Det norske

General Meeting, April 19th 2012

- CEO Erik Haugane
- Det norske – in brief
- Why Norway?
What we said on the 2011 GM

■ Outlook

• Several good prospects this year, with moderate ownership shares
  • High probability of discovery on Krafla, Aldous and Skalle
  • Great volumes on Gullris and Norvarg

• Near PDO decision on Atla, Jetta and Draupne
  • Expect substantial increase in production

• New and more robust solutions on Frøy are being explored

• New exploration areas are opened in the Barents Sea and the Norwegian Sea

• Good financial platform for further growth
What we delivered?

- Discovery on Skalle, Krafla and Aldous
  - Johan Sverdrup (Aldous) turned out to be a giant discovery

- Gullris came up dry

- Discovery on Nordvarg,
  - Additional exploration wells are necessary to determine the value

- PDO submitted on Jette and Atla, both approved

- Coordinated development solution for the Draupne and Grieg fields settled
  - PDO for Draupne scheduled for submission in 2012, with production start-up in Q4 2016

- New Frøy solutions are still being considered
  - Centrica has acquired Statoils shares in the area

- Given the operatorship in license 659 in the Barents Sea
  - Barents Sea East will come in the 23rd round

- Financing strengthened
  - Through a 10 percent issue in 2011
  - Signed a loan agreement for a 500 mill USD credit facility
Det norske in 2012

- About to become a fully fledged E&P company, with exploration, development and production
- Portfolio of 74 licenses
  - 31 as operator
  - 43 as partner
- ~180 employees in Trondheim, Oslo og Harstad
- Ambitious exploration strategy
  - 10-12 wells per year, 3-4 as op.
- Draupne – our next big project
- Our share in Sverdrup West has to a great extent secured financing
Exploration and appraisal wells, 2011
(all licencees, commenced 2011)
# P&L and Balance Sheet

## P&L (MNOK)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>372.2</td>
<td>366.0</td>
<td>Higher oil price in 2011 offset by weaker USD and lower production.</td>
</tr>
<tr>
<td>Production Cost</td>
<td>181.9</td>
<td>155.0</td>
<td>3rd party tariff income (MNOK 19.0) classified as income in 2011.</td>
</tr>
<tr>
<td>EBITDAX</td>
<td>190.3</td>
<td>211.0</td>
<td></td>
</tr>
<tr>
<td>Exploration Expenses</td>
<td>1 012.2</td>
<td>1 777.3</td>
<td>Of this, dry wells MNOK 521</td>
</tr>
<tr>
<td>DD&amp;A, Impair, Other costs</td>
<td>368.7</td>
<td>433.3</td>
<td>Of this, DD&amp;A of MNOK197 related to relinquished licenses and the producing field Jotun.</td>
</tr>
<tr>
<td>Net Financial Items</td>
<td>-200.2</td>
<td>-183.8</td>
<td></td>
</tr>
<tr>
<td>Pre-Tax Profit</td>
<td>-1 390.9</td>
<td>-2 183.4</td>
<td></td>
</tr>
<tr>
<td>Tax Charge</td>
<td>-931.6</td>
<td>-1 493.1</td>
<td>Low tax rate (67 %) due to impairment and financial items (28 %)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Post-Tax Profit</td>
<td>-459.3</td>
<td>-690.4</td>
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</table>

## Assets (MNOK)

<table>
<thead>
<tr>
<th></th>
<th>31.12.11</th>
<th>31.12.10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fixed and Intangible Assets</td>
<td>4 739.5</td>
<td>4 037.7</td>
<td>Cap Expl: Krafla, Krafla West, Skalle, Norvarg, Sverdrup West and Skaugumsáisen. Inv: Jette, Atla, Varg</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>2 976.5</td>
<td>3 681.9</td>
<td>Cash, receivables and tax refunds</td>
</tr>
<tr>
<td>Total Assets</td>
<td>7 716.0</td>
<td>7 719.6</td>
<td></td>
</tr>
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</table>

## Equity and Liabilities(MNOK)

<table>
<thead>
<tr>
<th></th>
<th>31.12.11</th>
<th>31.12.10</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>3 676.6</td>
<td>3 160.2</td>
<td>Q4’11: AKX01 Convertible bonds MNOK 451, 10percent issue MNOK 489</td>
</tr>
<tr>
<td>Deferred Taxes and Total Provisions</td>
<td>2 375.8</td>
<td>2 060.2</td>
<td>Bond (detnor01), Expl Facility, Creditors</td>
</tr>
<tr>
<td>Total Debt and Current Liabilities</td>
<td>1 663.6</td>
<td>2 499.2</td>
<td></td>
</tr>
<tr>
<td>Total Equity and Liabilities</td>
<td>7 716.0</td>
<td>7 719.6</td>
<td></td>
</tr>
</tbody>
</table>
A fantastic year

Resources

Oslo Stock Exchange

- Reserver (P50)
- Betingede ressurser (P50)

- Turnover (NOK)
- Kurs
- Totalt omsatt (NOK)
2012 Drilling schedule (current schedule)

North Sea-dominated program

Operator distribution

<table>
<thead>
<tr>
<th>PL</th>
<th>Prospect</th>
<th>Net %</th>
<th>Cost %</th>
<th>Start-up</th>
<th>Gross Mboe</th>
<th>Operator</th>
<th>Rig</th>
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<tr>
<td>450</td>
<td>Storebjørn</td>
<td>60</td>
<td>~45</td>
<td>29.Jan</td>
<td>90-160</td>
<td>Det norske</td>
<td>Maersk Guardian</td>
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<tr>
<td>440S</td>
<td>Clapton</td>
<td>10</td>
<td>~0</td>
<td>Q2</td>
<td>25-105</td>
<td>Faroe</td>
<td>Partner</td>
</tr>
<tr>
<td>554</td>
<td>Guarantiana</td>
<td>20</td>
<td>~10</td>
<td>Q2</td>
<td>25-60</td>
<td>Total</td>
<td>Partner</td>
</tr>
<tr>
<td>497</td>
<td>Geite</td>
<td>35</td>
<td>35</td>
<td>Q2</td>
<td>80-300</td>
<td>Det norske</td>
<td>Maersk Guardian</td>
</tr>
<tr>
<td>533</td>
<td>Salina</td>
<td>20</td>
<td>20</td>
<td>Q2</td>
<td>30-110</td>
<td>Eni</td>
<td>Partner</td>
</tr>
<tr>
<td>265</td>
<td>Geitungen</td>
<td>20</td>
<td>20</td>
<td>Q2</td>
<td>100-300</td>
<td>Statoil</td>
<td>Partner</td>
</tr>
<tr>
<td>265</td>
<td>Espeværhøgda</td>
<td>20</td>
<td>20</td>
<td>Q3</td>
<td>Appraisalal</td>
<td>Statoil</td>
<td>Partner</td>
</tr>
<tr>
<td>265</td>
<td>Kvitsøyhøgda</td>
<td>20</td>
<td>20</td>
<td>Q4</td>
<td>Appraisalal</td>
<td>Statoil</td>
<td>Partner</td>
</tr>
<tr>
<td>356</td>
<td>Ulvetanna</td>
<td>50</td>
<td>50</td>
<td>Q3</td>
<td>70-250</td>
<td>Det norske</td>
<td>Maersk Guardian</td>
</tr>
<tr>
<td>453S</td>
<td>Ogna</td>
<td>25</td>
<td>25</td>
<td>Q3</td>
<td>20-190</td>
<td>Lundin</td>
<td>Partner</td>
</tr>
<tr>
<td>568</td>
<td>Isbjørn</td>
<td>20</td>
<td>20</td>
<td>Q4</td>
<td>10-170</td>
<td>Talisman</td>
<td>Partner</td>
</tr>
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</table>
A step-by-step strategy

**Build up**
- Acreage hunt
- Critical mass
- NOIL merger
- AkerEx merger
- Access to rig

**Exploration**
- MUSD 300 asset sales
- Large scale exploration,
- ~40 wells 2008-2011

**Small projects**
- Jette, Atla, Krafla, Fulla
- Low capex
- Short lead times
- Target: 10-20 000 bpd

**Large projects**
- Draupne
- Johan Sverdrup
- Frøy/Frigg/Storklakken

**Graph Details**
- Y-axis: Kboepd
- Graph shows a step-by-step strategy with different projects and milestones.
The Jette development

- **Production**
  - Plateau production 14 000 boepd
  - Net 12 500 boepd
  - First oil Q1 2013

- **Capital costs**
  - Total investments 2500 NOKM
  - Net ~ NOKM 1900 for 2012

- **Development solution**
  - Subsea tie-back to Jotun B
  - Two horizontal wells

- **Det norske is operator**
  - Det norske 88 percent
  - Petoro 12 percent*

*Final distribution is being negotiated

Fabrication of x-mas trees is done by Cameron
First installation on Jette completed!

Support for conductor to stabilize wellhead and subsea trees.
The Jette development is progressing

Cameron: Flowbase, x-mas trees and protective structures; and flowlines

Transocean Barents

Exxon: Jotun modifications

Aker Solutions: Umbilical

Subsea7: Installations
The Draupne development

- 140 mmboe
- Development solution
  - Jacket platform
  - Pre-processing on Draupne
  - Final processing on Grieg (Luno)
  - Joint oil and gas export with Grieg

- Capacity secured on Grieg
  - 52 000 barrels a day from Sept. 2016
  - Plateau of 75 000 barrels a day from Sept. 2018

- PDO submission 2012
  - FEED-contract awarded Aker Solutions

- Draupne partnership
  - Det norske 35 percent (O)
  - Statoil 50 percent
  - Bayerngas 15 percent

200 persons will work with Draupne, of which 70 Det norske-employees
Standard rather than custom

Det norske participates actively in Konkraft’s work to improve the cost efficiency on the Norwegian Continental Shelf.

Standardization and effective competition between contractors will bring costs down.
- Det norske – in brief
- Why Norway?
The Norwegian oil adventure
Norway is underexplored

Wildcats - Norway relative to the UK

Norway; 857
UK; 2394

New regular and fiscal regime lifts Norwegian exploration

Fiscal change in Norway

NPV of exploration 2000-10 (USD bn)

Conventional discoveries worldwide, 2011

Discovered volumes in 2011
Oil and gas drill-out MMboe

Value of 2011 discoveries for IOCs
In each nation
USD NPV 1.1.2012

Value of 2011 discoveries, by each IOCs
USD NPV 1.1.2012
The Johan Sverdrup Field
Oil discoveries in Norway

Johan Sverdrup
≈ 3.3 BBOE (high)

37 years

Statfjord

Million barrels (oil)


Million barrels (oil)

0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000

Statfjord

37 years

Million barrels (oil)
Investments and operations

Mill. 2011-kroner

- Investeringer
- Driftskostnader

Year:
- 1970
- 1975
- 1980
- 1985
- 1990
- 1995
- 2000
- 2005
- 2010
- 2015

Value:
- 0
- 50,000
- 100,000
- 150,000
- 200,000
APA awards last four years

Source: NPD
NCS exploration performance

Technical volumes drilled out 2007-2011 vs. gross wildcat wells
Million boe

Number of exploration wells

Rystad Energy, 2012
Limited competition on the NCS

Statoil dominates the field development market

Source: NPD
Petroleum industry recruitment

- Fewer choose scientific subjects and "difficult" subjects.
- The share that choose engineering subjects has sunk from 22 percent to seven percent in 20 years.
- It is created an impression that the oil and gas industry is a "sunset" industry – It is the total opposite.
- It is questioned that the industry get hold of "all" labor force and investments. It should recruit the best, as this is where the value creation is greatest.
- An industry for the future, despite all the public rhetoric.
- Oil is renewable bioenergy, in which fuels world prosperity.

Psychology is Norway’s most sought after study!
2012 outlook

- Exploration
  - Several good prospects, Johan Sverdrup North and Salina to mention a few.
  - Appraisal wells on Johan Sverdrup will hopefully reduce the uncertainty of 900 million to 1,5 billion barrels in PL 265
  - Preparing for next licensing rounds, in which may give good results in 2012

- Development projects
  - The Jette development is well on its way, although much work remains. Hopefully Jette has begun producing when we meet again for the next general meeting.
  - The Atla development is well on its way and will start producing this year.

- Finance
  - The exploration facility will be renegotiated this year as it expires December 2012
A look at the coming six years

- We shall explore and discover each and every year
- Jette will start producing in 2013!
- Draupne will start producing in 2016(?)
- Sverdrup will start producing in 2018(?)
- Krafla, Frøy, Storklakken, Frigg Gamma Delta; all in production prior to 2020(?)
- New discoveries may start producing 3-7 years after date of discovery