Upstream costs have nearly tripled over the last 10 years, similar to oil prices.

Full cycle cost vs brent oil price

- Other
- Tax
- Production
- Development
- Finding
- Oil price

Source: IHS, Morgan Stanley Research, BCG
THE BIG PICTURE

Spending and costs are decreasing as a response

E&Ps changed their plans mid-way through...

<table>
<thead>
<tr>
<th>Survey</th>
<th>Estimates</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>09</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>10</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>11</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>12</td>
<td>15%</td>
<td>20%</td>
</tr>
<tr>
<td>13</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>14</td>
<td>25%</td>
<td>30%</td>
</tr>
</tbody>
</table>

... including Det norske

- Reached the ambition to reduce 2015 expenditures by USD 100 million

**OUTLOOK**

Cost efficiency programme

- Cost efficiency programme initiated as a response to challenging market environment
- Costs to be reduced by USD 100+ mill for 2015
- Top management to run and own process
- To be concluded by the summer of 2015
- Continue to improve supply chain and optimize processes going forward
- Take advantage of the adverse market environment where we can

*Source: Pareto Securities Research E&P Survey 2015*

*From Det norske’s Q4 presentation, 25 February 2015*
In a strong position to benefit in the longer term...

**Pro-forma P50 reserves, end 2014**

- Johan Sverdrup (pro-forma): 271 mmboe
- Alvheim; 89
- Vilje; 10
- Volund; 12
- Bøyla; 15
- Aasen incl. Hanz; 71
- Other; 1
- Gina Krog; 7

**Indicative production profile**

- Reserves
- Upsides
IMPROVEMENT PROGRAMME

... but we continuously work to improve

We are already a top performer...
- Alvheim achieved top quartile performance in 2014, and Ivar Aasen is on track

... but we work improve
- Initiating a long-term improvement programme to cover all parts of the business
- Ambition to improve long term competitiveness in the current market environment
- Will work to:
  - Increase cost efficiency and improve work processes
  - Explore ideas to radical change to business model
  - Work to enhance the performance culture throughout the organization

PRODUCTION AND DEVELOPMENTS

High activity level with high performance

- Day 1 of Newco
- Last roll-up IA jacket
- Drilling of geopilots on IA
- Jacket sailed from Sardinia
- KB3 workover
- Lifting and installation of IA jacket
- IA LQ stacked
- I/VEG pipelines
- Boa manifold

**OCT 14**
- RBL in place
- Skandic Arctic on Bøyla

**JAN 15**
- Bøyla starts producing

**APR 15**
- Stacking of decks on IA
- Drilling of Bøyla M2

**JUL 15**
- L4 starts producing
- Funding and hedged oil prices
- Started IA production drilling
- Bøyla M2 starts producing

**SEP 15**
- Drilling of K6
Concentrated in two core areas

**Utsira High**
- Ivar Aasen
- Johan Sverdrup
- Gina Krog

**Greater Alvheim area**
- Boa
- Alvheim
- Volund
- Beyla
GREATER ALVHEIM AREA

Excellent uptime and reliability record

Alvheim area

- Alvheim is a mid-life operated FPSO producing ~100 mboepd (gross)
- ~300 million barrels of oil (gross) produced to date
- The Greater Alvheim area consists of the Alvheim fields, Vilje, Volund and Bøyla; all producing over the Alvheim FPSO
- Strong operational performance, with a year-on-year improvement in production and cost efficiency
- FPSO is free of leverage and a loss-of-production-insurance is in place

The Alvheim FPSO
GREATER ALVHEIM AREA

Opportunities in the Alvheim area

Alvheim area

- Four new wells planned to come on stream in 2015, with three already producing and last planned for Q4
- Future infill wells and developments
- More discoveries being matured and numerous exploration targets identified
- Currently tendering for rig to secure rig capacity for next likely projects in the Alvheim area
- Reusing, not reinventing, in new projects
  - Proven technology
  - Utilizing the same teams
  - Standardized development concepts
  - Learning and improvement processes
UTSIRA HIGH

Ivar Aasen project on schedule

The Ivar Aasen development
- Det norske-operated, ~200 mmboe development with first oil planned for Q4 2016
- Production to reach ~67,000 boepd at plateau
- Gross CAPEX of 27.4 NOKbn (nom.)

Key milestones
- Jacket installed in June 2015
- Production drilling commenced in July 2015
- Topside mechanical complete planned by year-end 2015
- Topside sail-away planned for spring 2016
- Hook-up and completion planned for summer and autumn 2016
UTSIRA HIGH

Ivar Aasen development progressing as planned

Topside construction more than 70% complete

High activity level offshore
Gross recoverable reserves of 1.7-3.0 billion boe, production to commence in Q4 2019

Break-even oil price below USD 40/boe with opportunity of being further reduced

Securing significant free cash flow for Det norske when production is ramping up

PDO approved by the MPE in August

Det norske has appealed the tract participation (11.5733% net to Det norske) decision by the MPE to the King in Council
EXPLORATION

A portfolio ensuring long term reserve replacement

Revamping the exploration strategy

- 2015 exploration wells
  - Discoveries in the Krafla area, Gina Krog East 3 and Skirne East
  - Dry well at Snømus

- 2015 – a transition year
  - Re-assessing current exploration inventory
  - Portfolio optimization ongoing
  - Business intelligence efforts
  - Assessing 23rd round’s value potential

- Focus on core areas in 2016 and onwards
  - Rovarkula to be drilled in 2016
  - Krafla/Askja area expected to be further explored in 2016
  - Gohta expected to be further explored in 2016
FINANCING

Sound balance sheet and financial flexibility

Debt and undrawn credit (USDbn)

### Overview
- Raised USD 300 million subordinated PIK Toggle bond and USD 550 million RCF in Q2 2015
- RBL borrowing base availability increased to USD 2.9 billion at the end of Q2, up from USD 2.7 billion at the end of 2014
- Undrawn credit of about USD 1.6 billion at the end of Q2 2015
- Net debt of USD 2.16 billion at the end of Q2 2015
  - Outstanding debt of USD 2.35 billion
  - Cash, cash equivalents of about 0.19 billion
SUMMARY

Investment considerations

- Strong current production base and operational cash flow
- Assets in portfolio have capacity to lift oil production above 100,000 boepd after 2020
- World-class project portfolio with low break even oil price levels
- Significant free cash flow from 2020 onwards as Johan Sverdrup is brought on stream
- Robust capital structure
Q&A

www.detnor.no
## FINANCIALS & FUNDING

### 2015 guidance

<table>
<thead>
<tr>
<th>Financials</th>
<th>USD 950-1,000 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAPEX</td>
<td>USD 115-125 million</td>
</tr>
<tr>
<td>EXPEX</td>
<td>USD 8-10 per boe</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operations</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 production</td>
<td>58,000 – 63,000 boepd</td>
</tr>
<tr>
<td>Ivar Aasen start-up</td>
<td>Q4 2016</td>
</tr>
<tr>
<td>Ivar Aasen total CAPEX (gross)</td>
<td>NOK 27.4 billion (nominal)</td>
</tr>
<tr>
<td>Johan Sverdrup start-up</td>
<td>Q4 2019</td>
</tr>
<tr>
<td>Johan Sverdrup Phase 1 CAPEX (gross)</td>
<td>NOK 117 billion (2015 value)</td>
</tr>
</tbody>
</table>
## FINANCIALS

### Statement of income

<table>
<thead>
<tr>
<th>Income statement (USD mill)</th>
<th>Q2 2015</th>
<th>Q2 2014</th>
<th>FY 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>337</td>
<td>74</td>
<td>464</td>
</tr>
<tr>
<td>Production costs</td>
<td>51</td>
<td>7</td>
<td>67</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>23</td>
<td>13</td>
<td>49</td>
</tr>
<tr>
<td><strong>EBITDAX</strong></td>
<td><strong>264</strong></td>
<td><strong>54</strong></td>
<td><strong>365</strong></td>
</tr>
<tr>
<td>Exploration expenses</td>
<td>25</td>
<td>21</td>
<td>158</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>239</strong></td>
<td><strong>33</strong></td>
<td><strong>208</strong></td>
</tr>
<tr>
<td>Depreciation</td>
<td>117</td>
<td>13</td>
<td>160</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>-</td>
<td>-</td>
<td>346</td>
</tr>
<tr>
<td><strong>Operating profit/loss (EBIT)</strong></td>
<td><strong>122</strong></td>
<td><strong>20</strong></td>
<td>(299)</td>
</tr>
<tr>
<td>Net financial items</td>
<td>(59)</td>
<td>(24)</td>
<td>(77)</td>
</tr>
<tr>
<td><strong>Profit/loss before taxes</strong></td>
<td><strong>63</strong></td>
<td>(4)</td>
<td>(376)</td>
</tr>
<tr>
<td>Tax (+) / Tax income (-)</td>
<td>56</td>
<td>(32)</td>
<td>(93)</td>
</tr>
<tr>
<td><strong>Net profit/loss</strong></td>
<td><strong>7</strong></td>
<td><strong>27</strong></td>
<td>(279)</td>
</tr>
<tr>
<td>EPS (USD)</td>
<td>0.04</td>
<td>0.19</td>
<td>(1.68)</td>
</tr>
</tbody>
</table>
# FINANCIALS

## Statement of financial position

<table>
<thead>
<tr>
<th>Assets (USD mill)</th>
<th>30.06.15</th>
<th>30.06.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>1 134</td>
<td>52</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>922</td>
<td>427</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2 804</td>
<td>667</td>
</tr>
<tr>
<td>Calculated tax receivables (long)</td>
<td>-</td>
<td>68</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>-</td>
<td>133</td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>254</td>
<td>198</td>
</tr>
<tr>
<td>Calculated tax receivables (short)</td>
<td>-</td>
<td>231</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>188</td>
<td>157</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>5 301</strong></td>
<td><strong>1 934</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and Liabilities (USD mill)</th>
<th>30.06.15</th>
<th>30.06.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>661</td>
<td>543</td>
</tr>
<tr>
<td>Other provisions for liabilities incl. P&amp;A (long)</td>
<td>523</td>
<td>151</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>1 354</td>
<td>-</td>
</tr>
<tr>
<td>Bonds</td>
<td>529</td>
<td>403</td>
</tr>
<tr>
<td>Bank debt</td>
<td>1 818</td>
<td>401</td>
</tr>
<tr>
<td>Exploration facility</td>
<td>-</td>
<td>192</td>
</tr>
<tr>
<td>Other current liabilities incl. P&amp;A (short)</td>
<td>369</td>
<td>244</td>
</tr>
<tr>
<td>Tax payable</td>
<td>47</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td><strong>5 301</strong></td>
<td><strong>1 934</strong></td>
</tr>
</tbody>
</table>
## Debt overview

<table>
<thead>
<tr>
<th></th>
<th>RBL Facility</th>
<th>RCF</th>
<th>DETNOR02</th>
<th>DETNOR03</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type</strong></td>
<td>Bank</td>
<td>Bank</td>
<td>Bond</td>
<td>Bond</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>Secured, 1st lien</td>
<td>Secured, 2nd lien</td>
<td>Senior Unsecured</td>
<td>Subordinated</td>
</tr>
<tr>
<td><strong>Facility Size</strong></td>
<td>3,000 USDm(^1)</td>
<td>550 USDm</td>
<td>1,900 NOKm(^2)</td>
<td>300 USDm</td>
</tr>
<tr>
<td><strong>Outstanding per 30.06.2015</strong></td>
<td>1,870 USDm</td>
<td>n/a</td>
<td>255 USDm(^2)</td>
<td>300 USDm</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>2021</td>
<td>2019 plus 1+1 year extension option</td>
<td>2020</td>
<td>2022</td>
</tr>
<tr>
<td><strong>Coupon / interest</strong></td>
<td>3m LIBOR + 300-325bp(^3)</td>
<td>3m LIBOR + 550bp(^4)</td>
<td>3m NIBOR + 6.5%(^2)</td>
<td>10.25%</td>
</tr>
<tr>
<td><strong>Commitment fee on unused credit</strong></td>
<td>1.1%</td>
<td>2.2%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
| **Main covenants**  | • Leverage ratio (Net interest-bearing debt/EBITDAX < 3.5x)  
• Interest cover ratio (EBITDA/Interest expenses > 3.5x)  
• Liquidity tests |  
• Leverage ratio\(^4\)  
• Interest cover ratio\(^4\) | N/A |

---

1 Borrowing Base Availability determined in semi-annual redeterminations. As of end June 2015, the borrowing base availability was USD 2.9 billion.
2 DETNOR02 converted to a synthetic USD loan using a Cross Currency Interest Rate Swap to USD 255 million, at 3m LIBOR + 6.81%.
3 Including margin and utilization fees, excluding commitment fees on undrawn amounts
4 Same leverage and interest cover ratio as in the RBL and the RCF
Det norske closely monitors its risk exposure and assesses risk-reducing measures

Alvheim Loss of Production Insurance in place

Hedging program initiated
- Collars secured for USD/NOK exposure
- Commodity hedge program ongoing

<table>
<thead>
<tr>
<th>Commodity hedge program</th>
<th>2015¹</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Put option price</td>
<td>55 USD/bbl</td>
<td>55 USD/bbl</td>
</tr>
<tr>
<td>Production volume hedged</td>
<td>~30%²</td>
<td>~20%</td>
</tr>
<tr>
<td>Target hedge volume</td>
<td>~30%²</td>
<td>~20%</td>
</tr>
</tbody>
</table>

¹) From March onwards
²) Corresponding to 100% hedge of after-tax cash flow, per the Norwegian fiscal regime