North Energy Q4 2017

Growing investment portfolio

15 February 2017

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Agenda

- Q4 highlights and subsequent events
- Operational update
- Financial update
- Summary and outlook

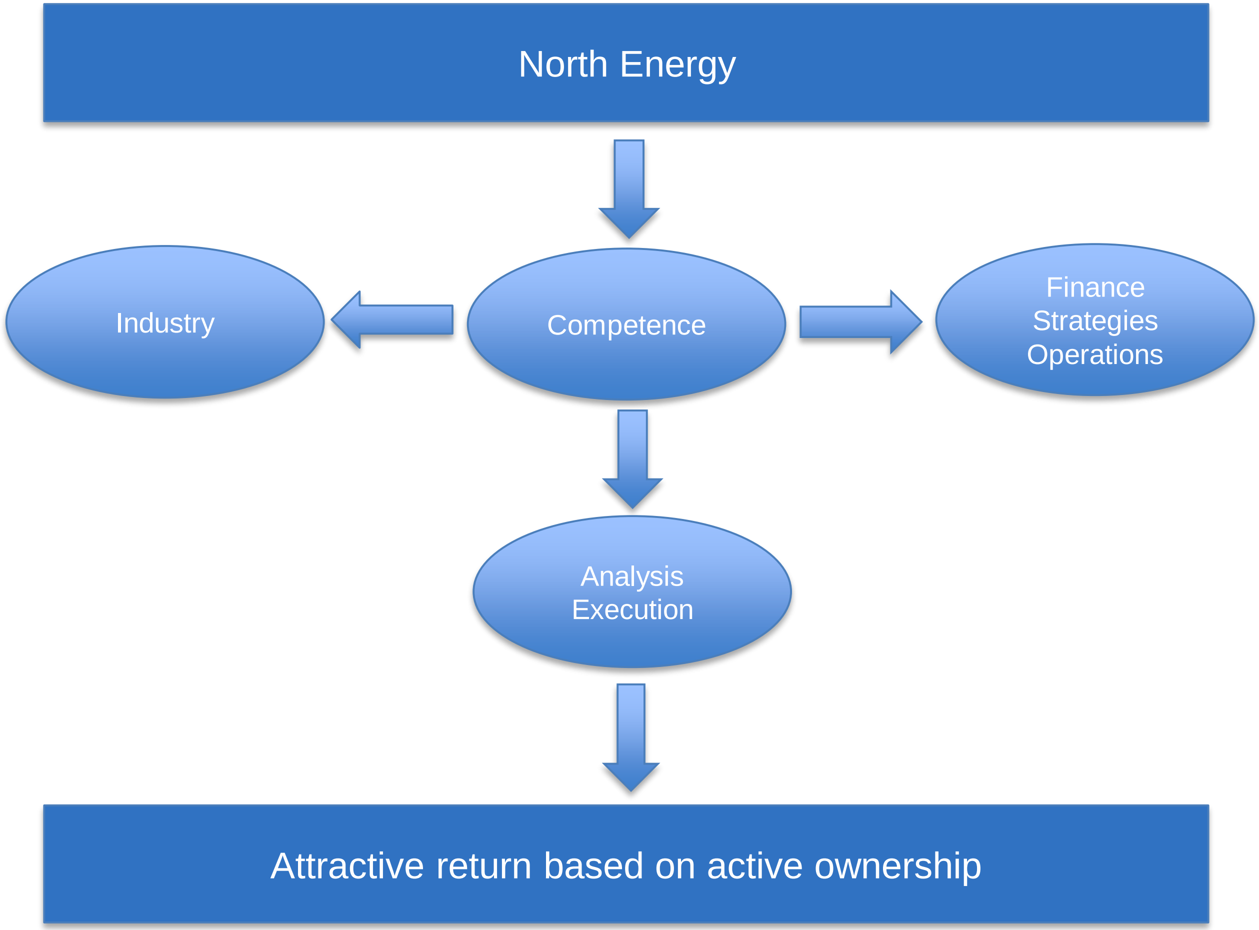
Q4 highlights and subsequent events

- **Liquidation of North E&P awaiting tax settlement**
  - Decision in Q3 to discontinue the petroleum activities on NCS
  - Tax return and request for early settlement submitted in October
  - No indications from tax office on timing of early settlement
- **Growing investment portfolio**
  - Strengthening of position in Touchstone Exploration
  - 12 months growth of investment portfolio of > NOK 100 million
- **A solid financial year**
  - Continued cost adaptions and successful investments contributes to positive full year comprehensive income of NOK 35 million
  - Tax settlement of NOK 68 million from 2016 exploration activities received
  - Net cash year end reported to NOK 61 million

Business model transition throughout 2017

- **Q1 2017**
  - Distribution of dividend following a successful turnaround
  - Becomes main shareholder of Reach Subsea with substantial influence and control
- **Q2 2017**
  - Divestment of IOX bonds resulting in a net profit of NOK 45 million
- **Q3 2017**
  - North E&P discontinues petroleum activities on the NCS
- **Q4 2017**
  - Tax return filed requesting early tax settlement
  - Full year reduction in operating cost of 55%
  - 12 months growth of investment portfolio > NOK 100 million

Ambitions of North Energy – delivering attractive return based on active ownership



Agenda

- Q2 highlights and subsequent events
- Operational update
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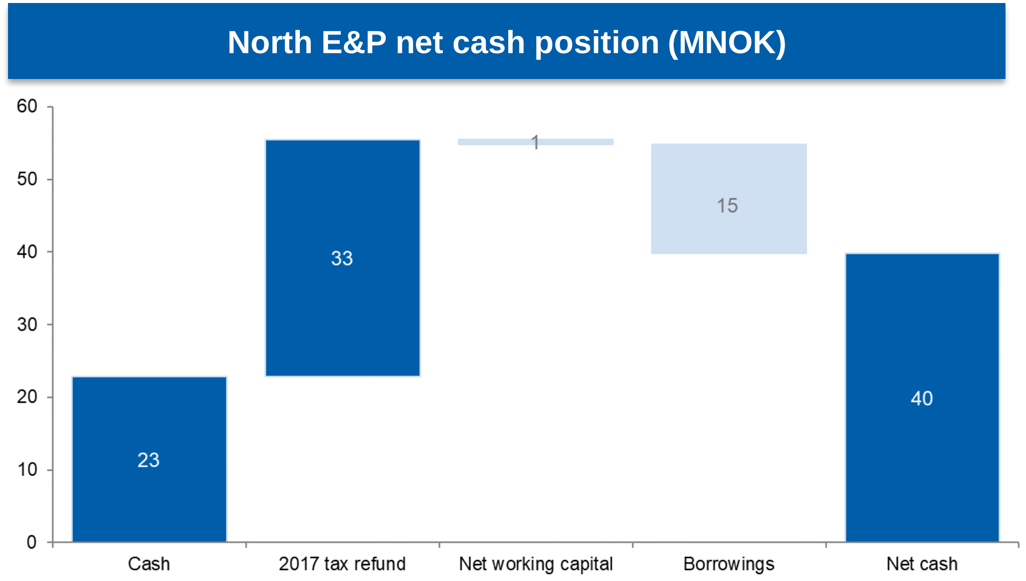
Liquidation of North E&P awaiting settlement

- **Petroleum activities on NCS discontinued**
  - Decision made by the Board of Directors 7 July 2017
  - Effective as of Q4 2017
- **Tax return from North E&P filed in October**
- **Seeking early settlement of North E&P's tax position**
  - NOK 201 million in tax loss carried forward
  - NOK 33 million in tax reimbursement from 2017 exploration expenses
- **Disbursement of North E&Ps tax position requires approval by Norwegian authorities**
  - No signals from tax office on timing of early settlement

Estimated cash from liquidation of North E&P

- **2016 tax refund received in November 2017**
  - In line with estimates
  - Fully utilised for downpayment of borrowings

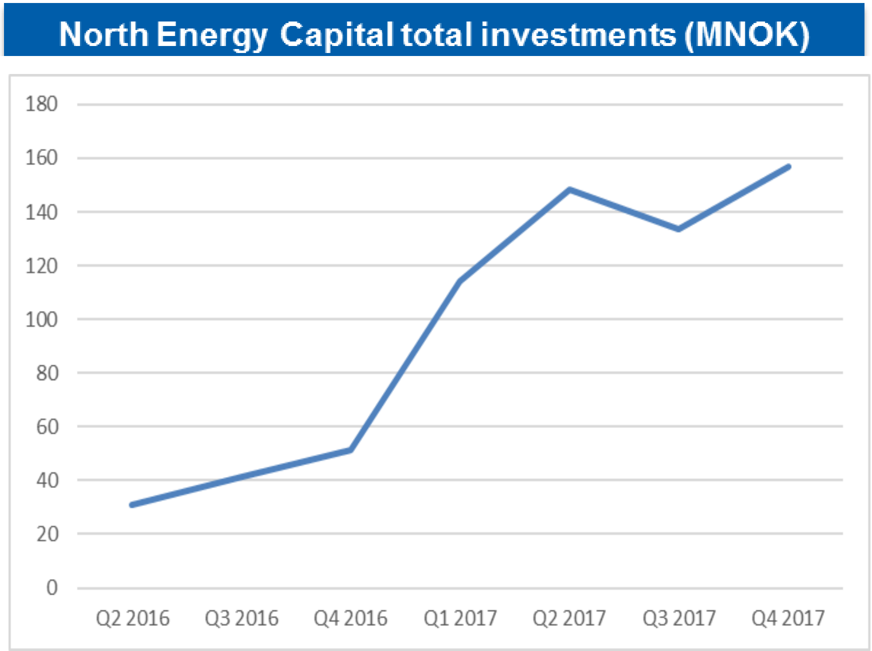


- **Final proceeds from liquidation of North E&P depending on**
  - Final assessment by the Norwegian Oil Taxation Office

Estimated cash from liquidation of North E&P	MNOK
Tax loss carried forward	201
+ Tax reimbursement from 2017 expl. expenses	33
= Estimated tax reimbursement	234
+ Additional net cash in North E&P	7
= Total cash from liquidation of North E&P	241

Growing investment portfolio

- **Increased investment in Touchstone Exploration**
  - Onshore E&P activities in Trinidad
  - North participated in December private placement
  - North ownership > 10%
- **Seabird Exploration (SBX)**
  - Shares from private placement delivered in Q4
  - North ownership of 8%
- **Realisation of shares in Phoenix Global Resources (PGR)**



Reach Subsea: Well positioned for recovery

- **Important recent contract announcements**
  - Statoil 3 year frame agreement, with first call-off for Havila Subsea
  - BP contract for Normand Reach
- **Reach will announce its Q4 report on Tuesday 27 February**
- **North holds 40.6m shares (28.3%) as of today**

North's position	MNOK
Book value as per 30.09.17	92.2
Share of Reach result Q3 Investment in Q4 Impairment in Q4	0.8 0.0 -3.7
Book value as per 31.12.17 Market value as per 31.12.17	89.3 89.3

Note: Investment in Reach is accounted for as an associated company, and not marked to market. However, if the market value drops below the book value, an impairment test is made.

Touchstone Exploration

- Top independent onshore producer in Trinidad
- Average production of 1,448 boe/d in Q4 2017
- Investment by North of 17 MNOK through 2017/18
- Ownership of 11.4%
- Completed new 4 wells in 2017
- Targeting 10 new wells and 18 recompletions in 2018
- Expected production growth towards ~2,000 boe/d by end of 2018

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Profit & Loss Q4 2017
(North Energy group consolidated)

NOK Million	Q4 2017	Q4 2016	FY 2017	FY 2016	
Sales of services	1.0		2.1		3rd party
Gain/loss from licence sale	-	4.5	-	14.0	
Exploration expenses	0.8	(11.6)	(1.1)	(29.1)	Adjustment previously owned licences
Payroll	(0.9)	1.7	(18.2)	(32.5)	
Other operating expenses	(3.2)	(8.3)	(25.1)	(40.8)	
EBITDA	**(2.4)**	**(13.6)**	**(42.3)**	**(88.3)**	
Depreciation/impairment	(0.0)	(0.6)	(1.2)	(2.6)	
EBIT	**(2.4)**	**(14.2)**	**(43.5)**	**(90.9)**	
Net result investment associate	(2.9)		7.2		Accello/Reach investment
Gain from bargain purchase	-	-	-	100.8	Explora acquisition (2016)
Net financial items	(1.6)	(10.2)	41.7	(5.8)	
EBT	**(7.0)**	**(24.4)**	**5.5**	**4.2**	
Tax	(0.7)	21.7	22.7	76.6	
Net result	**(7.7)**	**(2.7)**	**28.1**	**80.8**	
Other comprehensive income	19.4	7.5	7.2	11.0	Change in fair value of investments
Total comprehensive income	**11.7**	**4.8**	**35.4**	**91.7**	

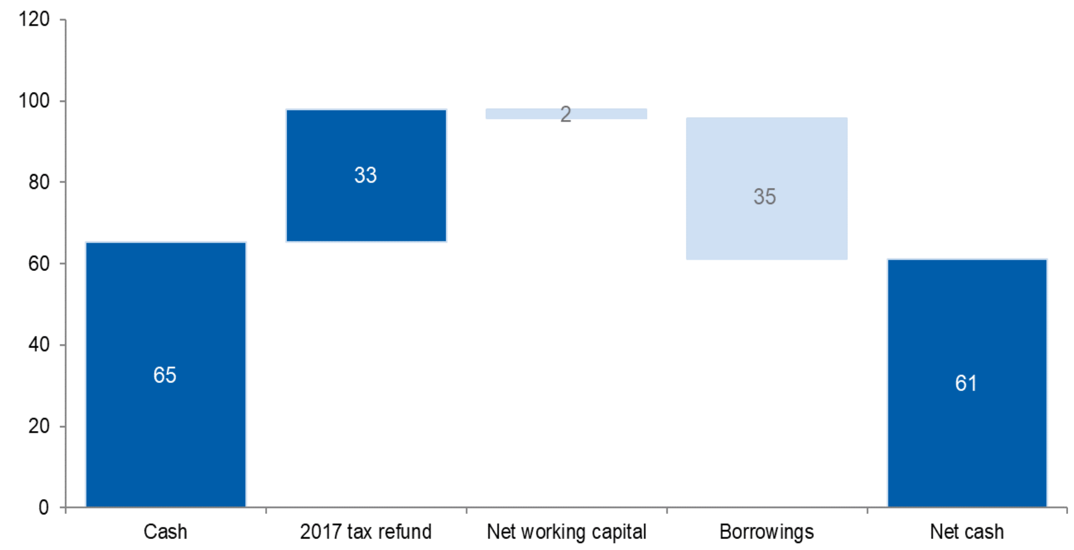
Balance sheet as per Q4 2017

NOK Million	31.12.2017	30.09.2017	31.12.2016	Comments on 31.12.2017
Assets				
Fixed assets	0.0	0.1	1.3	
Deferred tax asset	-	10.4	207.3	
Investments	146.4	123.3	51.3	Shares, bonds, assoc. comp.
Long term receivables	12.2	13.5	2.4	
Short term receivables	235.8	306.3	73.3	LCF and tax refund
Cash	65.3	86.9	126.5	
Total assets	**459.7**	**540.6**	**462.0**	
Equity and liabilities				
Total equity	420.0	400.7	406.9	Equity share of 91 percent
Long term liabilities	0.4	7.5	-	
Short term liabilities	39.4	132.4	55.2	Borrowings and other curr. liabilities
Total equity and liabilities	**459.7**	**540.6**	**462.0**	

A comfortable cash position

- **Consolidated net cash position of NOK 61 million**
- **Borrowings includes draw on DNB/SEB exploration facility and Pareto Bank overdraft**
- **Estimated net cash from E&P liquidation not included:**
  - NOK 201 million in tax loss carried forward

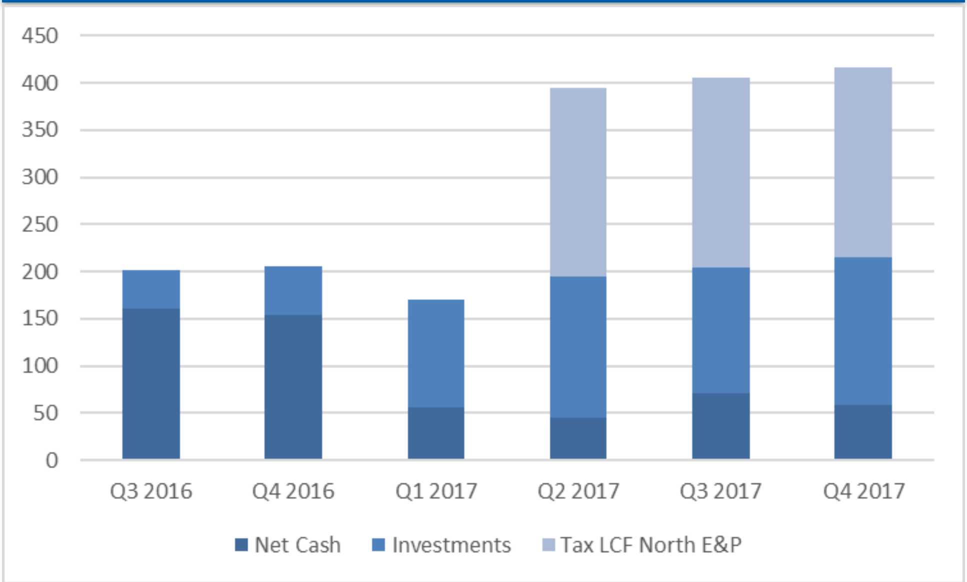
North Energy consolidated net cash position (MNOK)



A solid financial position

- Net cash position as per 31 Dec — NOK 61 million
- Investment portfolio as per 31 Dec — NOK 157 million
- Tax losses carried forward from North E&P* — NOK 201 million

North Energy financial position (MNOK)



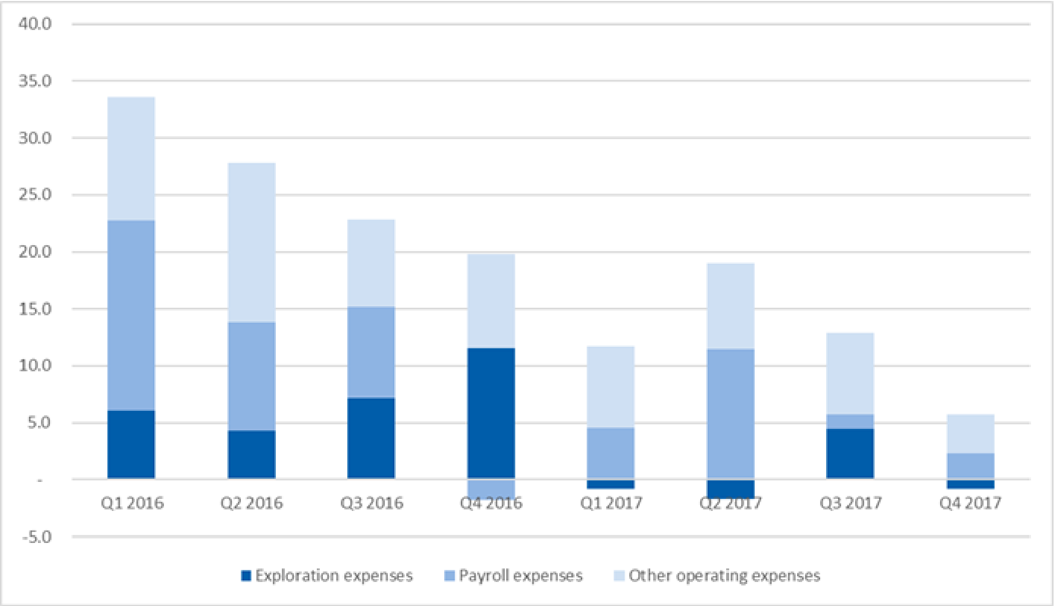
Q1 2017: Dividend payment of NOK 30 million

Q2 - Q4 2017: Incl Tax LCF following Board resolution from July 2017 terminating exploration business and liquidate North E&P

* *The final proceeds received from the liquidation of North E&P will depend on final assessment by the Norwegian Oil Taxation Office.*

Continued cost adaption

- Full year 2017 vs 2016 cost reduction of 55%
- Cost increase in Q2 2017 due to provisions for closing of E&P
- «Negative» cost in some quarters due to reversal of provisions
- Exploration activities ceased during Q4 2017



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Summary and outlook

- **A comfortable financial position**
  - Continued cost adjustments and positive value development on investments contributes to positive results
  - Growing investment portfolio and solid liquidity
- **Liquidation of North E&P awaiting tax settlement**
- **Actively pursuing new market opportunities**
  - A more focused company following the liquidation of North E&P
  - A solid financial platform to support new investments

Q & A