



Norwegian Energy Company ASA

- Company update

May, 2016

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So far, so good – the year in review

- ✓ Settlement agreement in Denmark
 - prerequisite for approved restructuring
 - secured full control over the SIRI insurance claim and subsidiaries
 - capped abandonment liability and stopped cash leakage
- ✓ SIRI - Partnership with QVT and Awilhelmsen Special Opportunities
 - brought expert competence, 'game changer' in strategy
 - financial strength and underpinning of outstanding debt
 - invaluable signal effect to insurance companies
- ✓ UK Subsidiaries
 - necessary forfeiture of Huntington
 - exit of Norwegian Energy Company UK exploration licences
 - resulting in two 'clean' subsidiaries
- ✓ Repayment and buy back NOR10
 - repayment 250 NOKm at par
 - voluntary buy back 200 NOKm at 85
 - 156 NOKm outstanding
- ✓ Exit of Noreco Norway's petroleum activities
 - three transactions; Oselvar, Enoch and DetNor
 - realising exit refund
 - estimated minimum 94.7 % recovery for NOR06

Noreco ASA Balance Sheet

Non-IFRS Balance Sheet as at 31.03.2016

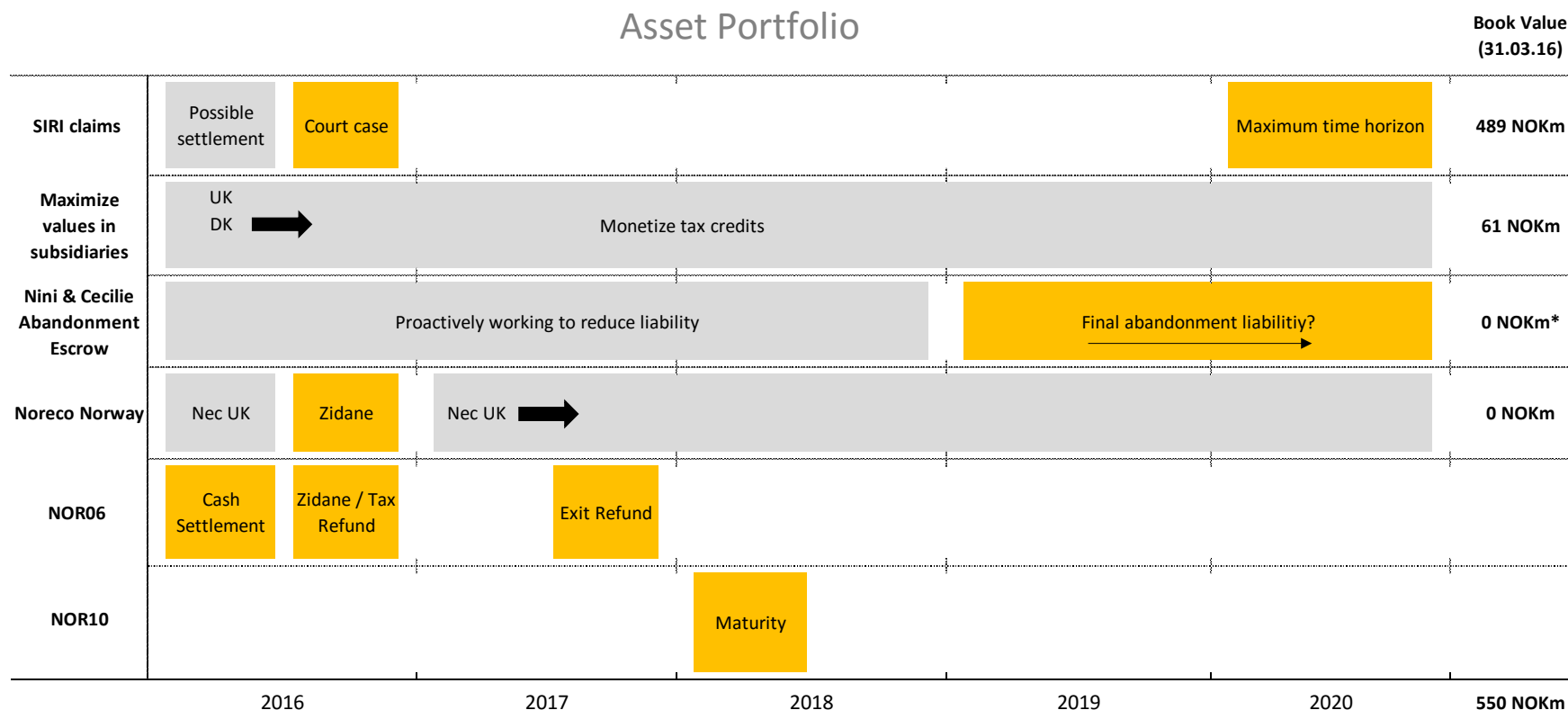
NOK million	31.03.2016	31.12.2015
Restricted Cash	569	581
Value of subsidiaries	550	588
Bank deposits	134	274
Total Assets	1.254	1.443
Equity	518	521
Bond loan	156	326
Guarantee provision	569	581
Other liabilities	10	14
Total liabilities	736	921
Total Equity & Liabilities	1.254	1.443

Norwegian Energy Company ASA today

Net debt free, with a strong cash position and valuable assets:

- SIRI insurance claims
- Several subsidiaries with substantial value potential (UK, DK) in tax credits
- Abandonment escrow
- Zidane PDO payment
- 10% of Lulita field

Asset Portfolio



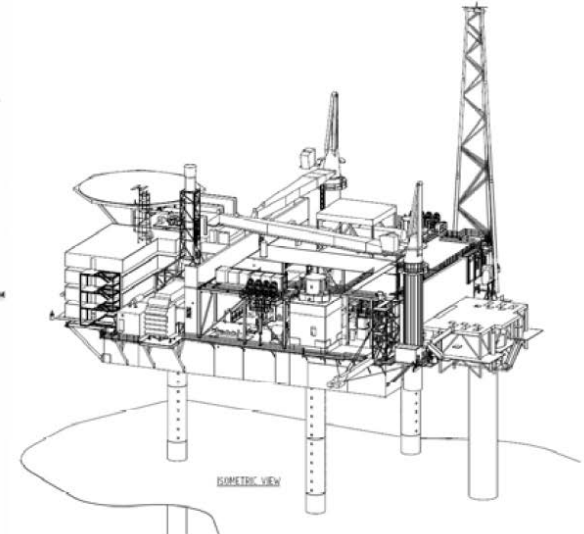
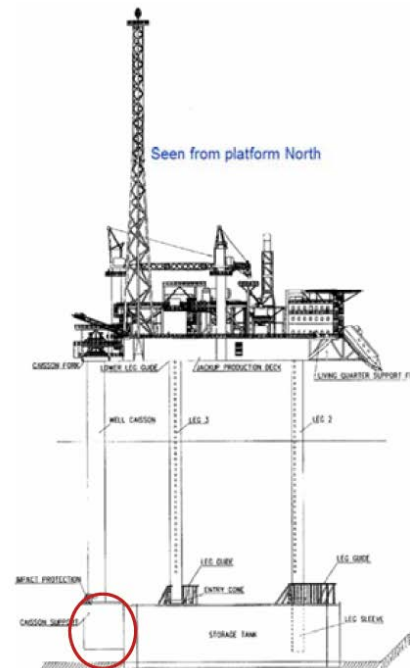
*Escrow 569 NOKm – Liability 569 NOKm = Net 0 NOKm

SIRI – Pursuit of claims with QVT and Awilhelmsen Special Opportunities

- Secured a minimum payment of USD 15 million, underpinned the remaining debt outstanding
- Two very strong partners to help pursue the claim; three axes of effect
 - expert competence, strategy
 - financial strength
 - signal effect to insurance companies

Current status

- The court hearing scheduled for September 2016
- Intensive work ongoing
- The board and administration intend to propose a special dividend of at least two thirds of the net proceeds from the claims



Tax Credits – Strategy to monetize

Two options:

1. Clean sale of subsidiaries to third party
 - least attractive in current market conditions

2. Partnership to gain exposure to production
 - Interesting opportunities in todays market
 - Noreco uses tax credits and entities as currency
 - third party debt & equity financing

Abandonment Escrow

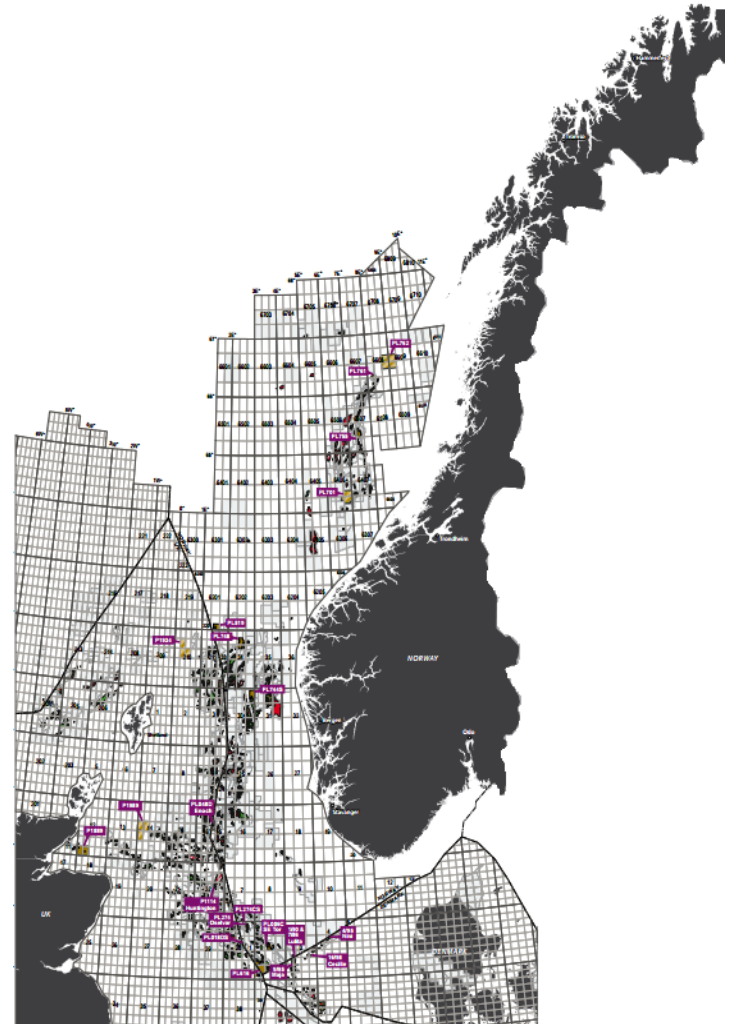
- As part of DK settlement the Nini/Cecilie decommissioning liability was capped at DKK 445m
- Cost level in industry has been significantly reduced
- Noreco has engaged advisors to reassess the budgeted decommissioning cost



Noreco Norway

Post completion of DetNor transaction

- Remains a fully owned subsidiary of Noreco ASA with the following assets:
 - 20% of Norwegian Energy Company UK
 - Zidane – success payment
 - Residual cash

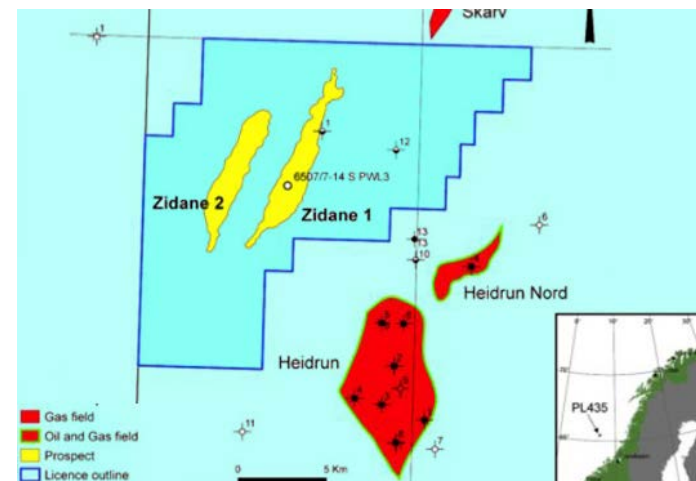


Zidane

- In 2011 Noreco divested their interest in the Zidane-1 discovery to OMV, part of the transaction was a success payment @ PDO (based on reserve levels in the upcoming exploration well Zidane-2)
- In 2012 the Zidane-2 prospect was declared a discovery with approx. gross 205 bcf and 1,5 mill bbls*, which translates into a success payment of approx. NOK50 M to Noreco
- As part of the agreement in relation to the DetNor transaction, NOR06 is entitled to the first NOK33,2 M or 30%, whichever is highest.

Current status:

- Licence partners reached agreement with the Heidrun licence regarding tie-back to platform
- PDO expected to be filed summer 2016



*Based on publicly available information, Noreco has not access to licence information

