

Second Quarter 2021

Oslo, 13 July 2021



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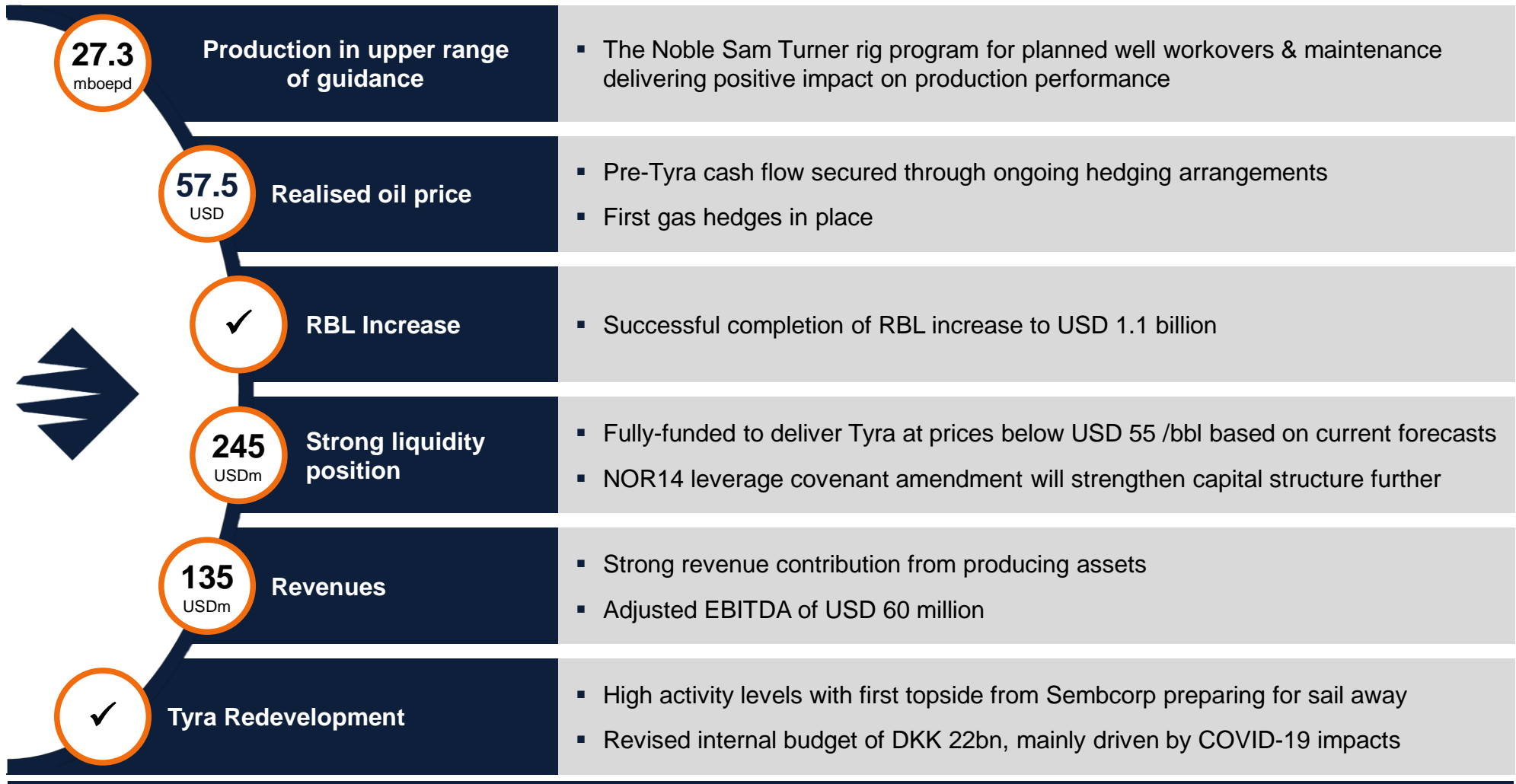
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Highlights for the Quarter



Near-Term Growth and Deleveraging on the Horizon

Fully-funded to material cashflow generation with expected production c. 50mboe/d by 2023

- **Tangible, near-term growth through the Tyra redevelopment project**
 - 2021 & 2022: Focus on base delivery, securing Tyra and minimizing exposure to market volatility
 - 2023 onwards: Step-change in operational profile with production growth to c. 50,000boe/d
- **Fully-funded to Tyra first gas with a supportive and actively managed capital structure**
 - Significant liquidity, strategic commodity hedging and material deleveraging post-Tyra
 - RBL: Refinanced early 2021, NOR14: Early bondholder engagement for further covenant headroom
- **Sustainable, material cashflow generation of over USD 1.4 billion⁽¹⁾ expected from 2023 to 2027**
 - Disciplined capital allocation, balancing the objectives of our debt and equity holders
 - Further investments must support long-term balance sheet and cashflow generation objectives
- **Meaningful but measured contribution to the Energy Transition**
 - Commitment to reducing emissions intensity, as illustrated by the RBL linkage
 - Prerequisite, expenditures will need to fit within, and be appropriate for, Noreco's balance sheet

Operational Review



Quarterly Production in Upper Range of Guidance

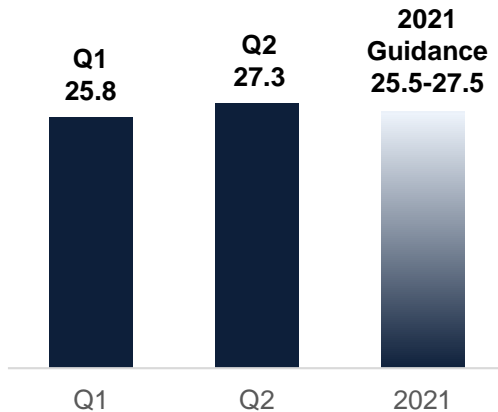
- Significant Operational Improvement on Performance Quarter on Quarter

- Second quarter production of 27.3 mboepd
- Quarterly operational efficiency at 83.1% versus 77.0% in Q1
- Initiated Noble Sam Turner rig program catching up on planned workover and well maintenance



Photo: Noble Sam Turner at Dan FF platform

Q2 Production mboepd (net)¹



Noble Sam Turner workover program:

- Delayed program from 2020 due to COVID-19
- 3 well workovers completed in Q2 adding more than 2000 bpd
- Another 6 workovers planned through early 2022 to add further production volumes

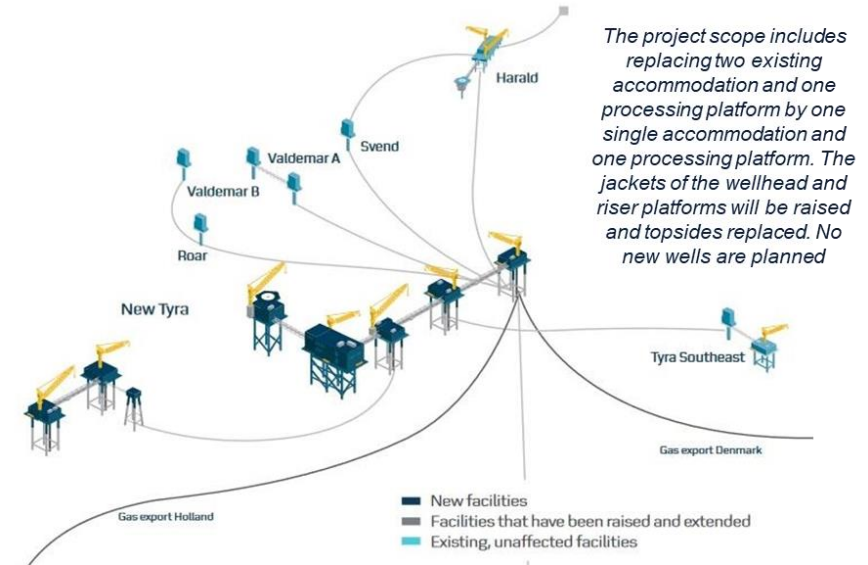
Tyra Redevelopment: Project Overview

Largest project undertaken on the DCS, unlocking gross potential in excess of 200mboe

Highlights

- Largest gas condensate field on the Danish Continental Shelf (“DCS”)
 - Processing > 90% of the gas produced in Denmark
- Tyra redevelopment project progressing with modification of existing and construction of new facilities, as well as the removal of old equipment
 - Redevelopment necessary after c. 20 years of production led to subsidence and sinking of the platforms by c. 5 meters
- Tyra, once completed, will be a state-of-the-art North Sea facility
 - Production capacity of 60mboe/d (gross)
 - Positioned at the centre of Denmark’s energy infrastructure
- Tyra post-redevelopment will:
 - ✓ Increase net production ~80% to close to ~50 mboe/d
 - ✓ Emissions expected to be reduced by 30% from redeveloped Tyra
 - ✓ Increase production efficiency
 - ✓ Lower direct field opex to < USD 13/boe in first full year of production
 - ✓ Enable additional volumes and tie-ins
 - ✓ Extend field life by 25 years

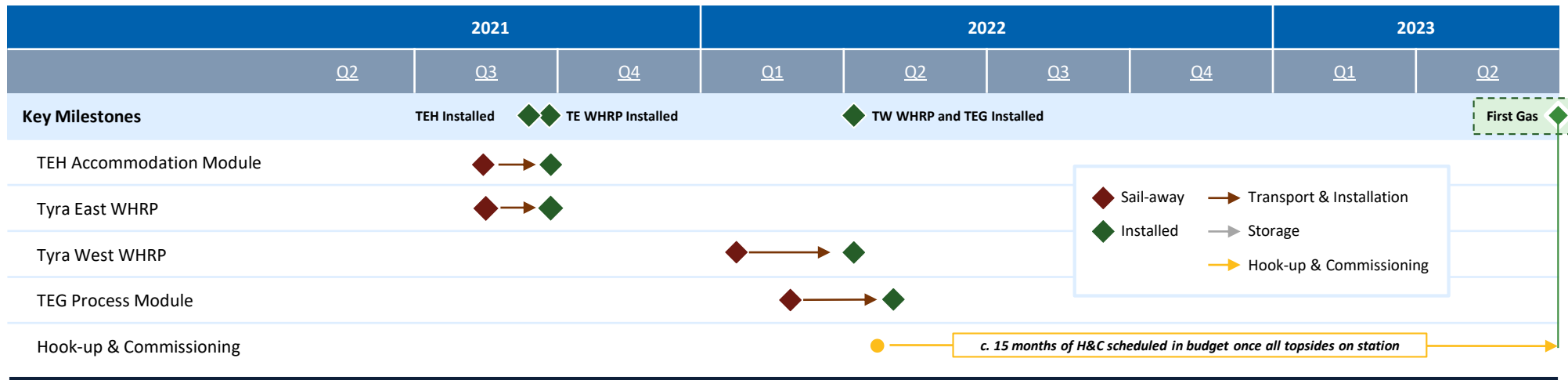
Project Overview



Tyra Redevelopment: Status and Milestones

Project significantly de-risked with fabrication of topside close to sail away

- **Project progressing with first gas set for Q2 2023 following the COVID-19 related revision in 2020**
 - Assessment based on current assumptions using the latest information received by Noreco from the operator
- Ongoing Fabrication: Three yards are responsible for the two platforms and two modules:
 - Sembcorp Marine (Singapore) – Wellhead and Riser Platforms (“WHRP”) for Tyra East and Tyra West: Limited impact from COVID-19 yard shutdown in May-21
 - Fabrication of Tyra East WHRP remains on track for sail away in H2 2021; transport vessel arrived at the yard on 20 June 2021
 - Tyra West WHRP progressing towards sail away for installation in 2022 and *current fabrication progress is not expected to create a risk to first gas date*
 - McDermott (Batam, Indonesia) – Process Module: Enhanced precautionary measures as a result of high frequency of COVID-19 cases in the area
 - As a result, parts of the fabrication have progressed slower than expected
 - However, built-in contingency expected to allow for the *process module to sail away during 2022 in line with the project schedule*
 - Rosetti Marine (Ravenna, Italy) – Accommodation Module: Fabrication progressing slower than planned due to COVID-19
 - Several strategic alternatives are currently being assessed to further protect schedule and cost
 - No scenarios under current estimates that are expected to create a risk to first gas date



Next Milestone: Sail away from Sembcorp

Tyra East Wellhead & Riser Platforms on schedule:

- HTV (Heavy Transport Vessel) “BIGROLL” arrived at the Singapore yard 20th June 2021
- 3 platform modules loaded onto HTV in July
- Vessel will remain at the yard for approx. 1 month to load and tie-down 3 platforms and additional equipment with expected sail away during summer
- Voyage direct from Singapore to Tyra field ~ 1 month
- HMC (Heerema Marine Contractors) offshore installation window late August to early September



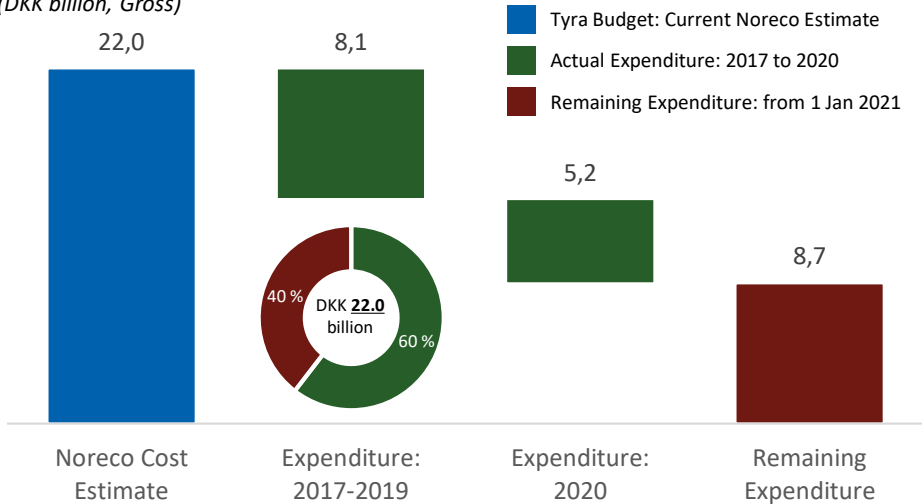
Tyra Redevelopment: Cost and Economics

Noreco's revised cost estimate for entire Tyra project is DKK 22 billion (gross)

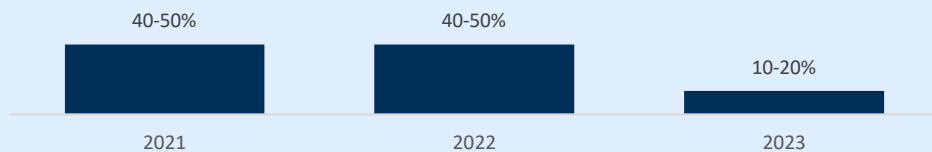
Gross Expenditure: Overview and Expenditure to Date

- Noreco currently assumes an estimated **DKK 22 billion** total cost based on the Company's assessment of information provided by the operator
 - Represents an estimated DKK 1 billion increase relative to the DKK 21 billion external budget that not been revised publicly since FID in 2017

(DKK billion, Gross)

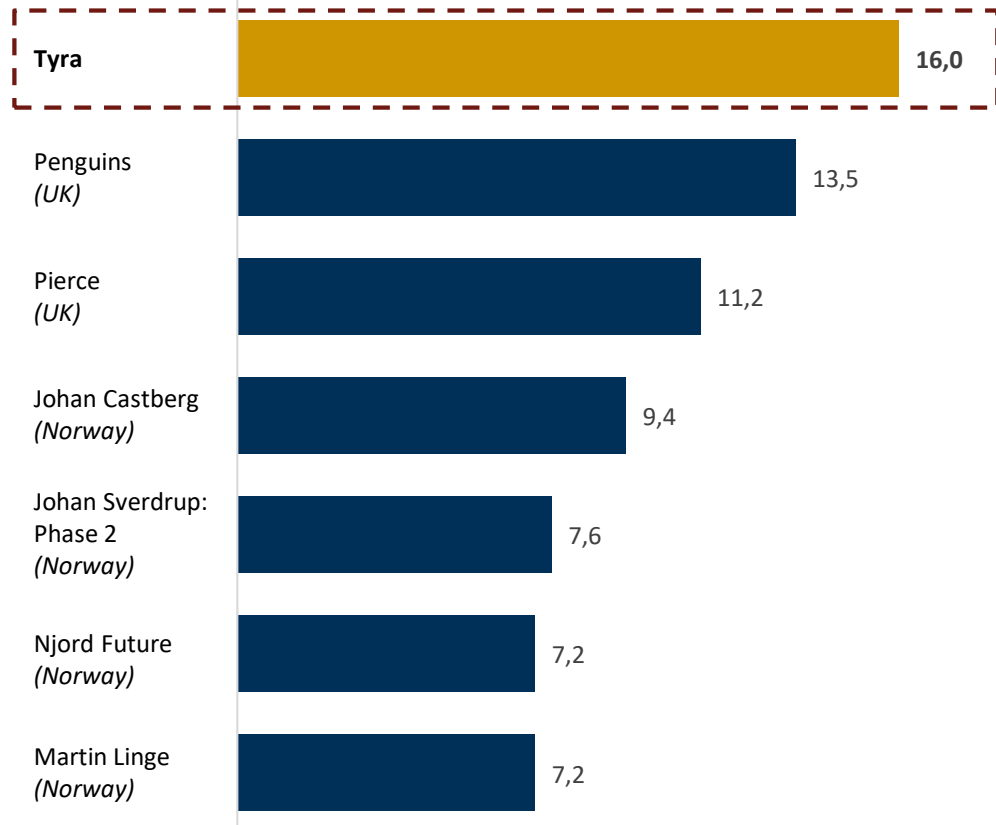


Remaining Expenditure: Indicative Tyra Cost Phasing:



Economics: Comparable Developments⁽¹⁾

NPV: USD /boe



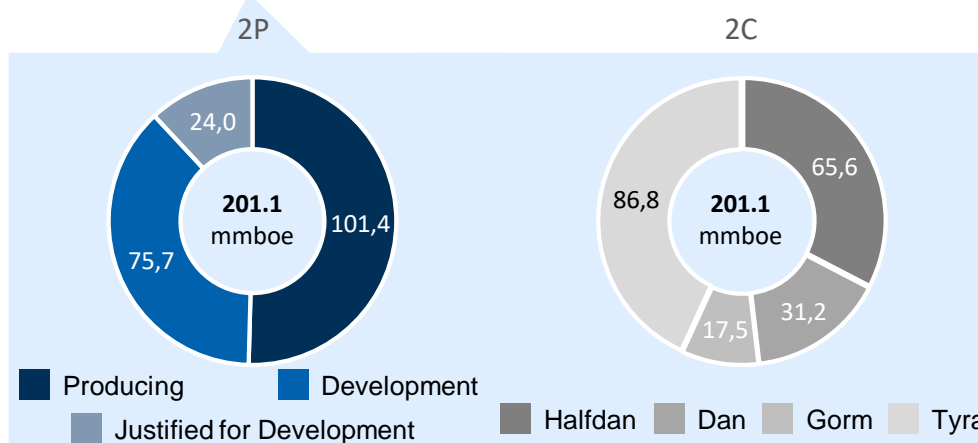
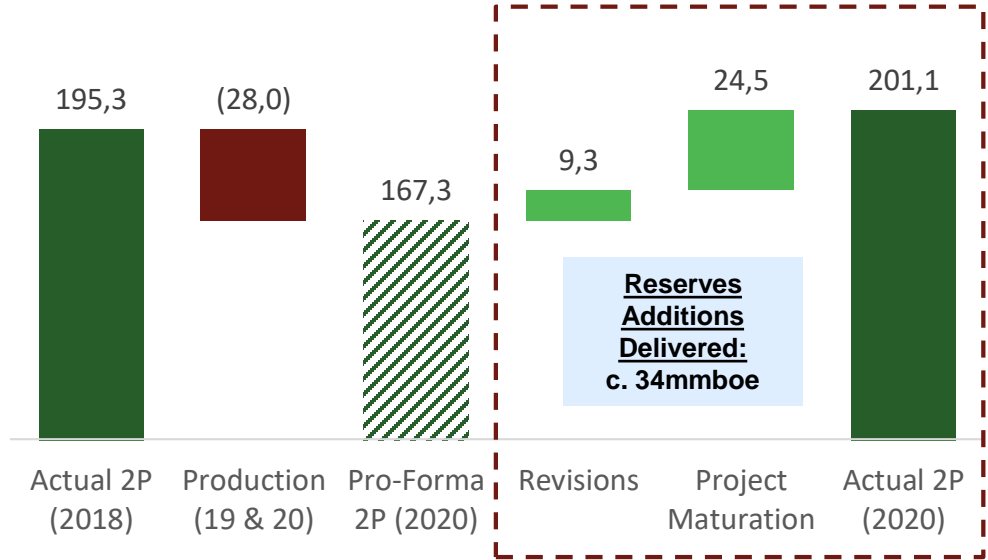
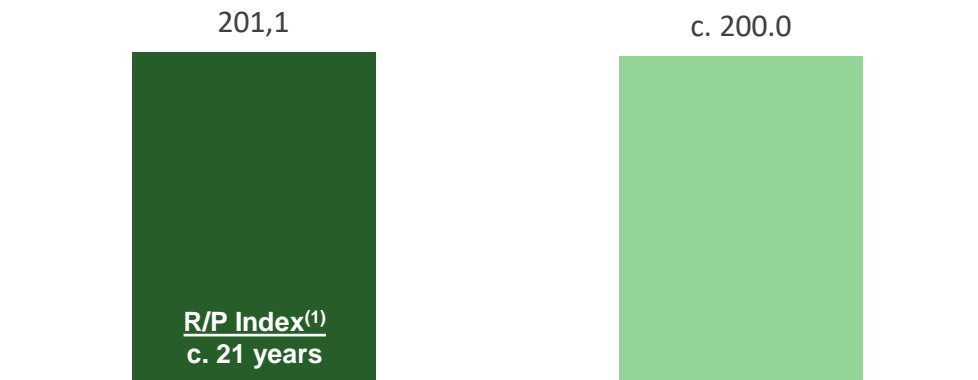
Material, Balanced Reserves & Resources Base

2P reserves of 201mmboe at end 2020, with 2C resources of 200mmboe+

Reserves & Resources: End 2020 (mmboe net)

Development of 2P Reserves (mmboe net)

Total Reserves & Resources at end 2020: 400mmboe+

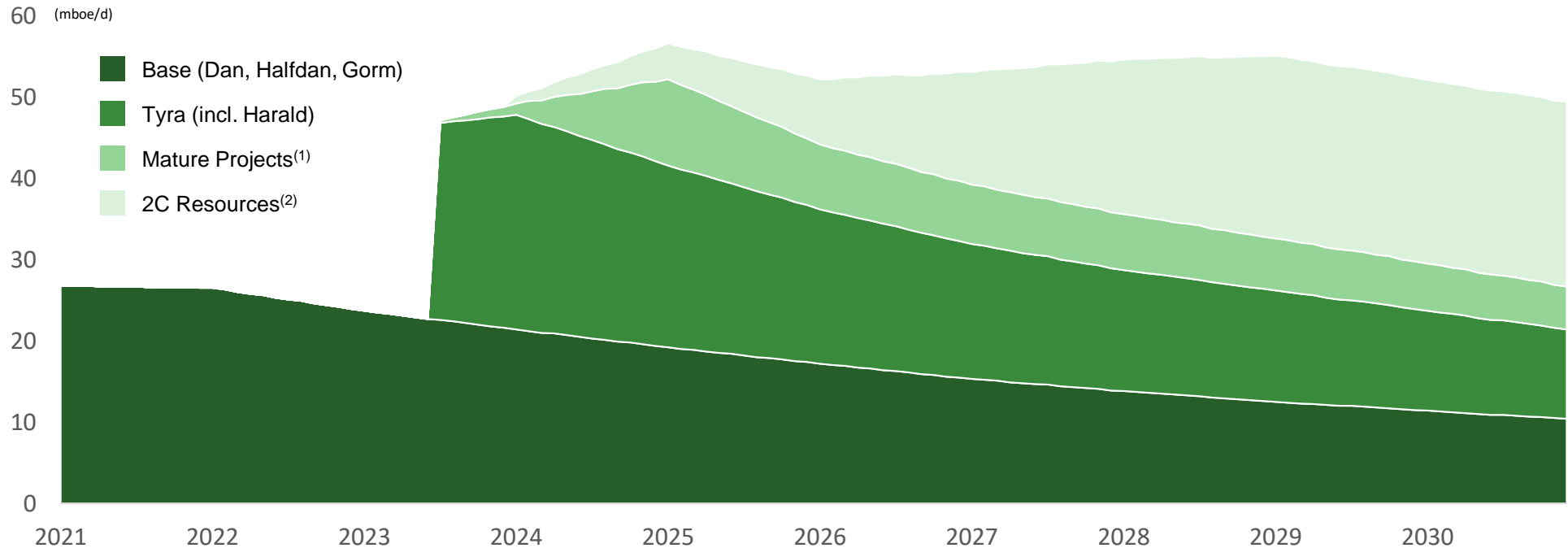


- **Significant 2P reserve additions since acquisition close**
 - Reserves Replacement Ratio since end 2018 of over 120%⁽²⁾
- **Additions include maturation of project pipeline**
 - Halfdan North and Valdemar Bo South included in total 2P reserves within the “Justified for Development” classification

Redeveloped Tyra Drives c. 90% Production Growth

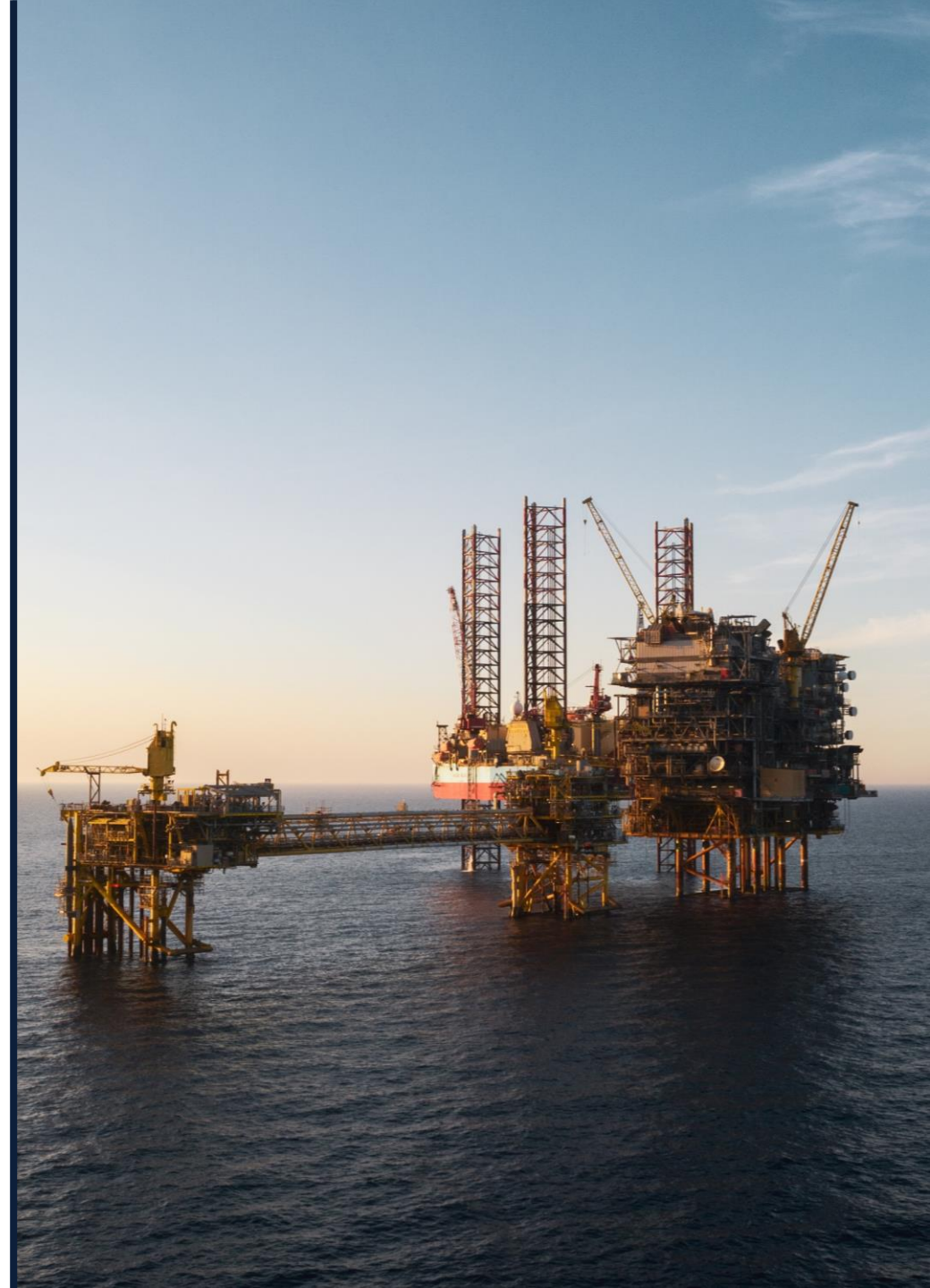
Defined, low-risk and fully-funded to expected production of c. 50,000boe/d by 2023

Net Production⁽¹⁾

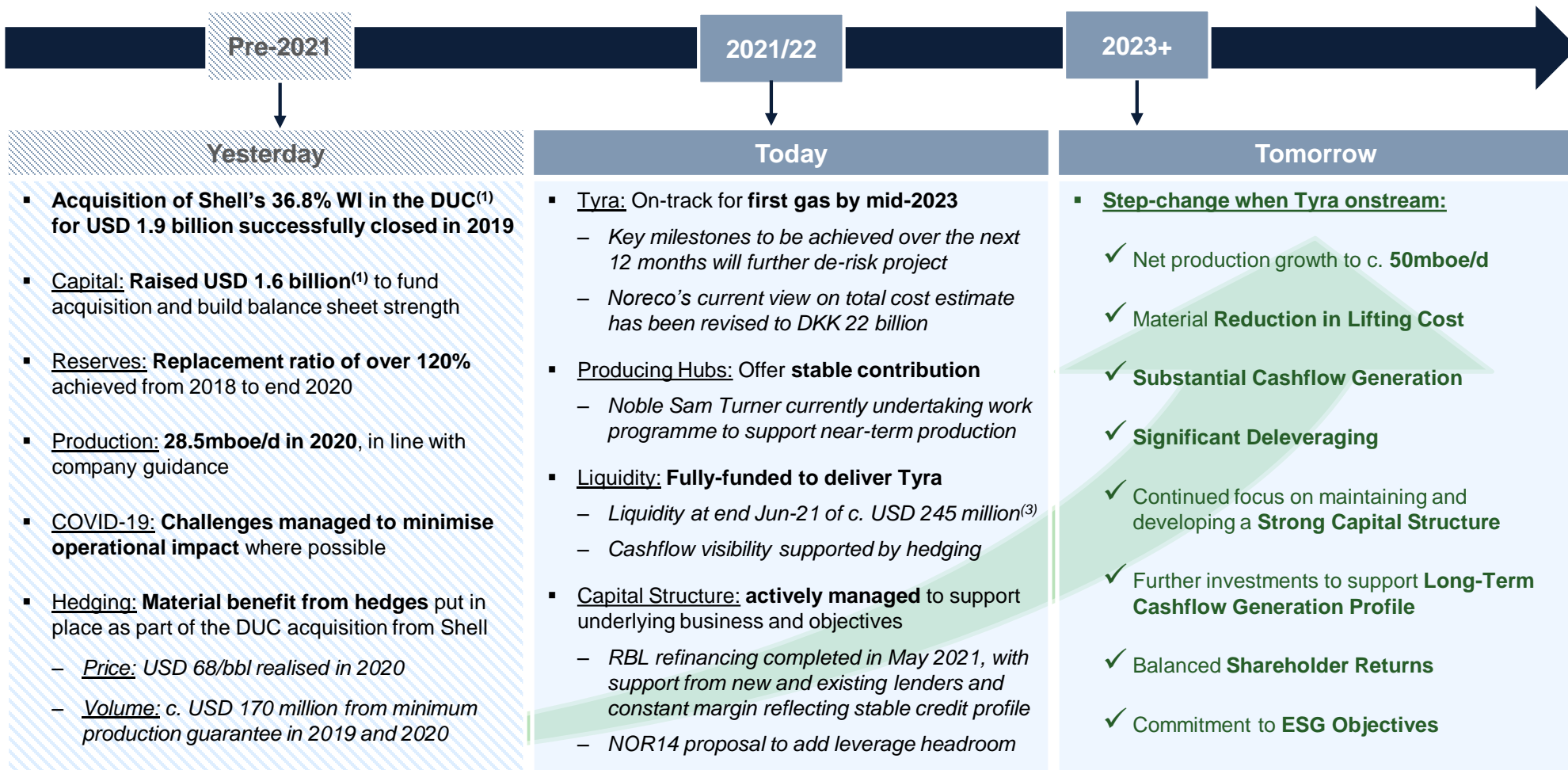


- **Steady near-term levels and step-change growth to c. 50mboe/d when Tyra onstream**
- **Long-term focus on mitigating decline and maintaining free cashflow generation potential**
 - Target of single digit annual decline on a combined basis across entire portfolio

Financial Review



Developing Noreco as a Material Cashflow Generator



1) DUC refers to the Danish Underground Consortium

2) USD 390 million equity, USD 158 million Convertible Notes (NOR13), USD 900 million RBL facility and USD 175 million Senior Unsecured Notes (NOR14)

3) Cash on balance sheet of USD 145 million and available undrawn RBL capacity of USD 100 million (subject to semi-annual redetermination)

Financial Summary: Q2 2021

Robust capital structure and liquidity position; fully funded to deliver Tyra

- **Strong operating and financial results during Q2**
 - Significant improvement in performance vs. Q1
 - Supports Tyra delivery, with robust balance sheet
 - Noreco is fully funded at oil prices below USD 55/bbl⁽¹⁾
- **Realised oil price of c. USD 56/bbl**
 - In line with prior market hedge price guidance
 - Strong realised gas price during the quarter
- **Hedging to minimise exposure to market volatility**
 - Maximise visibility over pre-Tyra cashflow
- **Total liquidity of USD 245 million⁽³⁾**
 - Includes cash and RBL availability
 - Working capital build in second quarter 2021 expected to return to more normalised levels during H2 2021

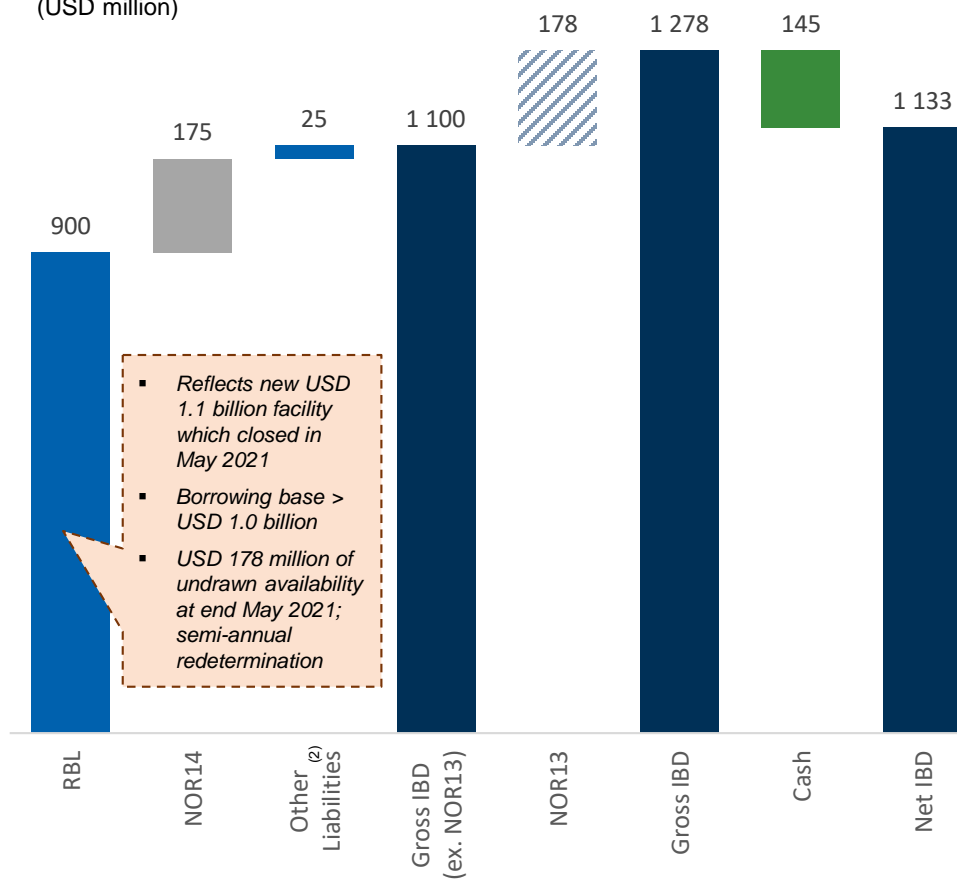
<u>Key Financial Data: Q2 2022</u>		
Hydrocarbon Production	(mboe/d)	27.3
Realised Liquids Price	(USD per bbl)	57.5
Total Revenue	(USD million)	135
Unit Field Opex	(USD per boe)	32.7
EBITDA (Reported)	(USD million)	58
Cashflow from Operations ⁽²⁾	(USD million)	18
Change in Net Working Capital	(USD million)	(41)
Liquidity (Cash & Undrawn RBL)⁽³⁾	(USD million)	245

Capital Structure: Q2 2021

No cash maturities prior to Tyra first gas; liquidity of USD 245 million at end of the quarter

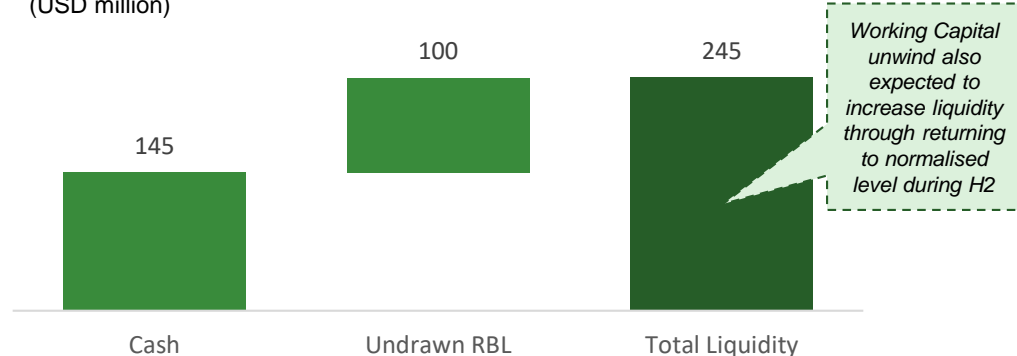
Net Debt Overview: End June 2021⁽¹⁾

(USD million)



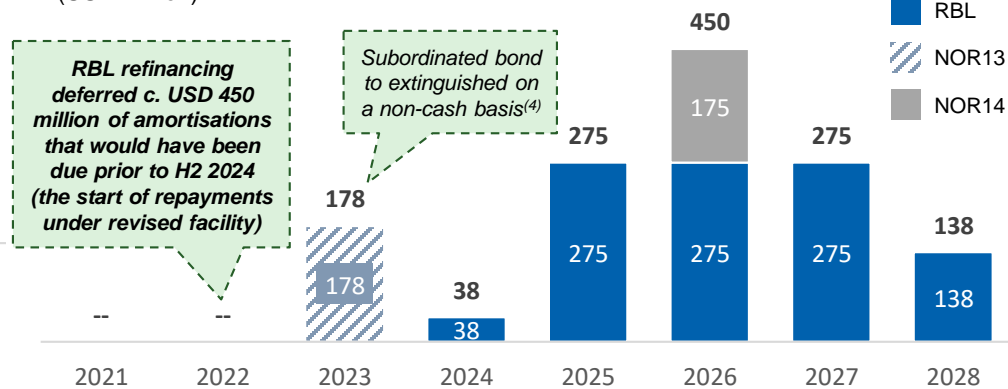
Available Liquidity: End June 2021

(USD million)



Maturity Profile⁽³⁾

(USD million)

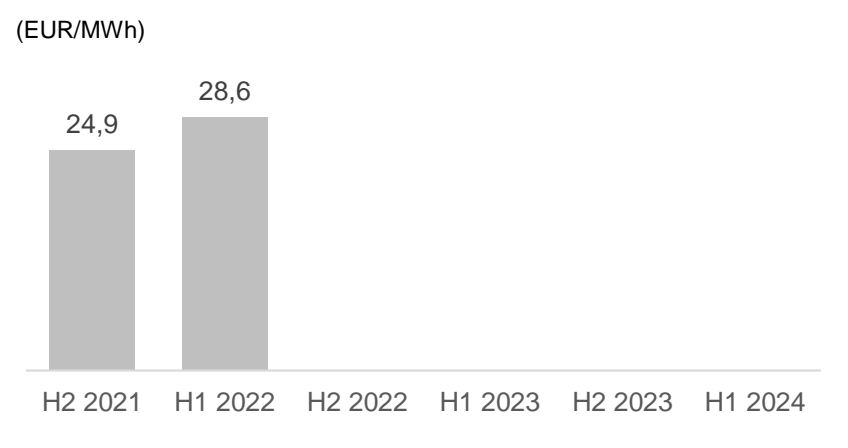
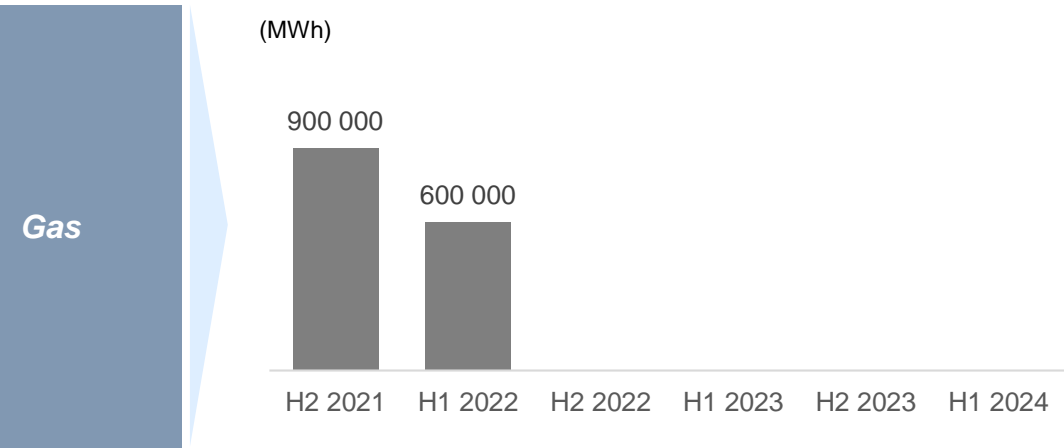
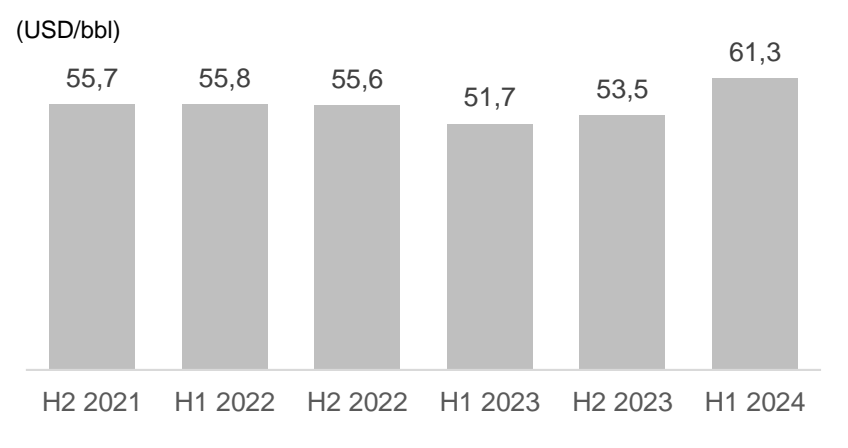
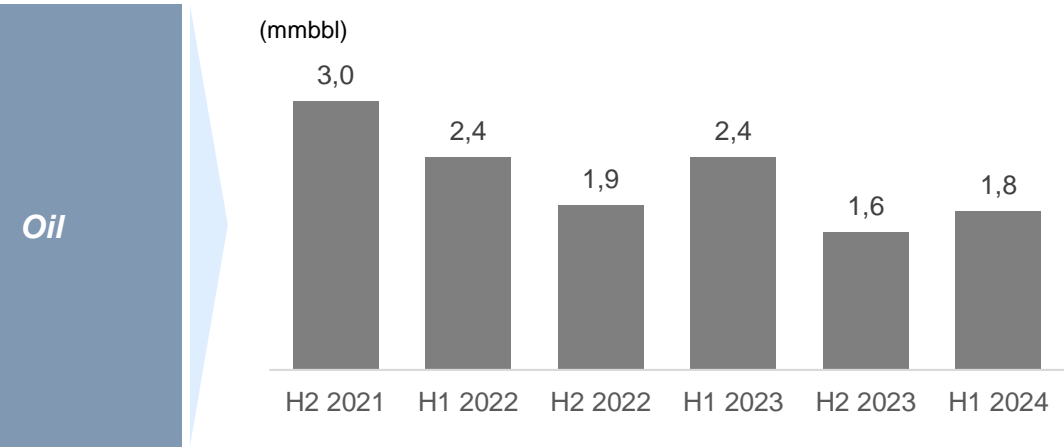


Hedging: Focused on Pre-Tyra Cashflow Visibility

Programme executed to minimise exposure to near-term commodity price volatility

Hedged Volumes

Average Hedge Price



NOR14 Amendment: Strong Bondholder Support

Amendment of maximum leverage until end 2023 supported by more than 2/3 of bondholders

Overview

- Noreco announced on 28 June that it was looking to engage with NOR14 holders to proactively address elevated leverage levels
 - While we do not expect to breach this covenant, the Company was exposed to potential future commodity price volatility
- RBL refinancing strengthened Noreco's capital structure in 2021
 - Provided c. USD 200 million of additional liquidity
 - Deferred amortisation payments to H2 2024
- Liquidity rather than leverage at the core of Noreco credit story
 - We sought to refocus NOR14 covenants to recognise this
- Revised NOR14 leverage ratio also better reflects revised RBL
 - RBL leverage covenant was relaxed with no impact on margin in conjunction with the refinancing completed May 2021
- **Written Resolution deadline for voting is 23 July**
 - **Support received from more than 2/3 of bondholders prior to formally launching the Written Resolution process**

Summary of Amendment

Bondholder "Asks"

- Leverage ratio increased during Tyra redevelopment
 - Q2 2021 to Q2 2023: 7.0x
 - Q3 2023: 6.0x
 - Q4 2023: 5.0x

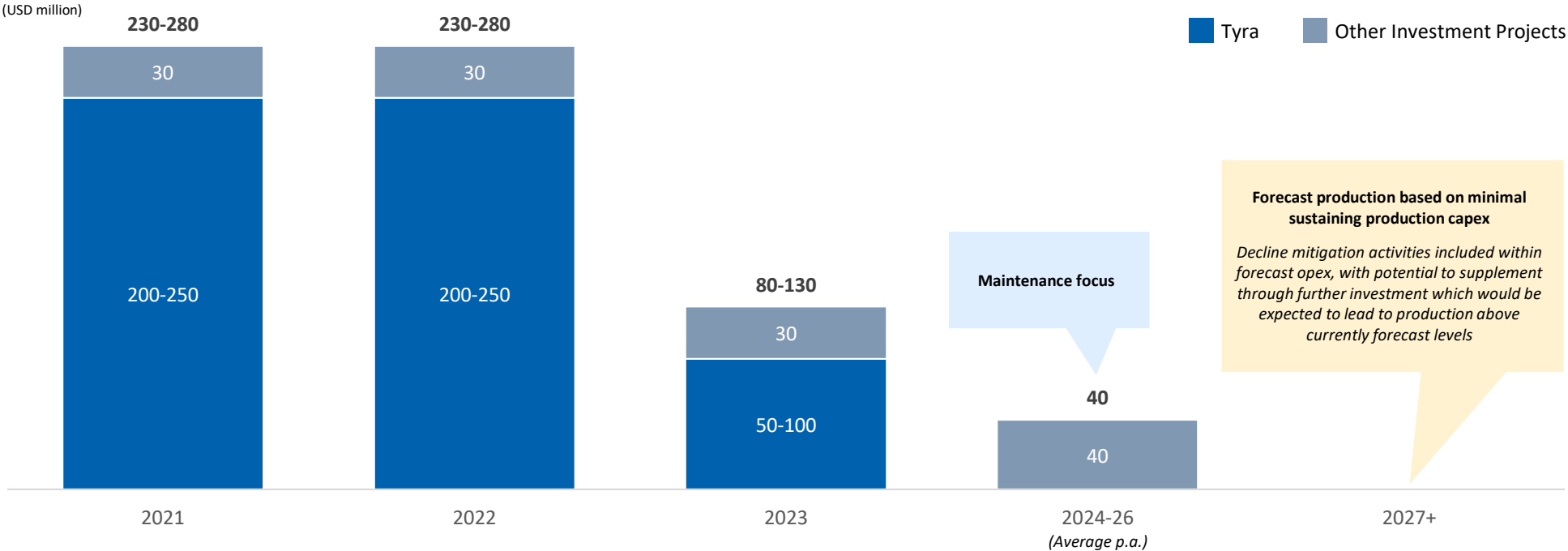
Bondholder "Gives"

- Increase minimum liquidity threshold to **USD 75 million**
 - Until the end of amendment period (Q4 2023)
- Make Whole period extended **18 months**
 - First call date revised to June 2025
- Call prices increased to **103.5** (Jun-25 to Dec-25) and **100.9** (Dec-25 to Maturity)
- Removal of remaining > **USD 15 million** pre-Tyra distribution allowance (post-Tyra remains the same)
- Amendment Fee of **2.00%** of nominal amount

Capex: Material Change in Profile Post-Tyra

Majority of Tyra capex expected to be incurred during 2021 and 2022

Noreco Capex Profile: Illustrative Forward Expenditure based on FID Projects Only^(1,2)



- Remaining Tyra cost phased over 2021-23: 2021 = 40-50%, 2022 = 40-50%, 2023 = 10-20%
- No further capital projects sanctioned beyond Tyra
 - Future investments must meet internal returns hurdles and contribute to long-term cashflow generation profile

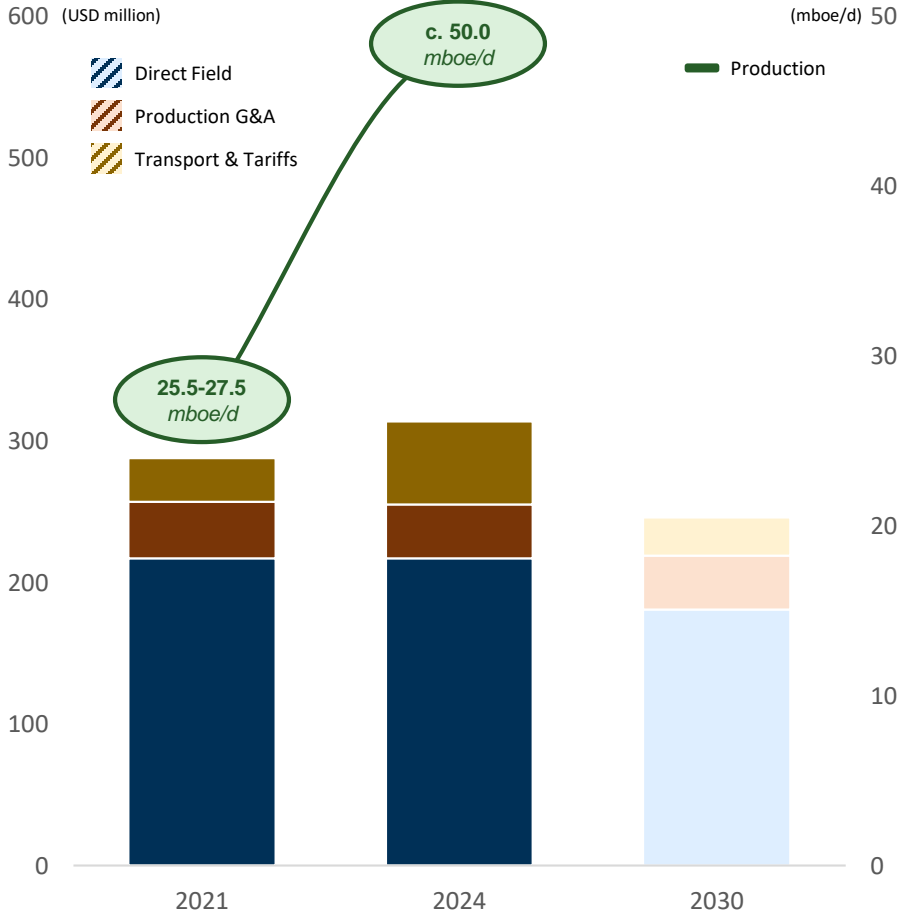


1) Management estimate based on operator data
 2) Based on 6.2 DKK per USD

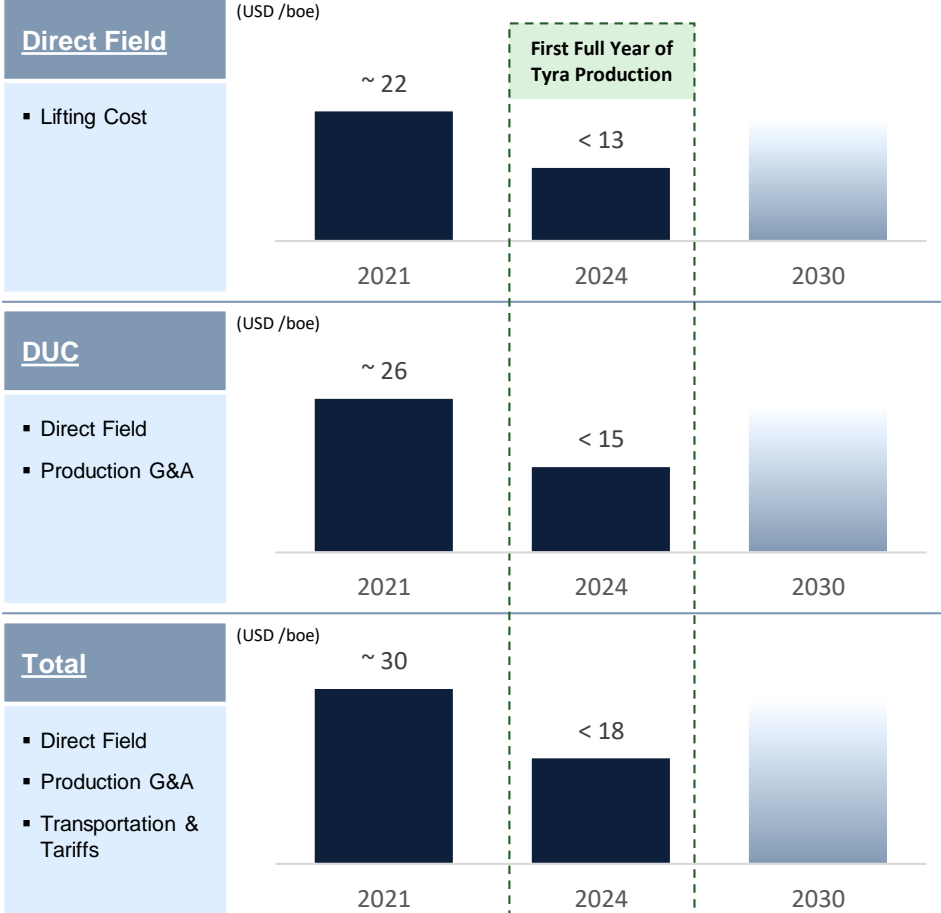
Opex: Lifting Cost < USD 13/boe on Tyra Restart

Material reduction post-Tyra, with our long-term focus on extracting all economic barrels

Illustrative Development of Operating Costs: Net to Noreco⁽¹⁾



Illustrative Development of Unit Operating Cost⁽¹⁾

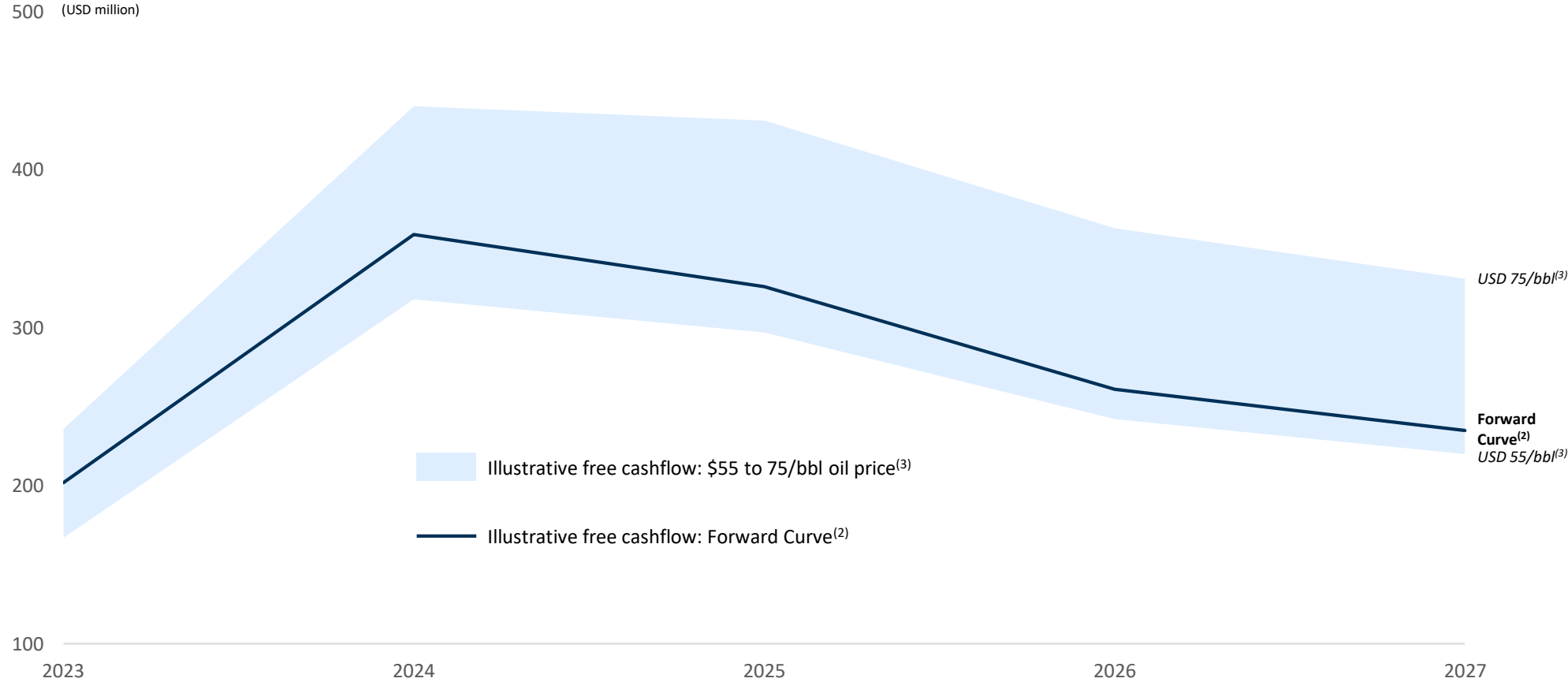


1) Management estimates based on operator data and using a 6.2 DKK per USD exchange ratio

Material Cashflow Generation: Illustrative Profile

Illustrative free cashflow generation from 2023 to 2027 of over USD 1.4 billion

Illustrative Free Cashflow Generation: 2023 to 2027⁽¹⁾



1) Illustrative Free Cashflow = Net Cashflow from Operating Activities minus Net Cashflow used in Investment Activities
 Illustratively prepared using the Forward Curve as of 9 July 2021 and management estimates based on operator data
 2) Forward Curve for Brent oil and TTF gas as of 9 July 2021. TTF refers to the Title Transfer Facility, a virtual trading point for natural gas in the Netherlands
 3) Based on USD 55-75/bbl Brent and TTF at the Forward Curve as of 9 July 2021

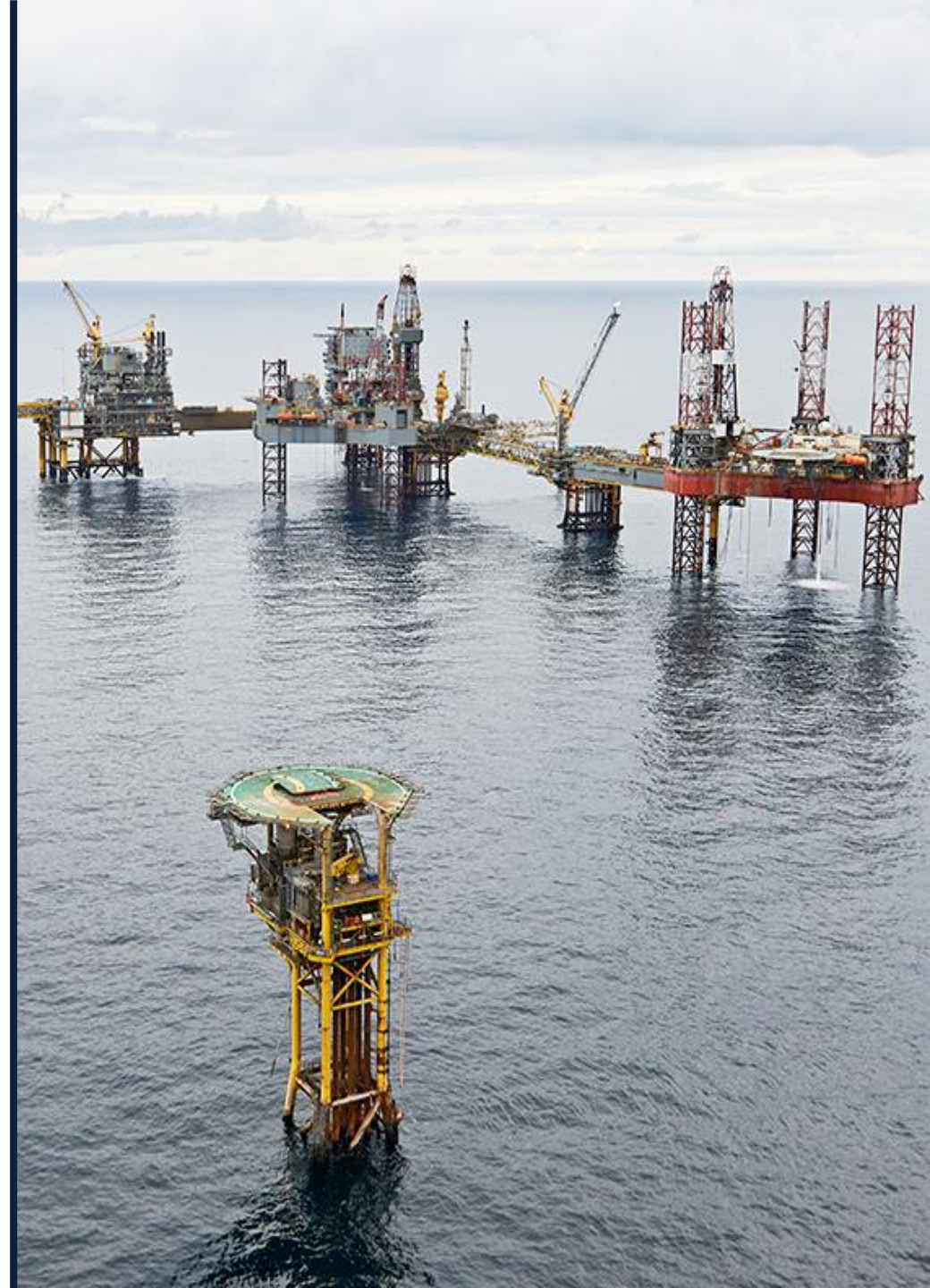
Disciplined Capital Allocation

Deleveraging from 2023 to deliver fit-for-purpose capital structure

Key Capital Allocation Messages

Free Cashflow	<ul style="list-style-type: none"> ▪ Illustrative free cashflow of over <u>USD 1.4 billion</u> cumulative from 2023 to 2027⁽¹⁾
Deleveraging	<ul style="list-style-type: none"> ▪ Noreco anticipates significant deleveraging once Tyra onstream ▪ Target leverage of < 2.0x Net Debt / EBITDAX
Capital Return	<ul style="list-style-type: none"> ▪ Return of capital to shareholders when supported by balance sheet ▪ Corporate objective of establishing a sustainable long-term dividend profile
Organic Growth	<ul style="list-style-type: none"> ▪ IRR of > 20% required for Noreco to sanction development opportunities ▪ Investments must enhance long-term cashflow generation potential
Inorganic Growth	<ul style="list-style-type: none"> ▪ Noreco will consider opportunities where value accretive and supportive of the capital structure ▪ Profile of combination will also need to demonstrate support for enhanced, long-term returns

Sustainability



Sustainability: Our Role in the Energy Transition

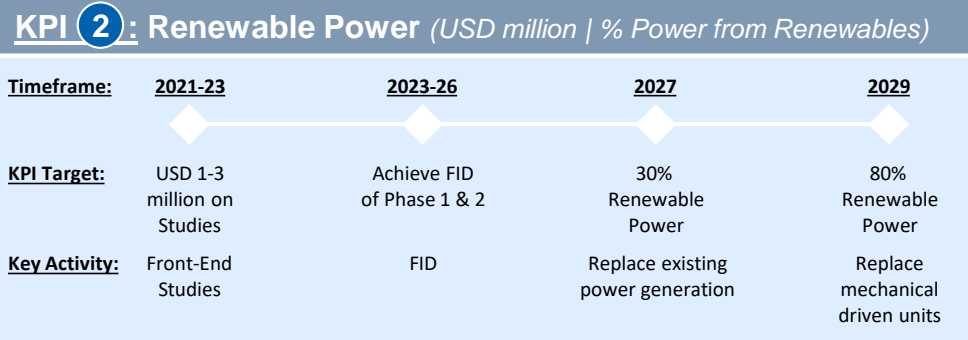
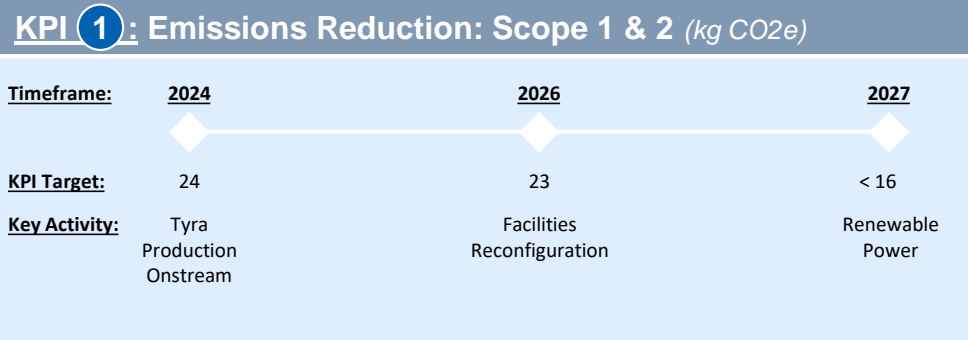
Defined principles will influence our evolving approach and support a key tenet of our strategy which is achieving a set of substantive, quantifiable and achievable ESG goals

Principles, Objectives & Approach

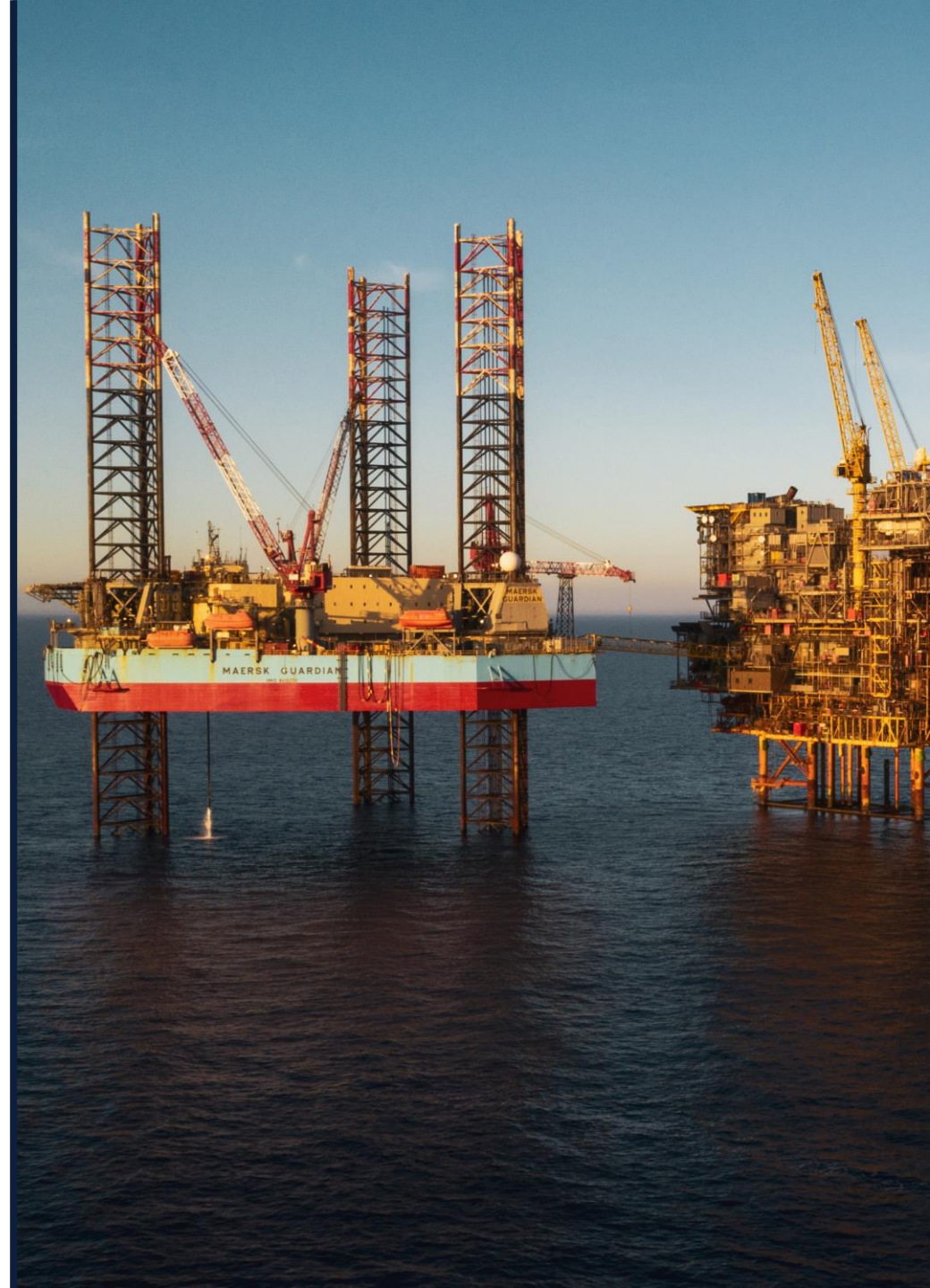
- Noreco has set its path forward with the objective of establishing the Company as a meaningful participant in the Energy Transition
- The Company has a focus on facilitating improved technical, commercial and economic framing of environmental initiatives
 - This includes pursuing the extended life of offshore installations by embracing and integrating sustainability early stage
- We recognise an evolving and flexible approach is needed given the early-stage nature of various proposals and technologies. We aim to be at the forefront of these advancements
- Two near-term key pillars, with broader longer-term approach:
 - Key pillar 1: Increasing DUC sustainability and efficiency
 - Key pillar 2: Potential for offshore electrification
 - Broader evaluation: CCS, green and blue hydrogen, PtX⁽¹⁾
- Emissions reducing activities to be meaningful but measured in order to maximize impact while remaining appropriate for Noreco

Sustainability Linked KPIs

- Recently refinanced RBL, which includes ESG linkage, is a first step towards lowering the cost of capital for projects that result in significant environmental enhancements



Closing Reflections



Fully-Funded Growth and Deleveraging from 2023



1) Free Cashflow = Net Cashflow from Operating Activities minus Net Cashflow used in Investment Activities using management estimates based on operator data. Forward Curve for Brent oil and TTF gas as of 9 July 2021. TTF refers to the Title Transfer Facility, a virtual trading point for natural gas in the Netherlands

Contact: ir@noreco.com