Highlights

- **Finance**
  - Q1 EBITDA USD 256 million, EPS 0.01 (USD)
  - DETNOR02 loan agreement amended
  - USD 500 million RCF fully underwritten
  - Contemplating USD 300 million subordinated bond issue

- **Operations**
  - Total production of 64.9 mboepd in Q1 2015
  - Production commenced on Bøyla in January

- **Development Projects**
  - Ivar Aasen development on schedule
  - Johan Sverdrup PDO submitted, contracts currently being awarded
  - Viper-Kobra project sanctioned
Financials
Q1 2015
## Statement of income

<table>
<thead>
<tr>
<th>Income statement (USD mill)</th>
<th>Q1 2015</th>
<th>Q1 2014</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>324</td>
<td>26</td>
<td>464</td>
</tr>
<tr>
<td>Production costs</td>
<td>39</td>
<td>7</td>
<td>67</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>14</td>
<td>1</td>
<td>49</td>
</tr>
<tr>
<td><strong>EBITDAX</strong></td>
<td>271</td>
<td>18</td>
<td>365</td>
</tr>
<tr>
<td>Exploration expenses</td>
<td>15</td>
<td>20</td>
<td>158</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>256</td>
<td>-2</td>
<td>208</td>
</tr>
<tr>
<td>Depreciation</td>
<td>122</td>
<td>15</td>
<td>160</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>53</td>
<td>27</td>
<td>346</td>
</tr>
<tr>
<td><strong>Operating profit/loss (EBIT)</strong></td>
<td>81</td>
<td>-44</td>
<td>(299)</td>
</tr>
<tr>
<td>Net financial items</td>
<td>0</td>
<td>-10</td>
<td>(77)</td>
</tr>
<tr>
<td><strong>Profit/loss before taxes</strong></td>
<td>81</td>
<td>-54</td>
<td>(376)</td>
</tr>
<tr>
<td>Tax (+) / Tax income (-)</td>
<td>79</td>
<td>-51</td>
<td>(93)</td>
</tr>
<tr>
<td><strong>Net profit/loss</strong></td>
<td>2</td>
<td>-3</td>
<td>(279)</td>
</tr>
<tr>
<td>EPS</td>
<td>0.01</td>
<td>-0.02</td>
<td>(1.68)</td>
</tr>
</tbody>
</table>
## Statement of financial position

<table>
<thead>
<tr>
<th>Assets (USD mill)</th>
<th>31.03.15</th>
<th>31.03.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>1 134</td>
<td>54</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>940</td>
<td>367</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2 679</td>
<td>591</td>
</tr>
<tr>
<td>Calculated tax receivables (long)</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>-</td>
<td>133</td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>314</td>
<td>205</td>
</tr>
<tr>
<td>Calculated tax receivables (short)</td>
<td>-</td>
<td>237</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>412</td>
<td>137</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>5 480</strong></td>
<td><strong>1 748</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and Liabilities (USD mill)</th>
<th>31.03.15</th>
<th>31.03.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>654</td>
<td>530</td>
</tr>
<tr>
<td>Other provisions for liabilities incl. P&amp;A (long)</td>
<td>498</td>
<td>145</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>1 363</td>
<td>-</td>
</tr>
<tr>
<td>Bonds</td>
<td>233</td>
<td>413</td>
</tr>
<tr>
<td>Bank debt</td>
<td>2 144</td>
<td>359</td>
</tr>
<tr>
<td>Exploration facility</td>
<td>-</td>
<td>114</td>
</tr>
<tr>
<td>Other current liabilities incl. P&amp;A (short)</td>
<td>478</td>
<td>187</td>
</tr>
<tr>
<td>Tax payable</td>
<td>110</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>5 480</strong></td>
<td><strong>1 748</strong></td>
</tr>
</tbody>
</table>
FINANCIALS

Amending current debt instruments

- **Net debt of USD 2 billion**
  - Outstanding debt of USD 2.4 billion (bonds and bank debt) at the end of Q1 2015
  - Cash, cash equivalents and undrawn credit of about USD 1.0 billion at the end of Q1 2015

- **DETNOR02 (2013/2020) NOK 1.9 billion bond**
  - Amended loan agreement to harmonize with the RBL facility covenants
  - Margin increased to NIBOR + 6.5%

- **USD 3.0 bn RBL facility**
  - The company had drawn USD 2.2 billion at the end of Q1 2015
  - Amendments in the RBL loan agreement result in more predictable availability
  - Borrowing base availability increased to USD 2.8 billion
New USD 500 million RCF fully underwritten by bank consortium
- Four-year tenor and 1+1 extension option
- Utilization fee of 1.5% and margin of 4%, stepping up by 0.5% after 3, 4 and 5 years
- Completion expected in May

Contemplating subordinated bond issue of USD 300 million
- Roadshow in the coming days

These initiatives represent an integral part of diversifying the company’s capital structure
Production
Q1 2015
PRODUCTION

Net production

Net production (boepd)

- **Q1 production**
  - Q1 2015 production of 64.9 mboepd
  - Production availability was 96.4%, above target
  - Realized oil price of USD 58/bbl

- **New wells and work-overs**
  - Bøyla put on stream in January, and had an average production of 8,300 boepd (net) in Q1
  - Drilling of second Bøyla well completed and is expected to commence production in Q3 2015
  - East Kameleon L4 came on stream mid April
  - KB3 work-over ongoing

- **2015 production guidance:**
  - 58-63,000 boepd
PRODUCTION

Continuing to develop the Alvheim area

- **Near-term wells on Alvheim**
  - **Kneler 1**: Planned to commence production around year-end
  - **BoaKamNorth**: Planned to commence drilling in Q4 2015 and to come on stream mid 2016
  - **Viper Kobra**: Development project ongoing, will come on stream Q4 2016

- **Extending rig capacity**
  - Tendering rig to secure drilling capacity from summer 2016 and onwards
  - Will enable the company to continue to develop profitable projects in the Alvheim area
Development Projects
Q1 2015
### IVAR AASEN (~35%*)

**Development on track**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Concept selection
- FEED studies
- PDO approval
- Unitisation Agreement
- Construction of jacket
- Construction of topside
- Construction of LQ
- Maersk Interceptor to Norway
- Drilling of geo-pilots
- Jacket lifted into place
- Drilling of production wells
- Topside to leave SMOE yard
- Installation of topside
- Installation of living quarters
- Hook-up and commissioning
- Production start-up

*I 34.78% in PL 01B/242/457, 35% in Hanz PL 028B*
IVAR AASEN (~35%*)

First geo-pilots in line with expectations

- Drilling of the geo-pilots in Ivar Aasen commenced in January
- First geo-pilots were broadly in line with expectations
  - Provided valuable information for the placement of production wells
- Drilling of pilot wells will be concluded by the summer
  - After the pilot wells, the drilling of production wells will commence

* 34.78% in PL 01B/242/457, 35% in Hanz PL 028B
IVAR AASEN (~35%*)

Jacket ready for installation

- **Jacket completed in January 2015**
  - On time and on cost with no major incidents

- **Jacket has arrived in Rotterdam**
  - Will remain in Rotterdam until the installation on the Ivar Aasen field

- **The Thialf vessel will install the jacket**
  - The Wei-Li vessel will also be used during the jacket installation campaign

- **Jacket to be installed in Q2 2015**

* 34.78% in PL 01B/242/457, 35% in Hanz PL 028B
IVAR AASEN (~35%*)

Topside construction about 60% completed

- **Topside on schedule**
  - Detailed engineering in its final stage
  - Key equipment packages arrived on site as planned
  - Start commissioning this autumn
  - Mechanical complete by year-end 2015
  - Sail-away during spring 2016

* 34.78% in PL 01B/242/457, 35% in Hanz PL 028B
JOHAN SVERDRUP (11.89%, preliminary working interest)
PDO submitted, contracts being awarded

- PDO submitted in February 2015
  - Production start-up: Q4 2019
  - Volumes: 1.7-3.0bn boe (~80% from Phase 1)
  - Capex: NOK 117bn in Phase 1, NOK 170-220bn in total

- First contracts have been awarded
  - Aker Solutions
  - Kværner
  - Aibel
  - ABB

- NPD is reviewing the working interest distribution
  - MPE to decide on the unitization split

The Johan Sverdrup development
2015 drilling activity

<table>
<thead>
<tr>
<th>License</th>
<th>Prospect</th>
<th>Share</th>
<th>mmboe</th>
<th>Rig</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>PL 272/035</td>
<td>Krafla North &amp; Main</td>
<td>25 %</td>
<td>-</td>
<td>Transocean Leader</td>
<td>Q4 14/Q1 15</td>
</tr>
<tr>
<td>PL 001B</td>
<td>Løvstakken</td>
<td>35 %</td>
<td>-</td>
<td>Maersk Interceptor</td>
<td>Q1 15</td>
</tr>
<tr>
<td>PL 627</td>
<td>Skirne East</td>
<td>20 %</td>
<td>50-171</td>
<td>Leiv Eiriksson</td>
<td>Q2 15</td>
</tr>
<tr>
<td>Gina Krog</td>
<td>East 3</td>
<td>3.3 %</td>
<td>27-82</td>
<td>Songa Trym</td>
<td>Q2 15</td>
</tr>
<tr>
<td>PL 672</td>
<td>Snømus</td>
<td>25 %</td>
<td>14-94</td>
<td>Maersk Giant</td>
<td>Q2 15</td>
</tr>
</tbody>
</table>

- Discoveries at Krafla North and Main
- Small gas discovery at Skirne East:
  - Encountered a 10-metre gross gas column
  - Preliminary volume estimates of 3-10 mmboe
- Drilling commenced on Snømus and Gina Krog East 3 in April
Outlook
Q1 2015
COST EFFICIENCY PROGRAMME

Identified 2015 reductions exceed USD 100m

- Cost efficiency programme progressing well
- Measures identified currently exceed USD 100 million
- 35 people offered redundancy packages or early retirement packages
- Will continue to improve supply chain and optimize work processes going forward
- Take advantage of the adverse market environment where we can
OUTLOOK

Summary and outlook

- **Financial**
  - Finalize the USD 300 million subordinated bond issue and the USD 500 million RCF
  - Continue to optimize the capital structure of the company going forward

- **Development projects**
  - Ivar Aasen progressing according to plan
  - Johan Sverdrup PDO submitted, unit agreement to be concluded
  - Viper Kobra development has commenced

- **Cost Efficiency**
  - Measures identified currently exceed USD 100 million
  - Will continue to improve supply chain and optimize work processes going forward