

North Energy @ DNB Markets Oil, Offshore & Shipping Conference

Oslo, 4 March 2015

Knut Sæberg, acting CEO

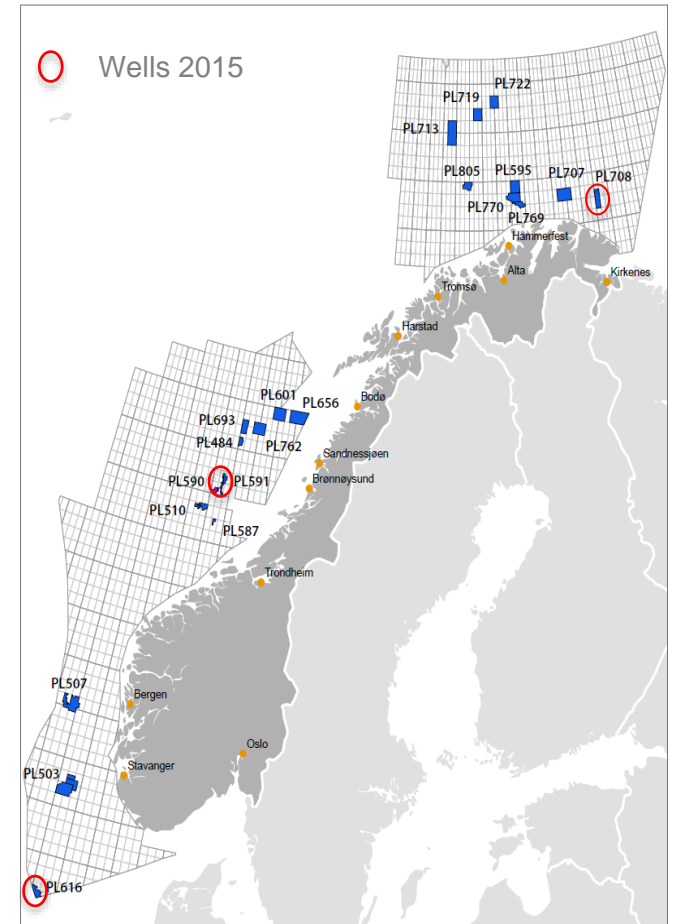


Agenda

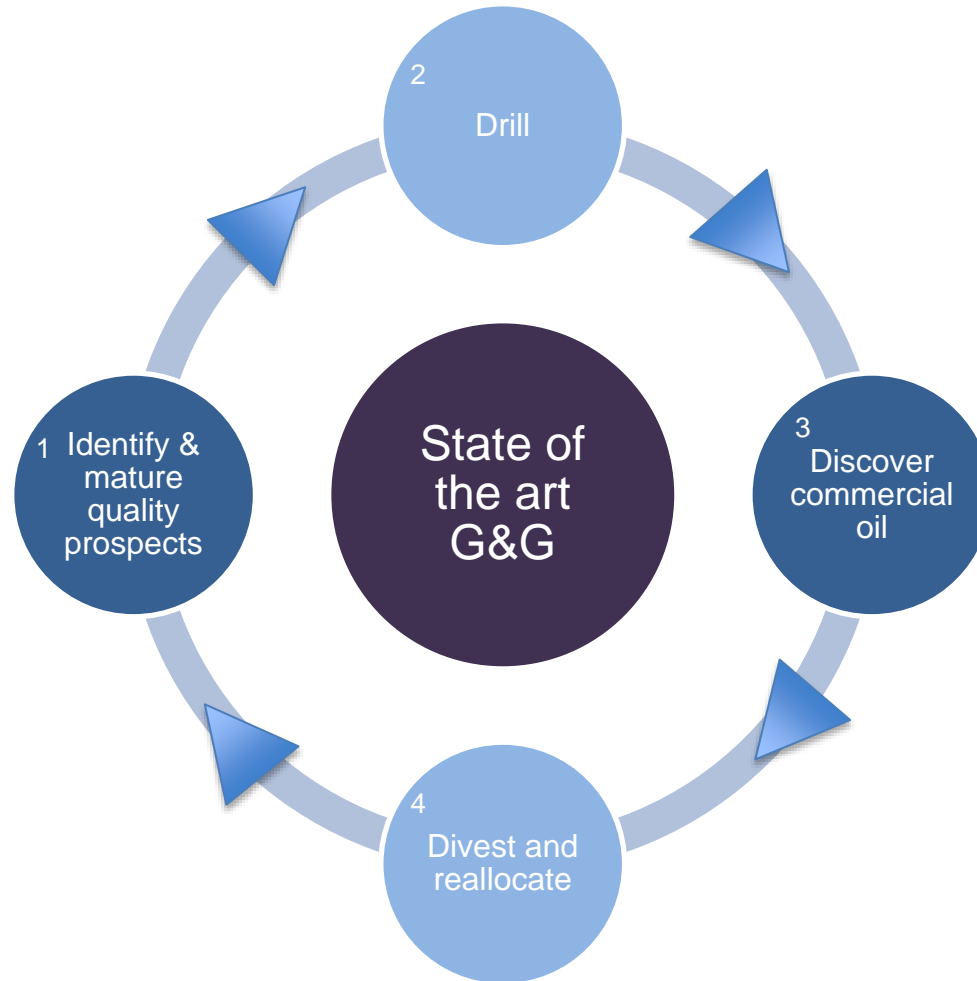
- **North Energy at a glance**
- Operational and financial update
- Outlook
- Q&A

North Energy at a glance

- Norwegian exploration company focusing solely on the NCS
- Leading G&G expertise in the Norwegian Sea and Barents Sea
 - Strong track record in licensing rounds – 28 awards since 2009
 - 70% technical success rate – hydrocarbons in 5 out of 7 wells
 - Significant investments in 3D seismic, EM data and internal work
- Three wells scheduled for 2015
 - Exposing the Company to 75 mmboe unrisks (600 mmboe for 100% of licence)
- Listed on Oslo Børs
 - Current market cap NOK 180 million

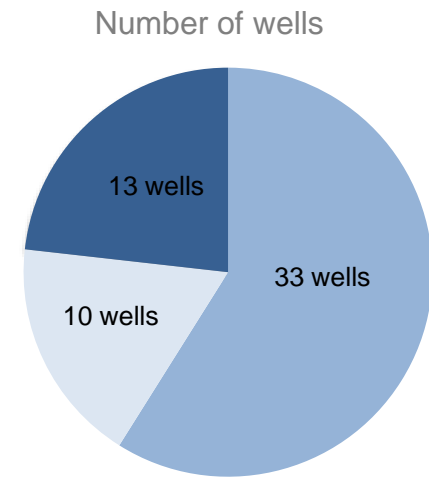


Our business model: Explore for commercial oil where we can make a difference

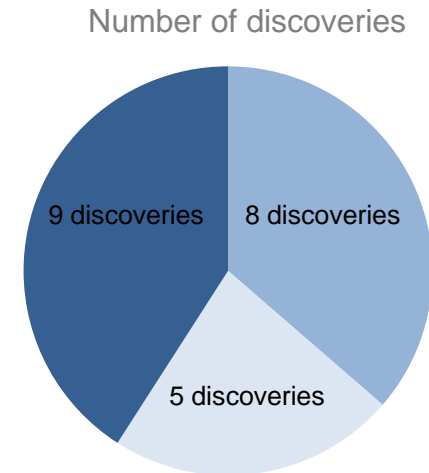


Why NCS and the Barents?

- NCS remains an attractive basin to explore with stable terms and significant yet to be found resources
- The industry is looking to the north as hit rates increase and the North Sea continues to mature
 - # of discoveries in the Barents outnumbered both the North Sea and Norwegian Sea in 2014
 - The largest discovery on the NCS in 2014 was made in the Barents
- North Energy has invested significant resources through many years in building a leading position in the Barents



■ North Sea ■ Norwegian Sea ■ Barents Sea



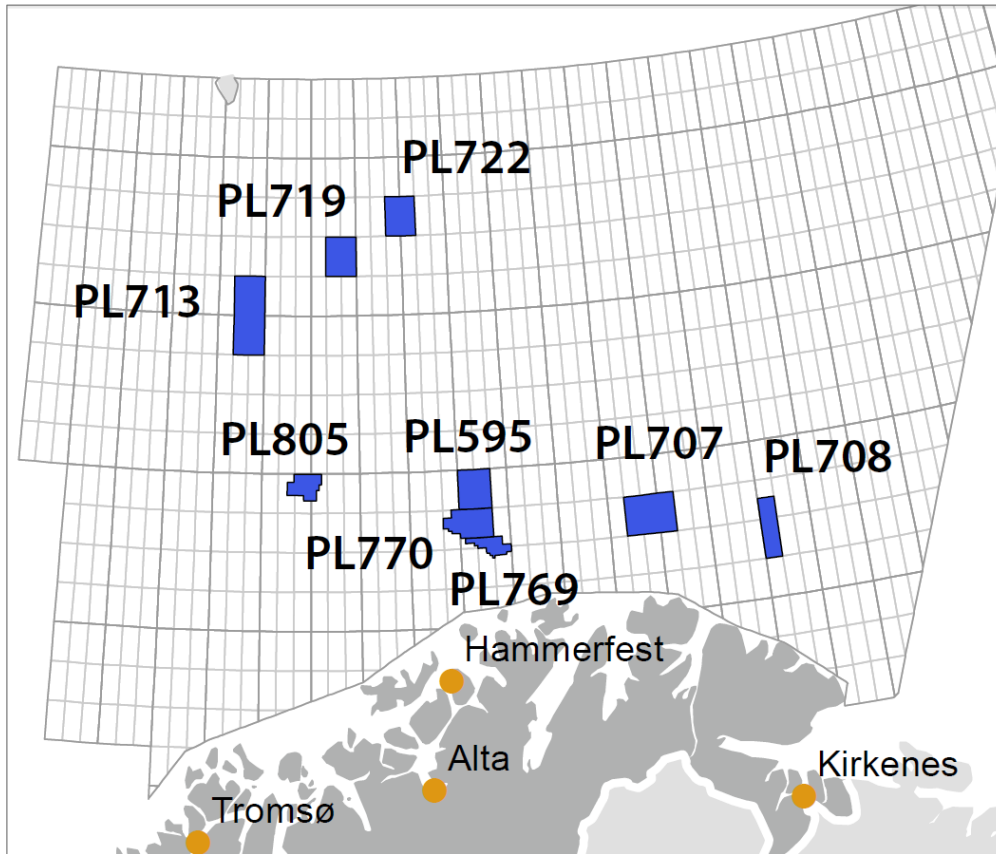
■ North Sea ■ Norwegian Sea ■ Barents Sea

NCS exploration activity in 2014.

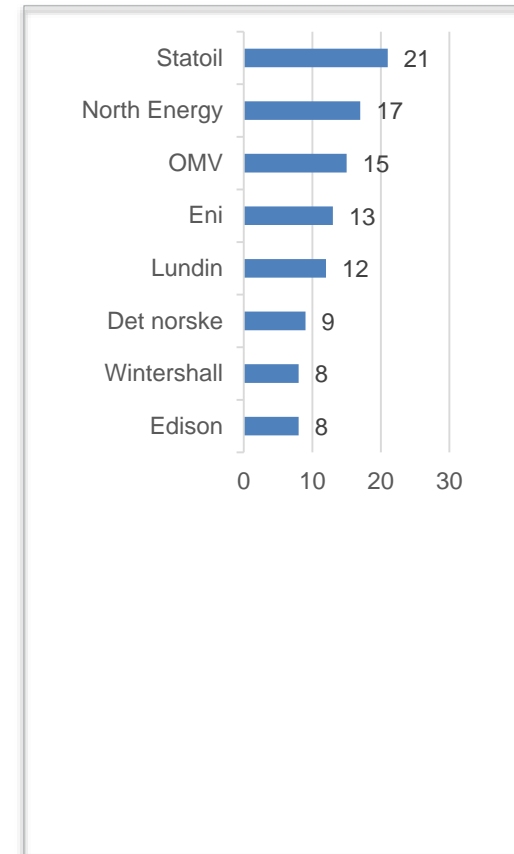
Source: NPD

Barents Sea focus breakthrough with largest remaining resource potential

Barents Sea licences today



Barents Sea awards since start-up



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An active drilling campaign for 2015

Licence	Prospect	Interest	Operator	Location	Rig	Timing	
						Q4 2014	2015
PL 591	Zumba	15%	Tullow	Norwegian Sea	TBA		Q2 - Q3
PL 616	Haribo	15%	Edison	North Sea	TBA		Q2 - Q3
PL 708	Ørnen	10%	Lundin	Barents Sea	TBA		Q4

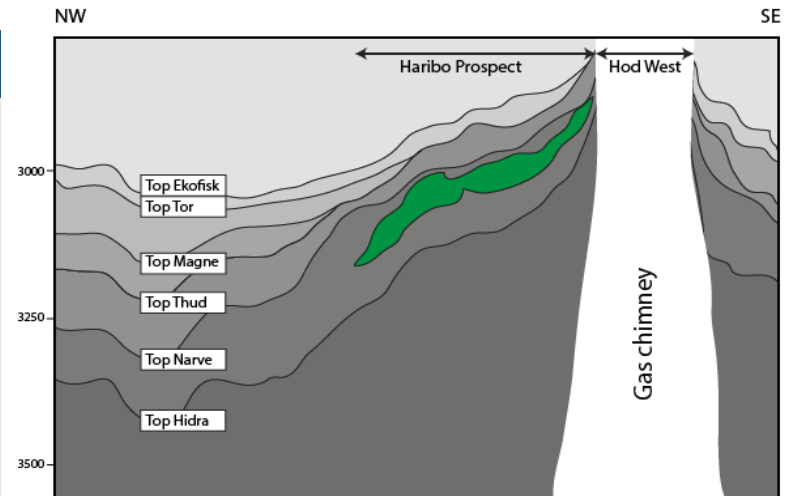
- 2015 campaign offering a mix of opportunities with exposure to all three basins
- Campaign to test approx. 600 mmboe gross, corresponding to approx. 75 mmboe net to North Energy

PL 616 Haribo – well close to Hod field, south in North Sea

PL 616 in the North Sea

Awarded	APA 2011	Main prospect	Haribo
Operator	Edison (25%)	Hydrocarbons	Oil
Partners	Concedo (20%)	Expected drilling	Q3 2015
	Noreco (20%)	Reservoir	Narve
	Skagen44 (15%)	Prob. of success	25% (Operator)
	North Energy (15%)	Gross mean unrisked	103 mmboe in licence
	Lime Petroleum (5%)		159 mmboe in total

Probability of well: 100%

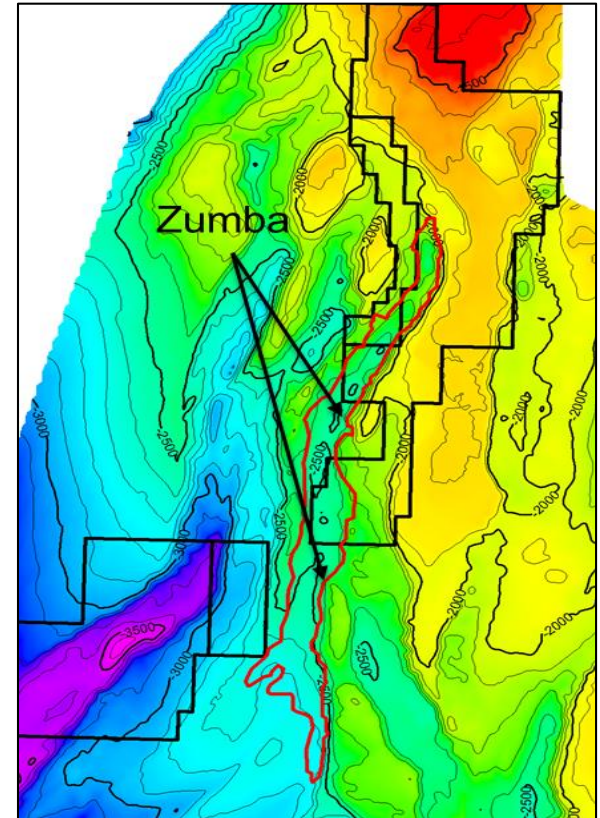


PL 591 Zumba – significant prospect next to Heidrun

PL 591 in the Norwegian Sea

Awarded	APA 2011	Main prospect	Zumba
Operator	Tullow (80%)	Hydrocarbons	Gas and Oil
Partners	North Energy (15%) Lime Petroleum (5%)	Expected drilling	Q3 2015
		Reservoir	Rogn
		Prob. of success	27% (Operator)
		Gross mean unrisked	184 mmmboe in licence 256 mmmboe in total

Probability of well: 100%

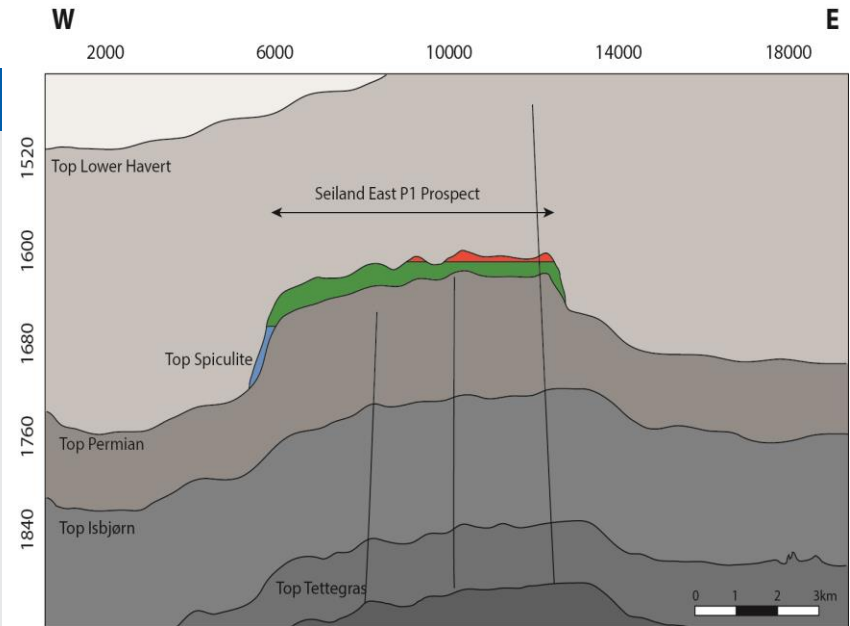


PL 708 Ørnen – exciting Permian well

PL 708 in the Barents Sea

Awarded	22. round	Main prospect	Ørnen (Seiland east)
Operator	Lundin (40%)	Hydrocarbons	Oil
Partners	North Energy (10%)	Expected drilling	Q4 2015
	Edison (20%)	Reservoir	Upper Permian
	Lukoil (20%)	Prob. of success	Medium
	Lime (10%)	Gross mean unrisked	316 mmboe

Probability of well: 100%



2016/17 candidate: PL 722 Skaidi

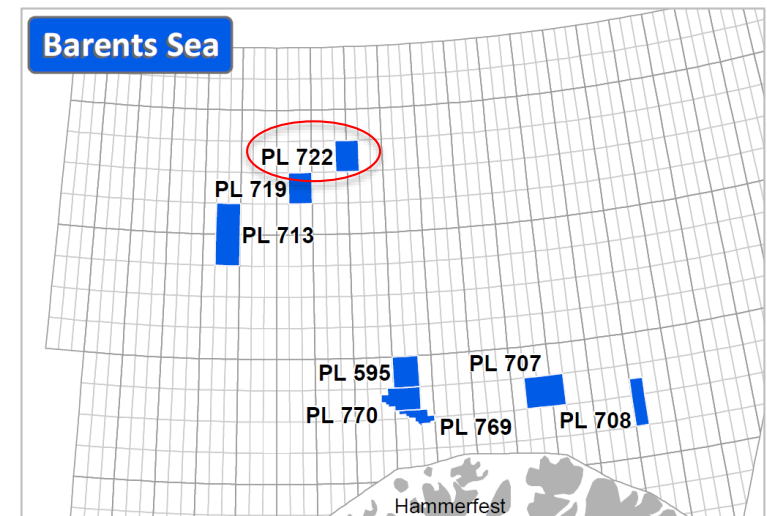
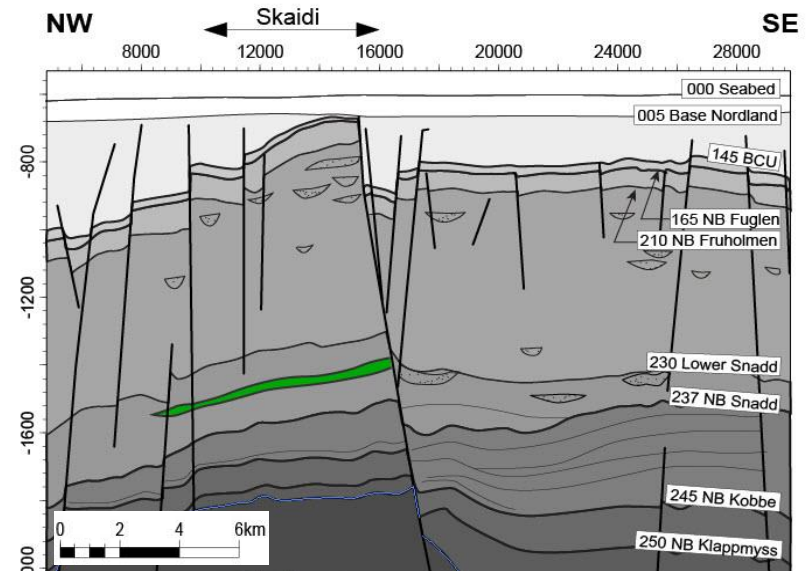
PL 722 in the Barents Sea

Awarded	22. round	Main prospect	Skaidi/Inca
Operator	GDF (30 %)	Hydrocarbons	Oil
Partners	North Energy (10%) Tullow (15%) Rocksource (20%) Explora (10%) Spike (15%)	Expected drilling	2016/2017
		Reservoir	Snadd
		Prob. of success	Under evaluation
		Gross mean unrisks	294 m mboe
		Net mean risks	5 m mboe

Probability of well: 90-100%

Status: Reprocessing and prospect evaluation on-going

- Located northwest of the Maud Basin, with the main reservoir is in the lower Snadd Fm.
- A secondary reservoir is mapped in the Permian Isbjørn Fm.
- The early Jurassic Wisting oil discovery in PL 537 makes the Skaidi prospect an attractive drill target (at 45 km distance)



2016/17 candidate PL 590 Sierra

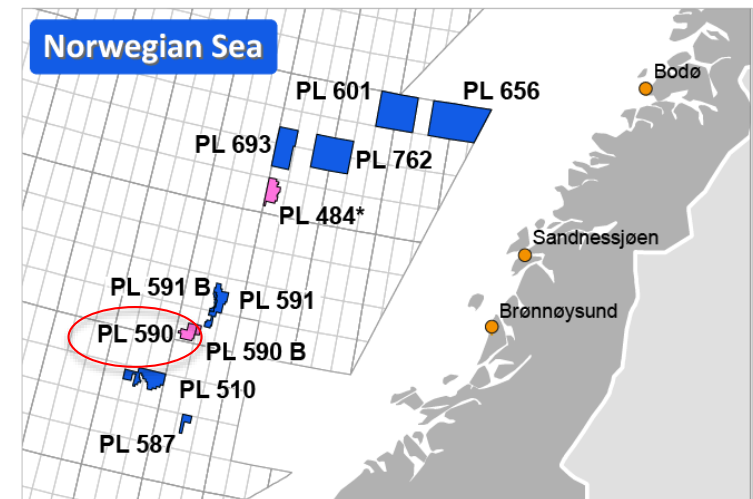
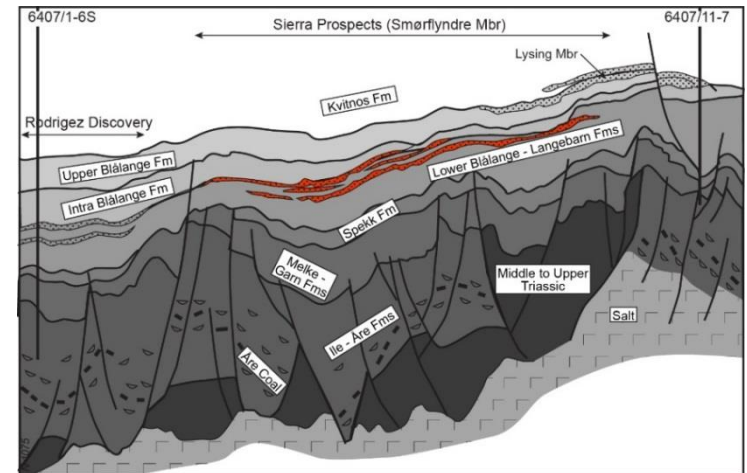
PL 590 in the Norwegian Sea

Awarded	APA 2010	Main prospect	Sierra
Operator	North Energy (30%)	Hydrocarbons	Gas Condensate
Partners	Faroe (30%)	Expected drilling	2016/2017
	Wintershall (30%)	Reservoir	Blålänge
	Spike (10%)	Prob. of success	Under evaluation
		Gross mean unrisked	57 mmboe
		Net mean risked	5 mmboe

Probability of well: 80 - 100%

Status: Prospect evaluation on-going

- Sierra prospect analogue to Solberg was a gas/condensate discovery in lower Lange sandstones
- Close to infrastructure
- Reservoir thickness a major risk
- A drill or drop decision is now pending on the evaluation results of the recent discoveries and new seismic data



2016/17 candidate: PL 762 Vågar

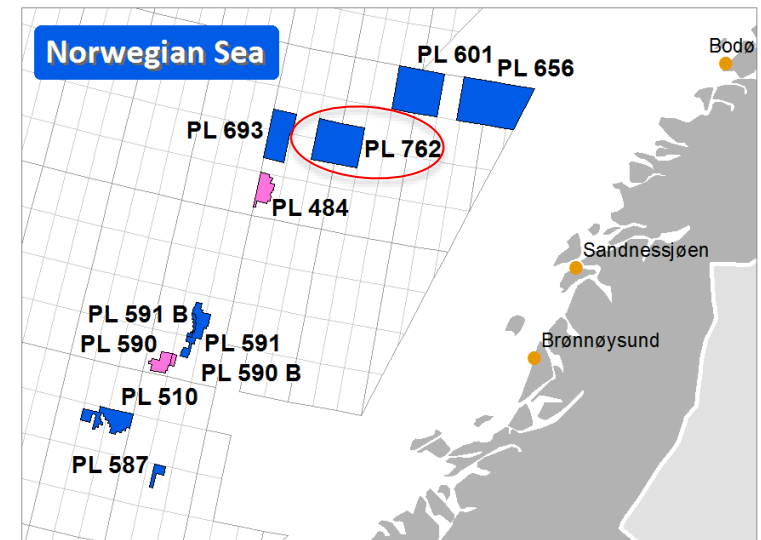
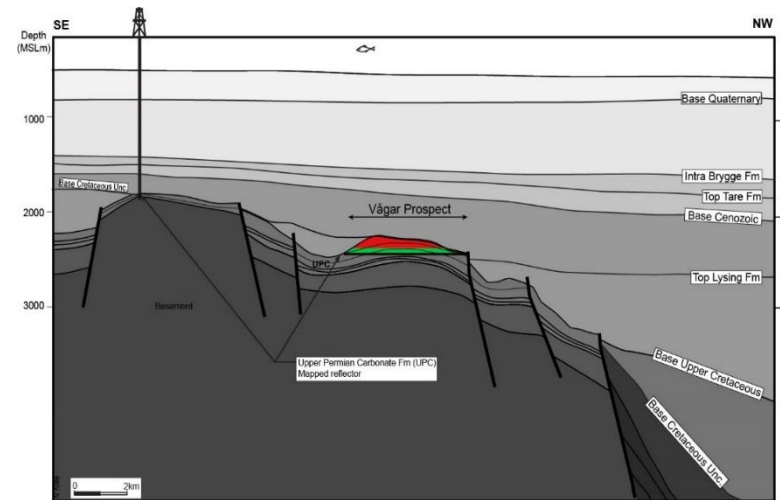
PL 762 in the Norwegian Sea

Awarded	APA 2013	Main prospect	Vågar
Operator	Noreco (20%)	Hydrocarbons	Oil&gas
Partners	North Energy (20%)	Expected drilling	N/A
	Fortis (20%)	Reservoir	Permian
	Lime (20%)	Prob. of success	Under evaluation
	Petoro (20%)	Gross mean unrisks	184 mmboe
		Net mean risks	7 mmboe

Probability of well: 50 - 80%

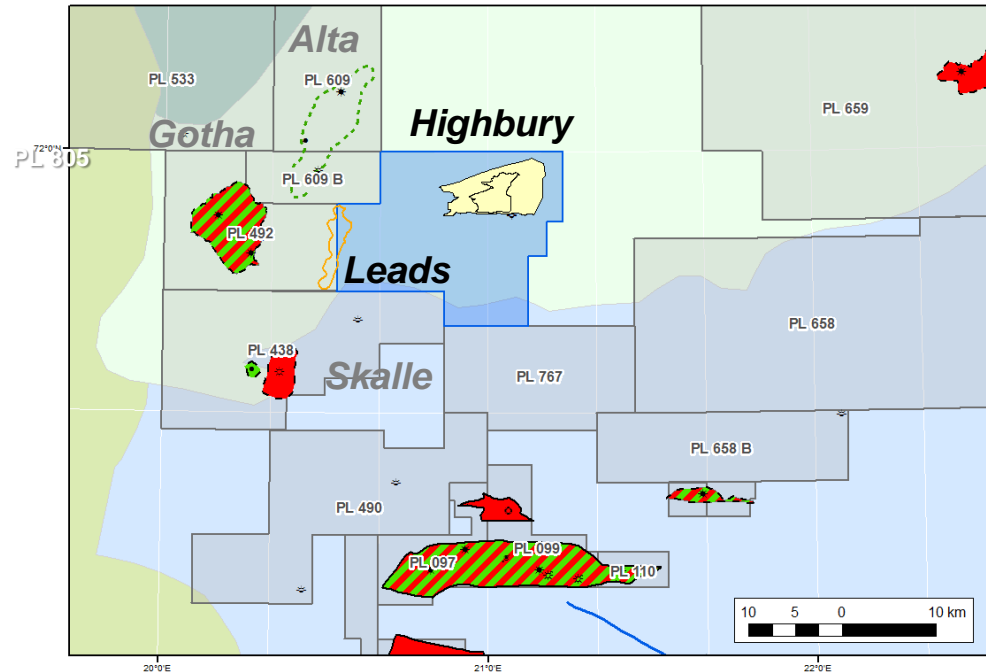
Status: Awarded 21st of January 2014

- PL 762 was awarded in the APA 2013
- Carbonate prospect, similar to Alta discovery in the Barents Sea
- Significant up-side potential along the outer spur.



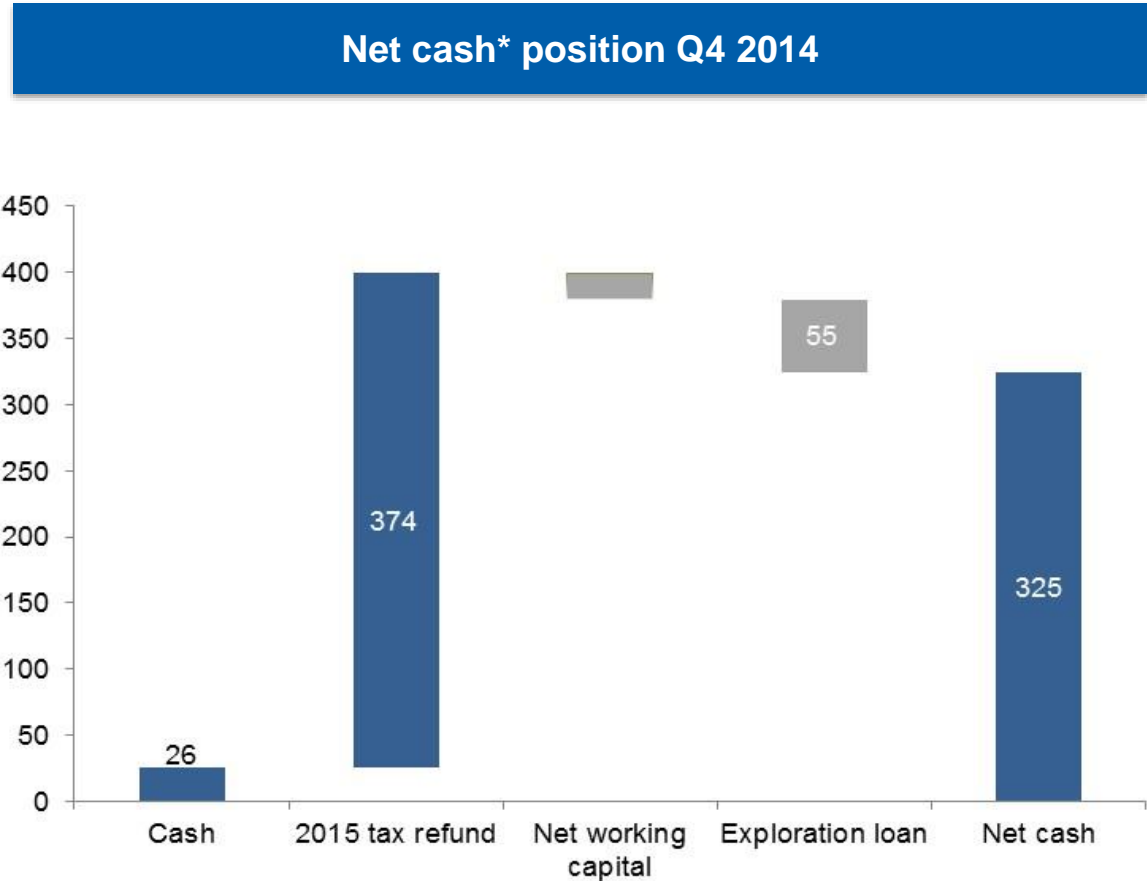
Recent APA award: PL 805 – a Barents Sea licence in an attractive neighbourhood

- Licence with multiple prospects close to the recent Gotha and Alta discoveries
- Fits into North's core focus area
- A discovery could contribute to the next Barents development



A robust financial position

- Q4 2014 net cash position of NOK 325 million
- Unused exploration loan facility NOK 895 million
- Historical track record of securing sufficient funds to match future activity set
- Ongoing cost cutting programme to further increases financial capacity



* Excluding convertible long term loan balance of NOK 31 millions towards TGS and Rex

Responding to the challenging market conditions

- In parallel with ongoing strategic review the Company has initiated a significant cost cutting programme
 - Annual operating cost base to be reduced down to NOK 100 million
- Northern Norway operations to co-locate in Tromsø, remaining operations to co-locate in Stavanger
 - Staff reductions taking effect from 2H 2015
- Goal: Position North Energy as a robust and attractive company for the future



E24 3 March 2015

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Summary and outlook

- **Three wells scheduled for 2015**
 - Testing a total of approx. 600 mmboe of which approx. 75 mmboe net to North Energy
 - 2015 programme fully funded
- **Focusing on maturing quality opportunities for 2016 and beyond**
 - Exploring where competitive edge is sharpest
 - Exclusively targeting oil prospectivity
- **Strategic review continues**
 - All options being considered, goal to unlock inherent values in North Energy
 - Cost cutting programme to take effect H2 2015



Transocean Searcher, the rig to drill the Haribo prospect in the southern North Sea

Q & A