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Highlights

- Production
  - Q1-16 production of 60.6 mboepd, +12% from Q4-15

- Finance
  - Q1 EBITDA USD 129 million, EPS 0.16 (USD)
  - USD 1.23 billion in cash and undrawn debt facilities

- Development projects
  - Ivar Aasen development on plan and budget
  - Johan Sverdrup drilling commenced
  - Viper well completed, Kobra ongoing

- Exploration
  - Drilling program in Krafla/Askja area ongoing

- Business development
  - Acquisitions from Noreco and Centrica
## FINANCIALS

### Statement of income

<table>
<thead>
<tr>
<th>Income statement (USD mill)</th>
<th>Q1 2016</th>
<th>Q1 2015</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>205</td>
<td>329</td>
<td>1,222</td>
</tr>
<tr>
<td>Production costs</td>
<td>34</td>
<td>39</td>
<td>141</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>5</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td><strong>EBITDAX</strong></td>
<td><strong>165</strong></td>
<td><strong>275</strong></td>
<td><strong>1,029</strong></td>
</tr>
<tr>
<td>Exploration expenses</td>
<td>36</td>
<td>15</td>
<td>76</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>129</strong></td>
<td><strong>261</strong></td>
<td><strong>953</strong></td>
</tr>
<tr>
<td>Depreciation</td>
<td>114</td>
<td>122</td>
<td>481</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>38</td>
<td>53</td>
<td>430</td>
</tr>
<tr>
<td><strong>Operating profit/loss (EBIT)</strong></td>
<td><strong>(23)</strong></td>
<td><strong>86</strong></td>
<td><strong>41</strong></td>
</tr>
<tr>
<td>Net financial items</td>
<td>8</td>
<td>(4)</td>
<td>(155)</td>
</tr>
<tr>
<td><strong>Profit/loss before taxes</strong></td>
<td><strong>(16)</strong></td>
<td><strong>81</strong></td>
<td><strong>(114)</strong></td>
</tr>
<tr>
<td>Tax (+) / Tax income (-)</td>
<td>(48)</td>
<td>79</td>
<td>199</td>
</tr>
<tr>
<td><strong>Net profit/loss</strong></td>
<td><strong>32</strong></td>
<td><strong>2</strong></td>
<td><strong>(313)</strong></td>
</tr>
<tr>
<td>EPS (USD)</td>
<td>0.16</td>
<td>(0.01)</td>
<td>(1.54)</td>
</tr>
</tbody>
</table>
## FINANCIALS
### Statement of financial position

<table>
<thead>
<tr>
<th>Assets (USD mill)</th>
<th>31.03.16</th>
<th>31.03.15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>739</td>
<td>1,134</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>924</td>
<td>940</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>3,090</td>
<td>2,679</td>
</tr>
<tr>
<td>Receivables and other assets</td>
<td>263</td>
<td>314</td>
</tr>
<tr>
<td>Calculated tax receivables (short)</td>
<td>215</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>155</td>
<td>412</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>5,387</strong></td>
<td><strong>5,480</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and liabilities (USD mill)</th>
<th>31.03.16</th>
<th>31.03.15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>371</td>
<td>654</td>
</tr>
<tr>
<td>Other provisions for liabilities incl. P&amp;A (long)</td>
<td>461</td>
<td>505</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>1,384</td>
<td>1,363</td>
</tr>
<tr>
<td>Bonds</td>
<td>518</td>
<td>233</td>
</tr>
<tr>
<td>Bank debt</td>
<td>2,221</td>
<td>2,144</td>
</tr>
<tr>
<td>Tax payable</td>
<td>-</td>
<td>110</td>
</tr>
<tr>
<td>Other current liabilities incl. P&amp;A (short)</td>
<td>431</td>
<td>471</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>5,387</strong></td>
<td><strong>5,480</strong></td>
</tr>
</tbody>
</table>
Operating cash flow covered ~80 percent of investments in the first quarter 2016 despite lower oil prices

Net interest-bearing debt (book value) of USD 2.58 billion at the end of Q1-2016

Cash and undrawn debt facilities of USD 1.23 billion at the end of Q1-2016

Interim redetermination carried out during Q1-2016
  • Borrowing base of USD 2.8 billion through June 2016
  • Borrowing base from end June to end 2016 of USD 2.9 billion
  • Next redetermination in December 2016

* Including FX effect on cash on held
Covenant amendment process progressing

- Covenant amendment package accepted by bank consortium with agreement to ease covenant levels to end 2019
- Company working to achieve an amicable solution with bondholders in DETNOR02
- Leverage ratio of 2.5x and interest cover ratio of 7.9x at the end of Q1-2016

**Leverage ratio**

- Old covenant threshold
- New covenant threshold in RBL and RCF
- Actual leverage ratio

**Interest cover ratio**

- Old covenant threshold
- New covenant threshold in RBL and RCF
- Actual interest cover ratio
PRODUCTION

Oil and gas production

- Q1 2016 production of 60.6 mboepd
- Q1 2016 production efficiency of 99.3%
- Realized oil price of USD 37/bbl
- Production guidance reiterated
  - 2016 production expected between 55 – 60 mboepd

Net production (boepd) and production efficiency
New projects in the Alvheim area

- 3 new wells planned to come on stream in 2016
- BoaKamNorth drilling completed in January
  - Ahead of schedule and budget
  - Well to be tied in to Alvheim infrastructure in Q2-2016
  - First oil expected in Q2-2016
- Transocean Arctic contract from December 2016
  - Two Volund infill wells
  - One Alvheim Attic well
  - One exploration well at West Volund
- Secure continuous development to fill the FPSO
  - Further maturing opportunities for the area
GREATER ALVHEIM AREA

Viper-Kobra development

Drilling program ongoing, first oil in Q4-2016

- **Viper**
  - Pilot well confirmed regional drawdown and connection to aquifer
  - Drilled and completed Q1 2016, 19 days ahead schedule
  - Preliminary post-drill assessment indicate 4 – 7 mmboe (gross) vs the P50 pre-drill estimate of 4 mmboe (gross)

- **Kobra**
  - Pre-drill P50 estimate of 4 mmboe (gross)
  - Pilot well confirmed net sand penetration and confirmed pressure drawdown and connection with aquifer
  - Pilot proved additional gross mean resources of 1.6 mmboe in shallower formation
  - Horizontal producer landed in reservoir, 6 days ahead of schedule

- **Kobra East**
  - Prospect east of Kobra to be tested with toe of Kobra producer
  - Targeting gross mean resources of 9.3 mmboe (67% C.O.S)
**Ivar Aasen project on plan and budget**

**Recent events**

- Construction of topside has reached 98% completion in Singapore
- Handover of sub-systems for commissioning and testing for topside and living quarters during the quarter
- Cosco’s heavy-transport vessel «Xiang Rui Kou» to transport topside to the North Sea
- Production drilling continued ahead of schedule with top quartile performance, five producers and one water injector finished
- Two geo-pilot wells at West Cable East finished
  - Results are being evaluated
- Power cable between Edvard Grieg and Ivar Aasen installed

**Detailed timeline**

- 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

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1 34.78% in PL 01B/242/457, 35% in Hanz PL 028B
Ivar Aasen

Upcoming milestones

Load out of topside and sail away from Singapore – Q2 2016

Hook-up, commissioning, testing and preparation for first oil – Q3/Q4 2016

Topside installation – July 2016

First oil – December 2016

Subsea scope finished – Q3 2016
Handover of subsystem to operations before sail-away to minimize offshore work scope

Det norske and Aibel working as one integrated team with common KPIs and incentives to minimize offshore work hours

Proactive planning and coordination of all offshore activities to secure 1st oil in December 2016

Safe Zephyrus mobilized from inshore location with personnel and equipment onboard to reduce logistics demand in mobilization phase

Strong integrated onshore support-team to facilitate efficient work processes offshore
Pre-drilling with Deepsea Atlantic commenced in March
- 8 oil production wells and a similar number of water injection wells are planned to be pre-drilled
- 35 wells are planned to be drilled in Phase 1

Platform construction ongoing:
- Living Quarter: Kværner Stord
- Drilling Platform: Aibel Haugesund
- Jackets: Kværner Verdal (3), Dragados (1)

CAPEX at CCE2: NOK 108.5 billion (nominal in project FX), down from NOK 123 billion in PDO
- Approximately 60% of CAPEX in NOK

Partners have decided on debottlenecking measures with aim to increase phase 1 production capacity above 380 mboepd

Phase 2 concept selection/DG2 planned for Q4 2016
EXPLORATION

Drilling campaign in Krafla/Askja area ongoing

2016 drilling campaign

- Gross proven resources of 140 – 220 mmboe in PL035/272 prior to 2016 drilling campaign

- Minor oil discovery at Madam Felle (1-3 mmboe gross)
  - Viti side-track dry

- Askja SE spudded in April 2016

Map of Krafla/Askja area

<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>
</thead>
<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>
</tr>
<tr>
<td>PL272/035</td>
<td>Madam Felle</td>
<td>Statoil</td>
<td>50%</td>
<td>20 - 49</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Askja SE</td>
<td></td>
<td></td>
<td>24 - 79</td>
<td>Songa Delta</td>
<td>Q2</td>
</tr>
<tr>
<td></td>
<td>Beerenberg</td>
<td></td>
<td></td>
<td>13 - 46</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slemmestad</td>
<td></td>
<td></td>
<td>29 - 86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PL626</td>
<td>Rovarkula</td>
<td>DETNOR</td>
<td>50%</td>
<td>8 - 79</td>
<td>Maersk Interceptor</td>
<td>Q3</td>
</tr>
<tr>
<td>PL533</td>
<td>Filicudi</td>
<td>Lundin</td>
<td>20%</td>
<td>24 - 146</td>
<td>Leiv Eriksson</td>
<td>Q3</td>
</tr>
</tbody>
</table>

*Gross unrisked

DETNORSKE
GROWTH

Strengthened position in the North of Alvheim area

- North of Alvheim* area holds gross mean contingent resources of 160-170 mmboe
- Further volume upside from exploration prospects in the area
- Acquisition of licenses from Centrica Resources Norge AS**
  - 30% in PL 442 + operatorship – Frigg Gamma Delta
  - 30% in PL026 – Rind
  - 30% in PL026B – Langfjellet
- Licenses add about 32 mmboe net to Det norske
- Det norske to cover expenses from 1. Jan 2016
- Det norske has established an early-phase project to assess possible area development concepts

* Frigg Gamma Delta, Frøy, Rind, Storklakken, Trell
**Subject to government approval
A large number of improvement initiatives are being implemented to reduce expenditures and increase quality
- Covering all disciplines - program sponsored by the CEO
- Initiatives aim to reduce run-rate costs

Ambition to sanction new stand-alone projects at break-even prices below 40 USD/boe
- New project delivery model being piloted on new subsea tie-in projects on Alvheim

Starting to see results from improvement initiatives
- Exceptional drilling performance on Alvheim and Ivar Aasen
- Lean implementation on Alvheim operations showing both cultural and quantifiable results

Entire organization being trained in Lean methodologies and thinking to enhance the continuous improvement culture
**OUTLOOK**

## 2016 guidance

<table>
<thead>
<tr>
<th>Item</th>
<th>Guidance</th>
</tr>
</thead>
<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>

*Based on USD/NOK 8.8*

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*From 2016, production cost includes shipping & handling cost, budgeted at USD 1.2 per bbl after Det norske started to sell its own Alvheim crude.*
OUTLOOK

Summary and outlook

- **Development projects**
  - Aasen topside heavy lift in July, first oil in December
  - Johan Sverdrup drilling and construction
  - First oil at BoaKamNorth in Q2, drilling of Kobra well

- **Financing**
  - Available liquidity of USD 1.23 billion
  - Finalize discussions with bondholders

- **Improvement**
  - New project delivery model being piloted on new subsea tie-in projects on Alvheim

Saipem 7000 lifting module M00