

First quarter 2014

20 Mai 2014

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Svein Arild Killingland,
Chief Executive Officer



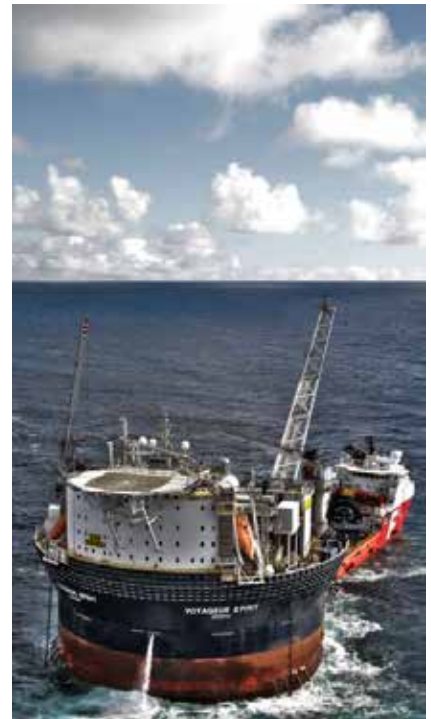
Ørjan Gjerde,
Chief Financial Officer

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First quarter headlines

- **A strong first quarter**
 - Revenues NOK 384 million, up 51 per cent from Q4
 - EBITDA positive: NOK 166 million
- **Production performance much improved**
 - Nini producing well, higher flows than expected
 - Huntington near plateau through most of February and March
- **Exciting exploration & appraisal program**
 - Verdande spud on 8 April. Approaching main target
 - Gohta appraisal spud shortly
 - Firming up 2015 well programme
- **Positioning for new licence awards**
 - APA 2014 in Norway, UK 28th Round, DK 7th Round

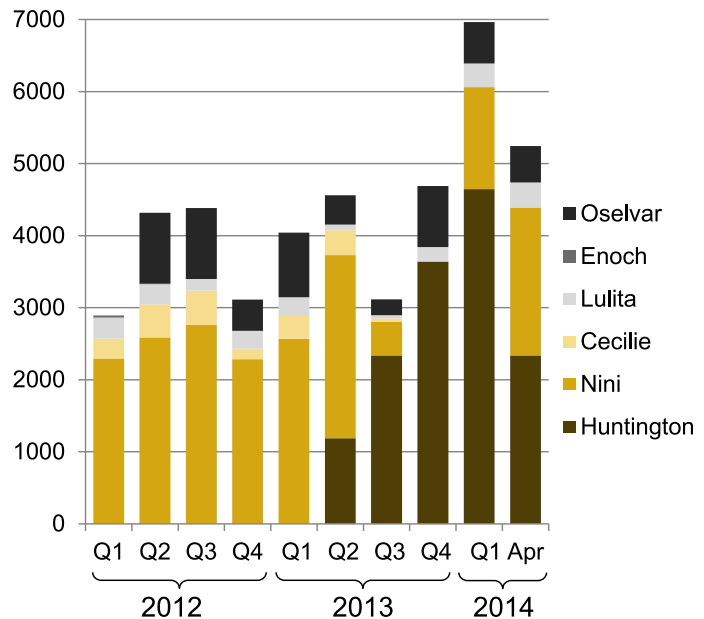
Producing fields



Q1 production

- Production performance show positive trend overall
- Huntington and Nini on stream through most of February and March
- Lulita have produced well in the quarter
- Oselvar closed for 12 days due to technical issues at Ula field
- Cecilie and Enoch expected back on stream in Q2 and Q3 respectively
- No easy oil. Constant attention required to ensure satisfactory output

Noreco production
(quarterly average in boepd)

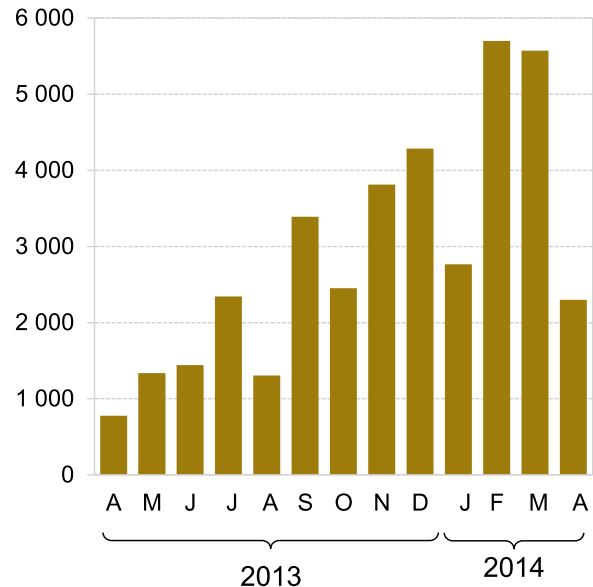


Huntington

Plateau confirmed. Still challenges

- **Strong performance in February and March**
 - Plateau level capacity proven above 7 000 boepd to Noreco
 - Average above 5 700 boepd
- **New issues in April and May**
 - Inert gas system. Closed for 14 days
 - CATS riser platform. Closed for 16 days
 - Back on stream 11 May
- **2-week shut-down for planned CATS maintenance in Q3**

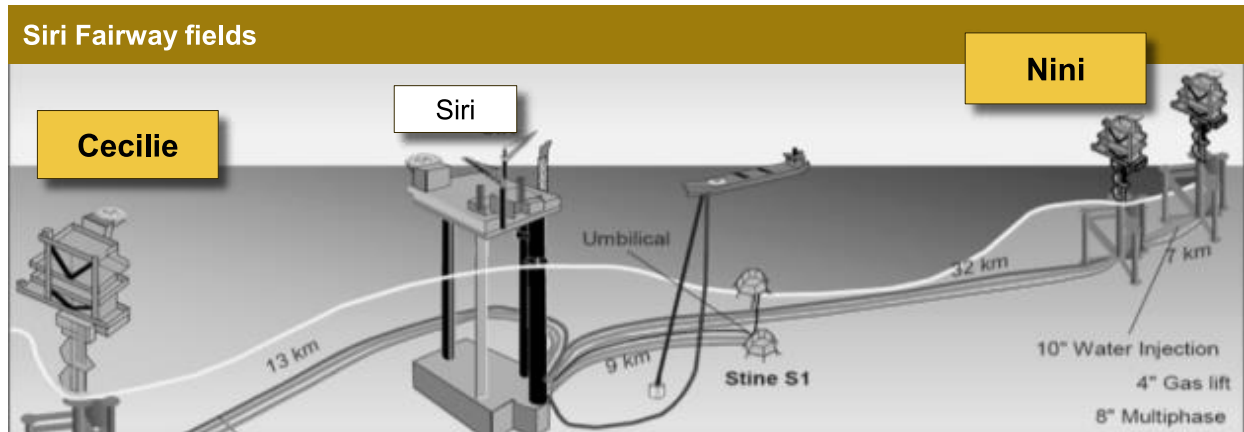
Huntington production
(monthly average in boepd)



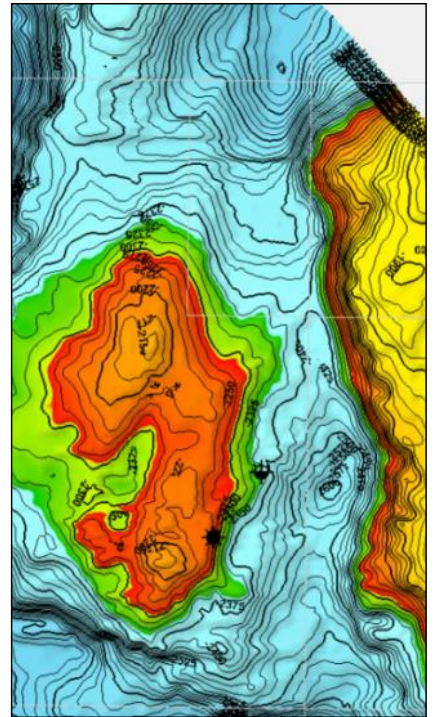
Siri Fairway

Temp solution works well. Repairs underway

- Temporary solution with production direct to tanker works well
- Daily average above 2 000 boepd to Noreco through April, in spite of sensitivity to weather conditions
- May production somewhat reduced due to Siri repair work and well workover at Nini
- Permanent repair scheduled for completion in Q3 2014



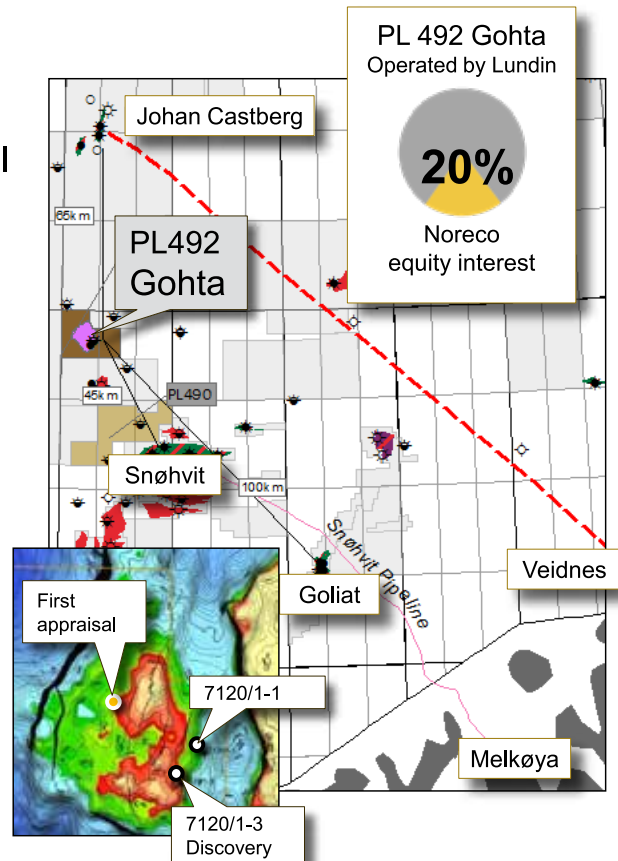
Discoveries



Gohta discovery

Appraisal imminent

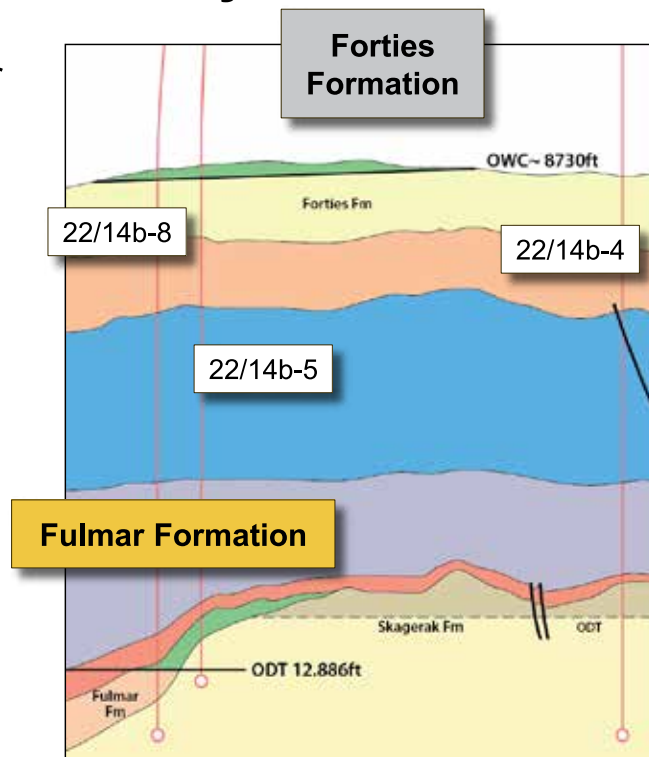
- **Rapidly maturing**
 - Discovered in 2013. First appraisal well to be spudded in May
 - Gross contingent resources 111 - 232 mill boe
- **In a highly promising and high-profile part of the Barents Sea**
 - Further drilling planned in a similar structure in Lundin's Alta licence to the north in H2 2014
 - Additional discoveries will increase commerciality and profitability



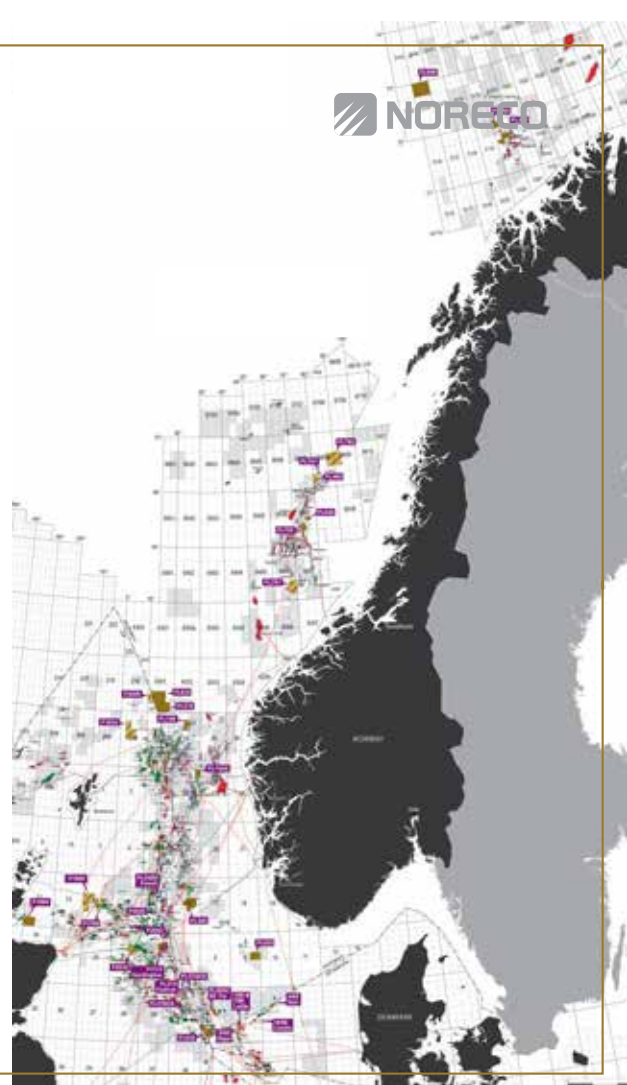
Huntington Deep

Maturing the Maxwell discovery

- The Maxwell discovery is a Fulmar formation reservoir that underlies the main Huntington Forties Field
- Discovered in May 2007 by well 22/14b-5, which tested 4,600 bbl/day. Further appraised with sidetracks in Q3/Q4 that year
- Current estimate is 4 million barrels of oil equivalents for Noreco (contingent resources)
- Work to mature the prospect towards potential development is ongoing with positive indications



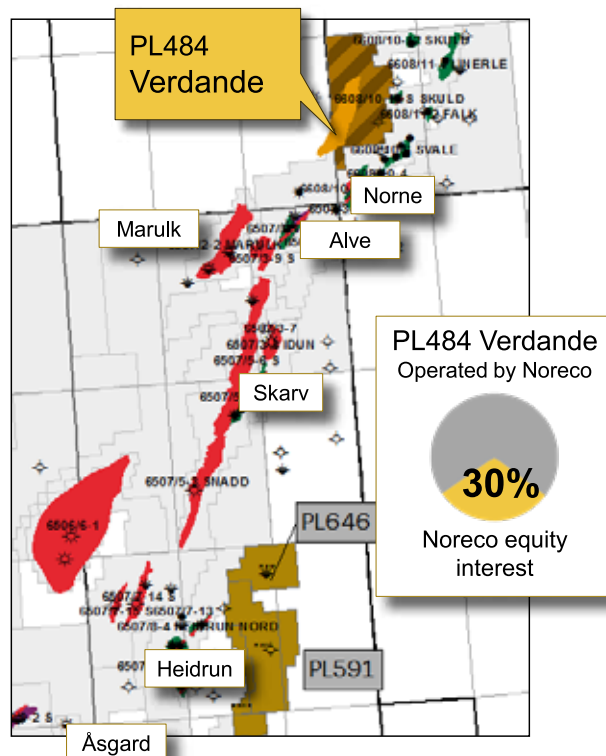
Exploration



Verdande

Approaching main target

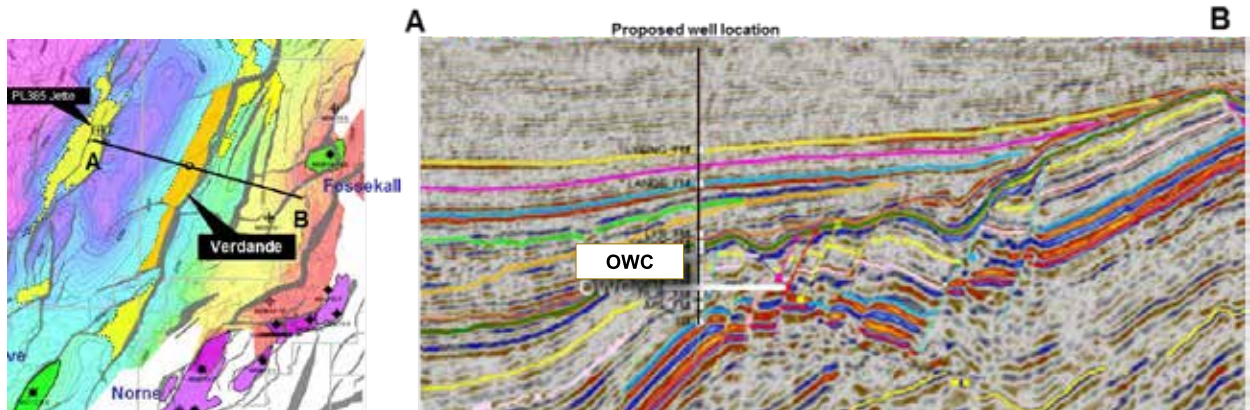
- Well spudded on 8 April by semisub *Bredford Dolphin*
- Hit shallow gas which was handled in accordance with standard procedures
- Dry hole case **68 days**
Success case **81 days**
- A side-track will be considered based on the drilling results



Verdande

Strong potential in a producing trend

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



Key focus areas

Current priorities

- **North Sea North**

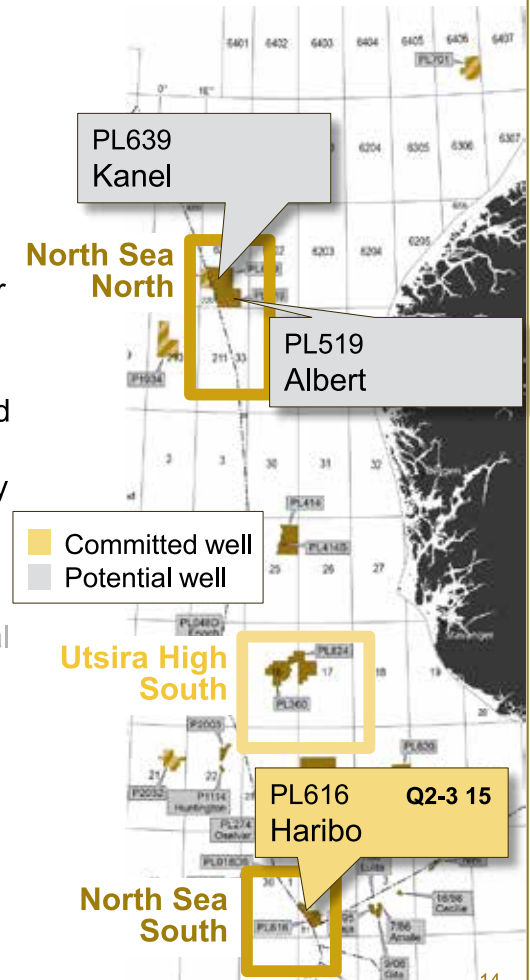
- PL639 Kanel | Seismic interpretation work near completion. Drill-or-drop decision expected in Q3 2014
- PL519 Albert | Seismic reprocessing completed and interpretation work has started. Nearby drilling will give valuable input. Decision on way forward expected in Q3 2014

- **Utsira High South**









- Recent nearby drilling has increased geological risk in PL360. The partnership has therefore decided to relinquish the licence

- **North Sea South**

- The Haribo well in 2015 expected to be approved shortly
- Continue to mature other prospects in PL616 (Nanna, Amma)



Exploration and appraisal Drilling 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 (appr)	20 %	Lundin	111-232								
DK 9/95 Xana (Gita S)	20.1 %	Maersk	47-475								
PL616 Haribo	20 %	Edison	69-192 ²								
P1889 Niobe	22.5 %	Suncor	40-72								
PL492 Gohta (appr)	20 %	Lundin	111-232								
PL519 Albert	20 %	Lundin	na								
P639 Kanel	15 %	Tullow	na								

 Committed well
 Potential well

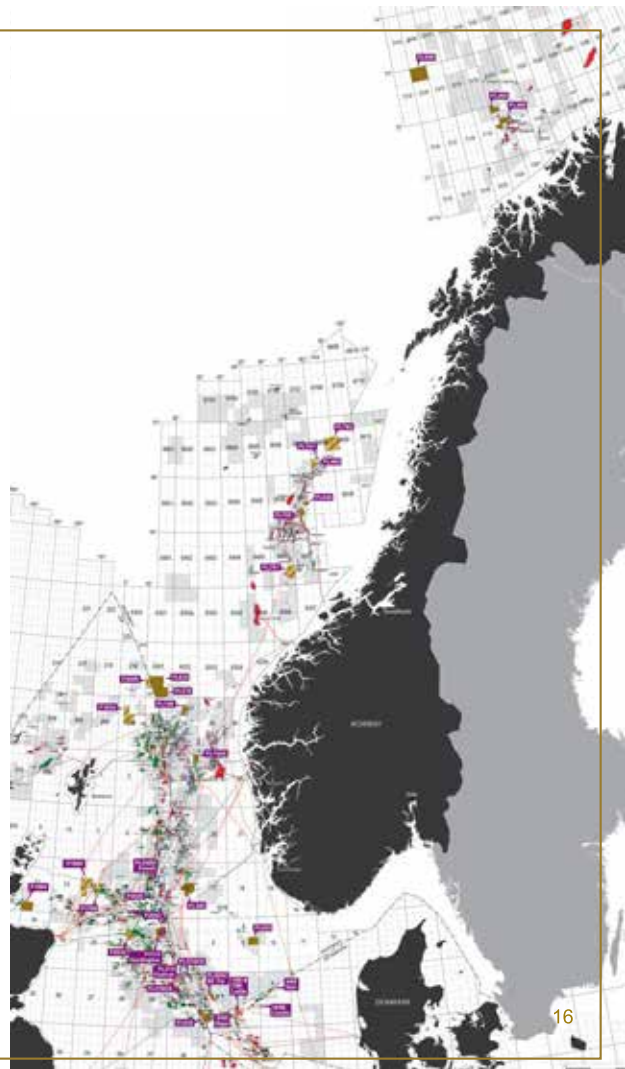
Alfred still considered for drilling in 2015 or later

¹ In mmboe
² On licence

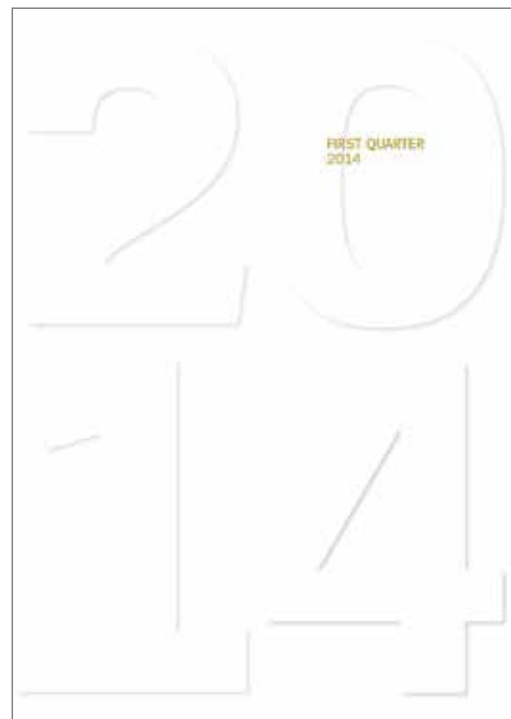
Building portfolio

2014 licence rounds

- **Norway APA 2014**
 - Focusing on mature areas in the North Sea and Mid Norway
 - Deadline 2 September
- **UK 28th Round**
 - Submitted applications in late April focusing on prospectivity in producing areas
- **Denmark 7th Round**
 - Focusing on known North Sea geologic plays
 - Deadline 20 October



Key financials



Income statement

NOK million	Q1 '14	Q4 '13	Q3 '13	2013
Total revenues	384	255	177	894
Production expenses	(138)	(139)	(108)	(430)
Exploration expenses	(25)	(9)	(295)	(666)
Payroll	(31)	(23)	(29)	(127)
Other op. expenses	(24)	(20)	(25)	(95)
Other gain/(loss)	1	(7)	(3)	(15)
EBITDA	166	56	(284)	(440)
Depreciation	(143)	(99)	(70)	(319)
Write-downs*	(32)	2	(555)	(1 211)
EBIT	(8)	(41)	(910)	(1 969)
Bond Restructuring effects	(35)	523		523
Net other financial items	(70)	(140)	(129)	(508)
EBT	(113)	342	(1039)	(1 954)
Tax	49	(3)	470	947
Net result	(64)	339	(569)	(1 008)

- **Revenues**

Positive development due to increased production and stable oil price

- **High production expenses** in Denmark

- **Low exploration** activity

- **Payroll** and other **opex** stabilising; One-off costs of 5 mill - buy out current office lease

- Highest quarterly **EBITDA** since Q3 2010

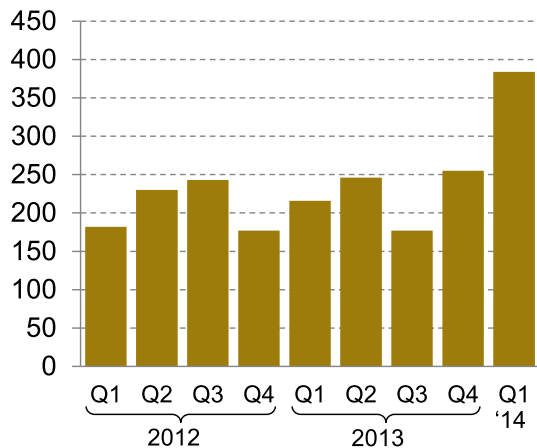
- **Net financial** items half of previous quarter (excluding restructuring effects)

* See slide 20 for additional information

Revenue & EBITDA

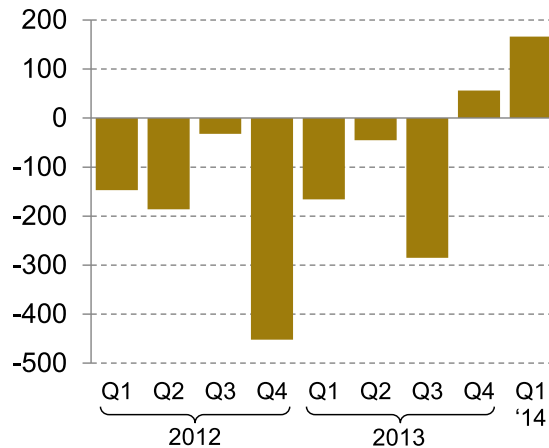
(NOK mill)

Revenues



- Revenue in an increasing trend
- Huntington main contributor

EBITDA



- Strong EBITDA development; highly dependent on production volumes and exploration costs going forward
- EBITDA historically influenced by high exploration cost and write-off of discoveries
- Continued reduction of salary, general & admin cost

Write-downs and reversals

Q1 2014

Items (NOK mill)	Write-downs and reversals Q1	
	Before tax	After tax
Goodwill UK	(28)	(28)
Oselvar	(34)	(9)
Enoch	(10)	(2)
Siri Fairway (Nini and Cecilie)	40	30
Total	(32)	(9)

- Huntington asset is the only one supporting the book value of goodwill in the UK. UK goodwill amortised in line with production
- Small adjustments to the Oselvar production profile
- Delayed start-up and increased cost at Enoch
- Improved short-term production expectations from Siri Fairway

Balance sheet

NOK million	31.03.14	31.12.13	30.09.13
Assets			
Non-current assets *	4 669	4 797	4 653
Current assets *	1 084	1 005	1 867
Cash (non-restricted)	497	403	358
Total assets	6 250	6 205	6 879
Equity and liabilities			
Total equity	1 747	1 750	929
Long-term liabilities	3 242	3 224	1 360
Current liabilities	1 261	1 235	4 591
Total liabilities	4 502	4 455	5 950
Total equity and liabilities	6 250	6 205	6 879
Net interest-bearing debt ex. exploration facility	2 022	2 077	3 092

- Equity ratio 28%
 - Subsequent share issue 100 mill concluded
- Restricted cash of;
 - 492 mill abandonment Denmark (long-term)
 - 97 mill others (21 mill long-term and 76 mill short-term)
- Available unutilised Exploration Finance Facility of 33 mill and overdraft facility of 18 mill
- Lower than expected Huntington production reduces estimated available liquidity at end of 2014 below 300 mill

* see slide 22 for additional information

Balance sheet specifications

Asset	NOK mill gross	NOK mill after tax
Gohta	133	29
Verdande	20	4
Huntington Fulmar	567	236
Huntington Forties	2 250	1 310
Oselvar	324	474
Nini & Cecilie	288	73
Goodwill	143	143
<i>of which</i>		
<i>UK</i>	101	101
<i>Denmark</i>	42	42
Siri insurance claim	353	309

Siri insurance claim | Status

- Writ filed for Danish court on 14 February 2014
- Writ response received from insurers. Court proceedings are being prepared
- Total claim is above 2 billion (~ USD 400 mill plus interests)

Recap from Q4 2013 presentation

Main priorities going forward

- **Work with operators to maximise production**
 - Stabilise Huntington at plateau 
 - Maximise output from temporary Siri Fairway solution, while preparing for permanent solution in Q3 
- **Exploration, appraisal and business development**
 - Safe and efficient delivery of Verdande
 - Successful Gohta appraisal
 - Mature medium-term drilling opportunities in key focus areas 
- **Operational excellence**
 - Cost efficient operations of producing assets 
 - Cost consciousness 
 - Maintain strong and competitive team 

Main priorities going forward

- **Work with operators to maximise production**
 - Stabilise Huntington at plateau. Move Maxwell forward
 - Maximise output from temporary Siri Fairway solution, while preparing for permanent solution in Q3
- **Exploration, appraisal and business development**
 - Safe and efficient delivery of Verdande
 - Successful Gohta appraisal
 - Continue maturing 2015 drilling opportunities
 - Pursuing licence rounds in Norway, Denmark and the UK
- **Operational excellence**
 - Cost efficient operations of producing assets
 - Continued cost consciousness
 - Maintain strong and competitive team

Presentation | First quarter 2014



Additional information

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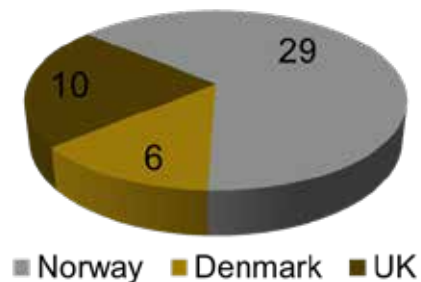
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Noreco at a glance

An exploration driven E&P company in the North Sea

Exploration

(number of licences)

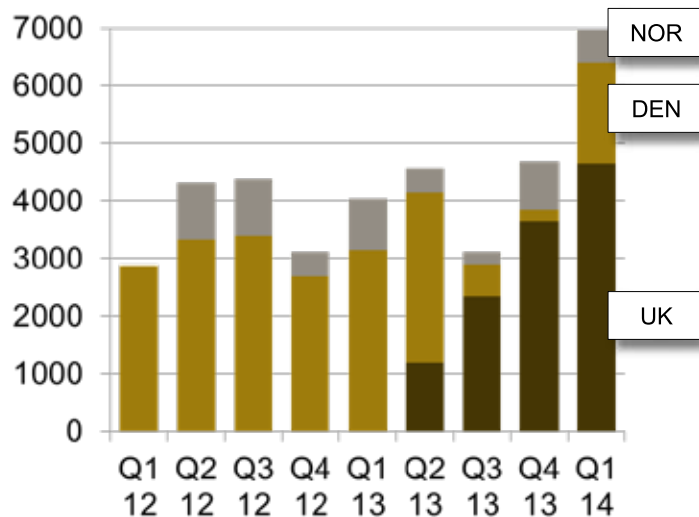


Year	2011	2012	2013	14E
Wells	4	7	4	3

Exploration wells only

Production

(in boepd)



Strategy and objectives

Exploration

- 3-5 attractive wells per year
- Monetise discoveries through disposals or develop capital efficient projects

Contingent resources **43** mmboe, of which Gohta **33** mmboe

Production and development

- Monetise producing fields through efficient and safe operation
- Maximise production through EOR and infill drilling

P2 resources **15.6** mmboe. Total production **1.5** mmboe in 2013

Financial and human capital

- Sound financial basis and a capex program balanced accordingly
- People and teams that work efficiently and enthusiastically

Total assets NOK **6.2** bn.
Equity ratio **28 %**
56 employees

All numbers as of 31.12.2013

Production per field

boe/day

Field	Noreco share	Q4 12	Q1 13	Q2 13	Q3 13	Q4 13	Q1 14
Oselvar	15 %	431	897	407	221	850	574
Enoch	4.36 %	0	0	0	0	0	0
Lulita	28.2 %	251	246	79	45	196	330
Nini, Nini East	30 %	2 271	2 566	2 541	469	0	1 415
Cecilie	61 %	144	333	347	46	0	0
Huntington	20 %			1 188	2 336	3 637	4 646
Total		3 112	4 042	4 561	3 117	4 682	6 965

Reserves and resources

Certified reserves

- Annual Statement of Reserves as of 31 Dec 2013, audited by DeGolyer and MacNaughton *(see next page for details)*

Reserves in mmboe	2012	2013
1P	11.7	7.9
2P	21.9	15.6

- Noreco produced 1.5 mmboe in 2013
- The further reduction in reserves is mostly related to Oselvar, as previously reported

Contingent resources

- Only including discoveries currently being matured by their licence groups

Resources in mmboe	2013
Gohta	33
Huntington Fulmar	4
Albert*	6
Total	43

*) NPD's estimate (range: net 2 – 31 mmboe)

Oil and gas reserves

Per 31.12.2013

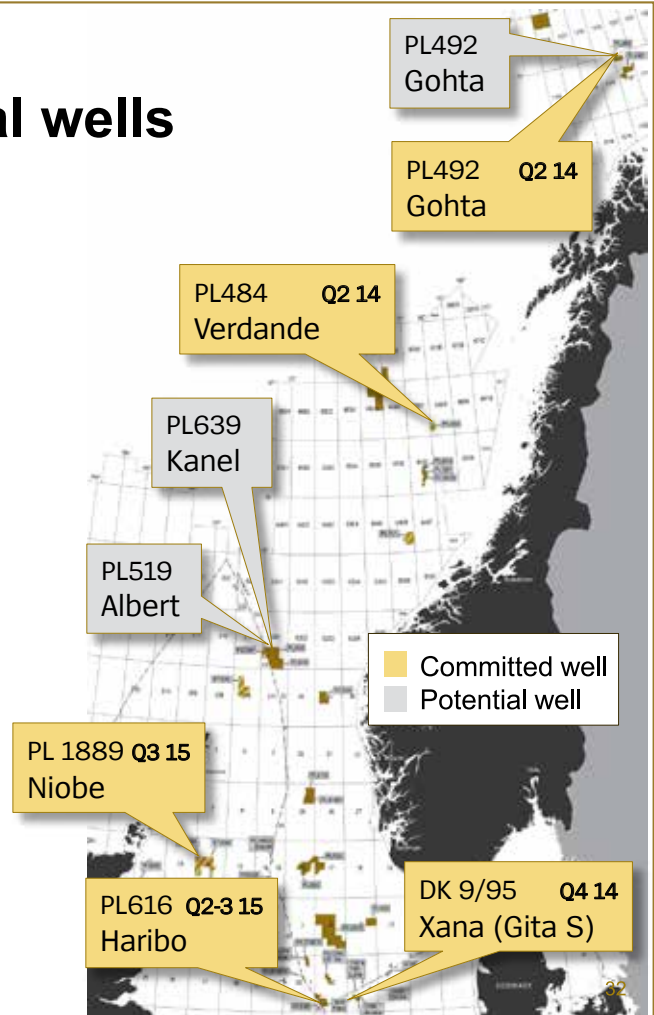
Reserves per field

	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	0.9	0.0	0.9	30.0	0.3	2.1	0.0	2.1	30.0	0.6
Nini East	2.6	0.0	2.6	30.0	0.8	7.7	0.0	7.7	30.0	2.3
Cecilie	0.0	0.0	0.0	61.0	0.0	1.5	0.0	1.5	61.0	0.9
Lulita	0.8	3.0	1.3	28.2	0.4	0.9	3.7	1.6	28.2	0.5
Enoch	1.7	0.0	1.7	4.4	0.1	2.3	0.0	2.3	4.4	0.1
Oselvar	7.4	18.2	10.7	15.0	1.6	13.2	53.6	22.8	15.0	3.4
Huntington	22.1	10.7	24.0	20.0	4.8	35.4	21.1	39.2	20.0	7.8
Total					7.9					15.6

*) The reserves have been verified by DeGolyer & MacNaughton.

Committed and potential wells

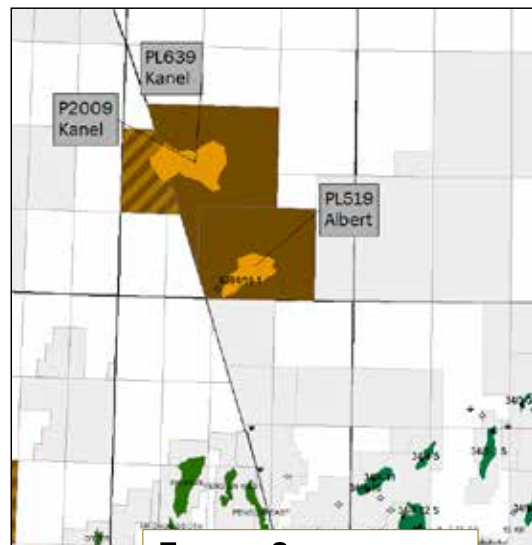
- Gohta appraisal in Q2
- Verdande in Q2 2014
- Xana spud Q4 2014
- Potential new wells being matured from our inventory of prospects
- Work to optimise risk reward balance continues



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	

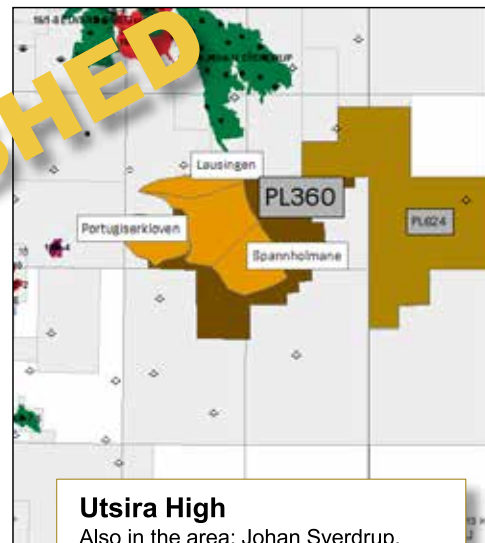


Tampen Spur area
(Statfjord, Snorre,...)

South of Utsira High

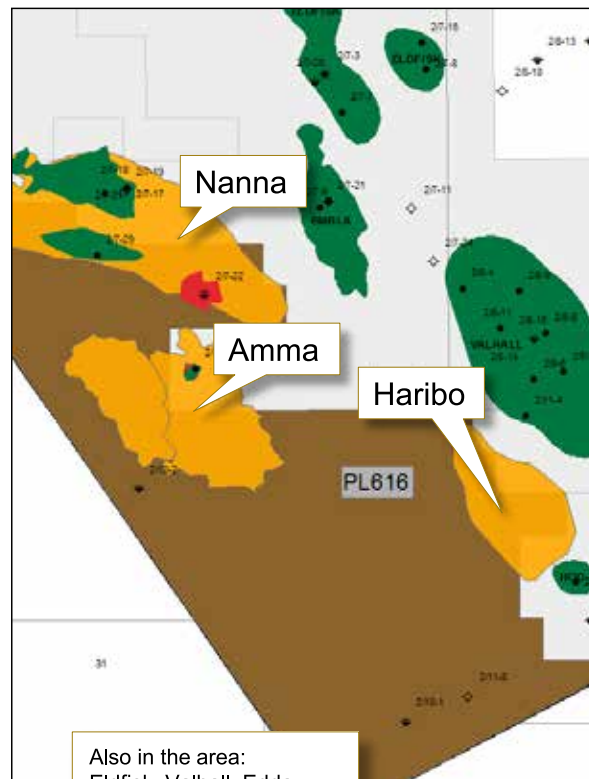
- Noreco holds 15 per cent interest in Statoil operated PL360, PL624 has recently been relinquished
- Several prospects; interesting resource potential

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



North Sea South

- PL616 shows significant potential in several old oil and gas discoveries in Upper Jurassic and Tor Chalk layers
- Haribo prospect
 - CoS: 42 % – Primary risk element: Trap
 - 69 – 192 mmboe gross, 123 mmboe net P50 to Noreco
 - Expected spud Q2-3 2015

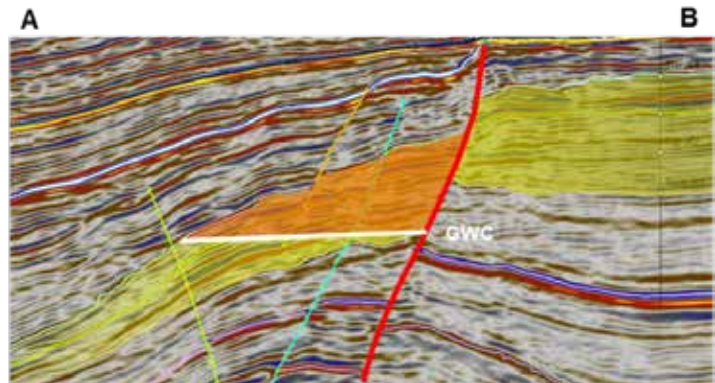
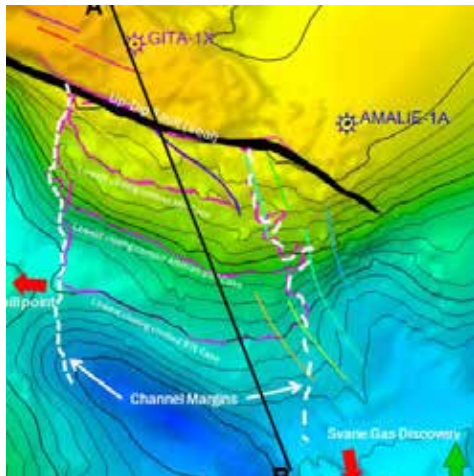
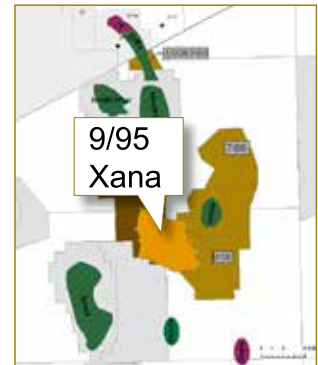


	Haribo PL616	Nanna area PL616	Amma PL616
Noreco	20%		
Operator	Edison		
Tentative drilling	Q2-Q3 15	na	na

DK 09/95 – Xana

Noreco 20.1% – Maersk operated

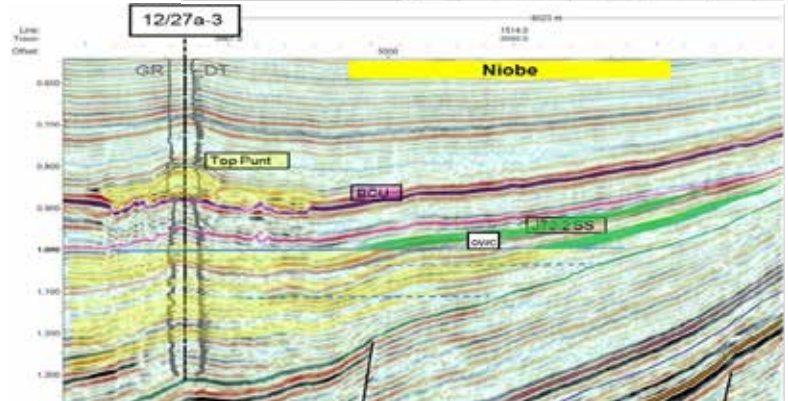
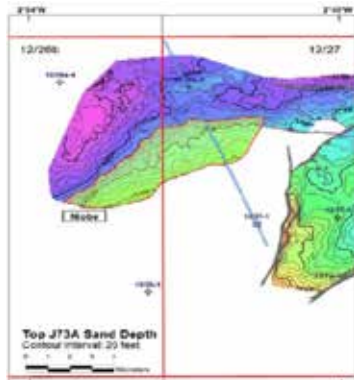
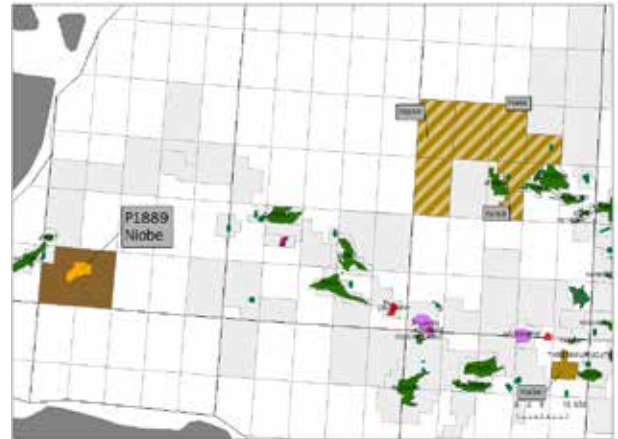
- Upper Jurassic target in close vicinity (up-dip) to the Svane gas discovery and south of Gita discovery
- CoS: 27% – Primary risk element: Trap
- 47 – 475 mmboe gross (gas), 28 mmboe net P50
- Expected spud Q4 2014



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
- Expected to be drilled in 2015

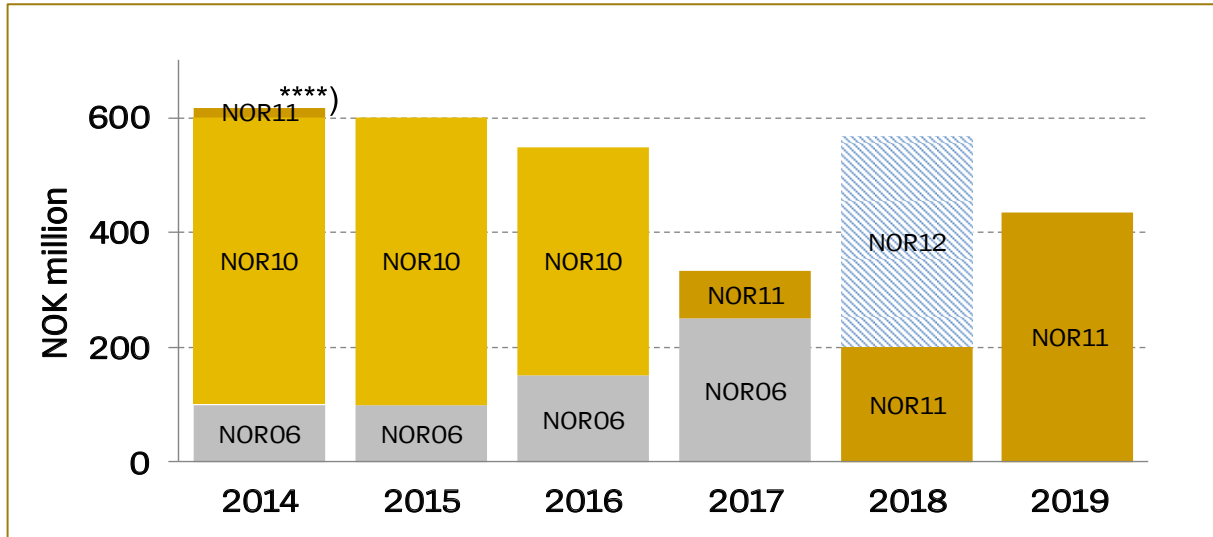


APA 2013 licences and total portfolio

APA 2013	PL744 S	PL748	PL755	PL761	PL762
Noreco role	Licensee	Licensee	Licensee	Operator	Operator
Equity	20 %	20 %	20 %	40 %	20 %
Initial period	7 years	6 (8) years	7 years	6 years	8 years
Programme (extract)	Acquire 3D data. Reprocess. Drill or drop within 2 years	Acquire 3D data. Gather new 3D data, or drill, or drop within 1 year	G&G studies. Drill or drop within 2 year	Reprocess 3D seismic. Drill or drop within 2 years	Gather new 3D data. Drill or drop within 3 years
Block(s)	30/3	34/2,5	6507/8,11	6608/7,8	6608/6,9 6609/4,7

Total portfolio (incl APA13)	Norway	UK	Denmark	Total
Noreco licences	21	9	5	35
- of which Noreco operator	4	4	0	8

Noreco bond structure



Bond	Outstanding***)	Due **)	Main Terms
NOR06	NOK 600 mill	9 Dec 2017	6.5 % fixed, pledge in Oselvar asset
NOR10	NOK 1 399.1 mill	9 Dec 2016	6.0 %, pledge in Huntington and Danish assets
NOR11	NOK 736.2 mill	9 Jun 2019	6.75 % fixed , 2nd Lien pledge in Huntington and Danish assets
NOR12	NOK 366.8 mill *)	9 Dec 2018	Convertible at NOK 0,3 per share, 4.0% fixed PIK, unsecured

*) Principal amount, excluding PIK interests. Total amount if no interests are paid in cash will be NOK 447 mill

**) All instalments are due on Dec 9 each year except for final maturity related to NOR11

***) All repayments in connection with the Prepayment Offer announces at 28 February 2014 are included

****) Total expected Pre-payment related to released restricted cash of NOK 61,6 mill to NOR06, NOR10 and NOR11

Bond Restructuring

Effects on the Accounts 2013 and forward

	2013	2014	2015	2016	2017	2018	2019
Profit & Loss Effects							
Financial Income	523						
Financial Cost to be amortised	-8	-145	-134	-122	-110	-95	-17
Tax (non cash)	-24	+24	0	0	0	0	0
Balance Sheet Effects							
Value Bond debt	-621	-476	-341	-217	-105	-9	
Equity	+507	-121	-134	-122	-110	-95	-17
Equity-ratio	+8 %						

- Net Gain on Restructuring of Bonds after transaction cost is 523 million (Note 13.2 to the Q4 report)
 - To be amortised as Financial cost on all bond loans over each bond loan's life time together with payable interests
- Equity effect includes equity value of Convertible bond of 16 million
- Value Bond debt represents the difference between total book value and nominal value of all bond loans

According to IFRS the new loan structure has to be recognised at fair value at the effective date of the new agreements. Actual transaction values have been used as best estimate for fair value. The difference between fair value of the new loan structure and book value of the old loan structure is recognised as a gain under Financial income.

Shareholders

Top 20 shareholders as of 12 May 2014

Shareholder	Shares	% of total
SABARO INVESTMENTS LTD	1 536 354 828	27,15 %
IKM INDUSTRIINVEST AS	1 029 470 893	18,19 %
MP PENSJON PK	204 516 300	3,61 %
OM HOLDING AS	159 615 900	2,82 %
ALTO HOLDING AS	100 000 000	1,77 %
CITIBANK, N.A.	56 608 700	1,00 %
VERDIPAPIRFONDET DNB SMB	50 736 524	0,90 %
AWILCO INVEST AS	49 999 900	0,88 %
BD TRADING AS	41 850 000	0,74 %
CARE HOLDING AS	40 000 000	0,71 %
JFH FINANS AS	40 000 000	0,71 %
IMPORTER AS	38 400 000	0,68 %
NORDNET PENSJONSFORSIKRING	32 126 190	0,57 %
GOLDMAN SACHS INTERNATIONAL EQUITY	28 245 857	0,50 %
LYSE ENERGI AS	27 701 514	0,49 %
ANKO INVEST AS	26 183 000	0,46 %
NORDNET BANK AB	25 966 562	0,46 %
NORDEA BANK DANMARK A/S	21 633 902	0,38 %
HAMNINGBERG HOLDING AS	21 000 000	0,37 %
AVANZA BANK AB MEGLERKONTO	20 503 423	0,36 %
Total number owned by top 20	3 550 913 493	62,75 %
Total numbers of shares	5 658 485 084	

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