco has been using put options to protect cash flow from oil price downside
- Asian type puts based on monthly average Brent oil price
- Forward strategy will be considered

Shareholders

Top 20 shareholders as of 25 November 2013

Shareholder	Shares	% of total
IKM INDUSTRI-INVEST AS	46 972 889	13,19 %
SABARO INVESTMENTS LTD	43 867 228	12,32 %
LYSE ENERGI AS	27 701 514	7,78 %
OM HOLDING AS	12 685 484	3,56 %
CITIBANK, N.A.	5 386 684	1,51 %
LARSEN OIL & GAS AS	2 942 414	0,83 %
ANKO INVEST AS	2 778 699	0,78 %
NORDNET PENSJONSFORSIKRING	2 614 401	0,73 %
DOAN TUAN ANH	2 500 000	0,70 %
NORDEA BANK DANMARK A/S	2 444 849	0,69 %
NORDNET BANK AB	2 192 142	0,62 %
ANDERSEN LARS SIGVART GRAN	2 000 000	0,56 %
HSBC BANK PLC	2 000 000	0,56 %
UBS AG	1 870 303	0,53 %
INCREASED OIL RECOVERY AS	1 818 922	0,51 %
DANSKE BANK A/S	1 733 415	0,49 %
EUROCLEAR BANK S.A./N.V. ('BA')	1 616 299	0,45 %
INSTITUTION AS	1 507 000	0,42 %
TAKLA ENERGY AS	1 451 436	0,41 %
TAO INVEST AS	1 328 755	0,37 %
Total number owned by top 20	167 412 434	47,01 %
Total numbers of shares	356 094 095	

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