Acquisition of Marathon Norge
Press & Analyst conference

CEO Karl Johnny Hersvik
June 2, 2014
Creation of a strong Norwegian E&P company
Combined net production of 84 mboepd¹ and estimated 2P reserves of ~200 mmboe²

**Strategic fit**
- Complementary production profiles
- Diversified asset base across the full E&P life cycle
- Organizational synergies achieved without layoffs

**Risk reduction**
- Provides the foundation for long-term financing
- Transaction brings strong current cash flow

**Growth platform**
- Strong platform for future growth
- Strong operational team on Alvheim can be leveraged onto Ivar Aasen
- Increased size broadens set of opportunities and ability to manage portfolio

¹ Based on 2013 production, ² 2013 annual statement of reserves for Det norske, NPD (end 2013) for Marathon Oil Norge AS
Det norske acquires Marathon Oil Norge AS

Transaction summary

Consideration
- Marathon Oil Norge AS acquired for a cash consideration of USD 2.1 billion
  - Effective date January 1, 2014
  - 136 mmboe\(^1\) of proven and probable reserves, 24 mmboe in contingent resources\(^2\) and approximately 80 mmboe of upside\(^2\) in discoveries
  - Approximately 80 mboepd\(^3\) of production (2013)
  - Further upside identified

Financing
- Secured a fully committed and underwritten acquisition loan facility for the full consideration
- Advanced discussions ongoing to finalise a long-term (RBL) facility of USD 2,750 million
- Rights issue of NOK equivalent of USD 500 million
  - Aker has pre-committed to subscribe its share (49.99%), remaining 50.01% is fully underwritten by a consortium of banks

Timetable to closing
- Closing of the transaction is expected in fourth quarter 2014
- Subject to regulatory approval in Norway and EU

\(^{1}\) Year-end 2013 reserves. Source: NPD, \(^{2}\)Det norske best estimate, \(^{3}\)Marathon Oil Norge Annual Report
Complementary production and cash flow profiles

**Strategic rationale**

- Alvheim fields’ high near term production and cash flows reduce funding need significantly
- Strengthens operational and financial capabilities ahead of development projects
- Reduces the risk associated with timing and cost of development projects as the combined company will be in a tax-paying position

**Illustrative production outlook**

<table>
<thead>
<tr>
<th>Marathon Norge</th>
<th>Det norske</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base case</td>
<td>Base case</td>
<td>Base case</td>
</tr>
<tr>
<td>Upsides</td>
<td>Upsides</td>
<td>Upsides</td>
</tr>
</tbody>
</table>

2014 - 2025
Diversified asset base on the NCS

**Diversification of reserves (mmboe)**

- Over 200 mmboe\(^1\) in combined reserves with approximately 60% in production
- Portfolio balanced across all stages of the E&P lifecycle
  - Significant production
  - Large scale development projects
  - Exploration upsides

**Map of combined North Sea portfolio**

- Proven and probable reserves end 2013 (mmboe)\(^1\)

\(^1\) 2013 annual statement of reserves for Det norske, NPD (end 2013) for Marathon Oil Norge AS
Acquiring a high quality North Sea portfolio

**Key Alvheim area facts**

- Alvheim is a “world-class” mid-life operated FPSO producing > 100 mboepd\(^1\) (gross) with ongoing development activity and significant upside potential
- Located about 220 km north-west of Stavanger in 120 m water depth
- High quality operations, 98 percent (avg.) FPSO uptime
- Increasing 2P reserves over time
- Low cost of operations
- 2014 working interest production from the Alvheim fields estimated ~60 mboepd (90% oil) net to Det norske

---

\(^1\) Marathon Oil
A strong team

- Creates a robust and modern E&P company, that will build on the combined capabilities of the two teams

- Marathon’s organization brings significant operational experience from the Alvheim fields, adding to Det norske’s exploration and development capabilities
Financing

Financing structure

- A fully committed and underwritten acquisition loan facility has been secured

- In advanced discussions to finalise a long-term reserve-based lending (RBL) facility – main terms and conditions agreed

- Equity rights issue to be carried out prior to closing
  - Aker ASA has pre-committed to subscribe their pro-rata share (49.99%)
  - The remainder is fully underwritten by consortium of banks (remaining 50.01%)
  - An extraordinary general meeting will be called this week

→ Long-term financing plan secured

Indicative financing schedule

<table>
<thead>
<tr>
<th>Now</th>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 2.2bn</td>
<td>$ (2.1)bn</td>
</tr>
<tr>
<td>$ (2.2)bn</td>
<td>$ 500m</td>
</tr>
<tr>
<td>$ 2.75bn</td>
<td>$ 2.75bn</td>
</tr>
</tbody>
</table>

- | Cash consideration | Acquisition loan facility | Rights issue | RBL |
- | $ 2.2bn | $ (2.2)bn | $ 500m | $ 2.75bn |

- Long-term financing plan secured

---

DET NORSKE
Tax synergies reduce risk & funding need

**Det norske prior to transaction**

- Det norske is not in a tax paying position and hence needs to fund all investments on a pre-tax basis

- Det norske would have built up significant tax losses through large investments on Ivar Aasen and Johan Sverdrup

**Det norske after transaction**

- Combined company will be in a tax paying position, similar to the large players on the NCS

- Reduced funding requirements as tax depreciation can be offset against fields in production

**Net project investments vs tax refund & net debt**

*For illustration purposes*

- Effectively, Det norske is un-levered on an after-tax basis

"Net debt" is listed as "Government tax "receivable" (89%)"
## Comparisons of size and platform

### Listed European E&P independents

<table>
<thead>
<tr>
<th>Company</th>
<th>2013 WI production (mboe/d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Det norske</td>
<td>84</td>
</tr>
<tr>
<td>PremierOil</td>
<td>58</td>
</tr>
<tr>
<td>AFREN</td>
<td>47</td>
</tr>
<tr>
<td>nostrum</td>
<td>46</td>
</tr>
<tr>
<td>Equinor Energy</td>
<td>44</td>
</tr>
<tr>
<td>DNO</td>
<td>39</td>
</tr>
<tr>
<td>Lundin</td>
<td>33</td>
</tr>
<tr>
<td>Hålogaland</td>
<td>29</td>
</tr>
<tr>
<td>petroceltic</td>
<td>25</td>
</tr>
<tr>
<td>EQ 3rd Oil</td>
<td>24</td>
</tr>
<tr>
<td>Statoil</td>
<td>17</td>
</tr>
<tr>
<td>Ithaca Energy</td>
<td>10</td>
</tr>
<tr>
<td>Faro Petroleums</td>
<td>6</td>
</tr>
</tbody>
</table>

### Reserves & contingent resources end 2013 (mmboe)

- 2C contingent resources - Sverdrup
- 2C contingent resources (ex. Sverdrup)
- 2P reserves

<table>
<thead>
<tr>
<th>Company</th>
<th>2P reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Det norske</td>
<td>66</td>
</tr>
<tr>
<td>Marathon Norge</td>
<td>136</td>
</tr>
<tr>
<td>Combined</td>
<td>202</td>
</tr>
</tbody>
</table>

Note: Selected companies ranked by reported WI production; OECD vs. non OECD indicates bias of company’s asset base
Source: Company information

¹ Based on Y/E 2013 Annual statement of reserves for Det norske and NPD volumes for the Marathon Norge fields. Contingent resources estimated by Det norge
Organic growth platform

- Increased organisational capabilities across the E&P value chain
- Synergies to be achieved without redundancies expected
  - Continue to build on the skills in combined company
- High potential for organic growth in the combined portfolio

Future opportunities:

- APA '14 & License Round '15
- Gohta
- Trell
- Kralia/Askja
- Garantiana
- Frøy/ Øst Frigg Gamma Delta
- Viper-Kobra
- Gekko
- Greather Alvheim infill
- Caterpillar
- Volund West
Creation of a strong Norwegian E&P company

- Unique opportunity to acquire significant production on the NCS available at the right time for Det norske
- Near term production and cash flow complements existing asset base
- Risk associated with timing and cost for development projects is reduced due to tax system
- Significantly increases operational and financial strength
- Scale creates diversification to support future growth
Appendix
Alvheim fields

Operated, 65% (Boa 57.62%) working interest

- Consists of the Kameleon, Boa, Kneler and Kameleon East accumulations
- ~80% liquids / ~20% gas
- Alvheim blend sells at 3-6 USD/bbl premium to Brent blend
- Three new infill wells planned for 2014 – 15
- Production forecast to last until 2031, blow-down of gas cap planned for 2026

Area map

License: PL203, PL088BS, PL036C
Discovery year: 1998
Reservoir: Paleocene, Heimdal fm.
End 2013 2P reserves (net): 93 mmboe¹ (net)
Production start: 2008
Wells: 15 subsea producers tied to Alvheim FPSO

¹ Source: NPD
Volund field

Operated, 65% working interest

- Subsea tie-back to the Alvheim FPSO, 8 km to the north
- Additional infill locations identified
- Production forecast to last to 2025

Area map

License: PL150
Discovery year: 1994
Reservoir: Paleocene, Hermod fm.
End 2013 2P reserves (net): 14 mmboe\(^1\) (net)
Production start: 2009
Wells: 4 subsea producers, 1 water injector tied to Alvheim FPSO

\(^1\) Source: NPD
Vilje field

Operated, 46.9% working interest

- Subsea tie-back to the Alvheim FPSO, 19 km to the south-west
- Production forecast to last to 2030

Area map

License: PL036D
Discovery year: 2003
Reservoir: Plaeocene, Heimdal fm.
End 2013 2P reserves (net): 14 mmboe¹ (net)
Production start: 2008
Wells: 3 subsea producers tied to Alvheim FPSO

¹ Source: NPD
Bøyla field

Operated, 65% working interest

- Subsea tie-back to the Alvheim FPSO, 26 km to the north
- PDO approved in 2012 with first oil expected for Q1 2015
- Drilling of production wells ongoing
- Gross plateau production expected at ~20 mboepd and production is forecast to last until 2030

License: PL340
Discovery year: 2009
Reservoir: Paleocene, Hermod fm.
End 2013 2P reserves: 15 mmboe¹ (net)
Production start: 2015
Wells: 2 subsea producers, 1 water injector tied to Alvheim FPSO

¹ Source: NPD