



# IPAA OGIS New York Presentation

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Chief Executive Officer  
April 12, 2011

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“NSEEY” OTC in US  
[www.NorseEnergy.com](http://www.NorseEnergy.com)

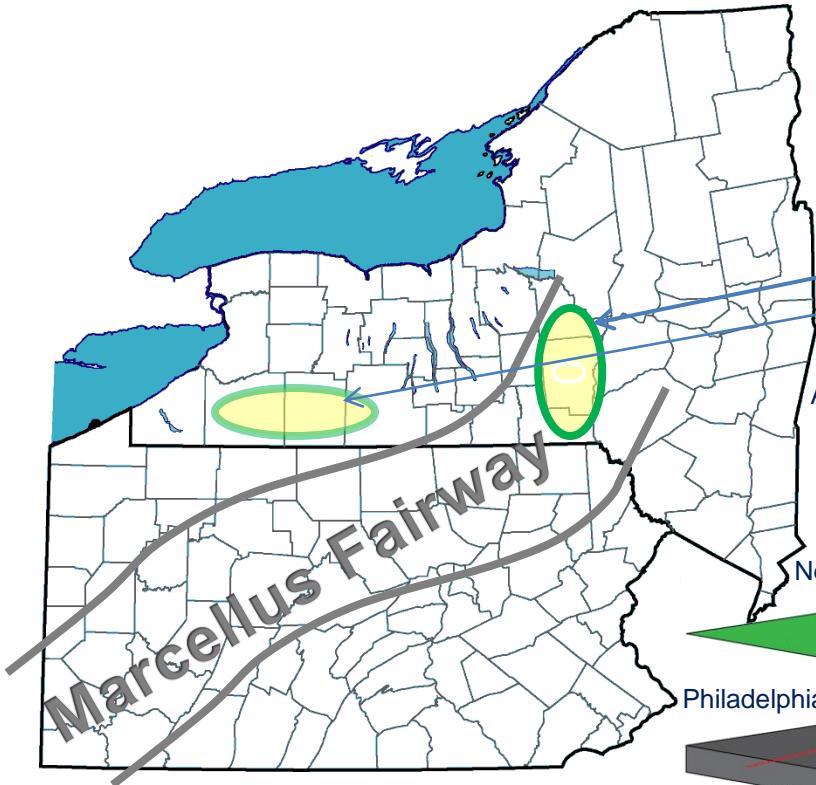
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# Norse Energy Corp. ASA

## Herkimer Play with Significant Upside in Marcellus & Utica Shale



**Certified Resources of 3.9Tcf**

(700 MMboe) Schlumberger, January 2011

**130,000 acres in Central New York**

**50,000 acres in Western New York**

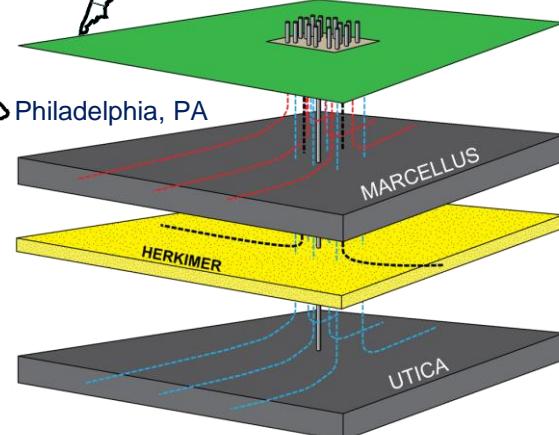
Close to major northeastern markets

Albany, NY

Boston, MA

New York City

Philadelphia, PA



**Triple Stacked Play**  
On 130,000 Acres

**1.2 Tcf in MARCELLUS**

**0.2 Tcf in HERKIMER**

**2.5 Tcf in UTICA**

# Norse Acreage is Validated by Majors

130,000 Acres Surrounded by Industry Leaders & Major Pipeline Access



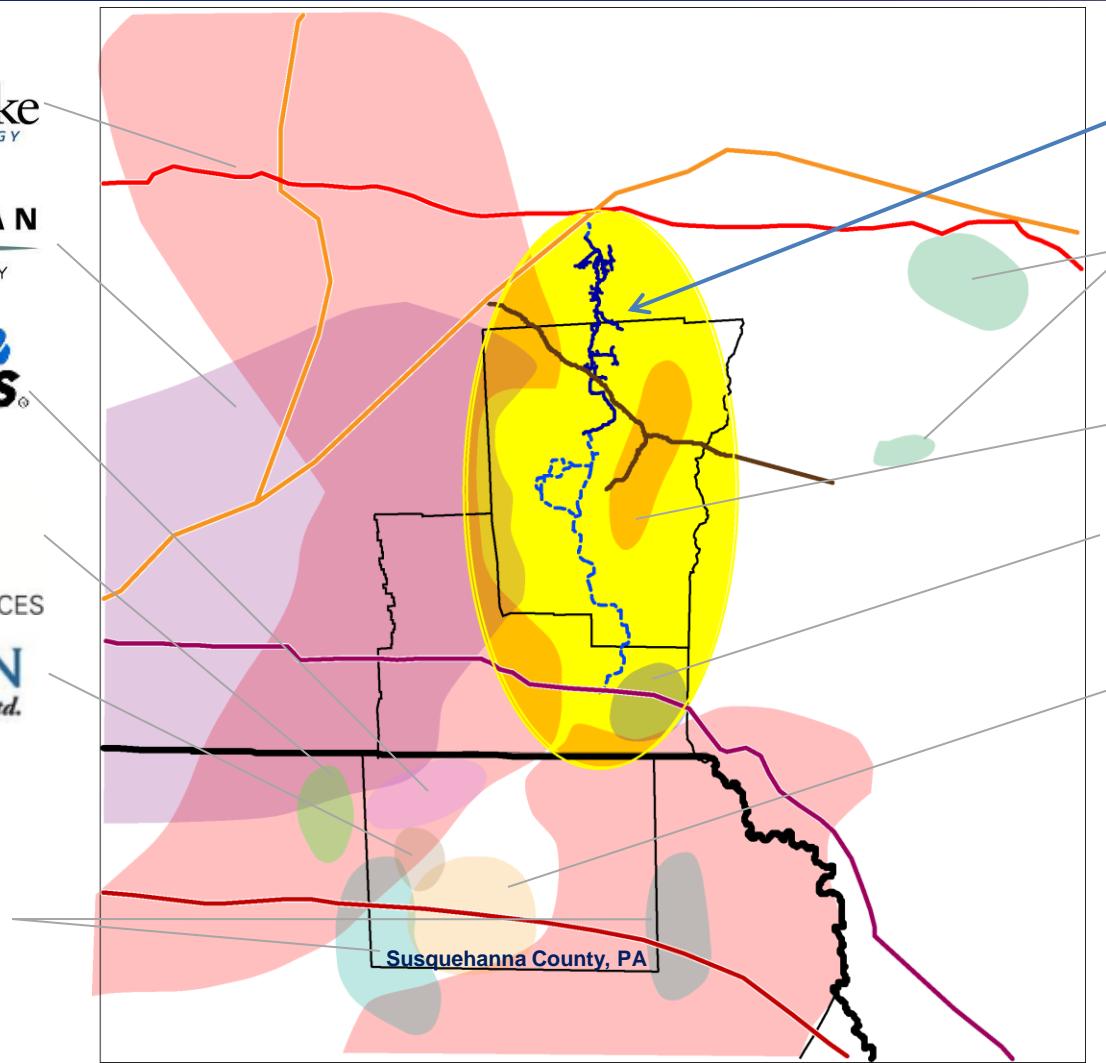
TALISMAN  
ENERGY



RANGE RESOURCES

EPSILON  
Energy Ltd.

Reliance  
Industries Limited



XTO  
ENERGY  
ExxonMobil



Cabot Oil & Gas Corporation  
Pipeline Access

- Tennessee Pipeline
- Millennium Pipeline
- Dominion Pipeline
- NYSEG Pipeline
- Norse Pipeline
- Norse Proposed

# Norse Energy Corporate Strategy

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## 1. Environment, Health & Safety

- Top priority

## 2. Deliver Herkimer Performance

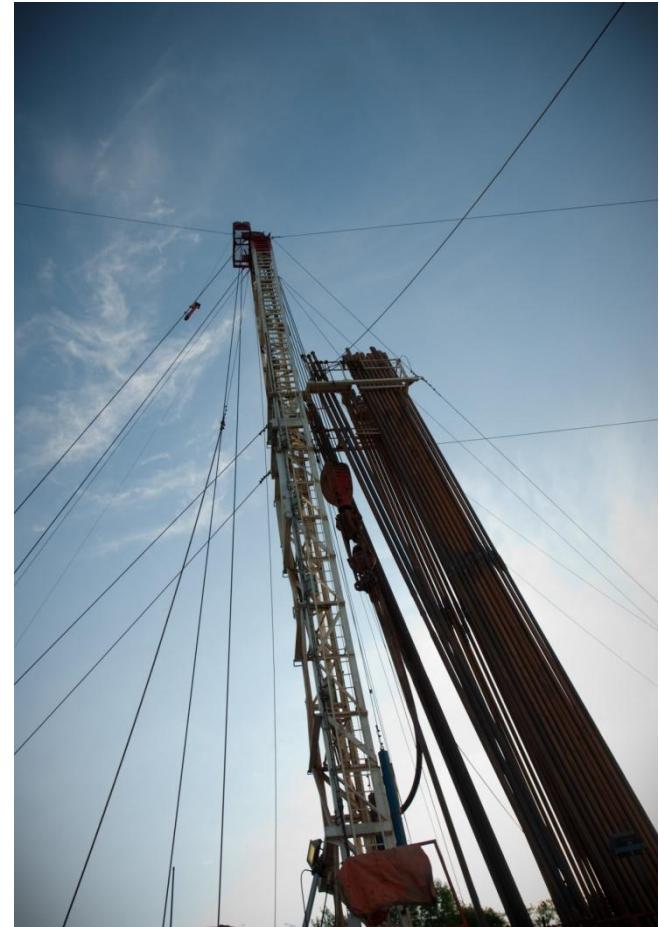
- Illuminate prospects with 3D seismic
- Increase drilling efficiency

## 3. Preserve the Shale Option

- Hold Acres by Production (“HBP”)
  - 50% JV partnerships doubles acres “HBP”
- Declared *force majeure* on leases

## 4. Improve Balance Sheet

- Monetize assets and reduce debt
- Leverage JVs and partnerships in the Herkimer and in the shales



# Recent Highlights and Subsequent Events

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- **Herkimer Drilling** – resumed in October utilizing 3D seismic data
  - IP-30 >1,300 Mcf/d – on first five wells vs. guidance of 1,000 Mcf/d
  - Total of five wells completed before “Frost Laws”
- **1P Reserves increased by 5%, or 1.6 Bcf, in 2010**
- **Joint Venture Agreements** - accelerate drilling and enhance returns
  - Stryker Energy 3 well program
  - Bradford Energy 18 well program
- **\$20.7 million sale** of Norse Pipeline and Mid American Natural Resources
  - \$15 million in cash, \$4 million in debt reduction, regulatory approval
- **Private Placement** of 210 million shares for ~\$30 million on March 25, 2011
- **Shale Regulation** – Environmental regulation (SGEIS) expected ready for public comment on June 1, 2011 according to new governor and commissioner

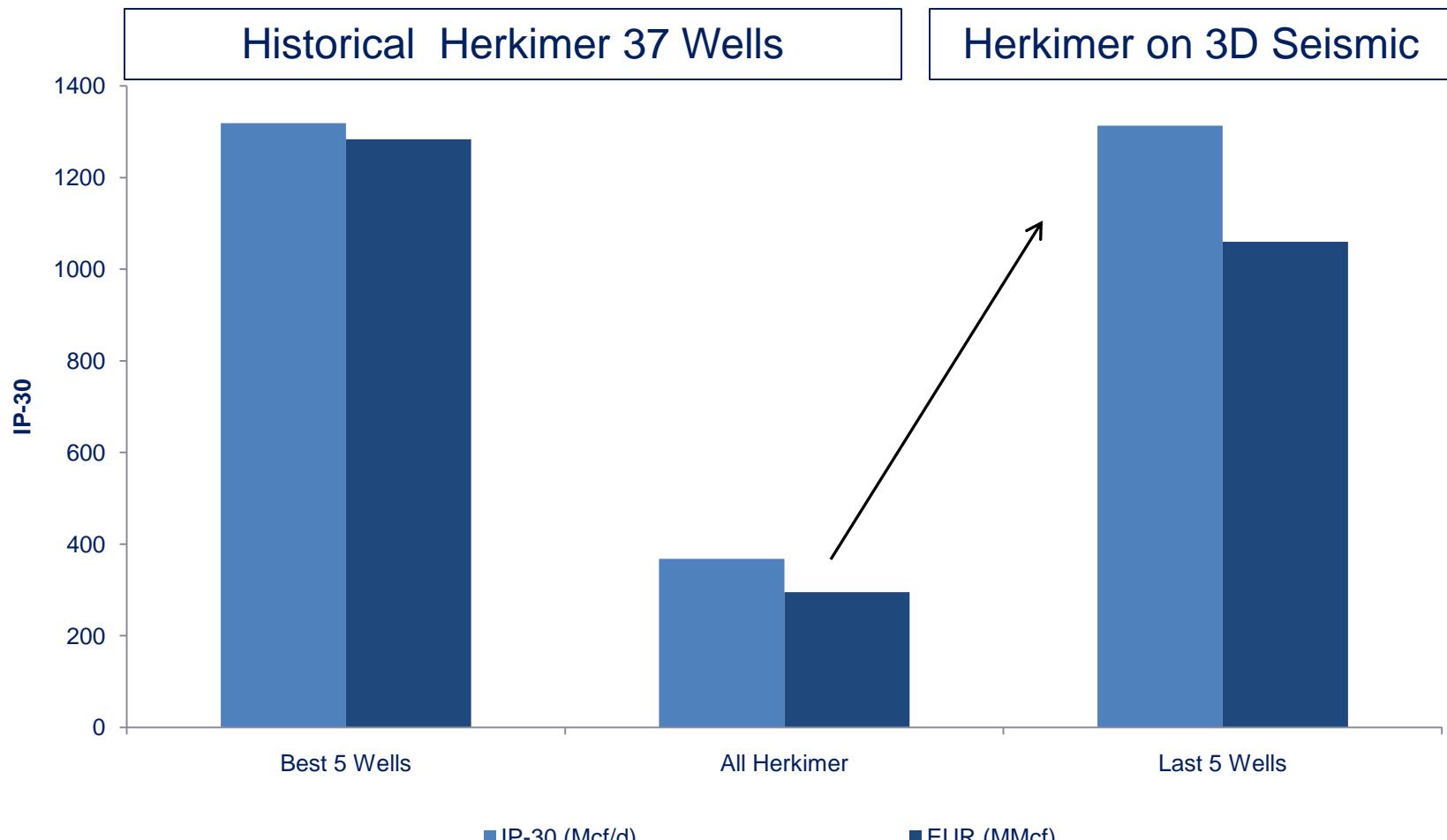
# Strategic Objectives for 2011

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- **30 Well Herkimer Drilling Program**
  - Initiative underway and on track
- **Pipeline Capacity Expansion 25,000 Mcf/d - 50,000 Mcf/d**
  - Initiatives underway and on track
- **Divestiture of Gathering System and Right of Way**
  - Initiative underway and in the market
- **Core Asset Monetization**
  - Evaluation of alternatives is underway

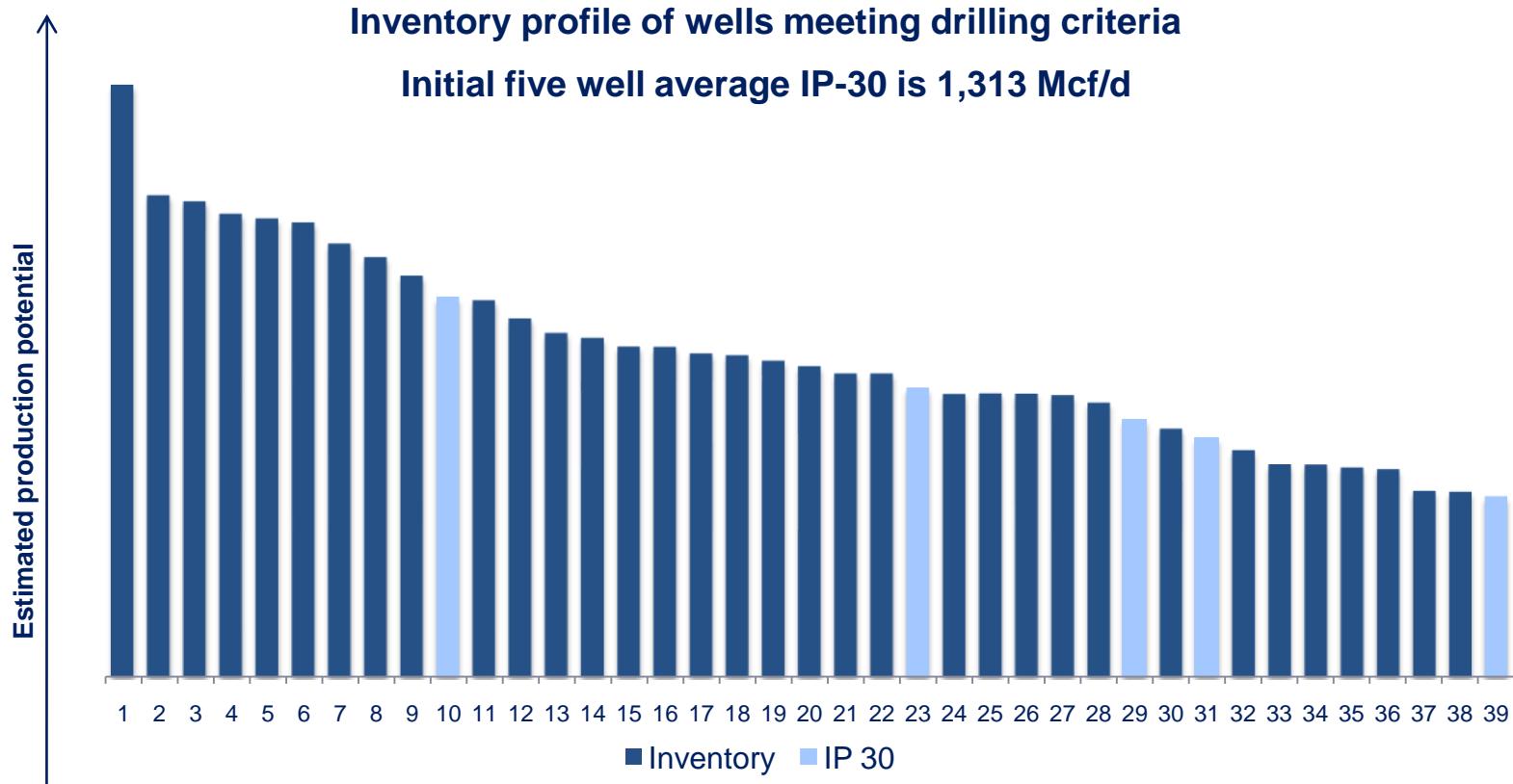
# 3D Seismic Has Reduced Drilling Risk

Seismic Eliminates the Bad Wells, Improves Probability of Success



# 3D Seismic 2011 Drilling Inventory

Ranking system and real world testing of first 39 qualified well sites



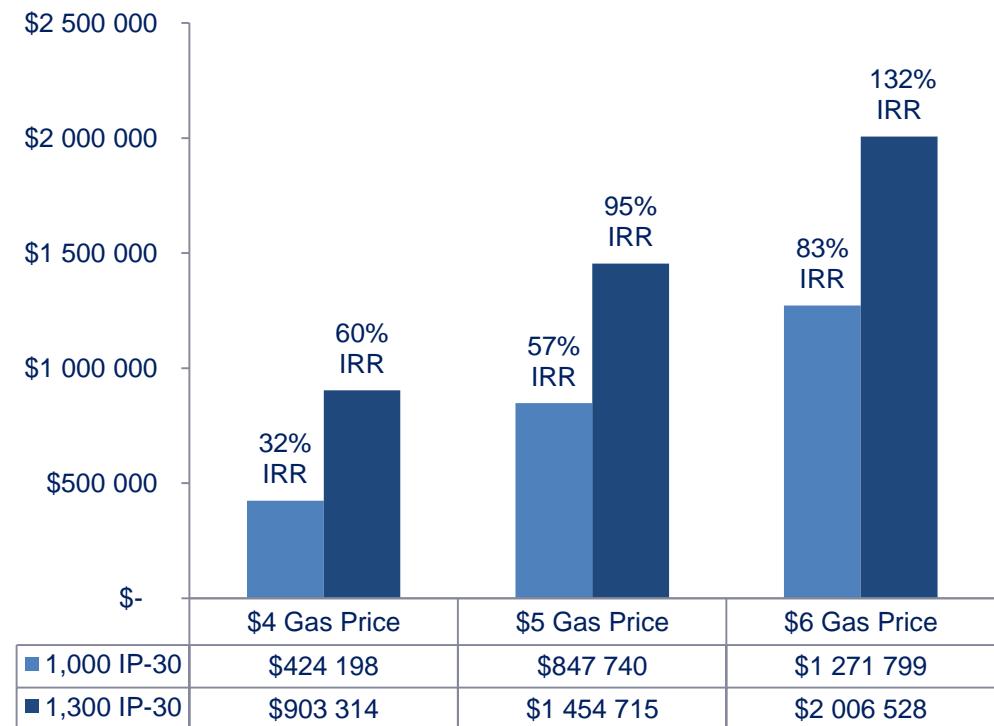
# Herkimer is Attractive at Current Prices

## Assumptions

100% Norse Well

- 1,000 IP-30 Mcf/d
  - 0.7 Bcf per well
- 1,300 IP-30 Mcf/d
  - .9 Bcf per well
- \$1.1 million drilling CapEx

## Single Well Herkimer PV-10%



# Joint Venture Partnership Rationale

## Enhances Financial Returns

- Recovery of well location costs
- Overriding royalty
- Increased working interest after partner capital payback

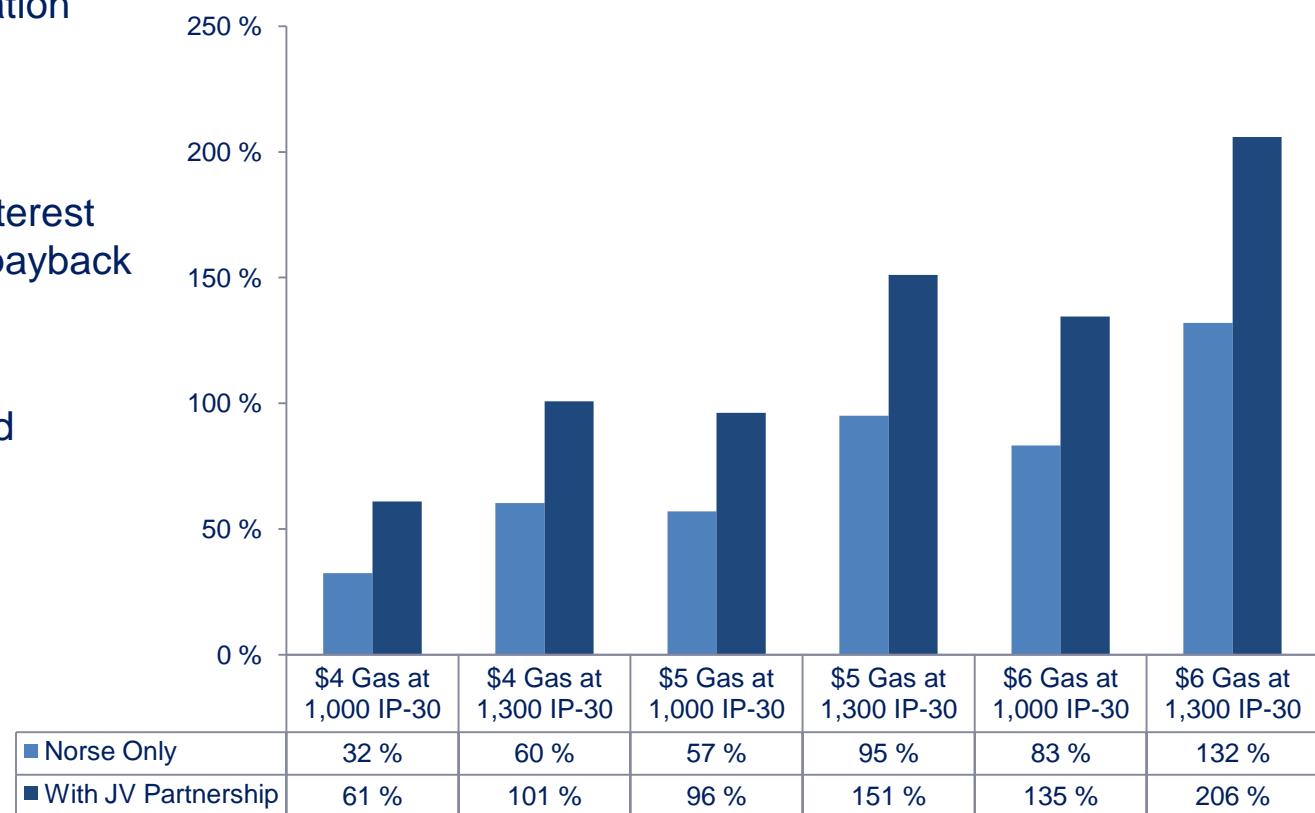
## Improves Liquidity

- Improves liquidity and capital efficiency

## Leverages Cap Ex

- Preserves the “Shale Option”

## Herkimer Economics - Single Well IRR



# Preserving the “Shale Option”

Marcellus and Utica Shale Acres are Held by Herkimer Production

## Held by Production (“HBP”)

*...means holding the future right to...*

- Develop all of the acreage,*
- In all leases in the drilling unit,*
- In all geological formations,*
- For the life of the producing well*

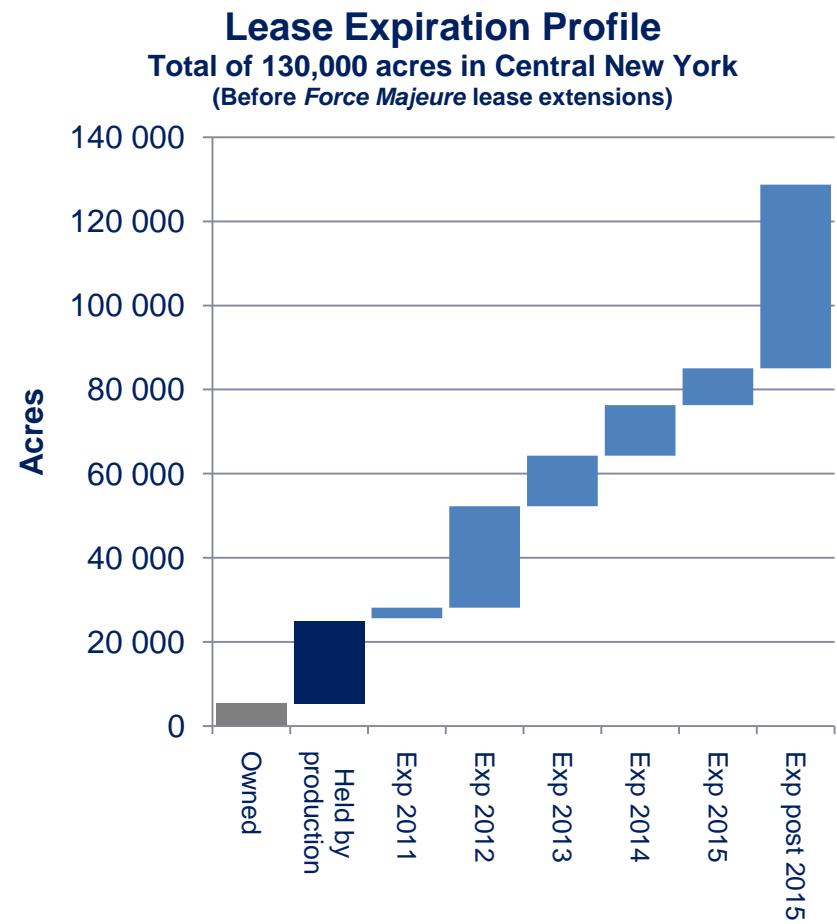
## Current Position

- 26,000 acres HBP or owned**
- 2011 Drilling will add 7,500 Acres**
- ~ \$825 million in Future Value**

(assuming 100 acre spacing, 330 wells and a PV-10 of \$2.5 million per shale well)

## HBP Strengthens Lease Position

Already attractive, long-lived, acreage position - with shale upside



# Strategic Acquisitions of Marcellus Acreage

15 Selected Transactions in 2010 at High USD Values per Acre

## High Marcellus Prices

\$14,000 / Acre

## Median Transaction

\$8,065 / Acre

## Norse's 130,000 Acres

\$4,000 = \$500 million

\$8,000 = \$1 billion

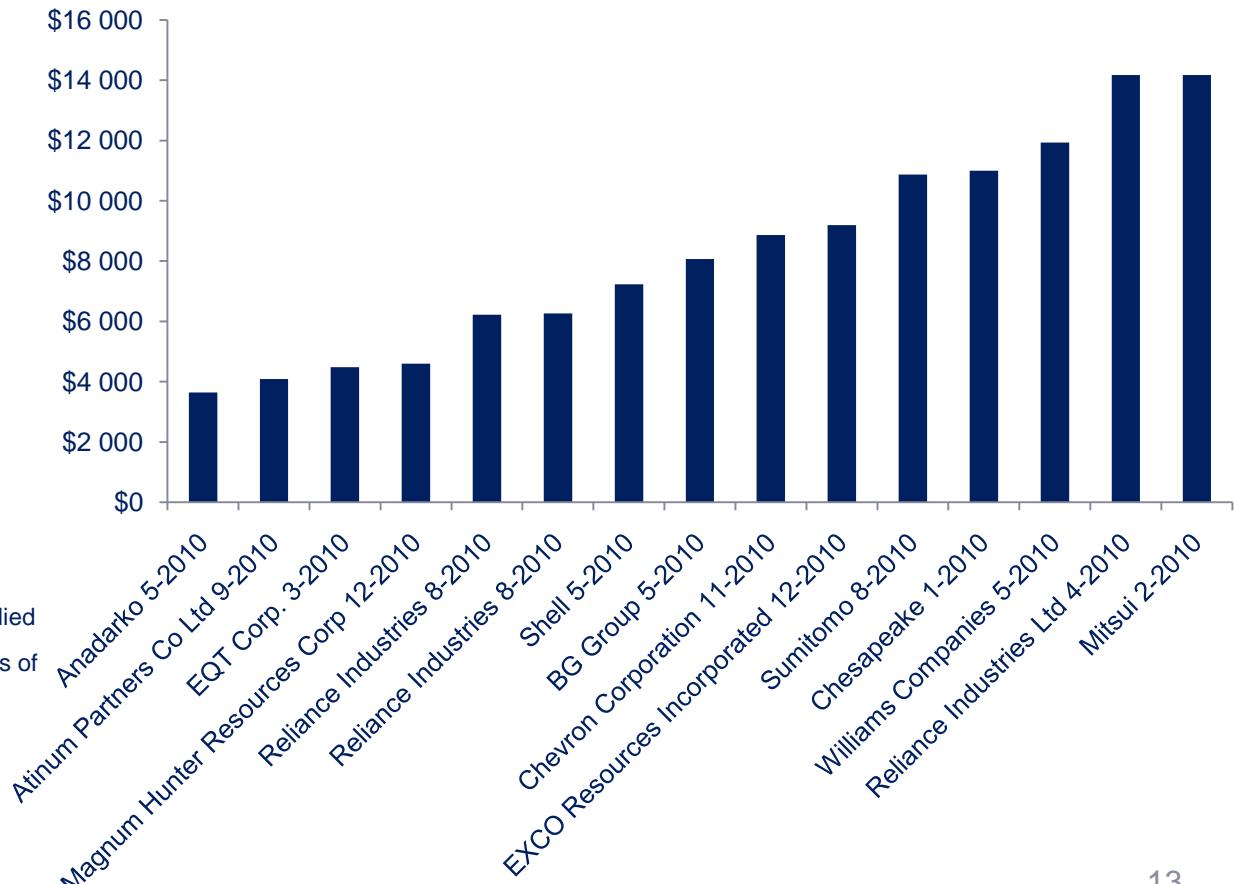
## Recent New York Land Sale

**\$2,750 / Acre**

Note: These data are summary statistics and implied values of announced industry transactions. Expressing a value in terms of \$/acre is only one of many valuation metrics.

Data Source: Tudor Pickering Holt

## 2010 Marcellus Land Transactions

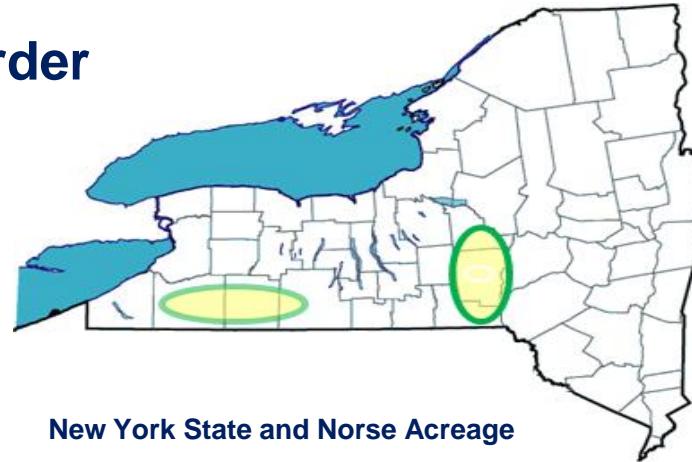


# New York Regulatory Update

New Governor, New DEC Commissioner, June/July SGEIS

## Draft SGEIS Mandated by Executive Order

- To be issued on or about June 1, 2011
- Minimum comment period of 30 days
- Final SGEIS issued post-comment period
- Permitting to begin thereafter



### Recent Commentary from New York State Officials

*Eric Schneiderman, NY State Attorney General* (30-Mar-11)

“Confident the DEC will come up with proper protective regulations for the people and the environment”

*Joe Martens, Commissioner New York State Department of Environmental Conservation* (18-Mar-11)

“I’m satisfied it’s going to come out, but probably more like this summer some time,” Martens said.

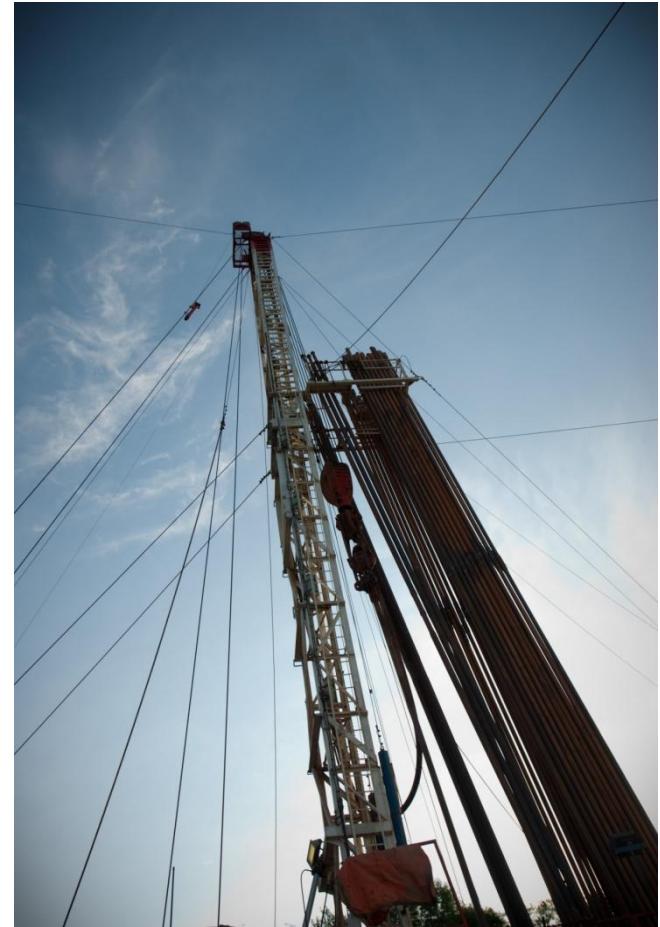
*Dr. Langhorne “Taury” Smith, NY State Geologist* (11-Mar-11)

Dr. Smith indicated that he has found no evidence of contamination (from hydro-fracturing) in three years of study.

# Norse Energy Corporate Strategy

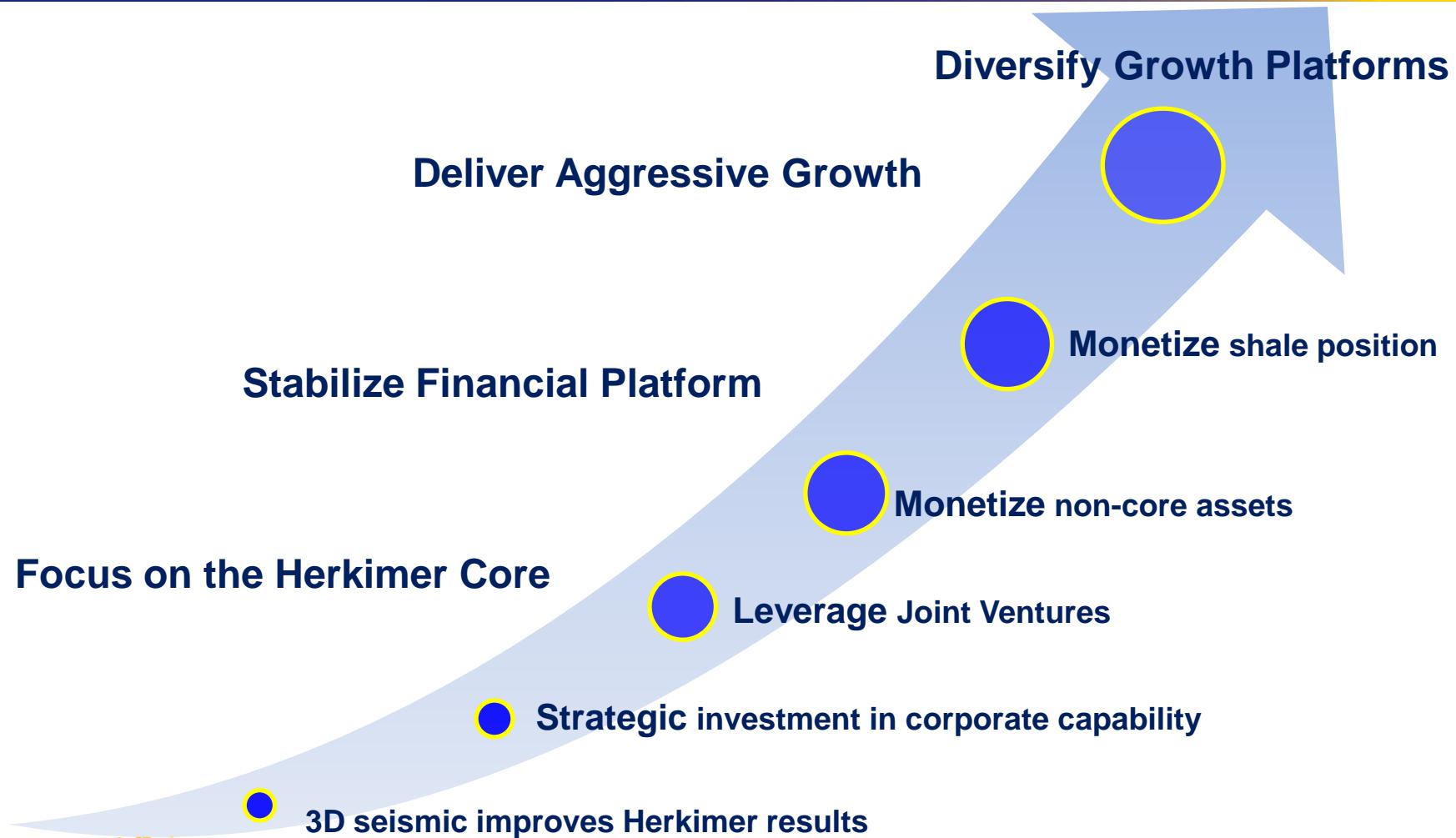
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- 2. Deliver Herkimer Performance**
- 3. Preserve the Shale Option**
- 4. Improve Balance Sheet**



# The Way Forward for Norse Energy

#1 is Goal is Always Environmentally Responsible and Safe Operations





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End of Presentation

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