

North Energy

Pareto London 19th January 2011



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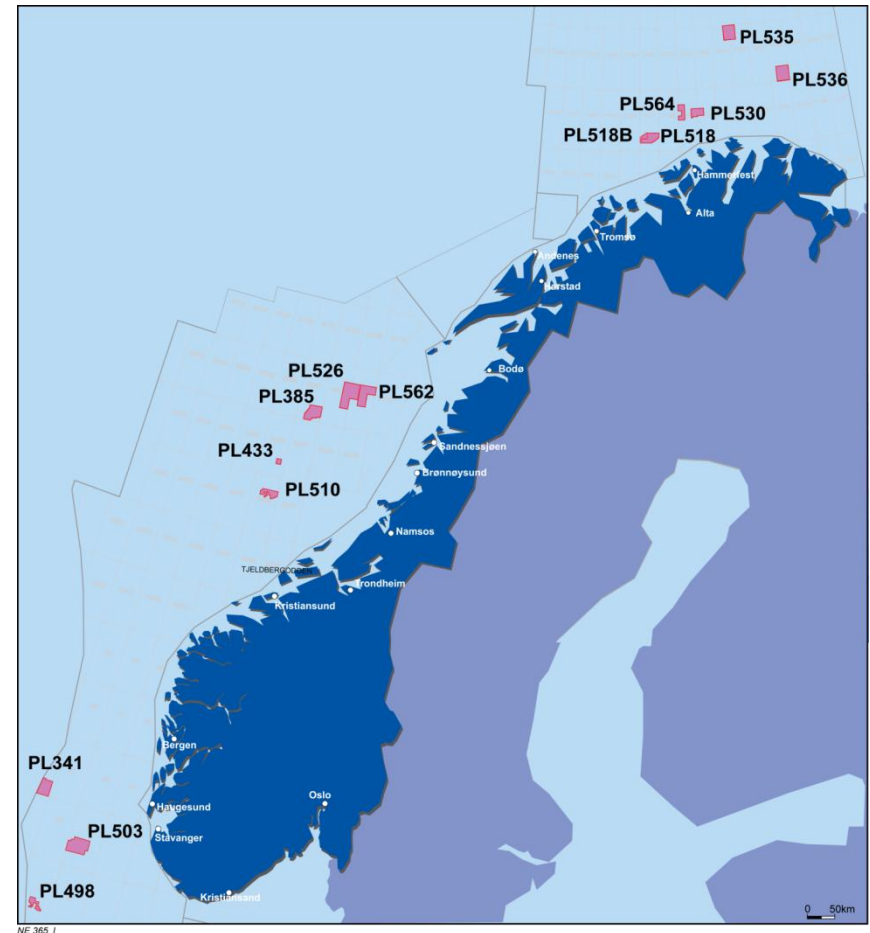
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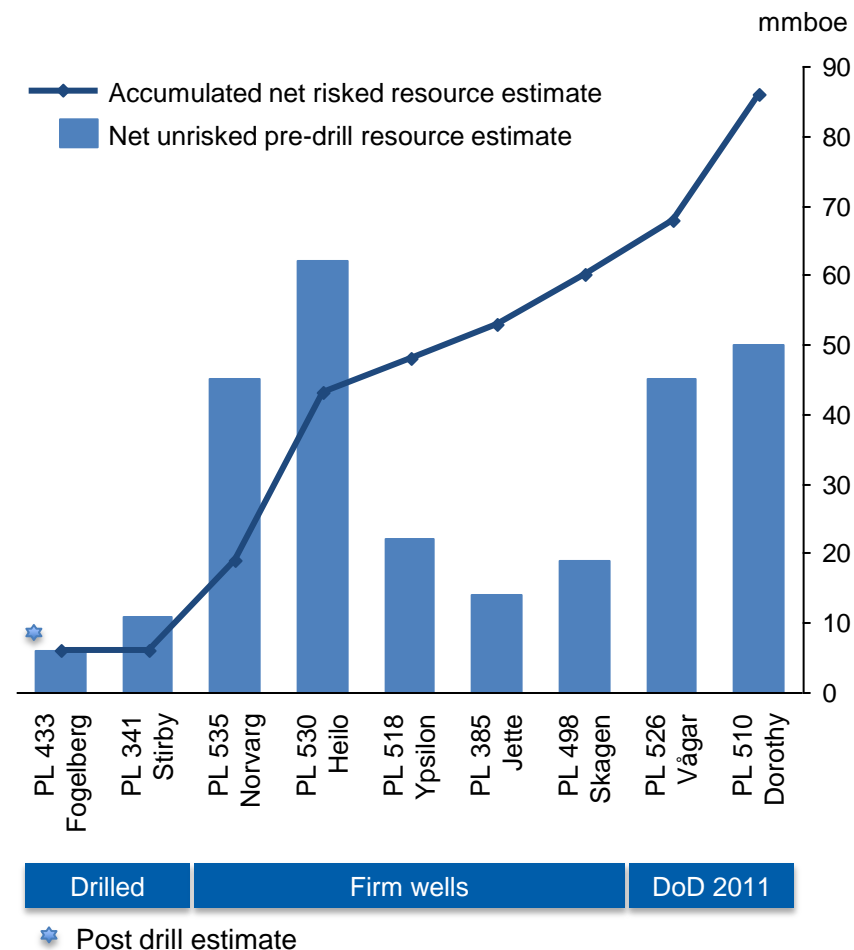
Introduction to North Energy ASA

- **Oil and gas company headquartered in Alta in Northern Norway**
 - 14 licenses offshore Norway
 - Listed on Oslo Axess (ticker: NORTH)
 - Market cap of USD 90 million
- **Five firm wells in the period 2011-2012**
 - Two wells completed in 2010 with one commercial discovery
 - Targeting 54 mmboe net risked resources next 15 months
 - Two drill-or-drop decisions to be made in 2011
- **Strong financial platform**
 - Equity base of NOK 525 million as of Q3
 - Fully financed exploration program



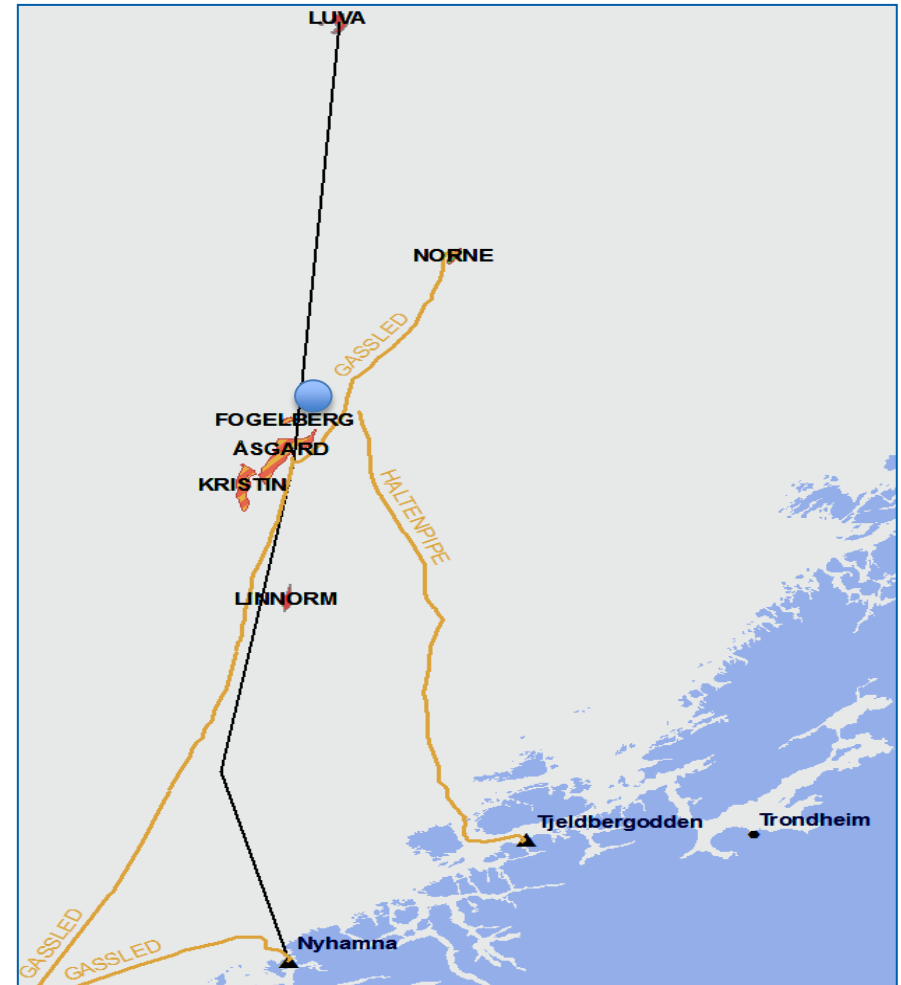
Focused explorer with a strong position in Northern Norway

- **Commercially focused exploration strategy targeting prospects-**
 - With high probability of success
 - Close to infrastructure - limiting financial exposure
 - Short lead time to production
- **Actively pursuing new business through farm-ins**
- **Positioned to participate in new, prospective areas**
 - The previously disputed area on the border of Russia
 - Lofoten-Vesterålen



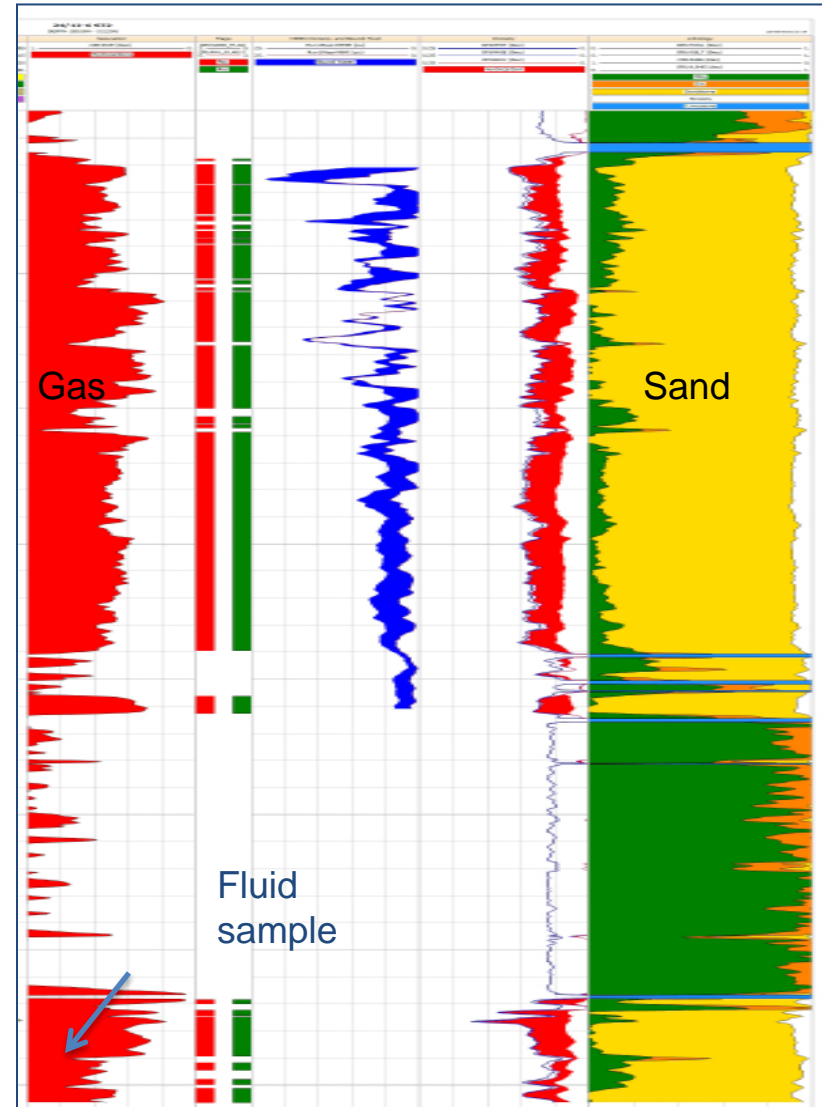
PL 433 Fogelberg – a promising discovery

- **Gas/condensate discovery close to new infrastructure**
 - Within 18 km from Åsgard B
 - Discovered in the spring of 2010
- **Volume estimates indicate commercial discovery**
 - Expected recoverable volume of 62 mmboe (90 mmboe in the high case)
 - Break-even case of 30 mmboe proves robust economics
- **Maturing towards PDO in 2013**
 - Need for appraisal well to be determined
 - New pipeline may speed up production start to 2016 – significant impact on market value



PL 341 Stirby

- **Wildcat exploration well completed in December 2010**
 - Well drilled above reservoir pinch-out of Upper Stirby. No data collected
- **Strong indications of hydrocarbons in Stirby Deep**
 - Low porosity sand (8 – 10%)
 - Low permeability
- **Further analysis work required**
 - Remaining prospectivity downdip of Upper Stirby
 - Productivity of Stirby Deep

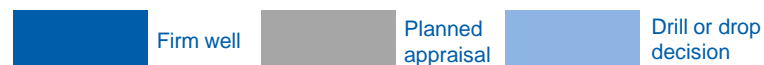


Stirby Deep well log

Drilling programme

Prospect	Licence	Interest	Operator	Location	Net mean risked	Rig secured	Timing	
							2011	2012
Norvarg	PL 535	20%	Total	Barents Sea	13 mmboe	West Phoenix		
Heilo	PL 530	20%	GdF Suez	Barents Sea	24 mmboe	Aker Barents		
Heilo sidestep*	PL 530	20%	GdF Suez	Barents Sea	N/A	Aker Barents		
Ypsilon	PL 518	30%	DONG	Barents Sea	5 mmboe	Aker Barents		
Ypsilon sidestep*	PL 518	30%	DONG	Barents Sea	N/A	Aker Barents		
Jette	PL 385	15%	Statoil	Norwegian Sea	5 mmboe	Transocean Leader		
Skagen	PL 498	25%	Lotos	North Sea	7 mmboe	N/A		
Vågar	PL 526	40%	North Energy	Norwegian Sea	8 mmboe	N/A		
Dorothy	PL 510	40%	Centrica	Norwegian Sea	18 mmboe	N/A		

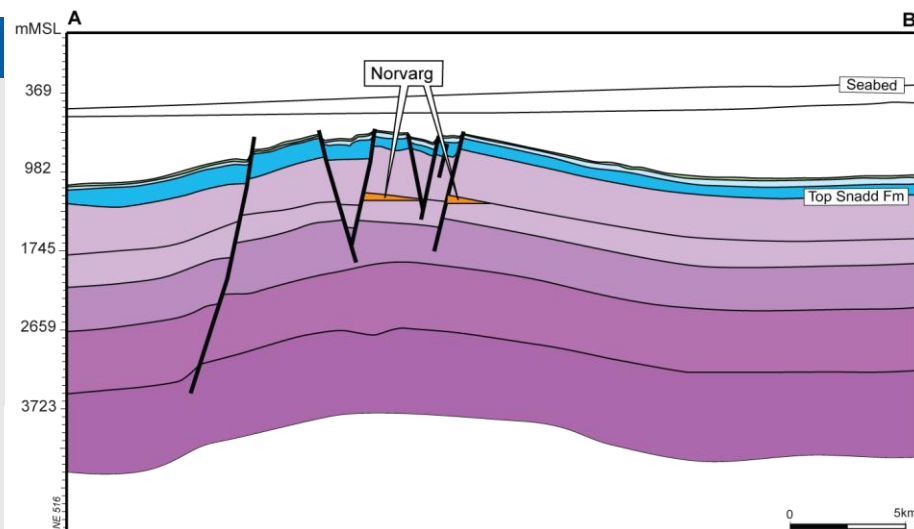
* Sidestep planned for in case of discovery. May shorten the lead time to PDO with approx two years



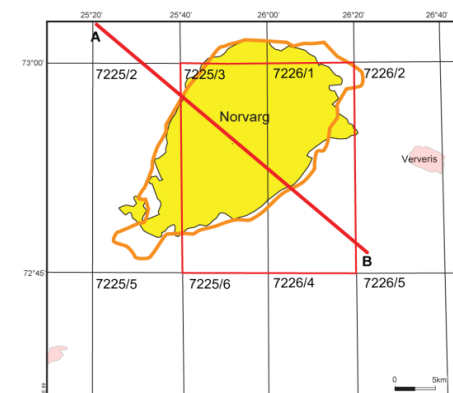
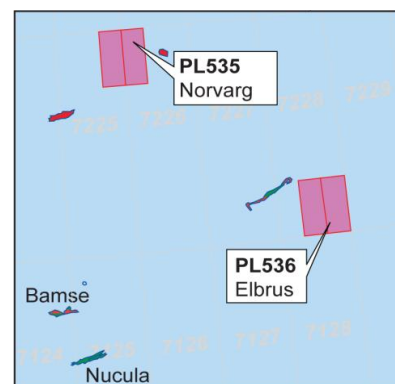
PL 535 Norvarg – first high impact well in 2011

PL 535 in the Barents Sea

Awarded	20th round (2009)	Main prospect	Norvarg
Operator	Total (40%)	Hydrocarbons	Gas
Partners	North Energy (20%)	Expected drilling	Q2 2011
	Det norske (20%)	Prob. of success	29%
	Rocksource (20%)	Gross mean unrisked	226 mmboe
		Net mean risked	13 mmboe
Work program	A 3 D has been acquired and processed One firm well within four years		



- Located between the Ververis and Arenaria gas discoveries
- Several development options where development as a part of Train 2 on Snøhvit is one
- Deep oil upside not included

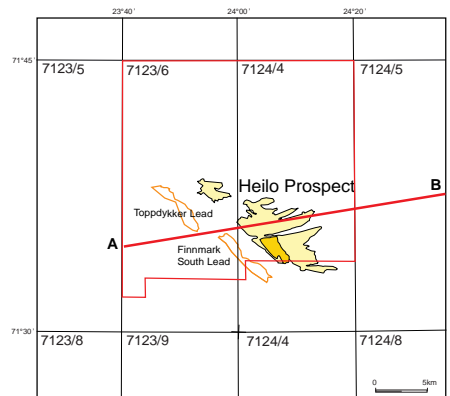
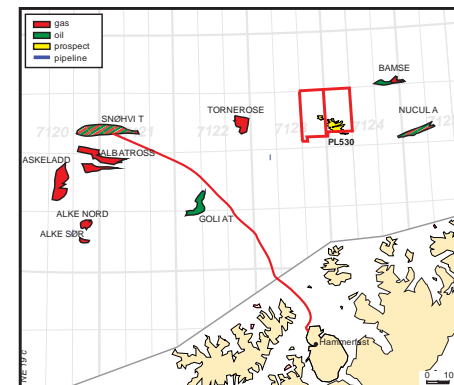
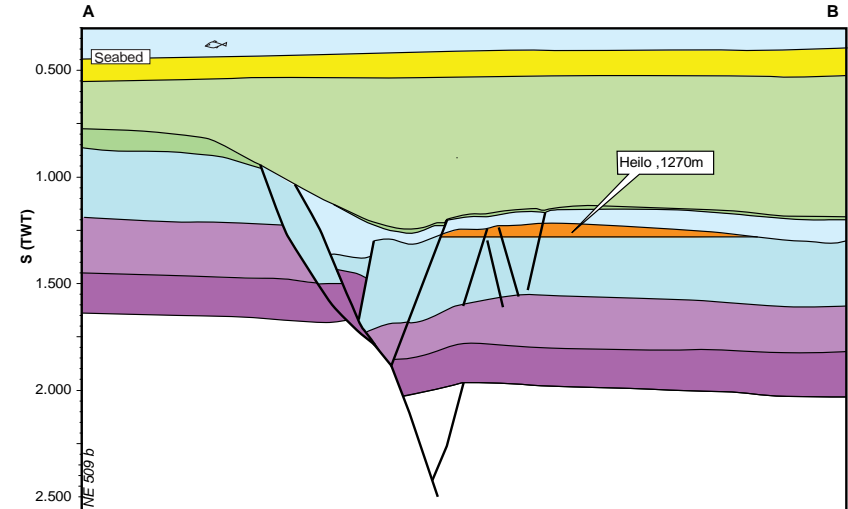


PL 530 Heilo – second high impact well in 2011

PL 530 in the Barents Sea

Awarded	20th round (2009)	Main prospect	Heilo
Operator	GDF Suez (40%)	Hydrocarbons	Oil w/gas cap
Partners	North Energy (20%)	Expected drilling	Q3 2011
	Front Exploration (20%)	Prob. of success	39%
	Rocksource (20%)	Gross mean unrisked	308 mmboe
		Net mean risked	24 mmboe
Work program	One firm well within two years and one contingent well		

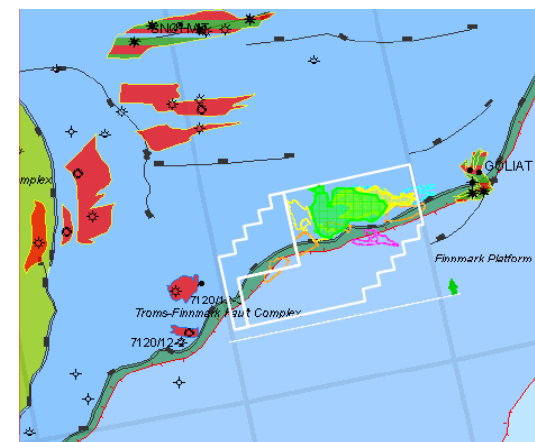
- Located along the southern flank of the Hammerfest Basin between the Goliat and Nucula discoveries
- If discovery a sidestep is planned to the northern segment



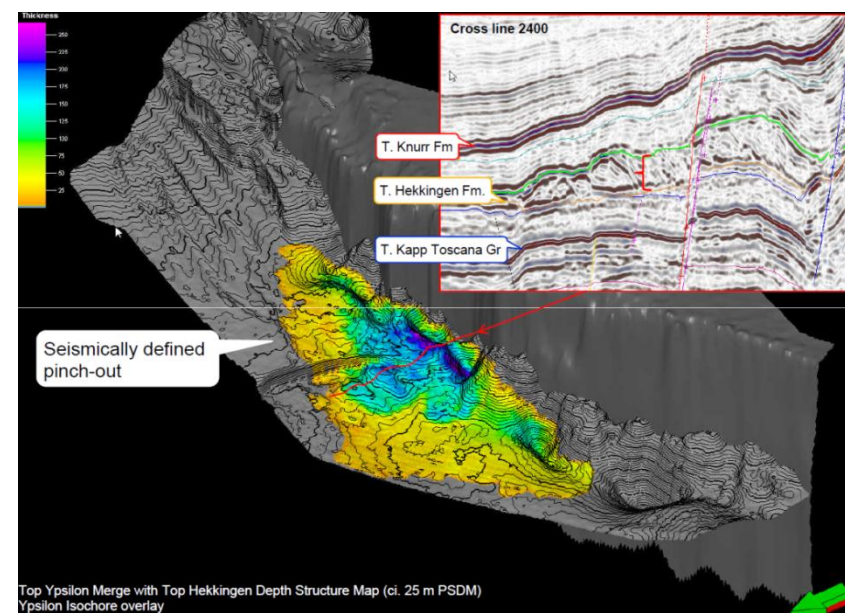
PL 518 Ypsilon - well late in 2011

PL 518 and PL 518B in the Barents Sea

Awarded	APA 2008	Main prospect	Ypsilon
Operator	DONG (40%)	Hydrocarbons	Oil
Partners	North Energy (30%)	Expected drilling	Q4 2011
	Front Exploration (20%)	Prob. of success	23 %
	Sagex (10%)	Gross mean unrisked	70 mmboe
		Net mean risked	5 mmboe
Work program	3D seismic acquired and reprocessed and interpreted One firm well within two years and one contingent well		



- Located close to the Goliat field (under development)
- The license contains the Ypsilon and Tau prospect as well as many leads

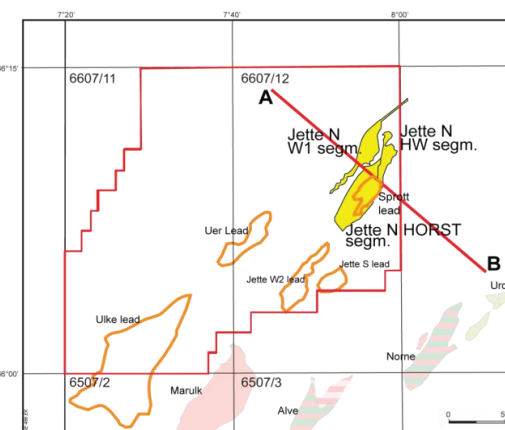
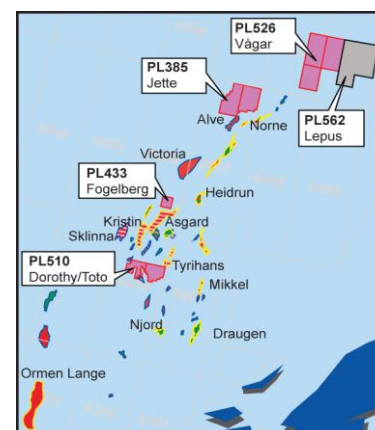
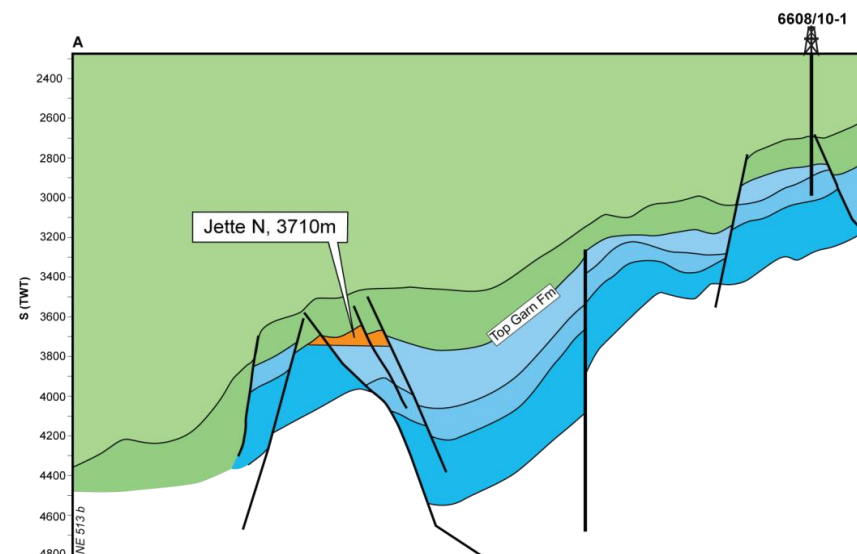


PL 385 Jette – firm well late in 2011/early 2012

PL 385 in the Norwegian Sea

Acquired	2009	Main prospect	Jette
Operator	Statoil (45%)	Hydrocarbons	Gas Cond.
Partners	North Energy (15%)	Expected drilling	Q4 2011
	Wintershall (20%)	Prob. of success	37%
	Noreco (20%)	Gross mean unrisked	95 mmboe
		Net mean risked	5 mmboe
Work program	Drill one firm well		

- Located on the Halten Terrace within 20 km of the Norne FPSO
- Spare capacity for possible tie-in at Norne in 2014

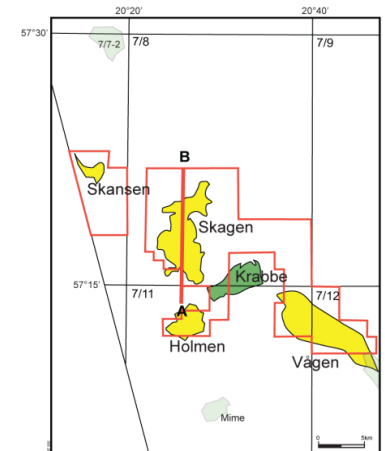
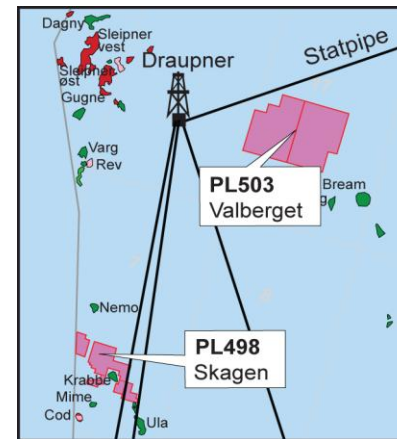
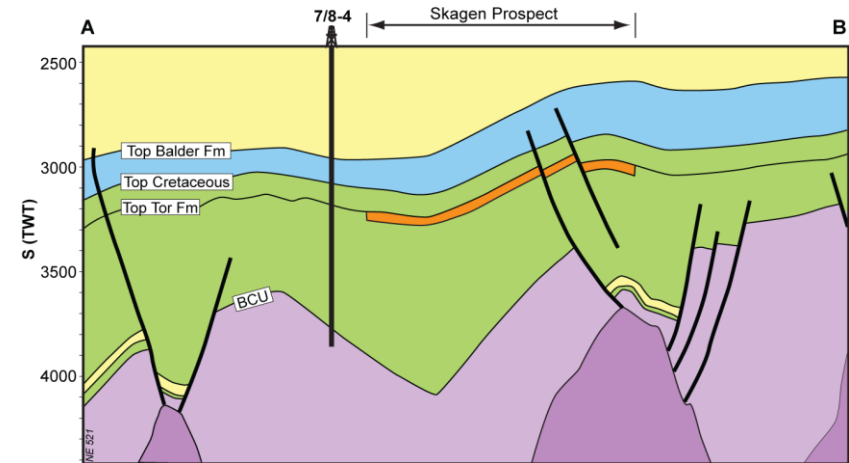


PL 498 Skagen – drill decision taken

PL 498 in the North Sea

Acquired	2009	Main prospect	Skagen
Operator	Lotos (25%)	Hydrocarbons	Oil
Partners	North Energy (25%)	Expected drilling	2012
	Edison Int. (25%)	Prob. of success	36%
	Skagen 44 (25%)	Gross mean unrisked	75 mmboe
		Net mean risked	7 mmboe
Work program	Geological and geophysical studies Drill-or-drop by Q1 2011		

- Located in an oil producing area close to the Ula and Gyda
- A discovery on Skagen is assumed developed with an unmanned wellhead platform as a satellite to the Ula field



- **Industry estimates indicate recoverable resources of 3,365 mmboe**
 - Acreage may be included in the next numbered licensing round (22nd)
- **North Energy's location ideal for targeting the border plays**
 - Active player in the political debate, centrally and locally
 - Russian employees with experience from Russia
- **Oil plays will be given priority due to lack of infrastructure in the area**



Actively participating in the discussion around the opening of the LoVe area

- **Significant resources close to shore**
 - The authorities estimate recoverable resources of 1,208 mmboe, mainly oil
 - Acreage may be included in the 23rd licensing round
- **North Energy working closely with fisheries to solve potential conflicting interests**
 - Credible discussion partner due strong local presence, area knowledge and focus on coastal protection



Positioned for success in future rounds.

Yesterdays awards:

Barents Sea

PL594 (3 mmboe)

North Energy 20%

PL 595 (19 mmboe)

North Energy 40%

Norwegian Sea

PL 587 (8 mmboe)

North Energy 40%

PL590 (12 mmboe)

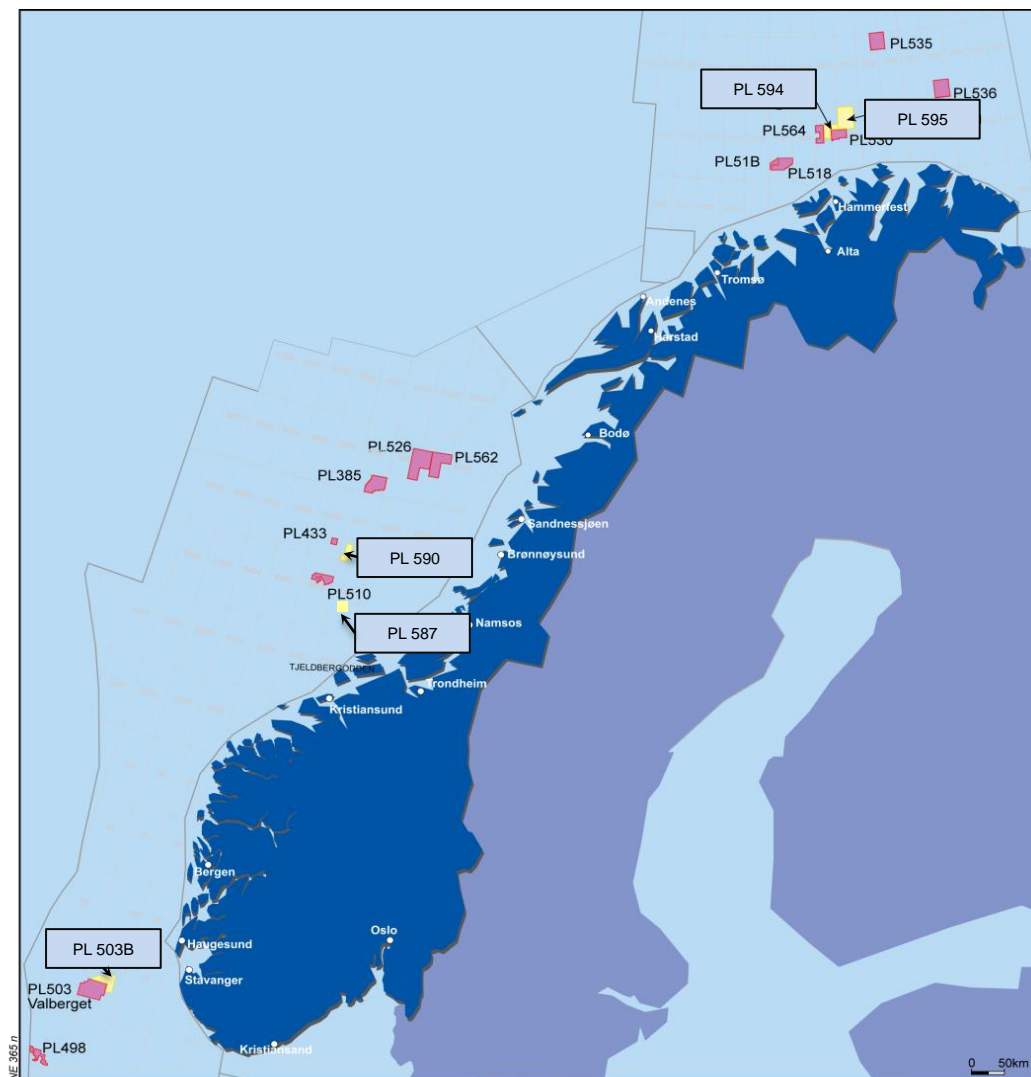
North Energy (O) 40%

North Sea

PL 503B (3 mmboe)

North Energy 25%

Total RR mmboe 45



Fully funded exploration programme

- **Net cash position of NOK 452 million as of end Q3 2010**
 - Cash balance of NOK 107 million
 - Expected tax reimbursement of NOK 345 million
 - No interest bearing debt
- **Exploration loan facility of NOK 760 million available with DnB NOR and SEB**
- **Capital spending and budgets going forward in line with estimates at IPO**

North Energy investment highlights

- **One commercial discovery maturing towards PDO**
 - 6 mmboe net to North Energy
 - Timetable stipulates PDO to be submitted in 2013
- **Five firm wells to be drilled next 18 months targeting 54 mmboe net risked resources**
 - Fully funded drilling programme into 2012
- **Well positioned in the growth areas on the NCS**
 - Formerly disputed area bordering Russia
 - LoVe