

Q4 2015

DET NORSKE OLJESELSKAP

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DET NORSKE Highlights

■ Production

- Q4 production of 54.0 mboepd

■ Finance

- Q4 EBITDA USD 208 million, EPS -0.77 (USD)
- USD 1.37 billion in cash and undrawn debt facilities

■ Business development

- Acquisitions of Svenska Petroleum Exploration AS and Premier Oil Norge AS completed

■ Development projects

- Ivar Aasen development on plan and budget
- Johan Sverdrup CAPEX reductions, break-even oil price below 30 USD/bbl for phase 1
- Alvheim BoaKamNorth IOR well completed



Alvheim FPSO



Financials

Q4 2015



FINANCIALS

Statement of income

Income statement (USD mill)	Q4 2015	Q4 2014	FY 2015
Revenues	255	346	1,222
Production costs	24	44	141
Other operating expenses	3	11	52
EBITDAX	227	291	1,029
Exploration expenses	19	51	76
EBITDA	208	239	953
Depreciation	112	104	481
Impairment losses	192	319	430
Operating profit/loss (EBIT)	(95)	(184)	41
Net financial items	(56)	(13)	(155)
Profit/loss before taxes	(151)	(197)	(114)
Tax (+) / Tax income (-)	5	90	199
Net profit/loss	(156)	(287)	(313)
EPS (USD)	(0.77)	(1.42)	(1.54)

FINANCIALS

Statement of financial position

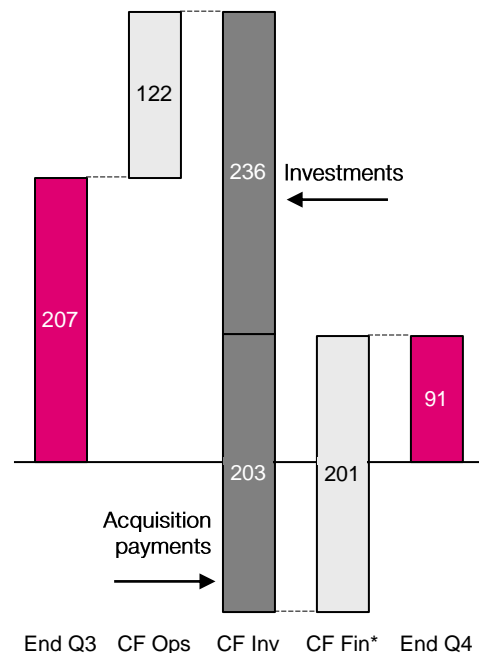
Assets (USD mill)	31.12.15	31.12.14	Equity and liabilities (USD mill)	31.12.15	31.12.14
Goodwill	768	1,187	Equity	339	652
Other intangible assets	938	940	Other provisions for liabilities incl. P&A (long)	476	503
Property, plant and equipment	2,979	2,549	Deferred tax	1,356	1,286
Receivables and other assets	287	412	Bonds	503	253
Calculated tax receivables (short)	126	-	Bank debt	2,119	2,037
Cash and cash equivalents	91	296	Tax payable	-	189
			Other current liabilities incl. P&A (short)	395	464
Total Assets	5,189	5,384	Total equity and liabilities	5,189	5,384

FINANCIALS

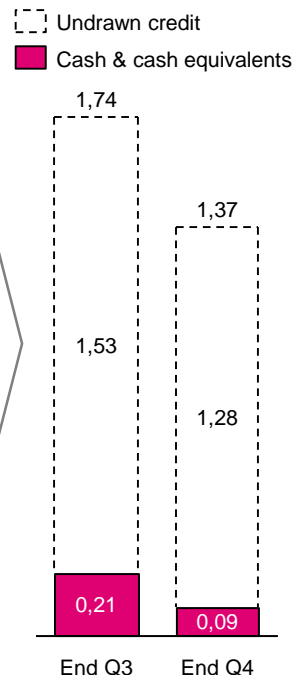
Cash flow and liquidity

- Cash flow from investments include payment for the Svenska and Premier Norge acquisitions
- Net interest-bearing debt (book value) of USD 2.53 billion at year-end 2015
- Cash and undrawn debt facilities of USD 1.37 billion at year-end 2015
- Leverage ratio of 2.2x and interest cover ratio of 8.7x at year-end 2015
- Discussions with creditors ongoing with aim to ease covenant thresholds

Cash flow (USDm)



Liquidity (USDbn)



FINANCIALS

Guidance

Item	Latest 2015 guidance	Actual 2015	2016 guidance ¹ (no change from CMD)
CAPEX	USD ~925 million	USD 877 million	USD 925 – 975 million
EXPEX	USD ~95 million	USD 97 million	USD 160 – 170 million
Production cost	USD ~6.5 per boe	USD 6.4 per boe	USD 8 – 9 per boe ²
Production	59 - 60 mboepd	60.0 mboepd	55 – 60 mboepd

Operations

Q4 2015



PRODUCTION

Oil and gas production in Q4 2015

- **Q4 2015 production of 54.0 mboepd**
 - Realized oil price of USD 45/bbl
 - Production efficiency was 86.7%, below target
- **Production capacity reduced in the quarter**
 - Electric fault at in high voltage drive motor for one of the gas compressors at the Alvheim FPSO
- **Production guidance**
 - 2016 production expected between 55 – 60 mboepd

Net production (boepd)



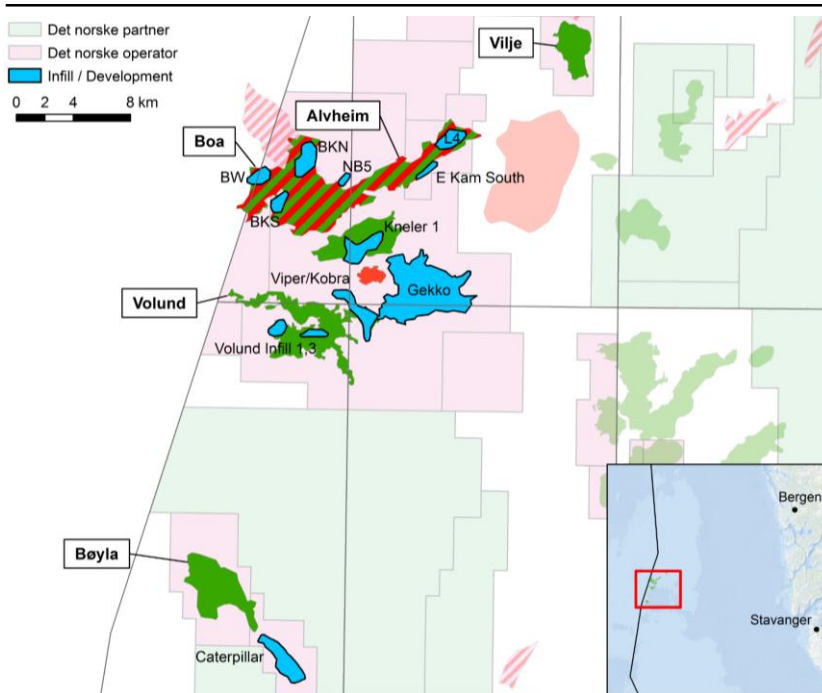
GREATER ALVHEIM AREA

Further developing the Alvheim area

New projects in the Alvheim area

- **4 wells put on stream in 2015**
- **3 new wells planned to come on stream in 2016**
 - BoaKamNorth – Q2
 - Viper and Kobra – Q4
- **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

Alvheim area



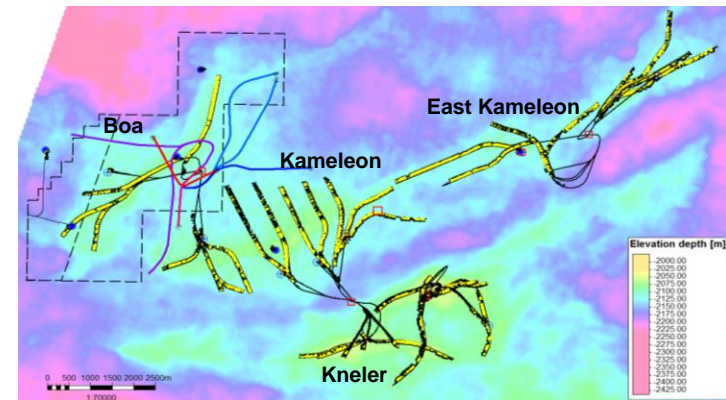
GREATER ALVHEIM AREA

BoaKamNorth IOR well completed

Successful operation

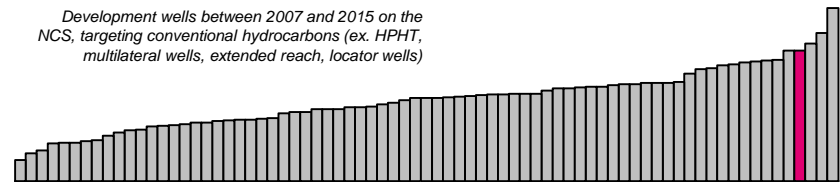
- **Tri-lateral well 24/6-A5 completed in February by Transocean Winner**
- **Total drill-length of 14,473 meters**
 - One landing pilot and two geo-pilot wells drilled
 - Three lateral producers drilled and completed
 - Mainbore lateral 6,290 m - longest well on Alvheim to date
- **Well completed within time and cost**
 - AFE – 169 days vs Actual – 141 days
- **Last well in 2015 IOR campaign**
 - Boa A5 gross reserve estimate 14 mmbbls
 - Planned production start is Q2-2015

Alvheim area well branches



Meters/dry hole day (ex. core&log) by well¹

Development wells between 2007 and 2015 on the NCS, targeting conventional hydrocarbons (ex. HPHT, multilateral wells, extended reach, locator wells)



24/6-A-5

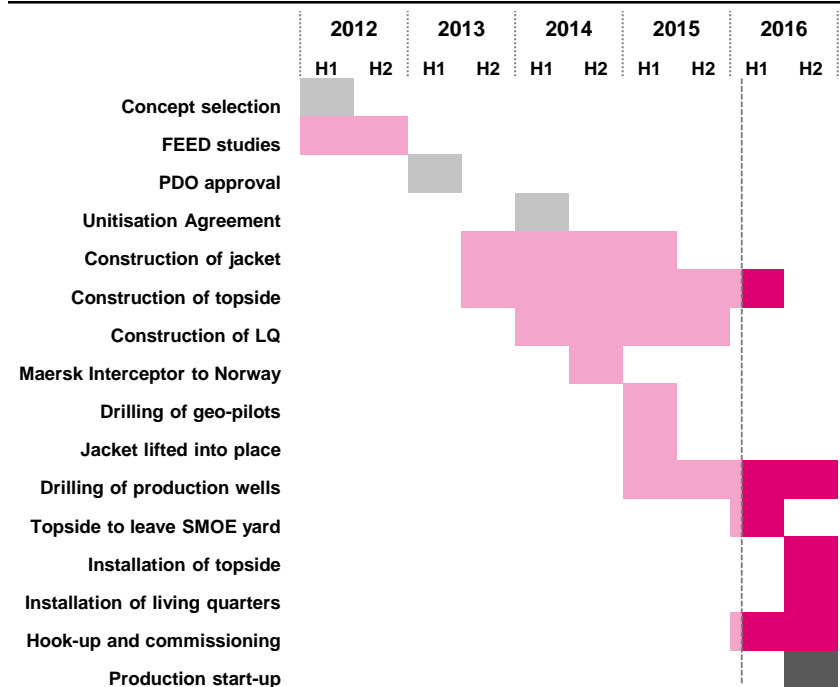
IVAR AASEN (~35%¹)

Ivar Aasen project on plan and budget

Recent events

- Production drilling continued ahead of schedule with top quartile performance
- Construction of topside has reached 94% completion in Singapore
- Topside installation decided for July 2016
- Handover of sub-systems for commissioning and testing for topside and living quarters commenced

Detailed timeline



IVAR AASEN (~35%¹)

Upcoming milestones



Hand over of sub-systems for commissioning and testing: Q1 2016



Topside installation – July 2016



Installation of power cable – Q2 2016



Offshore commissioning, testing and preparation for first oil – H2 2016



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



First oil – December 2016

JOHAN SVERDRUP (11.5733%)

Benefitting from current market conditions

- **Project progressing according to plan**
 - Major contracts have been awarded
 - Pre-drilling of wells to commence in Q1 2016
- **Cost estimates continue to come down**
 - Phase 1 CAPEX reduced from NOK 123 billion (nom.) to NOK 108.5 billion (nom.)
 - Break-even oil price for phase 1 below 30 USD/bbl
- **Debottlenecking decided with aim to increase phase 1 production capacity above 380 mboepd**
- **Phase 2 concept selection planned for Q4 2016**



The Johan Sverdrup development

EXPLORATION

Stepping up activity

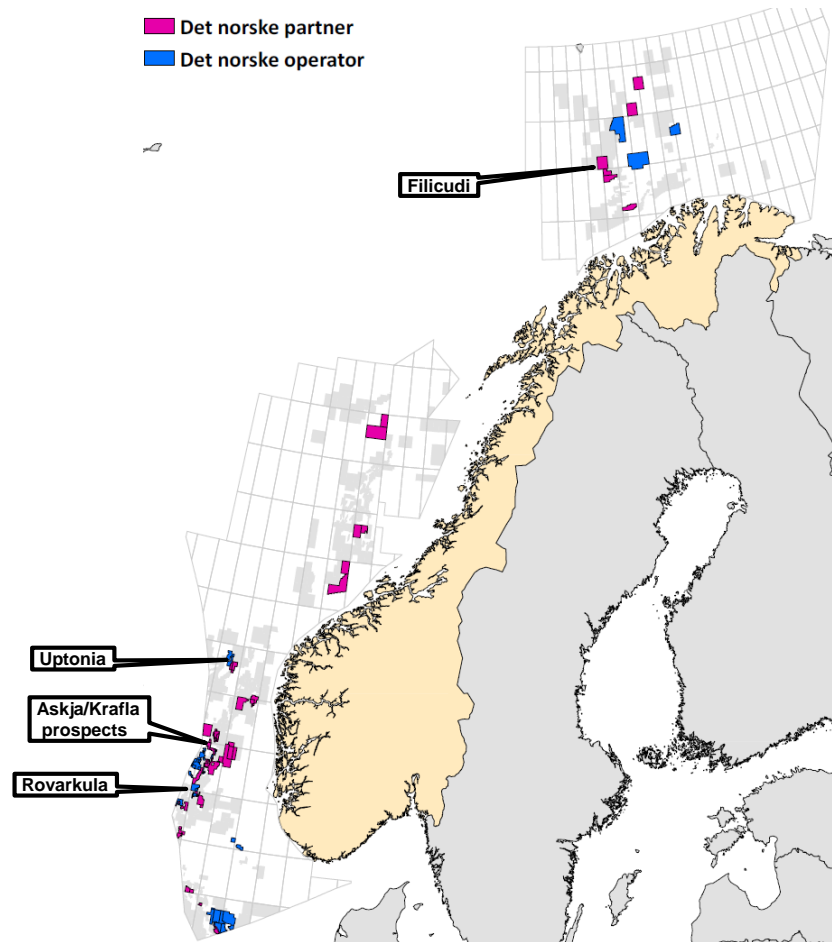
■ Focus near existing discoveries in the North Sea

- Uptonia well currently drilling reservoir section
- ILX prospect near Ivar Aasen
- Confirm volumes in Krafla/Askja area

■ Test prospective trend in Loppa South

■ Offered ownership in 10 licenses, including 6 operatorships in APA 2015

License	Prospect	Operator	DETNR Share	Pre-drill mmboe ¹	Rig	Time
PL554B&C	Uptonia	Total	30%	11 - 38	Leiv Eriksson	Q1
PL626	Rovarkula	DETNR	50%	8 - 79	Maersk Interceptor	Q2
PL272/035	Madam Felle	Statoil	50%	20 - 49	TBA	Q2
	Askja SE			24 - 79		
	Beerenberg			13 - 46		
	Slemmestad			29 - 86		
PL533	Filicudi	Lundin	20%	24 - 146	TBA	Q3



Outlook

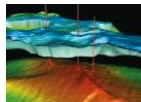
Q4 2015



IMPROVEMENT

Key improvement themes

Exploration Effectiveness



- Enable **G&G process efficiency**
- Optimize **Exploration well drilling methodology**

Project Delivery



- Develop the next **Project delivery model**

Operations Excellence



- Capture synergies from **Alvheim & Ivar Aasen integration**
- Optimize **Maintenance and modifications**
- Increase **Offshore efficiency**

Drilling Performance



- Maximize **Well delivery performance**
- Enable **Work process efficiency**

Supply Chain Management



- Enable **Supply Chain Management excellence**
- Manage **Supplier Spend**

Organizational Effectiveness



- Increase **Organization efficiency**
- Increase **IT efficiency**

OUTLOOK

Summary and outlook

■ Development projects

- Ivar Aasen on plan and budget
- Johan Sverdrup progressing according to schedule, costs continue to come down
- Continue to develop the Alvheim area

■ Financing

- Available liquidity of USD 1.37 billion
- Discussions with creditors regarding covenant thresholds ongoing

■ Improvement

- Improvement measures implemented to strengthen long-term competitiveness





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