Third Quarter 2019

28 November 2019

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Highlights for the Quarter

- Completed the acquisition of Shell Olie- og Gasudvinding Danmark B.V. (“SOGU”) and became a partner in the Danish Underground Consortium (“DUC”) on 31 July 2019
- Net production of 41.6 mboepd in the quarter[1], following ramp down of Tyra.
- Cash flow from operations of USD 115 million in the quarter from August and September
- Raised gross proceeds of ~USD 550 million in a private placement, convertible bond issue and a subsequent offering which were oversubscribed by 101%
- Settled and repaid in full the outstanding NOR10 bond at 101.5% of par value

Average Production[1]
41.6
mboepd

EBITDA[2]
122
USD million

Operating Cash Flow
115
USD million

Net Profit
179
USD million

1) Production figure reflects the contribution from the acquired DUC assets from 1 August 2019. Figure does not take into account the volume guarantee.
2) Adjusted EBITDA, please see Q3 report

Operational Review

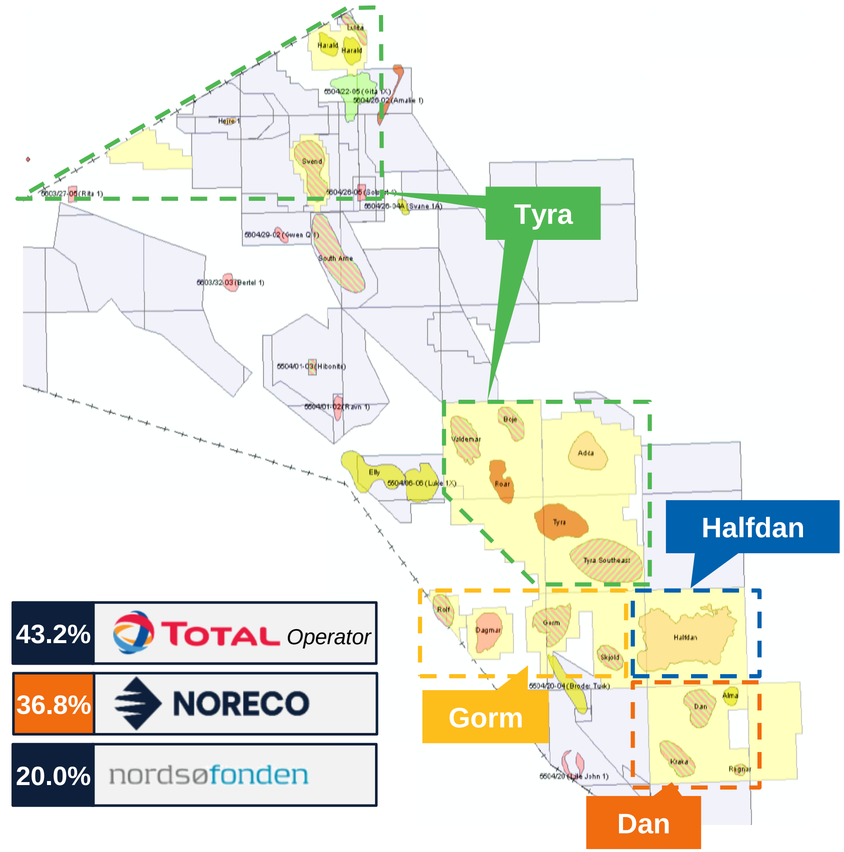
Atle Sonesen, COO

The Danish Underground Consortium ("DUC")

Introduction to DUC

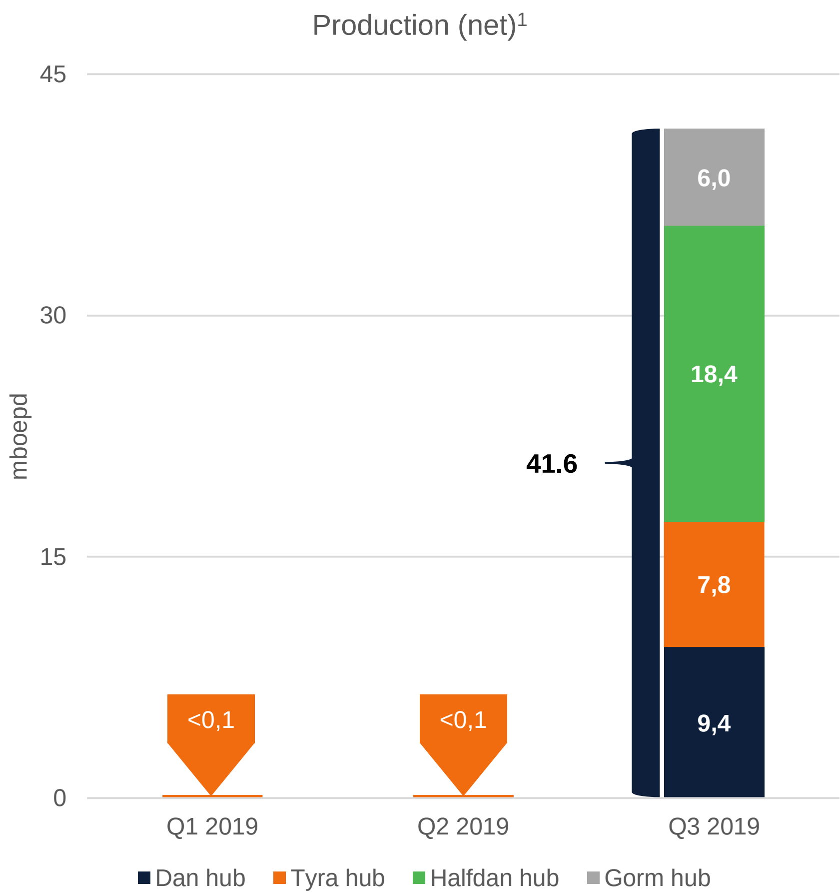
- JV between Total, Noreco and Nordsøfonden. It produced 85% of liquids and 94% of gas on the Danish Continental Shelf ("**DCS**") in 2018
- Owns essential infrastructure on the DCS, including key production hubs and pipelines
- Tyra hub redeveloped 2019-2022, unlocks gross potential in excess of 200 mmboe
- Tyra is the centre of Denmark's national energy-, and specifically gas, infrastructure
- New Tyra infrastructure: a catalyst for the future development of additional discoveries on the Danish Continental Shelf
- All fields operated by Total, the largest producer on the DCS following the acquisitions of 31.2% from Maersk (Aug-17) and 12.0% from Chevron (Sept-18)

Four production hubs and 11 producing fields

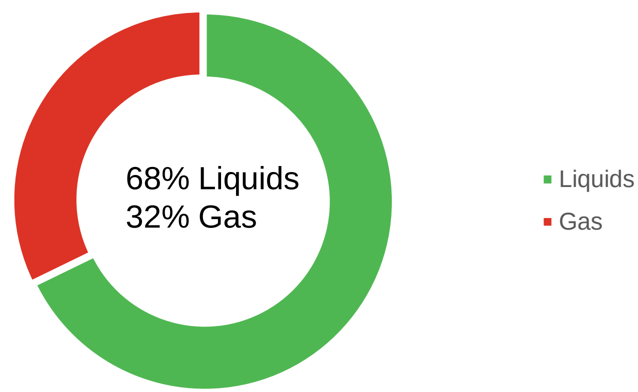


1) Senergy (Lloyd's Register per 31 December 2018)

Consistent Production Performance in line with Plan



- Net production of 41.6 mboepd[1] according to plan
- Successful ramp-down of production and shutdown of Tyra and satellites, in accordance with plan, in September
- Successful completion of the HBB-05 production well – first DUC well with Fishbone technology
- Overall Operating Efficiency at 85% - affected by planned inspection and maintenance work
- Successfully switched gas export route to Holland



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1) Production figure reflects the contribution from the acquired DUC assets from 1 August 2019. Figure does not take into account the volume guarantee.

Significant Base of Untapped in Place Volumes

Hydrocarbons Initially in Place[1] (HCIIP)

15.1 bn boe
HCIIP in Sole Concession area

4.2 bn boe
Historic production and current remaining 2P

10.9 bn boe
Remaining HCIIP over and above 2P

~4 bn boe
Noreco's share = 36.8 %

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1) Company estimate

From Resources to Reserves

Noreco's share of remaining HCIIP above 2P

~4

bn boe

Current

2P[1]

Improved oil recovery

Discoveries with plan

Discoveries without plan

Resources lacking technology

Movable resources

Non-movable resources

195 million boe

130+ million boe

~70 million boe

Non-commercial

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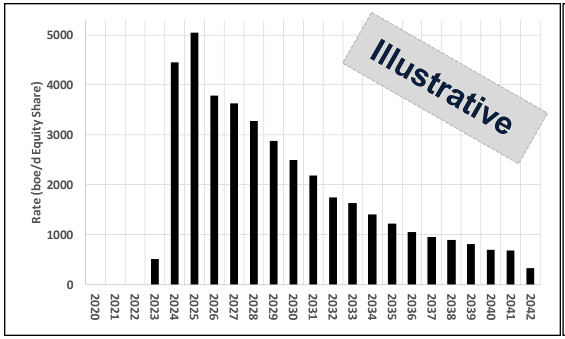
Company estimates 1) Senergy (Lloyd's Register per 31 December 2018)

Implementation of Low Capex – High Value Projects

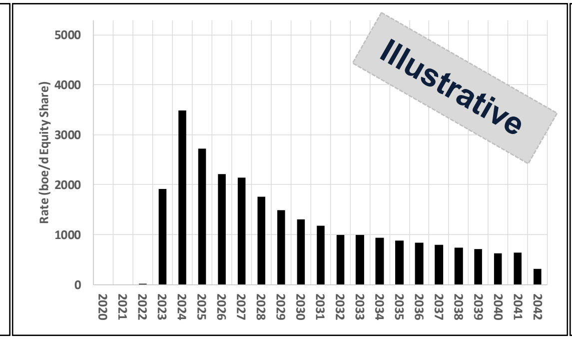
Figures net to Noreco[1]

Production Profile (boed)

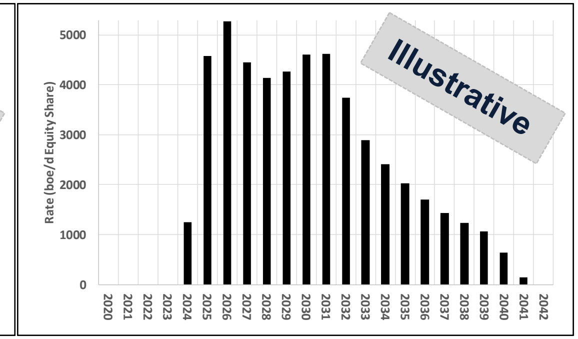
Project A – Oil Development



Project B – Oil Development



Project C – Gas Development



Figures net to Noreco[1]	Project A – Oil Development	Project B – Oil Development	Project C – Gas Development
Reserve Basis	▪ HCIIP: 50 mmboe ▪ RF: 29% ▪ Base case reserves **14.5 mmboe** ▪ High case reserves 27 mmboe	▪ HCIIP: 49 mmboe ▪ RF: 20% ▪ Base case reserves **10 mmboe** ▪ High case reserves 12 mmboe	▪ HCIIP 88 mmboe ▪ RF 21% ▪ Base case reserves 18.5 mmboe ▪ High case reserves 26 mmboe
Unit Capex	**12** USD/boe	**12** USD/boe	**9** USD/boe
Schedule	2021: FID 2023: First oil	2021: FID 2023: First oil	2022: FID 2024: First oil
Development Concept	▪ New 12 slot Well Head Platform ▪ Water injection and Gas Lift ▪ Un-manned, 4-leg jacket ▪ Processing at nearby existing hub ▪ Use known and proven well design and completion technology	▪ New 6 slot Well Head Platform ▪ Un-manned, 4-leg jacket ▪ Processing at nearby existing hub ▪ Fully automated controlled from existing hub	▪ New Well Head Platform ▪ Processing at nearby existing gas hub ▪ Upside in oil reservoir ▪ 12-16 slots

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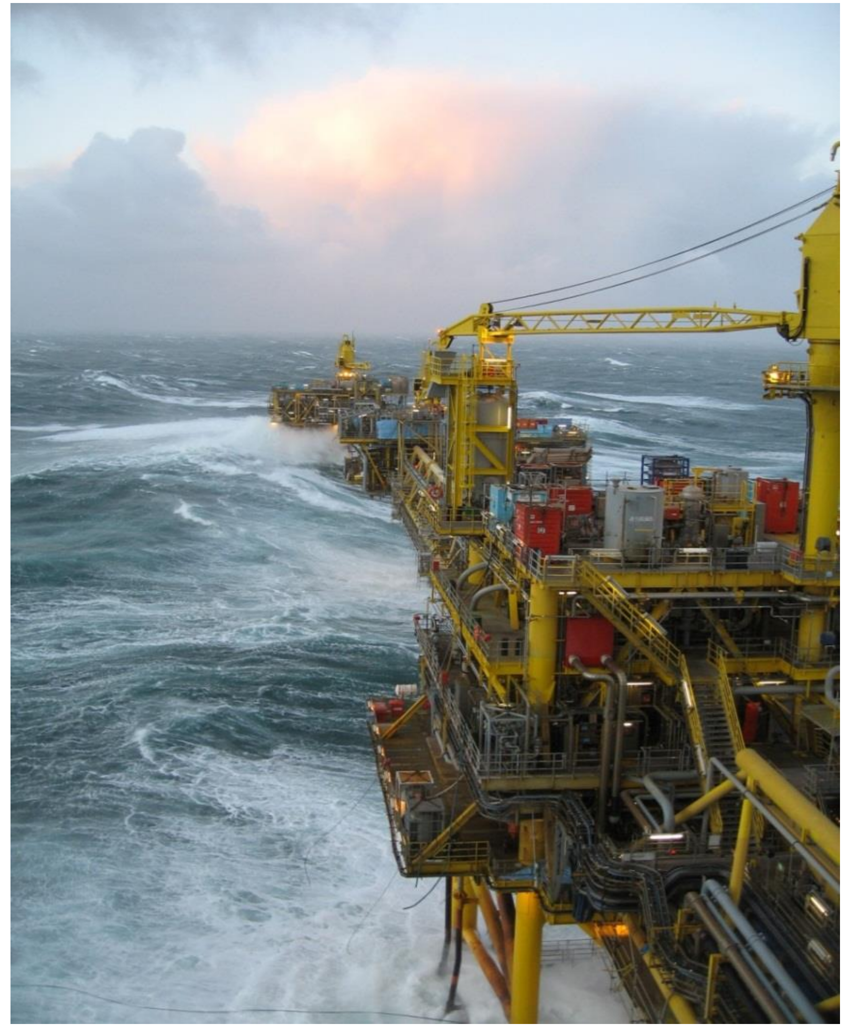
1) Estimates

Tyra Hub Redevelopment Will be a Catalyst to Extend Production on the DCS

- Production from the Tyra hub has been temporarily shut (Sept-19) and planned on stream again mid 2022
- Offshore modification and construction work is ongoing
- New wellhead and riser modules and new process modules are being fabricated in Indonesia
- New accommodation unit is being fabricated in Italy, and jacket platforms in Spain
- The project is progressing as planned, within budget and on schedule



Financial Review

Euan Shirlaw, CFO

Summary of Q3 2019 Results

First quarter reflecting impact of the acquisition, which closed on 31 July 2019

Hydrocarbon Production	Realized Liquids Price	Unit Opex[2]	Contribution from Liquids Protection	Cashflow from Operations
41.6 mboepd	USD 74.8/boe	USD 20.9/boe	USD 38 million	USD 115 million

Hydrocarbon Revenue[1]	Reported EBITDA	Adjusted EBITDA[3]	Cash and Cash Equivalents
USD 160 million	USD 68 million	USD 122 million	USD 135 million

- **Strong contribution from two months' ownership of a 36.8% interest in the DUC**
- **Adjusted EBITDA of USD 122 million including the contribution from the liquids protection agreement**
- **Operational cashflow of USD 115 million supporting Noreco's financial position with cash of USD 135 million at end Q3**

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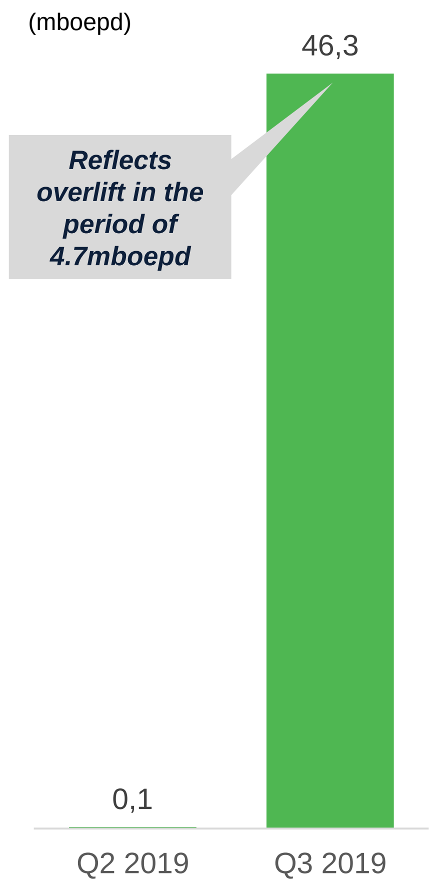
1) Excludes contribution from liquids protection agreement, which is recognized as a purchase price adjustment
2) Production expense in the period adjusted to exclude impact of over-lift and crude oil inventory movements; recent development reflects Tyra shut-down in Sept-19
3) Adjusted to include contribution from claims under the volume guarantee in the period and exclude exceptional costs (e.g. transaction, share-based payments)

Oil & Gas Production & Sales Q3 2019

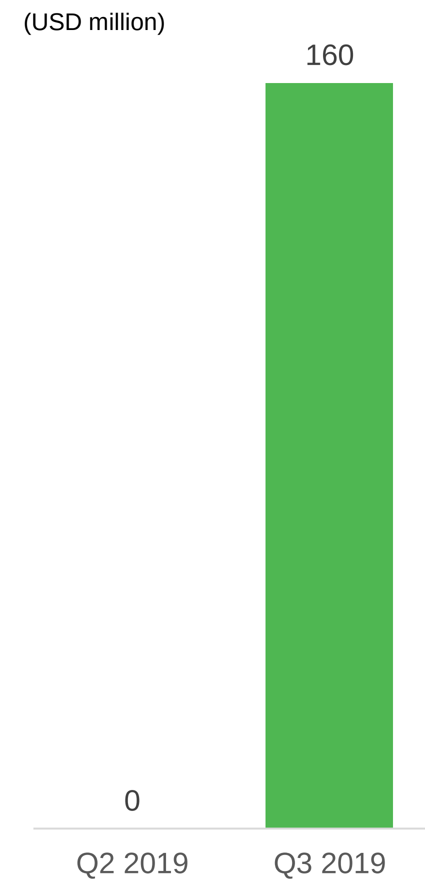
Production[1]

Sales



Realized Liquids Prices

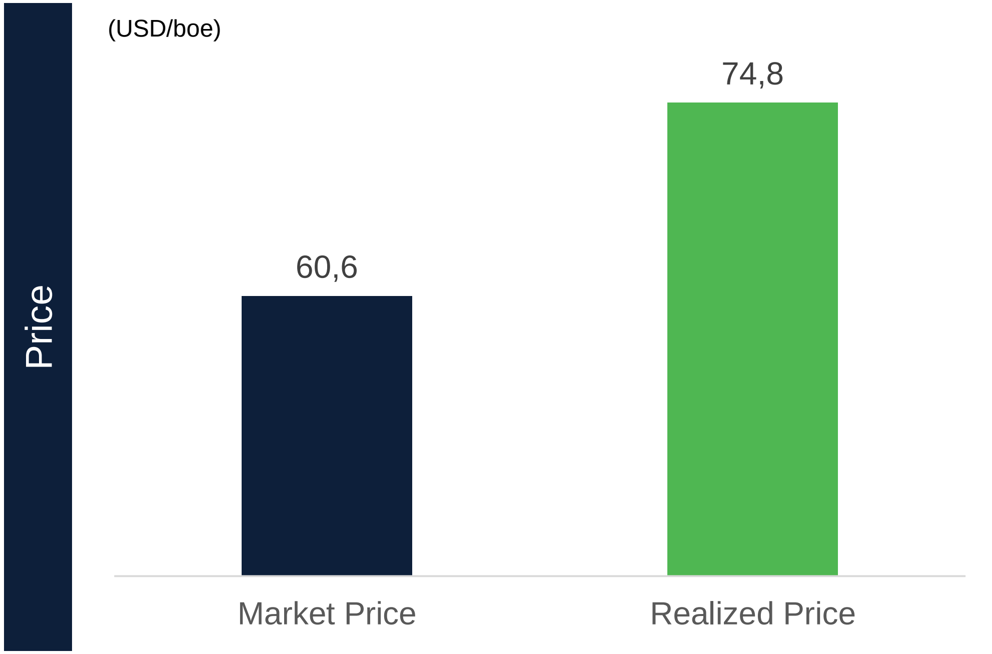
Revenue



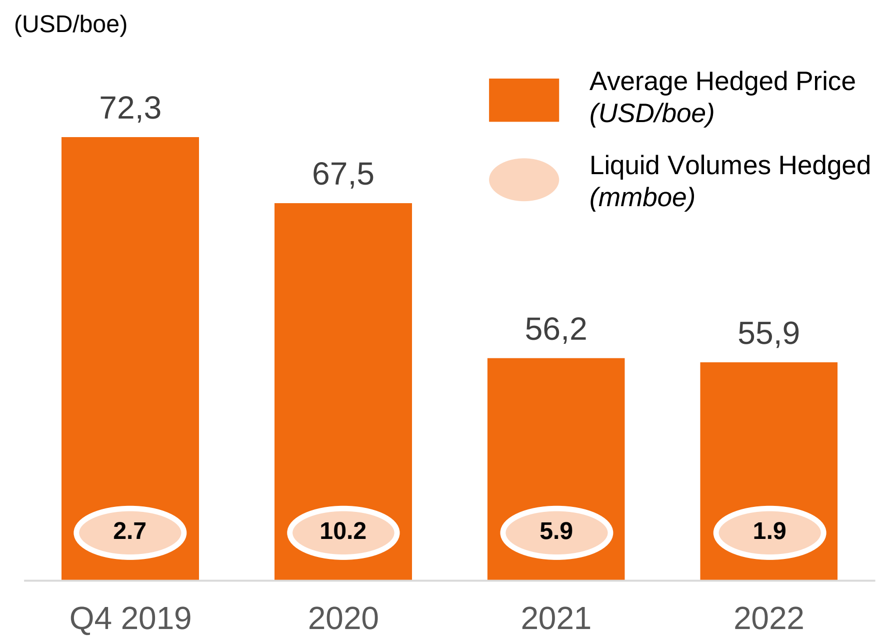
1) Production figures reflect the contribution from the acquired DUC assets from 1 August 2019. Figures do not take into account the volume guarantee.

Overview of Hedging Arrangements Q3 2019

Result in Q3 2019



Forward Hedging Portfolio



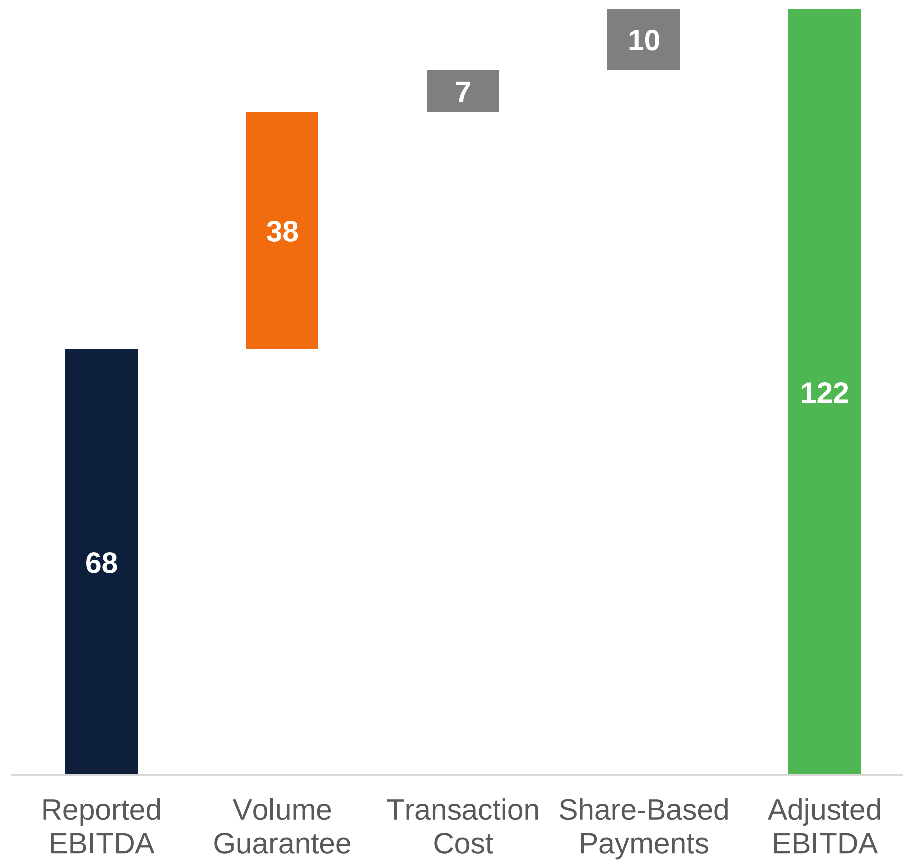
Volume

- **Liquids Protection Agreement**
  - Noreco benefited from the liquids protection agreement with Shell during Q3 2019
  - The Company recognized a contribution of USD 38 million during the period from this agreement
  - Noreco expects to continue to benefit from this agreement in future periods to the end of the protection period in December 2020

Financial Statements Q3 2019

Operational	Q3 2019	Q2 2019[1]
Production *(mboepd)*	41.6	0.0
Production Expense *(USD/boe)*[2]	20.9	n/a
Profit & Loss *(USD million)*		
Revenue	160	1
Production Expense	(68)	(0)
EBITDA	68	(1)
Adj. EBITDA	*122*	*n/a*
EBIT	(240)	(1)
Net Result for the Period	179	(4)
Cashflow *(USD million)*		
Operating Cashflow	115	(2)
Cashflow from Investing	(1,116)	--
Cashflow from Financing	1,135	(0)
Net Change in Cash	134	(2)
Balance Sheet *(USD million)*		
Cash & Cash Equivalents	135	1
Bank Debt	746	n/a
Net Interest Bearing Debt: Covenant[3]	638	n/a
Net Interest Bearing Debt: Accounting	796	57

Adjusted EBITDA: Q3 2019 *(USD million)*



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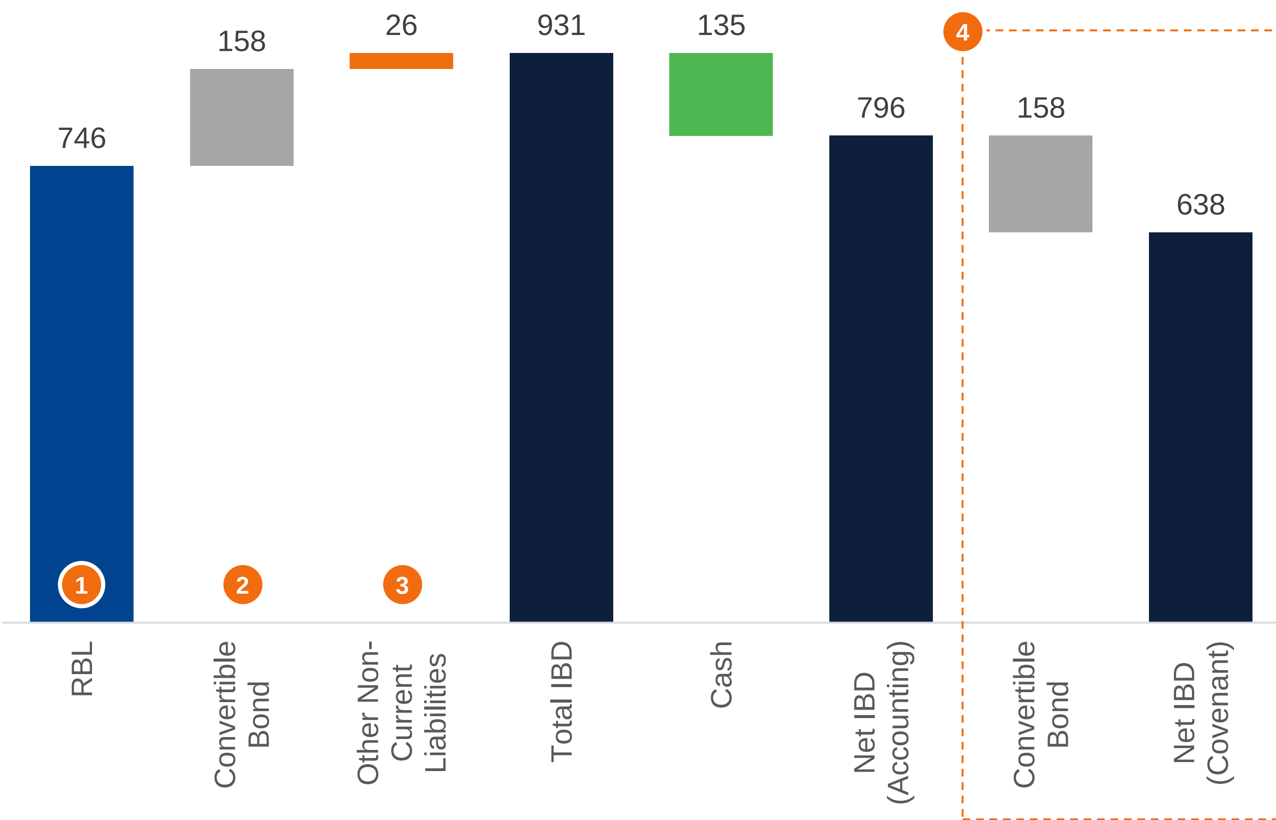
1) Converted from NOK as reported in Q2 report based on average spot rate (Profit & Loss, Cashflow) and period end rate (balance sheet)
2) Production expense in the period adjusted to exclude impact of over-lift and crude oil inventory movements
3) Excludes outstanding convertible bond (mandatory conversion to equity) and represents the metric upon which Noreco's RBL covenants will be tested

Capital Structure Overview 30 Sept. 2019

Net Debt Overview: 30 Sep 2019 *(USD million)*



Overview of Key Items

1 **Reserve Based Lending Facility**

- Drawings of USD 746 million at end Sept-19
- Amendment agreed post period end to increase potential borrowing capacity

2 **NOR13 Convertible Bond**

- Subordinated bond with mandatory conversion to equity after five years
- PIK interest of 8%; Noreco may elect to pay cash interest alternative of 6%
- Excluded from RBL covenant metric

3 **Other Non-Current Liabilities**

- Includes deferred consideration of USD 25 million

4 **Net Interest Bearing Debt: Covenant**

- Convertible bond excluded from the RBL net debt to EBITDAX covenant given mandatory conversion to equity and PIK interest

Proposed Bond Issue

- Noreco announced on 28th November 2019 a potential unsecured senior bond issue
- The company intends to raise up to USD 175 million through a bond with a 6.5 year maturity
  - This follows a period of market sounding that supports our view on successful execution
- Issue will be used to further strengthen the company's financial position through the Tyra redevelopment phase
- Use of proceeds will be General Corporate Purposes, to:
  - Provide the flexibility to invest in low-risk, value additive DUC development opportunities
  - Support the execution of longer-term business development opportunities
- Investor meetings to commence Friday 29th November following prior confidential market sounding
- ABG Sundal Collier, Arctic Securities and SEB are acting as Joint Lead Managers and Bookrunners

- **Current positive bond market conditions provide an opportunity to further strengthen Noreco's financial position at attractive terms and further diversity the company's sources of capital**

Outlook and Q&A