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CAPITAL MARKETS DAY 2016

Agenda

Session 1: 09:00 – 10:30
■ Corporate Strategy – Karl Johnny Hersvik, Chief Executive Officer
■ Finance – Alexander Krane, Chief Financial Officer
■ Exploration – Gro Gunleiksrud Haatvedt, SVP Exploration
■ Q&A

■ Coffee Break

Session 2: 11:00 – 12:15
■ Development projects – Olav Henriksen, SVP Projects
■ Producing assets – Geir Solli, SVP Operations
■ Concluding remarks – Karl Johnny Hersvik, Chief Executive Officer
■ Q&A

■ Lunch
Karl Johnny Hersvik, Chief Executive Officer

Karl Johnny Hersvik (born 1972) has been CEO of Det norske since May 2014. Prior to joining Det norske, he served as head of research for Statoil.

Mr Hersvik has held a number of specialist and executive positions with Norsk Hydro and StatoilHydro. He holds a number of directorships, including chair of the board of directors of OG21, and is a member of several boards whose objective is to promote cooperation between industry and academia. Mr Hersvik holds a Cand. Scient. (second cycle) degree in Industrial Mathematics from the University of Bergen.

Alexander Krane, Chief Financial Officer

Alexander Krane (born 1976) took up the position of CFO with Det norske in 2012. Prior to joining Det norske, he held the position of Corporate Controller with Aker ASA. He has also worked as a public accountant with KPMG, both in Norway and in the US.

Mr Krane holds a Bachelor of Commerce degree ("siviløkonom") from Bodø Graduate School of Business and an MBA degree from the Norwegian School of Economics in Bergen. He is also a state-authorized public accountant in Norway.

Gro Gunleiksrud Haatvedt, SVP Exploration

Gro Gunleiksrud Haatvedt (born 1957) joined Det norske in 2014. She came from the position of exploration manager for the Norwegian Continental Shelf with Statoil ASA, where she also served as country manager in Libya.

She has held several positions with Norsk Hydro (head of geology, technology and competence). She has been responsible for business development in Iran, head of Oseberg, and Exploration Manager NCS. Ms Haatvedt holds a master’s degree in Applied Geophysics from the University of Oslo.

Olav Henriksen, SVP Projects

Olav Henriksen (born 1956) joined Det norske in January 2015. Prior to joining Det norske, Mr Henriksen has been working with large development projects in ConocoPhillips since 1990.

Mr. Henriksen has a degree in engineering from Møre og Romsdal Ingeniørhøyskule (the Møre and Romsdal college of engineering). He has his extensive work experience from both Kværner Installasjon and ConocoPhillips, including work with large projects such as Ekofisk, Statfjord, Gulfaks, Oseberg and Eldfisk.

Geir Solli, SVP Operations

Geir Solli (born 1960) comes from the position of deputy CEO with Marathon Oil Norge AS. He has previously served as Operations Manager for the Alvheim area, and Asset Manager for the Gulf of Mexico in the same company.

Mr. Solli has also worked as project manager and offshore installation manager for BP. He holds an MSc degree in Electrical Engineering from NTH, now the Norwegian University of Science and Technology, NTNU.
Investment case

- Well positioned in a «lower for longer» oil price environment
  - Strong production base: ~60 mboepd* with production cost below 7 USD/boe*
  - Purely operating on the NCS: Low political risk and attractive fiscal regime
  - Robust and diversified capital structure: USD 1.3 billion undrawn credit
  - Prudent and disciplined financial management

- Solid operational and development performance
  - Alvheim area: Well-run assets with multiple growth opportunities
  - Ivar Aasen: Continued derisking of project – on track for first oil in Q4 2016
  - Johan Sverdrup: Progressing according to plan with lowered cost estimates

- Strong platform for future growth
  - Visible organic growth from sanctioned projects and discovered resource hopper
  - Year-end 2015 reserves of 498 mmboe and contingent resources of 326 mmboe
  - Operating cash flow in excess of USD 4 billion from 2020 to 2025**
  - Demonstrated ability to acquire NCS assets at attractive prices

*2015
** Based on Brent futures curve per Jan. 14, 2016
Corporate strategy

Karl Johnny Hersvik
Chief Executive Officer
THE BIG PICTURE

A challenging environment that provides opportunities

NCS continues to be one of the most attractive hydrocarbon regions globally

- After 45 years of production on the NCS, there are still significant volumes to be discovered and produced

- Strong cost pressure will challenge the Norwegian O&G industry → will also contribute to lower break-even prices

- The downturn will create a new reality and offer opportunities

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

Source: IHS, Morgan Stanley Research, BCG, NPD
CORPORATE AMBITION

Utilise current environment to strengthen long-term competitiveness

Goal to sanction new standalone projects at break-even price below USD 40/bbl

**Exploration**
- Maximize the *effectiveness* of the end-to-end exploration process

**Development**
- Secure *economical viability* of standalone fields

**Operations**
- Achieve *sustainable top quartile* cost and production efficiency

**Drilling**
- Consistent *top quartile performance* according to Rushmore

- 50% reduction in dry hole costs
- 50% reduction in development costs
- 20% reduction in OPEX
- 30% reduction in well costs
CORPORATE STRATEGY

Three building blocks for future success

**Execute**
- Ivar Aasen project and drilling
- Production, projects and drilling on Alvheim
- Efficient integration of acquisitions

**Improve**
- Deliver on improvement agenda
- Strengthen improvement capabilities
- Develop new improvement initiatives

**Grow**
- Be opportunistic and exploit market opportunities
- Achieve selective growth that is value and credit accretive
- Secure new exploration acreage
CORPORATE STRATEGY

Continue the trend in execution from 2015

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
IA/EG pipelines
Boa manifold
Svenska acquisition
Contract award Tr. Arctic

OCT 14
JAN 15
APR 15
JUL 15
SEP 15
DEC 15

RBL in place
Skandic Arctic on Bayla
Bayla starts producing
Stacking of decks on IA
Drilling of Bayla M2
L4 starts producing
Funding and hedged oil prices
Started IA production drilling
Bayla M2 starts producing
Drilling of K6
Premier acquisition
### Key improvement themes

<table>
<thead>
<tr>
<th>Category</th>
<th>Themes</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration Effectiveness</td>
<td>Enable G&amp;G process efficiency</td>
<td>Optimize Exploration well drilling methodology</td>
</tr>
<tr>
<td>Project Delivery</td>
<td></td>
<td>Develop the next Project delivery model</td>
</tr>
<tr>
<td>Operations Excellence</td>
<td>Capture synergies from Alvheim &amp; Ivar Aasen integration</td>
<td>Optimize Maintenance and modifications</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase Offshore efficiency</td>
</tr>
<tr>
<td>Drilling Performance</td>
<td>Maximize Well delivery performance</td>
<td>Enable Work process efficiency</td>
</tr>
<tr>
<td>Supply Chain Management</td>
<td>Enable Supply Chain Management excellence</td>
<td>Manage Supplier Spend</td>
</tr>
<tr>
<td>Organizational Effectiveness</td>
<td></td>
<td>Increase Organization efficiency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase IT efficiency</td>
</tr>
</tbody>
</table>
CORPORATE STRATEGY

Visible organic growth from existing portfolio

- Strong asset base for further growth
  - High quality development projects with low break even prices

- Identified potential within the portfolio to lift oil & gas production to 160,000 boepd after 2020 in improved market conditions

- Further organic upside from exploration acreage

- Sanctioned projects have potential to deliver after-tax operating cash flow in excess of USD 4 billion* to Det norske in the period 2020 to 2025 at current forward price

* Based on the Brent futures curve per Jan. 14, 2016, operating cost of 10 per barrel, cash tax rate of 50% and average production of 90 mboepd
CORPORATE STRATEGY

Building longer-term investment options

- Demonstrated ability to acquire NCS assets at attractive prices
  - Svenska and Premier Norge acquisitions < USD 1/boe

- Added flexibility to project inventory, but without added CAPEX commitments

- Any acquisitions to be value accretive
**COMPANY OVERVIEW**

**Year-end 2015 certified* P50 reserves of 498 mmboe**

Development in P50 reserves (mmboe)

![Graph showing development in P50 reserves from 2006 to 2015 with a 61% CAGR from 2006 to 2015.]

Proven & probable reserves (P50), end 2015

- Alvheim; 79
- Vilje; 8
- Volund; 19
- Bøyla; 11
- Ivar Aasen/Hanz; 71
- Johan Sverdrup; 303
- Gina Krog; 7
- Other; 1

* Certified by AGR Petroleum Services AS, in accordance with SPE’s Petroleum Resources Management System
COMPANY OVERVIEW

Reserves development since Marathon Oil Norge AS acquisition

- Reserve replacement of 7.5x since the acquisition of Marathon Oil Norge AS
  - Johan Sverdrup
  - Alvheim area IOR efforts
  - Ivar Aasen

- Reserve replacement of 0.85x (ex. Johan Sverdrup) since the acquisition of Marathon Oil Norge AS

Development P50 reserves (mmboe) 2013 - 2015

--- | --- | --- | --- | ---
■ 202 | ■ 46 | ■ 40 | 303 | 498
COMPANY OVERVIEW

Year-end 2015 mean contingent resources* 326 mmboe

- Includes categories 4 and 5 according to NPD’s classification system

* Company estimates
**Including Storklakken, Frey and Frigg Gamma Delta, Trell
Finance

Alexander Krane
Chief Financial Officer
Det norske’s financial strengths

- Prudent hedging policies to protect downside
- High margin production with low operating costs
- USD 1.3 billion in undrawn debt facilities
- Tax credits shield ~90% of field investments
- Strong support of principal owner Aker ASA (49.99%)
- Strong banking relationships and long-term debt maturities

FINANCE
FINANCE

High margin production with low operating cost

- Excellent uptime and reliability record on Alvheim FPSO
  - Production efficiency of 94.2 percent in 2015

- Low production costs combined with a pricing premium to the Brent benchmark

- Det norske has started to market its own crude
  - First cargo was sold in the open market in December 2015, realizing a premium of USD 2.5 per barrel

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (mboepd)</td>
<td>87</td>
<td>93</td>
<td>84</td>
<td>67</td>
<td>60</td>
</tr>
<tr>
<td>EBITDAX margin</td>
<td>90%</td>
<td>90%</td>
<td>88%</td>
<td>87%</td>
<td>82%</td>
</tr>
<tr>
<td>Production cost (USD/boe)</td>
<td>7,0</td>
<td>6,5</td>
<td>9,6</td>
<td>9,5</td>
<td>6,9</td>
</tr>
</tbody>
</table>

* First nine months
### Fiscal regime supportive of growth

#### Field development example

<table>
<thead>
<tr>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>SUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment</td>
<td>-100.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax depreciation (6 yrs)</td>
<td>+13.0</td>
<td>+13.0</td>
<td>+13.0</td>
<td>+13.0</td>
<td>+13.0</td>
<td>+13.0</td>
<td>+78.0</td>
</tr>
<tr>
<td>Uplift (4 yrs)</td>
<td>+2.9</td>
<td>+2.9</td>
<td>+2.9</td>
<td>+2.9</td>
<td></td>
<td></td>
<td>+11.7</td>
</tr>
<tr>
<td><strong>SUM</strong></td>
<td>+15.9</td>
<td>+15.9</td>
<td>+15.9</td>
<td>+15.9</td>
<td>+13.0</td>
<td>+13.0</td>
<td>+89.7</td>
</tr>
<tr>
<td>Government (AAA) receivable (beg-year)</td>
<td>89.7</td>
<td>73.7</td>
<td>57.8</td>
<td>41.9</td>
<td>26.0</td>
<td>13.0</td>
<td></td>
</tr>
</tbody>
</table>

- The Norwegian tax regime provides downside protection as tax balances are built in parallel with investments
  - ~90% of investments recovered through tax system
  - No ring fencing
  - The tax value of the tax balance and tax depreciation carried forward will be refunded if petroleum activities are discontinued

#### Estimated tax for 2015 (NOKbn)

- *Estimated tax receivable of NOK 1.6 bn*
FINANCE

Strong banking relationships and long-term debt maturities

- Cost efficient, long-term diversified capital structure with no debt maturities until after expected first oil at Johan Sverdrup
- Debt facilities in place sufficient to fund current work program until first oil at Johan Sverdrup
- Strong support from 18-bank consortium
- Robust RBL with limited sensitivity to oil price
  - Borrowing base unchanged at year-end 2015 redetermination
  - Johan Sverdrup included on a fixed USD/boe-multiple
  - Tax balances and CAPEX add-back make up a large portion of facility

<table>
<thead>
<tr>
<th>Facility</th>
<th>Amount (USD)</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 3,000* million RBL</td>
<td>3m LIBOR + 300-325bp**</td>
<td></td>
</tr>
<tr>
<td>USD 550 million RCF</td>
<td>3m LIBOR + 550bp†</td>
<td></td>
</tr>
<tr>
<td>NOK 1,900 million bond</td>
<td>3m NIBOR + 6.5%***</td>
<td></td>
</tr>
<tr>
<td>USD 300 million bond</td>
<td>10.25% fixed coupon</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding USD 1 billion uncommitted accordion option
** Including margin and utilization fees, excluding commitment fees on undrawn amounts
*** DETNOR02 converted to a synthetic USD loan using a Cross Currency Interest Rate Swap to USD 255 million, at 3m LIBOR + 6.81%.
Strong liquidity position and diversified capital structure

- **USD 3,000 million RBL (Secured, 1st lien)**: 2,170
- **USD 550 million RCF (Secured, 2nd lien)**: 550
- **NOK 1,900 million bond (Senior unsecured)**: 255
- **USD 300 million bond (Subordinated)**: 300
- **USD 4 billion**

Total bank facilities and bonds

- Utilized
- Undrawn

* Borrowing base availability of USD 2.9 billion per year-end 2015
Financial covenants

<table>
<thead>
<tr>
<th>Debt instrument</th>
<th>Main covenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve-based lending facility</td>
<td>Leverage ratio &lt; 3.5x</td>
</tr>
<tr>
<td>Revolving credit facility</td>
<td>Interest cover ratio &gt; 3.5x</td>
</tr>
<tr>
<td>DETNOR02</td>
<td></td>
</tr>
<tr>
<td>DETNOR03 (subordinated)</td>
<td>No covenants</td>
</tr>
</tbody>
</table>

- Leverage ratio is calculated as net interest-bearing debt (excluding subordinated debt) divided by 12 months rolling EBITDAX.
- Interest cover ratio is calculated as 12 months rolling EBITDA divided by interest expenses (excluding capitalized interest).
- Reduced oil prices result in relative lower EBITDAX and higher net interest-bearing debt.
**Prudent financial risk management policies**

**Hedging**
- Various hedging agreements for commodities and FX to mitigate financial risk when pricing and levels are viewed as attractive.
- No mandatory hedging requirements in debt facilities.
- Det norske is a USD-company, but NOK exposure is high from Sverdrup investments, operating costs and tax payments.
- Loss of production insurance for Alvheim FPSO:
  - Covers loss of production after 60 days.
  - Maximum coverage of 18 months downtime at USD 50/bbl.

**Overview of current hedges**

<table>
<thead>
<tr>
<th>Foreign exchange hedges</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>% hedged of total NOK exposure</td>
<td>55%</td>
<td>50%</td>
<td>33%</td>
<td>15%</td>
</tr>
<tr>
<td>Type of structure</td>
<td>Collars + forwards</td>
<td>Collars + forwards</td>
<td>Collars + forwards</td>
<td>Forwards</td>
</tr>
<tr>
<td>Average Hedge Rate</td>
<td>7.90 – 8.75</td>
<td>7.88 – 8.97</td>
<td>8.12 – 8.69</td>
<td>8.65</td>
</tr>
<tr>
<td>Total Cost (post-tax)</td>
<td>2.6 NOKm</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commodity hedges</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil production volume hedged</td>
<td>~20%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Put strike price</td>
<td>USD 55/bbl</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium (deferred payment)</td>
<td>12.7 USDm</td>
<td></td>
<td></td>
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</tr>
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</table>
## 2016 guidance

<table>
<thead>
<tr>
<th>Item</th>
<th>Guidance</th>
</tr>
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<tbody>
<tr>
<td>2016 CAPEX</td>
<td>USD 925 – 975 million</td>
</tr>
<tr>
<td>2016 EXPEX</td>
<td>USD 160 – 170 million</td>
</tr>
<tr>
<td>2016 Production cost</td>
<td>USD 8 – 9 per boe*</td>
</tr>
<tr>
<td>2016 production</td>
<td>55 – 60 mboepd</td>
</tr>
</tbody>
</table>

* From 2016, production cost will include shipping & handling cost, budgeted at USD 1.2 per bbl after Det norske started to sell its own Alvheim crude.
2016 Investment budget of USD 925 – 975 million

- Ivar Aasen
  - Drilling of production wells and water injector wells
  - Construction and installation of topside

- Alvheim area
  - Drilling activities BoaKamNorth, Viper-Kobra and Volund West infill
  - Subsea installation BoaKamNorth and Viper-Kobra
  - LLI’s for Attic Oil and BoaKamSouth

- Johan Sverdrup
  - Engineering and fabrication of 4 jackets and 4 topsides
  - Pre-drilling of production wells
  - Fabrication of pipelines, power from shore equipment and onshore facilities

- Other
  - Gina Krog, concept studies, IT, misc.

Assumes USDNOK = 8.80
**FINANCE**

**Ivar Aasen CAPEX guidance (life of field)**

- Project progressing well and within budget
  - At constant FX, current full field CAPEX estimate is in line with the PDO estimate

- Full field CAPEX has come down by 15 percent in USD-terms

- About 25% of CAPEX to be spent after first oil
  - Mainly related to Hanz and continued drilling at Ivar Aasen

---

<table>
<thead>
<tr>
<th>PDO</th>
<th>Increased scope</th>
<th>FX effects</th>
<th>Current estimate*</th>
<th>Current estimate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.6</td>
<td></td>
<td>0.1</td>
<td>0.8</td>
<td>0.9</td>
</tr>
</tbody>
</table>

- CAPEX after first oil: 2.1 USD billion (gross)
- 2016 budget: 0.9 USD billion
- CAPEX per end 2015**: 0.9 USD billion

* Based on USD/NOK 8.8 exchange rate for CAPEX post 2015
** In money of the day
Exploration

Gro Gunleiksrud Haatvedt
SVP Exploration
EXPLORATION AMBITION

By 2020: A leading explorer on the Norwegian Continental Shelf

- Ensure long term reserve replacement and value creation
- Establish new core areas
- Discover 150 mmboe net to Det norske in 2016 - 2020
- Continuous positioning for significant additional discoveries
- Improve data and technology to create a competitive edge
EXPLORATION STRATEGY

Strategic direction

- Oil primary target, secondary wet gas with large volume potential
- Timely ILX within core areas
- Regional projects for identifying new growth areas
- Secure operatorship

- North Sea
  - Build new core areas
  - Maintain balance between ILX and growth prospects

- Norwegian Sea
  - Shallow water
  - Positioning for Norwegian Sea NE

- Barents Sea
  - Exploring large oil potential both mature and frontier
  - Explore Permian play model
EXPLORATION

Drilling schedule 2016

- **North Sea: Core area development**
  - Drill ILX prospect near Ivar Aasen field
  - Confirm volumes in Askja/Krafla area
  - Explore upsides near Garantiana discovery

- **Barents Sea: From volume to value**
  - Explore for volumes to establish a core area on Loppa High
  - Drill prospect on Johan Castberg trend

<table>
<thead>
<tr>
<th>License</th>
<th>Prospect</th>
<th>Operator</th>
<th>DETNOR Share</th>
<th>Pre-drill mmboe*</th>
<th>Rig</th>
<th>Time</th>
</tr>
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<tbody>
<tr>
<td>PL554B&amp;C</td>
<td>Uptonia</td>
<td>Total</td>
<td>30%</td>
<td>11 - 38</td>
<td>Leiv Eriksson</td>
<td>Q1</td>
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<tr>
<td>PL626</td>
<td>Rovarkula</td>
<td>DETNOR</td>
<td>50%</td>
<td>8 - 79</td>
<td>Maersk Interceptor</td>
<td>Q2</td>
</tr>
<tr>
<td>PL272/035</td>
<td>Madam Felle</td>
<td>DETNOR</td>
<td>50%</td>
<td>20 - 49</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Askja SE</td>
<td>Statoil</td>
<td>50%</td>
<td>24 - 79</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slemmestad</td>
<td>Lundin</td>
<td>20%</td>
<td>13 - 46</td>
<td>TBA</td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>29 - 86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PLS33</td>
<td>Filicudi</td>
<td>Lundin</td>
<td>20%</td>
<td>24 - 146</td>
<td>TBA</td>
<td>Q3</td>
</tr>
</tbody>
</table>

* Gross unrisked
PL626 (50%, OPERATOR) – NORTH SEA

Rovarkula – Extending the Utsira core area

Operated exploration well close to infrastructure

- Upside potential, side track if positive results
- Possible tie-in of Rovarkula to Ivar Aasen with production start 2022
- West Cable East prospect in Ivar Aasen unit is a future drilling candidate
- The Rovarkula well will clarify resource potential in:
  - Main target: Hanz sandstones
  - Middle Jurassic Hugin sandstones
  - Pre-Jurassic, Triassic/Zechstein/Rotliegend

Ivar Aasen field, West Cable North and East, Hanz and Rovarkula. West Cable is a potential new drilling candidate after Rovarkula.
PL035C AND PL272 (50%, PARTNER) – NORTH SEA

Askja/Krafla – a potential new core area

Drilling campaign 2016

- 4 vertical wells
- Several optional side tracks
- Aiming at proving up the main resource potential in the area

- Gross proven resources: 140 – 220 mmboe*
- 2016 wells: Risked gross resource addition: 31 – 150 mmboe*

- Greater Askja/Krafla area has an upside potential even after the 2016 drilling campaign, with several prospects and leads

* Operators estimate
PL554 (30%, PARTNER) / PL748 (30%, OPERATOR) / PL790 (30%, OPERATOR) – NORTH SEA

**Tampen: Unlocking the potential**

- Segmented area
- Uptonia exploration well currently drilling
- Proven Garantiana volumes: 63 - 165 mmboe*
- Potential exploration well in PL748/790 in 2017

* Operators estimate
Loppa South – building core area

- Filicudi prospect to be drilled in 2016
- Testing the prospective trend, analogue to Johan Castberg
- Opening for more opportunities if successful
FROM R&D TO EXPLORATION TO PRODUCTION

Greater Alvheim area

ILX: High equity tie-in to Alvheim

- Technical limit seismic reprocessing
  - Massive 3D reprocessing project with improved resolution and imaging
  - Consistent seismic data set over the Greater Alvheim area
  - Identify new prospects, evaluate discoveries for tie-in to Alvheim

- Data strategy to be implemented over other exploration areas

- Developing business model for value creation of state of the art data
The HydroKARBON project

Direct influence on Exploration decisions

- Extensive field work on the source rock potential of the Paleozoic succession on Svalbard
- Tested oil sample in one well from Svalbard together with NPD, proving Paleozoic origin of the oil
- Used as direct analogy in evaluating the Paleozoic play for Det norske’s prospects in the Barents Sea
KEY IMPROVEMENT INITIATIVES

Reduce exploration costs and increase quality

- Enable G&G process efficiency through multiple initiatives:
  - Improving formal and informal exploration processes
  - Improving strategic long term planning and prioritization in projects and everyday work
  - Improving approach to identification of new technology and external cooperation / alliances

- Optimize exploration well drilling methodology by:
  - Developing dry hole design methodology
  - Implementing standard well designs
  - Improving planning process and key interfaces
Development projects

Olav Henriksen
SVP Projects
## DEVELOPMENT PROJECTS

### Project inventory provides flexibility

<table>
<thead>
<tr>
<th>Project</th>
<th>DETNOR Equity</th>
<th>Gross mmboe</th>
<th>Plateau production (gross)</th>
<th>Estimated first oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>BoaKamNorth</td>
<td>62.4%</td>
<td>10</td>
<td>~9 mboepd</td>
<td>2016</td>
</tr>
<tr>
<td>Ivar Aasen</td>
<td>34.8%</td>
<td>186</td>
<td>~67 mboepd</td>
<td>2016</td>
</tr>
<tr>
<td>Viper-Kobra</td>
<td>65.0%</td>
<td>8</td>
<td>~8 mboepd</td>
<td>2016</td>
</tr>
<tr>
<td>Gina Krog</td>
<td>3.3%</td>
<td>216</td>
<td>~67 mboepd</td>
<td>2017</td>
</tr>
<tr>
<td>Volund infills</td>
<td>65.0%</td>
<td>12</td>
<td>~13 mboepd</td>
<td>2017</td>
</tr>
<tr>
<td>Attic Oil 1</td>
<td>57.6%</td>
<td>7</td>
<td>-</td>
<td>2017</td>
</tr>
<tr>
<td>BoaKamSouth/West</td>
<td>60.6%</td>
<td>6</td>
<td>-</td>
<td>2018</td>
</tr>
<tr>
<td>Johan Sverdrup</td>
<td>11.6%</td>
<td>2,615</td>
<td>550-650 mboepd</td>
<td>2019</td>
</tr>
<tr>
<td>Vette/Mackrel</td>
<td>50.0%</td>
<td>54</td>
<td>-</td>
<td>2019</td>
</tr>
<tr>
<td>Caterpillar</td>
<td>65.0%</td>
<td>8</td>
<td>-</td>
<td>2019</td>
</tr>
<tr>
<td>Hanz</td>
<td>35.0%</td>
<td>18</td>
<td>~13 mboepd</td>
<td>2021</td>
</tr>
<tr>
<td>Garantiana</td>
<td>30.0%</td>
<td>114</td>
<td>-</td>
<td>2021</td>
</tr>
<tr>
<td>Krafla/Askja</td>
<td>50.0%</td>
<td>180</td>
<td>-</td>
<td>2022</td>
</tr>
<tr>
<td>North of Alvheim*</td>
<td>Various</td>
<td>138</td>
<td>-</td>
<td>TBD</td>
</tr>
</tbody>
</table>

- **Sanctioned**
- **Not sanctioned**

* Storklakken, Frøy, Frigg Gamma Delta, Trell
GREATER ALVHEIM AREA

Asset profile

Operated, ~65%* working interest

- Production from the Alvheim field started in June 2008
- Oil is transported from the field with a shuttle tanker, and associated gas is exported to Scotland
- Additional resources added with subsea tie-in from Vilje (first oil 2008), Volund (first oil 2009) and Bøyla (first oil 2015)
- More infill wells are being matured to arrest the decline in production

---

License: PL203, PL088BS, PL036C, PL036D, PL150, PL340

Discovery year: 1998

End 2015 2P reserves (net): 117 mmboe

Production start: 2008

Partners: ConocoPhillips, Lundin, Core Energy (PL340), Statoil (PL036D), PGNiG (PL036D)

*57.62% in PL088BS (Boa), 46.9% in PL036D (Vilje)
GREEN ALVHEIM AREA

Next projects in the Alvheim area

Planning for the next projects

- Secured rig capacity for wells after Viper/Kobra
  - Transocean Artic with commencement in December 2016
  - Options to extend to 2019

- Acquiring long lead items for likely wells
  - Ordered LLI’s for the infill wells on Volund
  - In the process of approving orders for LLI’s for Boa West/Boa Kam South and Attic Oil

- Reusing, not reinventing
  - Proven technology
  - Utilizing the same teams
  - Standardized development concepts
  - Learning and improvement processes
IVAR AASEN AND HANZ

Asset profile

Operated, ~35%* working interest

- PDO for Ivar Aasen was approved on May 21, 2013
- Gross P50 reserves of 204 mmboe
- Production of ~67,000 boepd at plateau
- Final processing and export of oil and gas at the Edvard Grieg platform
- Oil export to Sture via the Grane pipeline
- Gas to St Fergus via the SAGE pipeline
- Project on track for first oil in Q4 2016

<table>
<thead>
<tr>
<th>License:</th>
<th>PL001B, PL242, PL457 (Unit), PL028B (Hanz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discovery year:</td>
<td>2008</td>
</tr>
<tr>
<td>End 2015 2P reserves (net):</td>
<td>71 mmboe</td>
</tr>
<tr>
<td>Production start:</td>
<td>Q4 2016</td>
</tr>
<tr>
<td>Partners:</td>
<td>Statoil, Bayerngas, Wintershall, VNG, Lundin, OMV</td>
</tr>
</tbody>
</table>

*34.78% in PL 001B/242/457, 35% in Hanz PL 028B
Our commitment and that of our partners:
- Zero HSE incidents
- Engaged and committed leadership
- Work actively with HSE
- Open and honest culture

The right to stop unsafe work
- Responsibility and authority to intervene
- Respect rules
- Taking good care of ourselves

Extensive operational activities with no major incidents in 2015
IVAR AASEN

On track to secure first oil Q4 2016

Drilling of geopilots on IA
Jacket sailed from Sardinia
IA LQ stacked
Jacket installation
Rock installation and trenching 2015 Campaign completed
Topside Onshore Commissioning commenced
Topside Loop testing commenced

Jan 15
Apr 15
May 15
Jun 15
Jul 15
Aug 15
Sep 15
Oct 15
Nov 15
Dec 15

Stacking of IA Topside decks
IA/EG Stalk fabrication
Offshore personnel recruitment completed
Start pre-drilling over Jacket
Ivar Aasen/Edvard Grieg pipelines installed
Choice of Topside Installation window decided
Upcoming milestones

**JAN 16**
LQ onshore Company standalone Commissioning

**MAR 16**
SURF Power cable Installation

**MAY 16**
LQ Sailaway

**JUL 16**
Topside Installation

**SEP 16**
Continue production drilling

**NOV 16**
First Oil Target

**DEC 16**
Zephyrus
IVAR AASEN

Jacket installed on the field last summer

- The steel jacket was constructed by Saipem on Sardinia, Italy
- The jacket was lifted in place on the seabed 112 meters below sea level on 10 June
- Piling and grouting activities were concluded and the jacket installation finished in mid July
IVAR AASEN

Subsea, Umbilical, Riser and Flowline (SURF)

SURF scope on track

- **2015 scope completed**
  - Installation of three pipelines between Ivar Aasen and Edvard Gried were completed in September
  - Rock dumping on pipeline for Ivar Aasen
  - Metrology, pre-commissioning and trenching are completed

- **2016 scope of work**
  - Installation of power cable
  - Spool and cover installation
  - Trenching power cable
  - Finalize rock dumping
  - Commissioning pipelines and power cable
Excellent Drilling Performance

- Initiated drilling of production wells through jacket in mid-July
  - Batch set five conductors
  - Three producers drilled and completed
  - First injector drilled and completed

- World class drilling performance
  - Rig move and preparations for drilling completed in six days
  - Batch setting of five conductors well ahead of plan and budget
  - Top drilling and completion performance

- Targeting further performance improvements

---

Meters/dry hole day (ex. core&log) by well

Total Completion Days

Development wells between 2010 and 2015 on the NCS, targeting conventional hydrocarbons (ex. HPHT, multilateral wells, extended reach, locator wells)

Open hole wells between 2002 and 2015 on the NCS, targeting conventional hydrocarbons (wire trapped, single completion string, ex. multilateral)

---

* Source: Rushmore and Det norske
Topside at 92.5% completion

Minimizing offshore hook-up & commissioning scope

- Integrated Design Review to verify the design
- Timely delivery of EICT inputs to Construction and Commissioning
- Close cooperation in integrated team with Det norske and contractors
- Construction and Commissioning actively involved in handover process to Commissioning
- Mitigation of risks to secure first oil including:
  - Construction manning
  - Safety systems
  - Fire or sabotage at construction site
  - Interface with Edvard Grieg
Make platform ready for first oil

- Completion
  - Aibel hired and mobilized as hook-up contractor
  - Integrated team – Det norske, Aibel people in Singapore
  - 450 bed Floatel to accommodate offshore work force
- Ivar Aasen readiness team established with mandate to secure 1st oil Q4 2016
  - One team’ approach for effective working and coordination
  - Assurance and alignment across sub projects and between Ivar Aasen and Edvard Grieg
- Edvard Grieg ready for Ivar Aasen summer 2016 as per agreement

Source: Prosafe
JOHAN SVERDRUP

Asset profile

Partner, 11.5733 % working interest

- Johan Sverdrup is one of the largest fields on the NCS
- PDO for Johan Sverdrup phase 1 was approved on August 21
- Recoverable reserves of 1.7-3.0 billion boe
  - ~80% to be extracted from first phase investments
- Production to reach 315 – 380 mboepd at plateau (Phase 1)
- Oil export to Mongstad, gas export to Kårstø
- Power from shore
- Project on track for first oil in Q4 2019

License: PL265, PL501, PL502
Discovery year: 2010
End 2015 2P reserves (net): 303 mmboe
Production start: Q4 2019
Partners: Statoil Petroleum AS (operator), Lundin Norway AS, Petoro AS, Maersk Oil Norway AS
JOHAN SVERDRUP

Project progressing as planned

- Most major contracts have been awarded
- Cost estimates continue to come down
  - Phase 1 CAPEX (Operator’s latest estimate) reduced from NOK 123 billion (nom.) at PDO to NOK 108.5 billion (nom.)*
- Operator’s Phase 1 indicative FX split on CAPEX
  - NOK
  - USD
  - Other
  - ~20%
  - ~20%
  - ~60%
- Debottlenecking measures decided with aim to increase Phase 1 production capacity

* Based on the PDO exchange rate of USD/NOK of 6.0

The Johan Sverdrup development
JOHAN SVERDRUP

Full field development

- **Planned milestones**
  - Concept selection / DG2: Q4 2016
  - Development plan: Q4 2017
  - Production start-up: 2022

- Developing the periphery of the field
  - Additional wells
  - Additional subsea installations and/or unmanned wellhead platforms
  - Increase process capacity to 550 – 650 mboepd

- Including power from shore to the Utsira High fields Ivar Aasen, Edvard Grieg and Gina Krog

- Full field CAPEX (Operator’s latest estimate) NOK 160 – 190 billion (real)*

* Based on the PDO exchange rate of USD/NOK of 6.0
GINA KROG

Asset profile

Partner, ~3.3% working interest

- Located about 30km northwest of Slepiner, and will be developed to the Sleipner field
- PDO approved in 2013, first oil expected in 2017
- Field is developed with a platform resting on the seabed, while the wells will be drilled with a mobile jack-up drilling rig.
  - Liquid will be transported via a tanker, while the gas via the Sleipner field

<table>
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<th>PL029B, PL029C, PL048, PL303</th>
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<tr>
<td>Discovery year:</td>
<td>1974</td>
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<tr>
<td>End 2015 2P reserves (net):</td>
<td>7 mmboe</td>
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<tr>
<td>Production start</td>
<td>2017</td>
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<tr>
<td>Partners</td>
<td>Statoil (operator), Total, PGNIG</td>
</tr>
</tbody>
</table>
Asset profile

Operated, ~50% working interest

- Discovered in 1972 and appraised in 2009
- Three development concepts being evaluated:
  - Use of jack up drilling rig with production facilities
  - Subsea wells connected up to a FPSO
  - Wellhead platform with processing capability
- Deadline for submission of PDO is extended to Q1 2017 by the Ministry of Petroleum and Energy
- Mackerel and Herring represent potential future upside

<table>
<thead>
<tr>
<th>License:</th>
<th>PL407</th>
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<tbody>
<tr>
<td>Discovery year:</td>
<td>1972</td>
</tr>
<tr>
<td>End 2015 contingent resources (net):</td>
<td>24 mmboe</td>
</tr>
<tr>
<td>Production start</td>
<td>2019 (estimate)</td>
</tr>
<tr>
<td>Partners</td>
<td>Kufpec Norway AS, Tullow Oil Norge AS</td>
</tr>
</tbody>
</table>
Developing a new project delivery model

KEY IMPROVEMENT INITIATIVES

- Establish a new project delivery model including:
  - Developing a new project model covering tie-back, subsea and development projects
  - Securing front end loading and project continuity
  - Revising operations strategy and functional requirements
  - Revising LCI and technical requirements

GOALS:

50% reduction in engineering hours per ton produced platform
Cut total execution time with minimum 25%
Sanction stand-alone projects at a break even price below 40 USD/bbl
Producing assets

Geir Solli
SVP Operations
GREATER ALVHEIM AREA

Strong HSE performance

- There were no serious incidents in 2015:
  - No serious personnel injuries
  - No acute spills to the environment
  - No incidents with high potential

- Experienced personnel and a mature organization at Alvheim contribute to good HSE results

- Several initiatives are implemented to ensure continued improvement in HSE performance:
  - HSE culture sessions held for the entire organization
  - Program for major accident prevention continued from previous years
  - Emphasized focus on risk management tools and process
  - Transferring of best practice to Ivar Aasen Operations
The Alvheim story - exploration

Area consolidation 2001-2002
- Known hydrocarbon presence but complex mixture of licenses and owners
- Resource potential commercial only with an area development approach
- Area extended over 3 licenses - Reduced number of owners from 9 to 3
- License coordination agreement with common ownership

Exploration campaign in 2003 proved up commerciality
- 3 discoveries - expected gas, but found oil
- 3rd party field Vilje also discovered same year
The Alvheim story - development

Fast track development of an Area Oil Hub

- Q4 2003 Concept Selection based on converting the “MST Odin” to an FPSO
- Q3 2004 Alvheim and Vilje PDOs submitted
- 2005 Hull conversion at Keppel Shipyard in Singapore
- 2006 - 2007 Topsides and Integration, Vetco Aibel in Haugesund
- Q2 2006 Pre-drilling of wells commenced
- June 2008 First production

Further Area development

- Q3 2008 Vilje first oil
- Q3 2009 Volund first oil
- Q1 2015 Bøyla first oil
GREATER ALVHEIM AREA

The Alvheim FPSO
Sanctioned Status January 2016
GREATER ALVHEIM AREA

The Alvheim FPSO production and Alvheim area reserves

Alvheim FPSO historical production (mboepd gross)

Reserves vs. PDO (P50 gross), mmboe

- Remaining reserves
- Produced to end 2015
- Reserves at PDO

+97%
+59%
+71%
GREATER ALVHEIM AREA

Excellent uptime and reliability record

Alvheim Area

- Mid-life Detnorske operated FPSO currently producing ~100 mboepd (gross)
- ~310 million barrels of oil (gross) produced to date
- Strong operational performance, with a well embedded continuous improvement culture
  - Year-on-year improvement in production efficiency
  - Top quartile operating cost and production efficiency performance in 2014 McKinsey benchmarking
- Continued strong focus on managing unplanned and planned losses
GREATER ALVHEIM AREA

Way forward

- Secure continuous development to fill the FPSO
  - Further area infill drilling
  - Development of further small discoveries in the area e.g. Caterpillar, Storklakken, Gekko
  - Near infrastructure exploration

- High focus on subsurface maturation to maximize recovery with lowest number of wells/ laterals
  - Maximize seismic utilization inc. 4D
  - Utilizing new technology on data acquisition, geo-steering and ICD design (AICD/AICV)
  - Pilots into low amplitude areas

- Cost reduction in field developments, especially with regards to drilling and completion and subsea technology

- Low rig rate for Transocean Arctic will increase likelihood of continued production drilling at Alvheim
Operational readiness

Status update

- Ivar Aasen readiness team established
  - One overall integrated team securing effective planning, execution and start-up Q4 2016
- Asset based operation and fully integrated technical support for the Alvheim and Ivar Aasen assets
- Aligned competence mapping and training requirement for Alvheim and Ivar Aasen
- Operation service contracts aligned with Alvheim
- Work processes being finalized - Management system
- Equipment criticality assessment and Maintenance program planning being developed
- Edvard Grieg ready for Ivar Aasen start-up summer 2016 as per agreement
  - Integrated plan for tie-in activities being established
KEY IMPROVEMENT INITIATIVES

Optimize Alvheim and transfer knowledge to Ivar Aasen

- Capture synergies across assets by:
  - Implementing common work processes
  - Sharing technical support and services
  - Implementing efficient area emergency solutions
  - Ensuring organizational efficiency

- Optimize maintenance and modifications through:
  - Reduction of preventive maintenance in low criticality areas
  - Insourcing activities performed by suppliers/contractors
  - Optimizing modifications and use of MMO contract
  - Review and revise spare parts management

- Increase tool time through implementation of lean principles:
  - Optimizing work processes and the planning process
  - Improving workplace organization
  - Reviewing documentation process and quality
Concluding remarks

Karl Johnny Hersvik
Chief Executive Officer
CORPORATE STRATEGY

Three building blocks for future success

**Execute**
- Ivar Aasen project and drilling
- Production, projects and drilling on Alvheim
- Efficient integration of acquisitions

**Improve**
- Deliver on improvement agenda
- Strengthen improvement capabilities
- Develop new improvement initiatives

**Grow**
- Be opportunistic and exploit market opportunities
- Achieve selective growth that is value and credit accretive
- Secure new exploration acreage
Concluding remarks

- Strong current production base and operational cash flow
- World-class project portfolio with low break even oil price levels
- Identified potential within the portfolio to lift oil & gas production to 160,000 boepd after 2020 in improved market conditions
- Significant free cash flow from 2020 onwards as Johan Sverdrup is brought on stream
- Robust capital structure with sufficient funding for current work program
- Utilize current environment to strengthen long-term competitiveness and cost base
- Improvement program to be an enabler to ensure competitive edge in a low oil price scenario