



Det norske oljeselskap ASA

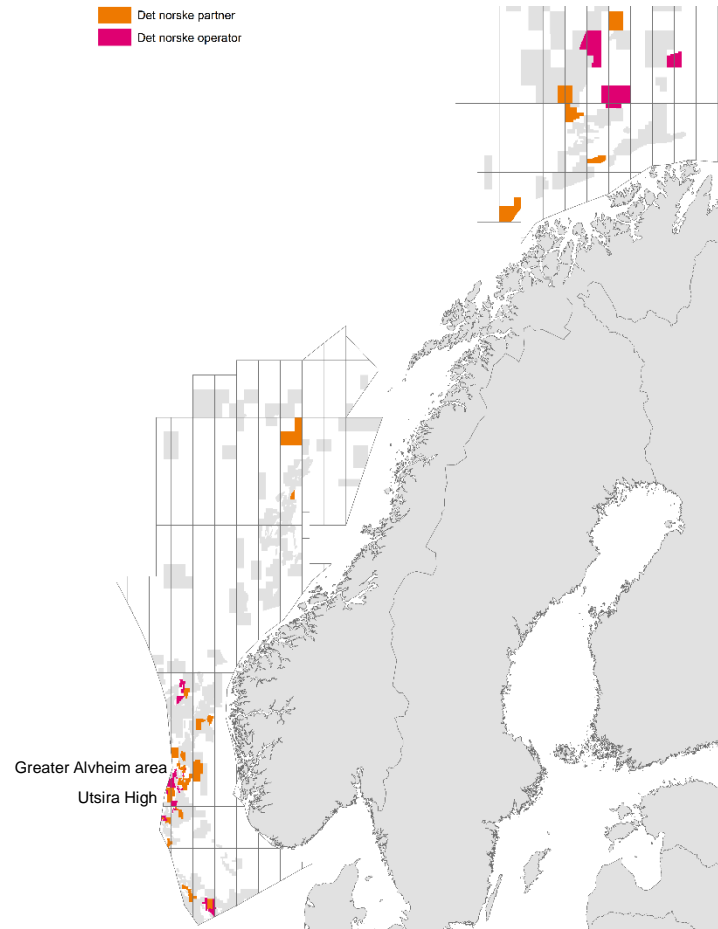
Karl Johnny Hersvik, CEO

Alexander Krane, CFO

17 March 2015, London

Company snapshot

- Fully-fledged E&P company with ~500 employees with sole focus on the Norwegian Continental Shelf
 - Holds 79 licenses, whereas 35 as operator
- P50 reserves at year-end 2014 of 206 mmboe
 - Including Sverdrup: approximately 500 mmboe
- 2014 production of 66.6 mboepd
- Major ongoing development projects
 - Ivar Aasen and Johan Sverdrup fields to secure future production growth
- Enterprise value: USD ~3.0 billion



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 very low break even oil price levels
- Significant free cash flow from 2020 onwards as Johan Sverdrup is brought on stream
- Work ongoing to optimize long-term capital structure



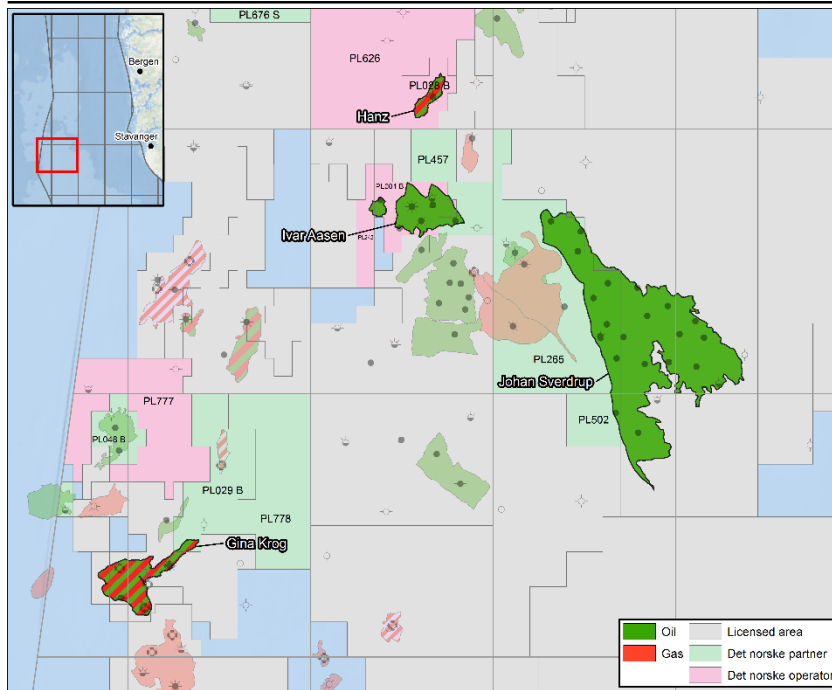
Our assets



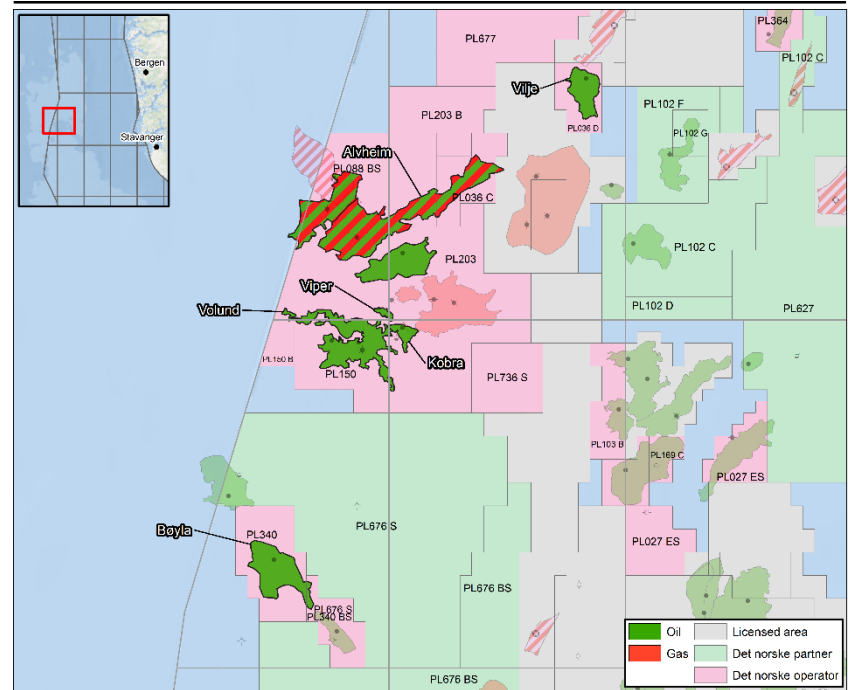
PRODUCTION AND DEVELOPMENTS

Concentrated in two core areas

Utsira High



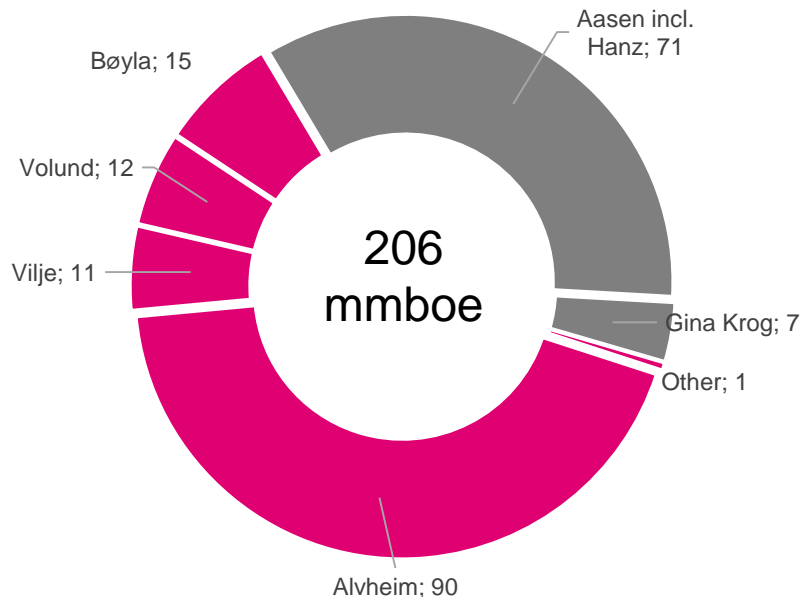
Greater Alvheim area



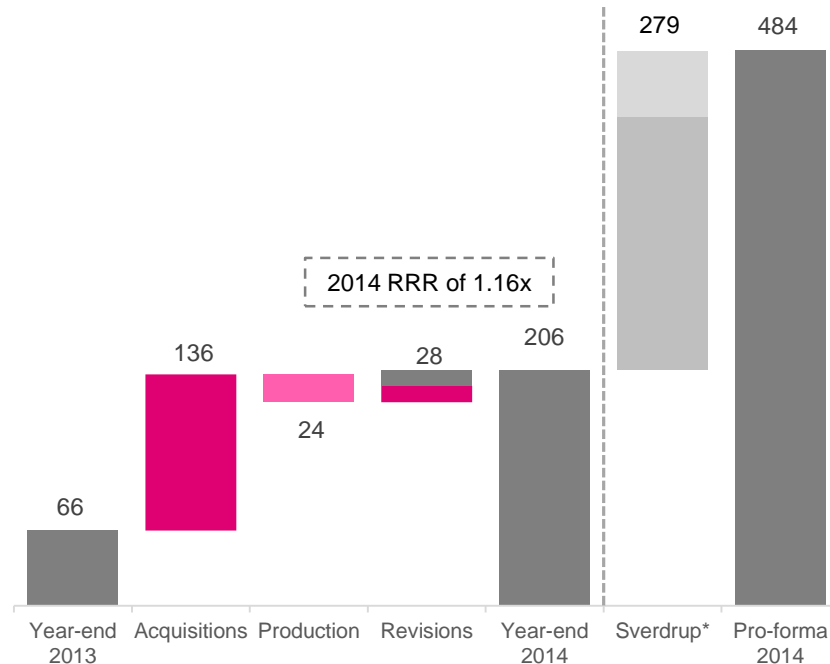
RESERVES

Year-end 2014 certified reserves of 206 mmboe

Proven & probable reserves (P50), end 2014



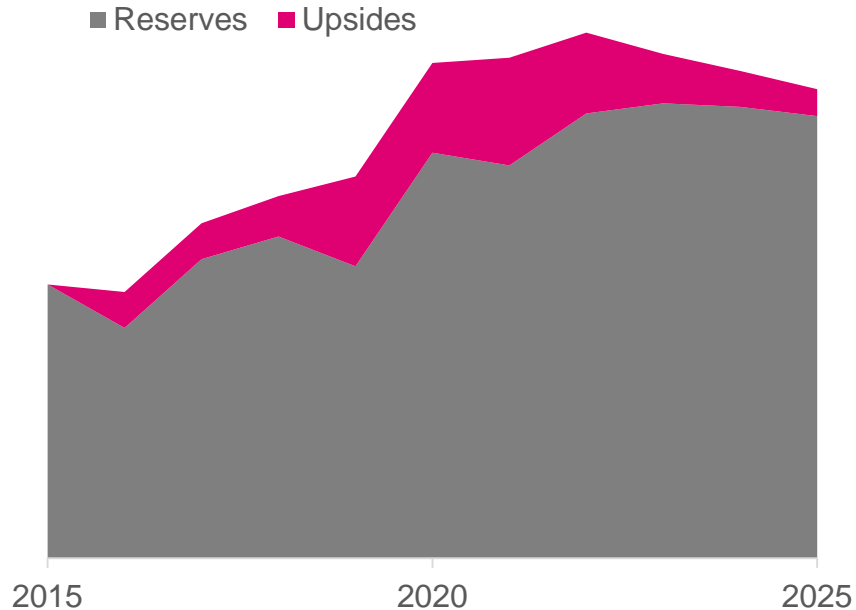
Development in P50 reserves (mmboe)



* Based on operator's proposal for working interest (11.8933%)

PRODUCTION GROWTH

Developments to secure cash flow for decades



DET**NORSKE**

- **2015 production guidance of 58-63 mboepd**
 - Production cost of USD 8-10/boe
- **Low breakeven cost development projects**
 - Ivar Aasen to start production in 2016
 - Johan Sverdrup to start production in 2019
 - Several profitable projects in the Alvheim area
- **Reserve base¹ could deliver after-tax operating cash flow in excess of 5 USDbn² to Det norske in the period 2020 to 2025**

1) Excluding upsides

2) Based on a realised price of 80 USD/boe, operating cost of 12 per barrel, cash tax rate of 60% and average production of 90 mboepd

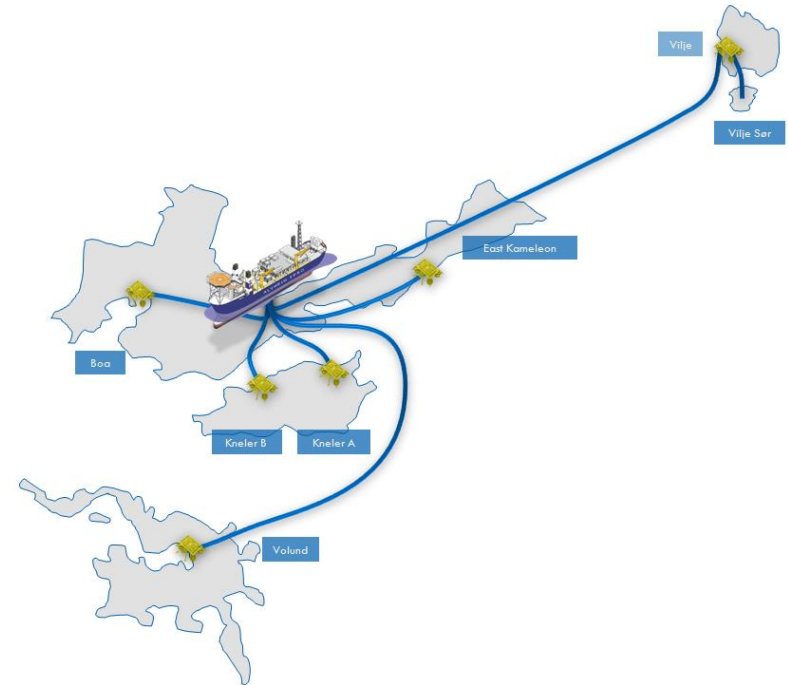
ALVHEIM AREA (65%)

The main production asset

Net production from all company fields (boepd)



The Alvheim area

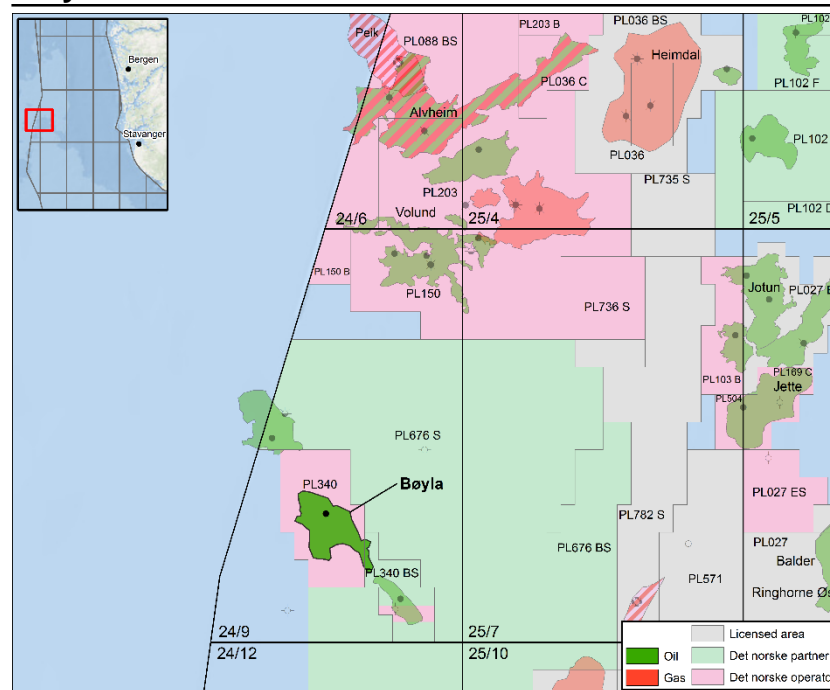


BØYLA (65%)

Bøyla production commenced in January

- **19 January, first oil flowed from the Bøyla field to the Alvheim FPSO (28 km) – on schedule**
 - Hooked up with no shut-down on the Alvheim FPSO
 - The first well has produced around 18,000 boepd (gross) in its first two months of production
- **The second well will be completed in Q2**
- **Reserves estimated to 15 mmboe (net)**
- **Peak production estimated to 13,000 boed (net)**

Bøyla and Greater Alvheim area



ALVHEIM AREA DEVELOPMENTS (65%)

Viper-Kobra and IOR projects

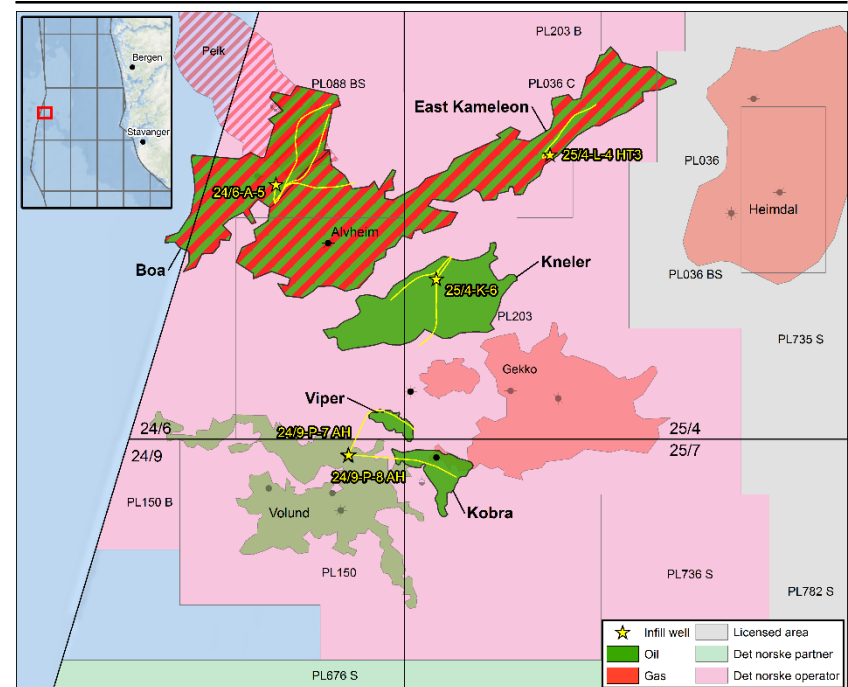
Viper-Kobra

- **Recoverable resources of approx. 9 mmboe**
 - 90% is oil
 - Estimated average rate of 7 500 boepd (gross)
- **Development project commenced**
 - Subsea tie back to the existing Volund manifold via a new extension manifold
 - Development costs estimated at approx. NOK 1.8 billion (gross)

Alvheim IOR Projects

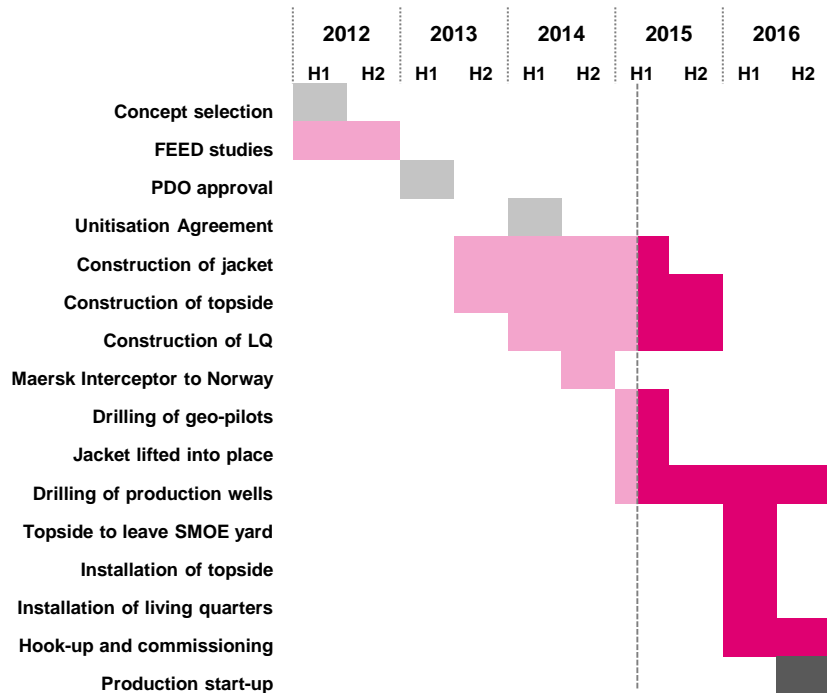
- **East Kameleon L4**
 - Production to commence in Q2 2015
- **BoaKam North**
 - To be completed in Q3 2015
- **Kneler K6**
 - Drilling to commence in Q3 '15, completed in 2016

Viper-Kobra and infill wells



IVAR AASEN (~35%*)

Aasen development on track



Overview

- Ivar Aasen was discovered in 2008
- Det norske is operator (34.8% working interest)
 - Partners are Statoil (41.5%), Bayergas (12.3%), Wintershall (6.5%), VNG (3.0%), Lundin (1.4%) and OMV (0.6%)
- First oil is expected in Q4 2016
- Ivar Aasen contains ~ 200 mmboe, including Hanz
 - 71 mmboe net to Det norske
- PDO for Ivar Aasen was approved on May 21, 2013
- Gross investments in Ivar Aasen, including Hanz, are estimated at NOK 27.4bn (nominal)

IVAR AASEN (~35%*)

Jacket to sail to Norway in Q1/Q2



Jacket ready to load out from Sardinia



Jacket completed below budget

- Jacket completed in January 2015, on time and below budget with no major incidents
- Jacket will sail from Sardinia to Norway in Q1/Q2
- Jacket to be installed in Q2 2015

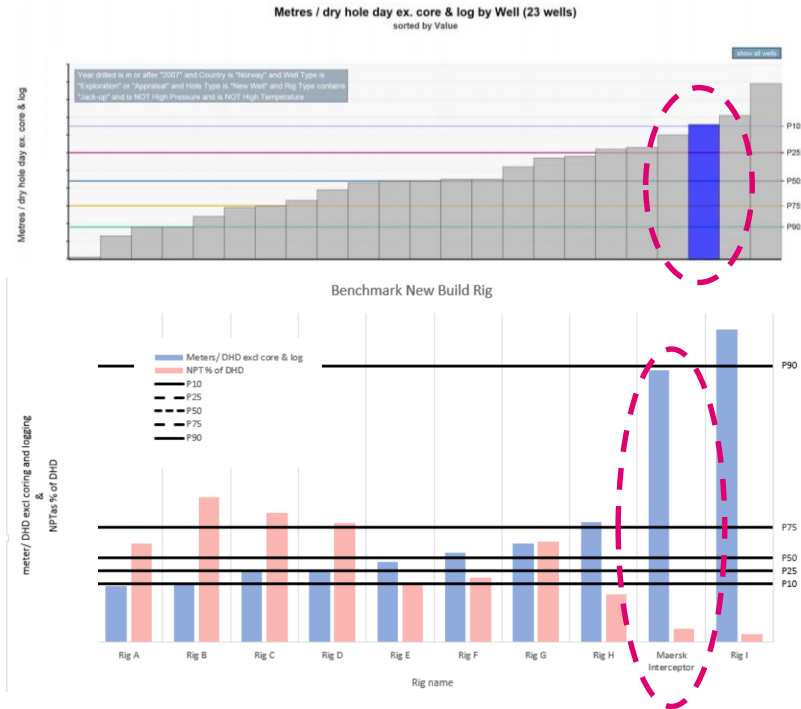
IVAR AASEN (~35%*)

Drilling of first geo-pilot in line with expectations



Maersk Interceptor commenced drilling in January

Excellent performance**



IVAR AASEN (~35%*)

Construction of topsides 50% completed



Cellar and intermediate deck



Weather deck



Construction on schedule

- Stacking of intermediate deck 30 January
- 90% 3D model review completed.
- Stacking of weather deck expected end of March
- Installations of major equipments

JOHAN SVERDRUP (11.8933%, preliminary WI)

A game-changing development project

- Recoverable reserves of 1.7-3.0 billion boe
 - ~80% to be extracted from first phase investments
- Break-even oil price *below* USD 40/boe
- CAPEX of NOK 117 billion for the first phase, and an estimated NOK 170-220 billion for all phases (2015 value)
- Production to commence in Q4 2019
- PDO submitted 13 February 2015, contracts are now being awarded

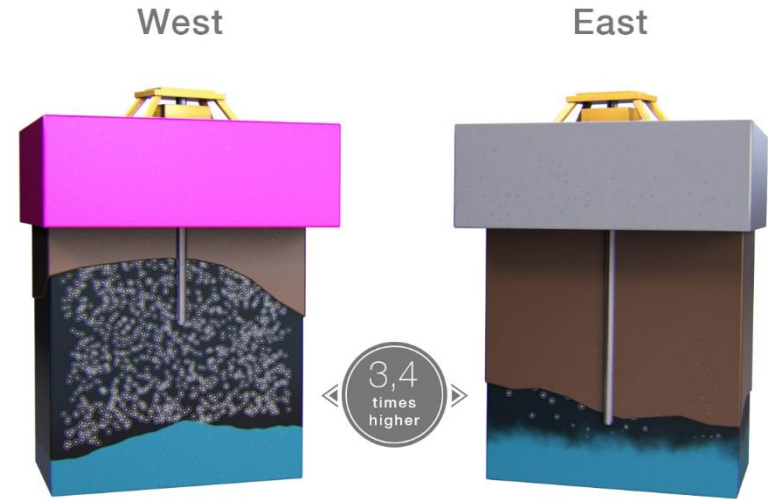


The Johan Sverdrup development

JOHAN SVERDRUP (11.8933%, preliminary WI)

Det norske did not sign the unit agreement

- **Ownership interests in Johan Sverdrup should be distributed according to a combination of volume and value**
 - The proposal from the operator did not reflect the underlying value in the various licenses in the Johan Sverdrup field
 - Det norske could therefore not sign the proposed unitization agreement
- **Det norske could not sign the agreement**
 - The other partners have asked the Ministry of Petroleum and Energy to conclude on the unitization
 - Until then, Statoil's proposal will be used as a basis, awarding Det norske with a 11.8933 per cent interest in Johan Sverdrup



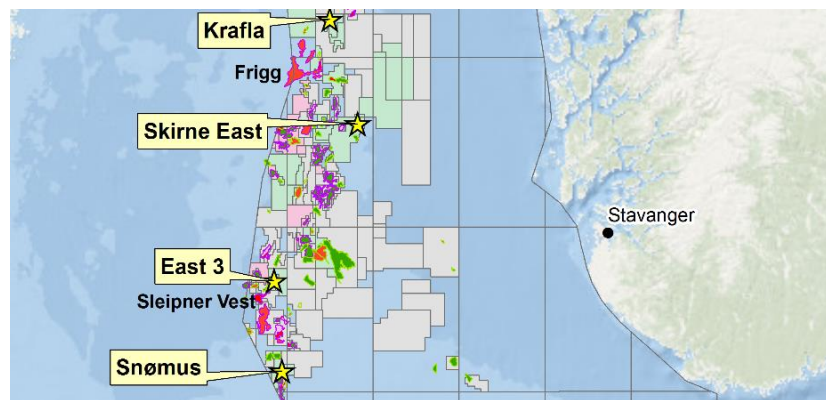
EXPLORATION

Working to revamp our strategy

Key ongoing activities

- **Re-assessing the current exploration inventory**
 - Assessing prospectivity in all exploration areas
 - Step-up in seismic processing
- **Assessing the 23rd licensing round's value potential**
 - Evaluating high-impact and value accretive targets
- **Revamping the exploration strategy and optimizing the portfolio**
 - Development of potential new core areas
- **Business intelligence efforts**
- **2015 exploration expenditures of USD 115-125m**

2015 drilling schedule



License	Prospect	Share	mmboe	Rig	Timing
PL 272/035	Krafla North & Main	25 %	-	Transocean Leader	Q4 14/Q1 15
PL 001B	Løvestakken	35%	-	Maersk Interceptor	Q1 15
PL 627	Skirne East	20 %	50-171	Leiv Eiriksson	Q2 15
Gina Krog	East 3	3.3 %	27-82	TBC	TBC
PL 672	Snømus	25 %	14-94	Maersk Giant	Q2 15

Financials & funding



FINANCIALS & FUNDING

Liquidity and balance sheet position

Headline figures end 2014

Cash position (USDm)	296
Bank debt (USDm)	2,037
Bonds (USDm)	253
Net interest-bearing debt (USDm)	1,994
Cash and undrawn credit (USDm)	896
Net debt / EBITDAX (12m rolling)	1.0x
EBITDA / Interest expense (12m rolling)	13.0x
Equity ratio (adj.)	15.5%

Debt instruments

■ USD 3.0 billion RBL facility

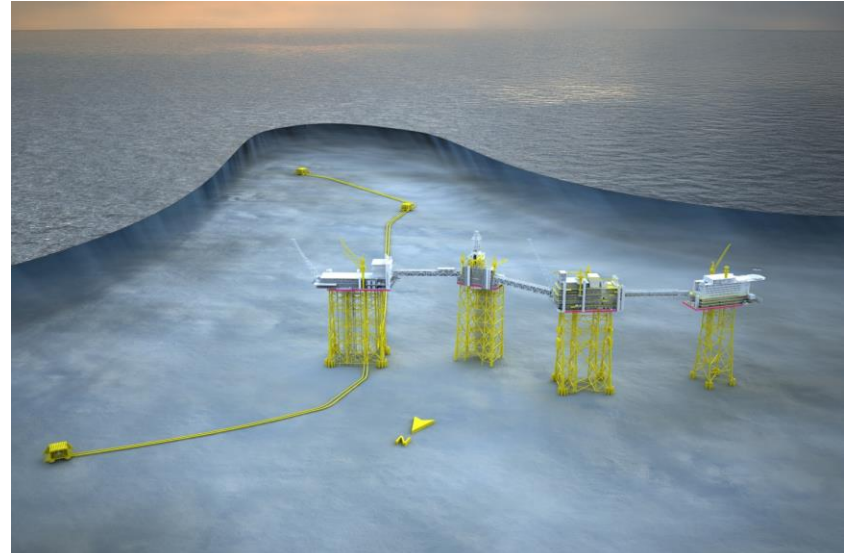
- Drawn USD 2.1 billion at year-end, borrowing base availability of USD 2.7 billion at year end
- Borrowing base only partially affected by oil price fluctuations
 - Johan Sverdrup included in borrowing base with a USD/boe multiple
 - Fiscal regime softens impact as historical tax balances are not sensitive to oil price changes

■ DETNOR02 (2013/2020) NOK 1.9 billion bond

- Work ongoing to address certain adjustments to the loan agreement

Optimization of long-term capital structure

- **Challenging macro environment**
- **Working to increase our financial flexibility and robustness by optimizing our capital structure**
 - Strong support from the bank syndicate
 - Constructive dialogue with banks and stakeholders
- **Confident that we will be able to fund our planned developments**



A strong asset base lays the foundation

FINANCIALS

Financial risk management

- 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

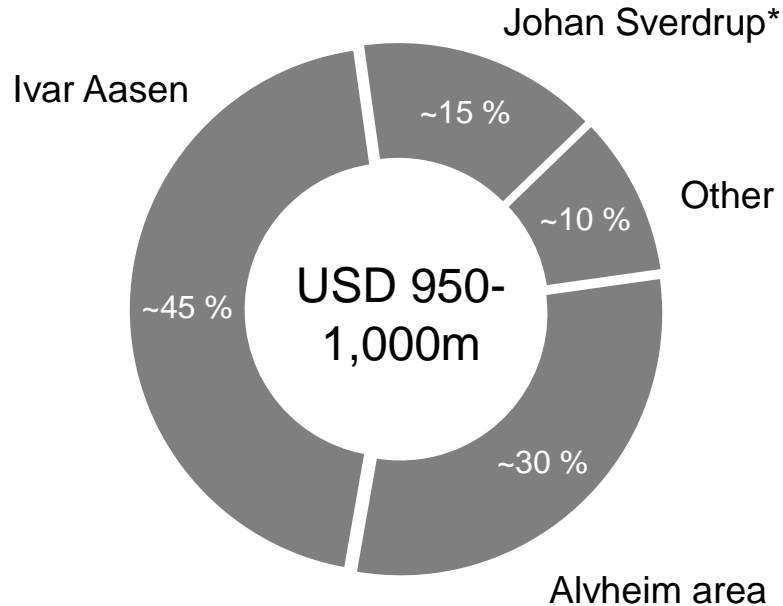
Commodity hedge program	2015 ¹	2016
Put option price	55 USD/bbl	55 USD/bbl
Production volume hedged	~15%	~10%
Target hedge volume	~30% ²	~20%



Alvheim FPSO

CAPEX GUIDANCE

2015 investment estimate: USD 950-1,000 million



Assumes USDNOK = 7.50

*Assuming 11.8933% ownership

■ Ivar Aasen

- Drilling of geo-pilots, construction of topsides and living quarters, misc. project costs

■ Alvheim area

- **Alvheim:** Three infill wells
- **Volund:** LLI's for two planned infill wells
- **Bøyla:** Completion of third development well
- **Viper-Kobra:** Manufacturing new subsea manifold, preparations for 2016 drilling campaign

■ Johan Sverdrup

- Award of major contracts and start detailed engineering and procurement.
- Concept studies future phases

■ Other

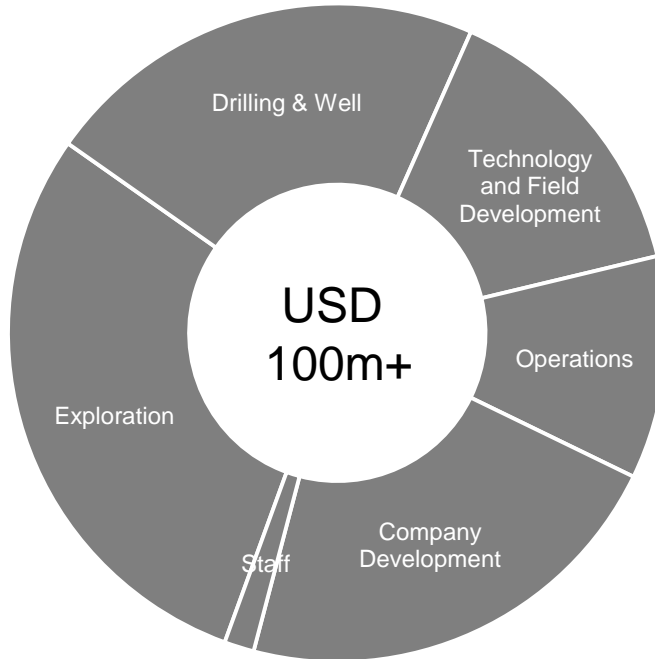
- Gina Krog, Utsira pipelines, IT, misc.

Outlook & priorities



OUTLOOK

Cost efficiency programme

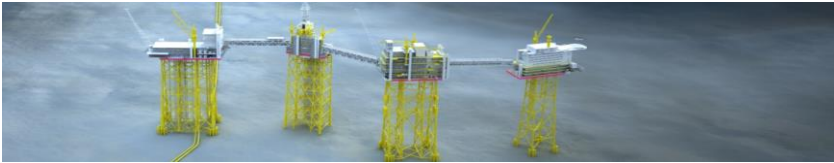


- Cost efficiency programme initiated as a response to challenging market environment – expenditure reductions starting to be realized
- Expenditures to be reduced by USD 100+ mill for 2015
- Top management to run and own process
- To be concluded by the summer of 2015
- Continue to improve supply chain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

2015 PRIORITIES

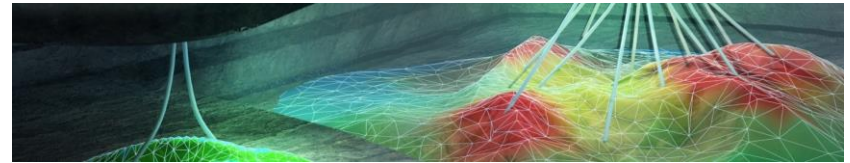
Drive execution and build optionality

Drive execution



- Deliver Ivar Aasen
- Maximise value from the Alvheim area
- Optimize Johan Sverdrup execution and unitisation

Build optionality



- Continue to optimize the capital structure
- Deliver on cost efficiency
- Long-term reserve replacement strategy

Q & A



DETNORSKE

www.detnor.no

Appendix



FINANCIALS

Statement of income

Income statement (USD mill)	Q4 2014	Q4 2013	FY 2014
Revenues	346	43	464
Production costs	44	17	67
Payroll and payroll-related expenses	(10)	1	(17)
Other operating expenses	23	1	49
EBITDAX	289	25	365
Exploration expenses	50	93	158
EBITDA	239	(68)	208
Depreciation	104	21	160
Impairment losses	319	112	346
Operating profit/loss (EBIT)	(184)	(201)	(299)
Net financial items	(13)	18	(77)
Profit/loss before taxes	(197)	(219)	(376)
Tax (+) / Tax income (-)	90	(163)	(96)
Net profit/loss	(287)	(56)	(279)
EPS	(1.42)	(0.40)	(1.68)

FINANCIALS

Statement of financial position

Assets (USD mill)			Equity and Liabilities (USD mill)		
	31.12.14	31.12.13		31.12.14	31.12.13
Goodwill	1,187	53	Equity	652	524
Other intangible assets	940	444	Other provisions for liabilities incl. P&A (long)	503	155
Property, plant and equipment	2,549	437	Deferred tax	1,286	-
Calculated tax receivables (long)	-	47	Bonds	253	407
Deferred tax asset	-	104	Bank debt	2,037	335
Receivables and other assets	412	135	Exploration facility	-	79
Calculated tax receivables (short)	-	232	Other current liabilities incl. P&A (short)	464	233
Cash and cash equivalents	296	281	Tax payable	189	-
Total Assets	5,384	1,733	Total Equity and Liabilities	5,384	1,733

FINANCIALS

Statement of cash flow Q4 2014

Condensed statement of cash flows Q4-2014	USDm
Pre-tax profit	(197)
Taxes paid	(109)
Tax refund	191
DD&A + Impairment	423
Δ W/C and other	(13)
Net cash from operations	295
Investments in fixed assets	(255)
Purchase/sale fixed assets	(1 514)
Capitalised exploration / Other	(26)
Net cash from investments	(1 794)
Drawn on RBL	2 650
Repayment bank debt	(1 132)
Repayment bond debt	(88)
Transaction cost	(67)
Net cash from financing	1 363
Beginning cash (30.09.2014)	445
Exchange rate differences	(12)
End cash (31.12.2014)	296

- One tax payment in December and tax refund for 2013 exploration activity disbursed in Q4-2014
- Investments of USD 255 million in the quarter
- Cleaner debt structure at year-end consisting of RBL and DETNOR02 bond only
 - Repaid RCF in full (420 USDm)
 - Repaid DETNOR01 (88 USDm)
 - Repaid exploration facility (162 USDm)
 - Reduced drawn amount on RBL (550 USDm)
- Year-end cash consisted of about 50% USD, 50% in other currencies

OUTLOOK

2015 guidance

Financials

CAPEX	USD 950-1,000 million
EXPEX	USD 115-125 million
Production cost per boe	USD 8-10 per boe

Operations

2015 production	58,000 – 63,000 boepd
Ivar Aasen start-up	Q4 2016
Ivar Aasen total CAPEX (gross)	NOK 27.4 billion (nominal)
Johan Sverdrup start-up	Q4 2019
Johan Sverdrup Phase 1 CAPEX (gross)	NOK 117 billion (2015 value)



Maersk Interceptor will drill at Ivar Aasen in 2015

